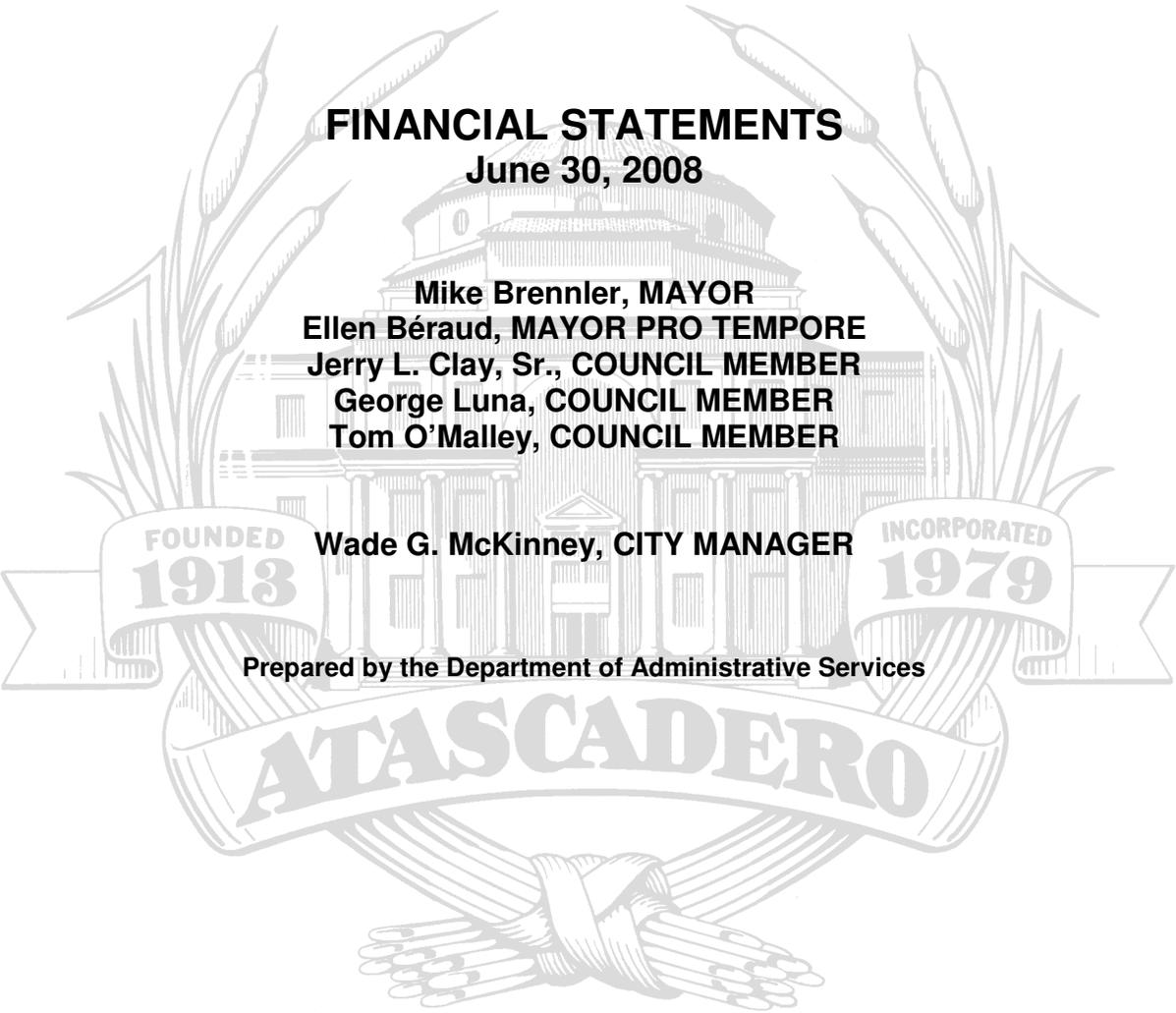


# **CITY OF ATASCADERO**

FINANCIAL STATEMENTS

June 30, 2008



**FINANCIAL STATEMENTS**

**June 30, 2008**

**Mike Brenner, MAYOR**

**Ellen Béraud, MAYOR PRO TEMPORE**

**Jerry L. Clay, Sr., COUNCIL MEMBER**

**George Luna, 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**  
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**Principals:**

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David A. Bryson, CPA  
Jeanne A. Potter, CPA  
Daniel J. O'Hare, CPA  
Kathi Niffenegger, CPA  
Fred W. Bogart, CPA  
Allen E. Eschenbach, CPA  
Michael T. Glauzel, CPA  
R. Lance Cowart, CPA  
David J. Merlo, CPA



**CERTIFIED PUBLIC ACCOUNTANTS**  
**TAX AND BUSINESS ADVISORS**

**Emeritus:**  
Fred L. Glenn  
Stephen A. Burdette  
Bradford M. Hair, CPA

Keith V. Lapp (1932-2008)

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**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, 2008, 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, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2008, 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 57 through 78, 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 20, 2008



## MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2008

### 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, 2008. 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 \$151.9 million. Of this amount, \$14.6 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$8.3 million. This was mainly due to the City's commitment to investment in capital assets. The City not only received over \$6.0 million in capital contributions and grants during fiscal year 2007/2008, but it also continued to invest a significant amount of current resources into capital assets.
- Capital projects expenditures were down just under \$1 million from the previous year and were \$12.3 million less than budgeted.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$35.3 million, a decrease of \$1.6 million over the prior fiscal year.
- Approximately 72% of the governmental fund balances, or \$25.3 million, is considered unreserved and is available for spending in the future. Of the \$25.3 million, however, \$20.2 million is designated for budgeted capital projects or other specific purposes.
- At the end of the current fiscal year, unreserved undesignated fund balance for the general fund was \$488,473, or 2.6% of total general fund expenditures. This is down from \$2.1 million last fiscal year.
- The City's total debt decreased by about \$291,000 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, the Redevelopment Agency Fund, the In-Lieu Low Income Housing Fund, the 2005 Redevelopment Bond Project Fund and the Youth Center Construction Fund are considered to be the 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 \$151.9 million at the close of the most recent fiscal year.

	<b>2007-2008 Governmental Activities</b>	<b>2007-2008 Business- Type Activities</b>	<b>2007-2008 Total</b>	<b>2006-2007 Governmental Activities</b>	<b>2006-2007 Business- Type Activities</b>	<b>2006-2007 Total</b>
Current and other assets	\$ 45,174,651	\$ 9,966,709	\$ 55,141,360	\$ 47,465,197	\$ 9,589,903	\$ 57,055,100
Capital assets	99,728,126	15,642,248	115,370,374	92,121,597	15,569,901	107,691,498
Total assets	<u>144,902,777</u>	<u>25,608,957</u>	<u>170,511,734</u>	<u>139,586,794</u>	<u>25,159,804</u>	<u>164,746,598</u>
Current liabilities	3,492,698	325,957	3,818,655	5,584,309	438,892	6,023,201
Noncurrent liabilities	14,765,364	13,200	14,778,564	15,056,701	12,494	15,069,195
Total liabilities	<u>18,258,062</u>	<u>339,157</u>	<u>18,597,219</u>	<u>20,641,010</u>	<u>451,386</u>	<u>21,092,396</u>
Net assets:						
Invested in capital assets, net of related debt	95,276,987	15,642,248	110,919,235	88,674,659	15,569,901	104,244,560
Restricted	26,414,052	-	26,414,052	25,919,161	-	25,919,161
Unrestricted	4,953,676	9,627,552	14,581,228	4,351,964	9,138,517	13,490,481
Total net assets	<u>\$ 126,644,715</u>	<u>\$ 25,269,800</u>	<u>\$ 151,914,515</u>	<u>\$ 118,945,784</u>	<u>\$ 24,708,418</u>	<u>\$ 143,654,202</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 17% of the City's net assets represent resources subject to external restrictions on how they may be used. The remaining 10% (\$14,581,228) is considered unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. There was an increase of \$1.1 million in unrestricted net assets from fiscal year 2006-2007 to 2007-2008.

## 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 \$8.3 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, 2008 and 2007

	<b>2007-2008 Governmental Activities</b>	<b>2007-2008 Business-Type Activities</b>	<b>2007-2008 Total</b>	<b>2006-2007 Governmental Activities</b>	<b>2006-2007 Business-Type Activities</b>	<b>2006-2007 Total</b>
<b>Revenues:</b>						
Program Revenues						
Charges for services	\$ 2,848,269	\$ 1,877,326	\$ 4,725,595	\$ 3,369,409	\$ 2,141,105	\$ 5,510,514
Operating grants and contributions	1,826,678	439,951	2,266,629	2,281,507	395,566	2,677,073
Capital grants and contributions	6,035,427	457,071	6,492,498	11,103,245	1,270,868	12,374,113
General Revenues:						
Secured and unsecured property taxes	11,419,751	-	11,419,751	10,779,702	-	10,779,702
Sales and use taxes	3,547,696	-	3,547,696	3,982,903	-	3,982,903
Other taxes	1,671,490	-	1,671,490	1,705,808	-	1,705,808
Motor vehicle in lieu	123,310	-	123,310	171,128	-	171,128
Block grants	788,332	-	788,332	102,465	-	102,465
Investment Income	1,638,407	471,984	2,110,391	1,842,049	502,610	2,344,659
Gain (loss) on disposal of capital assets	(119,640)	(5,450)	(125,090)	(59,091)	1,151	(57,940)
Total Revenues	<u>\$ 29,779,720</u>	<u>\$ 3,240,882</u>	<u>\$ 33,020,602</u>	<u>\$ 35,279,125</u>	<u>\$ 4,311,300</u>	<u>\$ 39,590,425</u>

## GOVERNMENT-WIDE FINANCIAL ANALYSIS *(continued)*

### SUMMARY OF CHANGES IN NET ASSETS

For the Fiscal Years Ended June 30, 2008 and 2007

	2007-2008 Governmental Activities	2007-2008 Business-Type Activities	2007-2008 Total	2006-2007 Governmental Activities	2006-2007 Business-Type Activities	2006-2007 Total
<b>Program Expenses</b>						
General Government	\$ 2,833,332	\$ -	\$ 2,833,332	\$ 2,463,689	\$ -	\$ 2,463,689
Public Safety	10,046,690	-	10,046,690	8,972,133	-	8,972,133
Community Development	2,682,037	-	2,682,037	2,863,651	-	2,863,651
Community, Recreation & Zoo Services	2,224,691	-	2,224,691	1,902,285	-	1,902,285
Parks & Open Space	735,322	-	735,322	785,089	-	785,089
Public Works	2,895,652	-	2,895,652	2,925,262	-	2,925,262
Sewer	-	2,067,075	2,067,075	-	1,748,786	1,748,786
Transit	-	612,425	612,425	-	556,140	556,140
Interest on long-term debt	663,065	-	663,065	689,174	-	689,174
Total Expenses	<u>22,080,789</u>	<u>2,679,500</u>	<u>24,760,289</u>	<u>20,601,283</u>	<u>2,304,926</u>	<u>22,906,209</u>
Increase in net assets	7,698,931	561,382	8,260,313	14,677,842	2,006,374	16,684,216
Net assets- beginning	118,945,784	24,708,418	143,654,202	104,156,619	22,702,044	126,858,663
Prior year restatement	-	-	-	111,323	-	111,323
Net assets- ending	<u>\$ 126,644,715</u>	<u>\$ 25,269,800</u>	<u>\$ 151,914,515</u>	<u>\$ 118,945,784</u>	<u>\$ 24,708,418</u>	<u>\$ 143,654,202</u>

Governmental activities increased the City's net assets by \$7,698,931, while business-type activities increased the City's net assets by \$561,382.

## 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.

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

As of June 30, 2008, the City's governmental funds reported combined ending fund balances of \$35,306,007. Approximately 28% (\$9,996,309) 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 (\$1,990,397). The remaining 72% (\$25,309,698) constitutes unreserved fund balances, which is available for spending at the government's discretion. Of that amount, \$20,158,085 has already been designated for a variety of specific future uses.

**General Fund** – The General Fund is the chief operating fund of the City. At June 30, 2008, the total fund balance was \$9,887,132, and the unreserved fund balance was 82% (\$8,106,984) 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 \$488,473 represents 2.6% of the total General Fund expenditures, down from 12% in fiscal year 2006-2007. The General Fund balance decreased \$1,147,380 during the year.

**Redevelopment Agency Fund** – The Redevelopment Agency fund is the primary fund for the Community Redevelopment Agency of Atascadero. At June 30, 2008, the total fund balance was \$6,466,252, and the unreserved fund balance was 97% (\$6,309,705). Of the total unreserved amount, \$6,284,808 is designated for capital commitments.

**In-Lieu Low Income Housing Fund** – The In-Lieu Low Income Housing Fund accounts for notes issued to the City when a developer sells an inclusionary housing unit and fees that are paid by developers in lieu of building inclusionary (affordable) housing. At June 30, 2008, the total fund balance was \$4,565,156, and the unreserved fund balance was 10% (\$470,891). Eighty-nine percent of the fund balance is reserved for notes receivable.

**2005 Redevelopment Bond Project Fund** – The 2005 Redevelopment Bond Project Fund accounts for the capital projects that are funded by the proceeds of the 2005 Redevelopment Bond issue. At June 30, 2008, the total fund balance was \$3,464,183, and the unreserved fund balance was 93% (\$3,217,119), all of which is designated for capital commitments.

**Youth Center Construction Fund** – The Youth Center Construction Fund accounts for the planning, design and construction of the Colony Park Community Center. At June 30, 2008, the total fund balance was \$67,625. This entire amount is reserved for encumbrances.

**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, 2008, these funds had an aggregate fund balance of \$10,855,659. Of this total, 34% (\$3,648,316) is reserved for payment of debt service, prepaid items, capital projects or encumbrances from the prior fiscal year. The remaining balance of \$7,207,343 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.

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

### **DEBT ADMINISTRATION**

Debt, considered a liability of governmental activities, decreased in FY 2007-2008 by \$291,337. Normal amortization reduced debt by \$407,000 and compensated absences increased by \$115,663.

Debt of the business-type activities increased by \$706 in FY 2007-2008 due to an increase 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.

### **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, 2008, net capital assets of the governmental activities totaled \$99,728,126 and the net capital assets of the business-type activities totaled \$15,642,248. 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.

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

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

	<u>2007-2008 Governmental Activities</u>	<u>2007-2008 Business-Type Activities</u>	<u>2007-2008 Total</u>	<u>2006-2007 Governmental Activities</u>	<u>2006-2007 Business-Type Activities</u>	<u>2006-2007 Total</u>
Non-Depreciable:						
Land	\$ 41,003,131	\$ 442,044	\$ 41,445,175	\$ 41,003,131	\$ 442,044	\$ 41,445,175
Construction in progress	10,724,740	266,046	10,990,786	12,334,992	27,804	12,362,796
Depreciable:						
Vehicles and equipment	6,785,615	770,514	7,556,129	6,013,484	633,386	6,646,870
Structures and improvements	10,936,511	23,728,212	34,664,723	7,977,056	23,394,229	31,371,285
Infrastructure	53,853,447	-	53,853,447	46,003,163	-	46,003,163
Accumulated Depreciation	<u>(23,575,318)</u>	<u>(9,564,568)</u>	<u>(33,139,886)</u>	<u>(21,210,229)</u>	<u>(8,927,562)</u>	<u>(30,137,791)</u>
Invested in capital assets	<u>\$ 99,728,126</u>	<u>\$ 15,642,248</u>	<u>\$ 115,370,374</u>	<u>\$ 92,121,597</u>	<u>\$ 15,569,901</u>	<u>\$ 107,691,498</u>

### GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2008, 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 2007-2008 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 2007-2008.

<u>General Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues	\$ 18,878,060	\$ 18,264,760	\$ 18,032,345	\$ (232,415)
Expenditures	18,898,880	19,564,250	18,817,417	746,833
Other Sources (Uses)	(475,180)	(535,050)	(362,308)	172,742
Fund Balance, beginning	11,034,512	11,034,512	11,034,512	-
Fund Balance, ending	<u>\$ 10,538,512</u>	<u>\$ 9,199,972</u>	<u>\$ 9,887,132</u>	<u>\$ 687,160</u>

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

Overall, the revised budget for ending fund balance is \$1,338,540 less than the original budget estimate. The net decrease is largely due to decreased tax, development and mutual aid revenues; increases in operating costs for staff salaries and legal costs; and additional capital and special projects.

### **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 nine 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.

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.

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# **BASIC FINANCIAL STATEMENTS**

**CITY OF ATASCADERO**  
**STATEMENT OF NET ASSETS**  
June 30, 2008

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 32,863,172	\$ 9,519,473	\$ 42,382,645
Restricted cash and investments:			
Cash with fiscal agents	1,111,587	-	1,111,587
Certificates of deposit	133,723	-	133,723
Receivables:			
Federal distributions due	1,958,153	197,311	2,155,464
Due from State of California	1,680,991	1,810	1,682,801
Due from County of San Luis Obispo	1,662,282	247,362	1,909,644
Accrued interest	260,281	76,108	336,389
Other receivables	253,869	34,540	288,409
Interfund balances	113,133	(113,133)	-
Prepaid expenses	21,526	3,238	24,764
Notes receivable	4,085,245	-	4,085,245
Deferred charges	283,440	-	283,440
Deposits in excess of estimated claims liability	747,249	-	747,249
Capital assets:			
Non-depreciable:			
Land	41,003,131	442,044	41,445,175
Construction in progress	10,724,740	266,046	10,990,786
Depreciable:			
Equipment	6,785,615	770,514	7,556,129
Structures and improvements	10,936,511	23,728,212	34,664,723
Infrastructure	53,853,447	-	53,853,447
Accumulated depreciation	(23,575,318)	(9,564,568)	(33,139,886)
Total assets	<u>144,902,777</u>	<u>25,608,957</u>	<u>170,511,734</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, 2008

	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Accounts payable	\$ 1,279,546	\$ 192,925	\$ 1,472,471
Accrued salaries and compensated absences	543,693	9,925	553,618
Accrued interest payable	209,098	-	209,098
Other payables	11,054	4	11,058
Deposits payable	416,221	-	416,221
Deferred revenue	1,033,086	123,103	1,156,189
Noncurrent liabilities:			
Due within one year	341,000	-	341,000
Due in more than one year	14,424,364	13,200	14,437,564
Total liabilities	<u>18,258,062</u>	<u>339,157</u>	<u>18,597,219</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	95,276,987	15,642,248	110,919,235
Restricted for:			
Restricted for parks and recreation	1,934,823	-	1,934,823
Restricted for public safety	715,356	-	715,356
Restricted for streets, roads and drainage	4,356,123	-	4,356,123
Restricted for redevelopment & housing	17,527,328	-	17,527,328
Restricted for debt service	1,880,422	-	1,880,422
Unrestricted	<u>4,953,676</u>	<u>9,627,552</u>	<u>14,581,228</u>
Total net assets	<u>\$ 126,644,715</u>	<u>\$ 25,269,800</u>	<u>\$ 151,914,515</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, 2008

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Net Governmental Activities	Net Business-type Activities	Total
Governmental activities:							
General government	\$ 2,833,332	\$ 21,364	\$ 855,236	\$ 4,412	\$ (1,952,320)	\$ -	\$ (1,952,320)
Public safety	10,046,690	1,199,066	179,595	159,951	(8,508,078)	-	(8,508,078)
Community development	2,682,037	762,080	103,623	350,781	(1,465,553)	-	(1,465,553)
Community, recreation & zoo services	2,224,691	583,215	91,855	3,613,240	2,063,619	-	2,063,619
Parks & open space	735,322	50,281	27,427	244,627	(412,987)	-	(412,987)
Public works	2,895,652	232,263	568,942	1,662,416	(432,031)	-	(432,031)
Interest on long-term debt	663,065	-	-	-	(663,065)	-	(663,065)
Total governmental activities	<u>22,080,789</u>	<u>2,848,269</u>	<u>1,826,678</u>	<u>6,035,427</u>	<u>(11,370,415)</u>	<u>-</u>	<u>(11,370,415)</u>
Business-type activities:							
Sewer	2,067,075	1,763,800	-	258,279	-	(44,996)	(44,996)
Transit	612,425	113,526	439,951	198,792	-	139,844	139,844
Total business-type activities	<u>2,679,500</u>	<u>1,877,326</u>	<u>439,951</u>	<u>457,071</u>	<u>-</u>	<u>94,848</u>	<u>94,848</u>
Total government	<u>\$ 24,760,289</u>	<u>\$ 4,725,595</u>	<u>\$ 2,266,629</u>	<u>\$ 6,492,498</u>	<u>(11,370,415)</u>	<u>94,848</u>	<u>(11,275,567)</u>
General revenues							
Taxes:							
Secured and unsecured property taxes					11,419,751	-	11,419,751
Sales tax and payments in lieu of sales tax					3,547,696	-	3,547,696
Transient lodging tax					407,610	-	407,610
Franchise taxes					956,929	-	956,929
Business license tax					157,825	-	157,825
Property transfer tax					98,109	-	98,109
Other taxes					51,017	-	51,017
Motor vehicle in lieu					123,310	-	123,310
Block grants					788,332	-	788,332
Investment income					1,638,407	471,984	2,110,391
Gain (loss) on disposal of capital assets					(119,640)	(5,450)	(125,090)
Total general revenues					<u>19,069,346</u>	<u>466,534</u>	<u>19,535,880</u>
Change in net assets					7,698,931	561,382	8,260,313
Net assets at beginning of fiscal year					<u>118,945,784</u>	<u>24,708,418</u>	<u>143,654,202</u>
Net assets at end of fiscal year					<u>\$ 126,644,715</u>	<u>\$ 25,269,800</u>	<u>\$ 151,914,515</u>

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

**CITY OF ATASCADERO**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
June 30, 2008

	General Fund	Redevelopment Agency Fund	In-Lieu Low Income Housing Fund	2005 Redevelopment Bond Project Fund	Youth Center Construction Fund	Other Non-Major Governmental Funds	Totals
<b>ASSETS</b>							
Cash and investments	\$ 6,131,722	\$ 7,783,889	\$ 476,176	\$ 3,466,047	\$ -	\$ 10,107,292	\$ 27,965,126
Restricted cash and investments:							
Cash and investments with fiscal agent	-	-	-	-	-	1,111,587	1,111,587
Certificates of deposit	133,723	-	-	-	-	-	133,723
Receivables:							
Federal distributions due	363,965	-	-	-	658,956	419,033	1,441,954
Due from State of California	536,706	-	-	-	196,954	775,227	1,508,887
Due from County of San Luis Obispo	553,438	53,578	-	-	-	1,055,266	1,662,282
Accrued interest	49,335	61,771	3,735	28,470	-	78,580	221,891
Other receivables	202,476	5,000	-	-	45,777	616	253,869
Due from other funds	2,243,530	24,897	-	-	-	-	2,268,427
Prepaid expenses	17,860	-	-	-	-	914	18,774
Notes receivable	-	-	4,085,245	-	-	-	4,085,245
Interfund advances receivable	1,375,175	-	-	-	-	-	1,375,175
Total assets	<u>\$ 11,607,930</u>	<u>\$ 7,929,135</u>	<u>\$ 4,565,156</u>	<u>\$ 3,494,517</u>	<u>\$ 901,687</u>	<u>\$ 13,548,515</u>	<u>\$ 42,046,940</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, 2008**

	General Fund	Redevelopment Agency Fund	In-Lieu Low Income Housing Fund	2005 Redevelopment Bond Project Fund	Youth Center Construction Fund	Other Non-Major Governmental Funds	Totals
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 518,452	\$ 85,468	\$ -	\$ 30,334	\$ 4,115	\$ 582,878	\$ 1,221,247
Accrued salaries and benefits	515,229	2,240	-	-	-	11,387	528,856
Due to other funds	-	-	-	-	803,619	1,226,674	2,030,293
Deferred revenue	259,842	-	-	-	26,328	746,916	1,033,086
Deposits	416,221	-	-	-	-	-	416,221
Interfund advances payable	-	1,375,175	-	-	-	125,001	1,500,176
Other payables	11,054	-	-	-	-	-	11,054
Total liabilities	<u>1,720,798</u>	<u>1,462,883</u>	<u>-</u>	<u>30,334</u>	<u>834,062</u>	<u>2,692,856</u>	<u>6,740,933</u>
Fund Balances:							
Reserved for encumbrances	387,113	156,547	9,020	247,064	69,969	1,571,143	2,440,856
Reserved for debt service	-	-	-	-	-	1,990,397	1,990,397
Reserved for advances to other funds	1,375,175	-	-	-	-	-	1,375,175
Reserved for bike paths	-	-	-	-	-	85,862	85,862
Reserved for prepaids	17,860	-	-	-	-	914	18,774
Reserved for notes receivable	-	-	4,085,245	-	-	-	4,085,245
Unreserved:							
Designated							
Designated for due from other funds	996,100	24,897	-	-	-	-	1,020,997
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	122,778	6,284,808	32,000	3,217,119	-	2,980,750	12,637,455
Designated for library	54,633	-	-	-	-	-	54,633
General Fund- undesignated	488,473	-	-	-	-	-	488,473
Special revenue funds- undesignated	-	-	438,891	-	-	4,428,095	4,866,986
Capital projects funds- undesignated	-	-	-	-	(2,344)	(40,231)	(42,575)
Debt service funds- undesignated	-	-	-	-	-	(161,271)	(161,271)
Total fund equity	<u>9,887,132</u>	<u>6,466,252</u>	<u>4,565,156</u>	<u>3,464,183</u>	<u>67,625</u>	<u>10,855,659</u>	<u>35,306,007</u>
Total liabilities and fund equity	<u>\$ 11,607,930</u>	<u>\$ 7,929,135</u>	<u>\$ 4,565,156</u>	<u>\$ 3,494,517</u>	<u>\$ 901,687</u>	<u>\$ 13,548,515</u>	<u>\$ 42,046,940</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, 2008

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Total fund balances - governmental funds		\$	35,306,007
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		\$	100,730,008
Accumulated depreciation			<u>(18,252,783)</u>
	Net		82,477,225
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.			
			747,249
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.			
			(209,098)
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			151,000
Bonds payable			13,400,000
Compensated absences payable			<u>1,188,321</u>
			(14,739,321)
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.			
			283,440
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.			
			<u>22,779,213</u>
	Total net assets, governmental activities	\$	<u><u>126,644,715</u></u>

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, 2008**

	General Fund	Redevelopment Agency Fund	In-Lieu Low Income Housing Fund	2005 Redevelopment Bond Project Fund	Youth Center Construction Fund	Other Non-Major Governmental Funds	Totals
<b>Revenues:</b>							
Secured and unsecured property taxes	\$ 7,511,886	\$ 1,852,773	\$ -	\$ -	\$ -	\$ 2,055,092	\$ 11,419,751
Taxes based on sales and use	3,547,696	-	-	-	-	-	3,547,696
Franchise tax	956,929	-	-	-	-	-	956,929
Other taxes	663,544	-	-	-	-	-	663,544
Licenses and permits	275,622	-	350,781	-	-	918,516	1,544,919
Intergovernmental revenues:							
Motor vehicle in lieu	123,310	-	-	-	-	-	123,310
Other governmental revenues	113,607	-	-	-	-	1,250,555	1,364,162
Grants	612,044	-	-	-	3,242,089	1,366,572	5,220,705
Charges for services:							
Public safety	1,044,268	-	-	-	-	-	1,044,268
Development	714,421	-	-	-	-	-	714,421
Recreation, parks, pavilion and zoo	590,606	-	-	-	-	-	590,606
Other services	69,381	-	-	-	-	-	69,381
Fines and forfeitures	127,765	-	-	-	-	-	127,765
Use of money and property	467,963	711,614	17,180	174,393	-	545,863	1,917,013
Other revenues	1,213,303	-	-	-	312,119	6,781	1,532,203
Total revenues	<u>18,032,345</u>	<u>2,564,387</u>	<u>367,961</u>	<u>174,393</u>	<u>3,554,208</u>	<u>6,143,379</u>	<u>30,836,673</u>

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, 2008**

	General Fund	Redevelopment Agency Fund	In-Lieu Low Income Housing Fund	2005 Redevelopment Bond Project Fund	Youth Center Construction Fund	Other Non-Major Governmental Funds	Totals
<b>Expenditures:</b>							
Current:							
General government	\$ 3,144,685	\$ -	\$ -	\$ -	\$ -	\$ 127,558	\$ 3,272,243
Public safety	10,076,812	-	-	-	-	77,875	10,154,687
Community development	1,655,346	721,040	8,978	3,109	-	222,033	2,610,506
Community, recreation, and zoo services	2,164,882	-	-	-	159,895	5,800	2,330,577
Parks and open space	667,817	-	-	-	-	33,167	700,984
Public works	1,004,512	-	-	29,588	-	1,339,221	2,373,321
Capital outlay	103,363	16,258	-	24,447	4,221,241	5,476,218	9,841,527
Debt service:							
Principal	-	-	-	-	-	407,000	407,000
Interest	-	121,591	-	-	-	658,304	779,895
Total expenditures	<u>18,817,417</u>	<u>858,889</u>	<u>8,978</u>	<u>57,144</u>	<u>4,381,136</u>	<u>8,347,176</u>	<u>32,470,740</u>
Excess of revenues over (under) expenditures	<u>(785,072)</u>	<u>1,705,498</u>	<u>358,983</u>	<u>117,249</u>	<u>(826,928)</u>	<u>(2,203,797)</u>	<u>(1,634,067)</u>
<b>Other Financing Sources (Uses):</b>							
Transfers in	289,760	-	-	-	745,175	2,436,743	3,471,678
Transfers out	<u>(652,068)</u>	<u>-</u>	<u>-</u>	<u>(1,098,237)</u>	<u>-</u>	<u>(1,721,373)</u>	<u>(3,471,678)</u>
Total other financing sources and uses	<u>(362,308)</u>	<u>-</u>	<u>-</u>	<u>(1,098,237)</u>	<u>745,175</u>	<u>715,370</u>	<u>-</u>
Net changes in fund balances	(1,147,380)	1,705,498	358,983	(980,988)	(81,753)	(1,488,427)	(1,634,067)
Fund balances - June 30, 2007	<u>11,034,512</u>	<u>4,760,754</u>	<u>4,206,173</u>	<u>4,445,171</u>	<u>149,378</u>	<u>12,344,086</u>	<u>36,940,074</u>
Fund balances - June 30, 2008	<u><u>\$ 9,887,132</u></u>	<u><u>\$ 6,466,252</u></u>	<u><u>\$ 4,565,156</u></u>	<u><u>\$ 3,464,183</u></u>	<u><u>\$ 67,625</u></u>	<u><u>\$ 10,855,659</u></u>	<u><u>\$ 35,306,007</u></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, 2008**

Total net change in fund balances - governmental funds	\$ (1,634,067)
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 \$9,841,527 is greater than depreciation expense \$(1,192,103) in the period.	8,649,424
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net assets	(119,640)
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.	407,000
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.	(10,820)
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:	6,059
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 \$113,104	(113,104)
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.	597,991
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 \$5,467,768 less the contributions of cash and fixed assets from other governmental funds (\$5,551,680).	<u>(83,912)</u>
Changes in net assets of governmental activities	<u>\$ 7,698,931</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, 2008

	<b>Enterprise Funds</b>			<b>Internal Service Funds</b>
	<b>Wastewater Fund</b>	<b>Transit Fund</b>	<b>Totals</b>	
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 9,519,473	\$ -	\$ 9,519,473	\$ 4,898,046
Receivables:				
Federal distributions due	5,429	191,882	197,311	516,199
Due from State of California	1,810	-	1,810	172,104
Due from County of San Luis Obispo	-	247,362	247,362	-
Accrued interest	76,108	-	76,108	38,390
Other receivables	20,989	13,551	34,540	-
Due from other funds	65,191	-	65,191	-
Prepaid expenses	308	2,930	3,238	2,752
Interfund advances receivable	125,001	-	125,001	-
<b>Total current assets</b>	<b>9,814,309</b>	<b>455,725</b>	<b>10,270,034</b>	<b>5,627,491</b>
Capital Assets:				
Non-depreciable:				
Land	442,044	-	442,044	-
Construction in progress	188,213	77,833	266,046	8,808,160
Depreciable:				
Vehicles and equipment	360,901	409,613	770,514	6,697,448
Structure and improvements	23,601,801	126,411	23,728,212	7,067,828
Accumulated depreciation	(9,241,423)	(323,145)	(9,564,568)	(5,322,535)
<b>Net capital assets</b>	<b>15,351,536</b>	<b>290,712</b>	<b>15,642,248</b>	<b>17,250,901</b>
<b>Total assets</b>	<b>25,165,845</b>	<b>746,437</b>	<b>25,912,282</b>	<b>22,878,392</b>

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, 2008**

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Wastewater Fund</u>	<u>Transit Fund</u>	<u>Totals</u>	
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	\$ 125,830	\$ 67,095	\$ 192,925	\$ 58,299
Accrued salaries and benefits	8,847	1,078	9,925	14,837
Deferred revenue	-	123,103	123,103	-
Due to other funds	-	303,325	303,325	-
Other payables	4	-	4	-
Noncurrent Liabilities:				
Compensated absences	13,200		13,200	26,043
Total liabilities	<u>147,881</u>	<u>494,601</u>	<u>642,482</u>	<u>99,179</u>
<b>NET ASSETS</b>				
Invested in capital assets	15,351,536	290,712	15,642,248	17,250,901
Unrestricted	<u>9,666,428</u>	<u>(38,876)</u>	<u>9,627,552</u>	<u>5,528,312</u>
Total net assets	<u>\$ 25,017,964</u>	<u>\$ 251,836</u>	<u>\$ 25,269,800</u>	<u>\$ 22,779,213</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, 2008

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Wastewater Fund</u>	<u>Transit Fund</u>	<u>Totals</u>	
<b>Operating Revenues:</b>				
Service fees	\$ 1,706,037	\$ 113,526	\$ 1,819,563	\$ 2,055,046
Installation, extension and connection fees	57,092	-	57,092	-
Other	671	-	671	4,975
Total operating revenues	<u>1,763,800</u>	<u>113,526</u>	<u>1,877,326</u>	<u>2,060,021</u>
<b>Operating Expenses:</b>				
Salaries and benefits	336,549	38,585	375,134	604,559
Office expense	7,207	1,857	9,064	780
Advertising	-	4,502	4,502	-
Computer maintenance and replacement	18,425	11,650	30,075	6,150
Insurance	16,389	7,788	24,177	17,152
Occupancy and rental costs	15,032	2,571	17,603	418,576
Utilities	202,037	-	202,037	56,817
Communications	5,697	1,553	7,250	10,595
Operating supplies	86,052	431	86,483	41,263
Vehicle and equipment operating costs	163,562	137,704	301,266	8,920
Contract services	169,077	231,250	400,327	93,879
Professional development	5,758	595	6,353	18,781
Recruitment	1,300	-	1,300	1,082
Franchise fees	33,133	-	33,133	-
Administrative charges	239,860	114,990	354,850	100,130
Special projects:				
Minor equipment	4,439	-	4,439	-
Aerial photos	-	-	-	6,500
Parking lot repairs	-	-	-	5,603
Vehicle Emission Reduction Projects	12,776	-	12,776	-
Clean up of old treatment plant site	2,395	-	2,395	-
Effluent Monitoring Project	897	-	897	-
Manhole repairs	109,634	-	109,634	-
Pump station abandonment	18,837	-	18,837	-
Depreciation	<u>618,019</u>	<u>58,949</u>	<u>676,968</u>	<u>1,355,404</u>
Total operating expenses	<u>2,067,075</u>	<u>612,425</u>	<u>2,679,500</u>	<u>2,746,191</u>
Operating income (loss)	<u>(303,275)</u>	<u>(498,899)</u>	<u>(802,174)</u>	<u>(686,170)</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, 2008

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Wastewater Fund</u>	<u>Transit Fund</u>	<u>Totals</u>	
<b>Non-Operating Revenues:</b>				
Transportation Development Act Funds - Operations	\$ -	\$ 352,209	\$ 352,209	\$ -
Section 5307 Revenues - Operations	-	185,000	185,000	-
Section 5307 Revenues - Capital	-	101,534	101,534	-
Cal Trans Capital Reimbursement	258,279	-	258,279	-
FEMA Earthquake Repair Grant	-	-	-	280,196
OES Earthquake Repair Grant	-	-	-	93,399
Interest income	476,079	(4,095)	471,984	227,381
Gain / (loss) on sale of assets	(5,450)	-	(5,450)	1,282
	<u>728,908</u>	<u>634,648</u>	<u>1,363,556</u>	<u>602,258</u>
Total non-operating revenues				
Change in net assets prior to capital contributions	<u>425,633</u>	<u>135,749</u>	<u>561,382</u>	<u>(83,912)</u>
<b>Capital Contributions:</b>				
Capital contributions from other funds	-	-	-	5,551,680
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,551,680</u>
Total capital contributions				
Change in net assets	425,633	135,749	561,382	5,467,768
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>
Total net assets, June 30, 2008	<u>\$ 25,017,964</u>	<u>\$ 251,836</u>	<u>\$ 25,269,800</u>	<u>\$ 22,779,213</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, 2008**

	<b>Enterprise Funds</b>			<b>Internal Service Funds</b>
	<b>Wastewater Fund</b>	<b>Transit Fund</b>	<b>Totals</b>	
<b>Cash Flows From Operating Activities:</b>				
Receipts from customers	\$ 1,757,895	\$ 101,393	\$ 1,859,288	\$ -
Internal activity - payments from other funds	(4,554)	-	(4,554)	2,055,046
Payments to suppliers of goods and services	(1,127,775)	(481,582)	(1,609,357)	(753,873)
Payments for employee services	(356,078)	(38,334)	(394,412)	(599,006)
Pass-through payments	(2,053)	-	(2,053)	-
Net cash provided (used) by operating activities	268,106	(418,523)	(150,417)	702,167
<b>Cash Flows From Non-Capital Financing Activities:</b>				
Receipts from intergovernmental agencies	-	158,850	158,850	-
Loans / repayment to other funds	-	303,325	303,325	-
Net cash provided (used) by non-capital related financing activities	-	462,175	462,175	-
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Acquisition of fixed assets	(555,973)	(198,792)	(754,765)	(432,149)
Receipts from intergovernmental agencies	-	101,534	101,534	-
Capital grant proceeds	259,897	-	259,897	713,992
Proceeds from sale of assets	-	-	-	1,282
Net cash provided (used) by capital and related financing activities	(296,076)	(97,258)	(393,334)	283,125

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, 2008

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Wastewater Fund</u>	<u>Transit Fund</u>	<u>Totals</u>	
<b>Cash Flows From Investing Activities:</b>				
Interest income	\$ 503,751	\$ (3,723)	\$ 500,028	\$ 229,045
Principal received on interfund advances	39,135	-	39,135	-
Net cash provided (used) by investing activities	<u>542,886</u>	<u>(3,723)</u>	<u>539,163</u>	<u>229,045</u>
Net increase (decrease) in cash and cash equivalents	514,916	(57,329)	457,587	1,214,337
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>
Cash and cash equivalents - June 30, 2008	<u>\$ 9,519,473</u>	<u>\$ -</u>	<u>\$ 9,519,473</u>	<u>\$ 4,898,046</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (303,275)	\$ (498,899)	\$ (802,174)	\$ (686,170)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	618,019	58,949	676,968	1,355,404
Change in assets and liabilities:				
Receivables, net	(5,234)	(12,133)	(17,367)	-
Prepaid expenses	59	1,225	1,284	552
Due to other funds	(4,554)	-	(4,554)	-
Accounts payable	(15,327)	32,084	16,757	26,828
Accrued salaries and benefits	(20,235)	251	(19,984)	2,994
Other payables	(2,053)	-	(2,053)	-
Compensated absences	<u>706</u>	<u>-</u>	<u>706</u>	<u>2,559</u>
Net cash provided (used) by operating activities	<u>\$ 268,106</u>	<u>\$ (418,523)</u>	<u>\$ (150,417)</u>	<u>\$ 702,167</u>

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

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# **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**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.

In-Lieu Low Income Housing Fund

This fund accounts for fees that are paid by developers in lieu of building inclusionary (affordable) housing. These fees are expended on programs that provide and/or promote affordable housing within the City.

2005 Redevelopment Bond Project Fund

This fund accounts for the capital projects that are funded by the 2005 Redevelopment Bond issue proceeds.

Youth Center Construction Fund

This fund accounts for the planning, design and construction of the Colony Park Community Center.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

C. Major Funds (continued)

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.

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.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

E. Basis of Accounting (continued)

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.

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

**CITY OF ATASCADERO**

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2008

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

G. Property Taxes (continued)

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.

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	3-25 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.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 surety 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 \$44,132,561 was netted against the liability account of \$44,078,242 in fiscal year 2008. The net balance in the deposits liability account at June 30, 2008 was \$54,319. This amount reflects the cash deposits.

L. Short-Term Debt

The City has no short-term debt.

M. Long-Term Contracts

The City uses the percentage-of-completion method of accounting for long-term contracts, recognizing the pro rata portion of the contract in the accounting period covered by the contract.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

A. Budgetary Information

Biennial 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 or his appointee. 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.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)**

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	\$ (249,682)
Fire Aerial Vehicle Impact Fees Fund	\$ (808,430)
Historic City Hall Rehabilitation Fund	\$ (5,413)

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

Assessment District #9 Debt Service Fund	\$ (56,633)
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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	\$ (94,283)
Assessment District #10 Debt Service Fund	\$ (10,355)

C. Excess of Expenditures over Appropriations

	<u>Excess Expenditures</u>
Debt Service Funds:	
2005 Redevelopment Bond Debt Service Fund	\$ 106
1993 Camino Real Improvement Bonds Fund	\$ 48

For the above funds, trustee fees exceeded projected costs by an immaterial amount, therefore no budget adjustment was made.

**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, 2008 consisted of the following:

Pooled Cash and Investments	
Cash and cash equivalents	\$ 380,441
Investments	12,467,994
Local Agency Investment Fund (State Pool)	<u>29,667,933</u>
Total Pooled Cash and Investments	42,516,368
Funds with Fiscal Agents:	
United States Treasury Money Fund	126,731
United States Government Bonds	246,127
Treasury Obligations Fund	<u>738,729</u>
Total Funds with Fiscal Agents	1,111,587
Total Cash and Investments	<u><u>\$ 43,627,955</u></u>

**NOTE 3 – CASH AND INVESTMENTS (continued)**

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

	Governmental Activities	Business-Type Activities	Total
Cash and investments	\$ 32,863,172	\$ 9,519,473	\$ 42,382,645
Cash and investments held by fiscal agents	1,111,587	-	1,111,587
Restricted certificates of deposit	133,723	-	133,723
<b>Total Cash and Investments</b>	<b>\$ 34,108,482</b>	<b>\$ 9,519,473</b>	<b>\$ 43,627,955</b>

A. Deposits with Financial Institutions

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 bank account balance was \$605,204. Of the total deposit balance, \$100,000 was insured by federal depository insurance and \$505,204 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. Certificates of Deposit totaling \$6,783,996 are fully insured.

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 consists 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, Post Office Box 942809, 915 Capitol Mall C-15, Sacramento, CA 94209-0001.

C. Authorized Investments

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

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

**NOTE 3 – CASH AND INVESTMENTS (continued)**

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

E. Investments

Investments for the City are summarized below:

<b>Investments</b>	<u>Fair Value</u>	<u>Percent of Portfolio</u>
Government Securities	\$ 5,550,275	13%
Certificates of Deposit	6,783,996	16%
Local Agency Investment Fund (State Pool)	29,667,933	71%
Total Investments Managed by City	<u>\$ 42,002,204</u>	<u>100%</u>
<b>Investments Held by Fiscal Agents</b>		
United States Treasury Money Fund	\$ 1,111,587	100%
Total Investments Held by Fiscal Agents	<u>\$ 1,111,587</u>	<u>100%</u>

**NOTE 3 – CASH AND INVESTMENTS (continued)**

E. Investments (continued)

	<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>
<b>Investments</b>					
Government Securities	\$ 5,550,275	\$ -	\$ -	\$ 501,492	\$ 5,048,783
Certificates of Deposit	6,783,996	1	94,948	2,384,573	4,304,474
Local Agency Investment Fund (State Pool)	29,667,933	29,667,933	-	-	-
Total Investments Managed by City	<u>\$ 42,002,204</u>	<u>\$ 29,667,934</u>	<u>\$ 94,948</u>	<u>\$ 2,886,065</u>	<u>\$ 9,353,257</u>
Percentage of Portfolio	100%	71%	0%	7%	22%

*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.

*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 government 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.

**NOTE 3 – CASH AND INVESTMENTS (continued)**

E. Investments (continued)

*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 forty percent (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 that 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 thirty percent (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 accounts. 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-l et seq.) shall not exceed twenty percent (20%) of the agency's surplus money that may be invested pursuant to the City's Investment Policy.

F. Funds with Fiscal Agents

The City had \$1,111,587 in cash and investments as of June 30, 2008, held by fiscal agents pledged for the payment or security of certain bonds. Investments held by fiscal agents consist of \$83,764 held by the trustee for the 1993 Camino Real Improvement Bonds, \$42,967 for the 1992 Street Improvement Bonds, and \$984,856 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, 2008, was as follows:

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers Between Assets</u>	<u>Balance June 30, 2008</u>
<b>Governmental Activities</b>					
Non-Depreciable Capital Assets					
Land	\$ 41,003,131	\$ -	\$ -	\$ -	\$ 41,003,131
Construction in progress	12,334,992	9,433,791	-	(11,044,043)	10,724,740
Total non-depreciable capital assets	<u>53,338,123</u>	<u>9,433,791</u>	<u>-</u>	<u>(11,044,043)</u>	<u>51,727,871</u>
Depreciable Capital Assets					
Vehicles and equipment	6,013,484	645,608	(40,911)	167,434	6,785,615
Structures and improvements	7,977,056	10,627	-	2,948,828	10,936,511
Infrastructure	46,003,163	183,649	(261,146)	7,927,781	53,853,447
Total depreciable capital assets	59,993,703	839,884	(302,057)	11,044,043	71,575,573
Less Accumulated Depreciation	(21,210,229)	(2,547,507)	182,418		(23,575,318)
Net depreciable capital assets	<u>38,783,474</u>	<u>(1,707,623)</u>	<u>(119,639)</u>	<u>11,044,043</u>	<u>48,000,255</u>
Net governmental capital assets	<u>\$ 92,121,597</u>	<u>\$ 7,726,168</u>	<u>\$ (119,639)</u>	<u>\$ -</u>	<u>\$ 99,728,126</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, 2008, was as follows:

	<b>Balance July 1, 2007</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers Between Assets</b>	<b>Balance June 30, 2008</b>
<b>Business-Type Activities</b>					
Non-Depreciable Capital Assets					
Land	\$ 442,044	\$ -	\$ -	\$ -	\$ 442,044
Construction in progress	27,804	668,423	-	(430,181)	266,046
Total non-depreciable capital assets	<u>469,848</u>	<u>668,423</u>	<u>-</u>	<u>(430,181)</u>	<u>708,090</u>
Depreciable Capital Assets					
Vehicles and equipment	633,386	5,167	-	131,961	770,514
Structures and improvements	23,394,229	81,175	(45,412)	298,220	23,728,212
Total depreciable capital assets	24,027,615	86,342	(45,412)	430,181	24,498,726
Less Accumulated Depreciation	<u>(8,927,562)</u>	<u>(676,968)</u>	<u>39,962</u>	<u>-</u>	<u>(9,564,568)</u>
Net depreciable capital assets	<u>15,100,053</u>	<u>(590,626)</u>	<u>(5,450)</u>	<u>430,181</u>	<u>14,934,158</u>
Net business-type capital assets	<u>\$ 15,569,901</u>	<u>\$ 77,797</u>	<u>\$ (5,450)</u>	<u>\$ -</u>	<u>\$ 15,642,248</u>

**NOTE 4 – CAPITAL ASSETS (continued)**

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	\$ 471,307
Public Safety	457,052
Community Development	134,103
Community, Recreation & Zoo Services	183,366
Parks & Open Space	91,775
Public Works	<u>1,209,904</u>
Total Depreciation Expense- Governmental Activities	<u><u>\$ 2,547,507</u></u>

**Business-Type Activities:**

Sewer	\$ 618,019
Transit	<u>58,949</u>
Total Depreciation- Business-Type Activities	<u><u>\$ 676,968</u></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, 2008, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 1,136,586
General Fund	Youth Center Construction Fund	803,619
General Fund	Transit Fund	303,325
Redevelopment Agency Fund	Nonmajor Governmental Funds	24,897
Wastewater Fund	Nonmajor Governmental Funds	<u>65,191</u>
Total		<u><u>\$ 2,333,618</u></u>

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

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 that exceeds one year. The composition of interfund advances balances at June 30, 2008, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Redevelopment Agency Fund	\$ 1,375,175
Wastewater Fund	Nonmajor Governmental Funds	125,001
Total		<u>\$ 1,500,176</u>

Interfund transfers were made as follows:

\$ 289,760	Transfer from the Community Facilities District Fund to the General Fund for police, fire & parks services
9,869	Transfer from the General Fund to the Community Development Block Grant Fund for the Sidewalk Phase III Project
4,411	Transfer from the Sidewalk In Lieu Fees Fund to the Community Development Block Grant Fund for the Sidewalk Phase III Project
100,122	Transfer from the 2005 Redevelopment Bond Project Fund to the Community Development Block Grant Fund for the Colony Park Sidewalk
348,180	Transfer from the General Fund to the Gas Tax Fund for general street operations
10,619	Transfer from the Gas Tax Fund to the AB2928 Traffic Congestion Relief Fund for streets projects
331,398	Transfer from the Local Transportation Fund to the Circulation System Fees Fund for a portion of the Lewis Avenue Bridge Project
331,398	Transfer from the Capital Projects Fund to the Circulation System Fees Fund for a portion of the Lewis Avenue Bridge Project
662,796	Transfer from the 2005 Redevelopment Bond Project Fund to the Circulation System Fees Fund for a portion of the Lewis Avenue Bridge
15,107	Transfer from the Amapoa Tecorida Impact Fees Fund to the Storm Drainage Facilities Fees Fund for the Marchant Avenue Drainage Project
250,000	Transfer from the General Fund to the Capital Projects Fund for major road repairs
211,277	Transfer from the 2005 Redevelopment Bond Project Fund to the Capital Projects Fund for the Downtown Streetscape Project, Phase II
2,719	Transfer from the General Fund to the Historic City Hall Rehabilitation Fund for project administrative expenditures
124,042	Transfer from the 2005 Redevelopment Bond Project Fund to the Youth Center Construction Fund for construction of the community center
612,352	Transfer from the Parkland Facilities Fees Fund to the Youth Center Construction Fund for construction of the community center
8,781	Transfer from the Public Facilities Fees Fund to the Youth Center Construction Fund for construction of the community center
41,300	Transfer from the General Fund to the 1997 C.O.P. Refunding Fund for portion of Pavilion debt service
69,893	Transfer from the Law Enforcement Facilities Fees Fund to the 1997 C.O.P. Refunding Fund for debt service on the Police station
47,654	Transfer from the Public Facilities Fees Fund to the 1997 C.O.P. Refunding Fund for a portion of the Pavilion debt service
<u>\$ 3,471,678</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, 2008, total \$1,214,364 for governmental activities and \$13,200 for business-type activities.

B. 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>2009</u>	<u>1992 Street Improvement Assessment Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
	<u>\$ 65,000</u>	<u>\$ 2,015</u>
	<u>\$ 65,000</u>	<u>\$ 2,015</u>

C. 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.

**NOTE 6 – LONG-TERM DEBT (continued)**

D. 1999 Camino Real Limited Obligation Refunding Improvement Bonds (continued)

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
2009	\$ 125,000	\$ 44,027
2010	130,000	37,077
2011	135,000	29,722
2012	145,000	21,846
2013	150,000	13,475
2014	160,000	4,600
	<u>\$ 845,000</u>	<u>\$ 150,747</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
2009	\$ 151,000	\$ 8,683
	<u>\$ 151,000</u>	<u>\$ 8,683</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
2009	\$ -	\$ 574,043
2010	275,000	569,917
2011	285,000	561,161
2012	295,000	551,368
2013	305,000	541,020
2014-2018	1,700,000	2,517,371
2019-2023	2,085,000	2,111,845
2024-2028	2,625,000	1,558,328
2029-2033	3,340,000	828,372
2034-2035	1,580,000	80,000
	<u>\$ 12,490,000</u>	<u>\$ 9,893,425</u>

**CITY OF ATASCADERO**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2008

**NOTE 6 – LONG-TERM DEBT (continued)**

G. Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2008, was as follows:

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2008</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
Assessment District No. 4 Bonds	\$ 90,000	\$ -	\$ (90,000)	\$ -	\$ -
1992 Street Assessment Bonds	125,000	-	(60,000)	65,000	65,000
Camino Real 1999 Limited Obligation Refunding Improvement Bonds	960,000	-	(115,000)	845,000	125,000
2005 Redevelopment Bonds	12,490,000	-	-	12,490,000	-
Capital Lease	293,000	-	(142,000)	151,000	151,000
Compensated Absences	1,098,701	115,663	-	1,214,364	-
Total Governmental Activities	<u>\$ 15,056,701</u>	<u>\$ 115,663</u>	<u>\$ (407,000)</u>	<u>\$ 14,765,364</u>	<u>\$ 341,000</u>
Business-type Activities:					
Compensated Absences	\$ 12,494	\$ 706	\$ -	\$ 13,200	\$ -
Total Business-type Activity	<u>\$ 12,494</u>	<u>\$ 706</u>	<u>\$ -</u>	<u>\$ 13,200</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, Post Office Box 942701, Sacramento, CA 94229-2701.

Funding Policy

Active plan members in the PERS are required to contribute 8% for miscellaneous members or 9% for safety members of their annual covered salary. The City makes 5.85% of the contributions required of miscellaneous City employees and 100% of the contributions required of safety 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 2007-2008 was 12.741% for miscellaneous employees and 26.192% for safety employees. The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

For fiscal year 2007-2008, the City's annual pension cost was \$1,680,239 and was equal to the City's required and actual contributions. The required contribution for fiscal year 2007-2008 was determined as part of the June 30, 2007 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) payroll growth of 3.25%. 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 15-year period. The City's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of assumed future payrolls. The remaining amortization period at June 30, 2007, was 16 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
6/30/06	\$1,231,398	100%	\$ 0
6/30/07	\$1,388,590	100%	\$ 0
6/30/08	\$1,680,239	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. The City changed the contract with CalPERS for Miscellaneous Plan members, moving from 2% @ 55 to 2.5% @ 55. The benefits went into effect on July 1, 2007. The values of the new pool are presented below with the three most recent years of available information.

Funded Status of Miscellaneous Plan - 2.5% @ 55

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)
6/30/2005	\$ 579,276,103	\$ 500,388,523	\$ 78,887,580	86.40%	\$ 129,379,492	61.00%
6/30/2006	\$ 912,988,585	\$ 787,758,909	\$ 125,229,676	86.30%	\$ 200,320,145	62.50%
6/30/2007	\$ 1,315,454,361	\$ 1,149,247,298	\$ 166,207,063	87.40%	\$ 289,090,187	57.50%

Funded Status of Safety Plan - 3% @ 50

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)
6/30/2005	\$ 6,367,049,264	\$ 5,295,150,375	\$ 1,071,898,889	83.20%	\$ 664,147,796	161.40%
6/30/2006	\$ 7,278,049,834	\$ 6,102,615,567	\$ 1,175,434,267	83.90%	\$ 754,730,438	155.70%
6/30/2007	\$ 7,986,055,176	\$ 6,826,599,459	\$ 1,159,455,717	85.50%	\$ 831,607,658	139.40%

**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 \$1,400 of benefit expenditures during the current period. There is currently one participant 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 currently finances and accounts 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 2008-09 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 \$14,171, and total contributions from the City were \$7,412. Nationwide Retirement Solutions is the public employee plan subsidiary of Nationwide Financial Services, Inc. (NYSE: NFS).

**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 119 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). 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 \$5,000,000 and the associated loss development reserves are pooled based on payroll. Costs of covered claims from \$5,000,000 to \$50,000,000 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). 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 employer's liability losses from \$5,000,000 to \$10,000,000 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 \$300,000,000 are transferred to reinsurance carriers. Costs in excess of \$300,000,000 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.

**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. City property currently has all-risk property insurance protection in the amount of \$39,672,745. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Crime Insurance

The City purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums 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.

D. 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.

E. Unemployment

The City is fully self-insured for unemployment claims.

F. 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)**

F. Self Insurance (continued)

Self-insurance activity as of and for the year ended June 30, 2008 is summarized as follows:

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Total</u>
Interest earnings and other income	\$ 16,431	\$ 56,393	\$ 72,824
Claims expense	131,423	(771,589)	(640,166)
Estimated liability for reported claims and settlement expenses	914,221	-	914,221
Assets on deposit	<u>1,661,469</u>	<u>-</u>	<u>1,661,469</u>
Assets in excess of (less than) liabilities	<u>\$ 747,248</u>	<u>\$ -</u>	<u>\$ 747,248</u>

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

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Total</u>
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	<u>15,075</u>	<u>35,782</u>	<u>50,857</u>
Deposits (unpaid claims liability) June 30, 2007	(561,544)	710,802	149,258
Claim payments and related expenditures	(131,423)	771,589	640,166
(Increase) in estimated claims liability June 30, 2008	(115,000)	-	(115,000)
Deposits and interest earnings	16,431	56,393	72,824
Transfer between funds	<u>1,538,784</u>	<u>(1,538,784)</u>	<u>-</u>
Deposits (unpaid claims liability) June 30, 2008	<u>\$ 747,248</u>	<u>\$ -</u>	<u>\$ 747,248</u>

**CITY OF ATASCADERO**

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2008

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**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 or the risks are covered by the City's insurance programs.

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.

**CITY OF ATASCADERO**

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2008

**NOTE 10 - CONTINGENCIES AND COMMITMENTS (continued)**

Construction and other significant commitments as of June 30, 2008, including encumbrances outstanding at year-end, are as follows:

General Fund	\$ 509,891
Apple Valley Street & Storm Drain Assessment District Fund	1,406
Apple Valley Landscape & Lighting Assessment District Fund	11,925
Las Lomas Street & Storm Drain Assessment district Fund	1,468
Las Lomas Landscape & Lighting Assessment District Fund	1,966
De Anza Street & Storm Drain Assessment District Fund	1,418
De Anza Landscape & Lighting Assessment District Fund	1,933
Redevelopment Agency Fund	6,441,355
Low / Moderate Income Housing Fund	8,600
In-Lieu Low Income Housing Fund	41,020
Community Development Block Grant Fund	73,417
Tree Plant Fund	328,340
Gas Tax Fund	321,370
Local Transportation Fund	1,078,247
Street Assessment Fund	37,420
Circulation System Fees Fund	120,468
Storm Drainage Facilities Fees Fund	413,120
Amapoa/Tecorida Drainage Impact Fees Fund	83,470
Fire Facilities Fees Fund	429,640
Parkland Facilities Fees Fund	95,030
Library Expansion Facilities Fees Fund	56,080
Fire Aerial Vehicle Impact Fees Fund	653
Capital Projects Fund	1,398,796
2005 Redevelopment Bond Project Fund	3,464,183
Historic City Hall Rehabilitation Fund	35,827
Youth Center Construction Fund	69,969
Wastewater Fund	52,102
Transit Fund	33,874
Technology Fund	4,244
	<u>\$ 15,117,232</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 \$18,384,713 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, 2008.

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.

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## **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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Secured and unsecured property taxes	\$ 7,626,280	\$ 7,480,640	\$ 7,511,886	\$ 31,246
Taxes based on sales and use	3,994,600	3,544,600	3,547,696	3,096
Franchise tax	879,060	879,060	956,929	77,869
Other taxes	858,200	803,840	663,544	(140,296)
Licenses and permits	760,520	343,710	275,622	(68,088)
Intergovernmental revenues:				
Motor vehicle in-lieu and related payments	190,400	190,400	123,310	(67,090)
Other governmental revenues	106,140	119,140	113,607	(5,533)
Grants	38,900	611,300	612,044	744
Charges for services:				
Public safety	1,019,310	1,019,030	1,044,268	25,238
Development	996,770	663,580	714,421	50,841
Recreation, parks, pavilion and zoo	637,770	637,770	590,606	(47,164)
Other services	87,200	87,200	69,381	(17,819)
Fines and forfeitures	136,200	136,200	127,765	(8,435)
Use of money and property	403,480	573,480	467,963	(105,517)
Other revenues	1,143,230	1,174,810	1,213,303	38,493
<b>Total revenues</b>	<b>18,878,060</b>	<b>18,264,760</b>	<b>18,032,345</b>	<b>(232,415)</b>
<b>Expenditures:</b>				
Employee services	13,149,250	13,540,800	13,321,051	219,749
Operating supplies & services	5,411,720	5,604,280	5,213,311	390,969
Special purchases, projects and community funding	224,520	290,760	179,692	111,068
Capital outlay	113,390	128,410	103,363	25,047
<b>Total expenditures</b>	<b>18,898,880</b>	<b>19,564,250</b>	<b>18,817,417</b>	<b>746,833</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(20,820)</b>	<b>(1,299,490)</b>	<b>(785,072)</b>	<b>514,418</b>

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Other Financing Sources (Uses):</b>				
Transfers in	\$ 164,300	\$ 164,300	\$ 289,760	\$ 125,460
Transfers out	<u>(639,480)</u>	<u>(699,350)</u>	<u>(652,068)</u>	<u>47,282</u>
Total other financing sources and uses	<u>(475,180)</u>	<u>(535,050)</u>	<u>(362,308)</u>	<u>172,742</u>
Net changes in fund balance	<u>\$ (496,000)</u>	<u>\$ (1,834,540)</u>	(1,147,380)	<u>\$ 687,160</u>
Fund balances - June 30, 2007			<u>11,034,512</u>	
Fund balances - June 30, 2008			<u>\$ 9,887,132</u>	

**CITY OF ATASCADERO**

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes:				
Property taxes:				
Secured property tax	\$ 4,870,610	\$ 4,897,640	\$ 4,875,993	\$ (21,647)
Property tax in lieu of VLF	2,272,010	2,241,690	2,241,687	(3)
Unsecured property taxes	128,960	128,960	132,713	3,753
Supplemental property taxes	354,000	211,650	266,793	55,143
Prior year secured and unsecured	-	-	(5,770)	(5,770)
Property tax penalties and interest	700	700	470	(230)
Taxes based on sales:				
Sales and use taxes	3,074,000	2,641,800	2,644,901	3,101
Sales tax in-lieu payments	920,600	902,800	902,795	(5)
Transient occupancy tax	524,200	524,200	407,610	(116,590)
Franchise taxes:				
Cable television franchise fees	230,660	230,660	223,605	(7,055)
Electricity franchise fees	201,810	201,810	203,303	1,493
Garbage disposal franchise fees	197,860	197,860	284,078	86,218
Landfill franchise fees	16,000	16,000	15,498	(502)
Recycling franchise fees	15,250	15,250	12,464	(2,786)
Gas franchise fees	186,000	186,000	184,848	(1,152)
Wastewater franchise fees	31,480	31,480	33,133	1,653
Business licenses	174,100	174,100	157,825	(16,275)
Property transfer tax	159,900	105,540	98,109	(7,431)
<b>Total Taxes</b>	<b>13,358,140</b>	<b>12,708,140</b>	<b>12,680,055</b>	<b>(28,085)</b>
Licenses and Permits:				
Construction permits	642,410	291,000	220,164	(70,836)
Grading and drainage permits	50,090	5,980	10,970	4,990
Encroachment permits	44,290	23,000	23,536	536
Tree application fees	23,730	23,730	19,622	(4,108)
Planning Inspections	-	-	1,330	1,330
<b>Total Licenses and Permits</b>	<b>760,520</b>	<b>343,710</b>	<b>275,622</b>	<b>(68,088)</b>

**CITY OF ATASCADERO**

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues (continued):</b>				
Intergovernmental Revenues:				
Motor vehicle in-lieu (VLF)	\$ 190,400	\$ 190,400	\$ 123,310	\$ (67,090)
Homeowners' tax relief	52,150	52,150	51,017	(1,133)
State mandated costs	26,520	26,520	17,688	(8,832)
P.O.S.T. reimbursement	27,470	27,470	31,902	4,432
Chipping program reimbursements	-	13,000	13,000	-
Grants:				
Bulletproof Vest grant	5,000	5,000	1,408	(3,592)
2007 OTS Extrication Grant	5,410	5,410	3,488	(1,922)
FEMA earthquake funding	-	-	4,820	4,820
FEMA earthquake administration	-	77,800	77,868	68
2007 FEMA Wellness Grant	28,490	28,490	25,631	(2,859)
OES earthquake funding	-	-	1,607	1,607
OES earthquake administration	-	482,200	484,829	2,629
Avoid the 14 Grant	-	12,400	12,393	(7)
<b>Total Intergovernmental Revenues</b>	<b>335,440</b>	<b>920,840</b>	<b>848,961</b>	<b>(71,879)</b>
Charges for Services:				
Public safety:				
First response charges	99,160	99,160	98,728	(432)
Weed abatement services	35,000	60,500	26,438	(34,062)
Mutual aid	825,000	799,220	861,597	62,377
Police false alarms	7,000	7,000	5,670	(1,330)
Fingerprints	21,100	21,100	18,040	(3,060)
Vehicle release fees	20,500	20,500	13,880	(6,620)
Booking fees	500	500	4,243	3,743
Other public safety services	11,050	11,050	15,672	4,622

**CITY OF ATASCADERO**

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues (continued):</b>				
Charges for Services (continued):				
Development:				
Zoning fees	\$ 76,740	\$ 76,740	\$ 80,917	\$ 4,177
Subdivision fees- Planning	54,420	54,420	37,405	(17,015)
Subdivision fees- Public Works	16,720	16,720	20,166	3,446
General and specific plans	17,710	17,710	21,270	3,560
EIR and annexations fees	-	-	5,901	5,901
Assessment district formations	30,000	30,000	21,333	(8,667)
Appeals	4,150	4,150	5,755	1,605
Planning review	15,000	15,000	23,313	8,313
Building plan check fees	532,100	280,000	280,317	317
Public Works plan check fees	190,000	132,550	170,810	38,260
Fire plan check & inspection fees	59,050	21,050	22,717	1,667
Other development fees	880	15,240	24,517	9,277
Recreation:				
Advertising	16,180	16,180	8,837	(7,343)
Aquatics	18,250	18,250	7,621	(10,629)
Adult sports	61,000	61,000	47,845	(13,155)
Youth sports	73,840	73,840	40,558	(33,282)
Classes	59,150	59,150	65,167	6,017
Special events	37,220	37,220	32,313	(4,907)
Teen Center membership	-	-	5,983	5,983
Skate park revenue	-	-	2,584	2,584
Administrative:				
Copy and mailing fees	15,400	15,400	14,643	(757)
Document imaging fee	28,800	28,800	16,678	(12,122)
Business license application fees	27,000	27,000	23,180	(3,820)
Business license renewal fees	15,800	15,800	14,850	(950)
Other administrative charges	200	200	30	(170)
Pavilion rentals and concessions	148,700	148,700	135,864	(12,836)
Other facility rentals	7,300	7,300	11,161	3,861
Park charges	19,880	19,880	22,034	2,154
Zoo	196,250	196,250	210,639	14,389
<b>Total Charges for Services</b>	<b>2,741,050</b>	<b>2,407,580</b>	<b>2,418,676</b>	<b>11,096</b>

**CITY OF ATASCADERO**

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues (continued):</b>				
Fines and Forfeitures:				
Motor vehicle fines	\$ 75,000	\$ 75,000	\$ 77,176	\$ 2,176
Traffic school fines	15,000	15,000	14,841	(159)
Misdemeanor and other minor fines	14,200	14,200	17,687	3,487
Parking fines	9,000	9,000	4,100	(4,900)
Fire and code enforcement fines	15,000	15,000	7,477	(7,523)
Business license penalties	7,500	7,500	5,844	(1,656)
Other penalties	500	500	640	140
<b>Total Fines and Forfeitures</b>	<b>136,200</b>	<b>136,200</b>	<b>127,765</b>	<b>(8,435)</b>
Use of Money and Property:				
Interest	403,480	573,480	467,963	(105,517)
<b>Total Use of Money and Property</b>	<b>403,480</b>	<b>573,480</b>	<b>467,963</b>	<b>(105,517)</b>
Other Revenues:				
Interfund administrative charges	1,016,130	1,016,490	1,043,102	26,612
Workers' comp reimbursement	10,050	10,050	42,928	32,878
Donations	67,050	98,270	74,170	(24,100)
Dove Creek commercial agreement	40,000	40,000	40,000	-
Other revenues	10,000	10,000	13,103	3,103
<b>Total Other Revenues</b>	<b>1,143,230</b>	<b>1,174,810</b>	<b>1,213,303</b>	<b>38,493</b>
<b>Total Revenues</b>	<b>18,878,060</b>	<b>18,264,760</b>	<b>18,032,345</b>	<b>(232,415)</b>

**CITY OF ATASCADERO**

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
City Council:				
Salaries and benefits	\$ 19,390	\$ 19,490	\$ 19,468	\$ 22
Office expense	800	700	322	378
Advertising	750	750	700	50
Computer maintenance and replacement	8,770	8,770	8,770	-
Occupancy	224,210	224,210	224,210	-
Communications	500	500	364	136
Operating supplies	2,750	4,370	4,367	3
Vehicle & equipment operating costs	1,000	30	-	30
Contract services	6,000	7,180	6,950	230
Professional development	46,100	7,990	7,519	471
Community outreach	120,000	132,400	82,378	50,022
Chamber of Commerce	58,060	58,060	58,035	25
Tourism	52,420	52,420	35,866	16,554
Business Development	15,000	17,000	17,000	-
LAFCO Contribution	15,000	16,180	16,175	5
Special projects & community funding:				
Community events	600	1,200	1,194	6
Creek maintenance projects	-	500	432	68
Public Trust Project	-	14,260	11,383	2,877
Campaign Finance Reform Project	-	10,740	10,731	9
Economic Development Strategy	40,000	40,000	9,039	30,961
Natural Resources Brochure	7,500	7,500	-	7,500
Human Resources Grants	20,000	20,000	20,000	-
Total City Council	<u>638,850</u>	<u>644,250</u>	<u>534,903</u>	<u>109,347</u>
City Clerk:				
Salaries and benefits	2,890	2,920	2,907	13
Office expense	1,000	1,000	711	289
Advertising	14,000	26,700	22,444	4,256
Computer maintenance and replacement	500	500	495	5
Contract services	9,460	14,570	8,973	5,597
Professional development	3,750	3,750	1,901	1,849
Municipal election	150	510	507	3
Special purchases, projects, and studies				
Re-codification of Municipal Code	12,000	-	-	-
Total City Clerk	<u>43,750</u>	<u>49,950</u>	<u>37,938</u>	<u>12,012</u>

**CITY OF ATASCADERO**

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (continued):</b>				
City Treasurer:				
Salaries and benefits	\$ 8,110	\$ 8,110	\$ 7,960	\$ 150
Occupancy	2,210	2,210	2,210	-
Contract services	3,650	4,260	4,258	2
Professional development	850	240	110	130
Total City Treasurer	14,820	14,820	14,538	282
City Attorney:				
Office expense	460	40	35	5
Communications	150	70	66	4
Contract services	245,350	452,010	498,694	(46,684)
Recruitment	-	20,150	20,146	4
Total City Attorney	245,960	472,270	518,941	(46,671)
City Manager:				
Salaries and benefits	779,320	802,120	801,156	964
Office expense	8,450	11,310	11,177	133
Computer maintenance and replacement	39,770	39,770	39,770	-
Insurance	15,020	15,030	15,023	7
Occupancy	60,740	60,740	60,740	-
Communications	4,300	5,300	4,282	1,018
Operating supplies	16,250	22,160	19,389	2,771
Vehicle & equipment operating costs	9,500	9,600	9,483	117
Contract services	36,200	11,190	10,324	866
Professional development	29,250	36,710	36,710	-
Citywide training	23,000	20,090	1,084	19,006
Recruitment	500	900	894	6
Employee development	9,000	9,000	8,605	395
Contingency	100,000	230	-	230
Special purchases, projects & studies:				
Security systems	-	1,500	1,488	12
Total City Manager	1,131,300	1,045,650	1,020,125	25,525

**CITY OF ATASCADERO**

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (continued):</b>				
Administrative Services:				
Salaries and benefits	\$ 622,580	\$ 639,120	\$ 635,739	\$ 3,381
Office expense	18,770	18,490	15,968	2,522
Computer maintenance and replacement	80,130	80,130	79,788	342
Insurance	14,910	14,910	13,561	1,349
Occupancy	45,110	45,110	45,110	-
Communications	770	770	488	282
Operating supplies	50	440	431	9
Vehicle & equipment operating costs	3,650	3,650	3,600	50
Contract services	174,500	174,390	163,971	10,419
Professional development	5,200	4,780	3,504	1,276
Recruitment	1,230	1,650	1,645	5
Contingency	5,000	5,000	-	5,000
Capital outlay:				
Computers- New	1,900	1,900	1,108	792
<b>Total Administrative Services</b>	<b>973,800</b>	<b>990,340</b>	<b>964,913</b>	<b>25,427</b>
Police:				
Salaries and benefits	4,643,380	4,773,040	4,715,755	57,285
Office expense	20,450	21,700	21,696	4
Computer maintenance and replacement	209,160	210,750	210,748	2
Insurance	77,390	77,390	77,370	20
Occupancy	89,670	94,920	94,911	9
Utilities	34,720	40,220	40,211	9
Communications	47,500	54,080	54,078	2
Operating supplies	27,400	22,590	22,588	2
Vehicle & equipment operating costs	257,650	275,380	275,378	2
Contract services	178,180	173,150	173,150	-
Professional development	15,010	17,130	17,125	5
Recruitment	11,270	20,060	20,058	2
Contingency	10,000	-	-	-
Special purchases, projects & studies:				
Radio replacement		660	657	3
	<b>5,621,780</b>	<b>5,781,070</b>	<b>5,723,725</b>	<b>57,345</b>

**CITY OF ATASCADERO**

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (continued):</b>				
Police Grants:				
Office Expense	\$ -	\$ 80	\$ 73	\$ 7
Operating supplies	5,510	6,530	5,435	1,095
Vehicle & equipment operating costs		120	113	7
Contract services	360	2,220	2,216	4
Professional development	36,490	35,300	32,538	2,762
Special purchases:		-		
Personal protective vests	10,000	10,000	2,815	7,185
	<u>52,360</u>	<u>54,250</u>	<u>43,190</u>	<u>11,060</u>
Total Police	<u>5,674,140</u>	<u>5,835,320</u>	<u>5,766,915</u>	<u>68,405</u>
Fire:				
Salaries and benefits	\$ 2,843,260	\$ 2,863,970	\$ 2,863,959	\$ 11
Office expense	7,560	6,450	6,445	5
Advertising	250	170	170	-
Computer maintenance and replacement	125,290	120,460	120,510	(50)
Insurance	59,030	58,340	58,339	1
Occupancy	49,010	50,640	50,639	1
Utilities	15,680	19,350	19,342	8
Communications	16,220	15,320	15,314	6
Operating supplies	39,630	38,210	38,206	4
Vehicle and equipment operating costs	215,450	245,580	245,575	5
Contract services	4,740	7,400	7,394	6
Professional development	24,700	20,710	20,702	8
Recruitment	2,290	560	556	4
Contingency	10,000	-	-	-
Special purchases, projects & studies:				
Fire hose	-	3,990	3,987	3
Mobile Data Terminal Project	-	530	530	-
Technical Rescue Team Equipment	10,860	10,860	10,179	681
Truck Academy	16,500	16,500	9,603	6,897
Capital outlay:				
Software	32,400	39,400	39,350	50
	<u>3,472,870</u>	<u>3,518,440</u>	<u>3,510,800</u>	<u>7,640</u>

**CITY OF ATASCADERO**

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (continued):</b>				
Weed Abatement, Mutual Aid and Other Fire Programs:				
Salaries and benefits	\$ 614,890	\$ 758,670	\$ 714,233	\$ 44,437
Office expense	7,290	7,990	5,705	2,285
Advertising	2,100	1,220	168	1,052
Computer maintenance and replacement	3,590	3,590	3,590	-
Operating supplies	14,030	42,250	39,112	3,138
Vehicle & equipment operating costs	20,500	3,920	3,808	112
Contract services	45,930	59,170	58,607	563
Professional development	-	350	348	2
Special purchases, projects & studies:				
Replace Radio Equipment	16,460	16,460	10,508	5,952
Ice Machine	-	2,370	2,368	2
Capital outlay:				
Rescue equipment	700	700	-	700
Exercise equipment	28,490	28,490	28,479	11
Communication Tower	-	1,220	1,217	3
	<u>753,980</u>	<u>926,400</u>	<u>868,143</u>	<u>58,257</u>
Total Fire	<u>4,226,850</u>	<u>4,444,840</u>	<u>4,378,943</u>	<u>65,897</u>
Community Development:				
Salaries and benefits	1,111,080	1,127,800	1,099,607	28,193
Office expense	19,950	19,600	19,592	8
Advertising	3,590	5,640	5,635	5
Computer maintenance and replacement	141,790	141,790	141,784	6
Insurance	21,810	21,810	21,807	3
Occupancy	87,790	87,790	87,790	-
Communications	5,900	5,900	3,237	2,663
Operating supplies	3,600	1,900	587	1,313
Vehicle operations	20,720	20,720	17,411	3,309
Contract services	328,150	328,150	205,087	123,063
Professional development	15,800	20,800	20,279	521
Recruitment	1,100	1,100	135	965
Contingency	5,000	-	-	-

**CITY OF ATASCADERO**

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (continued):</b>				
Community Development (continued):				
Special purchases, projects & studies:				
Factory Outlet Assessment	\$ 43,200	\$ 43,200	\$ 31,301	\$ 11,899
Capital outlay:				
Computers- New	1,900	1,900	1,108	792
Total Community Development	<u>1,811,380</u>	<u>1,828,100</u>	<u>1,655,360</u>	<u>172,740</u>
Community Services Administration:				
Salaries and benefits	332,340	336,720	325,469	11,251
Office expense	10,900	10,240	6,316	3,924
Advertising	150	320	313	7
Computer maintenance and replacement	17,580	17,580	17,580	-
Insurance	4,910	4,910	4,906	4
Occupancy	35,920	35,920	35,920	-
Communications	880	1,170	863	307
Operating supplies	750	750	604	146
Vehicle and equipment operating costs	4,200	4,370	4,178	192
Contract services	740	770	658	112
Professional development	5,470	5,470	2,131	3,339
Recruitment	3,300	2,470	2,118	352
Contingency	5,000	300	-	300
Total Community Services Administration	<u>422,140</u>	<u>420,990</u>	<u>401,056</u>	<u>19,934</u>
Recreation:				
Salaries and benefits	317,310	319,850	260,947	58,903
Office expense	6,410	4,490	2,094	2,396
Advertising	29,600	29,110	29,101	9
Computer maintenance and replacement	17,430	17,430	17,420	10
Insurance	8,510	8,910	8,900	10
Occupancy	62,610	65,680	58,703	6,977
Utilities	6,980	7,130	5,517	1,613
Communications	970	1,150	606	544
Operating supplies	36,180	34,260	17,997	16,263
Vehicle and equipment operating costs	2,940	2,940	2,724	216
Contract services	129,030	126,640	80,621	46,019
Professional development	3,230	3,610	3,094	516
Recruitment	500	500	68	432
Total Recreation	<u>621,700</u>	<u>621,700</u>	<u>487,792</u>	<u>133,908</u>

**CITY OF ATASCADERO**

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (continued):</b>				
Community Center:				
Salaries and benefits	\$ 95,300	\$ 95,550	\$ 87,462	\$ 8,088
Office expense	5,970	5,820	2,561	3,259
Advertising	300	300	-	300
Computer maintenance and replacement	9,490	9,490	9,490	-
Insurance	8,080	8,080	6,545	1,535
Occupancy	100,410	100,410	100,410	-
Utilities	43,000	43,000	37,470	5,530
Communications	3,370	3,370	1,744	1,626
Operating supplies	49,830	40,580	13,632	26,948
Vehicle and equipment operations	6,400	6,400	2,955	3,445
Contract services	52,700	52,700	13,599	39,101
Professional development	2,780	2,780	68	2,712
Recruitment	1,830	1,830	162	1,668
Special purchases, projects & studies:				
Automatic External Defibrillator	5,000	5,000	1,930	3,070
Bathroom equipment	-	2,450	2,449	1
Capital outlay:				
Computers- new	4,200	4,200	3,324	876
Floor scrubber	-	6,800	6,755	45
New vehicle	20,000	20,000	19,806	194
<b>Total Community Center</b>	<b>408,660</b>	<b>408,760</b>	<b>310,362</b>	<b>98,398</b>
Pavilion:				
Salaries and benefits	133,340	133,500	128,516	4,984
Office expense	1,500	1,890	1,606	284
Advertising	4,100	5,080	5,076	4
Computer maintenance and replacement	8,270	8,270	8,270	-
Insurance	4,430	4,430	4,377	53
Occupancy	50,520	50,520	50,520	-
Utilities	21,570	20,590	18,300	2,290
Communications	1,920	1,920	1,547	373
Operating supplies	10,050	12,840	12,173	667
Vehicle and equipment operating costs	410	3,270	3,161	109
Contract services	25,120	25,120	21,856	3,264
Professional development	2,100	1,630	1,467	163
Recruitment	100	1,400	1,395	5

**CITY OF ATASCADERO**

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (continued):</b>				
Pavilion (continued):				
Special purchases, projects & studies:				
Door projects	\$ -	\$ 1,840	\$ 1,837	\$ 3
Capital outlay:				
Computers- new	1,900	1,900	1,108	792
Total Pavilion	265,330	274,200	261,209	12,991
Zoo:				
Salaries and benefits	515,710	523,390	521,391	1,999
Office expense	1,440	2,400	2,394	6
Advertising	5,000	1,950	856	1,094
Computer maintenance and replacement	21,800	21,860	21,800	60
Insurance	9,680	9,680	9,649	31
Occupancy	26,280	26,280	26,280	-
Utilities	25,200	29,300	29,297	3
Communications	1,120	1,120	700	420
Operating supplies	82,490	60,990	56,523	4,467
Vehicle and equipment operating costs	7,950	8,360	8,356	4
Contract services	14,360	26,640	26,635	5
Professional development	9,120	9,640	9,629	11
Recruitment	380	380	-	380
Special purchases, projects & studies:				
Animal acquisition	-	720	720	-
Activenet software costs	-	740	738	2
Conceptual drawings of Zoo Master Plan	-	20,000	20,000	-
Capital outlay:				
Computers- new	1,900	1,900	1,108	792
Total Zoo	722,430	745,350	736,076	9,274

**CITY OF ATASCADERO**

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (continued):</b>				
Public Works Administration:				
Salaries and benefits	\$ 557,270	\$ 590,880	\$ 590,858	\$ 22
Office expense	7,090	8,160	8,152	8
Computer maintenance and replacement	82,690	82,140	82,111	29
Insurance	9,890	9,900	9,894	6
Occupancy charges	32,220	32,220	32,220	-
Communications	2,790	2,270	2,248	22
Operating supplies	310	260	242	18
Vehicle operations	11,030	8,710	8,674	36
Contract services	36,800	36,960	36,954	6
Professional development	4,430	4,900	4,895	5
Recruitment	600	630	628	2
Contingency	5,000	-	-	-
Special purchases, projects & studies:				
NPDES, Phase II		10,000	500	9,500
Atascadero Creek Flood Study	-	2,260	829	1,431
Capital outlay:				
Inspection Vehicle	20,000	20,000	-	20,000
Total Public Works Administration	<u>770,120</u>	<u>809,290</u>	<u>778,205</u>	<u>31,085</u>
Public Works Operations:				
Salaries and benefits	155,190	167,960	167,935	25
Office expense	3,670	3,900	3,895	5
Computer maintenance and replacement	6,150	6,150	6,150	-
Insurance	3,770	3,010	3,005	5
Occupancy charges	35,820	34,420	34,420	-
Utilities	1,400	90	84	6
Communications	1,250	1,300	1,296	4
Operating supplies	1,200	1,110	1,110	-
Vehicle & equipment operating costs	5,410	6,020	6,020	-
Professional development	3,110	1,990	1,983	7
Contingency	2,000			-
Total Public Works Operations	<u>218,970</u>	<u>225,950</u>	<u>225,898</u>	<u>52</u>

**CITY OF ATASCADERO**

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (continued):</b>				
Parks:				
Salaries and benefits	\$ 397,890	\$ 377,710	\$ 377,689	\$ 21
Computer maintenance and replacement	2,600	2,600	2,600	-
Insurance	7,740	7,740	7,733	7
Occupancy	16,840	16,840	16,840	-
Utilities	92,000	92,000	106,384	(14,384)
Communications	2,550	2,850	2,846	4
Operating supplies	48,350	42,670	43,117	(447)
Vehicle and equipment operations	28,600	39,720	39,714	6
Contract services	16,250	48,450	48,446	4
Professional development	3,460	4,340	4,331	9
Recruitment	-	70	69	1
Special purchases, projects & studies:				
Memorial benches	4,400	3,050	-	3,050
Memorial trees	500	500	-	500
Lake water quality	37,500	37,500	18,048	19,452
<b>Total Parks</b>	<b>658,680</b>	<b>676,040</b>	<b>667,817</b>	<b>8,223</b>
Non-Departmental:				
Vehicle and equipment operations	50,000	50,000	50,000	-
Special purchases, projects & studies:				
Earthquake Recovery- Relocation	-	6,430	6,426	4
<b>Total Non-Departmental</b>	<b>50,000</b>	<b>56,430</b>	<b>56,426</b>	<b>4</b>
<b>Total expenditures</b>	<b>18,898,880</b>	<b>19,564,250</b>	<b>18,817,417</b>	<b>746,833</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(20,820)</b>	<b>(1,299,490)</b>	<b>(785,072)</b>	<b>514,418</b>

**CITY OF ATASCADERO**

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Other Financing Sources (Uses):</b>				
Transfer from Community Facilities District Fund	\$ 164,300	\$ 164,300	\$ 289,760	\$ 125,460
Transfer to Gas Tax Fund for streets maintenance	(348,180)	(348,180)	(348,180)	-
Transfer to CDBG Fund for Sidewalk Phase III	-	(9,870)	(9,869)	1
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	-	(50,000)	(2,719)	47,281
Transfer to C.O.P. Fund for Pavilion debt service	(41,300)	(41,300)	(41,300)	-
Total other financing sources (uses)	<u>(475,180)</u>	<u>(535,050)</u>	<u>(362,308)</u>	<u>172,742</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (496,000)</u>	<u>\$ (1,834,540)</u>	(1,147,380)	<u>\$ 687,160</u>
Fund balance, June 30, 2007			11,034,512	
Fund balance, June 30, 2008			<u>\$ 9,887,132</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, 2008**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Redevelopment increment- current secured rolls	\$ 1,701,340	\$ 1,653,590	\$ 1,653,589	\$ (1)
Redevelopment increment- supplemental rolls	269,430	135,180	199,184	64,004
Interest income	327,620	327,620	338,018	10,398
Rental income	373,600	373,600	373,596	(4)
Total revenues	2,671,990	2,489,990	2,564,387	74,397
<b>Expenditures</b>				
Employee services	84,710	86,940	86,171	769
Office expense	3,780	3,770	1,153	2,617
Advertising	3,800	3,800	1,425	2,375
Computer maintenance & replacement	4,740	4,740	4,740	-
Insurance	11,770	11,780	11,387	393
Occupancy	5,280	5,280	5,280	-
Communications	420	420	161	259
Operating supplies	7,200	7,200	1,865	5,335
Vehicle & equipment operations	500	500	-	500
Contract services	158,530	176,110	154,409	21,701
Professional development	12,250	12,250	4,653	7,597
Administration	210,660	210,660	210,660	-
Special projects & community funding:				
Tourism	12,160	12,160	12,160	-
Main Street program	59,160	59,160	59,160	-
Graffiti removal program	15,000	15,000	4,247	10,753
Sunken Gardens Holiday Enhancement Project	20,000	29,970	29,964	6
Sunken Gardens Tree Pruning Project	19,000	19,000	19,000	-
Economic Development Strategy	70,000	131,500	54,719	76,781
Police Station Frontage Enhancement Project	15,000	15,000	-	15,000
Colony Square Economic Assistance	-	50,000	32,245	17,755
Historic Consultant - Printery	-	40,000	7,989	32,011
Downtown Open Program	-	2,420	2,413	7
City Hall Front Landscaping Improvement Project	-	19,610	17,239	2,371

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (continued):</b>				
Capital outlay:				
Downtown Pedestrian Bridge Project	\$ 100,000	\$ 100,000	\$ -	\$ 100,000
Alvord Field Enhancement	25,000	25,000	7,170	17,830
Lake Park Sign & Frontage Imp	30,000	30,000	-	30,000
Shoreline Wall & Walkway	70,000	70,000	1,950	68,050
Zoo Restroom Project	47,000	47,000	1,946	45,054
Zoo Entrance Improvement Project	50,000	50,000	4,749	45,251
Zoo Wall & Signage Project	30,000	30,000	443	29,557
Interest	122,500	122,500	121,591	909
Total expenditures	<u>1,188,460</u>	<u>1,391,770</u>	<u>858,889</u>	<u>532,881</u>
Excess of revenues over (under) expenditures	<u>1,483,530</u>	<u>1,098,220</u>	<u>1,705,498</u>	<u>607,278</u>
<b>Other Financing Sources (Uses):</b>				
Transfer to Historic City Hall Rehabilitation Fund for the City Hall Rehabilitation Project	(120,000)	(6,647,700)	-	6,647,700
Transfer to Capital Projects Fund for Underground Utility Project	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>	<u>40,000</u>
Total other financing sources (uses)	<u>(160,000)</u>	<u>(6,687,700)</u>	<u>-</u>	<u>6,687,700</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ 1,323,530</u>	<u>\$ (5,589,480)</u>	<u>1,705,498</u>	<u>\$ 7,294,978</u>
Fund balance, June 30, 2007			<u>4,760,754</u>	
Fund balance, June 30, 2008			<u>\$ 6,466,252</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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Affordable Housing Loan Program	\$ -	\$ -	\$ 287,752	\$ 287,752
Low/Moderate Housing In Lieu Fees	181,560	181,560	63,029	(118,531)
Interest income	23,620	23,620	17,180	(6,440)
Total revenues	<u>205,180</u>	<u>205,180</u>	<u>367,961</u>	<u>162,781</u>
<b>Expenditures:</b>				
Legal services	20,000	20,000	8,978	11,022
Special projects and purchases:				
Development of inclusionary density bonus program	<u>30,000</u>	<u>30,000</u>	-	30,000
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>8,978</u>	<u>41,022</u>
Excess of revenues over (under) expenditures	<u>\$ 155,180</u>	<u>\$ 155,180</u>	358,983	<u>\$ 203,803</u>
Fund balance, June 30, 2007			<u>4,206,173</u>	
Fund balance, June 30, 2008			<u>\$ 4,565,156</u>	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest income	\$ 162,000	\$ 162,000	\$ 174,393	\$ 12,393
Total revenues	162,000	162,000	174,393	12,393
<b>Expenditures:</b>				
Special projects & community funding:				
Creek Master Plan	100,000	100,000	3,109	96,891
Downtown Lighting Projects	123,230	123,230	29,588	93,642
Capital outlay:				
Maiden statue restoration	137,090	137,090	-	137,090
Wayfinding	43,830	43,830	3,870	39,960
Creek bank stabilization project	22,140	22,140	20,577	1,563
Total expenditures	426,290	426,290	57,144	369,146
Excess of revenues over (under) expenditures	(264,290)	(264,290)	117,249	381,539
<b>Other Financing Sources:</b>				
Transfer to Circulation System Fee Fund for the Lewis Avenue Bridge Project	(785,610)	(785,610)	(662,796)	122,814
Transfer to the Youth Center Construction Fund for the new Youth Center	(128,970)	(128,970)	(124,042)	4,928
Transfer to the Community Development Block Grant Fund for the Colony Park Sidewalk Project	(182,140)	(182,140)	(100,122)	82,018
Transfer to the Capital Projects Fund for Downtown Streetscape Improvements, Phase II	(494,790)	(494,790)	(211,277)	283,513
Total other financing sources (uses)	(1,591,510)	(1,591,510)	(1,098,237)	493,273
Excess of revenues and other sources over (under) expenditures and other uses	\$ (1,855,800)	\$ (1,855,800)	(980,988)	\$ 874,812
Fund balance, June 30, 2007			4,445,171	
Fund balance, June 30, 2008			\$ 3,464,183	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
OES Earthquake Reimbursement	\$ 733,050	\$ 733,050	\$ 733,047	\$ (3)
FEMA Earthquake Reimbursement	2,199,150	2,199,150	2,199,141	(9)
Federal Legislative Grant (Thomas)	309,900	309,900	309,901	1
Interest income	16,080	-	-	-
Donations	317,510	338,440	312,119	(26,321)
Total revenues	<u>3,575,690</u>	<u>3,580,540</u>	<u>3,554,208</u>	<u>(26,332)</u>
<b>Expenditures:</b>				
Special projects:				
Minor furniture and equipment	225,000	200,000	159,895	40,105
Capital outlay:				
Youth / Community Center	4,288,780	4,328,630	4,133,074	195,556
Furniture, fixtures and equipment	110,000	100,000	88,167	11,833
Total expenditures	<u>4,623,780</u>	<u>4,628,630</u>	<u>4,381,136</u>	<u>247,494</u>
Excess of revenues over (under) expenditures	<u>(1,048,090)</u>	<u>(1,048,090)</u>	<u>(826,928)</u>	<u>221,162</u>
<b>Other Financing Sources:</b>				
Transfer from the 2005 Redevelopment Bond Project Fund	128,970	128,970	124,042	(4,928)
Transfer from the Parkland Facilities Fees Fund	704,880	704,880	612,352	(92,528)
Transfer from the Public Facilities Fees Fund	64,860	64,860	8,781	(56,079)
Total other financing sources	<u>898,710</u>	<u>898,710</u>	<u>745,175</u>	<u>(153,535)</u>
Excess of revenues and other sources over (under) expenditures	<u>\$ (149,380)</u>	<u>\$ (149,380)</u>	<u>(81,753)</u>	<u>\$ 67,627</u>
Fund balance, June 30, 2007			149,378	
Fund balance, June 30, 2008			<u>\$ 67,625</u>	

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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**CITY OF ATASCADERO**  
NONMAJOR GOVERNMENTAL FUNDS OVERVIEW  
SPECIAL REVENUE FUNDS

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**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.

**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)**

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##### **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)**

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##### **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, an *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)**

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##### **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 Paso 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.

##### **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

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**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.

**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.

## **CITY OF ATASCADERO**

### **NONMAJOR GOVERNMENTAL FUNDS OVERVIEW (continued)**

#### **DEBT SERVICE FUNDS**

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**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)

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**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, 2008**

	<b>Special Revenue Funds</b>						
	<b>Supplemental Law Enforcement Services Fund</b>	<b>Low/ Moderate Income Housing Redevelopment Fund</b>	<b>Business Improvement Association Fund</b>	<b>Community Development Block Grant Fund</b>	<b>Tree Plant Fund</b>	<b>Gas Tax Fund</b>	<b>AB2928 Traffic Congestion Relief Fund</b>
<b>ASSETS</b>							
Cash and investments	\$ 40,163	\$ 2,978,459	\$ 11,237	\$ -	\$ 595,661	\$ 374,035	\$ 14,732
Restricted cash and investments:							
Cash with fiscal agent	-	-	-	-	-	-	-
Receivables:							
Federal distributions due	-	-	-	184,324	-	-	-
Due from State of California	-	-	-	-	-	175,877	-
Due from County of San Luis Obispo	-	18,569	-	-	-	-	-
Accrued interest	390	23,594	88	-	4,764	3,270	-
Other receivables	-	-	-	363	-	19	-
Prepaid expenses	-	-	-	-	-	914	-
<b>Total assets</b>	<b>\$ 40,553</b>	<b>\$ 3,020,622</b>	<b>\$ 11,325</b>	<b>\$ 184,687</b>	<b>\$ 600,425</b>	<b>\$ 554,115</b>	<b>\$ 14,732</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Accounts payable	\$ -	\$ 49	\$ -	\$ 44,487	\$ 12,064	\$ 30,019	\$ 14,732
Accrued salaries and benefits	526	161	-	-	-	10,246	-
Due to other funds	-	-	-	140,486	-	-	-
Deferred revenue	38,032	-	-	-	-	-	-
Interfund advances payable	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>38,558</b>	<b>210</b>	<b>-</b>	<b>184,973</b>	<b>12,064</b>	<b>40,265</b>	<b>14,732</b>
Fund Balances:							
Reserved for encumbrances	-	7,109	-	73,420	31,850	-	-
Reserved for debt service	-	-	-	-	-	-	-
Reserved for bike paths	-	-	-	-	-	-	-
Reserved for prepaids	-	-	-	-	-	914	-
Unreserved:							
Designated for capital commitments	-	1,491	-	-	296,490	321,370	-
Undesignated	1,995	3,011,812	11,325	(73,706)	260,021	191,566	-
<b>Total fund balances</b>	<b>1,995</b>	<b>3,020,412</b>	<b>11,325</b>	<b>(286)</b>	<b>588,361</b>	<b>513,850</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 40,553</b>	<b>\$ 3,020,622</b>	<b>\$ 11,325</b>	<b>\$ 184,687</b>	<b>\$ 600,425</b>	<b>\$ 554,115</b>	<b>\$ 14,732</b>

**CITY OF ATASCADERO**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (continued)**  
**June 30, 2008**

	<b>Special Revenue Funds</b>						
	<b>Local Transportation Fund</b>	<b>Street Assessment Fund</b>	<b>Sidewalk In-Lieu Fees Fund</b>	<b>General Government Facilities Fees Fund</b>	<b>Circulation System Fees Fund</b>	<b>Storm Drainage Facilities Fees Fund</b>	<b>Amapoa / Tecorida Drainage Impact Fees Fund</b>
<b>ASSETS</b>							
Cash and investments	\$ 91,759	\$ 45,805	\$ -	\$ -	\$ 391,850	\$ 697,598	\$ 86,833
Restricted cash and investments:							
Cash with fiscal agent	-	-	-	-	-	-	-
Receivables:							
Federal distributions due	-	-	-	-	212,000	-	-
Due from State of California	446,790	-	-	-	-	-	-
Due from County of San Luis Obispo	1,035,578	-	-	-	1,119	-	-
Accrued interest	28	412	-	-	1,724	5,573	691
Other receivables	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
<b>Total assets</b>	<b><u>\$ 1,574,155</u></b>	<b><u>\$ 46,217</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 606,693</u></b>	<b><u>\$ 703,171</u></b>	<b><u>\$ 87,524</u></b>
<b>LIABILITIES AND FUND BALANCES</b>							
Accounts payable	\$ 3,187	\$ -	\$ -	\$ -	\$ 187,271	\$ 150	\$ -
Accrued salaries and benefits	-	-	-	-	-	454	-
Due to other funds	-	-	-	249,682	-	-	-
Deferred revenue	406,859	-	-	-	298,954	-	-
Interfund advances payable	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b><u>410,046</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>249,682</u></b>	<b><u>486,225</u></b>	<b><u>604</u></b>	<b><u>-</u></b>
Fund Balances:							
Reserved for encumbrances	31,683	-	-	-	40,047	14,265	-
Reserved for debt service	-	-	-	-	-	-	-
Reserved for bike paths	85,862	-	-	-	-	-	-
Reserved for prepaids	-	-	-	-	-	-	-
Unreserved:							
Designated for capital commitments	1,046,564	37,420	-	-	80,421	398,855	83,470
Undesignated	-	8,797	-	(249,682)	-	289,447	4,054
<b>Total fund balances</b>	<b><u>1,164,109</u></b>	<b><u>46,217</u></b>	<b><u>-</u></b>	<b><u>(249,682)</u></b>	<b><u>120,468</u></b>	<b><u>702,567</u></b>	<b><u>87,524</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 1,574,155</u></b>	<b><u>\$ 46,217</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 606,693</u></b>	<b><u>\$ 703,171</u></b>	<b><u>\$ 87,524</u></b>

**CITY OF ATASCADERO**  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (continued)  
June 30, 2008

	<b>Special Revenue Funds</b>						
	<b>Law Enforcement Facilities Fees Fund</b>	<b>Fire Facilities Fees Fund</b>	<b>Open Space Acquisition Fees Fund</b>	<b>Parkland Facilities Fees Fund</b>	<b>Public Facilities Fees Fund</b>	<b>Library Expansion Facilities Fees Fund</b>	<b>Fire Aerial Vehicle Impact Fees Fund</b>
<b>ASSETS</b>							
Cash and investments	\$ 57,683	\$ 606,716	\$ 383,699	\$ 35,084	\$ 152,116	\$ 156,171	\$ -
Restricted cash and investments:							
Cash with fiscal agent	-	-	-	-	-	-	-
Receivables:							
Federal distributions due	-	-	-	-	-	-	-
Due from State of California	-	-	-	73,112	-	-	-
Due from County of San Luis Obispo	-	-	-	-	-	-	-
Accrued interest	746	4,675	3,029	238	1,436	1,236	-
Other receivables	-	234	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 58,429</b>	<b>\$ 611,625</b>	<b>\$ 386,728</b>	<b>\$ 108,434</b>	<b>\$ 153,552</b>	<b>\$ 157,407</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Accounts payable	\$ -	\$ 1,525	\$ -	\$ -	\$ -	\$ -	\$ 62,012
Accrued salaries and benefits	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	746,418
Deferred revenue	-	-	-	-	-	-	-
Interfund advances payable	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>1,525</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>808,430</b>
Fund Balances:							
Reserved for encumbrances	-	-	-	-	-	-	653
Reserved for debt service	-	-	-	-	-	-	-
Reserved for bike paths	-	-	-	-	-	-	-
Reserved for prepaids	-	-	-	-	-	-	-
Unreserved:							
Designated for capital commitments	-	429,640	-	95,030	56,080	-	-
Undesignated	58,429	180,460	386,728	13,404	97,472	157,407	(809,083)
<b>Total fund balances</b>	<b>58,429</b>	<b>610,100</b>	<b>386,728</b>	<b>108,434</b>	<b>153,552</b>	<b>157,407</b>	<b>(808,430)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 58,429</b>	<b>\$ 611,625</b>	<b>\$ 386,728</b>	<b>\$ 108,434</b>	<b>\$ 153,552</b>	<b>\$ 157,407</b>	<b>\$ -</b>

**CITY OF ATASCADERO**  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (continued)  
June 30, 2008

	<b>Special Revenue Funds</b>						
	<b>Community Facilities District Fund</b>	<b>Apple Valley Street &amp; Storm Drain Assessment District Fund</b>	<b>Apple Valley Landscape &amp; Lighting Assessment District Fund</b>	<b>Las Lomas Street &amp; Storm Drain Assessment District Fund</b>	<b>Las Lomas Landscape &amp; Lighting Assessment District Fund</b>	<b>De Anza Street &amp; Storm Drain Assessment District Fund</b>	<b>De Anza Landscape &amp; Lighting Assessment District Fund</b>
<b>ASSETS</b>							
Cash and investments	\$ 44,075	\$ 104,133	\$ 236,429	\$ 118,515	\$ 197,791	\$ 101,987	\$ 112,553
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	757	820	1,898	788	1,572	709	819
Other receivables	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 44,832</b>	<b>\$ 104,953</b>	<b>\$ 238,327</b>	<b>\$ 119,303</b>	<b>\$ 199,363</b>	<b>\$ 102,696</b>	<b>\$ 113,372</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Accounts payable	\$ -	\$ 1,454	\$ 5,954	\$ 1,480	\$ 1,978	\$ 1,426	\$ 2,789
Accrued salaries and benefits	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Interfund advances payable	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>1,454</b>	<b>5,954</b>	<b>1,480</b>	<b>1,978</b>	<b>1,426</b>	<b>2,789</b>
Fund Balances:							
Reserved for encumbrances	-	1,406	1,925	1,468	1,966	1,418	1,933
Reserved for debt service	-	-	-	-	-	-	-
Reserved for bike paths	-	-	-	-	-	-	-
Reserved for prepaids	-	-	-	-	-	-	-
Unreserved:							
Designated for capital commitments	-	-	10,000	-	-	-	-
Undesignated	44,832	102,093	220,448	116,355	195,419	99,852	108,650
<b>Total fund balances</b>	<b>44,832</b>	<b>103,499</b>	<b>232,373</b>	<b>117,823</b>	<b>197,385</b>	<b>101,270</b>	<b>110,583</b>
<b>Total liabilities and fund balances</b>	<b>\$ 44,832</b>	<b>\$ 104,953</b>	<b>\$ 238,327</b>	<b>\$ 119,303</b>	<b>\$ 199,363</b>	<b>\$ 102,696</b>	<b>\$ 113,372</b>

**CITY OF ATASCADERO**  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (continued)  
June 30, 2008

	Capital Projects Funds			Debt Service Funds			
	Capital Projects Fund	Assessment District #8 Construction Fund	Historic City Hall Rehabilitation Fund	Assessment District #3 Debt Service Fund	Assessment District #4 Debt Service Fund	Assessment District #5 Debt Service Fund	Assessment District #7 Debt Service Fund
<b>ASSETS</b>							
Cash and investments	\$ 1,519,746	\$ 1,009	\$ -	\$ 722	\$ 46,045	\$ 4,124	\$ -
Restricted cash and investments:							
Cash with fiscal agent	-	-	-	-	-	-	-
Receivables:							
Federal distributions due	4,530	-	18,179	-	-	-	-
Due from State of California	69,539	-	9,909	-	-	-	-
Due from County of San Luis Obispo	-	-	-	-	-	-	-
Accrued interest	11,749	-	-	6	366	33	-
Other receivables	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 1,605,564</u>	<u>\$ 1,009</u>	<u>\$ 28,088</u>	<u>\$ 728</u>	<u>\$ 46,411</u>	<u>\$ 4,157</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Accounts payable	\$ 203,697	\$ -	\$ 8,604	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-	-	-	-
Due to other funds	-	-	24,897	-	-	-	64,853
Deferred revenue	3,071	-	-	-	-	-	-
Interfund advances payable	-	-	-	-	-	-	29,430
<b>Total liabilities</b>	<u>206,768</u>	<u>-</u>	<u>33,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,283</u>
Fund Balances:							
Reserved for encumbrances	1,274,877	-	35,827	728	46,411	4,157	-
Reserved for debt service	-	-	-	-	-	-	-
Reserved for bike paths	-	-	-	-	-	-	-
Reserved for prepaids	-	-	-	-	-	-	-
Unreserved:							
Designated for capital commitments	123,919	-	-	-	-	-	-
Undesignated	-	1,009	(41,240)	-	-	-	(94,283)
<b>Total fund balances</b>	<u>1,398,796</u>	<u>1,009</u>	<u>(5,413)</u>	<u>728</u>	<u>46,411</u>	<u>4,157</u>	<u>(94,283)</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,605,564</u>	<u>\$ 1,009</u>	<u>\$ 28,088</u>	<u>\$ 728</u>	<u>\$ 46,411</u>	<u>\$ 4,157</u>	<u>\$ -</u>

**CITY OF ATASCADERO**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (continued)**  
**June 30, 2008**

	<b>Debt Service Funds</b>						
	<b>Assessment District #9 Debt Service Fund</b>	<b>Assessment District #10 Debt Service Fund</b>	<b>2005 Redevelop- ment Bond Debt Service Fund</b>	<b>1997 C.O.P. Refunding Fund</b>	<b>1992 Street Assessment Improvement Fund</b>	<b>1993 Camino Real Improvement Bonds Fund</b>	<b>TOTALS</b>
<b>ASSETS</b>							
Cash and investments	\$ 28,681	\$ -	\$ 310,570	\$ -	\$ 191,608	\$ 369,703	\$ 10,107,292
Restricted cash and investments:							
Cash with fiscal agent	-	-	984,856	-	42,967	83,764	1,111,587
Receivables:							
Federal distributions due	-	-	-	-	-	-	419,033
Due from State of California	-	-	-	-	-	-	775,227
Due from County of San Luis Obispo	-	-	-	-	-	-	1,055,266
Accrued interest	223	17	2,467	-	1,523	2,939	78,580
Other receivables	-	-	-	-	-	-	616
Prepaid expenses	-	-	-	-	-	-	914
Total assets	<u>\$ 28,904</u>	<u>\$ 17</u>	<u>\$ 1,297,893</u>	<u>\$ -</u>	<u>\$ 236,098</u>	<u>\$ 456,406</u>	<u>\$ 13,548,515</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 582,878
Accrued salaries and benefits	-	-	-	-	-	-	11,387
Due to other funds	-	338	-	-	-	-	1,226,674
Deferred revenue	-	-	-	-	-	-	746,916
Interfund advances payable	85,537	10,034	-	-	-	-	125,001
Total liabilities	<u>85,537</u>	<u>10,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,692,856</u>
Fund Balances:							
Reserved for encumbrances	-	-	-	-	-	-	1,571,143
Reserved for debt service	-	-	1,297,893	-	236,098	456,406	1,990,397
Reserved for bike paths	-	-	-	-	-	-	85,862
Reserved for prepaids	-	-	-	-	-	-	914
Unreserved:							
Designated for capital commitments	-	-	-	-	-	-	2,980,750
Undesignated	(56,633)	(10,355)	-	-	-	-	4,226,593
Total fund balances	<u>(56,633)</u>	<u>(10,355)</u>	<u>1,297,893</u>	<u>-</u>	<u>236,098</u>	<u>456,406</u>	<u>10,855,659</u>
Total liabilities and fund balances	<u>\$ 28,904</u>	<u>\$ 17</u>	<u>\$ 1,297,893</u>	<u>\$ -</u>	<u>\$ 236,098</u>	<u>\$ 456,406</u>	<u>\$ 13,548,515</u>

**CITY OF ATASCADERO**

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2008

	<b>Special Revenue Funds</b>						
	<b>Supplemental Law Enforcement Services Fund</b>	<b>Low/ Moderate Income Housing Redevelopment Fund</b>	<b>Business Improvement Association Fund</b>	<b>Community Development Block Grant Fund</b>	<b>Tree Plant Fund</b>	<b>Gas Tax Fund</b>	<b>AB2928 Traffic Congestion Relief Fund</b>
<b>Revenues:</b>							
Taxes and assessments	\$ -	\$ 844,758	\$ 7,255	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	8,625	-	-
Intergovernmental revenues	94,404	-	-	788,332	-	520,977	-
Use of money and property	3,057	125,441	444	-	30,264	23,311	7,778
Other revenues	-	-	-	-	-	6,781	-
<b>Total revenues</b>	<b>97,461</b>	<b>970,199</b>	<b>7,699</b>	<b>788,332</b>	<b>38,889</b>	<b>551,069</b>	<b>7,778</b>
<b>Expenditures:</b>							
Salaries and benefits	25,700	6,200	-	-	-	323,087	-
Supplies and services	31,910	-	10,500	25,344	-	550,388	-
Special projects and studies	15,603	102,408	-	312,257	31,667	-	52,453
Capital outlay	28,812	-	-	565,133	-	18,012	164,913
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>102,025</b>	<b>108,608</b>	<b>10,500</b>	<b>902,734</b>	<b>31,667</b>	<b>891,487</b>	<b>217,366</b>
Excess of revenues over (under) expenditures	(4,564)	861,591	(2,801)	(114,402)	7,222	(340,418)	(209,588)
<b>Other Financing Sources (Uses):</b>							
Transfers in	-	-	-	114,402	-	348,180	10,619
Transfers out	-	-	-	-	-	(10,619)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114,402</b>	<b>-</b>	<b>337,561</b>	<b>10,619</b>
Excess of revenues and other sources over (under) expenditures and other uses	(4,564)	861,591	(2,801)	-	7,222	(2,857)	(198,969)
Fund balance, June 30, 2007	6,559	2,158,821	14,126	(286)	581,139	516,707	198,969
Fund balance, June 30, 2008	<b>\$ 1,995</b>	<b>\$ 3,020,412</b>	<b>\$ 11,325</b>	<b>\$ (286)</b>	<b>\$ 588,361</b>	<b>\$ 513,850</b>	<b>\$ -</b>

**CITY OF ATASCADERO**

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2008

	<b>Special Revenue Funds</b>						
	<b>Local Transportation Fund</b>	<b>Street Assessment Fund</b>	<b>Sidewalk In- Lieu Fees Fund</b>	<b>General Government Facilities Fees Fund</b>	<b>Circulation System Fees Fund</b>	<b>Storm Drainage Facilities Fees Fund</b>	<b>Amapoa/ Tecorida Drainage Impact Fees Fund</b>
<b>Revenues:</b>							
Taxes and assessments	\$ -	\$ 2,080	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	19,751	476,509	48,468	-
Intergovernmental revenues	1,075,509	-	-	-	65,684	-	-
Use of money and property	20,556	3,022	316	(11,370)	20,095	35,207	4,583
Other revenues	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>1,096,065</b>	<b>5,102</b>	<b>316</b>	<b>8,381</b>	<b>562,288</b>	<b>83,675</b>	<b>4,583</b>
<b>Expenditures:</b>							
Salaries and benefits	-	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-	-
Special projects and studies	18,044	18,597	-	-	51,630	13,804	-
Capital outlay	1,187,735	-	-	-	1,947,022	47,135	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,205,779</b>	<b>18,597</b>	<b>-</b>	<b>-</b>	<b>1,998,652</b>	<b>60,939</b>	<b>-</b>
Excess of revenues over (under) expenditures	(109,714)	(13,495)	316	8,381	(1,436,364)	22,736	4,583
<b>Other Financing Sources (Uses):</b>							
Transfers in	-	-	-	-	1,325,592	15,107	-
Transfers out	(331,398)	-	(4,411)	-	-	-	(15,107)
<b>Total other financing sources (uses)</b>	<b>(331,398)</b>	<b>-</b>	<b>(4,411)</b>	<b>-</b>	<b>1,325,592</b>	<b>15,107</b>	<b>(15,107)</b>
Excess of revenues and other sources over (under) expenditures and other uses	(441,112)	(13,495)	(4,095)	8,381	(110,772)	37,843	(10,524)
Fund balance, June 30, 2007	1,605,221	59,712	4,095	(258,063)	231,240	664,724	98,048
Fund balance, June 30, 2008	<u>\$ 1,164,109</u>	<u>\$ 46,217</u>	<u>\$ -</u>	<u>\$ (249,682)</u>	<u>\$ 120,468</u>	<u>\$ 702,567</u>	<u>\$ 87,524</u>

**CITY OF ATASCADERO**

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2008

	<b>Special Revenue Funds</b>						
	<b>Law Enforcement Facilities Fees Fund</b>	<b>Fire Facilities Fees Fund</b>	<b>Open Space Acquisition Fees Fund</b>	<b>Parkland Facilities Fees Fund</b>	<b>Public Facilities Fees Fund</b>	<b>Library Expansion Facilities Fees Fund</b>	<b>Fire Aerial Vehicle Impact Fees Fund</b>
<b>Revenues:</b>							
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	41,174	63,117	40,880	135,938	41,323	17,709	-
Intergovernmental revenues	-	-	-	-	-	-	-
Use of money and property	4,837	39,374	18,065	12,293	8,896	7,366	(20,804)
Other revenues	-	-	-	-	-	-	-
Total revenues	<u>46,011</u>	<u>102,491</u>	<u>58,945</u>	<u>148,231</u>	<u>50,219</u>	<u>25,075</u>	<u>(20,804)</u>
<b>Expenditures:</b>							
Salaries and benefits	-	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-	-
Special projects and studies	-	-	-	1,500	-	-	2,043
Capital outlay	-	22,947	-	-	-	-	935,355
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>22,947</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>937,398</u>
Excess of revenues over (under) expenditures	<u>46,011</u>	<u>79,544</u>	<u>58,945</u>	<u>146,731</u>	<u>50,219</u>	<u>25,075</u>	<u>(958,202)</u>
<b>Other Financing Sources (Uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	(69,893)	-	-	(612,352)	(56,435)	-	-
Total other financing sources (uses)	<u>(69,893)</u>	<u>-</u>	<u>-</u>	<u>(612,352)</u>	<u>(56,435)</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(23,882)	79,544	58,945	(465,621)	(6,216)	25,075	(958,202)
Fund balance, June 30, 2007	<u>82,311</u>	<u>530,556</u>	<u>327,783</u>	<u>574,055</u>	<u>159,768</u>	<u>132,332</u>	<u>149,772</u>
Fund balance, June 30, 2008	<u>\$ 58,429</u>	<u>\$ 610,100</u>	<u>\$ 386,728</u>	<u>\$ 108,434</u>	<u>\$ 153,552</u>	<u>\$ 157,407</u>	<u>\$ (808,430)</u>

**CITY OF ATASCADERO**

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2008

	<b>Special Revenue Funds</b>						
	<b>Community Facilities District Fund</b>	<b>Apple Valley Street &amp; Storm Drain Assessment District Fund</b>	<b>Apple Valley Landscape &amp; Lighting Assessment District Fund</b>	<b>Las Lomas Street &amp; Storm Drain Assessment District Fund</b>	<b>Las Lomas Landscape &amp; Lighting Assessment District Fund</b>	<b>De Anza Street &amp; Storm Drain Assessment District Fund</b>	<b>De Anza Landscape &amp; Lighting Assessment District Fund</b>
<b>Revenues:</b>							
Taxes and assessments	\$ 228,817	\$ 34,703	\$ 37,932	\$ 39,338	\$ -	\$ 34,249	\$ 27,646
Licenses and permits	-	-	25,000	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-
Use of money and property	4,670	4,125	11,139	4,340	10,014	3,770	5,159
Other revenues	-	-	-	-	-	-	-
Total revenues	<u>233,487</u>	<u>38,828</u>	<u>74,071</u>	<u>43,678</u>	<u>10,014</u>	<u>38,019</u>	<u>32,805</u>
<b>Expenditures:</b>							
Salaries and benefits	-	-	-	-	-	-	-
Supplies and services	2,619	3,668	51,985	3,312	6,789	3,382	28,971
Special projects and studies	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>2,619</u>	<u>3,668</u>	<u>51,985</u>	<u>3,312</u>	<u>6,789</u>	<u>3,382</u>	<u>28,971</u>
Excess of revenues over (under) expenditures	<u>230,868</u>	<u>35,160</u>	<u>22,086</u>	<u>40,366</u>	<u>3,225</u>	<u>34,637</u>	<u>3,834</u>
<b>Other Financing Sources (Uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	(289,760)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(289,760)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(58,892)	35,160	22,086	40,366	3,225	34,637	3,834
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>
Fund balance, June 30, 2008	<u>\$ 44,832</u>	<u>\$ 103,499</u>	<u>\$ 232,373</u>	<u>\$ 117,823</u>	<u>\$ 197,385</u>	<u>\$ 101,270</u>	<u>\$ 110,583</u>

**CITY OF ATASCADERO**

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2008

	Capital Projects Funds			Debt Service Funds			
	Capital Projects Fund	Assessment District #8 Construction Fund	Historic City Hall Rehabilitation Fund	Assessment District #3 Debt Service Fund	Assessment District #4 Debt Service Fund	Assessment District #5 Debt Service Fund	Assessment District #7 Debt Service Fund
<b>Revenues:</b>							
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,531
Licenses and permits	22	-	-	-	-	-	-
Intergovernmental revenues	67,809	-	4,412	-	-	-	-
Use of money and property	75,453	50	317	36	3,189	206	(2,662)
Other revenues	-	-	-	-	-	-	-
Total revenues	<u>143,284</u>	<u>50</u>	<u>4,729</u>	<u>36</u>	<u>3,189</u>	<u>206</u>	<u>12,869</u>
<b>Expenditures:</b>							
Salaries and benefits	-	-	-	-	-	-	-
Supplies and services	-	-	-	-	443	-	490
Special projects and studies	-	-	102,214	-	-	-	-
Capital outlay	554,488	-	4,666	-	-	-	-
Debt service:							
Principal	-	-	-	-	90,000	-	-
Interest	-	-	-	-	3,375	-	2,207
Total expenditures	<u>554,488</u>	<u>-</u>	<u>106,880</u>	<u>-</u>	<u>93,818</u>	<u>-</u>	<u>2,697</u>
Excess of revenues over (under) expenditures	<u>(411,204)</u>	<u>50</u>	<u>(102,151)</u>	<u>36</u>	<u>(90,629)</u>	<u>206</u>	<u>10,172</u>
<b>Other Financing Sources (Uses):</b>							
Transfers in	461,277	-	2,719	-	-	-	-
Transfers out	<u>(331,398)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>129,879</u>	<u>-</u>	<u>2,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(281,325)</u>	<u>50</u>	<u>(99,432)</u>	<u>36</u>	<u>(90,629)</u>	<u>206</u>	<u>10,172</u>
Fund balance, June 30, 2007	<u>1,680,121</u>	<u>959</u>	<u>94,019</u>	<u>692</u>	<u>137,040</u>	<u>3,951</u>	<u>(104,455)</u>
Fund balance, June 30, 2008	<u>\$ 1,398,796</u>	<u>\$ 1,009</u>	<u>\$ (5,413)</u>	<u>\$ 728</u>	<u>\$ 46,411</u>	<u>\$ 4,157</u>	<u>\$ (94,283)</u>

**CITY OF ATASCADERO**

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2008

	<b>Debt Service Funds</b>						
	<b>Assessment District #9 Debt Service Fund</b>	<b>Assessment District #10 Debt Service Fund</b>	<b>2005 Redevelopment Bond Debt Service Fund</b>	<b>1997 C.O.P. Refunding Fund</b>	<b>1992 Street Assessment Improvement Fund</b>	<b>1993 Camino Real Improvement Bonds Fund</b>	<b>TOTALS</b>
<b>Revenues:</b>							
Taxes and assessments	\$ 28,457	\$ 3,632	\$ 574,042	\$ -	\$ -	\$ 176,652	\$ 2,055,092
Licenses and permits	-	-	-	-	-	-	918,516
Intergovernmental revenues	-	-	-	-	-	-	2,617,127
Use of money and property	932	41	63,045	-	11,723	17,585	545,863
Other revenues	-	-	-	-	-	-	6,781
Total revenues	<u>29,389</u>	<u>3,673</u>	<u>637,087</u>	<u>-</u>	<u>11,723</u>	<u>194,237</u>	<u>6,143,379</u>
<b>Expenditures:</b>							
Salaries and benefits	-	-	-	-	-	-	354,987
Supplies and services	647	-	2,374	-	3,196	2,429	728,447
Special projects and studies	-	-	-	-	-	-	722,220
Capital outlay	-	-	-	-	-	-	5,476,218
Debt service:							
Principal	-	-	-	142,000	60,000	115,000	407,000
Interest	4,811	653	574,042	16,847	5,890	50,479	658,304
Total expenditures	<u>5,458</u>	<u>653</u>	<u>576,416</u>	<u>158,847</u>	<u>69,086</u>	<u>167,908</u>	<u>8,347,176</u>
Excess of revenues over (under) expenditures	<u>23,931</u>	<u>3,020</u>	<u>60,671</u>	<u>(158,847)</u>	<u>(57,363)</u>	<u>26,329</u>	<u>(2,203,797)</u>
<b>Other Financing Sources (Uses):</b>							
Operating transfers in	-	-	-	158,847	-	-	2,436,743
Operating transfers out	-	-	-	-	-	-	(1,721,373)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,847</u>	<u>-</u>	<u>-</u>	<u>715,370</u>
Excess of revenues and other sources over (under) expenditures and other uses	23,931	3,020	60,671	-	(57,363)	26,329	(1,488,427)
Fund balance, June 30, 2007	<u>(80,564)</u>	<u>(13,375)</u>	<u>1,237,222</u>	<u>-</u>	<u>293,461</u>	<u>430,077</u>	<u>12,344,086</u>
Fund balance, June 30, 2008	<u>\$ (56,633)</u>	<u>\$ (10,355)</u>	<u>\$ 1,297,893</u>	<u>\$ -</u>	<u>\$ 236,098</u>	<u>\$ 456,406</u>	<u>\$ 10,855,659</u>

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
S.L.E.S.F. Grant	\$ 32,440	\$ 132,440	\$ 94,404	\$ (38,036)
Interest income	7,640	9,640	3,057	(6,583)
Total revenues	<u>40,080</u>	<u>142,080</u>	<u>97,461</u>	<u>(44,619)</u>
<b>Expenditures:</b>				
Employee services	23,650	58,650	25,700	32,950
Computer maintenance & replacement	460	460	463	(3)
Communications	1,210	1,210	1,205	5
Operating supplies	2,650	27,240	22,238	5,002
Vehicle and equipment operations	-	8,010	8,004	6
Special projects and purchases:				
Bicycles	-	3,930	3,349	581
Bar code scanner	1,790	1,790	1,790	-
Crime scene investigation equipment	-	2,060	2,058	2
PAS equipment	-	2,250	2,248	2
Taser equipment	-	4,730	4,729	1
Radio replacement	-	1,430	1,429	1
Capital outlay:				
New computers	-	20,000	18,493	1,507
Radio repeater project	10,320	10,320	10,319	1
Total expenditures	<u>40,080</u>	<u>142,080</u>	<u>102,025</u>	<u>40,055</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(4,564)</u>	<u>\$ (4,564)</u>
Fund balance, June 30, 2007			<u>6,559</u>	
Fund balance, June 30, 2008			<u>\$ 1,995</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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Current secured increment	\$ 785,630	\$ 785,630	\$ 775,746	\$ (9,884)
Supplemental tax increment	93,320	93,320	69,012	(24,308)
Interest income	125,910	125,910	125,441	(469)
Total revenues	<u>1,004,860</u>	<u>1,004,860</u>	<u>970,199</u>	<u>(34,661)</u>
<b>Expenditures:</b>				
Employee services	6,110	6,270	6,200	70
Special projects and purchases:				
SLO County Housing Trust Fund	6,000	6,000	6,000	-
Development of housing assistance program	30,000	35,000	26,408	8,592
Habitat for Humanity Project	70,000	70,000	70,000	-
Total expenditures	<u>112,110</u>	<u>117,270</u>	<u>108,608</u>	<u>8,662</u>
Excess of revenues over (under) expenditures	<u>\$ 892,750</u>	<u>\$ 887,590</u>	861,591	<u>\$ (25,999)</u>
Fund balance, June 30, 2007			<u>2,158,821</u>	
Fund balance, June 30, 2008			<u>\$ 3,020,412</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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes and assessments	\$ 10,000	\$ 10,000	\$ 7,255	\$ (2,745)
Interest income	300	300	444	144
Total revenues	<u>10,300</u>	<u>10,300</u>	<u>7,699</u>	<u>(2,601)</u>
<b>Expenditures:</b>				
Contract services- Main Street Program	<u>10,500</u>	<u>10,500</u>	<u>10,500</u>	<u>-</u>
Total expenditures	<u>10,500</u>	<u>10,500</u>	<u>10,500</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>\$ (200)</u>	<u>\$ (200)</u>	<u>(2,801)</u>	<u>\$ (2,601)</u>
Fund balance, June 30, 2007			<u>14,126</u>	
Fund balance, June 30, 2008			<u>\$ 11,325</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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Community Development Block Grant	\$ 926,000	\$ 926,330	\$ 788,332	\$ (137,998)
Total revenues	926,000	926,330	788,332	(137,998)
<b>Expenditures:</b>				
Administration	141,170	35,610	25,344	10,266
Special projects and studies:				
Hotline of SLO County	1,000	1,000	1,000	-
Senior Volunteer Services- Caring Callers	2,000	2,000	1,000	1,000
El Camino Homeless Organization	15,000	15,000	15,000	-
North County Women's Shelter Projects	7,720	7,720	7,700	20
Loaves & Fishes Groceries	7,000	7,000	7,000	-
Youth Scholarships	5,800	5,800	5,800	-
Revolving Loan Program	22,990	-	-	-
Escuela del Rio Training Facility	21,540	21,540	15,439	6,101
People's Self Help Housing Remodel	68,730	68,730	53,412	15,318
Good Samaritan Center	50,000	50,000	-	50,000
City Street Light Replacement	50,000	50,000	50,000	-
Sidewalk Improvement Project III	-	163,200	150,185	13,015
Sidewalk Improvement Project IV	-	13,270	5,721	7,549
Code Enforcement	123,300	23,290	-	23,290
Capital outlay:				-
Lake Park Restroom Access Project	255,000	321,710	310,261	11,449
Colony Park Sidewalk Improvement Project	340,990	336,890	254,872	82,018
Total expenditures	1,112,240	1,122,760	902,734	220,026
Excess of revenues over (under) expenditures	(186,240)	(196,430)	(114,402)	82,028

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Other Financing Sources (Uses):</b>				
Transfer from the General Fund for the Sidewalk Phase III Project	\$ -	\$ 9,870	\$ 9,869	\$ (1)
Transfer from Sidewalk In-Lieu Fees Fund for the Sidewalk Phase III Improvement Project	-	4,420	4,411	(9)
Transfer from Sidewalk In-Lieu Fees Fund for the Colony Park Sidewalk Improvement Project	4,100	-	-	-
Transfer from 2005 Redevelopment Bond Project Fund for the Colony Park Sidewalk Improvement Project	182,140	182,140	100,122	(82,018)
Total other financing sources (uses)	186,240	196,430	114,402	(82,028)
Excess of revenues and other sources over (under) expenditures and other uses	\$ -	\$ -	-	\$ -
Fund balance, June 30, 2007			(286)	
Fund balance, June 30, 2008			\$ (286)	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Permits and fees	\$ 20,000	\$ 20,000	\$ 8,625	\$ (11,375)
Tree inspection reimbursement fee	1,500	1,500	-	(1,500)
Interest income	18,150	18,150	30,264	12,114
Total revenues	<u>39,650</u>	<u>39,650</u>	<u>38,889</u>	<u>(761)</u>
<b>Expenditures:</b>				
Operating supplies	20,000	20,000	-	20,000
Contract services	40,000	40,000	-	40,000
Special projects and studies:				
Native Tree Re-Planting Project	150,000	150,000	31,667	118,333
Capital outlay:				
Native Tree Atlas	10,000	10,000	-	10,000
Property acquisition	200,000	200,000	-	200,000
Total expenditures	<u>420,000</u>	<u>420,000</u>	<u>31,667</u>	<u>388,333</u>
Excess of revenues over (under) expenditures	<u>\$ (380,350)</u>	<u>\$ (380,350)</u>	<u>7,222</u>	<u>\$ 387,572</u>
Fund balance, June 30, 2007			<u>581,139</u>	
Fund balance, June 30, 2008			<u>\$ 588,361</u>	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State gasoline tax	\$ 536,700	\$ 536,700	\$ 520,977	\$ (15,723)
Interest income	12,500	12,500	23,311	10,811
Other revenues	-	-	6,781	6,781
Total revenues	549,200	549,200	551,069	1,869
<b>Expenditures:</b>				
Salaries and benefits	352,610	344,350	323,087	21,263
Office expense	-	130	126	4
Computer maintenance & replacement	5,790	5,790	5,790	-
Insurance	13,240	13,240	13,203	37
Utilities	68,000	61,870	60,792	1,078
Communications	3,050	3,050	2,869	181
Operating supplies and equipment	93,250	93,250	92,065	1,185
Vehicle and equipment operations	61,840	61,840	61,838	2
Contract services	139,750	154,480	154,480	-
Professional development	800	800	300	500
Recruitment	700	700	575	125
Administrative charges	158,350	158,350	158,350	-
Capital outlay:				
San Andres Road Rehabilitation	50,000	39,380	18,012	21,368
Total expenditures	947,380	937,230	891,487	45,743
Excess of revenues over (under) expenditures	(398,180)	(388,030)	(340,418)	47,612
<b>Other Financing Sources (Uses):</b>				
Transfer from General Fund for street maintenance	348,180	348,180	348,180	-
Transfer to AB2928 Fund for streets projects	-	(10,620)	(10,619)	1
Total other financing sources (uses)	348,180	337,560	337,561	1
Excess of revenues and other sources over (under) expenditures and other uses	\$ (50,000)	\$ (50,470)	(2,857)	\$ 47,613
Fund balance, June 30, 2007			516,707	
Fund balance, June 30, 2008			\$ 513,850	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest income	\$ 6,500	\$ 7,810	\$ 7,778	\$ (32)
Total revenues	6,500	7,810	7,778	(32)
<b>Expenditures:</b>				
Special projects:				
Minor street overlay projects	205,460	33,520	33,517	3
Santa Rosa Rd Minor Repair Project	-	17,330	17,321	9
Sinaloa Cross Gutter project	-	1,520	1,523	(3)
Navarette Avenue Overlay Project	-	90	92	(2)
Capital projects:				
Atascadero Avenue Overlay	-	29,920	29,912	8
West Front Paving Project	-	29,090	29,085	5
Mountain View Overlay Project	-	101,580	101,579	1
El Verano Overlay Project	-	1,620	1,615	5
San Fernando Rd Overlay Project	-	2,720	2,722	(2)
Total expenditures	205,460	217,390	217,366	24
Excess of revenues over (under) expenditures	(198,960)	(209,580)	(209,588)	(8)
<b>Other Financing Sources (Uses):</b>				
Transfer from Gas Tax Fund for street projects	-	10,620	10,619	(1)
Total other financing sources (uses)	-	10,620	10,619	(1)
Excess of revenues and other sources over (under) expenditures and other uses	\$ (198,960)	\$ (198,960)	(198,969)	\$ (9)
Fund balance, June 30, 2007			198,969	
Fund balance, June 30, 2008			\$ -	

**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, 2008**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local Transportation Tax - Article 3 Bike Paths	\$ 22,400	\$ 22,400	\$ 20,458	\$ (1,942)
Local Transportation Tax - Article 8 Streets	741,290	741,290	709,120	(32,170)
USHA Funds- Traffic Way Road Rehabilitation	306,000	306,000	306,000	-
Proposition 1B Funding	-	446,790	39,931	(406,859)
Interest income	57,420	57,420	20,556	(36,864)
Total revenues	<u>1,127,110</u>	<u>1,573,900</u>	<u>1,096,065</u>	<u>(477,835)</u>
<b>Expenditures:</b>				
Special projects:				
Balboa Road Maintenance Project	-	20,000	18,044	1,956
Capital outlay:				
Traffic Way Rehabilitation Project	609,710	609,710	430,962	178,748
06/07 Road Rehabilitation Project	244,050	244,050	39,931	204,119
Road Slope Stabilization Project	526,140	728,550	715,890	12,660
5 Year Road Maintenance Project	50,000	30,000	952	29,048
Total expenditures	<u>1,429,900</u>	<u>1,632,310</u>	<u>1,205,779</u>	<u>426,531</u>
Excess of revenues over (under) expenditures	<u>(302,790)</u>	<u>(58,410)</u>	<u>(109,714)</u>	<u>(51,304)</u>
<b>Other Financing Sources (Uses):</b>				
Transfer to Circulation System Fees Fund for a portion of the Lewis Avenue Bridge Project	<u>(392,800)</u>	<u>(392,800)</u>	<u>(331,398)</u>	<u>61,402</u>
Total other financing sources (uses)	<u>(392,800)</u>	<u>(392,800)</u>	<u>(331,398)</u>	<u>61,402</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (695,590)</u>	<u>\$ (451,210)</u>	<u>(441,112)</u>	<u>\$ 10,098</u>
Fund balance, June 30, 2007			<u>1,605,221</u>	
Fund balance, June 30, 2008			<u>\$ 1,164,109</u>	

**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, 2008**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes and special assessments	\$ 2,050	\$ 2,050	\$ 2,080	\$ 30
Interest income	1,200	1,200	3,022	1,822
Total revenues	<u>3,250</u>	<u>3,250</u>	<u>5,102</u>	<u>1,852</u>
<b>Expenditures:</b>				
Special projects:				
Sonora / Pinal road repairs	8,580	8,580	9,139	(559)
Maleza road repairs	4,530	4,530	-	4,530
San Fernando Road repairs	9,100	9,100	-	9,100
Aguila road repairs	8,950	8,950	92	8,858
Pinal / Escarpa road repairs	15,900	15,900	9,366	6,534
Cayucos road repairs	8,400	8,400	-	8,400
Total expenditures	<u>55,460</u>	<u>55,460</u>	<u>18,597</u>	<u>36,863</u>
Excess of revenues over (under) expenditures	<u>\$ (52,210)</u>	<u>\$ (52,210)</u>	<u>(13,495)</u>	<u>\$ 38,715</u>
Fund balance, June 30, 2007			<u>59,712</u>	
Fund balance, June 30, 2008			<u>\$ 46,217</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, 2008**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest income	\$ 150	\$ 470	\$ 316	\$ (154)
Total revenues	150	470	316	(154)
Excess of revenues over expenditures	150	470	316	(154)
<b>Other Financing Sources (Uses):</b>				
Transfer to the Community Development Block Grant Fund for the Colony Park Sidewalk Project	(4,100)	(4,420)	(4,411)	9
Total other financing sources (uses)	(4,100)	(4,420)	(4,411)	9
Excess of revenues and other sources over (under) expenditures and other uses	\$ (3,950)	\$ (3,950)	(4,095)	\$ (145)
Fund balance, June 30, 2007			4,095	
Fund balance, June 30, 2008			\$ -	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Impact fees	\$ 32,000	\$ 32,000	\$ 19,751	\$ (12,249)
Interest income (expense)	(12,730)	(12,730)	(11,370)	1,360
Total revenues	19,270	19,270	8,381	(10,889)
Excess of revenues over (under) expenditures	19,270	19,270	8,381	(10,889)
<b>Other Financing Sources (Uses):</b>				
Transfer to the Capital Project Fund for the New Corporate Yard Project	-	(95,000)	-	95,000
Total other financing sources (uses)	-	(95,000)	-	95,000
Excess of revenues and other sources over (under) expenditures and other uses	\$ 19,270	\$ (75,730)	8,381	\$ 84,111
Fund balance, June 30, 2007			(258,063)	
Fund balance, June 30, 2008			\$ (249,682)	

**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, 2008**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Impact fees	\$ 594,310	\$ 594,310	\$ 476,509	\$ (117,801)
HBRR Grant - Garcia Road Bridge				-
Federal Transportation Grant- Lewis Avenue Bridge	60,200	60,200	60,201	1
RSHA Grant - Interchange Improvement Study	5,490	5,490	5,483	(7)
Interest income	(9,080)	(9,080)	20,095	29,175
<b>Total revenues</b>	<b>650,920</b>	<b>650,920</b>	<b>562,288</b>	<b>(88,632)</b>
<b>Expenditures:</b>				
Special projects and studies:				
Interchange Improvements Study	33,510	34,220	34,216	4
Minor interchange improvements	290,000	289,290	17,414	271,876
North El Camino Real Plan Line	10,000	10,000	-	10,000
Capital outlay:				
Highway 41 @ San Gabriel Traffic Signal	36,810	36,810	13,695	23,115
Lewis Avenue Bridge Project	2,254,170	2,254,170	1,933,327	320,843
<b>Total expenditures</b>	<b>2,624,490</b>	<b>2,624,490</b>	<b>1,998,652</b>	<b>625,838</b>
Excess of revenues over (under) expenditures	(1,973,570)	(1,973,570)	(1,436,364)	537,206
<b>Other Financing Sources (Uses):</b>				
Transfer from 2005 Redevelopment Bond Project Fund for the Lewis Avenue Bridge Project	785,610	785,610	662,796	(122,814)
Transfer from Capital Projects Fund for the Lewis Avenue Bridge Project	392,800	392,800	331,398	(61,402)
Transfer from Local Transportation Fund for the Lewis Avenue Bridge Project	392,800	392,800	331,398	(61,402)
<b>Total other financing sources (uses)</b>	<b>1,571,210</b>	<b>1,571,210</b>	<b>1,325,592</b>	<b>(245,618)</b>
Excess of revenues and other sources over (under) expenditures and other uses	\$ (402,360)	\$ (402,360)	(110,772)	\$ 291,588
Fund balance, June 30, 2007			231,240	
Fund balance, June 30, 2008			\$ 120,468	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Impact fees	\$ 127,240	\$ 127,240	\$ 48,468	\$ (78,772)
Interest income	22,060	22,060	35,207	13,147
Total revenues	149,300	149,300	83,675	(65,625)
<b>Expenditures:</b>				
Special projects				
2006/2007 Drainage Improvement Program	17,480	1,980	1,810	170
Drainage System Atlas	42,000	42,000	11,994	30,006
Capital projects:				
2006 Marchant Avenue Drainage	348,220	340,640	15,107	325,533
Santa Lucia Road Culvert Relocation	-	23,080	23,073	7
San Jacinto @ Traffic Way Drainage Project	20,000	20,000	8,955	11,045
Total expenditures	427,700	427,700	60,939	366,761
Excess of revenues over (under) expenditures	(278,400)	(278,400)	22,736	301,136
<b>Other Financing Sources (Uses):</b>				
Transfer from Amapoa Tecorida Drainage Impact Fee Fund for the 06/07 Drainage Improvement Project	98,580	98,580	15,107	(83,473)
Total other financing sources (uses)	98,580	98,580	15,107	(83,473)
Excess of revenues and other sources over (under) expenditures and other uses	\$ (179,820)	\$ (179,820)	37,843	\$ 217,663
Fund balance, June 30, 2007			664,724	
Fund balance, June 30, 2008			\$ 702,567	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest income	\$ 2,310	\$ 2,310	\$ 4,583	\$ 2,273
Total revenues	2,310	2,310	4,583	2,273
Excess of revenues over (under) expenditures	2,310	2,310	4,583	2,273
<b>Other Financing Sources (Uses):</b>				
Transfer to the Storm Drainage Facilities Fees Fund for the 2006 Marchant Avenue Drainage Project	(98,580)	(98,580)	(15,107)	83,473
Total other financing sources (uses)	(98,580)	(98,580)	(15,107)	83,473
Excess of revenues and other sources over (under) expenditures and other uses	\$ (96,270)	\$ (96,270)	(10,524)	\$ 85,746
Fund balance, June 30, 2007			98,048	
Fund balance, June 30, 2008			\$ 87,524	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Impact fees	\$ 62,730	\$ 62,730	\$ 41,174	\$ (21,556)
Interest income	3,000	3,000	4,837	1,837
Total revenues	65,730	65,730	46,011	(19,719)
Excess of revenues over (under) expenditures	65,730	65,730	46,011	(19,719)
<b>Other Financing Sources (Uses):</b>				
Transfer to COP Fund for debt service on police station	(69,890)	(69,890)	(69,893)	(3)
Total other financing sources (uses)	(69,890)	(69,890)	(69,893)	(3)
Excess of revenues and other sources over (under) expenditures and other uses	\$ (4,160)	\$ (4,160)	(23,882)	\$ (19,722)
Fund balance, June 30, 2007			82,311	
Fund balance, June 30, 2008			\$ 58,429	

**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, 2008**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Impact fees	\$ 110,080	\$ 110,080	\$ 63,117	\$ (46,963)
Rental income	10,800	10,800	10,800	-
Interest income	25,110	25,110	28,574	3,464
Total revenues	<u>145,990</u>	<u>145,990</u>	<u>102,491</u>	<u>(43,499)</u>
<b>Expenditures:</b>				
Special projects				
Study for Relocation of Fire Station #1	65,000	65,000	-	65,000
Capital projects:				
Fire Station #2 Door Rehabilitation	-	20,620	20,611	9
Station #2 Living Quarters Addition	40,000	19,380	2,336	17,044
Total expenditures	<u>105,000</u>	<u>105,000</u>	<u>22,947</u>	<u>82,053</u>
Excess of revenues over (under) expenditures	<u>\$ 40,990</u>	<u>\$ 40,990</u>	79,544	<u>\$ 38,554</u>
Fund balance, June 30, 2007			<u>530,556</u>	
Fund balance, June 30, 2008			<u>\$ 610,100</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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Impact fees	\$ 118,460	\$ 118,460	\$ 40,880	\$ (77,580)
Interest income	13,320	13,320	18,065	4,745
Total revenues	131,780	131,780	58,945	(72,835)
<b>Expenditures:</b>				
Special projects				
Acquisition of Open Space Easement- Davis Property	200,000	200,000	-	200,000
Total expenditures	200,000	200,000	-	200,000
Excess of revenues over (under) expenditures	\$ (68,220)	\$ (68,220)	58,945	\$ 127,165
Fund balance, June 30, 2007			327,783	
Fund balance, June 30, 2008			\$ 386,728	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Impact fees	\$ 457,970	\$ 457,970	\$ 135,938	\$ (322,032)
Interest income	7,860	7,860	12,293	4,433
Total revenues	465,830	465,830	148,231	(317,599)
<b>Expenditures:</b>				
Special projects & community funding:				
Stadium Park Easement Appraisal	-	4,000	1,500	2,500
Total expenditures	-	4,000	1,500	2,500
Excess of revenues over (under) expenditures	465,830	461,830	146,731	(315,099)
<b>Other Financing Sources (Uses):</b>				
Transfer to the Youth Center Construction Fund	(704,880)	(704,880)	(612,352)	92,528
Total other financing sources (uses)	(704,880)	(704,880)	(612,352)	92,528
Excess of revenues and other sources over (under) expenditures and other uses	\$ (239,050)	\$ (243,050)	(465,621)	\$ (222,571)
Fund balance, June 30, 2007			574,055	
Fund balance, June 30, 2008			\$ 108,434	

**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, 2008**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Impact fees	\$ 155,840	\$ 155,840	\$ 41,323	\$ (114,517)
Interest income	7,230	7,230	8,896	1,666
Total revenues	163,070	163,070	50,219	(112,851)
Excess of revenues over expenditures	163,070	163,070	50,219	(112,851)
<b>Other Financing Sources (Uses):</b>				
Transfer to 1997 C.O.P. Refunding Fund for debt service on the pavilion	(47,660)	(47,660)	(47,654)	6
Transfer to Youth Center Construction Fund	(64,860)	(64,860)	(8,781)	56,079
Total other financing sources (uses)	(112,520)	(112,520)	(56,435)	56,085
Excess of revenues and other sources over (under) expenditures and other uses	\$ 50,550	\$ 50,550	(6,216)	\$ (56,766)
Fund balance, June 30, 2007			159,768	
Fund balance, June 30, 2008			\$ 153,552	

**CITY OF ATASCADERO**

LIBRARY EXPANSION FACILITIES FEES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Impact fees	\$ 50,130	\$ 50,130	\$ 17,709	\$ (32,421)
Interest income	7,410	7,410	7,366	(44)
Total revenues	<u>57,540</u>	<u>57,540</u>	<u>25,075</u>	<u>(32,465)</u>
Excess of revenues over expenditures	<u>\$ 57,540</u>	<u>\$ 57,540</u>	25,075	<u>\$ (32,465)</u>
Fund balance, June 30, 2007			<u>132,332</u>	
Fund balance, June 30, 2008			<u>\$ 157,407</u>	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Impact fees	\$ 3,500	\$ 3,500	\$ -	\$ (3,500)
Interest income (expense)	(17,100)	(17,100)	(20,804)	(3,704)
Total revenues	(13,600)	(13,600)	(20,804)	(7,204)
<b>Expenditures:</b>				
Special projects				
Ladder Truck Equipment	-	2,050	2,043	7
Capital projects:				
Aerial Fire Truck	998,920	971,210	909,697	61,513
Breathing Apparatus	-	25,660	25,658	2
Total expenditures	998,920	998,920	937,398	61,522
Excess of revenues over (under) expenditures	\$ (1,012,520)	\$ (1,012,520)	(958,202)	\$ 54,318
Fund balance, June 30, 2007			149,772	
Fund balance, June 30, 2008			\$ (808,430)	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes and assessments	\$ 136,000	\$ 261,460	\$ 228,817	\$ (32,643)
Interest income	1,220	1,220	4,670	3,450
Total revenues	<u>137,220</u>	<u>262,680</u>	<u>233,487</u>	<u>(29,193)</u>
<b>Expenditures:</b>				
Contract services	3,710	3,710	2,619	1,091
Total expenditures	<u>3,710</u>	<u>3,710</u>	<u>2,619</u>	<u>1,091</u>
Excess of revenues over (under) expenditures	<u>133,510</u>	<u>258,970</u>	<u>230,868</u>	<u>(28,102)</u>
<b>Other Financing Sources (Uses):</b>				
Transfer to the General Fund for police, fire and parks services	(164,300)	(289,760)	(289,760)	-
Total other financing sources (uses)	<u>(164,300)</u>	<u>(289,760)</u>	<u>(289,760)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (30,790)</u>	<u>\$ (30,790)</u>	<u>(58,892)</u>	<u>\$ (28,102)</u>
Fund balance, June 30, 2007			<u>103,724</u>	
Fund balance, June 30, 2008			<u>\$ 44,832</u>	

**CITY OF ATASCADERO**APPLE 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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes and assessments	\$ 34,840	\$ 34,840	\$ 34,703	\$ (137)
Interest income	630	630	4,125	3,495
Total revenues	<u>35,470</u>	<u>35,470</u>	<u>38,828</u>	<u>3,358</u>
<b>Expenditures:</b>				
Contract services	9,530	9,530	3,315	6,215
Administration	<u>2,860</u>	<u>2,860</u>	<u>353</u>	<u>2,507</u>
Total expenditures	<u>12,390</u>	<u>12,390</u>	<u>3,668</u>	<u>8,722</u>
Excess of revenues over expenditures	<u>\$ 23,080</u>	<u>\$ 23,080</u>	35,160	<u>\$ 12,080</u>
Fund balance, June 30, 2007			<u>68,339</u>	
Fund balance, June 30, 2008			<u>\$ 103,499</u>	

**CITY OF ATASCADERO**APPLE 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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes and assessments	\$ 38,070	\$ 38,070	\$ 37,932	\$ (138)
Contribution from developer	25,000	25,000	25,000	-
Interest income	1,820	1,820	11,139	9,319
Total revenues	<u>64,890</u>	<u>64,890</u>	<u>74,071</u>	<u>9,181</u>
<b>Expenditures:</b>				
Utilities	20,540	20,540	5,659	14,881
Operating supplies	1,700	1,700	770	930
Contract services	71,460	71,460	45,119	26,341
Administration	7,200	7,200	437	6,763
Special projects				
Lighting project	10,000	10,000	-	10,000
Total expenditures	<u>110,900</u>	<u>110,900</u>	<u>51,985</u>	<u>58,915</u>
Excess of revenues over (under) expenditures	<u>\$ (46,010)</u>	<u>\$ (46,010)</u>	<u>22,086</u>	<u>\$ (49,734)</u>
Fund balance, June 30, 2007			<u>210,287</u>	
Fund balance, June 30, 2008			<u>\$ 232,373</u>	

**CITY OF ATASCADERO**LAS 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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes and assessments	\$ 39,630	\$ 39,630	\$ 39,338	\$ (292)
Interest income	750	750	4,340	3,590
Total revenues	<u>40,380</u>	<u>40,380</u>	<u>43,678</u>	<u>3,298</u>
<b>Expenditures:</b>				
Contract services	3,270	3,270	2,964	306
Administration	<u>1,000</u>	<u>1,000</u>	<u>348</u>	<u>652</u>
Total expenditures	<u>4,270</u>	<u>4,270</u>	<u>3,312</u>	<u>958</u>
Excess of revenues over (under) expenditures	<u>\$ 36,110</u>	<u>\$ 36,110</u>	40,366	<u>\$ 4,256</u>
Fund balance, June 30, 2007			<u>77,457</u>	
Fund balance, June 30, 2008			<u>\$ 117,823</u>	

**CITY OF ATASCADERO**LAS 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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest income	\$ 1,890	\$ 4,180	\$ 10,014	\$ 5,834
Total revenues	1,890	4,180	10,014	5,834
<b>Expenditures:</b>				
Advertising	-	260	255	5
Contract services	3,970	6,000	5,993	7
Administration	1,000	1,000	541	459
Total expenditures	4,970	7,260	6,789	471
Excess of revenues over (under) expenditures	\$ (3,080)	\$ (3,080)	3,225	\$ 6,305
Fund balance, June 30, 2007			194,160	
Fund balance, June 30, 2008			\$ 197,385	

**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, 2008**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes and assessments	\$ 34,420	\$ 34,420	\$ 34,249	\$ (171)
Interest income	560	560	3,770	3,210
Total revenues	<u>34,980</u>	<u>34,980</u>	<u>38,019</u>	<u>3,039</u>
<b>Expenditures:</b>				
Contract services	8,650	8,650	2,860	5,790
Administration	<u>2,110</u>	<u>2,110</u>	<u>522</u>	<u>1,588</u>
Total expenditures	<u>10,760</u>	<u>10,760</u>	<u>3,382</u>	<u>7,378</u>
Excess of revenues over expenditures	<u>\$ 24,220</u>	<u>\$ 24,220</u>	34,637	<u>\$ 10,417</u>
Fund balance, June 30, 2007			<u>66,633</u>	
Fund balance, June 30, 2008			<u>\$ 101,270</u>	

**CITY OF ATASCADERO****DE 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, 2008**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes and assessments	\$ 27,680	\$ 27,680	\$ 27,646	\$ (34)
Interest income	910	910	5,159	4,249
Total revenues	<u>28,590</u>	<u>28,590</u>	<u>32,805</u>	<u>4,215</u>
<b>Expenditures:</b>				
Utilities	3,920	3,920	-	3,920
Operating supplies	1,370	1,370	-	1,370
Contract services	58,550	58,550	27,728	30,822
Administration	4,800	4,800	1,243	3,557
Total expenditures	<u>68,640</u>	<u>68,640</u>	<u>28,971</u>	<u>39,669</u>
Excess of revenues over (under) expenditures	<u>\$ (40,050)</u>	<u>\$ (40,050)</u>	3,834	<u>\$ 43,884</u>
Fund balance, June 30, 2007			<u>106,749</u>	
Fund balance, June 30, 2008			<u>\$ 110,583</u>	

**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, 2008**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Impact fees	\$ -	\$ -	\$ 22	\$ 22
State River Parkways Grant- Creek Trail Project		486,370	67,809	(418,561)
Interest income	44,880	44,880	75,453	30,573
Total revenues	44,880	531,250	143,284	(387,966)
<b>Expenditures:</b>				
Special projects:				
Downtown Underground Utility Project	40,000	40,000	-	40,000
Capital outlay:				
Downtown Streetscape Improvements	494,790	494,790	211,277	283,513
Paloma Creek Park Playground Equipment	225,000	225,000	13,203	211,797
Lake Park Parking Lot Renovations	25,000	125,000	6,116	118,884
Santa Rosa Pedestrian Bridge	75,000	75,000	19,443	55,557
Atascadero Creek Trail Enhancement Project		486,370	67,809	418,561
New Corporate Yard	274,510	369,510	236,640	132,870
Total expenditures	1,134,300	1,815,670	554,488	1,261,182
Excess of revenues over (under) expenditures	(1,089,420)	(1,284,420)	(411,204)	873,216

**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, 2008**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Other Financing Sources:</b>				
Transfer from the General Fund for Street Projects	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Transfer from the RDA Fund for the Downtown Streetscape II Project	494,790	494,790	211,277	(283,513)
Transfer from the RDA Fund for the Underground Utility Project	40,000	40,000	-	(40,000)
Transfer from the Government Facilities Fee Fund for the New Corporate Yard Project	-	95,000	-	(95,000)
Transfer to Circulation Impact Fee Fund for the Lewis Avenue Bridge Project	(392,800)	(392,800)	(331,398)	61,402
Total other financing sources	391,990	486,990	129,879	(357,111)
Excess of revenues and other sources over (under) expenditures	\$ (697,430)	\$ (797,430)	(281,325)	\$ 516,105
Fund balance, June 30, 2007			1,680,121	
Fund balance, June 30, 2008			\$ 1,398,796	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest income	\$ -	\$ -	\$ 50	\$ 50
Total revenues	-	-	50	50
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	50	<u>\$ 50</u>
Fund balance, June 30, 2007			959	
Fund balance, June 30, 2008			<u>\$ 1,009</u>	

**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, 2008**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
California Cultural Historical Endowment Grant	\$ 120,000	\$ 120,000	\$ 4,412	\$ (115,588)
OES- Earthquake Funds	225,000	225,000	-	(225,000)
FEMA- Earthquake Funds	675,000	675,000	-	(675,000)
Interest income	-	-	317	317
Total revenues	<u>1,020,000</u>	<u>1,020,000</u>	<u>4,729</u>	<u>(1,015,271)</u>
<b>Expenditures:</b>				
Special projects:				
FEMA Administration	90,670	140,670	93,391	47,279
Programming of City Hall	25,000	25,000	8,823	16,177
Capital outlay:				
Historic City Hall - Earthquake Repairs	900,000	900,000	4,666	895,334
Historic City Hall - Rehabilitation	239,990	6,767,690	-	6,767,690
Total expenditures	<u>1,255,660</u>	<u>7,833,360</u>	<u>106,880</u>	<u>7,726,480</u>
Excess of revenues over (under) expenditures	<u>(235,660)</u>	<u>(6,813,360)</u>	<u>(102,151)</u>	<u>6,711,209</u>
<b>Other Financing Sources:</b>				
Transfer from the General Fund for FEMA Administration	-	50,000	2,719	(47,281)
Transfer from the Redevelopment Agency Fund for the rehabilitation of City Hall	120,000	6,647,700	-	(6,647,700)
Total other financing sources	<u>120,000</u>	<u>6,697,700</u>	<u>2,719</u>	<u>(6,694,981)</u>
Excess of revenues and other sources over (under) expenditures	<u>\$ (115,660)</u>	<u>\$ (115,660)</u>	<u>(99,432)</u>	<u>\$ 16,228</u>
Fund balance, June 30, 2007			<u>94,019</u>	
Fund balance, June 30, 2008			<u>\$ (5,413)</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, 2008

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest income	\$ 50	\$ 50	\$ 36	\$ (14)
Total revenues	50	50	36	(14)
Excess of revenues over expenditures	<u>\$ 50</u>	<u>\$ 50</u>	36	<u>\$ (14)</u>
Fund balance, June 30, 2007			<u>692</u>	
Fund balance, June 30, 2008			<u>\$ 728</u>	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest income	\$ 2,500	\$ 2,500	\$ 3,189	\$ 689
Total revenues	2,500	2,500	3,189	689
<b>Expenditures:</b>				
Services	7,030	7,030	443	6,587
Principal	90,000	90,000	90,000	-
Interest	3,380	3,380	3,375	5
Total expenditures	100,410	100,410	93,818	6,592
Excess of revenues over (under) expenditures	\$ (97,910)	\$ (97,910)	(90,629)	\$ 7,281
Fund balance, June 30, 2007			137,040	
Fund balance, June 30, 2008			\$ 46,411	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest income	\$ -	\$ -	\$ 206	\$ 206
Total revenues	-	-	206	206
Excess of revenues over expenditures	\$ -	\$ -	206	\$ 206
Fund balance, June 30, 2007			3,951	
Fund balance, June 30, 2008			\$ 4,157	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes and assessments	\$ 14,800	\$ 14,800	\$ 15,531	\$ 731
Interest income (expense)	(1,850)	(1,850)	(2,662)	(812)
Total revenues	<u>12,950</u>	<u>12,950</u>	<u>12,869</u>	<u>(81)</u>
<b>Expenditures:</b>				
Services	540	540	490	50
Interest	<u>2,210</u>	<u>2,210</u>	<u>2,207</u>	<u>3</u>
Total expenditures	<u>2,750</u>	<u>2,750</u>	<u>2,697</u>	<u>53</u>
Excess of revenues over (under) expenditures	<u>\$ 10,200</u>	<u>\$ 10,200</u>	10,172	<u>\$ (28)</u>
Fund balance, June 30, 2007			<u>(104,455)</u>	
Fund balance, June 30, 2008			<u>\$ (94,283)</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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes and assessments	\$ 27,000	\$ 27,000	\$ 28,457	\$ 1,457
Interest income	530	530	932	402
Total revenues	<u>27,530</u>	<u>27,530</u>	<u>29,389</u>	<u>1,859</u>
<b>Expenditures:</b>				
Services	660	660	647	13
Interest	<u>4,820</u>	<u>4,820</u>	<u>4,811</u>	<u>9</u>
Total expenditures	<u>5,480</u>	<u>5,480</u>	<u>5,458</u>	<u>22</u>
Excess of revenues over expenditures	<u>\$ 22,050</u>	<u>\$ 22,050</u>	23,931	<u>\$ 1,881</u>
Fund balance, June 30, 2007			<u>(80,564)</u>	
Fund balance, June 30, 2008			<u>\$ (56,633)</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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes and assessments	\$ 3,630	\$ 3,630	\$ 3,632	\$ 2
Interest income	30	30	41	11
Total revenues	<u>3,660</u>	<u>3,660</u>	<u>3,673</u>	<u>13</u>
<b>Expenditures:</b>				
Interest	660	660	653	7
Total expenditures	<u>660</u>	<u>660</u>	<u>653</u>	<u>7</u>
Excess of revenues over (under) expenditures	<u>\$ 3,000</u>	<u>\$ 3,000</u>	3,020	<u>\$ 20</u>
Fund balance, June 30, 2007			<u>(13,375)</u>	
Fund balance, June 30, 2008			<u>\$ (10,355)</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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Current secured increment	\$ 554,730	\$ 554,730	\$ 574,042	\$ 19,312
Interest income	50,150	50,150	63,045	12,895
Total revenues	<u>604,880</u>	<u>604,880</u>	<u>637,087</u>	<u>32,207</u>
<b>Expenditures:</b>				
Services	2,260	2,260	2,374	(114)
Interest	<u>574,050</u>	<u>574,050</u>	<u>574,042</u>	<u>8</u>
Total expenditures	<u>576,310</u>	<u>576,310</u>	<u>576,416</u>	<u>(106)</u>
Excess of revenues over (under) expenditures	<u>\$ 28,570</u>	<u>\$ 28,570</u>	60,671	<u>\$ 32,101</u>
Fund balance, June 30, 2007			<u>1,237,222</u>	
Fund balance, June 30, 2008			<u>\$ 1,297,893</u>	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
Principal	\$ 142,000	\$ 142,000	\$ 142,000	\$ -
Interest	16,850	16,850	16,847	3
Total expenditures	158,850	158,850	158,847	3
Excess of revenues over (under) expenditures	(158,850)	(158,850)	(158,847)	3
<b>Other Financing Sources:</b>				
Transfer from General Fund for pavilion debt service	41,300	41,300	41,300	-
Transfer from Public Facilities Fees Fund for pavilion debt service	69,890	69,890	69,893	3
Transfer from Law Enforcement Facilities Fees Fund for police station debt service	47,660	47,660	47,654	(6)
Total other financing sources	158,850	158,850	158,847	(3)
Excess of revenues and other sources over expenditures	\$ -	\$ -	-	\$ -
Fund balance, June 30, 2007			-	
Fund balance, June 30, 2008			\$ -	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest income	\$ 4,200	\$ 4,200	\$ 11,723	\$ 7,523
Total revenues	4,200	4,200	11,723	7,523
<b>Expenditures:</b>				
Services	5,500	5,500	3,196	2,304
Principal	60,000	60,000	60,000	-
Interest	5,890	5,890	5,890	-
Total expenditures	71,390	71,390	69,086	2,304
Excess of revenues over expenditures	\$ (67,190)	\$ (67,190)	(57,363)	\$ 9,827
Fund balance, June 30, 2007			293,461	
Fund balance, June 30, 2008			\$ 236,098	

**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, 2008

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes and assessments	\$ 175,600	\$ 175,600	\$ 176,652	\$ 1,052
Interest income	9,500	9,500	17,585	8,085
Total revenues	<u>185,100</u>	<u>185,100</u>	<u>194,237</u>	<u>9,137</u>
<b>Expenditures:</b>				
Services	2,380	2,380	2,429	(49)
Principal	115,000	115,000	115,000	-
Interest	50,480	50,480	50,479	1
Total expenditures	<u>167,860</u>	<u>167,860</u>	<u>167,908</u>	<u>(48)</u>
Excess of revenues over expenditures	<u>\$ 17,240</u>	<u>\$ 17,240</u>	26,329	<u>\$ 9,089</u>
Fund balance, June 30, 2007			<u>430,077</u>	
Fund balance, June 30, 2008			<u>\$ 456,406</u>	

**CITY OF ATASCADERO**  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
June 30, 2008

	<u>Technology Fund</u>	<u>Vehicle and Equipment Replacement Fund</u>	<u>Building Maintenance and Replacement Fund</u>	<u>Totals</u>
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 856,032	\$ 2,377,571	\$ 1,664,443	\$ 4,898,046
Receivables:				
Federal distributions due	1,109	3,850	511,240	516,199
Due from State of California	406	1,284	170,414	172,104
Accrued interest	6,732	18,605	13,053	38,390
Prepaid expenses	-	-	2,752	2,752
Total current assets	<u>864,279</u>	<u>2,401,310</u>	<u>2,361,902</u>	<u>5,627,491</u>
Capital Assets:				
Non-depreciable:				
Construction in progress	-	914,316	7,893,844	8,808,160
Depreciable:				
Vehicles	-	2,312,536	-	2,312,536
Equipment	1,951,079	2,416,120	17,713	4,384,912
Structure and improvements	-	-	7,067,828	7,067,828
Accumulated depreciation	<u>(1,223,091)</u>	<u>(2,089,183)</u>	<u>(2,010,261)</u>	<u>(5,322,535)</u>
Net capital assets	<u>727,988</u>	<u>3,553,789</u>	<u>12,969,124</u>	<u>17,250,901</u>
<b>Total assets</b>	<u>1,592,267</u>	<u>5,955,099</u>	<u>15,331,026</u>	<u>22,878,392</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	7,745	20,292	30,262	58,299
Accrued salaries and benefits	10,459	-	4,378	14,837
Noncurrent Liabilities:				
Compensated absences	<u>12,608</u>	<u>-</u>	<u>13,435</u>	<u>26,043</u>
<b>Total liabilities</b>	<u>30,812</u>	<u>20,292</u>	<u>48,075</u>	<u>99,179</u>
<b>NET ASSETS</b>				
Invested in capital assets	727,988	3,553,789	12,969,124	17,250,901
Unrestricted	<u>833,467</u>	<u>2,381,018</u>	<u>2,313,827</u>	<u>5,528,312</u>
<b>Total net assets</b>	<u>\$ 1,561,455</u>	<u>\$ 5,934,807</u>	<u>\$ 15,282,951</u>	<u>\$ 22,779,213</u>

**CITY OF ATASCADERO**  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
For the Fiscal Year Ended June 30, 2008

	<u>Technology Fund</u>	<u>Vehicle and Equipment Replacement Fund</u>	<u>Building Maintenance and Replacement Fund</u>	<u>Totals</u>
<b>Operating Revenues:</b>				
Charges for services	\$ 758,455	\$ 357,240	\$ 939,351	\$ 2,055,046
Other	4,975	-		4,975
Total operating revenues	<u>763,430</u>	<u>357,240</u>	<u>939,351</u>	<u>2,060,021</u>
<b>Operating Expenses:</b>				
Salaries and benefits	422,051	-	182,508	604,559
Office expense	780	-	-	780
Computer maintenance, software and replacement	-	-	6,150	6,150
Insurance	-	-	17,152	17,152
Occupancy and rental costs	44,980	-	373,596	418,576
Utilities	-	-	56,817	56,817
Communications	7,465	-	3,130	10,595
Operating supplies and services	17,108	-	24,155	41,263
Vehicle and equipment operating costs	396	-	8,524	8,920
Contract services	46,200	-	47,679	93,879
Professional development	16,675	-	2,106	18,781
Recruitment	32	-	1,050	1,082
Administrative charges	30,960	-	69,170	100,130
Special projects:				
Parking lot repairs	-	-	5,603	5,603
Aerial photos	6,500	-	-	6,500
Depreciation	<u>249,032</u>	<u>445,115</u>	<u>661,257</u>	<u>1,355,404</u>
Total operating expenses	<u>842,179</u>	<u>445,115</u>	<u>1,458,897</u>	<u>2,746,191</u>
Operating income (loss)	<u>(78,749)</u>	<u>(87,875)</u>	<u>(519,546)</u>	<u>(686,170)</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, 2008

	<u>Technology Fund</u>	<u>Vehicle and Equipment Replacement Fund</u>	<u>Building Maintenance and Replacement Fund</u>	<u>Totals</u>
<b>Non-Operating Revenues (Expenses):</b>				
FEMA Earthquake Repair Grant	\$ -	\$ -	\$ 280,196	\$ 280,196
OES Earthquake Repair Grant	-	-	93,399	93,399
Interest income	41,828	114,637	70,916	227,381
Gain on sale of assets	<u>          </u>	<u>1,282</u>	<u>-</u>	<u>1,282</u>
Total non-operating revenues (expenses)	<u>41,828</u>	<u>115,919</u>	<u>444,511</u>	<u>602,258</u>
Change in net assets prior to capital contributions	<u>(36,921)</u>	<u>28,044</u>	<u>(75,035)</u>	<u>(83,912)</u>
<b>Capital Contributions:</b>				
Capital contributions from other funds	<u>65,598</u>	<u>1,001,931</u>	<u>4,484,151</u>	<u>5,551,680</u>
Total capital contributions	<u>65,598</u>	<u>1,001,931</u>	<u>4,484,151</u>	<u>5,551,680</u>
Change in net assets	28,677	1,029,975	4,409,116	5,467,768
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>
Total net assets, June 30, 2008	<u>\$ 1,561,455</u>	<u>\$ 5,934,807</u>	<u>\$ 15,282,951</u>	<u>\$ 22,779,213</u>

**CITY OF ATASCADERO**  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For the Fiscal Year Ended June 30, 2008

	<u>Technology Fund</u>	<u>Vehicle and Equipment Replacement Fund</u>	<u>Building Maintenance and Replacement Fund</u>	<u>Totals</u>
<b>Cash Flows From Operating Activities:</b>				
Internal activity - payments from other funds	\$ 758,455	\$ 357,240	\$ 939,351	\$ 2,055,046
Payments to suppliers of goods and services	(167,679)	20,292	(606,486)	(753,873)
Payments for employee services	(417,977)	-	(181,029)	(599,006)
Net cash provided (used) by operating activities	<u>172,799</u>	<u>377,532</u>	<u>151,836</u>	<u>702,167</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Acquisition of fixed assets	(175,712)	(245,809)	(10,628)	(432,149)
Capital grant proceeds	-	-	713,992	713,992
Proceeds from sale of assets	-	1,282	-	1,282
Net cash provided (used) by capital and related financing activities	<u>(175,712)</u>	<u>(244,527)</u>	<u>703,364</u>	<u>283,125</u>
<b>Cash Flows From Investing Activities:</b>				
Interest income	<u>43,857</u>	<u>119,025</u>	<u>66,163</u>	<u>229,045</u>
Net cash provided (used) by investing activities	<u>43,857</u>	<u>119,025</u>	<u>66,163</u>	<u>229,045</u>
Net increase in cash and cash equivalents	40,944	252,030	921,363	1,214,337
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>
Cash and cash equivalents - June 30, 2008	<u>\$ 856,032</u>	<u>\$ 2,377,571</u>	<u>\$ 1,664,443</u>	<u>\$ 4,898,046</u>

**CITY OF ATASCADERO**  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS (continued)  
For the Fiscal Year Ended June 30, 2008

	<u>Technology Fund</u>	<u>Vehicle and Equipment Replacement Fund</u>	<u>Building Maintenance and Replacement Fund</u>	<u>Totals</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>				
Operating income (loss)	\$ (78,749)	\$ (87,875)	\$ (519,546)	\$ (686,170)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	249,032	445,115	661,257	1,355,404
Change in assets and liabilities:				
Prepaid expenses	-	-	552	552
Accounts payable	(1,558)	20,292	8,094	26,828
Accrued salaries and benefits	2,100	-	894	2,994
Compensated absences	1,974	-	585	2,559
Net cash provided (used) by operating activities	<u>\$ 172,799</u>	<u>\$ 377,532</u>	<u>\$ 151,836</u>	<u>\$ 702,167</u>