

CITY OF ROHNERT PARK, CALIFORNIA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2007

Prepared by
Finance Department

Sandra M. Lipitz
Director of Administrative Services

CITY OF ROHNERT PARK

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CITY OF ROHNERT PARK

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CITY OF ROHNERT PARK

FINANCE DEPARTMENT

March 13, 2008

Members of the City Council:

The Comprehensive Annual Financial Report (CAFR) of the City of Rohnert Park for the fiscal year 2006-2007 is hereby submitted. This report was prepared by the Finance Department, which is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. We believe the data, as presented, is accurate in all material aspects and presented in a manner designed to fairly set forth the financial position and changes in financial position of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

This is the sixth year that the City has prepared the CAFR using the financial reporting requirements as prescribed by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*. This GASB Statement requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

THE REPORTING ENTITY

The CAFR includes the funds and account groups of the primary government, which includes several enterprise activities, as well as all of its component units. Component units include legally separate entities for which the primary government is financially accountable and that have substantially the same board as the City or provide services entirely to the City. Accordingly, the Community Development Commission of the City of Rohnert Park and the Rohnert Park Financing Authority are blended with the City. The Rohnert Park Housing Financing Authority (Authority) is reported as a discretely presented component unit because the City is financially accountable for the Authority but the Authority's governing body is not substantially the same as the City's and the Authority does not provide services entirely or almost entirely to the City.

The City was incorporated in August 1962. The City has a council-manager form of government. Five persons are elected by popular vote to serve four-year terms on the City Council. Elections are held every two years. The Mayor is separately elected to a one-year term by members of the City Council from among the City Council members. The Mayor acts as the presiding officer of the City Council. Policies established by the City Council are implemented through the office of the City Manager.

Economic Condition and Outlook

The City is located in beautiful Sonoma County, approximately forty-five miles north of San Francisco. Sonoma County's economy has weakened considerably over the past year and is close to a recession. Employment has been flat for most of the year, with a slight drop in the fourth quarter. The unemployment rate has risen quickly over the past six months and is almost equal to the national rate. Due to higher than average cost of housing in Sonoma County, the labor force is experiencing some difficulty replacing professional jobs as the baby boomers retire.

After five years of continuous decline, manufacturing employment is finally holding steady. There has been a lot of emphasis on research and development, which potentially may open up new markets in technology. The weak dollar is having a positive impact on Sonoma County exports, primarily in the technology and wine sectors. The dollar is expected to fall another 5% over the next few years compared to Asian markets. The weak dollar has also boosted the travel and tourism sector, which are experiencing a rise in international visitors. Sonoma County also recently reopened its airport to commercial air service to Los Angeles and Seattle. Air traffic through the San Francisco and Oakland International airports has experienced the surge as well, with a 7% increase in air traffic.

Housing prices in Sonoma County continue to decline and unfortunately, the market has not bottomed out. Single family homes have dropped in value by 10%. This has improved affordability, as Sonoma County had become one of the least affordable markets nationwide.

Sales in Rohnert Park rose by 4.3% over prior year. The City is fortunate to have a diversified business mix which has weathered all of the economic downturns, except for the current one. The City is focusing its effort on two sectors, business-to-business and transportation, as the revenue from both of these sectors is below and County and State average. Sales tax is the largest source of revenue for the City's General Fund (32%) and the City is focusing on economic development to attract new businesses. The City is currently in the process of implementing its General Plan, which provides for the development of specific plan areas, which will include commercial as well as residential development. In the short term, due to the drastic downturn in the economy, sales tax revenue will be between 10 to 15% less than the 2007-08.

As stated earlier, travel and tourism are holding strong due to the weak dollar. The Hampton Inn recently opened in November, 2007, making it the seventh hotel in Rohnert Park. TOT has grown steadily over the past few years and is a good source of revenue for the City.

The City has previously entered into a lease agreement with Courseco as the operator of the two municipal golf courses. Through capital contributions from Courseco and the City, both courses were completely renovated and are now open for full play. Due to the number of competitive private golf courses in the area, and a soft Bay Area golf market, revenue from golf operations has been below projection. In 2005, the City modified the agreement and reduced to base rent by \$150,000 to assist the operator financially.

In summary, Sonoma County's short-term outlook is fairly dismal, but consistent with what is happening statewide. The City will continue to look for ways to reduce expenditures and will continue to work diligently on the implementation of the general plan and economic development.

MAJOR INITIATIVES

For the Year. In preparing the 2006-07 budget, the City kept minimum staffing levels to maintain services, lease financed equipment and funded additional personnel, facility maintenance and capital equipment through grants, private agreements and other funds. However, even with these budget measures, the City faced a \$2.8M deficit due to increased costs in salary and benefits, health premiums and liability insurance. The deficit was funded through the sale of surplus property and reserves.

The State, as well as the City, continues to experience budget deficits due to an economic downturn. The following is a list of the funding received from the State of California:

2006-07

Funding:	<u>Amount</u>
AB 3229 (COPs)	\$ 100,000
Beverage Container Recycle Grant	11,389
Jobs Housing Grant	81,344
Traffic Safety Grant	36,116
DUI Grant	10,921
Alcoholic Beverage Control Grant	26,335
Total State Funding for FY 2006-07	<u>\$ 266,105</u>

The Federated Indians of the Graton Rancheria (FIGR) announced plans to build a hotel/resort/casino outside the City limits. The City and the FIGR entered into a Memorandum of Understanding in October 2003. The MOU provides that the FIGR will make the following payments:

- 1) \$2,664,000 one-time payment to the City in lieu of development and related fees.
- 2) \$5,000,000 per year to the City's General Fund.
- 3) \$1,000,000 per year to an educational trust fund.
- 4) \$2,000,000 per year to a charitable foundation to support projects in the Rohnert Park community.
- 5) \$1,000,000 per year to the City for neighborhood and housing upgrades.
- 6) \$17,300,000 one time payments for various capital improvements.

The MOU has a 20-year term with an automatic renewal clause. Payments will be phased in when the hotel/resort/casino is constructed and opens. During the 2004-05 fiscal year, the FIGR purchased additional property closer to the City limits. They intend to build the casino on this new property. The casino opening will be delayed due to additional environmental impact studies required on the new land. The final EIR is expected to be completed some time in 2008.

The City continued implementation of an aggressive water conservation programs with the assistance of the Sonoma County Water Agency (SCWA). In cooperation with the SCWA, the City implemented "Best Management Practices" (BMPs) over the years to conserve water. Since 1998, the City has received about \$1.6 million from SCWA for water conservation programs. The City's audit program, which customers voluntarily request that their homes and place of business be evaluated by Water Smart Home Program coordinator to find ways to reduce water consumption, has been very successful. In fiscal year 2005-06, 620 homes participated in the program. In fiscal year 2006-07, 768 surveys were completed to determine if there were any leaks on the property and to provide efficient irrigation schedules and distribute low flow showerheads and aerators. A new focus on outdoor water use was initiated. The Large Landscape Water Conservation Program consists of notifying customers of over usage based on their specific landscape material and lot size, providing free site visits to determine ways to save, including effective irrigation schedules, and offering rebates through Weather Based Irrigation Controller Rebate program for improvements made based on the site visit. To date, a total of 66 sites have participated.

Also, to encourage water conservation and in accordance with a State mandate, the City installed water meters on all residential properties. In the past, all single-family residences in Rohnert Park were billed on a flat rate, while all multi-family, commercial and industrial accounts were billed based on consumption. The residential water meter project cost \$2.3 million, of which \$1.3 million was grant funded. A new, metered rate structure was adopted in the Spring of 2003 that created a fixed monthly service charge and an additional consumption charge for all accounts. The first billings with this new rate structure were mailed in October, 2003. Since implementation, the City has seen a reduction in water usage with the new metered-rate structure. In April 2005, the City implemented a new residential metered water rate structure aimed at water conservation. The new rate structure provides for a discounted rate to be applied to water usage at residential properties that are able to use 10,000 gallons of water or less per month. In 2004-05, the City began replacing all the commercial meters and installing automated radio read equipment so that all meters can be read within three days. The commercial water meter project is expected to cost \$3.3 million and is primarily being funded through water

revenue bonds. The City also completed renovations on both a recreation building and the animal shelter, completed the City's first dog park and finished the second phase of the sidewalk access ramps. The total of all of these projects was approximately \$900,000.

In the previous year, the City scrapped plans to build a new City Hall and instead chose to renovate an existing commercial building. This building will be a "green" building and will support the Council's goal of sustainability. The City anticipates relocating to the new City Hall in the latter part of 2008. The existing City Hall will be sold as an affordable housing site. The primary source of funding for the project will be the 1999 Certificates of Participation.

The City places a high importance on technology and information systems. The City network serves five primary facilities: City Hall, Public Safety, Public Works, Finance Annex and the Community Center Complex. These primary sites are linked using leased fiber-optic services. Data and voice information is run over these links and the appropriate firewalls, routers and switches are in place. Each facility has one or more servers on-site for local operations and all internet traffic is routed through a data center at the Finance Annex. The City uses Microsoft Windows Operating System for the servers, desktops, notebooks. Most of the computer equipment is leased with a few exceptions. The City licenses software using California State Master Contracts through the Department of General Services. A new enterprise agreement was signed to control software cost for the next several years. Blackberry devices have been deployed to critical staff to help optimize their office time. The City replaced its obsolete in-house PBX telephone system with a new Voice-over Internet Protocol system that is much easier to implement and administer. Server virtualization was deployed to 20 percent of the fleet to simplify system management and reduce energy cost. Plans for future technology enhancements will include E Commerce so that customers can make payments on-line, and help control staffing costs, a plan to control energy usage per pc. The city will be starting to lay a foundation for a city video surveillance system along with a city master alarm system to help protect all city assets.

The City has a Public Safety department in which the officers perform dual roles of police and fire, which has proven to be an extremely cost efficient way to provide these services. The focus of the department during 2006-07 was making Rohnert Park the safest city along the US 101 corridor. The City has fully staffed the Special Enforcement Unit (SEU) whose primary focus is on gang and criminal activity as well as two K-9 units for patrol. These units are funded through the MOU with the Federated Indians of the Graton Rancheria.

For the Future. Tourism is an important industry in Sonoma County and Rohnert Park in particular. The City, through the Community Development Commission, provides funding to both the Chamber of Commerce and the Sonoma County Tourism Bureau to promote tourism, as well as local interest in the City. Rohnert Park has six hotels/motels with 953 available rooms. The Doubletree Hotel provides facilities for major conventions and meetings. This type of industry expands the City's tax base. The City's Performing Arts Center attracts many people into Rohnert Park in addition to providing the residents with quality cultural performances. The City's two 18-hole golf courses also draw many visitors to Rohnert Park and provide an excellent golf opportunity for residents. The City is also looking forward to the completion of Sonoma State University's Green Music Center. The music center will provide for music and education programs all-year round and will be a regional attraction for major indoor/outdoor concert events.

The City is focusing on economic development to attract businesses that fill a market void and also those that complement existing businesses. Special attention is being focused on the West Side vacant parcels for a major retail center. Five years ago, the City ended a lease agreement with the Crushers baseball league and entered into an option to purchase agreement with a real estate development firm for four parcels totaling forty acres, including the stadium lands parcel. As part of the agreement with the developer, the City is removed the stadium fixtures and demolished the site. This area is identified as the Stadium Area Specific Plan and will be part of the general plan implementation.

One major focus of the City is the implementation of its General Plan. This Plan articulates a vision for the City that includes an urban growth boundary correlated with a growth management program. It describes a framework of targeted growth areas, including the creation of a City Center area anchored with a new library and city hall, the development of a mixed use area north of the Sonoma State University to integrate with the

Green Music Center, the development of balanced neighborhoods with a variety of housing types, the expansion of commercial uses to the northwest and industrial uses to the southeast, and the continued expansion of the City's network of parks and open space. The total projected new housing units to build out is 6,532, and the total projected new non-residential building area to build out is 2,123,027 square feet. The City's Public Facilities Financing Plan which outlines the developer fee for all new infrastructure, as well as a maintenance annuity fee for services. The City is also working on developer agreements with each Specific Plan Area.

Maintenance and expansion of the community's general infrastructure (such as roads, curbs and sidewalks) remain a strong concern for the City. The City is focusing a major effort towards economic development to maximize the revenues created within the new City boundaries. A portion of these revenues will be set aside to maintain and expand the infrastructure.

Departmental Focus. Each year the City selects a department to highlight its efforts and accomplishments. In 2006-07, the Engineering Department has been selected. The Engineering Department is an integral part of the City's operation and mission.

The Engineering Department is responsible for successful project delivery to maintain the City's water distribution system, wastewater collection system, drainage system, transportation network and capital public facilities, as well as to plan, design and implement capital infrastructure expansion to support future development and carry out Rohnert Park's General Plan.

The department completed nine capital improvement projects totaling \$7.58 million in FY 2006-07. The projects included energy efficiency improvements in City facilities; new roofs at the Callinan Sports Center and the Corporation Yard; flood control projects at Coleman Creek and Hinebaugh Creek at Martin Avenue; street projects including preventive maintenance as well as overlays; a new bicycle/pedestrian bridge on Hinebaugh Creek; retrofitting of manholes to improve the sewer system; and the last phase of a City-wide commercial water meter retrofit program. These projects were funded from a variety of sources that included State funding from the Park Bonds proceeds; regional sales tax proceeds such as Gas Tax, Transportation Development Act (TDA), and Measure M; other local funding such as Sonoma County Water Agency Zone 1A and redevelopment bond proceeds; and sewer and water utility revenues. Only one project – the Corporation Yard Re-Roof – was partially funded from the General Fund.

In FY 2006-07, the Engineering Department also had \$27.6 million in capital improvement projects in preliminary engineering, design or construction phases. This slate of projects in-progress includes the Eastside Trunk Sewer, the largest capital project undertaken in the City's history at over \$13 million for Phase 1; the Rohnert Park City Hall Renovation, a "green building" project designed to receive a Gold rating from the U.S. Green Building Council; \$2.9 million in rehabilitation to the City's most well-used streets; improvements to the water mains and tanks; and accessibility upgrades to the Community Center to comply with the Americans with Disabilities Act.

This fiscal year Engineering Department also bolstered its cost recovery by updating its fee schedule, as well as tightening up its internal systems for tracking staff time and billing for services. The result was that departmental revenues exceeded projections by \$41,000 in FY 2006-07.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled timely and accurately to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The City's internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls. The objective of budgetary controls is to assure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General, certain Special Revenue, Enterprise Funds and Community Development Commission Capital Project funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the departmental level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. All unencumbered appropriations lapse at year-end.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Cash Management. The following table illustrates the cash invested by the City as of June 30, 2007, by investment type:

Cash & Investments - June 30, 2007

Sonoma County Investment Pool	\$ 394,681	1.2%
Cash, CD's and money market funds	15,935,085	35.0%
Guaranteed investment contracts	61,075,906	0.0%
State Treasurer LAIF	21,405,076	34.5%
Government securities	<u>16,967,730</u>	<u>29.3%</u>
Total Cash & Investments	\$ <u>115,778,478</u>	<u>100.0%</u>

Cash temporarily idle during the year was invested in certificates of deposit, obligations of the U.S. Treasury, obligations of U.S. Government Agencies, State of California Local Agency Investment Fund (LAIF), Sonoma County Investment Pool and mutual funds. The average yield on investments at June 30, 2007 for the City was 4.731% and for the Commission 3.154%. Both the City's and CDC's investment performance is less than the yield rate of 4.91% for 1 yr U.S. Treasury Bills. The same is true for the 5-year U.S. Treasury Note at a yield rate of 4.92%. While it is tempting to secure the higher yields by investing in securities that are longer term, the City holds firm to the investment policy to have a balanced portfolio. The City adopts an investment policy annually, which includes the criteria for selecting investments. As in the past, the priority of the criteria has remained safety first, then liquidity, and last, yield. All CDs are FDIC secured and the City works with two brokerage firms to find attractive investment opportunities. Over the past year, interest rates have significantly improved and the City took advantage of many short-term investments in the 5% range. Close to 89% of the Commission's cash is from bond proceeds that are invested in short-term treasury notes and guaranteed investment contracts for immediate liquidity for capital spending.

Risk Management. The City is a member of Redwood Empire Municipal Insurance Fund (REMIF), a joint powers authority composed of cities located in Northern California. The City maintains coverage for property, liability and workers' compensation through REMIF. As of June 30, 1995, REMIF discontinued its indemnity-type health insurance program and accordingly, the City presently contracts with Blue Cross. Other health related employee fringe benefit programs used to be self-administered by the City and funded by the General Fund. The City presently contracts with Delta Dental for dental benefits and V.S.P. for vision benefits. During the fiscal year, the City received a refund of \$80,661 for the liability program and \$7,475 for the workers' comp program. For 2007-08, the City's workers' compensation premium decreased 17% and the liability premium increased 18%.

OTHER INFORMATION

OTHER INFORMATION

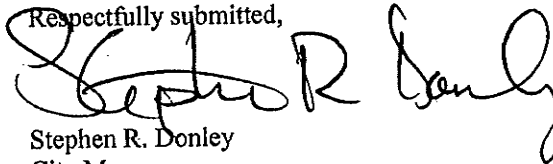
Independent Audit. Management considers an annual audit by independent certified public accountants a sound and prudent business practice. The accounting firm of Odenberg Ullakko Muranishi & Co. LLP performed the annual audit for the City during 2006-2007. The independent auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2006. This was the twenty-fifth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

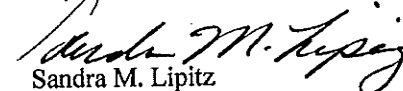
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA and CSMFO to determine its eligibility for another certificate.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,



Stephen R. Donley
City Manager



Sandra M. Lipitz
Director of Administrative Services/City Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rohnert Park
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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

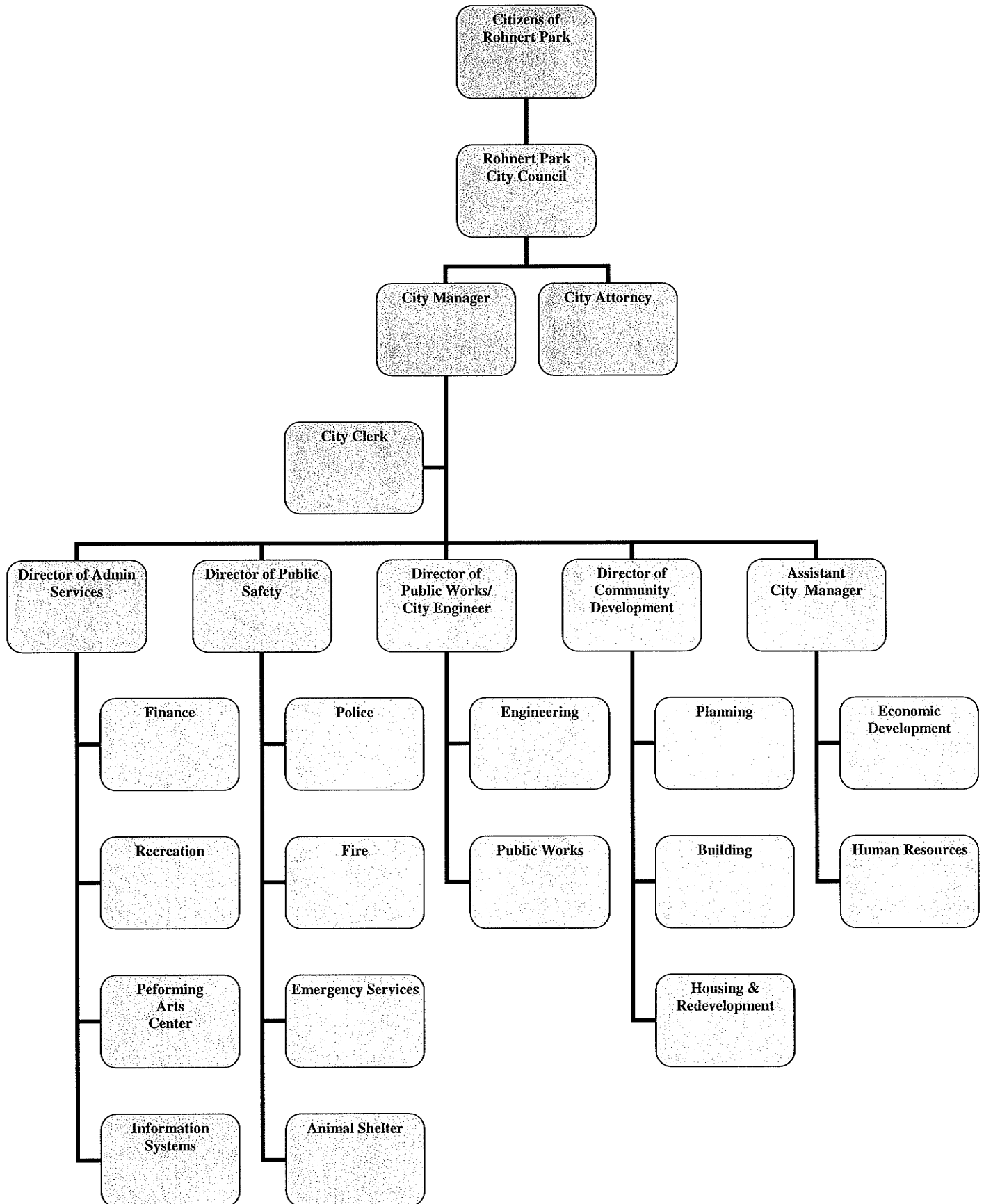


A handwritten signature in black ink, appearing to read "Thomas J. Hawn".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



CITY OF ROHNERT PARK

LIST OF PRINCIPAL OFFICIALS

City Council

Vicki Vidak-Martinez (Mayor)

Jake Mackenzie (Vice Mayor)

Amie Breeze

Tim Smith

Pam Stafford

City Staff

City Manager

Steve Donley

Assistant City Manager

Dan Schwarz

City Attorney

Michelle Kenyon

Director of Administrative Services/City Treasurer

Sandra M. Lipitz

Director of Public Safety

Tom Bullard

Director of Public Works/City Engineer

Darrin Jenkins

Advisory Commissions or Committees

Rohnert Park Association of the Arts

Mobile Home Rent Appeals Board

Parks and Recreation Commission

Planning Commission

Senior Citizens Advisory Commission

Cultural Arts Commission

Sister City Relations Committee

Bicycle Advisory Committee

Rohnert Park Housing Financing Board

April 29, 2008

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the City Council
City of Rohnert Park, California

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rohnert Park, California, (the "City") as of and for the 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 an opinion on these basic 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 for 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. 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 basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial positions of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rohnert Park as of June 30, 2007, and the respective changes in financial position and cash flows where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2008 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages F-3 through F-11 and F-44 through F-49, are not a required part of the basis financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of

measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it

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

Odeberg Olakko Munishi & Co LLP

San Francisco, California

April 29, 2008

Management's Discussion and Analysis

This section of the City of Rohnert Park's Comprehensive Annual Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded liabilities at the close of the 2006-2007 fiscal year by \$94,636,656 (*net assets*). Of this amount, \$31,197,154 (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors, \$10,227,146 is restricted for specific purposes (*restricted net assets*), and \$53,212,356 is invested in capital assets, net of related debt.
- The City's total net assets increased by \$5,147,391 during the fiscal year. Approximately two-thirds of this increase is attributable to the City's Sewer Fund.
- The City's long-term liabilities increased \$60,889,173 (52%) during the year. The primary reason for this increase was the issuance of \$61,440,000 in tax allocation bonds for the Community Development Commission.
- As of June 30, 2007, the City's governmental funds reported combined ending fund balances of \$101,877,483, a net increase of \$60,506,837. The increase relates primarily to the issuance of the Community Development Commission tax allocation bonds noted above. The proceeds are recorded in the governmental funds balance sheet, but the related liabilities are not. Approximately 25% of the combined fund balances, or \$25,755,809, is available to meet the City's current and future needs (*unreserved fund balance*).
- At the end of the fiscal year, unreserved fund balance for the General Fund was \$13,083,633, or 48% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. This report also contains required and other **supplementary information** in addition to the basic financial statements themselves.

Government-wide Financial Statements are designed to provide readers with a broad overview of City finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, parks and recreation, and other. The business-type activities of the City include water operations, sewer operations and refuse collection operations.

Management's Discussion and Analysis (continued)

The government-wide financial statements include not only the City itself (known as the primary government), but also legally separate entities, the Community Development Commission of the City of Rohnert Park (the Commission), the Rohnert Park Financing Authority (the Financing Authority), and the Rohnert Park Housing Financing Authority (the Housing Financing Authority), for which the City is financially accountable. Included within the governmental activities of the government-wide financial statements are the operations of the Commission and the Financing Authority. The Housing Financing Authority is reported separately from the financial information presented for the primary government.

Fund Financial Statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds organized according to their type (special revenue, debt service, capital projects and permanent funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund; Commission's Capital Projects Fund and Housing Projects Fund; Financing Authority; Special Assessments Debt Service Fund; and the City Capital Projects Fund; all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation entitled "other governmental funds". Individual and combining fund data for each of these nonmajor governmental funds is provided as supplementary information elsewhere in this report.

Proprietary funds are generally used to account for services for which the City charges customers – either outside customers, or internal units of departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary funds:

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the water, sewer, and refuse collection operations.
- *Internal service funds* are used to report activities that provide supplies and services for certain City programs and activities. The City uses an internal service fund to account for information systems services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City's private-purpose trust fund is reported under the fiduciary funds. Since the resources of this fund are not available to support the City's own programs, it is not reflected in the government-wide financial statements. The accounting used for the private-purpose trust fund is much like that used for proprietary funds.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Management's Discussion and Analysis (continued)

The required supplementary information includes the City's General Fund budgetary comparison schedule. The City adopts an annual appropriated budget for its General Fund, and a budgetary comparison schedule has been provided to demonstrate compliance with this budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table represents a comparative analysis of the net assets of governmental and business-type activities for the years ended June 30, 2007 and June 30, 2006:

Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 107,299,898	\$ 46,190,574	\$ 25,577,317	\$ 24,000,409	\$ 132,877,215	\$ 70,190,983
Capital assets, net	60,070,687	57,715,138	25,385,546	24,676,840	85,456,233	82,391,978
Total assets	167,370,585	103,905,712	50,962,863	48,677,249	218,333,448	152,582,961
Current and other liabilities	3,820,761	3,151,806	1,674,775	2,280,737	5,495,536	5,432,543
Long-term liabilities	98,758,029	37,424,098	19,443,227	19,887,985	118,201,256	57,312,083
Total liabilities	102,578,790	40,575,904	21,118,002	22,168,722	123,696,792	62,744,626
Net assets:						
Invested in capital assets, net of related debt	35,502,859	28,626,241	17,709,497	14,867,127	53,212,356	43,493,368
Restricted	10,227,146	5,955,759	-	-	10,227,146	5,955,759
Unrestricted	19,061,790	28,747,808	12,135,364	11,641,400	31,197,154	40,389,208
Total net assets	\$ 64,791,795	\$ 63,329,808	\$ 29,844,861	\$ 26,508,527	\$ 94,636,656	\$ 89,838,335

Analysis of Net Assets – As noted earlier, net assets may serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$94.6 million at the close of the current fiscal year. Total assets increased by \$65.8 million during the year. This increase is comprised of an increase in current assets of \$62.7 million and an increase in net capital assets of \$3.1 million. Cash and investments accounted for more than the total current assets increase (\$63.3 million), which was mainly attributable to the Community Development Commission's issuance of \$61.4 million in tax allocation bonds.

Total liabilities increased by \$61.0 million during the year. This increase is comprised of an increase in current liabilities of \$0.1 million and an increase in long-term liabilities of \$60.9 million. The Community Development Commission's issuance of \$61.4 million in tax allocation bonds is the primary reason for the increase in the long-term liabilities.

A portion of the City's net assets (33%) represents *unrestricted net assets* of \$31.2 million, which may be used to meet the City's ongoing obligations to citizens and creditors.

Another significant portion of the City's net assets is the \$53.2 million (56%) that reflects its investment in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets of \$10.2 million (11%) represents resources that are subject to external restrictions on how they may be used.

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

Management's Discussion and Analysis (continued)

The following table indicates the comparative changes in net assets for governmental and business-type activities for fiscal year June 30, 2007 and 2006:

Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 6,194,782	\$ 6,110,920	\$ 23,681,174	\$ 21,085,175	\$ 29,875,956	\$ 27,196,095
Operating grants and contributions	2,344,534	2,719,200	-	-	2,344,534	2,719,200
Capital grants and contributions	1,492,565	546,563	1,829,074	1,186,735	3,321,639	1,733,298
General revenues:						
Property taxes	16,928,529	15,504,905	-	-	16,928,529	15,504,905
Franchise taxes	1,428,827	1,308,839	-	-	1,428,827	1,308,839
Other taxes	1,606,108	1,855,821	-	-	1,606,108	1,855,821
State contributions not restricted to specific programs:						
Sales taxes	7,707,375	7,386,925	-	-	7,707,375	7,386,925
Motor vehicle license fees	3,074,869	2,572,107	-	-	3,074,869	2,572,107
Investment income	2,748,789	1,671,623	426,769	586,583	3,175,558	2,258,206
Other	217,520	1,109,814	-	-	217,520	1,109,814
Total revenues	43,743,898	40,786,717	25,937,017	22,858,493	69,680,915	63,645,210
Expenses:						
General government	12,926,332	11,455,704	-	-	12,926,332	11,455,704
Public safety	17,349,211	16,703,386	-	-	17,349,211	16,703,386
Public works	4,522,563	4,220,758	-	-	4,522,563	4,220,758
Parks and recreation	4,198,572	4,167,196	-	-	4,198,572	4,167,196
Cultural Arts Center	889,073	1,504,207	-	-	889,073	1,504,207
Interest on long-term debt	2,690,598	2,038,944	-	-	2,690,598	2,038,944
Water	-	-	6,690,385	6,454,568	6,690,385	6,454,568
Sewer	-	-	10,085,147	9,697,231	10,085,147	9,697,231
Refuse collection	-	-	5,181,643	4,548,674	5,181,643	4,548,674
Total expenses	42,576,349	40,090,195	21,957,175	20,700,473	64,533,524	60,790,668
Excess (deficiency) before transfers	1,167,549	696,522	3,979,842	2,158,020	5,147,391	2,854,542
Transfers	294,438	277,474	(294,438)	(277,474)	-	-
Change in net assets	1,461,987	973,996	3,685,404	1,880,546	5,147,391	2,854,542
Net assets, beginning of year						
As previously reported	63,329,808	62,355,812	26,508,527	24,627,981	89,838,335	86,983,793
Prior period adjustment	-	-	(349,070)	-	(349,070)	-
Restated	63,329,808	62,355,812	26,159,457	24,627,981	89,489,265	86,983,793
Net assets, end of year	\$ 64,791,795	\$ 63,329,808	\$ 29,844,861	\$ 26,508,527	\$ 94,636,656	\$ 89,838,335

Governmental activities. Governmental activities increased the City's net assets by \$1,461,987 as explained below.

Key elements of the change in net assets are as follows:

- Property taxes increased by \$1,423,624 (9.2%) as a result of an 8.68% increase in the City's property tax assessment and growth in the redevelopment area.
- The City's overall investment earnings increased \$1,077,166 (64.4%) during the year. The City's portfolio investment rate increased over the prior year. The City also issued two bonds totaling \$61.4 million for housing and redevelopment capital projects, which earned interest on the proceeds.

Management's Discussion and Analysis (continued)

- Capital grants and contributions increased by \$946,002 (173.1%), due to State grants received for recreation projects and a county grant received for a storm drain project.
- Total expenses increased by \$2,486,154 (6.2%) as a result of rising costs in salaries and benefits, additional personnel, and increased expenditures for capital projects.

Business-type activities. Business-type activities increased the City's net assets by \$3,685,404. Key factors of this increase are as follows:

- The Water Fund net assets increased by \$51,522 as revenues from operations exceeded expenses. Revenue from operations decreased by \$322,253 due to water conservation measures. Expenses increased by \$246,807 from the prior year.
- The Sewer Fund net assets increased by \$3,575,136 as revenues increased \$2,052,416 due to an increase in sewer rates and expenses increased \$388,958 due to increased cost of the subregional sewer system. The Sewer Fund also received \$1,582,537 in capital contributions from developer fees for capital expansion projects.
- The refuse collection net assets increased by \$58,746. This increase was due an increase in the refuse rates to cover increased expenses.
- A prior period adjustment in the amount of (\$349,070) was recorded in the City's Water Fund and in the City's Government-wide financial statements, Business-type Activities to reduce the net assets at June 30, 2006 to correct beginning net assets.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the City's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the General Fund, special revenue funds, debt service funds, capital projects funds and the Permanent Fund.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$101,877,483, an increase of \$60,506,837 in comparison with the prior year. Of this total amount, \$25,755,809 constitutes *unreserved fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is *reserved* to indicate that it is *not* available for new spending because: 1) it reflects fund equity in assets that are long-term in nature and thus, do not represent available spendable resources (\$9,958,509); 2) it is restricted for housing projects (\$25,961,407); 3) it is restricted for street projects (\$657,896); 4) it is restricted for community development projects (\$35,411,471); 5) it is restricted to pay debt service (\$2,682,334); 6) it represents prepaid items and other assets (\$184,406), and 7) it represents an endowment, of which the principal may not be spent (\$1,265,651).

For the fiscal year ended June 30, 2007, revenues for governmental funds totaled \$44,428,218, while expenditures totaled \$46,608,466. Expenditures from governmental funds exceeded revenues by \$2,180,248.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$13,083,633 while total fund balance was \$16,987,644. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 48% of total General Fund expenditures of \$27,046,801, while total fund balance represents 63% of that same amount.

The fund balance in the City's General Fund decreased by \$1,043,186 during the fiscal year, primarily due to expenditures outpacing revenues. The City's General Fund sales tax grew 4.3% as sales continued to be strong.

Management's Discussion and Analysis (continued)

Investment earnings grew by 22.4% as interest rates rose during the year. Intergovernmental revenue increased by 18.4%, primarily due to an increase in motor vehicle in-lieu fees. Expenditures increased \$1,547,068, most of which was attributable to increases in salaries and benefits. Overall, the General Fund's performance resulted in expenditures in excess of revenues in the fiscal year ended June 30, 2007 of about \$1.0 million, which indicates that the City's major sources of revenue are not enough to sustain the City's rising personnel costs, which are about 70% of the City's total expenditures.

The Community Development Commission Capital Projects and Housing Projects funds fund balances increased by \$37,475,418 and \$24,295,841, respectively, as cash and investments increased as a result of \$61,440,000 in tax allocation bonds issued during the year. The Financing Authority Fund balance decreased by \$476,755 as cash from bonds proceeds was spent on the new City Hall project. The Special Assessments Debt Service Fund balance decreased by \$227,656. The City Capital Projects Fund balance increased by \$307,198 as total revenue increased from the previous year.

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

At the end of the fiscal year, the unrestricted net assets for the Water Fund were \$4,491,588, the Sewer Fund \$7,049,211, and the Refuse Collection Fund \$594,565.

The total increase in net assets for proprietary funds was \$3,685,404. Factors concerning the finances of these funds have been addressed previously in the discussion of the City's business-type activities.

A prior period adjustment in the amount of (\$349,070) was recorded in the City's Water Fund and in the City's Government-wide financial statements, Business-type Activities to reduce the net assets at June 30, 2006 to correct beginning net assets.

Fiduciary funds. The City's fiduciary fund consists of the Special Enforcement Unit – South (Private-purpose Trust Fund). The Special Enforcement Unit – South accounts for assets seized by the Department of Public Safety. Net assets in the Special Enforcement Unit – South Fund increased by \$9,468.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no amendments to the 2006-07 budget. Highlights of the budget are:

- Total operating revenues were budgeted at \$23.6 million, about \$3 million higher than the 2005-06 budget. Some revenue projections, like taxes, were increased based on sales tax consultant's estimates and assessed property valuations; however, other revenue projections, like recreation revenues and performing arts center revenue were reduced to reflect the current economic climate and City demographics. The projection for Investment income was increased based on the rise in interest rates. Revenue performance was unfavorable to budget by \$873,848 with property taxes, investment earnings, fire inspection and engineering fees exceeding budget expectations. Recreation, Performing Arts Revenue and building and plan check fee revenue were below budget as an indication of the weak economy. Most other revenues were close to budget.
- Total expenditures (excluding enterprise fund and Community Development Commission allocations) were budgeted at \$28.0 million, an increase of \$1.8 million over the previous year's budget. There were increases in the budget categories of costs for salary and benefits due to salary increases, additional personnel and increased premiums for health and liability insurance. Total expenditures were under budget by \$910,475 for the fiscal year, primarily due to vacancies not being filled as planned.
- Total reserves were budgeted to decrease by \$70,520 with expenditures exceeding revenues. Specifically, the General Fund Endowment Reserve was budgeted to increase by \$0.8 million through the sale of surplus property; the Self-Insured Losses Reserve was budgeted to decrease by \$313,000; the Capital Replacement Reserve was budgeted to decrease by \$272,403; the Infrastructure Reserve was budgeted to decrease by \$265,000. There were some minor budgeted changes in the other reserves. However, due to the delayed sale of the surplus property until the following fiscal year, total reserves decreased by \$635,597.

Management's Discussion and Analysis (continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2007, amounted to \$85,456,234 (net of accumulated depreciation). This investment in capital assets includes land and easements, infrastructure, structures and improvements, equipment, and construction in progress. Major capital asset events during the current fiscal year included the following:

- For government activities, construction in progress increased by a net of \$5,522,973 due in part to the continuance of several new projects: City Hall (\$0.6 million); Recreation Center roof replacement (\$0.7 million), City-wide Pavement Maintenance (\$1.7 million), the Water Supply Assessment (\$0.7 million) and other miscellaneous projects. In total, \$6.4 million was spent on open projects, while \$0.9 million of completed projects were transferred to structures and improvements. During the year, the City transferred \$204,121 for remodeling of a recreation center, \$206,084 for sidewalk access improvements, \$258,024 for the animal shelter renovation and a few miscellaneous structures and improvements projects totaling \$222,477.
- For business-type activities, construction in progress increased by a net of \$481,805, due primarily to the continuance of a few major water and sewer projects, the commercial water meter retrofit (\$0.6 million) and the eastside sewer main project (\$0.6 million). During the year, the City completed water and sewer projects, totaling \$1,120,328.

For government-wide financial statement presentation, all depreciable capital assets were from acquisition date to the end of the current fiscal year. Governmental fund financial statements record capital asset purchases as expenditures.

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2007	2006	2007	2006	2007	2006	Percent of Change
Land and easements	\$ 2,948,157	\$ 2,948,157	\$ -	\$ -	\$ 2,948,157	\$ 2,948,157	0.0%
Infrastructure, structures and improvements	107,253,097	106,362,391	23,013,930	21,636,370	130,267,027	127,998,761	1.8%
Equipment	13,430,939	13,053,356	1,726,066	1,865,056	15,157,005	14,918,412	1.6%
Construction in progress	11,977,855	6,454,882	15,302,990	14,821,185	27,280,845	21,276,067	28.2%
Accumulated depreciation	(75,539,360)	(71,103,648)	(14,657,440)	(13,645,771)	(90,196,800)	(84,749,419)	6.4%
Total	<u>\$ 60,070,688</u>	<u>\$ 57,715,138</u>	<u>\$ 25,385,546</u>	<u>\$ 24,676,840</u>	<u>\$ 85,456,234</u>	<u>\$ 82,391,978</u>	<u>3.7%</u>

The City's infrastructure assets are recorded at historical cost in the government-wide financial statements as required by GASB Statement No. 34.

Additional information about the City's capital assets can be found in Note 7 to the financial statements.

Debt Administration

At June 30, 2007, the City had total long-term debt outstanding of \$116,846,560, excluding compensated absences, which was comprised of \$17,105,108 of certificates of participation, \$6,140,297 of lease revenue refunding bonds, \$85,190,877 of tax allocation bonds, \$179,423 of special assessment bonds, \$6,453,119 of water revenue bonds and \$1,777,736 of capital leases. Long-term debt increased by \$60,764,678 due to the issuance of \$61,440,000 in tax allocation bonds.

The City's Ordinance imposes a limit on the amount of general obligation bonds the City can have outstanding at any give time. As of June 30, 2007, the City's debt limit (15% of assessed valuation) was \$581 million. At June 30, 2007, the City did not have any debt applicable to the limit outstanding.

Management's Discussion and Analysis (continued)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2007	2006	2007	2006	2007	2006	Percent of Change
Special assessment bonds, net of deferred loss on refunding	\$ 179,423	\$ 600,356	\$ -	\$ -	\$ 179,423	\$ 600,356	-70.1%
Certificates of participation	4,115,000	4,265,000	12,990,108	13,227,720	17,105,108	17,492,720	-2.2%
Lease revenue refunding bonds including discount and deferred loss on refundng	6,140,297	6,339,079	-	-	6,140,297	6,339,079	-3.1%
Tax allocation bonds, including accretion, premium and deferred loss on refunding	85,190,877	22,962,075	-	-	85,190,877	22,962,075	271.0%
Water revenue bonds, net of discount	-	-	6,453,119	6,660,265	6,453,119	6,660,265	-3.1%
Capital leases	<u>1,777,736</u>	<u>2,027,387</u>	<u>-</u>	<u>-</u>	<u>1,777,736</u>	<u>2,027,387</u>	<u>-12.3%</u>
Total	<u>\$ 97,403,333</u>	<u>\$ 36,193,897</u>	<u>\$ 19,443,227</u>	<u>\$ 19,887,985</u>	<u>\$ 116,846,560</u>	<u>\$ 56,081,882</u>	<u>108.3%</u>

Additional information about the City's long-term obligations can be found in Note 8 to the financial statements.

Economic Factors and Next Year's Budget and Rates

- The economy in Sonoma County has grown weaker and appears to be heading towards a recession. Employment has been flat for most of the year, but fell slightly in the fourth quarter. The unemployment rate has risen quickly over the past six months and is almost the same as the national rate. Baby boomers continue to retire, combined with the high cost of housing, may put some constraints on the labor force.
- Manufacturing employment is holding steady after five years of decline. There is good potential for new technology to emerge with all of the work being done in research and development in the area. The weak dollar is helping with Sonoma County exports, primarily in technology and wine production. The dollar is expected to fall another 5% over the next few years compared to currencies in rapidly growing Asian markets. Travel and tourism is also seeing a rise in international visitors. Sonoma County recently reopened its commercial air service to Los Angeles and Seattle and air traffic through San Francisco and Oakland International Airports has grown 7%.
- Housing prices in Sonoma County continue to decline and we believe the market has not bottomed out yet. Single family homes have dropped 10% in value. On a positive note, the lower prices have improved affordability, as Sonoma County had become one of the least affordable markets nationwide.
- Sales in Rohnert Park rose 4.3% over prior year. The City's diversified business mix has reduced the impact of downturns in the economy, but there are two sectors that are weaker than the other cities in the county, business-to-business and transportation. As sales tax is the largest source of revenue for the Rohnert Park General Fund (32%), the City is focusing on economic development to attract new business. The City is currently working on implementation of the General Plan, which provides for development of specific plan areas. Some of these areas will be commercial developments that will generate additional sales tax dollars. The 2007-08 sales tax projection includes moderate; however, due to the decline in housing starts and the weak economy, it is likely that this revenue will be significantly lower than last year.
- As stated above, the tourism industry in the County is holding strong due to the weak dollar and the opening of the County airport. For the City, the transient occupancy tax has been increasing steadily over the past few years. The Hampton Inn recently opened in November, 2007, which will bring in additional revenue for the City.

Management's Discussion and Analysis (continued)

- The City implemented the PERS enhanced retirement plans for both Public Safety and Miscellaneous on July 1, 2007. The combined annual cost of both of these plans is \$1.5 million annually, which was slated to be funded through new revenues from the Westside developments as well as increased revenues from taxes from a growing economy. However, revenues have not kept pace with expenditures and the 2007-08 budget deficit of \$4.6 million will be balanced through the sale of surplus properties. Two new public safety positions were added that are funded by the Federated Indians of the Graton Rancheria.
- Expenditures in the area of capital outlay or non-routine facility maintenance will either be funded through the General Fund on a critical needs basis, or through outside sources such as grants or donations. All other major equipment or maintenance projects will be postponed until the City's financial condition improves
- The City recently signed two year contracts with all bargaining groups and was able to successfully negotiate reduction in both the active health benefit as well as the retiree medical benefit. The annual contribution required to fully fund retiree health was lowered by approximately \$865,000 per year.
- Because of the City's strong financial performance in 2006-07, the City only had to use about \$145,000 from its General Fund Reserve. As stated above, the City estimates a shortfall of about \$4.6 million in 2007-08, which will be covered through the sale of surplus land. The City is hopeful that, in the long-term, through the development of the General Plan's specific plan areas, as well as improvement in the local economy, revenues will be closer to matching expenditures.

All of these factors were considered in preparing the City's budget for fiscal year 2008.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administrative Services, P.O. Box 1489, Rohnert Park, CA 94927-1489.

Questions concerning any of the information provided in this report regarding the discretely presented component unit, the Housing Financing Authority, or requests for additional information should be addressed to the Treasurer, P.O. Box 1489, Rohnert Park, CA 94927-1489.

CITY OF ROHNERT PARK

STATEMENT OF NET ASSETS

JUNE 30, 2007

	Primary Government			Component Unit
	Governmental	Business-		Housing
	Activities	type	Total	Financing
		Activities		Authority
ASSETS				
Cash and investments	\$ 26,506,392	\$ 8,967,439	\$ 35,473,831	\$ 55,463
Receivables	3,928,941	4,230,431	8,159,372	-
Prepaid items and other assets	184,406	-	184,406	-
Restricted cash and investments	68,349,446	11,854,917	80,204,363	-
Loans and notes receivable, net	6,578,361	-	6,578,361	-
Deferred costs of issuance	1,752,352	524,530	2,276,882	-
Capital assets:				
Nondepreciable assets	14,926,012	15,302,990	30,229,002	-
Depreciable assets, net of accumulated depreciation	45,144,675	10,082,556	55,227,231	-
	<u>167,370,585</u>	<u>50,962,863</u>	<u>218,333,448</u>	<u>55,463</u>
LIABILITIES				
Accounts payable	1,422,439	1,047,582	2,470,021	-
Accrued liabilities	626,473	-	626,473	-
Deposits	354,447	514,287	868,734	-
Unearned revenue	320,169	-	320,169	-
Interest payable	1,097,233	112,906	1,210,139	-
Long-term liabilities:				
Due within one year	4,207,025	454,758	4,661,783	-
Due in more than one year	94,551,004	18,988,469	113,539,473	-
	<u>102,578,790</u>	<u>21,118,002</u>	<u>123,696,792</u>	<u>-</u>
NET ASSETS				
Invested in capital assets, net of related debt	35,502,859	17,709,497	53,212,356	-
Restricted for:				
Housing projects	6,890,979	-	6,890,979	-
Street projects	976,397	-	976,397	-
Community development projects	124,227	-	124,227	-
Debt service	969,892	-	969,892	-
Performing Arts Center Endowment	1,265,651	-	1,265,651	-
Unrestricted	<u>19,061,790</u>	<u>12,135,364</u>	<u>31,197,154</u>	<u>55,463</u>
	<u>\$ 64,791,795</u>	<u>\$ 29,844,861</u>	<u>\$ 94,636,656</u>	<u>\$ 55,463</u>

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007**

		Program Revenues	
	Expenses	Charges for Services	Operating Grants and Contributions
FUNCTION/PROGRAM ACTIVITIES:			
Primary government:			
Governmental activities:			
General government	\$ 12,926,332	\$ 1,221,652	\$ 1,375,620
Public safety	17,349,211	517,742	641,763
Public works	4,522,563	2,836,987	355,080
Parks and recreation	4,198,572	1,130,675	(28,729)
Cultural Arts Center	889,073	487,726	800
Interest on long-term debt	2,690,598	-	-
Total governmental activities	42,576,349	6,194,782	2,344,534
Business-type activities:			
Water	6,690,385	6,433,014	-
Sewer	10,085,147	12,007,771	-
Refuse Collection	5,181,643	5,240,389	-
Total business-type activities	21,957,175	23,681,174	-
Total primary government	\$ 64,533,524	\$ 29,875,956	\$ 2,344,534
Component unit:			
Housing Financing Authority	\$ 1,210	\$ -	\$ -
General revenues:			
Property taxes			
Franchise taxes			
Other taxes			
State contributions not restricted to specific programs:			
Sales taxes			
Motor vehicle license fees			
Investment income			
Other			
Transfers			
Total general revenues and transfers			
Change in net assets			
NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			
PRIOR PERIOD ADJUSTMENT (Note 17) AS RESTATED			
NET ASSETS, END OF YEAR			

See accompanying notes to the basic financial statements.

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets			
	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Housing Financing Authority
\$ 1,567,010	\$ (8,762,050)	\$ -	\$ (8,762,050)	\$ -
-	(16,189,706)	-	(16,189,706)	-
(74,445)	(1,404,941)	-	(1,404,941)	-
-	(3,096,626)	-	(3,096,626)	-
-	(400,547)	-	(400,547)	-
-	(2,690,598)	-	(2,690,598)	-
1,492,565	(32,544,468)	-	(32,544,468)	-
246,537	-	(10,834)	(10,834)	-
1,582,537	-	3,505,161	3,505,161	-
-	-	58,746	58,746	-
1,829,074	-	3,553,073	3,553,073	-
\$ 3,321,639	(32,544,468)	3,553,073	(28,991,395)	-
\$ -				\$ (1,210)
	16,928,529	-	16,928,529	-
	1,428,827	-	1,428,827	-
	1,606,108	-	1,606,108	-
	7,707,375	-	7,707,375	-
	3,074,869	-	3,074,869	-
	2,748,789	426,769	3,175,558	914
	217,520	-	217,520	-
	294,438	(294,438)	-	-
	34,006,455	132,331	34,138,786	914
	1,461,987	3,685,404	5,147,391	(296)
	63,329,808	26,508,527	89,838,335	55,759
	-	(349,070)	(349,070)	-
	63,329,808	26,159,457	89,489,265	55,759
\$ 64,791,795	\$ 29,844,861	\$ 94,636,656	\$ 55,463	

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2007

	General	Community Development Commission			Financing Authority	Special Assessments Debt Service	City Capital Projects	Other Governmental Funds	Total
		Capital Projects	Housing Projects						
ASSETS									
Cash and investments	\$ 12,024,881	\$ 6,751,546	\$ 1,299,665	\$ -	\$ -	\$ -	\$ -	\$ 6,430,300	\$ 26,506,392
Receivables (net of allowance for uncollectibles):									
Taxes	1,764,764	274,828	-	-	-	-	-	18,552	2,058,144
Accounts	583,554	-	-	-	-	-	-	457,895	1,161,529
Accrued interest	539,761	149,697	19,810	-	-	-	-	-	709,268
Due from other funds	760,523	288,500	54,965	-	-	-	1,687	-	1,105,675
Prepaid items and other assets	184,406	-	-	-	-	-	-	-	184,406
Restricted cash and investments	411,776	36,052,344	25,874,715	3,969,150	242,825	-	-	1,798,636	68,349,446
Loans and notes receivable, net	264,939	-	6,313,422	-	-	-	-	-	6,578,361
Advances to other funds	3,454,666	-	-	-	-	-	-	-	3,454,666
	\$ 19,989,270	\$ 43,516,915	\$ 33,562,577	\$ 3,969,150	\$ 242,825	\$ 121,767	\$ 8,705,383	\$ 110,107,887	
LIABILITIES									
Accounts payable	\$ 907,891	\$ 138,847	\$ 201,082	\$ -	\$ -	\$ 174,619	\$ -	\$ -	\$ 1,422,439
Accrued liabilities	626,473	-	-	-	-	-	-	-	626,473
Due to other funds	288,500	73,236	-	-	-	743,939	-	-	1,105,675
Deposits	354,447	-	-	-	-	-	-	-	354,447
Deferred revenue	824,315	-	74,518	-	-	-	-	367,871	1,266,704
Advances from other funds	-	2,368,000	1,086,666	-	-	-	-	-	3,454,666
	3,001,626	2,580,083	1,362,266	-	-	918,558	367,871	-	8,230,404
FUND BALANCES (DEFICIT)									
Reserved for:									
Prepaid items and other assets	184,406	-	-	-	-	-	-	-	184,406
Advances, loans and notes	3,719,605	-	6,238,904	-	-	-	-	-	9,958,509
Housing projects	-	-	25,961,407	-	-	-	-	-	25,961,407
Street projects	-	-	-	-	-	-	-	657,896	657,896
Community development projects	-	35,411,471	-	-	-	-	-	-	35,411,471
Debt service	-	640,873	-	-	-	-	-	1,798,636	2,682,334
Performing Arts Center endowment	-	-	-	-	-	-	-	1,265,651	1,265,651
Unreserved, reported in:									
General Fund	13,083,633	-	-	-	-	-	-	-	13,083,633
Special revenue funds	-	-	-	-	-	-	-	4,520,308	4,520,308
Capital project funds	-	4,884,488	-	-	-	(796,791)	95,021	-	8,151,868
	16,987,644	40,936,832	32,200,311	3,969,150	242,825	(796,791)	8,337,512	-	101,877,483
Total fund balances (deficit)	\$ 19,989,270	\$ 43,516,915	\$ 33,562,577	\$ 3,969,150	\$ 242,825	\$ 121,767	\$ 8,705,383	\$ 110,107,887	
Total liabilities and fund balances									

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT WIDE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES JUNE 30, 2007

Amounts reported for governmental activities in the statement of net assets are different because:

Fund balances - total governmental funds (page F-15)	\$	101,877,483
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		60,055,831
Internal service funds are used by management to charge the costs of management of centralized data processing services and related billings to other City departments and individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.		14,856
Long-term receivables and interest on deferred loans are not available to pay for current period expenditures and, therefore, are deferred on the modified accrual basis.		946,535
Costs of issuance are capitalized on the government-wide statement of net assets, whereas, they are reported as expenditures in the governmental funds.		1,752,352
Interest payable on long-term debt that does not require the use of current financial resources and, therefore, interest payable is not accrued as a liability in the balance sheet of governmental funds.		(1,097,233)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Special assessment bonds, net	\$	(179,423)
Certificates of participation		(10,255,297)
Tax allocation bonds, net (including accreted interest)		(85,190,877)
Capital leases		(1,777,736)
Compensated absences		(1,354,696)
		<u>(98,758,029)</u>
Net assets of governmental activities (page F-12)	\$	<u>64,791,795</u>

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	General	Community Development Commission			Financing Authority	Special Assessments Debt Service	City Capital Projects	Other Governmental Funds	Total
		Capital Projects	Housing Projects						
REVENUES									
Taxes	\$ 14,249,551	\$ 13,291,030	\$ -	\$ -	\$ -	-	\$ -	\$ 470,258	\$ 28,010,839
Intergovernmental	3,652,971	-	-	-	-	-	-	1,460,729	6,470,275
Interest and rentals	2,108,653	434,138	233,704	180,366	18,431	-	-	459,521	3,434,813
Charges for current services	1,801,417	-	-	-	-	-	511,120	-	2,312,537
Licenses, permits and fees	1,284,419	-	-	-	-	-	-	1,266,431	2,550,850
Special assessment collections	197,134	-	-	-	-	210,435	-	-	210,435
Fines, forfeitures and penalties	987,352	-	-	-	-	-	-	-	197,134
Donations and miscellaneous			300	-	-	-	2,883	250,800	1,241,335
Total revenues	24,281,497	13,725,168	234,004	180,366	228,866	-	1,870,578	3,907,739	44,428,218
EXPENDITURES									
Current:									
General government	4,051,431	6,334,342	2,231,851	-	-	-	-	36,894	12,654,518
Public safety	16,126,814	-	-	-	-	-	-	-	16,126,814
Public works	2,085,443	-	-	-	-	-	-	-	2,085,443
Parks and recreation	2,983,531	-	-	-	-	-	-	-	2,983,531
Cultural arts center	889,073	-	-	-	-	-	-	-	889,073
Capital outlay	910,509	963,340	-	-	-	-	5,450,339	-	7,324,188
Debt service:									
Principal	-	-	-	380,000	430,000	-	-	1,229,651	2,039,651
Interest and fiscal charges	-	218,430	25,678	460,551	26,522	-	-	457,326	1,188,507
Cost of issuance	-	733,546	583,195	-	-	-	-	-	1,316,741
Total expenditures	27,046,801	8,249,658	2,840,724	840,551	456,522	-	5,450,339	1,723,871	46,608,466
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,765,304)	5,475,510	(2,606,720)	(660,185)	(227,656)	-	(3,579,761)	2,183,868	(2,180,248)
OTHER FINANCING SOURCES (USES)									
Issuance of debt	-	34,680,000	26,760,000	-	-	-	-	-	61,440,000
Discount on debt	-	-	(391,516)	-	-	-	-	-	(391,516)
Premium on debt	-	1,344,163	-	-	-	-	-	-	1,344,163
Transfers in	3,490,120	-	2,473,636	843,212	-	-	3,886,959	1,683,811	12,377,738
Transfers out	(1,768,002)	(4,024,255)	(1,939,559)	(659,782)	-	-	-	(3,691,702)	(12,083,300)
Total other financing sources (uses)	1,722,118	31,999,908	26,902,561	183,430	-	-	3,886,959	(2,007,891)	62,687,085
NET CHANGE IN FUND BALANCES	(1,043,186)	37,475,418	24,295,841	(476,755)	(227,656)	-	307,198	175,977	60,506,837
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	18,030,830	3,461,414	7,904,470	4,445,905	470,481	-	(1,103,989)	8,161,535	41,370,646
FUND BALANCES (DEFICIT), END OF YEAR	\$ 16,987,644	\$ 40,936,832	\$ 32,200,311	\$ 3,969,150	\$ 242,825	\$ -	\$ (796,791)	\$ 8,337,512	\$ 101,877,483

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
JUNE 30, 2007**

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

Net change in fund balances - total governmental funds (page F-17)	\$ 60,506,837
--	---------------

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital asset additions, reported as capital outlay	\$ 7,324,188	
Basis in capital assets sold	(10,650)	
Depreciation	<u>(4,967,330)</u>	2,346,208

Revenues recognized in the governmental funds that were earned and recognized in previous years and reported as beginning net assets in the statement of activities. Revenues earned in the current year that did not meet the revenue recognition criteria for governmental funds are reported as revenues in the statement of activities.

(684,320)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Debt issued:

Tax allocation bonds	\$ (61,440,000)
Plus costs of issuance	1,316,741
Plus discount	391,516
Less premium	<u>(1,344,163)</u>

Principal repayments:

Tax allocation bonds	980,000	
Certificates of participation	380,000	
Special assessment bonds	430,000	
Capital leases	<u>249,651</u>	(59,036,255)

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

Amortization of deferred costs of issuance	\$ (53,238)	
Change in accrued interest payable	(645,651)	
Amortization of premium, discount and deferred amount on refunding	(46,919)	
Interest accretion on capital appreciation bonds	(809,521)	
Change in long-term compensated absences	<u>(124,495)</u>	(1,679,824)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.

9,341

Change in net assets of governmental activities (page F-13)

\$ 1,461,987

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK

STATEMENT OF FUND NET ASSETS

PROPRIETARY FUNDS

JUNE 30, 2007

	Business-type Activities - Enterprise Funds				Governmental Activity
	Water	Sewer	Refuse Collection	Total	Internal Service
ASSETS					
Current assets:					
Cash and investments:					
Operating	\$ 3,615,272	\$ 4,830,562	\$ 521,605	\$ 8,967,439	\$ -
Held for capital improvements	2,018,574	9,336,980	-	11,355,554	-
Deposits	51,124	405,636	42,603	499,363	-
Total cash and investments	5,684,970	14,573,178	564,208	20,822,356	-
Accounts receivable	1,177,202	2,289,545	763,684	4,230,431	-
Total current assets	6,862,172	16,862,723	1,327,892	25,052,787	-
Noncurrent assets:					
Deferred costs of issuance	196,902	327,628	-	524,530	-
Capital assets:					
Structures and improvements	14,283,800	8,730,130	-	23,013,930	-
Furniture, fixtures and equipment	1,044,430	681,636	-	1,726,066	159,148
Construction in progress	3,073,917	12,229,073	-	15,302,990	-
Total capital assets	18,402,147	21,640,839	-	40,042,986	159,148
Less: accumulated depreciation	(8,166,690)	(6,490,750)	-	(14,657,440)	(144,292)
Net capital assets	10,235,457	15,150,089	-	25,385,546	14,856
Total noncurrent assets	10,432,359	15,477,717	-	25,910,076	14,856
Total assets	17,294,531	32,340,440	1,327,892	50,962,863	14,856
LIABILITIES					
Current liabilities:					
Accounts payable	278,909	75,430	693,243	1,047,582	-
Interest payable	64,929	47,977	-	112,906	-
Deposits	73,101	401,102	40,084	514,287	-
Bonds payable	207,146	247,612	-	454,758	-
Total current liabilities	624,085	772,121	733,327	2,129,533	-
Noncurrent liabilities:					
Bonds payable	6,245,973	12,742,496	-	18,988,469	-
Total liabilities	6,870,058	13,514,617	733,327	21,118,002	-
NET ASSETS					
Invested in capital assets, net of related debt	5,932,885	11,776,612	-	17,709,497	14,856
Unrestricted	4,491,588	7,049,211	594,565	12,135,364	-
Total net assets	\$ 10,424,473	\$ 18,825,823	\$ 594,565	\$ 29,844,861	\$ 14,856

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	Business-type Activities - Enterprise Funds				Governmental Activity
	Water	Sewer	Refuse Collection	Total	Internal Service
OPERATING REVENUES:					
Utility service charges	\$ 6,336,206	\$ 11,910,195	\$ 5,186,180	\$ 23,432,581	\$ -
Charges for services	-	-	-	-	475,447
Penalties and other	96,808	97,576	54,209	248,593	-
Total operating revenues	6,433,014	12,007,771	5,240,389	23,681,174	475,447
OPERATING EXPENSES:					
Contractual services	2,221,691	6,879	5,165,696	7,394,266	-
Rent and leases	1,354	7,407,497	-	7,408,851	-
Payroll and related costs	2,181,931	1,119,894	-	3,301,825	-
Heat, light and power	151,530	60,354	-	211,884	-
Other	486,055	311,822	6,745	804,622	-
Depreciation	725,979	304,413	-	1,030,392	3,475
Repairs, operations and maintenance	276,785	95,326	-	372,111	462,493
Professional services	274,295	168,889	9,202	452,386	-
Supplies	106,561	25,859	-	132,420	-
Total operating expenses	6,426,181	9,500,933	5,181,643	21,108,757	465,968
OPERATING INCOME	6,833	2,506,838	58,746	2,572,417	9,479
NONOPERATING REVENUES (EXPENSES)					
Loss on disposal of capital assets	(321)	-	-	(321)	(138)
Investment income	198,391	228,378	-	426,769	-
Interest expense	(263,883)	(584,214)	-	(848,097)	-
Total nonoperating revenues (expenses)	(65,813)	(355,836)	-	(421,649)	(138)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(58,980)	2,151,002	58,746	2,150,768	9,341
Capital contributions	246,537	1,582,537	-	1,829,074	-
Transfers out	(136,035)	(158,403)	-	(294,438)	-
CHANGE IN NET ASSETS	51,522	3,575,136	58,746	3,685,404	9,341
NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	10,722,021	15,250,687	535,819	26,508,527	5,515
PRIOR PERIOD ADJUSTMENTS	(349,070)	-	-	(349,070)	-
NET ASSETS, BEGINNING OF YEAR, AS RESTATED	10,372,951	15,250,687	535,819	26,159,457	5,515
NET ASSETS, END OF YEAR	\$ 10,424,473	\$ 18,825,823	\$ 594,565	\$ 29,844,861	\$ 14,856

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	Business-type Activities - Enterprise Funds				Governmental Activity
	Water	Sewer	Refuse Collection	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash receipts from customers	\$ 6,222,840	\$ 11,359,059	\$ 5,155,681	\$ 22,737,580	\$ 475,447
Cash paid to suppliers for goods and services	(3,638,862)	(8,308,772)	(4,974,152)	(16,921,786)	(462,493)
Cash paid to employees for services	(2,181,931)	(1,119,894)	-	(3,301,825)	-
Net cash provided by operating activities	402,047	1,930,393	181,529	2,513,969	12,954
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers out	(136,035)	(158,403)	-	(294,438)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Payment on capital debt	(210,000)	(230,000)	-	(440,000)	-
Interest paid on capital debt	(262,441)	(581,134)	-	(843,575)	-
Acquisition of capital assets	(932,863)	(806,556)	-	(1,739,419)	(12,954)
Contributions from developers and other agencies	246,537	1,582,537	-	1,829,074	-
Net cash used in capital and related financing activities	(1,158,767)	(35,153)	-	(1,193,920)	(12,954)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	198,391	228,378	-	426,769	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(694,364)	1,965,215	181,529	1,452,380	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6,379,334	12,607,963	382,679	19,369,976	-
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 5,684,970	\$ 14,573,178	\$ 564,208	\$ 20,822,356	\$ -
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income	\$ 6,833	\$ 2,506,838	\$ 58,746	\$ 2,572,417	\$ 9,479
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	725,979	304,413	-	1,030,392	3,475
Changes in assets and liabilities:					
Decrease (increase) in accounts receivable	(142,935)	(253,965)	(87,980)	(484,880)	-
Increase (decrease) in accounts payable	(120,591)	(232,146)	207,491	(145,246)	-
Increase (decrease) in deposits	6,426	(70,941)	3,272	(61,243)	-
Net cash provided by operating activities	\$ 402,047	\$ 1,930,393	\$ 181,529	\$ 2,513,969	\$ 12,954
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Amortization of premiums (discounts)	\$ (2,854)	\$ 7,612	\$ -	\$ 4,758	\$ -
Book value on disposed capital assets	\$ 321	\$ -	\$ -	\$ 321	\$ 138

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK

**STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUND
SPECIAL ENFORCEMENT UNIT - SOUTH
JUNE 30, 2007**

ASSETS

Cash and investments	\$	44,821
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LIABILITIES

Accounts payable		<u>19,017</u>
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NET ASSETS

	\$	<u><u>25,804</u></u>
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See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUND
SPECIAL ENFORCEMENT UNIT - SOUTH
FOR THE YEAR ENDED JUNE 30, 2007**

ADDITIONS

Interest and rentals	\$ 1,506
Seizures and forfeitures	<u>21,376</u>
	22,882

DEDUCTIONS

Law enforcement costs	<u>13,414</u>
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CHANGE IN NET ASSETS

9,468

NET ASSETS:

BEGINNING OF THE YEAR	<u>16,336</u>
END OF YEAR	<u><u>\$ 25,804</u></u>

See accompanying notes to the basic financial statements.

CITY OF ROHNERT PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

1. DESCRIPTION OF THE REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity - The basic financial statements of the City of Rohnert Park, California (City), include the financial activities of the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. The blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units is combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the basic financial statements to emphasize it is legally separate from the primary government. The City's blended and discretely presented component units have June 30 year-ends.

Blended Component Units - The Community Development Commission of the City of Rohnert Park (Commission) was established under the provisions of the State of California Community Redevelopment Law to assist in the rehabilitation of areas determined to be in a declining condition in the City. The Commission is governed by a board consisting of all the members of the City Council.

The Rohnert Park Financing Authority (Financing Authority) is a joint powers authority, organized pursuant to a joint exercise of powers agreement (Agreement), dated as of January 1, 1999, between the City and the Commission. The Agreement was entered into pursuant to the Government Code of the State of California, commencing with Section 6500. The Financing Authority is a separate entity constituting a public instrumentality of the State of California and was formed for the public purpose of assisting in financing activities for the benefit of the City and the Commission. The Financing Authority is governed by a board consisting of all the members of the City Council.

Discretely Presented Component Unit - The Rohnert Park Housing Financing Authority (Housing Financing Authority) was established to assist in financing the acquisition, operation and maintenance of mobile home parks in the City in order to provide affordable housing and stimulate economic development. The City Council has the responsibility to appoint all directors of the Authority, which is governed by a board consisting of a minimum of three directors, and has the ability to remove appointed directors at will.

Component unit financial statements can be obtained from the Finance Department of the City at 6800 Hunter Drive, Suite B, Rohnert Park, CA 94928.

Description of Joint Powers Participation - The City participates in a joint powers activity through a formally organized and separate entity. The financial activities of the Redwood Empire Municipal Insurance Fund are not included in the basic financial statements of the City as it is administered by a board that is separate from and independent of the City.

Basis of Presentation

Government-wide Financial Statements - The statement of net assets and statement of activities display information about the primary government (City) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City and between the City and its discretely presented component unit. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements - The fund 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 operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

- General Fund is the general operating fund of the City. It accounts for all financial resources traditionally associated with governments, which are not required to be accounted for in another fund.
- Community Development Commission Capital Projects Fund accounts for redevelopment of designated areas within the approved project area of the City.
- Community Development Commission Housing Projects Fund accounts for 20% of tax increment revenues, which are designated by law to increase or improve low and moderate income housing in the designated areas within the approved project area of the City.
- Financing Authority Fund accounts for capital items financed by certificates of participation.
- Special Assessments Debt Service Fund accumulates monies for payment of 1915 Act special assessment bonds. Financing is provided by special assessment taxes.
- City Capital Projects Fund accounts for resources used for the acquisition of capital facilities, except for those capital facilities financed by enterprise funds, special assessment resources or Community Development Commission resources.

The City reports the following major enterprise funds:

- Water Fund accounts for water production to the residents of the City. The activities necessary to provide such service are accounted for in the fund, including, but not limited to, operations, maintenance, financing and related debt service, and billing and collection.
- Sewer Fund accounts for sewage disposal to the residents of the City. The activities necessary to provide such service are accounted for in the fund, including, but not limited to, operations, maintenance, financing and related debt service, and billing and collection.
- Refuse Collection Fund accounts for service performed by an independent contractor. The activities necessary to provide such service are accounted for in the fund, including but not limited to contractual services and billing and collection services.

The City reports the following additional fund types:

- Permanent Fund (a governmental fund type) accounts for accumulation of capital donated for the City of Rohnert Park's Dorothy Rohnert Spreckels Performing Arts Center. The interest generated from the donations will be used for the operations of the Performing Arts Center while the corpus is permanently restricted.
- Internal Service Fund (a proprietary fund type) accounts for the activities of centralized data processing services and the related billings to other City departments and funds.
- Special Enforcement Unit - South Private-purpose Trust Fund (a fiduciary fund type) accounts for assets held by the City in a trustee capacity for the benefit of law enforcement agencies in the region.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. When both restricted and unrestricted net assets are available, unrestricted resources are used only after the restricted resources are depleted.

The government-wide, proprietary and private-purpose trust fund financial statements are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. Operating statements of these funds present increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

- Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. The City considers property taxes as available if they are levied and collected within 60 days after year-end. The availability period for all other revenues susceptible to accrual is also 60 days. Revenues considered susceptible to accrual include property taxes, sales tax, licenses, interest and rentals, charges for services and intergovernmental revenues. All other revenues are recognized only when the cash receipts are collected. Expenditures are recorded when the related fund liability is incurred, except that principal and interest on general long-term debt, compensated absences and claims are recognized when due.
- Proprietary funds and the private-purpose trust fund are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Water, sewer and refuse collection service revenues earned at June 30, but unbilled, are recognized.

For the business type activities in the government-wide statements and proprietary fund financial statements, the City has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes accounting principles generally accepted in the United States of America (GAAP) for governmental units. The City has elected not to follow subsequent private-sector guidance of FASB after November 30, 1989 for its business type activities in the government-wide or enterprise fund financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges for customer services including: water, sewer and refuse collection, and service support charges. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Long-term Governmental Capital Assets and Liabilities - GASB Statement No. 34 eliminated the presentation of account groups, but provides for these records to be maintained and incorporates the information into the governmental activities column in the government-wide statement of net assets.

Cash Equivalents - For purposes of the statement of cash flows, the City considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. The proprietary funds "deposits" in the City cash and investments pool are, in substance, demand deposits and are therefore considered cash equivalents.

Investments - Investment transactions are recorded on the trade date. Investments in nonparticipating interest-earning investment contracts (certificates of deposits and guaranteed investment contracts) are reported at cost, and all other investments are reported at fair value. Fair value is defined as the amount that the City could reasonably expect to receive for an investment in a current sale between a willing buyer and seller and is generally measured by quoted market prices.

Transactions with Joint Powers - Premiums paid to the Redwood Empire Municipal Insurance Fund are recorded as expenditures of the General Fund and expenses in the statement of activities. Dividends received are recorded as a reduction of expenditures/expenses.

Bond Discounts, Premiums, Issuance Costs, and Deferred Amounts on Refundings - For governmental fund financial statements, bond premiums and discounts, as well as issuance costs are recognized during the period the bonds are issued. Bonds issued are reported as other financing sources including any applicable premiums. Discounts are reported as a separate financing use. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures. For government-wide and proprietary fund financial statements, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

Gains or losses occurring from advance refunding are deferred and amortized into expense for both business-type activities and proprietary funds. For governmental activities, they are deferred and amortized into expense if they occurred subsequent to June 30, 2001. Bonds payable are reported net of deferred amounts on refundings.

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

Capital Assets - are valued at historical cost or, for donated capital assets, at their fair market value on the date donated. Capital assets include public domain (infrastructure) general capital assets consisting of certain improvement including roads, bridges, water/sewer, lighting system, drainage systems, and flood control. The City defines capital assets as assets with an estimated useful life in excess of one year and a value of \$1,000 or more. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide and proprietary fund financial statements. The estimated useful lives are as follows:

	<u>Primary Government</u>
Infrastructure	30 years
Structures and improvements	35 years
Furniture, fixtures and equipment	3 - 35 years

Accumulated Unpaid Vacation and Sick Pay - It is the policy of the City to permit employees to accumulate earned but unused vacation and sick leave benefits. Vested or accumulated vacation and sick leave are reported as long-term liabilities on the statement of net assets. If amounts are due and payable at fiscal year-end, they are recorded as liabilities in the governmental funds.

Claims Liabilities - The City has accrued for claim liabilities including estimated claims incurred but not yet reported and related allocated loss adjustment expenses.

Property Tax Levy, Collection and Maximum Rates - The State of California Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for debt or assessments has been approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be increased no more than two percent per year unless the property is sold, transferred or improved. The State Legislature has determined the method of distribution of receipts from a one percent tax levy among the counties, cities, school districts and other districts. Sonoma County assesses properties, bills for and collects property taxes as follows:

	Secured	Unsecured
Lien dates	January 1	January 1
Levy dates	July 1	July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent after	December 10 (for November) April 10 (for February)	August 31

The term “unsecured” refers to taxes on personal property other than land and buildings. Secured taxes are secured by liens on the property being taxed.

Property tax revenues are recognized in the fiscal year for which the taxes have been levied.

Interfund Transactions - Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans and residual balances outstanding in the fund financial statements are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (e.g., the current portion of interfund loans) or “advances to/from other funds” (e.g., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances to other funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Fund Deficits

At June 30, 2007, the City Capital Projects fund had a deficit fund balance of \$796,791 due to capital expenditures exceeding its revenues. The deficit will be reimbursed in the future by the gas tax fund, developer fees, State and Federal grants and bonds proceeds. The Copeland Creek Drainage Facility fund also had a deficit fund balance of \$49,370 due to an outstanding liability prior to 1989. The liability will be written off in fiscal year 2008.

3. CASH AND INVESTMENTS

The City maintains a cash and investments pool that is available for use by all funds, except the Community Development Commission and the Housing Financing Authority. In addition, cash is separately held by several of the City's funds. Cash and investments are comprised of the following amounts as shown on the financial statements:

Primary government:	
Unrestricted	\$ 35,473,831
Restricted	80,204,363
Component unit (HFA) - Deposits	55,463
Private-purpose Trust Fund	44,821
	<hr/>
Total cash and investments	\$ 115,778,478

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At June 30, 2007 the carrying value of the City's deposits and cash on hand was \$6,497,506. At June 30, 2007 the carrying value of the component unit's deposits was \$55,463. The City and component unit are not exposed to such risks as all deposits are insured or collateralized.

Investments

Investments permitted by the City's investment policy include the following:

- State of California Local Agency Investment Fund (LAIF),
- Sonoma County Investment Pool,
- Securities of the United States Government or its agencies,
- Certificates of deposits with commercial banks, savings & loan companies or credit unions,
- Negotiable certificates of deposits,
- Bankers' acceptances,
- Mutual funds invested in United States Government securities.

United States Government and agency investments are required to be of the highest rating available at the time of purchase. Certificates of deposit, bankers' acceptances and savings type accounts must be fully insured or collateralized.

Credit risk

Credit risk relates to the possibility that an issuer/counterparty to an investment will be unable to fulfill its obligations. The City's investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general avoid speculative investments. The City's investment policy includes investments permitted by the California Government Code and limits medium-term negotiable certificates of deposits, bankers' acceptances and commercial paper invests as follows:

- Medium-term corporate notes, including bank notes and deposits notes, must be issued by corporations doing business in the United States as outlined in the California Government Code. Issuers must possess an acceptable long-term senior debt rating by two of the nationally recognized rating services; i.e., Moody's Investors Services, Standard & Poor's Fitch or Duff & Phelps for maturities of five years or less, a minimum rating of "AAA" or better.
- Negotiable certificates of deposit must be issued by a federal or state chartered bank or a state saving association or a state licensed, domestic bank of a foreign bank. Issuers must possess an acceptable long-term senior debt rating by two of the nationally recognized rating services; i.e., Moody's Investors Services, Standard & Poor's Fitch or Duff & Phelps for maturities of five years or less, a minimum rating of "AAA" or better.
- Commercial Paper- State law limits investments in commercial paper to be of "prime" quality of the highest ranking of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO).

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The City has an investment policy of lengthening its maturities when rates are falling and shortening its maturities when rates are rising as a means of managing its exposure to fair value losses and to take advantage of advantageous interest rates. The City has about 30% of its investments in maturities of less than 1 year in order to take advantage of anticipated rising interest rates.

As of June 30, 2007, the City's investments, excluding the Housing Financing Authority, consisted of the following:

Investment Type	Fair Value	Maturities			Credit Rating
		Less than 1 year	1-3 years	More than 3 years	
Federal Home Loan Bank	\$ 9,483,120	\$ 999,060	\$ 8,484,060	\$ -	AAA
Federal Home Loan Mortgage Corp.	4,489,765	498,860	3,990,905	-	AAA
Federal National Mortgage Association	2,994,845	499,220	1,497,815	997,810	AAA
State Local Agency Investment Fund	21,405,076	21,405,076	-	-	Not rated
Sonoma County Investment Pool	394,681	-	394,681	-	Not rated
Guaranteed investment contracts	61,075,906	-	-	61,075,906	Not rated
Money market funds	9,382,116	9,382,116	-	-	AAAm
	<u>\$ 109,225,509</u>	<u>\$ 32,784,332</u>	<u>\$ 14,367,461</u>	<u>\$ 62,073,716</u>	

As of June 30, 2007, the City's investment in LAIF was \$21,405,076, which has a weighted average maturity of 176 days. The total amount invested by all public agencies in LAIF at that date is approximately \$19.7 billion. The City's proportionate share of structured notes and asset-backed securities held by the LAIF was \$741,900 or 3.466% of the City's investment in LAIF. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The value of the pool shares in LAIF that may be withdrawn is determined on an amortized cost basis, which is different from the fair value of the City's position in the pool. The City's investment in LAIF is unrated for credit risk.

As of June 30, 2007, the City's investment in the County's Pool was \$394,681, which has a weighted average maturity of 414 days. The total amount invested by the County's Pool at that date is approximately \$1.2 billion. The County's Pool is subject to regulatory oversight by the Treasury Oversight Committee. The value of the pool shares in the County Pool that may be withdrawn is determined on an amortized cost basis, which is different from the fair value of the City's position in the pool. The City's investment in the County Pool is unrated for credit risk.

Concentration of credit risk

The City's investment policy does not place restrictions within the permitted categories of investment that may be entered into and how much may be held by individual issuers. More than 5% of the City's investments are invested in Federal Home Loan Bank (8.7%) and Royal Bank of Canada guaranteed investment contracts (55.9%).

4. LOANS AND NOTES RECEIVABLE, NET

The Commission extends various developer loans, first-time homebuyer loans, and rehabilitation loans to property owners for the rehabilitation and improvements of commercial buildings and residential homes, and other loans for families and individuals of low/moderate income. The Commission has a secured interest in the properties for which the loans were made. Management has established an allowance for bad debts in the amount of \$1,090,930 based on historical payment history on forgivable loans. Additionally, the Commission has established an allowance of \$406,824 related to accrued interest on certain of the loans. Interest amounting to \$74,518 on the Commission's loans and notes receivable is reported as deferred revenue in the fund financial statements.

On September 13, 2005, the Commission entered into an Affordable Housing and Loan Agreement with Burbank Housing to develop a 56-unit affordable housing project on a City-owned City Hall Drive site. The Commission purchased the site from the City and assisted Burbank with the financing and pre-development costs. Burbank purchased the land from the Commission for \$1,335,000 (the amount paid by the Commission to the City for the property). The term of the loan agreement is a non-recourse loan in the amount of \$3,925,000, which will accrue interest at the rate of 2% per annum and is deferred for 55 years. Principal and accrued interest totaling \$4,141,993 related to this loan is included in loans and notes receivable on the accompanying financial statements.

On May 23, 2006, the Commission entered into an Affordable Housing and Loan Agreement with Vida Nueva Partners for the development of the Vida Nueva Affordable Housing Project, which includes twenty-four (24) very-low income permanent supportive housing units (carrying 55-year affordability restrictions), a community building, laundry facilities, management office and activity and counseling rooms. The Commission purchased the site from the City at the appraised value of \$1,630,000 to be financed over a three-year period beginning in 2006-07. The loan agreement provided for the Commission to loan \$1,675,000 to Vida Nueva Partners at an accrued interest rate of 2% annum, with the principal and accrued interest deferred for 55 years. Principal and accrued interest totaling \$509,736 related to this loan is included in loans and notes receivable on the accompanying financial statements. Vida Nueva Partner will purchase the site from the Commission for \$810,000 during the fiscal year ending June 30, 2008.

5. DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues not considered available to liquidate liabilities of the current period (unavailable). Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned).

At June 30, 2007, the unavailable and unearned revenues reported were as follows:

	Unavailable	Unearned	Total
Governmental activities:			
Major funds:			
General Fund:			
Due from governmental agencies	\$ 138,676	\$ -	\$ 138,676
Building permit fees on housing loan	153,758	-	153,758
Courseco Loan	261,082	-	261,082
Parks and recreation and other advances	-	270,799	270,799
Community Development Commission -			
Housing Projects Fund:			
Housing loans	74,518	-	74,518
Nonmajor funds:			
Advances from property owners	-	49,370	49,370
Public Facilities Finance Fees on housing loan	318,501	-	318,501
Total governmental activities	<u>\$ 946,535</u>	<u>\$ 320,169</u>	<u>\$ 1,266,704</u>

6. INTERFUND TRANSACTIONS

Interfund Receivables/Payables - The composition of interfund balances as of June 30, 2007 was as follows:

<u>Fund reporting receivable</u>	<u>Fund reporting payable</u>	<u>Amount</u>
Due to/from other funds:		
General Fund	City Capital Projects Fund	\$ 743,939
	CDC Capital Projects Fund	16,584
CDC Capital Projects Fund	General Fund	288,500
CDC Housing Projects Fund	CDC Capital Projects Fund	54,965
City Capital Projects Fund	CDC Capital Projects Fund	1,687
		<u>\$ 1,105,675</u>
Advances to/from other funds:		
General Fund	CDC Capital Projects Fund	\$ 2,368,000
	CDC Housing Projects Fund	1,086,666
		<u>\$ 3,454,666</u>

The General Fund loaned \$4,200,000 to the Community Development Commission Capital Projects Fund to construct the Rohnert Park Performing Arts Center. The loan bears interest at a rate of 9 percent per annum. At June 30, 2007, the outstanding balance remaining on this loan is \$2,368,000. The General Fund sold to the Community Development Commission Housing Projects Fund land for \$1,630,000 during the year, which the Community Development Commission Housing Projects Fund is repaying in equal installments over three years. The first installment of \$543,334 was paid during the year leaving a balance of \$1,086,666 at June 30, 2007.

The General Fund funded certain City capital projects up front for a total of \$743,939 and will be reimbursed as payments are received.

The Community Development Commission Capital Projects Fund purchased the Hazel Wetland Preserve for \$288,500, which is to be reimbursed by the General Fund upon the sale of stadium lands.

The set-aside amount of \$54,965 was the Housing Projects Funds' share of the property tax increment received in July.

Interfund Transfers - The composition of interfund transfers during the fiscal year ended June 30, 2007 was as follows:

<u>Fund Reporting Transfer In</u>	<u>Fund Reporting Transfer Out</u>	<u>Amount</u>
General Fund	CDC Capital Projects Fund	\$ 12,741 c
	CDC Housing Projects Fund	1,745,939 a
	Nonmajor governmental funds	1,508,206 d
	Water Enterprise Fund (1)	14,374 e
	Sewer Enterprise Fund (1)	9,582 e
	Water Enterprise Fund (1)	86,059 f
	Sewer Enterprise Fund (1)	112,583 f
	Sewer Enterprise Fund (1)	636 g
		<u>3,490,120</u>
CDC Housing Projects Fund	CDC Capital Projects Fund	2,473,636 b
Financing Authority Fund	General Fund	399,113 e
	CDC Capital Projects Fund	444,099 e
		<u>843,212</u>
City Capital Projects fund	General Fund	970,789 c
	CDC Capital Projects Fund	1,688 i
	Financing Authority Fund	659,782 c
	Nonmajor governmental funds	2,183,496 c
	Water Enterprise Fund (1)	35,602 h
	Sewer Enterprise Fund (1)	35,602 h
		<u>3,886,959</u>
Nonmajor governmental funds	General Fund	398,100 e
	CDC Capital Projects Fund	1,092,091 e
	CDC Housing Projects Fund	193,620 e
		<u>1,683,811</u>
Total		<u>\$ 12,377,738</u>

⁽¹⁾ Net amount reported as transfers between governmental and business-type activities in the government-wide statement of activities, and the remaining transfers are eliminated.

The purpose for the interfund transfers at June 30, 2007 are as follows:

- a) These transfers were for the following: Vida Nueva land purchase \$1,630,000 (see Note 4 – Loans and Notes Receivable, Net) and to reimburse the General Fund for 85% of the salary and benefits of the Housing Manager and to reimburse the General Fund for the City Council's attendance at the CDC board meetings \$115,939.
- b) This transfer represents 20% of the tax increment earned for the year ended June 30, 2007, which is required to be set aside in a separate fund to provide adequate housing for families and individuals with low or moderate income.
- c) These transfers represent reimbursement of capital project costs.
- d) This transfer is to repay the General Fund for programs funded through other sources.
- e) These transfers are made for the payment of debt service.
- f) The General Fund transferred interest earnings to the proprietary funds during the year.
- g) This transfer was made to reimburse the General Fund for engineering invoices related to sewer connection fee rates.
- h) This transfer was made to reimburse the Capital Projects Fund for the Water and Sewer enterprise funds' share of the Public Works Corporation Yard Roofing project.
- i) This transfer was made to reimburse the Capital Projects Fund for the Martin Avenue Storm Drain project.

7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2007 was as follows:

	Balance July 1, 2006	Additions	Retirements	Transfers	Balance June 30, 2007
<u>Governmental activities</u>					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 2,948,157	\$ -	\$ -	\$ -	\$ 2,948,157
Construction in progress	6,454,882	6,413,679	-	(890,706)	11,977,855
Total capital assets, not being depreciated	9,403,039	6,413,679	-	(890,706)	14,926,012
<i>Capital assets, being depreciated</i>					
Infrastructure, structures and improvements	106,362,391	-	-	890,706	107,253,097
Equipment	13,053,356	923,463	(545,880)	-	13,430,939
Total capital assets, being depreciated	119,415,747	923,463	(545,880)	890,706	120,684,036
<i>Less accumulated depreciation for:</i>					
Infrastructure, structures and improvements	(61,215,786)	(3,742,428)	-	-	(64,958,214)
Equipment	(9,887,862)	(1,228,377)	535,092	-	(10,581,147)
Total accumulated depreciation	(71,103,648)	(4,970,805)	535,092	-	(75,539,361)
Total capital assets, being depreciated, net	48,312,099	(4,047,342)	(10,788)	890,706	45,144,675
Governmental activities capital assets, net	\$ 57,715,138	\$ 2,366,337	\$ (10,788)	\$ -	\$ 60,070,687
<u>Business-type activities</u>					
<i>Capital assets, not being depreciated:</i>					
Construction in progress	\$ 14,821,185	\$ 1,602,133	\$ -	\$ (1,120,328)	\$ 15,302,990
<i>Capital assets, being depreciated:</i>					
Structures and improvements	21,636,370	-	-	1,377,560	23,013,930
Equipment	1,865,056	137,286	(19,044)	(257,232)	1,726,066
Total capital assets, being depreciated	23,501,426	137,286	(19,044)	1,120,328	24,739,996
<i>Less accumulated depreciation for:</i>					
Structures and improvements	(12,631,022)	(725,978)	-	-	(13,357,000)
Equipment	(1,014,749)	(304,414)	18,723	-	(1,300,440)
Total accumulated depreciation	(13,645,771)	(1,030,392)	18,723	-	(14,657,440)
Total capital assets, being depreciated, net	9,855,655	(893,106)	(321)	1,120,328	10,082,556
Business-type activities capital assets, net	\$ 24,676,840	\$ 709,027	\$ (321)	\$ -	\$ 25,385,546

Construction in progress for governmental activities at June 30, 2007 is comprised of the following:

	Project Authorization	Expended to June 30, 2007	Project Funds Unexpended
City Projects:			
City Hall Project	\$ 6,788,000	\$ 2,245,386	\$ 4,542,614
Citywide pavement maintenance	1,723,498	1,723,498	-
Water Supply Assessment Project	N/A	1,231,184	N/A
Sports Center Roof Replacement	716,850	716,850	-
University District Specific Plan	N/A	437,906	N/A
Various other projects	20,373,707	3,756,069	16,617,638
Community Development Commission Projects:			
Stadium Lands Salvage Project	365,000	203,357	161,643
BARC Roof Replacement	635,000	601,094	33,906
West-side Public Safety Facility	13,113,320	55,583	13,057,737
Various other projects	2,599,750	1,006,928	1,592,822
Total	<u>\$ 46,315,125</u>	<u>\$ 11,977,855</u>	<u>\$ 36,006,360</u>

During the year, the City completed governmental activities projects totaling \$890,706 that were transferred from construction in progress to improvements.

Construction in progress for business-type activities at June 30, 2007 is comprised of the following:

	Project Authorization	Expended to June 30, 2007	Project Funds Unexpended
Commercial Water Meter Retrofit Project	\$ 2,707,010	\$ 2,707,010	\$ -
Parallel Sewer Interceptor Project	12,260,000	10,217,777	2,042,223
Eastside Sewer Project	6,558,600	1,662,650	4,895,950
Various other projects	19,855,000	715,553	19,139,447
Total	<u>\$ 41,380,610</u>	<u>\$ 15,302,990</u>	<u>\$ 26,077,620</u>

During the year, the City completed business-type activities projects totaling \$1,120,328 that were transferred from construction in progress to structures and improvements.

Depreciation expense was charged to governmental functions as follows:

General government	\$ 92,772
Public safety	1,222,397
Public works	2,437,120
Parks and recreation	1,215,041
Depreciation on capital assets held by the City's internal service fund is charged to the various functions based on their usage of the assets.	<u>3,475</u>
Total depreciation expense – governmental functions	<u>\$ 4,970,805</u>

Depreciation expense was charged to the business-type functions as follows:

Water	\$ 725,979
Sewer	<u>304,413</u>
Total depreciation expense – business-type functions	<u>\$ 1,030,392</u>

8. LONG-TERM LIABILITIES

The City's long-term debt payable at June 30, 2007 follows:

	Final Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2007
Governmental Activities					
(a) Special Assessment Debt with Governmental Commitment:					
2001 Consolidated Reassessment	2009	2.90-4.45%	\$165,000-330,000	\$ 1,825,000	\$ 190,000
(b) 1991 Tax Allocation Refunding Bonds:					
Redevelopment Project (includes accreted interest)	2021	5.90-6.80%	150,551-965,000	13,099,895	2,362,723
(b) 1999 Tax Allocation Bonds:					
Redevelopment Project (includes accreted interest)	2036	3.60-5.30%	154,386-553,597	11,936,651	13,628,850
(c) 1999 Certificates of Participation:					
Capital Facilities Project	2025	3.60-5.00%	120,000-330,000	5,055,000	4,115,000
(c) 2003 Lease Revenue Refunding Bonds:					
Master Equipment Lease Project and Public Safety Facility	2025	2.50-4.80%	240,000-470,000	6,950,000	6,255,000
(c) 2001 Tax Allocation Bonds:					
Redevelopment Project	2021	3.50-5.25%	55,000-810,000	8,200,000	6,920,000
(b) 2007 Tax Allocation Bonds:					
Redevelopment Project	2038	3.60 - 5.00%	290,000 - 3,465,000	34,680,000	34,680,000
Housing	2038	3.50 - 5.00%	25,000 - 1,790,000	26,760,000	26,760,000
(e) Capital leases					
	2020	Various	Various	Various	1,777,736
Total Governmental Activities					<u>96,689,309</u>
Business-Type Activities					
(f) 2002 Revenue Bonds	2023	2.00-4.50%	80,000-145,000	2,090,000	1,760,000
(d) 2005 Sewer System Revenue Certificates of Participation					
Capital Facilities Project	2036	3.00-5.00%	230,000-775,000	13,000,000	12,770,000
(f) 2005 Water Revenue Bonds	2030	2.50-4.50%	120,000-305,000	5,000,000	4,755,000
Total Business-Type Activities					<u>19,285,000</u>
Total governmental and business-type activities – bonds, certificates of participation, capital leases, and accreted interest on capital appreciation bonds					<u>\$ 115,974,309</u>

Debt service payments, as listed in the table above, are generally made from the following sources:

- (a) Special assessment collections recorded in the Special Assessments Debt Service Fund. The City is “obligated in some manner” (as defined by GASB No. 6) for special assessment debt because it must cover delinquencies of special assessments bonds in excess of debt service reserves with other resources until foreclosure proceeds are received or because it has indicated that it may do so.
- (b) Property tax increment allocated to the Community Development Commission Capital Projects Fund.
- (c) Lease revenues from the General Fund, as provided for by an agreement between the Financing Authority and the City.
- (d) 75% Utility billing from the Sewer Department and 25% from new development.
- (e) General revenues of the City.
- (f) Utility billing from the Water department.

The following is a summary of changes to long-term liabilities for the year ended June 30, 2007:

	Balance July 1, 2006	Additions/ Accretions	Retirements	Balance June 30, 2007	Amount due Within One Year
Governmental activities:					
Special assessment bonds	\$ 620,000	\$ -	\$ 430,000	\$ 190,000	\$ 190,000
Certificates of participation	4,265,000	-	150,000	4,115,000	155,000
Lease revenue refunding bonds	6,485,000	-	230,000	6,255,000	235,000
Tax allocation bonds	17,864,532	61,440,000	611,868	78,692,664	2,528,415
Capital leases	2,027,387	-	249,651	1,777,736	239,037
Accreted interest on capital appreciation bonds	5,217,520	809,521	368,132	5,658,909	386,585
Total long-term debt	36,479,439	62,249,521	2,039,651	96,689,309	3,734,037
Original issue premium	78,252	1,344,163	15,188	1,407,227	52,318
Original issue discount	(24,713)	(391,516)	(3,464)	(412,765)	(14,279)
Deferred amount on refunding	(339,081)	-	(58,643)	(280,438)	(58,642)
Compensated absences	1,230,201	1,026,707	902,212	1,354,696	493,591
Total governmental activities	<u>\$ 37,424,098</u>	<u>\$ 64,228,875</u>	<u>\$ 2,894,944</u>	<u>\$ 98,758,029</u>	<u>\$ 4,207,025</u>
Business-type activities:					
Water revenue bonds	\$ 6,725,000	\$ -	\$ 210,000	\$ 6,515,000	\$ 210,000
Sewer revenue certificates of participation	13,000,000	-	230,000	12,770,000	240,000
Original issue premium	227,720	-	7,612	220,108	7,612
Original issue discount	(64,735)	-	(2,854)	(61,881)	(2,854)
Total business-type activities	<u>\$ 19,887,985</u>	<u>\$ -</u>	<u>\$ 444,758</u>	<u>\$ 19,443,227</u>	<u>\$ 454,758</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund.

Future debt service requirements (principal and interest) for governmental activities are as follows:

Fiscal Year Ending June 30:	Special Assessment		Certificates of Participation		Lease Revenue Bonds		Tax Allocation Bonds		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Accreted Interest
2008	\$ 190,000	\$ 7,718	\$ 155,000	\$ 192,420	\$ 235,000	\$ 256,369	\$ 2,528,415	\$ 1,156,996	\$ 386,585
2009	-	-	160,000	186,120	240,000	250,431	928,993	3,043,545	396,007
2010	-	-	165,000	179,538	245,000	243,756	1,057,092	3,013,255	407,908
2011	-	-	175,000	172,480	255,000	236,129	1,045,355	2,985,165	579,645
2012	-	-	180,000	164,935	265,000	227,704	1,041,810	2,959,940	603,190
2013 – 2017	-	-	1,030,000	691,668	1,460,000	983,313	11,035,916	13,815,381	1,049,084
2018 – 2022	-	-	1,305,000	405,625	1,795,000	637,489	13,013,649	11,282,093	3,251,351
2023 – 2027	-	-	945,000	72,375	1,760,000	171,952	12,070,563	9,147,007	6,414,437
2028 – 2032	-	-	-	-	-	-	13,964,352	6,699,187	6,965,648
2033 – 2037	-	-	-	-	-	-	18,141,519	3,591,219	5,888,481
2038	-	-	-	-	-	-	3,865,000	190,750	-
Total	<u>\$ 190,000</u>	<u>\$ 7,718</u>	<u>\$ 4,115,000</u>	<u>\$ 2,065,161</u>	<u>\$ 6,255,000</u>	<u>\$ 3,007,143</u>	<u>\$ 78,692,664</u>	<u>\$ 57,884,538</u>	<u>\$ 25,942,336</u>

Future debt service requirements (principal and interest) for business-type activities are as follows:

Fiscal Year ending June 30:	Water Revenue Bonds		Sewer Revenue Certificates of Participation	
	Principal	Interest	Principal	Interest
2008	\$ 210,000	\$ 256,949	\$ 240,000	\$ 575,729
2009	220,000	251,196	245,000	567,779
2010	225,000	245,016	255,000	559,604
2011	230,000	238,284	265,000	551,129
2012	240,000	230,918	275,000	542,074
2013 – 2017	1,325,000	1,021,564	1,520,000	2,554,140
2018 – 2022	1,595,000	730,066	1,850,000	2,231,826
2023 – 2027	1,320,000	396,337	2,305,000	1,768,125
2028 – 2032	1,150,000	106,201	2,920,000	1,148,625
2033 – 2036	-	-	2,895,000	361,825
Total	<u>\$ 6,515,000</u>	<u>\$ 3,476,531</u>	<u>\$ 12,770,000</u>	<u>\$ 10,860,856</u>

2005 Sewer System Revenue Certificates of Participation

On May 27, 2005, the City issued Sewer System Revenue Certificates of Participation, Series 2005 (Certificates) in the amount of \$13,000,000. Proceeds of the Certificates are being used for a) financing certain improvements, betterments, renovations and expansions of facilities within the Sewer System of the City b) paying capitalized interest with respect to the Certificates to June 1, 2006, c) providing for the deposit of a reserve fund surety bond and d) paying costs of delivery of the Certificates. The Certificates will mature in the year 2036 and carry interest rates ranging from 3.00% - 5.00%

2005 California Statewide Communities Development Authority Water Revenue Bonds

On May 1, 2005, the City became a program participant in the California Statewide Communities Development Authority Water and Wastewater Pooled Financing Program (Program). As a participant in the Program, the City was able to issue California Statewide Communities Development Authority (Authority) Water Revenue Bonds, Series 2005A (Bonds) in the amount of \$5,000,000. Proceeds of the Bonds were used to finance the acquisition and construction of water and wastewater public capital improvements. The Bonds will mature in 2030 and carry interest rates from 2.5% to 4.5%. The City entered into an Installment Purchase Agreement with the Authority that provides that all System Revenues are pledged to the payment of the installment payments.

Legal Debt Limit

As of June 30, 2007, the City's legal debt limit (15% of valuation subject to taxation) was \$580,896,774. Currently, the City has no debt subject to the debt limit.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, Municipal Finance Corporation performed calculations of excess investment earnings on various bonds and financings and at June 30, 2007, the City has no liability.

Conduit Debt

The City has issued a Multifamily Housing Revenue Bond and two Mobile Home Park Revenue Bonds to provide funds to builders for the construction of a multifamily housing project and two mobile home park projects. The bonds are payable solely from the revenue collected by the builders of the projects. The City is not obligated in any manner for repayment of the indebtedness. Accordingly, the liabilities are not reported in the City's basic financial statements.

The aggregate principal amount payable for the four series of bonds as of June 30, 2007 are as follows:

Multifamily Housing Revenue Bonds 1995 Series A (Crossbrooks Apartments)	\$ 8,715,000
Mobile Home Park Revenue Bonds 2001 Series A (Las Casitas De Sonoma)	4,570,000
Mobile Home Park Revenue Bonds Series 2003A (Rancho Feliz MHP)	12,760,000
Mobile Home Park Revenue Bonds Series 2003B (Rancho Feliz MHP)	3,425,000

Capital Leases

The City has entered into long-term capital lease agreements with various financing agencies to lease public safety patrol and fire protection vehicles and other equipment. The following is a summary of future minimum lease payments as of June 30, 2007:

Fiscal Year ending June 30:	Principal	Interest
2008	\$ 239,037	\$ 68,434
2009	227,989	59,838
2010	191,205	51,392
2011	164,625	44,552
2012	136,727	39,060
2013-17	433,925	133,020
2018-21	384,228	31,453
Total	<u>\$ 1,777,736</u>	<u>\$ 427,749</u>

Payment for capital lease obligations are made from various revenue sources recorded in the General Fund and transferred to the General Debt Service Fund. At June 30, 2007, equipment under the capital leases of \$3,509,903 were included in the statement of net assets.

9. EMPLOYEES' RETIREMENT PLAN

Plan Description – All permanent employees are eligible to participate in the Public Employees' Retirement Fund (the Fund) of the State of California's Public Employees Retirement System (CALPERS). The Fund is an agent multiple-employer defined benefit plan that acts as a common investment and administrative agent for various local and state governmental agencies within the State of California. However, the Fund is pooled for the City's safety employees, therefore the safety plan is considered a cost-sharing plan from the City's perspective. The Fund provides retirement, disability, and death benefits based on the employee's years of service, age and final compensation. Employees vest after five years of service and may receive retirement benefits at age fifty. These benefit provisions and all other requirements are established by State statute and City ordinance. Copies of the Fund's annual financial report may be obtained from CALPERS' executive office: 400 P. Street, Sacramento, CA 95814. A separate report for the City's plan within the Fund is not available.

Funding Policy – The City pays the employee contribution for both safety and miscellaneous employees, which are 9% and 8% of their annual covered salary to the Fund, respectively. The City is required to contribute at an actuarially determined rate. The actuarial methods and assumptions used are those adopted by the Fund's Board of Administration. The required employer contribution rates for fiscal year ended June 30, 2007 were 21.886% for safety employees and 10.727% for miscellaneous employees of annual covered payroll. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CALPERS.

Annual Pension Cost – The City’s annual pension cost for the Fund was equal to the City’s required and actual contributions, which was determined as part of the June 30, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses) and (b) projected salary increases from 3.25% to 14.45% depending on age, service and type of employment. Both (a) and (b) include an inflation component of 3%. Initial unfunded liabilities are amortized over a closed period that depends on the plan’s date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a 30-year rolling period, which results in an amortization of about 6% of unamortized gains and losses each year. The actuarial value of City’s assets was determined using a 15 year smoothed market technique.

**Schedule of Employer Contributions
Safety Plan (Cost-Sharing Multiple-Employer Plan)
(dollar amounts in thousands)**

Fiscal Year Ended	Required Contributions	Percentage Contributed
6/30/05	\$ 1,415	100%
6/30/06	1,608	100
6/30/07	1,581	100

**Schedule of Employer Contributions
Miscellaneous Plan (Agent Multiple-Employer Plan)
(dollar amounts in thousands)**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/05	\$ 503	100%	\$ -
6/30/06	713	100	-
6/30/07	871	100	-

10. POST EMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the City provides certain health care benefits for retired employees. The City’s memorandum of understanding with its employees establishes the provisions for these post-employment health care benefits. Substantially all of the City’s employees may become eligible for these benefits if they work for the City at least fifteen years and they reach normal retirement age while working for the City. These benefits are not available unless the retired employee is also receiving benefits from CalPERS. The cost of retiree health care and life insurance benefits are recognized as expenditures as claims are paid. For 2007, these costs totaled \$945,948. At June 30, 2007, eighty participants were eligible to receive these benefits.

The City has designated a portion of General Fund’s fund balance for future retiree health care benefits in the event that claims cannot be paid from future operations. At June 30, 2007, the General Fund designated fund balance for retired employee medical insurance was \$2,967,500.

11. FUND BALANCE / NET ASSETS

Fund Balance - In the fund financial statements, governmental funds report fund balance reserves for amounts that are not appropriable for expenditure or legally or contractually segregated for a specific future use. Fund balance designations result from City management or City Council action. Such designations are at the discretion of management or Council and may be changed by future management or Council action.

Portions of unreserved fund balance may be designated to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies or capital projects. Such plans or intent are subject to change, have not been legally authorized and may not result in expenditures. As of June 30, 2007, unreserved, designated fund balances were as follows:

Fund balance designations for:	
General Fund:	
Contingencies	\$ 4,550,598
Self-insurance	919,096
Infrastructure	408,823
Recreational facilities	59,039
Retired employee medical insurance	2,967,500
Housing programs	456,399
Retirement costs/miscellaneous	350,000
Equipment replacement	982,078
Donations	261,082
Total General Fund	<u>\$ 10,954,615</u>
Nonmajor Governmental Funds:	
Capital projects	<u>\$ 97,521</u>

In government-wide statements equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets – consists of net assets with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

12. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City reports all of its risk management activities in its General Fund. The City participates in the Redwood Empire Municipal Insurance Fund (REMIF), a joint powers agency (risk-sharing pool) established in May 1976 to provide an independently managed self-insurance program for member cities. The purpose of REMIF is to spread the adverse effect of losses among the member agencies and to purchase excess insurance as a group, thereby reducing its costs.

The City’s deductibles and maximum coverage follows:

Coverage:	Deductible	REMIF	Excess Coverage
General liability	\$ 5,000	\$ 500,000	\$ 24,500,000
Workers’ compensation	5,000	1,000,000	Statutory
Property damage	5,000	25,000	295,000,000
Automobile liability	5,000	10,000	1,485,000
Earthquake and flood	25,000	-	25,000,000
Fidelity	-	25,000	2,000,000

The City contributes its pro-rata share of anticipated losses to a pool administered by REMIF. Should actual losses among participants be greater than the anticipated losses, the City will be assessed its pro-rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the City will be refunded its pro-rata share of the excess. The City paid insurance premiums and deductibles of \$1,153,791 and received REMIF refunds of \$88,136 during the year ended June 30, 2007. Settled claims have not exceeded commercial excess liability coverage in any of the past three fiscal years.

Claims expenditures and liabilities are reported for self-insured deductibles when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNR). At June 30, 2007 the amount of these IBNR liabilities was \$17,080. This liability is the City's best estimate based on available information.

Changes in the reported liability resulted from the following:

Liability at June 30, 2005	\$ 113,889
Current year claim deductibles and changes in estimates	188,978
Net payments	<u>(99,161)</u>
Liability at June 30, 2006 (reported in accrued liabilities)	203,706
Current year claim deductibles and changes in estimates	115,852
Net payments	<u>(210,986)</u>
Liability at June 30, 2007 (reported in accrued liabilities)	<u>\$ 108,572</u>

At June 30, 2007, management designated \$919,096 of fund balance in the General Fund for future claims liabilities.

13. COMMITMENTS AND CONTINGENCIES

The City is a defendant in several lawsuits arising in the normal course of business. In the opinion of the City Attorney and City Management, potential claims against the City resulting from such litigation, not covered by insurance, would not materially effect the basic financial statements of the City.

The City participates in several Federal and State grant programs. These programs have been audited by the City's independent auditors when required, in accordance with the provisions of the Federal Single Audit Act and the applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

The Commission intends to purchase the existing City Hall site for the development of affordable housing once City Hall relocates to its proposed new location. The purchase price is estimated at \$1,100,000. In addition, the Commission solicited a request for qualifications to find a qualified housing developer to develop the City Hall site and adjacent properties. Furthermore, the Commission has initiated the acquisition of the properties adjacent to City Hall and should have possession of these properties in early 2008. The acquisition of these properties would create a 2.32-acre housing development opportunity site (see Note 16 – Subsequent Events).

The Commission set aside \$500,000 in its 2006-07 fiscal year budget for the redevelopment of the former Agilent Site. These funds have been allocated toward the development of the Sonoma Mountain Village Business ("Incubator"). On July 31, 2007, the Commission loaned the Sonoma County Business Cluster \$500,000 related to the development of the Incubator (see Note 16 – Subsequent Events). The Incubator opened in Spring 2007 and the disbursement of Commission funds occurred in December 2007.

The Commission received \$1,150,000 of MTC TLC funds in the fiscal year 2005-06 for the development of the City Center Plaza and Pedestrian Improvements. The Commission set aside \$600,000 in its 2006-07 budget as matching funds towards this project. Numerous community workshops were held to receive public input on the design. The design has been approved by the Planning Commission and the City Council. Construction is scheduled to begin in Summer of 2008.

The Commission received an award of \$600,000 on June 29, 2007 from the State of California Department of Housing and Community Development to provide loans for the purpose of rehabilitating owner-occupied housing

units. These funds have not been drawn on by the Commission as of June 30, 2007, as certain guidelines need to be approved prior to drawing on these funds. Therefore, this award has not been recorded as a receivable or revenue on the accompanying financial statements.

The Commission amended its Redevelopment Plan at a public hearing on May 22, 2007. The plan amendment programmed redevelopment and housing projects from the \$34,680,000 Tax Allocation Bonds, Series 2007R and \$26,760,000 Housing Tax Allocation Bonds, Series 2007H. The amended redevelopment plan expires in fiscal year 2008-09.

14. LEASES

The City has entered into operating lease contracts with various private and non-profit businesses. The terms of these leases range from 5 years to 40 years.

The future minimum rentals to be received from the aforementioned operating leases as of June 30, 2007 are as follows (in thousands):

Fiscal Year Ending June 30,		
2008	\$	150
2009		150
2010		150
2011		175
2012		175
2013 - 2017		925
2018 - 2022		1,050
2023 - 2027		1,175
2028 - 2032		1,250
2033		250
Future minimum lease rentals	\$	<u>5,450</u>

These future minimum rentals are based upon annual rates agreed to by tenants. In addition to the future minimum rentals disclosed above, the City expects to receive approximately \$419,750 monthly from month-to-month rentals in fiscal year 2007-08.

15. FUTURE GASB PRONOUNCEMENT

In June 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other nonpension benefits. Collectively, these benefits are commonly referred to as other postemployment benefits, or OPEB. The statement generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. This statement's provisions may be applied prospectively and do not require governments to fund their OPEB plans. An employer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however, the unfunded actuarial liability is required to be amortized over future periods. This statement also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time. This statement is effective for the City's fiscal year ending June 30, 2009. The City provides certain health care benefits for retired employees, which historically have been funded on a pay-as-you-go basis, as described in Note 10.

An actuarial valuation of the post-retirement benefit program was performed in 1999. The study determined that the actuarial accrued liability as of June 30, 1999 was \$8,968,000. Based on the tremendous rise in health plan premiums, an increasing retiree base and lower interest rates, the City Council commissioned an update of the study. The results were dramatic, with the unfunded actuarial accrued liability rising to \$38.5 million as of July 1, 2003. Another study was performed July 1, 2005, due to continuous increases in health plan premiums. This study showed the unfunded actuarial accrued liability jumping to \$52.3 million. The study indicates that the new annual contribution required to fund the reserve over a thirty-year period is \$4.6 million per year. The actuarial assumptions used were: 1) an interest rate of 4.5%, 2) an inflation rate of 3.5%, 3) a medical increase trend rate starting at 12.5% and decreasing gradually to an ultimate rate of 5.75%, and 4) demographic assumptions utilized by CalPERS, modified to reflect anticipated increased life expectancy and Rohnert Park's lower turnover rates. Management and the City Council will be developing a plan over future years to pay for this unfunded liability.

In 2007 the City negotiated new labor contacts to reduce the retiree medical benefit for health. As a result of the benefit reduction, and assuming a higher investment return rate for trust funds, the unfunded liability went down to \$27.6 million. The City will create a trust fund and set aside at least \$3 million from the retiree medical reserve into this fund during the next fiscal year.

16. SUBSEQUENT EVENTS

On January 22, 2008, the Commission purchased a building located at 120 Avram Avenue for \$1,721,500 and on February 25, 2008 the Commission purchased a building located at 100 Avram Avenue for \$1,430,000. These properties will be combined with the City Hall site and developed as a mixed-use affordable housing site consisting of approximately 2.32 acres.

On July 31, 2007, the Commission entered into a loan agreement to loan the Sonoma County Business Cluster \$500,000 to pay a portion of the costs of improving the former Agilent site (see Note 13 – Commitments and Contingencies). The loan provides that as long as the improvements are made as specified in the agreement and continues to operate the Incubator, and is not in default with any terms of the loan, the loan will be forgiven.

17. PRIOR PERIOD ADJUSTMENTS

A prior period adjustment in the amount of (\$349,070) was recorded in the City's Water Fund and in the City's Government-wide financial statements, Business-type Activities to reduce the net assets at June 30, 2006 to correct beginning net assets. The adjustment was recorded for an accounting error resulting in an over-accrual of accounts receivable in the prior year.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

CITY OF ROHNERT PARK

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes:				
Property	\$ 2,936,000	\$ 2,936,000	\$ 3,167,241	\$ 231,241
Real property transfer	243,000	243,000	174,581	(68,419)
Transient occupancy	1,610,000	1,610,000	1,771,527	161,527
Sales and use	7,786,570	7,786,570	7,707,375	(79,195)
Franchises	1,355,000	1,355,000	1,428,827	73,827
	<u>13,930,570</u>	<u>13,930,570</u>	<u>14,249,551</u>	<u>318,981</u>
Licenses, permits and fees:				
Business licenses	500,000	500,000	497,827	(2,173)
Animal licenses	55,000	55,000	55,596	596
Building permits	660,000	660,000	359,006	(300,994)
Plan check	540,000	540,000	371,990	(168,010)
	<u>1,755,000</u>	<u>1,755,000</u>	<u>1,284,419</u>	<u>(470,581)</u>
Fines, forfeitures and penalties:				
Vehicle code	100,000	100,000	87,781	(12,219)
Parking fines	70,000	70,000	72,062	2,062
Impound fees	20,000	20,000	13,520	(6,480)
Other court	10,000	10,000	23,771	13,771
	<u>200,000</u>	<u>200,000</u>	<u>197,134</u>	<u>(2,866)</u>
Interest and rentals:				
Investment earnings	1,200,000	1,200,000	1,422,629	222,629
Rent - golf courses	76,500	76,500	94,566	18,066
Rent - other	382,350	382,350	591,458	209,108
Subtotal	<u>1,658,850</u>	<u>1,658,850</u>	<u>2,108,653</u>	<u>449,803</u>
Intergovernmental:				
State motor vehicle in-lieu tax	3,291,000	3,291,000	3,074,869	(216,131)
Off-highway motor vehicle license fee	1,600	1,600	-	(1,600)
Public Safety Augmentation Fund	240,000	240,000	230,779	(9,221)
Grants	162,000	162,000	126,630	(35,370)
Reimbursements	25,000	25,000	11,525	(13,475)
Other	25,000	25,000	209,168	184,168
Subtotal	<u>3,744,600</u>	<u>3,744,600</u>	<u>3,652,971</u>	<u>(91,629)</u>

(continued)

CITY OF ROHNERT PARK

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
(Continued)				
REVENUES (Continued)				
Charges for current services:				
Zoning and subdivision fees	50,000	50,000	62,624	12,624
General plan maintenance fee	120,000	120,000	69,743	(50,257)
Sales of maps and lists	20,000	20,000	31,593	11,593
Special public safety services	50,000	50,000	189,978	139,978
Vehicle abatement revenue	28,000	28,000	27,534	(466)
Animal shelter fees	55,000	55,000	47,500	(7,500)
Engineering fees	200,000	200,000	336,122	136,122
Library ground maintenance	8,000	8,000	7,896	(104)
Recreation:				
Recreation centers	711,300	711,300	684,326	(26,974)
Swimming pools	201,400	201,400	201,897	497
Contract classes and other	148,000	148,000	142,204	(5,796)
Subtotal	1,591,700	1,591,700	1,801,417	209,717
Donations and miscellaneous:				
Cultural Arts Center	619,125	619,125	487,726	(131,399)
Refuse administration	244,000	244,000	285,289	41,289
Donations	2,500	2,500	25,942	23,442
Miscellaneous	110,000	110,000	188,395	78,395
Subtotal	975,625	975,625	987,352	11,727
Total revenues	23,856,345	23,856,345	24,281,497	425,152

(continued)

CITY OF ROHNERT PARK

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
(Continued)				
EXPENDITURES				
Current:				
General government:				
City Council	113,549	113,549	137,580	(24,031)
City Manager	749,303	749,303	755,480	(6,177)
Finance and accounting	1,352,436	1,352,436	1,358,361	(5,925)
Information Services	496,030	496,030	475,447	20,583
Legal services	300,000	300,000	427,025	(127,025)
Planning Department/Commission	430,567	430,567	386,217	44,350
Personnel	319,005	319,005	335,693	(16,688)
Rent appeals board	113,821	113,821	130,089	(16,268)
City Office building	97,900	97,900	115,442	(17,542)
City Office annex	56,300	56,300	63,103	(6,803)
Property tax administration fee	35,000	35,000	99,413	(64,413)
General government-nondepartmental	1,770,518	1,770,518	1,657,258	113,260
Nondepartmental-employee benefits	861,986	861,986	945,948	(83,962)
General government-nondepartmental T/O	-	-	288,500	(288,500)
Enterprise fund cost allocation	(1,951,000)	(1,951,000)	(1,951,000)	-
Community Development Commission cost allocation	(1,173,125)	(1,173,125)	(1,173,125)	-
Subtotal	<u>3,572,290</u>	<u>3,572,290</u>	<u>4,051,431</u>	<u>(479,141)</u>
Public safety:				
Personnel	13,800,883	13,800,883	13,718,539	82,344
Police protection	1,319,512	1,319,512	1,128,864	190,648
Fire protection	311,395	311,395	229,273	82,122
Fire prevention	225,094	225,094	48,932	176,162
Animal control	378,555	378,555	316,188	62,367
Animal shelter	91,320	91,320	59,963	31,357
Civil defense/hazardous materials	31,000	31,000	6,767	24,233
Southwest station	2,900	2,900	1,688	1,212
Main station	364,280	364,280	344,750	19,530
North station	21,500	21,500	20,765	735
South station	14,500	14,500	9,397	5,103
Booking fees	135,000	135,000	119,588	15,412
Sexual assault examination fees	15,000	15,000	9,960	5,040
Youth and Family Program	119,499	119,499	112,140	7,359
Subtotal	<u>16,830,438</u>	<u>16,830,438</u>	<u>16,126,814</u>	<u>703,624</u>

(continued)

CITY OF ROHNERT PARK

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
(Continued)				
EXPENDITURES (Continued)				
Current:				
Public works:				
Engineering	912,827	912,827	551,327	361,500
Inspection	550,147	550,147	559,086	(8,939)
General	773,346	773,346	791,221	(17,875)
Maintenance of parkways	280,680	280,680	271,216	9,464
Maintenance of streets/bikepaths	426,212	426,212	414,486	11,726
Maintenance of school grounds	3,000	3,000	2,475	525
Street lighting	185,400	185,400	173,004	12,396
Traffic signals	96,000	96,000	93,460	2,540
Storm drains and drainage	81,250	81,250	34,939	46,311
Weed abatement	6,300	6,300	2,104	4,196
Enterprise fund cost allocation	(682,000)	(682,000)	(682,000)	-
Community Development Commission cost allocation	(125,875)	(125,875)	(125,875)	-
Subtotal	2,507,287	2,507,287	2,085,443	421,844
Parks and recreation:				
Parks	348,505	348,505	334,852	13,653
Parks maintenance-general	494,296	494,296	507,806	(13,510)
Recreation centers	1,019,778	1,019,778	1,063,908	(44,130)
Swimming pools	427,404	427,404	493,865	(66,461)
Recreation administration and program:	734,484	734,484	574,033	160,451
Golf courses	-	-	20	(20)
Library	9,000	9,000	9,047	(47)
Subtotal	3,033,467	3,033,467	2,983,531	49,936
Cultural Arts Center	921,947	921,947	889,073	32,874
Capital outlay	1,091,847	1,091,847	910,509	181,338
Subtotal expenditures	27,957,276	27,957,276	27,046,801	910,475

(continued)

CITY OF ROHNERT PARK

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
(Continued)				
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(4,100,931)</u>	<u>(4,100,931)</u>	<u>(2,765,304)</u>	<u>1,335,627</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	3,606,833	3,606,833	-	(3,606,833)
Transfers in	4,109,600	4,109,600	3,490,120	(619,480)
Transfers out	<u>(695,111)</u>	<u>(695,111)</u>	<u>(1,768,002)</u>	<u>(1,072,891)</u>
Total other financing sources (uses)	<u>7,021,322</u>	<u>7,021,322</u>	<u>1,722,118</u>	<u>(5,299,204)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,920,391</u>	<u>\$ 2,920,391</u>	<u>(1,043,186)</u>	<u>\$ (3,963,577)</u>
FUND BALANCE, BEGINNING OF YEAR:			<u>18,030,830</u>	
FUND BALANCE, END OF YEAR			<u>\$ 16,987,644</u>	

See note to required supplementary information.

CITY OF ROHNERT PARK

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Budgets and Budgetary Accounting

The City operates under the general laws of the State of California and annually adopts a budget for its General Fund to be effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by resolution during the fiscal year. The legal level of budgetary control is the fund level. The City Manager may authorize transfers from one account to another within the same department. All unencumbered appropriations lapse at year-end.

Annual budgets for the City General Fund, State Gasoline Tax Special Revenue Fund, Traffic Signals Fee Special Revenue Fund, Capital Outlay Fee Special Revenue Fund, Public Facilities Finance Fee Special Revenue Fund, Transportation Equity Act Special Revenue Fund, Local Law Enforcement Block Grant Special Revenue Fund, Supplemental Law Enforcement Services Special Revenue Fund, Measure M Traffic Fund, Traffic Congestion Relief (AB2928) Special Revenue Fund, Measure M Fire Benefit Assessment Special Revenue Fund, Mobile Home Rent Appeals Board Special Revenue Fund, F.I.G.R Special Revenue Fund, Copeland Creek Drainage Facility Special Revenue Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America, with the exception of proceeds from the sale of capital assets, which is treated as revenues on the budgetary basis. The City prefers to leave its original budget unaltered during the year, unless there are substantial changes to budget forecasts, so that the effectiveness of individual departments in meeting budget objectives can be evaluated and the adequacy of the budget itself can be judged. Expenditures in excess of budgeted amounts are allowed by law but must be approved individually by the City Manager.

Encumbrance accounting, under which purchase orders, contracts, and other commitments of expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the budgetary process. No encumbrances were outstanding at June 30, 2007.

OTHER SUPPLEMENTARY INFORMATION

CITY OF ROHNERT PARK

DESCRIPTION OF OTHER GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2007

NONMAJOR SPECIAL REVENUE FUNDS

To account for revenues derived from specific revenue sources. These funds are required by statute or ordinance to finance particular functions or activities of government. The various funds and sources are:

State Gasoline Tax Special Revenue Fund – From revenues received pursuant to Street and Highway Code Sections 2105, 2106, 2107, and 2107.5 and other funds for the purpose of maintenance and construction of the City streets.

Measure M Streets Fund – From revenues received from County on one quarter cent sales tax for street improvements.

Traffic Signals Fee Special Revenue Fund – From revenues received from fees imposed on developers for the purpose of constructing traffic signals.

Capital Outlay Fee Special Revenue Fund – From revenues received from fees imposed on developers for the purpose of park development, open space, and community facilities such as fire stations, libraries, auditoriums, stadiums, etc.

Local Law Enforcement Block Grant Special Revenue Fund – From revenues received from the U.S. Department of Justice for the purpose of reducing crime and improving public safety.

Supplemental Law Enforcement Services Special Revenue Fund – From revenues received from the State of California pursuant to AB 3229 for the purpose of ensuring public safety.

Traffic Congestion Relief (AB 2928) Special Revenue Fund – From revenues received pursuant to Assembly Bill 2928 for the purpose of maintenance and reconstruction of streets and roads.

Measure M Fire Benefit Assessment Special Revenue Fund – From revenues received pursuant to the voter approved fire benefit assessment district. Purpose is to finance enhancements of fire suppression activities.

Mobile Home Rent Appeals Board Special Revenue Fund – From revenues received pursuant to City of Rohnert Park Ordinance 494 authorizing the collection of registration fees from mobile home parks. Purpose is to fund the Mobile Home Rent Appeals Board.

F.I.G.R. Special Revenue Fund – From revenues received pursuant to the memorandum of agreement with the Federated Indians of the Graton Rancheria. The purpose is to fund public safety neighborhood enforcement.

Copeland Creek Drainage Facility Special Revenue Fund – From revenues received from fees imposed on developers in a specific area serviced by the Copeland Creek drainage improvements. Purpose is to repay the costs of the Copeland Creek drainage improvements.

NONMAJOR DEBT SERVICE FUNDS

To accumulate monies of payment of general long-term obligations, including capital leases and general obligation bonds.

General Debt Service Fund – To accumulate monies for payment of capital leases. Leases are financed by various revenues of the General Fund.

Community Development Commission Debt Service Fund – To accumulate monies for payment of Tax Allocation Refunding Bonds, Tax Allocation Bonds, Refunding Certificate of Participation, and other indebtedness. Financing is provided by a specific annual property tax increment, as well as lease revenues received from the City.

NONMAJOR CAPITAL PROJECTS FUNDS

To account for financial resources to be used for the acquisition of construction of major capital facilities (other than those financed by the proprietary fund types.)

Special Assessments Capital Projects Fund – To account for the acquisition of capital facilities financed from special assessment resources.

NONMAJOR PERMANENT FUND

To account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs (i.e., for the benefit of the City or its citizenry).

Performing Arts Center Endowment Permanent Fund – To account for capital donated for the City's Dorothy Rohnert Sprekels Performing Arts Center. The interest generated from the donations is used for operating costs of the Performing Arts Center.

CITY OF ROHNERT PARK

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2007**

	Nonmajor Special Revenue Funds	Community Development Debt Service Fund	Special Assessments Capital Projects Fund	Performing Arts Center Endowment Permanent Fund	Total
ASSETS					
Cash and investments	\$ 5,069,628	\$ -	\$ 95,021	\$ 1,265,651	\$ 6,430,300
Receivables:					
Taxes	18,552	-	-	-	18,552
Accounts	457,895	-	-	-	457,895
Restricted cash and investments		1,798,636	-	-	1,798,636
Total assets	<u>\$ 5,546,075</u>	<u>\$ 1,798,636</u>	<u>\$ 95,021</u>	<u>\$ 1,265,651</u>	<u>\$ 8,705,383</u>
LIABILITIES					
Deferred revenue	<u>\$ 367,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 367,871</u>
FUND BALANCES					
Reserved for:					
Street projects	657,896	-	-	-	657,896
Debt service		1,798,636	-	-	1,798,636
Performing Arts Center endowment		-	-	1,265,651	1,265,651
Unreserved, reported in:					
Special revenue funds	4,520,308	-	-	-	4,520,308
Capital project fund		-	95,021	-	95,021
Total fund balances	<u>5,178,204</u>	<u>1,798,636</u>	<u>95,021</u>	<u>1,265,651</u>	<u>8,337,512</u>
Total liabilities and fund balances	<u>\$ 5,546,075</u>	<u>\$ 1,798,636</u>	<u>\$ 95,021</u>	<u>\$ 1,265,651</u>	<u>\$ 8,705,383</u>

CITY OF ROHNERT PARK

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Special Assessment Capital Projects Fund	Performing Arts Center Endowment Permanent Fund	Total Other Governmental Funds
REVENUES					
Taxes	\$ 470,258	\$ -	\$ -	\$ -	\$ 470,258
Intergovernmental	1,460,729	-	-	-	1,460,729
Interest and rentals	321,378	86,065	-	52,078	459,521
Licenses, permits and fees	1,266,431	-	-	-	1,266,431
Donations	250,000	-	-	800	250,800
Total revenues	<u>3,768,796</u>	<u>86,065</u>	<u>-</u>	<u>52,878</u>	<u>3,907,739</u>
EXPENDITURES					
Current:					
General government	34,394	-	2,500	-	36,894
Debt service:					
Principal	-	1,229,651	-	-	1,229,651
Interest and fiscal charges	-	457,326	-	-	457,326
Total expenditures	<u>34,394</u>	<u>1,686,977</u>	<u>2,500</u>	<u>-</u>	<u>1,723,871</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,734,402</u>	<u>(1,600,912)</u>	<u>(2,500)</u>	<u>52,878</u>	<u>2,183,868</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	70,006	1,613,805	-	-	1,683,811
Transfers out	(3,639,624)	-	-	(52,078)	(3,691,702)
Total other financing sources (uses)	<u>(3,569,618)</u>	<u>1,613,805</u>	<u>-</u>	<u>(52,078)</u>	<u>(2,007,891)</u>
NET CHANGE IN FUND BALANCES	164,784	12,893	(2,500)	800	175,977
FUND BALANCES:					
BEGINNING OF THE YEAR	<u>5,013,420</u>	<u>1,785,743</u>	<u>97,521</u>	<u>1,264,851</u>	<u>8,161,535</u>
END OF YEAR	<u>\$ 5,178,204</u>	<u>\$ 1,798,636</u>	<u>\$ 95,021</u>	<u>\$ 1,265,651</u>	<u>\$ 8,337,512</u>

CITY OF ROHNERT PARK

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	State Gasoline Tax	Measure M Traffic	Traffic Signals Fee	Capital Outlay Fee	Public Facility Finance Fee	Supplemental Law Enforcement Services	Traffic Congestion Relief (AB2928)	Measure M Fire Benefit Assessment	Mobile Home Rent Appeals Board	F.I.C.R.	Copeland Creek Drainage Facility	Total
ASSETS												
Cash and investments	\$ 518,502	\$ 312,636	\$ 1,738,836	\$ 206,200	\$ 2,263,254	\$ -	\$ -	\$ -	\$ 30,200	\$ -	\$ -	\$ 5,069,628
Receivables (net of allowance for uncollectibles):												
Taxes	-	-	-	-	-	-	-	18,552	-	-	-	18,552
Accounts	139,394	-	-	-	318,501	-	-	-	-	-	-	457,895
Total assets	\$ 657,896	\$ 312,636	\$ 1,738,836	\$ 206,200	\$ 2,581,755	\$ -	\$ -	\$ 18,552	\$ 30,200	\$ -	\$ -	\$ 5,546,075
LIABILITIES												
Deferred revenue	\$ -	\$ -	\$ -	\$ -	\$ 318,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,370	\$ 367,871
FUND BALANCES (DEFICIT)												
Reserved for street projects	657,896	-	-	-	-	-	-	-	-	-	-	657,896
Unreserved	-	312,636	1,738,836	206,200	2,263,254	-	-	18,552	30,200	-	(49,370)	4,520,308
Total fund balances (deficit)	657,896	312,636	1,738,836	206,200	2,263,254	-	-	18,552	30,200	-	(49,370)	5,178,204
Total liabilities and fund balances (deficit)	\$ 657,896	\$ 312,636	\$ 1,738,836	\$ 206,200	\$ 2,581,755	\$ -	\$ -	\$ 18,552	\$ 30,200	\$ -	\$ -	\$ 5,546,075

CITY OF ROHNERT PARK

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

	State Gasoline Tax	Measure M Traffic	Traffic Signals Fee	Capital Outlay Fee	Public Facility Finance Fee	Supplemental Law Enforcement Services	Traffic Congestion Relief (AB2928)	Measure M Fire Benefit Assessment	Mobile Home Rent Appeals Board	F.I.G.R.	Copeland Creek Drainage Facility	Total
REVENUES												
Measure M assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 470,258	\$ -	\$ -	\$ -	\$ 470,258
Intergovernmental	803,992	241,146	-	-	-	100,000	315,591	-	-	-	-	1,460,729
Interest and rentals	67,782	10,506	120,640	23,796	73,816	4,320	20,518	-	-	-	-	321,378
Licenses, permits and fees	-	-	-	7,682	1,258,749	-	-	-	-	-	-	1,266,431
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	250,000	-	250,000
Total revenues	871,774	251,652	120,640	31,478	1,332,565	104,320	336,109	470,258	-	250,000	-	3,768,796
EXPENDITURES												
Current:												
General government	34,394	-	-	-	-	-	-	-	-	-	-	34,394
EXCESS OF REVENUES OVER EXPENDITURES	837,380	251,652	120,640	31,478	1,332,565	104,320	336,109	470,258	-	250,000	-	3,734,402
OTHER FINANCING SOURCES (USES)												
Transfers in	-	-	-	-	-	-	-	-	-	70,006	-	70,006
Transfers out	(1,462,063)	(121,084)	-	(382,826)	-	(104,320)	(528,828)	(468,194)	(26,892)	(480,932)	(64,485)	(3,639,624)
Total other financing sources (uses)	(1,462,063)	(121,084)	-	(382,826)	-	(104,320)	(528,828)	(468,194)	(26,892)	(410,926)	(64,485)	(3,569,618)
NET CHANGE IN FUND BALANCES	(624,683)	130,568	120,640	(351,348)	1,332,565	-	(192,719)	2,064	(26,892)	(160,926)	(64,485)	164,784
FUND BALANCES (DEFICIT):												
BEGINNING OF THE YEAR	1,282,579	182,068	1,618,196	557,548	930,689	-	192,719	16,488	57,092	160,926	15,115	5,013,420
END OF YEAR	\$ 657,896	\$ 312,636	\$ 1,738,836	\$ 206,200	\$ 2,263,254	\$ -	\$ -	\$ 18,552	\$ 30,200	\$ -	\$ (49,370)	\$ 5,178,204

CITY OF ROHNERT PARK**BUDGETARY COMPARISON SCHEDULE
STATE GASOLINE TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Licenses, permits and fees:				
Traffic signals				
Capital outlay				
Interest and rentals	\$ -	\$ -	\$ 67,782	\$ 67,782
Intergovernmental:				
Section 2105, maintenance	267,599	267,599	260,986	(6,613)
Section 2106, construction	192,249	192,249	188,138	(4,111)
Section 2107, maintenance	356,903	356,903	348,868	(8,035)
Section 2107.5, engineering	6,000	6,000	6,000	-
Total revenues	822,751	822,751	871,774	49,023
EXPENDITURES				
Current:				
General government	10,700	10,700	34,394	(23,694)
EXCESS OF REVENUES OVER EXPENDITURES	812,051	812,051	837,380	25,329
OTHER FINANCING USES				
Transfers out	(1,596,000)	(1,596,000)	(1,462,063)	133,937
NET CHANGE IN FUND BALANCE	<u>\$ (783,949)</u>	<u>\$ (783,949)</u>	(624,683)	<u>\$ 159,266</u>
FUND BALANCE, BEGINNING OF YEAR			1,282,579	
FUND BALANCE, END OF YEAR			<u>\$ 657,896</u>	

CITY OF ROHNERT PARK**BUDGETARY COMPARISON SCHEDULE****MEASURE M TRAFFIC SPECIAL REVENUE FUND****FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Licenses, permits and fees:				
Measure M Streets Allocation	\$ 219,000	\$ 219,000	\$ 241,146	\$ 22,146
Interest and rentals	-	-	10,506	10,506
Total revenues	219,000	219,000	251,652	32,652
OTHER FINANCING USES				
Transfers out	(394,000)	(394,000)	(121,084)	272,916
NET CHANGE IN FUND BALANCE	<u>\$ (175,000)</u>	<u>\$ (175,000)</u>	130,568	<u>\$ 305,568</u>
FUND BALANCE, BEGINNING OF YEAR			<u>182,068</u>	
FUND BALANCE, END OF YEAR			<u>\$ 312,636</u>	

CITY OF ROHNERT PARK

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC SIGNALS FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 120,640	\$ 120,640
OTHER FINANCING USES				
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (500,000)</u></u>	<u><u>\$ (500,000)</u></u>	120,640	<u><u>\$ 620,640</u></u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,618,196</u>	
FUND BALANCE, END OF YEAR			<u><u>\$ 1,738,836</u></u>	

CITY OF ROHNERT PARK**BUDGETARY COMPARISON SCHEDULE
CAPITAL OUTLAY FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Licenses, permits and fees:	\$ -	\$ -	\$ 7,682	\$ 7,682
Interest and rentals	-	-	23,796	23,796
Total revenues	-	-	31,478	31,478
OTHER FINANCING USES				
Transfers out	(517,906)	(517,906)	(382,826)	135,080
NET CHANGE IN FUND BALANCE	<u>\$ (517,906)</u>	<u>\$ (517,906)</u>	(351,348)	<u>\$ 166,558</u>
FUND BALANCE, BEGINNING OF YEAR			<u>557,548</u>	
FUND BALANCE, END OF YEAR			<u>\$ 206,200</u>	

CITY OF ROHNERT PARK

BUDGETARY COMPARISON SCHEDULE

PUBLIC FACILITIES FINANCE FEE SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Licenses, permits and fees:	\$ 931,833	\$ 931,833	\$ 1,258,749	\$ 326,916
Interest and rentals	<u>-</u>	<u>-</u>	<u>73,816</u>	<u>73,816</u>
NET CHANGE IN FUND BALANCE	<u>\$ 931,833</u>	<u>\$ 931,833</u>	1,332,565	<u>\$ 400,732</u>
FUND BALANCE, BEGINNING OF YEAR			<u>930,689</u>	
FUND BALANCE, END OF YEAR			<u>\$ 2,263,254</u>	

CITY OF ROHNERT PARK**BUDGETARY COMPARISON SCHEDULE****SUPPLEMENTAL LAW ENFORCEMENT SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Interest and rentals	\$ 100,000	\$ 100,000	\$ 4,320	\$ (95,680)
Intergovernmental	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Total revenues	100,000	100,000	104,320	4,320
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>-</u>	<u>(104,320)</u>	<u>(104,320)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>-</u>	<u>\$ (100,000)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>-</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>	

CITY OF ROHNERT PARK**BUDGETARY COMPARISON SCHEDULE****TRAFFIC CONGESTION RELIEF (AB2928) SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and rentals	\$ -	\$ -	\$ 20,518	\$ 20,518
Intergovernmental	-	-	315,591	315,591
Total revenues	-	-	336,109	336,109
OTHER FINANCING USES				
Transfers out	(110,000)	(110,000)	(528,828)	(418,828)
NET CHANGE IN FUND BALANCE	<u>\$ (110,000)</u>	<u>\$ (110,000)</u>	(192,719)	<u>\$ (82,719)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>192,719</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>	

CITY OF ROHNERT PARK

BUDGETARY COMPARISON SCHEDULE

MEASURE M FIRE BENEFIT ASSESSMENT SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Measure M assessments	\$ 460,000	\$ 460,000	\$ 470,258	\$ 10,258
OTHER FINANCING USES				
Transfers out	<u>(460,000)</u>	<u>(460,000)</u>	<u>(468,194)</u>	<u>(8,194)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	2,064	<u>\$ 2,064</u>
FUND BALANCE, BEGINNING OF YEAR			<u>16,488</u>	
FUND BALANCE, END OF YEAR			<u>\$ 18,552</u>	

CITY OF ROHNERT PARK

BUDGETARY COMPARISON SCHEDULE

MOBILE HOME RENT APPEALS BOARD SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Licenses, permits and fees:	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>-</u>	<u>(26,892)</u>	<u>(26,892)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>(26,892)</u>	<u>\$ (46,892)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>57,092</u>	
FUND BALANCE, END OF YEAR			<u>\$ 30,200</u>	

CITY OF ROHNERT PARK**BUDGETARY COMPARISON SCHEDULE****F.I.G.R. FUND****FOR THE YEAR ENDED JUNE 30, 2007**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Donations	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 250,000</u>	<u>\$ (250,000)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	70,006	70,006
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(480,932)</u>	<u>19,068</u>
Total other financing sources (uses)	<u>(500,000)</u>	<u>(500,000)</u>	<u>(410,926)</u>	<u>89,074</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>(160,926)</u>	<u><u>\$ (160,926)</u></u>
FUND BALANCE, BEGINNING OF YEAR			<u>160,926</u>	
FUND BALANCE, END OF YEAR			<u><u>\$ -</u></u>	

CITY OF ROHNERT PARK

BUDGETARY COMPARISON SCHEDULE

COPELAND CREEK DRAINAGE FACILITY SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>-</u>	<u>(64,485)</u>	<u>(64,485)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(64,485)</u>	<u>\$ (64,485)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>15,115</u>	
FUND BALANCE, END OF YEAR			<u>\$ (49,370)</u>	

CITY OF ROHNERT PARK**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	Community Development Debt Service Fund	General Debt Service	Totals
REVENUES			
Interest and rentals	\$ 86,065	\$ -	\$ 86,065
EXPENDITURES			
Debt service:			
Principal	980,000	249,651	1,229,651
Interest and fiscal charges	378,883	78,443	457,326
Total expenditures	1,358,883	328,094	1,686,977
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,272,818)	(328,094)	(1,600,912)
OTHER FINANCING SOURCES			
Transfers in	1,285,711	328,094	1,613,805
NET CHANGE IN FUND BALANCES	12,893	-	12,893
FUND BALANCE, BEGINNING OF YEAR	1,785,743	-	1,785,743
FUND BALANCE, END OF YEAR	\$ 1,798,636	\$ -	\$ 1,798,636

Statistical Section

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.</i>	S-1
Revenue Capacity <i>These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.</i>	S-4
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.</i>	S-18
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.</i>	S-23
Operating Information <i>These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.</i>	S-26

City of Rohnert Park
Net Assets by Component,
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 36,112,457	\$ 28,259,799	\$ 30,487,238	\$ 24,399,786	\$ 25,838,048	\$ 31,477,114
Restricted	11,318,076	5,955,759	8,551,078	8,569,188	8,351,086	9,562,972
Unrestricted	<u>19,471,114</u>	<u>29,407,530</u>	<u>23,317,496</u>	<u>33,121,656</u>	<u>26,564,128</u>	<u>18,130,605</u>
Total governmental activities net assets	<u>\$ 66,901,647</u>	<u>\$ 63,623,088</u>	<u>\$ 62,355,812</u>	<u>\$ 66,090,630</u>	<u>\$ 60,753,262</u>	<u>\$ 59,170,691</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 17,709,497	\$ 14,867,127	\$ 16,741,255	\$ 9,464,157	\$ 8,986,376	\$ 8,977,397
Unrestricted	<u>11,737,893</u>	<u>11,641,400</u>	<u>7,886,726</u>	<u>15,200,557</u>	<u>13,044,521</u>	<u>12,245,744</u>
Total business-type activities net assets	<u>\$ 29,447,390</u>	<u>\$ 26,508,527</u>	<u>\$ 24,627,981</u>	<u>\$ 24,664,714</u>	<u>\$ 22,030,897</u>	<u>\$ 21,223,141</u>
Primary government						
Invested in capital assets, net of related debt	\$ 53,821,954	\$ 43,126,926	\$ 47,228,493	\$ 33,863,943	\$ 34,824,424	\$ 40,454,511
Restricted	11,318,076	5,955,759	8,551,078	8,569,188	8,351,086	9,562,972
Unrestricted	<u>31,209,007</u>	<u>41,048,930</u>	<u>31,204,222</u>	<u>48,322,213</u>	<u>39,608,649</u>	<u>30,376,349</u>
Total primary government net assets	<u>\$ 96,349,037</u>	<u>\$ 90,131,615</u>	<u>\$ 86,983,793</u>	<u>\$ 90,755,344</u>	<u>\$ 82,784,159</u>	<u>\$ 80,393,832</u>

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

Source: City Finance Department

City of Rohnert Park
Changes in Net Assets, Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Expenses						
Governmental activities:						
General government	\$ 11,776,582	\$ 11,455,704	11,762,224	8,280,697	7,692,265	7,479,018
Public Safety	17,212,735	16,703,386	15,087,248	13,459,313	12,098,684	11,719,180
Public Works	3,951,856	4,220,758	4,408,673	4,369,470	4,585,522	4,583,848
Parks and recreation	4,123,516	4,167,196	3,968,774	3,834,955	4,007,338	4,025,817
Other	1,118,034	1,504,207	1,411,055	1,043,298	1,129,467	1,072,704
Interest on long-term debt	2,690,598	2,038,944	2,060,965	1,991,137	2,014,601	2,738,905
Total governmental activities expenses	<u>40,873,321</u>	<u>40,090,195</u>	<u>38,698,939</u>	<u>32,978,870</u>	<u>31,527,877</u>	<u>31,619,472</u>
Business-type activities:						
Water	6,690,385	6,454,568	5,650,092	5,593,980	4,543,407	4,370,136
Sewer	10,085,147	9,697,231	8,851,372	7,465,887	8,628,125	8,837,099
Refuse Collection	5,181,643	4,548,674	4,321,260	3,505,939	4,106,036	3,701,253
Total business-type activities expenses	<u>21,957,175</u>	<u>20,700,473</u>	<u>18,822,724</u>	<u>16,565,806</u>	<u>17,277,568</u>	<u>16,908,488</u>
Total primary government expenses	<u>\$ 62,830,496</u>	<u>\$ 60,790,668</u>	<u>\$ 57,521,663</u>	<u>\$ 49,544,676</u>	<u>\$ 48,805,445</u>	<u>\$ 48,527,960</u>
Program Revenues (see Schedule 3)						
Governmental activities:						
Charges for services:						
General government	\$ 1,221,652	\$ 1,476,260	\$ 539,150	\$ 341,098	\$ 107,932	\$ 220,042
Public safety	517,742	450,057	508,709	1,240,792	478,730	413,473
Public works	2,836,987	2,542,293	2,316,181	1,522,550	1,096,429	953,483
Parks and recreation	1,618,401	1,640,881	1,287,849	1,181,314	1,321,204	1,226,166
Other	-	1,429	-	-	100,386	133,839
Operating grants and contributions	2,344,534	2,719,200	2,234,947	3,286,244	3,369,440	3,150,589
Capital grants and contributions	1,492,565	546,563	514,534	714,594	702,025	283,899
Total governmental activities program revenues	<u>10,031,881</u>	<u>9,376,683</u>	<u>7,401,370</u>	<u>8,286,592</u>	<u>7,176,146</u>	<u>6,381,491</u>
Business-type activities:						
Charges for services:						
Water	6,083,944	6,406,197	4,933,151	4,622,425	4,877,155	3,248,895
Sewer	12,007,771	9,955,355	8,402,521	7,474,704	7,013,757	6,559,543
Refuse Collection	5,240,389	4,723,623	3,919,872	3,722,449	3,862,580	4,024,527
Operating grants and contributions	-	-	-	-	1,308,893	-
Capital grants and contributions	1,431,603	1,186,735	1,028,338	3,348,132	504,589	395,165
Total business-type activities program revenues	<u>24,763,707</u>	<u>22,271,910</u>	<u>18,283,882</u>	<u>19,167,710</u>	<u>17,566,974</u>	<u>14,228,130</u>
Total primary government program revenues	<u>\$ 34,795,588</u>	<u>\$ 31,648,593</u>	<u>\$ 25,685,252</u>	<u>\$ 27,454,302</u>	<u>\$ 24,743,120</u>	<u>\$ 20,609,621</u>

City of Rohnert Park
Changes in Net Assets, Last Six Fiscal Years (Continued)
(accrual basis of accounting)

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
Net (Expense)/Revenue						
Governmental activities	\$ 30,841,440	\$ 30,713,512	\$ 31,297,569	\$ 24,692,278	\$ 24,351,731	\$ 25,237,981
Business-type activities	<u>(2,806,532)</u>	<u>(1,571,437)</u>	<u>538,842</u>	<u>(2,601,904)</u>	<u>(289,406)</u>	<u>2,680,358</u>
Total primary government net expense	<u>\$ 28,034,908</u>	<u>\$ 29,142,075</u>	<u>\$ 31,836,411</u>	<u>\$ 22,090,374</u>	<u>\$ 24,062,325</u>	<u>\$ 27,918,339</u>
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes						
Property taxes	\$ 16,928,529	\$ 15,504,905	\$ 13,810,490	\$ 12,900,727	\$ 10,415,445	\$ 10,265,292
Franchise taxes	1,428,827	1,308,839	1,263,721	1,725,402	1,073,224	1,051,411
Sales taxes	7,707,375	7,386,925	6,953,294	6,834,708	6,088,866	5,982,666
Motor vehicle license fees	3,074,869	2,572,107	2,804,619	1,968,325	2,436,209	2,379,893
Other taxes	1,606,108	1,855,821	931,074	1,776,800	2,311,692	1,604,441
Rental Income	-	-	-	803,898	448,626	592,042
Investment earnings	3,155,613	1,964,903	1,064,234	1,126,080	1,406,240	2,018,299
Gain on sale of capital assets	-	1,109,814	974,079	2,779,073	326,535	5,992,368
Other	217,520	-	-	-	-	-
Transfers	<u>294,438</u>	<u>277,474</u>	<u>(238,760)</u>	<u>114,633</u>	<u>306,350</u>	<u>151,989</u>
Total governmental activities	<u>34,413,279</u>	<u>31,980,788</u>	<u>27,562,751</u>	<u>30,029,646</u>	<u>24,813,187</u>	<u>30,038,401</u>
Business-type activities:						
Investment earnings	426,769	586,583	263,349	146,546	206,350	365,973
Transfers	<u>(294,438)</u>	<u>(277,474)</u>	<u>238,760</u>	<u>(114,633)</u>	<u>(306,350)</u>	<u>(151,989)</u>
Total business-type activities	<u>132,331</u>	<u>309,109</u>	<u>502,109</u>	<u>31,913</u>	<u>(100,000)</u>	<u>213,984</u>
Total primary government	<u>\$ 34,545,610</u>	<u>\$ 32,289,897</u>	<u>\$ 28,064,860</u>	<u>\$ 30,061,559</u>	<u>\$ 24,713,187</u>	<u>\$ 30,252,385</u>
Change in Net Assets						
Governmental activities	\$ 3,571,839	\$ 1,267,276	\$ (3,734,818)	\$ 5,337,368	\$ 461,456	\$ 4,800,420
Business-type activities	<u>2,938,863</u>	<u>1,880,546</u>	<u>(36,733)</u>	<u>2,633,817</u>	<u>189,406</u>	<u>(2,466,374)</u>
Total primary government	<u>\$ 6,510,702</u>	<u>\$ 3,147,822</u>	<u>\$ (3,771,551)</u>	<u>\$ 7,971,185</u>	<u>\$ 650,862</u>	<u>\$ 2,334,046</u>

Notes: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

Source: City Finance Department

City of Rohnert Park
Program Revenues by Function/Program,
Last Six Fiscal Years
(accrual basis of accounting)

	Program Revenues					
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Function/Program						
Governmental activities:						
General government	\$ 4,104,573	\$ 2,683,313	\$ 2,710,589	\$ 2,667,970	\$ 3,111,005	\$ 2,328,346
Public safety	748,521	729,783	727,990	1,448,729	677,196	786,050
Public works	3,117,622	3,412,799	2,461,662	1,632,181	1,303,664	1,087,046
Parks and recreation	1,618,401	1,655,338	1,287,849	1,181,314	1,321,204	1,276,166
Other	442,764	895,450	213,280	1,356,398	763,077	903,883
Subtotal governmental activities	<u>10,031,881</u>	<u>9,376,683</u>	<u>7,401,370</u>	<u>8,286,592</u>	<u>7,176,146</u>	<u>6,381,491</u>
Business-type activities:						
Water	6,256,816	6,530,394	5,187,983	4,987,705	6,347,016	3,534,404
Wastewater	13,266,502	11,017,893	9,176,027	10,457,556	7,357,378	6,669,199
Refuse	5,240,389	4,723,623	3,919,872	3,722,449	3,862,580	4,024,527
Subtotal business-type activities	<u>24,763,707</u>	<u>22,271,910</u>	<u>18,283,882</u>	<u>19,167,710</u>	<u>17,566,974</u>	<u>14,228,130</u>
Total primary government	<u>\$ 34,795,588</u>	<u>\$ 31,648,593</u>	<u>\$ 25,685,252</u>	<u>\$ 27,454,302</u>	<u>\$ 24,743,120</u>	<u>\$ 20,609,621</u>

City of Rohnert Park
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 3,538,190	\$ 3,527,900	\$ 3,938,570	\$ 2,849,457	\$ 2,662,671	\$ 2,713,333	\$ 2,626,791	\$ 2,943,767	\$ 2,805,375	\$ 3,904,011
Unreserved	8,733,190	7,173,414	4,883,879	7,808,883	12,714,181	12,979,444	15,782,442	15,385,235	15,225,455	13,083,633
Total general fund	\$ 12,271,380	\$ 10,701,314	\$ 8,822,449	\$ 10,658,340	\$ 15,376,852	\$ 15,692,777	\$ 18,409,233	\$ 18,329,002	\$ 18,030,830	\$ 16,987,644
All Other Governmental Funds										
Reserved	\$ 10,870,366	\$ 12,710,618	\$ 12,552,249	\$ 12,848,114	\$ 12,899,397	\$ 11,392,576	\$ 11,986,252	\$ 11,807,568	\$ 13,321,727	\$ 73,308,593
Unreserved, reported in:										
Special revenue funds	2,168,583	1,959,508	1,232,999	1,190,344	1,136,747	1,245,070	2,567,278	2,537,723	3,730,841	4,520,308
Capital projects funds	(3,375,222)	14,164,901	14,235,395	13,207,167	7,063,180	4,840,759	7,106,995	7,607,850	6,653,690	8,154,368
Total all other governmental funds	\$ 9,663,727	\$ 28,835,027	\$ 28,020,643	\$ 27,245,625	\$ 21,099,324	\$ 17,478,405	\$ 21,660,525	\$ 21,953,141	\$ 23,706,258	\$ 85,983,269

Source: City Finance Department

City of Rohnert Park
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues										
Taxes (see Schedule 6)	\$ 11,732,970	\$ 12,826,675	\$ 13,414,411	\$ 17,583,820	\$ 18,446,597	\$ 19,369,070	\$ 23,265,761	\$ 23,729,707	\$ 26,055,840	\$ 28,010,839
Intergovernmental	3,066,137	3,159,066	3,724,763	4,710,598	4,776,614	4,946,037	4,677,326	4,697,723	4,385,363	6,470,275
Interest and rentals	2,909,553	3,093,597	3,938,253	3,992,384	2,614,565	1,852,394	1,934,571	1,726,379	2,214,033	3,434,813
Charges for services	1,437,802	1,479,749	1,466,442	1,574,574	1,699,307	1,789,670	1,746,714	1,708,557	2,461,399	2,312,537
Licenses, permits and fees	1,697,940	1,311,205	697,062	1,571,547	1,061,085	1,132,715	2,376,101	2,083,725	1,796,443	2,550,850
Special assessment collection	1,121,382	679,036	661,555	638,824	586,108	351,885	160,866	327,225	306,495	210,435
Fines, forfeitures and penalties	81,248	178,679	191,171	192,609	186,611	185,715	174,550	181,727	216,368	197,134
Donations and miscellaneous	741,504	496,169	503,714	564,161	925,838	1,239,855	1,496,736	1,023,983	1,656,272	1,241,335
Total revenues	<u>22,788,536</u>	<u>23,224,176</u>	<u>24,597,371</u>	<u>30,828,517</u>	<u>30,296,725</u>	<u>30,867,341</u>	<u>35,832,625</u>	<u>35,479,026</u>	<u>39,092,213</u>	<u>44,428,218</u>
Expenditures										
General government	3,016,206	4,137,202	3,626,506	5,159,063	7,262,653	7,491,692	8,230,662	11,480,332	11,184,075	11,461,675
Public safety	8,549,301	9,255,627	10,144,499	10,252,230	10,833,756	11,181,015	12,601,586	14,346,107	15,442,477	15,997,266
Public works	2,013,775	2,221,362	2,375,015	2,449,578	2,478,932	2,430,335	1,852,072	1,962,617	1,841,831	2,085,443
Parks and recreation	2,463,617	2,858,730	2,908,449	2,993,507	3,018,190	2,836,600	2,419,161	2,611,590	2,875,257	2,983,531
Other	734,985	1,724,328	1,314,758	1,905,946	1,029,440	1,076,102	997,196	1,094,895	1,187,748	1,118,034

City of Rohnert Park
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years (Continued)
(modified accrual basis of accounting)

	Fiscal Year									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Capital outlay	2,308,791	3,552,851	3,773,549	4,574,201	9,112,580	6,226,317	3,114,073	3,098,196	5,065,505	7,324,188
Debt service										
Interest	1,608,232	1,559,091	1,959,923	1,812,554	1,474,316	1,381,577	1,242,520	1,179,094	1,196,955	1,188,507
Cost of issuance	-	-	-	-	-	-	-	-	-	1,316,741
Principal	1,174,351	1,765,568	2,024,288	2,220,417	2,436,395	2,640,957	1,731,907	1,694,815	1,896,222	2,039,651
Total expenditures	<u>21,869,258</u>	<u>27,074,759</u>	<u>28,126,987</u>	<u>31,367,496</u>	<u>37,646,262</u>	<u>35,264,595</u>	<u>32,189,177</u>	<u>37,467,646</u>	<u>40,690,070</u>	<u>45,515,036</u>
Excess of revenues over (under) expenditures	919,278	(3,850,583)	(3,529,616)	(538,979)	(7,349,537)	(4,397,254)	3,643,448	(1,988,620)	(1,597,857)	(1,086,818)
Other Financing Sources (Uses)										
Issuance of debt	-	18,793,689	-	-	-	-	6,950,000	-	-	61,440,000
Discount on debt	-	-	-	-	-	-	-	-	-	(391,516)
Premium on debt	-	-	-	-	-	-	-	-	-	1,344,163
Refunding bonds issued	-	-	-	-	10,140,112	-	-	-	-	-
Payments to escrow agent	-	-	-	-	(10,745,780)	361,460	(7,078,675)	-	-	-
Proceeds from the sale of capital assets	-	-	-	-	5,999,529	297,232	3,269,170	1,263,800	1,956,704	-
Lease proceeds	717,000	958,000	-	683,000	-	-	-	1,175,965	818,624	-
Transfers in	5,422,953	7,848,851	8,398,830	8,713,766	9,957,707	10,757,175	7,056,503	9,150,655	9,245,675	12,377,738
Transfers out	<u>(4,800,818)</u>	<u>(7,208,154)</u>	<u>(7,682,669)</u>	<u>(8,227,612)</u>	<u>(9,805,718)</u>	<u>(10,450,825)</u>	<u>(6,941,870)</u>	<u>(9,389,415)</u>	<u>(8,968,201)</u>	<u>(12,083,300)</u>
Total other financing sources (uses)	<u>1,339,135</u>	<u>20,392,386</u>	<u>716,161</u>	<u>1,169,154</u>	<u>5,545,850</u>	<u>965,042</u>	<u>3,255,128</u>	<u>2,201,005</u>	<u>3,052,802</u>	<u>62,687,085</u>
Net change in fund balances	<u>\$ 2,258,413</u>	<u>\$ 16,541,803</u>	<u>\$ (2,813,455)</u>	<u>\$ 630,175</u>	<u>\$ (1,803,687)</u>	<u>\$ (3,432,212)</u>	<u>\$ 6,898,576</u>	<u>\$ 212,385</u>	<u>\$ 1,454,945</u>	<u>\$ 61,600,267</u>
Debt service as a percentage of noncapital expenditures	14.2%	14.1%	16.4%	15.1%	13.7%	13.9%	10.2%	8.4%	8.7%	11.9%

Source: City Finance Department

City of Rohnert Park
Tax Revenues by Source, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property	Sales & Use	a Occupancy	b Franchise	c Real Property Transfer	Total
1998	\$ 1,912,680	\$ 4,795,502	\$ 1,132,168	\$ 519,802	\$ 212,668	\$ 8,572,820
1999	1,953,084	5,591,943	1,200,823	594,508	253,750	9,594,108
2000	2,072,921	5,601,413	1,300,239	560,643	253,086	9,788,302
2001	2,109,747	6,332,766	1,664,211	840,710	319,352	11,266,786
2002	2,293,881	5,977,738	1,339,175	1,051,411	257,774	10,919,979
2003	2,426,786	6,088,867	1,363,690	1,073,224	352,817	11,305,384
2004	2,517,925	6,834,708	1,367,259	1,725,403	265,430	12,710,725
2005	2,739,642	6,953,294	1,451,781	1,263,721	250,421	12,658,859
2006	3,127,448	7,386,925	1,601,587	1,308,839	253,584	13,678,383
2007	3,167,241	7,707,375	1,771,527	1,428,827	174,581	14,249,551
Change						
1998–2007	65.6%	60.7%	56.5%	174.9%	-17.9%	66.2%

Notes:

^a The transient occupancy tax rate was increased from 11% to 12% on January 1, 2003

^b In FY 2004, the City received a large payment from Empire Waste Management for underpayment of prior year franchise fees

^c The real property transfer tax rate was reduced from \$1.10/\$1,000 value of assessed property to the appropriate rate of \$0.55/\$1,000 in FY 2002

City of Rohnert Park
Assessed Value and Estimated Actual Value of Taxable Property,
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Unsecured Property	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value
1998	\$ 1,696,613	\$ 348,827	not available	not available	not available	\$ 67,142	\$ 2,045,440	not available	not available	not available
1999	1,704,489	363,757	not available	not available	not available	77,851	2,068,246	not available	not available	not available
2000	1,825,240	371,470	not available	not available	not available	78,036	2,196,710	not available	not available	not available
2001	1,947,693	402,248	not available	not available	not available	81,075	2,349,941	not available	not available	not available
2002	1,961,462	420,042	not available	not available	not available	82,224	2,381,504	not available	not available	not available
2003	2,452,866	433,238	not available	not available	not available	85,312	2,886,104	not available	not available	not available
2004	2,657,037	444,520	not available	not available	not available	86,148	3,101,557	not available	not available	not available
2005	2,525,881	327,262	\$ 12,712	\$ 390,994	\$ 132,125	91,159	3,297,815	not available	not available	not available
2006	2,759,526	339,198	\$ 10,301	\$ 387,682	\$ 153,029	95,424	3,554,312	not available	not available	not available
2007	3,059,684	354,768	\$ 11,948	\$ 366,935	\$ 189,487	110,294	3,872,528	not available	5,249,522	1.35558 %

Source: 2007: County Assessor, County Auditor-Controller, and MuniServices LLC
2006 and prior: Sonoma County Tax Collector, Assessor and Auditor-Controller

Notes: Tax rates are per \$1,000 of assessed value.

(1) Total Direct Tax Rate is represented by TRA 007-000

(2) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sales prices. Based on these calculations, a multiplier value was extrapolated and applied to current assessed values.

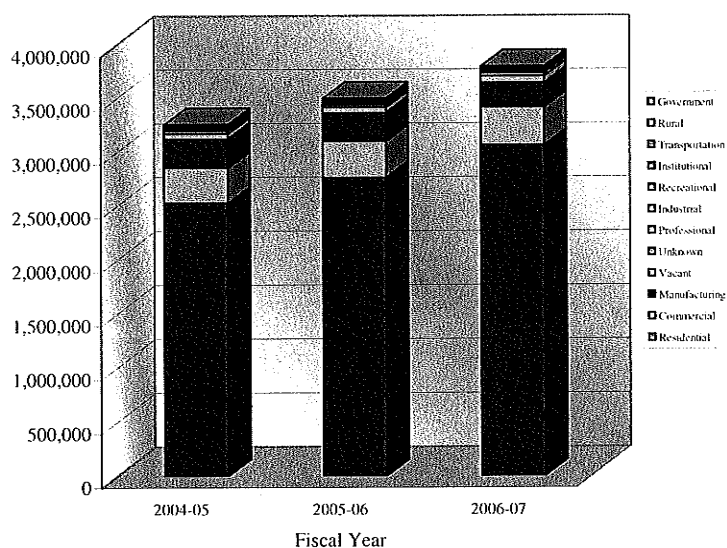
City of Rohnert Park

Assessed Value of Property by Use Code, Citywide Last Three Fiscal Years (In Thousands)

Category	2004-05	2005-06	2006-07
Residential	2,525,881	2,759,526	3,059,684
Commercial	327,262	339,198	354,768
Manufacturing	265,408	262,890	223,548
Vacant	51,322	52,934	62,203
Unknown	26,723	22,979	29,459
Professional	19,184	19,636	22,004
Industrial	12,712	10,301	11,948
Recreation	7,529	7,675	8,171
Institution	19,523	19,913	20,312
Trans	852	1,188	740
Rural	446	455	492
Government	7	12	5
Gross Secured Value	3,256,849	3,496,707	3,793,334
Unsecured Value	132,125	153,029	189,487
Exemptions	91,159	95,424	110,294
Net Taxable Value	3,297,815	3,554,312	3,872,527

Source: 2006-07 County Assessor data, MuniServices, LLC
Use code categories are based on Sonoma County Assessor's data

Assessed Value By Use Code



City of Rohnert Park
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Fiscal Year	Basic City and County Levy			Overlapping Rates ^a							Total Tax Rate
	City of Rohnert Park	County of Sonoma	Total	Rohnert Park		Santa			Santa		
				School District	Warm Spring Dam	Rosa Junior College	Rosa High School	Bellvue School District	Total		
1998	n/a	n/a	\$ 1.00	\$	0.11	\$ 0.007	\$ 0.025	\$ 0.0300	\$ 0.025	\$ 0.1970	\$ 1.1970
1999	n/a	n/a	1.00		0.11	0.007	0.025	0.0300	0.025	0.1970	1.1970
2000	n/a	n/a	1.00		0.11	0.007	0.025	0.0300	0.025	0.1970	1.1970
2001	n/a	n/a	1.00		0.11	0.007	0.025	0.0300	0.025	0.1970	1.1970
2002	n/a	n/a	1.00		0.11	0.007	0.025	0.0542	0.025	0.2212	1.2212
2003	n/a	n/a	1.00		0.11	0.007	0.025	0.0542	0.025	0.2212	1.2212
2004	n/a	n/a	1.00		0.11	0.007	0.025	0.0542	0.025	0.2212	1.2212
2005	n/a	n/a	1.00		0.11	0.007	0.025	0.0542	0.025	0.2212	1.2212
2006	n/a	n/a	1.00		0.11	0.007	0.025	0.0542	0.025	0.2212	1.2212
2007	\$ 0.17485	\$ 0.82515	1.00		0.11	0.007	0.025	-	-	0.1420	1.1420

Source: 2007: County Auditor-Controller, MuniServices, LLC
2006 and prior: Sonoma County Auditor-Controller, Tax Collector

Notes:

^a Overlapping rates are those of local and county governments that apply to property owners within the City of Rohnert Park. Not all overlapping rates apply to all Rohnert Park property owners.

TRA 007-000 is represented for this table

City of Rohnert Park
Principal Property Taxpayers,
Current Year and Two Years Ago

<u>Taxpayer</u>	<u>2007</u>			<u>2006</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Hertz Equipment Rental Corp	\$ 45,607,230	1	1.18 %			
Rohnert Park Ridge LLC	42,979,276	2	1.11	41,520,846	2	1.17
Scarpa Steven J	41,661,656	3	1.08			
Codding Enterprises	37,101,189	4	0.96			
Sonoma Green LLC	36,747,040	5	0.95	\$ 75,795,414	1	2.13 %
Santa Rosa Press Democrat	35,524,311	6	0.92	22,141,758	5	0.62
KSL Rohnert Park LP	31,332,522	7	0.81			
Crossbrook Apartments	28,716,668	8	0.74	23,105,472	4	0.65
Spanos Corporation	28,715,334	9	0.74			
Knickerbocker Properties, Inc.	25,000,876	10	0.64	24,534,496	3	0.69
Double Tree Hotel				-		
State Farm Mutual Auto Insur.				21,287,225	6	0.60
Costco Wholesale Corp.				20,294,835	7	0.57
RLH Partnership				18,000,000	8	0.51
Gi Realty Trust 1997				16,534,623	9	0.46
Millennium Housing Corporation				15,296,520	10	0.43
Total	<u>\$ 353,386,102</u>		<u>9.13 %</u>	<u>\$ 278,511,189</u>		<u>6.66 %</u>

Source: 2006 and prior: Sonoma County Tax Collector Metroscan database
2007: County Assessor, MuniServices, LLC

2005		
Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
\$ 40,078,392	2	1.22 %
93,160,890	1	2.82
22,869,328	4	0.69
22,654,197	5	0.69
24,079,653	3	0.73
21,470,512	6	0.65
20,940,065	7	0.64
20,068,544	8	0.61
-		
16,210,416	9	0.49
15,912,847	10	0.48
<u>\$ 297,444,844</u>		<u>9.02 %</u>

City of Rohnert Park
Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 1,881,393	\$ 1,865,496	99.16 %	15,897	\$ 1,881,393	100.00 %
1999	1,922,145	1,881,670	97.89	40,475	1,922,145	100.00
2000	1,985,000	1,975,045	99.50	9,760	1,984,805	99.99
2001	2,049,232	2,046,938	99.89	20,041	2,048,939	99.99
2002	2,099,148	2,093,456	99.73	5,318	2,098,774	99.98
2003	2,298,857	2,291,796	99.69	6,459	2,298,255	99.97
2004	2,303,177	2,295,714	99.68	5,738	2,301,452	99.93
2005	2,747,507	2,739,642	99.71	-	2,739,642	99.71
2006	3,127,448	3,113,048	99.54	-	3,113,048	99.54
2007	3,167,241	3,148,920	99.42	-	3,148,920	99.42

Sources: Sonoma County Auditor-Controller

City of Rohnert Park
Taxable Sales by Category,
Last Ten Calendar Years
(in thousands of dollars)

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007Q3*
All other outlets	98,122	94,697	116,599	100,176	78,390	73,646	75,051	82,371	83,199	95,037
Apparel stores	\$ 7,222	\$ 13,748	\$ 15,347	\$ 15,036	\$ 15,062	\$ 13,786	\$ 13,691	\$ 13,927	\$ 14,154	\$ 14,504
Auto dealers and supplies	19,337	17,828	24,811	26,306	20,821	22,528	21,451	19,923	20,365	20,065
Building materials and farm tools	90,189	98,845	107,922	109,540	109,063	114,615	126,268	126,436	125,132	103,043
Eating and drinking establishments	45,415	48,049	52,850	55,632	56,357	60,000	68,442	72,279	73,091	73,939
Food stores	27,885	29,806	30,996	31,844	35,023	34,990	38,929	39,765	40,923	36,466
General merchandise	69,739	71,061	75,118	79,458	104,242	164,097	179,419	191,443	194,974	199,921
Home furnishings and appliances	18,261	26,776	29,134	29,521	45,674	39,276	36,601	32,707	29,879	32,777
Other retail stores	66,849	72,554	81,210	72,700	71,914	70,868	71,228	76,111	74,799	64,939
Service stations	21,191	27,814	33,728	31,010	29,556	31,805	31,960	34,155	36,395	39,181
Packaged Liquor and Drug Stores										7,558
Total	\$ 464,210	\$ 501,179	\$ 567,714	\$ 551,223	\$ 566,101	\$ 625,611	\$ 663,040	\$ 689,114	\$ 692,912	\$ 687,430
City direct sales tax rate	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.00%	1.00%	1.00%	1.00%

Source: State Department of Commerce.

Notes: Retail sales information is not available on a fiscal-year basis.

* NOTE: Taxable Sales to reflect amounts through 2007Q1-2007Q3

City of Rohnert Park
Direct and Overlapping Sales Tax Rates,
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Sonoma County</u>	<u>State</u>
1998	1.00 %	0.25 %	6.00 %
1999	1.00	0.25	6.00
2000	1.00	0.25	6.00
2001	1.00	0.25	6.00
2002	1.00	0.25	5.75
2003	1.00	0.25	6.00
2004	1.00	0.25	6.00
2005	0.75	0.50	6.25
2006	0.75	0.50	6.25
2007	0.75	0.25	6.25

**City of Rohnert Park
Principal Sales Tax Remitters,
Current Year and Nine Years Ago**

2007		1998	
TAXPAYER	BUSINESS TYPE	TAXPAYER	BUSINESS TYPE
101 INTERNATIONAL TRUCK SALES	AUTO SALES - NEW	101 INTERNATIONAL TRUCK SALES	AUTO SALES - NEW
BURLINGTON COAT FACTORY	APPAREL STORES	CASTINO RESTRNT EQPMNT SUPPLY	FOOD PROCESSING EQP
CASTINO RESTRNT EQPMNT SUPPLY	FOOD PROCESSING EQP	CHEVRON SERVICE STATIONS	SERVICE STATIONS
CHEVRON SERVICE STATIONS	SERVICE STATIONS	DOUBLETREE HOTEL	RESTAURANTS
COSTCO WHOLESALE	DEPARTMENT STORES	EXXON SERVICE STATIONS	SERVICE STATIONS
EXXON SERVICE STATIONS	SERVICE STATIONS	FOOD 4 LESS	FOOD MARKETS
FOOD MAXX	FOOD MARKETS	HERTZ EQUIPMENT RENTAL	LEASING
HERTZ EQUIPMENT RENTAL	LEASING	HEWLETT-PACKARD	ELECTRONIC EQUIPMENT
HOME DEPOT	BLDG MATLS - RETAIL	HOME DEPOT	BLDG MATLS - RETAIL
J.E.HIGGINS LUMBER COMPANY	BLDG MATLS - RETAIL	LEVITZ FURNITURE	FURNITURE/APPLIANCE
LAMPSON TRACTOR & EQUIPMENT INC.	BLDG MATLS - WHSLE	LONGS DRUG STORES	DRUG STORES
LINENS N THINGS	MISCELLANEOUS RETAIL	NEXT LEVEL COMMUNICATIONS	LEASING
MCPhAIL'S APPLIANCES	FURNITURE/APPLIANCE	NORTRAX WEST	BLDG MATLS - WHSLE
O'DELL PRINTING COMPANY	LIGHT INDUSTRY	OFFICE DEPOT	OFFICE EQUIPMENT
OFFICE DEPOT	OFFICE EQUIPMENT	PETSMART	MISCELLANEOUS RETAIL
PAPE MACHINERY	BLDG MATLS - WHSLE	RALEY'S SUPERMARKET	FOOD MARKETS
PETSMART	MISCELLANEOUS RETAIL	ROSS STORES	APPAREL STORES
RALEY'S SUPERMARKET	FOOD MARKETS	SAFEWAY STORES	FOOD MARKETS
ROSS STORES	APPAREL STORES	SEARS HOMELIFE FURNITURE STORE	FURNITURE/APPLIANCE
SAFEWAY STORES	FOOD MARKETS	SHELL SERVICE STATIONS	SERVICE STATIONS
SHELL SERVICE STATIONS	SERVICE STATIONS	TARGET STORES	DEPARTMENT STORES
TARGET STORES	DEPARTMENT STORES	UNITED FURNITURE	FURNITURE/APPLIANCE
UNITED FURNITURE	FURNITURE/APPLIANCE	W.W.GRAINGER	LIGHT INDUSTRY
W.W.GRAINGER	LIGHT INDUSTRY	WAL MART STORES	DEPARTMENT STORES
WAL MART STORES	DEPARTMENT STORES	YARDBIRDS HOME CENTER	BLDG MATLS - RETAIL

Source: State Board of Equalization, MuniServices, LLC

Note: Sales Tax paid is confidential information and cannot be reported

City of Rohnert Park
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Government-type Activities					Business-type Activities					Total Primary Government ^a	Percentage of Personal Income ^b	Per Capita ^b	
	Redevelopment Bonds	Certificates of Participation	Lease Revenue Bonds	Special Assessment Bonds	Capital Leases	Water Revenue Bonds	Certificates of Participation							
1998	\$	11,240	\$	7,340	\$	-	\$	4,255	\$	-	\$	22,835	1.86 %	\$ 577
1999		22,772		13,991		-		3,765		-		40,528	3.14	1,012
2000		23,557		13,572		-		3,295		-		40,424	2.78	1,012
2001		23,462		13,017		-		2,700		-		39,179	2.55	928
2002		23,649		12,247		-		2,010		-		38,705	2.49	908
2003		23,444		11,530		-		1,495		-		39,161	2.52	928
2004		23,347		4,545		6,950		1,185		-		38,486	2.35	914
2005		23,244		4,405		6,710		910		13,000		56,684	not available	1,335
2006		23,082		4,265		6,485		620		13,000		56,204	not available	1,306
2007		84,351		4,115		6,255		190		12,770		115,974	9.69	2,700

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

^a The city issued \$7 million of new certificates of participation and \$11 million of tax allocation bonds in 1999.

^a The city issued \$2 million in water revenue bonds in 2003 and \$13 million of sewer revenue bonds and \$5M of water revenue bonds in 2005.

^b See Schedule 20 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

City of Rohnert Park
Ratios of General Bonded Debt Outstanding,
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property		Per Capita
	Redevelopment Bonds	Total		%	
1998	\$ 11,240	\$ 11,240	0.5495	%	\$ 284.08
1999	22,772	22,772	1.1010		568.84
2000	23,557	23,557	1.0724		589.63
2001	23,462	23,462	0.9984		555.50
2002	23,649	23,649	0.9930		554.49
2003	23,444	23,444	0.8123		555.57
2004	23,347	23,347	0.7528		554.21
2005	23,244	23,244	0.7048		547.63
2006	23,082	23,082	0.6494		536.45
2007	84,351	84,351	2.1782		1,963.52

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

City of Rohnert Park
Direct and Overlapping Governmental Activities Debt
As of June 30, 2007
(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Cotati-Rohnert Park Unified School District	\$ 79,830,055	82.233%	<u>\$ 65,646,270</u>
Subtotal, overlapping debt			65,646,270
City direct debt			<u>-</u>
Total direct and overlapping debt			<u>\$ 65,646,270</u>

Source: Sonoma County Tax Collector

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Statistical. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident—and therefore responsible for repaying the debt—of each overlapping government.

Legal Debt Margin Calculation for Fiscal Year 2007	
Assessed value	\$ 3,872,528
Debt limit (15% of assessed value)	580,879
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	580,879
Legal debt margin	\$ 580,879

[illegible]

City of Rohnert Park
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Water Revenue Bonds						Sewer Revenue Bonds						Special Assessment Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage		
				Principal	Interest					Principal	Interest			Principal	Interest			
1998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 688	\$ 400	\$ 282	1.01		
1999	-	-	-	-	-	-	-	-	-	-	-	-	679	420	260	1.00		
2000	-	-	-	-	-	-	-	-	-	-	-	-	662	440	235	0.98		
2001	-	-	-	-	-	-	-	-	-	-	-	-	639	465	209	0.95		
2002	-	-	-	-	-	-	-	-	-	-	-	-	644	495	180	0.95		
2003	-	-	-	-	-	-	-	-	-	-	-	-	382	330	46	1.02		
2004	4,622	5,061	(439)	80	72	(2.89)	-	-	-	-	-	-	317	295	56	0.90		
2005	4,933	5,031	(98)	80	70	(0.65)	-	-	-	-	-	-	340	270	46	1.08		
2006	6,406	5,480	926	205	237	2.10	9,955	9,112	843	-	-	n/a	319	290	37	0.98		
2007	6,084	5,700	384	210	262	0.81	12,008	9,501	2,507	-	-	n/a	456	430	21	1.01		

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.

City of Rohnert Park
Demographic and Economic Statistics,
Last Ten Calendar Years

Calendar Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	County Unemployment Rate	City Unemployment Rate
1998	39,567	\$ 1,225,350	\$ 30,969	not available	7,983	not available	3.8%
1999	40,032	1,290,271	32,231	38.4	7,756	not available	3.2%
2000	39,952	1,455,771	36,438	35.5	8,033	not available	3.1%
2001	42,236	1,539,207	36,443	35.7	7,829	not available	3.3%
2002	42,650	1,553,612	36,427	35.9	7,836	not available	4.7%
2003	42,198	1,554,743	36,844	36.0	7,678	not available	4.8%
2004	42,127	1,638,782	38,901	38.9	7,482	not available	5.3%
2005	42,445	not available	not available	38.9	7,260	not available	4.1%
2006	43,027	not available	not available	31.5 est*	6,816	not available	3.9%
2007	42,959	1,197,439	27,874	31.5 est*	6,847	4.0%	3.9%

Sources: 2006 and prior: Personal Income information provided by U.S. Department of Commerce, Bureau of Economic Analysis. Median Age information provided by U.S. Census Bureau, American Community Survey. Unemployment information provided by State of California Employment Development Department. School Enrollment information provided by Cotati-Rohnert Park School District. Population information provided by State Department of Finance.
2007: MuniServices LLC

Note: Personal Income is reported at a County-wide level. Local information is not available.

* Represents Median Age taken from the 2000 Census Data. 2007 Census Data is not yet available.

**City of Statistical
Principal Employers,
Current Year and Last Year**

<u>Employer</u>	2007			2006		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Sonoma State University	1,478	1	5.87 %	1,532	1	14.25 %
State Farm Insurance	501	2	1.99	625	2	5.81
Target	315	3	1.25	210	5	1.95
Wal-Mart	272	4	1.08	600	3	5.58
Costco	254	5	1.01	190	6	1.77
Cross Check	194	6	0.77	285	4	2.65
City of Rohnert Park	188	7	0.75	182	7	1.69
Securitas Security Services	187	8	0.74			
Home Depot	178	9	0.71	160	8	1.49
Parker Hannifin Corp	160	10	0.63	137	9	1.27
Alvarado Street Bakery				116	10	1.08
Total	<u>3,727</u>		<u>14.79 %</u>	<u>4,037</u>		<u>37.54 %</u>
Total City Employment (1)	25,200					

Source: 2006 and prior: Chamber of Commerce for top employers and www.epodunk.com for total employment
2007: Direct correspondence with City's local businesses

(1) Total City Employment provided by EDD Labor Force data.

Note: Data not available for years prior to 2006

City of Rohnert Park
Full-time-Equivalent City Government Employees by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Full-time-Equivalent Employees as of June 30</u>									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General government										
City Manager's Office	5	5	6	6	6	6	4	5	5	7
Finance	12	12	13	12	12	11	10	11	12	12
Information Systems	1	1	2	2	2	2	2	2	2	2
Planning	2	3	3	3	3	3	2	2	3	3
Human Resource	2	2	2	2	3	3	2	2	2	2
Other	4	4	3	3	3	3	1	2	2	-
Public Safety										
Officers ^a	61	63	67	67	70	70	70	76	77	78
Civilians	33	33	33	33	31	31	30	30	30	31
Building Inspection	3	4	4	4	4	4	2	2	3	3
Public Works										
Engineering ^b	4	4	4	4	4	4	3	4	5	6
Public Works	23	24	28	28	28	27	23	25	25	29
Park Maintenance	9	9	9	9	9	9	7	6	5	4
Parks and recreation	10	10	10	10	10	10	7	7	7	7
Performing Arts Center	4	4	4	4	4	4	3	4	4	4
Total	<u>173</u>	<u>178</u>	<u>188</u>	<u>187</u>	<u>189</u>	<u>187</u>	<u>166</u>	<u>178</u>	<u>182</u>	<u>188</u>

Source: City Budget Office.

City of Rohnert Park
Operating Indicators by Function/Program,
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government										
Building permits issued	623	818	712	800	746	801	634	736	574	663
Building inspections conducted	not available	not available	not available	not available	not available	not available	not available	2,228	1,875	1,560
Police										
Physical arrests	not available	not available	not available	not available	not available	not available	1,839	2,174	2,485	2,474
Parking violations	not available	not available	not available	not available	not available	not available	1,111	3,583	3,794	
Traffic violations	not available	not available	not available	not available	not available	not available	265	286	264	1,402
Fire										
Emergency responses	168	185	111	123	119	103	107	113	134	3,164
Inspections	not available	not available	not available	not available	not available	not available	not available	not available	not available	1,713
Refuse collection ^a										
Refuse collected (tons per day)	not available	not available	not available	not available	not available	65.6	65.3	61.3	64.3	68.2
Recyclables collected (tons per day)	not available	not available	not available	not available	not available	29.5	27.4	27.5	30.9	31.4
Parks and recreation										
Sports & Fitness Center Attendance	135,919	136,434	130,000	113,926	127,530	113,552	135,259	136,490	119,803	111,655
Community Center Attendance ^b	not available	not available	not available	65,071	85,511	86,121	71,069	41,120	42,019	46,495
Library										
Volumes in collection	55,452	56,127	56,740	59,031	57,179	60,254	65,078	74,868	75,718	84,369
Water										
Water main breaks	not available	not available	not available	not available	not available	not available	not available	2	2	0
Average daily consumption (millions of gallons)	6.56	6.99	6.72	6.61	6.33	6.31	6.18	5.42	5.00	4.90
Peak daily consumption (millions of gallons)	10.38	9.70	9.42	9.20	9.87	10.18	8.81	8.44	7.86	7.15
Wastewater										
Average daily sewage treatment (millions of gallons)	not available	4.24	3.90	3.64	3.80	3.69	3.60	3.88	3.87	3.16

Sources: Various city departments.

Notes:

^a The City of Rohnert Park entered into a new garbage contract July 1, 2001. Data is not available prior to the new contract.

^b Community Center Attendance is not available prior to implementation of CLASS Software.

City of Rohnert Park
Capital Asset Statistics by Function/Program,
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police										
Stations	4	4	4	4	4	4	4	4	4	4
Patrol officers	43	43	43	43	44	44	48	48	48	
Fire stations	4	4	4	4	4	4	4	4	4	4
Refuse Collection ^a										
Collection trucks	not available	not available	not available	not available	not available	13	11	11	11	10
Street Sweepers	not available	not available	not available	not available	not available	2	2	2	1	1
Other public works										
Streets (miles)	82.67	82.67	82.67	82.67	85.12	85.12	85.12	85.12	85.12	85.12
Streetslights	2,668	2,682	2,750	2,756	2,794	2,794	2,794	2,794	2,794	2,794
Parks and recreation										
Acreage	102	102	102	102	102	102	102	102	102	102
Playgrounds	30	30	30	30	30	30	30	30	30	30
Baseball/softball diamonds	14	14	14	14	14	14	14	14	14	14
Soccer/football fields	9	9	9	9	9	9	9	9	9	9
Tennis courts	25	25	25	25	25	25	25	25	25	25
Water										
Water mains (miles)	82.67	82.67	82.67	82.67	82.81	82.81	115.70	115.70	115.70	115.70
Fire hydrants	not available	not available	not available	not available	not available	not available	not available	not available	1,450	1,458
Storage capacity (thousands of gallons)	2,250.8	4,374.6	4,374.6	4,374.6	4,374.6	4,374.6	4,374.6	4,374.6	4,374.6	4,374.6
Wastewater										
Sanitary sewers (miles)	77.0	77.0	77.0	77.0	77.0	77.0	77.0	77.0	80.0	77.0
Storm sewers (miles)	30.9	30.9	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0
Treatment capacity (thousands of gallons) ^o	not available	5.13	4.79	4.36	4.75	4.68	4.44	5.11	5.41	3.13

Sources: Various city departments.

Notes: No capital asset indicators are available for the general government or library function.

^a The City of Rohnert Park entered into a new garbage contract July 1, 2001. Data is not available prior to the new contract.