City of El Paso de Robles

California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2007

Cover
Photo taken at Hunter Ranch Golf Course
Highway 46 East, Paso Robles.
By Mike Compton

Comprehensive Annual Financial Report

For The

Fiscal Year Ended June 30, 2007

City of El Paso de Robles

California

Frank Mecham, Mayor
Gary Nemeth, Mayor Pro Tempore
John Hamon, Councilmember
Duane Picanco, Councilmember
Fred Strong, Councilmember

James L. App, City Manager

Prepared by Department of Administrative Services
Michael J. Compton, Director of Administrative Services
Jennifer Sorenson, Finance Manager
Jody Dauth, Administrative Coordinator

CITY OF EL PASO DE ROBLES

INTRODUCTORY SECTION

CITY OF EL PASO DE ROBLES
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

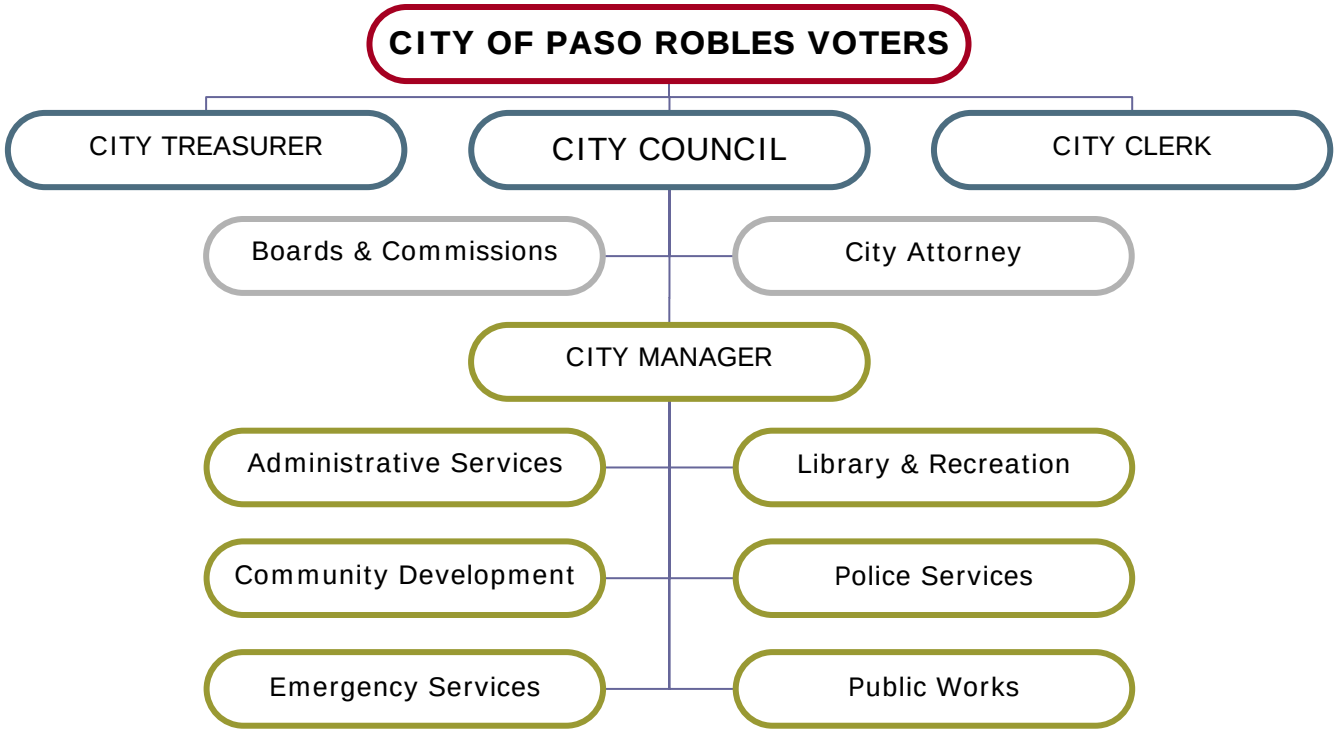
TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Title Page	i
Table of Contents	ii
Organization Chart	1
CSMFO Certificate of Outstanding Financial Reporting	2
Letter of Transmittal	3
FINANCIAL SECTION	
Independent Auditors' Report	10
Management's Discussion and Analysis	12
Basic Financial Statements	
Government-wide Financial Statements	23
Statement of Net Assets	24
Statement of Activities	25
Fund Financial Statements	
Governmental Funds Financial Statements	26
Balance Sheet	27
Reconciliation of the Governmental Funds – Balance Sheet with the Statement of Net Assets	28
Statement of Revenues, Expenditures, and Changes in Fund Balances	29
Reconciliation of the Net Change in Fund Balances with the Statement of Activities	30
General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	31
Proprietary Funds Financial Statements	32
Proprietary Funds Statement of Net Assets	33
Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Assets	35
Proprietary Funds Combining Statement of Cash Flows	36
Fiduciary Funds Statement of Net Assets	37
Notes to Basic Financial Statements	39

CITY OF EL PASO DE ROBLES
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
TABLE OF CONTENTS

	Page
Supplemental Information	
Non-Major Governmental Funds	75
Combining Balance Sheet	77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	79
Combining Schedule of Revenues, Expenditures, and Changes In Fund Balances - Budget and Actual	81
Major Funds	111
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	112
Fiduciary Funds	117
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	118
STATISTICAL SECTION - UNAUDITED	
Net Assets by Component	120
Changes in Net Assets	121
Fund Balances of Governmental Funds	123
Changes in Fund Balances of Governmental Funds	124
Tax Revenue by Source, Governmental Funds	125
Assessed Value and Estimated Actual Value of Taxable Property	126
Assessed Value of Taxable Property	127
Taxable Sales by Category	128
Direct and Overlapping Property Tax Rates	129
Direct and Overlapping Sales Tax Rates	130
Principal Property Tax Payers	131
Principal Sales Tax Remitters	132
Property Tax Levies and Collections	133
Ratios of Debt Payment by Type	134
Ratios of General Bonded Debt Outstanding and Legal Debt Margin	135
Direct and Overlapping Governmental Activities Debt	136
Pledged Revenue Coverage	137
Demographic and Economic Statistics	138
Principal Employers	139
Full-Time Equivalent City Government Employees by Function/Program	140
Operating Indicators by Function/Program	141
Capital Asset Statistics by Function/Program	142

CITY OF EL PASO DE ROBLES
ORGANIZATION OF CITY GOVERNMENT



California Society of Municipal Finance Officers

Certificate of Award

Outstanding Financial Reporting 2005-06

Presented to the

City of El Paso de Robles

This certificate is issued in recognition of meeting professional standards and criteria in reporting which reflect a high level of quality in the annual financial statements and in the underlying accounting system from which the reports were prepared.

March 6, 2007

Jesse Takahashi
Professional and Technical Standards Committee

Dedicated to Excellence in Municipal Financial Management

December 21, 2007

TO: Honorable Mayor and City Council
City of El Paso de Robles

FROM: James Throop, Director of Administrative Services

SUBJECT: Comprehensive Annual Financial Report for Fiscal Year 2006-07

INTRODUCTION

The City of El Paso de Robles' Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2007 is hereby presented as prepared by the City's Administrative Services Department. Responsibility for the accuracy of the presented data, the completeness, and fairness of the presentation rests with this department. The report has been prepared in conformance with the accounting principles generally accepted in the United States of America and the principles and standards as prescribed by Governmental Accounting Standards Board (GASB). Staff believes that the data, as presented, is accurate in all material respects; that its presentation fairly reflects the financial position and the results of the City's operations as measured by the financial activity of its various funds; and that all pertinent disclosures contained herein will provide the reader with a complete understanding of the City's financial affairs.

FINANCIAL REPORTING and FORMATS

This report is prepared using the reporting requirements as prescribed by GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Government-wide financial statements are included in order to provide the reader with a clear picture of the City as a single, unified reporting entity. Government-wide statements are intended to compliment rather than replace the traditional fund-based financial

statements. GASB Statement No. 34 also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of "Management's Discussion & Analysis" (MD&A).

This letter of transmittal is intended to compliment the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditors' report.

GASB Statement Nos. 43 and 45 addresses the requirement for governmental financial statements to provide information relating to other post employment benefits. The requirement becomes effective for Paso Robles for the fiscal period ending June 30, 2009 but the City decided to implement early. The actuarial study necessary to determine the value of other post employment benefits has been completed and the Agency Trust Fund has been established with ICMA.

The City's CAFR is divided into the following sections:

The Introductory Section includes this transmittal letter, information about the organizational structure of the City including elected and appointed officials, and other general information to provide the reader with a general understanding of the City.

The Financial Section is prepared in accordance with GASB Statement No. 34 requirements by including the MD&A, the Basic Financial Statements including notes, and Supplemental Information. The Basic Financial Statements include the government-wide financial statements that present an overview of the City's entire financial operations, and the fund financial statements that present the financial information of each of the City's major funds, as well as non-major governmental and fiduciary funds. Also included in this section is the Independent Auditors' Report on the financial statements and schedules as prepared by Moss, Levy & Hartzheim LLP. Their report contained herein provides an "unqualified" opinion that the financial statements contained herein are fairly presented in conformity with accounting principles generally accepted in the United States of America.

Additionally, the Federal Single Audit Act of 1996 requires the City to undergo an annual "single audit' in conformity with the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and Government Auditing Standards, issued by the Comptroller General of the United States. The "single audit" report is issued under separate cover and includes a schedule of federal financial assistance, findings and recommendations, and independent auditors' report on the internal control structure and compliance with applicable laws and regulations.

The Statistical Section includes various tables containing historical financial data, debt statistics, and miscellaneous social and economic data of the City that is of interest to potential investors and other readers. The data is generally presented on a multi-year basis.

THE REPORTING ENTITY

The City was incorporated in 1889 and operates under the Council-Manager form of local government. Four councilpersons are elected on a non-partisan basis, at large for four-year terms with two councilmen elected every two years. The Mayor is elected at large every two years. The Council appoints the City Attorney and City Manager. The City Clerk and City Treasurer are both elected at large for four-year terms. The City provides a full range of services including police and fire protection, library and recreation services, public works including maintenance of all City facilities, streets, parks, airport, and utility operations (sewer, water, and landfill), transit, and development and planning services.

This CAFR includes the financial activities of the primary government, the City, and all the City's component units. Component units include legally separate entities for which the primary government is financially accountable and that have substantially the same governing board as the City or provide services entirely to the City. For reporting purposes, operations of the Redevelopment Agency are blended with the City.

PASO ROBLES ECONOMY AND OUTLOOK

Paso Robles is strategically located at the confluence of State Highway 101 and State Highway 46 and continues to be the fastest growing city within San Luis Obispo County and has become the second largest city with 29,514 residents. Travelers from the Central Valley on their way to central coast beaches or local lakes must pass through Paso Robles. The local lakes and other community events attract a significant number of travelers from southern and northern California areas as well. The Highway 101/Highway 46/Nacimiento Road corridor has been a major contributor to the City's sales tax revenues.

Paso Robles is home to a number of special events that attract visitors from all over the state. Such events include the Wine Festival, Paderewski Festival, Pioneer Day, Vine Street Christmas Showcase, Western Region Bicycle Rally, Concerts in the Park, Mid State Fair, and two highly successful farmers markets. The City is host of a championship level 10 K run that attracts world-class runners from all over the world. The operations of the state fairgrounds and its related facilities attract events nearly every weekend during the course of the year. The local wine industry has received considerable recognition for its premium wines. There are over 100 wineries and approximately 300 vineyards in the Paso Robles area. During the spring and summer months, many of the wineries and tasting rooms hold weekend concerts that attract numerous visitors. The Paso Robles Event Center sponsored 2007 Pacific Coast Cutting Horse

Association Futurity – a 12 day cutting horse event that attracts top competitors from across the country, the 2nd largest show in the nation.

Given the above events and attractions, tourism has become an important industry in Paso Robles. Transient occupancy tax collections, viewed as an indicator of tourism success, increased by 25% over the prior fiscal year. The newest hotels to open were La Bella Serra, Hotel Cheval and the Courtyard Marriott adding over 200 rooms for visitors to our community. Other tourism related projects completed include a custom wine crushing plant, a large addition to Treanna Winery, Vina Robles Winery, and a wine storage facility. The Ravine Water Park also opened for the summer.

On the retail side, Scolari's Market underwent a complete makeover, Taco Bell reopened with a brand new building, Paso Robles Ford completed their new facility, Bridges opened their new gun shop, and the Mastagni Building saw 3 new businesses open on Park Street. A new state of the art butchering and meat processing plant capable of handling several hundred animals also opened this fall, and Kennedy Club Fitness opened their new facility adding over 41,000 square feet for recreation and health.

Several office/retail buildings are under construction or are in the permitting stage. Included are many buildings in the Lowe's shopping center on Golden Hills road and 26 buildings in the Vintage Oaks Business Park. A new restaurant/lounge is scheduled to open before the new year in the Mastagni Building. Additionally, the old Idler's Building on Park Street has begun a total renovation, Hometown Nursery has started construction of their new building on Spring Street, a permit for a 15,000 square feet building on 15th and Pine has been issued as well as a permit for a new day spa and salon on Spring Street.

Industrial construction continues to be very strong. Two 50,000+ square feet buildings are planned on Dry Creek Road as well as three buildings for a total of over 40,000 square feet on Wisteria. Another eight office/warehouse buildings are either permitted or ready to issue in that area. On Ramada Drive a permit for two 20,000 square feet warehouse/commercial is ready to issue for a project along with several thousand square feet of mini-storage units consisting of 5 buildings are also under construction..

Given the recent and continuing successes in both the retail and manufacturing areas, the economic outlook for Paso Robles continues to look strong despite the extreme drop in housing starts nationally. The local housing construction market has slowed drastically this last year. During calendar year 2006, Paso Robles issued 181 residential building permits representing 241 new units with a total valuation of $44.5 million. The median home price of a home in the County in 2007 was $446,800. Sluggish home sales and minor new residential home construction has resulted in significant decrease in building fees. 36 commercial and industrial permits were issued with a valuation of $25.3 million.

Property tax collections for all categories is expected to grow only 6% or $8,055,000 in 2008 as compared to $7,585,000 in FY 2007. While the passage of Proposition 1A generally eliminates State raids on local government revenues, the State continues to experience chronic budget deficits. In spite of record levels of tax collections and phenomenal statewide prosperity, the State legislature has failed to address its' chronic budget deficit of $14 billion and attempts by the Governor to address the structural budget imbalance by legislation have failed.

MAJOR ACHEIVEMENTS AND INITIATIVES

The City's General Fund is the primary source of funding for most municipal services such as police & fire protection, library & recreation services, parks, streets, maintenance & operation of governmental buildings/facilities, planning & building services, and other governmental activities such as city council, city manager, and administrative services. The City prides itself on fiscal responsibility and control that has resulted in positive reoccurring General Fund results. With the exception of fiscal year 2004 due to the San Simeon Quake and continued development of the City's General Plan, every fiscal year since 1998, the City has had positive results (excess revenues and other sources over expenditures and other uses). Fiscal year 2007 results also reflect positive year end results.

The City's participation in the Nacimiento Water Project which will assure a safe, secure source of water for the City will increase user fees. The fees will be phased in over time and the City Council will review the fee structure annually to ensure adequate funding of our participation in this landmark project whose ultimate cost is estimated at approximately $190 million. Fifty percent of the project costs will be born by new development through the City's water impact fees.

Specific plans are underway on three major developable properties. As these three areas develop, in addition to specific plan fees, these properties will pay normal City development fees and will be required to participate in the community services district noted previously.

OTHER FINANCIAL INFORMATION

Internal Controls – In developing and evaluating the City's accounting system, internal accounting controls are of utmost importance. However, internal controls should be designed to provide reasonable, but not absolute, assurances regarding the safeguarding of assets against loss from unauthorized use or disposition and reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable recognizes that the cost of the control should not exceed the benefits derived and that the evaluation of costs and benefits requires estimates and judgments by management. Management believes that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Controls – The budget is a plan for the use of City resources consistent with specific objectives developed and approved by the Council. The budget is adopted by resolution by the Council and may be modified from time to time as the Council sees fit or administratively by staff in accordance with the Council's approved Fiscal Policy. Except for the capital improvement projects budget, all appropriations lapse at fiscal year-end. Given the multi-year nature of the capital improvement projects, unspent appropriations are automatically carried forward. Requests for carry-over of operating budget appropriations are generally restricted to operating capital and special one-time appropriations, usually studies by third party consultants. Carry-over appropriations are approved by resolution by the Council and added to the following fiscal year's budget. Budgetary control is maintained at the department level. Line item variances within any given department/division are allowed so long as the total departmental budget does not exceed total appropriations for the department/division except that supplies and services savings may not be used to hire staff without specific City Manager approval. The City Manager's office and Administrative Services maintains a watchful eye for variances between actual and budgeted expenditures.

Cash Management and Investments – The City pools idle cash from all funds for the purpose of its investment activities in order to maximize investment income. Idle funds are invested in accordance with the Council's adopted investment policy which is reviewed annually by both the Council and its investment policy review committee. In compliance with GASB Statement No. 31, the City's investments are stated at fair value, except for highly liquid market investments with

maturities of one year or less, which are stated at amortized cost and unrealized gains or losses less liquid market investments are recorded each June 30. The City generally holds all investments until maturity or until fair values equal or exceeds costs. Additionally, included herein is the revised cash and investment note as recommended by GASB Statement No. 40. Disclosures required by this Statement are intended to provide users of governmental financial statements with information to assess common risks inherent in deposit and investment transactions. These risks include credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Risk Management – The City uses a combination of the purchased insurance and self-insurance to protect the City from property, liability, and workers' compensation risks. For workers' compensation and employer liability, the City is a member of the California Joint Powers Insurance Authority. Under this program, participants risk share losses to $2 million. From $2 million to $5 million, excess coverage is provided by the California Public Entity Insurance Authority and from $5 million to $150 million excess insurance is purchased. General liability risks are also covered through the California Joint Powers Insurance Authority. The City is self-insured for the first $30,000. Losses are shared from $30,000 to $750,000 based on each member's percentage of the total losses between $1 and $30,000. Losses from $750,000 to $5 million are shared based upon percentage of total payroll. Excess coverage is purchased from $5 million to $50 million. The City purchases insurance for property damage (including newer fire apparatus equipment), boiler &

machinery, airport liability, pollution legal liability, landfill pollution, and public employee dishonesty. The City is fully self-insured for auto damage except as otherwise noted.

INDEPENDENT AUDIT

The accounting firm of Moss, Levy & Hartzheim LLP, certified public accountants, performed the annual independent audit. They also, under separate cover, prepared a report meeting the requirements of the Federal Single Audit Act and related OMB Circular A-133. While the Redevelopment Agency's financial transactions are included in this annual financial report, the auditors also issue an audit report under separate cover. The auditors' opinion letter on the basic financial statements is included in the financial section of this report.

CERTIFICATE OF AWARD

The California Society of Municipal Finance Officers awarded its Certificate for Outstanding Financial Reporting to the City for the 2006 CAFR. This was the eighth consecutive year that the City has achieved this prestigious statewide award. To receive the award, the City must publish an easily readable and efficiently organized CAFR that must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

ACKNOWLEDGMENTS

I would like to express my appreciation to the entire Administrative Services for their work ethic and dedication to "customer service" both internally and externally. Special acknowledgment goes to Jennifer Sorenson, Finance Manager, and Jody Dauth, Administrative Coordinator, who were primarily responsible for the preparation of this CAFR. In addition, I would like to thank Jim App, the City Manager, as well as the City Council for their continued support and interest in planning and conducting the City's financial operations.

Respectfully submitted,

James Throop
Director of Administrative Services

CITY OF EL PASO DE ROBLES

FINANCIAL SECTION

MOSS, LEVY & HARTZHEIM LLP
CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS:
RONALD A. LEVY, C.P.A.
CRAIG A. HARTZHEIM, C.P.A.
HADLEY Y. HUI, C.P.A.
Consultant:
ROBERT M. MOSS (Retired C.P.A.)

802 EAST MAIN
SANTA MARIA, CA 93454
PHONE: (805) 925-2579
FAX: (805) 925-2147
EMAIL: mlhsm@mlhcpas.com

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council
City of El Paso de Robles, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Paso de Robles (City), as of and for the fiscal year ended June 30, 2007, which collectively comprise the City's basic financial statements, as listed in the table of contents. These 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Paso de Robles as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable thereof, and the respective budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 12 through 22, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information, but we did not audit this information and we express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the City of El Paso de Robles' basic financial statements. The combining fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our 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.

OFFICES: BEVERLY HILLS • SANTA MARIA

MEMBER AMERICAN INSTITUTE OF C.P.A.'s • CALIFORNIA SOCIETY OF C.P.A.'s • CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS • CALIFORNIA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

In accordance with *Government Auditing Standards*, we have also issued a report dated December 10, 2007, on our consideration of the City of El Paso de Robles' 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 internal control over financial reporting or on 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 introductory section and statistical section listed in the table of contents were not audited by us, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion thereon.

MOSS, LEVY & HARTZHEIM LLP

Moss, Levy & Hartzheim LLP

December 10, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2007

This discussion and analysis of the City of El Paso de Robles' financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the 2007 fiscal year by $244.4 million. Of this amount, $68.2 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by $17.1 million, primarily due to the completion of projects and acquisition of assets from developers.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $30.2 million, compared to $34.5 million in the prior fiscal year.
- Approximately 34% of the combined fund balances, $10.4 million, is considered unreserved and is available for spending at the City's discretion.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was $6.4 million, or 25% of total general fund expenditures.
- The City's total governmental activities debt decreased by $2,468,489 during the current fiscal year due to normal amortization.
- The City's total business-type funds debt decreased by $717,703 due to normal amortization.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of El Paso de Robles using the integrated approach as prescribed by GASB Statement No. 34.

Government-wide Financial Statements

The Government-wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current fiscal year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's roads.

In the statement of net assets and the statement of activities, we distinguish the City's functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities). The activities of these two distinctions are as follows:

Governmental activities—Most of the City's basic services are reported in this category, including general government, public safety, public works, library and recreation, and community development. Property and sales taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities.

Business-type activities—The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's water system, sewer system, airport operations, and transit services are reported in this category.

Fund Financial Statements

The Fund financial statements include statements for each of the three categories of activities – governmental, business-type, and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary activities are agency funds, which only report a balance sheet and do not have a measurement focus. Reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences created by the integrated approach.

The fund financial statements provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental funds information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the governmental

funds financial statements to those in the government-wide financial statements are explained in a reconciliation schedule following each governmental funds financial statement.

Proprietary funds - When the City charges customers for the services it provides—whether to outside customers or to other units of the City—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net assets and the statement of revenues, expenses, and changes in fund net assets. In fact, the City's enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Fiduciary funds - The City is the trustee, or fiduciary, for certain funds held on behalf of the Senior Advisory Committee, War Memorial Hospital Scholarship, Other Post Employment Benefits, and Customer Deposits. Other activities reported in this category include the receipt of special taxes and assessments used to pay principal and interest on related bonded debt that has no direct City liability. The City's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the City's other financial statements since the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the net assets for the City as a whole increased 7.5% from $227.3 million at June 30, 2006 to $244.4 million at June 30, 2007. The largest portion of the City's net assets reflects the investment in capital assets such as land, buildings, machinery, and equipment, less any related debt used to acquire those assets still outstanding. These assets are used to provide services to the citizens of the City of El Paso de Robles; therefore, they are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors.

Consistent with the prior fiscal year, as of the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, for both the government as a whole, as well as for its separate governmental and business-type activities.

CITY OF EL PASO DE ROBLES' NET ASSETS

	Governmental activities		Business-type activites		Total	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Current and other assets	$ 35,194,578	$ 39,494,759	$ 42,460,842	$ 34,813,098	$ 77,655,420	$ 74,307,857
Capital assets	163,355,280	151,759,113	62,012,603	62,972,411	225,367,883	214,731,524
Total assets	198,549,858	191,253,872	104,473,445	97,785,509	303,023,303	289,039,381
Long-term liabilities outstanding	42,624,957	45,025,050	7,619,066	8,356,769	50,244,023	53,381,819
Other liabilities	6,455,012	6,922,491	1,913,026	1,433,766	8,368,038	8,356,257
Total liabilities	49,079,969	51,947,541	9,532,092	9,790,535	58,612,061	61,738,076
Net assets:						
Invested in capital assets, net of related debt	122,168,978	107,693,936	54,078,917	54,373,577	176,247,895	162,067,513
Restricted	1,286,753	829,674		479	1,286,753	830,153
Unrestricted	26,014,158	30,782,721	40,862,436	33,620,918	66,876,594	64,403,639
Total Net Assets	$ 149,469,889	$ 139,306,331	$ 94,941,353	$ 87,994,974	$ 244,411,242	$ 227,301,305

The City's net assets increased $17.1 million over the prior fiscal year. Current and other assets increased $3.4 million while capital assets increased $10.6 million. Long-term liabilities decreased $3.1 million due to normal amortization while other liabilities remained approximately the same.

GOVERNMENTAL ACTIVITIES

The City's net assets from governmental activities increased $10.2 million, accounting for 59% of the total growth in net assets of the City of El Paso de Robles. The cost of all governmental activities this fiscal year was $37 million. As shown in the statement of activities, the amount that the taxpayers ultimately financed for these activities was $26.1 million because some of the cost was paid by those who directly benefited from the programs ($7 million). Capital grants and contributions of $3.6 million provided capital asset infrastructure by building development. The City paid for the remaining "public benefit" portion of governmental activities with $26.1 million in taxes (some of which could only be used for certain programs) and with other revenues, such as interest and revenues from other agencies.

The City's programs for governmental activities include general government, public safety, public works, library and recreation services, and community development. The programs for the business type activities include the water and sewer utilities, the airport operations, and transit services.

Total resources available during the year to finance governmental activities consisted of net assets at July 1, 2006 of $139 million, program revenues of $11 million and general revenues of $36.3 million. Total expenses for governmental activities during the fiscal year were $37 million.

BUSINESS TYPE ACTIVITIES

The City's net assets from business-type activities increased $6.9 million which accounts for 41% of the total increase in the City of El Paso Robles' net assets.

The cost of all Proprietary (business-type) activities this year was $9.8 million. As shown in the statement of activities, the amounts paid by users of the systems were $8.6 million, and capital grants and contributions were $4.6 million. Revenues from other agencies accounted for $1.4 million and earnings from uses of money and property were $1.8 million.

CITY OF EL PASO DE ROBLES CHANGES IN NET ASSETS

	Governmental activities		Business-type activites		Total	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Revenues:						
Program revenues:						
Charges for services	$ 7,041,823	$ 7,254,099	$ 8,553,554	$ 7,605,629	$ 15,595,377	$ 14,859,728
Operating grants and contributions	300,000				300,000	
Capital grants and contributions	3,634,416	7,129,023	4,571,395	7,313,475	8,205,811	14,442,498
General revenues:						
Taxes:						
Property taxes	15,450,804	13,966,390	70,807	72,152	15,521,611	14,038,542
Sales tax	8,237,072	6,183,527			8,237,072	6,183,527
Other taxes	4,933,674	4,640,054			4,933,674	4,640,054
Licenses and permits	376,088	341,034			376,088	341,034
From other agencies	3,837,498	3,953,811	1,354,005	2,038,011	5,191,503	5,991,822
Investment earnings	2,521,193	875,397	1,855,720	1,369,416	4,376,913	2,244,813
Miscellaneous	1,273,805	911,550	8,148	54,746	1,281,953	966,296
Total revenues	47,606,373	45,254,885	16,413,629	18,453,429	64,020,002	63,708,314
Expenses:						
General government	1,516,575	499,902			1,516,575	499,902
Public safety	13,846,830	11,715,883			13,846,830	11,715,883
Public works	9,922,306	8,347,720			9,922,306	8,347,720
Library and recreation services	4,960,652	4,560,785			4,960,652	4,560,785
Community development	4,600,339	7,124,605			4,600,339	7,124,605
Interest on long term debt	2,265,878	1,709,387			2,265,878	1,709,387
Water operations			4,113,070	3,734,082	4,113,070	3,734,082
Sewer operations			3,672,572	3,621,438	3,672,572	3,621,438
Airport operations			765,078	681,207	765,078	681,207
Transit operations			1,246,765	1,088,576	1,246,765	1,088,576
Total expenses	37,112,580	33,958,282	9,797,485	9,125,303	46,910,065	43,083,585
Increase in net assets before transfers	10,493,793	11,296,603	6,616,144	9,328,126	17,109,937	20,624,729
Transfers	(330,235)	18,700	330,235	(18,700)		
Increase (decrease) in net assets	10,163,558	11,315,303	6,946,379	9,309,426	17,109,937	20,624,729
Net assets July 1	139,306,331	127,991,028	87,994,974	78,685,548	227,301,305	206,676,576
Net assets June 30	$ 149,469,889	$ 139,306,331	$ 94,941,353	$ 87,994,974	$ 244,411,242	$ 227,301,305

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The fund balance at fiscal year-end for the City's general fund of $8.6 million is an overall increase of $149,777 over last year.

The Traffic Mitigation Development fund shows an increase in fund balance of $1.2 million from the prior fiscal year as a result of development fees.

The Public Facilities Development fund shows an increase in fund balance of $3.2 million over the prior fiscal year as a result of development fees.

The Highway 101/46 West Community Facilities District has a negative fund balance as a result of property acquisitions for the interchange and road re-alignments.

The Measure D GO Bonds debt service fund shows an increase of $479,651 in fund balance, directly attributable to funding of the bond measure by property tax assessments.

The Redevelopment Agency debt service fund shows a decrease of $1,709,973 in fund balance from the prior fiscal year resulting from the agency debt owed to the City.

DEBT ADMINISTRATION

Debt considered a liability of governmental activities decreased in FY 2006-07 by $2,917,391 due to normal amortization, compensated absences increased $261,153, and closure/postclosure liability increased $187,749. Per capita debt outstanding decreased to $1,571 for FY 2006-07 down from $1,656 for FY 2005-06.

Debt considered a liability of business-type activities decreased in FY 2006-07 by $717,703 due to normal amortization. Per capita debt outstanding decreased to $287 for FY 2006-07 down from $312 for FY 2005-06.

A schedule of outstanding debt is presented below.

	Balance July 1, 2006	Incurred or Issued	Satisfied or Matured	Balance June 30, 2007
Governmental Activities:				
Leases payable	$ 6,676,821	$ -	$ 746,136	$ 5,930,685
Compensated absences	1,788,589	261,153		2,049,742
Closure/postclosure liability	1,074,061	187,749		1,261,810
General obligation bonds payable	31,972,970		2,006,255	29,966,715
Redevelopment bonds payable	6,480,000		165,000	6,315,000
Total governmental activities	$ 47,992,441	$ 448,902	$ 2,917,391	$ 45,523,952
Business-type Activities:				
Compensated absences	$ 176,769	$ -	$ 42,703	$ 134,066
Revenue bonds payable	8,855,000		675,000	8,180,000
Total business-type activities	$ 9,031,769	$ -	$ 717,703	$ 8,314,066

CASH MANAGEMENT

To obtain flexibility in cash management, the City employs a pooled cash system (reference Note 2 in the notes to the basic financial statements). Under the pooled cash concept, the City invests the cash of all funds with maturities planned to coincide with cash needs. Idle cash is invested in certain eligible securities as constrained by law and further limited by the City's Investment Policy. The goals of the City's Investment Policy are safety, liquidity, and yield.

CAPITAL ASSETS

The capital assets of the City are those assets, which are used in the performance of the City's functions including infrastructure assets. At June 30, 2007, net capital assets of the governmental activities totaled $163 million and the net capital assets of the business-type activities totaled $62 million. Depreciation on capital assets is recognized in the government-wide financial statements. The City has elected to depreciate its infrastructure assets. In order to depreciate the infrastructure assets, an estimated useful life for each type of asset was determined using engineering standards, as well as discussions with City staff regarding the City's maintenance program for each asset type. This allowed the estimated useful life of each asset type to be tailored to include the unique attributes of the City of El Paso Robles.

The following table presents summary information on the City's capita assets.

	Original Cost	Accumulated Depreciation	Book Value
Capital Assets - Governmental Activities:			
Land, Buildings, Equipment, CIP, and Infrastructure	$ 208,050,693	$ 44,695,413	$ 163,355,280
Capital Assets - Business-type Activities:			
Land, Buildings, Equipment, CIP, and Infrastructure	$ 101,516,675	$ 39,504,072	$ 62,012,603

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the FY 07 original budget (or adopted) general fund budget amount of $23.8 million to the final budget amount of $25 million shows a net increase of $1.2 million. Included in this figure is $309,800 in prior year carry forward, $61,000 in public/private schools irrigation cost relief, $40,000 in skate park operations, $200,700 in citywide attorney fees, $59,400 new vehicle purchases, $73,000 for disking and trimming City's open spaces, and $420,300 in a variety of operating budget augmentations. City Council approved all budget supplemental changes to the original budget.

Original Budget	+	Supplemental Changes	=	Final Budget
$ 23,812,300	+	$ 1,164,200	=	$ 24,976,500

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The key assumptions in the general fund revenue forecast for fiscal year 2007-08 were:

- An increase in property tax revenues of 10% due to an estimated rise in assessed valuation and general growth.
- An increase in sales tax revenues of 5% as a result of anticipated growth in the retail base.
- An increase in 6% annually for growth in Transient Occupancy Tax.

The City continues to benefit from a sound financial base and local economy. Positive results of the last seven fiscal years (2001 through 2007) have increased the general fund's fund balance by nearly $5.8 million. The City's FY 08 budget includes the following new/expanded budget requests:

- Tourism and promotion coordination
- Full time Information Technology staff
- Update citywide user fee studies
- Update AB 1600 impact fee study
- Insurance premium increases
- GASB 43/45 set aside for other post employment benefits
- Implement mid-day shuttle service
- Convert reserve officers to part time staff
- Community Emergency Response Team (CERT) and volunteer coordinator

- Full time lead mechanic
- New full time firefighter position
- Implement source control program
- New Wastewater Treatment staff
- Update Paso Basin Study
- Assistant Planner full time position
- Assistant Engineer full time position
- Prepare Uptown specific plan
- First Five Family Center – debt contribution
- Prepare Town Centre master plan

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, separate reports of the City's component units or need any additional financial information, contact the Office of Administrative Services at 1000 Spring Street, Paso Robles, California, 93446, phone 805-237-3999 or e-mail finance@prcity.com.

CITY OF EL PASO DE ROBLES

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS AND STATEMENT OF ACTIVITIES

The Statement of Net Assets and the Statement of Activities statements required by Governmental Accounting Standards Board Statement No. 34 (GASB 34). Their purpose is to summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis – the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands.

The Statement of Net Assets reports the difference between the City's total assets and the City's total liabilities, including all the City's capital assets and all its long-term debt. The Statement of Net Assets presents similar information to the old balance sheet format, but presents it in a way that focuses the reader on the composition of the City's net assets, by subtracting total liabilities from total assets.

The Statement of Net Assets summarizes the financial position of the City's Governmental Activities in a single column, and the financial position of all the City's Business-type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects, and Debt Service Funds. The City's Business-type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net assets. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when the cash changes hands. This differs from the "modified accrual" basis used in the fund financial statements, which reflect only current assets, current liabilities, available revenues, and measurable expenditures.

The format of the Statement of Activities differs considerably from those prepared in the past. It presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues – that is, revenues which are generated directly by these programs – are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Assets is computed and reconciled with the Statement of Net Assets.

Both these Statements include the financial activities of the City and the Redevelopment Agency of the City of El Paso de Robles, which is legally separate but is a component unit of the City because it is controlled by the City, which is financially accountable for the Agency's activities.

CITY OF EL PASO DE ROBLES
STATEMENT OF NET ASSETS
JUNE 30, 2007

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 35,777,617	$ 26,527,834	$ 62,305,451
Accounts receivable	2,396,202	9,467,594	11,863,796
Interest receivable	873,671		873,671
Inventory		53,337	53,337
Loan contracts receivable	1,039,523		1,039,523
Internal balances	(6,165,763)	6,165,763	
Prepaid expenses	247,230		247,230
Land	15,477,364	8,389,465	23,866,829
Buildings and improvements	45,759,984	74,980,061	120,740,045
Equipment	6,511,321	3,587,985	10,099,306
Construction in progress	1,257,520	14,559,164	15,816,684
Infrastructure	139,044,504		139,044,504
Accumulated depreciation	(44,695,413)	(39,504,072)	(84,199,485)
Bond issuance deferred charges	1,026,098	246,314	1,272,412
Total Assets	198,549,858	104,473,445	303,023,303
LIABILITIES			
Accounts payable	1,121,652	989,356	2,111,008
Accrued payroll expenses	737,424	99,199	836,623
Interest payable	684,193	29,591	713,784
Customer deposits	209,072	99,880	308,952
Deferred revenue	758,335		758,335
Prepaid revenues	45,341		45,341
Long term debt			
Due within one year	2,898,995	695,000	3,593,995
Due in more than one year	42,624,957	7,619,066	50,244,023
Total Liabilities	49,079,969	9,532,092	58,612,061
NET ASSETS			
Invested in capital assets, net of related debt	122,168,978	54,078,917	176,247,895
Restricted	1,286,753		1,286,753
Unrestricted	26,014,158	40,862,436	66,876,594
Total net assets	$ 149,469,889	$ 94,941,353	$ 244,411,242

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

CITY OF EL PASO DE ROBLES
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
					Primary Government		
	Expenditures	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Net Governmental Activities	Net Business-type Activities	Total
Governmental Activities:							
General government	$ 1,516,575	$ 46,693	$ -	$ -	$ (1,469,882)	$ -	$ (1,469,882)
Public safety	13,846,830	760,126		5,610	(13,081,094)		(13,081,094)
Public works	9,922,306	7,626		3,628,806	(6,285,874)		(6,285,874)
Library and recreation services	4,960,652	827,976	300,000		(3,832,676)		(3,832,676)
Community development	4,600,339	5,399,402			799,063		799,063
Interest on long-term debt	2,265,878				(2,265,878)		(2,265,878)
Total Governmental Activities	37,112,580	7,041,823	300,000	3,634,416	(26,136,341)		(26,136,341)
Business-type Activities:							
Water operations	4,113,070	4,312,130		3,315,610		3,514,670	3,514,670
Sewer operations	3,672,572	4,059,804		1,255,785		1,643,017	1,643,017
Airport operations	765,078	20,935				(744,143)	(744,143)
Transit operations	1,246,765	160,685				(1,086,080)	(1,086,080)
Total Business-type Activities	9,797,485	8,553,554		4,571,395		3,327,464	3,327,464
Total primary government	$ 46,910,065	$ 15,595,377	$ 300,000	$ 8,205,811	(26,136,341)	3,327,464	(22,808,877)
General Revenues and Transfers:							
Taxes:							
Property taxes					15,450,804	70,807	15,521,611
Sales taxes					8,237,072		8,237,072
Other taxes					4,933,674		4,933,674
From other agencies					3,837,498	1,354,005	5,191,503
Licenses and permits					376,088		376,088
Other					1,273,805	8,148	1,281,953
Uses of money and property					2,521,193	1,855,720	4,376,913
Transfers in/(out)					(330,235)	330,235	
Total general revenues and transfers					36,299,899	3,618,915	39,918,814
Change in net assets					10,163,558	6,946,379	17,109,937
Net assets beginning of fiscal year					139,306,331	87,994,974	227,301,305
Net assets end of fiscal year					$ 149,469,889	$ 94,941,353	$ 244,411,242

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

CITY OF EL PASO DE ROBLES

FUNDS FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

GASB 34 revises the format of the Fund Financial Statements so that only individual major funds are presented, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year. No distinction is made between fund types and the practice of combining like funds and presenting their totals in separate columns (Combined Financial Statements) has been discontinued, along with the use of the General Fixed Assets and General Long-Term Debt Groups of Accounts.

The Governmental funds described below were determined to be Major Funds in the City this fiscal year. Individual non-major funds may be found in the Supplemental section.

General Fund
The general fund is the general operating fund of the City. It is used to account for all financial resources except those to be accounted for in another fund.

Traffic Mitigation Development Fund
This fund accounts for fees assessed and collected upon the issuance of a City building permit.
Funds are used for bridge, road and signal improvements needed to serve new growth.

Public Facilities Development Fund
This fund accounts for fees assessed and collected upon the issuance of a City certificate of occupany.
Funds are used to construct public facilities.

Highway 101/46 West Community Facilities District Fund
The fund acocunts for the improvements to the Highway 101/46 West interchange and road re-alignments.

Measure D GO Bonds Debt Service Fund
This fund accounts for long-term debt service transactions relating to a variety of infrastructure projects funded by voter approved Measure D General Obligation Bonds.

Redevelopment Agency Debt Service Fund
This fund accounts for long-term debt service transactions relating to the acquisition and improvements of interim city hall and the repayment of short-term cash advances owed to the City of El Paso de Robles' general fund.

CITY OF EL PASO DE ROBLES
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2007

	General Fund	Traffic Mitigation Development Fund	Public Facilities Development Fund	Hwy 101/46 West Community Facilities District	Measure D GO Bonds Debt Service Fund	Redevelopment Agency Debt Service Fund	Other Governmental Funds	Totals
ASSETS								
Cash and cash equivalents	$ 5,806,578	$ 3,307,060	$ 6,627,703	$ -	$ 7,128,829	$ 286,908	$ 11,744,106	$ 34,901,184
Cash and investments with fiscal agent						876,433		876,433
Accounts receivable	1,762,173				22,005	149,177	462,847	2,396,202
Interest receivable	873,671							873,671
Loan contracts receivable	2,134,763	8,562,649	8,154,214				1,779,480	20,631,106
Prepaid items	36,839				15,391	195,000		247,230
Total Assets	$ 10,614,024	$ 11,869,709	$ 14,781,917	$ -	$ 7,166,225	$ 1,507,518	$ 13,986,433	$ 59,925,826
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	$ 581,879	$ -	$ -	$ 14,350	$ 15,390	$ -	$ 510,033	$ 1,121,652
Accrued payroll expenses	725,401						12,023	737,424
Compensated absences	50,000							50,000
Deposits due to others	204,300							204,300
Loan contracts payable		6,165,763		8,524,445		8,894,171	2,172,967	25,757,346
Customer deposits	4,772							4,772
Deferred revenues	430,470	292,417					1,074,971	1,797,858
Prepaid revenues	45,341							45,341
Total Liabilities	2,042,163	6,458,180	-	8,538,795	15,390	8,894,171	3,769,994	29,718,693
Fund Balances:								
Reserved:								
Loan contracts receivable	2,134,764	8,562,649	8,154,214				739,957	19,591,584
Prepaid items	36,839				15,391	195,000		247,230
Unreserved/Designated			6,627,703					6,627,703
Unreserved/Undesignated	6,400,258	(3,151,120)		(8,538,795)	7,135,444	(7,581,653)	9,476,482	3,740,616
Total Fund Balances	8,571,861	5,411,529	14,781,917	(8,538,795)	7,150,835	(7,386,653)	10,216,439	30,207,133
Total Liabilities and Fund Balances	$ 10,614,024	$ 11,869,709	$ 14,781,917	$ -	$ 7,166,225	$ 1,507,518	$ 13,986,433	$ 59,925,826

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

CITY OF EL PASO DE ROBLES
GOVERNMENTAL FUNDS
Reconciliation of the Governmental Funds - Balance Sheet
to the Statement of Net Assets
June 30, 2007

Fund balances of governmental funds	$ 30,207,133
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	163,355,280
Deferred revenue	1,039,523
Accrued closure and postclosure costs added to long term debt	(1,261,810)
Bond issuance deferred charges	1,026,098
Interest payable	(684,193)
Lease contracts payable	(1,760,685)
Bonds and certificates of participation payable	(40,451,715)
Compensated absences	(1,999,742)
Net assets of governmental activities	$ 149,469,889

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

CITY OF EL PASO DE ROBLES
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	General Fund	Traffic Mitigation Development Fund	Public Facilities Development Fund	Highway 101/46 West Community Facilities District	Measure D GO Bonds Debt Service Fund	Redevelopment Agency Debt Service Fund	Other Governmental Funds	Totals
Revenues:								
Taxes	$ 20,793,902	$ -	$ -	$ -	$ 3,276,968	$ 2,973,360	$ 1,615,792	$ 28,660,022
Licenses and permits	924,967							924,967
Fines and forfeitures	321,533							321,533
Uses of money and property	1,250,178	148,721	253,176		292,447	95,377	650,578	2,690,477
From other agencies	797,674	300,000					2,680,317	3,777,991
Charges for current services	1,660,150	2,708,907	686,796				1,047,393	6,103,246
Other	153,241						1,120,565	1,273,806
Total Revenues	25,901,645	3,157,628	939,972		3,569,415	3,068,737	7,114,645	43,752,042
Expenditures:								
General government	1,052,125						219,796	1,271,921
Public safety	12,755,446						349,771	13,105,217
Public works	4,280,423	57,463					1,660,837	5,998,723
Library and recreation services	4,533,752						20,431	4,554,183
Community development	2,611,689			63,915		85,873	788,235	3,549,712
Interest	86,748			292,417	1,081,820	505,313	272,300	2,238,598
Principal	265,660				2,006,255	165,000	480,476	2,917,391
Paying agent fees					1,689	3,140	2,190	7,019
Capital outlay	148,037	400,012		7,742,472			4,853,739	13,144,260
Fiscal agreements payments						1,112,911		1,112,911
Total Expenditures	25,733,880	457,475		8,098,804	3,089,764	1,872,237	8,647,775	47,899,935
Excess revenues over (under) expenditures	167,765	2,700,153	939,972	(8,098,804)	479,651	1,196,500	(1,533,130)	(4,147,893)
Other financing sources (uses):								
Operating transfers in	255,204		2,527,613	1,000,000			2,856,252	6,639,069
Operating transfers out	(273,192)	(1,543,580)	(224,100)			(2,906,473)	(2,021,959)	(6,969,304)
Proceeds from postclosure liability							187,749	187,749
Total Other Financing Sources (Uses)	(17,988)	(1,543,580)	2,303,513	1,000,000		(2,906,473)	1,022,042	(142,486)
Net Change in Fund Balances	149,777	1,156,573	3,243,485	(7,098,804)	479,651	(1,709,973)	(511,088)	(4,290,379)
Fund Balances - July 1	8,422,083	4,254,957	11,538,432	(1,439,991)	6,671,184	(5,676,680)	10,727,527	34,497,512
Fund Balances - June 30	$ 8,571,860	$ 5,411,530	$ 14,781,917	$ (8,538,795)	$ 7,150,835	$ (7,386,653)	$ 10,216,439	$ 30,207,133

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

CITY OF EL PASO DE ROBLES
GOVERNMENTAL FUNDS
Reconciliation of the Net Change in Fund Balances
with the Statement of Activities
For the Fiscal Year Ended June 30, 2007

Net change in fund balances - total governmental funds	$	(4,290,379)
Amounts reported for governmental acitivities in the statement of activities differs from the amounts reported in the statement of activities because:		
Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the costs of those assets are not included but instead increase the capital assets on the statement of net assets		16,491,737
Governmental funds do not report cost of capital assets sold		(233,519)
Governmental funds do not report depreciation as an expense. However, in the Statement of Activities, depreciation is recorded as an expense		(4,662,051)
Repayment of long-term debt (bond principal, certificates of participation, and capital lease) is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets		2,917,391
CDBG increase in loans receivables		467,067
Interest payable increase		(39,270)
Postclosure change in long term liability		(187,749)
Current year bond issuance amortization		(38,516)
To record as an expense the net changes in compensated absences in the Statement of Activities		(261,153)
Change in net assets of governmental activities	$	10,163,558

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

CITY OF EL PASO DE ROBLES
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive/(Negative)
Revenues:				
Taxes	$ 19,428,300	$ 19,428,300	$ 20,793,902	$ 1,365,602
Licenses and permits	1,085,800	1,085,800	924,967	(160,833)
Fines and forfeitures	244,500	244,500	321,533	77,033
Uses of money and property	521,000	521,000	1,250,178	729,178
From other agencies	570,200	800,100	797,674	(2,426)
Charges for current services	1,532,500	1,532,500	1,660,150	127,650
Other	263,200	263,200	153,241	(109,959)
Total Revenues	23,645,500	23,875,400	25,901,645	2,026,245
Expenditures:				
Current:				
General government	874,300	1,066,800	1,052,125	14,675
Public safety	12,073,100	12,172,700	12,755,446	(582,746)
Public works	3,373,700	3,678,900	4,280,423	(601,523)
Library & recreation services	4,570,100	4,674,800	4,533,752	141,048
Community development	2,548,700	2,772,400	2,611,689	160,711
Debt service	340,400	340,400	352,408	(12,008)
Capital outlay	32,000	270,500	148,037	122,463
Total Expenditures	23,812,300	24,976,500	25,733,880	(757,380)
Excess revenues over (under) expenditures	(166,800)	(1,101,100)	167,765	1,268,865
Other financing sources (uses):				
Operating transfers in	600,600	661,600	255,204	(406,396)
Operating transfers out	(460,800)	(460,800)	(273,192)	187,608
Total other financing sources (uses)	139,800	200,800	(17,988)	(218,788)
Excess revenues and other sources over (under) expenditures and other uses	(27,000)	(900,300)	149,777	1,050,077
Fund Balance - July 1	8,422,083	8,422,083	8,422,083	
Fund Balance - June 30	$ 8,395,083	$ 7,521,783	$ 8,571,860	$ 1,050,077

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

PROPRIETARY FUNDS FINANCIAL STATEMENTS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The concept of major funds established by GASB Statement No. 34 extends to Proprietary Funds. The City has identified the funds below as major proprietary funds in the current fiscal year.

GASB Statement No. 34 does not provide for the disclosure of budget versus actual comparisons regarding proprietary funds.

Water Operations Fund

This fund is used to account for the operation and maintenance of the City's water production, transmission, and distribution system, and includes accounting for water connections, Nacimiento water project, and Nacimiento water treatment.

Sewer Operations Fund

This fund is used to account for the operation and maintenance of the City's sewer collection and treatment system.

Airport Operations Fund

This fund is used to account for the operation and maintenance of the City's airport.

Transit Operations Fund

This fund is used to account for the operation and maintenance of the City's dial-a-ride and fixed route transit systems funded from Transportation Development Act funds.

CITY OF EL PASO DE ROBLES
PROPRIETARY FUNDS
STATEMENT OF FUNDS NET ASSETS
JUNE 30, 2007

	Business-type Activities - Enterprise Funds				
	Water Operations	Sewer Operations	Airport Operations	Transit Operations	Totals
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 12,943,348	$ 11,891,382	$ 958,474	$ 734,630	$ 26,527,834
Accounts receivable	8,755,494	434,542	9,716	267,842	9,467,594
Inventory	53,337				53,337
Total Current Assets	21,752,179	12,325,924	968,190	1,002,472	36,048,765
Capital Assets:					
Plant, property and equipment	39,511,121	41,638,691	19,772,160	594,703	101,516,675
Less accumulated depreciation	14,962,626	17,681,618	6,493,756	366,072	39,504,072
Net Book Value	24,548,495	23,957,073	13,278,404	228,631	62,012,603
Long-term Assets:					
Unamortized bond discount and issue costs		246,314			246,314
Loans receivable - non current portion		6,165,763			6,165,763
Total Long-term Assets		6,412,077			6,412,077
Total Assets	$ 46,300,674	$ 42,695,074	$ 14,246,594	$ 1,231,103	$ 104,473,445

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

CITY OF EL PASO DE ROBLES
PROPRIETARY FUNDS
STATEMENT OF FUNDS NET ASSETS
JUNE 30, 2007

	Business-type Activities - Enterprise Funds				
	Water Operations	Sewer Operations	Airport Operations	Transit Operations	Totals
LIABILITIES					
Current Liabilities:					
Accounts payable	$ 780,349	$ 146,320	$ 14,396	$ 48,291	$ 989,356
Accrued payroll expenses	45,031	43,698	8,892	1,578	99,199
Accrued interest expense		29,591			29,591
Customer deposits	95,647	4,233			99,880
Bond principal payable - current portion		695,000			695,000
Total Current Liabilities	921,027	918,842	23,288	49,869	1,913,026
Long-term Liabilities:					
Compensated absences	47,909	72,800	13,357		134,066
Bond principal payable, net - less current portion		7,485,000			7,485,000
Total Long-term Liabilities	47,909	7,557,800	13,357		7,619,066
NET ASSETS					
Invested in capital assets, net of related debt	24,548,495	16,023,387	13,278,404	228,631	54,078,917
Unrestricted	20,783,243	18,195,045	944,902	952,603	40,875,793
Total Net Assets	$ 45,331,738	$ 34,218,432	$ 14,209,949	$ 1,181,234	$ 94,941,353

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

CITY OF EL PASO DE ROBLES
PROPRIETARY FUNDS
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUNDS NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Business-type Activities - Enterprise Funds				
	Water Operations	Sewer Operations	Airport Operations	Transit Operations	Totals
Operating Revenues:					
Charges for current services	$ 4,312,130	$ 4,059,804	$ 20,935	$ 160,685	$ 8,553,554
Rents and leases			355,910		355,910
Other	(31,781)	35,164	928	3,837	8,148
Total operating revenues	4,280,349	4,094,968	377,773	164,522	8,917,612
Operating expenses:					
Maintenance, operations, and administration	3,271,874	2,269,625	375,289	945,959	6,862,747
Depreciation and amortization	841,196	1,035,307	389,789	89,988	2,356,280
Total operating expenses	4,113,070	3,304,932	765,078	1,035,947	9,219,027
Operating income (loss)	167,279	790,036	(387,305)	(871,425)	(301,415)
Non-operating revenues (expenses):					
Taxes			70,807		70,807
Revenues from other agencies			34,360	1,319,645	1,354,005
Interest revenue	800,945	621,702	43,159	27,994	1,493,800
Water connection fees	669,578				669,578
Nacimiento water fees	573,706				573,706
Sewer connection fees		577,674			577,674
Sale of surplus property				6,010	6,010
Contributions to other agencies				(210,818)	(210,818)
Interest expense		(367,640)			(367,640)
Total non-operating revenues (expenses)	2,044,229	831,736	148,326	1,142,831	4,167,122
Income before transfers and capital contributions	2,211,508	1,621,772	(238,979)	271,406	3,865,707
Transfers out		(27,000)			(27,000)
Transfers in	279,280	77,955			357,235
Capital contributions	522,328	678,111			1,200,439
Capital contribution - Nacimiento project	1,438,231				1,438,231
Capital contribution - Nacimiento water treatment	111,767				111,767
Change in net assets	4,563,114	2,350,838	(238,979)	271,406	6,946,379
Total net assets - July 1	40,768,624	31,867,594	14,448,928	909,828	87,994,974
Total net assets - June 30	$ 45,331,738	$ 34,218,432	$ 14,209,949	$ 1,181,234	$ 94,941,353

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

CITY OF EL PASO DE ROBLES
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Business-type Activities - Enterprise Funds				
	Water Operations	Sewer Operations	Airport Operations	Transit Operations	Totals
Cash Flows from Operating Activities:					
Receipts from customers and users	$ 4,220,522	$ 4,095,099	$ 389,085	$ 159,225	$ 8,863,931
Payments to suppliers	(2,127,967)	(1,426,071)	(187,548)	(916,797)	(4,658,383)
Payments to employees	(849,209)	(763,002)	(164,770)	(22,132)	(1,799,113)
Net cash provided (used) by operating activities	1,243,346	1,906,026	36,767	(779,704)	2,406,435
Cash Flows from Capital and Related Financing Activities:					
Revenues from other agencies			34,360	1,319,645	1,354,005
Sales of surplus property				6,010	6,010
Acquisitions of capital assets	(7,392,581)	(629,450)	(10,489)		(8,032,520)
Loan/lease principal paid		(675,000)			(675,000)
Interest paid on long term debt		(368,673)			(368,673)
Contributed capital received	2,793,282	577,674			3,370,956
Net cash provided (used) by capital and related financing activities	(4,599,299)	(1,095,449)	23,871	1,325,655	(4,345,222)
Cash Flows from Non-capital and Related Financing Activities:					
Operating transfers in/(out)	279,280	50,955			330,235
Loan contract receivable		(6,165,762)			(6,165,762)
Taxes			70,807		70,807
Contributions to others				(210,818)	(210,818)
Net cash provided (used) by non-capital financing sources	279,280	(6,114,807)	70,807	(210,818)	(5,975,538)
Cash Flows from Investing Activities:					
Interest on investments	800,945	621,702	43,159	27,994	1,493,800
Net cash provided by investing financing activities	800,945	621,702	43,159	27,994	1,493,800
Net increase (decrease) in cash and cash equivalents	(2,275,728)	(4,682,528)	174,604	363,127	(6,420,525)
Cash and cash equivalents at beginning of year	15,219,076	16,573,910	783,870	371,866	32,948,722
Cash and cash equivalents at end of year	$ 12,943,348	$ 11,891,382	$ 958,474	$ 734,993	$ 26,528,197
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) in Operating Activities:					
Operating income (loss)	$ 167,279	$ 790,036	$ (387,305)	$ (871,425)	$ (301,415)
Adjustments to reconcile net operating income (loss)					
Add depreciation and amortization	841,196	1,035,307	389,789	89,988	2,356,280
Change in operating assets and liabilities:					
(Increase) decrease in accounts receivable	(86,808)	(132)	11,313	(1,460)	(77,087)
(Increase) decrease in inventory	10,706				10,706
Increase (decrease) in accounts payable	251,462	95,063	10,729	5,452	362,706
Increase in accrued payroll expenses	34,148	32,002	6,813	1,578	74,541
Increase (decrease) in compensated absences	(1,618)	(46,513)	5,428		(42,703)
Increase (decrease) in customer deposits	26,981	263		(3,837)	23,407
Net cash provided (used) by operating activities	$ 1,243,346	$ 1,906,026	$ 36,767	$ (779,704)	$ 2,406,435

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

FIDUCIARY FUNDS

Funds held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

CITY OF EL PASO DE ROBLES
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2007

	Agency Funds
Assets	
Cash and investments	$ 1,675,874
Total Assets	1,675,874
Liabilities	
Accounts payable	17,022
Accrued salaries and benefits payable	2,784
Customer deposits	833,381
Prepaid revenues	1,220
Due to others	821,467
Total Liabilities	1,675,874
Net Assets	
Unrestricted	
Total Net Assets	$ -

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

CITY OF EL PASO DE ROBLES
Index to Notes to the Basic Financial Statements
June 30, 2007

	Page
1. Summary of Significant Accounting Policies	41
A. Description of Reporting Entity	41
B. Basis of Presentation	42
C. Major Funds	43
D. Basis of Accounting	44
E. Budget and Budgetary Accounting	45
F. Compensated Absences	45
G. Cash and Cash Equivalents	46
H. Inventories and Prepaid Items	46
I. Property Taxes	46
J. Use of Estimates	47
K. Receivables and Payables	47
L. Use of Restricted and Unrestricted Net Assets	47
2. Cash and Investments	48
A. Investment Policy	48
B. Collateral and Categorization Requirements	49
C. Disclosures Relating to Interest Risk	49
D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations	50
E. Disclosures Relating to Credit Risk	50
F. Concentrations of Credit Risk	51
G. Custodial Credit Risk	51
H. Cash and Investments	52
I. Marking Investments to Fair Value (GASB 31)	52
J. State Investment Pool	53
3. Capital Assets	53
4. Interfund Transactions	57
A. Loans	57
B. Transfers Between Funds	58
5. Risk Management	60
6. Governmental Activities Long-Term Debt	60
A. Description	60
B. Changes in Long-Term Debt	62

	Page
C. Annual Repayment Requirements of Long-Term Debt	63
D. Bond Requirements	64
E. Defeased Obligations	64
7. Business Activities Long-Term Debt	64
A. Description	64
B. Changes in Long-Term Debt	64
C. Annual Repayment Requirements of Long-Term Debt	65
D. Bond Requirements	65
E. Defeased Obligations	65
8. Employee Benefits	66
A. Retirement System	66
B. Post Employment Benefits	69
C. Deferred Compensation Plans	70
D. Section 125 Benefit Plan	71
E. Compensated Absences	71
9. Net Assets and Fund Balances	71
A. Net Assets	71
B. Fund Balances	72
10. Funds with Expenditures Exceeding Appropriations	73
11. Litigation and Contingencies	73
12. Nacimiento Water Project	73

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The accompanying comprehensive annual financial report includes the financial activities of the City of El Paso De Robles, and its component units, the Paso Robles Redevelopment Agency (Agency) and the El Paso de Robles Public Financing Authority (Authority). The financial activities of the foregoing entities have been aggregated and merged (termed "blending") with those of the City in the accompanying financial statements, as each meets the criteria for inclusion as set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39.

The City of El Paso de Robles was incorporated in 1889, and operates under the State of California City Council-Manager form of government. The governing body consists of a five member City Council elected at large by voters of the City. The City provides the following services: Public Safety (Police and Fire), Library and Recreation Services, Planning and Zoning, Public Works (Streets and Roads), Public Improvements, Water, Sewer, Airport Operations, Public Transportation (Transit Services), and General Administrative Services.

The City Council members, in separate session, serve as the governing board of the Agency and the Authority and, as such, these entities are presented as blended component units. Separate financial statements are produced only for the Redevelopment Agency component unit of the City and may be obtained from the City's Administrative Services office.

The Agency was organized in August 1986, pursuant to the State of California Health and Safety Code, Section 33000, entitled "Community Redevelopment Law". At the same time, the City Council became the governing board. The Final Report, Redevelopment Plan, and Agency boundaries were adopted on November 19, 1987. Although it is legally separate from the City, the Agency is reported as if it were part of the primary government because its sole purpose is redevelopment, rehabilitation, and the revitalization of the redevelopment project area within the City's jurisdictional boundaries. City staff provides management assistance to the Agency. The funds of the Agency have been included in the Governmental Activities in the financial statements.

The Authority was formed by the City as a conduit for long-term debt financing and is governed by the City Council. The Authority exists and acts as a separate public entity and has the power to acquire, purchase, construct, finance, lease, and/or sell public facilities and appurtenances necessary or convenient for the public purposes of the City. The Authority has no assets of its own. All capital assets acquired by the City under the Authority are included in the financial statements.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard setting body for governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

B. Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

Government-Wide Financial Statements: The Statement of Net Assets and a Statement of Activities. These statements present summaries of Governmental and Business-type Activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, those transactions between governmental and business-type activities have not been eliminated.

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, to the business type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure. The City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

Funds Financial Statements: Governmental Funds Financial Statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of funds financial statements is on major individual funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary funds operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

C. Major Funds

The City reported the following major governmental funds in the accompanying financial statements:

General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Traffic Mitigation Development Fund accounts for fees assessed and collected upon the issuance of a City building permit. Funds are used for bridge, road and signal improvements needed to serve new growth.

Public Facilities Development Fund accounts for fees assessed and collected upon the issuance of a City certificate of occupancy. Funds are used to construct public facilities.

Highway 101/46 West Community Facilities District accounts for the improvements to the Highway 101/46 West interchange and road re-alignments.

Measure D GO Bond Debt Service Fund is to account for property tax revenues generated from the general obligation bond tax override approved by the voters and the expenditure of said funds for payment of bond principal and interest.

Redevelopment Agency Debt Service Fund is used to account for the collection property tax increment and payment of debt authorized by the Agency's Board.

The City reported all its enterprise funds as major proprietary funds in the accompanying financial statements:

Water Operations Fund is used to account for the operation and maintenance of the City's water production, transmission, and distribution system necessary to provide water service to the residents of the City.

Sewer Operations Fund is used to account for the operation and maintenance of the City's sewer collection and treatment system necessary to provide sewer services to the residents of the City.

Airport Operations Fund is used to account for the operation and maintenance activities of the City's airport.

Transit Operations Fund is used to account for the operation and maintenance activities of the City's transit system including both demand response and fixed route services as well as funding contributions to the regional transit system.

The City also reports the following fund types:

Fiduciary Funds - Fiduciary Funds Financial Statements include a Statement of Net Assets. The City's Fiduciary Funds represent Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and /or other funds. Included in this category are the following five funds: 1) debt service transactions of special assessment bond issues for which the City is not obligated in any manner, 2) to account for funds received and expended by the Senior Advisory Committee, 3) to account for funds to provide scholarships to graduated local high school students who undertake courses in the medical field, scholarships are awarded by the Paso Robles High School District, 4) to account for Other Post Employment Benefits, and 5) deposits from customers to be refunded when performance criteria is met or applied against future amounts due to the City from the customer.

D. Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Other revenues susceptible to accrual include other taxes, intergovernmental revenues, interest, and charges for services. Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus,

both restricted and unrestricted net assets may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary. Certain indirect costs are included in program expenses reported for individual functions and activities.

E. Budgeting and Budgetary Accounting

The City prepares a four-year financial plan that contains appropriations for two full fiscal years. During the second year of the two-year budget/four year financial plan, a new two-year budget is developed and two additional years are added to the four-year financial plan. The process for updating the two-year budget/four year financial plan is generally described as follows:

> Administrative Services prepares base budget schedules consisting of maintenance and operations, personnel services, operating capital, revenue estimating forms and forms for submitting budgetary requests for new and/or expanded services, as well as requests for operating capital not already provided for on various pre-authorized replacement schedules. These schedules are distributed to all executive managers for affirmation and/or completion. Upon affirmation and return of new request forms, Administrative Services compiles and publishes the draft budget. Executive managers meet to review the draft budget and prepare specific recommendations to balance the budget should resources not cover budgetary requests. The draft budget and executive manager recommendations are then reviewed by the Council's "ad hoc budget committee" made up of two Councilpersons. Final budget recommendations are developed and are presented to the full Council at a public workshop, followed by a public hearing, and then formal budget adoption at the first meeting in June. The budget preparation, review, and approval process takes place in the context of and with the objective of addressing the goals established by Council during a goal setting workshop held just prior to the process noted above.

This approved budget covers substantially all City expenditures including re-budgeted items. All appropriated amounts are as originally adopted or as amended by the City Council and lapse at fiscal year-end. The City Manager is authorized to transfer budgeted amounts between objects within departments. Transfers of appropriations between departments and funds may be made only by the City Council. Total departmental expenditures in excess of the total departmental budgeted amounts are discouraged and executive managers are held accountable accordingly. Formal budgetary integration is employed as a management control tool during the fiscal year for all funds including enterprise funds. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

F. Compensated Absences

It is the City's policy to record the cost of annual vacation, compensatory time, and fringe benefits as earned in accordance with the Governmental Accounting Standards Board Statement No. 16, "Accounting for Compensated Absences". Accumulated unpaid

vacation leave is accrued when incurred in the proprietary funds. Only the current portion of the unpaid vacation leave is accrued in the governmental funds. The long-term portion of the unpaid vacation leave is reported in the Government-wide Financial Statements. Employees may accumulate sick leave without limitation as to the number of hours of accumulation. Employees are paid 100% of their accumulated vacation pay when they terminate their employment for any reason. Accumulated sick pay under no circumstances is paid to employees at any time and thus is not recorded as a liability of the City.

G. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the City considered all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All cash and investments of the proprietary fund types are pooled with the City's pooled cash and investments.

H. Inventories and Prepaid Items

Inventory is recorded using the purchases method and cost is recorded as an expenditure at the time individual inventory items are purchased. Inventory held in the Water Department is valued at cost using the first in, first out (FIFO) inventory method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. Property Taxes

Property taxes are assessed, collected, and allocated by the County of San Luis Obispo throughout the fiscal year according to the following property tax calendar:

Lien Date	January 1
Levy Date	July 1 to June 30
Due Date - Secured Taxes	November 1, 1st installment, March 1, 2nd installment
Collection Date - Secured Taxes	December 10, 1st installment, April 10, 2nd installment
Due Date – Unsecured Taxes	June 30
Collection Date – Unsecured Taxes	August 31

Under California law, property taxes are assessed and collected by counties up to 1 percent of assessed value, plus other increases approved by the voters. Under Proposition 13, adopted by the voters in a statewide ballot in 1978, assessed valuation is increased annually by a cost of living index not to exceed 2% except for those properties that changed ownership during the twelve month period since the lien date. In these cases, the property is re-assessed at current value. The property taxes go into a pool, and are

then allocated to the cities based on a complex formula prescribed by state statute. Accordingly, the City of El Paso de Robles recognizes property tax revenues when it becomes both measurable and available to finance expenditures of the current period.

Beginning with fiscal year 1993-94, the County of San Luis Obispo, for those taxing agencies desirous of participating on a volunteer basis, converted the property tax collection and distribution system to the "Teeter Plan". The City of El Paso de Robles chose to participate in the "Teeter Plan" wherein the City receives 100% of the property tax levy during the fiscal year without deduction for property tax payment delinquencies. Accordingly, the County of San Luis Obispo keeps all property tax penalties collected.

J. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants, require management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

K. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at fiscal year-end are referred to as "due to/due from other funds". In some cases, "due to/due from other funds" represent the short-term transfer of cash resources at fiscal year-end to eliminate negative cash balances that are temporary in nature. Cash resources have been loaned from one fund to another to provide resources to prepare a "specific plan", a planning/development tool, until fees generated from the specific plan area repay the loan.

Proprietary fund receivables are shown net of any allowance for uncollectible accounts. Utility customers are billed monthly. The value of services provided, and billed at fiscal year-end has been included in the accompanying financial statements.

L. Use of Restricted/Unrestricted Net Assets

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

NOTE 2 – CASH AND INVESTMENTS

A. Investment Policy

Cash balances from all funds are combined and invested pursuant to the Council's adopted Investment Policy and State Government Code Section 53647. Authorized investments include securities of the United States Government or its agencies, certificates of deposit, the State of California Local Agency Investment Fund (LAIF), bankers' acceptances, negotiable certificates of deposit, and repurchase agreements. The earnings from these investments are allocated monthly to each fund based upon the closing balance of each fund at month end. All enterprise fund investments are considered to be liquid investments for cash flow and reporting purposes. Funds held by outside fiscal agents under the provisions of bond indentures that are maintained separately and interest income earned on said funds are credited directly to the bond fund or reported as if the interest was credited directly to said funds.

The City uses the yield on the Local Agency Investment Fund, an investment pool managed by the State of California Treasurer's Office for evaluating investment performance. The yield for LAIF during the last quarter of fiscal year 2006/07 was 5.12%. For the month ended June 30, 2007, the City recognized a weighted average daily rate of return of 4.86%. At no time during the fiscal year did the City borrow funds through the use of reverse purchase agreements.

The table below identifies the investment types that are specifically authorized by the City's investment policy and also identifies certain provisions of the City's investment policy that addresses interest rate risk and concentration of credit risk per GASB Statement No. 40. It does not address investments of debt proceeds held by bond trustee that are governed by the provisions of the debt agreement between the City and trustee. Any investment type not listed is either prohibited by California Government Code, prohibited by the City's investment policy, or not specifically addressed by the City's investment policy.

Investment Types Authorized by Law	Maximum Maturity	Maximum % of Portfolio	Maximum in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Notes	7 years**	30%	None
U.S. Agency Mortgaged Backed Securities	7 years**	30%	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	180 days	None	None
Corporate Notes	5 years	20%	$1 Million
Certificates of Deposit	5 years	None	None
Collateralized Certificates of Deposit	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	90 days	None	None
Local Agency Investment Fund (LAIF)	None	None	None

**Only 15% of the aggregate total of 60% may be invested between 5 and 7 years.

B. Collateral and Categorization Requirements

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus collateral for cash deposits is considered to be held in the City's name. The fair value of the pledged securities must equal at least 110% of the City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The collateral for certificates of deposit is generally held in safekeeping by the Federal Home Loan Bank in San Francisco as the third-party trustee. The securities are physically held in an undivided pool for all California public agency depositors. The State Public Administrative Office for public agencies and the Federal Home Loan Bank maintains detailed records of the security pool that are coordinated and updated weekly. The City Treasurer, at his discretion, may waive the collateralization requirement for deposits that are insured up to $100,000 by the Federal Deposit Insurance Corporation and in fact has waived the collateralization requirement for all deposits held by financial institutions at June 30, 2007.

C. Disclosures Relating to Interest Risk

Per GASB Statement No. 40, interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and

longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity. For purposes of the table show below, any callable securities are assumed to be held to maturity.

		Remaining Maturity (in months)			
		12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Agency Notes	$ 7,075,498	$ 6,484,185	$ 591,313	$ -	$ -
U.S. Agency Mortgaged Backed Securities	13,974,497	3,478,946	4,669,951	5,825,600	
Corporate Notes	6,415,995	4,469,075	1,946,920		
Certificates of Deposit	8,237,000	4,967,000	3,072,000	198,000	
Local Agency Investment Fund (LAIF)	26,200,000	26,200,000			
Held by Bond Trustee:					
Money Market Funds	1,779,166	1,779,166			
	$ 63,682,156	$ 47,378,372	$ 10,280,184	$ 6,023,600	$ -

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments did not include any investments that are highly sensitive to interest rate fluctuations (to a degree than already indicated in the information provided above).

E. Disclosures Relating to Credit Risk

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

		Minimum Legal Rating	Exempt From Disclosure	Ratings as of Year End		
				AAA	AA	Not Rated
U.S. Agency Notes	$ 7,075,498	N/A	$ -	$ 7,075,498	$ -	$ -
U.S. Agency Mortgaged Backed Securities	13,974,497	N/A		13,974,497		
Corporate Notes	6,415,995	A		4,953,030	1,462,965	
Certificates of Deposit	8,237,000	N/A	8,237,000			
Local Agency Investment Fund (LAIF)	26,200,000	N/A				26,200,000
Held by Bond Trustee:						
Money Market Funds	1,779,166					1,779,166
	$ 63,682,156		$ 8,237,000	$ 26,003,025	$ 1,462,965	$ 27,979,166

F. Concentrations of Credit Risk

The investment policy of the City contains limitations that are, in some cases, more restrictive than those stipulated by the California Government Code. In some cases, the investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities and external investment pools) that represent 5% or more of the total City investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Bank	Federal agency securities	$ 4,057,685
Federal Home Loan Mortgage Association	Federal agency securities	5,766,970
Federal National Mortgage Association	Federal agency securities	10,226,280

G. Custodial Credit Risk

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

value of 150% of the secured public deposits. As of June 30, 2007, three different financial institutions held more than $100,000 in City's deposits. Thus, each financial institution was required to collateralize all amounts in excess of $100,000 in accordance with California law.

H. Cash and Investments

The carrying amount of the City's cash and deposits was $294,969 at June 30, 2007. Cash on hand was $4,200 and bank balances, before reconciling items, were $841,176 at June 30, 2007. At June 30, 2007, the difference between the City's bank accounts and the carrying amount is due to the normal deposits in transit and outstanding checks.

The City's total cash and investments are reported as follows:

Governmental activities	$35,777,617
Business activities	26,527,834
Fiduciary funds	1,675,874
Total Cash and Investments	$63,981,325

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements:

Available for operations	$60,526,285
With fiscal agent	1,779,166
Fiduciary funds	1,675,874
Total Cash and Investments	$63,981,325

I. Marking Investments to Fair Value (GASB 31)

Governmental Accounting Standards Board Statement No. 31 requires that the City's investments be carried at fair value instead of cost. The City must adjust the carrying value (book) of its investments to reflect their fair value at each fiscal year end, and it must include the effects of these adjustments in income for that fiscal year.

GASB 31 applies to all the City's investments, even if they are held to maturity and redeemed at full face value. Since the City holds all investments until maturity or until fair value equals or exceeds cost, the fair value adjustments required by GASB 31 result in accounting gains or losses (called "recognized or "unrealized" gains or losses) which do not reflect actual sales of the investments (called "realized" gains or losses). Thus, recognized gains or losses on an investment purchased at par will now reflect changes in value at each succeeding fiscal year-end, but these recognized gains or losses will net to zero if the investment is held to maturity. By following GASB 31, the City is reporting the amount of available resources that would actually have been available if it had been required to liquidate all its investments at any fiscal year-end. The fair value is provided by Union Bank of California, the City's safekeeping custodial institution.

J. State Investment Pool

LAIF is a special fund of the California State Treasury through which local governments can pool investments. Each governmental agency may invest up to $40,000,000 for each account in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-hours without loss of interest or principal. The full faith and credit of the State of California secure investments in LAIF.

At June 30, 2007, the account in the name of the City held $26,200,000 on deposit while the Redevelopment Agency had no funds on deposit. Due to GASB 31, the City recorded a total fair value of $26,188,080 that included $11,920 in recognized ("unrealized") losses on investments in LAIF. The unrealized loss was based on a fair value adjustment factor of .999545022 calculated by the State of California Treasurer's Office.

NOTE 3 – CAPITAL ASSETS

The Governmental Accounting Standards Board (GASB) issued Statement No. 34 that requires the inclusion of capital assets including infrastructure capital assets in the local governments' basic financial statements. Infrastructure assets include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems.

All capital assets including infrastructure are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. The City's policy is to capitalize all assets with costs exceeding certain minimum thresholds, $5,000 for machinery and equipment and $25,000 for buildings, improvements, and infrastructure, all with useful lives exceeding two years.

For all infrastructure systems, the City elected to use the Basic Approach as defined by GASB Statement No. 34 for infrastructure reporting. The City commissioned an appraisal of City owned infrastructure and property as of June 30, 2002 and has completed an internal update for June 30, 2007. This appraisal determined the original cost, which is defined as the actual cost to acquire new

property in accordance with market prices at the time of first construction/acquisition. When actual cost information was not available, current replacement cost was estimated and trended back to the date of acquisition by using either the Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, Los Angeles-Riverside-Orange County, not seasonally adjusted for all items, or the Construction Cost Index compiled by Engineering News Record (ENR), revised in June 2002. The Consumer Price Index was used for traffic signals and streetlights. The Construction Cost Index was used for all other infrastructure assets. The book value was then computed by deducting the accumulated depreciation from the original cost.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the useful life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets. GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets:

Pavement	25 years
Curbs and gutters	50 years
Sidewalks	50 years
Medians	25 years
Bridges	75 years
Traffic signals	20 years
Streetlights	50 years
Storm drain systems	50 years
Off-road trails	20 years
Playground equipment	15 years
Governmental buildings	50 years

Capital Assets of the City for the fiscal year ended June 30, 2007, consisted of the following:

	Balance July 1, 2006	Increases	Decreases	Balance June 30, 2007
Governmental Activities:				
Land	$ 7,734,892	$ 7,742,472	$ -	$ 15,477,364
Buildings and improvements	43,590,887	2,169,097		45,759,984
Equipment	6,511,131	345,800	345,610	6,511,321
Infrastructure and CIP Infrastructure	131,936,835	7,265,025	157,356	139,044,504
Construction in progress	2,288,177	108,274	1,138,931	1,257,520
Less accumulated depreciation	(40,302,809)	(4,662,051)	(269,447)	(44,695,413)
Governmental activity capital assets, net	$ 151,759,113	$ 12,968,617	$ 1,372,450	$ 163,355,280

	Balance July 1, 2006	Increases	Decreases	Balance June 30, 2007
Business-type Activities:				
Water				
Buildings	$ 732,488	$ -	$ -	$ 732,488
Improvements other than buildings	28,699,227	1,432,463		30,131,690
Equipment	1,734,004	22,037	173,525	1,582,516
Construction in progress	8,450,356	4,254,127	5,640,056	7,064,427
Less accumulated depreciation	(14,294,955)	(841,196)	(173,525)	(14,962,626)
Water activities capital assets, net	$ 25,321,120	$ 4,867,431	$ 5,640,056	$ 24,548,495
Sewer				
Land	$ 559,050	$ -	$ -	$ 559,050
Buildings	688,338			688,338
Improvements other than buildings	31,010,946	639,196		31,650,142
Equipment	1,197,424	56,563		1,253,987
Construction in progress	6,875,373	662,393	50,592	7,487,174
Less accumulated depreciation	(16,656,163)	(1,025,455)		(17,681,618)
Sewer activities capital assets, net	$ 23,674,968	$ 332,697	$ 50,592	$ 23,957,073
Airport				
Land	$ 7,830,415	$ -	$ -	$ 7,830,415
Buildings	1,956,948			1,956,948
Improvements other than buildings	9,820,453			9,820,453
Equipment	153,855	10,489		164,344
Less accumulated depreciation	(6,103,967)	(389,789)		(6,493,756)
Airport activities capital assets, net	$ 13,657,704	$ (379,300)	$ -	$ 13,278,404
Transit				
Equipment	$ 646,770	$ -	$ 59,632	$ 587,138
Construction in progress	7,565			7,565
Less accumulated depreciation	(335,716)	(89,988)	(59,632)	(366,072)
Transit activities capital assets, net	$ 318,619	$ (89,988)	$ -	$ 228,631
Business-type activity capital assets, net	$ 62,972,411	$ 4,730,840	$ 5,690,648	$ 62,012,603
Net capital assets, total government	$ 226,262,734	$ 17,699,458	$ 7,063,098	$ 225,367,884

For the fiscal year ended June 30, 2007, depreciation expense on capital assets was charged to the governmental functions as follows:

General Government	$	174,158
Public Safety		607,903
Public Works		3,485,177
Library and Recreation Services		380,353
Community Development		14,460
Total Depreciation Expense	$	4,662,051

Construction Commitments

As of June 30, 2007, the City had a number of construction projects in progress. The governmental activity projects had a total work in progress amount of $1,257,520. The business-type activity projects included various water, sewer, and airport infrastructure improvements totaling $14,559,166.

NOTE 4 – INTERFUND TRANSACTIONS

A. Loans

With Council approval resources were loaned to the Chandler Ranch and Olsen Beechwood Specific Plan Funds. The City Council adopted Resolution No. 93-173 on November 2, 1993 which approved a reimbursement agreement between the City and the Redevelopment Agency. The reimbursement agreement requires the Agency to reimburse the City for lease payments made for the construction of the City Hall/Library facility. The amount noted below represents “life to date” lease payments (debt servies) owed the City for lease payments already made less prior payments from the Agency. This amount does not include future lease payments. Future lease payments will be recorded when paid by the City.

	Loans Receivable	Loans Payable
Major Funds:		
General Fund	$ 2,134,763	$ -
Traffic Mitigation Development Fund	8,562,649	6,165,763
Public Facilities Development Fund	8,154,214	
Highway 101/46 West Community Facilities District Fund		8,524,445
RDA Debt Service Fund		8,894,171
Sewer Enterpise Fund	6,165,763	
Non-Major Funds:		
Capital Projects Reserve Fund		38,204
Landscape and Lighting District Fund		134,707
Police Grants Special Revenue Fund		34
Redevelopment Agency Special Revenue Fund	739,957	
Specific Plan Fund		1,839,586
Airport Road PSR Fund		160,436
Totals	$ 25,757,346	$ 25,757,346

B. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. The major purpose of the transfers is to reimburse a fund that has made an expenditure on behalf of another fund. Transfers are identified as follows:

	Transfers In	Transfers Out
Major Funds:		
General Fund	$ 255,204	$ 273,192
Traffic Mitigation Fund		1,543,580
Public Facilities Development Fund	2,527,613	224,100
Highway 101/46 West CFD Fund	1,000,000	
RDA Debt Service Fund		2,906,473
Non-Major Funds:		
General Emergency and Reserves Fund	99,996	269,992
Capital Replacement Fund		61,646
City Facility Repair Fund	299,988	
Gas Tax Fund		249,066
Transportation Development Fund	22,506	
Community Development Block Grant Fund	236,867	
Redevelopment Agency Fund	48,628	236,867
Landfill Contingency Fund	73,200	
Capital Projects Reserve Fund	70,000	
Permit Automation Fund	61,646	
Measure D Fund	1,389,090	
Parkway and Median Development Fund		1,800
Specific Plan Fund		1,202,588
1993 Public Facilities Debt Service Fund	554,331	
Enterprise Funds:		
Sewer Fund	77,955	27,000
Water Fund	279,280	
Totals	$ 6,996,304	$ 6,996,304

NOTE 5 – RISK MANAGEMENT

The City is a member of the California Joint Powers Insurance Authority, a risk sharing, self-funded joint powers authority whose membership at last count included 113 public agencies. The Joint Powers Authority provides program administration, claim servicing, investigation services, legal counsel, and excess coverage to its members. For general and auto liability, the Joint Powers Authority provides coverage of $50 million per occurrence and $50 million aggregate. For workers' compensation, the coverage is statutory plus $10 million per occurrence for employer's liability. The City also participates in the non-auto property program offered by the Joint Powers Authority which provides full replacement coverage for buildings and facilities. The City is self-insured for property damage to City owned equipment and vehicles except for major equipment; i.e. fire trucks for which the City participates with other public agencies in a special insurance pool. The City purchases specialty policies to cover airport liability and landfill liability & pollution coverage from other sources. Copies of the financial audit are available upon request from the City or the Joint Powers Authority, 8081 Moody Street, La Palma, Ca. 90623, or phone 800-229-2343.

With the dissolution of the Central Coast Cities Self Insurance Fund, the Joint Powers Authority agreed to manage the "tail" claims for general liability and workers' compensation for the Self Insurance Fund participants on a voluntarily participation basis. The Joint Powers Authority manages these "tail" claims separately from its regular programs. Paso Robles has agreed to allow the Joint Powers Authority to manage said "tail" claims for general liability and workers' compensation.

The last actuarial study undertaken for tail claims was during fiscal year 2005. This study indicated that the City had general liability fund balance of $181,484 not including $70,000 for "Incurred but not yet reported" claims per the actuary. At year end 6/30/2007, the fund balance is $200,216. It is not expected that another actuarial study will be undertaken on liability claims as their life expectancy is rather short lived.

In the case of workers' compensation, the 2007 actuarial study indicated that the City had a fund balance of $1,096,172. This amount does not include $604,000 present value of liability for outstanding claims per the "Actuarial Review of the Workers' Compensation Program" as prepared by Richard Sherman & Associates, Inc. during fiscal year 2007. We anticipate the "Actuarial Review" will be updated in fiscal year 2008.

NOTE 6 – GOVERNMENTAL ACTIVITIES LONG-TERM DEBT

A. Description

General Obligation Bonds – In June 1998, the voters passed a tax override authorizing the sale of $38,000,000 general obligation bonds. The bonds were sold in three series. On June 9, 1999, the City issued $22,999,598 in General Obligation Bonds, Series A Capital Appreciation and Term Bonds (1999) for the purpose of providing construction funds for a variety of citywide projects. The outstanding bonds bear a net interest cost of 5.36% and are due in annual installments ranging from $297,970 to $615,806 through

January 1, 2028. These bonds are payable from ad valorem taxes levied against all taxable real property in the City (with the exception of certain classes of personal property).

On September 28, 2001, the City issued $6,999,603 in General Obligation Bonds, Series B Capital Appreciation and Term Bonds (2001) for the purpose of providing construction funds for a variety of citywide projects. The outstanding bonds bear a net interest cost of 5.09% and are due in annual installments ranging from $297,970 to $615,806 through January 1, 2028. These bonds are payable from ad valorem taxes levied against all taxable real property in the City (with the exception of certain classes of personal property).

On April 17, 2002, the City issued $8,000,000 in General Obligation Bonds, Series C (2002) for the purpose of providing construction funds for a variety of Citywide projects. The outstanding bonds bear a net interest cost of 4.98% and are due in annual installments ranging from $297,970 to $615,806 through January 1, 2028. These bonds are payable from ad valorem taxes levied against all taxable real property in the City (with the exception of certain classes of personal property).

Tax Allocation Bonds – On September 16, 1996, $3,630,000 Tax Allocation Refunding Bonds were issued by the Agency to refund bonds originally issued in 1991 to repay advances and loans received by the Agency from the City. The outstanding bonds bear a net interest cost of 5.50% and are due in annual installments ranging from $70,000 to $255,000 through January 1, 2022. These bonds are payable from property tax increment revenues.

On October 3, 2000, $4,090,000 Tax Allocation Bonds were issued by the Agency to repay advances and loans received by the Agency from the City and provide funds for the widening of Niblick Bridge from two to four lanes. The outstanding bonds bear a net interest cost of 5.25% and are due in annual installments ranging from $20,000 to $485,000 through January 1, 2028. These bonds are payable from property tax increment revenues.

Lease Purchase Obligations – On November 15, 1993, the Paso Robles Public Financing Authority sold $8,230,000 Certificates of Participation. $3,530,000 of the certificates was used to refund the 1988 Certificates of Participation issued to construct a community park and recreational facility. This portion of the certificates matures June 1, 2007. The balance of certificates, $4,700,000, were used to construct a new municipal library and municipal offices. This portion of the certificates matures June 1, 2024. All the outstanding certificates bear a net interest cost of 5.15% and are due in annual installments ranging from $180,000 to $640,000 through January 1, 2024. The library portion is reimbursable to the General Fund from Redevelopment Agency property tax increment revenues.

The City entered into a $428,162 lease purchase contract dated December 7, 1999, for the acquisition of an aerial ladder truck for the Fire Department. Principal and interest payments are due semi-annually in installments beginning June 7, 2000, with the last payment due December 7, 2006. The total annual payments are $98,552.

The City entered into a $17,410 lease purchase contract dated August 24, 2000, for the acquisition of a copy machine for the Police Department. Principal and interest payments are due monthly beginning August 15, 1999, with the last payment due July 15, 2006. Total annual payments are $4,011.

The City entered into a $193,571 lease purchase contract dated August 20, 1999, for the acquisition of a 911 phone system for the Police Department. Principal and interest payments are due monthly beginning December 1, 1999, with the last payment due November 1, 2006. Total annual payments are $45,941.

The City entered into a $666,218 lease purchase contract dated October 25, 2002, for the acquisition of two fire engines for the Fire Department. Principal and interest payments are due monthly beginning November 25, 2002, with the last payment due October 25, 2007. Total annual payments are $144,471.

The City entered into a $263,254 lease purchase contract dated September 7, 2004, for the acquisition of two street sweepers for the Public Works Department. Principal and interest payments are due monthly beginning December 3, 2004, with the last payment due November 3, 2009. Total annual payments are $57,299.

The City entered into a $289,000 lease purchase contract dated August 15, 2005, for the acquisition of one heavy rescue vehicle for the Emergency Services department. Principal and interest payments are due monthly beginning September 30, 2005, with the last payment due August 30, 2010. Total annual payments are $63,353.

The City entered into a $1,500,000 lease purchase agreement dated December 6, 2005, for the acquisition of 52 acres adjacent to the City's landfill. Principal and interest payments are due semi-annually beginning June 30, 2007, with the last payment due December 30, 2020. Total annual payments are $138,598.02.

B. Changes in Long-Term Debt

As of June 30, 2007, the City had the following long-term obligations outstanding including the current portion:

	Governmental Activities				
	Balance July 1, 2006	Incurred or Issued	Satisfied or Matured	Balance June 30, 2007	Current Portion
Governmental Activities:					
Capital Leases Payable	$ 2,081,821	$ -	$ (321,136)	$ 1,760,685	$ 235,704
Certificates of Participation	4,595,000		(425,000)	4,170,000	430,000
General Obligation Bonds	31,972,970		(2,006,255)	29,966,715	1,988,291
Redevelopment Tax Allocation Bonds	6,480,000		(165,000)	6,315,000	195,000
Compensated Absences	1,788,589	261,153		2,049,742	50,000
Closure/Postclosure Liability	1,074,061	187,749		1,261,810	
Total Governmental Activities	$ 47,992,441	$ 448,902	$ (2,917,391)	$ 45,523,952	$ 2,898,995

C. Annual Repayment Requirements of Long-Term Debt

The annual requirements to amortize all debt outstanding (excluding compensated absences and closure/postclosure liability) as of June 30, 2007 are as follows:

	Governmental Activities	
Year End June 30	Principal	Interest
2008	$ 2,848,995	$ 1,717,773
2009	2,398,766	1,776,580
2010	2,409,221	1,829,947
2011	2,289,991	1,871,731
2012	2,211,282	1,937,433
2013-2017	10,360,571	10,367,895
2018-2022	9,716,793	10,746,622
2023-2027	8,359,037	10,555,224
2028	1,617,744	2,059,978
	$ 42,212,400	$ 42,863,183

D. Bond Requirements

At June 30, 2007, management believes the City and its component units are in compliance with all covenants of the various debt indentures.

E. Defeased Obligations

There are no outstanding defeased obligations at June 30, 2007.

NOTE 7 – BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT

A. Description

Sewer Installment Sale Revenue Bonds – On October 1, 2002, the Public Financing Authority issued $11,550,000 in Sewer Revenue Installment Bonds (2003) for the purpose of refunding the 1993 Sewer Refunding Bonds (which refunded the1987 Sewer Revenue Bonds) and provided $8,000,000 for sewer collection and treatment system improvements. The economic gain, net present value savings, was $129,373. The outstanding bonds bear a net interest cost of 5.36% and are due in annual installments ranging from $522,438 to $1,046,201 through January 1, 2032. These bonds are payable from sewer user fees.

B. Changes in Long-Term Debt

As of June 30, 2007, the City had the following long-term obligations outstanding including the current portion:

	Business Activities				
	Balance July 1, 2006	Incurred or Issued	Satisfied or Matured	Balance June 30, 2007	Current Portion
Business-type Activities:					
Compensated Absences	$ 176,769	$ -	$ (42,703)	$ 134,066	$ -
Revenue Bonds	8,855,000		(675,000)	8,180,000	695,000
Total Business-type Activities	$ 9,031,769	$ -	$ (717,703)	$ 8,314,066	$ 695,000

C. Annual Repayment Requirements of Long-Term Debt

The annual requirements to amortize all debts outstanding (excluding compensated absences) as of June 30, 2007 are as follows:

	Business Activities	
Year End June 30	Principal	Interest
2008	$ 695,000	$ 351,201
2009	190,000	333,826
2010	195,000	328,364
2011	205,000	322,319
2012	210,000	315,554
2013-2017	1,165,000	1,456,130
2018-2022	1,425,000	1,196,103
2023-2027	1,815,000	836,475
2028-2032	2,280,000	352,500
	$ 8,180,000	$ 5,492,472

D. Bond Requirements

At June 30, 2007, management believes the City and its component units are in compliance with all covenants of the various debt indentures.

E. Defeased Obligations

There are no outstanding defeased obligations at June 30, 2007.

NOTE 8 – EMPLOYEE BENEFITS

A. Retirement System

Substantially all City employees are eligible to participate in pension plans offered by California Public Employees' Retirement System (PERS), an agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be public employees and beneficiaries. The City's employees participate in the separate safety (police and fire) and miscellaneous (all other) employee plans. Benefit provisions under both plans are established by state statute and City resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both plans are determined annually on an actuarial basis as of June 30 by PERS; the City must contribute these amounts.

Active plan members in PERS are required to contribute a percent of their annual covered salary. However, the City pays the contributions required of all miscellaneous employees, all police safety employees, and fire safety members. The rates are set by statute and therefore remain unchanged from year to year. The City is required to contribute the actuarially determined amounts necessary to fund the benefit for its members beyond the contribution required of member employees. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration.

The plans' provisions, benefits and contribution rates in effect at June 30, 2007 are summarized as follows:

	Miscellaneous	Police	Fire
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	50	50
Monthly benefits, as % of annual salary	2.5%	3.0%	2.0%
Required employee contribution rate	8%	9%	9%
Required employer contribution rate	14.154%	26.383%	14.200%
Total current covered payroll	$ 6,913,446	$ 2,860,225	$ 1,757,877
Required employee contributions made	$ 553,077	$ 257,424	$ 158,212
Required employer contributions rate made	$ 978,529	$ 754,613	$ 249,619

Total current payroll for covered employees for the year ended June 30, 2007 was $11,531,549 and the total payroll for all employees was $12,250,141.

PERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the employer must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the pension benefit obligation.

PERS uses the market-related value method of valuing the plan's assets. An investment rate of return of 7.75% is assumed, including inflation at 3.00%. Annual salary increases are assumed to vary by duration of service. The City's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization periods for the City's plans are as follows:

Police Safety	June 30, 2022
Fire Safety	June 30, 2020
Miscellaneous	June 30, 2034

A three-year smoothing technique is used for Asset Valuation. For 2005-06 the annual rate components were as follows:

	Miscellaneous	Police	Fire	Total
Normal Cost	$ 544,127	$ 418,207	$ 173,545	$ 1,135,879
Unfunded Liability (Surplus)	398,348	302,314	45,832	746,494
Total City Portion Paid	**$ 942,475**	**$ 720,521**	**$ 219,377**	**$ 1,882,373**
Normal Cost Rate	7.443%	11.510%	11.700%	
Unfunded Liability (Surplus) Rate	4.137%	4.626%	3.089%	
Total	11.580%	16.136%	14.789%	

The plans' actuarial value (which differs from fair value) and funding progress over the three most recently available years is set forth below at their actuarial valuation date:

	Actuarial Valuation Date	Actual Asset Value	Entry Age Actuarial Accrued Liability	Underfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Underfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll
Miscellaneous Plan	6/30/2004	$ 20,085,080	$ 24,657,599	$ 4,572,519	81.5%	$ 5,414,685	84.4%
	6/30/2005	21,949,690	27,966,498	6,016,808	78.5%	5,657,410	106.4%
	6/30/2006	24,271,111	30,642,246	6,371,135	79.2%	6,157,596	103.5%
Police Safety Plan	6/30/2004*	4,424,586,846	5,383,921,942	959,335,096	82.2%	575,296,434	166.8%
	6/30/2005*	5,295,150,375	6,367,049,264	1,071,898,889	83.2%	664,147,796	161.4%
	6/30/2006*	6,102,615,567	7,278,049,834	1,175,434,267	83.9%	754,730,438	155.7%
Fire Safety Plan	6/30/2004*	885,549,650	996,203,370	110,653,720	88.9%	149,407,703	74.1%
	6/30/2005*	646,358,708	742,247,338	95,888,630	87.1%	115,062,820	83.3%
	6/30/2006*	460,948,462	534,135,011	73,186,549	86.3%	84,179,637	86.9%

*Since the plan had less than 100 active members in at least one valuation since June 30, 2003, it is required to participate in a risk pool.

June 30, 2006 reports are the latest year available.

PERS has reported that the value of the net assets in the Plan held for pension benefits changed as follows during the year ended June 30, 2006, the most recent available:

	Miscellaneous	Police	Fire
Beginning Balance 6/30/05	$ 22,510,994	$5,449,784,537	$670,108,770
Contributions Received	1,335,623	341,778,477	36,201,572
Benefits and Refunds Paid	(848,491)	(273,498,305)	(30,279,657)
Investment Return	2,596,941	632,607,117	77,005,674
Transfers In/Out and Miscellaneous Adjustments	18,113	319,103,490	(261,363,194)
Expected Actuarial Value of Assets 6/30/06	$ 25,613,180	$6,469,775,316	$491,673,165
Market Value of Assets 6/30/06	$ 25,613,180	$6,469,775,316	$491,673,115
Actuarial Value of Assets 6/30/06	$ 24,271,111	$6,102,615,567	$460,948,462

Since the Police and Fire plans had less than 100 active members in at least one valuation since June 30, 2003, it is required to participate in a risk pool.

Audited annual financial statements and ten-year trend information for the fiscal year ended June 30, 2006, the most recent available, are available from PERS at P.O. Box 942709, Sacramento, CA 94229-2709.

B. Post Employment Benefits

In addition to the pension benefits described above, the City Council has adopted resolutions making health care insurance benefits available for all retired full time City employees regardless of bargaining affiliation if they so desire. Providing health care benefits under the City's group health plan may provide benefits at a substantially lower cost than if the retirees purchased their own individual benefit. This obligation to make coverage available under the City's group health plan is discontinued at such time as the retiree reaches age sixty-five or receives health insurance coverage from another employer. In accordance with adopted wage and benefit agreements, the City contributes toward retiree health insurance premiums as follows: 1) Management, Police, Fire, and SEIU employees receive up to $500 per month. The City contributions may be used to defray premium cost for either the City provided plan(s) or other plan(s) secured by retiree. Each retiree choosing to receive City provided health care insurance must reimburse the City the full premium cost that exceed the City's contribution as detailed above.

For the fiscal year ended June 30, 2007, employee retirement costs totaled $105,673. For fiscal years 2002 through 2007 these costs are displayed in the chart below. Payments for health insurance premiums are recorded as receivables and are billed for reimbursement to the retirees. At June 30, 2007, 22 retirees were subscribing to the City's group health plan.

Year	Retiree Health Care Insurance Benefits
2002	$ 21,400
2003	$ 29,800
2004	$ 45,094
2005	$ 50,209
2006	$ 82,855
2007	$ 105,673

City Council adopted Resolution 07-120 authorizing the establishment of the retiree health savings plan to comply with Governmental Accounting Standards Board (GASB) 43 and 45.

C. Deferred Compensation Plans

City employees may defer a portion of their compensation under two separate, optional City-sponsored deferred compensation plans created in accordance with Internal Revenue Code Section 457. Under these plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death, or in an emergency as defined by the plans.

Effective January 1, 1998, the law governing deferred compensation plan assets now require plan assets to be held for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these new plans are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements.

In accordance with adopted wage and benefit agreements, the City makes contributions to optional City-sponsored deferred compensation plans for management. For all managers, the City contributes $4,200 annually. In addition to the $4,200, the City will match up to $2,500 in additional contributions for executive managers. For the fiscal year ended June 30, 2007, the total City contribution on behalf of eligible employees was $166,794.

D. Section 125 Benefit Plan

The City has a 125 benefit plan established pursuant to Section 125 of the IRS code. Under this plan, eligible employees may elect to contribute pre-tax dollars into any combination of the following three benefit categories:

1. Unreimbursed Medical Spending Account
2. Dependent Day Care Spending Account

Under no circumstances may an employee direct more than $5,000 annually into the Dependent Day Care Spending Account and the Unreimbursed Medical Spending Account. All regular full-time employees employed on a regular and continuous basis, including certain contractual employees, are eligible to participate in this plan. Temporary and casual employees are not eligible. The plan year adopted by the City begins on July 1 and ends June 30. To obtain reimbursement of expenses incurred within a plan year within the spending accounts (only items 1 or 2 above), employees must submit claims within 90 days of the end of the plan year or separation of service from the City, whichever occurs first. Funds unclaimed after 90 days of the close of the plan year are then remitted to the City.

E. Compensated Absences

The City's policy relating to compensated absences is described in Note 1. The long-term portion of this debt, amounting to $1,999,742 for governmental activities and $134,066 for business-type activities at June 30, 2007, is expected to be paid in future years from future resources. In prior years, compensated absences have been liquidated primarily by the general fund and the proprietary funds.

NOTE 9 – NET ASSETS AND FUND BALANCES

A. Net Assets

GASB Statement No. 34 adds the concept of Net Assets, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis. In the Government-wide Financial Statements, net assets are classified in the following categories:

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

Restricted Net Assets – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – This category represents the net assets of the City, which are not restricted for any project or other purpose.

B. Fund Balances

In the Funds Financial Statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the City Council and Management and can be increased, reduced, or eliminated by similar actions (see pages 28, 75, and 76). As of June 30, 2007, reservations of fund balance are described below:

Fiscal Agreements – In the case of the Redevelopment Agency, tax increment revenues are held by the Agency until such time as projects are mutual, agreed benefit are identified and undertaken.
Interfund Receivables - These reserves were established to provide for receivable due by one fund to another. While expected to be fully repaid, it is not currently available for use by the fund where the receivable is recorded.
Capital Projects - These reserves represent specific projects and programs for which the City has made a commitment towards completion through adoption of the City Budget or Capital Improvement Projects Plan.
Low Income Housing – Pursuant to California Health and Safety Code, 20% of property tax increment received by the Redevelopment Agency must be set aside and used exclusively for projects related to low and moderate income housing purposes.

The City has designated fund balances in the Funds Financial Statements for specific purposes.

As of June 30, 2007 the Highway 101/46 West Community Facilities District Fund deficit fund balance of ($8,538,795), the Redevelopment Agency Debt Service Fund deficit fund balance of ($7,386,653), the Transportation Development Act Fund had a deficit fund balance of ($3,633), the Landscape and Lighting District deficit fund balance of ($184,586), the Airport Road PSR Fund of ($160,436), the Capital Projects Reserve Fund deficit fund balance of (31,068), Specific Plans Fund of ($780,426), and Police Grants Fund deficit fund balance of ($24,050).

NOTE 10 – FUNDS WITH EXPENDITURES EXCEEDING APPROPRIATONS

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

Major Funds:		
Highway 101/46 West Community Facilities District Fund	$	7,633,804
Redevelopment Agency Debt Service Fund		589,238
Non-Major Funds:		
Building Education Fund		7,088
Landscape and Lighting District		615,868
Landfill Closure/Postclosure Special Revenue Fund - Public Works		187,749
Transportation Development Act Fund		95,584
Youth Scholarship Fund		2,556
Community Facilities District Operations Fund		3,593
Specific Plans Fund		117,400
Measure D GO Bonds Capital Outlay Fund		718,062

NOTE 11 - LITIGATION AND CONTINGENCIES

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed or determined in amount. While the City is a defendant in a number of lawsuits arising out of the normal course of business, their outcome can not be predicted. In the opinion of the City Attorney, these actions when finally adjudicated will not have a material adverse impact on the financial position of the City.

NOTE 12 – NACIMIENTO WATER PROJECT

The City of Paso Robles has entered into a contract with the San Luis Obispo County Financing Authority (Authority). The Authority was created on August 15, 2000, to issue bonds for the purpose of financing part or al of the costs of the purchase, construction, expansion, improvement, or rehabilitation of any real or other tangible property. The Authority issued $196,410,000 ($157,845,000 Revenue Bonds, 2007 Series A and $38,565,000 Revenue Bonds, 2007 Series B) for the Nacimiento Water Project on September 26, 2007. The City of Paso Robles is considered a participating agency of the Authority. The City's share of the Nacimiento Water Project is based upon the participating agency's share of the quantity of water to be distributed by the Authority from the Nacimiento Lake. The City is obligated to pay for the debt service of the Authority based on their water share. The City is further obligated to make contract payments until the year 2040. The future minimum contract payments for the debt service are as follows:

Nacimiento Water Project	
Year End June 30	Net Annual Debt Service
2008	$ -
2009	
2010	
2011	1,587,995
2012	4,224,589
2013-2017	21,134,320
2018-2022	21,132,320
2023-2027	21,125,446
2028-2032	21,119,696
2033-2037	21,131,422
2038-2040	12,572,507
	$ 124,028,295

CITY OF EL PASO DE ROBLES

SUPPLEMENTAL INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Capital Replacement Fund - to account for funds being set aside for the replacement of capital equipment.

Building Education Fund - to account for funds generated by a fee assessed on each building permit issued for the specific purpose of providing training monies for building inspectors as provided for by new State law.

City/School Facility Improvement Fund - to account for funds to be set aside for major maintenance and repairs of joint use facilities in accordance with each facility use agreement with the Paso Robles School District for the purpose of repair and long term maintenance of recreation public facilities.

Citizens Option Public Safety Fund - to account for State AB 3229 funds. Funds must be held in an interest bearing account until utilized to provide the City's matching share of Federal Citizens Option Public Safety grant.

Police Grants Fund - to account for public safety grants.

State Gas Tax Fund - to account for receipts and expenditures of money apportioned under Streets and Highway Code Sections 2105, 2106, 2107, and 2107.5 of the State of California.

Transportation Development Act Fund - to account for the receipt and expenditure of the 1/4% sales tax levied statewide for local transportation purposes. In 1971, the 6% sales tax levy was extended to gasoline purchases and is divided into two categories; Article 8a, which is used for streets and roads, and Article 8c, which is restricted for transit purposes.

Community Development Block Grant Fund - to account for Federal grant funds received from the Department of Housing and Urban Development for the rehabilitation of low and moderate income housing and the elimination of blight in the City.

Youth Scholarship Fund - to account for revenues and expenditures associated with grants to recreation program participants who are unable to pay their own participation fees.

Landscape and Lighting District Fund - to account for City's benefit assessment district which was established to finance the ongoing maintenance and operational costs of street lighting and landscaped mediums and parkways, etc.

Landfill Closure/Postclosure Fund - to account for the State mandated set-aside funds to provide funds for the closure and postclosure operating expenses for the municipal landfill.

Redevelopment Agency Fund - to account for certain financial activities of the City's Redevelopment Agency.

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

General Emergency and Reserve Fund - to account for funds provided to meet unanticipated emergencies and special budgetary needs of the City. Funds were originally derived from a General Fund transfer.

Economic Incentive Fund - to account for funds which were set aside by the City Council to assist business development in the community in accordance with the adopted economic strategic plan. Funding derives from General Fund transfers.

City Facility Repair Fund - to account for funds generated by a $2.00 surcharge assessed on and collected from each recreation program participant for the purpose of repair and long term maintenance of recreation public facilities. General Fund also makes a contribution.

SPECIAL REVENUE FUNDS - continued

Landfill Contingency Fund - to account for funds set-aside by the City to cover any landfill contingencies that might arise after "decommissioning" the landfill as an enterprise fund operation. Funds come from General Fund landfill franchise fees.

General Services Community Facilities District Fund - to account for funds provided by special taxes on new residential development for city services.

Art in Public Places Fund - to account for funds generated by a 1% surcharge on all public facility construction.

Downtown Parking in Lieu Fee Fund- to account for funds deposited with new or expanded downtown development that chooses to pay a Council authorized fee in lieu of providing all or a portion of their required on-site parking.

CAPITAL PROJECTS FUNDS

Capital Projects Reserve Fund - to account for financial resources segreated for the acquisition or construction of major capital facilities and equipment by the City.

Bridge Development Fund - to account for service charges received through the assessment of specific fees on every building permit issued. The City acts as an agent for the developer who purchased all of the bridge certificates for the construction of the Niblick Bridge in a prior year. The City remits the proceeds that are collected on behalf of the developer to the developer and retains a service charge fee.

Park Development Fund - to account for the fees assessed and collected upon the issuance of a City building permit. Funds are used to acquire or construct park and recreation facilities throughout the City.

Storm Drain Development Fund - to account for the fees assessed and collected upon the issuance of a City building permit. Funds are used to construct storm drain facilities throughout the City.

Parkway and Median Development Fund - to account for the fees assessed and collected upon the issuance of a City building permit. Funds are used to install parkways and medians in City right-of-ways throughout the City.

Specific Plans Fund - to segregate and accumulate funds collected from the payment of development impact fees as identified in the Borkey and Union/46 Specific Plans for public facilities and infrastructure.

Measure D GO Bonds Fund - to account for project expenditures for a variety of infrastructure projects funded by the voter approved Measure D General Obligation Bonds.

Airport Road PSR Fund- to account for expenditures associated with the Project Study Report (PSR) for the intersection of Highway 46 East and Airport Road.

DEBT SERVICE FUNDS

1993 Public Facilities Fund - to account for long-term debt service transactions relating to the construction of Centennial Park. Certificates of participation were first issued in 1988 and were refunded in this issue which included an additional, new amount issued to construct a new municipal library and city hall.

CITY OF EL PASO DE ROBLES
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2007

	SPECIAL REVENUE FUNDS													
	Capital Replacement	Building Education	City/School Facility Improvement	Citizens Option Public Safety	Police Grants	State Gas Tax	Transportation Development Act	Community Development Block Grant	Youth Scholarship	Landscape and Lighting District	Landfill Closure/ Postclosure	Redevelopment Agency	Building Department Special Fees	Other Funds*
ASSETS														
Cash and investments	$ 2,052,449	$ 112,664	$ 37,348	$ 243,231	$ -	$ 1,168,991	$ -	283,474	$ 38,078	$ 459	$ 1,373,146	$ 60,515	$ 172,475	$ 2,488,728
Accounts receivable				21,055		415,307		14,780		11,705				
Loan contracts receivable								802,783				976,697		
Total Assets	$ 2,052,449	$ 112,664	$ 37,348	$ 264,286	$ -	$ 1,584,298	$ -	$ 1,101,037	$ 38,078	$ 12,164	$ 1,373,146	$ 1,037,212	$ 172,475	$ 2,488,728
LIABILITIES AND FUND BALANCES														
Accounts payable	$ 120,066	$ 1,506	$ -	$ 46,644	$ 24,016	$ 122,417	$ 3,633	$ 15,003	$ -	$ 58,743	$ -	$ 972	$ 4,443	$ 39,029
Accrued payroll expenses								8,723		3,300				
Deferred revenues								802,783				236,740		
Loan contracts payable					34					134,707				
Total Liabilities	120,066	1,506		46,644	24,050	122,417	3,633	826,509		196,750		237,712	4,443	39,029
Fund balances:														
Reserved												739,957		
Unreserved	1,932,383	111,158	37,348	217,642	(24,050)	1,461,881	(3,633)	274,528	38,078	(184,586)	1,373,146	59,543	168,032	2,449,699
Total Fund Balances	1,932,383	111,158	37,348	217,642	(24,050)	1,461,881	(3,633)	274,528	38,078	(184,586)	1,373,146	799,500	168,032	2,449,699
Total Liabilities and Fund Balances	$ 2,052,449	$ 112,664	$ 37,348	$ 264,286	$ -	$ 1,584,298	$ -	$ 1,101,037	$ 38,078	$ 12,164	$ 1,373,146	$ 1,037,212	$ 172,475	$ 2,488,728

*Other Funds includes General Emergency and Reserve Fund, Economic Incentive Fund, City Facility Repair Fund, Solidwaste Contingency Fund, General Services Community Facilities District, Art in Public Places, and Downtown Parking in Lieu.

CITY OF EL PASO DE ROBLES
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2007

	CAPITAL PROJECTS FUNDS								DEBT SVC FUND	
	Capital Projects Reserve	Bridge Development	Park Development	Storm Drain Development	Parkway and Median Development	Specific Plans	Measure D GO Bonds	Airport Road PSR	1993 Public Facilities Debt Service Fund	Total Non-Major Governmental Funds
ASSETS										
Cash and investments	$ 67,771	$ 83,975	$ 1,631,128	$ 377,449	$ -	$ 1,072,086	$ -	$ -	$ 480,139	$ 11,744,106
Accounts receivable										462,847
Loan contracts receivable										1,779,480
Total Assets	$ 67,771	$ 83,975	$ 1,631,128	$ 377,449	$ -	$ 1,072,086	$ -	$ -	$ 480,139	$ 13,986,433
LIABILITIES AND FUND BALANCES										
Accounts payable	$ 60,635	$ -	$ -	$ -	$ -	$ 12,926	$ -	$ -	$ -	$ 510,033
Accrued payroll expenses										12,023
Deferred revenues			35,448							1,074,971
Loan contracts payable	38,204					1,839,586		160,436		2,172,967
Total Liabilities	98,839		35,448			1,852,512		160,436		3,769,994
Fund balances:										
Reserved										739,957
Unreserved	(31,068)	83,975	1,595,680	377,449		(780,426)		(160,436)	480,139	9,476,482
Total Fund Balances	(31,068)	83,975	1,595,680	377,449		(780,426)	-	(160,436)	480,139	10,216,439
Total Liabilities and Fund Balances	$ 67,771	$ 83,975	$ 1,631,128	$ 377,449	$ -	$ 1,072,086	$ -	$ -	$ 480,139	$ 13,986,433

CITY OF EL PASO DE ROBLES
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	SPECIAL REVENUE FUNDS													
	Capital Replacement	Building Education	City/School Facility Improvement	Citizens Option Public Safety	Police Grants	State Gas Tax	Transportation Development Act	Community Development Block Grant	Youth Scholarship	Landscape and Lighting District	Landfill Closure/ Postclosure	Redevelopment Agency	Building Department Special Fees	Other Funds*
Revenues:														
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,043,698	$ -	$ 543,608	$ -	$ 28,486
Uses of money and property	101,325	11,491	6,692	12,096		59,873	212	42,085	1,781	917	62,650	30,020		108,971
From other agencies	7,500			100,000	55,785	1,118,827	104,591	377,430						
Charges for current services		8,319											90,164	16,358
Other	564,108					27,975		125,000	9,437					386,000
Total Revenues	672,933	19,810	6,692	112,096	55,785	1,206,675	104,803	544,515	11,218	1,044,615	62,650	573,628	90,164	539,815
Expenditures:														
General government	32,009													187,787
Public safety	174,948			94,988	79,835									
Public works	82,415					32,500	24,686			1,136,068	187,749			31,768
Library & recreation services	17,875								2,556					
Community development	30,251	17,088						403,660				51,412	33,870	9,995
Debt service	63,353													
Capital outlay			18,200	5,282		562,540	105,898	249,055						85,144
Total Expenditures	400,851	17,088	18,200	100,270	79,835	595,040	130,584	652,715	2,556	1,136,068	187,749	51,412	33,870	314,694
Excess revenues over (under) expenditures	272,082	2,722	(11,508)	11,826	(24,050)	611,635	(25,781)	(108,200)	8,662	(91,453)	(125,099)	522,216	56,294	225,121
Other financing sources (uses):														
Operating transfers in							22,506	236,867			73,200	48,628	61,646	399,984
Operating transfers out	(61,646)					(249,066)						(236,867)		(269,992)
Proceeds from postclosure liability											187,749			
Total other financing sources (uses)	(61,646)					(249,066)	22,506	236,867			260,949	(188,239)	61,646	129,992
Excess revenues and other sources over (under) expenditures and other uses	210,436	2,722	(11,508)	11,826	(24,050)	362,569	(3,275)	128,667	8,662	(91,453)	135,850	333,977	117,940	355,113
Fund Balances - July 1	1,721,947	108,436	48,856	205,816		1,099,312	(358)	145,861	29,416	(93,133)	1,237,296	465,523	50,092	2,094,586
Fund Balances - June 30	$ 1,932,383	$ 111,158	$ 37,348	$ 217,642	$ (24,050)	$ 1,461,881	$ (3,633)	$ 274,528	$ 38,078	$ (184,586)	$ 1,373,146	$ 799,500	$ 168,032	$ 2,449,699

*Other Funds includes General Emergency and Reserve Fund, Economic Incentive Fund, City Facility Repair Fund, Solidwaste Contingency Fund, General Services Community Facilities District, Art in Public Places, and Downtown Parking in Lieu.

CITY OF EL PASO DE ROBLES
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	CAPITAL PROJECTS FUNDS								DEBT SVC FUND	
	Capital Projects Reserve	Bridge Development	Park Development	Storm Drain Development	Parkway and Median Development	Specific Plans	Measure D GO Bonds	Airport Road PSR	1993 Public Facilities Debt Service Fund	Total Non-Major Governmental Funds
Revenues:										
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,615,792
Uses of money and property	1,045	3,877	66,334	16,898		104,736			19,575	650,578
From other agencies			916,184							2,680,317
Charges for current services			468,962	194,757	1,000	267,833				1,047,393
Other					800	7,245				1,120,565
Total Revenues	1,045	3,877	1,451,480	211,655	1,800	379,814			19,575	7,114,645
Expenditures:										
General government										219,796
Public safety										349,771
Public works				135,123		30,528				1,660,837
Library & recreation services										20,431
Community development						241,959				788,235
Debt service						108,307		9,446	573,860	754,966
Capital outlay	102,113		938,168			1,993,306	718,062	75,971		4,853,739
Total Expenditures	102,113		938,168	135,123		2,374,100	718,062	85,417	573,860	8,647,775
Excess revenues over (under) expenditures	(101,068)	3,877	513,312	76,532	1,800	(1,994,286)	(718,062)	(85,417)	(554,285)	(1,533,130)
Other financing sources (uses):										
Operating transfers in	70,000						1,389,090		554,331	2,856,252
Operating transfers out					(1,800)	(1,202,588)				(2,021,959)
Proceeds from postclosure liability										187,749
Total other financing sources (uses)	70,000				(1,800)	(1,202,588)	1,389,090		554,331	1,022,042
Excess revenues and other sources over (under) expenditures and other uses	(31,068)	3,877	513,312	76,532		(3,196,874)	671,028	(85,417)	46	(511,088)
Fund Balances - July 1		80,098	1,082,368	300,917		2,416,448	(671,028)	(75,019)	480,093	10,727,527
Fund Balances - June 30	$ (31,068)	$ 83,975	$ 1,595,680	$ 377,449	$ -	$ (780,426)	$ -	$ (160,436)	$ 480,139	$ 10,216,439

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Capital Replacement Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ 41,000	$ 101,325	$ 60,325
From other agencies		7,500	7,500
Charges for current services	18,000		(18,000)
Other	633,700	564,108	(69,592)
Total Revenues	692,700	672,933	(19,767)
Expenditures:			
General government	112,400	32,009	80,391
Public safety	205,000	174,948	30,052
Public works	100,700	82,415	18,285
Library & recreation services	52,900	17,875	35,025
Community development	17,000	30,251	(13,251)
Debt service	64,500	63,353	1,147
Total Expenditures	552,500	400,851	151,649
Excess revenues over (under) expenditures	140,200	272,082	131,882
Other financing sources (uses):			
Operating transfers out		(61,646)	(61,646)
Total other financing sources (uses)		(61,646)	(61,646)
Excess revenues and other sources over (under) expenditures and other uses	140,200	210,436	70,236
Fund Balance - July 1	1,721,948	1,721,947	
Fund Balance - June 30	$ 1,862,148	$ 1,932,383	$ 70,236

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Building Education Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ 1,000	$ 11,491	$ 10,491
Charges for current services	15,000	8,319	(6,681)
Total Revenues	16,000	19,810	3,810
Expenditures:			
Community development	10,000	17,088	(7,088)
Total Expenditures	10,000	17,088	(7,088)
Excess revenues over (under) expenditures	6,000	2,722	(3,278)
Fund Balance - July 1	108,436	108,436	
Fund Balance - June 30	$ 114,436	$ 111,158	$ (3,278)

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	City/School Facility Improvement Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ 5,500	$ 6,692	$ 1,192
Total Revenues	5,500	6,692	1,192
Expenditures:			
Capital outlay	30,000	18,200	11,800
Total Expenditures	30,000	18,200	11,800
Excess revenues over (under) expenditures	(24,500)	(11,508)	12,992
Fund Balance - July 1	48,856	48,856	
Fund Balance - June 30	$ 24,356	$ 37,348	$ 12,992

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Citizens Option Public Safety Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ -	$ 12,096	$ 12,096
From other agencies	200,000	100,000	(100,000)
Total Revenues	200,000	112,096	(87,904)
Expenditures:			
Public safety	147,000	94,988	52,012
Capital outlay	5,000	5,282	(282)
Total Expenditures	152,000	100,270	51,730
Excess revenues over (under) expenditures	48,000	11,826	(36,174)
Fund Balance - July 1	205,816	205,816	
Fund Balance - June 30	$ 253,816	$ 217,642	$ (36,174)

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Police Grants		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
From other agencies	$ 125,900	$ 55,785	$ (70,115)
Total Revenues	125,900	55,785	(70,115)
Expenditures:			
Public safety	125,900	79,835	46,065
Total Expenditures	125,900	79,835	46,065
Excess revenues over (under) expenditures		(24,050)	(24,050)
Fund Balance - July 1			
Fund Balance - June 30	$ -	$ (24,050)	$ (24,050)

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	State Gas Tax Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ 3,200	$ 59,873	$ 56,673
From other agencies	577,000	1,118,827	541,827
Other		27,975	27,975
Total Revenues	580,200	1,206,675	626,475
Expenditures:			
Public works	64,200	32,500	31,700
Capital outlay	1,996,100	562,540	1,433,560
Total Expenditures	2,060,300	595,040	1,465,260
Excess revenues over (under) expenditures	(1,480,100)	611,635	2,091,735
Other financing sources (uses):			
Operating transfers in			
Operating transfers out	(248,200)	(249,066)	(866)
Total other financing sources (uses)	(248,200)	(249,066)	(866)
Excess revenues and other sources over (under) expenditures and other uses	(1,728,300)	362,569	2,090,869
Fund Balance - July 1	1,099,312	1,099,312	
Fund Balance - June 30	$ (628,988)	$ 1,461,881	$ 2,090,869

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Transportation Development Act Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ 7,000	$ 212	$ (6,788)
From other agencies	57,000	104,591	47,591
Total Revenues	64,000	104,803	40,803
Expenditures:			
Public works		24,686	(24,686)
Capital outlay	35,000	105,898	(70,898)
Total Expenditures	35,000	130,584	(95,584)
Excess revenues over (under) expenditures	29,000	(25,781)	(54,781)
Other financing sources (uses):			
Operating transfers in		22,506	22,506
Total other financing sources (uses)		22,506	22,506
Excess revenues and other sources over (under) expenditures and other uses	29,000	(3,275)	(32,275)
Fund Balance - July 1	(358)	(358)	
Fund Balance - June 30	$ 28,642	$ (3,633)	$ (32,275)

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Community Development Block Grant		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ -	$ 42,085	$ 42,085
From other agencies	544,000	377,430	(166,570)
Other		125,000	125,000
Total Revenues	544,000	544,515	515
Expenditures:			
Community development	566,900	403,660	163,240
Capital outlay	782,900	249,055	533,845
Total Expenditures	1,349,800	652,715	697,085
Excess revenues over (under) expenditures	(805,800)	(108,200)	697,600
Other financing sources (uses):			
Operating transfers in	63,100	236,867	173,767
Total other financing sources (uses)	63,100	236,867	173,767
Excess revenues and other sources over (under) expenditures and other uses	(742,700)	128,667	871,367
Fund Balance - July 1	145,861	145,861	
Fund Balance - June 30	$ (596,839)	$ 274,528	$ 871,367

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Youth Scholarship Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ -	$ 1,781	$ 1,781
Other	6,800	9,437	2,637
Total Revenues	6,800	11,218	4,418
Expenditures:			
Library & recreation services		2,556	(2,556)
Total Expenditures		2,556	(2,556)
Excess revenues over (under) expenditures	6,800	8,662	1,862
Fund Balance - July 1	29,416	29,416	
Fund Balance - June 30	$ 36,216	$ 38,078	$ 1,862

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Landscape and Lighting District Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 878,900	$ 1,043,698	$ 164,798
Uses of money and property		917	917
Total Revenues	878,900	1,044,615	165,715
Expenditures:			
Public works	520,200	1,136,068	(615,868)
Total Expenditures	520,200	1,136,068	(615,868)
Excess revenues over (under) expenditures	358,700	(91,453)	(450,153)
Fund Balance - July 1	(93,133)	(93,133)	
Fund Balance - June 30	$ 265,567	$ (184,586)	$ (450,153)

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Landfill Closure/Postclosure Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ 25,000	$ 62,650	$ 37,650
Total Revenues	25,000	62,650	37,650
Expenditures:			
Public works		187,749	(187,749)
Total Expenditures		187,749	(187,749)
Excess revenues over (under) expenditures	25,000	(125,099)	(150,099)
Other financing sources (uses):			
Operating transfers in	73,200	73,200	
Proceeds from postclosure liability		187,749	187,749
Total other financing sources (uses)	73,200	260,949	187,749
Excess revenues and other sources over (under) expenditures and other uses	98,200	135,850	37,650
Fund Balance - July 1	1,237,296	1,237,296	
Fund Balance - June 30	$ 1,335,496	$ 1,373,146	$ 37,650

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Redevelopment Agency Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 400,000	$ 543,608	$ 143,608
Uses of money and property	5,000	30,020	25,020
From other agencies	498,900		(498,900)
Total Revenues	903,900	573,628	(330,272)
Expenditures:			
Community development	623,800	51,412	572,388
Total Expenditures	623,800	51,412	572,388
Excess revenues over (under) expenditures	280,100	522,216	242,116
Other financing sources (uses):			
Operating transfers in	75,000	48,628	(26,372)
Operating transfers out	(63,100)	(236,867)	(173,767)
Total other financing sources (uses)	11,900	(188,239)	(200,139)
Excess revenues and other sources over (under) expenditures and other uses	292,000	333,977	41,977
Fund Balance - July 1	465,523	465,523	
Fund Balance - June 30	$ 757,523	$ 799,500	$ 41,977

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Building Department Special Fees		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Charges for current services	$ -	$ 90,164	$ 90,164
Total Revenues		90,164	90,164
Expenditures:			
Community development	35,000	33,870	1,130
Total Expenditures	35,000	33,870	1,130
Excess revenues over (under) expenditures	(35,000)	56,294	91,294
Other financing sources (uses):			
Operating transfers in		61,646	61,646
Total other financing sources (uses)		61,646	61,646
Excess revenues and other sources over (under) expenditures and other uses	(35,000)	117,940	152,940
Fund Balance - July 1	50,092	50,092	
Fund Balance - June 30	$ 15,092	$ 168,032	$ 152,940

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	General Emergency and Reserve		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ 1,000	$ 48,130	$ 47,130
From other agencies	300,000		(300,000)
Other		350,000	350,000
Total Revenues	301,000	398,130	97,130
Expenditures:			
General government	37,100	25,287	11,813
Piblic works	21,400	21,326	74
Community development	14,400	6,402	7,998
Capital outlay	475,000	50,161	424,839
Total Expenditures	547,900	103,176	444,724
Excess revenues over (under) expenditures	(246,900)	294,954	541,854
Other financing sources (uses):			
Operating transfers in	100,000	99,996	(4)
Operating transfers out	(270,000)	(269,992)	8
Total other financing sources (uses)	(170,000)	(169,996)	4
Excess revenues and other sources over (under) expenditures and other uses	(416,900)	124,958	541,858
Fund Balance - July 1	966,408	966,408	
Fund Balance - June 30	$ 549,508	$ 1,091,366	$ 541,858

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Economic Incentive Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ 5,000	$ 13,432	$ 8,432
Total Revenues	5,000	13,432	8,432
Expenditures:			
General government	317,500	162,500	155,000
Total Expenditures	317,500	162,500	155,000
Excess revenues over (under) expenditures	(312,500)	(149,068)	163,432
Fund Balance - July 1	407,750	407,750	
Fund Balance - June 30	$ 95,250	$ 258,682	$ 163,432

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	City Facility Repair Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ 10,000	$ 42,620	$ 32,620
Charges for current services	17,000	16,358	(642)
Total Revenues	27,000	58,978	31,978
Expenditures:			
Public works		10,442	(10,442)
Capital outlay	603,800	95	603,705
Total Expenditures	603,800	10,537	593,263
Excess revenues over (under) expenditures	(576,800)	48,441	625,241
Other financing sources (uses):			
Operating transfers in	300,000	299,988	(12)
Total other financing sources (uses)	300,000	299,988	(12)
Excess revenues and other sources over (under) expenditures and other uses	(276,800)	348,429	625,229
Fund Balance - July 1	642,640	642,640	
Fund Balance - June 30	$ 365,840	$ 991,069	$ 625,229

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Landfill Contingency Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ 10,000	$ 2,633	$ (7,367)
Total Revenues	10,000	2,633	(7,367)
Expenditures:			
Public works	17,000		17,000
Capital outlay	39,000	34,888	4,112
Total Expenditures	56,000	34,888	21,112
Excess revenues over (under) expenditures	(46,000)	(32,255)	13,745
Excess revenues over (under) expenditures	(46,000)	(32,255)	13,745
Fund Balance - July 1	73,321	73,321	
Fund Balance - June 30	$ 27,321	$ 41,066	$ 13,745

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Community Facilities District Operations Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 65,700	$ 28,486	$ (37,214)
Uses of money and property		833	833
Total Revenues	65,700	29,319	(36,381)
Expenditures:			
Community development		3,593	(3,593)
Total Expenditures		3,593	(3,593)
Excess revenues over (under) expenditures	65,700	25,726	(39,974)
Other financing sources (uses):			
Operating transfers out	(65,700)		65,700
Total other financing sources (uses)	(65,700)		65,700
Excess revenues and other sources over (under) expenditures and other uses		25,726	25,726
Fund Balance - July 1			
Fund Balance - June 30	$ -	$ 25,726	$ 25,726

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Art in Public Places Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Miscellaneous	$ -	$ -	$ -
Fund Balance - July 1	4,467	4,467	
Fund Balance - June 30	$ 4,467	$ 4,467	$ -

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Downtown Parking in Lieu Fee		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ -	$ 1,323	$ 1,323
Other		36,000	36,000
Total Revenues		37,323	37,323
Fund Balance - July 1			
Fund Balance - June 30	$ -	$ 37,323	$ 37,323

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Capital Projects Reserve Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ 2,500	$ 1,045	$ (1,455)
From other agencies	400,000		(400,000)
Total Revenues	402,500	1,045	(401,455)
Expenditures:			
Capital outlay	1,286,000	102,113	1,183,887
Total Expenditures	1,286,000	102,113	1,183,887
Excess revenues over (under) expenditures	(883,500)	(101,068)	782,432
Other financing sources (uses):			
Operating transfers in		70,000	70,000
Total other financing sources (uses)		70,000	70,000
Excess revenues and other sources over (under) expenditures and other uses	(883,500)	(31,068)	852,432
Fund Balance - July 1			
Fund Balance - June 30	$ (883,500)	$ (31,068)	$ 852,432

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Bridge Development Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ -	$ 3,877	$ 3,877
Total Revenues		3,877	3,877
Excess revenues over (under) expenditures		3,877	3,877
Fund Balance - July 1	80,098	80,098	
Fund Balance - June 30	$ 80,098	$ 83,975	$ 3,877

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Park Development Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ 8,000	$ 66,334	$ 58,334
From other agencies		916,184	916,184
Charges for current services	552,000	468,962	(83,038)
Total Revenues	560,000	1,451,480	891,480
Expenditures:			
Capital outlay	1,585,000	938,168	646,832
Total Expenditures	1,585,000	938,168	646,832
Excess revenues over (under) expenditures	(1,025,000)	513,312	1,538,312
Fund Balance - July 1	1,082,368	1,082,368	
Fund Balance - June 30	$ 57,368	$ 1,595,680	$ 1,538,312

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Storm Drain Development Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ 7,000	$ 16,898	$ 9,898
Charges for current services	132,400	194,757	62,357
Total Revenues	139,400	211,655	72,255
Expenditures:			
Public works	201,300	135,123	66,177
Total Expenditures	201,300	135,123	66,177
Excess revenues over (under) expenditures	(61,900)	76,532	138,432
Fund Balance - July 1	300,917	300,917	
Fund Balance - June 30	$ 239,017	$ 377,449	$ 138,432

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Parkway and Median Development Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Charges for services	$ -	$ 1,000	$ 1,000
Other		800	800
Total Revenues		1,800	1,800
Excess revenues over (under) expenditures		1,800	1,800
Other financing sources (uses):			
Operating transfers out	(128,700)	(1,800)	126,900
Total other financing sources (uses)	(128,700)	(1,800)	126,900
Excess revenues and other sources over (under) expenditures and other uses	(128,700)		128,700
Fund Balance - July 1			
Fund Balance - June 30	$ (128,700)	$ -	$ 128,700

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Specific Plans Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ 70,000	$ 104,736	$ 34,736
Charges for current services	534,000	267,833	(266,167)
Other	23,200	7,245	(15,955)
Total Revenues	627,200	379,814	(247,386)
Expenditures:			
Community development	84,000	241,959	(157,959)
Public works	82,000	30,528	51,472
Debt service		108,307	(108,307)
Capital outlay	2,090,700	1,993,306	97,394
Total Expenditures	2,256,700	2,374,100	(117,400)
Excess revenues over (under) expenditures	(1,629,500)	(1,994,286)	(364,786)
Other financing sources (uses):			
Operating transfers in	41,000		(41,000)
Operating transfers out	(41,000)	(1,202,588)	(1,161,588)
Total other financing sources (uses)		(1,202,588)	(1,202,588)
Excess revenues and other sources over (under) expenditures and other uses	(1,629,500)	(3,196,874)	(1,567,374)
Fund Balance - July 1	2,416,448	2,416,448	
Fund Balance - June 30	$ 786,948	$ (780,426)	$ (1,567,374)

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Measure D GO Bonds		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ -	$ -	$ -
Total Revenues			
Expenditures:			
Capital outlay		718,062	(718,062)
Total Expenditures		718,062	(718,062)
Excess revenues over (under) expenditures		(718,062)	(718,062)
Other financing sources (uses):			
Operating transfers in		1,389,090	1,389,090
Total other financing sources (uses)		1,389,090	1,389,090
Excess revenues and other sources over (under) expenditures and other uses		671,028	671,028
Fund Balance - July 1	(671,028)	(671,028)	
Fund Balance - June 30	$ (671,028)	$ -	$ 671,028

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	Airport Road PSR Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ -	$ -	$ -
Total Revenues			
Expenditures:			
Debt service		9,446	(9,446)
Capital outlay	205,000	75,971	129,029
Total Expenditures	205,000	85,417	119,583
Excess revenues over (under) expenditures	(205,000)	(85,417)	119,583
Fund Balance - July 1	(75,019)	(75,019)	
Fund Balance - June 30	$ (280,019)	$ (160,436)	$ 119,583

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	1993 Public Facilities Debt Service Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	$ -	$ 19,575	$ 19,575
Total Revenues		19,575	19,575
Expenditures:			
Debt service:			
Principal	425,000	425,000	
Interest	151,000	146,670	4,330
Paying agent fees	6,100	2,190	3,910
Total Expenditures	582,100	573,860	8,240
Excess revenues over (under) expenditures	(582,100)	(554,285)	27,815
Other financing sources (uses):			
Operating transfers in	578,900	554,331	(24,569)
Total other financing sources (uses)	578,900	554,331	(24,569)
Excess revenues and other sources over (under) expenditures and other uses	(3,200)	46	3,246
Fund Balance - July 1	480,093	480,093	
Fund Balance - June 30	$ 476,893	$ 480,139	$ 3,246

CITY OF EL PASO DE ROBLES
NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2007

	TOTALS		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 1,344,600	$ 1,615,792	$ 271,192
Uses of money and property	201,200	650,578	449,378
Charges for current services	1,268,400	1,047,393	(221,007)
From other agencies	2,702,800	2,680,317	(22,483)
Other	663,700	1,120,565	456,865
Total Revenues	6,180,700	7,114,645	933,945
Expenditures:			
General government	467,000	219,796	247,204
Public safety	477,900	349,771	128,129
Public works	805,500	1,660,837	(855,337)
Library & recreation services	52,900	20,431	32,469
Community development	1,351,100	788,235	562,865
Debt service	646,600	754,966	(108,366)
Capital outlay	9,338,900	4,853,739	4,485,161
Total Expenditures	13,139,900	8,647,775	4,492,125
Excess revenues over (under) expenditures	(6,959,200)	(1,533,130)	5,426,070
Other financing sources (uses):			
Operating transfers in	1,231,200	2,856,252	1,625,052
Operating transfers out	(816,700)	(2,021,959)	(1,205,259)
Proceeds from postclosure liability		187,749	187,749
Total other financing sources (uses)	414,500	1,022,042	607,542
Excess revenues and other sources over (under) expenditures and other uses	(6,544,700)	(511,088)	6,033,612
Fund Balances - July 1	10,727,527	10,727,527	
Fund Balances - June 30	$ 4,182,827	$ 10,216,439	$ 6,033,612

MAJOR FUNDS

Traffic Mitigation Development Fund

This fund accounts for fees assessed and collected upon the issuance of a City building permit.
Funds are used for bridge, road and signal improvements needed to serve new growth.

Public Facilities Development Fund

This fund accounts for fees assessed and collected upon the issuance of a City certificate of occupancy.
Funds are used to construct public facilities.

Highway 101/46 West Community Facilities District Fund

This fund accounts for the improvements to the Highway 101/46 West interchange and road re-alignments.

Measure D GO Bonds Debt Service Fund

This fund accounts for long-term debt service transactions relating to a variety of infrastructure projects funded by voter approved Measure D General Obligation Bonds.

Redevelopment Agency Debt Service Fund

This fund accounts for long-term debt service transactions relating to the acquisition and improvements of interim city hall and the repayment of short-term cash advances owed to the City of El Paso de Robles' general fund.

CITY OF EL PASO DE ROBLES
TRAFFIC MITIGATION DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ending June 30, 2007

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive/(Negative)
Revenues:				
Uses of money and property	$ 20,000	$ 20,000	$ 148,721	$ 128,721
From other agencies			300,000	300,000
Charges for current services	1,222,000	1,222,000	2,708,907	1,486,907
Total Revenues	1,242,000	1,242,000	3,157,628	1,915,628
Expenditures:				
Public works	60,000	60,000	57,463	2,537
Capital outlay	950,000	950,000	400,012	549,988
Total Expenditures	1,010,000	1,010,000	457,475	552,525
Excess revenues over (under) expenditures	232,000	232,000	2,700,153	2,468,153
Other financing sources (uses):				
Transfers in	24,000	24,000		(24,000)
Transfers out	(1,024,200)	(1,024,200)	(1,543,580)	(519,380)
Total other financing sources (uses)	(1,000,200)	(1,000,200)	(1,543,580)	(543,380)
Excess revenues and other sources over (under) expenditures and other uses	(768,200)	(768,200)	1,156,573	1,924,773
Fund Balance - July 1	4,254,957	4,254,957	4,254,957	
Fund Balance - June 30	$ 3,486,757	$ 3,486,757	$ 5,411,530	$ 1,924,773

CITY OF EL PASO DE ROBLES
PUBLIC FACILITIES DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ending June 30, 2007

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive/(Negative)
Revenues:				
Uses of money and property	$ 34,000	$ 34,000	$ 253,176	$ 219,176
Charges for current services	687,400	687,400	686,796	(604)
Total Revenues	721,400	721,400	939,972	218,572
Expenditures:				
Community development	75,000	75,000		75,000
Total Expenditures	75,000	75,000	-	75,000
Excess revenues over (under) expenditures	646,400	646,400	939,972	293,572
Other financing sources (uses):				
Transfers in	726,400	726,400	2,527,613	1,801,213
Transfers out	(391,300)	(391,300)	(224,100)	167,200
Total other financing sources (uses)	335,100	335,100	2,303,513	1,968,413
Excess revenues and other sources over (under) expenditures and other uses	981,500	981,500	3,243,485	2,261,985
Fund Balance - July 1	11,538,432	11,538,432	11,538,432	
Fund Balance - June 30	$ 12,519,932	$ 12,519,932	$ 14,781,917	$ 2,261,985

CITY OF EL PASO DE ROBLES
HIGHWAY 101/46 WEST COMMUNITY FACILITIES DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ending June 30, 2007

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive/(Negative)
Revenues:				
Uses of money and property	$ -	$ -	$ -	$ -
Total Revenues				
Expenditures:				
Community development		465,000	63,915	401,085
Debt service:				
Interest			292,417	(292,417)
Capital outlay			7,742,472	(7,742,472)
Total Expenditures		465,000	8,098,804	(7,633,804)
Excess revenues over (under) expenditures		(465,000)	(8,098,804)	(7,633,804)
Other financing sources (uses):				
Transfers in			1,000,000	1,000,000
Total other financing sources (uses)			1,000,000	1,000,000
Excess revenues and other sources over (under) expenditures and other uses		(465,000)	(7,098,804)	(6,633,804)
Fund Balance - July 1	(1,439,991)	(1,439,991)	(1,439,991)	
Fund Balance - June 30	$ (1,439,991)	$ (1,904,991)	$ (8,538,795)	$ (6,633,804)

CITY OF EL PASO DE ROBLES
MEASURE D GO BONDS - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ending June 30, 2007

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive/(Negative)
Revenues:				
Taxes	$ 5,220,400	$ 5,220,400	$ 3,276,968	$ (1,943,432)
Uses of money and property	35,000	35,000	292,447	257,447
Total Revenues	5,255,400	5,255,400	3,569,415	(1,685,985)
Expenditures:				
Debt service:				
Interest	1,081,900	1,081,900	1,081,820	80
Principal	2,006,300	2,006,300	2,006,255	45
Paying agent fees	10,000	10,000	1,689	8,311
Total Expenditures	3,098,200	3,098,200	3,089,764	8,436
Excess revenues over (under) expenditures	2,157,200	2,157,200	479,651	(1,677,549)
Excess revenues and other sources over (under) expenditures and other uses	2,157,200	2,157,200	479,651	(1,677,549)
Fund Balance - July 1	6,671,184	6,671,184	6,671,184	
Fund Balance - June 30	$ 8,828,384	$ 8,828,384	$ 7,150,835	$ (1,677,549)

CITY OF EL PASO DE ROBLES
REDEVELOPMENT AGENCY - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ending June 30, 2007

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive/(Negative)
Revenues:				
Taxes	$ 2,305,700	$ 2,305,700	$ 2,973,360	$ 667,660
Uses of money and property			95,377	95,377
Total Revenues	2,305,700	2,305,700	3,068,737	763,037
Expenditures:				
Community development			85,873	(85,873)
Debt service:				
Interest	345,700	345,700	505,313	(159,613)
Principal	165,000	165,000	165,000	
Paying agent fees	5,000	5,000	3,140	1,860
Fiscal agreement payments	767,300	767,300	1,112,911	(345,611)
Total Expenditures	1,283,000	1,283,000	1,872,237	(589,237)
Excess revenues over (under) expenditures	1,022,700	1,022,700	1,196,500	173,800
Other financing sources (uses):				
Operating transfers out	(801,400)	(801,400)	(2,906,473)	(2,105,073)
Total other financing sources (uses)	(801,400)	(801,400)	(2,906,473)	(2,105,073)
Excess revenues and other sources over (under) expenditures and other uses	221,300	221,300	(1,709,973)	(1,931,273)
Fund Balance - July 1	(5,676,680)	(5,676,680)	(5,676,680)	
Fund Balance - June 30	$ (5,455,380)	$ (5,455,380)	$ (7,386,653)	$ (1,931,273)

FIDUCIARY FUNDS

Senior Citizen Fund - to account for funds received and expended by the Senior Advisory Committee.

War Memorial Hospital Scholarship Fund - to account for funds that provide scholarships to graduated local high school students who undertake college courses in the medical field. Scholarships are awarded by the Paso Robles High School District.

Other Post Employment Benefits Trust Fund - to account for other post employment per Governmental Accounting Standards Board (GASB) 43 and 45.

Customer Deposits Fund - to account for deposits from customers which are either to be refunded when performance criteria is met or to be applied against future amounts due to the City from the customer.

CITY OF EL PASO DE ROBLES
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For The Fiscal Year Ended June 30, 2007

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
SENIOR CITIZEN				
Assets:				
Cash and investments	$ 307,872	$ 21,728	$ 34,827	$ 294,773
Total Assets	$ 307,872	$ 21,728	$ 34,827	$ 294,773
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Accrued salary & benefits payable	1,847	937		2,784
Due to others	306,025	20,791	34,827	291,989
Total Liabilities	$ 307,872	$ 21,728	$ 34,827	$ 294,773
HOSPITAL SCHOLARSHIP				
Assets:				
Cash and investments	$ 104,388	$ 5,412	$ 2,922	$ 106,878
Total Assets	$ 104,388	$ 5,412	$ 2,922	$ 106,878
Liabilities:				
Accounts payable	$ 2,500	$ -	$ 2,500	$ -
Due to others	101,888	5,412	422	106,878
Total Liabilities	$ 104,388	$ 5,412	$ 2,922	$ 106,878

CITY OF EL PASO DE ROBLES
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For The Fiscal Year Ended June 30, 2007

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
OTHER POST EMPLOYMENT BENEFITS				
Assets:				
Cash and investments	$ -	$ 422,600	$ -	$ 422,600
Total Assets	$ -	$ 422,600	$ -	$ 422,600
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Due to others		422,600		422,600
Total Liabilities	$ -	$ 422,600	$ -	$ 422,600
CUSTOMER DEPOSITS				
Assets:				
Cash and investments	$ 991,972	$ 3,068,687	$ 3,209,036	$ 851,623
Total Assets	$ 991,972	$ 3,068,687	$ 3,209,036	$ 851,623
Liabilities:				
Accounts payable	$ 6,721	$ 1,221,994	$ 1,211,693	$ 17,022
Customer deposits	985,251	1,845,473	1,997,343	833,381
Prepaid revenues		1,220		1,220
Total Liabilities	$ 991,972	$ 3,068,687	$ 3,209,036	$ 851,623
TOTAL - ALL AGENCY FUNDS				
Assets:				
Cash and investments	$ 1,404,232	$ 3,518,427	$ 3,246,785	$ 1,675,874
Total Assets	$ 1,404,232	$ 3,518,427	$ 3,246,785	$ 1,675,874
Liabilities:				
Accounts payable	$ 9,221	$ 1,221,994	$ 1,214,193	$ 17,022
Accrued salary & benefits payable	1,847	937		2,784
Customer deposits	985,251	1,845,473	1,997,343	833,381
Prepaid revenues		1,220		1,220
Due to others	407,913	448,803	35,249	821,467
Total Liabilities	$ 1,404,232	$ 3,518,427	$ 3,246,785	$ 1,675,874

CITY OF EL PASO DE ROBLES

STATISTICAL SECTION

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

	2004	2005	2006	2007
Governmental activities				
Invested in capital assets, net of related debt	$ 75,824,763	$ 92,243,219	$ 107,693,936	$ 122,168,978
Restricted	11,596,638	8,452,803	829,674	1,286,753
Unrestricted	26,363,208	27,295,006	30,782,721	26,014,158
Total governmental activities net assets	$ 113,784,609	$ 127,991,028	$ 139,306,331	$ 149,469,889
Business-type activities				
Invested in capital assets, net of related debt	$ 43,913,708	$ 45,491,265	$ 54,373,577	$ 54,078,917
Restricted	1,566,395	375,697	479	
Unrestricted	25,637,895	32,818,586	33,620,918	40,862,436
Total business-type activities net assets	$ 71,117,998	$ 78,685,548	$ 87,994,974	$ 94,941,353
Primary government				
Invested in capital assets, net of related debt	$ 119,738,471	$ 137,734,484	$ 162,067,513	$ 176,247,895
Restricted	13,163,033	8,828,500	830,153	1,286,753
Unrestricted	52,001,103	60,113,592	64,403,639	66,876,594
Total primary government net assets	$ 184,902,607	$ 206,676,576	$ 227,301,305	$ 244,411,242

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

	2004	2005	2006	2007
Expenses				
Governmental activities:				
General government	$ 1,043,354	$ 2,504,389	$ 499,902	$ 1,516,575
Public safety	9,152,876	9,691,844	11,715,883	13,846,830
Public works	6,584,703	7,014,786	8,347,720	9,922,306
Library and recreation services	4,749,506	4,345,380	4,560,785	4,960,652
Community development	3,861,638	3,664,177	7,124,605	4,600,339
Interest on long-term debt	1,300,508	828,825	1,709,387	2,265,878
Total governmental activities expenses	26,692,585	28,049,401	33,958,282	
Business-type activities:				
Water operations	3,426,900	3,142,803	3,734,082	4,113,070
Sewer operations	2,861,808	3,400,779	3,621,438	3,672,572
Airport operations	719,358	703,939	681,207	765,078
Transit operations	866,215	893,664	1,088,576	1,246,765
Total business-type activities expenses	7,874,281	8,141,185	9,125,303	9,797,485
Total primary government expenses	$ 34,566,866	$ 36,190,586	$ 43,083,585	$ 9,797,485
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 44,514	$ 42,525	$ 43,872	$ 46,693
Public safety	512,187	496,314	620,003	760,126
Public works	300,125	67,541	20,944	7,626
Library and recreation services	737,158	802,756	791,830	827,976
Community development	3,225,331	6,486,650	5,777,450	5,399,402
Operating contributions and grants	1,387,347	570,620		300,000
Capital contributions and grants	10,128,972	4,877,944	7,129,023	3,634,416
Total governmental activities program revenues	16,335,634	13,344,350	14,383,122	10,976,239
Business-type activities:				
Charges for services:				
Water operations	2,722,343	3,378,686	3,590,654	4,312,130
Sewer operations	3,027,386	3,554,971	3,864,353	4,059,804
Airport operations	22,306	18,932	18,544	20,935
Transit operation	107,967	115,973	132,078	160,685
Capital contributions and grants	5,901,199	6,912,363	7,313,475	4,571,395
Total business-type activities program revenues	11,781,201	13,980,925	14,919,104	13,124,949
Total primary government program revenues	$ 28,116,835	$ 27,325,275	$ 29,302,226	$ 24,101,188

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

	2004	2005	2006	2007
Net (expense)/revenue				
Governmental activities	$ (10,356,951)	$ (14,705,051)	$ (19,575,160)	$ (26,136,341)
Business-type activities	3,906,920	5,839,740	5,793,801	3,327,464
Total primary government net expense	$ (6,450,031)	$ (8,865,311)	$ (13,781,359)	$ (22,808,877)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	$ 9,951,429	$ 13,203,987	$ 13,966,390	$ 15,450,804
Sales taxes	6,229,299	5,414,505	6,183,527	8,237,072
Other taxes	3,889,911	4,249,273	4,640,054	4,933,674
From other agencies	2,078,797	2,975,864	3,953,811	3,837,498
Licenses and permits	306,688	330,120	341,034	376,088
Other	846,476	944,947	911,550	1,273,805
Uses of money and property	729,466	488,853	875,397	2,521,193
Transfers in/(out)	(186,642)	1,303,921	18,700	(330,235)
Asset impairment losses	(649,875)			
Total governmental activities	23,195,549	28,911,470	30,890,463	36,299,899
Business-type activities:				
Taxes	65,101	99,991	72,152	70,807
From other agencies	1,156,807	1,983,427	2,038,011	1,354,005
Other	533,181	(113,931)	54,746	8,148
Uses of money and property	618,684	1,062,244	1,369,416	1,855,720
Transfers in/(out)	186,642	(1,303,921)	(18,700)	330,235
Total business-type activities	2,560,415	1,727,810	3,515,625	3,618,915
Total primary government	$ 25,755,964	$ 30,639,280	$ 34,406,088	$ 39,918,814
Change in Net Assets				
Governmental activities	$ 12,838,598	$ 14,206,419	$ 11,315,303	$ 10,163,558
Business-type activities	6,467,335	7,567,550	9,309,426	6,946,379
Total primary government	$ 19,305,933	$ 21,773,969	$ 20,624,729	$ 17,109,937

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

	2004	2005	2006	2007
General fund				
Reserved	$ -	$ 1,270,154	$ 1,819,571	$ 2,171,603
Unreserved	7,360,950	6,345,507	6,602,512	6,400,258
Total general fund	$ 7,360,950	$ 7,615,661	$ 8,422,083	$ 8,571,861
All other governmental funds				
Reserved	$ 837,836	$ 7,981,356	$ 7,115,402	$ 17,667,211
Unreserved, reported in:				
Special revenue funds	6,173,207	7,064,663	6,963,650	7,911,169
Capital projects funds	18,785,975	15,870,891	10,521,780	(3,977,038)
Debt service funds	5,700,898	(48,628)	1,474,597	33,930
Total all other governmental funds	$ 31,497,916	$ 30,868,282	$ 26,075,429	$ 21,635,272

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

	2004	2005	2006	2007
Revenues				
Taxes	$ 20,070,639	$ 22,867,765	$ 24,789,972	$ 28,660,022
Licenses and permits	1,080,724	1,505,948	1,531,411	924,967
Fines and forteitures	281,908	271,611	307,138	321,533
Uses of money and property	900,877	1,207,993	1,193,603	2,690,477
From other agencies	4,367,773	3,614,646	4,477,647	3,777,991
Charges for current services	4,135,363	6,981,779	6,441,726	6,103,246
Other	846,476	681,691	911,549	1,273,806
Principal				
Total revenues	31,683,760	37,131,433	39,653,046	43,752,042
Expenditures				
General government	950,344	1,788,934	194,652	1,271,921
Public safety	8,893,918	9,316,491	11,625,058	13,105,217
Public works	4,108,452	3,911,126	5,578,195	5,998,723
Library and recreation services	4,187,143	3,962,880	4,173,170	4,554,183
Community development	3,170,312	3,035,274	4,837,054	3,549,712
Interest	1,297,379	1,501,775	1,687,136	2,238,598
Principal	8,160,892	2,865,225	2,845,829	2,917,391
Paying agent fees	9,709	6,801	8,267	7,019
Arbitrage fees		3,000		
Bond issuance costs	299,434			
Capital outlay	7,019,210	12,294,772	13,497,123	13,144,260
Fiscal agreements payments	681,614	522,797	918,079	1,112,911
Total expenditures	38,778,407	39,209,075	45,364,563	47,899,935
Excess of revenues over (under) expenditures	(7,094,647)	(2,077,642)	(5,711,517)	(4,147,893)
Other financing sources (uses):				
Operating transfers in	2,345,621	18,898,369	12,983,207	6,639,069
Operating transfers out	(2,532,264)	(17,594,448)	(12,964,507)	(6,969,304)
Capital leases/bond proceeds	5,460,000	263,254	1,789,000	
Proceeds from postclosure liability	155,703	135,544	154,126	187,749
Total other financing sources (uses)	5,429,060	1,702,719	1,961,826	(142,486)
Net change in fund balances	(1,665,587)	(374,923)	(3,749,691)	(4,290,379)
Fund balances July 1	40,524,453	38,858,866	38,483,943	34,497,512
Prior period adjustment			(236,740)	
Fund balances June 30	$ 38,858,866	$ 38,483,943	$ 34,497,512	$ 30,207,133

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

Fiscal Year	Property [a]	Sales & Use [b]	Occupancy	Franchise	Property Transfer	Other	Total
1998	$ 1,741,663	$ 3,688,295	$ 570,593	$ 331,433	$ 59,779	$ 1,851,626	$ 8,243,389
1999	2,134,996	3,920,607	629,273	356,880	88,133	2,791,298	9,921,187
2000	2,287,644	4,536,210	759,264	377,404	93,468	3,170,804	11,224,794
2001	2,520,254	5,141,821	976,618	390,862	141,379	3,702,365	12,873,299
2002	2,833,986	5,408,997	1,040,692	1,543,510	159,474	2,092,768	13,079,427
2003	3,267,031	5,821,356	1,123,814	1,740,499	168,598	5,388,301	17,509,601
2004	3,513,445	6,229,299	1,296,972	2,020,347	239,085	6,725,850	20,024,998
2005	4,076,025	5,414,506	1,446,059	1,999,715	340,630		22,867,765
2006	4,952,372	6,183,527	1,614,347	2,197,861	332,074	9,509,791	24,789,972
2007	7,584,685	5,986,431	2,025,859	2,429,063	219,287	10,414,698	28,660,022
Percentage Change 1998-2007	335.5%	62.3%	255.0%	632.9%	266.8%	462.5%	247.7%

Notes:
[a] Due to passage of Proposition 13, the maximum tax rate is set at 1% of assessed valuation unless otherwise approved by vote of electoriate. Except for general obligation bond override approved by the voters in 1998, there are no general use property tax overrides authorized. The growth in property tax revenues is due to significant growth in assessed valuations arising from new residential and commercial development and property ownership turnover.
[b] The growth in sales tax revenues is solely attributable to growth in retail sales.

Source: City of Paso Robles Finance Dept

CITY OF EL PASO DE ROBLES
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
1998	$ 678,387,945	$ 178,136,108	$ 66,510,936	$ (9,711,307)	$ 913,323,682	1.00000	$ 1,078,250,665	84.70%
1999	708,272,336	192,431,239	71,261,277	(11,159,303)	960,805,549	1.00000	1,153,909,641	83.27%
2000	767,943,350	206,374,795	74,461,293	(11,534,799)	1,037,244,639	1.00000	1,246,338,932	83.22%
2001	832,482,817	232,468,535	76,680,343	(12,126,304)	1,129,505,391	1.00000	1,389,535,518	81.29%
2002	951,469,383	246,237,969	86,456,909	(13,318,285)	1,270,845,976	1.00000	1,601,282,486	79.36%
2003	1,095,030,424	268,132,765	96,605,248	(13,696,226)	1,446,072,211	1.00000	1,816,055,597	79.63%
2004	1,314,883,360	284,034,088	103,030,536	(14,156,282)	1,687,791,702	1.00000	2,070,380,257	81.52%
2005	1,431,862,012	301,924,082	105,570,399	(15,227,842)	1,824,128,651		2,336,844,323	78.06%
2006	1,656,550,223	335,058,825	111,044,371	(17,359,195)	2,120,012,614	1.00000	2,744,186,720	77.25%
2007	1,930,820,904	345,382,147	111,510,547	(21,405,648)	2,409,119,246	1.00000	3,225,596,576	74.69%

Source: San Luis Obispo County Assessor's Office as reported by HdL Coren & Cone

CITY OF EL PASO DE ROBLES
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Secured [a]	Unsecured [b]	Homeowners Exempt [c]	Total Taxable Assessed Value	Total Direct Tax Rate
1998	$ 1,003,245,050	$ 67,826,090	$ (26,327,900)	$ 1,044,743,240	1.00000
1999	1,072,473,209	73,796,637	(27,128,802)	$ 1,119,141,044	1.00000
2000	1,156,283,946	82,691,459	(28,132,698)	$ 1,210,842,707	1.00000
2001	1,280,017,282	102,172,032	(29,291,803)	$ 1,352,897,511	1.00000
2002	1,469,498,589	109,356,793	(30,755,791)	$ 1,548,099,591	1.00000
2003	1,676,286,480	108,117,503	(32,338,561)	$ 1,752,065,422	1.00000
2004	1,927,106,815	114,310,291	(33,685,444)	$ 2,007,731,662	1.00000
2005	2,209,220,841	116,769,665	(34,060,600)	$ 2,291,929,906	
2006	2,602,130,386	120,324,144	(34,826,400)	$ 2,687,628,130	1.00000
2007	3,077,152,015	127,044,894	(36,149,400)	$ 3,168,047,509	1.00000

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

Source: San Luis Obispo County Assessor's Office

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Consumer Goods	$ 84,507,000	$ 99,775,400	$111,928,200	$122,075,800	$133,365,200	$146,375,300	$157,790,700	$170,463,100	$185,474,900	$ 191,799,000
Auto and Transportation	54,514,800	61,889,500	81,209,600	92,400,700	116,414,500	118,953,800	130,783,000	138,936,500	158,172,000	151,434,500
Fuel and Service Stations	41,263,700	38,794,900	48,396,600	55,659,000	50,378,300	57,384,900	58,343,600	73,442,500	92,815,700	91,988,100
Building and Construction	34,672,200	38,918,600	34,503,700	38,592,000	47,453,100	53,968,700	60,726,600	75,787,100	81,811,200	79,867,200
Restaurants and Hotels	27,680,100	31,532,100	35,283,000	47,184,400	47,258,900	51,483,900	59,128,900	63,677,100	70,684,200	78,978,300
Business and Industry	38,236,000	42,801,800	53,475,600	52,491,400	54,834,000	54,519,900	54,294,600	64,153,200	83,545,900	95,576,400
Food and Drugs	27,385,800	28,261,200	31,674,100	30,978,000	33,364,000	33,774,700	36,130,900	38,995,100	39,610,200	41,126,700
Total	$ 308,259,600	$ 341,973,500	$ 396,470,800	$ 439,381,300	$ 483,068,000	$ 516,461,200	$ 557,198,300	$ 625,454,600	$ 712,114,100	$ 730,770,200
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Source: State Department of Commerce - State Board of Equalizaton
Data: Point of sale payments only - unadjusted for economic data

CITY OF EL PASO DE ROBLES
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

	City Direct Rates			Overlapping Rates	
Fiscal Year	Basic Rate	General Obligation Debt Service	Total Direct Rate	SLO County Flood Control - State Water Project	Total Rate
1998	$ 1.00000	$ -	$ 1.0000	$ 0.00490	$ 1.00490
1999	1.00000	-	1.0000	0.00470	1.00470
2000	1.00000	-	1.0000	0.00350	1.00350
2001	1.00000	-	1.0000	0.00230	1.00230
2002	1.00000	-	1.0000	0.00230	1.00230
2003	1.00000	0.1775	1.1775	0.00230	1.17980
2004	1.00000	0.1775	1.1775	0.00230	1.17980
2005	1.00000	0.1775	1.1775	0.00223	1.17973
2006	1.00000	0.1082	1.1082	0.00222	1.11042
2007	1.00000	0.0952	1.0952	0.00221	1.09741

Note: Due to passage of Proposition 13, the maximum general tax rate is set at 1% of assessed valuation unless otherwise approved by vote of electoriate. Except for general obligation bond override approved by the voters in 1998, there are no general use property tax overrides authorized.

Source: San Luis Obispo County Auditor-Controller

CITY OF EL PASO DE ROBLES
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rate	San Luis Obispo County Rate	Total Rate
1998	1.00%	6.25%	7.25%
1999	1.00%	6.25%	7.25%
2000	1.00%	6.25%	7.25%
2001	1.00%	6.25%	7.25%
2002	1.00%	6.25%	7.25%
2003	1.00%	6.25%	7.25%
2004	1.00%	6.25%	7.25%
2005	1.00%	6.25%	7.25%
2006	1.00%	6.25%	7.25%
2007	1.00%	6.25%	7.25%

Note: The sales tax rate is uniformly set at 7.25% county wide. Of the 7.25%, the City's share is 1%. The City may increase the rate with approval of the electoriate.

Source: CA State Board of Equalization

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

	2007				1998			
Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Estimated Tax Levy	Rank	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Estimated Tax Levy	Rank
Kohl's Dept Stores	$ 10,985,531	0.33%	$ 85,171	1	$ -	0.00%	$ -	
Wal Mart Stores Inc	10,846,505	0.33%	84,093	2	8,888,175	0.85%	79,497	1
Martin Resorts Inc	10,849,086	0.33%	84,027	3	-	0.00%		
Albertsons Inc	7,930,831	0.24%	61,487	4	4,849,937	0.47%	43,379	2
Dry Creek Apartments	19,129,405	0.58%	56,462	5	9,500,000	0.91%	23,438	5
Woodlalnd Plaza LLC	5,431,600	0.17%	42,101	6	4,325,347	0.42%	38,687	3
Black Oaks Inc	5,323,997	0.16%	41,235	7		0.00%	63,849	
Woodland Plaza II	5,259,748	0.16%	40,778	8	2,055,581	0.20%	18,385	8
GJ Remainder LLC	5,237,543	0.16%	40,565	9		0.00%		
Blacks Hatchery & Turkey Farm	4,722,235	0.14%	36,574	10	2,479,606	0.24%	15,967	10
Melvin & Angela Dagovitz					4,357,053	0.42%	28,068	4
Allstar Inns Inc					3,180,545	0.31%	20,489	6
Longs Drug Store					2,200,393	0.21%	19,681	7
Linden H Chandler Trust					2,923,011	0.28%	17,194	9
Wilkins Reg Div Zurn					6,537,823	0.63%	15,837	11
Paso Robles Bus Park					2,159,653	0.21%	13,912	12
Total Principal Taxpayers	85,716,481	2.61%	572,493		53,457,124	5.14%	398,383	
All Other Taxpayers	3,199,865,273	97.39%	8,408,856		1,017,614,016	94.86%	3,520,443	
Total Taxpayers	$ 3,285,581,754	100.00%	$ 8,981,349		$ 1,071,071,140	100.00%	$ 3,918,826	

Notes:
[a] In 1998, Woodland Plaza LLC and Woodland Plaza II were reported as a single business entity.

Source: Hdl Coren & Cone, San Luis Obipso County Assessor 2006/07 Combined Tax Rolls

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

2007	1998
Tax Remitter	Tax Remitter
Albertson's	Albertson's
AM PM Mini Mart	AM PM Mini Mart
ATV Agricultural	Artesia Ready Mix Concrete, Inc.
Bay Area Diablo Petroleum	Beacon Oil Co.
Beacon Oil Co.	Big Creek Lumber Company
Big Creek Lumber Company	Black Oak AM PM Mini Market
Farm Supply Company	Farm Supply Company
Golden Hill Mobil	Hayward Lumber Company
Hayward Lumber Company	J. B. Dewar, Inc.
Jack in the Box	JC Penney
J. B. Dewar, Inc.	K Mart Corporation
Kohls	Longs Drug Stores
Orchard Supply Hardware	Lucky's Supermarket
Paris Precision Products	McDonalds
Paso Robles Ford Licoln Mercury	Paso Robles Ford Lincoln Mercury
Paso Robles GMC Truck	Paso Robles GMC Truck
Pete Johnston GM	Pete Johnston GM
Reneau Chryler Dodge	Reneau Chrylsler Dodge
Ross Dept Store	Rite Aid
San Luis Bay Suzuki Kia	Staples
Sky River RV	Target
Target	Tom Dorsey Chevron
Vons	Vikimatic Sales, Inc.
Wal Mart	Vons
Woodland Chevron	Wal Mart
Top 25 accounts represent 48.82% of Total City	Top 25 accounts represent 54.71% of Total City

Note: Firms are listed alphabetically
Source: HdL Companies, State Board of Equalization

CITY OF EL PASO DE ROBLES
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Estimated Tax Levy	Collected within the Fiscal year of the Levy		Collections in Subsequent Year	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	$ 1,801,402	$ 1,707,459	94.79%	$ 53,388	$ 1,760,847	97.75%
1999	1,881,563	1,804,099	95.88%	40,940	1,845,039	98.06%
2000	1,990,449	1,905,671	95.74%	54,018	1,959,689	98.45%
2001	2,144,660	2,055,452	95.84%	46,394	2,101,846	98.00%
2002	2,404,026	2,310,096	96.09%	49,759	2,359,855	98.16%
2003	2,680,287	2,570,758	95.91%	60,113	2,630,871	98.16%
2004	3,019,732	2,893,105	95.81%	77,729	2,970,834	98.38%
2005	3,396,708	3,266,913	96.18%	79,978	3,346,891	98.53%
2006	3,918,826	3,750,938	95.72%	130,612	3,881,550	99.05%
2007	4,497,234	4,306,515	95.76%	144,667	4,451,182	98.98%

Note: Collections do not include supplemental roll revenues (secured or unsecured) and are "net" the Redevelopment Agency distribution.

Source: San Luis Obispo County Auditor-Controller

CITY OF EL PASO DE ROBLES
RATIOS OF DEBT PAYMENT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities					Business-type Activities				
Fiscal Year	General Obligation Bonds	Redevelopment Bonds	Certificates of Participation	Capital Leases	Internal Notes Payable	Sewer Revenue Bonds	Internal Notes Payable	Total Primary Government	Percentage of Assessed Value [a]	Per Capita [b]
1998	$ -	$ 190,093	$ 664,876	$ 110,445	$ 2,254,477	$ 566,078	$ 194,150	$ 3,980,118	0.41%	$ 181
1999	-	292,730	663,036	78,364	2,254,609	567,675	194,150	4,050,564	0.39%	180
2000	-	297,780	665,284	139,471	587,045	573,055	194,150	2,456,785	0.22%	107
2001	-	349,069	666,541	148,504	127,753	577,055	157,138	2,026,061	0.16%	80
2002	-	694,350	666,601	148,504	127,753	579,415	75,644	2,292,268	0.16%	89
2003	297,970	470,288	660,434	244,819	127,753	1,026,336	75,644	2,903,243	0.17%	108
2004	2,772,294	509,720	658,079	292,976	127,753	1,024,689	75,644	5,461,154	0.30%	201
2005	2,891,825	512,939	651,569	246,648	127,753	1,032,289	-	5,463,024	0.26%	195
2006	2,990,888	510,699	570,070	254,565	3,159,884	934,489	-	5,457,762	0.26%	188
2007	3,088,075	503,152	573,798	265,124	16,690,230	1,041,389	-	22,161,768	0.70%	751

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

[a] See the "Assessed Value of Taxable Property" table for figures.
[b] See the "Demographic and Economic Statistics" table for population data.

Source: City of Paso Robles

CITY OF EL PASO DE ROBLES
RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General bonded debt outstanding										
General obligation bonds	$ -	$ -	$ -	$ -	$ -	$ 37,999,201	$ 35,989,681	$ 33,972,549	$ 31,972,970	$ 29,966,715
Total	$ -	$ -	$ -	$ -	$ -	$ 37,999,201	$ 35,989,681	$ 33,972,549	$ 31,972,970	$ 29,966,715
Percentage of estimated actual assessed value [a]	-	-	-	-	-	1.89%	1.57%	1.26%	1.01%	0.95%
Per capita [b]	-	-	-	-	-	$ 1,396	$ 1,287	$ 1,173	$ 1,083	$ 1,015
Less: Amounts set aside to repay general debt [c]	-	-	-	-	-	2,827,313	3,910,516	5,785,833	6,465,576	7,128,829
Total net debt applicable to debt limit	-	-	-	-	-	35,171,888	32,079,165	28,186,716	25,507,394	22,837,886
Legal debt limit [d]						75,289,937	85,947,371	100,786,055	118,801,782	118,801,782
Legal debt margin	$ -	$ -	$ -	$ -	$ -	$ 40,118,049	$ 53,868,206	$ 72,599,339	$ 93,294,388	$ 95,963,896
Legal debt margin as a percentage of the debt limit	-	-	-	-	-	53.3%	62.7%	72.0%	78.5%	80.8%

[a] See the "Assessed Value of Taxable Property" table for figures.
[b] See the "Demographic and Economic Statistics" table for population data.
[c] City has established an internal reserve for debt repayment in case of economic downturn.
[d] Legal debt limit is calculated as 3.75% of assessed value - seen footnote "a".

Source: San Luis Obispo County Auditor-Controller and City of Paso Robles

CITY OF EL PASO DE ROBLES
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2007

2006-07 Assessed Valuation:	$ 3,204,196,909
Redevelopment Incremental Valuation:	307,740,346
Adjusted Assessed Valuation:	$ 2,896,456,563

Direct and Overlapping Tax and Assessement Debt	Debt Outstanding	Percentage Applicable [a]	City's Share of Debt 6/30/07
City of Paso Robles - General Obligation Bonds	$ 29,966,715	100.0%	$ 29,966,715
Direct and Overlapping Tax General Fund Debt			
San Luis Obispo County Certificates of Participation	$ 45,215,000	8.524%	$ 3,854,127
San Luis Obispo County Pension Obligations	88,504,398	8.524%	7,544,115
San Luis Obispo Community College District Certificates of Participation	12,990,000	8.495%	1,103,501
Paso Robles Joint Unified School District Certificates of Participation	2,235,000	49.718%	1,111,197
Paso Robles Union School District Certificates of Participation	785,000	60.095%	471,746
City of Paso Robles Certificates of Particiaption	4,170,000	100.000%	4,170,000
Total Direct and Overlapping Tax General Fund Debt			18,254,686
Combined Total Debt			$ 48,221,401 [b]

Ratios to 2006-07 Assessed Valuation:	
Direct Debt ($29,966,715)	.94%
Ratios to Adjusted Assessed Valuation:	
Combined Direct Debt ($34,136,715)	1.18%
Combined Total Debt	1.66%

[a] Percentage of overlapping city's assessed valuation located within boundaries of the city.
[b] Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds, non-bonded capital lease obligations.

Source: California Municipal Statistics

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

	Tax Allocation Bonds				Sewer Revenue Bonds					
	Property	Debt Service			Utility	Less:	Net	Debt Service		
Fiscal	Tax				Service	Operating	Available			
Year	Increment [1]	Principal	Interest	Coverage	Charges	Expenses	Revenue	Principal	Interest	Coverage
1998	$ 416,167	$ 90,000	$ 424,640	0.89	$ 1,710,152	$ 1,156,666	$ 553,486	$ 345,000	$ 221,078	0.98
1999	493,170	105,000	187,730	3.21	1,773,569	1,101,114	672,455	360,000	207,675	1.18
2000	560,855	115,000	182,780	3.39	1,943,518	1,225,412	718,106	380,000	193,055	1.25
2001	717,422	120,000	229,069	3.84	1,869,486	1,310,208	559,278	400,000	177,055	0.97
2002	734,764	320,000	374,350	2.19	2,073,640	1,227,001	846,639	420,000	159,415	1.46
2003	808,971	105,000	365,288	3.01	2,510,233	1,442,371	1,067,862	780,000	246,336	1.04
2004	954,719	150,000		3.02	3,565,011	1,511,408	2,053,603	620,000	404,689	2.00
2005	1,165,757	160,000	352,939	3.82	3,412,963	1,911,324	1,501,639	640,000	392,289	1.45
2006	1,570,486	165,000	345,699	4.62	3,923,094	2,229,684	1,693,410	655,000	279,489	1.81
2007	1,752,963	165,000	338,153	3.48	4,094,968	2,269,625	1,825,343	675,000	366,389	1.75

Source: City of Paso Robles Financial Reports

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

[1] Net Tax Increment after deducting LMI set aside and fiscal agreement contributions

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

Calendar Year	Population	Est. Median Household Income	Per Capita Personal Income	Median Age	Total Employment, All Industries	K-12 School Enrollment	Median Home Price ($ thousands)	County Unemployment Rate
1998	22,038	$ -	$ -		10,589	6,200	142.0	4.2%
1999	22,494				11,388	6,300	151.1	3.3%
2000	22,922				12,281	6,400	176.9	4.0%
2001	25,190	46,658	20,900		12,655	6,800	214.3	3.9%
2002	25,812	28,909	12,116		13,110	6,900	251.1	4.5%
2003	26,856	43,559	19,876	33	12,886	6,800	306.4	4.6%
2004	27,216	43,650	20,063	33	13,408	6,800	368.3	4.4%
2005	27,964	45,650	21,068	34	13,786	6,800	437.0	4.1%
2006	28,969	45,755	21,180	34	14,229	6,900	445.5	4.0%
2007	29,514	47,298	22,204	33	12,100	6,910	446.8	4.2%

Source: California Department of Finance and 2007 Paso Robles Economic Forecast by UCSB

CITY OF EL PASO DE ROBLES
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2007			1998		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Paso Robles Public Schools	821	1	7.08%	614	1	0.00%
Cuesta College	383	2	3.30%			
California Youth Authority	325	3	2.80%	460	3	0.00%
Walmart	300	4	2.59%	263	5	0.00%
Twin Cities Hospital	293	5	2.53%	500	2	0.00%
Specialty Silicone Fabricators	220	6	1.90%	150	9	0.00%
Applied Technologies	220	7				
Target	220	8	1.90%			
Zurn Industries	217	9	1.87%	155	8	0.00%
Joslyn-Sunbank Corporation	210	10	1.81%	210	6	0.00%
Paris Precision Products						
California Mid State Fair				420	4	0.00%
San Luis Personnel				225	5	0.00%
Pro Forms				150	10	0.00%
M.A.T.E.S.				188	7	0.00%
Total	3,209		25.77%	3,335		0.00%
Total City Employment	12,100			N/A		

Source: 1998 data is from Paso Robles Chamber of Commerce.
2007 data is provided by the UCSB Economic Forecast Project and Paso Robles Chamber of Commerce

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

	Full-time-Equivalent Employees as of June 30									
Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government										
City manager	N/A	N/A	N/A	N/A	3	3	5	4	4	4
Information technology	N/A	N/A	N/A	N/A	1	1	2	2	4	4
Human resources	N/A	N/A	N/A	N/A	1	1	2	2	3	3
Administrative services	N/A	N/A	N/A	N/A	8	8	9	9	10	11
Police depatment										
Officers	N/A	N/A	N/A	N/A	35	35	37	37	40	41
Others	N/A	N/A	N/A	N/A		9	10	10	12	12
Emergency services										
Firefighters	N/A	N/A	N/A	N/A	11	11	19	20	24	24
Others	N/A	N/A	N/A	N/A	1	1	1	1	1	1
Public works										
Maintenance services	N/A	N/A	N/A	N/A	28	28	32	32	36	33
Airport	N/A	N/A	N/A	N/A	1	1	1	1	1	1
Water	N/A	N/A	N/A	N/A	8	7	8	8	9	9
Wastewater	N/A	N/A	N/A	N/A	8	9	9	9	9	9
Building/Engineering										9
Library and recreation services										
Library services	N/A	N/A	N/A	N/A	5	5	5	5	5	5
Recreation services	N/A	N/A	N/A	N/A	10	11	11	11	11	11
Community development										
Planning	N/A	N/A	N/A	N/A	3	3	3	3	3	3
Housing	N/A	N/A	N/A	N/A	1	1	1	1	1	1
Engineering	N/A	N/A	N/A	N/A	2	2	2	2	2	2
Building	N/A	N/A	N/A	N/A	7	7	8	8	9	2
Total	-	-	-	-	133	143	165	165	184	185

Source: City Budget
Notes: A full-time employee is scheduled to works 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

CITY OF EL PASO DE ROBLES
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal year									
Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2,007
General government										
Police depatment										
Physical arrests	N/A	N/A	N/A	N/A	N/A	1,241	1,443	1,486	1,673	1,694
Parking violations	N/A	N/A	N/A	N/A	N/A			1,160	963	1,124
Traffic violations	N/A	N/A	N/A	N/A	N/A	2,584	3,751	3,406	2,927	5,008
Emergency services										
Emergency responses	2,069	2,068	2,007	2,300		2,370	2,436	2,567	2679	2,803
Fires extinguished				147	162	166	147	121	125	129
Inspections										N/A
Public works										
Water	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
New connections	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	328	N/A
Water main breaks	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	N/A
Average daily production (millions of gallons)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.6	N/A
Peak daily production (millions of gallons)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12.3	N/A
Wastewater										
Average daily sewage treatment (millions of gallons)	2.6908	2.6676	2.8140	2.8584	2.7983	2.7871	2.8556	2.9590	2.7514	N/A
Library and recreation services										
Library services										
Volumes in collection	N/A	N/A	N/A	N/A	N/A	N/A	54,044	56,228	56,070	55,885
Total volumes borrowed	N/A	N/A	N/A	N/A	N/A	N/A	148,315	120,923	160,832	160,249
Recreation services										
Athletic field permits issued	N/A	N/A	N/A	N/A	N/A	N/A	1,418	1,472	2,508	2,595
Activity admissions	5,082	5,634	6,186	8,219	22,448	23,628	24,050	24,501	23,953	25,325
Community development										
Building permits issued	573	597	802	874	808	952	1,107	972	947	TBD
Building inspections conducted	4,818	4,396	6,642	7,038	7,434	7,772	8,387	8,603	7140	TBD
Total	12,545	12,698	15,640	20,582	32,857	40,719	247,105	223,447	262,180	256,819

Source: City Budget
Notes: A full-time employees are scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

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

	Fiscal year									
Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government										
Personal computers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	164	173
Police depatment										
Stations	N/A	N/A	N/A	N/A	N/A	1	1	1	1	1
Patrol units	N/A	9	11	11	12	15	14	12	11	12
Emergency services										
Fire stations	3	3	3	3	3	3	3	3	3	3
Public works										
Streets (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	140.0	160
Traffic signals	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20	24
Bridges	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4	4
Airport	1	1	1	1	1	1	1	1	1	1
Water										
Fire hydrants	N/A	N/A	N/A	N/A	N/A	875	890	900	900	900
Storage tanks	N/A	N/A	N/A	N/A	N/A	4	4	4	4	4
Storage capacity (millions of gallons)	N/A	N/A	N/A	N/A	N/A	12.1	12.1	12.1	12.1	12.1
Water wells	N/A	N/A	N/A	N/A	N/A	120	120	125	125	125
Wastewater										
Sanitary sewers (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	198.0	198
Storm sewers (miles)	15	15	15	15	15	15	15	15	15	15
Treatment capacity (millions of gallons)	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9
Library and recreation services										
Acreage	64.095	64.095	64.095	64.095	101.095	101.095	101.095	101.095	101.095	101.095
Pools	4	4	4	4	4	4	4	4	4	4
Playgrounds	12	12	12	12	14	14	14	14	13	10
Baseball/softball diamonds	6	6	6	6	10	10	10	10	10	10
Soccer/football fields	4	4	4	4	6	6	6	6	6	6
Community centers	2	2	2	1	3	3	3	3	3	3
Total	116	125	127	126	174	1,189	1,203	1,216	1,740	1,771

Source: City Budget
Notes: A full-time employee is scheduled to works 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.