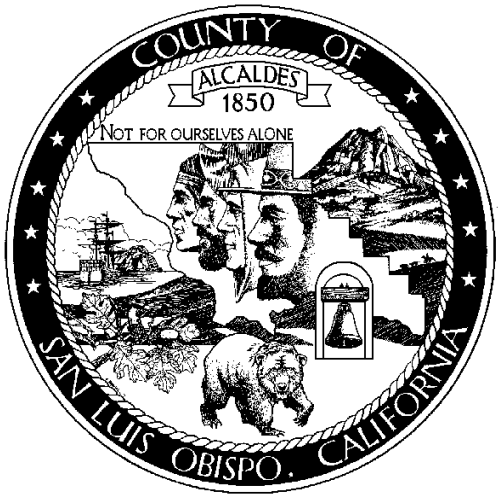
County of San Luis Obispo, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2004

Prepared under the direction of Gere W. Sibbach, CPA, Auditor-Controller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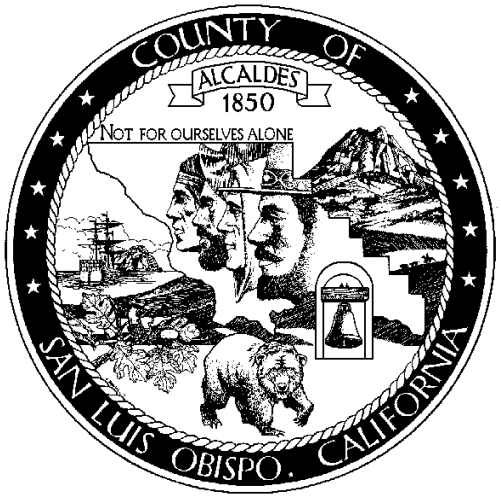
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COUNTY OF SAN LUIS OBISPO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2004

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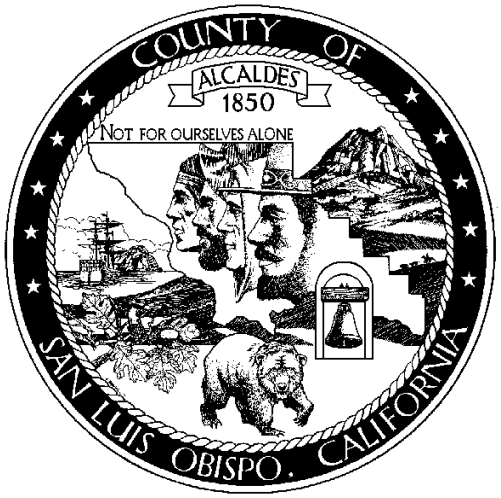
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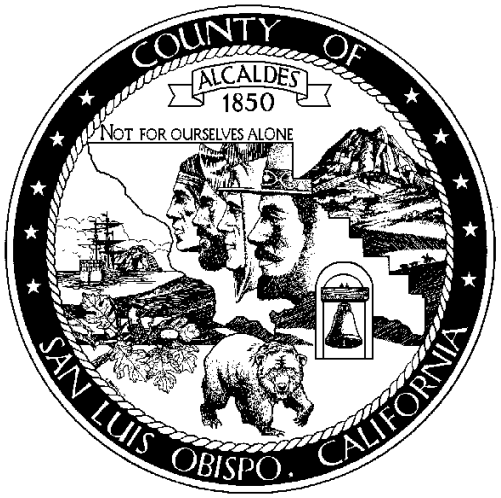
INTRODUCTORY SECTION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County of San Luis Obispo
Office of the Auditor-Controller
Room 300 County Government Center
San Luis Obispo, California 93408
(805) 781-5040 FAX (805) 781-1220

GERE W. SIBBACH, CPA
Auditor-Controller

BILL ESTRADA
Assistant

November 12, 2004

Honorable Board of Supervisors
County of San Luis Obispo
Room 370, County Government Center
San Luis Obispo, California 93408

Your Honorable Board:

The Comprehensive Annual Financial Report (CAFR) of the County of San Luis Obispo for the fiscal year ended June 30, 2004, is hereby submitted as mandated by Sections 25250 and 25253 of the Government Code of the State of California. These statutes require that the County publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the County of San Luis Obispo. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County of San Luis Obispo has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County of San Luis Obispo's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County of San Luis Obispo's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County of San Luis Obispo's financial statements have been audited by Bartig, Basler & Ray, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County of San Luis Obispo for the fiscal year ended June 30, 2004, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County of San Luis Obispo's financial statements for the fiscal year ended June 30, 2004, are fairly presented and in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County of San Luis Obispo County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal

grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County of San Luis Obispo's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of San Luis Obispo's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The County of San Luis Obispo, incorporated in 1850, is located on the central coast of the State of California, midway between Los Angeles and San Francisco. The County of San Luis Obispo currently occupies a land area of 3,326 square miles and serves a population of 258,200 residents. Approximately 42% of the population resides in the unincorporated area. The seven cities of the County are Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach and San Luis Obispo.

A five-member County Board of Supervisors is the legislative authority and governance for the County. Each supervisor is elected to a four-year term in nonpartisan districts. The terms are staggered with two supervisors being elected then three supervisors being elected in alternating election years. The Board is responsible among other things, for establishing ordinances, adopting the budget, appointing committees, and hiring the County Administrator and non-elected department heads. The County Administrator is responsible for carrying out the policies and ordinances of the Board and for overseeing the day-to-day operations of the County. The County has six elected department heads responsible for the offices of the County Clerk-Recorder, Assessor, Treasurer-Tax Collector-Public Administrator, Auditor-Controller, District Attorney, and Sheriff-Coroner.

The County of San Luis Obispo provides a full range of services, including police and fire protection; construction and maintenance of highways, streets, and other infrastructure; health and social programs that promote the well-being of the community; and recreational activities and cultural events.

The annual budget serves as the foundation for the County of San Luis Obispo's financial planning and control. The County Budget Act, as presented in California Government Code section 29000 and 30200, provides the general provisions and requirements for preparing and approving the County budget. All County departments are required to submit budget requests to the County Administrator on or before June 10th of each year. The budgets are then reviewed by the County Administrator, and compiled into a proposed budget with a County Administrator's recommendation. Public hearings are set in the month of June, with the Board of Supervisors adopting the final budget before the start of the next fiscal year. The proposed budget is prepared by fund, function (e.g., public safety), and department or budget unit (e.g., Sheriff). During the year, department heads may make transfers of appropriations within a budget unit with the approval of the County Administrator and Auditor-Controller. Transfers of appropriations between

departments or increases in the budget from new revenue sources, reserves and/or contingencies require Board of Supervisors approval. Monthly estimates for both revenues and expenditures are used to assist departments with budgetary control and quarterly reports are submitted by each department to the County Administrator and the Board on the status of their budgets.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the required supplementary information immediately following the notes to the financial statements. For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of the statements.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County of San Luis Obispo operates.

Local economy - The County of San Luis Obispo currently enjoys a favorable economic environment and local indicators point to continued stability. Unemployment in the County is 3.4%, which is much lower than the state (6.4%) and national average (5.8%). The County's lower unemployment is attributable to the stability of its major employers including state, county and local government. The state has a major presence in this area with a correctional facility, state mental hospital and state university, making it the largest employer in the County.

The major revenue indicators continue to perform favorably with an increase in property tax revenues of 9.8% over last year. This was coupled with an increase in assessed values of $2.6 billion. This growth along with people's desire to live in the area is reflected in a median home price of $454,720, a jump of 23.1% within the last year. Other economic indicators, such as sales tax and transient occupancy tax, experienced similar growth of 8.1% and 7.5%, respectively over the last year and are expected to continue this trend.

Long-term financial planning. The State's chronic budget crisis continues to deplete funding sources for many of the County services, especially in the health and mental health areas. The County's budget for the 2004-05 fiscal year reflects reductions in many County services and elimination of 82 staff positions. In addition, contingencies were reduced from 5% to 4%, and $3.1 million in one-time reserves were used to help fund the budget. Absent the State's budget problems, the County's budget would be in relatively good shape, with revenues from property tax, sales tax and transit occupancy tax all experiencing moderate growth. The good news is that the voters passed legislation that will provide protection to local government which will make it difficult in the future for the State to divert local revenue sources to meet their spending needs.

Each year a 5-year Capital Improvement Program (CIP) is compiled. The CIP is a plan for short range and long range capital acquisition and development. It also includes plans to improve or rehabilitate County-owned roads and facilities. The plan provides the mechanism for estimating capital requirements; setting priorities; monitoring and evaluating the progress of capital projects; and informing the public of projected capital improvements and unfunded needs. While the CIP covers a five-year planning period, it is updated each year to reflect ongoing changes as new projects are added, existing projects modified, and completed projects deleted from the plan document. The five-year CIP does not appropriate funds, rather it serves as a budgeting tool,

identifying those Capital Project appropriations to be made through the adoption of the County's annual budget.

Cash management policies and practices. The County Treasurer adheres to a Board of Supervisors adopted investment policy in addition to the investment requirements specified by state statutes. The Auditor-Controller routinely reviews the investments to determine compliance with the investment policy and the Government Code, and submits the results to the Board of Supervisors and the County Treasury Oversight Committee for review. The maturities of the investments range from 1 day to 3 years, with a weighted average maturity of less than one year. The net interest earned on investments was 1.36% during fiscal year 2003-04. At June 30, 2004, the County had $446.8 million in Treasury cash and investments. Deposits were either insured by Federal depository insurance or collateralized. All collateral on deposits were held by the County, or its agent of the financial institution trust department in the County's name.

Under the pooled money concept, the County invests idle cash in various securities with maturities planned to coincide with projected needs while attempting to maximize yield and to minimize risk. Various funds within the county Treasury earn interest based on their average daily cash balance.

Risk management. The County of San Luis Obispo is self-insured for general liability, workers' compensation, unemployment insurance, and dental coverage. Various other insurance and excess insurance policies, as described in the notes to the financial statements, are carried to provide complete coverage. Workers Compensation costs continue to rise due to higher insurance premiums, increased claims payout, and substantial rate hikes in temporary disability. To address the problem the County has completely rebuilt the workers compensation program, hired a new third party administrator, and initiated a return-to-work program. It is hoped that these cost saving controls are will to curb the program's spending trend and begin the process of rebuilding reserves.

The County's Risk Management Division administers claims for the various programs, provides loss prevention services, such as safety training, and minimizes risk through various risk control strategies, such as developing job-related medical standards for employees.

Defined Benefit Pension Plan. The County has a single-employer defined benefit pension plan with mandatory participation for all full time permanent employees. The administration of the Plan is under a Board of Trustees. The Board of Supervisors is responsible for amending plan provisions. The Plan permits retirement for all employees at age 50 with 5 or more years of service credit. Participants are required to contribute to the Plan at rates for the current year ranging from 4.56% to 19.49% of their adjusted base salary as defined in the Plan document. Such contributions, together with the County's contributions, are currently invested in corporate notes, bonds, collateralized mortgage obligations, equity mutual funds, real estate, real estate investment trusts and other short-term investments. As of December 31, 2003, the Plan had 30.14% of its net assets invested in the Mellon Fund Capital Funds.

The Pension Plan uses the calendar year for financial reporting purposes. The Plan's most recent actuarial calculation, dated January 1, 2004, identified the actuarial required contribution (ARC) as $20.2 million and a funding percentage of ARC at 100%. On July 2, 2003 the County sold $137.2 million in pension obligation bonds, paying off the unfunded actuarial accrued liability (UAAL) of $135 million. Therefore, the calendar year-end net pension obligation was $0.

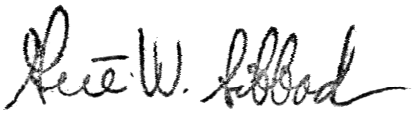
Additional information on the County of San Luis Obispo's Pension Plan's actuarial information and Plan provisions can be found in the notes to the financial statements.

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of San Luis Obispo for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2003. This was the eighteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements. The preparation of the Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated services of the entire staff of the Auditor-Controller's Office. We would like to acknowledge the special efforts of our Internal Audit Division and our independent auditors, Bartig, Basler and Ray, for their assistance in the report preparation. We would also like to express our appreciation to all County departments who assisted in this process and to the Board of Supervisors for its leadership responsibility and unfailing support to ensure the continued general fiscal health and integrity of the County.

Respectfully submitted,



Gere W. Sibbach, CPA
Auditor-Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of San Luis Obispo, California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

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.

President

Executive Director

COUNTY OF SAN LUIS OBISPO

LIST OF ELECTED AND APPOINTED OFFICIALS

JUNE 30, 2004

Elected Officials

Board of Supervisors

District #1 ..... Harry L. Ovitt
District #2 ..... Shirley Bianchi
District #3 ..... Peg Pinard
District #4 ..... K.H. "Katcho" Achadjian
District #5 ..... Michael P. Ryan

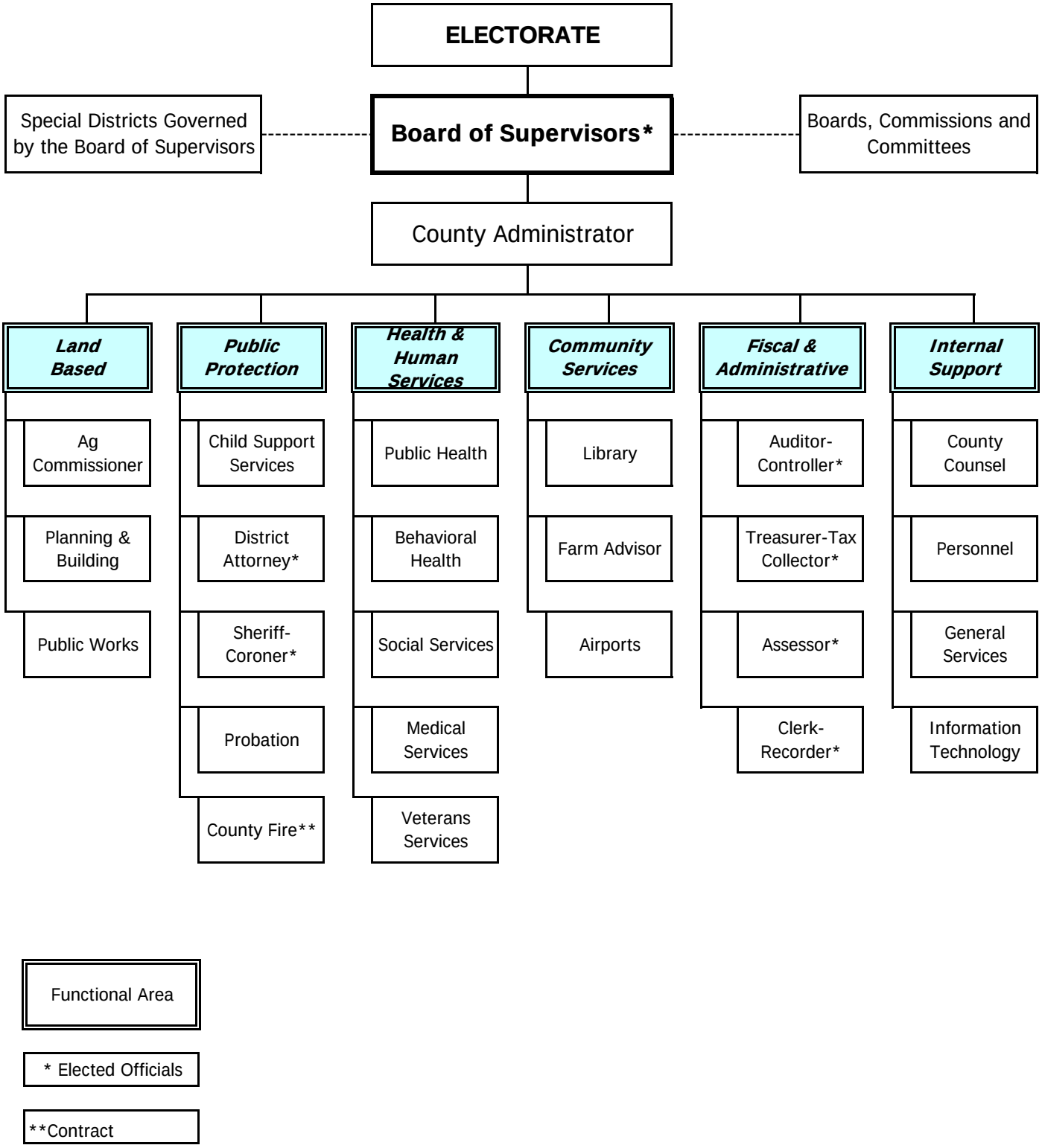
Other Elected Officials

Assessor ..... Tom J. Bordonaro Jr.
Auditor-Controller ..... Gere W. Sibbach
Clerk-Recorder ..... Julie L. Rodewald
District Attorney ..... Gerald Shea
Sheriff-Coroner ..... J. Patrick Hedges
Treasurer/Tax Collector/Public Administrator ..... Frank L. Freitas

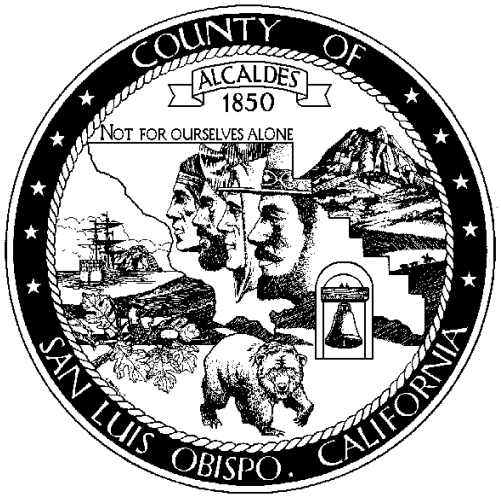
Appointed Officials

Agricultural Commissioner ..... Robert E. Lilley
County Administrator ..... David Edge
County Counsel ..... James B. Lindholm, Jr.
Director of Drug and Alcohol Services ..... Paul E. Hyman
Director of General Services ..... Duane P. Leib
Director of Behavioral Health Services ..... Dale R. Wolff, Ph.D.
Director of Social Services ..... Lee Collins
Director of Information Technology ..... Janette Pell
Farm Advisor ..... Shirley Peterson
Public Health Director/Public Guardian ..... Gregory W. Thomas, M.D.
Library Director ..... Brian Reynolds
Personnel Director ..... Richard Greek
Planning Director ..... Victor Holanda
Probation Officer ..... Kim Barrett
Public Works Director ..... Noel King
Veterans Services Officer ..... Michael Pupenberg

County of San Luis Obispo Organizational Chart



FINANCIAL SECTION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Bartig, Basler & Ray
A Professional Corporation
Certified Public Accountants and Management Consultants

Frank V. Trythall
Kenneth E. Pope
Brad W. Constantine
Bruce W. Stephenson
Roseanne M. Lopez
Jason J. Cardinet
Tyler K. Hunt

Curtis A. Orgill
M. Elba Zúñiga

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of San Luis Obispo, California (County), as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of San Luis Obispo, California, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

1520 Eureka Road, Suite 100, Roseville, CA 95661 • www.bbr.net • (916) 784-7800 • FAX (916) 784-7850
1885 South Arlington Avenue, Suite 105, Reno, NV 89509-3370 • (775) 323-7122 • FAX (775) 323-1174

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated October 28, 2004 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

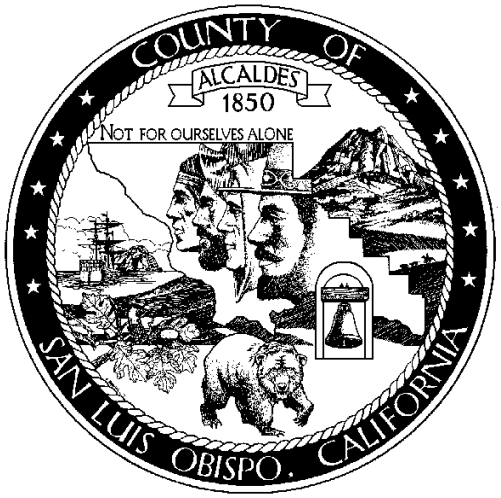
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section, as listed in the table of contents, are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

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler & Ray, CPAs, Inc.

October 28, 2004
Roseville, California

MANAGEMENT'S DISCUSSION AND ANALYSIS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COUNTY OF SAN LUIS OBISPO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004

As management of the County of San Luis Obispo, (the County), we offer readers the County's financial statements, this narrative overview, and analysis of the financial activities of the County for the fiscal year ended June 30, 2004. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the County's financial statements, which begin on page 33. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS (in thousands)

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by $1,259,210*(net assets*). Of this amount $126,178 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors, $66,474 is restricted for specific purposes (*restricted net assets*), and $1,066,558 is invested in capital assets, net of related debt. (Table A)

- The County's net assets increased by decreased by $1,552 during the current fiscal year. The increase in restricted and unrestricted net assets represents the degree to which increases in ongoing revenues exceeded increases in ongoing expenditures. The increase in capital assets net of related debt represents capital acquisitions during the year reduced by depreciation and increased by retirement of long-term debt. (Table B)

- As of June 30, 2004, the County's governmental activities reported combined ending net assets of $1,132,279 a decrease of $2,655 in comparison with the prior year. Approximately 9.6% of the combined fund balances, or $109,032 is available for spending at the County's discretion for current and future needs (*unreserved fund balance)*. (Table A)

- Business-type activities posted a net loss of $9,549 before general revenues, contributions and transfers from other funds. This was due mainly to the operating loss of $10,045 experienced by the Medical Services department. The Medical Services department was responsible for operating the County's outpatient clinics, pharmacy and laboratory services.

- The County's total long-term liabilities increased by $128,752 or nearly 108%. The key factor in this increase was the issuance of $137,194 in pension obligation bonds in July 2003. The Bonds were issued to fund an accrued actuarial liability owed by the County to Pension Trust. Debt service payments will be funded by County payroll benefits.

- At the end of the fiscal year, unreserved fund balance of the general fund was $59,105, or 22.6% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements

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

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

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee vacation balances).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (*business-type activities*). The governmental activities of the County include public protection, public ways and facilities, health and sanitation, public assistance, education, recreational and cultural services and general government. The main business-type activities of the County include the airports, golf courses, medical services (County General Hospital), flood control districts, and county services areas.

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. They include county service areas, transit districts, flood control districts, waterworks districts, lighting maintenance districts, and the San Luis Obispo County Public Facilities Corporation and San Luis Obispo County Financing Authority.

The government-wide financial statements can be found on pages 33 to 34 of this report.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented *for governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains forty-five individual governmental funds organized according to their type: *general, special revenue, debt service, and capital projects*. Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balances for the general fund, the capital projects fund and the pension obligation bond fund, which are considered to be major funds. Data from the remaining forty-two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements found in the other supplementary information section of this report.

The County adopts an annual budget for all of its governmental funds except for two debt service funds, the Public Financing Authority and Public Facilities Corporation funds. A budgetary comparison statement has been provided for the general fund and any major special revenue fund to demonstrate compliance with this budget and can be located in the required supplementary section of the report. Individual budgetary data for each of the non-major governmental funds is provided in the other supplementary information section of this report.

The basic governmental fund financial statements can be found on pages 40 to 46 of this report.

Proprietary funds - The County maintains two different types of proprietary funds, *enterprise* and *internal service funds*. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses *enterprise funds* to account for the airport, golf course, medical services (Hospital), transit districts, flood control districts, waterworks districts and county service areas. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its reprographic services, vehicle operations and maintenance, public works services, and self-insurance programs. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the governmental-wide financial statements.

Proprietary funds provide the same type of information as the *government-wide financial statement*, only in more detail. The airport, golf courses, medical services (County General Hospital), State Water Project, and Lopez flood control districts are considered to be major funds of the County and are presented separately in the *proprietary fund financial statements*. All other enterprise funds have been combined into a single column for presentation. The seven internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service and enterprise funds is provided in the form of *combining statements* found in the other supplementary section of this report.

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

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 59 to 60 of this report.

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

The notes to the financial statements can be found on pages 63 to 93 of this report.

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

The required supplementary information can be found on pages 97 to 102 of this report.

Other Supplementary Information - In addition to the basic financial statements, accompanying notes, and required supplementary information this report also presents certain *other supplementary information* concerning the County's general fund and special revenue funds budgetary schedules and combining and individual fund statements.

Combining and individual fund statements and schedules – The combining and individual fund statements and schedules referred to earlier provide information for non-major governmental funds, enterprise, internal service funds, and fiduciary funds and are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 110 to 185 of this report.

Budgetary comparisons schedules - Budgetary comparisons schedules for major funds other than the General fund or major special revenue funds, that are required to be presented in the Required Supplementary Information section of the financial statements. The budgetary comparison schedules for the Capital Project and Pension Obligation Bonds funds can be found on pages 190 and 191 of this report.

Detail Budgetary schedules demonstrating legal level of compliance with budgetary control are presented as other supplementary information. Detail budget information for the General Fund and special revenue funds can be found on pages 194 to 214 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

In accordance with changes in governmental accounting standards, the County applied Governmental Accounting Standards Board (GASB) Statement No. 34 to these financial statements.

As stated earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $1,253,927.

Table A
Statement of Net Assets
June 30, 2004
(in thousands)

	June 30, 2004			June 30, 2003			2003-2004
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government	Total % Chg
Assets:							
Current assets	$ 241,128	$ 33,044	$ 274,172	$ 248,756	$ 35,740	$ 284,496	(3.6%)
Other long-term assets	132,713	53	132,766	15,617	705	16,322	713.4%
Capital assets	983,260	148,976	1,132,236	965,135	144,801	1,109,936	2.0%
Total assets	1,357,101	182,073	1,539,174	1,229,508	181,246	1,410,754	9.1%
Liabilities:							
Long term liabilities	208,233	39,394	247,627	77,866	41,009	118,875	108.3%
Other liabilities	21,852	10,485	32,337	22,333	11,888	34,221	(5.5%)
Internal balances	(5,263)	5,263	-	(5,625)	5,625	-	
Total liabilities	224,822	55,142	279,964	94,574	58,522	153,096	82.9%
Net assets:							
Invested in capital assets, net of debt	956,773	109,785	1,066,558	951,989	101,138	1,053,127	1.3%
Restricted	66,474		66,474	66,890	-	66,890	(0.6%)
Unrestricted	109,032	17,146	126,178	116,055	21,586	137,641	(8.3%)
Total net assets	$ 1,132,279	$ 126,931	$ 1,259,210	$ 1,134,934	$ 122,724	$ 1,257,658	0.1%

Analysis of Net Assets

Approximately 10%, or $126,178 of the County's net assets represents unrestricted net assets, which may be used to meet the County's ongoing obligations to citizens and creditors.

The most significant portion of the County's net assets, $1,066,558 or 85%, reflects its investment in capital assets net of accumulated depreciation (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any outstanding related debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of the County's net assets of $66,474, or 5%, represents resources that are subject to external restrictions on how they may be used.

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

During the current fiscal year the County's net assets increased by $1,552. Net assets invested in capital assets net of related debt increased by $13,431. A key factor in this increase was an $14.2 million increase in construction in progress in governmental activities funded by the use of County reserves for the construction of the new County Government Center and implementation costs associated with the County's new Enterprise Financial System (EFS). Unrestricted net assets decreased by $11,463. This decrease resulted from the use of various designations as a financing source for the fiscal year 2003/2004 budget; $5.8 million was used to fund accounting systems development, $1.8 million was used for automation replacement, $2.7 million was used for capital projects, and the balance was used to fund equipment replacement.

Governmental and Business-type Activities

Governmental Activities

Governmental activities decreased $2.7 million in total net assets. Key contributing factors for the decrease are as follows:

The State of California's fiscal crisis impacted the County's financial condition. The county experienced revenue shortfalls accompanied by rising expenditures. For the second year in a row, the State deferred payment of SB90 reimbursements of state mandates causing the general fund to increase its level of support to departments. Vehicle license fee revenue decreased $3.9 million from the previous year. Various grants for Public Protection and Health were discontinued by the State.

Large increases in revenues from governmental activities were offset by corresponding increases in expenditures. The cost of providing services to the public also increased. Two contributing cost factors were prevailing wage increases and County worker's compensation rate increases. A mandated increase to temporary disability benefits and high claims payments increased the cost of the Worker's Compensation Program and the Liability Program.

Business-type Activities

Business-type activities accounted for an increase in net assets of $4.2 million. The largest portion of the increase was attributable to the Airport which recognized $3.9 million in non-operating revenue that consisted of three main components; Federal aid for airport construction projects and security totaled $1.4 million; Rental income totaled $1 million; and the balance was an adjustment to reduce the amount of a loan payable to general fund for capital assets. Medical Services continued to operate at a loss. The $10 million in losses sustained by Medical Services were offset by $10 million in general fund support. Medical services operated the County's outpatient clinics and ancillary services.

The following table indicates the changes in net assets for governmental and business-type activities:

Table B
Statement of Activities
For the Year Ended June 30, 2004
(in thousands)

	June 30, 2004			June 30, 2003			2003-2004
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government	Total % Chg
Revenues:							
Program revenues:							
Charges for services	$ 52,049	$ 27,336	$ 79,385	$ 52,519	$ 34,343	$ 86,862	(8.6%)
Operating grants and contributions	151,194	1,316	152,510	141,716	947	142,663	6.9%
Capital grants and contributions	7,764	1,126	8,890	3,109	2,493	5,602	58.7%
General revenues:							
Property taxes	75,559	3,073	78,632	70,022	2,823	72,845	7.9%
Other taxes	15,422	-	15,422	12,739	4	12,743	21.0%
Interest and investment income	3,221	318	3,539	5,026	872	5,898	(40.0%)
Grants not restricted to specific programs	15,681	-	15,681	19,839	-	19,839	(21.0%)
Other revenues	83	151	234	-	16	16	1362.5%
Total revenues	320,973	33,320	354,293	304,970	41,498	346,468	2.3%
Expenses:							
General government	34,862	-	34,862	31,990	-	31,990	9.0%
Public protection	104,594	-	104,594	98,816	-	98,816	5.9%
Public ways and facilities	23,147	-	23,147	23,328	-	23,328	(0.8%)
Health sanitation	50,240	-	50,240	48,961	-	48,961	2.6%
Public assistance	82,461	-	82,461	78,524	-	78,524	5.0%
Education	7,969	-	7,969	7,323	-	7,323	8.8%
Recreational and cultural services	5,762	-	5,762	5,003	-	5,003	15.2%
Interest on Long-term debt	4,379	-	4,379	2,797	-	2,797	56.6%
Airport	-	3,116	3,116	-	3,046	3,046	2.3%
Golf	-	3,132	3,132	-	1,613	1,613	94.2%
Hospital	-	17,987	17,987	-	28,170	28,170	(36.2%)
State water contract	-	5,045	5,045	-	5,384	5,384	(6.3%)
Lopez dam	-	3,449	3,449	-	2,274	2,274	51.7%
Non major special districts	-	6,598	6,598	-	5,751	5,751	14.7%
Total expenses	313,414	39,327	352,741	296,742	46,238	342,980	4.4%
Excess before transfers	7,559	(6,007)	1,552	8,228	(4,740)	3,488	(55.5%)
Transfers	(10,214)	10,214	-	(7,718)	7,718	-	0%
Change in net assets	(2,655)	4,207	1,552	510	2,978	3,488	(55.5%)
Net assets at beginning of year	1,134,934	122,724	1,257,658	1,134,424	119,746	1,254,170	.3%
Net assets at end of year	$ 1,132,279	$ 126,931	$ 1,259,210	$ 1,134,934	$ 122,724	$ 1,257,658	0.1%

FUND FINANCIAL STATEMENT ANALYSIS

FINANCIAL ANALYSIS OF COUNTY'S FUNDS

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

Governmental Funds

The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $197,665, a decrease 6.9% or $14,604, in comparison with the prior year. Approximately 53.2% of the combined fund balances, or $105,162, constitutes unreserved fund balance, which is available to meet the County's current and future needs. The remainder of fund balance, $92,503, is reserved for the following reasons: 1) liquidate contracts and purchase orders of the prior period ($53,665); 2) amounts reserved by outside agencies or legislation to pay for specific programs or specific use ($29,960); 3) amounts due from other funds or governments that are long-term in nature and do not represent available spendable resources ($3,234); 4) to pay debt service of ($5,241); and 5) other restricted purposes ($403).

General Fund

The general fund is the chief operating fund of the County. As of the end of the current fiscal year, unreserved fund balance of the general fund was $59,105 while total fund balance reached $78,299. As a measure of the general fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures of $261,556. Unreserved fund balance represents 22.6% of the total fund expenditure, while fund balance represents 29.9% of the same amount. During the current fiscal year the fund balance of *general fund* balance decreased by $13,620.

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

- Total revenues exceeded total expenditures by $20,301 even though general fund revenues fell $13.5 million from the prior year and total expenditures were $14.4 million higher.

- Two components contributed to the large increase in revenue. Taxes increased $6.9 million due to an increase in assessed value. Aid from governmental agencies increased $5 million for federal revenue received for welfare and child support administration.

- Public Protection expenditures increased $5.4 million and Public Assistance expenditures increased $4.6 million. A majority of the increase in Public Protection expenditures, or $3.8 million, was due to increased labor costs. Prevailing wage increases and higher worker's compensation rates drove salary cost up. The County also experienced increased activity in Public Protection programs funded by Homeland Security and the department of Justice grants. Rising caseloads and increased labor costs contributed to the increase in Public Assistance expenditures.

- Transfers out from general fund increased $13.6 million. In fiscal year 2003/2004 $9.8 million was transferred to the Countywide Automation Replacement Fund to finance the County's new EFS System. An additional $3.7 million was transferred to the debt service fund for the Pension Obligation Bond.

Capital Projects

The *capital projects fund* was determined to be a major fund this year. This fund handles construction projects for the County's governmental funds. The fund has a total fund balance of $35,183 of which

$21,390 is reserved for prior year's contract commitments. The net decrease in the fund balance for the current year was $7,625. The decrease in fund balance is mainly due to the ongoing construction costs associated with the new County Government Center. Funding of specific projects comes from transfers from special revenue funds, public facilities fees, issuance of long term debt, aid from other government agencies, and from the County's general fund.

Governmental Fund Revenues

Revenues for governmental funds combined totaled $341,434 in the current fiscal year, which represents an increase of approximately 6.4% or $20,602 from the prior fiscal year revenues of $320,832.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year are displayed.

Table C
Revenues Classified by Source
Governmental Funds
Fund Financial Statements
For the Year Ended June 30, 2004
(in thousands**)**

	2003/2004		2002/2003		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Revenues by Source:						
Taxes	$ 90,553	26.5%	$ 83,404	26%	$ 7,149	8.6%
Licenses, Permits, Franchises	8,674	2.5%	8,700	2.7%	(26)	(0.3%)
Fines, Forfeits, and Penalties	7,901	2.3%	5,988	1.9%	1,913	31.9%
Revenues from Use of Money and Property	2,973	0.9%	4,839	1.5%	(1,866)	(38.6%)
Aid from Governmental Agencies	172,425	50.5%	164,625	51.3%	7,800	4.7%
Charges for Current Services	54,300	15.9%	48,957	15.3%	5,343	10.9%
Other Revenues	4,608	1.3%	4,319	1.3%	289	6.7%
Total	$ 341,434	100%	$ 320,832	100%	$ 20,602	6.4%

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

- *Taxes* increased $7.1 million or 8.6%. The County's assessed valuations rose $2.1 billion, which contributed to a $5.6 million increase in property taxes. The local economy remained stable as evidenced by a $1.4 million increase in sales tax.

- *Fines, forfeitures and penalties* increased $1.9 million or 31.9%. This increase is due to a settlement the County received from a consumer protection case the District Attorney prosecuted and an increase in the revenue received from court operations for the County's share of fines, forfeitures and penalties.

- *Revenues from the Use of Money and Property* decreased $1.9 million or 38.6%. This decline is due to the drop in interest rates and use of reserves.

- *Aid from Governmental Agencies* increased $7.8 million or 4.7%. The majority of the increase is due to an increase in federal aid for welfare and child support administration. The County also saw a $1.5 million increase in state aid for public safety.

The following table presents the amount of expenditures by function as well as increases or decreases from the prior year.

Table D
Expenditures By Function Including Capital Outlay
Governmental Funds
Fund Financial Statements
For the Year Ended June 30, 2004
(in thousands)

	2003/2004		2002/2003		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Expenditures by Function:						
General Government	$ 49,491	14.2%	$ 39,896	12.7%	$ 9,595	24.1%
Public Protection	101,203	29.0%	95,815	30.6%	5,388	5.6%
Public Ways and Facilities	29,718	8.5%	20,741	6.6%	8,977	43.3%
Health and Sanitation	49,542	14.2%	47,822	15.3%	1,720	3.6%
Public Assistance	81,616	23.4%	77,449	24.7%	4,167	5.4%
Education	7,606	2.2%	6,972	2.2%	634	9.1%
Recreational and Cultural Services	5,645	1.6%	4,853	1.6%	792	16.3%
Principal payments	1,815	.5%	1,305	.4%	510	39.1%
Interest on Long-Term Debt	5,105	1.5%	2,959	.9%	2,146	72.5%
Debt issuance costs	2,173	0.6%	-		2,173	100.0%
Capital outlay	14,490	4.2%	15,147	4.8%	(657)	(4.3%)
Total	$ 348,404	100%	$ 312,959	100%	$ 34,935	11.3%

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

- *General government* expenditures increased by a total of $9.6 million or 24.1%. The County began work on Phase I of the County's Enterprise Financial System. A total of $5.5 million was spent in 2003/2004 out of an estimated project cost of $15.7 million. General government expenditures also increased by $3.7 million as a result of transfers made to the Pension Obligation Bond Debt Service Fund.

- *Public Ways and Facilities* increased $8.9 million or 43.3%. This increase is attributable to increased construction and maintenance activity in the Roads Fund.

- *Interest on long-term debt* and debt issuance costs increased $4.3 million. Both the debt issuance costs and the increase in interest expense can be attributed to the $137 million Pension Obligation Bonds the County issued in July 2004.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The following table shows actual revenues, expenses and results of operations for the 2003/2004 fiscal year.

Table E
Statement of Revenues, Expenses and Results of Operations
Proprietary Funds
Fund Financial Statements
For the Year Ended June 30, 2004
(in thousands)

	Major Funds					Non Major Funds	Total
	Airport	Golf	Medical Services	State Water Project	Lopez Flood Control	Other Enterprise Funds	Total Enterprise
Operating revenues	$ 2,742	$ 2,833	$ 7,431	$ 5,071	$ 3,057	$ 4,446	$ 25,580
Operating expenses	3,036	3,053	17,476	5,042	1,419	6,381	36,407
Operating (loss)	(294)	(220)	(10,045)	29	1,638	(1,935)	(10,827)
Non-operating revenues (expenses), net	3,854	109	(216)	815	(957)	1,991	5,596
Net income (loss) before contributions and transfers	3,560	(111)	(10,261)	844	681	56	(5,231)
Contributions and transfers	175	(31)	9,973		7	214	10,338
Change in net assets	$ 3,735	$ (142)	$ (288)	$ 844	$ 688	$ 270	$ 5,107

All the enterprise funds, other than Medical Services (County General Hospital), are expected to continue to meet all ongoing cost of operations and in the long term be able to maintain sufficient reserves.

- The *Airport* incurred an operating loss of $294 and an increase in net assets of $3,735. Overall, the change in net assets is due to non-operating revenues consisting of federal aid, rent, and the $2 million adjustment of a loan payable to General Fund previously overstated.

- The *Golf Course* sustained an operating loss of $220. The loss is primarily due to a shortfall in green-fee revenues. The golf course will be reducing expenses and holding positions vacant to bring expenditures in line with operations.

- The *Medical Services* fund, which operated County General Hospital, sustained a loss of $10,045 before contributions and transfers. The net loss after transfers from the County was $288 for the year. This was the final year of operations for Medical Services. The County has contracted out management of its clinics and inpatient services.

- The *Lopez Dam* fund completed construction on its $30 million seismic retrofit project. The debt is being repaid by user fees and by property taxes.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended budget for general fund expenditures and transfers out increased during the year by a total of $32.6 million. This increase was funded in part by increases in budgeted revenues of $23.4 million and the use of reserves and designations for the balance. The major increases in expenditures were in the functional areas of the general government ($4 million) and public protection ($8.3 million). The budget for transfers out was increased $9.8 million to fund the Enterprise Financial System Project and $3.7 million for transfers to the pension obligation bond debt service fund.

Unanticipated revenues and contingencies were used to increase net transfers totaling $11.7 million to other funds. A total of $2 million went to fund salary cost of living adjustments and negotiated benefits that traditionally are not included in the County's initial budget. The largest increase to budgeted revenues from the original budget to the final budget occurred in Taxes ($10.3 million) and State and Federal Aid ($9.6 million). An additional increase of $2.1 million occurred in Charges for Current Services.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2004, the County had $1,126,953 invested in a broad range of capital assets, including land, buildings, systems improvements, machinery and equipment, park facilities, golf courses, airport facilities, roads, bridges, dams, and water and sewer lines (see Table F below). This amount represents a net increase (including additions and deductions) of $17,017 or 1.5% over last year.

Table F
Capital Assets
June 30, 2004
(in thousands)

	Govern-mental Activities June 30, 2004	Govern-mental Activities July 1, 2003	Business Type June 30, 2004	Business Type July 1, 2003	Total Capital Assets June 30, 2004	Total Capital Assets July 1, 2003	Total Percent Change
Land	$ 13,344	$ 13,086	$ 17,105	$ 17,066	$ 30,449	$ 30,152	0.1%
Water Rights	-	-	32,720	31,568	32,720	31,568	3.7%
Infrastructure Non Depreciable	757,696	757,696	-	-	757,696	757,696	0%
Construction-in-progress	35,978	21,721	12,700	38,126	48,678	59,847	(18.7%)
Structures & Improvements	87,785	82,893	112,296	82,025	200,081	164,918	21.3%
Equipment	42,326	41,073	1,793	5,580	44,119	46,653	(5.4%)
Infrastructure Depreciable	195,500	191,880	-	-	195,500	191,880	1.9%
Subtotal	1,132,629	1,108,349	176,614	174,365	1,309,243	1,282,714	2.1%
Less Accumulated Depreciation	(149,369)	(143,214)	(27,638)	(29,564)	(177,007)	(172,778)	2.5%
Total	$ 983,260	$ 965,135	$ 148,976	$ 144,801	$ 1,132,236	$ 1,109,936	2.0%

Major additions and future commitments in capital assets - Governmental activities

The construction of a new General Government Facility is scheduled for completion in early 2005. As of June 30, 2004, the County has expended $26.4 million and has committed funds of $13.2 million to complete the project. In 2004/2005, work was well underway on the County's $15.7 million Enterprise Financial System project. This fully integrated financial and human resources system is scheduled to go live in January 2005. Major capital projects for fiscal year 2004/2005 include a budget augmentation for the North County Regional Center project and two parks playground projects.

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

The airport has budgeted $2.5 million for the design phase of the new terminal building and has committed an additional $6.2 million for the purchase of two parcels of land adjacent to the airport. These will be financed with FAA funds and passenger facility charges.

The Lopez Dam Seismic Remediation Project was completed in fiscal year 2003/2004. This $30 million project was necessary for public safety. Customer water sales and property taxes will be used to pay off the debt associated with the cost of the project.

More detailed information about the County's capital assets is presented in Notes 4 and 5 in the financial statements.

Debt Administration

At the end of the current fiscal year, the County of San Luis Obispo had total notes and bonds payable of $202,781. The County issued $137,194 in Pension Obligation Bonds in July 2003. The Pension Obligation Bonds debt service payments will be funded by County payroll benefits. Of the balance remaining, $12,750 is backed by the full faith and credit of the County. The remainder of the County's debt consists of: $49,555 in certificates of participation, which are repaid from a variety of revenues; $3,211 in State loans and $71 in revenue bonds which are repaid with water service revenue. Additionally, the County is liable for $3,095 of special assessment debt in the event of default by the property owner subject to the assessment.

Table G
Outstanding Debt
June 30, 2004
(in thousands)

	Govern-mental Activities June 30, 2004	Govern-mental Activities June 30, 2003	Business Type June 30, 2004	Business Type June 30, 2003	Total June 30, 2004	Total June 30, 2003	Total Percent Change
Certificates of participation	$ 26,487	$ 27,601	$ 23,068	$ 23,539	$ 49,555	$ 51,140	(3.1%)
Pension Obligation Bonds	137,194	-	-	-	137,194	-	100.0%
State note	-	-	3,211	3,003	3,211	3,003	6.9%
Revenue bonds	-	-	71	705	71	705	(90.0%)
General obligation bonds	-	-	12,750	12,980	12,750	12,980	(1.8%)
	$ 163,681	$ 27,601	$ 39,100	$ 40,227	$ 202,781	$ 67,828	198.9%

The net increase over last year for all the County's notes and bonds payable was $134,953, or 198.9%; of this increase $137,194 represents the issuance of pension obligation bonds.

The County's recent debt issues have maintained a "AAA" rating from Standard & Poor's and a "AAA" rating from Fitch. These issues were the 2002 series A certificates of participation.

State statutes limit the amount of general obligation debt a governmental entity may issue to 1.25% of its net assessed valuation. The current debt limitation for the County is $342,443.

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

Other liabilities include compensated absences ($17.5 million), landfill post-closure costs ($3 million), rebatable arbitrage earnings ($91 thousand) and self-insurance ($24.3 million). More detailed information about the County's long-term liabilities are presented in Note 10 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The budget for 2004/2005 fiscal year is a "cut" budget with an overall decrease of 2.5% compared to the fiscal year 2003/2004 budget.

- Service level and staff reductions are reflected in most program areas including Public Protection, Health and Sanitation, and General Government.

- The states ongoing fiscal crisis has led to the erosion of funding sources for many of the services the County provides. This is most apparent in the health and mental health areas.

- Although the County still maintains a stable economic environment largely due to the major employers being government and utilities, the downturn in the national and state economies is gradually having its affect on slowing the economy of San Luis Obispo County.

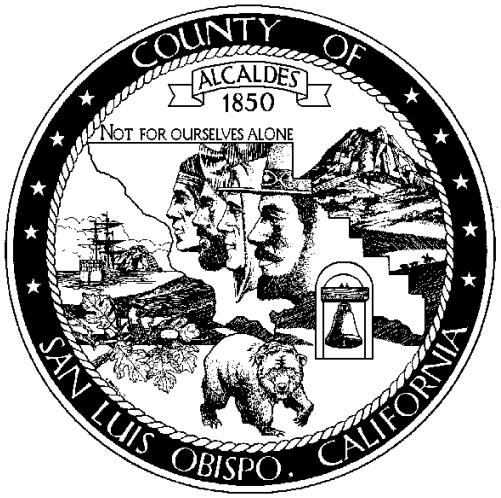
- The County's unemployment rate is at 3.4%, considerably lower than the state rate of 6.4% and the national rate of 5.8%.

- The major sources of revenues stimulated by the economy have held steady or had modest increases:
    - County assessed property tax valuations grew $2.1 billion.
    - The median price of homes in San Luis Obispo County rose to $454,720 within the last year.
    - Transit occupancy tax grew by 7.5% last year and is expected to maintain that pace.

- The Board of Supervisors adopted the 2004-2005 budget in June 2004, with a $22.2 million fund balance in the general fund, of which $8 million was appropriated to finance the current year's expenditures including contingencies, $8 million was placed in general reserves, and $6.2 million was earmarked for designations. The County budget also includes community-wide results and indicators as well as department goals and performance measures that gauge how departments are meeting the needs of the community.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Auditor-Controller, San Luis Obispo County Government Center, Room D220, San Luis Obispo, California 93408.


COUNTY OF
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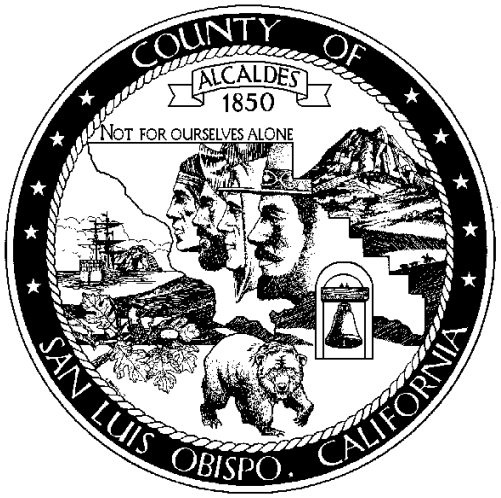
BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS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COUNTY OF SAN LUIS OBISPO
STATEMENT OF NET ASSETS
JUNE 30, 2004 (in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 206,018	$ 29,394	$ 235,412
Accounts receivable, net	12	3,005	3,017
Property taxes receivable	6,019	-	6,019
Other receivables	10,483	281	10,764
Due from other governments	17,797	329	18,126
Deposits with others	-	13	13
Inventories	396	-	396
Prepaid items	403	22	425
Total current assets	241,128	33,044	274,172
Loans receivable	1,196	-	1,196
Restricted cash with fiscal agent	3,378	-	3,378
Prepaid pension contributions	126,038	-	126,038
Prepaid bond issuance costs	2,101	-	2,101
Capital assets:			
Nondepreciable	807,018	62,525	869,543
Depreciable, net	176,242	86,451	262,693
Deferred issuance and bond discount	-	53	53
Total non-current assets	1,115,973	149,029	1,265,002
Total assets	1,357,101	182,073	1,539,174
Liabilities			
Salaries and benefits payable	5,764	68	5,832
Accounts payable	8,548	5,129	13,677
Trust deposits	267	-	267
Internal balances	(5,263)	5,263	-
Deposits from others	1,157	2,880	4,037
Deferred revenue	3,205	2,408	5,613
Accrued interest	2,802	-	2,802
Other current liabilities	109	-	109
Long Term Liabilities:			
Portion due or payable within one year:			
Bonds and notes payable	1,164	863	2,027
Compensated absences	12,391	144	12,535
Landfill closure/postclosure costs	217	-	217
Self insurance payable	7,395	-	7,395
Portion due or payable after one year:			
Bonds and notes payable	162,517	38,237	200,754
Compensated absences	4,927	59	4,986
Landfill closure/postclosure costs	2,743	-	2,743
Self-insurance payable	16,879	-	16,879
Other long term debt	-	91	91
Total liabilities	224,822	55,142	279,964
Net Assets			
Invested in capital assets, net of related debt	956,773	109,785	1,066,558
Restricted	66,474	-	66,474
Unrestricted	109,032	17,146	126,178
Total net assets	$ 1,132,279	$ 126,931	$ 1,259,210

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

COUNTY OF SAN LUIS OBISPO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

		Program Revenues		
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	$ 34,862	$ 25,112	$ 3,616	$ -
Public protection	104,594	7,012	33,188	1,054
Public ways and facilities	23,147	6,767	8,364	6,028
Health and sanitation	50,240	6,766	38,518	-
Public assistance	82,461	2,279	67,088	-
Education	7,969	1,515	420	-
Recreational and cultural services	5,762	2,598	-	682
Interest on long-term debt	4,379	-	-	-
Total governmental activities	313,414	52,049	151,194	7,764
Business-type activities:				
Airport	3,116	4,846	391	1,002
Golf	3,132	2,928	-	-
Hospital	17,987	6,993	-	-
State Water Contract	5,045	5,084	8	-
Lopez Dam	3,449	3,006	10	-
Other Special Districts	6,598	4,479	907	124
Total business-type activities	39,327	27,336	1,316	1,126
Total primary government	$ 352,741	$ 79,385	$ 152,510	$ 8,890

General revenues:
Taxes:
Property taxes
Sales taxes
Transient occupancy tax
Transfer tax
Other taxes
Grants not restricted to specific programs
Interest earning not restricted to specific programs
Gain on disposition of capital assets
Other Revenues
Transfers
Total general revenues and transfers
Change in net assets
Net assets - beginning of year

Net assets - end of year

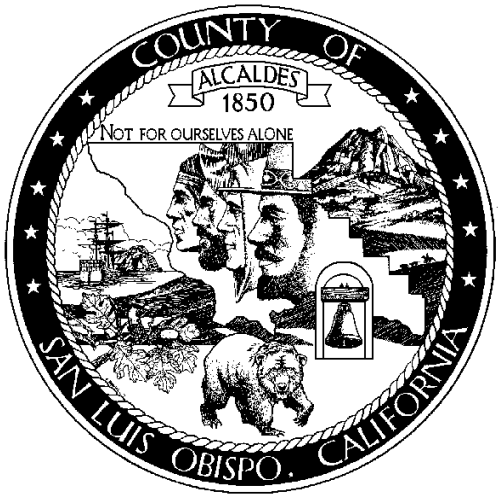
Continued on next page

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

COUNTY OF SAN LUIS OBISPO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

Net (Expenses) Revenues and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Functions / Programs
			Governmental activities:
$ (6,134)	$ -	$ (6,134)	General government
(63,340)	-	(63,340)	Public protection
(1,988)	-	(1,988)	Public ways and facilities
(4,956)	-	(4,956)	Health and sanitation
(13,094)	-	(13,094)	Public assistance
(6,034)	-	(6,034)	Education
(2,482)	-	(2,482)	Recreational and cultural services
(4,379)	-	(4,379)	Interest on long-term debt
(102,407)	-	(102,407)	Total governmental activities
		-	Business-type activities:
-	3,123	3,123	Airport
-	(204)	(204)	Golf
-	(10,994)	(10,994)	Hospital
-	47	47	State Water Contract
-	(433)	(433)	Lopez Dam
-	(1,088)	(1,088)	Other Special Districts
-	(9,549)	(9,549)	Total business-type activities
(102,407)	(9,549)	(111,956)	Total primary government
			General revenues:
			Taxes:
75,559	3,073	78,632	Property taxes
7,223	-	7,223	Sales taxes
4,861	-	4,861	Transient Occupancy Tax
3,122	-	3,122	Transfer tax
216	-	216	Other taxes
15,681	-	15,681	Grants not restricted to specific programs
3,221	318	3,539	Interest earning not restricted to specific programs
83		83	Gain on disposition of capital assets
-	151	151	Other Revenues
(10,214)	10,214	-	Transfers
99,752	13,756	113,508	Total general revenues and transfers
(2,655)	4,207	1,552	Change in net assets
1,134,934	122,724	1,257,658	Net assets - beginning of year
$ 1,132,279	$ 126,931	$ 1,259,210	Net assets - end of year

The notes to the financial statements are an integral part of this statement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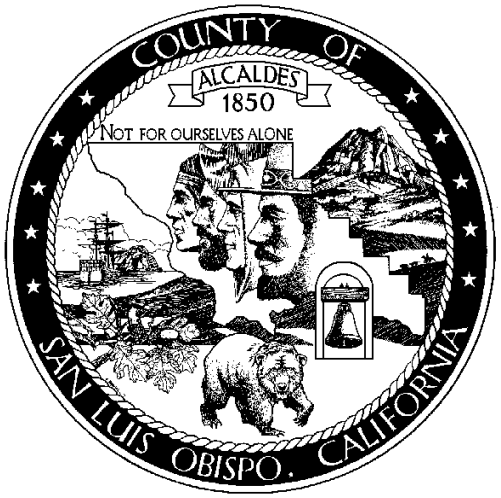
BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS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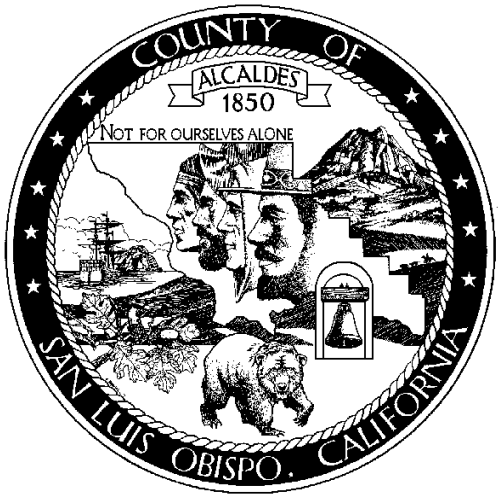
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COUNTY OF SAN LUIS OBISPO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004 (in thousands)

	General Fund	Capital Projects	Debt Service Pension Obligation Bonds	Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 64,233	$ 34,450	$ 2,700	$ 80,203
Accounts receivable, net	5	-	-	-
Accrued property taxes receivable	6,019	-	-	-
Loans receivable	32	-	-	-
Other receivables	9,309	650	-	522
Due from other governments	16,879	99	-	819
Prepaid items	403	-	-	-
Advances to other funds	2,678	-	-	647
Restricted cash with fiscal agent	-	-	25	3,353
Other assets	-	-	-	1,164
Total assets	$ 99,558	$ 35,199	$ 2,725	$ 86,708
Liabilities and fund balances:				
Liabilities:				
Salaries and benefits payable	5,007	-	-	278
Accounts payable	6,284	10	-	804
Trust deposits	213	-	-	54
Deposits from others	186	-	-	702
Deferred revenue	8,009	6	-	133
Other current liabilities	1,560	-	-	1,492
Advances from other county funds	-	-	-	1,787
Total liabilities	21,259	16	-	5,250
Fund balances:				
Reserved for:				
Encumbrances	6,030	21,390	-	26,245
Advances to other funds	2,678	-	-	556
Prepaids	403	-	-	-
Debt Service	-	-	2,725	2,516
Construction of roads and public facilities	-	-	-	16,145
Specific program or grants	10,083	-	-	3,732
Unreserved	59,105	13,793	-	-
Unreserved, reported in nonmajor				
Special revenue funds	-	-	-	32,263
Total fund balance	78,299	35,183	2,725	81,458
Total liabilities and fund balances	$ 99,558	$ 35,199	$ 2,725	$ 86,708

Continued on next page

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

COUNTY OF SAN LUIS OBISPO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004 (in thousands)

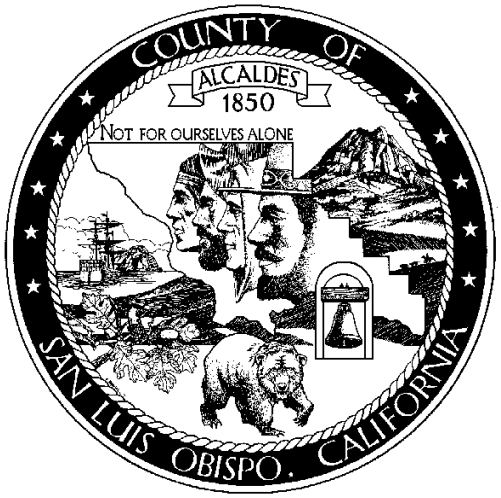
Total Governmental Funds	
	Assets
$ 181,586	Cash and cash equivalents
5	Accounts receivable, net
6,019	Accrued property taxes receivable
32	Loans receivable
10,481	Other receivables
17,797	Due from other governments
403	Prepaid items
3,325	Advances to other funds
3,378	Restricted cash with fiscal agent
1,164	Other assets
$ 224,190	Total assets
	Liabilities and fund balances:
	Liabilities:
5,285	Salaries and benefits payable
7,098	Accounts payable
267	Trust deposits
888	Deposits from others
8,148	Deferred revenue
3,052	Other current liabilities
1,787	Advances from other county funds
26,525	Total liabilities
	Fund balances:
	Reserved for:
53,665	Encumbrances
3,234	Advances to other funds
403	Prepaids
5,241	Debt Service
16,145	Construction of roads & public facilities
13,815	Specific program or grants
72,898	Unreserved
	Unreserved, reported in nonmajor
32,263	Special revenue funds
197,665	Total fund balance
$ 224,190	Total liabilities and fund balances

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

COUNTY OF SAN LUIS OBISPO
RECONCILIATION OF THE BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
JUNE 30, 2004 (in thousands)

		Amount
Fund balances - total governmental funds		$ 197,665
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		973,355
Accrued Property tax revenues are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		4,942
The pension assets resulting from contributions in excess of the annual required contribution are not financial resources and therefore not reported in the funds.		126,038
Cost of issurance on pension obligation bonds are not recognized as current expenditures are are deferred.	$ 2,173	
Less: Current year amortization of cost of issuance on pension obligation bonds.	(72)	2,101
Internal service funds are used by the County to charge the cost of vehicle fleet management, centralized reprographic services, comprehensive public works services, and operations of the County's workers' compensation, protected self-insurance, unemployment, and dental insurance programs to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.		6,781
Adjustment for Internal Service Funds are necessary to "close" those funds by charging additional amount to participation business-type activities to completely cover the Internal Service Funds' cost for the year.		3,744
Interest on long-term debt is recognized as it accrues, regardless of when it is due.		(974)
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		(181,373)
Net assets of governmental activities		$ 1,132,279

The notes to the financial statements are an integral part of this statement.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COUNTY OF SAN LUIS OBISPO
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	General Fund	Capital Projects	Debt Service Pension Obligation Bonds	Nonmajor Governmental Funds
Revenues:				
Taxes	$ 83,346	$ -	$ -	$ 7,207
Licenses, permits, and franchises	8,672	-	-	2
Fines, forfeits, and penalties	6,128	845	-	928
Revenues from use of money and property	1,481	356	15	1,121
Aid from governmental agencies	148,793	458	-	23,174
Charges for current services	30,484	383	-	23,433
Other revenues	2,953	-	281	1,374
Total revenues	281,857	2,042	296	57,239
Expenditures:				
Current:				
General government	40,836	-	-	8,655
Public protection	99,628	-	-	1,575
Public ways and facilities	-	-	-	29,718
Health and sanitation	43,746	-	-	5,796
Public assistance	77,029	-	-	4,587
Education	299	-	-	7,307
Recreational and cultural services	-	-	-	5,645
Debt service:				
Principal payments	-	-	-	1,815
Interest and fiscal charges	18	-	2,000	3,087
Debt issuance costs	-	-	2,173	-
Capital outlay	-	14,490	-	-
Total expenditures	261,556	14,490	4,173	68,185
Excess (deficiency) of revenues over expenditures	20,301	(12,448)	(3,877)	(10,946)
Other financing sources (uses):				
Issuance of long term debt	-	-	137,194	-
Payment to San Luis Pension Trust	-	-	(135,000)	-
Transfers in	270	4,823	4,408	19,919
Transfers (out)	(34,191)	-	-	(5,057)
Total other financing sources and (uses)	(33,921)	4,823	6,602	14,862
Net change in fund balances	(13,620)	(7,625)	2,725	3,916
Fund balances - beginning	91,919	42,808	-	77,542
Fund balances - ending	$ 78,299	$ 35,183	$ 2,725	$ 81,458

Continued on next page

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

COUNTY OF SAN LUIS OBISPO
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

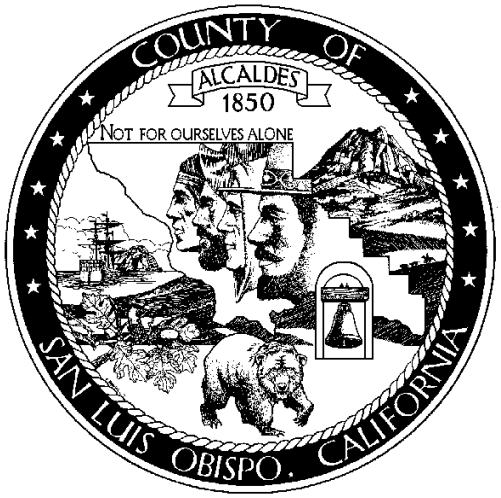
Total Governmental Funds	
	Revenues:
$ 90,553	Taxes
8,674	Licenses, permits, and franchises
7,901	Fines, forfeits, and penalties
2,973	Revenues from use of money and property
172,425	Aid from governmental agencies
54,300	Charges for current services
4,608	Other revenues
341,434	Total revenues
	Expenditures:
	Current:
49,491	General government
101,203	Public protection
29,718	Public ways and facilities
49,542	Health and sanitation
81,616	Public assistance
7,606	Education
5,645	Recreational and cultural services
	Debt service:
1,815	Principal payments
5,105	Interest and fiscal charges
2,173	Debt issuance costs
14,490	Capital outlay
348,404	Total expenditures
(6,970)	Excess (deficiency) of revenues over expenditures
	Other financing sources (uses):
137,194	Issuance of long term debt
(135,000)	
29,420	Transfers in
(39,248)	Transfers (out)
(7,634)	Total other financing sources and (uses)
(14,604)	Net change in fund balances
212,269	Fund balances - beginning
$ 197,665	Fund balances - ending

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

COUNTY OF SAN LUIS OBISPO
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE GOVERNMENTAL-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

		Amount
Net change in fund balances - total governmental funds		$ (14,604)
Amounts reported for governmental activities in the statement of activities are different because:		
Property tax revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		428
Governmental funds report capital outlays as expenditures. These expenditures have no effect on net assets.		
Capital outlay expenditures that have no effect on net assets are reported in the following functional categories:		
Capital projects fund	14,490	
General government	6,093	
Public protection	823	
Public ways and facilities	10,834	
Health and sanitation	52	
Recreation	(18)	
Public assistance	399	32,673
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense.		(13,706)
The net effect of various miscellaneous transactions involving capital assets such as sales, trade-ins and donations is to increase net assets.		83
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net assets.		119
Expenses related to liability accruals are reported in the statement of activities but do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.		(408)
Internal service fund are used by the County to charge the costs of vehicle fleet management, centralized reprographic services, comprehensive engineering services, and operations of the County's worker's compensation , protected self insurance, unemployment, and dental insurance programs to individual funds. The net revenue or expenditure effect of internal service funds is reported with governmental activities.		(7,240)
Change in net assets of governmental activities		$ (2,655)

The notes to the financial statements are an integral part of this statement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COUNTY OF SAN LUIS OBISPO
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2004 (in thousands)

	Business-type Activities - Enterprise Funds			
	Airport	Golf	Medical Services	State Water Project
Assets				
Current Assets:				
Cash and cash equivalents	$ 1,321	$ 997	$ 252	$ 11,068
Accounts receivable, net	-	-	2,675	216
Other receivables	3	51	189	-
Due from other county funds	-	-	-	12
Due from other governments	329	-	-	-
Deposits with others	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Advances to other funds	-	549	-	-
Total current assets	1,653	1,597	3,116	11,296
Noncurrent assets:				
Capital assets:				
Nondepreciable:				
Land	13,193	1,333	267	-
Construction in progress	3,695	62	-	20
Water rights	-	-	-	30,797
Depreciable:				
Structures & improvements, net	17,529	12,537	956	8,720
Equipment, net	64	88	-	93
Deferred charges and other assets	-	-	53	-
Total noncurrent assets	34,481	14,020	1,276	39,630
Total assets	36,134	15,617	4,392	50,926

Continued on next page

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

COUNTY OF SAN LUIS OBISPO
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2004 (in thousands)

Business-type Activities - Enterprise Funds			Governmental Activities	
Lopez Flood Control	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
				Assets
				Current Assets:
$ 6,017	$ 9,739	$ 29,394	$ 24,432	Cash and cash equivalents
3	111	3,005	7	Accounts receivable, net
-	38	281	2	Other receivables
-	832	844	1	Due from other county funds
-	-	329	-	Due from other governments
-	13	13	-	Deposits with others
-	-	-	396	Inventory
22	-	22	-	Prepaid items
-	-	549	-	Advances from other funds
6,042	10,733	34,437	24,838	Total current assets
				Noncurrent assets:
				Capital assets:
				Nondepreciable:
2,096	216	17,105	-	Land
2,491	6,432	12,700	-	Construction in progress
1,923	-	32,720	-	Water rights
				Depreciable:
38,468	7,634	85,844	520	Structures & improvements, net
29	333	607	9,385	Equipment, net
-	-	53	-	Deferred charges and other assets
45,007	14,615	149,029	9,905	Total noncurrent assets
51,049	25,348	183,466	34,743	Total assets

Continued on next page

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

COUNTY OF SAN LUIS OBISPO
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2004 (in thousands)

	Business-type Activities - Enterprise Funds			
	Airport	Golf	Medical Services	State Water Project
Continued from previous page				
Liabilities				
Current liabilities:				
Salaries and benefits payable	$ 25	$ 37	$ 6	$ -
Accounts payable	33	297	679	3,360
Interest payable	-	-	66	-
Self insurance payable	-	-	-	-
Deposits from others	-	-	-	2,655
Due to other gov. agencies	-	-	-	-
Due to other county funds	-	-	-	-
Accrued vacation - current	52	86	6	-
Deferred revenue	69	-	-	952
Notes and bonds payable - current	-	-	-	-
Leases payable - current	-	206	-	-
Total current liabilities	179	626	758	6,967
Noncurrent liabilities:				
Self insurance liability	-	-	-	-
Advances from other funds	1,822	74	-	-
Notes and bonds payable	-	-	-	-
Leases payable	-	7,686	-	-
Accrued vacation and sick leave	1	58	-	-
Other long-term debt	-	-	-	-
Total noncurrent liabilities	1,823	7,818	-	-
Total liabilities	2,002	8,444	758	6,967
Net assets				
Invested in capital assets, net of related debt	32,659	6,128	1,223	39,630
Restricted	965	-	-	-
Unrestricted	508	1,045	2,411	4,329
Total net assets	$ 34,132	$ 7,173	$ 3,634	$ 43,959

Continued on next page

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

COUNTY OF SAN LUIS OBISPO
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2004 (in thousands)

Business-type Activities - Enterprise Funds			Governmental Activities	
Lopez Flood Control	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
				Continued from previous page
				Liabilities
				Current liabilities:
$ -	$ -	$ 68	$ 479	Salaries and benefits payable
78	7	4,454	1,450	Accounts payable
609	-	675	-	Interest payable
-	-	-	7,395	Self insurance payable
-	225	2,880	269	Deposits from others
-	-	-	-	Due to other gov. agencies
600	226	826	19	Due to other county funds
-	-	144	1,139	Accrued vacation - current
1,316	71	2,408	-	Deferred revenue
-	132	132	-	Notes and bonds payable - current
525	-	731	-	Leases payable - current
3,128	661	12,319	10,751	Total current liabilities
				Noncurrent liabilities:
-	-	-	16,879	Self insurance liability
-	191	2,087	-	Advances from other funds
-	3,150	3,150	-	Notes and bonds payable
27,400	-	35,086	-	Leases payable
-	-	59	332	Accrued vacation and sick leave
91	-	91	-	Other long-term debt
27,491	3,341	40,473	17,211	Total noncurrent liabilities
30,619	4,002	52,792	27,962	Total liabilities
				Net assets
16,991	11,333	107,964	9,905	Invested in capital assets, net of related debt
-	-	965	396	Restricted
3,439	10,013	21,745	(3,520)	Unrestricted
$ 20,430	$ 21,346	130,674	$ 6,781	Total net assets

Adjustment to reflect the consolidation of internal service activities related to enterprise funds	(3,743)
Net assets of business-type activities	$ 126,931

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

COUNTY OF SAN LUIS OBISPO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Business-type Activities - Enterprise Funds			
	Airport	Golf	Medical Services	State Water Project
Operating revenues:				
Charges for current services	$ 2,742	$ 2,833	$ 7,431	$ 5,071
Total operating revenues	2,742	2,833	7,431	5,071
Operating expenses				
Salaries and benefits	779	1,202	5,002	-
Services and supplies	1,761	807	10,562	-
Other charges	-	372	414	4,839
Insurance benefit payments	-	-	-	-
Insurance premiums	-	-	267	-
Depreciation	488	390	310	203
Countywide cost allocation	8	282	921	-
Total operating expenses	3,036	3,053	17,476	5,042
Operating income (loss)	(294)	(220)	(10,045)	29
Nonoperating revenues:				
Property taxes	-	-	-	652
Other taxes	351	-	-	1
Interest income	6	14	3	142
Aid from governmental agencies	1,393	-	-	8
Other nonoperating revenues	2,104	95	222	12
Total nonoperating revenue	3,854	109	225	815
Nonoperating expenses:				
Fiscal charges	-	-	-	-
Loss on sale of assets	-	-	441	-
Interest expense	-	-	-	-
Other nonoperating expenses	-	-	-	-
Total nonoperating expense	-	-	441	-
Income (loss) before contribution and transfers	3,560	(111)	(10,261)	844
Transfers in	229	-	10,096	-
Transfers (out)	(54)	(31)	(123)	-
Capital contributions	-	-	-	-
Change in net assets	3,735	(142)	(288)	844
Net assets - beginning	30,397	7,315	3,922	43,115
Total net assets - ending	$ 34,132	$ 7,173	$ 3,634	$ 43,959

Continued on next page

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

COUNTY OF SAN LUIS OBISPO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

Business-type Activities - Enterprise Funds			Governmental Funds	
Lopez Flood Control	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
				Operating revenues:
$ 3,057	$ 4,446	$ 25,580	$ 58,998	Charges for current services
3,057	4,446	25,580	58,998	Total operating revenues
				Operating expenses
-	-	6,983	14,136	Salaries and benefits
-	28	13,158	36,863	Services and supplies
1,221	5,994	12,840	569	Other charges
-	-	-	10,710	Insurance benefit payments
-	-	267	1,520	Insurance premiums
198	359	1,948	1,851	Depreciation
-	-	1,211	1,596	Countywide cost allocation
1,419	6,381	36,407	67,245	Total operating expenses
1,638	(1,935)	(10,827)	(8,247)	Operating income (loss)
				Nonoperating revenues:
1,025	1,045	2,722	-	Property taxes
5	-	357	-	Other taxes
86	218	469	322	Interest income
10	907	2,318	-	Aid from governmental agencies
-	33	2,466	121	Other nonoperating revenues
1,126	2,203	8,332	443	Total nonoperating revenue
				Nonoperating expenses:
2,064	-	2,064	-	Fiscal charges
19	113	573	30	Loss on sale of assets
-	96	96	-	Interest expense
-	3	3	-	Other nonoperating expenses
2,083	212	2,736	30	Total nonoperating expense
681	56	(5,231)	(7,834)	Income (loss) before contribution and transfers
7	104	10,436	-	Transfers in
-	(14)	(222)	(385)	Transfers (out)
-	124	124	79	Capital contributions
688	270	5,107	(8,140)	Change in net assets
19,742	21,076	125,567	14,921	Net assets - beginning
$ 20,430	$ 21,346	130,674	$ 6,781	Total net assets - ending

Reconciliation of enterprise funds change in net asets to statement of activities:	
Change in net asets	5,107
Adjustments to reflect to consolidation of internal service fund activities related to enterprise funds	(900)
	$ 4,207

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

COUNTY OF SAN LUIS OBISPO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Business-type Activities - Enterprise Funds			
	Airport	Golf	Medical Services	State Water Project
Cash flows from operating activities:				
Receipts from customers, patients, third parties	$ 2,460	$ 2,813	$ 6,372	$ 5,409
Receipts from interfund billings	-	-	-	-
Cash received from other sources	-	95	738	-
Payments for goods and services	(1,765)	(1,030)	(13,238)	(4,526)
Payments to employees for service	(766)	(1,196)	(5,704)	-
Payments for insurance benefits	-	-	-	-
Payments for premiums	-	-	-	-
Payments to other sources	-	(372)	-	-
Net cash provided (used) by by operating activities	(71)	310	(11,832)	883
Cash flows from noncapital financing activities:				
Property tax proceeds	351	-	-	653
Grants and subsidies from other gov't agencies	1,393	14	-	8
Borrowings from other gov'tl agencies	-	-	-	-
Transfers from other funds	229	-	9,973	-
Transfers to other funds	(54)	(31)	-	-
Net cash used by capital and related financing activities	1,919	(17)	9,973	661
Cash flows from capital and related financing activities:				
Purchases and construction of capital assets	(1,283)	(62)	(30)	(1,155)
Proceeds from sale of capital assets	-	-	(146)	-
Principal paid on capital debt	-	(201)	-	-
Interest paid on capital debt	-	-	-	-
Capital contributions	(123)	-	-	-
Other capital related activity	-	-	-	4
Net cash (used) by capital and related financing activities	(1,406)	(263)	(47)	(1,151)
Cash flows from investing activities:				
Interest received	6	-	3	142
Other investing activities	-	-	-	-
Net increase (decrease) in cash and cash equivalents	448	30	(1,903)	535
Total cash and cash equivalents, beginning of year	873	967	2,155	10,533
Total cash and cash equivalents, end of year	$ 1,321	$ 997	$ 252	$ 11,068

Continued on next page

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

COUNTY OF SAN LUIS OBISPO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

Business-type Activities - Enterprise Funds			Governmental Activities	
Lopez Flood Control	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
				Cash flows from operating activities:
$ -	$ 4,565	$ 21,619	$ -	Receipts from customers, patients, third parties
-	-	-	59,141	Receipts from interfund billings
3,385	18	4,236	-	Cash received from other sources
(1,246)	(5,841)	(27,646)	(55,199)	Payments for goods and services
-	-	(7,666)	(861)	Payments to employees for service
-	-	-	(7,907)	Payments for insurance benefits
-	-	-	(1,520)	Payments for premiums
-	(425)	(797)	-	Payments to other sources
2,139	(1,683)	(10,254)	(6,346)	Net cash provided (used) by by operating activities
				Cash flows from noncapital financing activities:
1,025	1,045	3,074	-	Property tax proceeds
10	905	2,330	-	Grants and subsidies from other gov't agencies
-	2	2	-	Borrowings from other gov'tl agencies
-	190	10,392	-	Transfers from other funds
1,041	(99)	857	359	Transfers to other funds
2,076	2,043	16,655	359	Net cash used by capital and related financing activities
				Cash flows from capital and related financing activities:
(3,327)	(757)	(6,614)	(1,220)	Purchases and construction of capital assets
-	(115)	(261)	1,945	Proceeds from sale of capital assets
(1,400)	(379)	(1,980)	-	Principal paid on capital debt
(2,198)	(96)	(2,294)	-	Interest paid on capital debt
-	124	1	-	Capital contributions
206	2	212	40	Other capital related activity
		-		
(6,719)	(896)	(10,482)	765	Net cash (used) by capital and related financing activities
				Cash flows from investing activities:
91	225	467	322	Interest received
-	-	-	1	Other investing activities
(2,413)	(311)	(3,614)	(4,899)	Net increase (decrease) in cash and cash equivalents
8,430	10,050	33,008	29,331	Total cash and cash equivalents, beginning of year
$ 6,017	$ 9,739	$ 29,394	$ 24,432	Total cash and cash equivalents, end of year

Continued on next page

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

COUNTY OF SAN LUIS OBISPO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Business-type Activities - Enterprise Funds			
	Airport	Golf	Medical Services	State Water Project
Continued from previous page				
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (294)	$ (220)	$ (10,045)	$ 29
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	488	390	310	203
Other nonoperating revenue (expense)	-	93	6,355	-
Change in assets and liabilities:				
Receivables, net	3	(19)	(6,836)	255
Other receivables	(285)	-	(189)	81
Inventory	-	-	535	-
Accounts Payable	6	132	(853)	297
Accrued payroll liabilities	11	9	(144)	-
Accrued vacation	-	-	(434)	-
Self insurance liability	-	-	-	-
Other accrued liabilities	-	(75)	(534)	18
Net cash provided by operating activities	$ (71)	$ 310	$ (11,832)	$ 883

Noncash investing, capital and financing activities:
Variours departments transferred vehicles to the garage internal service fund with a total net book value of $79
The hospital retired capital assets with a net value of $ 444

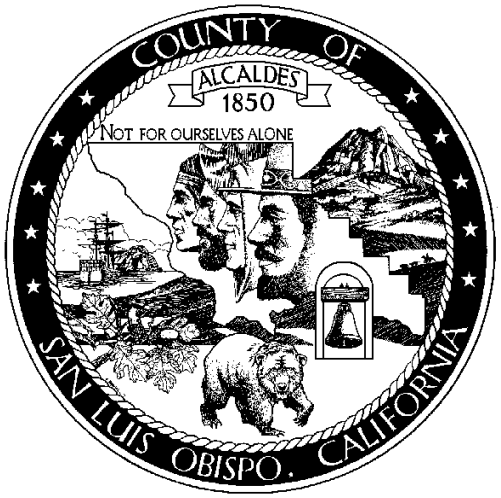
Continued on next page

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

COUNTY OF SAN LUIS OBISPO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

Business-type Activities - Enterprise Funds			Governmental Activities	
Lopez Flood Control	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
				Continued from previous page
				Reconciliation of operating income (loss) to net cash provided (used) by operating activities:
$ 1,638	$ (1,935)	$ (10,827)	$ (8,247)	Operating income (loss)
				Adjustments to reconcile operating income to net cash provided by operating activities:
198	359	1,948	209	Depreciation expense
-	19	6,467	(262)	Other nonoperating revenue (expense)
				Change in assets and liabilities:
27	162	(6,408)	46	Receivables, net
877	(309)	175	-	Other receivables
-	-	535	(29)	Inventory
(601)	(11)	(1,030)	(882)	Accounts Payable
-	-	(124)	9	Accrued payroll liabilities
-	-	(434)	(5)	Accrued vacation
-	-	-	2,815	Self insurance liability
-	32	(559)	-	Other accrued liabilities
$ 2,139	$ (1,683)	$ (10,254)	$ (6,346)	Net cash provided by operating activities

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


COUNTY OF
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1850
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SAN LUIS OBISPO, CALIFORNIA

COUNTY OF SAN LUIS OBISPO
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY AND INVESTMENT TRUST FUNDS
JUNE 30, 2004 (in thousands)
SAN LUIS OBISPO PENSION TRUST FUND
DECEMBER 31, 2003 (in thousands)

	Agency Funds 6/30/2004	Investment Trust Funds 6/30/2004	San Luis Obispo County Pension Trust 12/31/2003
Assets			
Cash and cash equivalents	$ 35,654	$ 175,702	$ 43,310
Accrued interest & dividends receivable	-	-	57
Notes receivable, short term	-	-	65
Notes receivable	-	-	8,845
Prepaid benefits	-	-	1,135
Restricted cash with fiscal agent	-	-	557,640
Capital assets-net of accumulated depreciation	-	-	338
Total assets	35,654	175,702	611,390
Liabilities			
Agency obligations	35,654	-	-
Accrued liabilities	-	-	249
Total liabilities	35,654	-	249
Net assets			
Assets held in trust for pool participants	-	175,702	-
Assets held in trust for pension benefits	-	-	611,141
Total net assets	$ -	$ 175,702	$ 611,141

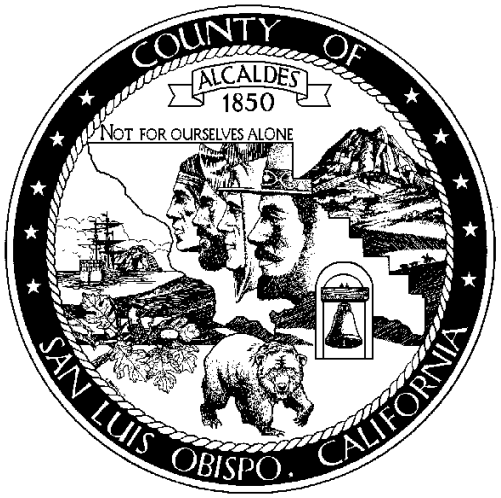
The notes to the financial statements are an integral part of this statement

COUNTY OF SAN LUIS OBISPO
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
INVESTMENT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)
SAN LUIS OBISPO PENSION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2003 (in thousands)

	Investment Trust Funds 6/30/2004	San Luis Obispo County Pension Trust 12/31/2003
Additions		
Contributions:		
County contributions	$ 699,301	$ 150,816
Member contributions	-	12,137
Total contributions	699,301	162,953
Investment earnings:		
Net increase (decrease) in fair value of investments	-	52,226
Realized Gains and Losses:		
Realized Gains	-	557
Realized Losses	-	(616)
Interest	2,292	14,772
Dividends	-	3,070
Real estate management trust income	-	5,697
Rental real estate:		
Real estate operating income	-	1,954
Real estate operating expenses	-	(691)
Total investment earnings	2,292	76,969
Total additions	701,593	239,922
Deductions		
Benefits:		
Monthly Benefit payments	-	16,577
Termination refunds	-	1,202
Death Benefits	-	224
Total benefits	-	18,003
Administrative expenses	-	1,162
Amortization of prepaid County contribution	-	176
Total Administrative expenses	-	1,338
Distributions from investment pool	715,664	-
Total deductions	715,664	19,341
Change in net assets	(14,071)	220,581
Net assets - beginning	189,773	390,560
Net assets - ending	$ 175,702	$ 611,141

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

NOTES TO THE FINANCIAL STATEMENTS


COUNTY OF
ALCALDES
1850
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SAN LUIS OBISPO, CALIFORNIA

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL REPORTING ENTITY

The County of San Luis Obispo (the County) was established by an act of the Legislature on February 18, 1850 as one of California's original 27 Counties. The County is a political subdivision of the State of California and may exercise the powers specified by the Constitution and laws of the State. The County exercises its powers through an elected five member Board of Supervisors. The County provides various services on a countywide basis including public protection, public ways and facilities, health and sanitation, public assistance, education, recreational and cultural services.

Blended Component Units

The accompanying financial statements report on the financial activities of the County and those County-related entities that meet the criteria for component units established by the Governmental Accounting Standards Board (GASB), Statement 14. These component units are so intertwined with the County that they are, in substance, the same as the County and, therefore, are blended and reported as if they were part of the County. According to GASB Statement No. 14, blended component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The blended component units' governing bodies are substantively the same as the governing body of the primary government. In addition, blended component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County, therefore, has included the following entities in its government-wide, governmental fund and proprietary fund financial statements:

San Luis Obispo County Area Transit District – The District provides Dial-A-Ride, taxi subsidies, trolley and other modes of public transportation in a specified area within the County of San Luis Obispo.

County Service Areas – County service areas have been established for the purpose of providing specific services to distinct geographical areas within the County. These services include drainage and sewer collections facilities maintenance, street lighting energy charges, centralized septic services, wastewater disposal and treatment, fire and emergency medical services in various unincorporated areas of the County.

Flood Control and Water Conservation Districts – Flood control and water conservation districts have been established for the purpose of providing specific flood and conservation services to distinct geographical areas within the County. These services include weather and hydrological data collections services, delivery, water treatment, and water distribution services, and the construction of the Lopez Dam Seismic Remediation project.

San Luis Obispo County Financing Authority **-** The Authority was created to assist in the financing, construction, and equipping of public facilities for one or both of the members.

San Luis Obispo County Public Facilities Corporation **-** The PFC is a nonprofit public benefit corporation organized to assist public agencies within the County of San Luis Obispo with the acquisition and construction of various public facilities. Additional detailed information and/or separately issued financial statements for each of these entities can be obtained from the County of San Luis Obispo Auditor-Controller's office located at the County Government Center Room D220, San Luis Obispo, CA 93408.

Also included in the accompanying financial statements as investment trust funds are the assets of numerous self-governed schools, special districts, regional boards and authorities for which the County Treasurer acts as custodian of those assets. The financial reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments and the related fiduciary responsibility of the County for disbursement of these assets. Activities of these entities are administered by separate boards and are independent of the County Board of Supervisors. The County

Auditor-Controller makes disbursements upon the request of the entity's officers. The County Board of Supervisors has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, nor to appropriate surplus funds available in these entities. Seven cities and numerous self-governed special districts provide services to the residents of the County. The operations of these entities have been excluded from the basic financial statements as each entity conducts its own day-to-day operations and answers to its own governing board.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The Government-wide financial statements consist of the statement of net assets and the statement of activities that report information about the County and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The statements distinguish between governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for good or services.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or functions and, therefore, are clearly identifiable to a particular function. Indirect expenses are allocated based on the County-wide Cost Allocation Plan have been made in the funds and are been eliminated for the statement of activities.

Amounts reported as *program revenues* include 1) fees, fines and charges to customers or applicants for goods or services offered by the programs, 2) operating grants and contributions that are restricted to meeting the operational requirements of a particular program, and 3) capital grants and contributions restricted to particular programs. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the County enterprises funds (Airport, Golf, Medical Services, State Water Project and Lopez Flood Control Project) and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fund Financial Statements

The fund financial statements report detailed information about the County's funds, including fiduciary funds and blended component units. Separate statements are provided for each fund category – Governmental, Proprietary, and Fiduciary even though the latter are excluded from the Government-wide financial statements. The emphasis of the Governmental and Proprietary Fund financial statements is on major individual funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements.

The County reports the following Major Governmental Funds:

- The General Fund is the County's primary operating fund. The General Fund is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education, and recreational and cultural services.

- The Capital Projects Fund is used to account for the financial resources restricted for the acquisition or construction of specific projects, or items other than those financed by proprietary funds.

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

The County reports the following Major Proprietary Funds:

- The Airport Fund accounts for the maintenance, operations, and development of the County owned commercial service airports in San Luis Obispo and Oceano.
- The Golf Course Fund accounts for the operations and maintenance of the County owned golf courses located in Atascadero, Morro Bay, and San Luis Obispo.
- The Medical Services Fund accounts for the operations of the County General Hospital, which provides needed health services to all the citizens of the County.
- The State Water Contract Fund accounts for revenues, expenses and net assets relating to the countywide taxpayers' obligations associated with the State Water Project, which provides for the delivery of state water into the County.
- The Lopez Dam Flood Control Fund accounts for the maintenance, water treatment and water distribution services of the Lopez Dam Flood Control Zone 3, which provides water to south San Luis Obispo County and the activities of the Lopez Dam Seismic Remediation Project.
- Additionally, the County reports on internal service funds. Internal service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or to other governments on a cost-reimbursement basis. Internal Service Funds account for the activities of equipment maintenance services, centralized printing services, and self-insurance programs such as workers' compensation, long-term disability, employee benefits, and personal injury and property damage.

The County reports the following Fiduciary Funds:

- Pension Trust Fund accumulates contributions from the County, its employees, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula) and administrative expenses. This fund includes all assets of the San Luis Obispo County Pension Trust as of December 31, 2003.
- Investment Trust Funds accounts for the assets of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The County reports on 98 different Investment Trust Funds.
- Agency Funds account for the resources held by the County in a custodial capacity on behalf of other agencies. The County reports on 94 different Agency Funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The Government-wide, Proprietary, and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property, sales, and transient occupancy taxes, grants, entitlements, and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from sales and occupancy taxes are recognized when the underlying transactions take place. Revenues from grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they become both measurable and available. The County considers all revenues in governmental funds to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of

the current period. For this purpose, the County considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenues are considered to be available if they are collected within 120 days of the end of the current fiscal period. It is the County's policy to submit reimbursement and claim requests for federal and state grant revenues within 30 days of the end of the program cycle and payments are generally received within 90 days. Property taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures generally are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claim and judgments, are recognized as expenditures only to the extent that payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

In general, the effect of interfund activity has been eliminated from the Government-wide financial statements. Exceptions to this general rule are billings by the Medical Services Enterprise Fund for medical or laboratory services provided at market or near market rates. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

D. ASSETS, LIABILITIES, AND FUND EQUITY

Deposits and Investments

As required by Government Code Section 27130, a treasury oversight committee serves the County. The committee consists of a representative appointed by the Board of Supervisors, the Auditor-Controller, Superintendent of Schools, a representative from the County's school districts and community college, and one member from the public at large. The committee meets quarterly and is subject to the California open meeting statutes.

Cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held by the County Treasurer are stated at fair value at June 30, 2004. The fair value of pooled investments is determined annually and is based on current market prices.

The County pool is not registered with the Securities and Exchange Commission as an investment company and does not issue separate investment reports. The County has not provided or obtained any legally binding guarantees to support the value of the shares. Participants may withdraw up to the amortized cost of their respective shares as displayed on the combined balance sheet. The share of the Treasurer's pool related to involuntary participants is 96.9 percent.

Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All short-term cash surpluses are maintained in the County Treasury cash and investments pool, the earnings from which are allocated quarterly to each fund based on average daily cash balances.

Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Medical Services accounts receivable are shown net of two types of allowances for uncollectible amounts. The "allowance for doubtful accounts" is set up based on historical collections for receivables not covered by any type of insurance. The "allowance for contract allowances" represents the difference between what is billed and what will be paid under a contractual arrangement with insurance agencies. No uncollectible allowance is recorded for enterprise special district receivables, which are primarily for water service billings. These receivables are written off in the year they become uncollectible.

Property Tax

The County is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County, including school, cities, and special districts. Property taxes, for which the lien date is January 1, are payable in two equal installments, November 1 and February 1, and become delinquent on December 10 and April 10, respectively. Property taxes receivable are recognized when levied. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent on August 31. The County is permitted by Article XIII-A of the State of California Constitution (known as Proposition 13) to levy a maximum tax of $1.00 per $100.00 of full cash value. The bills are payable in equal installments, November 1st and February 1st and become delinquent on December 10th and April 10th, respectively. Property taxes are accounted for in the Unapportioned Property Tax and Interest Fund, an Agency Fund, until apportionment and disbursement to the taxing jurisdictions. Property tax receivables are recognized when levied.

Beginning in 1993-1994, the County of San Luis Obispo adopted the "Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds" provided for in Revenue and Taxation Code Sections 4701-4717, which is commonly known as the "Teeter Plan". The Teeter Plan has no impact on tax rates or collection procedures. It merely changes the way the collections of delinquent taxes and penalties are distributed among the taxing agencies. Those agencies participating in the Teeter Plan receive 100% of the secured property taxes billed each year without regard to delinquencies. The General Fund covers the delinquent amount to all agencies and, in return, receives the delinquent taxes, penalties and interest when collected. As a result of the Teeter Plan, secured property taxes receivable are recorded in the General Fund only, and there is no allowance for uncollectible amounts. Penalties and interest are deposited into the Tax Loss Reserve Fund. Once the Tax Loss Reserve Fund balance exceeds 25% of the secured delinquent roll, the excess can be credited to the General Fund. The County General Fund internally financed the delinquent payment to all Teeter Plan participants by borrowing $1,500,000 from the County Treasury (as provided in Revenue and Taxation Code Section 4705). The principal and interest (1.96%) on the borrowing will be repaid June 11, 2004.

The Teeter Plan was amended beginning fiscal year 2001/2002 by removing unitary tax payments (including PG&E), so that all agencies in the County will share in any delinquency that may occur.

Unsecured property is not part of the Teeter Plan. Unsecured property taxes receivable are accrued to taxing agencies, net of the uncollectible amount which is estimated based on prior year collections.

Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Inventories and Prepaid Items

Inventories held by the Public Works, Reprographics and the Garage Internal Service Funds, and the Medical Services Enterprise Fund are carried at cost (first-in, first-out). The Internal Service Funds inventories, and the Medical Services warehouse inventory are controlled by perpetual inventory systems, and are adjusted as appropriate to reflect year-end physical inventory counts. Governmental funds record inventory as expenditures when purchased.

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

Capital Assets

Capital assets, which include land, structures and improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the Government-wide financial statements. Capital assets are defined as assets with an initial individual cost greater than the capitalization threshold for the specified type of asset and an estimated useful life beyond a single fiscal period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. General infrastructure assets acquired prior to July 1, 1980, are reported at estimated historical cost using deflated replacement costs.

Normal maintenance and repairs are not capitalized, but are charged to operations when incurred. Betterments or major improvements, which significantly increase values, change capacities, or extend useful lives, are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Capital outlays are recorded as expenditures in the General, Special Revenue, and Capital Projects Funds and as capital assets in the Government-wide financial statements to the extent the County's capitalization thresholds are met. Interest incurred, during construction phase, on financing capital assets of business-type activities is reflected in the capitalized value of the asset constructed net of interest earned on the invested proceeds over the same period. Amortization of assets acquired under capital leases is included in depreciation and amortization. Facilities and improvements, infrastructure, and machinery and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the estimated useful lives.

The capitalization thresholds and estimated useful lives of specific asset types are as follows:

Asset Type	Capitalization Threshold	Estimated Useful Life
Land	No threshold	----------
Infrastructure	$100,000	20 to 100 years
Structures & Improvements	$25,000	15 to 50 years
Equipment	$5,000	2 to 15 years
Capital Lease	By asset type	Lease term or useful life

Compensated Absences

The County's policy is to permit employees to accumulate earned but unused vacation and sick leave benefits. Each year-end, a liability is accrued for the balance of unpaid compensatory time off, sick leave, and vacation earned.

Accumulated benefits will be liquidated in future years as employees elect to use them. In the normal course of business, all payments of these accumulated benefits will be funded from appropriations in the year in which they are to be paid; therefore the total liability is recorded as long-term. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee designations and retirements.

Long-term Obligations

In the Government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

E. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

DETAIL NOTES ON ALL FUNDS

2. CASH AND CASH EQUIVALENTS

Cash in Treasury

The County's investment policies are governed by the California Government Codes. Under the parameters established by the California Government Code, the County may purchase: obligations issued by the United States Treasury; obligations, participations, or other instruments of or issued by a federal agency or a United States government sponsored enterprise; obligations of state and local agencies of this state; bankers acceptances; commercial paper; negotiable certificates of deposit; repurchase agreements; medium-term corporate notes; as well as other investments established by the California Government Code.

The County maintains a combined pool with cash and investments which provide cash flow for the funding needs of the County and local agencies required by law to keep funds in the Treasury.

The combined pool's investments are valued using the amortized cost method and includes accrued interest. The amortized cost method approximates fair value, with no material differences. This pool, which is available to all funds, has deposits and investments with a weighted-average maturity of less than one year. Interest is apportioned to the separate funds based on the individual fund's average daily balance.

Deposits: At year end the carrying amount of the County's Treasury deposits was $5,876,855. Of this amount, $5,825,882 was maintained in financial institutions and $50,973 was held in the Treasury. Of the balance in financial institutions $400,000 was covered by federal depository insurance and $5,425,882 was covered by collateral having a market value of at least 10% in excess of the total amount on deposit as governed by the Administrator of Local Agency Security of the State of California. The County's deposits are considered to be in risk categories 1 and 2, during the fiscal year.

In accordance with the Governmental Accounting Standards Board Statement 3, the County's deposits are categorized in the following manner (in thousands):

	Carrying Amount	Bank Balance
Category 1 – Insured or collateralized with securities held by the County or by its agent in the County's name	$ 400	$ 400
Category 2 – Collateralized with securities held by the pledging of financial institution's trust department or agent in the County's name	5,426	5,488
Total	$ 5,826	$ 5,888

Investments: Securities held in a customer-segregated safekeeping account during the fiscal year. Repurchase agreements were collateralized 102% with government and agency securities in accordance with multi-party agreements on file with the Treasurer. Safekeeping statements were requested from the appropriate institutions and verified against records maintained in the Treasury.

GASB 31 requires governmental external investment pools to report certain investments at fair value in the financial statements and report the change in the fair value of investments in the year in which the change occurred. In compliance with these requirements, the fair value of the County's combined pool is determined annually and is based on current market prices received from the securities custodian, broker bids, and LAIF, except for instruments which are carried at amortized cost plus accrued interest. The fair value of the participants' position in the pool is the same as the value of the pool shares. The County Treasury has provided a dollar factor in the Quarterly Report of Investments, which can be used for financial reporting by the pool participants.

The County's combined pool has invested in the State Local Agency Investment Fund (LAIF). The fair value of the investments in LAIF is the same value of the pool shares. Market valuation is conducted quarterly, the factor of which is provided by LAIF are authorized under Government Code Section 16430 and 16480.4, in line with the goals of safety, liquidity and yield. As of June 30, 2004, the LAIF pool includes structured notes and asset-backed securities, which total 1.603% of the total portfolio. LAIF has oversight by the Local Investment Advisory Board (LIAB), which consists of five members as designated by statute. The Chairman of the LIAB is the State Treasurer or his designated representative.

The County's investments are detailed below. In order to standardize the reporting of risk categories as they pertain to the investment of public funds, as outlined by GASB 3, each type of investment is classified into one of three categories. Category 1 pertains to securities insured or registered, or securities held by the County or its agents in the County's name. Category 2 refers to uninsured and unregistered securities held by the counter party's trust department or agent in the County's name. Category 3 includes uninsured and unregistered securities held by the counterparty, or its trust department or agent but not in the County's name. All the County's investments during the fiscal year were in Category 1.

The County's investments by category as of June 30, 2004, are as follows (in thousands):

Instrument	Maturity Dates	Coupon Rate %	Category 1	Carrying Amount	Fair Value	Par Value
Amounts Invested in pooled treasury fund						
U.S. Government & Federal Agencies						
	7/01/04-5/15/07	0.89-6.50%	$ 376,579	$ 376,579	$ 374,715	$ 374,000
Banker's Acceptances	7/06/04-10/04/04	1.03-1.09%	20,627	20,627	20,611	20,664
Repurchase Agreements	7/01/04	1.09%	13,814	13,814	13,814	13,814
			$ 411,020	411,020	409,140	408,478
Investment in Local Agency fund				40,127	40,063	40,000
Teeter Note	6/10/05	1.96%		1,502	1,502	1,530
Total Investments in County Treasury				452,649	450,705	450,008

County's investments continued (in thousands):

Instrument	Carrying Amount	Fair Value	Par Value
Amounts Not Required to be Categorized			
Treasury Cash in Hand and in Banks	5,877	5,877	5,877
Deposits in Transit	3,813	3,813	3,813
Outstanding Warrants	(16,527)	(16,527)	(16,527)
Total Cash in Treasury	445,812	443,868	443,171
Other Cash Deposits	956	956	956
Total cash and cash equivalents in Treasurer's investments pool	$ 446,768	$ 444,824	$ 443,127

Restricted Cash with Fiscal Agent	Carrying Amount	Fair Value	Par Value
U.S. Government & Federal Agencies	$ 2,340	$ 2,398	$ 2,398
Guaranteed Investment Contract	978	978	978
	$ 3,378	$ 3,376	$ 3,376

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2004 (in thousands):

	Carrying Amount	Fair Value
Statement of Net Assets:		
Net assets held for pool participants	$ 446,768	$ 444,824
Equity of internal pool participants	$ 271,066	269,122
Equity of external pool participants (voluntary and involuntary)	175,702	175,702
Total Equity	$ 446,768	$ 444,824
Statement of Changes in Net Assets:		
Revenue	$ 7,306	$ 7,306
Investment Costs	(1,009)	(1,009)
Net Deposits	13,119	13,119
Change in fair value	-	3,006
Net change in pool	19,416	22,422
Net Assets at July 1, 2003	466,184	467,244
Net Assets at June 30, 2004	$ 446,768	$ 444,824

Restricted Cash with Fiscal Agent

Cash and investments at June 30, 2004 that are restricted by legal or contractual requirements are comprised of the following (in thousands):

Various Governmental Funds	Amount
Required lease reserves for long term debt	$ 3,017
Restricted interest on lease reserves	361
Total Restricted Cash	$ 3,378

Other Cash Deposits

Year-end, the carrying amount of the County's other cash deposits was $956,000 and the combined financial institutions' balance was $975,000. The difference of $19,000 between the County's deposit balance and the financial institutions' balance results from transactions in transit, and outstanding warrants and bond coupons. The entire bank balance of $975,000 was covered by federal depository insurance or by collateral held by County's agent in the County's name.

3. RECEIVABLES

Receivables at year end of the County's major individual funds and nonmajor and Internal Service Funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows (in thousands):

	Governmental Activities	Business-type Activities				Governmental Activities
		Medical Services	State Water Project	Lopez Flood Control	Nonmajor Enterprise funds	Internal Service Funds
Accounts Receivable	$ 5	$ -	$ 216	$ 3	$ 1,620	$ 7
Patient Accounts Receivable	-	24,854	-	-	-	-
Allow. for Doubtful Accounts	-	(6,373)	-	-	(1,509)	-
Allow. for Contractuals	-	(15,806)	-	-	-	-
Net Accounts Receivable	$ 5	$ 2,675	$ 216	$ 3	$ 111	$ 7

4. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2004, is as follows (in thousands):

Governmental Activities:

	Balance July 1, 2003	Increases	Decreases	Balance June 30, 2004
Capital assets not depreciated:				
Land	$ 13,086	$ 258	$ -	$ 13,344
Construction in Progress	21,721	19,514	5,257	35,978
Infrastructure	757,696	-	-	757,696
Total capital assets not depreciated	792,503	19,772	5,257	807,018
Capital assets depreciated:				
Structures and improvements	82,893	5,257	365	87,785
Equipment	41,073	3,301	2,048	42,326
Infrastructures	191,880	10,834	7,214	195,500
Total capital assets depreciated	315,846	19,392	9,627	325,611

Continuation of Governmental Activities	Balance July 1, 2003	Increases	Decreases	Balance June 30,2004
Less accumulated depreciation:				
Structures and improvements	30,980	2,497	193	33,284
Equipment	21,473	4,153	1,955	23,671
Infrastructures	90,761	8,866	7,213	92,414
Total accumulated depreciation	143,214	15,516	9,361	149,369
Total capital assets depreciated, net	172,632	3,876	266	176,242
Government activities capital assets, net	$ 965,135	$ 23,648	$ 5,523	$ 983,260

Business Activities:

Business Activities Airport:	Balance July 1, 2003	Increases	Decreases	Balance June 30, 2004
Capital assets not depreciated:				
Land	$ 13,154	$ 39	$ -	$ 13,193
Construction in Progress	2,498	1,197	-	3,695
Total capital assets not depreciated	15,652	1,236		16,888
Capital assets depreciated:				
Structures and improvements	21,616	-	-	21,616
Equipment	119	47	4	162
Total capital assets depreciated	21,735	47	4	21,778
Less accumulated depreciation:				
Structures and improvements	3,603	484	-	4,087
Equipment	97	5	4	98
Total accumulated depreciation	3,700	489	4	4,185
Total capital assets depreciated, net	18,035	442	-	17,593
Airport activities capital assets, net	$ 33,687	$ 794	$ -	$ 34,481
Business Activities Golf				
Capital assets not depreciated:				
Land	$ 1,333	$ -	$ -	$ 1,333
Construction in Progress		62	-	62
Total capital assets not depreciated	1,333	62		1,395
Capital assets depreciated:				
Structures and improvements	15,941	-	-	15,941
Machinery and equipment	545	-	-	545
Total capital assets depreciated	16,486	-	-	16,486
Less accumulated depreciation:				
Structures and improvements	3,104	300	-	3,404
Machinery and equipment	367	90	-	457
Total accumulated depreciation	3,471	390	-	3,861
Total capital assets depreciated, net	13,015	(390)	-	12,625
Golf activities capital assets, net	$ 14,348	$ (328)	$ -	$ 14,020

Continuation of Business Activities Business Activities Medical Services	Balance July 1, 2003	Increases	Decreases	Balance July 1, 2004
Capital assets not depreciated:				
Land	$ 267	$ -	$ -	$ 267
Total capital assets not depreciated	267	-	-	267
Capital assets depreciated:				
Structures and improvements	6,442	-	-	6,442
Equipment	3,793	-	3,793	-
Total capital assets depreciated	10,235	-	3,793	6,442
Less accumulated depreciation:				
Structures and improvements	5,315	171	-	5,486
Equipment	3,210	139	3,349	
Total accumulated depreciation	8,525	310	3,349	5,486
Total capital assets depreciated, net	1,710	(310)	444	956
Medical Services capital assets, net	$ 1,977	$ (310)	$ 444	$ 1,223
Business Activities State Water Project				
Capital assets not depreciated:				
Water rights	$ 29,642	$ 1,155	$ -	$ 30,797
Construction in Progress	13	7		20
Total capital assets not depreciated	29,655	1,162	-	30,817
Capital assets depreciated:				
Structures and improvements	9,678	-	-	9,678
Equipment	141	-	-	141
Total capital assets depreciated	9,819	-	-	9,819
Less accumulated depreciation:				
Structures and improvements	768	190	-	958
Equipment	34	14	-	48
Total accumulated depreciation	802	204	-	1,006
Total capital assets depreciated, net	9,017	(204)	-	8,813
State Water capital assets, net	$ 38,672	$ 958	$ -	$ 39,630
Business Activities Lopez Flood Control				
Capital assets not depreciated:				
Land	$ 2,096	$ -	$ -	$ 2,096
Construction in Progress	29,491	3,328	30,328	2,491
Water rights	1,926	-	3	1,923
Total capital assets not depreciated	33,513	3,328	30,331	6,510

Continuation of Business Activities
Lopez Flood Control

Capital assets depreciated:	Balance July 1, 2003	Increases	Decreases	Balance July 1, 2004
Structures and improvements	13,698	30,328	166	43,860
Equipment	176	-	3	173
Total capital assets depreciated	13,874	30,328	169	44,033
Less accumulated depreciation:				
Structures and improvements	5,356	201	165	5,392
Equipment	135	15	6	144
Total accumulated depreciation	5,491	216	171	5,536
Total capital assets depreciated, net	8,383	30,112	(2)	38,497
Lopez Flood Control capital assets, net	$ 41,896	$ 33,440	$ 30,329	$ 45,007

Business Activities Other

Capital assets not depreciated:				
Land	$ 216	$ -	$ -	$ 216
Construction in Progress	6,124	568	260	6,432
Total capital assets not depreciated	6,340	568	260	6,648
Capital assets depreciated:				
Structures and improvements	14,650	260	151	14,759
Equipment	806		34	772
Total capital assets depreciated	15,456	260	185	15,531
Less accumulated depreciation:				
Structures and improvements	7,058	122	55	7,125
Equipment	517	21	99	439
Total accumulated depreciation	7,575	143	154	7,564
Total capital assets depreciated, net	7,881	117	31	7,967
Other Business funds capital assets, net	$ 14,221	$ 685	$ 291	$ 14,615

Total Business-type Activities:

Nondepreciable capital assets	$ 86,760	$ 6,356	$ 30,591	$ 62,525
Depreciable capital assets, net	58,041	28,883	473	86,451
Total Business-type capital assets, net	$ 144,801	$ 35,239	$ 31,064	$ 148,976

Depreciation expense

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

Governmental Activities		Amount
General Government	$	1,767
Public Protection		2,177
Public Ways and Facilities		8,888
Health and Sanitation		97
Public Assistance		319
Education		155
Recreational and Cultural Services		303
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets		1,810
Total Depreciation Expense-Governmental Activities	$	15,516

5. CONSTRUCTION IN PROGRESS AND RELATED COMMITMENTS

Construction In Progress accounts reflect the amount within governmental and business-type funds for construction projects, which are not yet complete.

The following is a schedule of major projects included in Construction in Progress as of June 30, 2004 (in thousands):

Governmental Activities

Project		Expended to June 30, 2004		Committed Funds
SLO New General Government Facility	$	26,425	$	13,221
County wide enterprise financial system		5,283		9,915
Courts-Paso Robles-New Facility		736		7,154
Expand Courts/Sheriff Holding Cells		46		1,435
SLO Airport-New CDF Fire Station		293		2,227
Probation-Ops Center-Expand JSC		67		1,798
North County Regional Center		394		1,801
Oceano Airport-Regional Center		131		1,706
SLO Airport-New Terminal		516		536

Business-Type Activities

Project		Expended to June 30, 2004		Committed Funds
Nacimiento Water Project	$	4,954	$	126
Lopez Dam Water Treatment Plant Upgrade		1,715		17,919

6. LEASES

County as Lessor

The County's General Fund and Enterprise Funds receive revenue from recreational, retail, and commercial properties leased to others under agreements classified as operating leases in accordance with Financial Accounting Standards Board (FASB) Statement 13. The leases cover periods ranging generally from 1 to 50 years. Minimum future rentals to be received under these non-cancelable operating leases at June 30, 2004, are as follows (in thousands):

Year Ending June 30th	General Fund	Airport
2005	$ 186	$ 213
2006	186	209
2007	162	190
2008	144	167
2009	133	163
Later Years	2,248	1,182
Total	$ 3,059	$ 2,124

Minimum future rentals do not include contingent rentals, which are received as stipulated in the lease contracts. These contingent rental payments are based on the monthly revenues of the concessionaire operating on the premises. Contingent rentals amounted to $781,000 for the fiscal year ended June 30, 2004.

County as Lessee

Operating Leases: The County has commitments under long-term real property operating lease agreements for facilities used in operations. These leases do not meet any of the four criteria for capitalization set by FASB 13. The County is the lessee under operating leases for real property used to house certain County functions.

In addition to real property leases, the County has also entered into operating leases for equipment, of which most are data processing and office equipment leases. Management expects that in the normal course of business, leases that expire will be renewed or replaced by other leases. Commitments under the operating lease agreements for equipment, as described above, are not material.

Rental payments for fiscal year ended June 30, 2004 totaled $3,583,000. The following rental costs represent future minimum payments under leases that have remaining non-cancelable terms in excess of one year as of June 30, 2004 for the next five years and for each five-year period thereafter (in thousands):

Year Ending June 30th	Minimum Lease Payments
2004-2005	$ 2,189
2005-2006	1,782
2006-2007	1,327
2007-2008	1,278
2008-2009	899
2009-2014	3,383
2014-2019	2,929
2019-2023	1,682
Total	$ 15,469

7. RISK MANAGEMENT

The County has self-insurance programs for liability, workers' compensation, unemployment insurance and dental coverage. There were no claims settlements that have exceeded insurance coverage during the past three fiscal years. Insurance coverage for liability and workers' compensation above the County's self-insured retention (SIR) is provided through the California State Association of Counties (CSAC) Excess Insurance Authority. The County is a member of CSAC Excess Insurance Authority, a joint powers authority whose purpose is to develop and fund programs of excess insurance for its member counties. The authority is solvent. Self-insurance and authority limits are as follows:

Type of Coverage	Self-Insurance	Authority
Liability	$ 250,000 per occurrence	$ 25,000,000
Workers' Compensation	$ 250,000 per occurrence	$ 50,000,000
Unemployment	$ 841,687 maximum	----------
Dental	None – Funded by Employees	----------

Annual actuarial valuations are obtained for the Workers' Compensation and the General Liability Funds. These valuations provide the basis for premiums charged to insured departments. The County's SIR amounts are paid directly, without the use of purchased annuity contracts. Financial information on CSAC Excess Insurance Authority is available on request from the Office of Risk Management, County of San Luis Obispo.

The estimated claims liability for the Protected Self Insurance Fund and Workers' Compensation Self Insurance Fund have been recorded at a discounted 75% confidence level. Estimated claims liability for the Unemployment Insurance fund and Dental Insurance Fund are funded 100%.

Changes in the balances of claims liabilities for the self funded insurance program including: the Protected Self Insurance Fund, Worker's Compensation Fund, Unemployment Insurance Fund, and Dental Insurance Fund for fiscal years 2002/2003 and 2003/2004, were as follows (in thousands):

	Beginning of the fiscal year liability	Current year claims, changes & estimates	Claim payments	Balance at fiscal year end
2002-03	$ 21,155	$ 7,843	$ 7,539	$ 21,459
2003-04	$ 21,459	$ 10,710	$ 7,895	$ 24,274

8. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances at June 30, 2004 were (in thousands):

Due to/from other county funds:

Receivable Fund	Payable Fund	Amount
Nonmajor Enterprise Funds	Internal Service Funds	$ 7
	Lopez Flood Control	600
	Nonmajor Enterprise Funds	225
		832
State Water Contract	Internal Service Funds	12
Internal Service Funds	Nonmajor Enterprise Funds	1
	Total	$ 846

Funds Due to Non-Major Enterprise Funds represents a receivable from the Nacimiento Water Construction Fund for $226,000 and $600,000 due from the Lopez Water Treatment Plant Fund.

The Public Works internal service fund owes $12,000 to the State Water Contract fund for excess equipment charges.

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Enterprise Funds	$ 191
	Nonmajor Governmental Funds	645
	Airport	1,822
	Golf	20
		2,678
Golf	Nonmajor Governmental Funds	550
Nonmajor Governmental Funds	Nonmajor Governmental Funds	593
	Golf	54
		647
	Total	$ 3,874

The Airport owes the General Fund $1,315,000 for an internal loan for the purchase of land. The loan is payable in annual installments. The final payment is due in March 2007. The remaining $507,000 balance owed by the Airport to the General Fund is for assets paid for by the General Fund and later transferred to the Airport Enterprise Fund.

The Golf enterprise fund owes $20,000 to the general fund for purchases of equipment.

Advances from General Fund to Non-Major Enterprise Funds of $191,000 represent internal loans issued to County Service Area 18.

Advances from General Fund to Non-Major Governmental Funds of $645,000 represent internal loans issued to County Service Area 21 ($517,000) and County Service Area 9 ($128,000).

Advances from the Golf Enterprise Fund to Non-Major Governmental Funds of $549,000 represent reserve funds held by the Debt Service Funds.

An advance of $593,000 from the Non-Major Governmental Funds to Non-Major Governmental Funds represents a loan from the San Luis Obispo Flood Control District to the Cambria Flood Control District.

An advance of $54,000 from the non-major governmental funds is an advance from the Parks to the golf enterprise fund.

9. TRANSFERS

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

Transfer From	Transfer To	Amount
General Fund	Medical Services	$ 10,096
	Pension Obligation Bonds	3,657
	Capital Projects	1,600
	Nonmajor Governmental Funds	18,838
		34,191

Continuation of reconciliation of transfer:

Transfer From	Transfer To	Amount
Nonmajor Governmental Funds	General Fund	230
	Capital Projects	3,223
	Pension Obligation Bonds	195
	Nonmajor Governmental Funds	1,081
	Airport	229
	Nonmajor Enterprise	99
		5,057
Golf	General Fund	2
	Pension Obligation Bonds	29
		31
Airport	General Fund	35
	Pension Obligation Bonds	19
		54
Medical Services	Pension Obligation Bonds	123
Nonmajor Enterprise Funds	General Fund	2
	Lopez Flood Control	7
	Nonmajor Enterprise	5
		14
Internal Service Funds	Pension Obligation Bonds	385
Total Transfers		$ 39,855

The General Fund transferred $10,096,000 to Medical Services as a subsidy to the Hospital operations. It transferred $3,657,000 to finance debt service payments to the Pension Obligation Bond Debt Service Fund. It made contributions of $1,600,000 to the Capital Projects Fund, $4,300,000 to the Roads Special Revenue Fund, $2,441,000 to the Parks Special Revenue Fund and $414,000 to the Library Special Revenue Fund, $350,000 to fund the Organizational Effectiveness Special Revenue Fund, $507,000 to the County Medical Services Program Special Revenue Fund, and $9,848,000 to the County Wide Automation Replacement Special Revenue Fund, and $978,000 to the Governmental Leasing Special Revenue Fund.

Non-Major Governmental Funds transferred $1,223,000 of Public Facilities Fees revenue and $2,000,000 of General Government Building Replacement Special Revenue Fund revenue to the Capital Projects Fund to fund capital and maintenance projects. Additionally, Non-Major Governmental Funds transferred $424,000 in Public Facilities Fees revenue to Parks Special Revenue Fund to fund capital and maintenance projects.

10. BONDED INDEBTEDNESS AND LONG TERM DEBT

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2004, (in thousands) is as follows:

Governmental Activities	Beginning Balance July 1, 2003	Additions	Reductions	Ending Balance June 30, 2004	Due within one year
Bonds and notes payable:					
Certificates of participation	$ 27,601	$ -	$ 1,114	$ 26,487	$ 1,164
Pension Obligation Bonds	-	137,194	-	137,194	-
Total Bonds and notes payable	27,601	137,194	1,114	163,681	1,164
Other liabilities:					
Compensated absences	16,410	14,026	13,118	17,318	12,391
Landfill post-closure costs	3,093	-	133	2,960	217
Net pension obligation	9,303	-	9,303	-	-
Self insurance	21,459	10,711	7,896	24,274	7,395
Total other liabilities	50,265	24,737	30,452	44,552	20,003
Total Governmental Activities	$ 77,866	$ 161,931	$ 31,566	$ 208,233	$ 21,167
Business-Type Activities					
Bonds and notes payable:					
Certificates of participation	$ 23,539	$ -	$ 471	$ 23,068	$ 491
State notes	3,003	325	117	3,211	127
Revenue bonds	705	-	634	71	5
General obligation bonds	12,980	-	230	12,750	240
Total bonds and notes payable	40,227	325	1,452	39,100	863
Other liabilities:					
Compensated absences	691	130	618	203	144
Rebatable arbitrage earnings	91	-	-	91	-
Total other liabilities	782	130	618	294	144
Total Business-Type Activities	$ 41,009	$ 455	$ 2,070	$ 39,394	$ 1,007

Internal service funds predominantly serve the governmental funds. Accordingly, their long-term liabilities are included as part of the above totals for governmental activities. At year end, $1,471,000 of internal service funds' compensated absences and $24,274,000 self-insurance liability is included in the above amounts.

The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund. In the past, the General Fund has paid approximately 87%.

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

Description of Certificates of Participation

The County has issued certificates of participation (COP) for both governmental and business-type activities. COP are issued to finance the acquisition or construction of major capital facilities and to advance-refund previously issued debt. COP principal outstanding at June 30, 2004, (in thousands) is as follows:

	Purpose	Interest Rates	Annual Installments	Amount
Governmental Activities	1994 Refunding	4-6%	$923 - $2771	$ 5,307
	2002 Government Center	3-5%	$1484 - $1489	21,180
Business-type Activities	1994 Refunding	4-6%	$15 - $16	78
	2002 Dairy Creek Golf Course Refunding	3-5%	$545 - $550	7,815
	2000 Lopez Dam Remediation	4.0-5.375%	$1,047 - $1,052	15,175
				$ 49,555

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

	Governmental Activities		Business-type Activities	
Fiscal year ended June 30	Principal	Interest	Principal	Interest
2005	$ 1,163	$ 1,252	$ 492	$ 1,125
2006	1,218	1,196	507	1,105
2007	1,272	1,138	533	1,085
2008	1,332	1,078	548	1,065
2009	3,142	1,115	574	1,041
2010-2014	3,395	4,040	3,179	4,824
2015-2019	4,195	3,234	3,985	4,003
2020-2024	5,380	2,047	5,135	2,842
2025-2029	5,390	557	6,125	1,320
2030-2031	-	-	1,990	108
Total	$ 26,487	$ 15,657	$ 23,068	$ 18,518

Description of State Notes

In fiscal year ended June 30, 2004, the County borrowed $325,000 and in the prior years the County borrowed $3,524,000 from the State of California Department of Water Resources Safedrinking Water Loan program to finance the construction of water systems in unincorporated communities. State loans are repaid with water service revenue generated by the constructed assets. State loan principal outstanding at June 30, 2004 (in thousands is as follows:

Purpose Business-type Activities	Interest Rates	Annual Installments	Amount
1999 Santa Margarita Water System	3.41%	$36	$ 394
2004 Lopez Recreation Area	2.5132%	$10 - $21	325
1998 Cayucos Water Treatment Facility	3.0315%	$15 - $16	78
	3-5%	$174	2,492
			$ 3,211

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

	Business-type Activities	
Fiscal year ended June 30	Principal	Interest
2005	$ 127	$ 92
2006	138	92
2007	142	88
2008	146	84
2009	151	79
2010-2014	826	323
2015-2019	926	189
2020-2024	745	53
2025	10	-
Total	$ 3,211	$ 1,000

Description of Revenue and General Obligation Bonds

The County also issues bonds to construct and improve water and sewer systems in unincorporated areas. Revenue bonds are repaid with water and sewer service revenue generated by the constructed assets. General obligation bonds are repaid from applicable property taxes. Bond principal outstanding at June 30, 2004 is as follows (in thousands):

Purpose Business-type Activities	Interest Rates	Annual Installments	Amount
Water Project	5%	$7 - $9	$ 71
Lopez Dam Remediation	4.0-5.375%	$879 - $883	12,750
			$ 12,821

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

	Business Activities	
Fiscal Year ending June 30	Principal	Interest
2005	$ 245	$ 647
2006	255	637
2007	265	626
2008	275	615
2009	285	603
2010-2014	1,636	2,808
2015-2019	2,065	2,362
2020-2024	2,655	1,752
2025-2029	3,465	936
2030-2031	1,675	91
Total	$ 12,821	$ 11,077

Public Facilities Corporation

The San Luis Obispo County Public Facilities Corporation (PFC) was incorporated on 9/7/1994. The PFC is a nonprofit public benefit corporation organized to assist public agencies within the County of San Luis Obispo with the acquisition and construction of various public facilities.

On 10/1/1994 the PFC issued $9,970,000 in certificates of participation (COP) (1994 series A). The proceeds of the 1994 COP issue were used to fully advance refund 1988 and 1989 COP issues. Debt service is derived from semi-annual lease payments made by various County departments for use of the facilities that were purchased and constructed with the original 1988 and 1989 issues. The principal balance outstanding at June 30, 2004 totals $5,385,000 ($5,307,000 governmental and $78,000 business-type).

On 12/17/2002 the PFC issued $29,695,000 in COP (2002 Series A), for the following purposes:

- Proceeds of $21,690,000 partially financed construction of a new government center. Debt service is provided by semi-annual lease payments funded by general County revenues. The principal balance outstanding at June 30, 2004 is $21,180,00 (100% governmental).

- The remaining proceeds of $8,005,000 were used to establish an escrow account to defease the 1995 COP, which was issued to finance the construction of the Dairy Creek Golf Course. Debt service for the new refunding debt is provided by semi-annual lease payments from the Dairy Creek Golf Course. The principal balance outstanding at June 30, 2004 is $7,815,000 (100% business-type).

See the long-term liabilities note for a detailed schedule of the annual debt service requirements to maturity for PFC issued debt.

Financing Authority

The San Luis Obispo County Financing Authority was formed on 8/22/2000 as a joint exercise of powers authority between the County and the Flood Control District, which administers Lopez Dam. The Authority was created to assist in the financing, construction, and equipping of public facilities for one or both of the members.

On 10/26/2000 the Authority issued $28,905,000 in revenue bonds (2000 series A) to finance the Lopez Dam seismic remediation project. The Flood Control District borrowed $28,905,000 from the Authority by issuing COP of $15,705,000 and government obligation (GO) bonds of $13,200,000. Debt service is provided by semi-annual lease payments made by the Flood Control District to the Authority for use of the retrofitted facilities. The principal revenue bond balance outstanding at June 30, 2004 totals $27,925,000 (100% business-type).

See the long-term liabilities notes for a detailed schedule of the annual debt service requirements to maturity for Financing Authority issued debt.

Description of Long-Term Lease Arrangements

The County formed the Public Facilities Corporation and the Financing Authority for the purpose of issuing debt. On behalf of the County, these two entities issued all currently outstanding certificates of participation and the Lopez Dam remediation general obligation bond. Therefore, the County makes semi-annual lease payments in lieu of debt service to these entities from a variety of sources including State and Federal revenues, penalty assessments, golf course fees, water contract payments, and property taxes. For lease payment details, see schedules under specific type of debt above.

Description of Special Assessment Bonds

Special assessment debt has been issued to provide funds for the construction of streets. These bonds will be repaid from amounts levied against the property owners benefited by this construction.

The County acts in an agent capacity for the assessment districts. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the County must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received. Special assessment principal outstanding at June 30, 2004 totals $3,095,000 with interest rates from 3.5% to 6.1%.

Accrued Vacation and Sick Leave Pay and Compensatory Time Off

County employees have accumulated unpaid vested benefits for compensatory time off, sick leave and vacation earned of $17,521,000, at June 30, 2004. The accumulated benefits will be liquidated in future years as employees elect to use them. In the normal course of business, all payments of these accumulated benefits will be funded from appropriations in the year in which they are to be paid.

Rebatable Arbitrage Earnings

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. The County performed calculations of excess investment earnings on various bonds and financings and recorded a rebatable arbitrage liability of $91,000 at June 30, 2004.

Legal debt margin

State statutes limit the amount of general obligation debt a governmental entity may issue to 1.25% of its net assessed valuation. The current debt limitation for the County is $342,443.

Description of Pension Obligation Bonds

The actuary for the Pension Trust provided information estimating the Unfunded Actuarial Accrued Liability (UAAL) to be approximately $135,085,169 as of July 2, 2003. To fund the UAAL, on July 2, 2003 the County sold $137,194,000 in pension obligation bonds (POB) which were issued to refund the obligation of the County to the Pension Trust as evidenced by the 2003 Debenture, and to pay the costs of issuance. Debt service payments are expected to be funded by County payroll benefits. The issue consists of the following types of bonds:

- $47,995,000 Series A standard bonds, interest rates from 1.68% to 4.54%, final maturity 1/1/2018, annual installments $2,164 to $7,594

- $45,000,000 Series B auction rate securities, initial rate of 2.36%, final maturity 1/1/2033, annual installments of $1,062 to $20,558

- $44,199,000 Series C capital appreciation bonds, yielding 5.27% to 5.73%, final maturity 1/1/2031, annual installments of zero to $15,000

POB principal outstanding at June 30, 2004 is $137,194,000 (100% governmental). Annual debt service requirements to maturity for bonds are as follows (in thousands):

	Governmental Activities	
Fiscal Year ending June 30	Principal	Interest
2005	$ -	$ 2,922
2006	1,995	2,905
2007	1,695	3,440
2008	1,470	3,973
2009	1,865	3,928
2010-2014	16,500	18,197
2015-2019	28,080	17,684
2020-2024	17,829	41,389
2025-2029	17,457	58,141
2030-2033	50,303	24,505
Total	$ 137,194	$ 177,084

11. NET ASSETS/FUND BALANCES

The government-wide and business-type activities fund financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

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

Net assets invested in capital assets, net of related debt at June 30, 2004 are as follows (in thousands):

Governmental activities	$ 951,490
Business-type activities	109,785
Total	$ 1,061,275

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

Restricted net assets at June 30, 2004 for governmental activities are as follows (in thousands):

	Amount
RESTRICTED FOR:	
General Government	
Construction commitment for the new government facility	$ 13,221
Construction commitment for other capital projects	48
Claims, contracts and other restrictions	8,187
Public Protection	
Construction commitment for women's jail expansion	560
Construction commitment for probation operation's center	1,798
Construction commitment for north county regional center	488
Claims, contracts and other restrictions	2,960
Public Assistance	
Claims, contracts and other restrictions	1,721
Health	
Capital project to relocate health clinics	912
Capital project for SLO health campus	4,363
Claims, contracts and other restrictions	146
Public Ways and Facilities	
Road maintenance and construction	13,148
Public facilities fees restricted for public facilities	13,484

RESTRICTED FOR: (Continued)	Amount
Recreation and Culture	
Claims, contracts and other restrictions	197
Debt Service	5,241
Total Restricted Net Assets	$ 66,474

Unrestricted Net Assets - This category represents net assets of the County, not restricted for any project or other purpose.

Unrestricted net assets at June 30, 2004 are as follows (in thousands):

	Amount
Governmental activities	$ 109,032
Business-type activities	17,146
Total	$ 126,178

In the fund financial statements, reserves and designations segregate portions of fund balance that are not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased, reduced or eliminated by similar actions.

The following is a summary of designated fund balances, which are not available for appropriation and expenditure as shown in the governmental funds at June 30, 2004 (in thousands):

Reserved for:	General Fund	Capital Projects	Pension Obligation Bonds	Nonmajor Gov'tl Funds	Total
Encumbrances	$ 6,030	$ 21,390	$ -	$ 26,245	$ 53,665
Public Facility Fees	-	-	-	6,698	6,698
Impact Fees	-	-	-	9,447	9,447
Advances to Other Funds	2,678	-	-	556	3,234
Prepaid Items	403	-	-	-	403
Debt Service	-	-	2,725	2,516	5,241
Programs/Grants	10,083	-	-	3,732	13,815
Total Reserved	$ 19,194	$ 21,390	$ 2,725	$ 49,194	$ 92,503

Designated Fund Balance (Continued)	General Fund	Capital Projects	Pension Obligation Bonds	Nonmajor Gov'tl Funds	Total
Unreserved Designated for:					
Los Osos Landfill Monitoring	$ -	$ 600	$ -	$ -	$ 600
Facility Planning	-	4,709	-	-	4,709
Facility/Equipment Replacement	980	-	-	2,099	3,079
Government Building	-	270	-	3,241	3,511
Accounting System Development	-	-	-	708	708
Tax Reduction Reserve	-	-	-	11,585	11,585
Specific Road Projects	-	-	-	1,384	1,384
Facilities Planning	-	-	-	1,034	1,034
General Reserve	8,000	-	-	5,753	13,753
Imprest Cash	58	-	-	1	59
Other Projects	8,405	-	-	424	8,829
Fire Equipment Replacement	414	-	-	-	414
Contingent Liability	2,405	-	-	-	2,405
Internal Financing	1,821	-	-	-	1,821
Actuary Required Contribution	1,166	-	-	-	1,166
Accrued Revenue	16,040	650	-	-	16,690
County-wide Training	-	-	-	1,770	1,770
Total Designated	39,289	6,229	-	27,999	73,517
Unreserved/Undesignated	19,816	7,564	-	4,265	31,645
Total Unreserved	$ 59,105	$ 13,793	$ -	$ 32,264	$ 105,162

See Note 1 for information regarding the reserves for encumbrances. Designations represent funds earmarked for the specific purposes indicated.

Deficit Fund Equity

The Workers' Compensation Insurance and Protected Self Insurance Internal Service Funds have net asset deficits of $9,019,000 and $1,056,000 respectively. These deficits are expected to be eliminated in future years through a combination of cost reductions and rate increases.

12. LAPSING ENCUMBRANCES

The County allows some encumbrances to lapse at year-end and then automatically reappropriates them as part of the subsequent year's budget.

The following is a summary of lapsing encumbrances at June 30, 2004 to be reappropriated during the next fiscal year (in thousands):

Functional Area	Total Encumbrances
Education	$ 74
General Government	249
Health & Sanitation	88
Public Protection	869
Recreation & Cultural Services	497
	$ 1,777

13. OTHER COMMITMENTS

In 1965, the County began payments in accordance with a contract with the State of California for the State Water Project water rights. Estimated future payments for the State Water Contract will total $34,857,000 over the next 31 years if the County continues participation in the Contract. The estimated amounts vary by year. For example, the amount due in 2004 is $576,000 while $1,911,000 is due in 2035. Through Board order, the County is actively attempting to sell portions of the State Water Project water rights; therefore, these estimates are revised annually.

14. CONTINGENT LIABILITIES

The County is subject to various lawsuits, inverse condemnation cases, personnel actions, disputes over tax assessments, and other actions incidental to the ordinary course of County operations. In the opinion of the County Counsel, the total potential claims against the County not covered by insurance resulting from litigation would not materially affect the financial statements of the County at June 30, 2004.

15. DEFERRED REVENUE

Deferred revenue on the governmental fund balance sheet represents amounts that are deferred solely because they are not yet considered to be available. Broad categories of deferred revenues are as follows (in thousands):

Governmental funds:

	General Fund	Capital Projects	Nonmajor Gov'tl Funds
Teeter tax revenues	$ 4,942	$ -	$ -
Federal food stamps program revenues	89	-	-
Indigent Living & Foster Care program revenues	627	-	-
Calworks related program revenues	916	-	-
Emergency assistance related program revenues	551	-	-
Adoption related program revenues	320	-	-
Other assistance program revenues	315	-	-
Nipomo community Trails Project	-	-	80
Other deferred revenues	249	6	53
	$ 8,009	$ 6	$ 133

16. OTHER REVENUES

Other revenues are generally one time payments or items not related to program activities. Broad categories of other revenues are as follows (in thousands):

Governmental funds:

	General Fund	Pension Obligation Bonds	Nonmajor Gov't Funds
Other Settlements	$ -	$ -	$ 200
Reimbursements	994	-	-
Surplus sales, publications & Rebates	53	-	-
Nuisance abatement	43	-	-
Returned check fees and card fees	28	-	-
Microfilm	184	-	-
Seminar, conferences and workshop fees	52	-	-
Contributions non-governmental	17	-	497
HUD related non-program revenue	34	-	635
Other miscellaneous revenues	1,548	281	42
	$ 2,953	281	$ 1,374

Business-type funds:

	Airport	Golf	Medical Services (Hospital)	State Water	Other Enterprise Funds	Internal Service Funds
Grants	$ -	$ -	$ 222	$ -	$ -	$ -
Loan reduction	2,089	-	-	-	-	-
Miscellaneous non-operating sources	15	95	-	12	33	121
	$ 2,104	$ 95	$ 222	$ 12	$ 33	$ 121

17. DEFINED BENEFIT PENSION PLAN

Plan Description

The County of San Luis Obispo contributes to the San Luis Obispo County Pension Trust, which is an independent single-employer, defined benefit plan for employees of the County of San Luis Obispo, employees of the Superior Court in San Luis Obispo County and certain agencies within San Luis Obispo County. Participation is mandatory for all permanent employees. The Retirement Plan was adopted by County ordinance in 1958 and amended in 1968 by the County Board of Supervisors, establishing the current benefit program. The Pension Trust and the Retirement Plan are administered by the Pension Trust Board of Trustees. The Board of Supervisors is responsible for amending Plan provisions. Separate stand-alone financial statements were issued for the Plan and are available at the County of San Luis Obispo Auditor-Controller's office.

Benefit Provisions

Under the terms of the Plan, participants, upon attaining the normal retirement age of 55 for Safety employees and Probation Officers and 60 for miscellaneous employees, are entitled to annual retirement benefits as defined in the Plan document. The Plan permits early retirement for all employees at age 50 with 5 or more years of service credit. Participants receive their accumulated plan benefits as a life annuity payable monthly upon retirement. In the event of total and permanent disability, participants, upon satisfaction of membership service requirements and other applicable provisions of the Plan, receive disability benefits as defined in the Plan document. The Plan also provides death benefits.

Summary of Significant Accounting Policies

Basis of Accounting - The Plan's consolidated financial statements include the accounts of the Plan and its wholly owned subsidiary, Fiduciary Properties Incorporated, and are prepared on the accrual basis of accounting. Contributions from the County and the County's employees are recognized as revenue in the period in which employees provide services to the County. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investment income is recognized as earned by the pension plan. Investments in corporate notes, bonds, collateralized mortgage obligations, equity mutual funds, commingled real estate, real estate investment trusts, equity real estate holdings, and other short-term investments, which are managed by the Plan's Board of Trustees, are carried at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value. The Pension Trust uses the calendar year for financial reporting purposes.

The County's contributions to the Plan are recognized when due pursuant to the San Luis Obispo County Employees' Retirement Plan Document which makes them legal obligations of the County.

The Plan has elected to present their financial statements in accordance with Statement No. 25 of the Governmental Accounting Standards Board (GASB).

There are no investments in loans to or leases with parties related to the pension plan.

Concentrations - As of December 31, 2003, the Plan had 30.14% of its net assets in Mellon Fund Capital Funds.

Funding Policy - Participants are required to contribute to the Plan for the 2003 calendar year at rates ranging from 4.56% to 14.66% of their adjusted base salary as defined in the Plan document and for the 2004 calendar year at rates ranging from 4.56% to 19.49%. Such contributions, together with the County's appropriations, are currently invested in corporate notes, bonds, collateralized mortgage obligations, equity mutual funds, commingled real estate, real estate investment trusts, equity real estate holdings, and other short-term investments. The participants' accumulated contributions may be withdrawn at any time should participants leave the employment of the County prior to retirement.

The Board of Trustees establishes the pension plan contribution rate requirement with the advice of their retained actuary. Periodic employer contributions to the Plan were determined on an actuarial basis using the Entry Age Normal cost method. This method is one of the actuarial methods authorized under GASB 25. The Entry Age Normal cost method permits the selection of either a 30-year or 40-year amortization period. In 2003 the County issued a Pension Obligation Bond. In recognition of that action the Board of Trustees reduced the amortization period to a 30-year closed amortization period. As a result of the issuance of the Pension Obligation Bond by the County, the scheduled increases in required contributions previously adopted by the Board of Trustees were rescinded and, based on advice of the plan actuary, the rates charged to the County were established at a range of 7.92% to 14.29% of payroll effective June 22, 2003.

Total contributions and appropriations to the Plan in 2003 amounted to $162,953,138. Of this, $150,816,215 were County appropriations made as a result of the issuance of the POB and the collection of the County's regular appropriation. Employee contributions amounted to $12,136,923. The Employee contributions include Employee Additional Contributions of $78,461. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation report as of January 1, 2004 and an updated calculation of UAAL on June 30, 2003.

Annual Pension Cost and Net Pension Obligation

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

	Amount
County annual required contribution (ARC)/Annual pension cost	$ 20,173
Interest on pension asset	(4,698)
Annual pension cost	15,475
County contributions made	150,816
Increase in pension asset	(135,341)
Net pension obligation, beginning of year	9,303
Net pension asset, end of year	$ (126,038)

The annual pension cost and net pension asset were based on an actuarial valuation report as of January 1, 2004. The actuarial values of assets were determined on a market related basis. The actuarial assumptions included (a) 7.75% investment rate of return (b) projected salary increases of 4 to 8.0% with a sliding scale based upon age and service and (c) inflation assumption of 4.0 % (Real rate of return assumption 7.75%-4%=3.75%). The Entry Age Normal cost method identifies and separately amortizes unfunded actuarial liabilities using the level percentage of projected payroll, with a forty-year closed period.

The net assets held in trust for pension benefits are allocated among various reserves. For the year ended December 31, 2003, these reserves were generally credited with interest at the rate of 7.75 %. In addition, any additional employee or employer contributions, as well as interest credited to these additional contributions, earned interest at the rate of 7.75 %. Any interest or dividends earned in excess of the amount required to be credited to the various reserves is accumulated in the contingency reserve account.

Three-Year Trend Information (In Thousands)

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Benefit)
2002	$15,977	79.1%	6,070
2003	$17,564	83.3%	9,303
2004	$20,173	100.0%	(126,038)

18. LANDFILL POSTCLOSURE CARE COSTS

The Los Osos Landfill is a closed facility under the responsibility of the County. State and federal laws and regulations require the County of San Luis Obispo to perform various maintenance and monitoring activities at the site for the remaining fifteen years of a thirty-year period. By agreement with the land owner, the County assumed responsibility for all closure and postclosure costs when the facility stopped accepting waste. As of this date, the landfill closure is complete and only postclosure costs remain.

The remaining estimated long-term liability for landfill postclosure cost as of June 30, 2004 is $2,959,979. Of this $1,355,127 is the Net Present Value Corrective Action Cost and $1,604,852 is the Net Present Value Maintenance Cost. The Public Works Director developed this cost estimate from a detailed analysis, which was based on engineering staff's experience in prior years with site closure, and consultation with landfill industry experts. However, the actual cost of postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Therefore, the cost estimate will be reviewed and adjusted annually for changes in these factors.

The annual amount of postclosure cost is being appropriated each year in a General Fund operating budget. Funding is provided by General Fund general purpose revenues. A $600,000 designation is established in the Capital Projects Fund to insure the availability of funds, in a timely fashion, to meet any additional postclosure costs resulting from technological or regulatory changes that have not been anticipated in the annual budget.

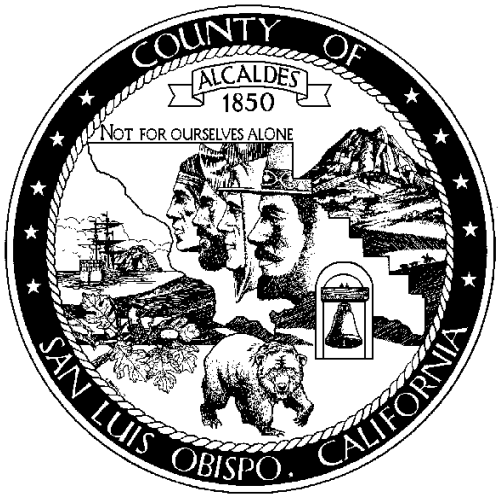
19. CLOSURE OF HOSPITAL

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

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

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

Remaining in operation is the clinical laboratory that was moved to the Department of Public Health as of July 1, 2004. The laboratory continues to service CMSP patients.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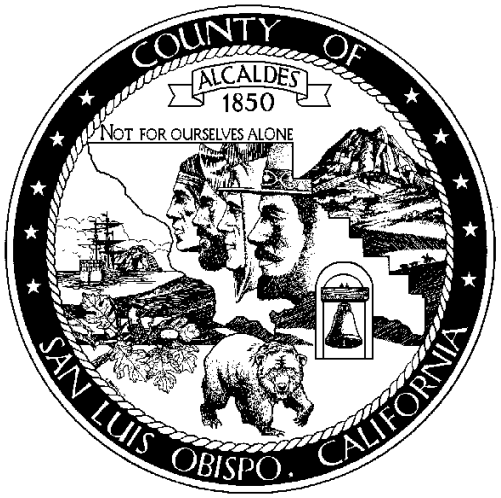
REQUIRED SUPPLEMENTARY INFORMATION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COUNTY OF SAN LUIS OBISPO
REQUIRED SUPPLEMENTARY INFORMATION
SAN LUIS OBISPO COUNTY PENSION TRUST SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

Actuarial Valuation Dec 31	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Funding Excess) AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	(Funding Excess) AAL as a Percentage of Covered Payroll ((b-a)/c)
2001	$404,751	$492,795	$88,044	82.1%	$120,637	73.0%
2002	$430,351	$556,321	$125,970	77.4%	$131,997	95.4%
2003	$604,808	$642,734	$37,926	94.1%	$136,364	27.8%

Separate stand-alone financial statements were issued for the Pension Plan and are available at the County of San Luis Obispo Auditor-Controller's office located at the County Government Center Room 300, San Luis Obispo, CA 93408.

See accompanying independent auditor's report.

COUNTY OF SAN LUIS OBISPO
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	$ 78,372	$ 88,732	$ 83,346	$ (5,386)
Licenses, permits, and franchises	8,288	8,341	8,672	331
Fines, forfeits, and penalties	3,297	4,219	6,128	1,909
Revenues from use of money and property	2,303	2,303	1,481	(822)
Aid from governmental agencies	148,846	158,452	148,793	(9,659)
Charges for current services	29,096	31,247	30,484	(763)
Other revenues	2,566	2,912	2,953	41
Total revenues	272,768	296,206	281,857	(14,349)
Expenditures:				
Current:				
General government	41,542	45,576	43,976	1,600
Public protection	98,404	106,720	101,834	4,886
Health and sanitation	45,303	45,712	43,892	1,820
Public assistance	78,202	81,156	77,493	3,663
Education	313	308	299	9
Debt service:				
Interest and fiscal charges	450	450	18	432
Total expenditures	264,214	279,922	267,512	12,410
Excess (deficiency) of revenues over expenditures	8,554	16,284	14,345	(1,939)
Other financing sources (uses):				
Transfers in	240	1,748	270	(1,478)
Transfers (out)	(18,152)	(35,067)	(34,653)	414
Reserves, designations and contingencies	(11,648)	(3,971)	-	3,971
Total other financing sources and uses	(29,560)	(37,290)	(34,383)	2,907
Net change in fund balances	(21,006)	(21,006)	(20,038)	968
Fund balances—beginning	21,006	21,006	91,919	70,913
Fund balances—ending	$ -	$ -	$ 71,881	$ 71,881

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 267,512
Differences - budget to GAAP:	
Less: Encumbrances for expenditures	(5,956)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances - General fund	$ 261,556
Other financing sources (uses):	
Actual amounts (budgetary basis) "Other financing uses" from the budgetary comparison schedule transfers out	$ 34,653
Differences - budget to GAAP:	
Less: Encumbrances for other Financing uses	(462)
Total transfers out as reported on the combining statement of revenues, expenditures and changes in fund balances	$ 34,191

See accompanying independent auditor's report.

COUNTY OF SAN LUIS OBISPO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2004

1. BUDGETARY BASIS OF ACCOUNTING

A. BUDGETARY ACCOUNTING

In accordance with the provisions of Sections 29000 through 29144 inclusive of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a final budget on or before August 30th for each fiscal year. The County operation, commencing July 1st, is governed by the proposed budget, adopted by the Board of Supervisors, in June of the prior year unless the final budget is adopted before June 30.

After the budget is approved, the appropriations can be added to, subtracted from, or changed only by Board resolution. All such changes must be within the revenues and reserves estimated as available in the final budget or within revised revenue estimates as approved by the Board. During the fiscal year ended June 30, 2004, the Board of Supervisors approved all necessary supplemental appropriations. Generally, the effects of the supplemental appropriations are to increase the budget for cost of living adjustments and new programs and grants financed by other governmental agencies.

An operating budget is adopted each fiscal year for Governmental Funds are on the modified accrual basis. Additionally, encumbrance accounting is utilized to assure effective budgetary control. Encumbrances outstanding at year end represent the estimated amount of the expenditures ultimately to result if the unperformed contracts in process at year end are completed or purchase commitments satisfied. Such year end encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year and included in the subsequent year's budget. Unencumbered appropriations lapse at year end.

All Governmental, Enterprise, and Internal Service Funds that are under the control of the Board of Supervisors, have legally adopted annual budgets except for two debt service funds, the San Luis Obispo Public Financing Authority and the Public Facilities Corporation. Although the Enterprise and Internal Service Funds have adopted budgets, there is no appropriation of expenditures and these budgets only serve as spending plans for the year.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the department/budget unit and object level except for fixed assets, which are controlled at the subobject level. Object levels of expenditures are as follows: salaries and benefits, services and supplies, other charges, fixed assets, and contingencies. Subobject levels of expenditures for fixed assets are land, structures and improvements, and equipment.

Presentation of the basic financial statements at the legal level of budgetary control is not feasible due to its excessive length. Because of the large volume of detail, the budget and actual statements contained in the financial statements have been aggregated by function. A separate supplemental budget report, which demonstrates legal compliance with budgetary control, is included in the Other Supplemental Section of the financial report for all governmental funds with a legally adopted budget. For budgetary purposes, actual GAAP expenditures have been adjusted to include encumbrances outstanding at year end and to exclude long-term capital leases recorded as long-term obligations of the County. Encumbrance accounting is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund under the jurisdiction of the Board of Supervisors.

B. BUDGETARY EXPENDITURE IN EXCESS OF APPROPRIATION

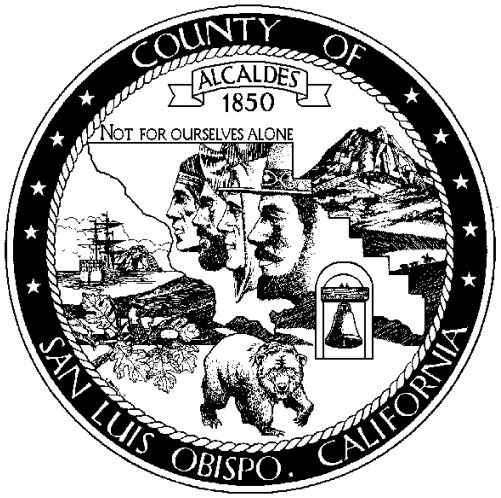
During the current fiscal year only the Pension Obligation Debt Service fund had excess expenditures over the related appropriations within governmental funds. The County Board of Supervisors approved the issuance and related costs for $137,000,000 in Pension Obligations Bonds on June 17, 2003. The County subsequently issued the Pension Obligation bonds (see Note 10 in the Notes to the Basic Financial Statements) although no formal budget was adopted.

C. RECONCILIATION OF OPERATION ON A BUDGETARY BASIS TO MODIFIED ACCRUAL BASIS

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual on a Budgetary Basis and supporting budgetary schedules presents comparisons of the legally adopted budgets (original and final), with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with GAAP, a reconciliation due to differences between the Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual on a Budgetary Basis and the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance is presented (in thousands):

	General Fund	Capital Projects	Pension Obligation Bonds Debt Service	Non Major Governmental Funds
Expenditures on budgetary basis	$ 267,512	$ 35,880	$ 4,173	$ 82,786
Less: Encumbrances for expenditures	5,956	21,390	-	19,503
Expenditures on GAAP basis	$ 261,556	$ 14,490	$ 4,173	$ 63,283
Other financing uses on a budgetary basis	$ 34,653	$ -	$ -	$ 11,800
Less: Encumbrances for other financing uses	462	-	-	6,743
Other financing uses on a GAAP basis	$ 34,191	$ -	$ -	$ 5,057

OTHER SUPPLEMENTARY INFORMATION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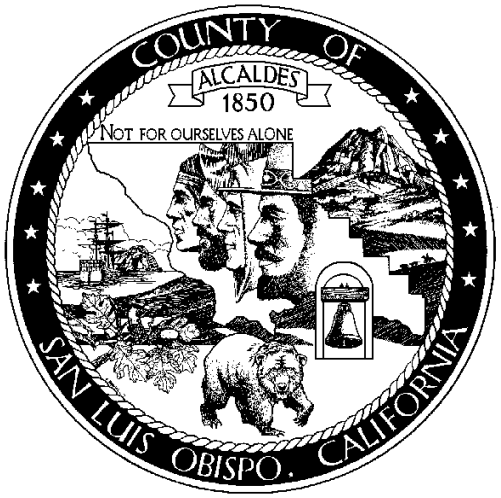
COMBINING FINANCIAL STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS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NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS:
Debt service funds are used to account for the accumulation of resources for and the payment, of general long-term debt principal and interest.

San Luis Obispo County Financing Authority
The Authority was created to assist in the financing, construction, and equipping of public facilities for its members.

San Luis Obispo County Public Facilities Corporation
The PFC is a non-profit public benefit corporation organized to assist public agencies within the County of San Luis Obispo with the acquisition and construction of various public facilities.

SPECIAL REVENUE FUNDS:
Special revenue funds are used to account for revenues that are restricted by law or administrative actions to expenditures for specified purpose. Nonmajor special revenue funds used by the County are listed below:

California Health Care Indigent Program
Accounts for revenues received from the State of California used to provide health care for the indigent population of the County.

Community Development Program
Accounts for pass through grants from HUD entitlements to be distributed to the County and other local agencies.

County Medical Services Program (CMSP)
Accounts for resources used to provide for the County Medical Services program which provides medical care for indigents pursuant to the County's obligation under Welfare and Institution Code Section 17000 et seq.

County-wide Automation Replacement
Accounts for funds used to provide for replacement of County-wide automation equipment.

Emergency Medical Services
Accounts for payments to physicians, hospitals, and other providers of emergency medical care from revenues imposed and collected by the courts.

First Offender / Drinking Driver Program
Accounts for resources used for the rehabilitation of drunk drivers (an educational component of Alcohol Services).

Fish & Game
Accounts for funds generated by fines levied as a result of Fish and Game violations.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

General Government Building Replacement
Accounts for resources used to replace the County's general government buildings.

Road Impact Fees
Accounts for resources collected from developers to add, maintain, and improve roads in specific areas where the fees were allocated.

Library
Accounts for resources used to provide library services throughout the County.

Organizational Effectiveness
Accounts for resources aimed at continuous efforts to improve the effectiveness of County government and provide countywide training activities for employees.

Parks
Accounts for resources used to provide parks and recreational services County-wide.

Public Facilities Fees
Accounts for resources collected from the building permit process to build public facilities such as fire and law enforcement stations, library and general government structures.

Roads
Accounts for resources used to maintain the County road system.

Tax Reductions Reserve
Accounts for resources used to offset future reductions of property tax revenues, which are provided by the tax loss reserve fund under the Teeter Plan.

Wildlife & Grazing
Accounts for resources used to provide for range improvements and the control of predators.

Governmental Leasing
Consolidates the needed resources to meet all financial obligations under long-term lease financing agreements with the debt service fund, Public Facilities Financing Corporation.

SPECIAL REVENUE SPECIAL DISTRICT FUNDS:

Flood Control Districts
Accounts for resources used to provide control and conservation of flood and storm waters, which are mutually exclusive of Enterprise Flood Control District funds.

Lighting Districts
Accounts for resources used to provide street lighting in unincorporated areas of the County.

County Service Areas
Accounts for resources used to provide for water and sewer services which are mutually exclusive of Enterprise Fund County Service Areas.

COUNTY OF SAN LUIS OBISPO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2004 (in thousands)

	Debt Service Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 25	$ 80,178	$ 80,203
Other receivables	16	506	522
Due from other governments	-	819	819
Advances to other funds	-	647	647
Restricted cash with fiscal agent	3,353	-	3,353
Other assets	1,164	-	1,164
Total assets	$ 4,558	$ 82,150	$ 86,708
Liabilities and fund balances:			
Liabilities:			
Salaries and benefits payable	-	278	278
Accounts payable	-	804	804
Trust deposits	-	54	54
Due to other county funds	-	-	-
Deposits from others	-	702	702
Deferred revenue	-	133	133
Other current liabities	1,492	-	1,492
Advances from other county funds	550	1,237	1,787
Total liabilities	2,042	3,208	5,250
Fund balances:			
Reserved	2,516	46,679	49,195
Unreserved, reported in nonmajor			
Special revenue funds	-	32,263	32,263
Total fund balance	2,516	78,942	81,458
Total liabilities and fund balances	$ 4,558	$ 82,150	$ 86,708

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

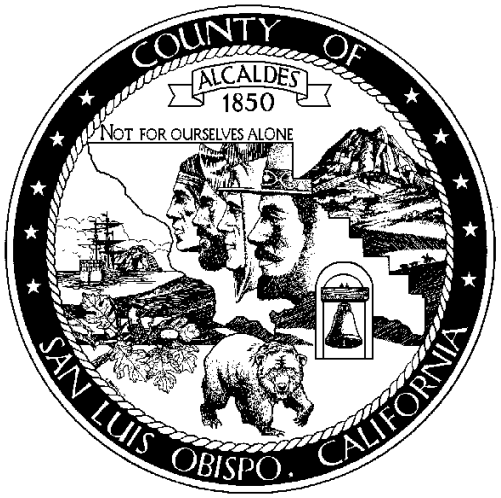
	Debt Service Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	$ -	$ 7,207	$ 7,207
Licenses, permits, and franchises	-	2	2
Fines, forfeits, and penalties	-	928	928
Revenues from use of money and property	67	1,054	1,121
Aid from governmental agencies	-	23,174	23,174
Charges for current services	4,862	18,571	23,433
Other revenues	25	1,349	1,374
Total revenues	4,954	52,285	57,239
Expenditures:			
Current:			
General government	-	8,655	8,655
Public protection	-	1,575	1,575
Public ways and facilities	-	29,718	29,718
Health and sanitation	-	5,796	5,796
Public assistance	-	4,587	4,587
Education	-	7,307	7,307
Recreational and cultural services	-	5,645	5,645
Debt service:			
Principal payments	1,815	-	1,815
Interest and fiscal charges	3,087	-	3,087
Total expenditures	4,902	63,283	68,185
Excess (deficiency) of revenues over expenditures	52	(10,998)	(10,946)
Other financing sources (uses):			
Transfers in	-	19,919	19,919
Transfers (out)	-	(5,057)	(5,057)
Total other financing sources and (uses)	-	14,862	14,862
Net change in fund balances	52	3,864	3,916
Fund balances - beginning	2,464	75,078	77,542
Fund balances - ending	$ 2,516	$ 78,942	$ 81,458

COUNTY OF SAN LUIS OBISPO
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2004 (in thousands)

	Debt Service Public Facilities Corporation	Debt Service Financing Authority	Total Nonmajor Debt Service Funds
Assets			
Cash and cash equivalents	$ -	$ 25	$ 25
Other receivables	16	-	16
Restricted cash with fiscal agent	3,353	-	3,353
Other assets	1,164	-	1,164
Total assets	$ 4,533	$ 25	$ 4,558
Liabilities and fund balances:			
Liabilities:			
Other current liabilities	1,164	-	1,164
Advances from other county funds	550	-	550
Interest payable	328	-	328
Total liabilities	2,042	-	2,042
Fund balances:			
Reserved	2,491	25	2,516
Total fund balance	2,491	25	2,516
Total liabilities and fund balances	$ 4,533	$ 25	$ 4,558

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Debt Service Public Facilities Corporation	Debt Service Financing Authority	Total Nonmajor Debt Service Funds
Revenues:			
Revenues from use of money and property	$ 65	$ 2	$ 67
Charges for current services	2,949	1,913	4,862
Other revenues	-	25	25
Total revenues	3,014	1,940	4,954
Expenditures:			
Current:			
Debt service:			
Principal payments	1,315	500	1,815
Interest and fiscal charges	1,657	1,430	3,087
Total expenditures	2,972	1,930	4,902
Excess (deficiency) of revenues over expenditures	42	10	52
Other financing sources (uses):			
Total other financing sources and (uses)	-	-	-
Net change in fund balances	42	10	52
Fund balances - beginning	2,449	15	2,464
Fund balances - ending	$ 2,491	$ 25	$ 2,516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COUNTY OF SAN LUIS OBISPO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004 (in thousands)

	CA Health Indigent Prog	Community Development	CMSP	Co-Wide Autom Rplc
Assets				
Cash and cash equivalents	$ 205	$ 1,243	$ 1,197	$ 15,268
Other receivables	107	-	-	-
Due from other governments	-	10	38	-
Advances to other funds	-	-	-	-
Total assets	$ 312	$ 1,253	$ 1,235	$ 15,268
Liabilities and fund balances:				
Liabilities:				
Salaries and benefits payable	-	-	26	-
Accounts payable	9	-	102	91
Trust deposits	-	53	-	-
Deposits from others	-	-	-	-
Deferred revenue	-	-	-	-
Advances from other county funds	-	-	-	-
Total liabilities	9	53	128	91
Fund balances:				
Reserved	303	1,200	1,107	12,201
Unreserved	-	-	-	2,976
Total fund balance	303	1,200	1,107	15,177
Total liabilities and fund balances	$ 312	$ 1,253	$ 1,235	$ 15,268

Continued on next page

COUNTY OF SAN LUIS OBISPO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004 (in thousands)

Emergency Med Svcs	First Offend - Drunk Driver	Fish & Game	Gen Gov Bldg Rplcmnt	
				Assets
$ 277	$ 191	$ 76	$ 3,304	Cash and cash equivalents
350	-	-	-	Other receivables
-	-	-	-	Due from other governments
-	-	-	-	Advances to other funds
$ 627	$ 191	$ 76	$ 3,304	Total assets
				Liabilities and fund balances:
				Liabilities:
-	22	-	-	Salaries and benefits payable
99	6	6	-	Accounts payable
-	-	-	-	Trust deposits
-	-	-	-	Deposits from others
-	-	-	-	Deferred revenue
-	-	-	-	Advances from other county funds
99	28	6	-	Total liabilities
				Fund balances:
112	-	-	-	Reserved
416	163	70	3,304	Unreserved
528	163	70	3,304	Total fund balance
$ 627	$ 191	$ 76	$ 3,304	Total liabilities and fund balances

Continued on next page

COUNTY OF SAN LUIS OBISPO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004 (in thousands)

	Impact Fee - Traffic	Library	Organizat'l Effectiveness	Parks
Assets				
Cash and cash equivalents	$ 9,447	$ 3,592	$ 2,507	$ 2,557
Other receivables	-	1	-	12
Due from other governments	-	-	-	236
Advances to other funds	-	-	-	54
Total assets	$ 9,447	$ 3,593	$ 2,507	$ 2,859
Liabilities and fund balances:				
Liabilities:				
Salaries and benefits payable	-	131	-	99
Accounts payable	-	65	7	74
Trust deposits	-	1	-	-
Deposits from others	-	-	-	-
Deferred revenue	-	-	-	133
Advances from other county funds	-	-	-	-
Total liabilities	-	197	7	306
Fund balances:				
Reserved	9,447	1,234	21	2,047
Unreserved	-	2,162	2,479	506
Total fund balance	9,447	3,396	2,500	2,553
Total liabilities and fund balances	$ 9,447	$ 3,593	$ 2,507	$ 2,859

Continued on next page

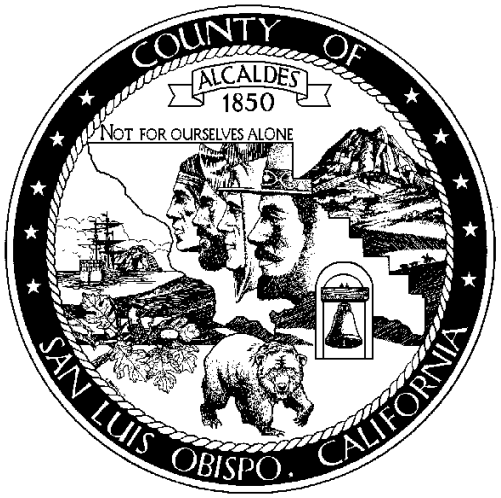
COUNTY OF SAN LUIS OBISPO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004 (in thousands)

Public Facilities Fee	Roads	Tax Reduct. Reserve	Wildlife Grazing	
				Assets
$ 13,493	$ 8,310	$ 12,142	$ 15	Cash and cash equivalents
-	-	-	-	Other receivables
-	522	-	-	Due from other governments
-	-	-	-	Advances to other funds
$ 13,493	$ 8,832	$ 12,142	$ 15	Total assets
				Liabilities and fund balances:
				Liabilities:
-	-	-	-	Salaries and benefits payable
9	290	-	-	Accounts payable
-	-	-	-	Trust deposits
-	702	-	-	Deposits from others
-	-	-	-	Deferred revenue
-	-	-	-	Advances from other county funds
9	992	-	-	Total liabilities
				Fund balances:
13,484	4,437	-	-	Reserved
-	3,403	12,142	15	Unreserved
13,484	7,840	12,142	15	Total fund balance
$ 13,493	$ 8,832	$ 12,142	$ 15	Total liabilities and fund balances

Continued on next page

COUNTY OF SAN LUIS OBISPO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004 (in thousands)

	Governmental Leasing	Special District Funds	Total Special Revenue Funds
Assets			
Cash and cash equivalents	$ -	$ 6,354	$ 80,178
Other receivables	-	36	506
Due from other governments	-	13	819
Advances to other funds	-	593	647
Total assets	$ -	$ 6,996	$ 82,150
Liabilities and fund balances:			
Liabilities:			
Salaries and benefits payable	-	-	278
Accounts payable	-	46	804
Trust deposits	-	-	54
Deposits from others	-	-	702
Deferred revenue	-	-	133
Advances from other county funds	-	1,237	1,237
Total liabilities	-	1,283	3,208
Fund balances:			
Reserved	-	1,086	46,679
Unreserved	-	4,627	32,263
Total fund balance	-	5,713	78,942
Total liabilities and fund balances	$ -	$ 6,996	$ 82,150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COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	CA Health Indigent Prog	Community Development	CMSP	Co-Wide Autom Rplc
Revenues:				
Taxes	$ -	$ 63	$ -	$ -
Licenses, permits, and franchises	-	-	-	-
Fines, forfeits, and penalties	-	-	-	-
Revenues from use of money and property	2	-	8	172
Aid from governmental agencies	194	5,325	2,472	-
Charges for current services	292	-	102	834
Other revenues	-	635	-	-
Total revenues	488	6,023	2,582	1,006
Expenditures:				
Current:				
General government	-	-	-	5,911
Public protection	-	-	-	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	5,796	-	-
Public assistance	439	-	2,904	-
Education	-	-	-	-
Recreational and cultural services	-	-	-	-
Total expenditures	439	5,796	2,904	5,911
Excess (deficiency) of revenues over expenditures	49	227	(322)	(4,905)
Other financing sources (uses):				
Transfers in	-	-	507	9,848
Transfers (out)	-	-	(22)	(215)
Total other financing sources and (uses)	-	-	485	9,633
Net change in fund balances	49	227	163	4,728
Fund balances - beginning	254	973	944	10,449
Fund balances - ending	$ 303	$ 1,200	$ 1,107	$ 15,177

Continued on next page

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

Emergency Med Svcs	First Offend - Drunk Driver	Fish & Game	Gen Gov Bldg Rplcmnt	
				Revenues:
$ -	$ -	$ -	$ -	Taxes
-	-	-	-	Licenses, permits, and franchises
577	-	15	-	Fines, forfeits, and penalties
3	2	-	63	Revenues from use of money and property
-	-	-	-	Aid from governmental agencies
948	1,136	-	747	Charges for current services
-	-	-	-	Other revenues
1,528	1,138	15	810	Total revenues
				Expenditures:
				Current:
-	-	-	-	General government
-	-	13	-	Public protection
-	-	-	-	Public ways and facilities
-	-	-	-	Health and sanitation
1,244	-	-	-	Public assistance
-	1,079	-	-	Education
-	-	-	-	Recreational and cultural services
1,244	1,079	13	-	Total expenditures
284	59	2	810	Excess (deficiency) of revenues over expenditures
				Other financing sources (uses):
-	-	-	-	Transfers in
-	(17)	-	(2,000)	Transfers (out)
-	(17)	-	(2,000)	Total other financing sources and (uses)
284	42	2	(1,190)	Net change in fund balances
244	121	68	4,494	Fund balances - beginning
$ 528	$ 163	$ 70	$ 3,304	Fund balances - ending

Continued on next page

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Impact Fee - Traffic	Library	Organizational Effectiveness	Parks
Revenues:				
Taxes	$ -	$ 4,721	$ -	$ -
Licenses, permits, and franchises	-	-	-	-
Fines, forfeits, and penalties	-	26	-	6
Revenues from use of money and property	145	52	33	48
Aid from governmental agencies	-	414	-	236
Charges for current services	2,934	262	3	2,403
Other revenues	-	91	6	347
Total revenues	3,079	5,566	42	3,040
Expenditures:				
Current:				
General government	-	-	340	-
Public protection	-	-	-	-
Public ways and facilities	4,634	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	6,228	-	-
Recreational and cultural services	-	-	-	5,645
Total expenditures	4,634	6,228	340	5,645
Excess (deficiency) of revenues over expenditures	(1,555)	(662)	(298)	(2,605)
Other financing sources (uses):				
Transfers in	-	439	350	2,865
Transfers (out)	-	(94)	-	(63)
Total other financing sources and (uses)	-	345	350	2,802
Net change in fund balances	(1,555)	(317)	52	197
Fund balances - beginning	11,002	3,713	2,448	2,356
Fund balances - ending	$ 9,447	$ 3,396	$ 2,500	$ 2,553

Continued on next page

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

Public Facilities Fee	Roads	Tax Reduct. Reserve	Wildlife Grazing	
				Revenues:
$ -	$ 1,049	$ -	$ -	Taxes
-	2	-	-	Licenses, permits, and franchises
-	17	-	-	Fines, forfeits, and penalties
180	88	165	-	Revenues from use of money and property
-	14,391	-	3	Aid from governmental agencies
3,403	4,768	-	-	Charges for current services
-	206	-	-	Other revenues
3,583	20,521	165	3	Total revenues
				Expenditures:
				Current:
-	-	-	-	General government
-	-	-	15	Public protection
9	24,953	-	-	Public ways and facilities
-	-	-	-	Health and sanitation
-	-	-	-	Public assistance
-	-	-	-	Education
-	-	-	-	Recreational and cultural services
9	24,953	-	15	Total expenditures
3,574	(4,432)	165	(12)	Excess (deficiency) of revenues over expenditures
				Other financing sources (uses):
-	4,300	-	-	Transfers in
(2,411)	-	-	-	Transfers (out)
(2,411)	4,300	-	-	Total other financing sources and (uses)
1,163	(132)	165	(12)	Net change in fund balances
12,321	7,972	11,977	27	Fund balances - beginning
$ 13,484	$ 7,840	$ 12,142	$ 15	Fund balances - ending

Continued on next page

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Governmental Leasing	Special District Funds	Total Special Revenue Funds
Revenues:			
Taxes	$ -	$ 1,374	$ 7,207
Licenses, permits, and franchises	-	-	2
Fines, forfeits, and penalties	283	4	928
Revenues from use of money and property	-	93	1,054
Aid from governmental agencies	-	139	23,174
Charges for current services	633	106	18,571
Other revenues	-	64	1,349
Total revenues	916	1,780	52,285
Expenditures:			
Current:			
General government	2,404	-	8,655
Public protection	-	1,547	1,575
Public ways and facilities	-	122	29,718
Health and sanitation	-	-	5,796
Public assistance	-	-	4,587
Education	-	-	7,307
Recreational and cultural services	-	-	5,645
Total expenditures	2,404	1,669	63,283
Excess (deficiency) of revenues over expenditures	(1,488)	111	(10,998)
Other financing sources (uses):			
Transfers in	1,488	122	19,919
Transfers (out)	-	(235)	(5,057)
Total other financing sources and (uses)	1,488	(113)	14,862
Net change in fund balances	-	(2)	3,864
Fund balances - beginning	-	5,715	75,078
Fund balances - ending	$ -	$ 5,713	$ 78,942

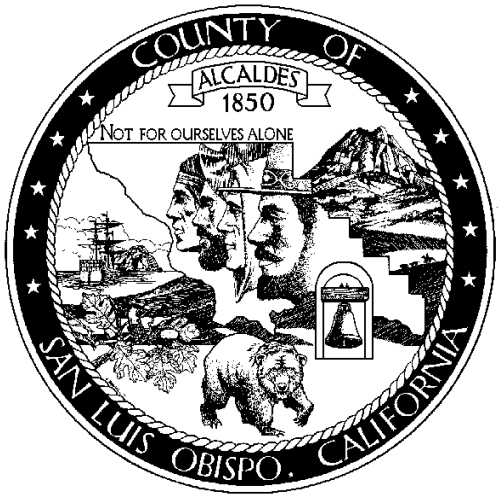
COUNTY OF SAN LUIS OBISPO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - SPECIAL DISTRICTS
JUNE 30, 2004 (in thousands)

	Flood Control Districts	Lighting Districts	County Service Areas	Total Special Revenue Special District Funds
Assets				
Cash and cash equivalents	$ 4,329	$ 249	$ 1,776	$ 6,354
Other receivables	-	-	36	36
Due from other governments	13	-	-	13
Advances to other funds	593	-	-	593
Total assets	$ 4,935	$ 249	$ 1,812	$ 6,996
Liabilities and fund balances:				
Liabilities:				
Accounts payable	46	-	-	46
Advances from other county funds	592	-	645	1,237
Total liabilities	638	-	645	1,283
Fund balances:				
Reserved	1,176	-	(90)	1,086
Unreserved	3,121	249	1,257	4,627
Total fund balance	4,297	249	1,167	5,713
Total liabilities and fund balances	$ 4,935	$ 249	$ 1,812	$ 6,996

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS - SPECIAL DISTRICTS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Flood Control Districts	Lighting Districts	County Service Areas	Total Special Revenue Special District Funds
Revenues:				
Taxes	$ 1,042	$ 24	$ 308	$ 1,374
Fines, forfeits, and penalties	4	-	-	4
Revenues from use of money and property	60	6	27	93
Aid from governmental agencies	138	-	1	139
Charges for current services	33	2	71	106
Other revenues	14	50	-	64
Total revenues	1,291	82	407	1,780
Expenditures:				
Current:				
Public protection	1,329	217	1	1,547
Public ways and facilities	-	-	122	122
Total expenditures	1,329	217	123	1,669
Excess (deficiency) of revenues over expenditures	(38)	(135)	284	111
Other financing sources (uses):				
Transfers in	54	-	68	122
Transfers (out)	(54)	-	(181)	(235)
Total other financing sources and (uses)	-	-	(113)	(113)
Net change in fund balances	(38)	(135)	171	(2)
Fund balances - beginning	4,335	384	996	5,715
Fund balances - ending	$ 4,297	$ 249	$ 1,167	$ 5,713

BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS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COUNTY OF SAN LUIS OBISPO
TOTAL COMBINED SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 17,725	$ 7,376	$ 7,207	$ (169)
Licenses, permits, and franchises	-	-	2	2
Fines, forfeits, and penalties	789	789	928	139
Revenues from use of money and property	619	619	1,054	435
Aid from governmental agencies	15,358	41,609	23,174	(18,435)
Charges for current services	16,651	31,162	18,571	(12,591)
Other revenues	672	1,193	1,349	156
Total revenues	51,814	82,748	52,285	(30,463)
Expenditures:				
General government	21,218	21,245	20,877	368
Public protection	4,173	4,319	2,157	2,162
Public ways and facilities	34,020	56,237	33,464	22,773
Health and sanitation	4,193	10,210	5,796	4,414
Public assistance	6,711	6,690	6,109	581
Education	8,788	9,165	8,542	623
Recreational and cultural services	5,448	7,594	5,841	1,753
Total expenditures	84,551	115,460	82,786	32,674
Excess (deficiency) of revenues over expenditures	(32,737)	(32,712)	(30,501)	2,211
Other financing sources (uses):				
Transfers in	13,422	11,068	19,919	8,851
Transfers out	(1,578)	(12,708)	(11,800)	908
Reserves, designations and contingencies	7,895	21,354	-	(21,354)
Total other financing sources and uses	19,739	19,714	8,119	(11,595)
Net change in fund balances	(12,998)	(12,998)	(22,382)	(9,384)
Budgetary fund balances - beginning	12,998	12,998	63,648	50,650
Fund balances—ending	$ -	$ -	$ 41,266	$ 41,266

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 82,786
Differences - budget to GAAP:	
Less: Encumbrances for supplies and services ordered but not received within the recognition period	(19,503)
Total expenditures as reported on the combining statement of revenues, expenditures anc changes in fund balances	$ 63,283
Other financing sources (uses):	
Actual amounts (budgetary basis) "Other financing sources (uses)" from the budgetary comparison schedule transfers out	$ 11,800
Differences - budget to GAAP:	
Less: Encumbrances for other Financing uses	(6,743)
Total transfers out as reported on the combining statement of revenues, expenditures and changes in fund balances	$ 5,057

COUNTY OF SAN LUIS OBISPO
CALIFORNIA HEALTH CARE INDIGENT PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Revenues from use of money and property	$ 3	$ 3	$ 2	$ (1)
Aid from governmental agencies	537	537	194	(343)
Charges for current services	275	275	292	17
Total revenues	815	815	488	(327)
Expenditures:				
Public assistance	1,070	1,070	742	328
Total expenditures	1,070	1,070	742	328
Excess (deficiency) of revenues over expenditures	(255)	(255)	(254)	1
Other financing sources (uses):				
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(255)	(255)	(254)	1
Budgetary fund balances - beginning	255	255	254	(1)
Budgetary fund balances - ending	$ -	$ -	$ -	$ -

Explanation of differences between budgetary outflows and GAAP expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 742
Differences - budget to GAAP:	
Less:	
Encumbrances for supplies and services ordered but not received within the recognition period	(303)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	$ 439

COUNTY OF SAN LUIS OBISPO
COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ -	$ -	$ 63	$ 63
Aid from governmental agencies	-	10,211	5,325	(4,886)
Other revenues	-	-	635	635
Total revenues	-	10,211	6,023	(4,188)
Expenditures:				
Health and sanitation	4,193	10,210	5,796	4,414
Total expenditures	4,193	10,210	5,796	4,414
Excess (deficiency) of revenues over expenditures	(4,193)	1	227	226
Other financing sources (uses):				
Transfers in	4,193	-	-	-
Reserves, designations and contingencies	(18)	(19)	-	19
Total other financing sources and uses	4,175	(19)	-	19
Net change in fund balances	(18)	(18)	227	245
Budgetary fund balances - beginning	18	18	973	955
Budgetary fund balances - ending	$ -	$ -	$ 1,200	$ 1,200

COUNTY OF SAN LUIS OBISPO
COUNTY MEDICAL SERVICES PROGRAM (CMSP) SPECIAL REVENUE FUND
SCHDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Revenues from use of money and property	$ 25	$ 25	$ 8	$ (17)
Aid from governmental agencies	2,472	2,472	2,472	-
Charges for current services	119	119	102	(17)
Other revenues	-	-	-	-
Total revenues	2,616	2,616	2,582	(34)
Expenditures:				
Public assistance	4,263	4,242	4,011	231
Total expenditures	4,263	4,242	4,011	231
Excess (deficiency) of revenues over expenditures	(1,647)	(1,626)	(1,429)	197
Other financing sources (uses):				
Transfers in	703	703	507	(196)
Transfers out	-	(22)	(22)	-
Reserves, designations and contingencies	-	1	-	(1)
Total other financing sources and uses	703	682	485	(197)
Net change in fund balances	(944)	(944)	(944)	-
Budgetary fund balances - beginning	944	944	944	-
Budgetary fund balances - ending	$ -	$ -	$ -	$ -

Explanation of differences between budgetary outflows and GAAP expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 4,011
Differences - budget to GAAP:	
Less:	
Encumbrances for supplies and services ordered but not received within the recognition period	(1,107)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	$ 2,904

COUNTY OF SAN LUIS OBISPO
COUNTY-WIDE AUTOMATION REPLACEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 9,848	$ -	$ -	$ -
Revenues from use of money and property	-	-	172	172
Charges for current services	834	10,682	834	(9,848)
Total revenues	10,682	10,682	1,006	(9,676)
Expenditures:				
General government	18,349	18,349	18,112	237
Total expenditures	18,349	18,349	18,112	237
Excess (deficiency) of revenues over expenditures	(7,667)	(7,667)	(17,106)	(9,439)
Other financing sources (uses):				
Transfers in	-	-	9,848	9,848
Transfers out	-	(215)	(215)	-
Reserves, designations and contingencies	7,655	7,870	-	(7,870)
Total other financing sources and uses	7,655	7,655	9,633	1,978
Net change in fund balances	(12)	(12)	(7,473)	(7,461)
Budgetary fund balances - beginning	12	12	10,449	10,437
Fund balances - ending	$ -	$ -	$ 2,976	$ 2,976

Explanation of differences between budgetary outflows and GAAP expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 18,112
Differences - budget to GAAP:	
Less:	
Encumbrances for supplies and services ordered but not received within the recognition period	(12,201)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	$ 5,911

COUNTY OF SAN LUIS OBISPO
EMERGENCY MEDICAL SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, forfeits, and penalties	$ 460	$ 460	$ 577	$ 117
Revenues from use of money and property	2	2	3	1
Charges for current services	882	882	948	66
Total revenues	1,344	1,344	1,528	184
Expenditures:				
Public assistance	1,378	1,378	1,356	22
Total expenditures	1,378	1,378	1,356	22
Excess (deficiency) of revenues over expenditures	(34)	(34)	172	206
Other financing sources (uses):				
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(34)	(34)	172	206
Budgetary fund balances - beginning	34	34	244	210
Budgetary fund balances - ending	$ -	$ -	$ 416	$ 416

Explanation of differences between budgetary outflows and GAAP expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 1,356
Differences - budget to GAAP:	
Less:	
Encumbrances for supplies and services ordered but not received within the recognition period	(112)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	$ 1,244

COUNTY OF SAN LUIS OBISPO
FIRST OFFENDER - DRUNK DRIVER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Revenues from use of money and property	$ 7	$ 7	$ 2	$ (5)
Charges for current services	1,142	1,142	1,136	(6)
Total revenues	1,149	1,149	1,138	(11)
Expenditures:				
Education	1,167	1,151	1,079	72
Total expenditures	1,167	1,151	1,079	72
Excess (deficiency) of revenues over expenditures	(18)	(2)	59	61
Other financing sources (uses):				
Transfers (out)	-	(17)	(17)	-
Reserves, designations and contingencies	24	25	-	(25)
Total other financing sources and uses	24	8	(17)	(25)
Net change in fund balances	6	6	42	36
Budgetary fund balances - beginning	(6)	(6)	121	127
Budgetary fund balances - ending	$ -	$ -	$ 163	$ 163

COUNTY OF SAN LUIS OBISPO
FISH AND GAME SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, forfeits, and penalties	$ 10	$ 10	$ 15	$ 5
Total revenues	10	10	15	5
Expenditures:				
Public protection	20	20	13	7
Total expenditures	20	20	13	7
Excess (deficiency) of revenues over expenditures	(10)	(10)	2	12
Other financing sources (uses):				
Reserves, designations and contingencies	5	5	-	(5)
Total other financing sources and uses	5	5	-	(5)
Net change in fund balances	(5)	(5)	2	7
Budgetary fund balances - beginning	5	5	68	63
Budgetary fund balances - ending	$ -	$ -	$ 70	$ 70

COUNTY OF SAN LUIS OBISPO
GENERAL GOVERNMENT BUILDING REPLACEMENT FUND
SCHECULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Revenues from use of money and property	$ -	$ -	$ 63	$ 63
Charges for current services	747	747	747	-
Total revenues	747	747	810	63
Expenditures:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	747	747	810	63
Other financing sources (uses):				
Reserves, designations and contingencies	(833)	1,167	-	(1,167)
Total other financing sources and uses	(833)	(833)	(2,000)	(1,167)
Net change in fund balances	(86)	(86)	(1,190)	(1,104)
Budgetary fund balances - beginning	86	86	4,494	4,408
Budgetary fund balances - ending	$ -	$ -	$ 3,304	$ 3,304

COUNTY OF SAN LUIS OBISPO
TRAFFIC IMPACT FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Revenues from use of money and property	$ 250	$ 250	$ 145	$ (105)
Charges for current services	1,938	1,938	2,934	996
Other revenues	-	-	-	-
Total revenues	2,188	2,188	3,079	891
Expenditures:				
Public ways and facilities	4,757	9,378	4,634	4,744
Total expenditures	4,757	9,378	4,634	4,744
Excess (deficiency) of revenues over expenditures	(2,569)	(7,190)	(1,555)	5,635
Other financing sources (uses):				
Reserves, designations and contingencies	2,569	7,190	-	(7,190)
Total other financing sources and uses	2,569	7,190	-	(7,190)
Net change in fund balances	-	-	(1,555)	(1,555)
Budgetary fund balances - beginning	-	-	11,002	11,002
Budgetary fund balances - ending	$ -	$ -	$ 9,447	$ 9,447

COUNTY OF SAN LUIS OBISPO
LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENDUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 4,662	$ 4,662	$ 4,721	$ 59
Fines, forfeits, and penalties	20	20	26	6
Revenues from use of money and property	57	57	52	(5)
Aid from governmental agencies	318	375	414	39
Charges for current services	209	209	262	53
Other revenues	50	456	91	(365)
Total revenues	5,316	5,779	5,566	(213)
Expenditures:				
Education	7,621	8,014	7,463	551
Total expenditures	7,621	8,014	7,463	551
Excess (deficiency) of revenues over expenditures	(2,305)	(2,235)	(1,897)	338
Other financing sources (uses):				
Transfers in	414	439	439	-
Transfers out	-	(94)	(94)	-
Reserves, designations and contingencies	1	-	-	-
Total other financing sources and uses	415	345	345	-
Net change in fund balances	(1,890)	(1,890)	(1,552)	338
Budgetary fund balances - beginning	1,890	1,890	3,713	1,823
Budgetary fund balances - ending	$ -	$ -	$ 2,161	$ 2,161

Explanation of differences between budgetary outflows and GAAP expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 7,463
Differences - budget to GAAP:	
Less:	
Encumbrances for supplies and services ordered but not received within the recognition period	(1,235)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	$ 6,228

COUNTY OF SAN LUIS OBISPO
ORGANIZATIONAL EFFECTIVENESS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Revenues from use of money and property	$ -	$ -	$ 33	$ 33
Charges for current services	-	-	3	3
Other revenues	-	-	6	6
Total revenues	-	-	42	42
Expenditures:				
General government	492	492	361	131
Total expenditures	492	492	361	131
Excess (deficiency) of revenues over expenditures	(492)	(492)	(319)	173
Other financing sources (uses):				
Transfers in	350	350	350	-
Reserves, designations and contingencies	39	39	-	(39)
Total other financing sources and uses	389	389	350	(39)
Net change in fund balances	(103)	(103)	31	134
Budgetary fund balances - beginning	103	103	2,448	2,345
Budgetary fund balances - ending	$ -	$ -	$ 2,479	$ 2,479

Explanation of differences between budgetary outflows and GAAP expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 361
Differences - budget to GAAP:	
Less:	
Encumbrances for supplies and services ordered but not received within the recognition period	(21)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	$ 340

COUNTY OF SAN LUIS OBISPO
PARKS SPECIAL REVENUE FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, forfeits, and penalties	$ 9	$ 9	$ 6	$ (3)
Revenues from use of money and property	75	75	48	(27)
Aid from governmental agencies	-	1,520	236	(1,284)
Charges for current services	2,243	2,243	2,403	160
Other revenues	12	302	347	45
Total revenues	2,339	4,149	3,040	(1,109)
Expenditures:				
Recreational and cultural services	5,448	7,594	5,841	1,753
Total expenditures	5,448	7,594	5,841	1,753
Excess (deficiency) of revenues over expenditures	(3,109)	(3,445)	(2,801)	644
Other financing sources (uses):				
Transfers in	2,531	2,931	2,865	(66)
Transfers (out)	-	(63)	(63)	-
Reserves, designations and contingencies	-	(1)	-	1
Total other financing sources and uses	2,531	2,867	2,802	(65)
Net change in fund balances	(578)	(578)	1	579
Budgetary fund balances - beginning	578	578	2,356	1,778
Budgetary fund balances - ending	$ -	$ -	$ 2,357	$ 2,357

Explanation of differences between budgetary outflows and GAAP expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 5,841
Differences - budget to GAAP:	
Less:	
Encumbrances for supplies and services ordered but not received within the recognition period	(196)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	$ 5,645

COUNTY OF SAN LUIS OBISPO
PUBLIC FACILITIES FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Revenues from use of money and property	$ -	$ -	$ 180	$ 180
Charges for current services	2,750	2,768	3,403	635
Other revenues	-	-	-	-
Total revenues	2,750	2,768	3,583	815
Expenditures:				
Public ways and facilities	738	53	53	-
Total expenditures	738	53	53	-
Excess (deficiency) of revenues over expenditures	2,012	2,715	3,530	815
Other financing sources (uses):				
Contributed capital	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(500)	(9,154)	(9,154)	-
Reserves, designations and contingencies	(1,547)	6,404	-	(6,404)
Total other financing sources and uses	(2,047)	(2,750)	(9,154)	(6,404)
Net change in fund balances	(35)	(35)	(5,624)	(5,589)
Budgetary fund balances - beginning	35	35	12,321	12,286
Budgetary fund balances - ending	$ -	$ -	$ 6,697	$ 6,697

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule expenditures	$ 53
Differences - budget to GAAP:	
Less: Encumbrances for supplies and services ordered but not received within the recognition period	(44)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	$ 9
Other financing sources (uses):	
Actual amounts (budgetary basis) "Other financing sources (uses)" from the budgetary comparison schedule transfers out	$ (9,154)
Differences - budget to GAAP:	
Less:	
Less: Encumbrances for other Financing uses	6,743
Total transfers out as reported on the combining statement of revenues, expenditures and changes in fund balances	$ (2,411)

COUNTY OF SAN LUIS OBISPO
ROADS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 1,024	$ 1,024	$ 1,049	$ 25
Licenses, permits, and franchises	-	-	2	2
Fines, forfeits, and penalties	-	-	17	17
Revenues from use of money and property	100	100	88	(12)
Aid from governmental agencies	10,827	25,290	14,391	(10,899)
Charges for current services	4,823	9,468	4,768	(4,700)
Other revenues	150	435	206	(229)
Total revenues	16,924	36,317	20,521	(15,796)
Expenditures:				
Public ways and facilities	28,243	46,319	28,654	17,665
Total expenditures	28,243	46,319	28,654	17,665
Excess (deficiency) of revenues over expenditures	(11,319)	(10,002)	(8,133)	1,869
Other financing sources (uses):				
Transfers in	4,300	4,300	4,300	-
Reserves, designations and contingencies	60	(1,257)	-	1,257
Total other financing sources and uses	4,360	3,043	4,300	1,257
Net change in fund balances	(6,959)	(6,959)	(3,833)	3,126
Budgetary fund balances - beginning	6,959	6,959	7,972	1,013
Budgetary fund balances - ending	$ -	$ -	$ 4,139	$ 4,139

Explanation of differences between budgetary outflows and GAAP expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 28,654
Other financing uses on budgetary basis	-
Differences - budget to GAAP:	
Less:	
Encumbrances for supplies and services ordered but not received within the recognition period	(3,701)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	$ 24,953

COUNTY OF SAN LUIS OBISPO
TAX REDUCTION RESERVE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Revenues from use of money and property	$ -	$ -	$ 165	$ 165
Total revenues	-	-	165	165
Expenditures:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	165	165
Other financing sources (uses):				
Reserves, designations and contingencies	(255)	(255)	-	255
Total other financing sources and uses	(255)	(255)	-	255
Net change in fund balances	(255)	(255)	165	420
Budgetary fund balances - beginning	255	255	11,977	11,722
Budgetary fund balances - ending	$ -	$ -	$ 12,142	$ 12,142

COUNTY OF SAN LUIS OBISPO
WILDLIFE GRAZING SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Revenues from use of money and property	$ 1	$ 1	$ -	$ (1)
Aid from governmental agencies	5	5	3	(2)
Total revenues	6	6	3	(3)
Expenditures:				
Public protection	15	15	15	-
Total expenditures	15	15	15	-
Excess (deficiency) of revenues over expenditures	(9)	(9)	(12)	(3)
Other financing sources (uses):				
Reserves, designations and contingencies	4	4	-	(4)
Total other financing sources and uses	4	4	-	(4)
Net change in fund balances	(5)	(5)	(12)	(7)
Budgetary fund balances - beginning	5	5	27	22
Budgetary fund balances - ending	$ -	$ -	$ 15	$ 15

COUNTY OF SAN LUIS OBISPO
GOVERNMENTAL LEASING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 500	$ (1)	$ -	$ 1
Fines, forfeits, and penalties	283	283	283	-
Revenues from use of money and property	-	-	-	-
Charges for current services	633	633	633	-
Total revenues	1,876	915	916	1
Expenditures:				
General government	2,377	2,404	2,404	-
Total expenditures	2,377	2,404	2,404	-
Excess (deficiency) of revenues over expenditures	(501)	(1,489)	(1,488)	1
Other financing sources (uses):				
Transfers in	500	1,488	1,488	-
Reserves, designations and contingencies	1	1	-	(1)
Total other financing sources and uses	501	1,489	1,488	(1)
Net change in fund balances	-	-	-	-
Budgetary fund balances - beginning	-	-	-	-
Budgetary fund balances - ending	$ -	$ -	$ -	$ -

COUNTY OF SAN LUIS OBISPO
TOTAL SPECIAL DISTRICTS SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 1,691	$ 1,691	$ 1,374	$ (317)
Fines, forfeits, and penalties	7	7	4	(3)
Revenues from use of money and property	99	99	93	(6)
Aid from governmental agencies	1,199	1,199	139	(1,060)
Charges for current services	56	56	106	50
Other revenues	-	-	64	64
Total revenues	3,052	3,052	1,780	(1,272)
Expenditures:				
Public protection	4,138	4,284	2,129	2,155
Public ways and facilities	282	487	123	364
Total expenditures	4,420	4,771	2,252	2,519
Excess (deficiency) of revenues over expenditures	(1,368)	(1,719)	(472)	1,247
Other financing sources (uses):				
Transfers in	431	857	122	(735)
Transfers out	(1,078)	(1,143)	(235)	908
Reserves, designations and contingencies	190	180	-	(180)
Total other financing sources and uses	(457)	(106)	(113)	(7)
Net change in fund balances	(1,825)	(1,825)	(585)	1,240
Budgetary fund balances - beginning	1,825	1,825	(5,715)	(7,540)
Budgetary fund balances - ending	$ -	$ -	$ (6,300)	$ (6,300)

Explanation of differences between budgetary outflows and GAAP expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 2,252
Differences - budget to GAAP:	
Less:	
Encumbrances for supplies and services ordered but not received within the recognition period	(583)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	$ 1,669

COUNTY OF SAN LUIS OBISPO
FLOOD CONTROL SPECIAL REVENUE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 914	$ 914	$ 1,042	$ 128
Fines, forfeits, and penalties	5	5	4	(1)
Revenues from use of money and property	54	54	60	6
Aid from governmental agencies	1,198	1,198	138	(1,060)
Charges for current services	34	34	33	(1)
Other revenues	-	-	14	14
Total revenues	2,205	2,205	1,291	(914)
Expenditures:				
Public protection	3,972	4,062	1,912	2,150
Total expenditures	3,972	4,062	1,912	2,150
Excess (deficiency) of revenues over expenditures	(1,767)	(1,857)	(621)	1,236
Other financing sources (uses):				
Transfers in	429	429	54	(375)
Transfers (out)	(103)	(103)	(54)	49
Reserves, designations and contingencies	(88)	2	-	(2)
Total other financing sources and uses	238	328	-	(328)
Net change in fund balances	(1,529)	(1,529)	(621)	908
Budgetary fund balances - beginning	1,529	1,529	(4,335)	(5,864)
Budgetary fund balances - ending	$ -	$ -	$ (4,956)	$ (4,956)

Explanation of differences between budgetary outflows and GAAP expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 1,912
Differences - budget to GAAP:	
Less:	
Encumbrances for supplies and services ordered but not received within the recognition period	(583)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	$ 1,329

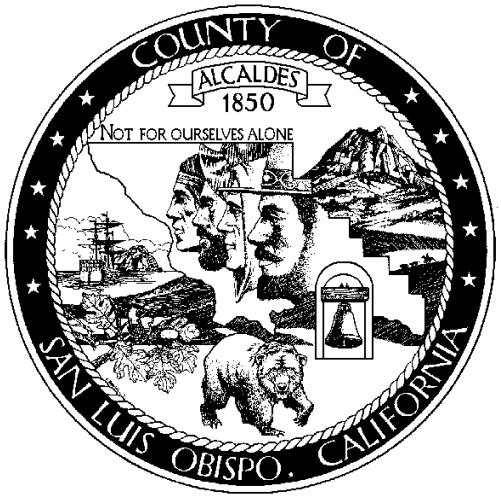
COUNTY OF SAN LUIS OBISPO
LIGHTING CONTROL SPECIAL REVENUE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 22	$ 22	$ 24	$ 2
Revenues from use of money and property	6	6	6	-
Charges for current services	-	-	2	2
Total revenues	30	30	82	52
Expenditures:				
Public protection	166	222	217	5
Total expenditures	166	222	217	5
Excess (deficiency) of revenues over expenditures	(136)	(192)	(135)	57
Other financing sources (uses):				
Reserves, designations and contingencies	136	192	-	(192)
Total other financing sources and uses	136	192	-	(192)
Net change in fund balances	-	-	(135)	(135)
Budgetary fund balances - beginning	-	-	(384)	(384)
Budgetary fund balances - ending	$ -	$ -	$ (519)	$ (519)

COUNTY OF SAN LUIS OBISPO
COUNTY SERVICES AREAS SPECIAL REVENUE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 755	$ 755	$ 308	$ (447)
Revenues from use of money and property	39	39	27	(12)
Aid from governmental agencies	1	1	1	-
Charges for current services	22	22	71	49
Other revenues	-	-	-	-
Total revenues	817	817	407	(410)
Expenditures:				
Public ways and facilities	282	487	123	364
Total expenditures	282	487	123	364
Excess (deficiency) of revenues over expenditures	535	330	284	(46)
Other financing sources (uses):				
Transfers in	2	428	68	(360)
Transfers (out)	(975)	(1,040)	(181)	859
Reserves, designations and contingencies	142	(14)	-	14
Total other financing sources and uses	(831)	(626)	(113)	513
Net change in fund balances	(296)	(296)	171	467
Budgetary fund balances - beginning	296	296	(996)	(1,292)
Budgetary fund balances - ending	$ -	$ -	$ (825)	$ (825)

COMBINING FINANCIAL STATEMENTS
NONMAJOR ENTERPRISE FUNDS


COUNTY OF
ALCALDES
1850
NOT FOR OURSELVES ALONE
SAN LUIS OBISPO, CALIFORNIA

NONMAJOR ENTERPRISE FUNDS

ENTERPRISE FUNDS:

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is to have the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the County has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Transit District

Accounts for resources used to provide transit services to various areas of the County.

Flood Control District

Accounts for resources used to provide control and conservation of flood and storm waters, which are mutually exclusive of Special Revenue Funds.

Nacimiento Water Contract

Accounts for the activities and delivery of water associated with the Nacimiento water supply reservoir and the contract with Monterey County.

Lopez Park

Accounts for the operations of the recreational facilities associated with the park next to Lopez Lake.

County Service Areas

Accounts for resources used to provide for a variety of services such as street lighting, drainage, sewer and road maintenance, which are mutually exclusive of the special revenue funds county service areas.

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2004 (in thousands)

	Transit	General Flood Control Zone	Nacimiento Water Contract	Lopez Park
Assets				
Current Assets:				
Cash and cash equivalents	$ 273	$ 1,119	$ 4,535	$ 139
Accounts receivable, net	-	-	-	-
Other receivables	9	-	-	29
Due from other county funds	-	7	825	-
Deposits with others	-	-	-	-
Total current assets	282	1,126	5,360	168
Noncurrent assets:				
Capital assets:				
Nondepreciable:				
Land	84	-	-	-
Construction in progress	-	-	4,954	-
Depreciable:				
Structures & improvements, net	-	-	-	774
Equipment, net	176	-	-	113
Total noncurrent assets	260	-	4,954	887
Total assets	542	1,126	10,314	1,055
Liabilities				
Current liabilities:				
Accounts payable	(3)	-	-	8
Deposits from others	22	-	-	-
Due to other county funds	-	-	225	-
Deferred revenue	-	-	-	-
Notes and bonds payable - current	-	-	-	6
Total current liabilities	19	-	225	14
Noncurrent liabilities:				
Advances from other funds	-	-	-	-
Notes and bonds payable	-	-	-	319
Total noncurrent liabilities	-	-	-	319
Total liabilities	19	-	225	333
Net assets				
Invested in capital assets, net of related debt	260	-	4,954	562
Unrestricted	263	1,126	5,135	160
Total net assets	$ 523	$ 1,126	$ 10,089	$ 722

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2004 (in thousands)

County Service Areas	Total	
		Assets
		Current Assets:
$ 3,673	$ 9,739	Cash and cash equivalents
111	111	Accounts receivable, net
-	38	Other receivables
-	832	Due from other county funds
13	13	Deposits with others
3,797	10,733	Total current assets
		Noncurrent assets:
		Capital assets:
		Nondepreciable:
132	216	Land
1,478	6,432	Construction in progress
		Depreciable:
6,860	7,634	Structures & improvements, net
44	333	Equipment, net
8,514	14,615	Total noncurrent assets
12,311	25,348	Total assets
		Liabilities
		Current liabilities:
2	7	Accounts payable
203	225	Deposits from others
1	226	Due to other county funds
71	71	Deferred revenue
126	132	Notes and bonds payable - current
403	661	Total current liabilities
		Noncurrent liabilities:
191	191	Advances from other funds
2,831	3,150	Notes and bonds payable
3,022	3,341	Total noncurrent liabilities
3,425	4,002	Total liabilities
		Net assets
5,557	11,333	Invested in capital assets, net of related debt
3,329	10,013	Unrestricted
$ 8,886	$ 21,346	Total net assets

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Transit	General Flood Control Zone	Nacimiento Water Contract	Lopez Park
Operating revenues:				
Charges for current services	$ 74	$ 550	$ 31	$ 1,392
Total operating revenues	74	550	31	1,392
Operating expenses				
Services and supplies	-	-	-	-
Other charges	813	718	456	1,516
Depreciation	26	-	-	47
Total operating expenses	839	718	456	1,563
Operating income (loss)	(765)	(168)	(425)	(171)
Nonoperating revenues:				
Property taxes	-	-	781	-
Interest income	1	25	66	73
Aid from governmental agencies	887	-	17	-
Gain on sale of assets	-	-	-	-
Other nonoperating revenues	-	7	5	9
Total nonoperating revenue	888	32	869	82
Nonoperating expenses:				
Loss on sale of assets	2	-	-	12
Interest expense	-	-	-	-
Other nonoperating expenses	-	-	-	-
Total nonoperating expense	2	-	-	12
Income (loss) before contribution and transfers	121	(136)	444	(101)
Transfers in	-	-	5	-
Transfers (out)	-	-	-	(12)
Capital contributions	-	-	-	-
Change in net assets	121	(136)	449	(113)
Net assets - beginning	402	1,262	9,640	835
Total net assets - ending	$ 523	$ 1,126	$ 10,089	$ 722

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

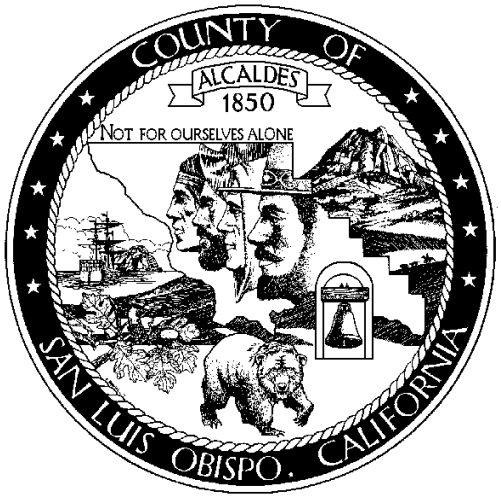
County Service Areas	Total	
		Operating revenues:
$ 2,399	$ 4,446	Charges for current services
2,399	4,446	Total operating revenues
		Operating expenses
28	28	Services and supplies
2,491	5,994	Other charges
286	359	Depreciation
2,805	6,381	Total operating expenses
(406)	(1,935)	Operating income (loss)
		Nonoperating revenues:
264	1,045	Property taxes
53	218	Interest income
3	907	Aid from governmental agencies
-	-	Gain on sale of assets
12	33	Other nonoperating revenues
332	2,203	Total nonoperating revenue
		Nonoperating expenses:
99	113	Loss on sale of assets
96	96	Interest expense
3	3	Other nonoperating expenses
198	212	Total nonoperating expense
(272)	56	Income (loss) before contribution and transfers
99	104	Transfers in
(2)	(14)	Transfers (out)
124	124	Capital contributions
(51)	270	Change in net assets
8,937	21,076	Net assets - beginning, as previously reported
$ 8,886	$ 21,346	Total net assets - ending

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

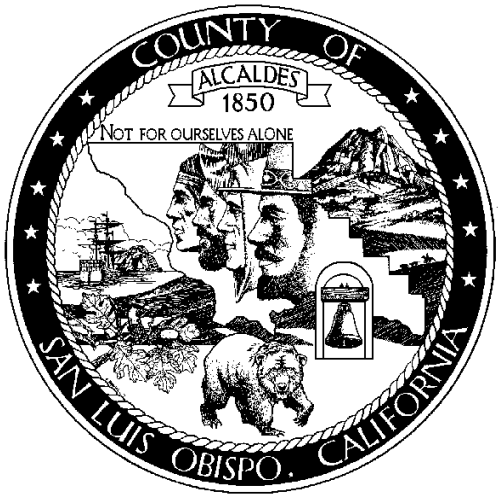
	Transit	General Flood Control Zone	Nacimiento Water Contract	Lopez Park
Cash flows from operating activities:				
Receipts from customers, patients, third parties	$ 78	$ 710	$ 31	$ 1,381
Cash received from other sources	5	7	6	-
Payments for goods and services	(817)	(719)	(458)	(1,522)
Payments to other sources	-	-	(300)	-
Net cash provided by operating activities	(734)	(2)	(721)	(141)
Cash flows from noncapital financing activities:				
Property tax proceeds	-	-	781	-
Grants and subsidies from other gov't agencies	887	-	17	-
Borrowings from other gov'tl agencies	-	-	-	-
Transfers from other funds	-	-	119	(8)
Transfers to other funds	-	-	(114)	(5)
Net cash used by capital and related financing activities	887	-	803	(13)
Cash flows from capital and related financing activities:				
Purchases and construction of capital assets	-	-	(577)	(32)
Proceeds from sale of capital assets	-	-	-	-
Principal paid on capital debt	-	-	-	(300)
Interest paid on capital debt	-	-	-	-
Capital contributions	-	-	-	-
Other capital related activity	-	-	-	-
Net cash used by capital and related financing activities	-	-	(577)	(7)
Cash flows from investing activities:				
Interest received	1	25	66	80
Net increase (decrease) in cash & cash equivalents	154	23	(429)	(81)
Total cash and cash equivalents, beginning of year	119	1,096	4,964	220
Total cash and cash equivalents, end of year	$ 273	$ 1,119	$ 4,535	$ 139
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (765)	$ (168)	$ (425)	$ (171)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	26	-	-	47
Other nonoperating revenue (expense)	-	7	5	-
Change in assets and liabilities:				
Receivables, net	4	158	-	-
Other receivables	-	2	(301)	(10)
Accounts Payable	-	(1)	-	(5)
Other accrued liabilities	1	-	-	(2)
Net cash provided by operating activities	$ (734)	$ (2)	$ (721)	$ (141)

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

County Service Areas	Total Non-Major Enterprise Funds	
		Cash flows from operating activities:
$ 2,365	$ 4,565	Receipts from customers, patients, third parties
	18	Cash received from other sources
(2,325)	(5,841)	Payments for goods and services
(125)	(425)	Payments to other sources
(85)	(1,683)	Net cash provided by operating activities
		Cash flows from noncapital financing activities:
264	1,045	Property tax proceeds
1	905	Grants and subsidies from other gov't agencies
2	2	Borrowings from other gov'tl agencies
79	190	Transfers from other funds
20	(99)	Transfers to other funds
366	2,043	Net cash used by capital and related financing activities
		Cash flows from capital and related financing activities:
(148)	(757)	Purchases and construction of capital assets
(115)	(115)	Proceeds from sale of capital assets
(79)	(379)	Principal paid on capital debt
(96)	(96)	Interest paid on capital debt
124	124	Capital contributions
2	2	Other capital related activity
	-	
(312)	(896)	Net cash used by capital and related financing activities
		Cash flows from investing activities:
53	225	Interest received
22	(311)	Net increase (decrease) in cash & cash equivalents
3,651	10,050	Total cash and cash equivalents, beginning of year
$ 3,673	$ 9,739	Total cash and cash equivalents, end of year
		Reconciliation of operating income (loss) to net cash provided (used) by operating activities:
$ (406)	$ (1,935)	Operating income (loss)
		Adjustments to reconcile operating income to net cash provided by operating activities:
286	359	Depreciation expense
7	19	Other nonoperating revenue (expense)
		Change in assets and liabilities:
-	162	Receivables, net
-	(309)	Other receivables
(5)	(11)	Accounts Payable
33	32	Other accrued liabilities
$ (85)	$ (1,683)	Net cash provided by operating activities


COUNTY OF
ALCALDES
1850
NOT FOR OURSELVES ALONE
SAN LUIS OBISPO, CALIFORNIA

COMBINING FINANCIAL STATEMENTS
INTERNAL SERVICES FUNDS


COUNTY OF
ALCALDES
1850
NOT FOR OURSELVES ALONE
SAN LUIS OBISPO, CALIFORNIA

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS:

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments on a cost-reimbursement basis. Internal Service Funds used at the County are listed below:

Reprographics

Accounts for resources used to provide centralized reprographic services to various County departments and other governmental agencies

Garage

Accounts for resources used to provide a vehicle fleet of cars, trucks, and police vehicles for use by various County departments at the lowest possible maintenance and operating costs

Public Works

Accounts for resources used to provide comprehensive Engineering services in the form of manpower, equipment and contractual services and supplies to all budgets, departments, agencies, and private citizens as requested or required by state law or local ordinance

Insurance Funds

Accounts for the operations of the County's Workers' Compensation, Protected Self-Insurance, Unemployment, and Dental Insurance programs

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2004 (in thousands)

	Reprographics	Garage	Public Works	Insurance Funds
Assets				
Current Assets:				
Cash and cash equivalents	$ 150	$ 2,479	$ 7,508	$ 14,295
Accounts receivable, net	-	-	7	-
Other receivables	-	2	-	-
Due from other county funds	-	-	1	-
Inventory	5	56	335	-
Total current assets	155	2,537	7,851	14,295
Noncurrent assets:				
Capital assets:				
Depreciable:				
Structures & improvements, net	-	391	129	-
Equipment, net	62	4,297	5,026	-
Total noncurrent assets	62	4,688	5,155	-
Total assets	217	7,225	13,006	14,295
Liabilities				
Current liabilities:				
Salaries and benefits payable	6	27	446	-
Accounts payable	32	158	1,164	96
Self insurance payable	-	-	-	7,395
Deposits from others	-	-	269	-
Due to other county funds	-	-	19	-
Accrued vacation - current	18	52	1,069	-
Total current liabilities	56	237	2,967	7,491
Noncurrent liabilities:				
Self insurance liability	-	-	-	16,879
Accrued vacation and sick leave	-	3	329	-
Total noncurrent liabilities	-	3	329	16,879
Total liabilities	56	240	3,296	24,370
Net assets				
Invested in capital assets, net of related debt	62	4,688	5,155	-
Restricted	5	56	335	-
Unrestricted	94	2,241	4,220	(10,075)
Total net assets	$ 161	$ 6,985	$ 9,710	$ (10,075)

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2004 (in thousands)

Total	
	Assets
	Current Assets:
$ 24,432	Cash and cash equivalents
7	Accounts receivable, net
2	Other receivables
1	Due from other county funds
396	Inventory
24,838	Total current assets
	Noncurrent assets:
	Capital assets:
	Depreciable:
520	Structures & improvements, net
9,385	Equipment, net
9,905	Total noncurrent assets
34,743	Total assets
	Liabilities
	Current liabilities:
479	Salaries and benefits payable
1,450	Accounts payable
7,395	Self insurance payable
269	Deposits from others
19	Due to other county funds
1,139	Accrued vacation - current
10,751	Total current liabilities
	Noncurrent liabilities:
16,879	Self insurance liability
332	Accrued vacation and sick leave
17,211	Total noncurrent liabilities
27,962	Total liabilities
	Net assets
9,905	Invested in capital assets, net of related debt
396	Restricted
(3,520)	Unrestricted
$ 6,781	Total net assets

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Reprographics	Garage	Public Works	Combined Insurance (4 funds)
Operating revenues:				
Charges for current services	$ 628	$ 3,608	$ 47,521	$ 7,241
Total operating revenues	628	3,608	47,521	7,241
Salaries and benefits	191	776	13,169	-
Services and supplies	346	1,791	32,135	2,591
Other charges	-	52	517	-
Insurance benefit payments	-	-	-	10,710
Insurance premiums	-	-	-	1,520
Depreciation	29	1,176	646	-
Countywide cost allocation	26	86	1,180	304
Operating income (loss)	36	(273)	(126)	(7,884)
Interest income	1	27	73	221
Gain (loss) on sale of assets	(23)	(7)	-	-
Other revenue	5	19	97	-
Income (loss) before contribution and transfers	19	(234)	44	(7,663)
Transfers (out)	(5)	(21)	(359)	-
Capital contributions	-	79	-	-
Change in net assets	14	(176)	(315)	(7,663)
Net assets - beginning	147	7,161	10,025	(2,412)
Total net assets - ending	$ 161	$ 6,985	$ 9,710	$ (10,075)

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

Total Internal Service Funds	
	Operating revenues:
$ 58,998	Charges for current services
58,998	Total operating revenues
14,136	Salaries and benefits
36,863	Services and supplies
569	Other charges
10,710	Insurance benefit payments
1,520	Insurance premiums
1,851	Depreciation
1,596	Countywide cost allocation
(8,247)	Operating income (loss)
322	Interest income
(30)	Gain (loss) on sale of assets
121	Other revenue
(7,834)	Income (loss) before contribution and transfers
(385)	Transfers out
79	Capital contributions
(8,140)	Change in net assets
14,921	Net assets - beginning
$ 6,781	Total net assets - ending

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Reprographics	Garage	Public Works	Insurance (4 Funds)
Cash flows from operating activities:				
Receipts from customers, patients, third parties				
Receipts from interfund billings	$ 627	$ 3,606	$ 47,667	$ 7,241
Payments for goods and services	(340)	(1,775)	(50,189)	(2,895)
Payments to employees for service	(219)	(877)	235	
Payments for insurance benefits	-	-	-	(7,907)
Payments for premiums	-	-	-	(1,520)
Net cash provided by operating activities	68	954	(2,287)	(5,081)
Net cash (used) by capital and related financing activities	-	-	359	-
Cash flows from capital and related financing activities				
Purchases and construction of capital assets	(22)	(561)	(637)	-
Proceeds from sale of capital assets	4	107	1,834	-
Capital contributions	-	-	-	-
Other capital related activity	-	40	-	-
Net cash used by capital and related financing activities	(18)	(414)	1,197	-
Cash flows from investing activities:				
Interest received	1	27	73	221
Other investing activities	1	-	-	-
Net (decrease) in cash and cash equivalents	52	567	(658)	(4,860)
Total cash and cash equivalents, beginning of year	98	1,912	8,166	19,155
Total cash and cash equivalents, end of year	$ 150	$ 2,479	$ 7,508	$ 14,295
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 36	$ (273)	$ (126)	$ (7,884)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	29	1,176	(996)	-
Other nonoperating revenue (expense)	-	-	(262)	-
Change in assets and liabilities:				
Receivables, net	-	(2)	48	-
Inventory	(1)	(12)	(16)	-
Accounts Payable	6	59	(935)	(12)
Accrued payroll liabilities	1	8	-	-
Accrued vacation	(3)	(2)	-	-
Self insurance liability	-	-	-	2,815
Net cash provided by operating activities	$ 68	$ 954	$ (2,287)	$ (5,081)

Noncash investing, capital and financiang activities:
Variours departments trasferred vehicles to the garage internal service fund with a total net book value of $219

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

Total	
	Cash flows from operating activities:
-	Receipts from customers, patients, third parties
$ 59,141	Receipts from interfund billings
(55,199)	Payments for goods and services
(861)	Payments to employees for service
(7,907)	Payments for insurance benefits
(1,520)	Payments for premiums
(6,346)	Net cash provided by operating activities
359	Net cash (used) by capital and related financing activities
	Cash flows from capital and related financing activities
(1,220)	Purchases and construction of capital assets
1,945	Proceeds from sale of capital assets
-	Capital contributions
40	Other capital related activity
765	Net cash used by capital and related financing activities
	Cash flows from investing activities:
322	Interest received
1	Other investing activities
(4,899)	Net (decrease) in cash and cash equivalents
29,331	Total cash and cash equivalents, beginning of year
$ 24,432	Total cash and cash equivalents, end of year
	Reconciliation of operating income (loss) to net cash provided (used) by operating activities:
$ (8,247)	Operating income (loss)
	Adjustments to reconcile operating income to net cash provided by operating activities:
209	Depreciation expense
(262)	Other nonoperating revenue (expense)
	Change in assets and liabilities:
46	Receivables, net
(29)	Inventory
(882)	Accounts Payable
9	Accrued payroll liabilities
(5)	Accrued vacation
2,815	Self insurance liability
$ (6,346)	Net cash provided by operating activities

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS - INSURANCE
JUNE 30, 2004 (in thousands)

	Workers' Compensation	Protected Self-Insurance	Unemployment Insurance	Dental Insurance
Assets				
Current Assets:				
Cash and cash equivalents	$ 10,448	$ 2,584	$ 842	$ 421
Total current assets	10,448	2,584	842	421
Total assets	10,448	2,584	842	421
Liabilities				
Current liabilities:				
Accounts payable	96	-	-	-
Self insurance payable	5,529	1,445	-	421
Total current liabilities	5,625	1,445	-	421
Noncurrent liabilities:				
Self insurance liability	13,842	2,195	842	-
Total noncurrent liabilities	13,842	2,195	842	-
Total liabilities	19,467	3,640	842	421
Net assets				
Unrestricted	(9,019)	(1,056)	-	-
Total net assets	$ (9,019)	$ (1,056)	$ -	$ -

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS - INSURANCE
JUNE 30, 2004 (in thousands)

Total Insurance Funds	
	Assets
	Current Assets:
$ 14,295	Cash and cash equivalents
14,295	Total current assets
14,295	Total assets
	Liabilities
	Current liabilities:
96	Accounts payable
7,395	Self insurance payable
7,491	Total current liabilities
	Noncurrent liabilities:
16,879	Self insurance liability
16,879	Total noncurrent liabilities
24,370	Total liabilities
	Net assets
(10,075)	Unrestricted
$ (10,075)	Total net assets

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS - INSURANCE
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Workers' Compensation	Protected Self-Insurance	Unemployment Insurance	Dental Insurance
Operating revenues:				
Charges for current services	$ 4,791	$ 812	$ 2	$ 1,636
Total operating revenues	4,791	812	2	1,636
Operating expenses				
Services and supplies	937	1,500	2	152
Insurance benefit payments	9,047	159	15	1,489
Insurance premiums	958	562	-	-
Countywide cost allocation	192	110	-	2
Total operating expenses	11,134	2,331	17	1,643
Operating income (loss)	(6,343)	(1,519)	(15)	(7)
Nonoperating revenues (expenses):				
Interest income	154	45	15	7
Total nonoperating revenue (expenses)	154	45	15	7
Change in net assets	(6,189)	(1,474)	-	-
Net assets - beginning	(2,830)	418	-	-
Total net assets - ending	$ (9,019)	$ (1,056)	$ -	$ -

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS - INSURANCE
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

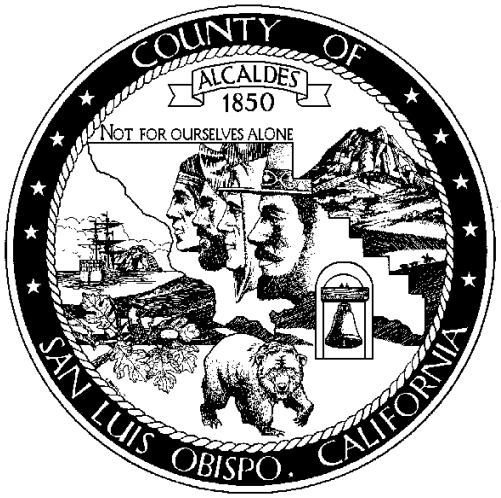
Total Insurance Funds	
	Operating revenues:
$ 7,241	Charges for current services
7,241	Total operating revenues
	Operating expenses
2,591	Services and supplies
10,710	Insurance benefit payments
1,520	Insurance premiums
304	Countywide cost allocation
15,125	Total operating expenses
(7,884)	Operating income (loss)
	Nonoperating revenues (expenses):
221	Interest income
221	Total nonoperating revenue (expenses)
(7,663)	Change in net assets
(2,412)	Net assets - beginning
$ (10,075)	Total net assets - ending

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS - INSURANCE
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	Workers' Compensation	Protected Self-Insurance	Unemployment Insurance	Dental Insurance
Cash flows from operating activities:				
Receipts from interfund billings	$ 4,791	$ 812	$ 2	$ 1,636
Payments for goods and services	(1,129)	(1,610)	(2)	(154)
Payments for insurance benefits	(5,223)	(513)	(483)	(1,688)
Payments for premiums	(958)	(562)	-	-
Net cash provided by operating activities	(2,519)	(1,873)	(483)	(206)
Cash flows from noncapital financing activities:				
Net cash used by noncapital	-	-	-	-
Cash flows from capital and related financing activities:				
Net cash used by capital and related	-	-	-	-
Cash flows from investing activities:				
Interest received	155	45	14	7
Net cash used by capital and related investing activities	155	45	14	7
Net (decrease) in cash and cash equivalents	(2,364)	(1,828)	(469)	(199)
Total cash and cash equivalents, beginning of year	12,812	4,412	1,311	620
Total cash and cash equivalents, end of year	$ 10,448	$ 2,584	$ 842	$ 421
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (6,343)	$ (1,519)	$ (15)	$ (7)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Accounts Payable	(3)	(9)	-	-
Self insurance liability	3,827	(345)	(468)	(199)
Net cash provided by operating activities	$ (2,519)	$ (1,873)	$ (483)	$ (206)

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS - INSURANCE
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

Total Insurance Funds	
	Cash flows from operating activities:
$ 7,241	Receipts from interfund billings
(2,895)	Payments for goods and services
(7,907)	Payments for insurance benefits
(1,520)	Payments for premiums
(5,081)	Net cash provided by operating activities
	Cash flows from noncapital financing activities:
-	Net cash used by noncapital
	Cash flows from capital and related financing activities:
-	Net cash used by capital and related
	Cash flows from investing activities:
221	Interest received
221	Net cash used by capital and related investing activities
(4,860)	Net (decrease) in cash and cash equivalents
19,155	Total cash and cash equivalents, beginning of year
$ 14,295	Total cash and cash equivalents, end of year
	Reconciliation of operating income (loss) to net cash provided (used) by operating activities:
$ (7,884)	Operating income (loss)
	Adjustments to reconcile operating income to net cash provided by operating activities:
(12)	Accounts Payable
2,815	Self insurance liability
$ (5,081)	Net cash provided by operating activities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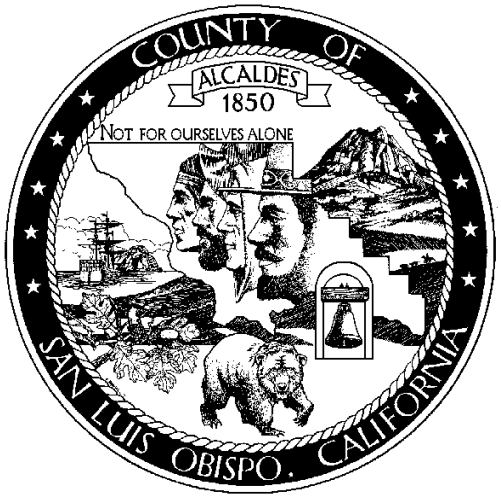
COMBINING FINANCIAL STATEMENTS
FIDUCIARY FUNDS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FIDUCIARY FUNDS

AGENCY FUNDS:

These funds account for assets held by the County as an agent for various local governments. The County has the following types of Agency Funds:

1915 Act

Accounts for temporary holding of funds for tax assessment areas created under the 1915 Improvement Act.

Clearing Funds

Serves as a temporary holding fund for subsequent disposition to an outside agency or taxing authority.

Other Funds

Accounts for temporary holding of funds that are not specifically classified in other agency categories.

INVESTMENT TRUST FUNDS

These funds are used by the County to account for the assets of legally separate entities who deposit cash with the County Treasurer. These include school and community college districts, other special districts governed by local boards, regional boards and authorities, courts and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The County combines Investment Trust Funds into four reporting types because of their similar nature: School Districts (187 funds), Special Districts (30 funds), Courts (7 funds), and Other Local Boards (15 funds)

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2004 (in thousands)

	Clearing Funds (36 Funds)	1915 Act Service Funds (25 Funds)	Other Agency Funds (33 Funds)	Total Agency Funds
Assets				
Cash and cash equivalents	$ 4,021	$ 2,086	$ 29,547	$ 35,654
	4,021	2,086	29,547	35,654
Liabilities				
Assets held as agency for others	4,021	2,086	29,547	35,654
	$ 4,021	$ 2,086	$ 29,547	$ 35,654

COUNTYOF OF SAN LUIS OBISPO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	July 1, 2003	Additions	Deductions	June 30, 2004
Clearing and Revolving Funds (36 funds)				
Assets:				
Cash and investments	$ 4,488	$ 1,855,805	$ 1,856,272	$ 4,021
Due from others	11	-	11	-
Total assets	4,499	1,855,805	1,856,283	4,021
Liabilities:				
Funds held as agency for others	4,499	1,855,805	1,856,283	4,021
Total liabilities	$ 4,499	$ 1,855,805	$ 1,856,283	$ 4,021
1915 Act Service Funds (25 funds)				
Assets:				
Cash and investments	$ 2,120	$ 369	$ 403	$ 2,086
Total assets	2,120	369	403	2,086
Liabilities:				
Funds held as agency for others	2,120	369	403	2,086
Total liabilities	2,120	369	403	2,086
Other Agency Funds (33 funds)				
Assets:				
Cash and investments	$ 20,604	$ 217,039	$ 208,096	$ 29,547
Total assets	20,604	217,039	208,096	29,547
Liabilities:				
Funds held as agency for others	20,604	217,039	208,096	29,547
Total liabilities	$ 20,604	$ 217,039	$ 208,096	$ 29,547
Total All Agency Funds				
Assets:				
Cash and investments	$ 27,212	$ 2,073,213	$ 2,064,771	$ 35,654
Due from others	11	-	11	-
Total assets	27,223	2,073,213	2,064,782	35,654
Liabilities:				
Assets held as agency for others	27,223	2,073,213	2,064,782	35,654
Total liabilities	$ 27,223	$ 2,073,213	$ 2,064,782	$ 35,654

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
INVESTMENT TRUST FUNDS
JUNE 30, 2004 (in thousands)

	School Districts (45 Funds)	Special Districts (31 Funds)	Courts (7 Funds)	Other Local Boards (15 Funds)
Assets				
Cash and cash equivalents	$ 151,747	$ 11,031	$ 1,423	$ 11,501
	151,747	11,031	1,423	11,501
Net assets				
Assets held in trust for investment pool participants	151,747	11,031	1,423	11,501
	$ 151,747	$ 11,031	$ 1,423	$ 11,501

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
INVESTMENT TRUST FUNDS
JUNE 30, 2004 (in thousands)

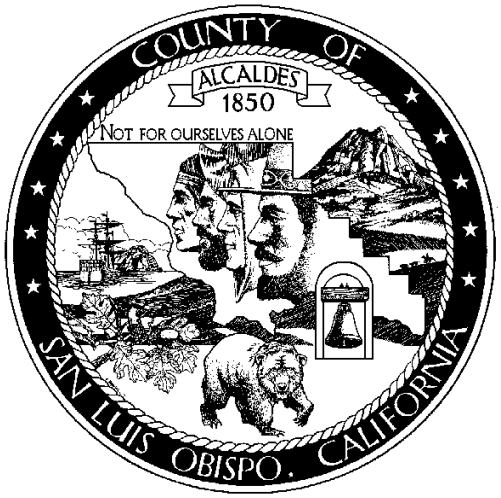
Total Investment Trust Funds	
	Assets
$ 175,702	Cash and cash equivalents
175,702	
	Net assets
175,702	Funds held in trust for investment pool participants
$ 175,702	

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
INVESTMENT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

	School Districts (45 Funds)	Special Districts (30 Funds)	Courts (7 Funds)	Other Local Boards (15 Funds)
Additions				
Contributions to pooled investments	$ 642,360	$ 5,308	$ 31,836	$ 19,798
Interest	1,979	151	33	130
Total additions	644,338	5,459	31,868	19,928
Deductions				
Distributions from investment pool	651,689	5,747	37,250	20,979
Total deductions	651,689	5,747	37,250	20,979
Change in net assets	(7,350)	(288)	(5,382)	(1,051)
Net assets - beginning	159,097	11,319	6,805	12,552
Net assets - ending	$ 151,747	$ 11,031	$ 1,423	$ 11,501

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
INVESTMENT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

Total Investment Trust Funds	
	Additions
$ 699,301	Contributions to pooled investments
2,292	Interest
701,593	Total additions
	Deductions
715,664	Distributions from investment pool
715,664	Total deductions
(14,071)	Change in net assets
189,773	Net assets - beginning
$ 175,702	Net assets - ending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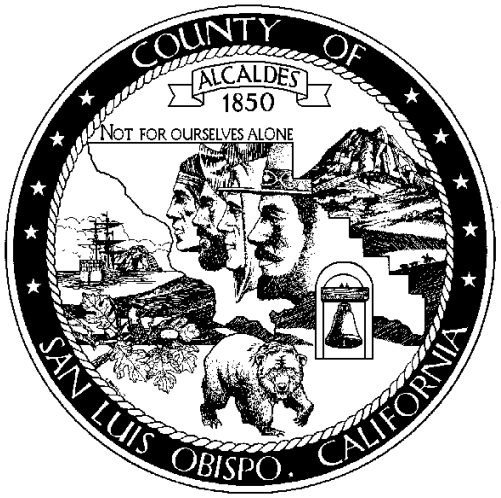
OTHER BUDGETARY COMPARISON SCHEDULES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BUDGETARY COMPARISON SCHEDULES
CAPITAL PROJECTS FUND
PENSION OBLIGATION BOND FUND

COUNTY OF SAN LUIS OBISPO
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2004 (in thousands)

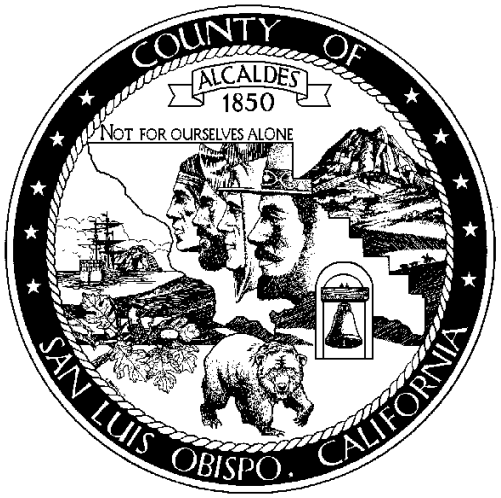
	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, forfeits, and penalties	$ -	$ 9,320	$ 845	$ (8,475)
Revenues from use of money and property	298	298	356	58
Aid from governmental agencies	111	2,169	458	(1,711)
Charges for current services	1,056	1,649	383	(1,266)
Other revenues	-	267	-	(267)
Total revenues	1,465	13,703	2,042	(11,661)
Expenditures:				
Capital Outlay	31,013	53,151	35,880	17,271
Total expenditures	31,013	53,151	35,880	17,271
Excess (deficiency) of revenues over expenditures	(29,548)	(39,448)	(33,838)	5,610
Other financing sources (uses):				
Transfers in	500	9,322	4,823	(4,499)
Reserves, designations and contingencies	2,724	2,674	-	(2,674)
Total other financing sources and uses	3,224	11,996	4,823	(7,173)
Net change in fund balances	(26,324)	(27,452)	(29,015)	(1,563)
Budgetary fund balances - beginning	26,324	27,452	42,808	15,356
Budgetary fund balances - ending	$ -	$ -	$ 13,793	$ 13,793

Explanation of differences between budgetary outflows and GAAP expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 35,880
Differences - budget to GAAP:	
Less:	
Encumbrances for supplies and services ordered but not received within the recognition period	(21,390)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	$ 14,490

COUNTY OF SAN LUIS OBISPO
BUDGETARY COMPARISON SCHEDULE
PENSION OBLIGATION BONDS
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Revenues from use of money and property	-	-	15	15
Other revenues	4,100	4,100	281	(3,819)
Total revenues	4,100	4,100	296	(3,804)
Expenditures:				
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	2,000	(2,000)
Bond issuance cost	-	-	2,173	(2,173)
Total expenditures	-	-	4,173	(2,000)
Excess (deficiency) of revenues over expenditures	4,100	4,100	(3,877)	(1,804)
Other financing sources (uses):				
Issuance of long term debt	-	-	137,194	137,194
Payment to San Luis Pension Trust	-	-	(135,000)	(135,000)
Contributed Capital	-	-	-	-
Transfers in	-	-	4,408	4,408
Transfers out	-	-	-	-
Reserves, designations and contingencies	(4,100)	(4,100)	-	4,100
Total other financing sources and uses	(4,100)	(4,100)	6,602	10,702
Net change in fund balances	-	-	2,725	8,898
Budgetary fund balances - beginning	-	-	-	-
Budgetary fund balances - ending	$ -	$ -	$ 2,725	$ 8,898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GENERAL FUND
DETAIL BUDGETARY COMPARISON SCHEDULES

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
DETAIL SCHEDULE OF REVENUES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
NON DEPARTMENTAL REVENUES				
Taxes	$ 77,912	$ 88,540	$ 83,199	$ (5,341)
Licenses, Permits & Franchises	2,085	2,085	2,186	101
Fines, Forfeits & Penalties	437	1,129	1,136	7
Revs from Use of Money/Prop	1,600	1,600	1,090	(510)
Aid from Govt Agencies	13,379	13,379	15,681	2,302
Charges for Current Services	1,718	1,718	2,039	321
Other Revenues	-	-	10	10
TOTAL NON DEPARTMENTAL REVENUES	97,131	108,451	105,341	(3,110)
GENERAL GOVERNMENT - REVENUES				
Legislative and Administrative				
Administrative Office				
Aid from Govt Agencies	30	30	-	(30)
Charges for Current Services	162	162	112	(50)
Total	192	192	112	(80)
Board of Supervisors				
Total	-	-	-	-
Clerk/Recorder				
Licenses, Permits & Franchises	6	6	7	1
Aid from Govt Agencies	157	157	13	(144)
Charges for Current Services	1,497	1,939	2,971	1,032
Other Revenues	-	130	-	(130)
Total	1,660	2,232	2,991	759
Total Legislative and Administrative	1,852	2,424	3,103	679
Finance				
Assessor				
Aid from Govt Agencies	876	1,238	770	(468)
Charges for Current Services	197	197	168	(29)
Other Revenues	2	2	3	1
Total	1,075	1,437	941	(496)
Auditor-Controller				
Taxes	250	-	-	-
Aid from Govt Agencies	40	40	-	(40)
Charges for Current Services	757	817	844	27
Other Revenues	20	20	7	(13)
Total	1,067	877	851	(26)
Treas-Tax Coll-Public Adm				
Taxes	150	150	147	(3)
Licenses, Permits & Franchises	42	42	55	13
Charges for Current Services	773	786	816	30
Other Revenues	33	33	34	1
Total	998	1,011	1,052	41
Total Finance	3,140	3,325	2,844	(481)

Continued on next page

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
DETAIL SCHEDULE OF REVENUES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
Counsel				
County Counsel				
Aid from Govt Agencies	23	23	3	(20)
Charges for Current Services	205	83	57	(26)
Other Revenues	1	123	12	(111)
Total	229	229	72	(157)
Total Counsel	229	229	72	(157)
Personnel				
Personnel				
Aid from Govt Agencies	1	1	-	(1)
Charges for Current Services	225	225	208	(17)
Total	226	226	208	(18)
Total Personnel	226	226	208	(18)
Property Management				
General Services				
Fines, Forfeits & Penalties	-	-	5	5
Revs from Use of Money/Prop	300	300	292	(8)
Aid from Govt Agencies	2	2	1	(1)
Charges for Current Services	3,051	3,051	2,725	(326)
Other Revenues	22	53	72	19
Total	3,375	3,406	3,095	(311)
Maintenance Projects				
Fines, Forfeits & Penalties	-	58	25	(33)
Aid from Govt Agencies	-	1,035	502	(533)
Charges for Current Services	452	1,275	372	(903)
Other Revenues	-	2	17	15
Total	452	2,370	916	(1,454)
Operations Center				
Total	-	-	-	-
Total Property Management	3,827	5,776	4,011	(1,765)
Other General				
Development Services				
Charges for Current Services	-	-	9	9
Total	-	-	9	9
Information Technology				
Aid from Govt Agencies	49	551	113	(438)
Charges for Current Services	1,585	2,370	2,266	(104)
Other Revenues	643	47	2	(45)
Total	2,277	2,968	2,381	(587)
Retirement Plans				
Total	-	-	-	-

Continued on next page

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
DETAIL SCHEDULE OF REVENUES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
Risk Management				
Charges for Current Services	573	573	532	(41)
Other Revenues	-	-	3	3
Total	573	573	535	(38)
Non-Department Financing Uses				
Charges for Current Services	2,548	2,548	2,383	(165)
Other Revenues	-	-	87	87
Total	2,548	2,548	2,470	(78)
Services to Spcl Districts				
Licenses, Permits & Franchises	45	45	36	(9)
Revs from Use of Money/Prop	7	7	7	-
Aid from Govt Agencies	19	19	-	(19)
Charges for Current Services	791	856	1,022	166
Other Revenues	-	10	43	33
Total	862	937	1,108	171
Total Other General	6,260	7,026	6,503	(523)
TOTAL GENERAL GOVERNMENT	15,534	19,006	16,741	(2,265)
PUBLIC PROTECTION - REVENUES				
Judicial				
Court Operations Fund				
Fines, Forfeits & Penalties	2,346	2,401	4,231	1,830
Charges for Current Services	426	426	635	209
Total	2,772	2,827	4,866	2,039
District Attorney				
Fines, Forfeits & Penalties	37	127	140	13
Aid from Govt Agencies	3,036	3,235	2,796	(439)
Charges for Current Services	290	290	282	(8)
Other Revenues	65	220	145	(75)
Total	3,428	3,872	3,363	(509)
Family Support				
Revs from Use of Money/Prop	-	-	3	3
Aid from Govt Agencies	4,591	4,676	5,176	500
Charges for Current Services	-	-	7	7
Other Revenues	122	122	-	(122)
Total	4,713	4,798	5,186	388
Grand Jury				
Total	-	-	-	-
Public Defender				
Aid from Govt Agencies	185	185	160	(25)
Charges for Current Services	10	10	50	40
Other Revenues	-	-	30	30
Total	195	195	240	45
Total Judicial	11,108	11,692	13,655	1,963

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COUNTY OF SAN LUIS OBISPO
GENERAL FUND
DETAIL SCHEDULE OF REVENUES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
Police Protection				
Sheriff-Coroner				
Licenses, Permits & Franchises	16	16	13	(3)
Fines, Forfeits & Penalties	146	173	251	78
Aid from Govt Agencies	10,173	12,269	11,838	(431)
Charges for Current Services	3,576	3,587	3,703	116
Other Revenues	42	42	-	(42)
Total	13,953	16,087	15,805	(282)
Total Police Protection	13,953	16,087	15,805	(282)
Detention and Correction				
Probation Department				
Fines, Forfeits & Penalties	27	27	20	(7)
Aid from Govt Agencies	6,718	7,613	7,296	(317)
Charges for Current Services	422	422	369	(53)
Other Revenues	264	289	350	61
Total	7,431	8,351	8,035	(316)
Total Detention and Correction	7,431	8,351	8,035	(316)
Fire Protection				
County Fire				
Licenses, Permits & Franchises	90	90	225	135
Revs from Use of Money/Prop	5	5	11	6
Aid from Govt Agencies	1,628	2,364	2,618	254
Charges for Current Services	601	601	635	34
Other Revenues	55	88	129	41
Total	2,379	3,148	3,618	470
Total Fire Protection	2,379	3,148	3,618	470
Protective Inspection				
Agricultural Commissioner				
Licenses, Permits & Franchises	103	103	118	15
Fines, Forfeits & Penalties	-	-	4	4
Aid from Govt Agencies	1,919	2,168	2,225	57
Charges for Current Services	132	132	160	28
Other Revenues	2	12	16	4
Total	2,156	2,415	2,523	108
Total Protective Inspection	2,156	2,415	2,523	108
Other Protection				
Animal Services				
Licenses, Permits & Franchises	359	359	286	(73)
Aid from Govt Agencies	347	347	364	17
Charges for Current Services	178	178	194	16
Other Revenues	4	4	16	12
Total	888	888	860	(28)

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COUNTY OF SAN LUIS OBISPO
GENERAL FUND
DETAIL SCHEDULE OF REVENUES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
Emergency Services				
Aid from Govt Agencies	780	882	862	(20)
Total	780	882	862	(20)
Intergovtl Services/LAFCO				
Total	-	-	-	-
Planning Department				
Licenses, Permits & Franchises	5,480	5,480	5,678	198
Fines, Forfeits & Penalties	75	75	50	(25)
Aid from Govt Agencies	293	1,781	754	(1,027)
Charges for Current Services	1,049	1,049	865	(184)
Other Revenues	406	418	371	(47)
Total	7,303	8,803	7,718	(1,085)
Public Guardian				
Total	-	-	-	-
Waste Management				
Charges for Current Services	-	-	122	122
Total	-	-	122	122
Total Other Protection	8,971	10,573	9,562	(1,011)
TOTAL PUBLIC PROTECTION	45,998	52,266	53,198	932
HEALTH AND SANITATION - REVENUES				
Health				
Drug & Alcohol Services				
Fines, Forfeits & Penalties	128	128	147	19
Aid from Govt Agencies	3,914	4,094	3,820	(274)
Charges for Current Services	458	458	494	36
Other Revenues	122	122	170	48
Total	4,622	4,802	4,631	(171)
Health Agency				
Licenses, Permits & Franchises	4	4	5	1
Fines, Forfeits & Penalties	101	101	119	18
Revs from Use of Money/Prop	1	1	77	76
Aid from Govt Agencies	12,044	12,597	11,738	(859)
Charges for Current Services	4,703	4,777	4,949	172
Other Revenues	108	108	221	113
Total	16,961	17,588	17,109	(479)
Mental Health				
Aid from Govt Agencies	17,715	17,931	17,635	(296)
Charges for Current Services	2,114	2,114	1,033	(1,081)
Other Revenues	119	164	134	(30)
Total	19,948	20,209	18,802	(1,407)
SART				
Total	-	-	-	-
Total Health	41,531	42,599	40,542	(2,057)
TOTAL HEALTH AND SANITATION	41,531	42,599	40,542	(2,057)

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COUNTY OF SAN LUIS OBISPO
GENERAL FUND
DETAIL SCHEDULE OF REVENUES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
PUBLIC ASSISTANCE - REVENUES				
Administration				
Department of Social Services				
Aid from Govt Agencies	45,374	45,724	40,207	(5,517)
Charges for Current Services	60	60	68	8
Other Revenues	147	161	223	62
Total	45,581	45,945	40,498	(5,447)
Total Administration	45,581	45,945	40,498	(5,447)
Aid Programs				
Aid Foster Care Non-Fed				
Aid from Govt Agencies	13,821	13,821	12,340	(1,481)
Other Revenues	300	300	369	69
Total	14,121	14,121	12,709	(1,412)
Calworks Assistance				
Aid from Govt Agencies	9,997	10,900	10,616	(284)
Other Revenues	70	70	132	62
Total	10,067	10,970	10,748	(222)
Total Aid Programs	24,188	25,091	23,457	(1,634)
Medical Services				
Medical Assistance Prog				
Total	-	-	-	-
Total Medical Services	-	-	-	-
General Relief				
General Relief				
Licenses, Permits & Franchises	4	4	7	3
Aid from Govt Agencies	572	221	171	(50)
Other Revenues	3	353	338	(15)
Total	579	578	516	(62)
Total General Relief	579	578	516	(62)
Veterans Service				
Veterans Service				
Aid from Govt Agencies	60	65	65	-
Total	60	65	65	-
Total Veterans Service	60	65	65	-
Other Assistance				
Contrib's to Other Agencies				
Charges for Current Services	530	530	389	(141)
Other Revenues	-	3	3	-
Total	530	533	392	(141)

Continued on next page

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
DETAIL SCHEDULE OF REVENUES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
Law Enforcement Med Care				
Aid from Govt Agencies	557	557	547	(10)
Charges for Current Services	13	13	5	(8)
Other Revenues	15	15	11	(4)
Total	585	585	563	(22)
Victim/Witness Assistance				
Licenses, Permits & Franchises	54	107	56	(51)
Aid from Govt Agencies	540	541	476	(65)
Other Revenues	1	1	5	4
Total	595	649	537	(112)
Total Other Assistance	1,710	1,767	1,492	(275)
TOTAL PUBLIC ASSISTANCE	72,118	73,446	66,028	(7,418)
EDUCATION - REVENUES				
Agricultural Education				
Farm Advisor				
Aid from Govt Agencies	6	6	6	-
Total	6	6	6	-
Total Agricultural Education	6	6	6	-
TOTAL EDUCATION	6	6	6	-
DEBT SERVICE - REVENUES				
Interest on Notes and Warrants				
Short-Term Financing				
Taxes	60	42	-	(42)
Revs from Use of Money/Prop	390	390	1	(389)
Total	450	432	1	(431)
Total Interest on Notes and Warrants	450	432	1	(431)
TOTAL DEBT SERVICE	450	432	1	(431)
CONTINGENCIES				
Appropriation for Contingencies				
Contingencies - General Fund				
Total	-	-	-	-
Total Appropriation for Contingencies	-	-	-	-
TOTAL CONTINGENCIES	-	-	-	-
TOTAL GENERAL FUND REVENUES	$ 272,768	$ 296,206	$ 281,857	$ (14,349)

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
GENERAL GOVERNMENT - EXPENDITURES				
Legislative and Administrative				
Administrative Office				
Salaries Wages Benefits	$ 1,343	$ 1,308	$ 1,305	$ 3
Services and Supplies	209	209	181	28
Exp Tfrs & Reimbursement	(73)	(73)	(73)	-
Total	1,479	1,444	1,413	31
Board of Supervisors				
Salaries Wages Benefits	980	1,028	1,026	2
Services and Supplies	249	249	236	13
Total	1,229	1,277	1,262	15
Clerk/Recorder				
Salaries Wages Benefits	1,432	1,674	1,655	19
Services and Supplies	1,085	1,357	1,352	5
Fixed Assets - Equipment	52	72	70	2
Exp Tfrs & Reimbursement	-	-	(1)	1
Total	2,569	3,103	3,076	27
Total Legislative and Administrative	5,277	5,824	5,751	73
Finance				
Assessor				
Salaries Wages Benefits	5,694	5,743	5,742	1
Services and Supplies	892	1,087	705	382
Fixed Assets - Equipment	-	77	-	77
Total	6,586	6,907	6,447	460
Auditor-Controller				
Salaries Wages Benefits	3,578	3,526	3,526	-
Services and Supplies	581	563	549	14
Fixed Assets - Equipment	27	27	-	27
Exp Tfrs & Reimbursement	(99)	(39)	(48)	9
Total	4,087	4,077	4,027	50
Treas-Tax Coll-Public Adm				
Salaries Wages Benefits	1,960	1,926	1,925	1
Services and Supplies	290	279	278	1
Fixed Assets - Equipment	7	17	17	-
Total	2,257	2,222	2,220	2
Total Finance	12,930	13,206	12,694	512
Counsel				
County Counsel				
Salaries Wages Benefits	2,773	2,852	2,852	-
Services and Supplies	306	426	409	17
Fixed Assets - Equipment	9	9	8	1
Total	3,088	3,287	3,269	18
Total Counsel	3,088	3,287	3,269	18

Continued on next page

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description		Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
Personnel					
Personnel					
Salaries Wages Benefits		1,720	1,724	1,723	1
Services and Supplies		272	292	281	11
Exp Tfrs & Reimbursement		(1)	(1)	-	(1)
	Total	1,991	2,015	2,004	11
Total Personnel		1,991	2,015	2,004	11
Property Management					
General Services					
Salaries Wages Benefits		6,744	6,888	6,861	27
Services and Supplies		4,009	3,940	3,801	139
Other Charges		29	29	21	8
Fixed Assets - Land		2	42	40	2
Fixed Assets - Equipment		33	33	29	4
Exp Tfrs & Reimbursement		(1,239)	(1,239)	(1,534)	295
	Total	9,578	9,693	9,218	475
Maintenance Projects					
Services and Supplies		4,512	6,547	4,971	1,576
Other Charges		-	33	30	3
Fixed Assets - Building		-	3	-	3
Exp Tfrs & Reimbursement		-	(144)	(133)	(11)
	Total	4,512	6,439	4,868	1,571
Operations Center					
	Total	-	-	-	-
Total Property Management		14,090	16,132	14,086	2,046
Other General					
Development Services					
	Total	-	-	-	-
Information Technology					
Salaries Wages Benefits		7,865	7,701	7,701	-
Services and Supplies		4,681	4,958	4,259	699
Fixed Assets - Equipment		64	536	137	399
Exp Tfrs & Reimbursement		(1,839)	(1,649)	(1,472)	(177)
	Total	10,771	11,546	10,625	921
Retirement Plans					
	Total	-	-	-	-
Risk Management					
Salaries Wages Benefits		390	391	391	-
Services and Supplies		1,053	1,042	1,004	38
Exp Tfrs & Reimbursement		(51)	(51)	(51)	-
	Total	1,392	1,382	1,344	38
Non-Department Financing Uses					
Services and Supplies		104	-	-	-
Other Charges		-	210	2,299	(2,089)
Exp Tfrs & Reimbursement		(10,420)	(10,420)	(10,420)	-
	Total	(10,316)	(10,210)	(8,121)	(2,089)

Continued on next page

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description		Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
Services to Spcl Districts					
Services and Supplies		2,319	2,394	2,324	70
	Total	2,319	2,394	2,324	70
Total Other General		4,166	5,112	6,172	(1,060)
TOTAL GENERAL GOVERNMENT		41,542	45,576	43,976	1,600
PUBLIC PROTECTION - EXPENDITURES					
Judicial					
Court Operations Fund					
Services and Supplies		260	32	25	7
Other Charges		2,037	2,320	2,320	-
	Total	2,297	2,352	2,345	7
District Attorney					
Salaries Wages Benefits		8,560	9,055	9,013	42
Services and Supplies		787	836	835	1
Exp Tfrs & Reimbursement		(595)	(595)	(485)	(110)
	Total	8,752	9,296	9,363	(67)
Family Support					
Salaries Wages Benefits		2,847	2,974	2,973	1
Services and Supplies		1,866	1,748	1,704	44
Other Charges		-	295	291	4
	Total	4,713	5,017	4,968	49
Grand Jury					
Salaries Wages Benefits		25	26	26	-
Services and Supplies		89	87	86	1
	Total	114	113	112	1
Public Defender					
Services and Supplies		4,254	4,254	4,047	207
	Total	4,254	4,254	4,047	207
Total Judicial		20,130	21,032	20,835	197
Police Protection					
Sheriff-Coroner					
Salaries Wages Benefits		31,511	31,942	31,828	114
Services and Supplies		4,057	4,395	4,229	166
Other Charges		-	606	289	317
Fixed Assets - Equipment		-	660	395	265
Exp Tfrs & Reimbursement		(101)	(101)	(57)	(44)
	Total	35,467	37,502	36,684	818
Total Police Protection		35,467	37,502	36,684	818

Continued on next page

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description		Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
Detention and Correction					
Probation Department					
Salaries Wages Benefits		9,851	10,156	10,144	12
Services and Supplies		3,236	3,741	3,571	170
Other Charges		10	10	1	9
Fixed Assets - Equipment		15	12	12	-
Exp Tfrs & Reimbursement		(4)	(129)	(171)	42
	Total	13,108	13,790	13,557	233
Total Detention and Correction		13,108	13,790	13,557	233
Fire Protection					
County Fire					
Services and Supplies		8,816	9,946	9,407	539
Fixed Assets - Building		-	1,291	-	1,291
Fixed Assets - Equipment		814	1,199	1,186	13
	Total	9,630	12,436	10,593	1,843
Total Fire Protection		9,630	12,436	10,593	1,843
Protective Inspection					
Agricultural Commissioner					
Salaries Wages Benefits		3,223	3,363	3,358	5
Services and Supplies		754	791	784	7
Exp Tfrs & Reimbursement		(50)	(50)	(53)	3
	Total	3,927	4,104	4,089	15
Total Protective Inspection		3,927	4,104	4,089	15
Other Protection					
Animal Services					
Salaries Wages Benefits		1,244	1,203	1,082	121
Services and Supplies		539	532	468	64
Fixed Assets - Equipment		-	26	23	3
	Total	1,783	1,761	1,573	188
Emergency Services					
Salaries Wages Benefits		498	508	464	44
Services and Supplies		420	499	331	168
Fixed Assets - Equipment		82	82	27	55
	Total	1,000	1,089	822	267
Intergovtl Services/LAFCO					
	Total	-	-	-	-
Planning Department					
Salaries Wages Benefits		8,370	8,167	8,135	32
Services and Supplies		4,102	4,468	4,013	455
Other Charges		247	1,731	982	749
Fixed Assets - Equipment		82	82	69	13
	Total	12,801	14,448	13,199	1,249
Public Guardian					
	Total	-	-	-	-

Continued on next page

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description		Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
Waste Management					
Services and Supplies		558	558	482	76
	Total	558	558	482	76
Total Other Protection		16,142	17,856	16,076	1,780
TOTAL PUBLIC PROTECTION		98,404	106,720	101,834	4,886
HEALTH AND SANITATION - EXPENDITURES					
Health					
Drug & Alcohol Services					
Salaries Wages Benefits		3,600	3,558	3,558	-
Services and Supplies		1,199	1,391	1,243	148
Other Charges		737	737	737	-
Exp Tfrs & Reimbursement		(867)	(927)	(905)	(22)
	Total	4,669	4,759	4,633	126
Health Agency					
Salaries Wages Benefits		12,463	12,368	12,120	248
Services and Supplies		5,158	5,481	5,099	382
Other Charges		599	619	607	12
Fixed Assets - Equipment		-	129	127	2
Exp Tfrs & Reimbursement		(226)	(226)	(262)	36
	Total	17,994	18,371	17,691	680
Mental Health					
Salaries Wages Benefits		13,068	12,905	12,828	77
Services and Supplies		10,485	10,398	9,485	913
Other Charges		6	198	192	6
Exp Tfrs & Reimbursement		(1,150)	(1,150)	(1,090)	(60)
	Total	22,409	22,351	21,415	936
SART					
Services and Supplies		231	231	153	78
	Total	231	231	153	78
Total Health		45,303	45,712	43,892	1,820
TOTAL HEALTH AND SANITATION		45,303	45,712	43,892	1,820
PUBLIC ASSISTANCE - EXPENDITURES					
Administration					
Department of Social Services					
Salaries Wages Benefits		27,994	27,226	26,170	1,056
Services and Supplies		13,442	14,110	13,422	688
Other Charges		6,682	6,522	5,592	930
Fixed Assets - Equipment		449	449	239	210
Exp Tfrs & Reimbursement		(150)	(172)	(127)	(45)
	Total	48,417	48,135	45,296	2,839
Total Administration		48,417	48,135	45,296	2,839

Continued on next page

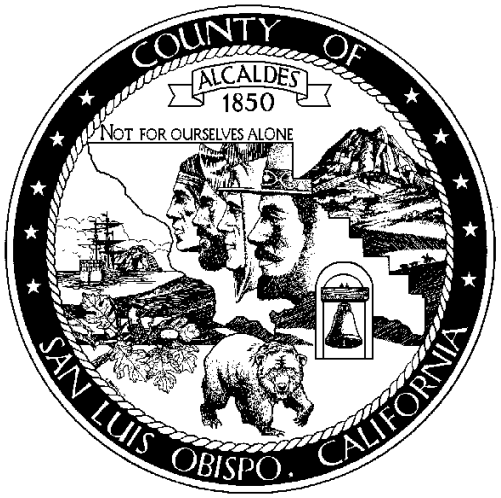
COUNTY OF SAN LUIS OBISPO
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description		Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
Aid Programs					
Aid Foster Care Non-Fed					
Other Charges		14,853	14,853	14,138	715
	Total	14,853	14,853	14,138	715
Calworks Assistance					
Other Charges		10,068	10,993	10,957	36
	Total	10,068	10,993	10,957	36
Total Aid Programs		24,921	25,846	25,095	751
Medical Services					
Medical Assistance Prog					
Services and Supplies		-	750	750	-
Other Charges		-	573	573	-
	Total	-	1,323	1,323	-
Total Medical Services		-	1,323	1,323	-
General Relief					
General Relief					
Services and Supplies		150	150	150	-
Other Charges		534	574	559	15
	Total	684	724	709	15
Total General Relief		684	724	709	15
Veterans Service					
Veterans Service					
Salaries Wages Benefits		257	263	263	-
Services and Supplies		19	20	19	1
	Total	276	283	282	1
Total Veterans Service		276	283	282	1
Other Assistance					
Contrib's to Other Agencies					
Services and Supplies		1,794	2,389	2,386	3
	Total	1,794	2,389	2,386	3
Law Enforcement Med Care					
Salaries Wages Benefits		1,033	1,135	1,115	20
Services and Supplies		405	605	559	46
Exp Tfrs & Reimbursement		(436)	(436)	(410)	(26)
	Total	1,002	1,304	1,264	40
Victim/Witness Assistance					
Salaries Wages Benefits		904	895	895	-
Services and Supplies		204	257	243	14
	Total	1,108	1,152	1,138	14
Total Other Assistance		3,904	4,845	4,788	57
TOTAL PUBLIC ASSISTANCE		78,202	81,156	77,493	3,663

Continued on next page

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
EDUCATION - EXPENDITURES				
Agricultural Education				
Farm Advisor				
Salaries Wages Benefits	228	224	224	-
Services and Supplies	85	84	75	9
Total	313	308	299	9
Total Agricultural Education	313	308	299	9
TOTAL EDUCATION	313	308	299	9
DEBT SERVICE - EXPENDITURES				
Interest on Notes and Warrants				
Short-Term Financing				
Services and Supplies	60	60	-	60
Other Charges	390	390	18	372
Total	450	450	18	432
Total Interest on Notes and Warrants	450	450	18	432
TOTAL DEBT SERVICE	450	450	18	432
TOTAL GENERAL FUND - EXPENDITURES (Before Contingencies)		279,922	267,512	12,410
CONTINGENCIES				
Appropriation for Contingencies				
Contingencies - General Fund				
Approp for Contingency	13,546	7,286	-	7,286
Total	13,546	7,286	-	7,286
Total Appropriation for Contingencies	13,546	7,286	-	7,286
TOTAL CONTINGENCIES	13,546	7,286	-	7,286
TOTAL GENERAL FUND EXPENDITURES	$ 277,760	$ 287,208	$ 267,512	$ 19,696


COUNTY OF
ALCALDES
1850
NOT FOR OURSELVES ALONE
SAN LUIS OBISPO, CALIFORNIA

SPECIAL REVENUE – NON SPECIAL DISTRICTS
DETAIL BUDGETARY COMPARISON SCHEDULES

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE - NON SPECIAL DISTRICTS
DETAIL SCHEDULE OF REVENUES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
GENERAL GOVERNMENT - REVENUES				
Co-Wide Automatn Replcmnt				
Taxes	$ 9,848	$ -	$ -	$ -
Revs from Use of Money/Prop	-	-	172	172
Charges for Current Services	834	10,682	834	(9,848)
Total	10,682	10,682	1,006	(9,676)
General Govt Building Replacement				
Revs from Use of Money/Prop	-	-	63	63
Charges for Current Services	747	747	747	-
Total	747	747	810	63
Organizational Effectiveness				
Revs from Use of Money/Prop	-	-	33	33
Charges for Current Services	-	-	3	3
Other Revenues	-	-	6	6
Total	-	-	42	42
Tax Reduction Reserve				
Revs from Use of Money/Prop	-	-	165	165
Total	-	-	165	165
Governmental Leasing				
Taxes	500	(1)	-	1
Fines, Forfeits & Penalties	283	283	283	-
Charges for Current Services	633	633	633	-
Other Revenues	460	-	-	-
Total	1,876	915	916	1
TOTAL GENERAL GOVERNMENT	13,305	12,344	2,939	(9,405)
PUBLIC PROTECTION - REVENUES				
Fish And Game				
Fines, Forfeits & Penalties	10	10	15	5
Total	10	10	15	5
Wildlife Grazing				
Revs from Use of Money/Prop	1	1	-	(1)
Aid from Govt Agencies	5	5	3	(2)
Total	6	6	3	(3)
TOTAL PUBLIC PROTECTION	16	16	18	2

Continued on next page

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE - NON SPECIAL DISTRICTS
DETAIL SCHEDULE OF REVENUES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
PUBLIC WAYS AND FACILITIES - REVENUES				
Impact Fee - Traffic				
Revs from Use of Money/Prop	250	250	145	(105)
Charges for Current Services	1,938	1,938	2,934	996
Total	2,188	2,188	3,079	891
Public Facilities Fee				
Revs from Use of Money/Prop	-	-	180	180
Charges for Current Services	2,750	2,768	3,403	635
Total	2,750	2,768	3,583	815
Roads				
Taxes	1,024	1,024	1,049	25
Licenses, Permits & Franchises	-	-	2	2
Fines, Forfeits & Penalties	-	-	17	17
Revs from Use of Money/Prop	100	100	88	(12)
Aid from Govt Agencies	10,827	25,290	14,391	(10,899)
Charges for Current Services	4,823	9,468	4,768	(4,700)
Other Revenues	150	435	206	(229)
Total	16,924	36,317	20,521	(15,796)
TOTAL PUBLIC WAYS AND FACILITIES	21,862	41,273	27,183	(14,090)
HEALTH AND SANITATION - REVENUES				
Community Development				
Taxes	-	-	63	63
Aid from Govt Agencies	-	10,211	5,325	(4,886)
Other Revenues	-	-	635	635
Total	-	10,211	6,023	(4,188)
TOTAL HEALTH AND SANITATION	-	10,211	6,023	(4,188)
PUBLIC ASSISTANCE - REVENUES				
Ca Health Care Indigent Program				
Revs from Use of Money/Prop	3	3	2	(1)
Aid from Govt Agencies	537	537	194	(343)
Charges for Current Services	275	275	292	17
Total	815	815	488	(327)
County Medical Services Prog.				
Revs from Use of Money/Prop	25	25	8	(17)
Aid from Govt Agencies	2,472	2,472	2,472	-
Charges for Current Services	119	119	102	(17)
Total	2,616	2,616	2,582	(34)

Continued on next page

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE - NON SPECIAL DISTRICTS
DETAIL SCHEDULE OF REVENUES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
Emergency Medical Services				
Fines, Forfeits & Penalties	460	460	577	117
Revs from Use of Money/Prop	2	2	3	1
Charges for Current Services	882	882	948	66
Total	1,344	1,344	1,528	184
TOTAL PUBLIC ASSISTANCE	4,775	4,775	4,598	(177)
EDUCATION - REVENUES				
First Offender/Drunk Driver				
Revs from Use of Money/Prop	7	7	2	(5)
Charges for Current Services	1,142	1,142	1,136	(6)
Total	1,149	1,149	1,138	(11)
Library				
Taxes	4,662	4,662	4,721	59
Fines, Forfeits & Penalties	20	20	26	6
Revs from Use of Money/Prop	57	57	52	(5)
Aid from Govt Agencies	318	375	414	39
Charges for Current Services	209	209	262	53
Other Revenues	50	456	91	(365)
Total	5,316	5,779	5,566	(213)
TOTAL EDUCATION	6,465	6,928	6,704	(224)
RECREATIONAL AND CULTURAL SERVICES - REVENUES				
Parks				
Fines, Forfeits & Penalties	9	9	6	(3)
Revs from Use of Money/Prop	75	75	48	(27)
Aid from Govt Agencies	-	1,520	236	(1,284)
Charges for Current Services	2,243	2,243	2,403	160
Other Revenues	12	302	347	45
Total	2,339	4,149	3,040	(1,109)
TOTAL RECREATIONAL/CULTURAL	2,339	4,149	3,040	(1,109)
TOTAL SPECIAL REVENUE-NON SPECIAL DISTRICTS - REVENUES	$ 48,762	$ 79,696	$ 50,505	$ (29,191)

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE NON-SPECIAL DISTRICTS
DETAIL SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description		Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Actual to Adjusted Budget Over (Under)
GENERAL GOVERNMENT - EXPENDITURES					
Co-Wide Automatn Replcmnt					
Services and Supplies		$ 16,948	$ 16,698	$ 16,698	$ -
Other Financing Uses		-	215	215	-
Fixed Assets - Equipment		1,401	1,651	1,414	237
	Total	18,349	18,564	18,327	237
General Govt Building Replacement		-	-	-	-
Other Financing Uses		-	2,000	2,000	-
	Total	-	2,000	2,000	-
Organizational Effectiveness					
Services and Supplies		492	492	361	131
	Total	492	492	361	131
Tax Reduction Reserve		-	-	-	-
	Total	-	-	-	-
Governmental Leasing					
Services and Supplies		1,245	-	-	-
Other Charges		1,132	2,404	2,404	-
	Total	2,377	2,404	2,404	-
TOTAL GENERAL GOVERNMENT		21,218	23,460	23,092	368
PUBLIC PROTECTION - EXPENDITURES					
Fish And Game					
Services and Supplies		20	20	13	7
	Total	20	20	13	7
Wildlife Grazing					
Services and Supplies		15	15	15	-
	Total	15	15	15	-
TOTAL PUBLIC PROTECTION		35	35	28	7
PUBLIC WAYS AND FACILITIES - EXPENDITURES					
Impact Fee - Traffic					
Services and Supplies		4,757	9,378	4,634	4,744
	Total	4,757	9,378	4,634	4,744
Public Facilities Fee					
Services and Supplies		35	53	53	-
Other Charges		703	-	-	-
Other Financing Uses		500	9,154	9,154	-
	Total	1,238	9,207	9,207	-
Roads					
Services and Supplies		11,194	11,542	11,300	242
Other Charges		17,049	34,777	17,354	17,423
	Total	28,243	46,319	28,654	17,665
TOTAL PUBLIC WAYS AND FACILITIES		34,238	64,904	42,495	22,409

Contnued on next page

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE NON-SPECIAL DISTRICTS
DETAIL SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Actual to Adjusted Budget Over (Under)
HEALTH AND SANITATION - EXPENDITURES				
Community Development				
Services and Supplies	330	634	437	197
Other Charges	3,863	9,576	5,359	4,217
Total	4,193	10,210	5,796	4,414
TOTAL HEALTH AND SANITATION	4,193	10,210	5,796	4,414
PUBLIC ASSISTANCE - EXPENDITURES				
Ca Health Care Indigent Program				
Services and Supplies	1,070	1,070	742	328
Total	1,070	1,070	742	328
County Medical Services Prog.				
Salaries Wages Benefits	919	898	896	2
Services and Supplies	3,344	3,344	3,115	229
Other Financing Uses	-	22	22	-
Total	4,263	4,264	4,033	231
Emergency Medical Services				
Services and Supplies	1,378	1,378	1,356	22
Total	1,378	1,378	1,356	22
TOTAL PUBLIC ASSISTANCE	6,711	6,712	6,131	581
EDUCATION - EXPENDITURES				
First Offender/Drunk Driver				
Salaries Wages Benefits	787	741	716	25
Services and Supplies	358	388	363	25
Other Financing Uses	-	17	17	-
Approp for Contingency	22	22	-	22
Total	1,167	1,168	1,096	72
Library				
Salaries Wages Benefits	3,893	3,963	3,963	-
Services and Supplies	2,443	2,572	2,463	109
Other Charges	687	1,036	1,037	(1)
Other Financing Uses	-	94	94	-
Approp for Contingency	598	443	-	443
Total	7,621	8,108	7,557	551
TOTAL EDUCATION	8,788	9,276	8,653	623
RECREATIONAL AND CULTURAL SERVICES - EXPENDITURES				
Parks				
Salaries Wages Benefits	2,871	2,907	2,907	-
Services and Supplies	2,068	2,045	1,911	134
Other Charges	45	1,898	721	1,177
Other Financing Uses	-	63	63	-
Fixed Assets - Building	100	380	302	78
Approp for Contingency	364	364	-	364
Total	5,448	7,657	5,904	1,753
TOTAL RECREATIONAL/CULTURAL	5,448	7,657	5,904	1,753
TOTAL SPECIAL REVENUE-NON SPECIAL DISTRICTS - EXPENDITURES	$ 80,631	$ 122,254	$ 92,099	$ 30,155

SPECIAL REVENUE – SPECIAL DISTRICTS
DETAIL BUDGETARY COMPARISON SCHEDULES

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE - SPECIAL DISTRICTS
DETAIL SCHEDULE OF REVENUES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description	Original Budget	Adjusted Budget	Actual	Final Budget Positive (Negative)
PUBLIC PROTECTION - REVENUES				
SLO Flood Control, Water				
Taxes	$ 615	$ 615	$ 707	$ 92
Fines, Forfeits & Penalties	5	5	4	(1)
Revs from Use of Money/Prop	15	15	33	18
Aid from Govt Agencies	8	8	19	11
Other Revenues	-	-	13	13
Total	643	643	776	133
Flood Control Zone 1				
Taxes	39	39	41	2
Revs from Use of Money/Prop	1	1	1	-
Aid from Govt Agencies	1	1	25	24
Charges for Current Services	15	15	15	-
Total	56	56	82	26
Flood Control Zone 1-A				
Taxes	8	8	9	1
Revs from Use of Money/Prop	1	1	1	-
Charges for Current Services	2	2	2	-
Total	11	11	12	1
Flood Control Zone 4				
Revs from Use of Money/Prop	1	1	-	(1)
Charges for Current Services	3	3	3	-
Total	4	4	3	(1)
Flood Control Zone 9				
Taxes	252	252	282	30
Revs from Use of Money/Prop	28	28	16	(12)
Aid from Govt Agencies	3	3	4	1
Total	283	283	302	19
Flood Control Zone 18				
Total	-	-	-	-
Flood Control Zone 16				
Revs from Use of Money/Prop	-	-	1	1
Charges for Current Services	14	14	13	(1)
Total	14	14	18	4
Flood Control Zone Cambria				
Revs from Use of Money/Prop	8	8	8	-
Aid from Govt Agencies	1,186	1,186	90	(1,096)
Total	1,194	1,194	98	(1,096)
Nipomo Lighting				
Taxes	22	22	24	2
Revs from Use of Money/Prop	6	6	6	-
Charges for Current Services	-	-	2	2
Total	30	30	82	52
CSA 9				
Total	-	-	-	-
CSA 22 Airport Area				
Revs from Use of Money/Prop	2	2	1	(1)
Total	2	2	1	(1)
TOTAL PUBLIC PROTECTION	$ 2,237	$ 2,237	$ 1,374	$ (863)

Continued on next page

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE - SPECIAL DISTRICTS
DETAIL SCHEDULE OF REVENUES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description	Original Budget	Adjusted Budget	Actual	Final Budget Positive (Negative)
PUBLIC WAYS AND FACILITIES - REVENUES				
CSA 7				
Taxes	25	25	28	3
Revs from Use of Money/Prop	2	2	1	(1)
Total	27	27	29	2
CSA 7-B				
Taxes	14	14	16	2
Revs from Use of Money/Prop	6	6	3	(3)
Total	20	20	19	(1)
CSA 10-Parent (w/ Lighting)				
Taxes	94	94	109	15
Revs from Use of Money/Prop	18	18	13	(5)
Aid from Govt Agencies	1	1	1	-
Total	113	113	123	10
CSA 16				
Taxes	18	18	20	2
Revs from Use of Money/Prop	4	4	3	(1)
Total	22	22	23	1
CSA 17				
Revs from Use of Money/Prop	2	2	1	(1)
Total	2	2	1	(1)
CSA 17-1 G/O DSF				
Total	-	-	-	-
CSA 21				
Revs from Use of Money/Prop	2	2	1	(1)
Charges for Current Services	8	8	9	1
Total	10	10	10	-
CSA 21 Coop Rd Imp Constr				
Revs from Use of Money/Prop	1	1	2	1
Total	1	1	2	1
CSA 21 Coop Rd Imp Assmnt				
Taxes	604	604	135	(469)
Revs from Use of Money/Prop	1	1	1	-
Charges for Current Services	-	-	48	48
Total	605	605	184	(421)
CSA 9 Coop Road Imp Const				
Total	-	-	-	-
CSA 9 Coop Road Imp Assmt				
Revs from Use of Money/Prop	1	1	1	-
Charges for Current Services	14	14	14	-
Total	15	15	15	-
TOTAL PUBLIC WAYS AND FACILITIES	815	815	406	(409)
TOTAL SPECIAL REVENUE - SPECIAL DISTRICTS - REVENUES	$ 3,052	$ 3,052	$ 1,780	$ (1,272)

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE - SPECIAL DISTRICTS
DETAIL SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Final Budget Positive (Negative)
PUBLIC PROTECTION - EXPENDITURES				
0643 SLO Flood Control, Water				
Services and Supplies	$ 1,610	$ 1,610	$ 1,518	$ 92
Fixed Assets - Equipment	16	16	13	3
Total	1,626	1,626	1,531	95
0651 Flood Control Zone 1				
Services and Supplies	81	131	117	14
Total	81	131	117	14
0652 Flood Control Zone 1-A				
Services and Supplies	3	3	2	1
Other Financing Uses	54	54	54	-
Total	57	57	56	1
0656 Flood Control Zone 4				
Services and Supplies	5	5	2	3
Total	5	5	2	3
0662 Flood Control Zone 9				
Services and Supplies	219	259	85	174
Fixed Assets - Equipment	12	12	2	10
Total	231	271	87	184
0665 Flood Control Zone 18				
Total	-	-	-	-
0666 Flood Control Zone 16				
Services and Supplies	22	22	14	8
Total	22	22	14	8
0954 Flood Control Zone Cambria				
Services and Supplies	370	370	-	370
Other Financing Uses	49	49	-	49
Fixed Assets - Building	1,634	1,634	159	1,475
Total	2,053	2,053	159	1,894
0687 Nipomo Lighting				
Services and Supplies	16	16	15	1
Fixed Assets - Building	150	206	202	4
Total	166	222	217	5
0746 CSA 9				
Total	-	-	-	-
0799 CSA 22 Airport Area				
Services and Supplies	1	1	1	-
Total	1	1	1	-
TOTAL PUBLIC PROTECTION	4,242	4,388	2,184	2,204
PUBLIC WAYS AND FACILITIES EXPENDITURES				
0741 CSA 7				
Services and Supplies	2	2	2	-
Other Financing Uses	25	25	22	3
Total	27	27	24	3
0743 CSA 7-B				
Services and Supplies	34	34	1	33
Total	34	34	1	33

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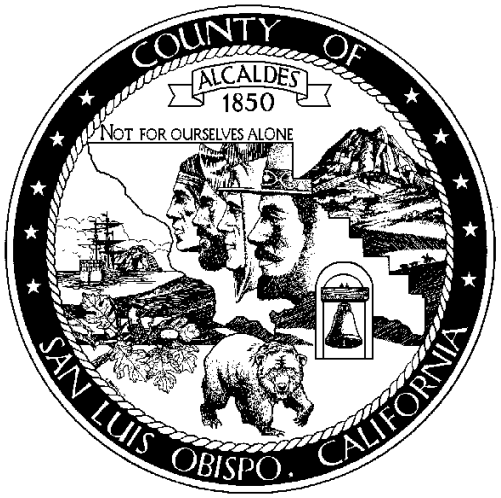
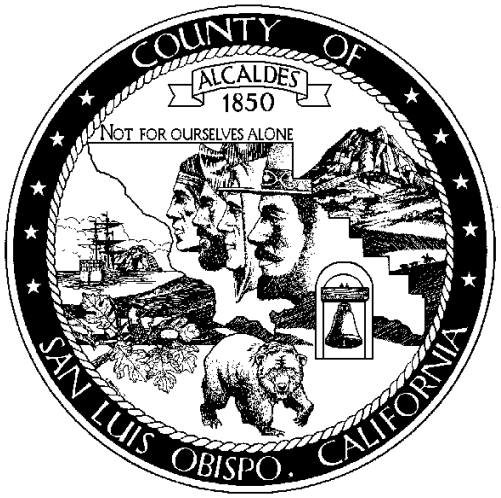
COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE - SPECIAL DISTRICTS
DETAIL SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2004

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Final Budget Positive (Negative)
0755 CSA 10-Parent (w/ Lighting)				
Services and Supplies	34	34	33	1
Other Financing Uses	322	322	79	243
Total	356	356	112	244
0773 CSA 16				
Services and Supplies	9	9	7	2
Fixed Assets - Building	3	3	-	3
Total	12	12	7	5
0775 CSA 17				
Services and Supplies	1	1	-	1
Total	1	1	-	1
0796 CSA 17-1 G/O DSF				
Total	-	-	-	-
0798 CSA 21				
Services and Supplies	12	12	3	9
Total	12	12	3	9
0917 CSA 21 Coop Rd Imp Constr				
Services and Supplies	29	29	-	29
Other Charges	155	359	73	286
Other Financing Uses	-	66	66	-
Total	184	454	139	315
0918 CSA 21 Coop Rd Imp Assmnt				
Services and Supplies	1	2	2	-
Other Financing Uses	614	613	12	601
Total	615	615	14	601
0919 CSA 9 Coop Road Imp Const				
Total	-	-	-	-
0920 CSA 9 Coop Road Imp Assmt				
Services and Supplies	1	1	1	-
Other Financing Uses	14	14	2	12
Total	15	15	3	12
TOTAL PUBLIC WAYS AND FACILITIES	1,256	1,526	303	1,223
RECREATIONAL AND CULTURAL SERVICES				
TOTAL	-	-	-	-
TOTAL RECREATIONAL AND CULTURAL	-	-	-	-
TOTAL SPECIAL REVENUE - SPECIAL DISTRICTS - EXPENDITURES	$ 5,498	$ 5,914	$ 2,487	$ 3,427

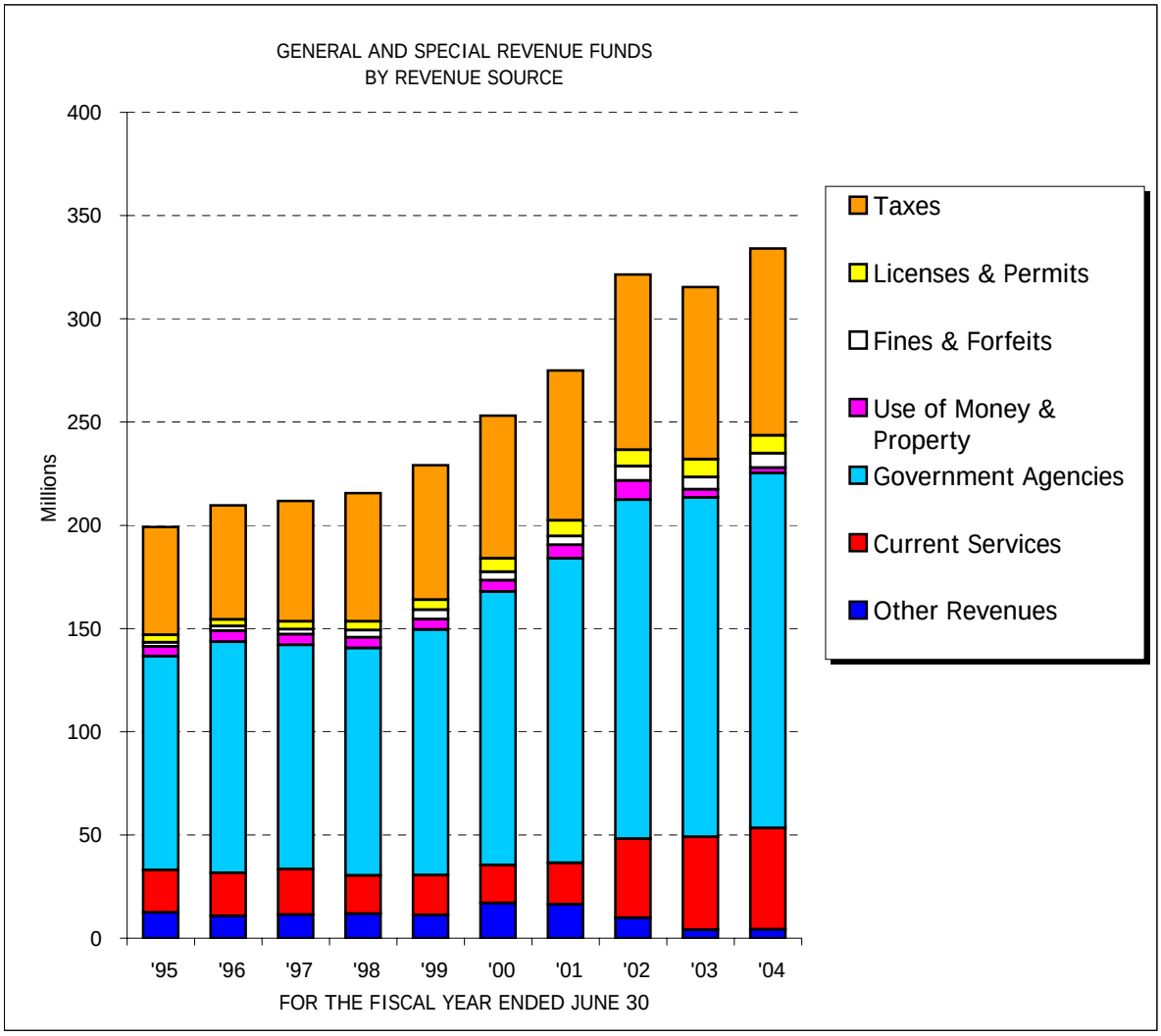

COUNTY OF
ALCALDES
1850
NOT FOR OURSELVES ALONE
SAN LUIS OBISPO, CALIFORNIA

STATISTICAL SECTION


COUNTY OF
ALCALDES
1850
NOT FOR OURSELVES ALONE
SAN LUIS OBISPO, CALIFORNIA

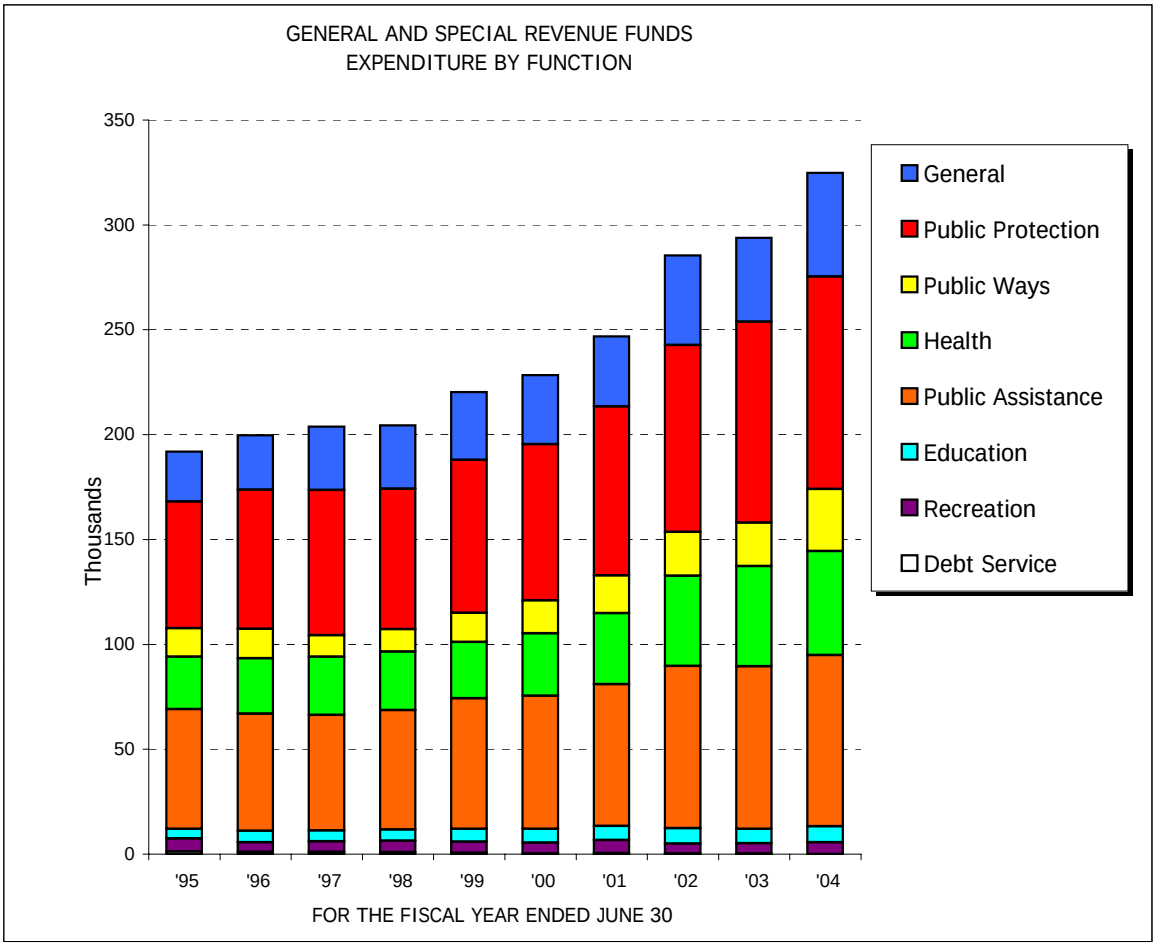
COUNTY OF SAN LUIS OBISPO
GENERAL AND SPECIAL REVENUE FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(in thousands)
(UNAUDITED)

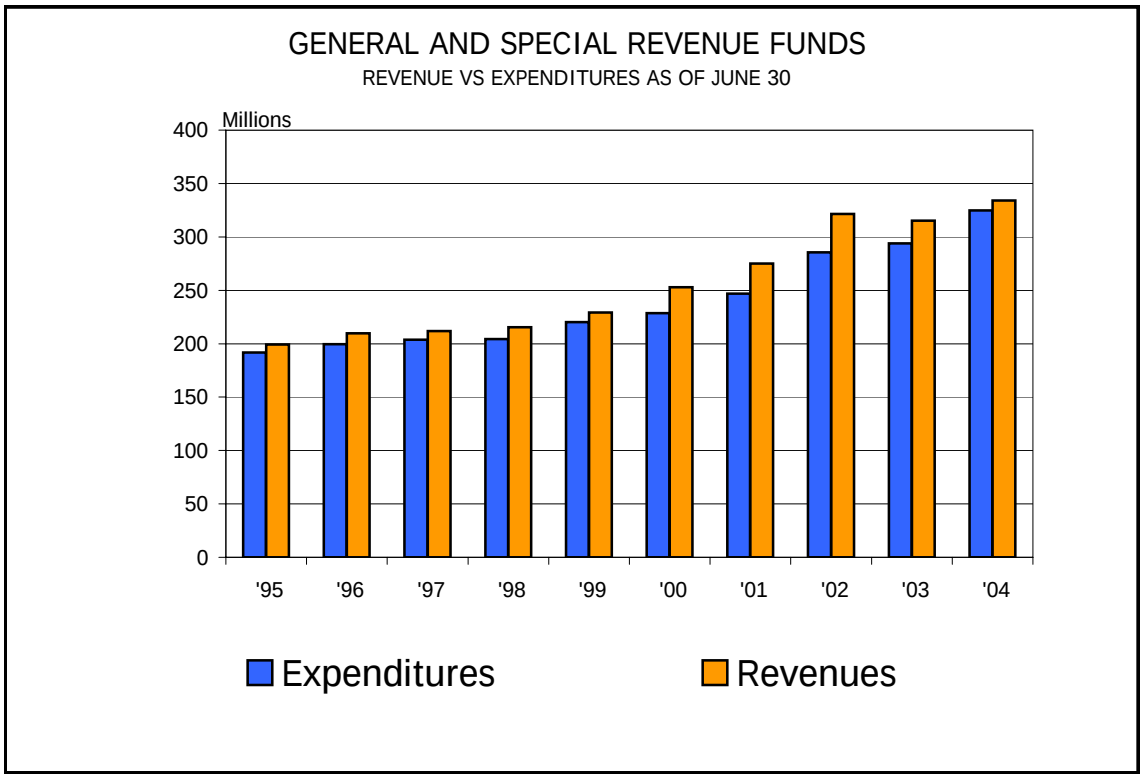
Fiscal Year	Taxes	Licenses, Permits & Franchises	Fines Forfeits & Penalties	Revenues from Use of Money & Property	Aid from Governmental Agencies	Charges for Current Services	Other Revenues	Total Revenues	Percentage Change From Prior Year
1994-95	52,144	3,753	1,879	4,750	103,641	20,564	12,388	199,119	7.17
1995-96	55,288	3,295	2,233	5,321	111,918	20,797	10,834	209,686	5.31
1996-97	58,228	3,824	2,461	5,202	108,580	22,029	11,412	211,736	0.98
1997-98	61,993	4,339	3,467	5,172	110,187	18,441	11,902	215,501	1.78
1998-99	65,076	4,913	4,533	5,071	118,996	19,294	11,182	229,065	6.29
1999-00	69,011	6,606	4,145	5,433	132,404	18,451	16,975	253,025	10.46
2000-01	72,601	7,592	4,352	6,518	147,509	19,980	16,438	274,990	8.68
2001-02	84,972	7,849	6,905	9,266	164,337	38,233	9,874	321,436	16.89
2002-03	83,404	8,700	5,787	4,056	164,403	44,929	4,069	315,348	(1.89)
2003-04	90,553	8,674	7,056	2,535	171,967	49,055	4,303	334,143	5.96

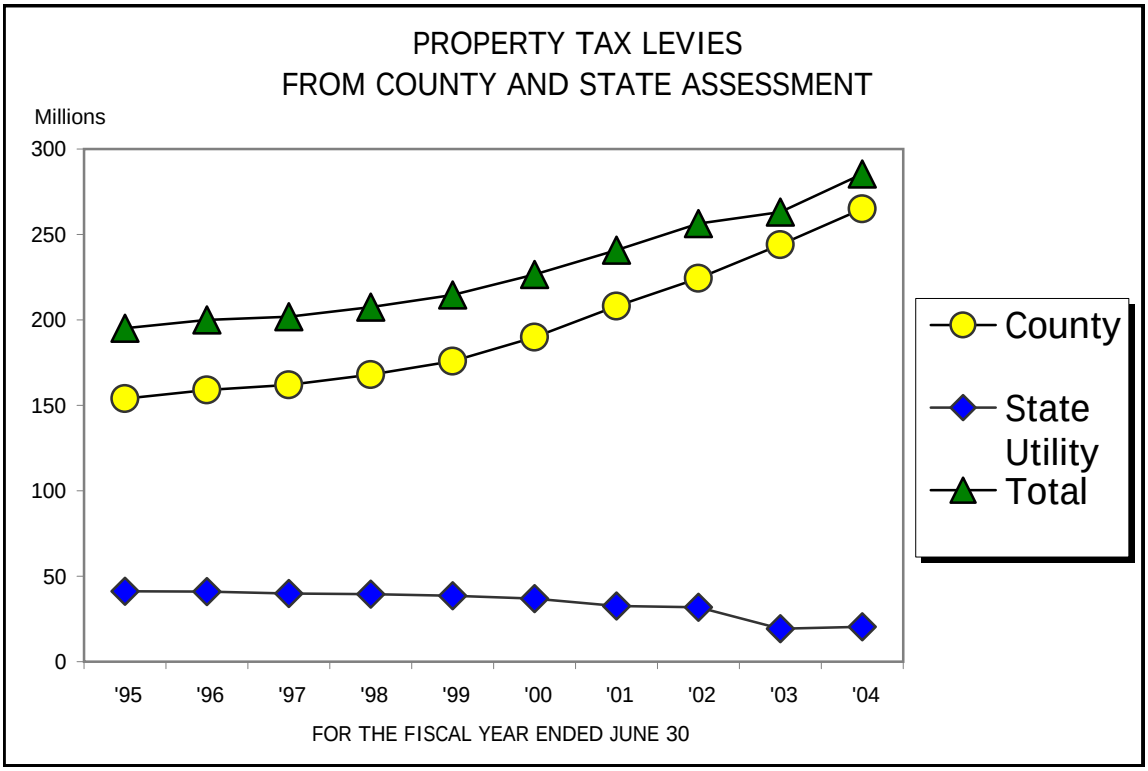


COUNTY OF SAN LUIS OBISPO
GENERAL AND SPECIAL REVENUE FUND EXPENDITURES BY FUNCTION*
LAST TEN FISCAL YEARS
(in thousands)
(UNAUDITED)

Fiscal Year	General Government	Public Protection	Public Ways & Facilities	Health & Sanitation	Public Assistance	Education	Recreational & Cultural	Debt Service	Total Expenditures	Percentage Change From Prior Year
1994-95	23,781	60,446	13,555	24,966	57,168	4,516	6,287	1,185	191,904	7.37
1995-96	25,927	66,308	13,998	26,409	55,872	5,449	4,628	1,084	199,675	4.05
1996-97	30,178	69,359	10,153	27,760	55,162	5,083	5,118	1,024	203,837	2.08
1997-98	30,242	66,941	10,733	27,918	56,926	5,341	5,469	884	204,454	0.30
1998-99	32,354	72,970	13,819	26,887	62,303	6,033	5,343	647	220,356	7.78
1999-00	33,082	74,332	15,858	29,637	63,541	6,500	5,195	327	228,472	3.68
2000-01	33,347	80,691	17,940	33,852	67,611	6,775	6,255	387	246,858	8.05
2001-02	42,765	89,119	20,836	43,071	77,350	7,285	4,800	290	285,516	15.66
2002-03	39,896	95,815	20,741	47,822	77,449	6,972	4,853	295	293,843	2.92
2003-04	49,491	101,203	29,718	49,542	81,616	7,606	5,645	18	324,839	10.55




GENERAL AND SPECIAL REVENUE FUNDS
REVENUE VS EXPENDITURES AS OF JUNE 30
Millions
400
350
300
250
200
150
100
50
0
'95
'96
'97
'98
'99
'00
'01
'02
'03
'04
Expenditures
Revenues


PROPERTY TAX LEVIES
FROM COUNTY AND STATE ASSESSMENT
Millions
300
250
200
150
100
50
0
'95
'96
'97
'98
'99
'00
'01
'02
'03
'04
FOR THE FISCAL YEAR ENDED JUNE 30
County
State Utility
Total

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

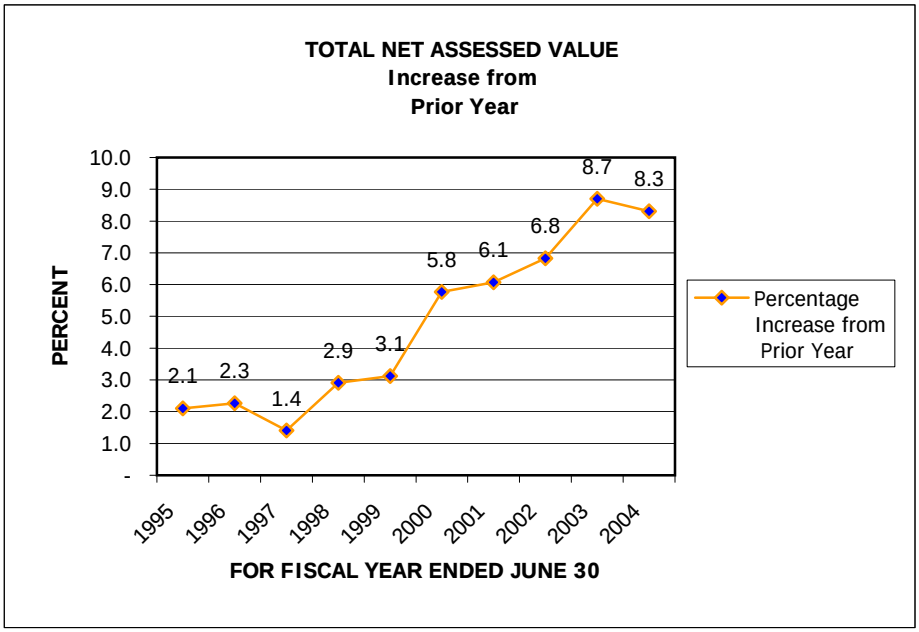
FISCAL YEAR	COUNTY PORTION	COLLECTIONS		DELINQUENCY	
		AMOUNT	PERCENT	AMOUNT	PERCENT
1994-95	46,893	45,563	97.2 %	1,330	2.8 %
1995-96	47,863	46,719	97.6	1,144	2.4
1996-97	48,541	47,504	97.9	1,037	2.1
1997-98	49,659	48,710	98.1	949	1.9
1998-99	51,425	50,668	98.5	757	1.5
1999-00	53,226	52,546	98.7	680	1.3
2000-01	55,789	55,101	98.8	688	1.2
2001-02	59,352	58,562	98.7	790	1.3
2002-03	64,410	63,484	98.6	926	1.4
2003-04	69,746	68,810	98.7	936	1.3

Source: County Property Tax System

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

Fiscal Year	Secured	Unsecured	Exemptions	Net Assessed Valuations	Percentage Increase from Prior Year
1994-95	17,618,355	463,097	(441,365)	17,640,087	2.1
1995-96	17,991,880	494,255	(446,296)	18,039,839	2.3
1996-97	18,251,950	518,574	(476,056)	18,294,468	1.4
1997-98	18,718,803	601,121	(492,665)	18,827,259	2.9
1998-99	19,358,789	588,429	(532,447)	19,414,771	3.1
1999-00	20,457,019	630,584	(552,477)	20,535,126	5.8
2000-01	21,636,143	712,208	(565,668)	21,782,683	6.1
2001-02	23,038,553	834,800	(603,887)	23,269,466	6.8
2002-03	25,052,023	875,457	(634,019)	25,293,461	8.7
2003-04	27,194,503	859,296	(658,326)	27,395,473	8.3

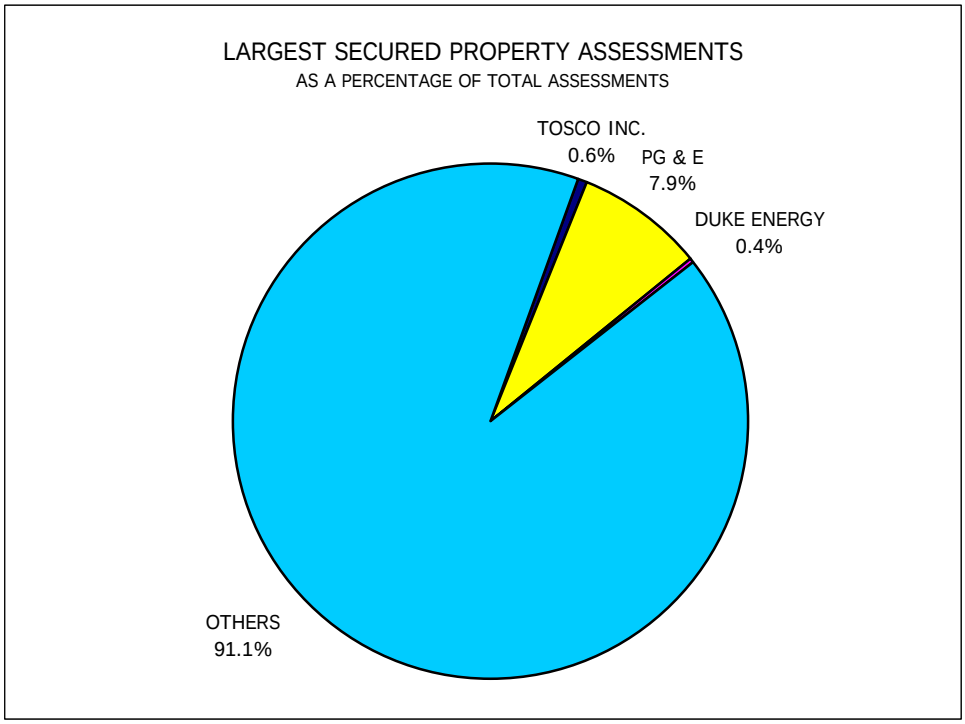
Source: County Property Tax System



COUNTY OF SAN LUIS OBISPO
PRINCIPAL TAXPAYERS
FISCAL YEAR 2003-04
(in thousands)
(UNAUDITED)

Taxpayer	Type of Business	Assessed Value	Percentage of Total County Assessed Value
Pacific Gas & Electric Co.	Utility	$ 2,163,485	7.90 %
Tosco Corp A NV Corp.	Oil and Construction	$ 176,951	0.65
Duke Energy Morro Bay LLC	Utility	$ 110,431	0.40
SBC California	Utility	$ 92,297	0.34
Beringer Wine Estates Co.	Agriculture	$ 58,283	0.21
Southern California Gas Company	Utility	$ 48,942	0.18
Sierra Vista Hospital Inc.	Health Care	$ 45,450	0.17
Charter Communications Properties LLC	Utility	$ 42,564	0.16
ESJ Centers LLC ETAL	Real Estate	$ 37,070	0.14
Vons Companies	Grocery Store	$ 32,432	0.12
Total		$ 2,807,905	10.25

Source: County Property Tax System



COUNTY OF SAN LUIS OBISPO
PROPERTY TAX RATES FOR COUNTY AND MAJOR OVERLAPPING GOVERNMENTS
(PER $100 OF ASSESSED VALUES)
LAST TEN FISCAL YEARS
(UNAUDITED)

	County Wide		Cities, Schools and Special Districts Combined Rates						
Fiscal Year	General County Tax Rate	State Water Project	Arroyo Grande	Paso Robles	San Luis Obispo	Pismo Beach	Grover Beach	Morro Bay	Atascadero
1994-95	1.0	.0087	.0044	.3575	.1075	.0012	.0136	.1075	.1015
1995-96	1.0	.0087	.0089	.3575	.1075	.0140	.0184	.1075	.0990
1996-97	1.0	.0063	.0000	.3575	.1075	.0190	.0184	.1075	.0976
1997-98	1.0	.0049	.0234	.3575	.1075	.0234	.0234	.1075	.0975
1998-99	1.0	.0047	.0224	.3575	.1075	.0224	.0224	.1075	.0975
1999-00	1.0	.0035	.0168	.3575	.1075	.0168	.0168	.0097	.0975
2000-01	1.0	.0023	.0467	.3575	.1075	.0467	.0467	.0086	.0975
2001-02	1.0	.0023	.0365	.3575	.1075	.0365	.0365	.0083	.0975
2002-03	1.0	.0023	.0329	.1775	-	.0329	.0329	.0081	.0975
2003-04	1.0	.0023	.0403	.1775	-	.0273	.0273	.0082	.0975

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

Source: County Property Tax System

COUNTY OF SAN LUIS OBISPO
ASSESSED VALUATION AND LEGAL DEBT MARGIN
FISCAL YEAR 2003-04
(in thousands)
(UNAUDITED)

SECURED ROLL				
Land	$	11,412,542		
Improvements		15,080,537		
Personal Property		457,368		
Fixtures		244,056		
Total Secured Roll			$	27,194,503
UNSECURED ROLL				
Improvements		85,069		
Personal Property		611,183		
Fixtures		163,044		
Total Unsecured Roll				859,296
LESS: EXEMPTIONS				(658,326)
NET ASSESSED VALUE - ALL ROLLS			$	27,395,472
LEGAL DEBT MARGIN				
Debt Limitation - 1.25% of net assessed value			$	342,443
County Debt Applicable to Limit				12,750
Legal Debt Margin			$	329,693

COUNTY OF SAN LUIS OBISPO
DIRECT AND OVERLAPPING BONDED DEBT
LAST TEN FISCAL YEARS
(in thousands)
(UNAUDITED)

Fiscal Year	State Water Project (1)	County Schools	County Service Areas	County Flood Control	Waterworks	Assessment and Special Districts (2)	City Bonds	Total Direct and Overlapping Debt
1994-95	123,292	1,400	444	4,775	630	3,617	265	134,423
1995-96	40,331	1,360	421	4,180	624	3,779	145	50,840
1996-97	52,663	1,325	398	3,580	613	3,214	0	61,793
1997-98	51,523	1,285	375	2,855	602	2,424	0	59,064
1998-99	33,788	26,594	346	2,570	590	5,160	0	69,048
1999-00	38,989	30,255	317	2,045	1,441	4,870	0	77,917
2000-01	36,774	29,974	288	30,395	1,401	4,473	0	103,305
2001-02	35,934	31,971	79	14,105	547	4,035	37,999	124,670
2002-03	34,668	40,302	75	13,610	25	4,093	37,999	130,772
2003-04	34,265	64,562	71	12,750	24	3,906	37,524	153,102

Notes:

(1) Estimates only. Based on projected capital cost of Water Transportation network including Central Coast Branch.

(2) Excludes Nipomo Community Services District. Figures not available.

COUNTY OF SAN LUIS OBISPO
COUNTY BONDED DEBT AS PERCENTAGE OF NET ASSESSED VALUE
AND IN DOLLARS PER CAPITA
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Gross General Bonded Debt (in thousands)	Proprietary Fund Debt (in thousands)	Net General Bonded Debt (in thousands)	Net Assessed Value (in thousands)	Ratio of Net General Bonded Debt to Net Assessed Value	Population (1)(2)	Net General Bonded Debt Per Capita
1994-95	5,219	(5,219)	0	17,640,087	0	227,200	0
1995-96	4,601	(4,601)	0	18,039,843	0	229,500	0
1996-97	3,978	(3,978)	0	18,294,468	0	232,700	0
1997-98	3,230	(3,230)	0	18,827,260	0	236,400	0
1998-99	2,916	(2,916)	0	19,414,771	0	239,300	0
1999-00	2,362	(2,362)	0	20,535,126	0	245,200	0
2000-01	14,978	(14,978)	0	21,782,684	0	252,100	0
2001-02	14,184	(14,184)	0	23,269,466	0	253,600	0
2002-03	13,685	(13,685)	0	25,293,461	0	256,300	0
2003-04	12,821	(12,821)	0	27,395,472	0	258,200	0

(1) Source: State Department of Finance as of January 1 of the years shown
(2) See note e, Demographic Statistics

COUNTY OF SAN LUIS OBISPO
RATIO OF ANNUAL DEBT SEVRICE EXPENDITURES
LAST TEN FISCAL YEARS
(in thousands)
(UNAUDITED)

Fiscal Year	Principal	Interest	Total Debt Service	Total Govermental Expenditures	Ratio of Debt Service to Govermental Expenditures
1993-94	680	1,772	2,452	178,733	1.37%
1994-95	392	941	1,333	191,904	0.69%
1995-96	478	812	1,290	199,675	0.65%
1996-97	502	791	1,293	203,837	0.63%
1997-98	522	767	1,289	204,454	0.63%
1998-99	547	741	1,288	220,356	0.58%
1999-00	571	712	1,283	228,472	0.56%
2000-01	606	682	1,288	246,858	0.52%
2001-02	4,490	519	5,009	285,516	1.75%
2002-03	575	679	1,254	293,843	0.43%

Note: Total government expenditures includes all special and general fund expenditures.

COUNTY OF SAN LUIS OBISPO
REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
(in thousands)
(UNAUDITED)

County Service Area NO. 18				Debt Service Requirements			
Fiscal Year	Gross Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
1994-95	218	174	44	15	27	42	1.06
1995-96	223	152	72	20	26	46	1.57
1996-97	236	143	93	20	24	44	2.11
1997-98	239	214	25	20	23	43	0.59
1998-99	299	252	48	25	21	46	1.03
1999-00	368	265	103	25	19	44	2.32
2000-01	366	289	76	25	18	43	1.80
2001-02 (2)							
2002-03							
2003-04							

(1) Excludes depreciation and revenue bond interest expenses.

(2) This Revenue Bond (County Service Area No. 18) was retired on December 1, 2001.

COUNTY OF SAN LUIS OBISPO
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Population (1,a,c)	Per Capita Income (2,a,d)	Median Age (5,c)	School Enrollment (3,b)	Unemployment Rate (4,a)
1994-95	227,200	19,509	34.51	40,056	7.4
1995-96	229,500	20,244	34.75	40,963	6.5
1996-97	232,700	21,412	34.96	42,331	5.5
1997-98	236,400	22,568	35.20	42,951	4.7
1998-99	239,300	24,807	35.43	43,792	4.2
1999-00	245,200	25,888	34.00	44,528	3.3
2000-01	252,100	26,932	33.09	45,141	3.0
2001-02	253,600	27,341	33.14	45,665	2.9
2002-03	256,300	27,917	37.30	45,578	3.5
2003-04	258,200	30,145	39.40	45,539	3.4

Sources:

1. State Department of Finance
2. U.S. Department of Commerce, Bureau of Economic Analysis
3. San Luis Obispo County Schools & Cuesta College
4. Employment Development Department, Research Division, Los Angeles
5. U.S. Census Bureau

Notes:

a. Data for calendar years
b. Data includes kindergarten through grade 12 and Cuesta College
c. These figures are projections based on the 2000 census.
d. Prior years were revised per the U.S. Department of Commerce.

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

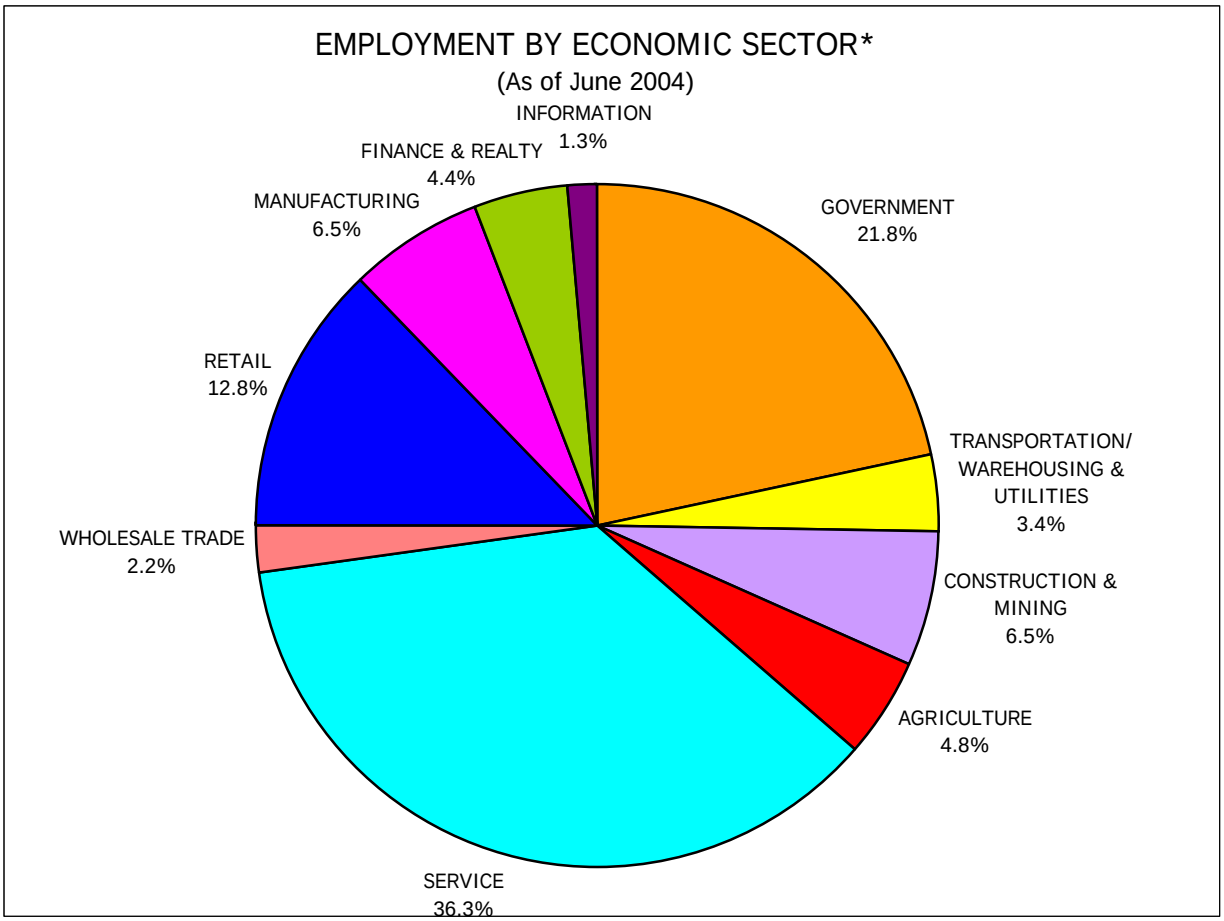
	Valuation (in thousands) (1) (2)			New Dwelling Units (1) (2)			
Calendar Year	Residential	Non-Residential	Total Values	Single Family	Multiple Family	Total Units	Bank Deposits (in thousands) (3)
1994	146,165	51,984	198,149	995	88	1,083	1,588,170
1995	141,425	32,909	174,334	917	68	985	1,601,076
1996	162,253	40,052	202,305	1,105	71	1,176	1,605,172
1997	194,306	58,596	252,902	1,261	68	1,329	2,288,140
1998	269,367	74,690	344,057	1,680	50	1,730	2,435,501
1999	270,080	93,049	363,129	1,578	86	1,664	2,602,156
2000	293,413	116,607	410,020	1,547	103	1,650	2,775,185
2001	356,243	83,836	440,079	1,687	338	2,025	3,077,442
2002	356,676	124,493	481,168	1,703	269	1,972	3,353,772
2003	447,150	111,511	558,661	1,943	279	2,222	3,687,231

Sources:

1. California State Census Data Center, as of 1990
2. Construction Industry Research Board, as of 1995
3. FDIC, Washington, D.C.

COUNTY OF SAN LUIS OBISPO
TOP TEN EMPLOYERS
FISCAL YEAR 2003-04
(UNAUDITED)

Organization	Number of Employees
California Polytechnic State University, SLO	2,574
County of San Luis Obispo	2,508
Atascadero State Hospital	2,066
California Men's Colony	1,700
Pacific Gas and Electric Company	1,632
Cal Poly Foundation	1,349
Lucia Mar Unified School District	1,013
Paso Robles Public Schools	918
Sierra Vista Regional Medical Center	854
San Luis Coastal Unified School District	805
Total Employees	15,419



COUNTY OF SAN LUIS OBISPO
MISCELLANEOUS STATISTICAL DATA
FISCAL YEAR 2003-04
(UNAUDITED)

Location and Geographical Features

San Luis Obispo County, the fifteenth largest county in the State covering 3,326 square miles, is located on the California Coast midway between San Francisco and Los Angeles. It is bordered by Monterey County to the north, Kern County to the east, Santa Barbara County to the south and the Pacific Ocean to the west. The Santa Lucia Range dominates the western half of the County; the eastern half lies along the Temblor Range. There is little level land except in some coastal valleys, along the northern border and in the Carrisa Plains. Except for a coastal strip, the southern half of the County is within the Los Padres National Forest. Along the coast the climate is moderate. In the City of San Luis Obispo, the mean annual temperature is 61 degrees with an average annual rainfall of 24 inches. The inland areas have higher average temperatures and less rainfall. During the summer, the temperature may be as much as 30 degrees cooler along the coast than it is in the interior regions.

Along the coastline of San Luis Obispo are many recreational areas and tourist attractions. Some popular water-related activities include swimming, boating, surfing, fishing, clamming and water skiing at the beaches and lakes in the County. The nationally known Hearst Castle in San Simeon attracts thousands of visitors annually.

County Government

San Luis Obispo County was established in 1850 as one of California's original counties. The City of San Luis Obispo is the County seat. The County has a general law form of government. Its five-member Board of Supervisors is elected by district for four-year terms of office. Other elected officials include the Assessor, Auditor-Controller, County Clerk-Recorder, District Attorney, Sheriff-Coroner and Treasurer-Tax Collector. The County Administrator is appointed by the Board of Supervisors.

Population

	1950	1960	1970	1980	1990	2000	2004
Cities							
Arroyo Grande	1,723	3,291	7,454	11,254	14,432	16,450	16,600
Atascadero				16,797	23,138	25,800	27,700
Grover Beach		5,210	5,939	8,833	11,602	12,750	13,250
Morro Bay			7,109	9,078	9,664	9,975	10,500
Paso Robles	4,835	6,677	7,168	9,133	18,583	22,900	27,200
Pismo Beach	1,425	1,762	4,043	5,286	7,669	8,625	8,725
San Luis Obispo	14,180	20,437	28,035	34,184	41,958	43,050	44,200
Unincorporated	29,274	43,667	45,942	60,167	90,116	105,650	110,000
Total	51,437	81,044	105,690	154,732	217,162	245,200	258,175

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

COUNTY OF SAN LUIS OBISPO
MISCELLANEOUS STATISTICAL DATA
June 30, 2004
(UNAUDITED)

County Employees

June 30	Number of Employees *
1995	2,499
1996	2,573
1997	2,605
1998	2,471
1999	2,489
2000	2,521
2001	2,657
2002	2,732
2003	2,630
2004	2,509

* Excludes temporary employees

Special Districts

Districts governed by the Board of Supervisors:	Number of Districts
County Service Areas	11
Flood Control and Water Conservation	10
Lighting Districts	1
Transit Services	1
Total	23

Districts governed by Local Board:	
Community Services Districts	14
County Sanitation Districts	3
County Water Districts	2
Fire Protection Districts	2
Harbor Districts	1
Hospital Districts	1
Public Cemetery Districts	10
Resource Conservation Districts	1
Transit Districts	0
Total	34

Education

School Districts:	Number of Districts
Elementary	0
High	0
Unified	7
Community College	1
Total	8
State University	1
Hospitals	
Private	4
County	0
Total	4

Note: Joint County Districts are excluded where San Luis Obispo is not the County of control.

Transportation

The more than 2,300 miles of roads in San Luis Obispo County, of which 1,315 miles are County maintained, include U.S. 101 and State Route 1 lying along the coastal edge of the County and State Routes 41 and 46 crossing the County from west to east. In addition, State Route 166 runs from west to east along the San Luis Obispo County and Santa Barbara County line.

Transcontinental rail and bus services are provided by Union Pacific (AMTRAK) and Greyhound Bus Lines. Charter bus service is available along scenic Highway One, between San Luis Obispo and Monterey. There is one intercity bus line that provides local service and one intercounty line for service from Paso Robles to the San Joaquin Valley. Truck service is provided by several common carriers. Commuter air service is available at San Luis Obispo Airport.

COUNTY OF SAN LUIS OBISPO
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 2004
(in thousands)
(UNAUDITED)

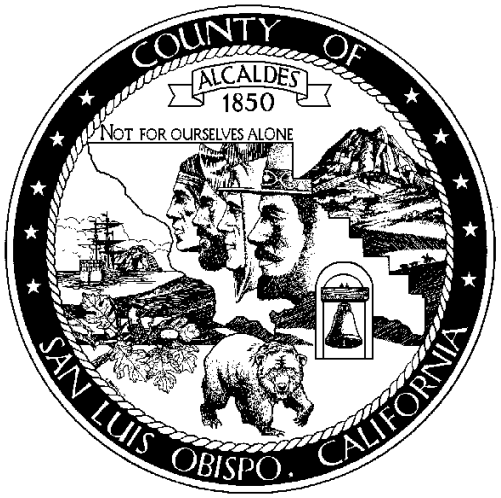
	Agriculture					
Calendar Year	Field Crops	Fruit & Nut Crops	Seed & Nursery Stock	Vegetable Crops	Animal Industry	Total
1994	21,020	65,476	45,517	134,784	31,431	298,228
1995	21,340	70,975	50,534	147,771	26,188	316,808
1996	22,445	89,171	56,399	134,047	26,013	328,075
1997	18,056	120,912	65,486	148,129	29,223	381,806
1998	17,614	109,351	70,296	132,895	28,665	358,821
1999	16,296	122,450	85,353	135,393	36,031	395,523
2000	16,180	166,779	93,171	175,643	35,881	487,654
2001	17,025	182,415	91,296	152,531	46,517	489,784
2002	15,595	163,173	97,377	156,687	46,161	478,993
2003	15,162	204,804	91,476	168,423	49,181	529,046

Source: County Department of Agriculture Annual Report

Elections

Consolidated General Election - March 2, 2004:

Registered Voters	135,476
Number Voting	58,590
Percent Voting	43.2%


COUNTY OF
ALCALDES
1850
NOT FOR OURSELVES ALONE
SAN LUIS OBISPO, CALIFORNIA