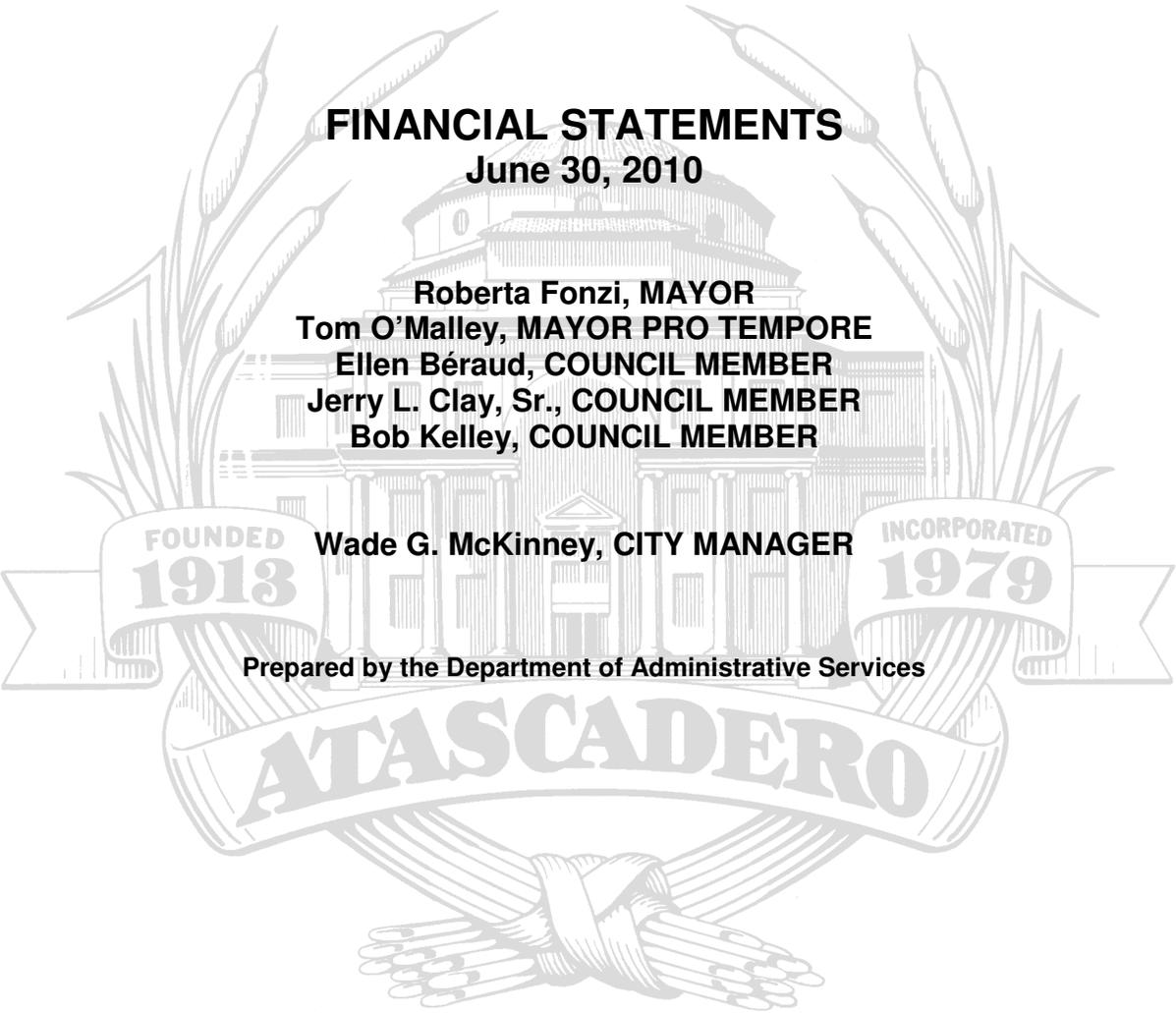


CITY OF ATASCADERO

FINANCIAL STATEMENTS

June 30, 2010



FINANCIAL STATEMENTS

June 30, 2010

Roberta Fonzi, MAYOR

Tom O'Malley, MAYOR PRO TEMPORE

Ellen Béraud, COUNCIL MEMBER

Jerry L. Clay, Sr., COUNCIL MEMBER

Bob Kelley, COUNCIL MEMBER

Wade G. McKinney, CITY MANAGER

**FOUNDED
1913**

**INCORPORATED
1979**

Prepared by the Department of Administrative Services

ATASCADERO

CITY OF ATASCADERO
TABLE OF CONTENTS
 June 30, 2010

Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	13
Statement of Activities.....	15
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	16
Reconciliation of the Governmental Funds - Balance Sheet to the Statement of Net Assets.....	18
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	21
Proprietary Funds:	
Statement of Net Assets.....	22
Statement of Revenues, Expenses, and Changes in Net Assets.....	24
Statement of Cash Flows.....	26
Notes to the Basic Financial Statements.....	28
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund Summary	58
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund Detail.....	60
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Redevelopment Agency Fund.....	75
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Low/Moderate Income Housing Redevelopment Fund.....	78
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - In Lieu Low Income Housing Fund.....	79
Schedule of Funding Progress for Post Employment Benefits Other Than Pensions.....	80

CITY OF ATASCADERO
TABLE OF CONTENTS
June 30, 2010

Other Supplementary Information:

Major Capital Projects Fund:

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Historic City Hall Rehabilitation Fund..... 81

Nonmajor Governmental Funds Overview..... 82

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet - Nonmajor Governmental Funds..... 87

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds..... 93

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:

Supplemental Law Enforcement Services Fund..... 99

Business Improvement Association Fund..... 100

Community Development Block Grant Fund..... 101

Tree Plant Fund..... 102

Gas Tax Fund..... 103

AB2928 Traffic Congestion Relief Fund..... 104

Local Transportation Fund..... 105

Street Assessment Fund..... 106

General Government Facilities Fees Fund..... 107

Circulation System Fees Fund..... 108

Storm Drainage Facilities Fees Fund..... 109

Amapoa/Tecorida Drainage Impact Fees Fund..... 110

Law Enforcement Facilities Fees Fund..... 111

Fire Facilities Fees Fund..... 112

Open Space Acquisition Fees Fund..... 113

CITY OF ATASCADERO
TABLE OF CONTENTS
June 30, 2010

Other Supplementary Information *(continued)*:

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

Parkland Facilities Fees Fund.....	114
Public Facilities Fees Fund.....	115
Library Expansion Facilities Fees Fund.....	116
Fire Aerial Vehicle Impact Fees Fund.....	117
Community Facilities District Fund.....	118
Apple Valley Street & Storm Drain Assessment District Fund.....	119
Apple Valley Landscape & Lighting Assessment District Fund.....	120
Las Lomas Street & Storm Drain Assessment District Fund.....	121
Las Lomas Landscape & Lighting Assessment District Fund.....	122
De Anza Street & Storm Drain Assessment District Fund.....	123
De Anza Landscape & Lighting Assessment District Fund.....	124
Capital Projects Fund.....	125
2005 Redevelopment Bond Project Fund.....	127
Assessment District #8 Construction Fund.....	128
Youth Center Construction Fund.....	129
Assessment District #3 Debt Service Fund.....	130
Assessment District #4 Debt Service Fund.....	131
Assessment District #5 Debt Service Fund.....	132
Assessment District #7 Debt Service Fund.....	133
Assessment District #9 Debt Service Fund.....	134
Assessment District #10 Debt Service Fund.....	135
2005 Redevelopment Bond Debt Service Fund.....	136

CITY OF ATASCADERO
TABLE OF CONTENTS
June 30, 2010

Other Supplementary Information *(continued)*:

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

1992 Street Assessment Improvement Fund.....	137
1993 Camino Real Improvement Bonds Fund.....	138
Combining Statement of Net Assets - Internal Service Funds.....	139
Combining Statement of Revenues, Expenses, and Changes in Net Assets - Internal Service Funds.....	140
Combining Statement of Cash Flows - Internal Service Funds.....	142



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

RONALD A LEVY, CPA
CRIAG A HARTZHEIM, CPA
HADLEY Y HUI, CPA

802 EAST MAIN
SANTA MARIA, CA 93454
TEL: 805.925.2579
FAX: 805.925.2147
www.mlhcpas.com

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council
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, as of and for the fiscal year ended June 30, 2010, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Atascadero as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1 of the notes to basic financial statements effective July 1, 2009, the City of Atascadero adopted Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12, the budgetary information on page 58 through 79, and the Schedule of Funding Progress for Post Employment Benefits Other Than Pensions on page 80, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the City of Atascadero's basic financial statements. The combining fund and individual financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements, and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 29, 2010, on our consideration of the City of Atascadero's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

MOSS, LEVY & HARTZHEIM LLP

A handwritten signature in cursive script that reads "Moss, Levy & Hartzheim LLP".

October 20, 2010



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2010

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, 2010. 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 \$156 million. Of this amount, \$22 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$1.2 million. This was mainly due to the City's commitment to investment in capital assets. The City not only received over \$3.8 million in capital contributions and grants during fiscal year 2009/2010, but it also continued to invest a significant amount of current resources into capital assets.
- Capital projects expenditures were down \$1.8 million from the previous year and were \$7.3 million less than budgeted.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$32.4 million, a decrease of \$1.3 million from the prior fiscal year.
- Approximately 69% of the governmental fund balances, or \$22.2 million, is considered unreserved and is available for spending in the future. Of the \$22.2 million, however, \$3.6 million is designated for budgeted capital projects or other specific purposes.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$5,820,033, or 36% of total general fund expenditures. This is down \$1.03 million from last fiscal year.
- The City's total debt decreased by about \$286,000 during the current fiscal year, which was due to scheduled debt service payments, an increase in compensated absences, and other post employment benefits.

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, as amended by GASB Statement No. 39.

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.

OVERVIEW OF THE FINANCIAL STATEMENTS *(continued)*

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 Low/Moderate Income Housing Redevelopment Fund, the In Lieu Low Income Housing Fund and the Historic City Hall Rehabilitation 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 Technology Fund, the Building Maintenance and Replacement Fund, and the Vehicle and Equipment Replacement Fund. 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 \$156 million at the close of the most recent fiscal year.

	2009-2010 Governmental Activities	2009-2010 Business-Type Activities	2009-2010 Total	2008-2009 Governmental Activities	2008-2009 Business- Type Activities	2008-2009 Total
Current and other assets	\$ 42,354,428	\$ 10,714,973	\$ 53,069,401	\$ 43,865,204	\$ 10,502,655	\$ 54,367,859
Capital assets	105,446,198	14,866,288	120,312,486	103,674,131	15,234,755	118,908,886
Total assets	<u>147,800,626</u>	<u>25,581,261</u>	<u>173,381,887</u>	<u>147,539,335</u>	<u>25,737,410</u>	<u>173,276,745</u>
Current liabilities	2,700,565	311,745	3,012,310	3,439,448	372,999	3,812,447
Noncurrent liabilities	14,369,047	11,727	14,380,774	14,654,093	12,533	14,666,626
Total liabilities	<u>17,069,612</u>	<u>323,472</u>	<u>17,393,084</u>	<u>18,093,541</u>	<u>385,532</u>	<u>18,479,073</u>
Net assets:						
Invested in capital assets, net of related debt	95,375,836	14,866,288	110,242,124	95,362,536	15,234,755	110,597,291
Restricted	23,713,267	-	23,713,267	22,800,770	-	22,800,770
Unrestricted	11,641,911	10,391,501	22,033,412	11,282,488	10,117,123	21,399,611
Total net assets	<u>\$ 130,731,014</u>	<u>\$ 25,257,789</u>	<u>\$ 155,988,803</u>	<u>\$ 129,445,794</u>	<u>\$ 25,351,878</u>	<u>\$ 154,797,672</u>

The largest portion of the City's net assets (71%) 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 15% of the City's net assets represent resources subject to external restrictions on how they may be used. The remaining 14% (\$22,033,412) is considered unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. There was an increase of \$633,801 in unrestricted net assets from fiscal year 2008-2009 to 2009-2010.

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 \$1.2 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, 2010 and 2009

	2009-2010 Governmental Activities	2009-2010 Business-Type Activities	2009-2010 Total	2008-2009 Governmental Activities	2008-2009 Business-Type Activities	2008-2009 Total
Revenues:						
Program Revenues						
Charges for services	\$ 2,080,904	\$ 1,909,905	\$ 3,990,809	\$ 2,796,481	\$ 1,946,460	\$ 4,742,941
Operating grants and contributions	1,507,538	474,542	1,982,080	1,132,638	485,755	1,618,393
Capital grants and contributions	3,737,926	110,696	3,848,622	3,519,713	4,919	3,524,632
General Revenues:						
Secured and unsecured property taxes	9,738,208	-	9,738,208	11,767,626	-	11,767,626
Sales and use taxes	2,583,898	-	2,583,898	3,019,523	-	3,019,523
Other taxes	1,697,865	-	1,697,865	1,788,724	-	1,788,724
Motor vehicle in lieu	83,854	-	83,854	97,153	-	97,153
Block grants	-	-	-	139,619	-	139,619
Loss on Inclusionary Housing Loans	(351,117)	-	(351,117)	-	-	-
Investment Income	440,705	151,998	592,703	1,042,762	319,374	1,362,136
Total Revenues	<u>\$ 21,519,781</u>	<u>\$ 2,647,141</u>	<u>\$ 24,166,922</u>	<u>\$ 25,304,239</u>	<u>\$ 2,756,508</u>	<u>\$ 28,060,747</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(continued)*

SUMMARY OF CHANGES IN NET ASSETS

For the Fiscal Years Ended June 30, 2010 and 2009

	2009-2010 Governmental Activities	2009-2010 Business-Type Activities	2009-2010 Total	2008-2009 Governmental Activities	2008-2009 Business-Type Activities	2008-2009 Total
Program Expenses						
General Government	\$ 2,210,946	\$ -	\$ 2,210,946	\$ 2,889,181	\$ -	\$ 2,889,181
Public Safety	9,557,316	-	9,557,316	10,452,476	-	10,452,476
Community Development	2,120,633	-	2,120,633	2,511,550	-	2,511,550
Community, Recreation & Zoo Services	2,073,394	-	2,073,394	2,183,717	-	2,183,717
Parks & Open Space	820,451	-	820,451	814,613	-	814,613
Public Works	2,835,970	-	2,835,970	3,010,482	-	3,010,482
Sewer		2,106,796	2,106,796	-	2,068,971	2,068,971
Transit		634,434	634,434	-	605,459	605,459
Interest on long-term debt	615,851	-	615,851	641,141	-	641,141
Total Expenses	<u>20,234,561</u>	<u>2,741,230</u>	<u>22,975,791</u>	<u>22,503,160</u>	<u>2,674,430</u>	<u>25,177,590</u>
Increase in net assets	1,285,220	(94,089)	1,191,131	2,801,079	82,078	2,883,157
Net assets- beginning	129,445,794	25,351,878	154,797,672	126,644,715	25,269,800	151,914,515
Net assets- ending	<u>\$ 130,731,014</u>	<u>\$ 25,257,789</u>	<u>\$ 155,988,803</u>	<u>\$ 129,445,794</u>	<u>\$ 25,351,878</u>	<u>\$ 154,797,672</u>

Governmental activities increased the City's net assets by \$1,285,220 while business-type activities decreased the City's net assets by \$94,089.

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, 2010, the City's governmental funds reported combined ending fund balances of \$32,422,959. Approximately 31% (\$10,180,847) of this total amount is reserved to indicate that it is not available for new spending because it has already been committed either to liquidate contracts or purchase orders of the prior period or to pay debt service (\$2,082,626). The remaining 69% (\$22,242,112) constitutes unreserved fund balances, which is available for spending at the government's discretion. Of that amount, \$3,627,415 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, 2010, the total fund balance was \$7,517,529 and the unreserved fund balance was 77% (\$5,820,033) 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 fund balance represents 36% of the total General Fund expenditures, down slightly from 37% in fiscal year 2008-2009. The total general fund balance represents 46% of fund expenditures, up modestly from 45% the prior year. The General Fund balance decreased \$715,819 during the year.

Redevelopment Agency Fund – The Redevelopment Agency fund is the primary fund for the Community Redevelopment Agency of Atascadero. At June 30, 2010, the total fund balance was \$7,012,317, and the unreserved fund balance was 96% (\$6,708,917).

Low / Moderate Income Housing Redevelopment Fund – The Community Redevelopment Agency of Atascadero Low / Moderate Income Housing Fund was established to promote low and moderate income housing in the City of Atascadero. At June 30, 2010, the total fund balance was \$4,801,359 and the unreserved balance is 72% (3,466,037) of which \$500,000 is designated towards capital commitments, and the remainder was undesignated.

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, 2010, the total fund balance was \$4,307,236. Of this amount, \$455,374 was unreserved.

Historic City Hall Rehabilitation Fund – The Historic City Hall Rehabilitation Fund accounts for all of the costs related to the restoration of the Historic City Hall rotunda building after it was severely damaged in the San Simeon Earthquake on December 22, 2003. At June 30, 2010, the total fund balance was \$9,335. This 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, 2010, these funds had an aggregate fund balance of \$8,775,183. Of this total, 34% (\$2,983,432) is reserved for payment of debt service, prepaid items, capital projects or encumbrances from the prior fiscal year. The remaining balance of \$5,791,751 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 2009-2010 by \$285,046. Normal amortization reduced debt by \$405,000, compensated absences increased it by \$115,360, and Other Post Employment Benefits increased it by another \$4,594.

Debt of the business-type activities decreased by \$806 in FY 2009-2010 due to a decrease in compensated absences.

CASH MANAGEMENT

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

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, 2010, net capital assets of the governmental activities totaled \$105,446,198 and the net capital assets of the business-type activities totaled \$14,866,288. 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:

	2009-2010 Governmental Activities	2009-2010 Business-Type Activities	2009-2010 Total	2008-2009 Governmental Activities	2008-2009 Business-Type Activities	2008-2009 Total
Non-Depreciable:						
Land	\$ 41,123,547	\$ 442,044	\$ 41,565,591	\$ 40,913,773	\$ 442,044	\$ 41,355,817
Construction in progress	8,673,660	421,757	9,095,417	4,855,918	358,076	5,213,994
Depreciable:						
Vehicles and equipment	8,249,498	864,620	9,114,118	8,333,666	756,514	9,090,180
Structures and improvements	20,881,011	23,618,968	44,499,979	20,670,688	23,608,690	44,279,378
Infrastructure	55,412,984	-	55,412,984	55,118,136	-	55,118,136
Accumulated Depreciation	(28,894,502)	(10,481,101)	(39,375,603)	(26,218,050)	(9,930,569)	(36,148,619)
Invested in capital assets, net of related debt	<u>\$ 105,446,198</u>	<u>\$ 14,866,288</u>	<u>\$ 120,312,486</u>	<u>\$ 103,674,131</u>	<u>\$ 15,234,755</u>	<u>\$ 118,908,886</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2010, 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 2009-2010 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 2009-2010.

General Fund	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues	\$ 16,390,280	\$ 16,716,970	\$ 15,347,965	\$ (1,369,005)
Expenditures	17,585,030	17,899,720	16,184,994	(1,714,726)
Other Sources (Uses)	149,210	121,210	121,210	-
Fund Balance, beginning	8,233,348	8,233,348	8,233,348	-
Fund Balance, ending	<u>\$ 7,187,808</u>	<u>\$ 7,171,808</u>	<u>\$ 7,517,529</u>	<u>\$ 345,721</u>

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

The variance between the final budget and the original budget decreased the General Fund ending fund balance by an additional \$16,000. This change reflects minor adjustments with a small net effect on the bottom line.

ECONOMIC FACTORS AND NEXT FISCAL YEAR'S BUDGET

The severe and lengthy economic slump, the state budgetary crisis and unavoidable future cost increases made budgeting for fiscal year 2010-2011 a challenge. Expenses have been cut in those areas that least affect the community and contributions to certain reserve funds have been suspended. Layoffs and staffing position freezes have further reduced the costs of ongoing employee services. Even with those cuts, the budget for fiscal year 2010-2011 will again be using fund balance reserves to maintain operations. The City has been actively preparing for these tough times. Ten years ago, the Council 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. Council continues to support this strategy, and it has proven very useful to the City. It has allowed for stable operations and long-term financial sustainability during this time of economic turmoil.

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 wherever possible, and funding the highest priority projects.

The key elements in the preparation of the budget for the fiscal year 2010-2011 were:

- Focusing on those projects identified as high priority by the community and the Council
- Economic Development
- Growth of the City's economy
- Enhancement of Public Safety
- Continued maintenance of the City's fiscal health
- Using reserves to continue scheduled replacement of vehicles and equipment

CONTACTING THE CITY'S FINANCIAL MANAGEMENT TEAM

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

BASIC FINANCIAL STATEMENTS

CITY OF ATASCADERO
STATEMENT OF NET ASSETS
June 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 29,530,355	\$ 10,446,799	\$ 39,977,154
Restricted cash and investments:			
Cash with fiscal agents	932,045	-	932,045
Certificates of deposit	1,633,723	-	1,633,723
Receivables:			
Federal distributions due	2,456,910	306,029	2,762,939
Due from State of California	1,547,550	17,813	1,565,363
Due from County of San Luis Obispo	845,814	121,016	966,830
Accrued interest	92,397	32,324	124,721
Other receivables	220,781	50,402	271,183
Interfund balances	259,410	(259,410)	-
Prepaid expenses	20,616	-	20,616
Notes receivable	3,851,862	-	3,851,862
Deferred charges	261,860	-	261,860
Deposits in excess of estimated claims liability	701,105	-	701,105
Capital assets:			
Non-depreciable:			
Land	41,123,547	442,044	41,565,591
Construction in progress	8,673,660	421,757	9,095,417
Depreciable:			
Equipment	8,249,498	864,620	9,114,118
Structures and improvements	20,881,011	23,618,968	44,499,979
Infrastructure	55,412,984	-	55,412,984
Accumulated depreciation	(28,894,502)	(10,481,101)	(39,375,603)
Total assets	<u>147,800,626</u>	<u>25,581,261</u>	<u>173,381,887</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, 2010

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 895,443	\$ 235,656	\$ 1,131,099
Accrued salaries and compensated absences	517,538	16,890	534,428
Accrued interest payable	199,282	-	199,282
Other payables	11,035	6,796	17,831
Deposits payable	312,366	-	312,366
Deferred revenue	764,901	52,403	817,304
Noncurrent liabilities:			
Due within one year	420,000	-	420,000
Due in more than one year	13,949,047	11,727	13,960,774
Total liabilities	<u>17,069,612</u>	<u>323,472</u>	<u>17,393,084</u>
NET ASSETS			
Invested in capital assets, net of related debt	95,375,836	14,866,288	110,242,124
Restricted for:			
Restricted for parks and recreation	2,048,158	-	2,048,158
Restricted for streets, roads and drainage	3,743,826	-	3,743,826
Restricted for redevelopment & housing	16,120,912	-	16,120,912
Restricted for debt service	1,800,371	-	1,800,371
Unrestricted	11,641,911	10,391,501	22,033,412
Total net assets	<u>\$ 130,731,014</u>	<u>\$ 25,257,789</u>	<u>\$ 155,988,803</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, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total	
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Net Governmental Activities		Net Business-type Activities
Governmental activities:							
General government	\$ 2,210,946	\$ 7,196	\$ 292,448	\$ 1,602,958	\$ (308,344)	\$ -	\$ (308,344)
Public safety	9,557,316	896,022	216,742	58,979	(8,385,573)	-	(8,385,573)
Community development	2,120,633	525,217	146,161	391,634	(1,057,621)	-	(1,057,621)
Community, recreation & zoo services	2,073,394	558,814	91,331	266,675	(1,156,574)	-	(1,156,574)
Parks & open space	820,451	51,948	5,098	107,823	(655,582)	-	(655,582)
Public works	2,835,970	41,707	755,758	1,309,857	(728,648)	-	(728,648)
Interest on long-term debt	615,851	-	-	-	(615,851)	-	(615,851)
Total governmental activities	<u>20,234,561</u>	<u>2,080,904</u>	<u>1,507,538</u>	<u>3,737,926</u>	<u>(12,908,193)</u>	<u>-</u>	<u>(12,908,193)</u>
Business-type activities:							
Sewer	2,106,796	1,799,378	-	-	-	(307,418)	(307,418)
Transit	634,434	110,527	474,542	110,696	-	61,331	61,331
Total business-type activities	<u>2,741,230</u>	<u>1,909,905</u>	<u>474,542</u>	<u>110,696</u>	<u>-</u>	<u>(246,087)</u>	<u>(246,087)</u>
Total government	<u>\$ 22,975,791</u>	<u>\$ 3,990,809</u>	<u>\$ 1,982,080</u>	<u>\$ 3,848,622</u>	<u>(12,908,193)</u>	<u>(246,087)</u>	<u>(13,154,280)</u>
General revenues							
Taxes:							
Secured and unsecured property taxes					9,738,208	-	9,738,208
Sales tax and payments in lieu of sales tax					2,583,898	-	2,583,898
Transient lodging tax					409,177	-	409,177
Franchise taxes					1,019,174	-	1,019,174
Business license tax					149,201	-	149,201
Property transfer tax					73,195	-	73,195
Other taxes					47,118	-	47,118
Motor vehicle in lieu					83,854	-	83,854
Loss on inclusionary housing loans					(351,117)	-	(351,117)
Investment income					440,705	151,998	592,703
Total general revenues					<u>14,193,413</u>	<u>151,998</u>	<u>14,345,411</u>
Change in net assets					1,285,220	(94,089)	1,191,131
Net assets at beginning of fiscal year					<u>129,445,794</u>	<u>25,351,878</u>	<u>154,797,672</u>
Net assets at end of fiscal year					<u>\$ 130,731,014</u>	<u>\$ 25,257,789</u>	<u>\$ 155,988,803</u>

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

CITY OF ATASCADERO
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2010

	General Fund	Redevelopment Agency Fund	Low/Moderate Income Housing Redevelopment Fund	In Lieu Low Income Housing Fund	Historic City Hall Rehabilitation Fund	Other NonMajor Governmental Funds	Totals
ASSETS							
Cash and investments	\$ 4,370,662	\$ 5,934,889	\$ 3,445,975	\$ 453,966	\$ -	\$ 9,619,697	\$ 23,825,189
Restricted cash and investments:							
Cash and investments with fiscal agent	-	-	-	-	-	932,045	932,045
Certificates of deposit	133,723	1,500,000	-	-	-	-	1,633,723
Receivables:							
Federal distributions due	121,298	-	-	-	1,375,893	387,002	1,884,193
Due from State of California	412,431	-	-	-	695,787	248,390	1,356,608
Due from County of San Luis Obispo	313,025	23,005	7,951	-	-	501,833	845,814
Accrued interest	8,818	24,631	12,111	1,408	-	27,629	74,597
Other receivables	188,999	6,123	-	-	-	25,659	220,781
Due from other funds	1,991,131	2,379,610	-	-	-	-	4,370,741
Prepaid items	8,505	-	-	-	-	730	9,235
Notes receivable	-	-	-	3,851,862	-	-	3,851,862
Interfund advances receivable	1,375,175	-	1,335,322	-	-	-	2,710,497
Total assets	<u>\$ 8,923,767</u>	<u>\$ 9,868,258</u>	<u>\$ 4,801,359</u>	<u>\$ 4,307,236</u>	<u>\$ 2,071,680</u>	<u>\$ 11,742,985</u>	<u>\$ 41,715,285</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, 2010

	General Fund	Redevelopment Agency Fund	Low/Moderate Income Housing Redevelopment Fund	In Lieu Low Income Housing Fund	Historic City Hall Rehabilitation Fund	Other NonMajor Governmental Funds	Totals
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 430,669	\$ 145,436	\$ -	\$ -	\$ 151,178	\$ 149,670	\$ 876,953
Accrued salaries and benefits	493,384	-	-	-	-	11,859	505,243
Due to other funds	-	-	-	-	1,911,167	2,153,893	4,065,060
Deferred revenue	158,792	-	-	-	-	606,109	764,901
Deposits	312,366	-	-	-	-	-	312,366
Other payables	11,027	8	-	-	-	-	11,035
Interfund advances payable	-	2,710,497	-	-	-	46,271	2,756,768
Total liabilities	<u>1,406,238</u>	<u>2,855,941</u>	<u>-</u>	<u>-</u>	<u>2,062,345</u>	<u>2,967,802</u>	<u>9,292,326</u>
Fund Balances:							
Reserved for encumbrances	313,816	303,400	-	-	9,335	800,931	1,427,482
Reserved for debt service	-	-	-	-	-	2,082,626	2,082,626
Reserved for advances to other funds	1,375,175	-	1,335,322	-	-	-	2,710,497
Reserved for notes receivable	-	-	-	3,851,862	-	-	3,851,862
Reserved for bike paths	-	-	-	-	-	99,145	99,145
Reserved for prepaids	8,505	-	-	-	-	730	9,235
Unreserved:							
Designated							
Designated for capital commitments	33,080	690,500	500,000	-	-	2,347,536	3,571,116
Designated for library	56,299	-	-	-	-	-	56,299
General fund- undesignated	5,730,654	-	-	-	-	-	5,730,654
Special revenue funds- undesignated	-	6,018,417	2,966,037	455,374	-	3,160,007	12,599,835
Capital projects funds- undesignated	-	-	-	-	-	367,181	367,181
Debt service funds- undesignated	-	-	-	-	-	(82,973)	(82,973)
Total fund balances	<u>7,517,529</u>	<u>7,012,317</u>	<u>4,801,359</u>	<u>4,307,236</u>	<u>9,335</u>	<u>8,775,183</u>	<u>32,422,959</u>
Total liabilities and fund balances	<u>\$ 8,923,767</u>	<u>\$ 9,868,258</u>	<u>\$ 4,801,359</u>	<u>\$ 4,307,236</u>	<u>\$ 2,071,680</u>	<u>\$ 11,742,985</u>	<u>\$ 41,715,285</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, 2010

Total fund balances - governmental funds			\$	32,422,959
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		\$	107,330,438
	Accumulated depreciation			(20,845,846)
		Net		<u>86,484,592</u>
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.				
				701,105
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.				
				(199,282)
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:				
	Bonds payable			12,805,000
	Compensated absences payable			1,392,175
	Other Post Employment Benefits			<u>147,832</u>
				(14,345,007)
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.				
				261,860
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>25,404,787</u>
		Total net assets, governmental activities	\$	<u>130,731,014</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, 2010

	General Fund	Redevelopment Agency Fund	Low/Moderate Income Housing Redevelopment Fund	In Lieu Low Income Housing Fund	Historic City Hall Rehabilitation Fund	Other NonMajor Governmental Funds	Totals
Revenues:							
Secured and unsecured property taxes	\$ 7,233,564	\$ 317,921	\$ 820,634	\$ -	\$ -	\$ 1,366,089	\$ 9,738,208
Taxes based on sales and use	2,583,898	-	-	-	-	-	2,583,898
Franchise tax	1,019,174	-	-	-	-	-	1,019,174
Other taxes	631,573	-	-	-	-	-	631,573
Licenses and permits	180,111	-	-	503	-	523,320	703,934
Intergovernmental revenues:							
Motor vehicle in lieu	83,854	-	-	-	-	-	83,854
Grants	141,687	-	-	-	2,298,705	578,329	3,018,721
Other governmental revenues	83,975	-	-	-	-	1,102,162	1,186,137
Charges for services:							
Public safety	763,296	-	-	-	-	-	763,296
Development	345,765	-	-	-	-	-	345,765
Recreation, parks, pavilion and zoo	593,191	-	-	-	-	-	593,191
Other services	36,786	30,000	-	-	-	-	66,786
Fines and forfeitures	104,328	-	-	-	-	-	104,328
Use of money and property	171,216	498,572	66,584	(344,306)	-	111,591	503,657
Other revenues	1,375,547	52,648	-	-	-	12,621	1,440,816
Total revenues	15,347,965	899,141	887,218	(343,803)	2,298,705	3,694,112	22,783,338

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, 2010

	General Fund	Redevelopment Agency Fund	Low/Moderate Income Housing Redevelopment Fund	In Lieu Low Income Housing Fund	Historic City Hall Rehabilitation Fund	Other NonMajor Governmental Funds	Totals
Expenditures:							
Current:							
General government	\$ 2,407,430	\$ -	\$ -	\$ -	\$ 7,187	\$ 15,636	\$ 2,430,253
Public safety	9,230,308	-	-	-	-	57,229	9,287,537
Community development	1,299,554	576,505	42,624	44,750	1,774	28,424	1,993,631
Community, recreation, and zoo services	1,743,810	-	-	-	791	2,519	1,747,120
Parks and open space	575,796	101,218	-	-	-	49,264	726,278
Public works	920,725	33,878	-	-	662	1,147,681	2,102,946
Capital outlay	7,371	701,694	-	-	1,181,139	2,760,819	4,651,023
Debt service:							
Principal	-	-	-	-	-	405,000	405,000
Interest	-	115,478	-	-	-	610,740	726,218
Total expenditures	<u>16,184,994</u>	<u>1,528,773</u>	<u>42,624</u>	<u>44,750</u>	<u>1,191,553</u>	<u>5,077,312</u>	<u>24,070,006</u>
Excess of revenues over (under) expenditures	<u>(837,029)</u>	<u>(629,632)</u>	<u>844,594</u>	<u>(388,553)</u>	<u>1,107,152</u>	<u>(1,383,200)</u>	<u>(1,286,668)</u>
Other Financing Sources (Uses):							
Transfers in	267,130	31,210	-	-	-	2,079,069	2,377,409
Transfers out	<u>(145,920)</u>	<u>(2,862)</u>	-	-	-	<u>(2,228,627)</u>	<u>(2,377,409)</u>
Total other financing sources and uses	<u>121,210</u>	<u>28,348</u>	-	-	-	<u>(149,558)</u>	<u>-</u>
Net changes in fund balances	(715,819)	(601,284)	844,594	(388,553)	1,107,152	(1,532,758)	(1,286,668)
Fund balances - June 30, 2009	<u>8,233,348</u>	<u>7,613,601</u>	<u>3,956,765</u>	<u>4,695,789</u>	<u>(1,097,817)</u>	<u>10,307,941</u>	<u>33,709,627</u>
Fund balances - June 30, 2010	<u>\$ 7,517,529</u>	<u>\$ 7,012,317</u>	<u>\$ 4,801,359</u>	<u>\$ 4,307,236</u>	<u>\$ 9,335</u>	<u>\$ 8,775,183</u>	<u>\$ 32,422,959</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, 2010**

Total net change in fund balances - governmental funds	\$ (1,286,668)
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 \$4,651,023 is greater than depreciation expense \$(1,391,073) in the period.	3,259,950
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to increase net assets.	(52,282)
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.	405,000
In governmental funds, the issuance costs associated with long-term debt are reported as expenses in the year debt is issued. In the government-wide statements, the issuance costs are recorded as assets and are amortized over the life of the related debt.	(10,790)
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was:	5,679
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 \$125,431	(125,431)
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.	99,955
In the statement of activities, the long-term liability for Other Post Employment Benefits is recognized. The increase in the long-term liability does not require the use of current financial resources and is not reported in governmental funds.	(4,594)
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 \$394,807 less the contributions of cash and fixed assets from other governmental funds (\$1,400,406).	<u>(1,005,599)</u>
Changes in net assets of governmental activities	<u>\$ 1,285,220</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, 2010

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Wastewater Fund</u>	<u>Transit Fund</u>	<u>Totals</u>	
ASSETS				
Current Assets:				
Cash and investments	\$ 10,446,799	\$ -	\$ 10,446,799	\$ 5,705,166
Receivables:				
Federal distributions due	5,429	300,600	306,029	572,717
Due from State of California	1,810	16,003	17,813	190,942
Due from County of San Luis Obispo	66,409	54,607	121,016	-
Accrued interest	32,324	-	32,324	17,800
Other receivables	36,968	13,434	50,402	-
Due from other funds	70,731	-	70,731	-
Prepaid expenses	-	-	-	11,381
Interfund advances receivable	46,271	-	46,271	-
Total current assets	<u>10,706,741</u>	<u>384,644</u>	<u>11,091,385</u>	<u>6,498,006</u>
Capital Assets:				
Non-depreciable:				
Land	442,044	-	442,044	-
Construction in progress	257,590	164,167	421,757	3,804,402
Depreciable:				
Vehicles and equipment	433,527	431,093	864,620	8,161,331
Structure and improvements	23,492,558	126,410	23,618,968	15,044,529
Accumulated depreciation	<u>(10,164,086)</u>	<u>(317,015)</u>	<u>(10,481,101)</u>	<u>(8,048,656)</u>
Net capital assets	<u>14,461,633</u>	<u>404,655</u>	<u>14,866,288</u>	<u>18,961,606</u>
Total assets	<u>25,168,374</u>	<u>789,299</u>	<u>25,957,673</u>	<u>25,459,612</u>

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

CITY OF ATASCADERO
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS (continued)
June 30, 2010

	Enterprise Funds			Internal Service Funds
	Wastewater Fund	Transit Fund	Totals	
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 175,716	\$ 59,940	\$ 235,656	\$ 18,490
Accrued salaries and benefits	15,583	1,307	16,890	12,295
Deferred revenue	-	52,403	52,403	-
Due to other funds	-	376,412	376,412	-
Other payables	6,747	49	6,796	-
Noncurrent Liabilities:				
Compensated absences	11,727	-	11,727	24,040
Total liabilities	<u>209,773</u>	<u>490,111</u>	<u>699,884</u>	<u>54,825</u>
NET ASSETS				
Invested in capital assets	14,461,633	404,655	14,866,288	18,961,606
Unrestricted	<u>10,496,968</u>	<u>(105,467)</u>	<u>10,391,501</u>	<u>6,443,181</u>
Total net assets	<u>\$ 24,958,601</u>	<u>\$ 299,188</u>	<u>\$ 25,257,789</u>	<u>\$ 25,404,787</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, 2010

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Wastewater Fund</u>	<u>Transit Fund</u>	<u>Totals</u>	
Operating Revenues:				
Service fees	\$ 1,785,168	\$ 110,527	\$ 1,895,695	\$ 1,142,415
Installation, extension and connection fees	9,671	-	9,671	-
Other	4,539	-	4,539	642
Total operating revenues	<u>1,799,378</u>	<u>110,527</u>	<u>1,909,905</u>	<u>1,143,057</u>
Operating Expenses:				
Salaries and benefits	470,540	41,229	511,769	444,569
Office expense	1,706	521	2,227	682
Advertising	100	2,839	2,939	-
Computer maintenance and replacement	18,850	10,320	29,170	5,340
Insurance	36,863	15,381	52,244	27,516
Occupancy and rental costs	11,878	990	12,868	390,956
Utilities	220,772	-	220,772	45,085
Communications	5,771	1,092	6,863	8,510
Operating supplies	97,624	728	98,352	28,227
Vehicle and equipment operating costs	92,701	131,829	224,530	8,225
Contract services	93,250	256,940	350,190	85,427
Professional development	6,528	320	6,848	2,990
Recruitment	-	-	-	32
Franchise fees	34,894	-	34,894	-
Administrative charges	225,130	122,880	348,010	89,630
Special projects:				
Minor equipment	415	-	415	24,100
Equipment Shade Canopy	9,020	-	9,020	-
Sewer system management plan	4,789	-	4,789	-
Effluent Monitoring	2,558	-	2,558	-
Collection system video taping	68,805	-	68,805	-
Sewer line trench settlement repairs	61,681	-	61,681	-
Manhole repairs	44,485	-	44,485	-
Depreciation	598,519	54,163	652,682	1,455,973
Total operating expenses	<u>2,106,879</u>	<u>639,232</u>	<u>2,746,111</u>	<u>2,617,262</u>
Operating income (loss)	<u>(307,501)</u>	<u>(528,705)</u>	<u>(836,206)</u>	<u>(1,474,205)</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, 2010

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Wastewater Fund</u>	<u>Transit Fund</u>	<u>Totals</u>	
Non-Operating Revenues:				
Transportation Development Act Funds - Operations	\$ -	\$ 264,526	\$ 264,526	\$ -
Section 5307 Revenues - Operations	-	215,000	215,000	-
FEMA Earthquake Repair Grant	-	-	-	280,675
OES Earthquake Repair Grant	-	-	-	93,558
Interest income	157,304	(5,306)	151,998	86,705
Gain / (loss) on sale of assets	83	4,798	4,881	2,668
	<u>157,387</u>	<u>479,018</u>	<u>636,405</u>	<u>463,606</u>
Total non-operating revenues				
Change in net assets prior to capital contributions	<u>(150,114)</u>	<u>(49,687)</u>	<u>(199,801)</u>	<u>(1,010,599)</u>
Capital Contributions:				
Capital contributions from public donors	-	-	-	5,000
Capital contributions from other funds	-	-	-	1,400,406
Transportation Development Act Funds - Capital (Transit Center)	-	1,044	1,044	-
Section 5307 Revenues - Capital (Transit Center)	-	4,176	4,176	-
Section 5307 Revenues - Capital (Bus Stop Improvements)	-	7,561	7,561	-
ARRA Capital Grant- Dial A Ride Bus	-	61,585	61,585	-
ARRA Capital Grant- Electronic Farebox	-	14,866	14,866	-
ARRA Capital Grant- Bus Shelter/ Parking Area	-	477	477	-
Prop 1B Grant- Driver & Vehicle Safety	-	16,003	16,003	-
	<u>-</u>	<u>105,712</u>	<u>105,712</u>	<u>1,405,406</u>
Total capital contributions				
Change in net assets	(150,114)	56,025	(94,089)	394,807
Total net assets, June 30, 2009	<u>25,108,715</u>	<u>243,163</u>	<u>25,351,878</u>	<u>25,009,980</u>
Total net assets, June 30, 2010	<u>\$ 24,958,601</u>	<u>\$ 299,188</u>	<u>\$ 25,257,789</u>	<u>\$ 25,404,787</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, 2010

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Wastewater Fund</u>	<u>Transit Fund</u>	<u>Totals</u>	
Cash Flows From Operating Activities:				
Receipts from customers	\$ 1,811,993	\$ 134,110	\$ 1,946,103	\$ -
Internal activity - payments from other funds	-	-	-	1,142,415
Payments to suppliers of goods and services	(994,343)	(340,631)	(1,334,974)	(758,172)
Payments for employee services	(471,108)	(41,139)	(512,247)	(461,257)
Net cash provided (used) by operating activities	<u>346,542</u>	<u>(247,660)</u>	<u>98,882</u>	<u>(77,014)</u>
Cash Flows From Non-Capital Financing Activities:				
Receipts from intergovernmental agencies	-	358,865	358,865	-
Net cash provided (used) by non-capital related financing activities	<u>-</u>	<u>358,865</u>	<u>358,865</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition of fixed assets	(173,518)	(110,697)	(284,215)	(15,458)
Capital grant proceeds	-	-	-	336,237
Proceeds from sale of assets	83	4,798	4,881	2,754
Net cash provided (used) by capital and related financing activities	<u>(173,435)</u>	<u>(105,899)</u>	<u>(279,334)</u>	<u>323,533</u>

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

CITY OF ATASCADERO
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS (continued)
For the Fiscal Year Ended June 30, 2010

	Enterprise Funds			Internal Service Funds
	Wastewater Fund	Transit Fund	Totals	
Cash Flows From Investing Activities:				
Interest income	\$ 173,210	\$ (5,306)	\$ 167,904	\$ 93,921
Principal received on interfund advances	39,445	-	39,445	-
Net cash provided (used) by investing activities	212,655	(5,306)	207,349	93,921
Net increase (decrease) in cash and cash equivalents	385,762	-	385,762	340,440
Cash and cash equivalents - June 30, 2009	10,061,037	-	10,061,037	5,364,726
Cash and cash equivalents - June 30, 2010	<u>\$ 10,446,799</u>	<u>\$ -</u>	<u>\$ 10,446,799</u>	<u>\$ 5,705,166</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (307,501)	\$ (528,705)	\$ (836,206)	\$ (1,474,205)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	598,519	54,163	652,682	1,455,973
Change in assets and liabilities:				
Receivables, net	12,615	23,583	36,198	-
Prepaid expenses	-	-	-	(7,462)
Due from other funds	(1,643)	-	(1,643)	-
Accounts payable	40,353	(40,816)	(463)	(34,632)
Accrued salaries and benefits	238	90	328	(6,617)
Due to other funds	-	244,025	244,025	-
Other payables	4,767	-	4,767	-
Compensated absences	(806)	-	(806)	(10,071)
Net cash provided (used) by operating activities	<u>\$ 346,542</u>	<u>\$ (247,660)</u>	<u>\$ 98,882</u>	<u>\$ (77,014)</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

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 have 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, as amended by GASB Statement No. 39.

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.

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

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.

Low/Moderate Income Housing Redevelopment Fund

This fund accounts uses Redevelopment Housing Increment to promote low and moderate income housing within the City.

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.

Historic City Hall Rehabilitation Fund

This fund accounts for the rehabilitation of the historic City Hall building.

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

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 and Replacement 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, 2010

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	3-100 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.

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

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 \$23,357,296 was netted against the liability account of \$23,417,063 in fiscal year 2010. The net balance in the deposits liability account at June 30, 2010 was \$59,767.

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.

N. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 51

In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This Statement establishes accounting and financial reporting standards for many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. Implementation of GASB Statement No. 51, did not have an impact on the City's financial statements for the fiscal year ended June 30, 2010.

Governmental Accounting Standards Board Statement No. 53

In June 2008, the GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement is intended to improve how state and local governments report information about derivative instruments financial arrangements used by governments to manage specific risks or make investments – in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements. Implementation of GASB Statement NO. 53, did not have an impact on the City's financial statements for the fiscal year ended June 30, 2010.

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. New Accounting Pronouncements (continued)

Governmental Accounting Standards Board Statement No. 58

In December 2009, the GASB issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. The objective of this Statement is to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. Implementation of GASB Statement No. 58, did not have an impact on City's financial statements for the fiscal year ended June 30, 2010.

Governmental Accounting Standards Board Statement No. 57

For the fiscal year ended June 30, 2010, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The Statement is effective December 2009. This Statement amends Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." The requirements in the Statement allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting. As a result of this change, the cost of compliance with the requirements of Statement No. 45 for eligible agent employers may be reduced while achieving an appropriate balance between the goals of reliable measurement of reported information and reasonable cost. Implementation of the GASB Statement No. 57, did not have an impact on the City's financial statements for the fiscal year ended June 30, 2010.

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.

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

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

B. Deficit Fund Balances

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

General Government Facilities Fees Fund	\$ (319,503)
Fire Aerial Vehicle Impact Fees Fund	\$ (836,613)

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

Assessment District #9 Debt Service Fund	\$ (8,745)
--	------------

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	\$ (70,334)
Assessment District #10 Debt Service Fund	\$ (3,894)

C. Excess of Expenditures over Appropriations

	Excess Expenditures
Major Governmental Funds:	
In Lieu Low Income Housing Fund	\$ 15,000

For the above fund, the City did not budget for the short sale program or the closing cost program. Each of these programs were approved by the City Council in the current year.

	Excess Expenditures
Nonmajor Governmental Funds:	
Debt Service Funds:	
Assessment District #5 Debt Service Fund	\$ 4,269

The City did not budget for Assessment District #5 since it was expected to be closed out in Fiscal year 2008/2009. It was closed out in fiscal year 2009/2010.

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

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, 2010 consisted of the following:

Pooled Cash and Investments:

Cash and cash equivalents	\$ 216,030
Investments	14,965,646
Local Agency Investment Fund (State Pool)	<u>26,429,201</u>
Total Pooled Cash and Investments	41,610,877

Funds with Fiscal Agents:

United States Treasury Money Fund	79,622
Treasury Obligations Fund	<u>852,423</u>
Total Funds with Fiscal Agents	932,045

Total Cash and Investments	<u><u>\$ 42,542,922</u></u>
----------------------------	-----------------------------

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

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	\$ 29,530,355	\$ 10,446,799	\$ 39,977,154
Cash and investments held by fiscal agents	932,045	-	932,045
Restricted certificates of deposit	1,633,723	-	1,633,723
Total Cash and Investments	<u>\$ 32,096,123</u>	<u>\$ 10,446,799</u>	<u>\$ 42,542,922</u>

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 fair 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 \$284,524. Of the total deposit balance, \$250,000 was insured by federal depository insurance and \$34,524 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 \$14,535,240 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

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

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:

Investments	<u>Fair Value</u>	<u>Percent of Portfolio</u>
Government Securities	\$ 430,406	1%
Certificates of Deposit	14,535,240	35%
Local Agency Investment Fund (State Pool)	26,429,201	64%
Total Investments Managed by City	<u>\$ 41,394,847</u>	<u>100%</u>
Investments Held by Fiscal Agents		
United States Treasury Money Fund	\$ 932,045	100%
Total Investments Held by Fiscal Agents	<u>\$ 932,045</u>	<u>100%</u>

CITY OF ATASCADERO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2010

NOTE 3 – CASH AND INVESTMENTS (continued)

E. Investments (continued)

	Fair Value	On Demand	Within One Month	One Month to One Year	One to Five Years	Six to Ten Years
Investments						
Government Securities	\$ 430,406	\$ -	\$ -	\$ 430,406	\$ -	\$ -
Certificates of Deposit	14,535,240	1	791,995	3,748,173	9,861,348	133,723 *
Local Agency Investment Fund (State Pool)	26,429,201	26,429,201	-	-	-	-
Total Investments Managed by City	<u>\$ 41,394,847</u>	<u>\$ 26,429,202</u>	<u>\$ 791,995</u>	<u>\$ 4,178,579</u>	<u>\$ 9,861,348</u>	<u>\$ 133,723</u>
Percentage of Portfolio	100%	64%	2%	10%	24%	0%

* \$133,723 in certificates of deposit with a local bank, serving as collateral for the Local Road Improvement Loan Program, approved by Council June 14, 2005.

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. Government securities held by the City are rated AAA, the top rating issued by NRSROs. The City's investment in the State LAIF pool is unrated, as are the investments in the Certificates of Deposit.

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

NOTE 3 – CASH AND INVESTMENTS (continued)

E. Investments (continued)

	Fair Value	Rating as of June 30, 2010	
		AAA	Not Rated
Investments			
Government Securities	\$ 430,406	\$ 430,406	\$ -
Certificates of Deposit	14,535,240	-	14,535,240
Local Agency Investment Fund (State Pool)	26,429,201	-	26,429,201
Total Investments Managed by City	<u>\$ 41,394,847</u>	<u>\$ 430,406</u>	<u>\$ 40,964,441</u>

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.

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.

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

NOTE 3 – CASH AND INVESTMENTS (continued)

E. Investments (continued)

- Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec 80a-1 et seq.) shall not exceed 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 \$932,045 in cash and investments as of June 30, 2010, held by fiscal agents pledged for the payment or security of certain bonds. Investments held by fiscal agents consist of \$79,500 held by the trustee for the 1993 Camino Real Improvement Bonds, \$122 for the 1992 Street Improvement Bonds, and \$852,423 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.

CITY OF ATASCADERO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 4 – CAPITAL ASSETS

A. Capital Assets Additions and Retirements

Capital assets activity in the Governmental Activities for the fiscal year ended June 30, 2010, was as follows:

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers Between Assets</u>	<u>Balance June 30, 2010</u>
Governmental Activities					
Non-Depreciable Capital Assets					
Land	\$ 40,913,773	\$ -	\$ -	\$ 209,774	\$ 41,123,547
Construction in progress	4,855,918	4,385,104	-	(567,362)	8,673,660
Total non-depreciable capital assets	<u>45,769,691</u>	<u>4,385,104</u>	<u>-</u>	<u>(357,588)</u>	<u>49,797,207</u>
Depreciable Capital Assets					
Vehicles and equipment	8,333,666	24,404	(108,572)	-	8,249,498
Structures and improvements	20,670,688	210,323	-	-	20,881,011
Infrastructure	55,118,136	51,650	(114,390)	357,588	55,412,984
Total depreciable capital assets	84,122,490	286,377	(222,962)	357,588	84,543,493
Less Accumulated Depreciation	(26,218,050)	(2,847,046)	170,594	-	(28,894,502)
Net depreciable capital assets	<u>57,904,440</u>	<u>(2,560,669)</u>	<u>(52,368)</u>	<u>357,588</u>	<u>55,648,991</u>
Net governmental capital assets	<u>\$ 103,674,131</u>	<u>\$ 1,824,435</u>	<u>\$ (52,368)</u>	<u>\$ -</u>	<u>\$ 105,446,198</u>

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

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, 2010, was as follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers Between Assets</u>	<u>Balance June 30, 2010</u>
Business-Type Activities					
Non-Depreciable Capital Assets					
Land	\$ 442,044	\$ -	\$ -	\$ -	\$ 442,044
Construction in progress	358,076	125,725		(62,044)	421,757
Total non-depreciable capital assets	<u>800,120</u>	<u>125,725</u>	<u>-</u>	<u>(62,044)</u>	<u>863,801</u>
Depreciable Capital Assets					
Vehicles and equipment	756,514	148,212	(102,150)	62,044	864,620
Structures and improvements	23,608,690	10,278	-	-	23,618,968
Total depreciable capital assets	24,365,204	158,490	(102,150)	62,044	24,483,588
Less Accumulated Depreciation	(9,930,569)	(652,682)	102,150	-	(10,481,101)
Net depreciable capital assets	<u>14,434,635</u>	<u>(494,192)</u>	<u>-</u>	<u>62,044</u>	<u>14,002,487</u>
Net business-type capital assets	<u>\$ 15,234,755</u>	<u>\$ (368,467)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,866,288</u>

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

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	\$ 394,693
Public safety	443,160
Community development	184,718
Community, recreation & zoo services	352,592
Parks & open space	113,474
Public works	1,358,409
	<u>1,358,409</u>
Total Depreciation Expense- Governmental Activities	<u>\$2,847,046</u>

Business-Type Activities:

Sewer	\$ 598,519
Transit	54,163
	<u>54,163</u>
Total Depreciation- Business-Type Activities	<u>\$ 652,682</u>

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, 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, 2010, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 1,614,719
General Fund	Transit Fund	376,412
Redevelopment Agency Fund	Historic City Hall Rehabilitation Fund	1,911,167
Redevelopment Agency Fund	Nonmajor Governmental Funds	468,443
Wastewater Fund	Nonmajor Governmental Funds	70,731
		<u>70,731</u>
Total		<u>\$ 4,441,472</u>

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, 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, 2010, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Redevelopment Agency Fund	\$ 1,375,175
Low / Moderate Income Housing Redevelopment Fund	Redevelopment Agency Fund	1,335,322
Wastewater Fund	Nonmajor Governmental Funds	<u>46,271</u>
Total		<u>\$ 2,756,768</u>

Interfund transfers were made as follows:

\$ 267,130	Transfer from the Community Facilities District Fund to the General Fund for fire, police and park services
840	Transfer from the General Fund to the De Anza Landscape & Lighting Fund for open space maintenance
117,080	Transfer from the General Fund to the Gas Tax Fund for general street operations
28,000	Transfer from the General Fund to the Redevelopment Agency Fund for tourism, marketing and promotion
3,210	Transfer from the Business Improvement Association Fund to Redevelopment Agency Fund for tourism, marketing and promotion
125,000	Transfer from the AB2928 Traffic Congestion Relief Fund to the Gas Tax Fund for general street operations
3,589	Transfer from the Local Transportation Fund to the Circulation System Fees Fund for a portion of the Lewis Avenue Bridge Project
5,870	Transfer from the Local Transportation Fund to the Capital Projects Fund for design of the Atascadero Creek Trail Project
3,589	Transfer from the Capital Projects Fund to the Circulation System Fees Fund for a portion of the Lewis Avenue Bridge
7,178	Transfer from the 2005 Redevelopment Bond Project Fund to the Circulation System Fees Fund for a portion of the Lewis Avenue Bridge Project
3,775	Transfer from the Amapoa Tecorida Fees Fund to the Storm Drain Facilities Fees Fund for the Marchant Drainage Project
98,687	Transfer from the Open Space Acquisition Fund to the Parkland Facilities Fees Fund for the Stadium Park easement
1,624,170	Transfer from the 2005 Redevelopment Bond Project Fund to the Capital Projects Fund for the Downtown Streetscape Project, Phase II
86,429	Transfer from the 2005 Redevelopment Bond Project Fund to the Capital Projects Fund for the Downtown Streetscape Project, Phase III
2,862	Transfer from the Redevelopment Agency General Fund to the Capital Projects Fund for the Lake Park Frontage Improvement Project
<u>\$ 2,377,409</u>	

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

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, 2010, total \$1,416,215 for governmental activities and \$11,727 for business-type activities.

B. 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.

Fiscal Year Ending June 30,	1999 Camino Real Limited Obligation Refunding Improvement Bonds	
	Principal	Interest
2011	\$ 135,000	\$ 29,722
2012	145,000	21,846
2013	150,000	13,475
2014	160,000	4,600
	<u>\$ 590,000</u>	<u>\$ 69,643</u>

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

NOTE 6 – LONG-TERM DEBT (continued)

C. 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
2011	\$ 285,000	\$ 561,161
2012	295,000	551,368
2013	305,000	541,020
2014	315,000	529,929
2015	325,000	517,523
2016-2020	1,840,000	2,370,895
2021-2025	2,280,000	1,910,373
2026-2030	2,890,000	1,289,197
2031-2035	3,680,000	478,000
	<u>\$ 12,215,000</u>	<u>\$ 8,749,466</u>

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

NOTE 6 – LONG-TERM DEBT (continued)

D. Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2010, was as follows:

	Balance June 30, 2009	Additions	Payments	Balance June 30, 2010	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Camino Real 1999 Limited Obligation Refunding Improvement Bonds	720,000	-	(130,000)	590,000	135,000
2005 Redevelopment Bonds	12,490,000	-	(275,000)	12,215,000	285,000
Compensated Absences	1,300,855	115,360	-	1,416,215	-
Other Post Employment Benefits	143,238	6,994	(2,400)	147,832	-
Total Governmental Activities	<u>\$ 14,654,093</u>	<u>\$ 122,354</u>	<u>\$ (407,400)</u>	<u>\$ 14,369,047</u>	<u>\$ 420,000</u>
Business-type Activities:					
Compensated Absences	\$ 12,533	\$ -	\$ (806)	\$ 11,727	\$ -
Total Business-type Activity	<u>\$ 12,533</u>	<u>\$ -</u>	<u>\$ (806)</u>	<u>\$ 11,727</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. The City of Atascadero contributes to a risk pool under PERS which 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.

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

NOTE 7 - EMPLOYEE RETIREMENT BENEFITS (continued)

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

Funding Policy

Active plan members in the CalPERS 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 8%) of the contributions required of miscellaneous City employees and 9% (of the 9%) 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 2009-2010 was 12.864% for miscellaneous employees and 24.872% 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. The City's contributions to CalPERS for the fiscal year ending June 30, 2010, 2009, and 2008, were \$1,536,988, \$1,696,714, and \$1,680,239 respectively and equal 100% of the required contributions for each year.

B. 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 \$12,236, and total contributions from the City were \$6,118. Nationwide Retirement Solutions is the public employee plan subsidiary of Nationwide Financial Services, Inc. (NYSE: NFS).

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS

A. Other Post Employment Benefits

Plan Description

In addition to the CalPERS pension benefits described above, the City provides post-retirement health benefits 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 CalPERS 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. Currently, there is one person receiving benefits and twelve other people that may become eligible for benefits under this program.

Funding Policy

The City accounts for this benefit on a pay-as-you-go basis. Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay for benefits and administrative costs. These expenditures are paid as they come due. In fiscal year ended, June 30, 2010, the City's total contributions were \$2,400.

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (continued)

A. Other Post Employment Benefits (continued)

Annual OPEB Cost and Net OPEB Obligation.

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the postemployment healthcare benefits:

Annual required contribution	\$	18,452
Interest on net OPEB obligation		554
Adjustment to annual required contribution		(12,012)
Annual OPEB cost (expense)		6,994
Contributions made		(2,400)
Increase (decrease) in net OPEB obligation		4,594
Net OPEB obligation, beginning of year		143,238
Net OPEB obligation, end of year	\$	147,832

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and 2010 were as follows:

<u>For Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Const Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$ 18,334	13.1%	\$ 143,238
2010	\$ 6,994	34.3%	\$ 147,832

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (continued)

A. Other Post Employment Benefits (continued)

Funded Status and Funding Progress.

As of June 30, 2010, the actuarial accrued liability for benefits was \$147,832, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$1,168,081, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 12.7 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about the actuarial value of plan assets and the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees – Based on the historical average retirement age for the covered group, public safety active plan members were assumed to retire at age 50, or at the first subsequent year in which the member would qualify for benefits and other active plan members were assumed to retire at age 55, or at the first subsequent year in which the member would qualify for benefits.

Mortality – All active and inactive plan members were expected to live through age 65 (the age that benefits terminate).

Turnover – Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement/age and for development of an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Based on the historical and expected returns of the City's short-term investment portfolio, a discount rate of 3.0 percent was used. In addition, a simplified version of the projected unit credit and level cost method was used. The remaining amortization period at June 30, 2010, was thirty years.

NOTE 9 – 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.

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

NOTE 10 - 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 122 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 lines of coverage. The California JPIA 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 nine-member Executive Committee.

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 allocated to members by the following methods within each of the four layers of coverage: (1) the first \$30,000 of each occurrence is charged directly to the member's primary deposit; (2) 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; (3) losses from \$750,000 to \$5,000,000 and the associated loss development reserves are pooled based on payroll; (4a) costs of covered claims from \$5,000,000 to \$10,000,000 are paid under reinsurance policies and are subject to a \$2,500,000 annual aggregate deductible; (4b) costs of covered claims from \$10,000,000 to \$50,000,000 are covered through excess insurance policies; (4c) Costs of covered claims for subsidence losses are paid by excess insurance with a sub-limit of \$25,000,000 per occurrence per member. This \$25,000,000 subsidence sub-limit is composed of \$10,000,000 in reinsurance and \$15,000,000 in excess insurance. The excess insurance layer has a \$15,000,000 annual aggregate. The costs associated with 4a, 4b, and 4c are estimated using actuarial models and pre-funded as part of the primary and retrospective deposits.

The overall policy limit for each member including all layers of coverage is \$50,000,000 per occurrence.

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. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$50,000 of each loss is charged directly to the member's primary deposit; (2) 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; (3) losses from \$100,000 to \$2,000,000 and the loss development reserves associated with those losses are pooled based on payroll; (4) losses from \$2,000,000 up to statutory limits are paid under an excess insurance policy. Protection is provided per statutory liability under California Workers' Compensation law.

Employer's Liability losses are pooled among members to \$2,000,000, coverage from \$2,000,000 to \$4,000,000 is purchased as part of an excess insurance policy, and losses from \$4,000,000 to \$10,000,000 are pooled among members.

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

NOTE 10 - RISK MANAGEMENT (continued)

C. Purchased Insurance

Environmental Insurance

The City of Atascadero 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 of Atascadero. 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, 2008 through July 1, 2011. Each member of the Authority has a \$10,000,000 sub-limit during the 3-year term of the policy.

Property Insurance

The City of Atascadero participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City of Atascadero property is currently insured according to a schedule of covered property submitted by the City of Atascadero to the Authority. The City of Atascadero currently has all-risk property insurance protection in the amount of \$42,820,200. 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 of Atascadero purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is arranged by the Authority. Premiums are paid annually and are not subject to retroactive adjustments.

Special Event Tenant User Liability Insurance

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

D. Adequacy of Protection

During the past three fiscal (claims) 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 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 the Authority. Losses are debited and investment income is credited to specific member accounts. The City has not incurred any losses in excess of insurance coverage.

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

NOTE 10 - RISK MANAGEMENT (continued)

F. Self Insurance (continued)

Self-insurance activity as of and for the year ended June 30, 2010 is

	Workers' Compensation
Interest earnings and other income	\$ 9,070
Claims expense	91,915
Estimated liability for reported claims and settlement expenses	731,202
Assets on deposit	<u>1,432,307</u>
Assets in excess of (less than) liabilities	<u><u>\$ 701,105</u></u>

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

	Workers' Compensation
Deposits June 30, 2008	\$ 747,248
Claim payments and related expenditures	(173,345)
(Increase) in estimated claims liability June 30, 2009	-
Deposits and interest earnings	27,247
Transfer between funds	<u>-</u>
Deposits (unpaid claims liability) June 30, 2009	601,150
Claim payments and related expenditures	(91,915)
(Increase) in estimated claims liability June 30, 2010	182,800
Deposits and interest earnings	<u>9,070</u>
Deposits (unpaid claims liability) June 30, 2010	<u><u>\$ 701,105</u></u>

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

NOTE 11 – PROPOSITION 1A SECURITIZATION PROGRAM

Under the provisions of Proposition 1A and as part of the 2009-2010 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The State is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California state legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City of Atascadero was \$663,498.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchase the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California.

NOTE 12 - 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 renewed lease term began March 1, 2010 and continues through December 31, 2012. The rate is \$31,133 per month. The City may terminate the lease at any time with 60 days notice.

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

NOTE 12 - CONTINGENCIES AND COMMITMENTS (continued)

Construction and other significant commitments as of June 30, 2010, including encumbrances outstanding at year-end, are as follows:

General Fund	\$ 346,896
Apple Valley Street & Storm Drain Assessment District Fund	2,124
Apple Valley Landscape & Lighting Assessment District Fund	2,907
Las Lomas Street & Storm Drain Assessment District Fund	2,264
Las Lomas Landscape & Lighting Assessment District Fund	3,001
De Anza Street & Storm Drain Assessment District Fund	2,142
De Anza Landscape & Lighting Assessment District Fund	2,919
Supplemental Law Enforcement Services Fund	2,319
Redevelopment Agency Fund	993,900
Low / Moderate Income Housing Fund	500,000
Business Improvement Association Fund	5,030
Tree Plant Fund	5,280
AB 2928 Traffic Congestion Relief Fund	179,830
Local Transportation Fund	836,001
Circulation System Fees Fund	372,230
Storm Drainage Facilities Fees Fund	651,588
Amapoa/Tecorida Drainage Impact Fees Fund	87,996
Capital Projects Fund	570,497
2005 Redevelopment Bond Project Fund	422,339
Historic City Hall Rehabilitation Fund	9,335
Wastewater Fund	942,765
Transit Fund	81,733
Building Maintenance and Replacement Fund	16,450
Vehicle and Equipment Replacement Fund	27,680
Technology Fund	10,000
	<hr/>
	\$ 6,077,226

CITY OF ATASCADERO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

NOTE 13 – 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 fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income purposes. Restricted Net Assets includes \$23,713,267 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, 2010.

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.

Bikepath – Transportation Development Act funds obtained through Section 99233.3 of the Government Code made available for improvement projects benefitting pedestrian and bicycle facilities.

Notes Receivable – Long-term notes held on deed-restricted units as part of the City's Inclusionary Housing Program.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Secured and unsecured property taxes	\$ 7,465,010	\$ 7,465,010	\$ 7,233,564	\$ (231,446)
Taxes based on sales and use	2,878,670	2,878,670	2,583,898	(294,772)
Franchise tax	1,087,380	1,087,380	1,019,174	(68,206)
Other taxes	640,970	640,970	631,573	(9,397)
Licenses and permits	208,200	208,200	180,111	(28,089)
Intergovernmental revenues:				
Motor vehicle in-lieu and related payments	75,000	75,000	83,854	8,854
Other governmental revenues	93,540	93,540	83,975	(9,565)
Grants	64,230	154,100	141,687	(12,413)
Charges for services:				
Public safety	1,123,960	1,123,960	763,296	(360,664)
Development	480,550	680,550	345,765	(334,785)
Recreation, parks, pavilion and zoo	592,220	592,220	593,191	971
Other services	61,630	61,630	36,786	(24,844)
Fines and forfeitures	116,700	116,700	104,328	(12,372)
Use of money and property	216,900	216,900	171,216	(45,684)
Other revenues	1,285,320	1,322,140	1,375,547	53,407
Total revenues	16,390,280	16,716,970	15,347,965	(1,369,005)
Expenditures:				
Employee services	13,004,840	13,086,650	12,013,130	1,073,520
Operating supplies & services	4,419,020	4,591,140	4,027,299	563,841
Special purchases, projects and community funding	137,170	194,040	137,194	56,846
Capital outlay	24,000	27,890	7,371	20,519
Total expenditures	17,585,030	17,899,720	16,184,994	1,714,726
Excess of revenues over (under) expenditures	(1,194,750)	(1,182,750)	(837,029)	345,721

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Transfers in	\$ 267,130	\$ 267,130	\$ 267,130	\$ -
Transfers out	(117,920)	(145,920)	(145,920)	-
Total other financing sources and uses	<u>149,210</u>	<u>121,210</u>	<u>121,210</u>	<u>-</u>
Net changes in fund balance	<u>\$ (1,045,540)</u>	<u>\$ (1,061,540)</u>	(715,819)	<u>\$ 345,721</u>
Fund balances - June 30, 2009			<u>8,233,348</u>	
Fund balances - June 30, 2010			<u>\$ 7,517,529</u>	

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes:				
Secured property tax	\$ 4,860,760	\$ 4,860,760	\$ 4,792,511	\$ (68,249)
Property tax in lieu of VLF	2,270,540	2,270,540	2,211,146	(59,394)
Unsecured property taxes	138,710	138,710	140,371	1,661
Supplemental property taxes	200,000	200,000	99,997	(100,003)
Prior year secured and unsecured	(5,000)	(5,000)	(10,463)	(5,463)
Property tax penalties and interest	-	-	2	2
Taxes based on sales:				
Sales and use taxes	2,190,600	2,190,600	1,999,478	(191,122)
Sales tax in-lieu payments	688,070	688,070	584,420	(103,650)
Transient occupancy tax	410,000	410,000	409,177	(823)
Franchise taxes:				
Cable television franchise fees	240,130	240,130	232,555	(7,575)
Electricity franchise fees	217,690	217,690	211,428	(6,262)
Garbage disposal franchise fees	369,660	369,660	367,446	(2,214)
Landfill franchise fees	16,000	16,000	13,544	(2,456)
Recycling franchise fees	15,000	15,000	36,104	21,104
Gas franchise fees	195,000	195,000	123,203	(71,797)
Wastewater franchise fees	33,900	33,900	34,894	994
Business licenses	162,500	162,500	149,201	(13,299)
Property transfer tax	68,470	68,470	73,195	4,725
Total Taxes	12,072,030	12,072,030	11,468,209	(603,821)
Licenses and Permits:				
Construction permits	159,600	159,600	136,368	(23,232)
Grading and drainage permits	15,000	15,000	14,494	(506)
Encroachment permits	16,800	16,800	20,786	3,986
Tree application fees	14,700	14,700	7,782	(6,918)
Planning Inspections	2,100	2,100	681	(1,419)
Total Licenses and Permits	208,200	208,200	180,111	(28,089)

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (continued):				
Intergovernmental Revenues:				
Motor vehicle in-lieu (VLF)	\$ 75,000	\$ 75,000	\$ 83,854	\$ 8,854
Homeowners' tax relief	47,740	47,740	47,118	(622)
State mandated costs	19,000	19,000	10,167	(8,833)
P.O.S.T. reimbursement	26,800	26,800	26,690	(110)
Grants:				
JAG police grant - small	11,220	11,220	8,960	(2,260)
JAG police grant - large	46,100	46,100	40,360	(5,740)
Bulletproof vest grant	-	-	2,062	2,062
OTS mini grant 2010 Click It or Ticket	-	13,200	8,446	(4,754)
OTS mini grant 2009 DUI	-	9,760	8,361	(1,399)
OTS mini grant 2010 DUI	-	22,350	12,607	(9,743)
FEMA earthquake funding	5,180	5,180	5,184	4
OES earthquake funding	1,730	1,730	1,728	(2)
Dept of Rehab Grant- On the Job Training	-	3,030	3,008	(22)
Fire brush chipper grant	-	25,000	34,444	9,444
County SLO Works Program	-	1,630	1,629	(1)
Avoid the 14 Grant	-	14,900	14,898	(2)
Total Intergovernmental Revenues	232,770	322,640	309,516	(13,124)
Charges for Services:				
Public safety:				
First response charges	106,770	106,770	102,364	(4,406)
Weed abatement services	100,000	100,000	94,461	(5,539)
Mutual aid	869,160	869,160	518,053	(351,107)
Police false alarms	3,150	3,150	8,190	5,040
Fingerprints	16,180	16,180	16,957	777
Vehicle release fees	15,440	15,440	11,160	(4,280)
Booking fees	-	-	-	-
Other public safety services	13,260	13,260	12,111	(1,149)

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (continued):				
Charges for Services (continued):				
Development:				
Zoning fees	\$ 42,000	\$ 42,000	\$ 22,059	\$ (19,941)
Subdivision fees- Planning	25,200	25,200	12,725	(12,475)
Subdivision fees- Public Works	10,500	10,500	2,510	(7,990)
General and specific plans	13,290	13,290	3,525	(9,765)
EIR and annexations fees	10,000	210,000	92,109	(117,891)
Assessment district formations	4,150	4,150	7,040	2,890
Appeals	1,580	1,580	685	(895)
Planning review	47,250	47,250	14,584	(32,666)
Building plan check fees	250,000	250,000	126,275	(123,725)
Public Works plan check fees	50,000	50,000	39,197	(10,803)
Fire plan check & inspection fees	25,610	25,610	21,099	(4,511)
Other development fees	970	970	3,957	2,987
Recreation:				
Advertising	-	-	122	122
Aquatics	7,750	7,750	11,468	3,718
Adult sports	40,000	40,000	49,162	9,162
Youth sports	30,000	30,000	36,125	6,125
Classes	62,000	62,000	79,092	17,092
Special events	34,500	34,500	25,759	(8,741)
Teen Center membership	4,500	4,500	4,803	303
Skate park revenue	-	-	130	130
Administrative:				
Copy and mailing fees	6,490	6,490	4,422	(2,068)
Document imaging fee	18,380	18,380	14,612	(3,768)
Business license application fees	20,440	20,440	17,535	(2,905)
Business license renewal fees	16,320	16,320	217	(16,103)
Pavilion rentals and concessions	148,300	148,300	145,799	(2,501)
Other facility rentals	8,100	8,100	13,517	5,417
Park charges	22,170	22,170	42,306	20,136
Zoo	234,900	234,900	184,908	(49,992)
Total Charges for Services	2,258,360	2,458,360	1,739,038	(719,322)

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (continued):				
Fines and Forfeitures:				
Motor vehicle fines	\$ 75,000	\$ 75,000	\$ 65,889	\$ (9,111)
Traffic school fines	15,000	15,000	16,581	1,581
Misdemeanor and other minor fines	15,500	15,500	12,566	(2,934)
Parking fines	4,700	4,700	1,598	(3,102)
Fire and code enforcement fines	500	500	715	215
Business license penalties	5,500	5,500	6,599	1,099
Other penalties	500	500	380	(120)
Total Fines and Forfeitures	116,700	116,700	104,328	(12,372)
Use of Money and Property:				
Interest	216,900	216,900	171,216	(45,684)
Total Use of Money and Property	216,900	216,900	171,216	(45,684)
Other Revenues:				
Interfund administrative charges	1,203,520	1,203,520	1,240,421	36,901
Workers' comp reimbursement	10,000	10,000	18,651	8,651
Donations				
Police	-	1,870	1,866	(4)
Parks	-	1,250	2,095	845
Zoo Society- education and operations	20,000	35,000	37,314	2,314
Zoo Society- deferred maintenance project	-	18,700	18,692	(8)
Other zoo donations	3,000	3,000	3,650	650
Dove Creek commercial agreement	40,000	40,000	40,000	-
Insurance reimbursements	-	-	6,085	6,085
Other revenues	8,800	8,800	6,773	(2,027)
Total Other Revenues	1,285,320	1,322,140	1,375,547	53,407
Total Revenues	16,390,280	16,716,970	15,347,965	(1,369,005)

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
City Council:				
Salaries and benefits	\$ 18,860	\$ 22,820	\$ 22,816	\$ 4
Office expense	600	600	185	415
Advertising	750	750	700	50
Computer maintenance and replacement	7,680	7,680	7,680	-
Occupancy	86,550	86,550	86,550	-
Communications	500	500	327	173
Operating supplies	3,650	3,580	2,564	1,016
Vehicle & equipment operating costs	500	500	-	500
Contract services	5,000	-	-	-
Professional development	22,600	19,890	13,513	6,377
Community outreach	53,350	53,350	48,610	4,740
Chamber of Commerce	47,330	50,080	50,071	9
Tourism	38,000	12,500	16,713	(4,213)
Business Development	12,000	9,500	7,500	2,000
LAFCO Contribution	21,210	22,210	22,203	7
Special projects & community funding:				
Community events	600	670	670	-
Economic Development Strategy	12,830	12,830	-	12,830
Human Resources Grants	20,000	20,000	-	20,000
Total City Council	352,010	324,010	280,102	43,908
City Clerk:				
Salaries and benefits	2,890	2,910	2,899	11
Office expense	1,150	1,130	640	490
Advertising	16,000	16,000	13,148	2,852
Computer maintenance and replacement	400	400	-	400
Contract services	6,500	6,500	2,770	3,730
Professional development	3,720	3,720	977	2,743
Municipal election	600	600	189	411
Total City Clerk	31,260	31,260	20,623	10,637

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
City Treasurer:				
Salaries and benefits	\$ 8,760	\$ 8,760	\$ 8,696	\$ 64
Occupancy	850	850	850	-
Contract services	3,600	3,600	3,541	59
Professional development	80	80	78	2
Total City Treasurer	13,290	13,290	13,165	125
City Attorney:				
Office expense	480	480	-	480
Communications	80	80	59	21
Contract services	325,000	324,900	184,404	140,496
Professional Development	-	100	97	3
Total City Attorney	325,560	325,560	184,560	141,000
City Manager:				
Salaries and benefits	704,460	704,460	700,053	4,407
Office expense	9,790	8,780	6,138	2,642
Advertising	-	-	-	-
Computer maintenance and replacement	35,030	35,030	35,030	-
Insurance	28,310	28,310	28,309	1
Occupancy	23,450	23,450	23,450	-
Communications	4,800	5,800	3,294	2,506
Operating supplies	8,900	9,910	9,901	9
Vehicle & equipment operating costs	9,400	9,400	9,200	200
Contract services	26,200	25,200	7,558	17,642
Professional development	24,350	24,350	15,124	9,226
Citywide training	7,000	940	-	940
Recruitment	500	500	-	500
Employee development	2,000	2,000	1,327	673
Contingency	100,000	88,760	-	88,760
Special purchases, projects & studies:				
H1N1 protecton supplies	-	6,060	6,060	-
Total City Manager	984,190	972,950	845,444	127,506

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Administrative Services:				
Salaries and benefits	\$ 680,950	\$ 684,340	\$ 677,803	\$ 6,537
Office expense	14,770	14,590	11,936	2,654
Computer maintenance and replacement	79,190	76,930	75,562	1,368
Insurance	28,430	28,430	28,278	152
Occupancy	17,410	17,410	17,410	-
Communications	1,100	1,100	862	238
Operating supplies	50	230	223	7
Vehicle & equipment operating costs	3,650	3,650	3,600	50
Contract services	235,730	237,990	237,986	4
Professional development	3,670	3,630	3,014	616
Recruitment	-	40	32	8
Contingency	5,000	1,610	-	1,610
Total Administrative Services	1,069,950	1,069,950	1,056,706	13,244
Police:				
Salaries and benefits	4,673,310	4,671,710	4,298,107	373,603
Office expense	20,730	19,030	16,808	2,222
Advertising	-	80	75	5
Computer maintenance and replacement	192,090	192,090	188,192	3,898
Insurance	161,030	161,030	160,912	118
Occupancy	39,250	40,300	40,300	-
Utilities	45,610	44,560	36,516	8,044
Communications	46,760	41,170	37,347	3,823
Operating supplies	25,700	21,690	19,893	1,797
Vehicle & equipment operating costs	236,570	238,840	238,831	9
Contract services	227,070	240,610	239,717	893
Professional development	42,960	44,340	38,217	6,123
Recruitment	3,950	5,550	5,147	403
Contingency	10,000	2,050	-	2,050
Special purchases, projects & studies:				
Small printers	-	240	237	3
Other minor capital outlay	-	1,740	1,732	8
	5,725,030	5,725,030	5,322,031	402,999

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final
	Original	Final		Budget Positive (Negative)
Expenditures (continued):				
Police Grants:				
Salaries and benefits	\$ 10,390	\$ 70,580	\$ 46,272	\$ 24,308
Computer maintenance and replacement	310	310	309	1
Communications	-	610	609	1
Operating supplies	42,270	38,520	38,411	109
Professional development	4,050	4,940	2,279	2,661
Special purchases:				
Crime scene investigation equipment	-	3,100	3,100	-
Traffic investigation equipment	-	1,040	1,036	4
Personal protective vests	4,060	4,060	4,708	(648)
Capital outlay:				
Police building radio antenna	5,000	5,000	3,479	1,521
	<u>66,080</u>	<u>128,160</u>	<u>100,203</u>	<u>27,957</u>
Total Police	<u>5,791,110</u>	<u>5,853,190</u>	<u>5,422,234</u>	<u>430,956</u>
Fire:				
Salaries and benefits	2,871,290	2,863,670	2,747,605	116,065
Office expense	5,380	5,230	5,228	2
Computer maintenance and replacement	117,090	113,850	113,847	3
Insurance	124,130	127,190	127,181	9
Occupancy	23,190	21,260	21,256	4
Utilities	22,670	19,200	19,191	9
Communications	16,280	10,570	10,314	256
Operating supplies	32,260	35,060	35,057	3
Vehicle and equipment operating costs	97,290	111,920	111,912	8
Contract services	4,780	11,240	11,234	6
Professional development	24,090	20,390	20,387	3
Recruitment	2,230	4,160	4,157	3
Contingency	10,000	5,340	-	5,340
Special purchases, projects & studies:				
Other Office Furniture	-	410	403	7
Joint Dispatch Study	4,000	4,000	4,000	-
	<u>3,354,680</u>	<u>3,353,490</u>	<u>3,231,772</u>	<u>121,718</u>

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Weed Abatement, Mutual Aid and Other Fire Programs:				
Salaries and benefits	\$ 756,610	\$ 764,640	\$ 483,644	\$ 280,996
Office expense	750	3,200	3,168	32
Advertising	1,500	1,510	1,507	3
Computer maintenance and replacement	3,140	3,140	3,140	-
Operating supplies	37,320	39,040	21,779	17,261
Vehicle & equipment operating costs	3,700	8,710	1,449	7,261
Contract services	53,500	73,710	65,094	8,616
	<u>856,520</u>	<u>893,950</u>	<u>579,781</u>	<u>314,169</u>
Total Fire	<u>4,211,200</u>	<u>4,247,440</u>	<u>3,811,553</u>	<u>435,887</u>
Community Development:				
Salaries and benefits	874,760	877,790	778,143	99,647
Office expense	16,500	13,790	11,887	1,903
Advertising	5,600	8,100	7,335	765
Computer maintenance and replacement	126,930	126,930	125,006	1,924
Insurance	45,110	45,110	45,103	7
Occupancy	33,890	33,890	33,890	-
Communications	3,600	3,600	2,804	796
Operating supplies	1,800	1,500	957	543
Vehicle operations	16,160	16,160	13,249	2,911
Contract services	69,500	269,500	208,937	60,563
Professional development	15,400	15,400	5,847	9,553
Recruitment	1,100	1,610	1,610	-
Contingency	5,000	5,000	-	5,000

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Community Development (continued):				
Special purchases, projects & studies:				
2010 Housing Element Update	\$ 27,530	\$ 27,530	\$ 26,275	\$ 1,255
Factory Outlet Assessment	36,970	36,970	36,825	145
Total Community Development	<u>1,279,850</u>	<u>1,482,880</u>	<u>1,297,868</u>	<u>185,012</u>
Community Services Administration:				
Salaries and benefits	305,050	305,950	300,495	5,455
Office expense	8,580	7,620	3,396	4,224
Advertising	150	150	115	35
Computer maintenance and replacement	15,330	15,330	15,330	-
Insurance	11,150	11,150	11,145	5
Occupancy	13,860	13,860	13,860	-
Communications	1,140	1,290	1,243	47
Operating supplies	590	430	195	235
Vehicle and equipment operating costs	4,250	4,280	3,715	565
Contract services	-	40	33	7
Professional development	4,340	4,340	3,888	452
Recruitment	230	230	-	230
Contingency	5,000	5,000	-	5,000
Total Community Services Administration	<u>369,670</u>	<u>369,670</u>	<u>353,415</u>	<u>16,255</u>
Recreation:				
Salaries and benefits	254,490	254,490	207,099	47,391
Office expense	5,070	4,530	1,964	2,566
Advertising	3,100	3,100	2,438	662
Computer maintenance and replacement	15,450	15,450	15,445	5
Insurance	14,840	15,380	15,202	178
Occupancy	23,100	23,130	16,815	6,315
Utilities	4,200	4,120	4,014	106
Communications	750	800	489	311
Operating supplies	26,500	25,480	16,505	8,975
Vehicle and equipment operating costs	4,390	4,390	2,361	2,029
Contract services	88,920	92,430	89,819	2,611
Professional development	2,750	1,320	980	340
Recruitment	2,200	1,140	1,132	8
Total Recreation	<u>445,760</u>	<u>445,760</u>	<u>374,263</u>	<u>71,497</u>

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Community Center:				
Salaries and benefits	\$ 126,980	\$ 127,100	\$ 92,533	\$ 34,567
Office expense	1,900	1,900	549	1,351
Advertising	500	500	-	500
Computer maintenance and replacement	9,720	9,720	8,260	1,460
Insurance	10,740	10,740	10,325	415
Occupancy	15,480	15,480	15,480	-
Utilities	59,000	59,000	36,502	22,498
Communications	3,000	3,000	1,429	1,571
Operating supplies	20,250	20,250	9,820	10,430
Vehicle and equipment operations	5,460	5,460	3,739	1,721
Contract services	22,400	22,280	5,901	16,379
Professional development	750	750	518	232
Recruitment	400	400	-	400
Total Community Center	276,580	276,580	185,056	91,524
Pavilion:				
Salaries and benefits	142,440	142,440	124,693	17,747
Office expense	940	1,030	1,027	3
Advertising	6,000	3,750	3,745	5
Computer maintenance and replacement	7,230	7,230	7,230	-
Insurance	7,970	7,970	7,872	98
Occupancy	5,810	5,810	5,810	-
Utilities	21,150	21,150	20,980	170
Communications	1,280	1,460	1,453	7
Operating supplies	8,820	8,550	8,080	470
Vehicle and equipment operating costs	630	630	548	82
Contract services	22,080	21,030	20,698	332
Professional development	800	800	755	45
Recruitment	80	80	32	48

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Pavilion (continued):				
Special purchases, projects & studies:				
Backflow valve replacement	\$ -	\$ 3,300	\$ 3,300	\$ -
Capital outlay:				
Ice Machine	4,000	4,000	-	4,000
Window Blinds	15,000	15,000	-	15,000
Total Pavilion	<u>244,230</u>	<u>244,230</u>	<u>206,223</u>	<u>38,007</u>
Zoo:				
Salaries and benefits	464,100	476,700	442,182	34,518
Office expense	1,660	1,390	1,372	18
Advertising	500	3,090	3,090	-
Computer maintenance and replacement	18,990	21,190	18,990	2,200
Insurance	20,240	20,240	20,184	56
Occupancy	3,870	3,870	3,870	-
Utilities	23,100	32,020	32,017	3
Communications	580	580	567	13
Operating supplies	61,420	52,410	49,312	3,098
Vehicle and equipment operating costs	6,230	6,230	5,393	837
Contract services	14,300	15,970	15,962	8
Professional development	8,770	9,030	9,027	3
Recruitment	1,050	790	752	38
Special purchases, projects & studies:				
Animal acquisition	-	1,320	1,312	8
Zoo accreditation recognition	-	1,380	1,378	2
Deferred maintenance project	-	19,300	18,693	607
Total Zoo	<u>624,810</u>	<u>665,510</u>	<u>624,101</u>	<u>41,409</u>

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Public Works Administration:				
Salaries and benefits	\$ 575,010	\$ 573,720	\$ 548,399	\$ 25,321
Office expense	6,800	6,400	5,047	1,353
Advertising	200	200	-	200
Computer maintenance and replacement	77,670	77,670	77,527	143
Insurance	21,590	21,590	21,590	-
Occupancy charges	12,440	12,440	12,440	-
Communications	2,600	3,000	2,998	2
Operating supplies	730	730	615	115
Vehicle operations	9,060	9,060	8,189	871
Contract services	14,520	14,520	4,419	10,101
Professional development	4,980	4,980	2,599	2,381
Recruitment	550	550	-	550
Contingency	5,000	1,110	-	1,110
Special purchases, projects & studies:				
Groundwater basin study	-	16,000	12,839	3,161
NPDES, Phase II	30,000	30,000	667	29,333
Total Public Works Administration	<u>761,150</u>	<u>771,970</u>	<u>697,329</u>	<u>74,641</u>
Public Works Operations:				
Salaries and benefits	174,270	176,600	176,315	285
Office expense	3,580	4,370	4,360	10
Computer maintenance and replacement	5,340	5,340	5,340	-
Insurance	6,760	6,700	6,698	2
Occupancy charges	16,630	15,620	15,619	1
Utilities	1,400	6,460	6,459	1
Communications	1,400	780	752	28
Operating supplies	650	690	690	-
Vehicle & equipment operating costs	6,740	4,690	4,681	9
Contract Services	-	1,050	1,050	-
Professional development	3,050	510	505	5
Recruitment	-	300	297	3
Contingency	2,000	-	-	-
Capital outlay:				
Air compressor	-	3,890	3,892	(2)
Total Public Works Operations	<u>221,820</u>	<u>227,000</u>	<u>226,658</u>	<u>342</u>

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Parks:				
Salaries and benefits	\$ 360,220	\$ 357,970	\$ 355,376	\$ 2,594
Computer maintenance and replacement	2,350	2,350	2,350	-
Insurance	18,280	18,300	18,293	7
Occupancy	5,810	5,810	5,810	-
Utilities	102,050	105,900	105,893	7
Communications	2,600	2,720	2,718	2
Operating supplies	45,050	39,250	39,244	6
Vehicle and equipment operations	32,000	27,380	27,371	9
Contract services	9,250	13,860	13,852	8
Professional development	3,800	800	796	4
Recruitment	-	40	32	8
Special purchases, projects & studies:				
Lockers & cabinets	-	420	415	5
Memorial trees	-	1,000	985	15
Lake water quality	1,180	2,670	2,661	9
Total Parks	582,590	578,470	575,796	2,674
Non-Departmental:				
Special purchases, projects & studies:				
Earthquake Recovery- Relocation	-	-	6,912	(6,912)
Earthquake Recovery- Administration	-	-	2,986	(2,986)
Total Non-Departmental	-	-	9,898	(9,898)
Total expenditures	17,585,030	17,899,720	16,184,994	1,714,726
Excess of revenues over (under) expenditures	(1,194,750)	(1,182,750)	(837,029)	345,721

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Transfer from Community Facilities District Fund	\$ 267,130	\$ 267,130	\$ 267,130	\$ -
Transfer to CDBG Fund	-	-	-	-
Transfer to Gas Tax Fund for streets maintenance	(117,080)	(117,080)	(117,080)	-
Transfer to De Anza Landscape & Lighting District for open space maintenance	(840)	(840)	(840)	-
Transfer to Redevelopment Agency Fund for tourism, marketing and promotion	-	(28,000)	(28,000)	-
Total other financing sources (uses)	<u>149,210</u>	<u>121,210</u>	<u>121,210</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (1,045,540)</u>	<u>\$ (1,061,540)</u>	(715,819)	<u>\$ 345,721</u>
Fund balance, June 30, 2009			<u>8,233,348</u>	
Fund balance, June 30, 2010			<u>\$ 7,517,529</u>	

CITY OF ATASCADERO
REDEVELOPMENT AGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Redevelopment increment- current secured rolls	\$ 1,438,150	\$ 1,438,150	\$ 1,595,068	\$ 156,918
Redevelopment increment- supplemental rolls	70,930	70,930	58,175	(12,755)
SERAF	-	-	(1,335,322)	(1,335,322)
Loan guarantee fee	-	-	30,000	30,000
Interest income	154,770	154,770	124,976	(29,794)
Rental income	373,600	373,600	373,596	(4)
Donations- Zoo Entrance and Restroom Project	-	11,300	11,308	8
MacDonald Grant- Zoo Entrance and Restroom Project	-	-	39,966	39,966
Other revenues	-	-	1,374	1,374
Total revenues	2,037,450	2,048,750	899,141	(1,149,609)
Expenditures:				
Operations and Administration				
Office expense	2,640	2,630	125	2,505
Advertising	950	950	87	863
Computer maintenance and replacement	2,200	2,200	2,200	-
Insurance	15,370	15,380	15,374	6
Communications	210	210	60	150
Operating supplies	150	150	-	150
Vehicle & equipment operating costs	350	350	-	350
Contract services	129,170	129,170	119,251	9,919
Professional development	19,600	14,600	-	14,600
Administration	269,260	269,260	269,260	-
Interest	121,500	121,500	115,478	6,022
Total Operations and Administration	561,400	556,400	521,835	34,565
Property Management				
Insurance	4,850	4,960	4,954	6
Occupancy	1,000	1,000	1,000	-
Operating supplies	1,000	1,000	123	877
Contract services	4,600	6,990	6,984	6
Total Property Management	11,450	13,950	13,061	889

CITY OF ATASCADERO
REDEVELOPMENT AGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Programs and Projects				
Special purchases, projects & studies:				
Advertising	\$ 25,800	\$ 25,800	\$ 3,452	\$ 22,348
Downtown special events	10,000	20,000	19,942	58
Downtown maintenance program	122,690	109,310	77,374	31,936
Tourism	14,360	13,650	13,650	-
Main Street program	59,160	44,580	44,580	-
Main Street- special events match	25,000	5,000	-	5,000
Graffiti removal program	-	880	875	5
Creek Improvement Projects	25,000	25,000	22,144	2,856
Sunken Gardens Holiday Enhancement	5,000	5,000	1,700	3,300
Economic Development Strategy	25,000	25,000	2,432	22,568
Colony Square Economic Assistance	13,330	13,330	8,206	5,124
Design Guidelines	20,000	20,000	10,356	9,644
Façade Improvement Program	40,000	40,000	5,808	34,192
Historic Consultant - Printery	32,010	32,010	3,600	28,410
Site Design Assistance	30,000	10,000	3,045	6,955
Permit Fee Waiver Program	-	25,000	8,519	16,481
Tourism, Marketing & Events	-	66,500	66,500	-
Capital outlay:				
Lake Park Sign & Frontage Improvements	670,180	-	-	-
Zoo Entrance and Restroom Project	747,170	998,470	701,694	296,776
Parking Improvements	50,000	50,000	-	50,000
Total Programs and Projects	1,914,700	1,529,530	993,877	535,653
Total expenditures	2,487,550	2,099,880	1,528,773	571,107
Excess of revenues over (under) expenditures	(450,100)	(51,130)	(629,632)	(578,502)

CITY OF ATASCADERO

REDEVELOPMENT AGENCY FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Transfer from General Fund for Tourism and Marketing	\$ -	\$ 28,000	\$ 28,000	\$ -
Transfer from Business Improvement Association for Tourism and Marketing	-	3,210	3,210	-
Transfer to Historic City Hall Rehabilitation Fund for the City Hall Rehabilitation Project	(1,690,800)	(1,690,800)	-	1,690,800
Transfer to Historic City Hall Rehabilitation Fund for the City Hall FEMA Administration	(79,140)	(79,140)	-	79,140
Transfer to Capital Projects Fund for Downtown Streetscape III Project	(79,500)	(79,500)	-	79,500
Transfer to Capital Projects Fund for Lake Park Frontage	-	(430,180)	(2,862)	427,318
Total other financing sources (uses)	<u>(1,849,440)</u>	<u>(2,248,410)</u>	<u>28,348</u>	<u>2,276,758</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (2,299,540)</u>	<u>\$ (2,299,540)</u>	<u>(601,284)</u>	<u>\$ 1,698,256</u>
Fund balance, June 30, 2009			<u>7,613,601</u>	
Fund balance, June 30, 2010			<u>\$ 7,012,317</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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Current secured increment	\$ 795,170	\$ 795,170	\$ 800,528	\$ 5,358
Supplemental tax increment	24,590	24,590	20,106	(4,484)
Interest income	132,270	132,270	66,584	(65,686)
Total revenues	<u>952,030</u>	<u>952,030</u>	<u>887,218</u>	<u>(64,812)</u>
Expenditures:				
Contract services	10,000	700	-	700
Administrative charges	25,040	25,040	25,040	-
Special projects and purchases:				
SLO County Housing Trust Fund	7,000	7,000	7,000	-
Downtown housing assistance program	-	500,000	-	500,000
Development of housing assistance program	1,290	10,590	10,584	6
Total expenditures	<u>43,330</u>	<u>543,330</u>	<u>42,624</u>	<u>500,706</u>
Excess of revenues over (under) expenditures	<u>\$ 908,700</u>	<u>\$ 408,700</u>	<u>844,594</u>	<u>\$ 435,894</u>
Fund balance, June 30, 2009			<u>3,956,765</u>	
Fund balance, June 30, 2010			<u>\$ 4,801,359</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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Low/Moderate Housing In Lieu Fees	\$ -	\$ -	\$ 503	\$ 503
Interest income	13,410	13,410	6,811	(6,599)
Gain / (Loss) on Inclusionary Housing Program Loans	-	-	(351,117)	(351,117)
Total revenues	<u>13,410</u>	<u>13,410</u>	<u>(343,803)</u>	<u>(357,213)</u>
Expenditures:				
Legal services	10,000	10,000	9,790	210
Administration	17,730	17,730	17,730	-
Special projects and purchases:				
PSHHC Housing Education Program	2,020	2,020	2,020	-
Closing Cost Program Expense	-	-	5,110	(5,110)
City Short Sale Program Losses	-	-	10,100	(10,100)
Total expenditures	<u>29,750</u>	<u>29,750</u>	<u>44,750</u>	<u>(15,000)</u>
Excess of revenues over (under) expenditures	<u>\$ (16,340)</u>	<u>\$ (16,340)</u>	<u>(388,553)</u>	<u>\$ (372,213)</u>
Fund balance, June 30, 2009			<u>4,695,789</u>	
Fund balance, June 30, 2010			<u>\$ 4,307,236</u>	

CITY OF ATASCADERO

SCHEDULE OF FUNDING PROGRESS FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

For the Fiscal Year Ended June 30, 2010

The following table provides required supplementary information regarding the City's postemployment healthcare benefits.

SCHEDULE OF FUNDING PROGRESS

<u>Valuation Date</u>	<u>Actuarial Asset Value</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Liability (Excess Assets)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
6/30/2010	\$ -	\$ 147,832	\$ 147,832	0.0%	\$ 1,168,081	12.7%

OTHER SUPPLEMENTARY INFORMATION

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
California Cultural Historical Endowment Grant	\$ 445,830	\$ 445,830	\$ 528,988	\$ 83,158
OES- Earthquake Funds	531,830	531,830	442,429	(89,401)
FEMA- Earthquake Funds	1,595,470	1,595,470	1,327,288	(268,182)
Total revenues	<u>2,573,130</u>	<u>2,573,130</u>	<u>2,298,705</u>	<u>(274,425)</u>
Expenditures:				
Special projects:				
FEMA Administration	45,000	45,000	5,164	39,836
Programming of City Hall	19,810	19,810	5,250	14,560
Capital outlay:				
Historic City Hall - Earthquake Repairs	3,105,310	3,105,310	1,145,547	1,959,763
Historic City Hall - Rehabilitation	-	-	35,592	(35,592)
Total expenditures	<u>3,170,120</u>	<u>3,170,120</u>	<u>1,191,553</u>	<u>1,978,567</u>
Excess of revenues over (under) expenditures	<u>(596,990)</u>	<u>(596,990)</u>	<u>1,107,152</u>	<u>1,704,142</u>
Other Financing Sources:				
Transfer from the Redevelopment Agency Fund for the rehabilitation of City Hall	580,830	580,830	-	(580,830)
Total other financing sources	<u>580,830</u>	<u>580,830</u>	<u>-</u>	<u>(580,830)</u>
Excess of revenues and other sources over (under) expenditures	<u>\$ (16,160)</u>	<u>\$ (16,160)</u>	<u>1,107,152</u>	<u>\$ 1,123,312</u>
Fund balance, June 30, 2009			<u>(1,097,817)</u>	
Fund balance, June 30, 2010			<u>\$ 9,335</u>	

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS OVERVIEW
SPECIAL REVENUE FUNDS

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

Supplemental Law Enforcement Services Fund

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

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.

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.

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS OVERVIEW (continued)

SPECIAL REVENUE FUNDS (continued)

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.

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.

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS OVERVIEW (continued)

SPECIAL REVENUE FUNDS (continued)

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.

Fire Aerial Vehicle Impact Fees Fund

This fund accounts for the aerial fire truck impact fees that are imposed on commercial and multi-family residential developments. A platform aerial truck was purchased in fiscal year 2007-2008.

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.

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS OVERVIEW (continued)

SPECIAL REVENUE FUNDS (continued), CAPITAL PROJECTS FUNDS & DEBT SERVICE FUNDS

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.

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

Capital Projects Fund

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

2005 Redevelopment Bond Project Fund

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

Assessment District #8 Construction Fund

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

Youth Center Construction Fund

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

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.

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS OVERVIEW (continued)

DEBT SERVICE FUNDS

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 Incremental Revenues.

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 development now known as Mission Oaks Annex. 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 area known as Mission Oaks Annex. 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, 2010

Special Revenue Funds

	Supplemental Law Enforcement Services Fund	Business Improvement Association Fund	Community Development Block Grant Fund	Tree Plant Fund	Gas Tax Fund	AB2928 Traffic Congestion Relief Fund	Local Transportation Fund
ASSETS							
Cash and investments	\$ 118,150	\$ 6,042	\$ -	\$ 537,561	\$ 486,865	\$ 128,715	\$ 519,972
Restricted cash and investments:							
Cash with fiscal agent	-	-	-	-	-	-	-
Receivables:							
Federal distributions due	-	-	53,192	-	-	-	-
Due from State of California	25,000	-	-	-	48,862	71,523	-
Due from County of San Luis Obispo	-	-	-	-	-	-	422,573
Accrued interest	315	29	-	1,684	1,422	227	1,810
Other receivables	-	-	362	-	14	-	-
Prepaid expenses	-	-	-	-	730	-	-
Total assets	\$ 143,465	\$ 6,071	\$ 53,554	\$ 539,245	\$ 537,893	\$ 200,465	\$ 944,355
LIABILITIES AND FUND BALANCES							
Accounts payable	\$ 15,208	\$ -	\$ 3,586	\$ 6,457	\$ 45,044	\$ -	\$ 5,705
Accrued salaries and benefits	273	-	-	725	10,861	-	-
Due to other funds	-	-	49,968	-	-	-	-
Deferred revenue	125,665	-	-	-	-	-	3,504
Interfund advances payable	-	-	-	-	-	-	-
Total liabilities	141,146	-	53,554	7,182	55,905	-	9,209
Fund Balances:							
Reserved for encumbrances	2,319	-	-	5,280	-	-	-
Reserved for debt service	-	-	-	-	-	-	-
Reserved for bike paths	-	-	-	-	-	-	99,145
Reserved for prepaids	-	-	-	-	730	-	-
Unreserved:							
Designated for capital commitments	-	5,030	-	-	-	179,830	836,001
Undesignated	-	1,041	-	526,783	481,258	20,635	-
Total fund balances	2,319	6,071	-	532,063	481,988	200,465	935,146
Total liabilities and fund balances	\$ 143,465	\$ 6,071	\$ 53,554	\$ 539,245	\$ 537,893	\$ 200,465	\$ 944,355

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2010

	Special Revenue Funds						
	Street Assessment Fund	General Government Facilities Fees Fund	Circulation System Fees Fund	Storm Drainage Facilities Fees Fund	Amapoa / Tecorida Drainage Impact Fees Fund	Law Enforcement Facilities Fees Fund	Fire Facilities Fees Fund
ASSETS							
Cash and investments	\$ 52,479	\$ -	\$ 1,043,681	\$ 796,510	\$ 87,717	\$ 38,260	\$ 725,505
Restricted cash and investments:							
Cash with fiscal agent	-	-	-	-	-	-	-
Receivables:							
Federal distributions due	-	-	-	-	-	-	-
Due from State of California	-	-	-	-	-	-	-
Due from County of San Luis Obispo	143	-	1,119	-	-	-	-
Accrued interest	163	-	2,880	2,454	279	96	2,224
Other receivables	-	-	-	-	-	-	283
Prepaid expenses	-	-	-	-	-	-	-
Total assets	\$ 52,785	\$ -	\$ 1,047,680	\$ 798,964	\$ 87,996	\$ 38,356	\$ 728,012
LIABILITIES AND FUND BALANCES							
Accounts payable	\$ -	\$ -	\$ 368	\$ 3,087	\$ -	\$ -	\$ 16
Accrued salaries and benefits	-	-	-	-	-	-	-
Due to other funds	-	319,503	-	-	-	-	-
Deferred revenue	-	-	368,736	-	-	-	-
Interfund advances payable	-	-	-	-	-	-	-
Total liabilities	-	319,503	369,104	3,087	-	-	16
Fund Balances:							
Reserved for encumbrances	-	-	-	13,178	-	-	-
Reserved for debt service	-	-	-	-	-	-	-
Reserved for bike paths	-	-	-	-	-	-	-
Reserved for prepaids	-	-	-	-	-	-	-
Unreserved:							
Designated for capital commitments	-	-	372,230	638,410	87,996	-	-
Undesignated	52,785	(319,503)	306,346	144,289	-	38,356	727,996
Total fund balances	52,785	(319,503)	678,576	795,877	87,996	38,356	727,996
Total liabilities and fund balances	\$ 52,785	\$ -	\$ 1,047,680	\$ 798,964	\$ 87,996	\$ 38,356	\$ 728,012

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2010

	Special Revenue Funds						
	Open Space Acquisition Fees Fund	Parkland Facilities Fees Fund	Public Facilities Fees Fund	Library Expansion Facilities Fees Fund	Fire Aerial Vehicle Impact Fees Fund	Community Facilities District Fund	Apple Valley Street & Storm Drain Assessment District Fund
ASSETS							
Cash and investments	\$ 366,844	\$ 246,987	\$ 118,869	\$ 197,276	\$ -	\$ -	\$ 171,853
Restricted cash and investments:							
Cash with fiscal agent	-	-	-	-	-	-	-
Receivables:							
Federal distributions due	-	-	-	-	-	-	-
Due from State of California	-	-	-	-	-	-	-
Due from County of San Luis Obispo	-	-	-	-	-	23,024	-
Accrued interest	1,127	659	364	602	-	-	524
Other receivables	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
Total assets	\$ 367,971	\$ 247,646	\$ 119,233	\$ 197,878	\$ -	\$ 23,024	\$ 172,377
LIABILITIES AND FUND BALANCES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 734
Accrued salaries and benefits	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	836,613	17,063	-
Deferred revenue	-	37,000	-	-	-	-	-
Interfund advances payable	-	-	-	-	-	-	-
Total liabilities	-	37,000	-	-	836,613	17,063	734
Fund Balances:							
Reserved for encumbrances	-	-	-	-	-	-	2,124
Reserved for debt service	-	-	-	-	-	-	-
Reserved for bike paths	-	-	-	-	-	-	-
Reserved for prepaids	-	-	-	-	-	-	-
Unreserved:							
Designated for capital commitments	-	-	-	-	-	-	-
Undesignated	367,971	210,646	119,233	197,878	(836,613)	5,961	169,519
Total fund balances	367,971	210,646	119,233	197,878	(836,613)	5,961	171,643
Total liabilities and fund balances	\$ 367,971	\$ 247,646	\$ 119,233	\$ 197,878	\$ -	\$ 23,024	\$ 172,377

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2010

	Special Revenue Funds					Capital Projects Funds	
	Apple Valley Landscape & Lighting Assessment District Fund	Las Lomas Street & Storm Drain Assessment District Fund	Las Lomas Landscape & Lighting Assessment District Fund	De Anza Street & Storm Drain Assessment District Fund	De Anza Landscape & Lighting Assessment District Fund	Capital Projects Fund	2005 Redevelopment Bond Project Fund
ASSETS							
Cash and investments	\$ 227,005	\$ 178,066	\$ 314,725	\$ 154,665	\$ 126,610	\$ 897,997	\$ 897,220
Restricted cash and investments:							
Cash with fiscal agent	-	-	-	-	-	-	-
Receivables:							
Federal distributions due	-	-	-	-	-	29,985	-
Due from State of California	-	-	-	-	-	1,730	-
Due from County of San Luis Obispo	-	44	169	6,021	3,693	43,108	-
Accrued interest	722	547	963	473	394	2,827	1,238
Other receivables	25,000	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
Total assets	<u>\$ 252,727</u>	<u>\$ 178,657</u>	<u>\$ 315,857</u>	<u>\$ 161,159</u>	<u>\$ 130,697</u>	<u>\$ 975,647</u>	<u>\$ 898,458</u>
LIABILITIES AND FUND BALANCES							
Accounts payable	\$ 6,343	\$ 783	\$ 21,160	\$ 741	\$ 1,411	\$ 39,027	\$ -
Accrued salaries and benefits	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	468,443
Deferred revenue	50,000	-	-	-	-	-	7,676
Interfund advances payable	-	-	-	-	-	-	-
Total liabilities	<u>56,343</u>	<u>783</u>	<u>21,160</u>	<u>741</u>	<u>1,411</u>	<u>39,027</u>	<u>476,119</u>
Fund Balances:							
Reserved for encumbrances	2,907	2,264	3,001	2,142	2,919	570,497	194,300
Reserved for debt service	-	-	-	-	-	-	-
Reserved for bike paths	-	-	-	-	-	-	-
Reserved for prepaids	-	-	-	-	-	-	-
Unreserved:							
Designated for capital commitments	-	-	-	-	-	-	228,039
Undesignated	193,477	175,610	291,696	158,276	126,367	366,123	-
Total fund balances	<u>196,384</u>	<u>177,874</u>	<u>294,697</u>	<u>160,418</u>	<u>129,286</u>	<u>936,620</u>	<u>422,339</u>
Total liabilities and fund balances	<u>\$ 252,727</u>	<u>\$ 178,657</u>	<u>\$ 315,857</u>	<u>\$ 161,159</u>	<u>\$ 130,697</u>	<u>\$ 975,647</u>	<u>\$ 898,458</u>

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2010

	<u>Capital Projects Funds</u>		<u>Debt Service Funds</u>				
	<u>Assessment District #8 Construction Fund</u>	<u>Youth Center Construction Fund</u>	<u>Assessment District #3 Debt Service Fund</u>	<u>Assessment District #4 Debt Service Fund</u>	<u>Assessment District #5 Debt Service Fund</u>	<u>Assessment District #7 Debt Service Fund</u>	<u>Assessment District #9 Debt Service Fund</u>
ASSETS							
Cash and investments	\$ 1,055	\$ -	\$ -	\$ 48,530	\$ -	\$ -	\$ 31,997
Restricted cash and investments:							
Cash with fiscal agent	-	-	-	-	-	-	-
Receivables:							
Federal distributions due	-	303,825	-	-	-	-	-
Due from State of California	-	101,275	-	-	-	-	-
Due from County of San Luis Obispo	-	-	-	-	-	-	1,939
Accrued interest	3	-	-	151	-	-	88
Other receivables	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
Total assets	<u>\$ 1,058</u>	<u>\$ 405,100</u>	<u>\$ -</u>	<u>\$ 48,681</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,024</u>
LIABILITIES AND FUND BALANCES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-	-	-	-
Due to other funds	-	391,572	-	-	-	70,334	-
Deferred revenue	-	13,528	-	-	-	-	-
Interfund advances payable	-	-	-	-	-	-	42,769
Total liabilities	<u>-</u>	<u>405,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,334</u>	<u>42,769</u>
Fund Balances:							
Reserved for encumbrances	-	-	-	-	-	-	-
Reserved for debt service	-	-	-	48,681	-	-	-
Reserved for bike paths	-	-	-	-	-	-	-
Reserved for prepaids	-	-	-	-	-	-	-
Unreserved:							
Designated for capital commitments	-	-	-	-	-	-	-
Undesignated	1,058	-	-	-	-	(70,334)	(8,745)
Total fund balances	<u>1,058</u>	<u>-</u>	<u>-</u>	<u>48,681</u>	<u>-</u>	<u>(70,334)</u>	<u>(8,745)</u>
Total liabilities and fund balances	<u>\$ 1,058</u>	<u>\$ 405,100</u>	<u>\$ -</u>	<u>\$ 48,681</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,024</u>

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2010

	Debt Service Funds				
	Assessment District #10 Debt Service Fund	2005 Redevelopment Bond Debt Service Fund	1992 Street Assessment Improvement Fund	1993 Camino Real Improvement Bonds Fund	TOTALS
ASSETS					
Cash and investments	\$ -	\$ 574,540	\$ 172,573	\$ 351,428	\$ 9,619,697
Restricted cash and investments:					
Cash with fiscal agent	-	852,423	122	79,500	932,045
Receivables:					
Federal distributions due	-	-	-	-	387,002
Due from State of California	-	-	-	-	248,390
Due from County of San Luis Obispo	-	-	-	-	501,833
Accrued interest	5	1,793	537	1,029	27,629
Other receivables	-	-	-	-	25,659
Prepaid expenses	-	-	-	-	730
Total assets	<u>\$ 5</u>	<u>\$ 1,428,756</u>	<u>\$ 173,232</u>	<u>\$ 431,957</u>	<u>\$ 11,742,985</u>
LIABILITIES AND FUND BALANCES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 149,670
Accrued salaries and benefits	-	-	-	-	11,859
Due to other funds	397	-	-	-	2,153,893
Deferred revenue	-	-	-	-	606,109
Interfund advances payable	3,502	-	-	-	46,271
Total liabilities	<u>3,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,967,802</u>
Fund Balances:					
Reserved for encumbrances	-	-	-	-	800,931
Reserved for debt service	-	1,428,756	173,232	431,957	2,082,626
Reserved for bike paths	-	-	-	-	99,145
Reserved for prepaids	-	-	-	-	730
Unreserved:					
Designated for capital commitments	-	-	-	-	2,347,536
Undesignated	(3,894)	-	-	-	3,444,215
Total fund balances	<u>(3,894)</u>	<u>1,428,756</u>	<u>173,232</u>	<u>431,957</u>	<u>8,775,183</u>
Total liabilities and fund balances	<u>\$ 5</u>	<u>\$ 1,428,756</u>	<u>\$ 173,232</u>	<u>\$ 431,957</u>	<u>\$ 11,742,985</u>

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2010

	Special Revenue Funds						
	Supplemental Law Enforcement Services Fund	Business Improvement Association Fund	Community Development Block Grant Fund	Tree Plant Fund	Gas Tax Fund	AB2928 Traffic Congestion Relief Fund	Local Transportation Fund
Revenues:							
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	9,642	-	-	-
Intergovernmental revenues	55,827	-	154,007	-	497,152	257,473	652,207
Use of money and property	1,572	139	-	8,089	5,625	776	8,784
Other revenues	-	-	-	-	4,564	-	-
Total revenues	57,399	139	154,007	17,731	507,341	258,249	660,991
Expenditures:							
Salaries and benefits	8,130	-	-	17,150	322,285	-	-
Supplies and services	5,940	-	15,636	-	448,347	-	-
Special projects and studies	38,402	-	111,388	32,114	16,648	-	10,212
Capital outlay	5,759	-	26,983	-	-	44,874	627,864
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	58,231	-	154,007	49,264	787,280	44,874	638,076
Excess of revenues over (under) expenditures	(832)	139	-	(31,533)	(279,939)	213,375	22,915
Other Financing Sources (Uses):							
Transfers in	-	-	-	-	242,080	-	-
Transfers out	-	(3,210)	-	-	-	(125,000)	(9,459)
Total other financing sources (uses)	-	(3,210)	-	-	242,080	(125,000)	(9,459)
Excess of revenues and other sources over (under) expenditures and other uses	(832)	(3,071)	-	(31,533)	(37,859)	88,375	13,456
Fund balance, June 30, 2009	3,151	9,142	-	563,596	519,847	112,090	921,690
Fund balance, June 30, 2010	\$ 2,319	\$ 6,071	\$ -	\$ 532,063	\$ 481,988	\$ 200,465	\$ 935,146

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2010

	Special Revenue Funds						
	Street Assessment Fund	General Government Facilities Fees Fund	Circulation System Fees Fund	Storm Drainage Facilities Fees Fund	Amapoa/ Tecorida Drainage Impact Fees Fund	Law Enforcement Facilities Fees Fund	Fire Facilities Fees Fund
Revenues:							
Taxes and assessments	\$ 2,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	17,995	292,240	28,591	-	21,379	28,013
Intergovernmental revenues	-	-	-	-	-	-	-
Use of money and property	782	(4,763)	14,261	11,895	1,343	490	22,476
Other revenues	-	-	-	-	-	-	-
Total revenues	<u>2,922</u>	<u>13,232</u>	<u>306,501</u>	<u>40,486</u>	<u>1,343</u>	<u>21,869</u>	<u>50,489</u>
Expenditures:							
Salaries and benefits	-	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-	-
Special projects and studies	-	-	6,007	5,810	-	-	-
Capital outlay	-	-	20,636	5,616	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>26,643</u>	<u>11,426</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>2,922</u>	<u>13,232</u>	<u>279,858</u>	<u>29,060</u>	<u>1,343</u>	<u>21,869</u>	<u>50,489</u>
Other Financing Sources (Uses):							
Transfers in	-	-	14,356	3,775	-	-	-
Transfers out	-	-	-	-	(3,775)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>14,356</u>	<u>3,775</u>	<u>(3,775)</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	2,922	13,232	294,214	32,835	(2,432)	21,869	50,489
Fund balance, June 30, 2009	<u>49,863</u>	<u>(332,735)</u>	<u>384,362</u>	<u>763,042</u>	<u>90,428</u>	<u>16,487</u>	<u>677,507</u>
Fund balance, June 30, 2010	<u>\$ 52,785</u>	<u>\$ (319,503)</u>	<u>\$ 678,576</u>	<u>\$ 795,877</u>	<u>\$ 87,996</u>	<u>\$ 38,356</u>	<u>\$ 727,996</u>

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2010

	Special Revenue Funds						
	Open Space Acquisition Fees Fund	Parkland Facilities Fees Fund	Public Facilities Fees Fund	Library Expansion Facilities Fees Fund	Fire Aerial Vehicle Impact Fees Fund	Community Facilities District Fund	Apple Valley Street & Storm Drain Assessment District Fund
Revenues:							
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,711	\$ 35,749
Licenses and permits	24,700	67,522	18,776	14,113	349	-	-
Intergovernmental revenues	-	-	-	-	-	-	-
Use of money and property	5,007	2,904	1,775	2,923	(12,170)	(863)	2,469
Other revenues	-	-	-	-	-	-	-
Total revenues	<u>29,707</u>	<u>70,426</u>	<u>20,551</u>	<u>17,036</u>	<u>(11,821)</u>	<u>277,848</u>	<u>38,218</u>
Expenditures:							
Salaries and benefits	-	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	4,757	5,945
Special projects and studies	-	-	-	-	-	-	-
Capital outlay	-	197,374	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>197,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,757</u>	<u>5,945</u>
Excess of revenues over (under) expenditures	<u>29,707</u>	<u>(126,948)</u>	<u>20,551</u>	<u>17,036</u>	<u>(11,821)</u>	<u>273,091</u>	<u>32,273</u>
Other Financing Sources (Uses):							
Transfers in	-	98,687	-	-	-	-	-
Transfers out	(98,687)	-	-	-	-	(267,130)	-
Total other financing sources (uses)	<u>(98,687)</u>	<u>98,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(267,130)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(68,980)	(28,261)	20,551	17,036	(11,821)	5,961	32,273
Fund balance, June 30, 2009	<u>436,951</u>	<u>238,907</u>	<u>98,682</u>	<u>180,842</u>	<u>(824,792)</u>	<u>-</u>	<u>139,370</u>
Fund balance, June 30, 2010	<u>\$ 367,971</u>	<u>\$ 210,646</u>	<u>\$ 119,233</u>	<u>\$ 197,878</u>	<u>\$ (836,613)</u>	<u>\$ 5,961</u>	<u>\$ 171,643</u>

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2010

	Special Revenue Funds					Capital Projects Funds	
	Apple Valley Landscape & Lighting Assessment District Fund	Las Lomas Street & Storm Drain Assessment District Fund	Las Lomas Landscape & Lighting Assessment District Fund	De Anza Street & Storm Drain Assessment District Fund	De Anza Landscape & Lighting Assessment District Fund	Capital Projects Fund	2005 Redevelopment Bond Project Fund
Revenues:							
Taxes and assessments	\$ 16,530	\$ 20,046	\$ 78,081	\$ 35,283	\$ 21,144	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	63,825	-
Use of money and property	3,462	2,626	4,628	2,254	1,894	15,702	1,373
Other revenues	-	-	-	-	-	5,096	-
Total revenues	<u>19,992</u>	<u>22,672</u>	<u>82,709</u>	<u>37,537</u>	<u>23,038</u>	<u>84,623</u>	<u>1,373</u>
Expenditures:							
Salaries and benefits	-	-	-	-	-	-	-
Supplies and services	64,543	4,048	96,013	14,103	21,781	-	-
Special projects and studies	-	-	10,016	-	-	25,669	4,899
Capital outlay	-	-	-	-	-	1,790,723	40,990
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>64,543</u>	<u>4,048</u>	<u>106,029</u>	<u>14,103</u>	<u>21,781</u>	<u>1,816,392</u>	<u>45,889</u>
Excess of revenues over (under) expenditures	<u>(44,551)</u>	<u>18,624</u>	<u>(23,320)</u>	<u>23,434</u>	<u>1,257</u>	<u>(1,731,769)</u>	<u>(44,516)</u>
Other Financing Sources (Uses):							
Transfers in	-	-	-	-	840	1,719,331	-
Transfers out	-	-	-	-	-	(3,589)	(1,717,777)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>840</u>	<u>1,715,742</u>	<u>(1,717,777)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(44,551)</u>	<u>18,624</u>	<u>(23,320)</u>	<u>23,434</u>	<u>2,097</u>	<u>(16,027)</u>	<u>(1,762,293)</u>
Fund balance, June 30, 2009	<u>240,935</u>	<u>159,250</u>	<u>318,017</u>	<u>136,984</u>	<u>127,189</u>	<u>952,647</u>	<u>2,184,632</u>
Fund balance, June 30, 2010	<u>\$ 196,384</u>	<u>\$ 177,874</u>	<u>\$ 294,697</u>	<u>\$ 160,418</u>	<u>\$ 129,286</u>	<u>\$ 936,620</u>	<u>\$ 422,339</u>

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2010

	<u>Capital Projects Funds</u>		<u>Debt Service Funds</u>				
	<u>Assessment District #8 Construction Fund</u>	<u>Youth Center Construction Fund</u>	<u>Assessment District #3 Debt Service Fund</u>	<u>Assessment District #4 Debt Service Fund</u>	<u>Assessment District #5 Debt Service Fund</u>	<u>Assessment District #7 Debt Service Fund</u>	<u>Assessment District #9 Debt Service Fund</u>
Revenues:							
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,430	\$ 28,057
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-
Use of money and property	16	(5,694)	(4)	730	(25)	(992)	327
Other revenues	-	2,961	-	-	-	-	-
Total revenues	<u>16</u>	<u>(2,733)</u>	<u>(4)</u>	<u>730</u>	<u>(25)</u>	<u>13,438</u>	<u>28,384</u>
Expenditures:							
Salaries and benefits	-	-	-	-	-	-	-
Supplies and services	-	-	748	-	4,269	543	716
Special projects and studies	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	736	2,673
Total expenditures	<u>-</u>	<u>-</u>	<u>748</u>	<u>-</u>	<u>4,269</u>	<u>1,279</u>	<u>3,389</u>
Excess of revenues over (under) expenditures	<u>16</u>	<u>(2,733)</u>	<u>(752)</u>	<u>730</u>	<u>(4,294)</u>	<u>12,159</u>	<u>24,995</u>
Other Financing Sources (Uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</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	<u>16</u>	<u>(2,733)</u>	<u>(752)</u>	<u>730</u>	<u>(4,294)</u>	<u>12,159</u>	<u>24,995</u>
Fund balance, June 30, 2009	<u>1,042</u>	<u>2,733</u>	<u>752</u>	<u>47,951</u>	<u>4,294</u>	<u>(82,493)</u>	<u>(33,740)</u>
Fund balance, June 30, 2010	<u>\$ 1,058</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,681</u>	<u>\$ -</u>	<u>\$ (70,334)</u>	<u>\$ (8,745)</u>

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2010

	Debt Service Funds				
	Assessment District #10 Debt Service Fund	2005 Redevelopment Bond Debt Service Fund	1992 Street Assessment Improvement Fund	1993 Camino Real Improvement Bonds Fund	TOTALS
Revenues:					
Taxes and assessments	\$ 3,632	\$ 703,777	\$ -	\$ 128,509	\$ 1,366,089
Licenses and permits	-	-	-	-	523,320
Intergovernmental revenues	-	-	-	-	1,680,491
Use of money and property	9	5,049	2,580	4,142	111,591
Other revenues	-	-	-	-	12,621
Total revenues	<u>3,641</u>	<u>708,826</u>	<u>2,580</u>	<u>132,651</u>	<u>3,694,112</u>
Expenditures:					
Salaries and benefits	-	-	-	-	347,565
Supplies and services	-	2,200	-	2,434	692,023
Special projects and studies	-	-	-	-	261,165
Capital outlay	-	-	-	-	2,760,819
Debt service:					
Principal	-	275,000	-	130,000	405,000
Interest	336	569,917	-	37,078	610,740
Total expenditures	<u>336</u>	<u>847,117</u>	<u>-</u>	<u>169,512</u>	<u>5,077,312</u>
Excess of revenues over (under) expenditures	<u>3,305</u>	<u>(138,291)</u>	<u>2,580</u>	<u>(36,861)</u>	<u>(1,383,200)</u>
Other Financing Sources (Uses):					
Operating transfers in	-	-	-	-	2,079,069
Operating transfers out	-	-	-	-	(2,228,627)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(149,558)</u>
Excess of revenues and other sources over (under) expenditures and other uses	3,305	(138,291)	2,580	(36,861)	(1,532,758)
Fund balance, June 30, 2009	<u>(7,199)</u>	<u>1,567,047</u>	<u>170,652</u>	<u>468,818</u>	<u>10,307,941</u>
Fund balance, June 30, 2010	<u>\$ (3,894)</u>	<u>\$ 1,428,756</u>	<u>\$ 173,232</u>	<u>\$ 431,957</u>	<u>\$ 8,775,183</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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
S.L.E.S.F. Grant	\$ 72,290	\$ 172,290	\$ 55,827	\$ (116,463)
Interest income	2,000	2,000	1,572	(428)
Total revenues	74,290	174,290	57,399	(116,891)
Expenditures:				
Employee services	11,080	32,590	8,130	24,460
Operating supplies	25,000	11,050	4,596	6,454
Contract services	-	-	1,344	(1,344)
Special projects and purchases:				
Automatic external defibrillator	15,000	15,430	15,424	6
Dispatch center technology upgrades	10,000	-	-	-
Radar equipment	5,670	-	-	-
Surveillance Equipment	10,000	-	-	-
Critical response equipment	-	16,350	9,709	6,641
Speed survey	-	19,000	13,269	5,731
Capital outlay:				
Emergency operations center upgrade	-	79,830	5,759	74,071
Phone logger / recorded	-	2,500	-	2,500
Total expenditures	76,750	176,750	58,231	118,519
Excess of revenues over (under) expenditures	\$ (2,460)	\$ (2,460)	(832)	\$ 1,628
Fund balance, June 30, 2009			3,151	
Fund balance, June 30, 2010			\$ 2,319	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ 139	\$ 139
Total revenues	-	-	139	139
Expenditures:				
Contract services- Main Street Program	8,240	5,030	-	5,030
Total expenditures	8,240	5,030	-	5,030
Excess of revenues over (under) expenditures	(8,240)	(5,030)	139	5,169
Other Financing Sources (Uses):				
Transfer to Redevelopment Agency Fund for tourism, marketing and promotion	-	(3,210)	(3,210)	-
Total other financing sources (uses)	-	(3,210)	(3,210)	-
Excess of revenues and other sources over (under) expenditures and other uses	\$ (8,240)	\$ (8,240)	(3,071)	\$ 5,169
Fund balance, June 30, 2009			9,142	
Fund balance, June 30, 2010			\$ 6,071	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Community Development Block Grant	\$ 368,700	\$ 368,700	\$ 106,954	\$ (261,746)
CDBG ARRA- Lewis Avenue Barrier Removal	-	49,950	47,053	(2,897)
Total revenues	368,700	418,650	154,007	(264,643)
Expenditures:				
Administration:				
CDBG General Administration	44,130	33,950	11,822	22,128
ARRA Project Administration	-	4,990	3,814	1,176
Special projects and studies:				
Senior Volunteer Services	1,960	1,960	1,960	-
El Camino Homeless Organization	12,750	12,750	12,750	-
North County Women's Shelter Projects	12,870	12,840	734	12,106
Loaves & Fishes Groceries	6,860	6,860	6,860	-
Youth Scholarships	2,520	2,520	2,519	1
Youth Mentor Program	1,960	1,960	1,960	-
Hotline of SLO County Capacity Building	3,400	3,400	-	3,400
People's Self Help Housing Remodel	15,320	15,320	-	15,320
Literacy Programs- Literacy Council	980	980	980	-
PSHHC Homebuyers Education	980	980	980	-
Sidewalk Improvement Project IV - San Andres	109,220	51,410	51,404	6
Sidewalk Improvement Project V	155,750	90,170	-	90,170
South El Camino Real Barrier Removal	-	101,480	7,394	94,086
Lewis Avenue Barrier Removal - ARRA Project	-	24,960	23,847	1,113
Capital outlay:				
Paloma Park Walkway Barrier Removal	-	17,830	3,196	14,634
Lake Park Walkway Barrier Removal	-	14,290	4,395	9,895
Lewis Avenue Barrier Removal - ARRA Project	-	20,000	19,392	608
Total expenditures	368,700	418,650	154,007	264,643
Excess of revenues over (under) expenditures	\$ -	\$ -	-	\$ -
Fund balance, June 30, 2009			-	
Fund balance, June 30, 2010			\$ -	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Permits and fees	\$ 5,000	\$ 5,000	\$ 9,642	\$ 4,642
Interest income	16,200	16,200	8,089	(8,111)
Total revenues	<u>21,200</u>	<u>21,200</u>	<u>17,731</u>	<u>(3,469)</u>
Expenditures:				
Employee Services	15,730	17,190	17,150	40
Operating supplies	10,000	1,950	-	1,950
Special projects and studies:				
Native Tree Re-Planting Project	<u>25,530</u>	<u>32,120</u>	<u>32,114</u>	<u>6</u>
Total expenditures	<u>51,260</u>	<u>51,260</u>	<u>49,264</u>	<u>1,996</u>
Excess of revenues over (under) expenditures	<u>\$ (30,060)</u>	<u>\$ (30,060)</u>	<u>(31,533)</u>	<u>\$ (1,473)</u>
Fund balance, June 30, 2009			<u>563,596</u>	
Fund balance, June 30, 2010			<u>\$ 532,063</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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Section 2105 highway users tax	\$ 154,210	\$ 154,210	\$ 155,891	\$ 1,681
Section 2106 highway users tax	121,280	121,280	127,492	6,212
Section 2107 highway users tax	201,890	201,890	207,769	5,879
Section 2107.5 highway users tax	6,000	6,000	6,000	-
Interest income	6,400	6,400	5,625	(775)
Other revenues	-	3,770	4,564	794
Total revenues	<u>489,780</u>	<u>493,550</u>	<u>507,341</u>	<u>13,791</u>
Expenditures:				
Salaries and benefits	356,140	340,310	322,285	18,025
Advertising	-	370	361	9
Computer maintenance & replacement	5,010	5,010	5,010	-
Insurance	24,690	24,690	24,640	50
Occupancy	500	920	415	505
Utilities	65,000	65,000	63,071	1,929
Communications	3,200	3,200	2,041	1,159
Operating supplies and equipment	44,890	47,470	46,236	1,234
Vehicle and equipment operations	35,640	29,880	20,419	9,461
Contract services	119,250	125,010	125,003	7
Professional development	1,800	1,380	571	809
Administrative charges	160,580	160,580	160,580	-
Special projects:				
October Storms (2009)	-	16,650	16,648	2
Total expenditures	<u>816,700</u>	<u>820,470</u>	<u>787,280</u>	<u>33,190</u>
Excess of revenues over (under) expenditures	<u>(326,920)</u>	<u>(326,920)</u>	<u>(279,939)</u>	<u>46,981</u>
Other Financing Sources (Uses):				
Transfer from General Fund for street maintenance	117,080	117,080	117,080	-
Transfer from AB2928 Fund for streets projects	125,000	125,000	125,000	-
Total other financing sources (uses)	<u>242,080</u>	<u>242,080</u>	<u>242,080</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (84,840)</u>	<u>\$ (84,840)</u>	<u>(37,859)</u>	<u>\$ 46,981</u>
Fund balance, June 30, 2009			519,847	
Fund balance, June 30, 2010			<u>\$ 481,988</u>	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
AB2928- Traffic Congestion Relief	\$ 270,430	\$ 270,430	\$ 257,473	\$ (12,957)
Interest income	920	920	776	(144)
Total revenues	<u>271,350</u>	<u>271,350</u>	<u>258,249</u>	<u>(13,101)</u>
Expenditures:				
Capital projects:				
Sinaloa Cross Gutter project	34,480	34,480	31,348	3,132
El Verano Overlay Project	27,840	27,840	11,558	16,282
San Luis Surface Treatment	145,800	145,800	-	145,800
San Ramon Overlay	36,000	36,000	1,968	34,032
Total expenditures	<u>244,120</u>	<u>244,120</u>	<u>44,874</u>	<u>199,246</u>
Excess of revenues over (under) expenditures	<u>27,230</u>	<u>27,230</u>	<u>213,375</u>	<u>186,145</u>
Other Financing Sources (Uses):				
Transfer to Gas Tax Fund for asphalt	(125,000)	(125,000)	(125,000)	-
Total other financing sources (uses)	<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (97,770)</u>	<u>\$ (97,770)</u>	88,375	<u>\$ 186,145</u>
Fund balance, June 30, 2009			<u>112,090</u>	
Fund balance, June 30, 2010			<u>\$ 200,465</u>	

CITY OF ATASCADERO

LOCAL TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local Transportation Tax - Article 3 Bike Paths	\$ 18,830	\$ 18,830	\$ 15,601	\$ (3,229)
Local Transportation Tax - Article 8 Streets	491,040	491,040	316,703	(174,337)
Safe Routes to School Grant - San Gabriel Project	374,750	374,750	304,670	(70,080)
School Contribution - San Gabriel Routes to School	18,740	18,740	15,233	(3,507)
Interest income	30,950	30,950	8,784	(22,166)
Total revenues	934,310	934,310	660,991	(273,319)
Expenditures:				
Special projects:				
Minor Bridge Repair	25,000	25,000	-	25,000
Santa Rosa @ Atascadero Lake Bridge Study	25,000	25,000	141	24,859
Five Year Road Maintenance Project	8,140	8,140	10,071	(1,931)
Capital outlay:				
San Andres Road Rehabilitation Project	303,790	303,790	238,049	65,741
Atascadero Avenue Rehabilitation Project	11,520	11,520	1,918	9,602
Plata / La Linea Paving Project	11,580	11,580	63	11,517
Solano Paving Project	48,020	48,020	51,469	(3,449)
East Front Overlay	52,650	52,650	525	52,125
San Gabriel Routes to School Project	412,220	412,220	335,137	77,083
Old Morro Road Slope Repair	69,980	69,980	703	69,277
Total expenditures	967,900	967,900	638,076	329,824
Excess of revenues over (under) expenditures	(33,590)	(33,590)	22,915	56,505
Other Financing Sources (Uses):				
Transfer to Capital Projects Fund for the Atascadero Creek Trail Project	(10,000)	(10,000)	(5,870)	4,130
Transfer to Circulation System Fees Fund for a portion of the Lewis Avenue Bridge Project	(7,690)	(7,690)	(3,589)	4,101
Total other financing sources (uses)	(17,690)	(17,690)	(9,459)	8,231
Excess of revenues and other sources over (under) expenditures and other uses	\$ (51,280)	\$ (51,280)	13,456	\$ 64,736
Fund balance, June 30, 2009			921,690	
Fund balance, June 30, 2010			\$ 935,146	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments- Lobos Lane	\$ 280	\$ 280	\$ 280	\$ -
Taxes and special assessments- Sonora / Pinal	360	360	360	-
Taxes and special assessments- Maleza	180	180	180	-
Taxes and special assessments- San Fernando	580	580	580	-
Taxes and special assessments- Aguila	100	100	100	-
Taxes and special assessments- Pinal / Escarpa	140	140	180	40
Taxes and special assessments- Cayucos	220	220	220	-
Taxes and special assessments- Falda	240	240	240	-
Interest income	1,540	1,540	782	(758)
Total revenues	<u>3,640</u>	<u>3,640</u>	<u>2,922</u>	<u>(718)</u>
Excess of revenues over (under) expenditures	<u>\$ 3,640</u>	<u>\$ 3,640</u>	<u>2,922</u>	<u>\$ (718)</u>
Fund balance, June 30, 2009			<u>49,863</u>	
Fund balance, June 30, 2010			<u>\$ 52,785</u>	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 15,750	\$ 15,750	\$ 17,995	\$ 2,245
Interest income (expense)	(9,900)	(9,900)	(4,763)	5,137
Total revenues	5,850	5,850	13,232	7,382
Excess of revenues over (under) expenditures	\$ 5,850	\$ 5,850	13,232	\$ 7,382
Fund balance, June 30, 2009			(332,735)	
Fund balance, June 30, 2010			\$ (319,503)	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 264,350	\$ 264,350	\$ 292,240	\$ 27,890
STIP - Rosario Study	120,000	120,000	-	(120,000)
Interest income	12,560	12,560	14,261	1,701
Total revenues	<u>396,910</u>	<u>396,910</u>	<u>306,501</u>	<u>(90,409)</u>
Expenditures:				
Special projects and studies:				
Minor interchange improvements	125,640	125,640	6,007	119,633
Rosario NB Auzillary Lane Study	120,000	120,000	-	120,000
Capital outlay:				
Lewis Avenue Bridge Project	44,200	44,200	20,636	23,564
Total expenditures	<u>289,840</u>	<u>289,840</u>	<u>26,643</u>	<u>263,197</u>
Excess of revenues over (under) expenditures	<u>107,070</u>	<u>107,070</u>	<u>279,858</u>	<u>172,788</u>
Other Financing Sources (Uses):				
Transfer from 2005 Redevelopment Bond Project Fund for the Lewis Avenue Bridge Project	15,380	15,380	7,178	(8,202)
Transfer from Capital Projects Fund for the Lewis Avenue Bridge Project	7,690	7,690	3,589	(4,101)
Transfer from Local Transportation Fund for the Lewis Avenue Bridge Project	7,690	7,690	3,589	(4,101)
Total other financing sources (uses)	<u>30,760</u>	<u>30,760</u>	<u>14,356</u>	<u>(16,404)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ 137,830</u>	<u>\$ 137,830</u>	<u>294,214</u>	<u>\$ 156,384</u>
Fund balance, June 30, 2009			<u>384,362</u>	
Fund balance, June 30, 2010			<u>\$ 678,576</u>	

CITY OF ATASCADERO

STORM DRAINAGE FACILITIES FEES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 25,220	\$ 25,220	\$ 28,591	\$ 3,371
Interest income	19,490	19,490	11,895	(7,595)
Total revenues	44,710	44,710	40,486	(4,224)
Expenditures:				
Special projects				
Drainage System Atlas	23,110	23,110	66	23,044
Atascadero Creek Corps of Engineering	15,000	15,000	-	15,000
Atascadero Creek Cleanout at Portola	50,000	50,000	5,744	44,256
Capital projects:				
2006 Marchant Avenue Drainage	40,000	40,000	3,775	36,225
San Jacinto @ Traffic Way Drainage Project	140,610	140,610	1,147	139,463
2009/2011 Drainage Improvement Project	28,000	28,000	694	27,306
Total expenditures	296,720	296,720	11,426	285,294
Excess of revenues over (under) expenditures	(252,010)	(252,010)	29,060	281,070
Other Financing Sources (Uses):				
Transfer from Amapoa Tecorida Drainage Impact Fee Fund for the Marchant Drainage Project	40,000	40,000	3,775	(36,225)
Total other financing sources (uses)	40,000	40,000	3,775	(36,225)
Excess of revenues and other sources over (under) expenditures and other uses	\$ (212,010)	\$ (212,010)	32,835	\$ 244,845
Fund balance, June 30, 2009			763,042	
Fund balance, June 30, 2010			\$ 795,877	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ 1,970	\$ 1,970	\$ 1,343	\$ (627)
Total revenues	1,970	1,970	1,343	(627)
Excess of revenues over (under) expenditures	1,970	1,970	1,343	(627)
Other Financing Sources (Uses):				
Transfer to the Storm Drainage Facilities Fees Fund for the Marchant Drainage Project	(40,000)	(40,000)	(3,775)	36,225
Total other financing sources (uses)	(40,000)	(40,000)	(3,775)	36,225
Excess of revenues and other sources over (under) expenditures and other uses	\$ (38,030)	\$ (38,030)	(2,432)	\$ 35,598
Fund balance, June 30, 2009			90,428	
Fund balance, June 30, 2010			\$ 87,996	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 21,790	\$ 21,790	\$ 21,379	\$ (411)
Interest income	770	770	490	(280)
Total revenues	<u>22,560</u>	<u>22,560</u>	<u>21,869</u>	<u>(691)</u>
Excess of revenues over (under) expenditures	<u>\$ 22,560</u>	<u>\$ 22,560</u>	<u>21,869</u>	<u>\$ (691)</u>
Fund balance, June 30, 2009			<u>16,487</u>	
Fund balance, June 30, 2010			<u>\$ 38,356</u>	

CITY OF ATASCADERO
FIRE FACILITIES FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 29,160	\$ 29,160	\$ 28,013	\$ (1,147)
Rental income	10,800	10,800	11,700	900
Interest income	21,080	21,080	10,776	(10,304)
Total revenues	61,040	61,040	50,489	(10,551)
Excess of revenues over (under) expenditures	\$ 61,040	\$ 61,040	50,489	\$ (10,551)
Fund balance, June 30, 2009			677,507	
Fund balance, June 30, 2010			\$ 727,996	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 31,080	\$ 31,080	\$ 24,700	\$ (6,380)
Interest income	10,500	10,500	5,007	(5,493)
Total revenues	41,580	41,580	29,707	(11,873)
Excess of revenues over (under) expenditures	41,580	41,580	29,707	(11,873)
Other Financing Sources (Uses):				
Transfer to the Park Impact Fund for Stadium Park	(98,800)	(98,800)	(98,687)	113
Total other financing sources (uses)	(98,800)	(98,800)	(98,687)	113
Excess of revenues and other sources over (under) expenditures and other uses	\$ (57,220)	\$ (57,220)	(68,980)	\$ (11,760)
Fund balance, June 30, 2009			436,951	
Fund balance, June 30, 2010			\$ 367,971	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 91,020	\$ 91,020	\$ 67,522	\$ (23,498)
Fire Safe Council Grant	-	37,000	-	(37,000)
Interest income	5,170	5,170	2,904	(2,266)
Total revenues	<u>96,190</u>	<u>133,190</u>	<u>70,426</u>	<u>(62,764)</u>
Expenditures:				
Special projects				
Stadium Park Study	-	37,000	-	37,000
Capital outlay:				
Stadium Park Easement	197,600	197,600	197,374	226
Total expenditures	<u>197,600</u>	<u>234,600</u>	<u>197,374</u>	<u>37,226</u>
Excess of revenues over (under) expenditures	<u>(101,410)</u>	<u>(101,410)</u>	<u>(126,948)</u>	<u>(25,538)</u>
Other Financing Sources (Uses):				
Transfer from the Open Space Acquisition Fees Fund for Stadium Park Easement	98,800	98,800	98,687	(113)
Total other financing sources (uses)	<u>98,800</u>	<u>98,800</u>	<u>98,687</u>	<u>(113)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (2,610)</u>	<u>\$ (2,610)</u>	<u>(28,261)</u>	<u>\$ (25,651)</u>
Fund balance, June 30, 2009			<u>238,907</u>	
Fund balance, June 30, 2010			<u>\$ 210,646</u>	

CITY OF ATASCADERO
PUBLIC FACILITIES FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 25,450	\$ 25,450	\$ 18,776	\$ (6,674)
Interest income	3,150	3,150	1,775	(1,375)
Total revenues	<u>28,600</u>	<u>28,600</u>	<u>20,551</u>	<u>(8,049)</u>
Excess of revenues over expenditures	<u>\$ 28,600</u>	<u>\$ 28,600</u>	20,551	<u>\$ (8,049)</u>
Fund balance, June 30, 2009			<u>98,682</u>	
Fund balance, June 30, 2010			<u>\$ 119,233</u>	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 14,280	\$ 14,280	\$ 14,113	\$ (167)
Interest income	5,650	5,650	2,923	(2,727)
Total revenues	19,930	19,930	17,036	(2,894)
Excess of revenues over expenditures	\$ 19,930	\$ 19,930	17,036	\$ (2,894)
Fund balance, June 30, 2009			180,842	
Fund balance, June 30, 2010			\$ 197,878	

CITY OF ATASCADERO

FIRE AERIAL VEHICLE IMPACT FEES FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 3,790	\$ 3,790	\$ 349	\$ (3,441)
Interest income (expense)	-	-	(12,170)	(12,170)
Total revenues	<u>3,790</u>	<u>3,790</u>	<u>(11,821)</u>	<u>(15,611)</u>
Excess of revenues over (under) expenditures	<u>\$ 3,790</u>	<u>\$ 3,790</u>	<u>(11,821)</u>	<u>\$ (15,611)</u>
Fund balance, June 30, 2009			<u>(824,792)</u>	
Fund balance, June 30, 2010			<u>\$ (836,613)</u>	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 272,120	\$ 272,120	\$ 278,711	\$ 6,591
Interest income	20	20	(863)	(883)
Total revenues	<u>272,140</u>	<u>272,140</u>	<u>277,848</u>	<u>5,708</u>
Expenditures:				
Contract services	<u>5,000</u>	<u>5,000</u>	<u>4,757</u>	<u>243</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>4,757</u>	<u>243</u>
Excess of revenues over (under) expenditures	<u>267,140</u>	<u>267,140</u>	<u>273,091</u>	<u>5,951</u>
Other Financing Sources (Uses):				
Transfer to the General Fund for police, fire and parks services	<u>(267,130)</u>	<u>(267,130)</u>	<u>(267,130)</u>	<u>-</u>
Total other financing sources (uses)	<u>(267,130)</u>	<u>(267,130)</u>	<u>(267,130)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ 10</u>	<u>\$ 10</u>	<u>5,961</u>	<u>\$ 5,951</u>
Fund balance, June 30, 2009			<u>-</u>	
Fund balance, June 30, 2010			<u>\$ 5,961</u>	

CITY OF ATASCADEROAPPLE VALLEY STREET & STORM DRAIN ASSESSMENT DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 35,890	\$ 35,890	\$ 35,749	\$ (141)
Interest income	3,900	3,900	2,469	(1,431)
Total revenues	<u>39,790</u>	<u>39,790</u>	<u>38,218</u>	<u>(1,572)</u>
Expenditures:				
Advertising	-	-	400	(400)
Contract services	44,020	44,020	5,056	38,964
Administration	4,030	4,030	489	3,541
Total expenditures	<u>48,050</u>	<u>48,050</u>	<u>5,945</u>	<u>42,105</u>
Excess of revenues over expenditures	<u>\$ (8,260)</u>	<u>\$ (8,260)</u>	32,273	<u>\$ 40,533</u>
Fund balance, June 30, 2009			<u>139,370</u>	
Fund balance, June 30, 2010			<u>\$ 171,643</u>	

CITY OF ATASCADEROAPPLE VALLEY LANDSCAPE & LIGHTING ASSESSMENT DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 16,670	\$ 16,670	\$ 16,530	\$ (140)
Interest income	6,130	6,130	3,462	(2,668)
Total revenues	<u>22,800</u>	<u>22,800</u>	<u>19,992</u>	<u>(2,808)</u>
Expenditures:				
Advertising	-	-	665	(665)
Utilities	9,480	9,480	11,187	(1,707)
Operating supplies	900	900	786	114
Contract services	46,390	46,390	51,144	(4,754)
Administration	10,750	10,750	761	9,989
Total expenditures	<u>67,520</u>	<u>67,520</u>	<u>64,543</u>	<u>2,977</u>
Excess of revenues over (under) expenditures	<u>\$ (44,720)</u>	<u>\$ (44,720)</u>	<u>(44,551)</u>	<u>\$ 169</u>
Fund balance, June 30, 2009			<u>240,935</u>	
Fund balance, June 30, 2010			<u>\$ 196,384</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, 2010**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 20,410	\$ 20,410	\$ 20,046	\$ (364)
Interest income	4,850	4,850	2,626	(2,224)
Total revenues	<u>25,260</u>	<u>25,260</u>	<u>22,672</u>	<u>(2,588)</u>
Expenditures:				
Advertising	-	-	400	(400)
Contract services	4,170	4,170	3,204	966
Administration	4,030	4,030	444	3,586
Total expenditures	<u>8,200</u>	<u>8,200</u>	<u>4,048</u>	<u>4,152</u>
Excess of revenues over (under) expenditures	<u>\$ 17,060</u>	<u>\$ 17,060</u>	18,624	<u>\$ 1,564</u>
Fund balance, June 30, 2009			<u>159,250</u>	
Fund balance, June 30, 2010			<u>\$ 177,874</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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 78,440	\$ 78,440	\$ 78,081	\$ (359)
Interest income	8,250	8,250	4,628	(3,622)
Total revenues	<u>86,690</u>	<u>86,690</u>	<u>82,709</u>	<u>(3,981)</u>
Expenditures:				
Office expense	-	-	81	(81)
Advertising	-	-	642	(642)
Utilities	16,800	16,800	6,694	10,106
Operating supplies	500	500	9,289	(8,789)
Contract services	125,040	125,040	78,690	46,350
Administration	10,750	10,750	617	10,133
Special projects:				
Planting and landscape project	-	-	10,016	(10,016)
Total expenditures	<u>153,090</u>	<u>153,090</u>	<u>106,029</u>	<u>47,061</u>
Excess of revenues over (under) expenditures	<u>\$ (66,400)</u>	<u>\$ (66,400)</u>	<u>(23,320)</u>	<u>\$ 43,080</u>
Fund balance, June 30, 2009			<u>318,017</u>	
Fund balance, June 30, 2010			<u>\$ 294,697</u>	

CITY OF ATASCADERO**DE ANZA STREET & STORM DRAIN ASSESSMENT DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2010**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 35,450	\$ 35,450	\$ 35,283	\$ (167)
Interest income	4,000	4,000	2,254	(1,746)
Total revenues	<u>39,450</u>	<u>39,450</u>	<u>37,537</u>	<u>(1,913)</u>
Expenditures:				
Advertising	-	-	400	(400)
Contract services	30,790	30,790	13,372	17,418
Administration	4,400	4,400	331	4,069
Total expenditures	<u>35,190</u>	<u>35,190</u>	<u>14,103</u>	<u>21,087</u>
Excess of revenues over expenditures	<u>\$ 4,260</u>	<u>\$ 4,260</u>	23,434	<u>\$ 19,174</u>
Fund balance, June 30, 2009			<u>136,984</u>	
Fund balance, June 30, 2010			<u>\$ 160,418</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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 21,320	\$ 21,320	\$ 21,144	\$ (176)
Interest income	4,250	4,250	1,894	(2,356)
Total revenues	25,570	25,570	23,038	(2,532)
Expenditures:				
Advertising	-	-	665	(665)
Operating supplies	150	150	260	(110)
Contract services	28,430	28,430	20,294	8,136
Administration	10,750	10,750	562	10,188
Total expenditures	39,330	39,330	21,781	17,549
Excess of revenues over (under) expenditures	(13,760)	(13,760)	1,257	15,017
Other Financing Sources (Uses):				
Transfer from the General Fund for open space maintenance	840	840	840	-
Total other financing sources (uses)	840	840	840	-
Excess of revenues and other sources over (under) expenditures and other uses	\$ (12,920)	\$ (12,920)	2,097	\$ 15,017
Fund balance, June 30, 2009			127,189	
Fund balance, June 30, 2010			\$ 129,286	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
STIP Funds- Downtown Streetscape II	\$ 375,000	\$ -	\$ -	\$ -
ARRA Local Grant- Santa Rosa Road Rehabilitation	513,000	513,000	25,454	(487,546)
RSHA- Santa Rosa Road Rehabilitation	256,000	256,000	12,702	(243,298)
ARRA Regional Grant- Downtown Streetscape III	685,000	685,000	-	(685,000)
State River Parkways Grant- Creek Trail Project	15,000	15,000	-	(15,000)
SLOCOG Grant- Curbaril Park & Ride	45,260	45,260	25,669	(19,591)
Interest income	20,270	20,270	15,702	(4,568)
Donations- LINK Pedestrian Tunnel	-	3,070	3,071	1
Miscellaneous revenues	-	-	2,025	2,025
Total revenues	<u>1,909,530</u>	<u>1,537,600</u>	<u>84,623</u>	<u>(1,452,977)</u>
Expenditures:				
Special projects:				
Curbaril Park and Ride Improvements	45,260	45,260	25,669	19,591
Capital outlay:				
Downtown Streetscape Improvements II	1,561,320	1,630,320	1,627,241	3,079
Downtown Streetscape Improvements III	1,420,000	979,070	86,429	892,641
Santa Rosa Road Rehabilitation	1,308,160	1,308,160	68,321	1,239,839
Lake Park Sign & Frontage	-	430,180	2,862	427,318
Atascadero Creek Trail Enhancement Project	25,000	25,000	5,870	19,130
Total expenditures	<u>4,359,740</u>	<u>4,417,990</u>	<u>1,816,392</u>	<u>2,601,598</u>
Excess of revenues over (under) expenditures	<u>(2,450,210)</u>	<u>(2,880,390)</u>	<u>(1,731,769)</u>	<u>1,148,621</u>

CITY OF ATASCADERO

CAPITAL PROJECTS FUND

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

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources:				
Transfer from the 2005 RDA Bond Project Fund for the Downtown Streetscape II Project	\$ 1,186,320	\$ 1,627,250	\$ 1,624,170	\$ (3,080)
Transfer from the 2005 RDA Bond Project Fund for the Downtown Streetscape III Project	655,500	214,570	86,429	(128,141)
Transfer from the RDA Fund for the Downtown Streetscape III Project	79,500	79,500	-	(79,500)
Transfer from the Local Transportation Fund for the Atascadero Creek Trail Enhancement Project	10,000	10,000	5,870	(4,130)
Transfer from the RDA Fund for the Lake Park Frontage Project	-	430,180	2,862	(427,318)
Transfer to Circulation Impact Fee Fund for the Lewis Avenue Bridge Project	(7,690)	(7,690)	(3,589)	4,101
Total other financing sources	1,923,630	2,353,810	1,715,742	(638,068)
Excess of revenues and other sources over (under) expenditures	\$ (526,580)	\$ (526,580)	(16,027)	\$ 510,553
Fund balance, June 30, 2009			952,647	
Fund balance, June 30, 2010			\$ 936,620	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ 31,630	\$ 31,630	\$ 1,373	\$ (30,257)
Total revenues	31,630	31,630	1,373	(30,257)
Expenditures:				
Special projects & community funding:				
Downtown Lighting Projects	77,100	77,100	4,899	72,201
Capital outlay:				
Maiden Statue Restoration Project	286,880	286,880	40,990	245,890
Total expenditures	363,980	363,980	45,889	318,091
Excess of revenues over (under) expenditures	(332,350)	(332,350)	(44,516)	287,834
Other Financing Sources:				
Transfer to Circulation System Fee Fund for the Lewis Avenue Bridge Project	(15,380)	(15,380)	(7,178)	8,202
Transfer to the Capital Projects Fund for Downtown Streetscape Improvements, Phase II	(1,186,320)	(1,627,250)	(1,624,170)	3,080
Transfer to the Capital Projects Fund for Downtown Streetscape Improvements, Phase III	(655,500)	(214,570)	(86,429)	128,141
Total other financing sources (uses)	(1,857,200)	(1,857,200)	(1,717,777)	139,423
Excess of revenues and other sources over (under) expenditures and other uses	\$ (2,189,550)	\$ (2,189,550)	(1,762,293)	\$ 427,257
Fund balance, June 30, 2009			2,184,632	
Fund balance, June 30, 2010			\$ 422,339	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ 16	\$ 16
Total revenues	-	-	16	16
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	16	<u>\$ 16</u>
Fund balance, June 30, 2009			<u>1,042</u>	
Fund balance, June 30, 2010			<u>\$ 1,058</u>	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income (expense)	\$ -	\$ -	\$ (5,694)	\$ (5,694)
Donations	16,490	16,490	2,961	(13,529)
Total revenues	16,490	16,490	(2,733)	(19,223)
Expenditures:				
Capital outlay:				
Youth / Community Center	19,230	19,230	-	19,230
Total expenditures	19,230	19,230	-	19,230
Excess of revenues over (under) expenditures	\$ (2,740)	\$ (2,740)	(2,733)	\$ 7
Fund balance, June 30, 2009			2,733	
Fund balance, June 30, 2010			\$ -	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income (expense)	\$ 20	\$ 20	\$ (4)	\$ (24)
Total revenues	20	20	(4)	(24)
Expenditures:				
Services	770	770	748	22
Total expenditures	770	770	748	22
Excess of revenues over expenditures	\$ (750)	\$ (750)	(752)	\$ (2)
Fund balance, June 30, 2009			752	
Fund balance, June 30, 2010			\$ -	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and Assessments	\$ (41,500)	\$ (41,500)	\$ -	\$ 41,500
Interest income	700	700	730	30
Total revenues	<u>(40,800)</u>	<u>(40,800)</u>	<u>730</u>	<u>41,530</u>
Expenditures:				
Services	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Excess of revenues over (under) expenditures	<u>\$ (47,800)</u>	<u>\$ (47,800)</u>	<u>730</u>	<u>\$ 48,530</u>
Fund balance, June 30, 2009			<u>47,951</u>	
Fund balance, June 30, 2010			<u>\$ 48,681</u>	

CITY OF ATASCADERO

ASSESSMENT DISTRICT #5 DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ (25)	\$ (25)
Total revenues	-	-	(25)	(25)
Expenditures:				
Services	-	-	4,269	(4,269)
Total expenditures	-	-	4,269	(4,269)
Excess of revenues over (under) expenditures	\$ -	\$ -	(4,294)	\$ (4,294)
Fund balance, June 30, 2009			4,294	
Fund balance, June 30, 2010			\$ -	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 17,420	\$ 17,420	\$ 14,430	\$ (2,990)
Interest income (expense)	(1,970)	(1,970)	(992)	978
Total revenues	<u>15,450</u>	<u>15,450</u>	<u>13,438</u>	<u>(2,012)</u>
Expenditures:				
Services	750	750	543	207
Interest	<u>740</u>	<u>740</u>	<u>736</u>	<u>4</u>
Total expenditures	<u>1,490</u>	<u>1,490</u>	<u>1,279</u>	<u>211</u>
Excess of revenues over (under) expenditures	<u>\$ 13,960</u>	<u>\$ 13,960</u>	12,159	<u>\$ (1,801)</u>
Fund balance, June 30, 2009			<u>(82,493)</u>	
Fund balance, June 30, 2010			<u>\$ (70,334)</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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 27,750	\$ 27,750	\$ 28,057	\$ 307
Interest income	760	760	327	(433)
Total revenues	<u>28,510</u>	<u>28,510</u>	<u>28,384</u>	<u>(126)</u>
Expenditures:				
Services	900	900	716	184
Interest	<u>2,670</u>	<u>2,670</u>	<u>2,673</u>	<u>(3)</u>
Total expenditures	<u>3,570</u>	<u>3,570</u>	<u>3,389</u>	<u>181</u>
Excess of revenues over expenditures	<u>\$ 24,940</u>	<u>\$ 24,940</u>	24,995	<u>\$ 55</u>
Fund balance, June 30, 2009			<u>(33,740)</u>	
Fund balance, June 30, 2010			<u>\$ (8,745)</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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 3,660	\$ 3,660	\$ 3,632	\$ (28)
Interest income	40	40	9	(31)
Total revenues	<u>3,700</u>	<u>3,700</u>	<u>3,641</u>	<u>(59)</u>
Expenditures:				
Interest	<u>350</u>	<u>350</u>	<u>336</u>	<u>14</u>
Total expenditures	<u>350</u>	<u>350</u>	<u>336</u>	<u>14</u>
Excess of revenues over (under) expenditures	<u>\$ 3,350</u>	<u>\$ 3,350</u>	<u>3,305</u>	<u>\$ (45)</u>
Fund balance, June 30, 2009			<u>(7,199)</u>	
Fund balance, June 30, 2010			<u>\$ (3,894)</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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Current secured increment	\$ 845,170	\$ 845,170	\$ 703,777	\$ (141,393)
Interest income	38,240	38,240	5,049	(33,191)
Total revenues	<u>883,410</u>	<u>883,410</u>	<u>708,826</u>	<u>(174,584)</u>
Expenditures:				
Services	2,650	2,650	2,200	450
Principal	275,000	275,000	275,000	-
Interest	569,920	569,920	569,917	3
Total expenditures	<u>847,570</u>	<u>847,570</u>	<u>847,117</u>	<u>453</u>
Excess of revenues over (under) expenditures	<u>\$ 35,840</u>	<u>\$ 35,840</u>	<u>(138,291)</u>	<u>\$ (174,131)</u>
Fund balance, June 30, 2009			<u>1,567,047</u>	
Fund balance, June 30, 2010			<u>\$ 1,428,756</u>	

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, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and Assessments	\$ (158,110)	\$ (158,110)	\$ -	\$ 158,110
Interest income	-	-	2,580	2,580
Total revenues	<u>(158,110)</u>	<u>(158,110)</u>	<u>2,580</u>	<u>160,690</u>
Expenditures:				
Services	<u>7,000</u>	<u>7,000</u>	-	7,000
Total expenditures	<u>7,000</u>	<u>7,000</u>	-	7,000
Excess of revenues over expenditures	<u>\$ (165,110)</u>	<u>\$ (165,110)</u>	2,580	<u>\$ 167,690</u>
Fund balance, June 30, 2009			<u>170,652</u>	
Fund balance, June 30, 2010			<u>\$ 173,232</u>	

CITY OF ATASCADERO

1993 CAMINO REAL IMPROVEMENT BONDS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2010

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 175,600	\$ 175,600	\$ 128,509	\$ (47,091)
Interest income	11,650	11,650	4,142	(7,508)
Total revenues	<u>187,250</u>	<u>187,250</u>	<u>132,651</u>	<u>(54,599)</u>
Expenditures:				
Services	2,870	2,870	2,434	436
Principal	130,000	130,000	130,000	-
Interest	<u>37,080</u>	<u>37,080</u>	<u>37,078</u>	<u>2</u>
Total expenditures	<u>169,950</u>	<u>169,950</u>	<u>169,512</u>	<u>438</u>
Excess of revenues over expenditures	<u>\$ 17,300</u>	<u>\$ 17,300</u>	(36,861)	<u>\$ (54,161)</u>
Fund balance, June 30, 2009			<u>468,818</u>	
Fund balance, June 30, 2010			<u>\$ 431,957</u>	

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2010

	<u>Technology Fund</u>	<u>Vehicle and Equipment Replacement Fund</u>	<u>Building Maintenance and Replacement Fund</u>	<u>Totals</u>
ASSETS				
Current Assets:				
Cash and investments	\$ 1,168,900	\$ 2,341,775	\$ 2,194,491	\$ 5,705,166
Receivables:				
Federal distributions due	1,109	3,850	567,758	572,717
Due from State of California	406	1,284	189,252	190,942
Accrued interest	3,625	7,262	6,913	17,800
Prepaid expenses	11,381	-	-	11,381
Total current assets	<u>1,185,421</u>	<u>2,354,171</u>	<u>2,958,414</u>	<u>6,498,006</u>
Capital Assets:				
Non-depreciable:				
Construction in progress	-	5,000	3,799,402	3,804,402
Depreciable:				
Vehicles	-	3,554,553	-	3,554,553
Equipment	1,932,637	2,656,427	17,714	4,606,778
Structure and improvements	-	-	15,044,529	15,044,529
Accumulated depreciation	(1,590,112)	(2,930,131)	(3,528,413)	(8,048,656)
Net capital assets	<u>342,525</u>	<u>3,285,849</u>	<u>15,333,232</u>	<u>18,961,606</u>
Total assets	<u>1,527,946</u>	<u>5,640,020</u>	<u>18,291,646</u>	<u>25,459,612</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	5,439	-	13,051	18,490
Accrued salaries and benefits	10,083	-	2,212	12,295
Noncurrent Liabilities:				
Compensated absences	8,669	-	15,371	24,040
Total liabilities	<u>24,191</u>	<u>-</u>	<u>30,634</u>	<u>54,825</u>
NET ASSETS				
Invested in capital assets	342,525	3,285,849	15,333,232	18,961,606
Unrestricted	1,161,230	2,354,171	2,927,780	6,443,181
Total net assets	<u>\$ 1,503,755</u>	<u>\$ 5,640,020</u>	<u>\$ 18,261,012</u>	<u>\$ 25,404,787</u>

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Fiscal Year Ended June 30, 2010

	<u>Technology Fund</u>	<u>Vehicle and Equipment Replacement Fund</u>	<u>Building Maintenance and Replacement Fund</u>	<u>Totals</u>
Operating Revenues:				
Charges for services	\$ 685,575	\$ 144,640	\$ 312,200	\$ 1,142,415
Charges for classes	-	-	-	-
Other	280	362	-	642
	<u>685,855</u>	<u>145,002</u>	<u>312,200</u>	<u>1,143,057</u>
Total operating revenues				
Operating Expenses:				
Salaries and benefits	373,577	-	70,992	444,569
Office expense	682	-	-	682
Computer maintenance, software and replacement	-	-	5,340	5,340
Insurance	-	-	27,516	27,516
Occupancy and rental costs	17,360	-	373,596	390,956
Utilities	-	-	45,085	45,085
Communications	6,592	-	1,918	8,510
Operating supplies and services	16,995	-	11,232	28,227
Vehicle and equipment operating costs	540	-	7,685	8,225
Contract services	68,511	-	16,916	85,427
Professional development	2,870	-	120	2,990
Recruitment	32	-	-	32
Administrative charges	32,220	-	57,410	89,630
Special projects:				
Storage Upgrades	23,685	-	-	23,685
Lockers & Cabinets	-	-	415	415
Speaking Services	-	-	-	-
Network Segmentation Study	-	-	-	-
HVAC Units	-	-	-	-
Parking Lot Repairs	-	-	-	-
Depreciation	<u>196,069</u>	<u>442,094</u>	<u>817,810</u>	<u>1,455,973</u>
Total operating expenses	<u>739,133</u>	<u>442,094</u>	<u>1,436,035</u>	<u>2,617,262</u>
Operating income (loss)	<u>(53,278)</u>	<u>(297,092)</u>	<u>(1,123,835)</u>	<u>(1,474,205)</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, 2010

	<u>Technology Fund</u>	<u>Vehicle and Equipment Replacement Fund</u>	<u>Building Maintenance and Replacement Fund</u>	<u>Totals</u>
Non-Operating Revenues (Expenses):				
FEMA Earthquake Repair Grant	\$ -	\$ -	\$ 280,675	\$ 280,675
OES Earthquake Repair Grant	-	-	93,558	93,558
Interest income	17,215	35,048	34,442	86,705
Gain (loss) on sale of assets	<u>(86)</u>	<u>2,754</u>	<u>-</u>	<u>2,668</u>
Total non-operating revenues (expenses)	<u>17,129</u>	<u>37,802</u>	<u>408,675</u>	<u>463,606</u>
Change in net assets prior to capital contributions	<u>(36,149)</u>	<u>(259,290)</u>	<u>(715,160)</u>	<u>(1,010,599)</u>
Capital Contributions:				
Capital contributions from public donors	-	5,000	-	5,000
Capital contributions from other funds	<u>5,759</u>	<u>7,369</u>	<u>1,387,278</u>	<u>1,400,406</u>
Total capital contributions	<u>5,759</u>	<u>12,369</u>	<u>1,387,278</u>	<u>1,405,406</u>
Change in net assets	(30,390)	(246,921)	672,118	394,807
Total net assets, June 30, 2009	<u>1,534,145</u>	<u>5,886,941</u>	<u>17,588,894</u>	<u>25,009,980</u>
Total net assets, June 30, 2010	<u>\$ 1,503,755</u>	<u>\$ 5,640,020</u>	<u>\$ 18,261,012</u>	<u>\$ 25,404,787</u>

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2010

	<u>Technology Fund</u>	<u>Vehicle and Equipment Replacement Fund</u>	<u>Building Maintenance and Replacement Fund</u>	<u>Totals</u>
Cash Flows From Operating Activities:				
Internal activity - payments from other funds	\$ 685,575	\$ 144,640	\$ 312,200	\$ 1,142,415
Payments to suppliers of goods and services	(196,745)	332	(561,759)	(758,172)
Payments for employee services	(386,201)	-	(75,056)	(461,257)
Net cash provided (used) by operating activities	<u>102,629</u>	<u>144,972</u>	<u>(324,615)</u>	<u>(77,014)</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition of fixed assets	(11,275)	-	(4,183)	(15,458)
Capital grant proceeds	-	-	336,237	336,237
Proceeds from sale of assets	-	2,754	-	2,754
Net cash provided (used) by capital and related financing activities	<u>(11,275)</u>	<u>2,754</u>	<u>332,054</u>	<u>323,533</u>
Cash Flows From Investing Activities:				
Interest income	<u>18,484</u>	<u>37,887</u>	<u>37,550</u>	<u>93,921</u>
Net cash provided (used) by investing activities	<u>18,484</u>	<u>37,887</u>	<u>37,550</u>	<u>93,921</u>
Net increase in cash and cash equivalents	109,838	185,613	44,989	340,440
Cash and cash equivalents - June 30, 2009	<u>1,059,062</u>	<u>2,156,162</u>	<u>2,149,502</u>	<u>5,364,726</u>
Cash and cash equivalents - June 30, 2010	<u>\$ 1,168,900</u>	<u>\$ 2,341,775</u>	<u>\$ 2,194,491</u>	<u>\$ 5,705,166</u>

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS (continued)
For the Fiscal Year Ended June 30, 2010

	<u>Technology Fund</u>	<u>Vehicle and Equipment Replacement Fund</u>	<u>Building Maintenance and Replacement Fund</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ (53,278)	\$ (297,092)	\$ (1,123,835)	\$ (1,474,205)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	196,069	442,094	817,810	1,455,973
Change in assets and liabilities:				
Prepaid expenses	(7,462)	-	-	(7,462)
Accounts payable	(20,076)	(30)	(14,526)	(34,632)
Accrued salaries and benefits	(3,050)	-	(3,567)	(6,617)
Compensated absences	(9,574)	-	(497)	(10,071)
Net cash provided (used) by operating activities	<u>\$ 102,629</u>	<u>\$ 144,972</u>	<u>\$ (324,615)</u>	<u>\$ (77,014)</u>