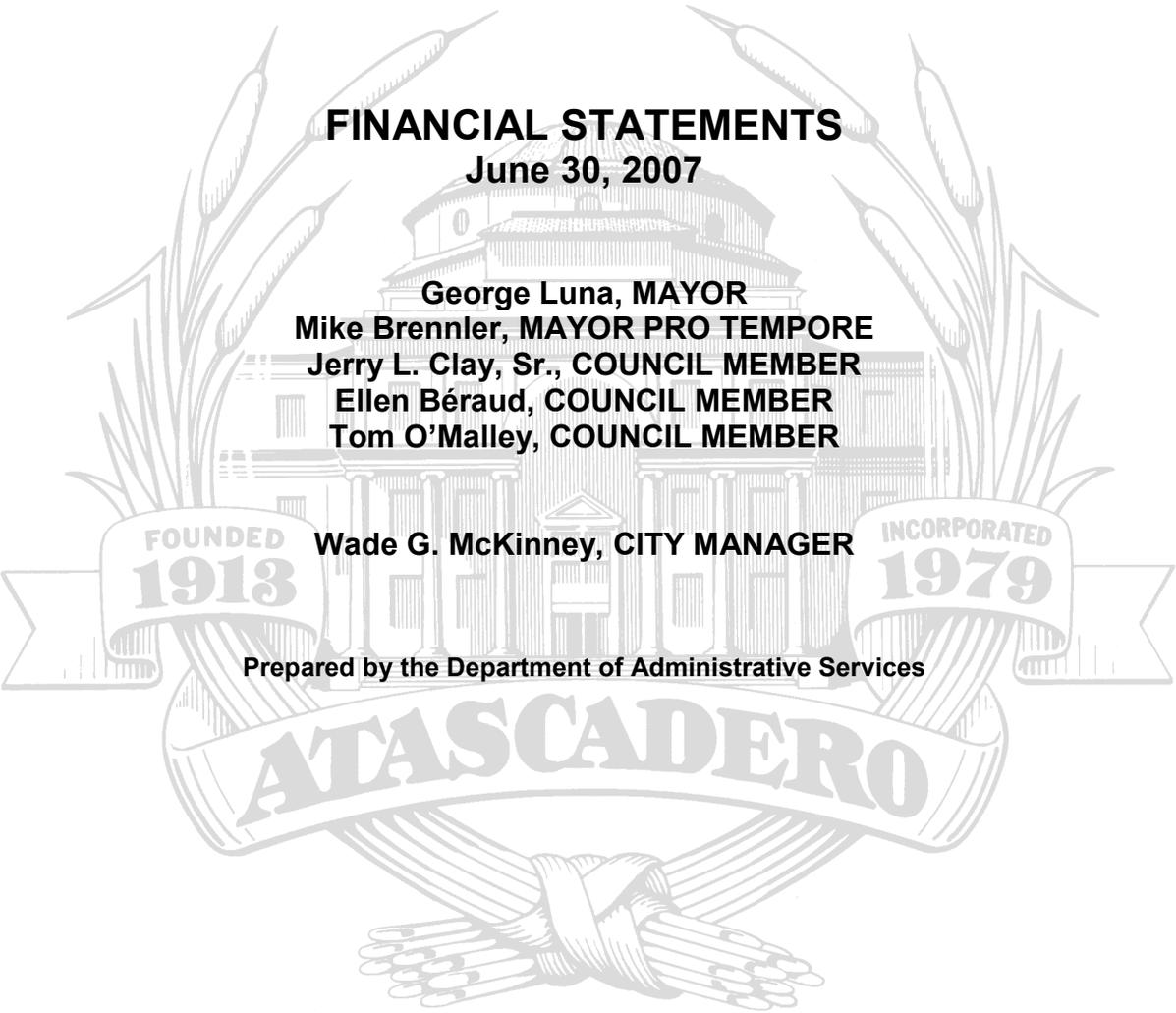


CITY OF ATASCADERO

FINANCIAL STATEMENTS

June 30, 2007



FINANCIAL STATEMENTS

June 30, 2007

George Luna, MAYOR

Mike Brennler, MAYOR PRO TEMPORE

Jerry L. Clay, Sr., COUNCIL MEMBER

Ellen Béraud, COUNCIL MEMBER

Tom O'Malley, COUNCIL MEMBER

Wade G. McKinney, CITY MANAGER

**FOUNDED
1913**

**INCORPORATED
1979**

Prepared by the Department of Administrative Services

ATASCADERO

CITY OF ATASCADERO
TABLE OF CONTENTS
 June 30, 2007

Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	13
Statement of Activities.....	15
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	16
Reconciliation of the Governmental Funds - Balance Sheet to the Statement of Net Assets.....	18
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	21
Proprietary Funds:	
Statement of Net Assets.....	22
Combining Statement of Revenues, Expenses, and Changes in Net Assets.....	24
Combining Statement of Cash Flows.....	26
Notes to the Basic Financial Statements.....	28
Required Supplementary Information	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund Summary	55
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund Detail.....	57
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Redevelopment Agency Fund.....	74

CITY OF ATASCADERO
TABLE OF CONTENTS
June 30, 2007

Other Supplementary Information (Unaudited)	
Nonmajor Governmental Funds Overview.....	76
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds.....	83
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	89
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Supplemental Law Enforcement Services Fund.....	95
Low/Moderate Income Housing Redevelopment Fund.....	96
In-Lieu Low Income Housing Fund.....	97
Business Improvement Association Fund.....	98
Community Development Block Grant Fund.....	99
Tree Plant Fund.....	101
Gas Tax Fund.....	102
AB2928 Traffic Congestion Relief Fund.....	103
Local Transportation Fund.....	104
Street Assessment Fund.....	105
Sidewalk In-Lieu Fees Fund.....	106
General Government Facilities Fees Fund.....	107
Circulation System Fees Fund.....	108
Storm Drainage Facilities Fees Fund.....	109
Amapoa/Tecorida Drainage Impact Fees Fund.....	110
Law Enforcement Facilities Fees Fund.....	111
Fire Facilities Fees Fund.....	112
Open Space Acquisition Fees Fund.....	113

CITY OF ATASCADERO
TABLE OF CONTENTS
June 30, 2007

Other Supplementary Information (Unaudited) *(continued)*

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual *(continued)*:

Parkland Facilities Fees Fund.....	114
Public Facilities Fees Fund.....	115
Library Expansion Facilities Fees Fund.....	116
Fire Aerial Vehicle Impact Fees Fund.....	117
Proposition 12 Fund.....	118
Community Facilities District Fund.....	119
Apple Valley Street & Storm Drain Assessment District Fund.....	120
Apple Valley Landscaping & Lighting Assessment District Fund.....	121
Las Lomas Street & Storm Drain Assessment District Fund.....	122
Las Lomas Landscaping & Lighting Assessment District Fund.....	123
De Anza Street & Storm Drain Assessment District Fund.....	124
De Anza Landscaping & Lighting Assessment District Fund.....	125
Capital Projects Fund.....	126
2005 Redevelopment Bond Project Fund.....	128
Assessment District #8 Construction Fund.....	129
Historic City Hall Rehabilitation Fund.....	130
Youth Center Construction Fund.....	131
Assessment District #3 Debt Service Fund.....	132
Assessment District #4 Debt Service Fund.....	133
Assessment District #5 Debt Service Fund.....	134
Assessment District #7 Debt Service Fund.....	135
Assessment District #9 Debt Service Fund.....	136
Assessment District #10 Debt Service Fund.....	137
2005 Redevelopment Bond Debt Service Fund.....	138

CITY OF ATASCADERO
TABLE OF CONTENTS
June 30, 2007

Other Supplementary Information (Unaudited) *(continued)*

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual *(continued)*:

1997 C.O.P. Refunding Fund.....	139
1992 Street Assessment Improvement Fund.....	140
1993 Camino Real Improvement Bonds Fund.....	141
Combining Statement of Net Assets - Internal Service Funds.....	142
Combining Statement of Revenues, Expenses, and Changes in Net Assets - Internal Service Funds.....	143
Combining Statement of Cash Flows - Internal Service Funds.....	145

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CERTIFIED PUBLIC ACCOUNTANTS
TAX AND BUSINESS ADVISORS

Emeritus:
Fred L. Glenn
Stephen A. Burdette

Independent Auditors' Report

The Honorable City Council of the
City of Atascadero, California
Atascadero, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Atascadero, California, as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Atascadero's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Atascadero, California as of June 30, 2007, 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.

The Honorable City Council of the
City of Atascadero, California
Atascadero, California
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2007, on our consideration of the City of Atascadero'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 compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 55 through 75, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Atascadero's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements 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.

Glenn, Burdette, Phillips & Bryson

Glenn, Burdette, Phillips & Bryson
Certified Public Accountants
A Professional Corporation
San Luis Obispo, California

November 15, 2007



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2007

INTRODUCTION

This discussion and analysis of the City of Atascadero's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2007. For the most complete picture of the City, please read this document in conjunction with the City's basic financial statements, the accompanying notes to the basic financial statements, and the basic financial statements of the City's component unit. The City's financial statements and separate financial statements prepared by the Community Redevelopment Agency of Atascadero are available at City Hall offices.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$143.7 million. Of this amount, \$13.5 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$16,684,216. This was mainly due to some significant capital grants received by the City. A portion of this increase was also attributable to higher than expected tax, license/permit, and development revenues, and a savings in capital projects expenditures.
- Capital projects expenditures were up \$3.4 million from the previous year and were \$16.2 million less than budgeted.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$36.9 million, an increase of \$2.7 million over the prior fiscal year.
- Approximately 63% of the governmental fund balances, or \$23.1 million, is considered unreserved and is available for spending in the future.
- At the end of the current fiscal year, unreserved undesignated fund balance for the general fund was about \$2.1 million, or 12% of total general fund expenditures.
- The City's total debt decreased by about \$201,000 during the current fiscal year, which was due to scheduled debt service payments and an increase in compensated absences.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include the activities of the City of Atascadero using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

Government-Wide Financial Statements

The Government-Wide Financial Statements present a broad overview of the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 in regard to interfund activity, payables and receivables.

The *Statement of Net Assets* presents information on all the City's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the City of Atascadero is improving or declining.

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.

Both of the Government-wide Financial Statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees or are required by grantor agencies to be accounted for in this fashion (*business-type activities*).

The governmental activities include police, fire, parks, recreation, community development, public works, and general government activities. Property and sales taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities. The business-type activities include wastewater and transit.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City (the primary government) and its component unit, for which the government is considered to be financially accountable (the Community Redevelopment Agency of Atascadero). The City has no component units that require discrete presentation in accordance with GASB Statement No. 14.

OVERVIEW OF THE FINANCIAL STATEMENTS *(continued)*

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Atascadero, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City are divided into two categories of activities – governmental and proprietary.

Governmental Funds

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

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

The City maintains multiple individual governmental funds. Information for the General Fund is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. The General Fund and the Redevelopment Agency Fund are considered to be the only major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data, including budgetary information, for each of these nonmajor governmental funds is provided in the combining financial statements under the supplementary information section.

A budget comparison statement has been provided to demonstrate compliance with the budget. Budgetary information for the major governmental funds has been provided under the required supplementary information section.

Proprietary Funds

Proprietary Funds provide the same type of information as the business-type activities in the government-wide financial statements, except that the Proprietary Funds provide greater detail. The City maintains two types of Proprietary Funds: Enterprise Funds and Internal Service Funds. The City's Enterprise Funds are the same as the business-type activities reported in the Government-wide Financial Statements: Transit and Wastewater. The City uses Internal Service Funds to report activities that provide supplies and services for the City's other programs and activities. The City's Internal Services Funds include the Building and Maintenance, Technology, and Vehicle and Equipment Replacement Funds. The Internal Service Funds are combined into one column within the Proprietary Funds statements and are combined with governmental activities in the Government-wide Financial Statements.

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Atascadero, assets exceeded liabilities by about \$143.7 million at the close of the most recent fiscal year.

	2006-2007 Governmental Activities	2006-2007 Business- Type Activities	2006-2007 Total	2005-2006 Governmental Activities	2005-2006 Business- Type Activities	2005-2006 Total
Current and other assets	\$ 47,465,197	\$ 9,589,903	\$ 57,055,100	\$ 39,171,368	\$ 9,302,341	\$ 48,473,709
Capital assets	92,121,597	15,569,901	107,691,498	83,532,290	14,110,127	97,642,417
Total assets	<u>139,586,794</u>	<u>25,159,804</u>	<u>164,746,598</u>	<u>122,703,658</u>	<u>23,412,468</u>	<u>146,116,126</u>
Current liabilities	5,584,309	438,892	6,023,201	3,318,417	675,609	3,994,026
Noncurrent liabilities	15,056,701	12,494	15,069,195	15,228,622	34,815	15,263,437
Total liabilities	<u>20,641,010</u>	<u>451,386</u>	<u>21,092,396</u>	<u>18,547,039</u>	<u>710,424</u>	<u>19,257,463</u>
Net assets:						
Invested in capital assets, net of related debt	88,674,659	15,569,901	104,244,560	80,085,352	14,110,127	94,195,479
Restricted	25,919,161	-	25,919,161	24,168,514	-	24,168,514
Unrestricted	4,351,964	9,138,517	13,490,481	(97,247)	8,591,917	8,494,670
Total net assets	<u>\$ 118,945,784</u>	<u>\$ 24,708,418</u>	<u>\$ 143,654,202</u>	<u>\$ 104,156,619</u>	<u>\$ 22,702,044</u>	<u>\$ 126,858,663</u>

The largest portion of the City's net assets (73%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional 18% of the City's net assets represent resources subject to external restrictions on how they may be used. The remaining 9% (\$13,490,481) is considered unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. There was an increase of \$5 million in unrestricted net assets from fiscal year 2005-2006 to 2006-2007.

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(continued)*

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

The City's net assets increased by \$16.7 million during the current fiscal year. Information about changes in net assets is summarized below:

SUMMARY OF CHANGES IN NET ASSETS
 For the Fiscal Years Ended June 30, 2007 and 2006

	<u>2006-2007</u> <u>Governmental</u> <u>Activities</u>	<u>2006-2007</u> <u>Business-Type</u> <u>Activities</u>	<u>2006-2007</u> <u>Total</u>	<u>2005-2006</u> <u>Governmental</u> <u>Activities</u>	<u>2005-2006</u> <u>Business-Type</u> <u>Activities</u>	<u>2005-2006</u> <u>Total</u>
Revenues:						
Program Revenues						
Charges for services	\$ 3,369,409	\$ 2,141,105	\$ 5,510,514	\$ 3,010,355	\$ 2,072,702	\$ 5,083,057
Operating grants and contributions	2,281,507	395,566	2,677,073	1,150,505	397,861	1,548,366
Capital grants and contributions	11,103,245	1,270,868	12,374,113	6,423,695	1,203,000	7,626,695
General Revenues:						
Secured and unsecured property taxes	10,779,702	-	10,779,702	9,188,439	-	9,188,439
Sales and use taxes	3,982,903	-	3,982,903	3,989,425	-	3,989,425
Other taxes	1,705,808	-	1,705,808	1,737,373	-	1,737,373
Motor vehicle in lieu	171,128	-	171,128	634,003	-	634,003
Block grants	102,465	-	102,465	212,000	-	212,000
Investment income	1,842,049	502,610	2,344,659	836,130	288,885	1,125,015
Gain (loss) on disposal of capital assets	(59,091)	1,151	(57,940)	(2,880)	3,986	1,106
Total Revenues	<u>\$ 35,279,125</u>	<u>\$ 4,311,300</u>	<u>\$ 39,590,425</u>	<u>\$ 27,179,045</u>	<u>\$ 3,966,434</u>	<u>\$ 31,145,479</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

	2006-2007 Governmental Activities	2006-2007 Business-Type Activities	2006-2007 Total	2005-2006 Governmental Activities	2005-2006 Business-Type Activities	2005-2006 Total
Program Expenses						
General Government	\$ 2,463,689	\$ -	\$ 2,463,689	\$ 2,302,466	\$ -	\$ 2,302,466
Public Safety	8,972,133	-	8,972,133	7,640,845	-	7,640,845
Community Development	2,863,651	-	2,863,651	2,370,020	-	2,370,020
Community, Recreation & Zoo Services	1,902,285	-	1,902,285	1,658,782	-	1,658,782
Parks & Open Space	785,089	-	785,089	730,531	-	730,531
Public Works	2,925,262	-	2,925,262	2,595,657	-	2,595,657
Sewer	-	1,748,786	1,748,786	-	2,253,270	2,253,270
Transit	-	556,140	556,140	-	509,433	509,433
Interest on long-term debt	689,174	-	689,174	713,696	-	713,696
Total Expenses	<u>20,601,283</u>	<u>2,304,926</u>	<u>22,906,209</u>	<u>18,011,997</u>	<u>2,762,703</u>	<u>20,774,700</u>
Increase in net assets	14,677,842	2,006,374	16,684,216	9,167,048	1,203,731	10,370,779
Net assets- beginning	104,156,619	22,702,044	126,858,663	94,989,571	21,498,313	116,487,884
Prior year adjustment	111,323	-	111,323	-	-	-
Net assets- ending	<u>\$ 118,945,784</u>	<u>\$ 24,708,418</u>	<u>\$ 143,654,202</u>	<u>\$ 104,156,619</u>	<u>\$ 22,702,044</u>	<u>\$ 126,858,663</u>

Governmental activities increased the City's net assets by \$14,677,842, while business-type activities increased the City's net assets by \$2,006,374.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City'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 June 30, 2007, the City's governmental funds reported combined ending fund balances of \$36,940,074. Approximately 37% (\$13,847,091) of this total amount is reserved to indicate that it is not available for new spending because it has already been committed either to liquidate contracts or purchase orders of the prior period or to pay debt service (\$2,102,443). The remaining 63% (\$23,092,983) constitutes unreserved fund balances, which is available for spending at the government's discretion. Of that amount, \$16,439,599 has already been designated for a variety of specific future uses.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS *(continued)*

General Fund – The General Fund is the chief operating fund of the City. At June 30, 2007, the total fund balance was \$11,034,512, and the unreserved fund balance was 86% (\$9,541,370) of the total. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The unreserved, undesignated fund balance of \$2,083,441 represents 12% of the total General Fund expenditures. The General Fund balance increased \$511,569 over last fiscal year.

Redevelopment Agency Fund – The Redevelopment Agency fund is the primary fund for the Community Redevelopment Agency of Atascadero. At June 30, 2007, the total fund balance was \$4,760,754. All of this amount is unreserved. Of this total unreserved amount, \$31,835 is designated for capital commitments.

Other Governmental Funds – These are nonmajor funds of the City and are presented in the basic financial statements in the aggregate and in detail in the supplementary section of this report. At June 30, 2007, these funds had an aggregate fund balance of \$21,144,808. Of this total, 58% (\$12,353,949) is reserved for payment of debt service, prepaid items or encumbrances from the prior fiscal year. The remaining balance of \$8,790,859 is available for spending. More information about these nonmajor funds can be found in the combining and individual fund financial statements and schedules.

Proprietary Funds

The City's two enterprise funds provide the same type of information found in the Government-wide Financial Statements, but in more detail. Highlights of the annual activity for these funds have already been presented in the discussion of the business-type activities.

DEBT ADMINISTRATION

Debt, considered a liability of governmental activities, decreased in FY 2006-2007 by \$155,252. Normal amortization reduced debt by \$385,000 and compensated absences increased by \$229,748.

Debt of the business-type activities decreased by \$22,321 in FY 2006-2007 due to a decrease in compensated absences.

CASH MANAGEMENT

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

FINANCIAL ANALYSIS OF THE CITY'S FUNDS *(continued)*

CAPITAL ASSETS

The capital assets of the City are those assets that are used in the performance of the City's functions including infrastructure assets. At June 30, 2007, net capital assets of the governmental activities totaled \$92,121,597 and the net capital assets of the business-type activities totaled \$15,569,901. Depreciation on capital assets is recognized in the Government-wide Financial Statements. The City has elected to depreciate its infrastructure assets. In order to depreciate the infrastructure assets, an estimated useful life for each type of asset was determined using engineering standards, industry standards, as well as discussions with City staff regarding the City's maintenance program for each asset type. This allowed the estimated useful life of each asset type to be tailored to include the unique attributes of the City of Atascadero.

The following table presents summary information on the City's capital assets:

	2006-2007 Governmental Activities	2006-2007 Business-Type Activities	2006-2007 Total	2005-2006 Governmental Activities	2005-2006 Business-Type Activities	2005-2006 Total
Non-Depreciable:						
Land	\$ 41,003,131	\$ 442,044	\$ 41,445,175	\$ 40,146,166	\$ 442,044	\$ 40,588,210
Construction in progress	12,334,992	27,804	12,362,796	6,507,114	272,392	6,779,506
Depreciable:						
Vehicles and equipment	6,013,484	633,386	6,646,870	5,531,182	607,367	6,138,549
Structures and improvements	7,977,056	23,394,229	31,371,285	7,536,547	21,102,574	28,639,121
Infrastructure	46,003,163	-	46,003,163	42,960,304	-	42,960,304
Accumulated Depreciation	<u>(21,210,229)</u>	<u>(8,927,562)</u>	<u>(30,137,791)</u>	<u>(19,149,023)</u>	<u>(8,314,251)</u>	<u>(27,463,274)</u>
Invested in capital assets, net of related debt	<u>\$ 92,121,597</u>	<u>\$ 15,569,901</u>	<u>\$ 107,691,498</u>	<u>\$ 83,532,290</u>	<u>\$ 14,110,126</u>	<u>\$ 97,642,416</u>

FINANCIAL ANALYSIS OF THE CITY'S FUNDS *(continued)*

GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2007, is presented in the required supplementary information to the basic financial statements. The final budget amounts (which are the focus of this discussion) are different from those presented in the 2006-2007 budget document. This is due to changes that occurred between the time that the budget was prepared and fiscal year-end final budget approvals.

The following summarizes the original and final budget compared with actual results for 2006-2007.

General Fund	Original Budget	Final Budget	Actual	Variance
Revenues	\$ 15,324,230	\$ 17,775,530	\$ 18,933,839	\$ 1,158,309
Expenditures	15,709,230	17,327,870	17,049,509	(278,361)
Other Sources (Uses)	(325,790)	(1,268,300)	(1,484,084)	(215,784)
Fund Balance, beginning	10,522,943	10,522,943	10,522,943	-
Prior Period Adjustments	-	-	111,323	111,323
Fund Balance, ending	<u>\$ 9,812,153</u>	<u>\$ 9,702,303</u>	<u>\$ 11,034,512</u>	<u>\$ 1,332,209</u>

Overall, the revised budget for ending fund balance is \$109,850 less than the original budget estimate. The net decrease is not material and is a result of normal movement between accounts.

ECONOMIC FACTORS AND NEXT FISCAL YEAR'S BUDGETS AND RATES

Recent economic changes, state budgetary concerns and anticipated future cost increases for health, workers' compensation and retirement benefits make providing a fiscally responsible budget a challenge. Expecting that such difficult financial times would eventually hit, the City has been actively preparing for tough times over the last eight years. The Council has adopted a financial strategic plan that provides for downswings in revenues by putting aside reserves in good times and then using those reserves during down periods. This plan allows for stable operations and long-term financial sustainability.

Even during these challenging economic times, the City Council has demonstrated its commitment to fiscal health and responsible stewardship of the City's resources by maintaining existing service levels to the community and funding high priority projects.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS *(continued)*

ECONOMIC FACTORS AND NEXT FISCAL YEAR'S BUDGETS AND RATES *(continued)*

The key elements in the preparation of the budget for the fiscal year 2007-2008 were:

- Focusing on those projects identified as high priority by the community and the Council
- Broadening the General Fund revenue base
- Regular updates to service fees to reflect increases in providing services
- Maintaining existing General Fund expenditure base
- Using reserves to continue scheduled replacement of vehicles and equipment

CONTACTING THE CITY'S FINANCIAL MANAGEMENT TEAM

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Atascadero, Administrative Services Department, 6907 El Camino Real, Atascadero, CA 93422.

BASIC FINANCIAL STATEMENTS

CITY OF ATASCADERO
STATEMENT OF NET ASSETS
June 30, 2007

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 36,013,634	\$ 9,061,886	\$ 45,075,520
Restricted cash and investments:			
Cash with fiscal agents	1,389,012	-	1,389,012
Certificates of deposit	86,742	-	86,742
Receivables:			
Federal distributions due	2,026,603	171,161	2,197,764
Due from State of California	2,096,757	3,428	2,100,185
Due from County of San Luis Obispo	1,181,493	3,393	1,184,886
Accrued interest	422,232	104,152	526,384
Other receivables	206,699	16,588	223,287
Interfund balances	(224,773)	224,773	-
Prepaid expenses	25,787	4,522	30,309
Notes receivable	3,797,493	-	3,797,493
Deferred charges	294,260	-	294,260
Deposits in excess of estimated claims liability	149,258	-	149,258
Capital assets:			
Non-depreciable:			
Land	41,003,131	442,044	41,445,175
Construction in progress	12,334,992	27,804	12,362,796
Depreciable:			
Equipment	6,013,484	633,386	6,646,870
Structures and improvements	7,977,056	23,394,229	31,371,285
Infrastructure	46,003,163	-	46,003,163
Accumulated depreciation	(21,210,229)	(8,927,562)	(30,137,791)
Total assets	<u>139,586,794</u>	<u>25,159,804</u>	<u>164,746,598</u>

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

CITY OF ATASCADERO

STATEMENT OF NET ASSETS (continued)

June 30, 2007

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 3,821,192	\$ 176,168	\$ 3,997,360
Accrued salaries and compensated absences	311,649	29,909	341,558
Accrued interest payable	215,157	-	215,157
Other payables	14,299	2,057	16,356
Deposits payable	458,214	-	458,214
Deferred revenue	763,798	230,758	994,556
Noncurrent liabilities:			
Due within one year	407,000	-	407,000
Due in more than one year	14,649,701	12,494	14,662,195
Total liabilities	<u>20,641,010</u>	<u>451,386</u>	<u>21,092,396</u>
NET ASSETS			
Invested in capital assets, net of related debt	88,674,659	15,569,901	104,244,560
Restricted for:			
Restricted for parks and recreation	2,435,651	-	2,435,651
Restricted for public safety	723,150	-	723,150
Restricted for streets, roads and drainage	5,271,266	-	5,271,266
Restricted for redevelopment & housing	15,585,045	-	15,585,045
Restricted for debt service	1,904,049	-	1,904,049
Unrestricted	<u>4,351,964</u>	<u>9,138,517</u>	<u>13,490,481</u>
Total net assets	<u>\$ 118,945,784</u>	<u>\$ 24,708,418</u>	<u>\$ 143,654,202</u>

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

CITY OF ATASCADERO
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2007

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Net Governmental Activities	Net Business-type Activities	
Governmental activities:							
General government	\$ 2,463,689	\$ 22,408	\$ 699,870	\$ 1,513,341	\$ (228,070)	\$ -	\$ (228,070)
Public safety	8,972,133	1,102,026	389,285	618,914	(6,861,908)	-	(6,861,908)
Community development	2,863,651	1,649,624	207,393	2,109,280	1,102,646	-	1,102,646
Community, recreation & zoo services	1,902,285	577,089	197,388	3,039,023	1,911,215	-	1,911,215
Parks & open space	785,089	17,181	49,700	1,074,111	355,903	-	355,903
Public works	2,925,262	1,081	737,871	2,748,576	562,266	-	562,266
Interest on long-term debt	689,174	-	-	-	(689,174)	-	(689,174)
Total governmental activities	<u>20,601,283</u>	<u>3,369,409</u>	<u>2,281,507</u>	<u>11,103,245</u>	<u>(3,847,122)</u>	<u>-</u>	<u>(3,847,122)</u>
Business-type activities:							
Sewer	1,748,786	2,031,741	-	1,239,772	-	1,522,727	1,522,727
Transit	556,140	109,364	395,566	31,096	-	(20,114)	(20,114)
Total business-type activities	<u>2,304,926</u>	<u>2,141,105</u>	<u>395,566</u>	<u>1,270,868</u>	<u>-</u>	<u>1,502,613</u>	<u>1,502,613</u>
Total government	<u>\$ 22,906,209</u>	<u>\$ 5,510,514</u>	<u>\$ 2,677,073</u>	<u>\$ 12,374,113</u>	<u>(3,847,122)</u>	<u>1,502,613</u>	<u>(2,344,509)</u>
General revenues							
Taxes:							
Secured and unsecured property taxes					10,779,702	-	10,779,702
Sales tax and payments in lieu of sales tax					3,982,903	-	3,982,903
Transient lodging tax					478,593	-	478,593
Franchise taxes					855,132	-	855,132
Business license tax					169,685	-	169,685
Property transfer tax					152,179	-	152,179
Motor vehicle in lieu and payments in lieu of VLF					171,128	-	171,128
Other taxes					50,219	-	50,219
Block grants					102,465	-	102,465
Investment income					1,842,049	502,610	2,344,659
Gain (loss) on disposal of capital assets					(59,091)	1,151	(57,940)
Total general revenues					<u>18,524,964</u>	<u>503,761</u>	<u>19,028,725</u>
Change in net assets					14,677,842	2,006,374	16,684,216
Net assets at beginning of fiscal year					104,156,619	22,702,044	126,858,663
Prior year adjustment					111,323	-	111,323
Net assets at end of fiscal year					<u>\$ 118,945,784</u>	<u>\$ 24,708,418</u>	<u>\$ 143,654,202</u>

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

CITY OF ATASCADERO
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2007

	General Fund	Redevelopment Agency Fund	Other Non-Major Governmental Funds	Totals
ASSETS				
Cash and investments	\$ 8,935,868	\$ 5,971,648	\$ 17,422,409	\$ 32,329,925
Restricted cash and investments:				
Cash and investments with fiscal agent	-	-	1,389,012	1,389,012
Certificates of deposit	86,742	-	-	86,742
Receivables:				
Federal distributions due	335,966	-	1,391,590	1,727,556
Due from State of California	516,203	-	850,901	1,367,104
Due from County of San Luis Obispo	563,151	110,116	508,226	1,181,493
Accrued interest	113,052	63,917	205,209	382,178
Other receivables	201,203	5,000	496	206,699
Due from other funds	960,279	-	-	960,279
Prepaid expenses	21,532	-	951	22,483
Notes receivable	-	-	3,797,493	3,797,493
Interfund advances receivable	1,375,175	-	-	1,375,175
	<u>1,375,175</u>	<u>-</u>	<u>-</u>	<u>1,375,175</u>
Total assets	<u>\$ 13,109,171</u>	<u>\$ 6,150,681</u>	<u>\$ 25,566,287</u>	<u>\$ 44,826,139</u>

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

CITY OF ATASCADERO
GOVERNMENTAL FUNDS
BALANCE SHEET (continued)
June 30, 2007

	General Fund	Redevelopment Agency Fund	Other Non-Major Governmental Funds	Totals
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 956,586	\$ 12,421	\$ 2,820,714	\$ 3,789,721
Accrued salaries and benefits	290,708	2,331	6,767	299,806
Due to other funds	-	-	1,020,916	1,020,916
Deferred revenue	354,852	-	408,946	763,798
Deposits	458,214	-	-	458,214
Interfund advances payable	-	1,375,175	164,136	1,539,311
Other payables	14,299	-	-	14,299
Total liabilities	<u>2,074,659</u>	<u>1,389,927</u>	<u>4,421,479</u>	<u>7,886,065</u>
Fund Balances:				
Reserved for encumbrances	9,693	-	6,388,772	6,398,465
Reserved for debt service	-	-	2,102,443	2,102,443
Reserved for advances to other funds	1,375,175	-	-	1,375,175
Reserved for bike paths	-	-	64,290	64,290
Reserved for prepaids	21,532	-	951	22,483
Reserved for notes receivable	-	-	3,797,493	3,797,493
Unreserved:				
Designated				
Designated for due from other funds	960,279	-	-	960,279
Designated for cash flow	4,500,000	-	-	4,500,000
Designated for economic uncertainties	1,500,000	-	-	1,500,000
Designated for road projects	445,000	-	-	445,000
Designated for capital commitments	-	31,835	8,949,835	8,981,670
Designated for library	52,650	-	-	52,650
General Fund- undesignated	2,170,183	-	-	2,170,183
Special revenue funds- undesignated	-	4,728,919	2,859,416	7,588,335
Capital projects funds- undesignated	-	-	(2,819,998)	(2,819,998)
Debt service funds- undesignated	-	-	(198,394)	(198,394)
Total fund equity	<u>11,034,512</u>	<u>4,760,754</u>	<u>21,144,808</u>	<u>36,940,074</u>
Total liabilities and fund equity	<u>\$ 13,109,171</u>	<u>\$ 6,150,681</u>	<u>\$ 25,566,287</u>	<u>\$ 44,826,139</u>

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

CITY OF ATASCADERO

RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2007

Total fund balances - governmental funds			\$	36,940,074
In governmental funds, only current assets are reported. In the statement of net assets, all assets are reported, including capital assets and accumulated depreciation.				
Capital assets at historical cost		\$	96,701,307	
Accumulated depreciation			(17,202,186)	
	Net			79,499,121
Long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. Long-term assets consist of deposits in excess of estimated claims and judgments.				
				149,258
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred.				
				(215,157)
Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net assets, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:				
Capital lease			293,000	
Bonds payable			13,665,000	
Compensated absences payable			1,075,217	
				(15,033,217)
In governmental funds, bond issuance costs are expensed when the bonds are issued. In the government-wide statement of activities, the costs are recorded as an asset and amortized over the life of the bond.				
				294,260
Internal service funds are used by management to charge the costs of various City activities to individual governmental and enterprise funds. The unrestricted net assets of the internal service funds are included in the Governmental Activities in the Statement of Net Assets.				
				17,311,445
Total net assets, governmental activities				\$ 118,945,784

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

CITY OF ATASCADERO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2007

	General Fund	Redevelopment Agency Fund	Other Non-Major Governmental Funds	Totals
Revenues:				
Secured and unsecured property taxes	\$ 7,107,002	\$ 2,164,496	\$ 1,508,204	\$ 10,779,702
Taxes based on sales and use	3,982,903	-	-	3,982,903
Franchise tax	855,132	-	-	855,132
Other taxes	800,457	-	-	800,457
Licenses and permits	655,407	-	4,285,239	4,940,646
Intergovernmental revenues:				
Motor vehicle in lieu and related payments	171,128	-	-	171,128
Other governmental revenues	228,255	-	1,321,510	1,549,765
Grants	556,897	-	3,920,695	4,477,592
Charges for services:				
Public safety	928,865	-	-	928,865
Development	948,099	-	-	948,099
Recreation, parks, pavilion and zoo	579,095	-	-	579,095
Other services	76,803	-	-	76,803
Fines and forfeitures	169,259	-	-	169,259
Use of money and property	622,337	625,310	993,963	2,241,610
Other revenues	1,252,200	3,500	1,081	1,256,781
	<u>18,933,839</u>	<u>2,793,306</u>	<u>12,030,692</u>	<u>33,757,837</u>
Total revenues				

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

CITY OF ATASCADERO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
For the Fiscal Year Ended June 30, 2007

	General Fund	Redevelopment Agency Fund	Other Non-Major Governmental Funds	Totals
Expenditures:				
Current:				
General government	\$ 2,574,715	\$ -	\$ 102,768	\$ 2,677,483
Public safety	8,654,723	-	42,928	8,697,651
Community development	1,703,412	527,047	501,174	2,731,633
Community, recreation, and zoo services	1,771,442	-	44,206	1,815,648
Parks and open space	710,427	-	22,586	733,013
Public works	896,750	-	1,515,560	2,412,310
Capital outlay	738,040	-	10,142,799	10,880,839
Debt service:				
Principal	-	-	385,000	385,000
Interest	-	122,399	684,062	806,461
Total expenditures	<u>17,049,509</u>	<u>649,446</u>	<u>13,441,083</u>	<u>31,140,038</u>
Excess of revenues over (under) expenditures	<u>1,884,330</u>	<u>2,143,860</u>	<u>(1,410,391)</u>	<u>2,617,799</u>
Other Financing Sources (Uses):				
Transfers in	57,552	-	4,742,000	4,799,552
Transfers out	<u>(1,541,636)</u>	<u>(49,150)</u>	<u>(3,208,766)</u>	<u>(4,799,552)</u>
Total other financing sources and uses	<u>(1,484,084)</u>	<u>(49,150)</u>	<u>1,533,234</u>	<u>-</u>
Net changes in fund balances	400,246	2,094,710	122,843	2,617,799
Fund balances - June 30, 2006	10,522,943	2,666,044	21,021,965	34,210,952
Prior year adjustment	<u>111,323</u>	<u>-</u>	<u>-</u>	<u>111,323</u>
Fund balances - June 30, 2007	<u>\$ 11,034,512</u>	<u>\$ 4,760,754</u>	<u>\$ 21,144,808</u>	<u>\$ 36,940,074</u>

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

CITY OF ATASCADERO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2007

Total net change in fund balances - governmental funds	\$ 2,617,799
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital outlay of \$10,880,839 is greater than depreciation expense \$(978,886) in the period.	9,901,973
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net assets	(20,660)
In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities.	385,000
In governmental funds, the issuance costs associated with long-term debt are reported as expenses in the year debt is issued. In the government-wide statements, the issuance costs are recorded as assets and are amortized over the life of the related debt.	(10,790)
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was:	5,678
In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This fiscal year, leave earned exceeded the amounts used by \$206,264	(206,264)
In the statement of activities, some claims and judgment expenses do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(123,834)
Internal service funds are used by management to charge the costs of various City activities to individual governmental and enterprise funds. The change in the unrestricted net assets of the internal service funds is included in the Governmental Activities in the Statement of Activities. This amount is the net of the change in net assets \$6,009,354 less the contributions of cash and fixed assets from other governmental funds (\$3,880,414).	<u>2,128,940</u>
Changes in net assets of governmental activities	<u>\$ 14,677,842</u>

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

CITY OF ATASCADERO
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2007

	Enterprise Funds			Internal Service Funds
	Wastewater Fund	Transit Fund	Totals	
ASSETS				
Current Assets:				
Cash and investments	\$ 9,004,557	\$ 57,329	\$ 9,061,886	\$ 3,683,709
Receivables:				
Federal distributions due	5,429	165,732	171,161	299,047
Due from State of California	3,428	-	3,428	729,653
Due from County of San Luis Obispo	-	3,393	3,393	-
Accrued interest	103,780	372	104,152	40,054
Other receivables	15,755	833	16,588	-
Due from other funds	60,637	-	60,637	-
Prepaid expenses	367	4,155	4,522	3,304
Interfund advances receivable	164,136	-	164,136	-
Total current assets	<u>9,358,089</u>	<u>231,814</u>	<u>9,589,903</u>	<u>4,755,767</u>
Capital Assets:				
Non-depreciable:				
Land	442,044	-	442,044	-
Construction in progress	11,635	16,169	27,804	3,882,745
Depreciable:				
Equipment	360,901	272,485	633,386	6,013,484
Structure and improvements	23,267,818	126,411	23,394,229	6,734,290
Accumulated depreciation	<u>(8,663,366)</u>	<u>(264,196)</u>	<u>(8,927,562)</u>	<u>(4,008,043)</u>
Net capital assets	<u>15,419,032</u>	<u>150,869</u>	<u>15,569,901</u>	<u>12,622,476</u>
Total assets	<u>24,777,121</u>	<u>382,683</u>	<u>25,159,804</u>	<u>17,378,243</u>

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

CITY OF ATASCADERO
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS (continued)
June 30, 2007

	Enterprise Funds			Internal Service Funds
	Wastewater Fund	Transit Fund	Totals	
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 141,157	\$ 35,011	\$ 176,168	\$ 31,471
Accrued salaries and benefits	29,082	827	29,909	11,843
Deferred revenue	-	230,758	230,758	-
Other payables	2,057	-	2,057	-
Noncurrent Liabilities:				
Compensated absences	12,494	-	12,494	23,484
Total liabilities	<u>184,790</u>	<u>266,596</u>	<u>451,386</u>	<u>66,798</u>
NET ASSETS				
Invested in capital assets	15,419,032	150,869	15,569,901	12,622,476
Unrestricted	<u>9,173,299</u>	<u>(34,782)</u>	<u>9,138,517</u>	<u>4,688,969</u>
Total net assets	<u>\$ 24,592,331</u>	<u>\$ 116,087</u>	<u>\$ 24,708,418</u>	<u>\$ 17,311,445</u>

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

CITY OF ATASCADERO
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Fiscal Year Ended June 30, 2007

	Enterprise Funds			Internal Service Funds
	Wastewater Fund	Transit Fund	Totals	
Operating Revenues:				
Service fees	\$ 1,611,062	\$ 109,364	\$ 1,720,426	\$ 1,624,153
Installation, extension and connection fees	420,679	-	420,679	-
Other	-	-	-	1,500
Total operating revenues	<u>2,031,741</u>	<u>109,364</u>	<u>2,141,105</u>	<u>1,625,653</u>
Operating Expenses:				
Salaries and benefits	318,219	33,836	352,055	529,750
Office expense	178	1,529	1,707	489
Advertising	-	14,145	14,145	-
Computer maintenance and replacement	16,915	10,440	27,355	11,780
Insurance	15,985	7,579	23,564	17,924
Occupancy and rental costs	3,473	2,190	5,663	412,086
Utilities	194,630	-	194,630	49,442
Communications	5,911	1,895	7,806	10,046
Operating supplies	64,225	1,269	65,494	41,870
Vehicle and equipment operating costs	45,501	122,787	168,288	12,112
Contract services	96,995	213,460	310,455	50,126
Professional development	1,531	-	1,531	18,627
Recruitment	-	-	-	90
Franchise fees	31,142	-	31,142	-
Administrative charges	311,650	95,800	407,450	73,710
Special projects:				
Minor equipment	-	-	-	4,662
Minor lighting projects	-	-	-	1,904
Clean up of old treatment plant site	71,801	-	71,801	-
Manhole repairs	6,900	-	6,900	-
Depreciation	<u>563,730</u>	<u>51,210</u>	<u>614,940</u>	<u>1,278,686</u>
Total operating expenses	<u>1,748,786</u>	<u>556,140</u>	<u>2,304,926</u>	<u>2,513,304</u>
Operating income (loss)	<u>282,955</u>	<u>(446,776)</u>	<u>(163,821)</u>	<u>(887,651)</u>

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

CITY OF ATASCADERO

PROPRIETARY FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (continued)

For the Fiscal Year Ended June 30, 2007

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Wastewater Fund</u>	<u>Transit Fund</u>	<u>Totals</u>	
Non-Operating Revenues:				
Transportation Development Act Funds - Operations	\$ -	\$ 260,930	\$ 260,930	\$ -
Section 5307 Revenues - Operations	-	155,000	155,000	-
Section 5307 Revenues - Capital	-	10,732	10,732	-
FEMA Earthquake Repair Grant	5,395	-	5,395	2,169,827
OES Earthquake Repair Grant	1,798	-	1,798	723,276
Interest income	495,738	6,872	502,610	107,234
Gain on sale of assets	1,151	-	1,151	9,719
	<u>504,082</u>	<u>433,534</u>	<u>937,616</u>	<u>3,010,056</u>
Total non-operating revenues				
Change in net assets prior to capital contributions	<u>787,037</u>	<u>(13,242)</u>	<u>773,795</u>	<u>2,122,405</u>
Capital Contributions:				
Contributions from developers	1,232,579	-	1,232,579	-
Contributions from community	-	-	-	6,535
Cash contributions from other funds	-	-	-	171,200
Capital contributions from other funds	-	-	-	3,709,214
	<u>1,232,579</u>	<u>-</u>	<u>1,232,579</u>	<u>3,886,949</u>
Total capital contributions				
Change in net assets	2,019,616	(13,242)	2,006,374	6,009,354
Total net assets, June 30, 2006	<u>22,572,715</u>	<u>129,329</u>	<u>22,702,044</u>	<u>11,302,091</u>
Total net assets, June 30, 2007	<u>\$ 24,592,331</u>	<u>\$ 116,087</u>	<u>\$ 24,708,418</u>	<u>\$ 17,311,445</u>

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

CITY OF ATASCADERO
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2007

	Enterprise Funds			Internal Service Funds
	Wastewater Fund	Transit Fund	Totals	
Cash Flows From Operating Activities:				
Receipts from customers	\$ 2,037,307	\$ 112,090	\$ 2,149,397	\$ -
Internal activity - payments from other funds	(5,672)	-	(5,672)	1,624,153
Payments to suppliers of goods and services	(905,929)	(463,592)	(1,369,521)	(721,154)
Payments for employee services	(318,102)	(33,670)	(351,772)	(521,651)
Pass-through payments	(85,905)	-	(85,905)	-
Net cash provided (used) by operating activities	<u>721,699</u>	<u>(385,172)</u>	<u>336,527</u>	<u>381,348</u>
Cash Flows From Non-Capital Financing Activities:				
Receipts from intergovernmental agencies	-	304,132	304,132	-
Repayment of loans from other funds	-	-	-	(1,081,891)
Net cash provided (used) by non-capital related financing activities	<u>-</u>	<u>304,132</u>	<u>304,132</u>	<u>(1,081,891)</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition of fixed assets	(811,039)	(31,096)	(842,135)	(157,707)
Cash contribution received for capital purchase	-	-	-	171,200
Receipts from intergovernmental agencies	-	10,732	10,732	-
Capital grant proceeds	4,856	-	4,856	1,904,468
Proceeds from sale of assets	1,151	-	1,151	16,026
Net cash provided (used) by capital and related financing activities	<u>(805,032)</u>	<u>(20,364)</u>	<u>(825,396)</u>	<u>1,933,987</u>

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

CITY OF ATASCADERO
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS (continued)
For the Fiscal Year Ended June 30, 2007

	Enterprise Funds			Internal Service Funds
	Wastewater Fund	Transit Fund	Totals	
Cash Flows From Investing Activities:				
Interest income	\$ 482,736	\$ 8,505	\$ 491,241	\$ 91,401
Principal received on interfund advances	38,989	-	38,989	-
Net cash provided by investing activities	521,725	8,505	530,230	91,401
Net increase (decrease) in cash and cash equivalents	438,392	(92,899)	345,493	1,324,845
Cash and cash equivalents - June 30, 2006	8,566,165	150,228	8,716,393	2,358,864
Cash and cash equivalents - June 30, 2007	<u>\$ 9,004,557</u>	<u>\$ 57,329</u>	<u>\$ 9,061,886</u>	<u>\$ 3,683,709</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 282,955	\$ (446,776)	\$ (163,821)	\$ (887,651)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	563,730	51,210	614,940	1,278,686
Change in assets and liabilities:				
Receivables, net	5,566	2,726	8,292	-
Prepaid expenses	(367)	570	203	(3,304)
Due to other funds	(5,672)	-	(5,672)	-
Accounts payable	(38,725)	6,932	(31,793)	(14,482)
Accrued salaries and benefits	22,438	166	22,604	1,284
Other payables	(85,905)	-	(85,905)	-
Compensated absences	(22,321)	-	(22,321)	6,815
Net cash provided (used) by operating activities	<u>\$ 721,699</u>	<u>\$ (385,172)</u>	<u>\$ 336,527</u>	<u>\$ 381,348</u>

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The accompanying basic financial statements present the financial activity of the City, which is the primary government, along with the financial activities of its component unit, which is an entity for which the City is financially accountable. Although they are separate legal entities, blended component units are in substance part of the City's operations and are reported as an integral part of the City's basic financial statements. The City's component unit, which is described below, is a blended component unit of the City.

The City Council serves in a separate session as the governing body of the Community Redevelopment Agency of Atascadero, although this Agency is a legal entity apart from the City.

The Community Redevelopment Agency of Atascadero is included as a component unit in the accompanying financial statements. The financial activities of the foregoing entity has been aggregated and merged (termed "blended") with those of the City in the accompanying financial statements, as it meets the criteria for inclusion as set forth in the Governmental Accounting Standards Board (GASB) Statement No. 14.

The Community Redevelopment Agency of Atascadero was established in 1999, by the City Council, to eliminate blight within the defined project areas by encouraging and assisting planned development of low-income housing and commercial projects. Separate financial statements are prepared by the Community Redevelopment Agency of Atascadero and are available at City Hall offices.

B. Basis of Presentation

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

The accompanying financial statements are presented on the basis set forth in Governmental Accounting Standards Board Statements No. 34, Basic Financial Statements—Management's Discussion and Analysis—for State and Local Governments; No. 36, Recipient Reporting for Certain Non-Exchange Revenues, an Amendment of GASB Statement No. 33; No. 37, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Government – Omnibus; and No. 38, Certain Financial Statement Note Disclosures.

These statements require that the financial statements described below be presented.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Government-Wide and Fund Financial Statements (continued)

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Major Funds

GASB Statement No. 34 defines major funds and requires that the City's major governmental funds are identified and presented separately in the fund financial statements. All other funds, called nonmajor funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures/expenses equal to ten percent of their fund-type total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

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

General Fund

This fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the City.

Redevelopment Agency Fund

This fund accounts for the operating activities of the Redevelopment Agency. The Agency's primary purpose is to eliminate blighted areas by encouraging the development of residential, commercial, industrial, recreational, and public facilities.

The City reported the following major proprietary funds:

Wastewater Fund

This fund accounts for the activities associated with the City's sewer plant operation and maintenance.

Transit Fund

This fund accounts for the activities associated with the operation and maintenance of transportation services, such as and including the Dial-a-Ride Transit System.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Internal Service Funds

The Internal Service Funds are used to account for services rendered on a cost-reimbursement basis within the City. The City maintains three internal service funds: the Technology Fund, the Vehicle and Equipment Replacement Fund, and the Building Maintenance Fund. The Internal Service Funds are presented in total on the Proprietary Funds financial statements. They are included in the governmental activities in the government-wide financial statements since they represent internal governmental activities.

E. Basis of Accounting

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both 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 proprietary funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

Proprietary funds distinguish operating revenues from nonoperating revenues. Operating revenues generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Wastewater Fund and the Transit Fund are charges to customers for services. The Wastewater Fund also recognizes as operating revenue the installation, extension and connections fees intended to recover the cost of connecting new customers to the system. All revenues not meeting these definitions are reported as non-operating revenues, including non-exchange transactions such as local transportation funds and federal Section 5307 revenues.

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

Other revenues susceptible to accrual include other taxes, intergovernmental revenues, interest, and charges for services.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures/expenses. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Compensated Absences

In compliance with Governmental Accounting Standards Board Statement No. 16, the City has established a liability for accrued sick leave and vacation in relevant funds. For governmental funds, the current liability appears in the respective funds. All vacation paid is accrued when incurred in the government-wide and proprietary funds financial statements. This liability is set up for the current employees at the current rates of pay. If sick leave and vacation are not used by the employee during the term of employment, compensation is payable to the employee at the time of retirement or termination. Such compensation is calculated at the employee's prevailing rate at the time of retirement or termination. Each fiscal year, an adjustment to the liability is made based on pay rate changes and adjustments for the current portion. The General Fund is primarily responsible for the repayment of the governmental portion of compensated absences.

G. Property Taxes

California Constitution Article XIII A limits the combined property tax rate to one percent of a property's assessed valuation. Additional taxes may be imposed with voter approval. Assessed value is calculated at one hundred percent of a property's fair value, as defined by Article XIII A, and may be increased no more than two percent per year unless a change in ownership or new construction occurs. The state legislature has determined the method of distributing the one percent tax levy among the various taxing jurisdictions.

Property tax revenues are recognized in the fiscal year for which taxes have been levied, and collected within sixty days of fiscal year end. Property taxes are billed and collected as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation/Lien Date(s)	January 1	January 1
Levy Date(s)	July 1	July 1
Due Date(s)	November 1 (50%) February 1 (50%)	August 1
Delinquency Date(s)	December 10 (Nov.) April 10 (Feb.)	August 31

The City adopted an alternative method of property tax distribution (the "Teeter Plan"). Under this method, the City receives 100% of its secured property tax levied in exchange for foregoing any interest and penalties collected on delinquent taxes. The City receives payments as a series of advances made by the County throughout the fiscal year. The secured property tax levy is recognized as revenue upon receipt including the final payment, which generally is received within 60 days after the fiscal year end.

H. Capital Assets Additions and Retirements

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. The City's policy is to capitalize all capital assets with costs exceeding a minimum of \$2,500, and with useful lives exceeding one year.

With the implementation of GASB Statement No. 34, the City has recorded all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets Additions and Retirements (continued)

The City's collection of zoo animals is not capitalized. The collection of animals is held for public education purposes, is well cared for and there is a City commitment to continue the collection. Although selling an animal is rare, when the City does receive proceeds for the sale of an animal, these proceeds are restricted for animal acquisition.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each fiscal year represents that fiscal year's pro rata share of the cost of capital assets. GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each fiscal year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets.

Structures and Improvements	10-100 years
Equipment	5-25 years
Infrastructure	15-100 years

I. Estimates

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

J. Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Proprietary Funds' "deposits" in the Citywide cash management pool are, in substance, demand deposits and are, therefore, considered cash equivalents for purposes of the statement of cash flows.

K. Performance Bonds

The City receives performance bonds from developers to ensure compliance and completion of projects that affect the City's infrastructure. These commitments may be in the form of cash, certificates of deposit in the City's name, Letters of Credit, or bonds. Upon receipt, these deposits are recorded both as an asset and a liability. For purposes of simplifying the balance sheet, the performance bonds asset account in the amount of \$57,273,391 was netted against the liability account of \$57,219,072 in fiscal year 2007. The net balance in the deposits liability account at June 30, 2007 was \$54,319. This amount reflects the cash deposits.

L. Short-Term Debt

The City has no short-term debt.

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. After adoption of the final budget, transfers of appropriations within a general fund department, or within other funds, can be made by the City Manager. Budget modifications between funds, and increases or decreases to a fund's overall budget, must be approved by the City Council or Agency Board. Numerous properly authorized amendments were made during the fiscal year.

Budgetary control is enhanced by integrating the budget into the general ledger accounts. Encumbrance accounting is employed (e.g., purchase orders) to avoid expenditures over budget. Encumbrances outstanding at fiscal year end are automatically re-budgeted in the following fiscal year.

B. Deficit Fund Balances

Deficit fund balances in the following nonmajor governmental funds exist due to expenditures incurred prior to the receipt of the reimbursing revenues:

Community Development Block Grant Fund	\$ (286)
General Government Facilities Fees Fund	\$ (258,063)

A deficit fund balance in the following fund exists due to the accounting treatment of interfund advances:

Assessment District #9 Debt Service Fund	\$ (80,564)
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Deficit fund balances in the following funds exist due to the accounting treatment of interfund advances and a history of expenditures exceeding revenues:

Assessment District #7 Debt Service Fund	\$ (104,455)
Assessment District #10 Debt Service Fund	\$ (13,375)

C. Excess of Expenditures over Appropriations

	<u>Excess Expenditures</u>
Special Revenue Funds:	
Community Facilities District Fund	\$ 5,384
Las Lomas Landscaping and Lighting Assessment District	\$ 5,629
Debt Service Funds:	
Assessment District #9 Fund	\$ 16

For all of the above funds, district Management exceeded projected costs.

NOTE 3 – CASH AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent possible, pursuant to the Investment Policy and Guidelines approved by the City Council, as well as State Government Code. The earnings from these investments are allocated monthly to each fund, based on an average of monthly opening and closing balances of cash and investments. Investments are stated at fair value.

Cash and investments at June 30, 2007 consisted of the following:

Pooled Cash and Investments	
Cash and cash equivalents	\$ 866,213
Investments	17,852,017
Local Agency Investment Fund (State Pool)	<u>26,444,032</u>
Total Pooled Cash and Investments	45,162,262
Funds with Fiscal Agents:	
United States Treasury Money Fund	<u>1,389,012</u>
Total Cash and Investments	<u><u>\$ 46,551,274</u></u>

Cash and Investments listed above are presented in the accompanying financial statements as follows:

Cash and investments	\$ 45,162,262
Cash with fiscal agents	<u>1,389,012</u>
Total Cash and Investments	<u><u>\$ 46,551,274</u></u>

Cash and investments are reflected in the basic financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Cash and investments	\$ 36,013,634	\$ 9,061,886	\$ 45,075,520
Cash and investments held by fiscal agents	1,389,012	-	1,389,012
Restricted certificates of deposit	<u>86,742</u>	-	<u>86,742</u>
Total Cash and Investments	<u><u>\$ 37,489,388</u></u>	<u><u>\$ 9,061,886</u></u>	<u><u>\$ 46,551,274</u></u>

NOTE 3 – CASH AND INVESTMENTS (continued)

A. Cash and Cash Equivalents

For custodial credit risk associated with deposits, the City follows the California Government Code, which requires California financial institutions to secure the City's deposits by pledging government securities as collateral. The market value of the pledged securities must equal 110% of the City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes equal to 150% of the City's deposits.

At fiscal year end, the City's carrying amount of demand deposits was \$866,213 and the bank account balance was \$1,552,142. The difference of \$685,929 represented outstanding checks and deposits in transit. Of the total deposit balance, \$100,000 was insured by federal depository insurance and \$585,929 was 110% collateralized in accordance with California Government Code requirements by securities held by the pledging financial institution's trust department, but not in the City's name.

B. State Investment Pool

The fair value of the City's position in the State LAIF pool is the same as the value of the pool shares. The State LAIF pool credit quality is unrated.

LAIF is overseen by the Local Agency Investment Advisory Board, which consist of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. Separate financial statements for LAIF can be obtained by writing Local Agency Investment Fund, 915 Capitol Mall, Room 106, Sacramento, CA 95814.

C. Authorized Investments

The City's Investment Policy lists the following as authorized investments:

- Local Area Investment Fund (LAIF)
- U.S. Government Obligations
- Bankers Acceptances
- Commercial Paper
- Certificates of Deposit and Passbook Savings Accounts
- Money Market Funds

D. Marking Investments to Fair Value (GASB Statement No. 31)

In fiscal year 1997/98, the City adopted Governmental Accounting Standards Board Statement No. 31, which requires that the City's investments be carried at fair value instead of cost. Under GASB Statement No. 31, the City must adjust the carrying value of its investments to reflect their fair value at each fiscal year end, and it must include the effects of these adjustments in income for that fiscal year.

GASB Statement No. 31 applies to all City investments, even if held to maturity and redeemed at full face value. Since the City's policy is to hold all investments to maturity, the fair value adjustments required by GASB Statement No. 31 result in accounting gains or losses (called "recognized" gains or losses) which do not reflect actual sales of the investments (called "realized" gains or losses). Thus, recognized gains or losses on an investment purchased at par will now reflect changes in its value at each succeeding fiscal year-end, but these recognized gains or losses will net to zero if the investment is held to maturity. By following the requirements of GASB Statement No. 31, the City is reporting the amount of resources which would actually have been available if it had been required to

NOTE 3 – CASH AND INVESTMENTS (continued)

D. Marking Investments to Fair Value (GASB Statement No. 31 - continued)

liquidate all of its investments at any fiscal year-end.

E. Investments

Investments for the City are summarized below:

Investments	<u>Fair Value</u>	<u>Percent of Portfolio</u>
Government Securities	\$ 10,185,049	23%
Certificates of Deposit	7,580,226	17%
Local Agency Investment Fund (State Pool)	26,444,032	60%
Total Investments Managed by City	<u>\$ 44,209,307</u>	<u>100%</u>

Investments Held by Fiscal Agents

United States Treasury Money Fund	\$ 1,389,012	100%
Total Investments Held by Fiscal Agents	<u>\$ 1,389,012</u>	<u>100%</u>

Investments	<u>Fair Value</u>	<u>On Demand</u>	<u>Within One Month</u>	<u>One Month to One Year</u>	<u>One to Five Years</u>
Government Securities	\$ 10,185,049	\$ -	\$ -	\$ 1,776,312	\$ 8,408,737
Certificates of Deposit	7,580,226	-	-	2,272,476	5,307,750
Local Agency Investment Fund (State Pool)	26,444,032	26,444,032	-	-	-
Total Investments Managed by City	<u>\$ 44,209,307</u>	<u>\$ 26,444,032</u>	<u>\$ -</u>	<u>\$ 4,048,788</u>	<u>\$ 13,716,487</u>
Percentage of Portfolio	100%	60%	0%	9%	31%

Interest Rate Risk. This is the risk that the market value of securities in the portfolio will fall, due to changes in general interest rates. In accordance with its Investment Policy, the City mitigates interest rate risk by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pool.

NOTE 3 – CASH AND INVESTMENTS (continued)

E. Investments (continued)

Credit Risk. This is the risk of loss due to the failure of the security issuer or backer. The City mitigates credit risk by:

- Limiting investments to the safest types of securities
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the City's policy to limit its investments in these investment types to the top rating issued by NRSROs. The City does not hold any commercial paper or corporate bonds. The City's investment in the State LAIF pool is unrated.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investments in certificates of deposit are in the amount of \$7,580,226 and investments in government securities are in the amount of \$10,185,049. Both of these types of securities are held in trust by Union Bank and are exposed to custodial credit risk because these investments are uninsured and collateralized with securities held by the Union Bank's trust department or agency, but not in the City's name. The amounts held under this custodial arrangement are not limited by the City's investment policy.

Concentration Credit Risk. The City's Investment Policy provides guidelines (by type of investment vehicle, that limits either the dollar amount, the percent of the portfolio or the maturity term) for diversifying the investment portfolio so that potential losses on individual securities will be minimized. The City's Investment Policy outlines the following criteria related to portfolio diversification:

- No more than 40% of the City's portfolio shall be invested in U.S. government obligations, U.S. government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value.
- Up to forty percent (40%) of the City's portfolio may be invested in Bankers Acceptances which are defined as bills of exchange or time drafts, drawn on and accepted by a commercial bank, which are eligible for purchase by the Federal Reserve System, although no more than 30% of the portfolio may be invested in Bankers Acceptances with any one commercial bank. Additionally, the maturity periods cannot exceed 180 days.
- A maximum of twenty five percent (25%) of the City's portfolio may be invested in highest tier (e.g., A-1, P-1, F-1 or D-1 or higher) commercial paper as rated by Moody's or Standard and Poor's rating service. Issuing corporations must be organized and operating in the United States, have \$500 million total assets, and have at least an "A" rating (by Moody's or Standard and Poor's) on debt other than commercial paper. The maturity period cannot exceed 270 days. Purchases of eligible commercial paper may not exceed 10% of the outstanding paper of an issuing corporation.
- There is no limit as to the amount of the investment portfolio that may be deposited in certificates of deposit or passbook savings account. The minimum requirements for Certificate of Deposit investments shall be:
 - Investments and accrued interest shall never exceed the FDIC insurance limit in any one institution.
 - Qualified institutions must have a minimum equity ratio of 6% and a minimum capitalization of \$10,000,000.
- Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec 80a-1 et seq.) shall not exceed 20 percent of the agency's surplus money that may be invested pursuant to the City's Investment Policy.

CITY OF ATASCADERO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2007

NOTE 3 – CASH AND INVESTMENTS (continued)

F. Funds with Fiscal Agents

The City had \$1,389,012 in cash and investments as of June 30, 2007, held by fiscal agents pledged for the payment or security of certain bonds. Investments held by fiscal agents consist of \$81,148 held by the trustee for the 1993 Camino Real Improvement Bonds, \$70,642 for the 1992 Street Improvement Bonds, and \$1,237,222 for the 2005 Redevelopment Agency Tax Allocation Bonds. The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds, certificates, or leases, may be invested in accordance with the ordinance, resolutions, or indentures specifying the types of investments its fiscal agents may make.

NOTE 4 – CAPITAL ASSETS

A. Capital Assets Additions and Retirements

Capital assets activity in the Governmental Activities for the fiscal year ended June 30, 2007, was as follows:

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers Between Assets</u>	<u>Balance June 30, 2007</u>
Governmental Activities					
Non-Depreciable Capital Assets					
Land	\$ 40,146,166	\$ 99,500	\$ -	\$ 757,465	\$ 41,003,131
Construction in progress	6,507,114	10,150,857	(12,191)	(4,310,788)	12,334,992
Total non-depreciable capital assets	<u>46,653,280</u>	<u>10,250,357</u>	<u>(12,191)</u>	<u>(3,553,323)</u>	<u>53,338,123</u>
Depreciable Capital Assets					
Vehicles and equipment	5,531,182	619,698	(137,396)	-	6,013,484
Structures and improvements	7,536,547	44,904	-	395,605	7,977,056
Infrastructure	42,960,304	-	(114,859)	3,157,718	46,003,163
Total depreciable capital assets	56,028,033	664,602	(252,255)	3,553,323	59,993,703
Less Accumulated Depreciation	<u>(19,149,023)</u>	<u>(2,257,552)</u>	<u>196,346</u>	<u>-</u>	<u>(21,210,229)</u>
Net depreciable capital assets	<u>36,879,010</u>	<u>(1,592,950)</u>	<u>(55,909)</u>	<u>3,553,323</u>	<u>38,783,474</u>
Net governmental capital assets	<u>\$ 83,532,290</u>	<u>\$ 8,657,407</u>	<u>\$ (68,100)</u>	<u>\$ -</u>	<u>\$ 92,121,597</u>

NOTE 4 – CAPITAL ASSETS (continued)

A. Capital Assets Additions and Retirements (continued)

Capital assets activity in the Business-Type Activities for the fiscal year ended June 30, 2007, was as follows:

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers Between Assets</u>	<u>Balance June 30, 2007</u>
Business-Type Activities					
Non-Depreciable Capital Assets					
Land	\$ 442,044	\$ -	\$ -	\$ -	\$ 442,044
Construction in progress	<u>272,393</u>	<u>762,090</u>	<u>-</u>	<u>(1,006,679)</u>	<u>27,804</u>
Total non-depreciable capital assets	<u>714,437</u>	<u>762,090</u>	<u>-</u>	<u>(1,006,679)</u>	<u>469,848</u>
Depreciable Capital Assets					
Vehicles and equipment	607,367	26,019	-	-	633,386
Structures and improvements	<u>21,102,574</u>	<u>1,286,605</u>	<u>(1,629)</u>	<u>1,006,679</u>	<u>23,394,229</u>
Total depreciable capital assets	21,709,941	1,312,624	(1,629)	1,006,679	24,027,615
Less Accumulated Depreciation	<u>(8,314,251)</u>	<u>(614,940)</u>	<u>1,629</u>	<u>-</u>	<u>(8,927,562)</u>
Net depreciable capital assets	<u>13,395,690</u>	<u>697,684</u>	<u>-</u>	<u>1,006,679</u>	<u>15,100,053</u>
Net business-type capital assets	<u>\$ 14,110,127</u>	<u>\$ 1,459,774</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,569,901</u>

B. Depreciation Allocations

Depreciation expense was charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

Governmental Activities:

General government	\$ 449,749
Public safety	395,208
Community development	133,696
Community, recreation & zoo services	183,303
Parks & open space	59,465
Public works	1,036,131
Total Depreciation- Governmental Activities	<u>\$ 2,257,552</u>

CITY OF ATASCADERO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2007

NOTE 4 – CAPITAL ASSETS (continued)

B. Depreciation Allocations (continued)

Business-Type Activities:

Sewer	\$ 563,730
Transit	51,210
Total Depreciation- Business-Type Activities	<u>\$ 614,940</u>

NOTE 5 – INTERFUND RECEIVABLES, PAYABLE, ADVANCES, AND TRANSFERS

Due to/due from other funds consist of short-term interfund loans made for the purposes of cash flows. They are expected to be repaid by the borrowing fund within one year. The composition of due to/due from balances at June 30, 2007, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 960,279
Wastewater Fund	Nonmajor Governmental Funds	60,637
Total		<u>\$ 1,020,916</u>

Interfund advances consist of formal long-term interfund loans between funds. Interfund advances from the General Fund are short-term loans to the Redevelopment Agency, and the interfund advances from the Wastewater Fund are for sewer improvement projects. Each interfund advance has an underlying loan agreement and specific loan re-payment schedule which exceeds one year. The composition of interfund advances balances at June 30, 2007, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 1,375,175
Wastewater Fund	Nonmajor Governmental Funds	164,136
Total		<u>\$ 1,539,311</u>

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007

NOTE 5 – INTERFUND RECEIVABLES, PAYABLE, ADVANCES, AND TRANSFERS (continued)

Interfund transfers were made as follows:

\$ 289,880	Transfer from General Fund to Gas Tax Fund for general street operations
10,210	Transfer from General Fund to Apple Valley Landscaping & Lighting Fund for open space maintenance
7,540	Transfer from General Fund to Las Lomas Landscaping & Lighting Fund for open space maintenance
150,000	Transfer from General Fund to Fire Aerial Vehicle Impact Fees Fund for the aerial fire truck contribution
20,197	Transfer from General Fund to Proposition 12 Fund for various parks and zoo projects
250,000	Transfer from General Fund to Capital Projects Fund for major road repairs
225,000	Transfer from General Fund to Capital Projects Fund for the playground at Paloma Park
125,000	Transfer from General Fund to Capital Projects Fund for parking lot improvements at the Lake Park
75,000	Transfer from General Fund to Capital Projects Fund for the Santa Rosa Pedestrian bridge
322,310	Transfer from General Fund to Historic City Hall Rehabilitation Fund for rehabilitation administrative expenditures
25,000	Transfer from General Fund to Historic City Hall Rehabilitation Fund for programming costs
41,499	Transfer from General Fund to 1997 C.O.P. Refunding Fund for portion of Pavilion debt service
57,552	Transfer from Community Facilities District Fund to General Fund for Fire and Parks Services
46,950	Transfer from Redevelopment Agency Fund to Historic City Hall Rehabilitation Fund for Historic City Hall Rehabilitation Project
2,200	Transfer from Redevelopment Agency Fund to 2005 Redevelopment Bond Debt Service Fund for bond trustee fees
3,905	Transfer from Local Transportation Fund to Community Development Block Grant Fund for La Linea project
607,197	Transfer from Local Transportation Fund to Circulation System Fees Fund for a portion of the Lewis Avenue Bridge project
7,932	Transfer from Storm Drainage Facilities Fees Fund to Local Transportation Fund for El Bordo Sidewalk project
46,578	Transfer from Amapoa/Tecorida Drainage Impact Fees Fund to Storm Drain Facilities Fees Fund for the Marchant Avenue Drainage project
70,228	Transfer from Law Enforcement Facilities Fees Fund to 1997 C.O.P. Refunding Fund for debt service on Police station
129,029	Transfer from Parkland Facilities Fees Fund to Youth Center Construction Fund for construction of community center
105,136	Transfer from Public Facilities Fees Fund to Youth Center Construction Fund for construction of community center
47,883	Transfer from Public Facilities Fees Fund to 1997 C.O.P. Refunding Fund for a portion of Pavilion debt service
166,437	Transfer from Proposition 12 Fund to the Parkland Facilities Fees Fund for the purchase of Paloma Creek Park
607,197	Transfer from Capital Projects Fund to Circulation System Fees Fund for a portion of the Lewis Avenue Bridge project
1,365	Transfer from 2005 Redevelopment Bond Project Fund to Community Development Block Grant Fund for the Colony Park sidewalk Improvement Project
1,214,393	Transfer from 2005 Redevelopment Bond Project Fund to Circulation System Fees Fund for a portion of the Lewis Avenue Bridge project
63,212	Transfer from 2005 Redevelopment Bond Project Fund to Capital Projects Fund for Downtown Streetscape Project, Phase II
80,722	Transfer from 2005 Redevelopment Bond Project Fund to Youth Center Construction Fund for construction of community center
<u>\$ 4,799,552</u>	

NOTE 6 – LONG-TERM DEBT

A. Compensated Absences

City employees accumulate earned but unused vacation and sick pay benefits which can be converted to cash at termination of employment. In the statement of activities, the expenditure is allocated to each function based on usage. The vested benefits payable in accordance with various collective bargaining agreements, at June 30, 2007, total \$1,098,701 for governmental activities and \$12,494 for business-type activities.

B. Assessment District No. 4 Bonds

On December 2, 1986, the City issued assessment improvement bonds for the Seperado-Cayucos Assessment District (Assessment District No. 4) amounting to \$1,070,227. The bonds mature in amounts ranging from \$30,000 to \$95,000 annually, payable on September 2 of each year to 2007. The bonds carry interest rates between 5.00% and 7.50% and interest payments are due semi-annually on each March 2 and September 2. The City is contingently liable on the bonds, as defined by Statement No. 6 of the Governmental Accounting Standards Board.

The following is a summary of bond debt service requirements to be made in future years:

Fiscal Year Ending June 30, <u>2008</u>	<u>Assessment No. 4 Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
	<u>\$ 90,000</u>	<u>\$ 3,375</u>
	<u>\$ 90,000</u>	<u>\$ 3,375</u>

C. 1992 Street Improvement Assessment Bonds

On August 19, 1993, the City issued assessment improvement bonds for the 1992 Street Improvement Assessment District (the Las Encinas and 3F Meadows areas) amounting to \$903,356. The bonds mature in amounts ranging from \$33,356 to \$85,000 annually, payable on September 2 of each year to 2008. The bonds carry interest rates between 3.00% and 6.20% and interest payments are due semi-annually on each March 2 and September 2. The City is contingently liable on the bonds, as defined by Statement No. 6 of the Governmental Accounting Standards Board.

The following is a summary of bond debt service requirements to be made in future years:

Fiscal Year Ending June 30, <u>2008</u> 2009	<u>1992 Street Improvement Assessment Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
	<u>\$ 60,000</u>	<u>\$ 5,890</u>
	<u>65,000</u>	<u>2,015</u>
	<u>\$ 125,000</u>	<u>\$ 7,905</u>

NOTE 6 – LONG-TERM DEBT (continued)

D. 1999 Camino Real Limited Obligation Refunding Improvement Bonds

On February 17, 1999, the City issued \$1,590,000 of Limited Obligation Refunding Bonds in order to refund the 1993 Camino Real Improvement Bonds. The City is required to make principal payments in amounts that range from \$40,000 to \$160,000 annually on September 2 of each year to 2013. Interest payments are due semi-annually on each March 2 and September 2. The interest payments made through maturity are based on an interest rate of between 4.40% and 5.75%. The City is contingently liable on the bonds, as defined by Statement No. 6 of the Governmental Accounting Standards Board.

The following is a summary of bond debt service requirements to be made in future years:

Fiscal Year Ending June 30,	1999 Camino Real Limited Obligation Refunding Improvement Bonds	
	Principal	Interest
2008	\$ 115,000	\$ 50,479
2009	125,000	44,027
2010	130,000	37,077
2011	135,000	29,722
2012	145,000	21,846
2013-2014	310,000	18,075
	<u>\$ 960,000</u>	<u>\$ 201,226</u>

E. 1997 Certificates of Participation

On September 23, 1997, the City entered into a lease obligation in order to refund the 1989 Certificates of Participation. The City is required to make principal payments in amounts ranging from \$102,000 to \$151,000 payable annually on or before July 1 of each year to 2009. Interest payments are due semi-annually on each January 1 and July 1. The interest payments made through maturity will be based on an interest rate of 5.75%. The lease is repaid with General Fund Revenues, Public Facilities Impact Fees, and Police Impact Fees.

The following is a summary of principal and interest payments to be made in future years:

Fiscal Year Ending June 30,	1997 Certificates of Participation	
	Principal	Interest
2008	\$ 142,000	\$ 16,848
2009	151,000	8,683
	<u>\$ 293,000</u>	<u>\$ 25,531</u>

NOTE 6 – LONG-TERM DEBT (continued)

F. 2005 Redevelopment Agency Tax Allocation Bonds

The Atascadero Community Redevelopment Agency issued \$12,490,000 in Tax Allocation bonds for improvements to the downtown core. These bonds will mature between fiscal years 2010 and 2035, at interest rates ranging from 3.00% to 5.00%. The Bonds will be repaid with the Agency's Tax Increment Revenues.

The following is a summary of principal and interest payments to be made in future years:

Fiscal Year Ending June 30,	2005 Redevelopment Agency Tax Increment Bonds	
	Principal	Interest
2008	\$ -	\$ 574,043
2009	-	574,043
2010	275,000	569,917
2011	285,000	561,161
2012	295,000	551,368
2013-2017	1,640,000	2,583,017
2018-2022	1,995,000	2,203,542
2023-2027	2,505,000	1,682,745
2028-2032	3,180,000	990,256
2033-2035	2,315,000	177,375
	<u>\$ 12,490,000</u>	<u>\$ 10,467,467</u>

CITY OF ATASCADERO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2007

NOTE 6 – LONG-TERM DEBT (continued)

G. Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2007, was as follows:

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2007</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
Assessment District No. 4 Bonds	\$ 170,000	\$ -	\$ (80,000)	\$ 90,000	\$ 90,000
1992 Street Assessment Bonds	185,000	-	(60,000)	125,000	60,000
Camino Real 1999 Limited Obligation Refunding Improvement Bonds	1,070,000	-	(110,000)	960,000	115,000
2005 Redevelopment Bonds	12,490,000	-	-	12,490,000	-
Capital Lease	428,000	-	(135,000)	293,000	142,000
Compensated Absences	868,953	229,748	-	1,098,701	-
Total Governmental Activities	<u>\$ 15,211,953</u>	<u>\$ 229,748</u>	<u>\$ (385,000)</u>	<u>\$ 15,056,701</u>	<u>\$ 407,000</u>
Business-type Activities:					
Compensated Absences	\$ 34,815	\$ (22,321)	\$ -	\$ 12,494	\$ -
Total Business-type Activity	<u>\$ 34,815</u>	<u>\$ (22,321)</u>	<u>\$ -</u>	<u>\$ 12,494</u>	<u>\$ -</u>

NOTE 7 - EMPLOYEE RETIREMENT BENEFITS

A. Public Employees' Retirement System (PERS)

Plan Description

The City of Atascadero's defined benefit pension plan, Public Employees' Retirement System (PERS), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is part of the Public Agency portion of the California Public Employees' Retirement System, (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions, as well as other requirements, is established by State statutes with the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy

Active plan members in the PERS are required to contribute 7% for miscellaneous members or 9% for safety members of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City of Atascadero is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year 2006-2007 was 10.622% for miscellaneous employees and 26.616% for safety employees. The contribution requirements of the plan members are established by the State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

For fiscal year 2006-2007, the City's annual pension cost was \$1,388,590 and was equal to the City's required and actual contributions. The required contribution for fiscal year 2006-2007 was determined as part of the June 30, 2004 actuarial valuation using the entry age actuarial cost method with the contributions determined as a level percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by age, type of employment, and duration of service, and (c) no cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.0%. The actuarial value of the City's assets was determined using a technique that smoothes the effect of short-term volatility in the fair value of investments over a 3-year period. The City's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2004, was 14 years.

Three Year Trend Information for the City of Atascadero Public Employees' Retirement Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contribution	Net Pension Obligation
6/30/05	\$898,603	100%	\$ 0
6/30/06	\$1,231,398	100%	\$ 0
6/30/07	\$1,388,590	100%	\$ 0

NOTE 7 - EMPLOYEE RETIREMENT BENEFITS (continued)

A. Public Employees' Retirement System (PERS) (continued)

Funded Status of Plans

Since the City of Atascadero had less than 100 active members in at least one evaluation since June 30, 2003, CalPERS required the City to participate in a risk pool. The values in the following tables reflect the City's participation in the pool. Presented below is the three most recent years of available information.

Funded Status of Miscellaneous Plan

Retirement Program

Valuation Date	Actuarial Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Actuarial Liability / (Excess) (UAL) (a) – (b)	Funded Status (b)/(a)	Annual Covered Payroll (c)	UAL as a % of Payroll ((a)-(b))/(c)
6/30/03	\$ 2,596,966,545	\$ 2,372,879,034	\$ 224,087,511	91.4%	\$ 725,020,458	30.9%
6/30/04	\$ 2,746,095,668	\$ 2,460,944,656	\$ 285,151,012	89.6%	\$ 743,691,970	38.3%
6/30/05	\$ 2,891,460,651	\$ 2,588,713,000	\$ 302,747,651	89.5%	\$ 755,046,679	40.1%

Funded Status of Safety Plan

Retirement Program

Valuation Date	Actuarial Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Actuarial Liability / (Excess) (UAL) (a) – (b)	Funded Status (b)/(a)	Annual Covered Payroll (c)	UAL as a % of Payroll ((a)-(b))/(c)
6/30/03	\$ 4,270,573,982	\$ 3,577,742,166	\$ 692,831,816	83.8%	\$ 476,089,674	145.5%
6/30/04	\$ 5,383,921,942	\$ 4,424,586,846	\$ 959,335,096	82.2%	\$ 575,296,434	166.8%
6/30/05	\$ 6,367,049,264	\$ 5,295,150,375	\$1,071,898,889	83.2%	\$ 664,147,796	161.4%

NOTE 7 - EMPLOYEE RETIREMENT BENEFITS (continued)

B. Other Post Employment Benefits

In addition to the PERS pension benefits described above, City Resolution No. 2004-064, adopted July 27, 2004, established a post-retirement health benefit for Executive Management (City Council, City Manager, and Department Heads). The City agreed to reimburse the retiree for retiree and/or retiree's dependent health (medical/dental/vision) insurance premiums, disability insurance, long-term health care or life insurance premiums up to a maximum of \$200 per month. The benefit is available upon retirement from PERS or other similar retirement program after age 50, and the employee must have served for eight years with the City. The benefit extends between the date of retirement and age 65. The City accounts for this benefit on a pay-as-you-go basis and incurred \$0 of benefit expenditures during the current period. There are currently no participants eligible for benefits under this program.

C. Implementation of New Accounting Pronouncements (GASB 45)

The City currently offers post-retirement health care benefits. The City will finance and account for these benefits on a "pay-as-you-go" basis. In June 2005, the Governmental Accounting Standards Board ("GASB") issued its Statement No. 45 entitled "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," which will change the accounting for these benefits.

The statement generally requires that local governmental employers account for and report the annual cost of other postemployment benefits (OPEB) and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. The provisions of GASB Statement No. 45 may be applied prospectively.

GASB Statement No. 45 also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time.

GASB Statement No. 45 is effective for the City as of the 2007-08 fiscal year.

D. Defined Contribution Plan

The City offers a defined contribution plan, Nationwide Retirement Solutions, for those employees that are excluded from CalPERS membership due to part-time or elected status. The plan is approved as an FICA substitute. Members contribute 5% and the City contributes 2.5%. Total employee contributions for the year were \$9,792, and total contributions from the City were \$4,897. Nationwide Retirement Solutions is the public employee plan subsidiary of Nationwide Financial Services, Inc. (NYSE: NSF).

NOTE 8 – REVENUE LIMITATIONS IMPOSED BY CALIFORNIA PROPOSITION 218

Proposition 218, which was approved by voters in November 1996, will regulate the City's ability to impose, increase and extend taxes, assessments, and fees. Any new, increase, or extended taxes, assessments, and fees subject to the provisions of Proposition 218, require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future years by the voters.

NOTE 9 - RISK MANAGEMENT

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

The City of Atascadero is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 114 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other coverages. The Authority's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a 9-member Executive Committee.

Separate financial statements for the Authority can be obtained by writing California JPIA, Administrative Services Director, 8081 Moody Street, La Palma, CA 90623.

B. Self-Insurance Programs of the Authority

General Liability

Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). Six months after the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between police and non-police. Costs are spread to members as follows: the first \$30,000 of each occurrence is charged directly to the member's primary deposit; costs from \$30,000 to \$750,000 and the loss development reserves associated with losses up to \$750,000 are pooled based on the member's share of losses under \$30,000. Losses from \$750,000 to \$10,000,000, \$18,000,000 to \$23,000,000, and \$45,000,000 to \$50,000,000 and the associated loss development reserves are pooled based on payroll. Costs of covered claims from \$10,000,000 to \$18,000,000 and \$23,000,000 to \$45,000,000 are currently paid by excess insurance. Costs of covered claims for subsidence losses from \$15,000,000 to \$25,000,000 are paid by excess insurance. The protection for each member is \$50,000,000 per occurrence and \$50,000,000 annual aggregate. Administrative expenses are paid directly from the Authority's investment earnings.

Workers' Compensation

The City of Atascadero also participates in the Workers' Compensation pool administered by the Authority. Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). Six months after the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between public safety and non-public safety. Each member has a retention level of \$50,000 for each loss and this is charged directly to the member's primary deposit. Losses from \$50,000 to \$100,000 and the loss development reserve associated with losses up to \$100,000 are pooled based on the member's share of losses under \$50,000. Losses from \$100,000 to \$2,000,000 and loss development reserves associated with those losses are pooled based on payroll. Losses from \$2,000,000 to \$5,000,000 are pooled with California State Association of Counties – Excess Insurance Authority members. Costs from \$2,000,000 to \$200,000,000 are transferred to reinsurance carriers. Costs in excess of \$200,000,000 are pooled among the members based on payroll. Protection is provided per statutory liability under California Workers' Compensation law. Administrative expenses are paid from the Authority's investment earnings.

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007

NOTE 9 - RISK MANAGEMENT (continued)

C. Purchased Insurance

Environmental Insurance

The City participates in the Pollution Legal Liability and Remediation Legal Liability insurance which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50,000,000 for the 3-year period from July 1, 2005 through July 1, 2008. Each member of the Authority has a \$10,000,000 limit during the 3-year term of the policy.

Property Insurance

The City participates in the All-Risk Property Protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Authority. Total All-Risk Property insurance coverage is \$29,353,530. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Special Event Tenant User Liability Insurance

The City further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on City property. The insurance premium is paid by the tenant user to the City according to a schedule. The City then pays for the insurance. The insurance is arranged by the Authority.

Adequacy of Protection

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

D. Unemployment

The City is fully self-insured for unemployment claims.

E. Self Insurance

The City retains the risk for losses incurred prior to joining the California Joint Powers Insurance Authority. Several member agencies of the now dissolved Central Coast Cities Self-Insurance Fund continue to participate in a non-risk sharing arrangement for claims management and the purchase of excess insurance for claims prior to joining CJPIA. Losses are debited and investment income is credited to specific member accounts. The City has not incurred any losses in excess of insurance coverage.

NOTE 9 - RISK MANAGEMENT (continued)

E. Self Insurance (continued)

Self-insurance activity as of and for the year ended June 30, 2007 is summarized as follows:

	Workers' Compensation	General Liability	Total
Interest earnings and other income	\$ 15,075	\$ 35,782	\$ 50,857
Claims expense	171,065	626	171,691
Estimated liability for reported claims and settlement expenses	799,000	-	799,000
Assets on deposit	237,457	710,802	948,259
Assets in excess of (less than) liabilities	<u>\$ (561,543)</u>	<u>\$ 710,802</u>	<u>\$ 149,259</u>

Changes in the balances of claim liabilities during the past two fiscal years are as follows:

	Workers' Compensation	General Liability	Total
Deposits (unpaid claims liability) June 30, 2005	\$ (331,214)	\$ 893,433	\$ 562,219
Claim payments and related expenditures	(176,242)	(428,813)	(605,055)
Decrease in estimated claims liability June 30, 2006	83,000	178,338	261,338
Deposits and interest earnings	21,902	32,688	54,590
Deposits (unpaid claims liability) June 30, 2006	(402,554)	675,646	273,092
Claim payments and related expenditures	(171,065)	(626)	(171,691)
(Increase) in estimated claims liability June 30, 2007	(3,000)	-	(3,000)
Deposits and interest earnings	15,075	35,782	50,857
Deposits (unpaid claims liability) June 30, 2007	<u>\$ (561,544)</u>	<u>\$ 710,802</u>	<u>\$ 149,258</u>

NOTE 10 - CONTINGENCIES AND COMMITMENTS

According to the City's attorney, no contingent liabilities are outstanding and no lawsuits of any significant financial consequence are pending.

The City had received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

The City leases office space at 6907 El Camino Real in Atascadero. The term of the lease began June 1, 2005, and continues through June 1, 2009, at a rate of \$31,133 per month. The City may terminate the lease at any time with 30 days notice.

Construction and other significant commitments as of June 30, 2007, including encumbrances outstanding at year-end, are as follows:

General Fund	\$ 9,693
Redevelopment Agency Fund	31,835
Low / Moderate Income Housing Fund	70,000
In-Lieu Low Income Housing Fund	332,248
Community Development Block Grant Fund	194,070
Tree Plant Fund	50,000
Gas Tax Fund	350,000
AB 2928 Traffic Congestion Relief Fund	198,969
Local Transportation Fund	1,466,700
Street Assessment Fund	57,191
Sidewalk In-Lieu Fees Fund	4,095
Circulation System Fees Fund	1,619,233
Storm Drainage Facilities Fees Fund	267,120
Amapoa/Tecorida Drainage Impact Fees Fund	98,048
Fire Facilities Fees Fund	452,600
Open Space Acquisition Fees Fund	200,000
Parkland Facilities Fees Fund	574,055
Public Facilities Fees Fund	64,860
Fire Aerial Vehicle Impact Fees Fund	149,772
Capital Projects Fund	1,092,310
2005 Redevelopment Bond Project Fund	4,445,171
Historic City Hall Rehabilitation Fund	59,990
Youth Center Construction Fund	3,592,175
Wastewater Fund	43,018
Transit Fund	112,590
Technology Fund	12,099
	<u>\$ 15,547,842</u>

NOTE 11 – NET ASSETS AND FUND BALANCES

GASB Statement No. 34 adds the concept of Net Assets, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

A. Net Assets

Net Assets is the excess of all the City's assets over all its liabilities, regardless of fund. Net Assets are divided into three captions under GASB Statement No. 34. These captions apply only to Net Assets, which is determined only at the government-wide level, and are described below:

Invested in capital assets, net of related debt describes the portion of Net Assets which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income purposes. Restricted Net Assets includes \$25,919,161 restricted by enabling legislation.

Unrestricted describes the portion of Net Assets which is not restricted as to use.

B. Fund Balances, Reserves, and Designations

In the fund financial statements, fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables less its liabilities. 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.

Reserves:

Prepaid items – These reserves represent expenditures for the next fiscal year made prior to the end of the current fiscal year.

Encumbrance – These reserves represent the portion of purchase orders awarded for which the goods or services had not yet been received as of June 30, 2007.

Debt Service – Funds which legally may only be used for debt service are reserved within the appropriate fund.

Advances to Other Funds – These reserves represent long-term loans to other funds.

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007

NOTE 12 – Prior Period Adjustments

- A. A prior period adjustment was made in six of the newer assessment district funds. Revenues were posted to the wrong funds within the grouping, necessitating adjustments in each fund, but netting to zero in the group as follows:

Prior Period Adjustments

Apple Valley Street & Storm Drain Assessment District Fund	\$ (41,300)
Apple Valley Landscaping & Lighting Assessment District Fund	(13,475)
Las Lomas Street & Storm Drain Assessment District Fund	(16,007)
Las Lomas Landscaping & Lighting Assessment District Fund	54,775
De Anza Street & Storm Drain Assessment District Fund	(5,208)
De Anza Landscaping & Lighting Assessment District Fund	21,215
	<u>\$ -</u>

- B. Engineering fees

A prior period adjustment of \$111,323 was made to the General Fund (Fund 100) to correct prior years' Engineering Fees Revenues. Developers and homeowners made permit deposits for Engineering Fees in prior years. During a review of these deposits, it was discovered that the fees had been earned in previous years, but had not been recognized.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SUMMARY

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Secured and unsecured property taxes	\$ 6,038,520	\$ 7,009,760	\$ 7,107,002	\$ 97,242
Taxes based on sales and use	3,843,900	3,904,330	3,982,903	78,573
Franchise tax	798,100	798,100	855,132	57,032
Other taxes	735,000	735,000	800,457	65,457
Licenses and permits	861,380	861,380	655,407	(205,973)
Intergovernmental revenues:				
Motor vehicle in-lieu and related payments	150,970	150,970	171,128	20,158
Other governmental revenues	63,400	63,400	228,255	164,855
Grants	29,650	409,560	556,897	147,337
Charges for services:				
Public safety	189,400	840,900	928,865	87,965
Development	564,140	815,640	948,099	132,459
Recreation, parks, pavilion and zoo	505,500	533,900	579,095	45,195
Other services	69,200	69,200	76,803	7,603
Fines and forfeitures	98,650	98,650	169,259	70,609
Use of money and property	254,370	254,370	622,337	367,967
Other revenues	1,122,050	1,230,370	1,252,200	21,830
Total revenues	15,324,230	17,775,530	18,933,839	1,158,309
Expenditures:				
Employee services	11,183,860	11,411,180	11,212,719	198,461
Operating supplies & services	4,191,130	4,693,080	4,723,595	(30,515)
Special purchases, projects and community funding	248,230	417,900	375,155	42,745
Capital outlay	86,010	805,710	738,040	67,670
Total expenditures	15,709,230	17,327,870	17,049,509	278,361
Excess of revenues over (under) expenditures	(385,000)	447,660	1,884,330	1,436,670

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SUMMARY (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Transfers in	\$ 263,130	\$ 263,130	\$ 57,552	\$ (205,578)
Transfers out	<u>(588,920)</u>	<u>(1,531,430)</u>	<u>(1,541,636)</u>	<u>(10,206)</u>
Total other financing sources and uses	<u>(325,790)</u>	<u>(1,268,300)</u>	<u>(1,484,084)</u>	<u>(215,784)</u>
Net changes in fund balance	<u>\$ (710,790)</u>	<u>\$ (820,640)</u>	400,246	<u>\$ 1,220,886</u>
Fund balances - June 30, 2006			10,522,943	
Prior period adjustment			<u>111,323</u>	
Fund balances - June 30, 2007			<u>\$ 11,034,512</u>	

CITY OF ATASCADERO
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes:				
Secured property tax	\$ 4,045,540	\$ 4,413,170	\$ 4,453,638	\$ 40,468
Property tax in lieu of VLF	1,724,480	2,028,580	2,028,578	(2)
Unsecured property taxes	108,000	108,000	124,949	16,949
Supplemental property taxes	160,000	459,510	501,968	42,458
Prior year secured and unsecured	-	-	(2,716)	(2,716)
Property tax penalties and interest	500	500	585	85
Taxes based on sales:				
Sales and use taxes	2,882,900	2,943,330	2,855,785	(87,545)
Sales tax in-lieu payments	961,000	961,000	1,127,118	166,118
Transient occupancy tax	415,000	415,000	478,593	63,593
Franchise taxes:				
Cable television franchise fees	200,000	200,000	219,675	19,675
Electricity franchise fees	193,000	193,000	198,135	5,135
Garbage disposal franchise fees	185,100	185,100	188,898	3,798
Landfill franchise fees	18,500	18,500	16,016	(2,484)
Recycling franchise fees	-	-	16,386	16,386
Gas franchise fees	170,000	170,000	184,880	14,880
Wastewater franchise fees	31,500	31,500	31,142	(358)
Business licenses	180,000	180,000	169,685	(10,315)
Property transfer tax	140,000	140,000	152,179	12,179
Total Taxes	11,415,520	12,447,190	12,745,494	298,304
Licenses and Permits:				
Construction permits	765,300	765,300	560,701	(204,599)
Grading and drainage permits	38,760	38,760	11,570	(27,190)
Encroachment permits	39,620	39,620	49,342	9,722
Tree application fees	7,700	7,700	27,399	19,699
Planning Inspections	-	-	1,045	1,045
Developer reimbursements	-	-	5,350	5,350
Fire permits	10,000	10,000	-	(10,000)
Total Licenses and Permits	861,380	861,380	655,407	(205,973)

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (continued):				
Intergovernmental Revenues:				
Motor vehicle in-lieu (VLF)	\$ 150,970	\$ 150,970	\$ 171,128	\$ 20,158
Homeowners' tax relief	48,000	48,000	50,219	2,219
State mandated costs	-	-	105,320	105,320
Off highway vehicles	400	400	-	(400)
P.O.S.T. reimbursement	15,000	15,000	21,199	6,199
Booking fees reimbursement	-	-	50,135	50,135
Other reimbursements	-	-	1,382	1,382
Grants:				
Bulletproof Vest grant	5,000	5,000	6,883	1,883
Federal Fire Grants- EMS 4076	-	-	824	824
FEMA 2006 storms administration	-	-	878	878
FEMA earthquake funding	-	-	138,040	138,040
FEMA earthquake administration	-	19,100	19,096	(4)
2007 FEMA Wellness Grant	-	66,170	40,534	(25,636)
OES earthquake funding	-	-	46,011	46,011
OES earthquake administration	-	-	736	736
Avoid the 14 Grant	-	-	3,712	3,712
Wireless 9-1-1 Project Grant	-	30,000	21,779	(8,221)
2005 OTS Traffic Enforcement Grant	24,650	24,650	21,176	(3,474)
2007 OTS Extrication Grant	-	250,000	244,594	(5,406)
2007 OTS Mini Seatbelt Grant	-	14,640	12,634	(2,006)
Total Intergovernmental Revenues	244,020	623,930	956,280	332,350
Charges for Services:				
Public safety:				
First response charges	92,000	92,000	95,476	3,476
Weed abatement services	30,000	30,000	32,211	2,211
Mutual aid	-	651,500	742,963	91,463
Fire classes	23,100	23,100	276	(22,824)
Police false alarms	4,300	4,300	5,465	1,165
Fingerprints	21,000	21,000	21,225	225
Vehicle release fees	7,000	7,000	17,940	10,940
Booking fees	5,000	5,000	7,115	2,115
Other public safety services	7,000	7,000	6,194	(806)

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (continued):				
Charges for Services (continued):				
Development:				
Zoning fees	\$ 66,300	\$ 66,300	\$ 72,933	\$ 6,633
Subdivision fees- Planning	45,500	45,500	25,712	(19,788)
Subdivision fees- Public Works	17,970	17,970	28,974	11,004
General and specific plans	8,600	8,600	9,873	1,273
Appeals	900	900	5,237	4,337
Planning review	12,500	12,500	36,650	24,150
Building plan check fees	297,650	477,650	542,736	65,086
Public Works plan check fees	81,220	152,720	162,397	9,677
Fire plan check fees	30,000	30,000	59,500	29,500
Other development fees	3,500	3,500	4,087	587
Recreation:				
Advertising	-	15,000	14,209	(791)
Aquatics	2,500	2,500	7,200	4,700
Adult sports	38,500	38,500	42,991	4,491
Youth sports	72,500	72,500	46,509	(25,991)
Classes	42,000	42,000	54,725	12,725
Special events	37,500	37,500	28,263	(9,237)
Skate park revenue	300	5,300	10,590	5,290
Administrative:				
Copy and mailing fees	3,000	3,000	14,925	11,925
Filming permit	-	-	250	250
Document imaging fee	18,000	18,000	25,145	7,145
Business license application fees	30,000	30,000	20,973	(9,027)
Business license renewal fees	18,200	18,200	15,510	(2,690)
Pavilion rentals and concessions	111,000	111,000	153,245	42,245
Park charges	14,500	14,500	17,181	2,681
Zoo	186,700	195,100	204,182	9,082
Total Charges for Services	1,328,240	2,259,640	2,532,862	273,222

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (continued):				
Fines and Forfeitures:				
Motor vehicle fines	\$ 57,000	\$ 57,000	\$ 75,275	\$ 18,275
Traffic school fines	16,000	16,000	13,493	(2,507)
Misdemeanor and other minor fines	11,450	11,450	38,249	26,799
Parking fines	5,700	5,700	7,680	1,980
Fire and code enforcement fines	2,000	2,000	27,664	25,664
Business license penalties	6,000	6,000	6,438	438
Other penalties	500	500	460	(40)
Total Fines and Forfeitures	<u>98,650</u>	<u>98,650</u>	<u>169,259</u>	<u>70,609</u>
Use of Money and Property:				
Interest	<u>254,370</u>	<u>254,370</u>	<u>622,337</u>	<u>367,967</u>
Total Use of Money and Property	<u>254,370</u>	<u>254,370</u>	<u>622,337</u>	<u>367,967</u>
Other Revenues:				
Interfund administrative charges	1,074,550	1,074,550	968,929	(105,621)
Workers' comp reimbursement	-	-	59,939	59,939
Donations	42,500	150,820	163,354	12,534
Dove Creek commercial agreement	-	-	40,000	40,000
Other revenues	<u>5,000</u>	<u>5,000</u>	<u>19,978</u>	<u>14,978</u>
Total Other Revenues	<u>1,122,050</u>	<u>1,230,370</u>	<u>1,252,200</u>	<u>21,830</u>
Total Revenues	<u>15,324,230</u>	<u>17,775,530</u>	<u>18,933,839</u>	<u>1,158,309</u>

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
City Council:				
Salaries and benefits	\$ 19,410	\$ 19,410	\$ 19,314	\$ 96
Office expense	700	700	603	97
Advertising	600	700	700	-
Computer maintenance and replacement	12,890	12,890	12,890	-
Occupancy	191,860	191,870	191,870	-
Communications	350	510	505	5
Operating supplies	4,050	3,780	3,700	80
Vehicle & equipment operating costs	4,500	450	450	-
Contract services	7,500	1,220	1,220	-
Professional development	30,600	74,420	74,412	8
Community outreach	35,000	23,050	23,048	2
Chamber of Commerce	53,500	57,390	57,391	(1)
Tourism	45,530	45,530	45,886	(356)
Business Development	10,000	10,000	12,200	(2,200)
LAFCO Contribution	14,000	16,780	14,571	2,209
Special projects & community funding:				
Community events	600	600	-	600
Human Resources Grants	20,000	20,000	20,000	-
Total City Council	451,090	479,300	478,760	540
City Clerk:				
Salaries and benefits	2,880	2,880	2,875	5
Office expense	700	3,510	3,505	5
Advertising	4,500	13,800	13,801	(1)
Computer maintenance and replacement	490	490	-	490
Contract services	9,000	9,480	9,480	-
Professional development	4,050	2,950	2,174	776
Municipal election	15,150	15,150	8,139	7,011
Total City Clerk	36,770	48,260	39,974	8,286

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
City Treasurer:				
Salaries and benefits	\$ 7,830	\$ 7,830	\$ 7,676	\$ 154
Computer maintenance and replacement	2,150	2,150	2,150	-
Occupancy	1,900	1,900	1,900	-
Contract services	3,650	3,650	3,500	150
Professional development	830	830	185	645
Total City Treasurer	16,360	16,360	15,411	949
City Attorney:				
Office expense	600	600	460	140
Communications	-	-	92	(92)
Contract services	199,950	199,950	233,600	(33,650)
Professional development	-	-	312	(312)
Total City Attorney	200,550	200,550	234,464	(33,914)
City Manager:				
Salaries and benefits	695,250	695,250	683,001	12,249
Office expense	12,150	11,470	10,823	647
Computer maintenance and replacement	42,550	42,550	42,550	-
Insurance	18,390	18,390	15,979	2,411
Occupancy	51,980	51,980	51,980	-
Communications	4,500	4,830	4,821	9
Operating supplies	18,750	8,190	3,598	4,592
Vehicle & equipment operating costs	9,150	9,500	9,496	4
Contract services	26,200	23,470	22,749	721
Professional development	30,250	32,980	32,972	8
Citywide training	23,000	20,290	13,139	7,151
Recruitment	500	500	137	363
Employee development	9,000	11,710	11,706	4
Contingency	100,000	5,320	-	5,320

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
City Manager (continued):				
Special purchases, projects & studies:				
Furniture	\$ -	\$ 1,980	\$ 1,965	\$ 15
Small printers	-	560	558	2
Capital outlay:				
Scanner/printer	-	2,670	2,663	7
Software	-	5,350	5,346	4
Total City Manager	1,041,670	946,990	913,483	33,507
Administrative Services:				
Salaries and benefits	506,770	506,770	508,409	(1,639)
Office expense	18,760	16,050	14,997	1,053
Computer maintenance and replacement	69,280	71,890	71,881	9
Insurance	19,630	13,130	13,066	64
Occupancy	38,610	38,610	38,610	-
Communications	1,600	1,600	655	945
Operating supplies	50	150	149	1
Vehicle & equipment operating costs	3,750	3,750	3,600	150
Contract services	157,110	174,060	176,391	(2,331)
Professional development	5,070	2,320	2,290	30
Recruitment	1,200	-	-	-
Safety committee	1,500	-	-	-
Contingency	5,000	-	-	-
Special purchases, projects & studies:				
Furniture	5,000	5,000	2,506	2,494
Cost Allocation and Fee Study	5,150	5,150	1,893	3,257
Capital outlay:				
Cash contribution to Technology Fund for purchase of new software	-	51,800	51,800	-
Total Administrative Services	838,480	890,280	886,247	4,033

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Police:				
Salaries and benefits	\$ 4,189,980	\$ 4,109,070	\$ 4,028,179	\$ 80,891
Office expense	18,810	21,510	21,476	34
Computer maintenance and replacement	161,600	169,000	168,941	59
Insurance	91,570	91,570	79,501	12,069
Occupancy	81,260	82,830	82,791	39
Utilities	39,250	39,350	39,329	21
Communications	38,000	38,000	33,451	4,549
Operating supplies	28,260	28,260	28,060	200
Vehicle & equipment operating costs	202,890	239,500	239,500	-
Contract services	205,830	223,830	223,774	56
Professional development	14,650	18,950	18,912	38
Recruitment	8,680	17,080	17,049	31
Contingency	10,000	1,060	-	1,060
Special purchases, projects & studies:				
Furniture	4,700	14,300	14,234	66
HVAC duct cleaning	-	15,910	14,914	996
Sheds	-	3,150	3,150	-
	<u>5,095,480</u>	<u>5,113,370</u>	<u>5,013,261</u>	<u>100,109</u>
Police Grants:				
Salaries and benefits	2,640	17,280	14,049	3,231
Computer maintenance & replacement	-	1,500	1,054	446
Operating supplies	3,640	5,900	5,083	817
Contract services	350	350	1,143	(793)
Professional development	35,600	36,720	32,315	4,405
Special purchases:				
Personal protective vests	10,000	10,000	5,078	4,922
Capital outlay:				
Vehicles-new	22,010	22,010	22,001	9
Wireless 9-1-1 Workstation Upgrade	-	28,500	20,725	7,775
	<u>74,240</u>	<u>122,260</u>	<u>101,448</u>	<u>20,812</u>
Total Police	<u>5,169,720</u>	<u>5,235,630</u>	<u>5,114,709</u>	<u>120,921</u>

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Fire:				
Salaries and benefits	\$ 2,497,430	\$ 2,460,830	\$ 2,440,256	\$ 20,574
Office expense	7,640	7,640	6,073	1,567
Computer maintenance and replacement	74,490	74,490	73,760	730
Insurance	57,060	57,060	52,873	4,187
Occupancy	34,450	39,150	38,114	1,036
Utilities	15,300	15,300	17,593	(2,293)
Communications	16,870	16,870	14,587	2,283
Operating supplies	35,740	54,310	54,087	223
Vehicle and equipment operating costs	145,790	171,390	171,324	66
Contract services	6,330	4,320	3,945	375
Professional development	22,670	25,220	25,208	12
Recruitment	3,860	2,560	1,762	798
Contingency	10,000	320	-	320
Special purchases, projects & studies:				
Confined space fan	5,770	4,350	4,279	71
Fire field equipment	-	12,960	12,673	287
Replace chain saws	7,000	-	-	-
Replace radios	-	1,110	1,103	7
Fire hose	-	12,250	11,431	819
Wildland protective gear	-	44,150	44,146	4
Mobile Data Terminal Project Minor Costs	-	1,800	1,795	5
High Pressure Lifting Bags	-	9,030	7,938	1,092
Rescue litter	-	7,140	7,132	8
Shade Structure	-	1,820	1,813	7
Door Projects	-	6,400	6,392	8
Station #1 Tower	1,030	1,030	523	507
Capital outlay:				
Software	-	14,510	14,508	2
Deluxe Skid Kit	-	17,880	17,872	8
	<u>2,941,430</u>	<u>3,063,890</u>	<u>3,031,187</u>	<u>32,703</u>

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Weed Abatement, Mutual Aid and Other Fire Programs:				
Salaries and benefits	\$ 121,260	\$ 497,260	\$ 477,000	\$ 20,260
Office expense	4,160	4,540	1,343	3,197
Advertising	1,020	1,770	531	1,239
Computer maintenance and replacement	2,470	2,470	2,460	10
Communications	210	210	-	210
Operating supplies	1,040	19,490	18,021	1,469
Vehicle & equipment operating costs	-	5,500	5,715	(215)
Contract services	22,000	61,700	61,794	(94)
Professional development	-	3,250	3,150	100
Special purchases, projects & studies:				
Exercise equipment	-	4,230	13,919	(9,689)
Capital outlay:				
Rescue equipment	-	240,000	238,290	1,710
Exercise equipment	-	38,090	-	38,090
Communication Tower	-	35,970	35,965	5
	<u>152,160</u>	<u>914,480</u>	<u>858,188</u>	<u>56,292</u>
Total Fire	<u>3,093,590</u>	<u>3,978,370</u>	<u>3,889,375</u>	<u>88,995</u>
Community Development:				
Salaries and benefits	1,062,600	1,038,650	1,003,559	35,091
Office expense	17,300	23,450	23,423	27
Advertising	3,500	5,600	5,536	64
Computer maintenance and replacement	110,040	110,540	110,502	38
Insurance	25,810	25,810	22,425	3,385
Occupancy	75,130	75,130	75,130	-
Communications	4,100	4,100	3,869	231
Operating supplies	2,000	2,000	1,935	65
Vehicle operations	16,610	21,010	20,984	26
Contract services	127,700	367,700	364,185	3,515
Professional development	13,300	19,300	18,986	314
Recruitment	800	3,800	3,762	38
Contingency	3,000	-	-	-

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Community Development (continued):				
Special purchases, projects & studies:				
Desks	\$ -	\$ 4,800	\$ 4,752	\$ 48
Factory Outlet Assessment	58,000	58,000	43,002	14,998
Capital outlay:				
Cash contribution to Technology Fund for purchase of new software	-	19,400	19,400	-
Purchase of 41/Cemetery Road parcel	-	100,500	99,500	1,000
Total Community Development	1,519,890	1,879,790	1,820,950	58,840
Community Services Administration:				
Salaries and benefits	257,180	257,180	251,015	6,165
Office expense	9,400	9,600	10,158	(558)
Advertising	-	750	737	13
Computer maintenance and replacement	13,750	13,750	13,750	-
Insurance	5,940	5,940	5,161	779
Occupancy	30,720	30,720	30,720	-
Communications	1,110	1,110	698	412
Operating supplies	750	550	476	74
Vehicle and equipment operating costs	4,160	6,010	5,568	442
Contract services	1,110	7,510	7,179	331
Professional development	5,150	4,550	3,937	613
Recruitment	4,150	1,900	945	955
Contingency	3,000	1,350	-	1,350
Total Community Services Administration	336,420	340,920	330,344	10,576

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Recreation:				
Salaries and benefits	\$ 273,740	\$ 260,990	\$ 246,637	\$ 14,353
Office expense	7,630	8,100	7,351	749
Advertising	11,450	30,300	29,889	411
Computer maintenance and replacement	23,190	22,420	22,260	160
Insurance	10,610	8,690	8,576	114
Occupancy	55,340	48,370	48,086	284
Utilities	4,300	9,100	5,655	3,445
Communications	1,600	1,730	702	1,028
Operating supplies	39,080	41,500	35,320	6,180
Vehicle and equipment operating costs	1,710	37,810	3,489	34,321
Contract services	67,530	51,870	80,658	(28,788)
Professional development	7,450	8,050	4,655	3,395
Recruitment	960	1,930	1,017	913
Special purchases, projects & studies:				
Software	-	8,200	8,168	32
Total Recreation	504,590	539,060	502,463	36,597
Pavilion:				
Salaries and benefits	125,110	125,110	113,737	11,373
Office expense	700	2,450	2,353	97
Advertising	4,070	4,070	3,189	881
Computer maintenance and replacement	4,620	4,620	4,620	-
Insurance	5,570	5,570	4,787	783
Occupancy	64,380	64,380	64,390	(10)
Utilities	20,700	17,130	16,992	138
Communications	700	1,670	1,662	8
Operating supplies	5,700	14,670	14,657	13
Vehicle and equipment operating costs	400	450	434	16
Contract services	24,900	23,750	22,084	1,666
Professional development	1,500	1,700	1,606	94
Recruitment	200	500	472	28

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Pavilion (continued):				
Special purchases, projects & studies:				
Tables	\$ -	\$ 350	\$ 354	\$ (4)
Chairs	27,590	27,190	17,993	9,197
Minor painting projects	5,500	5,500	-	5,500
Flooring projects	9,390	10,500	8,997	1,503
Lighting projects	-	3,160	3,158	2
Shelving/Storage	7,000	10,000	9,972	28
Door projects	24,000	19,800	12,968	6,832
Refrigerator	-	2,500	2,446	54
Alarm System	-	1,100	1,053	47
Restroom Renovation	-	11,500	10,448	1,052
Capital outlay:				
Refrigerator	-	300	-	300
Sound system	4,000	4,100	4,081	19
Cabinets	-	10,130	10,132	(2)
Total Pavilion	336,030	372,200	332,585	39,615
Zoo:				
Salaries and benefits	422,390	436,140	437,237	(1,097)
Office expense	1,620	2,470	2,593	(123)
Advertising	8,500	2,500	2,311	189
Computer maintenance and replacement	16,680	16,680	16,680	-
Insurance	10,970	10,970	9,502	1,468
Occupancy	22,280	22,280	22,280	-
Utilities	24,700	27,120	27,117	3
Communications	1,320	1,320	745	575
Operating supplies	57,850	55,430	57,483	(2,053)
Vehicle and equipment operating costs	3,850	7,250	7,239	11
Contract services	12,800	21,000	20,997	3
Professional development	8,750	10,950	10,932	18
Recruitment	400	600	599	1

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Zoo (continued):				
Special purchases, projects & studies:				
Vacuum	\$ -	\$ 2,100	\$ 2,091	\$ 9
Refrigerator	-	500	427	73
Animal acquisition	-	1,500	1,422	78
Capital outlay:				
Zoo Walkway Replacement Project	-	14,000	13,973	27
Total Zoo	592,110	632,810	633,628	(818)
Public Works Administration:				
Salaries and benefits	538,110	511,250	510,672	578
Office expense	3,310	11,370	11,295	75
Advertising	800	800	-	800
Computer maintenance and replacement	68,810	71,910	71,816	94
Insurance	15,380	13,380	13,357	23
Occupancy charges	27,570	27,570	27,570	-
Communications	2,720	2,720	2,225	495
Operating supplies	300	1,100	1,094	6
Vehicle operations	4,070	6,010	6,003	7
Contract services	22,000	51,200	51,054	146
Professional development	4,330	4,860	4,855	5
Recruitment	600	600	-	600
Contingency	5,000	1,070	-	1,070
Special purchases, projects & studies:				
NPDES, Phase II	25,000	17,200	2,513	14,687
Traffic Counter	4,000	-	-	-
Furniture	-	660	660	-
Traffic Counter	-	4,000	-	4,000
Atascadero Creek Flood Study	-	7,800	7,740	60
Capital outlay:				
Scanner/Printer	-	20,000	13,951	6,049
Total Public Works Administration	722,000	753,500	724,805	28,695

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Public Works Operations:				
Salaries and benefits	\$ 145,590	\$ 149,590	\$ 157,812	\$ (8,222)
Office expense	3,600	3,000	2,709	291
Computer maintenance and replacement	4,930	4,930	4,930	-
Occupancy charges	13,580	9,130	9,129	1
Utilities	1,400	-	-	-
Communications	-	1,020	1,015	5
Operating supplies	1,300	2,450	2,444	6
Vehicle & equipment operating costs	3,040	4,610	4,607	3
Professional development	2,500	2,500	2,036	464
Contingency	2,000	-	-	-
Special purchases, projects & studies:				
Small printers	-	710	706	4
Public Works Operations:	<u>177,940</u>	<u>177,940</u>	<u>185,388</u>	<u>(7,448)</u>
Parks:				
Salaries and benefits	315,690	315,690	311,291	4,399
Office expense	-	100	96	4
Computer maintenance and replacement	2,990	2,990	2,990	-
Insurance	9,600	8,410	8,336	74
Occupancy	18,830	18,830	18,830	-
Utilities	95,150	95,150	110,136	(14,986)
Communications	2,290	2,320	2,313	7
Operating supplies	43,370	63,130	63,903	(773)
Vehicle and equipment operations	22,510	22,510	26,927	(4,417)
Contract services	19,340	34,620	119,939	(85,319)
Professional development	3,750	3,750	5,486	(1,736)
Recruitment	-	-	-	-

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Parks (continued):				
Special purchases, projects & studies:				
Equipment Shelters	\$ -	\$ -	\$ 1,817	\$ (1,817)
Rotary blade grinder	2,500	2,500	-	2,500
Lake Park bridge repair	7,000	7,060	7,053	7
Paloma power panel replacement	6,000	6,000	-	6,000
Paloma Park bathroom painting	3,000	3,000	2,960	40
Lake Park walkway repair	10,000	10,000	9,900	100
Alvord Field light pole replacement	-	-	9,100	(9,100)
RCD trail project contribution	-	9,350	9,350	-
Capital outlay:				
Turf Mower	35,000	35,000	19,131	15,869
Small Tractors and Utility Vehicles	25,000	25,000	28,702	(3,702)
Top Dresser/Spreader	-	8,500	10,000	(1,500)
Equipment Shelters	-	12,000	10,000	2,000
Cash contribution to Vehicle & Equipment Replacement Fund for the Paloma Park Ballfield Lights Replacement Project	-	100,000	100,000	-
Total Parks	622,020	785,910	878,260	(92,350)
Non-Departmental:				
Vehicle and equipment operations	50,000	50,000	50,000	-
Special purchases, projects & studies:				
Chairs	-	-	12,399	(12,399)
Earthquake Recovery- Relocation	-	-	6,264	(6,264)
Total Non-Departmental	50,000	50,000	68,663	(18,663)
Total expenditures	15,709,230	17,327,870	17,049,509	278,361
Excess of revenues over (under) expenditures	(385,000)	447,660	1,884,330	1,436,670

CITY OF ATASCADERO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Transfer from Community Facilities District Fund for additional fire personnel	\$ 263,130	\$ 263,130	\$ 57,552	\$ (205,578)
Transfer to Gas Tax Fund for streets maintenance	(289,880)	(289,880)	(289,880)	-
Transfer to Capital Projects Fund for streets projects	(250,000)	(250,000)	(250,000)	-
Transfer to Historic City Hall Rehabilitation Fund for project administrative expenses	-	(322,310)	(322,310)	-
Transfer to Historic City Hall Rehabilitation Fund for project programming expenses	-	(25,000)	(25,000)	-
Transfer to C.O.P. Fund for Pavilion debt service	(41,500)	(41,500)	(41,499)	1
Transfer to Las Lomas Landscape & Lighting District for open space maintenance	(7,540)	(7,540)	(7,540)	-
Transfer to Apple Valley Landscape & Lighting District for open space maintenance	-	-	(10,210)	(10,210)
Transfer to Fire Aerial Vehicle Impact Fees Fund	-	(150,000)	(150,000)	-
Transfer to Proposition 12 Fund for Zoo Utility Project	-	(20,200)	(20,197)	3
Transfer to Capital Projects Fund for Paloma Playground Equipment Project	-	(225,000)	(225,000)	-
Transfer to Capital Projects Fund for Lake Park Parking Lot Rehabilitation Project	-	(125,000)	(125,000)	-
Transfer to Capital Projects Fund for Santa Rosa Pedestrian Bridge Replacement Project	-	(75,000)	(75,000)	-
Total other financing sources (uses)	<u>(325,790)</u>	<u>(1,268,300)</u>	<u>(1,484,084)</u>	<u>(215,784)</u>
Excess of revenues and other sources over (under) expenditures and other uses	\$ <u>(710,790)</u>	\$ <u>(820,640)</u>	400,246	\$ <u>1,220,886</u>
Fund balance, June 30, 2006			10,522,943	
Prior period adjustment			111,323	
Fund balance, June 30, 2007			<u>\$ 11,034,512</u>	

CITY OF ATASCADERO
REDEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,277,170	\$ 1,277,170	\$ 2,164,496	\$ 887,326
Interest income	63,940	63,940	251,714	187,774
Rental income	373,600	373,600	373,596	(4)
Donations	-	-	3,500	3,500
Total revenues	<u>1,714,710</u>	<u>1,714,710</u>	<u>2,793,306</u>	<u>1,078,596</u>
Expenditures				
Employee services	131,030	131,030	124,903	6,127
Office expense	3,020	3,020	2,861	159
Advertising	1,330	1,330	-	1,330
Computer maintenance & replacement	4,260	4,260	4,260	-
Insurance	5,590	9,590	9,583	7
Occupancy	4,520	4,520	4,520	-
Communications	570	570	177	393
Operating supplies	710	710	107	603
Vehicle & equipment operations	500	500	-	500
Contract services	127,930	121,730	111,939	9,791
Professional development	11,720	11,720	2,635	9,085
Administration	176,780	176,780	176,775	5
Special projects & community funding:				
Tourism	14,600	14,600	9,692	4,908
Façade improvement program	50,000	-	-	-
Main Street program	59,160	59,160	59,160	-
Graffiti removal program	15,000	15,000	2,270	12,730
Property management	2,040	2,040	-	2,040
Wayfinding program	-	50,000	18,165	31,835
Capital outlay:				
Acquisition of Property / Easements	1,200,000	1,150,000	-	1,150,000
Expand / Improve City Hall Parking Lot	190,000	190,000	-	190,000
Downtown Entrance Monument Signs	20,000	20,000	-	20,000
Interest	119,870	119,870	122,399	(2,529)
Total expenditures	<u>2,138,630</u>	<u>2,086,430</u>	<u>649,446</u>	<u>1,436,984</u>
Excess of revenues over (under) expenditures	<u>(423,920)</u>	<u>(371,720)</u>	<u>2,143,860</u>	<u>2,515,580</u>

CITY OF ATASCADERO
REDEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Transfer to RDA Debt Service Fund for trustee fees	\$ -	\$ (2,200)	\$ (2,200)	\$ -
Transfer to Historic City Hall Rehabilitation Fund for the City Hall Rehabilitation Project	-	(2,000,000)	(46,950)	1,953,050
Transfer to Capital Projects Fund for Underground Utility Project	(160,000)	(160,000)	-	160,000
Total other financing sources (uses)	(160,000)	(2,162,200)	(49,150)	2,113,050
Excess of revenues and other sources over (under) expenditures and other uses	\$ (583,920)	\$ (2,533,920)	2,094,710	\$ 4,628,630
Fund balance, June 30, 2006			2,666,044	
Fund balance, June 30, 2007			\$ 4,760,754	

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS OVERVIEW
SPECIAL REVENUE FUNDS

The City has established the following special revenue funds in order to account for the proceeds from revenue sources that are restricted to expenditures for specified purposes:

Supplemental Law Enforcement Services Fund

This fund is used for Supplemental Law Enforcement Services grant monies received and to account for the allowed expenditures of these funds.

Low / Moderate Income Housing Redevelopment Fund

The Community Redevelopment Agency of Atascadero Low / Moderate Income Housing Fund is established to promote low and moderate income housing in the City of Atascadero.

In-Lieu Low Income Housing Fund

This fund was established to account for the "In-Lieu" fees paid by developers for future Low and Moderate Housing projects.

Business Improvement Association Fund

The City established a Downtown Parking & Business Improvement Area (BIA) in 1986, for the purpose of acquisition, construction, and/or maintenance of parking facilities, decoration of public places, promotion of public events, and the general promotion of business activities in the downtown area. An annual assessment is placed on all businesses in the downtown area, and this fund accounts for the revenues and expenses associated with these BIA monies.

Community Development Block Grant Fund

This fund is used for Community Development Block Grant monies received from the federal government. These funds must be used for low or moderate income projects, or to eliminate blight in the community. The City receives an annual allocation from the federal government, based on the number of qualified persons in the City. The City holds an annual hearing to determine how this money is to be spent.

Tree Plant Fund

This fund accounts for Tree Mitigation Fees and the expenditure thereof. A fee may be paid by a developer in lieu of planting a tree on improved property. These funds are then used for the preservation and planting of the City's native trees.

Gas Tax Fund

This fund accounts for gas tax monies received from the State, which are expended to maintain various streets within the City.

AB2928 Traffic Congestion Relief Fund

This fund accounts for Assembly Bill 2928 Traffic Congestion Relief Funds. It is allocated based on population and may only be used for street or road maintenance and reconstruction. It requires a modest General Fund expenditure on streets in order for the City to qualify for this annual allocation.

Local Transportation Fund

This fund accounts for Local Transportation funds that can be used for streets projects. Local Transportation Funds (LTF) must first be spent to meet any reasonable community transit need. The City uses LTF monies to run the City's bus system and to contribute to San Luis Obispo Regional Transit Authority. Any remaining funds are accounted for in this fund and must be used for bikepath projects and streets projects.

Street Assessment Fund

This fund accounts for assessments collected to maintain various streets within the City.

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS OVERVIEW (continued)

SPECIAL REVENUE FUNDS (continued)

Sidewalk In-Lieu Fees Fund

This fund is used to track the use of Sidewalk In-Lieu Fees, which were once collected from developers in lieu of installing a sidewalk. Per Council action, the City no longer collects these fees and now requires that the sidewalks either be built or that developers bond for future sidewalk construction. All funds remaining in this fund are expected to be spent by 2008.

General Government Facilities Fees Fund

General Facilities are those limited to office or work buildings and equipment used by City staff to undertake their daily duties. As the City increases in both population and new businesses, City Hall and the City maintenance yard will increasingly become overcrowded with growing staff. New facilities and equipment will be necessary to extend the current level of service to these new residents and businesses. Because the need for these new facilities and additional equipment is directly related to new construction, a *General Government Facilities Fee* is charged on all new development. These fees are deposited into this fund and then used for expanded/new facilities and equipment as listed in the *Atascadero Master Facilities Plan* updated February 2006.

Circulation System Fees Fund

Because a developed parcel will generate a statistically predictable amount of trips, depending upon the specific land use of the development, it can be said that all new development contributes to traffic impacts which have significant and widespread cumulative impacts on the City's existing road system. Therefore, the City charges a *Circulation System Fee* in order to fund the creation of more lane miles or more efficient lane miles with which to accommodate the additional trips created by new development. These fees are deposited into this fund and then used for the construction of the new/increased/improved roadway and bridge facilities as listed in the *Atascadero Master Facilities Plan* updated February 2006.

Storm Drainage Facilities Fees Fund

As vacant land is developed and bare dirt or turf is replaced with impervious rooftop, parking lots, driveways, pools and sidewalks, water runoff increases; the cumulative effects of this additional runoff is managed by constructing the appropriate capital facilities. Because the need for these capital facilities is directly related to new construction, a *Storm Drainage Facilities Fee* is charged on all new development. These fees are deposited into this fund and then used for the construction of the new/increased/improved capital facilities as listed in the *Atascadero Master Facilities Plan* updated February 2006.

Amapoa/Tecorida Drainage Impact Fees Fund

This fund accounts for Amapoa/Tecorida Drainage Fees collected on all development in the Amapoa/Tecorida area of the City, and were collected in addition to other fees for necessary drainage improvement. In May 2003, the Council voted to rescind this fee and adopt one citywide drainage fee. All remaining funds are being spent on drainage improvements in the Amapoa/Tecorida area.

Law Enforcement Facilities Fees Fund

Residents and businesses benefit from both direct (response to a call for service) and indirect (crime prevention programs, patrol, etc.) law enforcement services. The addition of new residential units and new businesses necessarily increase the demand upon the law enforcement service level by creating more direct calls for service, more area requiring preventative patrol, and in general, more opportunities for crimes to be committed. If law enforcement capabilities are not expanded, then the increasing number of calls for service will reduce the amount of time available for preventative patrol. Because the need for additional police officers, as well as the need for these officers to be equipped and housed, is directly related to new construction, a *Law Enforcement Facilities Fee* is charged on all new development. These fees are deposited into this fund and then used for the purchase/construction of equipment/stations for these additional officers as listed in the *Atascadero Master Facilities Plan* updated February 2006.

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS OVERVIEW (continued)

SPECIAL REVENUE FUNDS (continued)

Fire Facilities Fees Fund

In addition to providing fire prevention programs, the Fire Department responds to calls for fire and medical services from two existing fire stations. Each new residential and business development creates more calls for service, increasing the likelihood of simultaneous (and thus competing) calls for service. Additionally, as development spreads further from the existing stations, response times will necessarily increase, taking the existing engine companies out of service for greater periods of time. These developments create the need for additional facilities and equipment. Because the need for these new facilities and additional equipment is directly related to new construction, a *Fire Facilities Fee* is charged on all new development. These fees are deposited into this fund and then used for the relocation/construction of fire stations, as well as the purchase of additional equipment, as listed in the *Atascadero Master Facilities Plan* updated February 2006.

Open Space Acquisition Fees Fund

Future residential development, by increasing the City's population, will by definition impact the City's available land and decrease open space. Without open space acquisition, the City's remaining available land will be developed and the City will lose much of its historic charm that is so valuable to residents. Because the need for land acquisition is directly related to new construction, and *Open Space Acquisition Fee* is charged on all new development. These fees are deposited into this fund and then used for land acquisitions as listed in the *Atascadero Master Facilities Plan* updated February 2006.

Parkland Facilities Fees Fund

Residential development, by increasing the City's population, necessarily impacts the City's park system. Without future parkland and continued development of currently owned, but underutilized parkland, the City's parks become overcrowded and overused with the ultimate result becoming a negative experience for park users. Because the need for new facilities and land acquisitions is directly related to new construction, a *Parkland Facilities Fee* is charged on all new development. These fees are deposited into this fund and then used for expanded/new facilities and land acquisitions as listed in the *Atascadero Master Facilities Plan* updated February 2006.

Public Facilities Fees Fund

The City currently has existing community use facilities, such as the Lake Pavilion and the Youth Center. Future additional residential units will increase the City's population, placing ever greater demands on existing community use facilities, and new or expanded community center space will be necessary to extend the current level of service to new residents. Because the need for these new facilities is directly related to new construction, a *Public Facilities Fee* is charged on all new residential development. These fees are deposited into this fund and then used for expanded/new community use facilities as listed in the *Atascadero Master Facilities Plan* updated February 2006, and for debt service on the Lake Pavilion.

Library Expansion Facilities Fees Fund

The County Public Library System currently owns a 7,000 square foot library facility within the City limits. While the City is not the library service provider, the City's residents and businesses have an interest in maintaining the library service levels, and additional development within the City will increase the demand square foot size of the library and the volume item collection. Because the need for additional volumes and the need for an expanded library is directly related to new construction, a *Library Facilities Fee* is charged on all new development. These fees are deposited into this fund and then will be used for the expansion of the amount of library facility space and the expansion of the library collection as listed in the *Atascadero Master Facilities Plan* updated February 2006. These monies will be accumulated for several years, as necessary for expansion of the existing library facility.

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS OVERVIEW (continued)

SPECIAL REVENUE FUNDS (continued)

Fire Aerial Vehicle Impact Fees Fund

The City of Atascadero continues to receive new applications to develop multiple-story buildings. It currently relies on a mutual aid agreement with the City of Pasco Robles in the event of a three-story building fire. Recognizing that response times would be reduced if Atascadero owned its own Aerial Fire Truck (or Ladder Truck), the Council voted in August of 2006 to approve an Aerial Fire Truck Impact Fee. This assessment contributes to the purchase of an Aerial Truck and is imposed on commercial and multi-family residential developments. The fees are deposited into a restricted fund that may only be used to purchase the truck. The City will use this fund to purchase the truck in fiscal year 2007-2008 as listed in the Atascadero Master Facilities Plan updated in February 2006, using revenues that will be levied and collected in the future.

Proposition 12 Fund

This fund accounts for monies received as a result of the passage of Proposition 12, the *Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000*. These one-time funds must be spent on the acquisition, development, and protection of recreational, cultural, and natural areas. As directed by Council, these funds are being spent primarily on three specific projects: the construction of the Youth Center, the purchase of Paloma Park, and Zoo utility renovations.

Community Facilities District Fund

This fund is used to account for fees assessed in the Community Facilities District. This district was established in 2005 in order to provide funding for expansion of police, fire, and parks services as the City's population increases. Developments that must obtain Planning Commission approval are subject to annexation into the city-wide district.

Apple Valley Street & Storm Drain Assessment District Fund

This fund is used to account for fees assessed in development known as The Colony at Apple Valley. This assessment district was established in 2005 in order to maintain the Street and Storm Drain related improvements in the development.

Apple Valley Landscape & Lighting Assessment District Fund

This fund is used to account for fees assessed in development known as The Colony at Apple Valley. This assessment district was established in 2005 in order to maintain the Landscape & Lighting related improvements in the development.

Las Lomas Street & Storm Drain Assessment District Fund

This fund is used to account for fees assessed in development known as Las Lomas. This assessment district was established in 2005 in order to maintain the Street and Storm Drain related improvements in the development.

Las Lomas Landscape & Lighting Assessment District Fund

This fund is used to account for fees assessed in development known as Las Lomas. This assessment district was established in 2005 in order to maintain the Landscape and Lighting related improvements in the development.

De Anza Street & Storm Drain Assessment District Fund

This fund is used to account for fees assessed in development known as De Anza Estates. This assessment district was established in 2005 in order to maintain the Street and Storm Drain related improvements in the development.

De Anza Landscape & Lighting Assessment District Fund

This fund is used to account for fees assessed in development known as De Anza Estates. This assessment district was established in 2005 in order to maintain the Landscape and Lighting related improvements in the development.

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS OVERVIEW (continued)

CAPITAL PROJECTS FUNDS

The City has established the following capital projects funds in order to account for expenditures for specific capital project purposes:

Capital Projects Fund

This fund is typically used to account for the financial resources used in the construction or acquisition of major capital facilities or equipment obtained by special funding such as grants or dedicated reimbursements. It is also used as a type of clearinghouse for projects with many different sources of funding.

2005 Redevelopment Bond Project Fund

This fund is used to account for the expenditures of the 2005 Redevelopment Bond proceeds and the related interest on these proceeds. The Community Redevelopment Agency of Atascadero issued bonds in November of 2004 in order to complete a list of projects to revitalize the downtown area. These projects are a key component of the revised Downtown Revitalization Plan. Implementing the plan will improve pedestrian, vehicle and bicycle traffic; provide adequate parking; establish the revitalized Sunken Gardens as the central hub for the area; and promote downtown's economic vitality.

Assessment District #8 Construction Fund

This fund contains the balance of monies remaining from a past wastewater construction project.

Historic City Hall Rehabilitation Fund

The Historic City Hall Rotunda Building was damaged in the 2003 San Simeon Earthquake. This fund is used to track all related expenses to rehabilitate the building.

Youth Center Construction Fund

This fund accounts for funds received for and expended on the construction of the new Colony Park Community Center.

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS OVERVIEW (continued)

DEBT SERVICE FUNDS

The City has established the debt service funds to account for the payment and accumulation of resources related to long-term debt principal and interest for the following debt issues:

Assessment District #3 Debt Service Fund

This fund is used to account for fees assessed in Assessment District #3, and the related debt service payments.

Assessment District #4 Debt Service Fund

This fund is used to account for fees assessed in Assessment District #4, and the related debt service payments. This assessment district was established in 1986 in order to construct sewer improvements in the area known as Separado/Cayucos.

Assessment District #5 Debt Service Fund

This fund is used to account for fees assessed in Assessment District #5, and the related debt service payments. This assessment district was established in 1988 in order to construct improvements in the area known as Chandler Ranch.

Assessment District #7 Debt Service Fund

Assessment District #7 was formed to bring sewer services to an area referred to as East Santa Rosa Road, pursuant to a regional Water Quality Control Board issued Cease and Desist Order prohibiting septic systems in the area. Rather than issue bonds to construct the necessary sewer improvements, the assessment district received a loan from the City's Wastewater Fund. The proceeds from this loan were used to construct a sewer main extension and the related necessary sewer improvements needed to comply with the Cease and Desist Order.

Assessment District #9 Debt Service Fund

Assessment District #9 was formed to bring sewer services to an area referred to as North San Gabriel Road, pursuant to a regional Water Quality Control Board issued Cease and Desist Order prohibiting septic systems in the area. Rather than issue bonds to construct the necessary sewer improvements, the assessment district received a loan from the City's Wastewater Fund. The proceeds from this loan were used to construct a sewer main extension and the related necessary sewer improvements needed to comply with the Cease and Desist Order.

Assessment District #10 Debt Service Fund

Assessment District #10 was formed to bring sewer services to an area referred to as West Santa Rosa Road, pursuant to a regional Water Quality Control Board issued Cease and Desist Order prohibiting septic systems in the area. Rather than issue bonds to construct the necessary sewer improvements, the assessment district received a loan from the City's Wastewater Fund. The proceeds from this loan were used to construct a sewer main extension and the related necessary sewer improvements needed to comply with the Cease and Desist Order.

2005 Redevelopment Bond Debt Service Fund

The City issued \$12,490,000 in Tax Allocation bonds for improvements to the City's downtown core. The bonds will mature between fiscal years 2010 and 2035, at interest rates ranging from 3.00% to 5.00%. The Bonds will be repaid with the Agency's Tax Increment Revenues.

1997 C.O.P. Refunding Fund

In 1989, the City issued \$2,000,000 in Certificates of Participation in order to purchase property for the Lake Park and to help fund construction of Police Headquarters and the Lake Park Pavilion. The original certificates were issued at 6.3% to 7.8%. On September 3, 1997, the City refinanced this issue by executing a private placement lease. The lease was issued for a total principal amount of \$1,374,000 and carries a 5.75% interest rate.

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS OVERVIEW (continued)

DEBT SERVICE FUNDS (continued)

1992 Street Assessment Improvement Fund

This fund is used to account for fees assessed in the 1992 Street Improvement Assessment District and the related debt service payments. This assessment district was formed in 1992 in order to construct street improvements in two non-contiguous sections of the City: the Las Encinas area and the 3F Meadows area. In accordance with the original bond agreement, the District called \$180,000 in aggregate principal bonds on September 2, 1995.

1993 Camino Real Improvement Bonds Fund

The Assessment District was formed to construct and dedicate off-site improvements and utility services to serve the Factory Outlet Center development. On July 8, 1993, the City issued \$2,100,000 in 1915/1913 Act assessment bonds at interest rates of 4.5% to 7.25%. Proceeds from these assessment bonds were used to construct street improvements, sewer lines, water mains, electrical and telephone utility extensions, street lighting, traffic signalization, landscaping, and storm drains in and around the Factory Outlet Center. On February 13, 1999, the City defeased the outstanding bonds and issued new lower interest bonds.

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2007

Special Revenue Funds

	Supplemental Law Enforcement Services Fund	Low/ Moderate Income Housing Redevelopment Fund	In-Lieu Low Income Housing Fund	Business Improvement Association Fund	Community Development Block Grant Fund	Tree Plant Fund	Gas Tax Fund	AB2928 Traffic Congestion Relief Fund
ASSETS								
Cash and investments	\$ 38,907	\$ 2,095,447	\$ 404,179	\$ 13,965	\$ -	\$ 574,607	\$ 527,814	\$ 196,697
Restricted cash and investments:								
Cash with fiscal agent	-	-	-	-	-	-	-	-
Receivables:								
Federal distributions due	-	-	-	-	47,475	-	3,437	-
Due from State of California	-	-	-	-	-	-	53,805	-
Due from County of San Luis Obispo	-	38,143	-	-	-	-	-	-
Accrued interest	492	25,361	4,501	161	-	6,632	5,817	2,272
Other receivables	-	-	-	-	363	-	-	-
Prepaid expenses	-	-	-	-	-	-	951	-
Notes receivable	-	-	3,797,493	-	-	-	-	-
Total assets	<u>\$ 39,399</u>	<u>\$ 2,158,951</u>	<u>\$ 4,206,173</u>	<u>\$ 14,126</u>	<u>\$ 47,838</u>	<u>\$ 581,239</u>	<u>\$ 591,824</u>	<u>\$ 198,969</u>
LIABILITIES AND FUND BALANCES								
Accounts payable	\$ 404	\$ 32	\$ -	\$ -	\$ 3,423	\$ 100	\$ 68,448	\$ -
Accrued salaries and benefits	-	98	-	-	-	-	6,669	-
Due to other funds	-	-	-	-	44,701	-	-	-
Deferred revenue	32,436	-	-	-	-	-	-	-
Interfund advances payable	-	-	-	-	-	-	-	-
Total liabilities	<u>32,840</u>	<u>130</u>	<u>-</u>	<u>-</u>	<u>48,124</u>	<u>100</u>	<u>75,117</u>	<u>-</u>
Fund Balances:								
Reserved for encumbrances	-	70,000	332,248	-	194,070	-	-	-
Reserved for debt service	-	-	-	-	-	-	-	-
Reserved for bike paths	-	-	-	-	-	-	-	-
Reserved for prepaids	-	-	-	-	-	-	951	-
Reserved for notes receivable	-	-	3,797,493	-	-	-	-	-
Unreserved:								
Designated for capital commitments	-	-	-	-	-	50,000	350,000	198,969
Undesignated	6,559	2,088,821	76,432	14,126	(194,356)	531,139	165,756	-
Total fund balances	<u>6,559</u>	<u>2,158,821</u>	<u>4,206,173</u>	<u>14,126</u>	<u>(286)</u>	<u>581,139</u>	<u>516,707</u>	<u>198,969</u>
Total liabilities and fund balances	<u>\$ 39,399</u>	<u>\$ 2,158,951</u>	<u>\$ 4,206,173</u>	<u>\$ 14,126</u>	<u>\$ 47,838</u>	<u>\$ 581,239</u>	<u>\$ 591,824</u>	<u>\$ 198,969</u>

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2007

	Special Revenue Funds						
	Local Transportation Fund	Street Assessment Fund	Sidewalk In-Lieu Fees Fund	General Government Facilities Fees Fund	Circulation System Fees Fund	Storm Drainage Facilities Fees Fund	Amapoa / Tecorida Drainage Impact Fees Fund
ASSETS							
Cash and investments	\$ 1,209,771	\$ 59,029	\$ 9,782	\$ -	\$ 1,848,069	\$ 662,918	\$ 96,862
Restricted cash and investments:							
Cash with fiscal agent	-	-	-	-	-	-	-
Receivables:							
Federal distributions due	-	-	-	-	151,799	-	-
Due from State of California	-	-	-	-	-	-	-
Due from County of San Luis Obispo	393,000	-	-	-	77,083	-	-
Accrued interest	12,225	683	113	-	14,573	7,180	1,186
Other receivables	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Total assets	<u>\$ 1,614,996</u>	<u>\$ 59,712</u>	<u>\$ 9,895</u>	<u>\$ -</u>	<u>\$ 2,091,524</u>	<u>\$ 670,098</u>	<u>\$ 98,048</u>
LIABILITIES AND FUND BALANCES							
Accounts payable	\$ 9,775	\$ -	\$ -	\$ -	\$ 1,753,683	\$ 5,374	\$ -
Accrued salaries and benefits	-	-	-	-	-	-	-
Due to other funds	-	-	-	258,063	-	-	-
Deferred revenue	-	-	5,800	-	106,601	-	-
Interfund advances payable	-	-	-	-	-	-	-
Total liabilities	<u>9,775</u>	<u>-</u>	<u>5,800</u>	<u>258,063</u>	<u>1,860,284</u>	<u>5,374</u>	<u>-</u>
Fund Balances:							
Reserved for encumbrances	19,237	-	-	-	1,619,233	28,033	-
Reserved for debt service	-	-	-	-	-	-	-
Reserved for bike paths	64,290	-	-	-	-	-	-
Reserved for prepaids	-	-	-	-	-	-	-
Reserved for notes receivable	-	-	-	-	-	-	-
Unreserved:							
Designated for capital commitments	1,447,463	57,191	4,095	-	-	239,087	98,048
Undesignated	74,231	2,521	-	(258,063)	(1,387,993)	397,604	-
Total fund balances	<u>1,605,221</u>	<u>59,712</u>	<u>4,095</u>	<u>(258,063)</u>	<u>231,240</u>	<u>664,724</u>	<u>98,048</u>
Total liabilities and fund balances	<u>\$ 1,614,996</u>	<u>\$ 59,712</u>	<u>\$ 9,895</u>	<u>\$ -</u>	<u>\$ 2,091,524</u>	<u>\$ 670,098</u>	<u>\$ 98,048</u>

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2007

Special Revenue Funds

	Law Enforcement Facilities Fees Fund	Fire Facilities Fees Fund	Open Space Acquisition Fees Fund	Parkland Facilities Fees Fund	Public Facilities Fees Fund	Library Expansion Facilities Fees Fund	Fire Aerial Vehicle Impact Fees Fund	Proposition 12 Fund
ASSETS								
Cash and investments	\$ 81,093	\$ 524,771	\$ 324,426	\$ 500,125	\$ 157,915	\$ 130,977	\$ 149,197	\$ -
Restricted cash and investments:								
Cash with fiscal agent	-	-	-	-	-	-	-	-
Receivables:								
Federal distributions due	-	-	-	-	-	-	-	-
Due from State of California	-	-	-	73,112	-	-	-	436,487
Due from County of San Luis Obispo	-	-	-	-	-	-	-	-
Accrued interest	1,218	5,672	3,357	3,257	1,853	1,355	575	-
Other receivables	-	133	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
Total assets	\$ 82,311	\$ 530,576	\$ 327,783	\$ 576,494	\$ 159,768	\$ 132,332	\$ 149,772	\$ 436,487
LIABILITIES AND FUND BALANCES								
Accounts payable	\$ -	\$ 20	\$ -	\$ 2,439	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	436,487
Deferred revenue	-	-	-	-	-	-	-	-
Interfund advances payable	-	-	-	-	-	-	-	-
Total liabilities	-	20	-	2,439	-	-	-	436,487
Fund Balances:								
Reserved for encumbrances	-	-	-	-	-	-	-	-
Reserved for debt service	-	-	-	-	-	-	-	-
Reserved for bike paths	-	-	-	-	-	-	-	-
Reserved for prepaids	-	-	-	-	-	-	-	-
Reserved for notes receivable	-	-	-	-	-	-	-	-
Unreserved:								
Designated for capital commitments	-	452,600	200,000	574,055	64,860	-	149,772	-
Undesignated	82,311	77,956	127,783	-	94,908	132,332	-	-
Total fund balances	82,311	530,556	327,783	574,055	159,768	132,332	149,772	-
Total liabilities and fund balances	\$ 82,311	\$ 530,576	\$ 327,783	\$ 576,494	\$ 159,768	\$ 132,332	\$ 149,772	\$ 436,487

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2007

Special Revenue Funds

	Community Facilities District Fund	Apple Valley Street & Storm Drain Assessment District Fund	Apple Valley Landscape & Lighting Assessment District Fund	Las Lomas Street & Storm Drain Assessment District Fund	Las Lomas Landscape & Lighting Assessment District Fund	De Anza Street & Storm Drain Assessment District Fund	De Anza Landscape & Lighting Assessment District Fund
ASSETS							
Cash and investments	\$ 106,509	\$ 68,943	\$ 213,086	\$ 78,035	\$ 193,965	\$ 67,378	\$ 107,637
Restricted cash and investments:							
Cash with fiscal agent	-	-	-	-	-	-	-
Receivables:							
Federal distributions due	-	-	-	-	-	-	-
Due from State of California	-	-	-	-	-	-	-
Due from County of San Luis Obispo	-	-	-	-	-	-	-
Accrued interest	1,261	792	2,490	836	2,092	624	978
Other receivables	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Total assets	\$ 107,770	\$ 69,735	\$ 215,576	\$ 78,871	\$ 196,057	\$ 68,002	\$ 108,615
LIABILITIES AND FUND BALANCES							
Accounts payable	\$ 4,046	\$ 1,396	\$ 5,289	\$ 1,414	\$ 1,897	\$ 1,369	\$ 1,866
Accrued salaries and benefits	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Interfund advances payable	-	-	-	-	-	-	-
Total liabilities	4,046	1,396	5,289	1,414	1,897	1,369	1,866
Fund Balances:							
Reserved for encumbrances	-	-	-	-	-	-	-
Reserved for debt service	-	-	-	-	-	-	-
Reserved for bike paths	-	-	-	-	-	-	-
Reserved for prepaids	-	-	-	-	-	-	-
Reserved for notes receivable	-	-	-	-	-	-	-
Unreserved:							
Designated for capital commitments	-	-	-	-	-	-	-
Undesignated	103,724	68,339	210,287	77,457	194,160	66,633	106,749
Total fund balances	103,724	68,339	210,287	77,457	194,160	66,633	106,749
Total liabilities and fund balances	\$ 107,770	\$ 69,735	\$ 215,576	\$ 78,871	\$ 196,057	\$ 68,002	\$ 108,615

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2007

	Capital Projects Funds					Debt Service Funds		
	Capital Projects Fund	2005 Redevelopment Bond Project Fund	Assessment District #8 Construction Fund	Historic City Hall Rehabilitation Fund	Youth Center Construction Fund	Assessment District #3 Debt Service Fund	Assessment District #4 Debt Service Fund	Assessment District #5 Debt Service Fund
ASSETS								
Cash and investments	\$ 1,781,709	\$ 4,376,248	\$ 948	\$ 89,180	\$ -	\$ 684	\$ 136,328	\$ 3,906
Restricted cash and investments:								
Cash with fiscal agent	-	-	-	-	-	-	-	-
Receivables:								
Federal distributions due	4,530	-	-	18,179	1,166,170	-	-	-
Due from State of California	1,730	-	-	6,060	279,707	-	-	-
Due from County of San Luis Obispo	-	-	-	-	-	-	-	-
Accrued interest	19,004	70,185	11	-	-	8	1,575	45
Other receivables	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
Total assets	<u>\$ 1,806,973</u>	<u>\$ 4,446,433</u>	<u>\$ 959</u>	<u>\$ 113,419</u>	<u>\$ 1,445,877</u>	<u>\$ 692</u>	<u>\$ 137,903</u>	<u>\$ 3,951</u>
LIABILITIES AND FUND BALANCES								
Accounts payable	\$ 123,781	\$ 1,262	-	\$ 19,400	\$ 814,433	\$ -	\$ 863	\$ -
Accrued salaries and benefits	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	221,028	-	-	-
Deferred revenue	3,071	-	-	-	261,038	-	-	-
Interfund advances payable	-	-	-	-	-	-	-	-
Total liabilities	<u>126,852</u>	<u>1,262</u>	<u>-</u>	<u>19,400</u>	<u>1,296,499</u>	<u>-</u>	<u>863</u>	<u>-</u>
Fund Balances:								
Reserved for encumbrances	217,323	256,463	-	59,990	3,592,175	-	-	-
Reserved for debt service	-	-	-	-	-	692	137,040	3,951
Reserved for bike paths	-	-	-	-	-	-	-	-
Reserved for prepaids	-	-	-	-	-	-	-	-
Reserved for notes receivable	-	-	-	-	-	-	-	-
Unreserved:								
Designated for capital commitments	874,987	4,188,708	-	-	-	-	-	-
Undesignated	587,811	-	959	34,029	(3,442,797)	-	-	-
Total fund balances	<u>1,680,121</u>	<u>4,445,171</u>	<u>959</u>	<u>94,019</u>	<u>149,378</u>	<u>692</u>	<u>137,040</u>	<u>3,951</u>
Total liabilities and fund balances	<u>\$ 1,806,973</u>	<u>\$ 4,446,433</u>	<u>\$ 959</u>	<u>\$ 113,419</u>	<u>\$ 1,445,877</u>	<u>\$ 692</u>	<u>\$ 137,903</u>	<u>\$ 3,951</u>

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2007

Debt Service Funds

	Assessment District #7 Debt Service Fund	Assessment District #9 Debt Service Fund	Assessment District #10 Debt Service Fund	2005 Redevelop- ment Bond Debt Service Fund	1997 C.O.P. Refunding Fund	1992 Street Assessment Improvement Fund	1993 Camino Real Improvement Bonds Fund	TOTALS
ASSETS								
Cash and investments	\$ -	\$ 26,063	\$ -	\$ -	\$ -	\$ 220,297	\$ 344,942	\$ 17,422,409
Restricted cash and investments:								
Cash with fiscal agent	-	-	-	1,237,222	-	70,642	81,148	1,389,012
Receivables:								
Federal distributions due	-	-	-	-	-	-	-	1,391,590
Due from State of California	-	-	-	-	-	-	-	850,901
Due from County of San Luis Obispo	-	-	-	-	-	-	-	508,226
Accrued interest	-	294	22	-	-	2,522	3,987	205,209
Other receivables	-	-	-	-	-	-	-	496
Prepaid expenses	-	-	-	-	-	-	-	951
Notes receivable	-	-	-	-	-	-	-	3,797,493
Total assets	<u>\$ -</u>	<u>\$ 26,357</u>	<u>\$ 22</u>	<u>\$ 1,237,222</u>	<u>\$ -</u>	<u>\$ 293,461</u>	<u>\$ 430,077</u>	<u>\$ 25,566,287</u>
LIABILITIES AND FUND BALANCES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,820,714
Accrued salaries and benefits	-	-	-	-	-	-	-	6,767
Due to other funds	60,309	-	328	-	-	-	-	1,020,916
Deferred revenue	-	-	-	-	-	-	-	408,946
Interfund advances payable	44,146	106,921	13,069	-	-	-	-	164,136
Total liabilities	<u>104,455</u>	<u>106,921</u>	<u>13,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,421,479</u>
Fund Balances:								
Reserved for encumbrances	-	-	-	-	-	-	-	6,388,772
Reserved for debt service	-	-	-	1,237,222	-	293,461	430,077	2,102,443
Reserved for bike paths	-	-	-	-	-	-	-	64,290
Reserved for prepaids	-	-	-	-	-	-	-	951
Reserved for notes receivable	-	-	-	-	-	-	-	3,797,493
Unreserved:								
Designated for capital commitments	-	-	-	-	-	-	-	8,949,835
Undesignated	(104,455)	(80,564)	(13,375)	-	-	-	-	(158,976)
Total fund balances	<u>(104,455)</u>	<u>(80,564)</u>	<u>(13,375)</u>	<u>1,237,222</u>	<u>-</u>	<u>293,461</u>	<u>430,077</u>	<u>21,144,808</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 26,357</u>	<u>\$ 22</u>	<u>\$ 1,237,222</u>	<u>\$ -</u>	<u>\$ 293,461</u>	<u>\$ 430,077</u>	<u>\$ 25,566,287</u>

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For Fiscal Year Ended June 30, 2007

	Special Revenue Funds							
	Supplemental Law Enforcement Services Fund	Low/ Moderate Income Housing Redevelopment Fund	In-Lieu Low Income Housing Fund	Business Improvement Association Fund	Community Development Block Grant Fund	Tree Plant Fund	Gas Tax Fund	AB2928 Traffic Congestion Relief Fund
Revenues:								
Taxes and assessments	\$ -	\$ 753,214	\$ -	\$ 9,320	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	1,749,707	-	-	32,884	-	-
Intergovernmental revenues	141,908	-	-	-	102,465	-	563,080	203,983
Use of money and property	2,134	108,879	20,885	587	-	31,852	25,456	7,404
Other revenues	-	-	-	-	-	-	1,081	-
Total revenues	144,042	862,093	1,770,592	9,907	102,465	64,736	589,617	211,387
Expenditures:								
Salaries and benefits	21,477	5,384	-	-	-	-	261,908	-
Supplies and services	17,868	-	31,152	10,500	26,645	4,685	524,346	-
Special projects and studies	3,583	447,918	-	-	48,226	-	10,958	17,239
Capital outlay	98,980	-	-	-	32,864	13,245	8,075	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	141,908	453,302	31,152	10,500	107,735	17,930	805,287	17,239
Excess of revenues over (under) expenditures	2,134	408,791	1,739,440	(593)	(5,270)	46,806	(215,670)	194,148
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	5,270	-	289,880	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	5,270	-	289,880	-
Excess of revenues and other sources over (under) expenditures and other uses	2,134	408,791	1,739,440	(593)	-	46,806	74,210	194,148
Fund balance, June 30, 2006	4,425	1,750,030	2,466,733	14,719	(286)	534,333	442,497	4,821
Prior year adjustment	-	-	-	-	-	-	-	-
Fund balance, June 30, 2007	\$ 6,559	\$ 2,158,821	\$ 4,206,173	\$ 14,126	\$ (286)	\$ 581,139	\$ 516,707	\$ 198,969

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2007

	Special Revenue Funds						
	Local Transportation Fund	Street Assessment Fund	Sidewalk In- Lieu Fees Fund	General Government Facilities Fees Fund	Circulation System Fees Fund	Storm Drainage Facilities Fees Fund	Amapoa/ Tecorida Drainage Impact Fees Fund
Revenues:							
Taxes and assessments	\$ -	\$ 2,100	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	56,463	875,897	198,107	-
Intergovernmental revenues	1,180,788	-	-	-	189,441	-	-
Use of money and property	58,881	4,293	542	(12,904)	41,124	35,372	7,150
Other revenues	-	-	-	-	-	-	-
Total revenues	<u>1,239,669</u>	<u>6,393</u>	<u>542</u>	<u>43,559</u>	<u>1,106,462</u>	<u>233,479</u>	<u>7,150</u>
Expenditures:							
Salaries and benefits	-	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-	-
Special projects and studies	-	37,652	-	-	519,823	8,783	-
Capital outlay	542,699	-	-	-	3,838,220	213,239	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>542,699</u>	<u>37,652</u>	<u>-</u>	<u>-</u>	<u>4,358,043</u>	<u>222,022</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>696,970</u>	<u>(31,259)</u>	<u>542</u>	<u>43,559</u>	<u>(3,251,581)</u>	<u>11,457</u>	<u>7,150</u>
Other Financing Sources (Uses):							
Transfers in	7,932	-	-	-	2,428,787	46,578	-
Transfers out	(611,102)	-	-	-	-	(7,932)	(46,578)
Total other financing sources (uses)	<u>(603,170)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,428,787</u>	<u>38,646</u>	<u>(46,578)</u>
Excess of revenues and other sources over (under) expenditures and other uses	93,800	(31,259)	542	43,559	(822,794)	50,103	(39,428)
Fund balance, June 30, 2006	1,511,421	90,971	3,553	(301,622)	1,054,034	614,621	137,476
Prior year adjustment	-	-	-	-	-	-	-
Fund balance, June 30, 2007	<u>\$ 1,605,221</u>	<u>\$ 59,712</u>	<u>\$ 4,095</u>	<u>\$ (258,063)</u>	<u>\$ 231,240</u>	<u>\$ 664,724</u>	<u>\$ 98,048</u>

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2007

	Special Revenue Funds							
	Law Enforcement Facilities Fees Fund	Fire Facilities Fees Fund	Open Space Acquisition Fees Fund	Parkland Facilities Fees Fund	Public Facilities Fees Fund	Library Expansion Facilities Fees Fund	Fire Aerial Vehicle Impact Fees Fund	Proposition 12 Fund
Revenues:								
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	88,857	148,715	156,128	612,345	198,379	63,460	-	-
Intergovernmental revenues	-	-	-	290,138	-	-	-	363,833
Use of money and property	4,672	34,006	11,511	17,671	7,633	4,629	(228)	-
Other revenues	-	-	-	-	-	-	-	-
Total revenues	93,529	182,721	167,639	920,154	206,012	68,089	(228)	363,833
Expenditures:								
Salaries and benefits	-	-	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-	-	-
Special projects and studies	-	-	-	17,901	-	-	-	-
Capital outlay	-	-	-	857,849	-	-	-	213,948
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	875,750	-	-	-	213,948
Excess of revenues over (under) expenditures	93,529	182,721	167,639	44,404	206,012	68,089	(228)	149,885
Other Financing Sources (Uses):								
Transfers in	-	-	-	166,437	-	-	150,000	20,197
Transfers out	(70,228)	-	-	(129,029)	(153,019)	-	-	(166,437)
Total other financing sources (uses)	(70,228)	-	-	37,408	(153,019)	-	150,000	(146,240)
Excess of revenues and other sources over (under) expenditures and other uses	23,301	182,721	167,639	81,812	52,993	68,089	149,772	3,645
Fund balance, June 30, 2006	59,010	347,835	160,144	492,243	106,775	64,243	-	(3,645)
Prior year adjustment	-	-	-	-	-	-	-	-
Fund balance, June 30, 2007	\$ 82,311	\$ 530,556	\$ 327,783	\$ 574,055	\$ 159,768	\$ 132,332	\$ 149,772	\$ -

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2007

	Special Revenue Funds						
	Community Facilities District Fund	Apple Valley Street & Storm Drain Assessment District Fund	Apple Valley Landscape & Lighting Assessment District Fund	Las Lomas Street & Storm Drain Assessment District Fund	Las Lomas Landscape & Lighting Assessment District Fund	De Anza Street & Storm Drain Assessment District Fund	De Anza Landscape & Lighting Assessment District Fund
Revenues:							
Taxes and assessments	\$ 117,027	\$ 34,843	\$ 76,143	\$ 39,629	\$ 89,863	\$ 34,421	\$ 55,636
Licenses and permits	-	-	25,000	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-
Use of money and property	3,335	3,261	7,386	2,923	5,697	2,200	2,942
Other revenues	-	-	-	-	-	-	-
Total revenues	<u>120,362</u>	<u>38,104</u>	<u>108,529</u>	<u>42,552</u>	<u>95,560</u>	<u>36,621</u>	<u>58,578</u>
Expenditures:							
Salaries and benefits	-	-	-	-	-	-	-
Supplies and services	5,384	4,171	19,615	4,211	5,629	4,046	6,954
Special projects and studies	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>5,384</u>	<u>4,171</u>	<u>19,615</u>	<u>4,211</u>	<u>5,629</u>	<u>4,046</u>	<u>6,954</u>
Excess of revenues over (under) expenditures	<u>114,978</u>	<u>33,933</u>	<u>88,914</u>	<u>38,341</u>	<u>89,931</u>	<u>32,575</u>	<u>51,624</u>
Other Financing Sources (Uses):							
Transfers in	-	-	10,210	-	7,540	-	-
Transfers out	<u>(57,552)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(57,552)</u>	<u>-</u>	<u>10,210</u>	<u>-</u>	<u>7,540</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	57,426	33,933	99,124	38,341	97,471	32,575	51,624
Fund balance, June 30, 2006	46,298	75,706	124,638	55,123	41,914	39,266	33,910
Prior year adjustment	<u>-</u>	<u>(41,300)</u>	<u>(13,475)</u>	<u>(16,007)</u>	<u>54,775</u>	<u>(5,208)</u>	<u>21,215</u>
Fund balance, June 30, 2007	<u>\$ 103,724</u>	<u>\$ 68,339</u>	<u>\$ 210,287</u>	<u>\$ 77,457</u>	<u>\$ 194,160</u>	<u>\$ 66,633</u>	<u>\$ 106,749</u>

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2007

	Capital Projects Funds					Debt Service Funds		
	Capital Projects Fund	2005 Redevelopment Bond Project Fund	Assessment District #8 Construction Fund	Historic City Hall Rehabilitation Fund	Youth Center Construction Fund	Assessment District #3 Debt Service Fund	Assessment District #4 Debt Service Fund	Assessment District #5 Debt Service Fund
Revenues:								
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	79,297	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	2,206,569	-	-	-
Use of money and property	113,885	297,423	53	(473)	20,171	38	9,825	217
Other revenues	-	-	-	-	-	-	-	-
Total revenues	193,182	297,423	53	(473)	2,226,740	38	9,825	217
Expenditures:								
Salaries and benefits	-	-	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-	3,390	-
Special projects and studies	78,343	-	-	70,739	-	-	-	-
Capital outlay	657,812	862,206	-	49,526	2,754,136	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	80,000	-
Interest	-	-	-	-	-	-	9,750	-
Total expenditures	736,155	862,206	-	120,265	2,754,136	-	93,140	-
Excess of revenues over (under) expenditures	(542,973)	(564,783)	53	(120,738)	(527,396)	38	(83,315)	217
Other Financing Sources (Uses):								
Transfers in	738,212	-	-	394,260	314,887	-	-	-
Transfers out	(607,197)	(1,359,692)	-	-	-	-	-	-
Total other financing sources (uses)	131,015	(1,359,692)	-	394,260	314,887	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(411,958)	(1,924,475)	53	273,522	(212,509)	38	(83,315)	217
Fund balance, June 30, 2006	2,092,079	6,369,646	906	(179,503)	361,887	654	220,355	3,734
Prior year adjustment	-	-	-	-	-	-	-	-
Fund balance, June 30, 2007	\$ 1,680,121	\$ 4,445,171	\$ 959	\$ 94,019	\$ 149,378	\$ 692	\$ 137,040	\$ 3,951

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2007

	Debt Service Funds							
	Assessment District #7 Debt Service Fund	Assessment District #9 Debt Service Fund	Assessment District #10 Debt Service Fund	2005 Redevelopment Bond Debt Service Fund	1997 C.O.P. Refunding Fund	1992 Street Assessment Improvement Fund	1993 Camino Real Improvement Bonds Fund	TOTALS
Revenues:								
Taxes and assessments	\$ 14,983	\$ 26,781	\$ 3,632	\$ -	\$ -	\$ 74,996	\$ 175,616	\$ 1,508,204
Licenses and permits	-	-	-	-	-	-	-	4,285,239
Intergovernmental revenues	-	-	-	-	-	-	-	5,242,205
Use of money and property	(2,497)	1,008	45	81,305	-	14,035	19,635	993,963
Other revenues	-	-	-	-	-	-	-	1,081
Total revenues	12,486	27,789	3,677	81,305	-	89,031	195,251	12,030,692
Expenditures:								
Salaries and benefits	-	-	-	-	-	-	-	288,769
Supplies and services	467	615	-	2,200	-	5,246	2,164	679,288
Special projects and studies	-	-	-	-	-	-	-	1,261,165
Capital outlay	-	-	-	-	-	-	-	10,142,799
Debt service:								
Principal	-	-	-	-	135,000	60,000	110,000	385,000
Interest	2,943	5,881	798	574,042	24,610	9,595	56,443	684,062
Total expenditures	3,410	6,496	798	576,242	159,610	74,841	168,607	13,441,083
Excess of revenues over (under) expenditures	9,076	21,293	2,879	(494,937)	(159,610)	14,190	26,644	(1,410,391)
Other Financing Sources (Uses):								
Operating transfers in	-	-	-	2,200	159,610	-	-	4,742,000
Operating transfers out	-	-	-	-	-	-	-	(3,208,766)
Total other financing sources (uses)	-	-	-	2,200	159,610	-	-	1,533,234
Excess of revenues and other sources over (under) expenditures and other uses	9,076	21,293	2,879	(492,737)	-	14,190	26,644	122,843
Fund balance, June 30, 2006	(113,531)	(101,857)	(16,254)	1,729,959	-	279,271	403,433	21,021,965
Prior year adjustment	-	-	-	-	-	-	-	-
Fund balance, June 30, 2007	\$ (104,455)	\$ (80,564)	\$ (13,375)	\$ 1,237,222	\$ -	\$ 293,461	\$ 430,077	\$ 21,144,808

CITY OF ATASCADERO

SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
S.L.E.S.F. Grant	\$ 71,150	\$ 171,150	\$ 141,908	\$ (29,242)
Interest income	-	-	2,134	2,134
Total revenues	<u>71,150</u>	<u>171,150</u>	<u>144,042</u>	<u>(27,108)</u>
Expenditures:				
Employee services	28,200	46,140	21,477	24,663
Communications	-	10,050	7,477	2,573
Operating supplies	7,900	10,000	6,639	3,361
Professional development	-	-	3,752	(3,752)
Special projects and purchases:				
Replace radios	-	4,450	3,583	867
Bar code scanner	-	1,000	-	1,000
Fencing- evidence room	1,120	1,050	-	1,050
Capital outlay:				
New computers	-	18,950	18,941	9
Firewall project	-	-	14,773	(14,773)
Mobile data terminals	34,900	41,710	38,522	3,188
Radio repeater project	-	28,650	13,878	14,772
Frame relay- MDC project	-	-	3,249	(3,249)
Radar / lidar equipment	-	10,120	9,617	503
Total expenditures	<u>72,120</u>	<u>172,120</u>	<u>141,908</u>	<u>30,212</u>
Excess of revenues over (under) expenditures	<u>\$ (970)</u>	<u>\$ (970)</u>	<u>2,134</u>	<u>\$ 3,104</u>
Fund balance, June 30, 2006			<u>4,425</u>	
Fund balance, June 30, 2007			<u>\$ 6,559</u>	

CITY OF ATASCADERO

LOW/MODERATE INCOME HOUSING REDEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 433,880	\$ 433,880	\$ 753,214	\$ 319,334
Interest income	43,030	43,030	108,879	65,849
Total revenues	<u>476,910</u>	<u>476,910</u>	<u>862,093</u>	<u>385,183</u>
Expenditures:				
Employee services	5,580	5,580	5,384	196
Special projects and purchases:				
SLO County Housing Trust Fund	5,000	5,000	5,000	-
SLO Non-Profit Housing Senior Project	142,920	142,920	142,918	2
Habitat for Humanity Project	-	370,000	300,000	70,000
Total expenditures	<u>153,500</u>	<u>523,500</u>	<u>453,302</u>	<u>70,198</u>
Excess of revenues over (under) expenditures	<u>\$ 323,410</u>	<u>\$ (46,590)</u>	408,791	<u>\$ 455,381</u>
Fund balance, June 30, 2006			<u>1,750,030</u>	
Fund balance, June 30, 2007			<u>\$ 2,158,821</u>	

CITY OF ATASCADERO

IN-LIEU LOW INCOME HOUSING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Affordable Housing Loan Program	\$ -	\$ -	\$ 1,682,447	\$ 1,682,447
Low/Moderate Housing In Lieu Fees	55,000	55,000	67,260	12,260
Interest income	3,510	3,510	20,885	17,375
Total revenues	<u>58,510</u>	<u>58,510</u>	<u>1,770,592</u>	<u>1,712,082</u>
Expenditures:				
Legal services	-	-	31,152	(31,152)
Special projects and purchases:				
Cason Street home purchase	-	325,000	-	325,000
Total expenditures	<u>-</u>	<u>325,000</u>	<u>31,152</u>	<u>293,848</u>
Excess of revenues over (under) expenditures	<u>\$ 58,510</u>	<u>\$ (266,490)</u>	<u>1,739,440</u>	<u>\$ 2,005,930</u>
Fund balance, June 30, 2006			<u>2,466,733</u>	
Fund balance, June 30, 2007			<u>\$ 4,206,173</u>	

CITY OF ATASCADERO
BUSINESS IMPROVEMENT ASSOCIATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 10,300	\$ 10,300	\$ 9,320	\$ (980)
Interest income	140	140	587	447
Total revenues	<u>10,440</u>	<u>10,440</u>	<u>9,907</u>	<u>(533)</u>
Expenditures:				
Contract services- Main Street Program	11,200	11,200	10,500	700
Total expenditures	<u>11,200</u>	<u>11,200</u>	<u>10,500</u>	<u>700</u>
Excess of revenues over (under) expenditures	<u>\$ (760)</u>	<u>\$ (760)</u>	(593)	<u>\$ 167</u>
Fund balance, June 30, 2006			<u>14,719</u>	
Fund balance, June 30, 2007			<u>\$ 14,126</u>	

CITY OF ATASCADERO

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Community Development Block Grant	\$ 647,810	\$ 649,440	\$ 102,465	\$ (546,975)
Total revenues	647,810	649,440	102,465	(546,975)
Expenditures:				
Administration	25,020	26,650	26,645	5
Special projects and studies:				
City ADA Infrastructure Upgrades	65,150	65,150	-	65,150
Revolving Loan Program	22,980	22,980	-	22,980
Cuesta Small Business Development	4,020	4,020	4,020	-
EOC Forty Wonderful Program	1,500	1,500	1,500	-
EOC Teen Parenting Program	1,500	1,500	1,500	-
Hotline of SLO County	1,000	1,000	-	1,000
EOC Senior Health Screening	2,000	2,000	2,000	-
La Clinica de Tolosa Dental Care	2,500	2,500	2,500	-
Senior Volunteer Services- Caring Callers	2,000	2,000	-	2,000
El Camino Homeless Organization	11,830	11,830	11,830	-
North County Women's Shelter Projects	2,200	2,200	2,180	20
Loaves & Fishes Groceries	7,500	7,500	7,500	-
CASA - At-Risk Youth Support	2,000	2,000	2,000	-
Bilingual Liaison - Community Link	1,500	1,500	1,500	-
Escuela del Rio Training Facility	25,000	25,000	3,461	21,539
Youth Scholarships	8,240	8,240	8,235	5
City Street Light Replacement	50,000	50,000	-	50,000
Sidewalk Improvement	174,520	-	-	-
Code Enforcement	89,690	89,690	-	89,690
Capital outlay:				
Lake Park Restroom Access Project	150,670	150,670	10,825	139,845
Colony Park Sidewalk Improvement Project	-	358,020	18,134	339,886
La Linea Public Improvements Project	4,320	4,320	3,905	415
Total expenditures	655,140	840,270	107,735	732,535
Excess of revenues over (under) expenditures	(7,330)	(190,830)	(5,270)	185,560

CITY OF ATASCADERO

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Transfer from Local Transportation Fund for the La Linea Public Improvements Project	\$ 4,320	\$ 4,320	\$ 3,905	\$ (415)
Transfer from Sidewalk In-Lieu Fees Fund for the Colony Park Sidewalk Improvement Project	3,010	3,010	-	(3,010)
Transfer from 2005 Redevelopment Bond Project Fund for the Colony Park Sidewalk Improvement Project	-	183,500	1,365	(182,135)
Total other financing sources (uses)	<u>7,330</u>	<u>190,830</u>	<u>5,270</u>	<u>(185,560)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, June 30, 2006			<u>(286)</u>	
Fund balance, June 30, 2007			<u>\$ (286)</u>	

CITY OF ATASCADERO

TREE PLANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Permits and fees	\$ 40,000	\$ 40,000	\$ 32,884	\$ (7,116)
Interest income	6,010	6,010	31,852	25,842
Total revenues	46,010	46,010	64,736	18,726
Expenditures:				
Office expense	-	-	406	(406)
Operating supplies	5,000	5,000	1,853	3,147
Contract services	42,000	42,000	2,426	39,574
Capital outlay:				
Native Tree Atlas	66,930	66,930	13,245	53,685
Property acquisition	200,000	200,000	-	200,000
Total expenditures	313,930	313,930	17,930	296,000
Excess of revenues over (under) expenditures	(267,920)	(267,920)	46,806	314,726
Other Financing Sources (Uses):				
Transfer to the Open Space Acquisition Fund for the Davis Land Open Space Acquisition Project	-	(50,000)	-	50,000
Total other financing sources (uses)	-	(50,000)	-	50,000
Excess of revenues and other sources over (under) expenditures and other uses	\$ (267,920)	\$ (317,920)	46,806	\$ 364,726
Fund balance, June 30, 2006			534,333	
Fund balance, June 30, 2007			\$ 581,139	

CITY OF ATASCADERO

GAS TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State gasoline tax	\$ 521,700	\$ 521,700	\$ 533,722	\$ 12,022
OES reimbursements- 2006 floods	-	2,740	7,339	4,599
FEMA reimbursements- 2006 floods	-	8,220	22,019	13,799
Interest income	4,000	4,000	25,456	21,456
Other revenues	-	-	1,081	1,081
Total revenues	525,700	536,660	589,617	52,957
Expenditures:				
Salaries and benefits	337,360	271,660	261,908	9,752
Office expense		50	43	7
Computer maintenance & replacement	4,610	4,610	4,610	-
Insurance	15,120	15,120	13,024	2,096
Occupancy	-	420	415	5
Utilities	68,000	65,890	60,586	5,304
Communications	2,600	4,240	4,234	6
Operating supplies and equipment	83,610	138,110	137,852	258
Vehicle and equipment operations	46,200	57,400	57,343	57
Contract services	130,250	130,250	119,159	11,091
Professional development	1,000	1,000	323	677
Recruitment	650	650	577	73
Administrative charges	126,180	126,180	126,180	-
Special projects:				-
Storm related clean up	-	10,960	10,958	2
Capital outlay:				
Trailer	-	10,500	8,075	2,425
Total expenditures	815,580	837,040	805,287	31,753
Excess of revenues over (under) expenditures	(289,880)	(300,380)	(215,670)	84,710
Other Financing Sources (Uses):				
Transfer from General Fund for street maintenance	289,880	289,880	289,880	-
Total other financing sources (uses)	289,880	289,880	289,880	-
Excess of revenues and other sources over (under) expenditures and other uses	\$ -	\$ (10,500)	74,210	\$ 84,710
Fund balance, June 30, 2006			442,497	
Fund balance, June 30, 2007			\$ 516,707	

CITY OF ATASCADERO

AB2928 TRAFFIC CONGESTION RELIEF FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
AB2928- Traffic Congestion Relief	\$ 120,880	\$ 120,880	\$ 203,983	\$ 83,103
Interest income	1,510	1,510	7,404	5,894
Total revenues	<u>122,390</u>	<u>122,390</u>	<u>211,387</u>	<u>88,997</u>
Expenditures:				
Special projects:				
Minor street overlay projects	122,390	122,390	17,239	105,151
Total expenditures	<u>122,390</u>	<u>122,390</u>	<u>17,239</u>	<u>105,151</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	194,148	<u>\$ 194,148</u>
Fund balance, June 30, 2006			<u>4,821</u>	
Fund balance, June 30, 2007			<u>\$ 198,969</u>	

CITY OF ATASCADERO
LOCAL TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local Transportation Tax - Article 3 Bike Paths	\$ 19,500	\$ 19,500	\$ 20,034	\$ 534
Local Transportation Tax - Article 8 Streets	773,500	773,500	767,754	(5,746)
USHA Funds - Curbaril Avenue Overlay	-	393,000	393,000	-
Interest income	32,140	32,140	58,881	26,741
Total revenues	825,140	1,218,140	1,239,669	21,529
Expenditures:				
Capital outlay:				
Traffic Way Rehabilitation Project	286,940	286,940	21,958	264,982
06/07 Road Rehabilitation Project	430,380	430,380	29,276	401,104
Road Slope Stabilization Project	205,120	205,120	52,607	152,513
Curbaril Ave Overlay I (101 to Azucena)	2,430	2,430	-	2,430
Curbaril Ave Overlay II (41 Gaps)	149,360	542,360	409,477	132,883
Old Morro Road Overlay Project	13,550	13,550	11,085	2,465
El Bordo Improvement Project	23,100	23,100	18,296	4,804
Total expenditures	1,110,880	1,503,880	542,699	961,181
Excess of revenues over (under) expenditures	(285,740)	(285,740)	696,970	982,710
Other Financing Sources (Uses):				
Transfer from Storm Drainage Facilities Fees Fund- El Bordo Sidewalk	10,020	10,020	7,932	(2,088)
Transfer to Circulation System Fees Fund for a portion of the Lewis Avenue Bridge Project	-	(1,000,000)	(607,197)	392,803
Transfer to Community Development Block Grant Fund for a portion of the La Linea Project	(4,320)	(4,320)	(3,905)	415
Total other financing sources (uses)	5,700	(994,300)	(603,170)	391,130
Excess of revenues and other sources over (under) expenditures and other uses	\$ (280,040)	\$ (1,280,040)	93,800	\$ 1,373,840
Fund balance, June 30, 2006			1,511,421	
Fund balance, June 30, 2007			\$ 1,605,221	

CITY OF ATASCADERO
STREET ASSESSMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ 2,070	\$ 2,070	\$ 2,100	\$ 30
Interest income	1,010	1,010	4,293	3,283
Total revenues	<u>3,080</u>	<u>3,080</u>	<u>6,393</u>	<u>3,313</u>
Expenditures:				
Special projects:				
Lobos Lane road repairs	8,880	8,880	7,018	1,862
Sonora / Pinal road repairs	8,230	8,230	319	7,911
Maleza road repairs	4,370	4,370	167	4,203
Aguila road repairs	9,940	9,940	-	9,940
Pinal / Escarpa road repairs	15,150	15,150	1,450	13,700
Cayucos road repairs	1,800	1,800	-	1,800
Falda road repairs	31,630	31,630	28,698	2,932
Total expenditures	<u>80,000</u>	<u>80,000</u>	<u>37,652</u>	<u>42,348</u>
Excess of revenues over (under) expenditures	<u>\$ (76,920)</u>	<u>\$ (76,920)</u>	<u>(31,259)</u>	<u>\$ 45,661</u>
Fund balance, June 30, 2006			<u>90,971</u>	
Fund balance, June 30, 2007			<u>\$ 59,712</u>	

CITY OF ATASCADERO
SIDEWALK IN-LIEU FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ 542	\$ 542
Total revenues	-	-	542	542
Excess of revenues over expenditures	-	-	542	542
Other Financing Sources (Uses):				
Transfer to the Community Development Block Grant Fund for the Colony Park Sidewalk Project	(3,010)	(3,010)	-	3,010
Total other financing sources (uses)	(3,010)	(3,010)	-	3,010
Excess of revenues and other sources over (under) expenditures and other uses	\$ (3,010)	\$ (3,010)	542	\$ 3,552
Fund balance, June 30, 2006			3,553	
Fund balance, June 30, 2007			\$ 4,095	

CITY OF ATASCADERO
GENERAL GOVERNMENT FACILITIES FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 38,510	\$ 38,510	\$ 56,463	\$ 17,953
Interest income	-	-	(12,904)	(12,904)
Total revenues	<u>38,510</u>	<u>38,510</u>	<u>43,559</u>	<u>5,049</u>
Excess of revenues over (under) expenditures	<u>\$ 38,510</u>	<u>\$ 38,510</u>	43,559	\$ 5,049
Fund balance, June 30, 2006			<u>(301,622)</u>	
Fund balance, June 30, 2007			<u>\$ (258,063)</u>	

CITY OF ATASCADERO
CIRCULATION SYSTEM FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 1,020,610	\$ 1,020,610	\$ 875,897	\$ (144,713)
HBRR Grant - Garcia Road Bridge	2,400	2,400	2,400	-
Federal Transportation Grant- Lewis Avenue Bridge	250,000	250,000	151,799	(98,201)
RSHA Grant - Interchange Improvement Study	40,730	40,730	35,242	(5,488)
Interest income	7,930	7,930	41,124	33,194
Total revenues	<u>1,321,670</u>	<u>1,321,670</u>	<u>1,106,462</u>	<u>(215,208)</u>
Expenditures:				
Special projects and studies:				
Interchange Improvements Study	138,470	138,470	119,823	18,647
Minor interchange improvements	80,000	80,000	-	80,000
US 101 @ Morro Road Interchange Improvements	428,150	428,150	400,000	28,150
Capital outlay:				
Santa Cruz Road Extension	10,340	10,340	-	10,340
Highway 41 @ San Gabriel Traffic Signal	261,320	304,340	248,701	55,639
Lewis Avenue Bridge Project	2,286,170	5,834,170	3,580,001	2,254,169
Downtown Pedestrian Bridge Project	-	-	4,740	(4,740)
Garcia Road Bridge Replacement	3,000	3,000	4,778	(1,778)
Total expenditures	<u>3,207,450</u>	<u>6,798,470</u>	<u>4,358,043</u>	<u>2,440,427</u>
Excess of revenues over (under) expenditures	<u>(1,885,780)</u>	<u>(5,476,800)</u>	<u>(3,251,581)</u>	<u>2,225,219</u>
Other Financing Sources (Uses):				
Transfer from 2005 Redevelopment Bond Project Fund for the Lewis Avenue Bridge Project	1,000,000	2,000,000	1,214,393	(785,607)
Transfer from Capital Projects Fund for the Lewis Avenue Bridge Project	-	1,000,000	607,197	(392,803)
Transfer from Local Transportation Fund for the Lewis Avenue Bridge Project	-	1,000,000	607,197	(392,803)
Total other financing sources (uses)	<u>1,000,000</u>	<u>4,000,000</u>	<u>2,428,787</u>	<u>(1,571,213)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (885,780)</u>	<u>\$ (1,476,800)</u>	<u>(822,794)</u>	<u>\$ 654,006</u>
Fund balance, June 30, 2006			<u>1,054,034</u>	
Fund balance, June 30, 2007			<u>\$ 231,240</u>	

CITY OF ATASCADERO
STORM DRAINAGE FACILITIES FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 115,090	\$ 115,090	\$ 198,107	\$ 83,017
Interest income	4,690	4,690	35,372	30,682
Total revenues	119,780	119,780	233,479	113,699
Expenditures:				
Special projects				
2006/2007 Drainage Improvement Program	60,620	60,620	8,783	51,837
Capital projects:				
2006 Marchant Avenue Drainage	528,000	528,000	46,578	481,422
Los Osos Culvert Project	79,620	79,620	79,861	(241)
Carmelita Drainage Project	2,250	2,250	2,244	6
Traffic Way / Chico Rd Drainage Project	81,360	81,360	84,556	(3,196)
Total expenditures	751,850	751,850	222,022	529,828
Excess of revenues over (under) expenditures	(632,070)	(632,070)	11,457	643,527
Other Financing Sources (Uses):				
Transfer from Amapoa Tecorida Drainage Impact Fee Fund for the 06/07 Drainage Improvement Project	134,050	134,050	46,578	(87,472)
Transfer to the Local Transportation Fund for the El Bordo Improvement Project	(10,020)	(10,020)	(7,932)	2,088
Total other financing sources (uses)	124,030	124,030	38,646	(85,384)
Excess of revenues and other sources over (under) expenditures and other uses	\$ (508,040)	\$ (508,040)	50,103	\$ 558,143
Fund balance, June 30, 2006			614,621	
Fund balance, June 30, 2007			\$ 664,724	

CITY OF ATASCADERO

AMAPOA/TECORIDA DRAINAGE IMPACT FEES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ 7,150	\$ 7,150
Total revenues	-	-	7,150	7,150
Excess of revenues over (under) expenditures	-	-	7,150	7,150
Other Financing Sources (Uses):				
Transfer to the Storm Drainage Facilities Fees Fund for the 2006 Marchant Avenue Drainage Project	(134,050)	(134,050)	(46,578)	87,472
Total other financing sources (uses)	(134,050)	(134,050)	(46,578)	87,472
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (134,050)</u>	<u>\$ (134,050)</u>	(39,428)	<u>\$ 94,622</u>
Fund balance, June 30, 2006			137,476	
Fund balance, June 30, 2007			<u>\$ 98,048</u>	

CITY OF ATASCADERO

LAW ENFORCEMENT FACILITIES FEES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 49,780	\$ 49,780	\$ 88,857	\$ 39,077
Interest income	480	480	4,672	4,192
Total revenues	<u>50,260</u>	<u>50,260</u>	<u>93,529</u>	<u>43,269</u>
Excess of revenues over (under) expenditures	<u>50,260</u>	<u>50,260</u>	<u>93,529</u>	<u>43,269</u>
Other Financing Sources (Uses):				
Transfer to COP Fund for debt service on police station	(70,230)	(70,230)	(70,228)	2
Total other financing sources (uses)	<u>(70,230)</u>	<u>(70,230)</u>	<u>(70,228)</u>	<u>2</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (19,970)</u>	<u>\$ (19,970)</u>	23,301	<u>\$ 43,271</u>
Fund balance, June 30, 2006			<u>59,010</u>	
Fund balance, June 30, 2007			<u>\$ 82,311</u>	

CITY OF ATASCADERO
FIRE FACILITIES FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 96,510	\$ 96,510	\$ 148,715	\$ 52,205
Rental income	10,800	10,800	10,800	-
Interest income	10,010	10,010	23,206	13,196
Total revenues	<u>117,320</u>	<u>117,320</u>	<u>182,721</u>	<u>65,401</u>
Excess of revenues over (under) expenditures	<u>\$ 117,320</u>	<u>\$ 117,320</u>	<u>182,721</u>	<u>\$ 65,401</u>
Fund balance, June 30, 2006			<u>347,835</u>	
Fund balance, June 30, 2007			<u>\$ 530,556</u>	

CITY OF ATASCADERO
OPEN SPACE ACQUISITION FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 105,790	\$ 105,790	\$ 156,128	\$ 50,338
Interest income	4,940	4,940	11,511	6,571
Total revenues	110,730	110,730	167,639	56,909
Expenditures:				
Special projects				
Acquisition of Open Space Easement- Davis Property	-	250,000	-	250,000
Total expenditures	-	250,000	-	250,000
Excess of revenues over (under) expenditures	110,730	(139,270)	167,639	306,909
Other Financing Sources (Uses):				
Transfer from the Tree Plant Fund for the purchase of the Davis Property open space easement	-	50,000	-	(50,000)
Total other financing sources (uses)	-	50,000	-	(50,000)
Excess of revenues and other sources over (under) expenditures and other uses	\$ 110,730	\$ (89,270)	167,639	\$ 256,909
Fund balance, June 30, 2006			160,144	
Fund balance, June 30, 2007			\$ 327,783	

CITY OF ATASCADERO

PARKLAND FACILITIES FEES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 403,220	\$ 403,220	\$ 612,345	\$ 209,125
Roberti Z'Berg Harris Grant	70,150	70,150	70,138	(12)
Proposition 40 Funds	-	220,000	220,000	-
Interest income	9,830	9,830	17,671	7,841
Total revenues	<u>483,200</u>	<u>703,200</u>	<u>920,154</u>	<u>216,954</u>
Expenditures:				
Special projects & community funding:				
Lake Park minor improvements	52,380	15,370	12,868	2,502
Trash receptacles	2,500	4,500	4,462	38
Fencing	2,000	-	-	-
Sign replacement	5,000	2,500	571	1,929
Capital Projects:				
Lake Park Other Improvements	4,000	2,380	4,327	(1,947)
AARP Landscaping Project	27,690	32,460	32,091	369
Lake Park BBQ Area #2 Renovation	28,960	54,020	59,675	(5,655)
Lake Park Playground Lawn Expansion Project	-	4,500	3,360	1,140
Lake Park Trail Expansion Project	-	6,800	6,931	(131)
Paloma Creek Park Acquisition	894,000	894,000	751,465	142,535
Total expenditures	<u>1,016,530</u>	<u>1,016,530</u>	<u>875,750</u>	<u>140,780</u>
Excess of revenues over (under) expenditures	<u>(533,330)</u>	<u>(313,330)</u>	<u>44,404</u>	<u>357,734</u>
Other Financing Sources (Uses):				
Transfer from the Proposition 12 Fund for the purchase of Paloma Creek Park	-	163,910	166,437	2,527
Transfer to the Youth Center Construction Fund	(450,000)	(833,910)	(129,029)	704,881
Total other financing sources (uses)	<u>(450,000)</u>	<u>(670,000)</u>	<u>37,408</u>	<u>707,408</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (983,330)</u>	<u>\$ (983,330)</u>	<u>81,812</u>	<u>\$ 1,065,142</u>
Fund balance, June 30, 2006			<u>492,243</u>	
Fund balance, June 30, 2007			<u>\$ 574,055</u>	

CITY OF ATASCADERO
PUBLIC FACILITIES FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 136,150	\$ 136,150	\$ 198,379	\$ 62,229
Interest income	(100)	(100)	7,633	7,733
Total revenues	<u>136,050</u>	<u>136,050</u>	<u>206,012</u>	<u>69,962</u>
Excess of revenues over expenditures	<u>136,050</u>	<u>136,050</u>	<u>206,012</u>	<u>69,962</u>
Other Financing Sources (Uses):				
Transfer to 1997 C.O.P. Refunding Fund for debt service on the pavilion	(47,880)	(47,880)	(47,883)	(3)
Transfer to Youth Center Construction Fund	<u>(170,000)</u>	<u>(170,000)</u>	<u>(105,136)</u>	<u>64,864</u>
Total other financing sources (uses)	<u>(217,880)</u>	<u>(217,880)</u>	<u>(153,019)</u>	<u>64,861</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (81,830)</u>	<u>\$ (81,830)</u>	52,993	<u>\$ 134,823</u>
Fund balance, June 30, 2006			<u>106,775</u>	
Fund balance, June 30, 2007			<u>\$ 159,768</u>	

CITY OF ATASCADERO

LIBRARY EXPANSION FACILITIES FEES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Fund balance, June 30, 2003

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 43,040	\$ 43,040	\$ 63,460	\$ 20,420
Interest income	2,010	2,010	4,629	2,619
Total revenues	45,050	45,050	68,089	23,039
Excess of revenues over expenditures	\$ 45,050	\$ 45,050	68,089	\$ 23,039
Fund balance, June 30, 2006			64,243	
Fund balance, June 30, 2007			\$ 132,332	

CITY OF ATASCADERO

FIRE AERIAL VEHICLE IMPACT FEES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ (228)	\$ (228)
Total revenues	-	-	(228)	(228)
Excess of revenues over (under) expenditures	-	-	(228)	(228)
Other Financing Sources (Uses):				
Transfer from the General Fund for the purchase of a fire aerial truck	-	150,000	150,000	-
Total other financing sources (uses)	-	150,000	150,000	-
Excess of revenues and other sources over (under) expenditures and other uses	\$ -	\$ 150,000	149,772	\$ (228)
Fund balance, June 30, 2006			-	
Fund balance, June 30, 2007			\$ 149,772	

CITY OF ATASCADERO
PROPOSITION 12 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Proposition 12 funds	\$ 367,560	\$ 363,840	\$ 363,833	\$ (7)
Total revenues	367,560	363,840	363,833	(7)
Expenditures:				
Capital outlay:				
Zoo Utility Renovation Project	203,650	220,130	213,948	6,182
Total expenditures	203,650	220,130	213,948	6,182
Excess of revenues over (under) expenditures	163,910	143,710	149,885	6,175
Other Financing Sources (Uses):				
Transfer from General Fund	-	20,200	20,197	(3)
Transfer to Parkland Facilities Fees Fund for the purchase of Paloma Creek Park	-	(163,910)	(166,437)	(2,527)
Transfer to Youth Center Construction Fund	(163,910)	-	-	-
Total other financing sources (uses)	(163,910)	(143,710)	(146,240)	(2,530)
Excess of revenues and other sources over expenditures and other uses	\$ -	\$ -	3,645	\$ 3,645
Fund balance, June 30, 2006			(3,645)	
Fund balance, June 30, 2007			\$ -	

CITY OF ATASCADERO
COMMUNITY FACILITIES DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 266,980	\$ 266,980	\$ 117,027	\$ (149,953)
Interest income	60	60	3,335	3,275
Total revenues	<u>267,040</u>	<u>267,040</u>	<u>120,362</u>	<u>(146,678)</u>
Expenditures:				
Contract services	-	-	5,384	(5,384)
Total expenditures	<u>-</u>	<u>-</u>	<u>5,384</u>	<u>(5,384)</u>
Excess of revenues over expenditures	<u>267,040</u>	<u>267,040</u>	<u>114,978</u>	<u>(152,062)</u>
Other Financing Sources (Uses):				
Transfer to the General Fund for police, fire and parks services	(263,130)	(263,130)	(57,552)	205,578
Total other financing sources (uses)	<u>(263,130)</u>	<u>(263,130)</u>	<u>(57,552)</u>	<u>205,578</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ 3,910</u>	<u>\$ 3,910</u>	57,426	<u>\$ 53,516</u>
Fund balance, June 30, 2006			<u>46,298</u>	
Fund balance, June 30, 2007			<u>\$ 103,724</u>	

CITY OF ATASCADEROAPPLE VALLEY STREET & STORM DRAIN ASSESSMENT DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 34,840	\$ 34,840	\$ 34,843	\$ 3
Interest income	690	690	3,261	2,571
Total revenues	<u>35,530</u>	<u>35,530</u>	<u>38,104</u>	<u>2,574</u>
Expenditures:				
Contract services	9,940	9,940	4,171	5,769
Administration	<u>2,860</u>	<u>2,860</u>	-	2,860
Total expenditures	<u>12,800</u>	<u>12,800</u>	<u>4,171</u>	<u>8,629</u>
Excess of revenues over expenditures	<u>\$ 22,730</u>	<u>\$ 22,730</u>	33,933	<u>\$ 11,203</u>
Fund balance, June 30, 2006			75,706	
Prior year adjustment			<u>(41,300)</u>	
Fund balance, June 30, 2007			<u>\$ 68,339</u>	

CITY OF ATASCADEROAPPLE VALLEY LANDSCAPE & LIGHTING ASSESSMENT DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 76,140	\$ 76,140	\$ 76,143	\$ 3
Contribution from developer	35,210	35,210	25,000	(10,210)
Interest income	390	390	7,386	6,996
Total revenues	<u>111,740</u>	<u>111,740</u>	<u>108,529</u>	<u>(3,211)</u>
Expenditures:				
Advertising	-	-	90	(90)
Utilities	20,530	20,530	1,126	19,404
Operating supplies	1,700	1,700	-	1,700
Contract services	71,460	71,460	17,343	54,117
Administration	7,200	7,200	1,056	6,144
Total expenditures	<u>100,890</u>	<u>100,890</u>	<u>19,615</u>	<u>81,275</u>
Excess of revenues over (under) expenditures	<u>10,850</u>	<u>10,850</u>	<u>88,914</u>	<u>78,064</u>
Other Financing Sources:				
Transfer from the General Fund for park maintenance	-	-	10,210	10,210
Total other financing sources	<u>-</u>	<u>-</u>	<u>10,210</u>	<u>10,210</u>
Excess of revenues and other sources over expenditures	<u>\$ 10,850</u>	<u>\$ 10,850</u>	<u>99,124</u>	<u>\$ 88,274</u>
Fund balance, June 30, 2006			124,638	
Prior year adjustment			<u>(13,475)</u>	
Fund balance, June 30, 2007			<u>\$ 210,287</u>	

CITY OF ATASCADEROLAS LOMAS STREET & STORM DRAIN ASSESSMENT DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 115,410	\$ 115,410	\$ 39,629	\$ (75,781)
Interest income	1,170	1,170	2,923	1,753
Total revenues	<u>116,580</u>	<u>116,580</u>	<u>42,552</u>	<u>(74,028)</u>
Expenditures:				
Contract services	43,630	43,630	4,211	39,419
Administration	10,020	10,020	-	10,020
Total expenditures	<u>53,650</u>	<u>53,650</u>	<u>4,211</u>	<u>49,439</u>
Excess of revenues over (under) expenditures	<u>\$ 62,930</u>	<u>\$ 62,930</u>	38,341	<u>\$ (24,589)</u>
Fund balance, June 30, 2006			55,123	
Prior year adjustment			(16,007)	
Fund balance, June 30, 2007			<u>\$ 77,457</u>	

CITY OF ATASCADEROLAS LOMAS LANDSCAPE & LIGHTING ASSESSMENT DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 286,590	\$ 286,590	\$ 89,863	\$ (196,727)
Interest income	1,350	1,350	5,697	4,347
Total revenues	<u>287,940</u>	<u>287,940</u>	<u>95,560</u>	<u>(192,380)</u>
Expenditures:				
Contract services	-	-	5,629	(5,629)
Total expenditures	<u>-</u>	<u>-</u>	<u>5,629</u>	<u>(5,629)</u>
Excess of revenues over expenditures	<u>287,940</u>	<u>287,940</u>	<u>89,931</u>	<u>(198,009)</u>
Other Financing Sources:				
Transfer from the General Fund for park maintenance	7,540	7,540	7,540	-
Total other financing sources	<u>7,540</u>	<u>7,540</u>	<u>7,540</u>	<u>-</u>
Excess of revenues and other sources over expenditures	<u>\$ 295,480</u>	<u>\$ 295,480</u>	97,471	<u>\$ (198,009)</u>
Fund balance, June 30, 2006			41,914	
Prior year adjustment			<u>54,775</u>	
Fund balance, June 30, 2007			<u>\$ 194,160</u>	

CITY OF ATASCADERO

DE ANZA STREET & STORM DRAIN ASSESSMENT DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ -	\$ 34,420	\$ 34,421	\$ 1
Interest income	-	-	2,200	2,200
Total revenues	-	34,420	36,621	2,201
Expenditures:				
Contract services	-	30,670	4,046	26,624
Administration	-	2,110	-	2,110
Total expenditures	-	32,780	4,046	28,734
Excess of revenues over expenditures	\$ -	\$ 1,640	32,575	\$ 30,935
Fund balance, June 30, 2006			39,266	
Prior year adjustment			(5,208)	
Fund balance, June 30, 2007			\$ 66,633	

CITY OF ATASCADERODE ANZA LANDSCAPE & LIGHTING ASSESSMENT DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ -	\$ 55,640	\$ 55,636	\$ (4)
Interest income	-	-	2,942	2,942
Total revenues	-	55,640	58,578	2,938
Expenditures:				
Utilities	-	3,920	-	3,920
Operating supplies	-	1,370	-	1,370
Contract services	-	58,550	6,476	52,074
Administration	-	4,800	478	4,322
Total expenditures	-	68,640	6,954	61,686
Excess of revenues over (under) expenditures	\$ -	\$ (13,000)	51,624	\$ 64,624
Fund balance, June 30, 2006			33,910	
Prior year adjustment			21,215	
Fund balance, June 30, 2007			\$ 106,749	

CITY OF ATASCADERO
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ -	\$ -	\$ 954	\$ 954
Developer reimbursement- UPRR Overcrossing	45,770	78,340	78,343	3
TEA Grants- Downtown Streetscape II	500,000	-	-	-
Interest income	28,750	28,750	113,885	85,135
PG & E Underground Utility Contribution	1,100,000	1,100,000	-	(1,100,000)
LINK Donation	3,080	3,080	-	(3,080)
Total revenues	<u>1,677,600</u>	<u>1,210,170</u>	<u>193,182</u>	<u>(1,016,988)</u>
Expenditures:				
Special projects:				
Pedestrian Tunnel Improvements	22,580	22,580	-	22,580
UPRR Railroad Crossing	45,770	78,340	78,343	(3)
Downtown Underground Utility Project	1,260,000	1,260,000	-	1,260,000
Capital outlay:				
Downtown Streetscape Improvements	1,493,980	993,980	63,212	930,768
Atascadero Avenue @ Golf Course project	28,750	28,750	16,070	12,680
Atascadero Ave Overlay - Phase II	89,600	89,600	-	89,600
New Corporate Yard	853,040	853,040	578,530	274,510
Total expenditures	<u>3,793,720</u>	<u>3,326,290</u>	<u>736,155</u>	<u>2,590,135</u>
Excess of revenues over (under) expenditures	<u>(2,116,120)</u>	<u>(2,116,120)</u>	<u>(542,973)</u>	<u>1,573,147</u>

CITY OF ATASCADERO
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources:				
Transfer from the General Fund for Street Projects	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Transfer from the General Fund for the Paloma Creek Playground Equipment Project	-	225,000	225,000	-
Transfer from the General Fund for the Lake Park Parking Lot Renovation Project	-	125,000	125,000	-
Transfer from the General Fund for the Santa Rosa Pedestrian Bridge Project	-	75,000	75,000	-
Transfer from the RDA Fund for the Pedestrian Tunnel Project	19,500	19,500	-	(19,500)
Transfer from the RDA Fund for the Downtown Streetscape II Project	993,980	993,980	63,212	(930,768)
Transfer from the RDA Fund for the Underground Utility Project	160,000	160,000	-	(160,000)
Transfer to Circulation System Fees Fund for the Lewis Avenue Bridge Project	-	(1,000,000)	(607,197)	392,803
Total other financing sources	1,423,480	848,480	131,015	(717,465)
Excess of revenues and other sources over (under) expenditures	\$ (692,640)	\$ (1,267,640)	(411,958)	\$ 855,682
Fund balance, June 30, 2006			2,092,079	
Fund balance, June 30, 2007			\$ 1,680,121	

CITY OF ATASCADERO

2005 REDEVELOPMENT BOND PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ 97,560	\$ 97,560	\$ 297,423	\$ 199,863
Total revenues	97,560	97,560	297,423	199,863
Expenditures:				
Special projects & community funding:				
Downtown lighting project	73,230	123,230	-	123,230
Capital outlay:				
Maiden statue restoration	238,710	238,710	2,915	235,795
Creek master plan	100,000	100,000	-	100,000
Creek improvement	300,000	300,000	-	300,000
Parking improvement projects	500,000	500,000	-	500,000
Creek bank stabilization project	331,160	1,091,160	859,291	231,869
Total expenditures	1,543,100	2,353,100	862,206	1,490,894
Excess of revenues over (under) expenditures	(1,445,540)	(2,255,540)	(564,783)	1,690,757
Other Financing Sources:				
Transfer to Circulation System Fee Fund for the Lewis Avenue Bridge Project	(1,000,000)	(2,000,000)	(1,214,393)	785,607
Transfer to the Youth Center Construction Fund for the new Youth Center	(209,690)	(209,690)	(80,722)	128,968
Transfer to the Capital Projects Fund for Pedestrian Tunnel Improvements	(19,500)	(19,500)	-	19,500
Transfer to the Community Development Block Grant Fund for the Colony Park Sidewalk Project	-	(183,500)	(1,365)	182,135
Transfer to the Capital Projects Fund for Downtown Streetscape Improvements, Phase II	(993,980)	(993,980)	(63,212)	930,768
Total other financing sources (uses)	(2,223,170)	(3,406,670)	(1,359,692)	2,046,978
Excess of revenues and other sources over (under) expenditures and other uses	\$ (3,668,710)	\$ (5,662,210)	(1,924,475)	\$ 3,737,735
Fund balance, June 30, 2006			6,369,646	
Fund balance, June 30, 2007			\$ 4,445,171	

CITY OF ATASCADERO

ASSESSMENT DISTRICT #8 CONSTRUCTION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ 53	\$ 53
Total revenues	-	-	53	53
Excess of revenues over expenditures	\$ -	\$ -	53	\$ 53
Fund balance, June 30, 2006			906	
Fund balance, June 30, 2007			\$ 959	

CITY OF ATASCADERO
HISTORIC CITY HALL REHABILITATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ (473)	\$ (473)
Total revenues	-	-	(473)	(473)
Expenditures:				
Special projects:				
FEMA Administration	-	131,410	70,739	60,671
Capital outlay:				
Historic City Hall - Earthquake Repairs	-	-	2,576	(2,576)
Historic City Hall - Rehabilitation	-	2,000,000	46,950	1,953,050
Total expenditures	-	2,131,410	120,265	2,011,145
Excess of revenues over (under) expenditures	-	(2,131,410)	(120,738)	2,010,672
Other Financing Sources:				
Transfer from the General Fund for FEMA Administration	-	322,310	322,310	-
Transfer from the General Fund for programming of Historic City Hall	-	25,000	25,000	-
Transfer from the Redevelopment Agency Fund for the rehabilitation of City Hall	-	2,000,000	46,950	(1,953,050)
Total other financing sources	-	2,347,310	394,260	(1,953,050)
Excess of revenues and other sources over (under) expenditures	\$ -	\$ 215,900	273,522	\$ 57,622
Fund balance, June 30, 2006			(179,503)	
Fund balance, June 30, 2007			\$ 94,019	

CITY OF ATASCADERO

YOUTH CENTER CONSTRUCTION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
OES Earthquake Reimbursement	\$ 1,012,760	\$ 1,012,760	\$ 279,707	\$ (733,053)
FEMA Earthquake Reimbursement	3,038,270	3,038,270	839,123	(2,199,147)
Federal Legislative Grant (Thomas)	397,640	397,640	87,739	(309,901)
CDBG DRI Grant - Youth Center	1,000,000	1,000,000	1,000,000	-
Proposition 40 Reimbursements	220,000	-	-	-
Interest income	16,750	16,750	20,171	3,421
Donations	529,400	529,400	-	(529,400)
Total revenues	<u>6,214,820</u>	<u>5,994,820</u>	<u>2,226,740</u>	<u>(3,768,080)</u>
Expenditures:				
Capital outlay:				
Youth / Community Center	<u>7,566,290</u>	<u>7,566,290</u>	<u>2,754,136</u>	<u>4,812,154</u>
Total expenditures	<u>7,566,290</u>	<u>7,566,290</u>	<u>2,754,136</u>	<u>4,812,154</u>
Excess of revenues over (under) expenditures	<u>(1,351,470)</u>	<u>(1,571,470)</u>	<u>(527,396)</u>	<u>1,044,074</u>
Other Financing Sources:				
Transfer from the Redevelopment Agency Fund	209,690	209,690	80,722	(128,968)
Transfer from the Parkland Facilities Fees Fund	450,000	833,910	129,029	(704,881)
Transfer from the Public Facilities Fees Fund	170,000	170,000	105,136	(64,864)
Transfer from the Proposition 12 Fund	163,910	-	-	-
Total other financing sources	<u>993,600</u>	<u>1,213,600</u>	<u>314,887</u>	<u>(898,713)</u>
Excess of revenues and other sources over (under) expenditures	<u>\$ (357,870)</u>	<u>\$ (357,870)</u>	<u>(212,509)</u>	<u>\$ 145,361</u>
Fund balance, June 30, 2006			<u>361,887</u>	
Fund balance, June 30, 2007			<u>\$ 149,378</u>	

CITY OF ATASCADERO

ASSESSMENT DISTRICT #3 DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ 10	\$ 10	\$ 38	\$ 28
Total revenues	10	10	38	28
Excess of revenues over expenditures	\$ 10	\$ 10	38	\$ 28
Fund balance, June 30, 2006			654	
Fund balance, June 30, 2007			\$ 692	

CITY OF ATASCADERO

ASSESSMENT DISTRICT #4 DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 102,090	\$ 102,090	\$ -	\$ (102,090)
Interest income	1,000	1,000	9,825	8,825
Total revenues	<u>103,090</u>	<u>103,090</u>	<u>9,825</u>	<u>(93,265)</u>
Expenditures:				
Services	6,930	6,930	3,390	3,540
Principal	80,000	80,000	80,000	-
Interest	9,750	9,750	9,750	-
Total expenditures	<u>96,680</u>	<u>96,680</u>	<u>93,140</u>	<u>3,540</u>
Excess of revenues over (under) expenditures	<u>\$ 6,410</u>	<u>\$ 6,410</u>	<u>(83,315)</u>	<u>\$ (89,725)</u>
Fund balance, June 30, 2006			<u>220,355</u>	
Fund balance, June 30, 2007			<u>\$ 137,040</u>	

CITY OF ATASCADERO

ASSESSMENT DISTRICT #5 DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ 217	\$ 217
Total revenues	-	-	217	217
Excess of revenues over expenditures	\$ -	\$ -	217	\$ 217
Fund balance, June 30, 2006			3,734	
Fund balance, June 30, 2007			\$ 3,951	

CITY OF ATASCADERO

ASSESSMENT DISTRICT #7 DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 14,980	\$ 14,980	\$ 14,983	\$ 3
Interest income	-	-	(2,497)	(2,497)
Total revenues	<u>14,980</u>	<u>14,980</u>	<u>12,486</u>	<u>(2,494)</u>
Expenditures:				
Services	520	520	467	53
Interest	<u>2,940</u>	<u>2,940</u>	<u>2,943</u>	<u>(3)</u>
Total expenditures	<u>3,460</u>	<u>3,460</u>	<u>3,410</u>	<u>50</u>
Excess of revenues over (under) expenditures	<u>\$ 11,520</u>	<u>\$ 11,520</u>	9,076	<u>\$ (2,444)</u>
Fund balance, June 30, 2006			(113,531)	
Fund balance, June 30, 2007			<u>\$ (104,455)</u>	

CITY OF ATASCADERO

ASSESSMENT DISTRICT #9 DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 27,150	\$ 27,150	\$ 26,781	\$ (369)
Interest income	70	70	1,008	938
Total revenues	<u>27,220</u>	<u>27,220</u>	<u>27,789</u>	<u>569</u>
Expenditures:				
Services	600	600	615	(15)
Interest	<u>5,880</u>	<u>5,880</u>	<u>5,881</u>	<u>(1)</u>
Total expenditures	<u>6,480</u>	<u>6,480</u>	<u>6,496</u>	<u>(16)</u>
Excess of revenues over expenditures	<u>\$ 20,740</u>	<u>\$ 20,740</u>	21,293	<u>\$ 553</u>
Fund balance, June 30, 2006			<u>(101,857)</u>	
Fund balance, June 30, 2007			<u>\$ (80,564)</u>	

CITY OF ATASCADERO

ASSESSMENT DISTRICT #10 DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 3,630	\$ 3,630	\$ 3,632	\$ 2
Interest income	30	30	45	15
Total revenues	<u>3,660</u>	<u>3,660</u>	<u>3,677</u>	<u>17</u>
Expenditures:				
Interest	<u>800</u>	<u>800</u>	<u>798</u>	<u>2</u>
Total expenditures	<u>800</u>	<u>800</u>	<u>798</u>	<u>2</u>
Excess of revenues over (under) expenditures	<u>\$ 2,860</u>	<u>\$ 2,860</u>	<u>2,879</u>	<u>\$ 19</u>
Fund balance, June 30, 2006			<u>(16,254)</u>	
Fund balance, June 30, 2007			<u>\$ (13,375)</u>	

CITY OF ATASCADERO

2005 REDEVELOPMENT BOND DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ 12,810	\$ 12,810	\$ 81,305	\$ 68,495
Total revenues	12,810	12,810	81,305	68,495
Expenditures:				
Services	3,600	5,800	2,200	3,600
Interest	574,050	574,050	574,042	8
Total expenditures	577,650	579,850	576,242	3,608
Excess of revenues over (under) expenditures	(564,840)	(567,040)	(494,937)	72,103
Other Financing Sources:				
Transfer From Redevelopment Agency Fund for trustee services	-	2,200	2,200	-
Total other financing sources	-	2,200	2,200	-
Excess of revenues and other sources over (under) expenditures	\$ (564,840)	\$ (564,840)	(492,737)	\$ 72,103
Fund balance, June 30, 2006			1,729,959	
Fund balance, June 30, 2007			\$ 1,237,222	

CITY OF ATASCADERO
1997 C.O.P. REFUNDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Principal	\$ 135,000	\$ 135,000	\$ 135,000	\$ -
Interest	24,610	24,610	24,610	-
Total expenditures	159,610	159,610	159,610	-
Excess of revenues over (under) expenditures	(159,610)	(159,610)	(159,610)	-
Other Financing Sources:				
Transfer from General Fund for pavilion debt service	41,500	41,500	41,499	(1)
Transfer from Public Facilities Fees Fund for pavilion debt service	47,880	47,880	47,883	3
Transfer from Law Enforcement Facilities Fees Fund for police station debt service	70,230	70,230	70,228	(2)
Total other financing sources	159,610	159,610	159,610	-
Excess of revenues and other sources over expenditures	\$ -	\$ -	-	\$ -
Fund balance, June 30, 2006			-	
Fund balance, June 30, 2007			\$ -	

CITY OF ATASCADERO

1992 STREET ASSESSMENT IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 74,020	\$ 74,020	\$ 74,996	\$ 976
Interest income	1,200	1,200	14,035	12,835
Total revenues	<u>75,220</u>	<u>75,220</u>	<u>89,031</u>	<u>13,811</u>
Expenditures:				
Services	5,550	5,550	5,246	304
Principal	60,000	60,000	60,000	-
Interest	9,600	9,600	9,595	5
Total expenditures	<u>75,150</u>	<u>75,150</u>	<u>74,841</u>	<u>309</u>
Excess of revenues over expenditures	<u>\$ 70</u>	<u>\$ 70</u>	14,190	<u>\$ 14,120</u>
Fund balance, June 30, 2006			<u>279,271</u>	
Fund balance, June 30, 2007			<u>\$ 293,461</u>	

CITY OF ATASCADERO

1993 CAMINO REAL IMPROVEMENT BONDS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 175,490	\$ 175,490	\$ 175,616	\$ 126
Interest income	1,700	1,700	19,635	17,935
Total revenues	<u>177,190</u>	<u>177,190</u>	<u>195,251</u>	<u>18,061</u>
Expenditures:				
Services	2,490	2,490	2,164	326
Principal	110,000	110,000	110,000	-
Interest	56,440	56,440	56,443	(3)
Total expenditures	<u>168,930</u>	<u>168,930</u>	<u>168,607</u>	<u>323</u>
Excess of revenues over expenditures	<u>\$ 8,260</u>	<u>\$ 8,260</u>	26,644	<u>\$ 18,384</u>
Fund balance, June 30, 2006			<u>403,433</u>	
Fund balance, June 30, 2007			<u>\$ 430,077</u>	

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2007

	<u>Technology Fund</u>	<u>Vehicle and Equipment Replacement Fund</u>	<u>Building Maintenance and Replacement Fund</u>	<u>Totals</u>
ASSETS				
Current Assets:				
Cash and investments	\$ 815,088	\$ 2,125,541	\$ 743,080	\$ 3,683,709
Receivables:				
Federal distributions due	1,109	3,850	294,088	299,047
Due from State of California	406	1,284	727,963	729,653
Accrued interest	8,761	22,993	8,300	40,054
Prepaid expenses	-	-	3,304	3,304
Total current assets	<u>825,364</u>	<u>2,153,668</u>	<u>1,776,735</u>	<u>4,755,767</u>
Capital Assets:				
Non-depreciable:				
Construction in progress	70,525	79,616	3,732,604	3,882,745
Depreciable:				
Vehicles	-	2,068,540	-	2,068,540
Equipment	1,660,405	2,266,826	17,713	3,944,944
Structure and improvements	-	-	6,734,290	6,734,290
Accumulated depreciation	<u>(995,220)</u>	<u>(1,663,818)</u>	<u>(1,349,005)</u>	<u>(4,008,043)</u>
Net capital assets	<u>735,710</u>	<u>2,751,164</u>	<u>9,135,602</u>	<u>12,622,476</u>
Total assets	<u>1,561,074</u>	<u>4,904,832</u>	<u>10,912,337</u>	<u>17,378,243</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	9,303	-	22,168	31,471
Accrued salaries and benefits	8,359	-	3,484	11,843
Noncurrent Liabilities:				
Compensated absences	<u>10,634</u>	<u>-</u>	<u>12,850</u>	<u>23,484</u>
Total liabilities	<u>28,296</u>	<u>-</u>	<u>38,502</u>	<u>66,798</u>
NET ASSETS				
Invested in capital assets	735,710	2,751,164	9,135,602	12,622,476
Unrestricted	<u>797,068</u>	<u>2,153,668</u>	<u>1,738,233</u>	<u>4,688,969</u>
Total net assets	<u>\$ 1,532,778</u>	<u>\$ 4,904,832</u>	<u>\$ 10,873,835</u>	<u>\$ 17,311,445</u>

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Fiscal Year Ended June 30, 2007

	<u>Technology Fund</u>	<u>Vehicle and Equipment Replacement Fund</u>	<u>Building Maintenance and Replacement Fund</u>	<u>Totals</u>
Operating Revenues:				
Charges for services	\$ 606,755	\$ 283,220	\$ 734,178	\$ 1,624,153
Other	-	-	1,500	1,500
Total operating revenues	<u>606,755</u>	<u>283,220</u>	<u>735,678</u>	<u>1,625,653</u>
Operating Expenses:				
Salaries and benefits	358,172	-	171,578	529,750
Office expense	489	-	-	489
Computer maintenance, software and replacement	6,850	-	4,930	11,780
Insurance	-	-	17,924	17,924
Occupancy and rental costs	38,490	-	373,596	412,086
Utilities	-	-	49,442	49,442
Communications	6,861	-	3,185	10,046
Operating supplies and services	16,468	-	25,402	41,870
Vehicle and equipment operating costs	331	-	11,781	12,112
Contract services	14,256	-	35,870	50,126
Professional development	17,062	-	1,565	18,627
Recruitment	-	-	90	90
Administrative charges	28,350	-	45,360	73,710
Special projects:				
Small projectors	1,200	-	-	1,200
Minor lighting projects	-	-	1,904	1,904
Table saw	-	-	3,462	3,462
Depreciation	<u>218,375</u>	<u>407,169</u>	<u>653,142</u>	<u>1,278,686</u>
Total operating expenses	<u>706,904</u>	<u>407,169</u>	<u>1,399,231</u>	<u>2,513,304</u>
Operating income (loss)	<u>(100,149)</u>	<u>(123,949)</u>	<u>(663,553)</u>	<u>(887,651)</u>

CITY OF ATASCADERO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (continued)

For the Fiscal Year Ended June 30, 2007

	<u>Technology Fund</u>	<u>Vehicle and Equipment Replacement Fund</u>	<u>Building Maintenance and Replacement Fund</u>	<u>Totals</u>
Non-Operating Revenues (Expenses):				
FEMA Earthquake Repair Grant	\$ -	\$ -	\$ 2,169,827	\$ 2,169,827
OES Earthquake Repair Grant	-	-	723,276	723,276
Interest income	38,611	103,458	(34,835)	107,234
Gain on sale of assets	1,687	8,032	-	9,719
Total non-operating revenues (expenses)	<u>40,298</u>	<u>111,490</u>	<u>2,858,268</u>	<u>3,010,056</u>
Change in net assets prior to capital contributions	<u>(59,851)</u>	<u>(12,459)</u>	<u>2,194,715</u>	<u>2,122,405</u>
Capital Contributions:				
Contributions from community	-	6,535	-	6,535
Cash contributions from other funds	71,200	100,000	-	171,200
Capital contributions from other funds	132,679	407,610	3,168,925	3,709,214
Total capital contributions	<u>203,879</u>	<u>514,145</u>	<u>3,168,925</u>	<u>3,886,949</u>
Change in net assets	144,028	501,686	5,363,640	6,009,354
Total net assets, June 30, 2006	<u>1,388,750</u>	<u>4,403,146</u>	<u>5,510,195</u>	<u>11,302,091</u>
Total net assets, June 30, 2007	<u>\$ 1,532,778</u>	<u>\$ 4,904,832</u>	<u>\$ 10,873,835</u>	<u>\$ 17,311,445</u>

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2007

	<u>Technology Fund</u>	<u>Vehicle and Equipment Replacement Fund</u>	<u>Building Maintenance and Replacement Fund</u>	<u>Totals</u>
Cash Flows From Operating Activities:				
Internal activity - payments from other funds	\$ 606,755	\$ 283,220	\$ 734,178	\$ 1,624,153
Payments to suppliers of goods and services	(146,225)	-	(574,929)	(721,154)
Payments for employee services	(350,348)	-	(171,303)	(521,651)
Net cash provided (used) by operating activities	<u>110,182</u>	<u>283,220</u>	<u>(12,054)</u>	<u>381,348</u>
Cash Flows From Non-Capital Financing Activities:				
Repayment of loans from other funds	-	-	(1,081,891)	(1,081,891)
Net cash used by non-capital related financing activities	<u>-</u>	<u>-</u>	<u>(1,081,891)</u>	<u>(1,081,891)</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition of fixed assets	(67,823)	(79,085)	(10,799)	(157,707)
Cash contributions received for capital purchases	71,200	100,000	-	171,200
Capital grant proceeds	13,305	204	1,890,959	1,904,468
Proceeds from sale of assets	-	16,026	-	16,026
Net cash provided by capital and related financing activities	<u>16,682</u>	<u>37,145</u>	<u>1,880,160</u>	<u>1,933,987</u>
Cash Flows From Investing Activities:				
Interest income	36,501	98,035	(43,135)	91,401
Net cash provided (used) by investing activities	<u>36,501</u>	<u>98,035</u>	<u>(43,135)</u>	<u>91,401</u>
Net increase in cash and cash equivalents	163,365	418,400	743,080	1,324,845
Cash and cash equivalents - June 30, 2006	<u>651,723</u>	<u>1,707,141</u>	<u>-</u>	<u>2,358,864</u>
Cash and cash equivalents - June 30, 2007	<u>\$ 815,088</u>	<u>\$ 2,125,541</u>	<u>\$ 743,080</u>	<u>\$ 3,683,709</u>

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS (continued)
For the Fiscal Year Ended June 30, 2007

	<u>Technology Fund</u>	<u>Vehicle and Equipment Replacement Fund</u>	<u>Building Maintenance and Replacement Fund</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ (100,149)	\$ (123,949)	\$ (663,553)	\$ (887,651)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	218,375	407,169	653,142	1,278,686
Change in assets and liabilities:				
Prepaid expenses	-	-	(3,304)	(3,304)
Accounts payable	(15,868)	-	1,386	(14,482)
Accrued salaries and benefits	1,632	-	(348)	1,284
Compensated absences	6,192	-	623	6,815
Net cash provided (used) by operating activities	<u>\$ 110,182</u>	<u>\$ 283,220</u>	<u>\$ (12,054)</u>	<u>\$ 381,348</u>