



Citizens' Sales Tax Oversight Committee and Finance Committee

Staff Report – Administrative Services Department

Sales Tax Measure D-20 Annual Report

RECOMMENDATION:

Citizens' Sales Tax Oversight Committee and Finance Committee approve the 2022 Sales Tax Measure D-20 Annual Report.

DISCUSSION:

Sales Tax Measure D-20 is a General Fund "Essential Services Transaction and Use Tax" that increased the local sales tax rate in Atascadero by one percent to 8.75%. Atascadero voters passed Measure D-20 in November 2020 to generate revenue to fund many of the community's and Council's key priorities.

Because Measure D-20 is a general tax, related revenues and expenditures are included in the City's General Fund and the City's annual audited financial statements. While the nature of the expenditures doesn't easily allow for separate tracking of each D-20 expense to be listed, transparency and accountability were an important part of the passing of Measure D-20. As such, Council requested that the Finance Committee and the Citizen Sales Tax Oversight Committee (CSTOC) annually review a D-20 Report along with the City's annual audit at a widely-publicized joint meeting.

Fiscal year 2021-22 was the first year that included a full year of Measure D-20 revenues, and they were budgeted to be about \$5.2 million for the year. Due to a number of factors, including enhanced local economic development; the state of the economy; a stronger than expected rebound from COVID; and the high costs of fuel, autos, and building supplies, among others, the Measure D-20 revenue came in about \$6.2 million for the year. Funds that come in over the projected budgeted amount are collected in the fund balance for programming in the next budget cycle.

As per City Council discussion prior to the passage of Measure D-20, because individual expenditures would be difficult to track, subject to assumptions and interpretation, and somewhat meaningless without the review of all general fund expense, the annual D-20 report would focus on accomplishments and success of the programs/projects that were to be implemented with D-20 funds. As part of the 2021-2023 Budget Process, the City identified key D-20 expenditure areas in order to implement the Action items and address

the key priorities areas- primarily Police, Fire and Infrastructure. The following table displays the adopted expenditures made possible with D-20 funds.

SALES TAX MEASURE D-20 BUDGETED EXPENDITURES												
Description	Strategic Priorities					Sorting			D-20			Other Funds
	Economic Vibrancy	Fiscal Strategies	Public Safety & Ex. City Services	Quality of life	Mandatory	D-20	High	Medium	2020-2021	2021-2022	2022-2023	
Measure D-20 Tier 1								Subtotals	826,840	5,694,160	5,430,000	714,000
1	Police Staffing- 4 Officers & 1 Dispatcher			X		*	*		\$ -	\$ 521,850	\$ 696,760	\$ 160,000
2	Outreach for Underrepresented Residents (OUR Team): 1 Officer, Mental Health Support, & Outreach			X		*	*		-	254,820	342,320	69,000
3	911 Dispatch System & Police Records System Replacement		X			*	*		-	600,000	-	-
4	Police & Fire Radio Replacement		X			*	*		-	480,700	-	-
5	Battalion Chief and SAFER Firefighter			X		*	*		-	247,200	279,180	65,000
6	Fire Station #1 Rebuild Financing (annual costs)		X			*	*		-	750,000	750,000	-
7	Radio Repeater Replacement		X			*	*		-	270,000	-	-
8	Public Safety Compensation Changes			X		*	*		-	760,230	1,066,010	-
9	Fire Evacuation Software Maintenance (Zonehaven)			X		*	*		-	9,500	9,500	-
10	Replacement of 4-Wheel Drive Ambulance		X			*	*		-	60,000	-	-
11	Emergency Planning			X		*	*		10,000	5,000	5,000	-
12	Increase Fire Operating Budget Items			X		*	*		-	30,000	30,000	-
13	Replacement of Minor Fire Equipment and Repairs		X			*	*		13,710	-	-	-
14	Public Safety Vehicle Replacement		X			*	*		158,120	240,020	240,020	-
15	Annual Equipment Replacement - Public Safety		X			*	*		-	225,000	225,000	-
16	Equipment Replacement Deficit- Fire		X			*	*		645,010	-	-	-
17	Equipment Replacement Deficit- Radio Repeaters & Other Public Safety Equipment		X			*	*		-	-	340,730	-
18	Vegetation Management in Downtown Creek area	X		X		*	*		-	55,000	55,000	-
19	Camp Cleanups	X		X		*	*		-	50,000	50,000	-
20	Trash Self-Cleanup Program for Camps	X		X		*	*		-	5,000	5,000	-
21	Building Maintenance and Replacement Reserves		X			*	*		-	250,000	250,000	-
22	Parks Infrastructure Replacements- Dock, Benches, Sidewalk Repairs, etc.		X		X	*	*		-	150,000	-	-
23	Vehicle & Equipment Replacement - Public Works		X			*	*		-	38,230	38,230	-
24	Equipment Reserves- Parks Deficit		X		X	*	*		-	59,580	118,240	-
25	Compensation Changes- Other		X			*	*		-	628,530	886,690	-
26	Asset Management System		X			*	*		-	-	30,000	420,000
27	Employee Recruitment Software		X			*	*		-	3,500	12,320	-
Totals:									\$ 826,840	\$ 5,694,160	\$ 5,430,000	\$ 714,000

While exact expense tracking is difficult and time-consuming, staff is able to make some generalized calculations on approximately how much was spent on D-20 projects during the fiscal year. Staff estimates that approximately \$3.5 million was used in 2021-22 on the above listed projects. This is about \$2.2 million less than what was originally budgeted, as many of the programs and projects identified for expenditure of D-20 funds were still in the start-up phase during fiscal year 2021-22.

Approximately \$580,000 of the budget variance was unfortunately due to staffing vacancies and delays in hiring additional personnel. The \$580,000 in staffing costs not paid in fiscal year 2021-2022 is a savings and will be reprogrammed towards one-time D-20 expenditures as part of the 2023-2025 budget process.

The other \$1,640,000 of the budget variance was due to timing differences on one-time capital projects that were started in fiscal year 2021-2022, but not completed within the fiscal year. Expenditures for projects such as the new dispatch system, the Radio Repeater Project, the Fire Station #1 Replacement Project, and the Parks Infrastructure Replacement Project crossed fiscal years. The remaining budgeted D-20 funds at June 30, 2022 are still committed to these projects and carried over as budgeted funds in fiscal year 2022-2023.

Measure D-20 activity, along with activity of all of the other City funds, are included in the City's financial statements that were audited by the independent accounting firm of Moss, Levy & Hartzheim. Moss, Levy & Hartzheim performed a full audit of the financial statements and found that the City presented fairly and accurately the City's financial position, and that the reporting was in conformity with generally accepted accounting principles.

The City's fiscal year 2021-22 ended much better than expected; the fiscal year saw strong revenues in several categories and ARPA funding, all of which significantly positively impacted revenues for the year. Expenditures came in at or under estimates in most funds and divisions. The audit report and related City Council staff report are attached and staff will be able to answer questions related to the report at the meeting.

The Measure D-20 Report includes highlighted accomplishments in some of the key priority areas like the Police Department, Fire Department, Infrastructure, and others. In addition to the accomplishments, the D-20 Report also includes general financial information regarding the revenues and estimated expenditures of D-20 funds.

Staff recommends that the Citizens' Sales Tax Oversight Committee and the Finance Committee approve the Annual Report and recommend to the City Council that it be finalized and distributed via U.S. Mail to all properties in the City. The Report will also be made available at City Hall and on the City's website.

FISCAL IMPACT:

Distribution of the 2022 Measure D-20 Annual Report is estimated to cost about \$5,000 in budgeted General Funds.

ATTACHMENTS:

1. 2022 Sales Tax Measure D-20 Annual Report
2. Fiscal Year 2021-22 Audit Staff Report
3. Fiscal Year 2021-22 Audited City Financial Statements

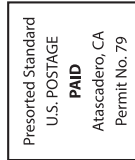
What is Measure D-20?

Atascadero residents spoke and we listened!

Sales Tax Measure D-20 is a General Fund "Essential Services Transactions and Use Tax" that increased the local sales tax rate in Atascadero one percent to 8.75%. Atascadero voters passed Measure D-20 in November 2020 to generate revenue to fund many of the community's and Council's key priorities.

The passage of Measure D-20 and the resulting much needed funding are truly a benefit; it is also a tremendous responsibility of both the community and the Council to spend the funds, along with all City funds, wisely. Staff held a formal kickoff session for the essential public outreach meetings in January 2021. Following that kickoff meeting, a series of nine separate study sessions were held to answer questions and gather input of what each participant felt were the highest priorities of the City. The information from the study sessions was gathered, along with public comments from other sources, discussions and emails with community members, financial strategies, budgets, audited financial statements and Council feedback to set goals at Council's Goal Setting Workshop in February 2021. Based on the Goals that were established in discussions with the City Council, Community, interested parties and staff, an Action Plan of tasks was created in order to accomplish the Goals. Once the Action Plan was developed and discussed and approved by Council and community, the two-year budget was developed to implement the Action Plan. Six Finance Committee meetings were held to discuss the various sections of the budget in detail. The 2021-2023 budget, including the Measure D-20 expenditures, was then adopted by the City Council at their regular meeting in June 2021.

The City is spending Measure D-20 funds responsibly to make our community safer. Your Measure D-20 tax dollars are paying for vital and long overdue investments in essential, safety-related tools, technology, resources and staffing.



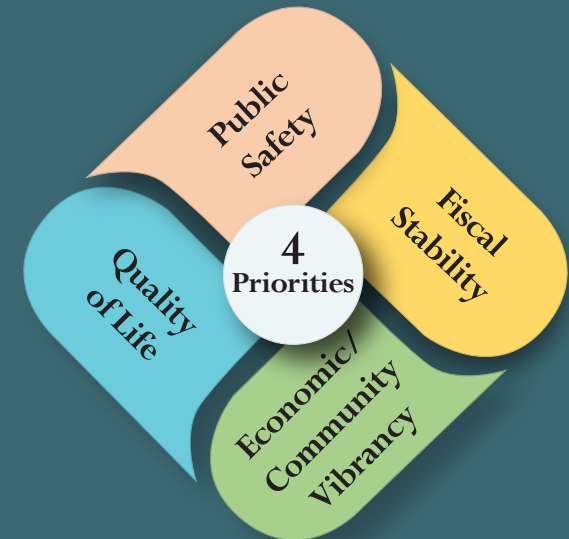
POSTAL CUSTOMER

City of Atascadero
6500 Palma Avenue
Atascadero, CA 93422



City of Atascadero

Measure D-20



Annual Report

www.atascadero.org/D20

Revenues

Revenue from Measure D-20 allows the City to fund many of the community's and Council's key priorities. Revenue for the first three fiscal years (April 1, 2021 through June 30, 2023) was originally expected to total just under \$12 million. Revenues are coming in stronger than projected, and were over \$6.2 million in fiscal year 2021-2022.

Expenditures

Measure D-20 is a general tax and is included in the City's General Fund. The nature of the purchases doesn't easily allow for separate tracking of each D-20 expenditure. However, staff estimates that about \$3.5 million was used in fiscal year 2021-2022 for those items prioritized with D-20 funds. Expenses are identified as either one-time expenditures (purchase of a new piece of equipment) or ongoing (such as the annual salary of a new Police Officer). Spending must be balanced between one-time and ongoing expenditures.

	2021-2022
Revenue	\$ 6,239,847
Estimated Expenditures	(3,455,510)
Estimated Net Change	<u>2,784,337</u>
Estimated Beginning Balance	607,513
Estimated Ending Balance	\$ 3,391,850

Measure D-20 funds, along with other City funds, are budgeted during the City's two-year budget process. Revenue in excess of budgeted amounts, along with unused expenditure amounts, will roll forward to be used in future periods for programmed projects or new projects. About \$3.4 million in D-20 funds is estimated to roll forward for future programming for the 2023-2025 budget cycle.

HIGHLIGHTED ACCOMPLISHMENTS



Police Department

Five positions have been added to the Police Department thanks to Measure D-20. The new hires are not only exceptional, but a great fit with the experienced employees, ensuring the City has the talent and resources needed to deliver outstanding service to the community. D-20 funds provided an increase in salaries allowing Atascadero to be competitive in hiring and retaining Police Officers. The Outreach for Underrepresented Residents (OUR) team remains a priority for 2023. While D-20 has enabled a robust recruitment and significant progress has been made in staffing, not all positions have been filled immediately.

Fire Department

Due to D-20 support, an overhaul of the City's outdated radio system is underway, providing new handheld radios and radio transmission towers increasing and improving communication in the challenging hills of Atascadero. D-20 funding also allowed the Fire Department to replace a 1999 four-wheel drive ambulance with a newer 2014 cost effective model. Updating critical safety equipment is in progress, including setting aside replacement reserves for vehicles, turnout gear, jaws of life, heart monitors and emergency breathing apparatuses. D-20 revenue provided a Fire Battalion Chief position and sets aside \$750,000 each year to fund the rehabilitation of the 70-year old Fire Station 1 on Traffic Way.



Infrastructure and Other

The City was awarded a State grant to fund rehabilitation of the Lake Park dock with D-20 funds providing the required local match of 20%. The dock will feature a new rail, fence and accessible sidewalk and ramp. Fiscal year 2021-2022 Measure D-20 funds also made a significant impact in camp cleanups and vegetation clearing in the Downtown Creek area. Over 107 tons of trash and debris were removed from camps and the creek.

For more information visit www.atascadero.org/D20



Atascadero City Council

Staff Report – Administrative Services Department

Fiscal Year 2021-22 Audit

RECOMMENDATION:

Council review and accept the financial audit for the period ended June 30, 2022.

DISCUSSION:

The audit firm of Moss, Levy, and Hartzheim has performed a full audit of the financial statements and found that the City presented fairly and accurately the City’s financial position, and further, that the reporting was in conformity with generally accepted accounting principles.

The City’s fiscal year 2021-22 ended much better than expected; the fiscal year saw strong revenues in several categories and Federal COVID-related funding, all of which positively impacted revenues for the year. Expenditures came in at or under estimates in most funds and divisions. As the City moves toward the future, the Council’s continued focus on economic development, careful budgeting of the Sales Tax Measure D-20 Essential Services Tax funds, and ongoing fiscal stewardship by the Council and staff will continue to be vital to the City’s financial health.

General Fund Activity, Including Measure D-20 and Measure F-14

All General Fund activity (including Measure D-20 and Measure F-14) combined to increase the General Fund by about \$8 million during the year. The General Fund balance at the end of the year, including the Measure F-14 funds, was \$25,332,470.

General Fund activity for fiscal year 2021-22 is summarized in the following chart:

	<i>Measure F-14</i>	<i>All Other General Fund</i>	<i>Total General Fund</i>
Revenues	\$ 3,095,813	\$ 36,098,581	\$ 39,194,394
Expenditures	3,363,273	27,834,804	31,198,077
Net changes in Fund balance	(267,460)	8,263,777	7,996,317
Beginning Fund Balance	4,474,858	12,861,295	17,336,153
Ending Fund Balance	\$ 4,207,398	\$ 21,125,072	\$ 25,332,470

Sales Tax Measure F-14 Activity

Measure F-14 Sales Tax activity is included in the General Fund for legal and accounting reasons, but is broken out in this discussion for more transparency.

Measure F-14 revenue was about \$3.2 million for the fiscal year, which is about 62% of Bradley-Burns sales revenue. Although the Bradley-Burns sales tax rate is 1% and the Measure F-14 sales tax rate is 0.5%, some items that are purchased by Atascadero residents outside of Atascadero still incur the Measure F-14 sales tax rate.

Measure F-14 expenditures were about \$3.4 million during the fiscal year. Street rehabilitation projects tend to occur during the summer months when the weather is right for paving, but this often causes projects expenditures to cross fiscal years. The project budget that is unused in one fiscal year can be carried over to the next fiscal year for use in that same project. Using Critical Point Management, over 45 centerline miles of road have been improved since the inception of the Measure F-14.

General Fund Activity, Excluding Measure F-14

Part of Council's long-term Financial Strategy includes projecting out revenues, expenses, and fund balance for seven years. This is to understand estimated trends in the future for the benefit of the City's fiscal health and ensure fiscal sustainability and that the reserve balances remain in an acceptable range. This Strategy promotes the use of General Fund reserves during lean years, and saving of reserves during healthy years, in order to continue to fund essential City services at a steady level. At the start of fiscal year 2021-22, the adopted budget anticipated the use of \$1,915,590 in General Fund reserves during the fiscal year. The year concluded with a net change in fund balance of \$8,260,000. This is a positive variance from the Projection of about \$10,175,590. The variance is due to a number of factors, but the largest of these are an increase in Sales Tax due to the first full year of Measure D-20 funds and Intergovernmental Revenues due to funding from the COVID-related American Rescue Plan Act (ARPA).

The following Comparative Income Statement compares revenues and expenditures for the 2020-21 and 2021-22 fiscal years. It is difficult to see the long-term trends across these two years as both fiscal years have been atypical due to the COVID impacts. Nevertheless, it still provides some perspective.

GENERAL FUND COMPARATIVE INCOME STATEMENT
Excluding Measure F-14 Activity

	2020/2021 Actuals	2021/2022 Actuals	% Change	\$ Change
REVENUES:				
Property Tax	\$ 10,792,509	\$ 11,213,632	3.9%	\$ 421,123
Sales tax	6,144,305	11,409,598	85.7%	5,265,293
Transient Occupancy Tax	1,385,896	2,049,160	47.9%	663,264
Cannabis Business Tax	48,983	50,505	3.1%	1,522
Other Taxes	1,617,354	1,705,449	5.4%	88,095
Intergovernmental	557,292	3,829,654	587.2%	3,272,362
Grants	155,648	385,671	147.8%	230,023
Service Charges				
Mutual Aid	1,442,644	693,598	-51.9%	(749,046)
Public safety	233,544	230,548	-1.3%	(2,996)
Development	1,443,821	1,430,866	-0.9%	(12,955)
Recreation, zoo, parks & pavilion	790,255	1,237,355	56.6%	447,100
Interest	198,779	177,972	-10.5%	(20,807)
Adjustment to Market Value-GASB 31	(103,654)	(703,306)	578.5%	(599,652)
Interfund charges	1,162,868	1,308,368	12.5%	145,500
Other	336,778	375,941	11.6%	39,163
Transfers	698,950	703,570	0.7%	4,620
Total revenues	<u>\$ 26,905,972</u>	<u>\$ 36,098,581</u>	<u>34.2%</u>	<u>\$ 9,192,609</u>
EXPENDITURES:				
Employee services	\$ (16,722,868)	\$ (18,665,393)	11.6%	\$ (1,942,525)
Operating supplies & services	(5,847,962)	(7,522,538)	28.6%	(1,674,576)
Special purchases	(975,754)	(610,243)	-37.5%	365,511
Capital outlay	(1,139,757)	(1,036,630)	-9.0%	103,127
Total expenses	<u>(24,686,341)</u>	<u>(27,834,804)</u>	<u>12.8%</u>	<u>\$ (3,148,463)</u>
Net Income before extraordinary item	2,219,631	8,263,777		
Extraordinary gain/(loss)- Write-off of Redevelopment Loans	(1,375,175)	-		
Net income after extraordinary item	844,456	8,263,777		
Fund Balance Beginning of year	12,016,839	12,861,295		
FUND BALANCE END OF YEAR	<u>\$ 12,861,295</u>	<u>\$ 21,125,072</u>		

Revenues

The most significant dollar amount deviations from the prior year on the revenue side are changes in Property Tax Revenue, Sales Tax Revenue, Intergovernmental Revenue,

Mutual Aid Revenue, Transient Occupancy Tax, and the Adjustment to Market Value-GASB31.

Property Tax Revenue

Current secured revenues usually make up about 60%-65% of the City’s property tax revenues and are what most people think of when discussing property taxes. Assessed values are established as of January 1 of each year. The values for fiscal year 2021-22 were determined as of January 2021.

Secured property tax grew at a rate of 4.5% from 2020-21 fiscal year to the 2021-22 fiscal year. The increase is due to a combination of the inflationary increases and increased economic development activity. Assessed valuations are expected to have stronger growth in the current fiscal year of about 5.5%, and then continue a steady growth trend of 3%-4% each year in future years.

Detailed, comparative Property Tax Revenue information for the most recently completed two fiscal years is found below:

GENERAL FUND PROPERTY TAX REVENUE COMPARISON

	2020/2021 Actuals	2021/2022 Actuals	% Change	\$ Change
Secured Property Tax	\$ 6,693,256	\$ 6,992,373	4.5%	\$ 299,117
Property tax in lieu of VLF	3,163,757	3,290,304	4.0%	126,547
Unsecured property tax	275,023	262,581	-4.5%	(12,442)
Supplemental property tax	142,452	186,227	30.7%	43,775
Redevelopment agency distribution	527,383	497,884	-5.6%	(29,499)
Prior year secured and unsecured	(9,053)	(15,094)	66.7%	(6,041)
Property tax penalties and interest	(309)	(643)	108.1%	(334)
Total revenues	<u>\$ 10,792,509</u>	<u>\$ 11,213,632</u>	<u>3.9%</u>	<u>\$ 421,123</u>

Sales Tax Revenue

Atascadero now has three separate revenue components that make up the 8.75% sales tax rate:

1. The City receives 1% of the California basic sales tax rate of 7.25% (referred to as Bradley-Burns);
2. Measure F-14, which adds 0.5% and is used for repair of local roads; and
3. Measure D-20, which adds 1.0% to the General Fund for essential services.

The impacts of COVID-19 were historically unique and unpredictable, particularly in regard to sales tax revenue. While sales tax revenue is discussed as a single revenue source, it is collected on products in a variety of industries. COVID restrictions and the new world we now live in impacts the industries in different ways.

Revenues from the Fuel and Service Station industry group were up 35% over the prior year, primarily due to the higher prices at the pump and the increased demand once the economy opened back up. The Autos and Transportation industry group was up 14% over the prior year, along with Building and Construction at a 7% increase. Offsetting those industry sectors was the Business and Industry group with an 8% decrease from the prior year, and the General Consumer Goods industry group with a decrease of 3%.

In addition, Assembly Bill 147 (AB 147) expanded the collection of sales and use taxes from out-of-state sales. AB 147 began requiring certain online retailers and marketplace facilitators to collect and remit sales tax related to online sales starting in 2019. As a result, cities throughout the state, including Atascadero, have experienced healthy increases in sales tax revenue. This new revenue is distributed by the County through state and local “pools”. Growth in the pools has been significant since 2019. While it slowed down in fiscal year 2021-22, it was still about 16% of total Bradley-Burns sales tax revenue. Overall Bradley-Burns sales tax revenues were almost \$5.2 million for the 2021-22 fiscal year.

Sales Tax Measure D-20 is the new “Essential Services Transaction and Use Tax”. Because Measure D-20 is a general tax, related revenues and expenditures are included in the City’s General Fund. While the nature of the expenditures doesn’t easily allow for separate tracking of each D-20 purchase, the revenue can be tracked separately, and trends similar to the Bradley-Burns revenue. Measure D-20 Revenue of about \$6.2 million was collected during fiscal year 2021-22. Although both the Bradley-Burns and Measure D-20 sales tax rates are each 1% of sales, similar to Measure F-14, some items that are purchased by Atascadero residents outside of Atascadero still incur the Measure D-20 sales tax rate, and therefore projected revenues for Measure D-20 are greater than 100% of Bradley-Burns revenue.

Intergovernmental Revenues

Included in intergovernmental revenue is the first of two payments from the Federal government under the American Rescue Plan Act, Coronavirus State and Local Fiscal Recovery Funds, for additional financial relief in the wake of the COVID-19 pandemic. The City received the first payment of \$3,597,290 in July 2021. Funds may be used for specific purposes as designated in the U.S. Department of Treasury’s Final Rule. The Final Rule offers a standard allowance for revenue loss of up to \$10 million. Recipients, such as Atascadero, that select the standard allowance may use the funds for government services. The second of the two payments was received in July 2022, and is included in General Fund Deferred Inflows in the 2021-22 financial statements and will be recognized as revenue in fiscal year 2022-23.

Mutual Aid Revenue

The City has agreements with other agencies such as the U.S. Forest Service and the California Department of Forestry to respond to fires and other emergencies upon request. The City receives reimbursement for the costs of its personnel and equipment. Mutual Aid revenues vary greatly from year to year based on the need of emergency response personnel across the State. Mutual Aid revenues and expenses are typically budgeted at an average rate each year. There were a significant number of fires statewide in fiscal year 2020-21, resulting in a much higher than average response in that

year. By comparison, fiscal year 2021-22 was about \$749,000 less than the prior year. Mutual Aid revenues were \$693,000 for fiscal year 2021-22. Offsetting costs are included in employee services and operating expenditures sections.

Transient Occupancy Tax Revenue

The Transient Occupancy Tax (TOT) Revenues were steadily trending up through February 2020, but then began to decline in March 2020 due to impacts of COVID-19. As restrictions began to loosen, revenue picked up again in fiscal year 2020-21, where it came back up to 2018-19 levels. In fiscal year 2021-22, TOT revenue broke the two-million-dollar mark for the first time ever and ended the year at \$2,049,160, or 48% over the prior (COVID impacted) year.

Interest Adjustment to Fair Market Value

Governmental accounting standards require that the City report investments at Fair Market Value as of the last day of the reporting period. It's the City's policy to hold investments to maturity except under certain circumstances, therefore the gain or loss that is reported as an adjustment to Fair Market Value is typically not realized. The loss reported in the 2021-22 financial statements was about \$703,000, however, since the City will hold these investments to maturity, this adjustment will not be recognized and is expected to fluctuate with the market.

Expenditures

Employee Services

Employee Services are the largest portion of General Fund Expenditures, averaging around 70% of General Fund expenses each year. Employee Services actual costs for 2021-22 were higher than the prior year by about \$1.9 million but lower than final budget by almost \$756,000. Sales Tax Measure D-20 has provided the means to offer more competitive salaries to staff for retention of existing, and attraction of new, professional employees. All City departments have been affected by this, but the Police Department, in particular, has seen much more success in attracting new applicants since the salary changes went into effect July 1, 2021. Additionally, Measure D-20 provided funds for five additional police officer positions, one additional public safety dispatch position, a fire Battalion Chief, and a firefighter position that was previously funded through a grant.

Increases in retirement costs and health care are also included in the larger number for fiscal year 2021-22. These two components are expected to continue to increase employee costs into the future. Both years had salary savings from unplanned vacancies in various departments in the City, which accounts for the difference between the actual costs and the final budget.

Operating Supplies and Services

When compared to the prior year, 2021-22 expenditures were higher by about \$1.7 million. Actual results for 2021-22 were on target with the final budget and the June 2021 Seven-Year Forecast amounts. Sales Tax Measure D-20 is providing additional

resources to allow for more adequate funding for necessary operating supplies and services to serve the public.

Special Purchases and Capital Outlay

Special Purchases and Capital Outlay generally do not lend themselves to a predictable trend line. These are usually one-time purchases and/or they have a corresponding revenue source. Both categories vary from year to year, based on the City's needs at the time. In most cases, when the expenses come in under budget, this means the budgeted item hasn't been purchased yet but will still need to be purchased in the future. Less frequently, an alternative to purchasing the items has been identified. The final budget for Special Purchases and Capital Outlay in fiscal year 2021-22 included a number of ongoing projects including the General Plan Update, the Broadband Enhancement Project, Computer Aided Dispatch/Records Management System Software Upgrade, Fire Station #1 Replacement, Radio Repeater upgrades, and more.

General Fund Balance

The General Fund balance (excluding Measure F-14 Activity) at June 30, 2022, was just over \$21 million, or 76% of General Fund expenditures for the year. This continues to be in line with Council's long-range financial strategy, maintaining a healthy reserve. The General Fund June 2021 Seven-Year Projection estimates the continued use of General Fund reserves through fiscal year 2022-2023. The next Seven-Year Projection will be updated with the 2023-2025 budget process. At no time are reserves expected to drop below the Council Policy minimum of 20% of general fund expenditures.

Audit Report

The audit report summarizes the City's financial performance for the fiscal year and provides an overview of financial activities. It is a useful big-picture tool to manage long-term fiscal health of the City. The Management Discussion and Analysis reviews the financial highlights, gives an overview of the financial statements, and provides a financial analysis of the City's funds. Following that, summarized information on all of the City's funds can be found. The Notes to the Financial Statements include additional details and explanations of the figures in the Statements, giving the reader a better understanding of the complete fiscal performance of the City. The last section of the report includes detailed information on the balance of each of the funds and their activity.

The report was audited by a local independent audit firm, Moss, Levy, and Hartzheim, and as seen on the Independent Auditor's Report on page 1, was found to be in conformity with generally accepted accounting principles.

FISCAL IMPACT:

None.

ATTACHMENTS:

1. Fiscal Year 2021-22 Audited City Financial Statements
2. Independent Auditors' Draft Report on Internal Control

CITY OF ATASCADERO

FINANCIAL STATEMENTS
June 30, 2022

FINANCIAL STATEMENTS

June 30, 2022

Heather Moreno, MAYOR

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Charles Bourbeau, COUNCIL MEMBER

Mark Dariz, COUNCIL MEMBER

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Rachelle Rickard, CITY MANAGER

**FOUNDED
1913**

**INCORPORATED
1979**

Prepared by the Department of Administrative Services

ALASCADERO

Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	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 Position.....	18
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	22
Proprietary Funds:	
Statement of Net Position.....	24
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	26
Combining Statement of Cash Flows.....	28
Private Purpose Trust Funds:	
Statement of Fiduciary Net Position.....	30
Statement of Changes in Fiduciary Net Position.....	31
Notes to the Basic Financial Statements.....	32
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund Summary	74
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund Detail.....	76
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - In Lieu Low/Moderate Income Housing Fund.....	93
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Circulation System Fees Fund.....	94
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Fire Aerial Vehicle Impact Fees Fund.....	95
Schedule of Changes in the Total OPEB Liability and Related Ratios.....	96

Required Supplementary Information (*continued*):

Schedule of OPEB Contributions.....	97
Schedule of the Local Government's Proportionate Share of the Net Pension Liability	98
Schedule of Pension Contributions.....	99

Other Supplementary Information:

Major Debt Service Fund:

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - 2010 Bond Debt Service Fund.....	100
Nonmajor Governmental Funds Overview.....	101

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet - Nonmajor Governmental Funds.....	105
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	110
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Supplemental Law Enforcement Services Fund.....	115
Downtown Business Improvement Area Fund.....	116
Atascadero Tourism Business Improvement District Fund.....	117
Community Development Block Grant Fund.....	118
Tree Plant Fund.....	119
Gas Tax Fund.....	120
Local Transportation Fund.....	122
Street Assessment Fund.....	124
General Government Facilities Fees Fund.....	125
Storm Drainage Facilities Fees Fund.....	126
Law Enforcement Facilities Fees Fund.....	127
Fire Facilities Fees Fund.....	128
Open Space Acquisition Fees Fund.....	129
Parkland Facilities Fees Fund.....	130
Public Facilities Fees Fund.....	131
Library Expansion Facilities Fees Fund.....	132
Community Facilities District Fund.....	133

Other Supplementary Information *(continued)*:

Combining and Individual Fund Statements and Schedules *(continued)*:

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

Apple Valley Street & Storm Drain Assessment District Fund.....	134
Apple Valley Landscape & Lighting Assessment District Fund.....	135
Las Lomas Street & Storm Drain Assessment District Fund.....	136
Las Lomas Landscape & Lighting Assessment District Fund.....	137
De Anza Street & Storm Drain Assessment District Fund.....	138
De Anza Landscape & Lighting Assessment District Fund.....	139
Capital Projects Fund.....	140
2010 Bond Proceeds Master Agreement Fund.....	141
Youth Center Construction Fund.....	142
Combining Statement of Net Position - Internal Service Funds.....	143
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds.....	145
Combining Statement of Cash Flows - Internal Service Funds.....	147

INDEPENDENT AUDITORS' REPORT

City Council of the City of Atascadero
Atascadero, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the major funds, and the aggregate remaining fund information of the City of Atascadero, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Atascadero's basic financial statements as listed in the table of contents.

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, the major funds, and the aggregate remaining fund information of the City of Atascadero, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Atascadero and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Atascadero's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Atascadero's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management in the presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Atascadero's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 3 through 12, the budgetary comparison information on pages 74 through 95, the schedule of changes in the OPEB liability and related ratios on page 96, the schedule of OPEB contributions on page 97, the schedule of the local government's proportionate share of net pension liability on page 98, and the schedule of pension contributions on page 99, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is 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 inquires 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.

Other Information

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

The major debt service fund budgetary schedule, combining and individual nonmajor fund financial statements and schedules, and combining internal service funds financial statements, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the major debt service fund budgetary schedule, combining and individual non-major fund financial statements and schedules, and combining internal service funds financial statements, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022, on our consideration of the City of Atascadero's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moss, Renz & Hartgrain LLP

Santa Maria, California
December 12, 2022



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2022

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, 2022. For the most complete picture of the City, please read this document in conjunction with the City's basic financial statements and the accompanying notes to the basic financial statements. The City's financial statements are available at City Hall offices.

FINANCIAL HIGHLIGHTS

- City total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of June 30, 2022, by about \$197.8 million. Of this amount, \$146.4 million is net investment in capital assets, \$35.9 million is restricted for various purposes, and \$15.5 million is unrestricted.
- Capital projects expenditures were about \$2.9 million more than the amount spent in the prior fiscal year due primarily to additional road rehabilitation projects that were ongoing through the fiscal year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$60 million, an increase of about \$7.1 million from the prior fiscal year. Approximately \$35.9 million of the total is not available for more general spending because it represents amounts that are already obligated or restricted. About \$24 million of the ending fund balance is available for future obligations.
- The City's compensated absences due to employees increased by about \$365,000, and the City's total liabilities decreased by about \$11.7 million. This decrease was primarily due to the City's change in CalPERS Net Pension Liability. It was further decreased by a reduction in bonds payable, but was offset by an increase in compensated absences and workers' compensation liability. For additional information, see Note 8 in the Notes to the Financial Statements.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$24,730,061 or 80% of total general fund expenditures, \$4,207,398 of which is related to the Sales Tax Measure F-14 funding.
- The American Rescue Plan Act (ARPA) funds were allocated to the City in two tranches of \$3,597,290 each for economic recovery from the effects of COVID-19. The first tranche was received in July 2021 and the second in July 2022.

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 liabilities). Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 in regard to interfund activity, payables, and receivables.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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). The City previously had a component unit (the Community Redevelopment Agency of Atascadero) through January 31, 2012, for which the government was considered to be financially accountable. Effective February 1, 2012, Assembly Bill AB 1x26, as modified by the California Supreme Court, dissolved redevelopment agencies in California. All assets and liabilities were required to be transferred to the corresponding Successor Agency identified in each community. In Atascadero, the City became the Successor Agency and holds these assets and liabilities in Private Purpose Trust. See Note 15 in the Notes to the Financial Statements for further details on the Successor Agency. The City has no component units that require discrete presentation in accordance with GASB Statement No. 14, as amended by GASB Statements No. 39, No. 61, No. 80, and No. 90.

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 three categories of activities – governmental, proprietary, and private purpose trust funds.

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 Fund Financial Statements 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 In Lieu Low/Moderate Income Housing Fund, the Circulation System Fees Fund, the Fire Aerial Vehicle Impact Fees Fund, and the 2010 Bond Debt Service Fund are considered to be the major governmental funds. Data from the other nonmajor 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.

Private Purpose Trust Funds

Private Purpose Trust Funds are used to account for monies held on behalf of others in a fiduciary capacity. The City uses private purpose trust funds to account for the Successor Agency of the Former Redevelopment Agency which was dissolved on January 31, 2012, pursuant to state law. All resources of the funds are used to support specified activities.

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 position may serve over time as a useful indicator of a government's financial position. In the case of the City of Atascadero, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by about \$197.8 million at the close of the most recent fiscal year.

	2021-2022 Governmental Activities	2021-2022 Business-Type Activities	2021-2022 Total	2020-2021 Governmental Activities	2020-2021 Business-Type Activities	2020-2021 Total
Current and other assets	\$ 79,367,406	\$ 9,432,772	\$ 88,800,178	\$ 66,712,881	\$ 12,945,049	\$ 79,657,930
Capital assets	141,953,052	18,498,423	160,451,475	137,160,987	14,493,219	151,654,206
Total assets	<u>221,320,458</u>	<u>27,931,195</u>	<u>249,251,653</u>	<u>203,873,868</u>	<u>27,438,268</u>	<u>231,312,136</u>
Deferred outflows	7,114,260	148,427	7,262,687	6,798,729	140,732	6,939,461
Total deferred outflows	<u>7,114,260</u>	<u>148,427</u>	<u>7,262,687</u>	<u>6,798,729</u>	<u>140,732</u>	<u>6,939,461</u>
Current liabilities	4,845,345	1,082,305	5,927,650	3,924,506	1,112,219	5,036,725
Noncurrent liabilities	34,539,006	501,972	35,040,978	45,890,914	884,485	46,775,399
Total liabilities	<u>39,384,351</u>	<u>1,584,277</u>	<u>40,968,628</u>	<u>49,815,420</u>	<u>1,996,704</u>	<u>51,812,124</u>
Deferred inflows	17,273,069	458,936	17,732,005	639,031	37,405	676,436
Total deferred inflows	<u>17,273,069</u>	<u>458,936</u>	<u>17,732,005</u>	<u>639,031</u>	<u>37,405</u>	<u>676,436</u>
Net position:						
Net investment in capital assets	127,853,052	18,498,423	146,351,475	122,790,987	14,493,219	137,284,206
Restricted	35,948,188	-	35,948,188	36,865,362	-	36,865,362
Unrestricted	7,976,058	7,537,986	15,514,044	561,797	11,051,672	11,613,469
Total net position	<u>\$ 171,777,298</u>	<u>\$ 26,036,409</u>	<u>\$ 197,813,707</u>	<u>\$ 160,218,146</u>	<u>\$ 25,544,891</u>	<u>\$ 185,763,037</u>

The largest portion of the City's net position (74%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional 18% of the City's net position represents resources subject to external restrictions on how they may be used. The remaining 8% (\$15,514,044) is considered unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. There was an increase of \$3,900,575 in unrestricted net position from fiscal year 2020-2021 to 2021-2022.

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 position, for both the government as a whole, as well as for its separate governmental and business-type activities.

During the current fiscal year, the City's net position increased by about \$12.1 million. Information about changes in net position is summarized below:

SUMMARY OF CHANGES IN NET POSITION
 For the Fiscal Years Ended June 30, 2022 and 2021

	2021-2022	2021-2022	2021-2022	2020-2021	2020-2021	2020-2021
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities	Total	Activities	Activities	Total
Revenues:						
Program Revenues						
Charges for services	\$ 3,788,440	\$ 3,683,596	\$ 7,472,036	\$ 3,840,606	\$ 3,202,434	\$ 7,043,040
Operating grants and contributions	5,143,736	487,295	5,631,031	1,675,019	375,145	2,050,164
Capital grants and contributions	4,467,886	-	4,467,886	2,944,236	-	2,944,236
General Revenues:						
Secured and unsecured property taxes	12,221,064	-	12,221,064	11,740,280	-	11,740,280
Sales and use taxes	14,621,612	-	14,621,612	8,976,357	-	8,976,357
Other taxes	4,258,578	-	4,258,578	3,374,198	-	3,374,198
Motor vehicle in lieu	34,222	-	34,222	22,045	-	22,045
Investment Income	(1,446,897)	(302,298)	(1,749,195)	194,021	22,921	216,942
Gain on disposal of capital assets	2,178	-	2,178	-	9,525	9,525
Interest from Successor Agency	706,695	-	706,695	635,984	-	635,984
Total Revenues	<u>43,797,514</u>	<u>3,868,593</u>	<u>47,666,107</u>	<u>33,402,746</u>	<u>3,610,025</u>	<u>37,012,771</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

SUMMARY OF CHANGES IN NET POSITION (continued)
 For the Fiscal Years Ended June 30, 2022 and 2021

	2021-2022 Governmental Activities	2021-2022 Business-Type Activities	2021-2022 Total	2020-2021 Governmental Activities	2020-2021 Business-Type Activities	2020-2021 Total
Program Expenses						
General Government	\$ 3,831,315	\$ -	\$ 3,831,315	\$ 3,775,014	\$ -	\$ 3,775,014
Public Safety	16,170,995	-	16,170,995	14,799,947	-	14,799,947
Community Development	3,287,824	-	3,287,824	2,675,072	-	2,675,072
Community, Recreation & Zoo Services	2,978,346	-	2,978,346	2,437,541	-	2,437,541
Parks & Open Space	1,266,469	-	1,266,469	1,297,724	-	1,297,724
Public Works	4,007,045	-	4,007,045	3,531,980	-	3,531,980
Sewer	-	2,738,529	2,738,529	-	2,642,732	2,642,732
Transit	-	638,546	638,546	-	505,402	505,402
Interest on long-term debt	696,368	-	696,368	706,901	-	706,901
Total Expenses	<u>32,238,362</u>	<u>3,377,075</u>	<u>35,615,437</u>	<u>29,224,179</u>	<u>3,148,134</u>	<u>32,372,313</u>
Change in net position before extraordinary item	11,559,152	491,518	12,050,670	4,178,567	461,891	4,640,458
Extraordinary gain/(loss)- Write-off of Redevelopment Loans	-	-	-	(1,375,175)	-	(1,375,175)
Change in net position	11,559,152	491,518	12,050,670	2,803,392	461,891	3,265,283
Net position- beginning	160,218,146	25,544,891	185,763,037	157,414,754	25,083,000	182,497,754
Net position- ending	<u>\$ 171,777,298</u>	<u>\$ 26,036,409</u>	<u>\$ 197,813,707</u>	<u>\$ 160,218,146</u>	<u>\$ 25,544,891</u>	<u>\$ 185,763,037</u>

Governmental activities during the year increased the City's net position by \$11,559,152. Business-type activities increased the City's net position by \$491,518.

American Rescue Plan Act (ARPA)

The Federal American Rescue Plan Act (ARPA) was signed into law on March 11, 2021, to provide additional financial relief in the wake of the COVID-19 pandemic. ARPA includes a significant amount of "Coronavirus State and Local Fiscal Recovery Funds" (SLFRF) for state and local governments. The funds are being distributed in two equal installments. Atascadero received the first distribution in July 2021 and the second in July 2022. Funds may be used for specific purposes as designated in the U.S. Department of Treasury's Final Rule. The Final Rule offers a standard allowance for revenue loss of up to \$10 million. Recipients that select the standard allowance may use the funds for government services. The City is eligible to use the standard deduction for revenue use and may use all funding for general government purposes. The City's total ARPA allocation is \$7,194,580, half of which was received and used in fiscal year 2021-2022. The second half is in General Fund Deferred Inflows.

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.

As of June 30, 2022, the City's governmental funds reported combined ending fund balances of \$60,003,541. Of this total, \$116,283 cannot be spent because it is in a non-spendable form and/or a non-cash form such as prepaid items, deposits, and inventory. The City's governmental funds Unassigned Fund Balance is \$24,011,916. The General Fund portion of this, \$24,730,061, is available for any purpose. The remaining Unassigned Fund Balance is the amount of the Fire Aerial Vehicle Impact Fees Fund where expenditures were made prior to receipt of restricted revenues. The Restricted Fund Balance of \$35,651,208 includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. The Assigned fund balance, \$224,134, is the amount the City intends to use for road projects.

General Fund – The General Fund is the chief operating fund of the City. At June 30, 2022, the total fund balance was \$25,332,470 and the spendable unassigned fund balance was 98% of the total. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The total General Fund balance represents 82% of fund expenditures. The General Fund balance increased \$7,996,317 during the fiscal year.

In Lieu Low/Moderate 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. At June 30, 2022, the fund balance was \$5,849,423.

Circulation System Fees Fund – This fund accounts for fees that are paid by developers 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 expended for the construction of new/increased/improved roadway and bridge facilities. The fund balance at June 30, 2022, was \$2,817,013, down \$32,989 from the prior year.

Fire Aerial Vehicle Impact Fees Fund – This fund accounts for impact fees imposed on commercial and multi-family residential developments for the purpose of contributing toward the purchase of the Aerial Fire Truck (Ladder Truck). The City purchased this truck in fiscal year 2007-2008 using future revenues, and therefore, the fund had a negative balance of (\$718,145) at June 30, 2022. As projects continue to develop over time, Impact Fee revenues should move this negative balance toward zero.

2010 Bond Debt Service Fund – The 2010 Bond Debt Service Fund accounts for all of the advances receivable from the Successor Agency and the debt service payments for the Lease Revenue Bonds that were issued on September 1, 2010. At June 30, 2022, the total fund balance was \$15,506,310, which reflects \$14.1 million in advances receivable from the Successor Agency. See Notes 8 and 15 to the financial statements for additional information on the Successor Agency and the bond issue.

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

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, 2022, these funds had an aggregate fund balance of \$11,216,470. Of this total, \$730 is non-spendable and \$224,134 is assigned for specific uses. The Restricted Fund Balance is \$10,991,606. More information about these nonmajor funds can be found in the combining and individual fund financial statements and schedules.

Proprietary Funds

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

Debt Administration

Debt, considered a liability of governmental and business-type activities, decreased in FY 2021-2022 by \$11,734,421, primarily due to the large decrease in the CalPERS Net Pension Liability, as required to be reported by GASB 68. It was further decreased by a reduction in bonds payable, but was offset by an increase in compensated absences and workers' compensation liability. The Net Pension Liability for Governmental Activities at the end of the year was \$18,270,558 and \$488,641 for Business-type Activities. Compensated absences increased by \$364,926 during the year.

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, 2022, net capital assets of the governmental activities totaled \$141,953,052 and the net capital assets of the business-type activities totaled \$18,498,423. 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:

	2021-2022 Governmental Activities	2021-2022 Business- Type Activities	2021-2022 Total	2020-2021 Governmental Activities	2020-2021 Business- Type Activities	2020-2021 Total
Non-Depreciable:						
Land	\$ 41,659,554	\$ 547,738	\$ 42,207,292	\$ 41,588,097	\$ 547,738	\$ 42,135,835
Construction in progress	5,163,296	5,717,647	10,880,943	5,549,723	1,791,495	7,341,218
Depreciable:						
Vehicles and equipment	14,048,430	1,232,249	15,280,679	13,127,131	1,232,249	14,359,380
Structures and improvements	56,796,873	30,307,997	87,104,870	55,129,124	29,405,855	84,534,979
Infrastructure	79,161,466	-	79,161,466	74,009,505	-	74,009,505
Accumulated Depreciation	<u>(54,876,567)</u>	<u>(19,307,208)</u>	<u>(74,183,775)</u>	<u>(52,242,593)</u>	<u>(18,484,118)</u>	<u>(70,726,711)</u>
Net capital assets	<u>\$ 141,953,052</u>	<u>\$ 18,498,423</u>	<u>\$ 160,451,475</u>	<u>\$ 137,160,987</u>	<u>\$ 14,493,219</u>	<u>\$ 151,654,206</u>

General Fund Budgetary Highlights

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2022, 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 2021-2022 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 2021-2022:

General Fund	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues	\$ 30,931,560	\$ 31,536,200	\$ 38,490,824	\$ 6,954,624
Expenditures	36,372,140	38,223,190	30,986,044	7,237,146
Other Sources (Uses)	293,260	293,260	491,537	198,277
Fund Balance, beginning	<u>17,336,153</u>	<u>17,336,153</u>	<u>17,336,153</u>	-
Fund Balance, ending	<u>\$ 12,188,833</u>	<u>\$ 10,942,423</u>	<u>\$ 25,332,470</u>	<u>\$ 14,390,047</u>

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

Both revenues and expenditure budgets were increased during the year, primarily reflecting adjustments for Public Works activities, Broadband Projects, the General Plan Update, and legal services. Although the final budget reduced the fund balance of the General Fund when compared to the original budget, the actual activity during the year increased the fund balance by \$14.4 million over the final budget.

Economic Factors and Next Fiscal Year's Budget

The City's revenues are sensitive to the local and national economic environments. After years of downturn, the economy was on a positive trajectory when the Coronavirus hit and negatively impacted the economy. However, trends have continued to recover in fiscal year 2021-2022. Approximately 30% of the City's General Fund revenue comes from property tax revenues, which tend to be more stable in times of economic flux than other sources. The City continues to recover from the Coronavirus and is ever-focused on economic development. The voters recently passed Sales Tax Measure D-20, providing additional revenue for the General Fund.

Economic factors and key issues and trends that affect the budget include:

Sales Tax Measure D-20 This is a general purpose one-cent transaction tax that was effective April 1, 2021. It will be used primarily for essential City services. Annual new revenue in fiscal year 2021-22 was about \$6.2 million.

CalPERS Retirement Cost Increases Both the CalPERS normal cost rate and the unfunded accrued liability (UAL) continue to increase through fiscal year 2024-2025 before they are expected to level out again. These costs will impact future fiscal years.

Assembly Bill 147 (AB 147) AB 147 (passed April 25, 2019) expanded the collection of sales and use tax to many internet-based purchases. As a result, "new" revenue that was not previously subject to sales tax collection is now being collected and remitted to Atascadero and other agencies.

Coronavirus The City and the overall economy continue to recover from the effects of COVID-19. Some City revenues still reflect negative impacts, but other revenues such as Zoo admissions and American Rescue Plan Act Funds show positive impacts.

The 2022-2023 budget is lean, smart, and will make the best of the City's limited resources. In preparing the budget, the objective was to provide an effective plan to maintain the Council goals and the City's core services. The Council's top priorities are:

- Economic and Community Vibrancy
- Fiscal and Infrastructure Efficiency and Sustainability
- Ensuring Public Safety and Providing Exceptional City Services
- Quality of Life

To accomplish all of these goals, the 2022-2023 budget includes the planned use of \$881,950 in reserves, in accordance with the Council's financial strategy.

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, 6500 Palma Avenue, Atascadero, CA 93422.

BASIC FINANCIAL STATEMENTS

CITY OF ATASCADERO
STATEMENT OF NET POSITION
June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 50,588,295	\$ 9,060,492	\$ 59,648,787
Restricted cash and investments:			
Cash with fiscal agents	1,406,310	-	1,406,310
Certificates of deposit	85,473	-	85,473
Receivables:			
Federal distributions due	3,745,769	430,635	4,176,404
Due from State of California	2,855,376	-	2,855,376
Due from County of San Luis Obispo	692,004	61,510	753,514
Accrued interest	172,014	31,725	203,739
Accrued interest receivable- 2010 bonds	171,767	-	171,767
Other receivables	1,199,307	38,350	1,237,657
Internal balances	196,010	(196,010)	-
Deposits, prepaid items, and inventory	64,710	6,070	70,780
Notes receivable	4,090,371	-	4,090,371
Advance receivable- Successor Agency	14,100,000	-	14,100,000
Capital assets:			
Non-depreciable:			
Land	41,659,554	547,738	42,207,292
Construction in progress	5,163,296	5,717,647	10,880,943
Depreciable:			
Vehicles and equipment	14,048,430	1,232,249	15,280,679
Structures and improvements	56,796,873	30,307,997	87,104,870
Infrastructure	79,161,466	-	79,161,466
Accumulated depreciation	(54,876,567)	(19,307,208)	(74,183,775)
Total assets	221,320,458	27,931,195	249,251,653
DEFERRED OUTFLOWS			
Deferred outflows related to pensions	7,114,260	148,427	7,262,687
Total deferred outflows	7,114,260	148,427	7,262,687

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

CITY OF ATASCADERO
 STATEMENT OF NET POSITION (continued)
 June 30, 2022

ITEM NUMBER: 1
 DATE: 02/23/23
 ATTACHMENT: 3

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 1,981,806	\$ 749,153	\$ 2,730,959
Accrued salaries and benefits	887,991	22,257	910,248
Accrued interest payable	171,767	-	171,767
Other payables	200,365	1,926	202,291
Deposits payable	62,079	-	62,079
Unearned revenue	1,541,337	308,969	1,850,306
Noncurrent liabilities:			
Due within one year	277,982	-	277,982
Due in more than one year	34,261,024	501,972	34,762,996
Total liabilities	<u>39,384,351</u>	<u>1,584,277</u>	<u>40,968,628</u>
DEFERRED INFLOWS			
Deferred inflows related to ARPA	3,597,290	-	3,597,290
Deferred inflows related to pensions	13,675,779	458,936	14,134,715
Total deferred inflows	<u>17,273,069</u>	<u>458,936</u>	<u>17,732,005</u>
NET POSITION			
Net investment in capital assets	127,853,052	18,498,423	146,351,475
Restricted for:			
Restricted for parks and recreation	2,549,465	-	2,549,465
Restricted for streets, roads, and drainage	8,335,087	-	8,335,087
Restricted for public safety	1,861,898	-	1,861,898
Restricted for economic development	1,846,005	-	1,846,005
Restricted for redevelopment and housing	5,849,423	-	5,849,423
Restricted for debt service	15,506,310	-	15,506,310
Unrestricted	<u>7,976,058</u>	<u>7,537,986</u>	<u>15,514,044</u>
Total net position	<u>\$ 171,777,298</u>	<u>\$ 26,036,409</u>	<u>\$ 197,813,707</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Net Governmental Activities	Net Business-Type Activities	
Governmental activities:							
General government	\$ 3,831,315	\$ 85,086	\$ 116,873	\$ -	\$ (3,629,356)	\$ -	\$ (3,629,356)
Public safety	16,170,995	1,013,009	3,961,531	266,340	(10,930,115)	-	(10,930,115)
Community development	3,287,824	1,225,982	225,899	101,533	(1,734,410)	-	(1,734,410)
Community, recreation & zoo services	2,978,346	1,188,776	71,922	163,946	(1,553,702)	-	(1,553,702)
Parks & open space	1,266,469	56,846	11,000	587,878	(610,745)	-	(610,745)
Public works	4,007,045	218,741	756,511	3,348,189	316,396	-	316,396
Interest on long-term debt	696,368	-	-	-	(696,368)	-	(696,368)
Total governmental activities	<u>32,238,362</u>	<u>3,788,440</u>	<u>5,143,736</u>	<u>4,467,886</u>	<u>(18,838,300)</u>	<u>-</u>	<u>(18,838,300)</u>
Business-type activities:							
Sewer	2,738,529	3,648,700	-	-	-	910,171	910,171
Transit	638,546	34,896	487,295	-	-	(116,355)	(116,355)
Total business-type activities	<u>3,377,075</u>	<u>3,683,596</u>	<u>487,295</u>	<u>-</u>	<u>-</u>	<u>793,816</u>	<u>793,816</u>
Total government	<u>\$ 35,615,437</u>	<u>\$ 7,472,036</u>	<u>\$ 5,631,031</u>	<u>\$ 4,467,886</u>	<u>(18,838,300)</u>	<u>793,816</u>	<u>(18,044,484)</u>
General revenues							
Taxes:							
Secured and unsecured property taxes					12,221,064	-	12,221,064
Sales tax and payments in lieu of sales tax					14,621,612	-	14,621,612
Transient lodging tax					2,049,160	-	2,049,160
Franchise taxes					1,301,298	-	1,301,298
Business license tax					173,525	-	173,525
Property transfer tax					230,626	-	230,626
Other taxes					503,969	-	503,969
Motor vehicle in lieu					34,222	-	34,222
Investment income					(1,446,897)	(302,298)	(1,749,195)
Interest from Successor Agency					706,695	-	706,695
Gain on sale of capital assets					2,178	-	2,178
Total general revenues					<u>30,397,452</u>	<u>(302,298)</u>	<u>30,095,154</u>
Change in net position					11,559,152	491,518	12,050,670
Net position at beginning of fiscal year					<u>160,218,146</u>	<u>25,544,891</u>	<u>185,763,037</u>
Net position at end of fiscal year					<u>\$ 171,777,298</u>	<u>\$ 26,036,409</u>	<u>\$ 197,813,707</u>

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

CITY OF ATASCADERO
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	General Fund	In Lieu Low / Moderate Income Housing Fund	Circulation System Fees Fund	Fire Aerial Vehicle Impact Fees Fund	2010 Bond Debt Service Fund	Other Nonmajor Governmental Funds	Totals
ASSETS							
Cash and investments	\$ 23,330,190	\$ 1,752,924	\$ 4,407,854	\$ -	\$ -	\$ 10,139,801	\$ 39,630,769
Restricted cash and investments:							
Cash and investments with fiscal agent	-	-	-	-	1,406,310	-	1,406,310
Certificates of deposit	85,473	-	-	-	-	-	85,473
Receivables:							
Federal distributions due	3,622,717	-	-	-	-	123,052	3,745,769
Due from State of California	2,647,130	-	-	-	-	208,246	2,855,376
Due from County of San Luis Obispo	58,872	-	-	-	-	633,132	692,004
Accrued interest	78,405	6,128	14,873	-	-	34,939	134,345
Other receivables	1,075,453	-	-	-	-	123,854	1,199,307
Due from other funds	243,686	-	-	-	-	718,145	961,831
Deposits, prepaid items, and inventory	30,080	-	-	-	-	730	30,810
Notes receivable	-	4,090,371	-	-	-	-	4,090,371
Advances receivable- Successor Agency	-	-	-	-	14,100,000	-	14,100,000
Total assets	<u>\$ 31,172,006</u>	<u>\$ 5,849,423</u>	<u>\$ 4,422,727</u>	<u>\$ -</u>	<u>\$ 15,506,310</u>	<u>\$ 11,981,899</u>	<u>\$ 68,932,365</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	General Fund	In Lieu Low / Moderate Income Housing Fund	Circulation System Fees Fund	Fire Aerial Vehicle Impact Fees Fund	2010 Bond Debt Service Fund	Other Nonmajor Governmental Funds	Totals
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,128,157	\$ -	\$ 263,922	\$ -	\$ -	\$ 512,337	\$ 1,904,416
Accrued salaries and benefits	845,469	-	-	-	-	12,847	858,316
Due to other funds	-	-	-	718,145	-	47,676	765,821
Unearned revenue	135,954	-	1,212,014	-	-	192,569	1,540,537
Deposits	62,079	-	-	-	-	-	62,079
Other payables	70,587	-	129,778	-	-	-	200,365
Total liabilities	<u>2,242,246</u>	<u>-</u>	<u>1,605,714</u>	<u>718,145</u>	<u>-</u>	<u>765,429</u>	<u>5,331,534</u>
DEFERRED INFLOWS							
Deferred inflows related to ARPA funding	<u>3,597,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,597,290</u>
Total deferred inflows	<u>3,597,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,597,290</u>
Fund Balances:							
Nonspendable	115,553	-	-	-	-	730	116,283
Restricted	486,856	5,849,423	2,817,013	-	15,506,310	10,991,606	35,651,208
Assigned for road projects	-	-	-	-	-	224,134	224,134
Unassigned	<u>24,730,061</u>	<u>-</u>	<u>-</u>	<u>(718,145)</u>	<u>-</u>	<u>-</u>	<u>24,011,916</u>
Total fund balances	<u>25,332,470</u>	<u>5,849,423</u>	<u>2,817,013</u>	<u>(718,145)</u>	<u>15,506,310</u>	<u>11,216,470</u>	<u>60,003,541</u>
Total liabilities and fund balances	<u>\$ 31,172,006</u>	<u>\$ 5,849,423</u>	<u>\$ 4,422,727</u>	<u>\$ -</u>	<u>\$ 15,506,310</u>	<u>\$ 11,981,899</u>	<u>\$ 68,932,365</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 POSITION
June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

Total fund balances - governmental funds \$ 60,003,541

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	\$	129,545,100	
Accumulated depreciation		<u>(32,732,871)</u>	
Net			96,812,229

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. (171,767)

In governmental funds, the receivable from the Successor Agency related to interest on the 2010 long-term debt is not recognized until the period in which it is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. 171,767

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Bonds payable		14,100,000	
Workers' Compensation estimated claims liability in excess of deposits		(17,734)	
Compensated absences payable		1,841,084	
CalPERS pension liability		17,792,025	
Other Post Employment Benefits		<u>233,620</u>	
			(33,948,995)

The deferred outflows below are not current assets or financial resources; and the deferred inflows are not due and payable in the current period and therefore are not reported in the Governmental Funds.

Deferred outflows			6,927,500
Deferred inflows			(12,960,443)

In governmental funds, premiums are recognized when the bonds are issued. In the government-wide statement of activities, these are recorded as a liability and amortized over the life of the bond. (54,476)

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 POSITION (continued)

June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

Internal service funds are used by management to charge the costs of various City activities to individual governmental and enterprise funds. The net position of the internal service funds are included in the Governmental Activities in the Statement of Net Position.

\$ 54,997,942

Total net position, governmental activities

\$ 171,777,298

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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	General Fund	In Lieu Low / Moderate Income Housing Fund	Circulation System Fees Fund	Fire Aerial Vehicle Impact Fees Fund	2010 Bond Debt Service Fund	Other Nonmajor Governmental Funds	Totals
Revenues:							
Secured and unsecured property taxes	\$ 11,213,632	\$ -	\$ -	\$ -	\$ -	\$ 1,417,084	\$ 12,630,716
Taxes based on sales and use	14,621,612	-	-	-	-	-	14,621,612
Franchise tax	1,301,298	-	-	-	-	-	1,301,298
Other taxes	2,503,816	-	-	-	-	-	2,503,816
Licenses and permits	787,086	101,533	613,683	21,696	-	1,031,891	2,555,889
Intergovernmental revenues:							
Motor vehicle in lieu	34,222	-	-	-	-	-	34,222
American Rescue Plan Act Funds- COVID-19	3,597,290	-	-	-	-	-	3,597,290
Grants	385,671	-	-	-	-	271,473	657,144
Other governmental revenues	198,142	-	-	-	-	3,212,141	3,410,283
Charges for services:							
Public safety	924,146	-	-	-	-	-	924,146
Development	643,780	-	-	-	-	-	643,780
Recreation, parks, pavilion, and zoo	1,237,355	-	-	-	-	-	1,237,355
Other services	70,945	-	-	-	-	-	70,945
Fines and forfeitures	58,580	-	-	-	-	933	59,513
Use of money and property	(641,535)	(46,286)	(129,024)	-	709,358	(299,339)	(406,826)
Other revenues	1,554,784	-	-	-	-	31,213	1,585,997
Total revenues	38,490,824	55,247	484,659	21,696	709,358	5,665,396	45,427,180

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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	General Fund	In Lieu Low / Moderate Income Housing Fund	Circulation System Fees Fund	Fire Aerial Vehicle Impact Fees Fund	2010 Bond Debt Service Fund	Other Nonmajor Governmental Funds	Totals
Expenditures:							
Current:							
General government	\$ 3,495,944	\$ -	\$ -	\$ -	\$ -	\$ 10,295	\$ 3,506,239
Public safety	15,393,654	-	-	-	-	130,649	15,524,303
Community development	2,659,600	80,498	-	-	5,800	290,383	3,036,281
Community, recreation and zoo services	2,516,081	-	-	-	-	8,820	2,524,901
Parks and open space	948,473	-	-	-	-	29,040	977,513
Public works	1,572,389	-	-	-	-	1,294,323	2,866,712
Capital outlay	4,399,903	-	517,648	-	-	4,007,519	8,925,070
Debt service:							
Principal	-	-	-	-	270,000	-	270,000
Interest	-	-	-	-	702,013	-	702,013
Total expenditures	<u>30,986,044</u>	<u>80,498</u>	<u>517,648</u>	<u>-</u>	<u>977,813</u>	<u>5,771,029</u>	<u>38,333,032</u>
Excess of revenues over (under) expenditures	<u>7,504,780</u>	<u>(25,251)</u>	<u>(32,989)</u>	<u>21,696</u>	<u>(268,455)</u>	<u>(105,633)</u>	<u>7,094,148</u>
Other Financing Sources (Uses):							
Transfers in	703,570	-	-	-	-	1,629,234	2,332,804
Transfers out	<u>(212,033)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,120,771)</u>	<u>(2,332,804)</u>
Total other financing sources and uses	<u>491,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(491,537)</u>	<u>-</u>
Net change in fund balances	7,996,317	(25,251)	(32,989)	21,696	(268,455)	(597,170)	7,094,148
Fund balances - June 30, 2021	<u>17,336,153</u>	<u>5,874,674</u>	<u>2,850,002</u>	<u>(739,841)</u>	<u>15,774,765</u>	<u>11,813,640</u>	<u>52,909,393</u>
Fund balances - June 30, 2022	<u>\$ 25,332,470</u>	<u>\$ 5,849,423</u>	<u>\$ 2,817,013</u>	<u>\$ (718,145)</u>	<u>\$ 15,506,310</u>	<u>\$ 11,216,470</u>	<u>\$ 60,003,541</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

Total net change in fund balance - governmental funds	\$ 7,094,148
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital assets of \$8,848,860 is greater than depreciation expense \$(1,798,901) in the period.	7,049,959
The sale or deletion of capital assets is not recorded in the governmental financial statements. In the statement of activities, however, the gain or loss from the sale or deletion is recorded as an appropriate program expense.	(354,893)
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.	270,000
In governmental funds, the issuance premiums associated with long-term debt are reported as revenue in the fiscal year debt is issued. In the government-wide statements, the issuance premiums are recorded as liabilities and are amortized over the life of the related debt.	2,982
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:	(2,663)
In governmental funds, reimbursement from the Successor Agency related to interest on the 2010 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 earned.	2,663
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 amounts earned exceeded the amounts used by:	(380,116)
In governmental funds, pension costs are recognized when employer contributions are made. In the Statement of Activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:	(1,130,065)
In the statement of activities, changes to some claims and judgment liabilities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(30,174)

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 (continued)

For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

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.	\$ (10,323)
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 position 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 position \$414,512 less the capital contributions from other governmental funds (\$1,366,878).	(952,366)
Changes in net position - governmental activities	<u>\$ 11,559,152</u>

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

CITY OF ATASCADERO
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 June 30, 2022

ITEM NUMBER: 1
 DATE: 02/23/23
 ATTACHMENT: 3

	Enterprise Funds			Internal Service Funds
	Wastewater Fund	Transit Fund	Totals	
ASSETS				
Current Assets:				
Cash and investments	\$ 9,060,492	\$ -	\$ 9,060,492	\$ 10,957,526
Receivables:				
Federal distributions due	-	430,635	430,635	-
Due from County of San Luis Obispo	61,465	45	61,510	-
Accrued interest	32,332	(607)	31,725	37,669
Other receivables	37,585	765	38,350	-
Prepaid expenses	3,695	2,375	6,070	33,900
Total current assets	9,195,569	433,213	9,628,782	11,029,095
Capital Assets:				
Non-depreciable:				
Land	547,738	-	547,738	-
Construction in progress	5,717,647	-	5,717,647	335,214
Depreciable:				
Vehicles and equipment	878,529	353,720	1,232,249	13,957,714
Structures and improvements	28,835,561	1,472,436	30,307,997	52,991,591
Accumulated depreciation	(18,339,147)	(968,061)	(19,307,208)	(22,143,696)
Net capital assets	17,640,328	858,095	18,498,423	45,140,823
Total assets	26,835,897	1,291,308	28,127,205	56,169,918
DEFERRED OUTFLOWS				
Deferred outflows related to pensions	139,526	8,901	148,427	186,760
Total deferred outflows	139,526	8,901	148,427	186,760

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

CITY OF ATASCADERO
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION (continued)
 June 30, 2022

ITEM NUMBER: 1
 DATE: 02/23/23
 ATTACHMENT: 3

	Enterprise Funds			Internal Service Funds
	Wastewater Fund	Transit Fund	Totals	
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 731,117	\$ 18,036	\$ 749,153	\$ 77,390
Accrued salaries and benefits	20,825	1,432	22,257	29,675
Unearned revenue	-	308,969	308,969	800
Due to other funds	-	196,010	196,010	-
Other payables	-	1,926	1,926	-
Noncurrent Liabilities:				
Noncurrent liabilities	461,529	40,443	501,972	535,535
Total liabilities	1,213,471	566,816	1,780,287	643,400
DEFERRED INFLOWS				
Deferred inflows related to pensions	438,912	20,024	458,936	715,336
Total deferred inflows	438,912	20,024	458,936	715,336
NET POSITION				
Net investment in capital assets	17,640,328	858,095	18,498,423	45,140,823
Unrestricted	7,682,712	(144,726)	7,537,986	9,857,119
Total net position	\$ 25,323,040	\$ 713,369	\$ 26,036,409	\$ 54,997,942

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 POSITION
For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Enterprise Funds			Internal Service Funds
	Wastewater Fund	Transit Fund	Totals	
Operating Revenues:				
Service fees	\$ 3,386,326	\$ 34,896	\$ 3,421,222	\$ 2,824,895
Installation, extension, and connection fees	262,374	-	262,374	-
Total operating revenues	<u>3,648,700</u>	<u>34,896</u>	<u>3,683,596</u>	<u>2,824,895</u>
Operating Expenses:				
Salaries and benefits	647,087	47,179	694,266	936,552
Office expense	3,766	309	4,075	1,131
Advertising	104	575	679	-
Computer maintenance and replacement	40,784	25,159	65,943	3,700
Insurance	46,677	9,289	55,966	84,154
Occupancy and rental costs	21,436	3,290	24,726	55,010
Utilities	355,821	-	355,821	90,319
Communications	9,360	1,408	10,768	73,997
Operating supplies	96,028	679	96,707	47,250
Vehicle and equipment operating costs	80,148	59,804	139,952	13,524
Contract services	217,175	196,742	413,917	132,658
Professional development	3,995	-	3,995	2,838
Recruitment	1,875	25	1,900	302
Franchise fees	66,722	-	66,722	-
Administrative charges	405,320	177,730	583,050	74,370
Special projects:				
Manhole rehabilitation projects	30,711	-	30,711	-
Sewer System Management Plan Audit	2,912	-	2,912	-
Proposition 218 majority protest-rate increase	1,875	-	1,875	-
Desks	-	-	-	2,075
Monitors	-	-	-	265

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 POSITION (continued)
For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Enterprise Funds			Internal Service Funds
	Wastewater Fund	Transit Fund	Totals	
Operating Expenses (continued):				
Depreciation	\$ 706,733	\$ 116,357	\$ 823,090	\$ 2,026,908
Total operating expenses	2,738,529	638,546	3,377,075	3,545,053
Operating income (loss)	910,171	(603,650)	306,521	(720,158)
Non-Operating Revenues (Expenses):				
Transportation Development Act Funds - Operations	-	67,136	67,136	-
Section 5307 Revenues - Operations	-	64,060	64,060	-
CARES Act funding - Operations	-	223,593	223,593	-
American Rescue Plan Act - Operations	-	131,006	131,006	-
Interest income	(301,420)	(878)	(302,298)	(318,635)
Bus advertising sales	-	1,500	1,500	-
Gain / (loss) on sale of capital assets	-	-	-	10,217
Total non-operating revenues	(301,420)	486,417	184,997	(308,418)
Change in net position prior to capital contributions	608,751	(117,233)	491,518	(1,028,576)
Capital Contributions:				
Cash contributions from other funds	-	-	-	76,210
Capital contributions from other funds	-	-	-	1,366,878
Total capital contributions	-	-	-	1,443,088
Change in net position	608,751	(117,233)	491,518	414,512
Total net position, June 30, 2021	24,714,289	830,602	25,544,891	54,583,430
Total net position, June 30, 2022	\$ 25,323,040	\$ 713,369	\$ 26,036,409	\$ 54,997,942

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, 2022

ITEM NUMBER: 1
 DATE: 02/23/23
 ATTACHMENT: 3

	Enterprise Funds			Internal Service Funds
	Wastewater Fund	Transit Fund	Totals	
Cash Flows From Operating Activities:				
Receipts from customers	\$ 3,651,718	\$ 34,263	\$ 3,685,981	\$ -
Internal activity - payments from other funds	-	-	-	2,824,895
Payments to suppliers of goods and services	(1,465,523)	(479,779)	(1,945,302)	(631,885)
Payments for employee services	(617,548)	(44,800)	(662,348)	(839,473)
Net cash provided (used) by operating activities	1,568,647	(490,316)	1,078,331	1,353,537
Cash Flows From Non-Capital Financing Activities:				
Receipts from intergovernmental agencies	-	301,067	301,067	-
Receipts from bus advertising sales	-	1,500	1,500	-
Loans / repayments to other funds	-	188,169	188,169	-
Net cash provided by non-capital related financing activities	-	490,736	490,736	-
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	(4,828,294)	-	(4,828,294)	(142,091)
Cash contributions for capital purchases	-	-	-	76,210
Proceeds from sale of capital assets	-	-	-	28,400
Net cash used by capital and related financing activities	(4,828,294)	-	(4,828,294)	(37,481)

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, 2022

ITEM NUMBER: 1
 DATE: 02/23/23
 ATTACHMENT: 3

	Enterprise Funds			Internal Service Funds
	Wastewater Fund	Transit Fund	Totals	
Cash Flows From Investing Activities:				
Interest income	\$ (301,622)	\$ (420)	\$ (302,042)	\$ (332,587)
Net cash provided (used) by investing activities	(301,622)	(420)	(302,042)	(332,587)
Net increase (decrease) in cash and cash equivalents	(3,561,269)	-	(3,561,269)	983,469
Cash and cash equivalents - June 30, 2021	12,621,761	-	12,621,761	9,974,057
Cash and cash equivalents - June 30, 2022	\$ 9,060,492	\$ -	\$ 9,060,492	\$ 10,957,526
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 910,171	\$ (603,650)	\$ 306,521	\$ (720,158)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	706,733	116,357	823,090	2,026,908
Change in assets, deferred outflows, liabilities, and deferred inflows:				
Receivables, net	3,018	(633)	2,385	-
Prepaid expenses	(3,695)	-	(3,695)	(20,201)
Accounts payable	(54,516)	(4,769)	(59,285)	(30,191)
Accrued salaries and benefits	428	167	595	5,466
Unearned revenue	-	-	-	100
Other payables	(22,603)	-	(22,603)	-
Deferred outflows	(7,375)	(320)	(7,695)	(12,255)
Deferred inflows	404,031	17,500	421,531	671,375
Net pension liability	(345,591)	(14,968)	(360,559)	(574,271)
Compensated absences	(21,954)	-	(21,954)	6,764
Net cash provided (used) by operating activities	\$ 1,568,647	\$ (490,316)	\$ 1,078,331	\$ 1,353,537

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

CITY OF ATASCADERO
PRIVATE PURPOSE TRUST FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Successor Agency to the Community Redevelopment Agency of Atascadero	Housing Successor Agency to the Community Redevelopment Agency of Atascadero	Totals
<u>Successor Agency to the Atascadero Community Redevelopment Agency</u>			
ASSETS			
Cash and investments	\$ 1,579,446	\$ -	\$ 1,579,446
GASB 31 Adjustment to market	(43,375)	-	(43,375)
Restricted cash and investments:			
Cash with fiscal agent	851,598	-	851,598
Receivables:			
Accrued interest	4,669	-	4,669
Other receivables	350	-	350
Notes receivable	-	200,000	200,000
Due from Successor Agency	-	1,335,322	1,335,322
	<u>2,392,688</u>	<u>1,535,322</u>	<u>3,928,010</u>
Total assets			
LIABILITIES			
Accounts payable	2,538	-	2,538
Unearned revenue	604,698	-	604,698
Interest payable	302,428	-	302,428
Due to Successor Agency Housing Fund	1,335,322	-	1,335,322
Premium on bonds payable	20,683	-	20,683
2004 Bonds payable	8,000,000	-	8,000,000
2010 Bond Reimbursement Agreement payable to City of Atascadero	14,100,000	-	14,100,000
	<u>24,365,669</u>	<u>-</u>	<u>24,365,669</u>
Total liabilities			
NET POSITION			
Held in trust for taxing agencies	<u>\$ (21,972,981)</u>	<u>\$ 1,535,322</u>	<u>\$ (20,437,659)</u>

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

CITY OF ATASCADERO
PRIVATE PURPOSE TRUST FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Successor Agency to the Community Redevelopment Agency of Atascadero	Housing Successor Agency to the Community Redevelopment Agency of Atascadero	Totals
ADDITIONS			
Contributions:			
RPTTF distributions	\$ 1,677,711	\$ -	\$ 1,677,711
Investment earnings:			
Interest	(51,216)	-	(51,216)
Total additions	<u>1,626,495</u>	<u>-</u>	<u>1,626,495</u>
DEDUCTIONS			
Payment on outstanding services contracts	2,420	-	2,420
Administrative costs	49,490	-	49,490
2004 Bond interest expense	395,753	-	395,753
2010 Bond reimbursement interest expense	705,149	-	705,149
Total deductions	<u>1,152,812</u>	<u>-</u>	<u>1,152,812</u>
Change in net position	473,683	-	473,683
Net position - June 30, 2021	<u>(22,446,664)</u>	<u>1,535,322</u>	<u>(20,911,342)</u>
Net position - June 30, 2022	<u><u>\$ (21,972,981)</u></u>	<u><u>\$ 1,535,322</u></u>	<u><u>\$ (20,437,659)</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The accompanying basic financial statements present the financial activity of the City, which is the primary government. The reporting entity is the City of Atascadero. There are no component units included in this report which meet the reporting entity definition criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, GASB Statement No. 61, GASB Statement No. 80, and GASB Statement No. 90.

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 position and the statement of activities) 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.

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, proprietary funds, and private purpose trust funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

In Lieu Low/Moderate 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.

Circulation System Fees Fund

This fund accounts for fees that are paid by developers 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 expended for the construction of new/increased/improved roadway and bridge facilities.

Fire Aerial Vehicle Impact Fees Fund

This fund accounts for impact fees imposed on commercial and multi-family residential developments for the purpose of contributing toward the purchase of the Aerial Fire Truck (Ladder Truck). The City purchased this truck in fiscal year 2007-2008 using future revenues.

2010 Bond Debt Service Fund

This fund accounts for the debt service payments for the Lease Revenue Bonds that were issued on September 1, 2010.

The City reported the following major proprietary funds:

Wastewater Fund

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

Transit Fund

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Internal Service Funds

The Internal Service Funds are used to account for services rendered on a cost-reimbursement basis within the City. The City maintains three internal service funds: the Technology Fund, the Vehicle and Equipment Replacement Fund, and the Building Maintenance 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. Private Purpose Trust Funds

Private Purpose Trust Funds are used to account for monies held on behalf of others in a fiduciary capacity. The City uses private purpose trust funds to account for the Successor Agency of the Former Redevelopment Agency which was dissolved on January 31, 2012, pursuant to state law. All resources of the funds are used to support specified activities.

F. Basis of Accounting

The government-wide, proprietary fund financial statements, and the private purpose trust 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.

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 leases are reported as other financing sources.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Basis of Accounting (continued)

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 position 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.

G. Compensated Absences

In compliance with Governmental Accounting Standards Board Statement No. 16, the City has established a liability for accrued vacation, other leave and certain sick leave in relevant funds. For governmental funds, the current liability appears in the respective funds. All vacation, sick, and other leave 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 vacation and certain other leave 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.

H. Property Taxes

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. 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. In the Technology Fund, the City uses a lower cost threshold to capitalize assets due to the nature of the assets.

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.

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

J. 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.

K. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. 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 \$16,127,605 was netted against the liability account of \$16,186,439 in fiscal year 2022. The net balance in the performance bond deposits liability account at June 30, 2022, was \$58,834 and is included with other amounts in the "Deposits" liability reported in the basic financial statements.

M. Short-Term Debt

The City has no short-term debt.

N. 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.

O. Fund Balance

Categories of Fund Balance

In accordance with Government Accounting Standards Board Statement No. 54, the City classifies fund balances as follows:

Non-spendable- includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints

Restricted- includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation

Committed- includes amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council

Assigned- includes fund balance amounts that are constrained for specific purposes by the City through formal action of the City Council and does not lapse at fiscal year end

Unassigned- includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds

Non-Spendable Fund Balance

The non-spendable fund balance of \$116,283 is comprised of amounts reported in non-spendable form and/or not in cash form such as prepaid items and deposits.

Restricted Fund Balance

The restricted fund balance of \$35,651,208 is comprised of \$486,856 for economic development to offset the impact of the impending closure of Pacific Gas and Electric's Diablo Canyon Power Plant, \$5,849,423 for affordable housing, \$15,506,310 restricted for debt service, and \$13,808,619 restricted for other Capital Project Funds and Special Revenue Funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Balance (continued)

Assigned Fund Balance

The fund balance assigned for road projects of \$224,134 is held in the Capital Projects Fund for road rehabilitation projects. These funds remain from the City Council's action to move funds annually in fiscal years 2001/2002 through 2007/2008 for these projects, and associated interest earnings.

Use of Fund Balance Order

The City budgets and expends funds for each project or expense based on specific identified funding sources that are available now and in the future. This means that, at times, the City may use unrestricted funds first for a particular project, leaving the eligible restricted funds available for a specific future project; however, it is the City's general policy to use restricted amounts first when both restricted and unrestricted amounts are available. Similarly, the City would typically first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Minimum Fund Balance Policy

The City adopted a formal fund balance policy stating that as part of the biennial budget process, fund balance shall be evaluated to determine the prudent level of reserves based on eleven key measurements. The policy further states that except in the case of natural or fiscal emergencies, the City's general fund balance shall not fall below 20% of General Fund expenditures. The General Fund reserve met this criterion for fiscal year 2021-2022.

Major Special Revenue and Capital Projects Funds

The purpose for each major fund may be found in Note 1(C); however, each major special revenue and capital projects fund and its revenue source is listed below:

Major Special Revenue and Debt Service Funds

In Lieu Low/Moderate Income Housing Fund
Circulation System Fees Fund
Fire Aerial Vehicle Impact Fees Fund
2010 Bond Debt Service Fund

Revenue Source

New Developments
Development Impact Fees
Development Impact Fees
Successor Agency Tax Increment

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Balance (continued)

Detailed Schedule of Fund Balances

A detailed schedule of fund balances is provided below:

Disclosure of Fund Balances Reported on Balance Sheet
 June 30, 2022

	General Fund	In Lieu Low/Moderate Income Housing Fund	Circulation System Fees Fund	Fire Aerial Vehicle Impact Fees Fund	2010 Bond Debt Service Fund	Other Nonmajor Governmental Funds	Totals
FUND BALANCES:							
Nonspendable							
Deposits, prepaid items, and inventory	\$ 115,553	\$ -	\$ -	\$ -	\$ -	\$ 730	\$ 116,283
Restricted							
Public Safety	-	-	-	-	-	2,865,440	2,865,440
Streets, Roads, and Drainage	-	-	2,817,013	-	-	4,360,110	7,177,123
Parks, Open Space, and Recreation	-	-	-	-	-	2,459,235	2,459,235
Community Development and Blight Elimination	486,856	-	-	-	-	1,306,821	1,793,677
Affordable Housing	-	5,849,423	-	-	-	-	5,849,423
Debt Service	-	-	-	-	15,506,310	-	15,506,310
Assigned							
Roads Projects	-	-	-	-	-	224,134	224,134
Unassigned							
	24,730,061	-	-	(718,145)	-	-	24,011,916
Total Fund Balances	\$ 25,332,470	\$ 5,849,423	\$ 2,817,013	\$ (718,145)	\$ 15,506,310	\$ 11,216,470	\$ 60,003,541

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. New GASB Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 91	"Conduit Debt Obligations"	The provisions of this statement are effective for fiscal years beginning after December 15, 2021.
Statement No. 93	"Replacement of Interbank Offered Rates"	The provisions of this statement except for paragraphs 11b, 13, and 14 are effective for fiscal years beginning after June 15, 2020. Paragraph 11b is effective for fiscal years beginning after December 31, 2021. Paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021.
Statement No. 94	"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 96	"Subscription-Based Information Technology Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 98	"The Annual Comprehensive Financial Report"	The provisions of this statement are effective for fiscal years beginning after December 15, 2021.
Statement No. 99	"Omnibus 2022"	The provisions of this statement are effective in April 2022 except for the provisions related to leases, PPPs, SBITAs, financial guarantees and derivative instruments. The provisions related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The provisions related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2023.
Statement No. 101	"Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62"	The provisions of this statement are effective for fiscal years beginning after June 15, 2023.
Statement No. 101	"Compensated Absences"	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

Q. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the City recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The City has one item which qualifies for reporting in this category; refer to Note 9 for a detailed listing of the deferred outflows of resources the City has recognized.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the City that is applicable to a future reporting period. The City has two items which qualify for reporting in this category; refer to Note 9 for a detailed list of the deferred inflows of revenues the City recognized.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the City of Atascadero’s California Employees’ Retirement System (CalPERS) Plan (Plan) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 her appointee. Budget modifications between funds, and increases or decreases to a fund’s overall budget, must be approved by the City Council. Numerous properly authorized amendments were made during the fiscal year.

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

B. Deficit Fund Balance

A deficit fund balance in the following fund exists due to large purchases incurred prior to the receipt of the long-term reimbursing revenues:

	Deficit Fund Balance
	<u> </u>
Major Governmental Fund	
Fire Aerial Vehicle Impact Fees Fund	\$ (718,145)

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, 2022, consisted of the following:

Pooled Cash and Investments:	
Cash in bank and on hand	\$ 639,543
Investments	33,911,088
Local Agency Investment Fund (LAIF)	26,719,700
Total Pooled Cash and Investments	<u>61,270,331</u>
Funds with Fiscal Agents:	
United States Treasury Money Fund	<u>2,257,908</u>
Total Funds with Fiscal Agents	<u>2,257,908</u>
Total Cash and Investments	<u>\$ 63,528,239</u>

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

	Governmental Activities	Business- Type Activities	Private-Purpose Trust Funds	Total
Cash and investments	\$ 50,588,295	\$ 9,060,492	\$ 1,536,071	\$ 61,184,858
Cash and investments held by fiscal agents	1,406,310	-	851,598	2,257,908
Restricted certificates of deposit	85,473	-	-	85,473
Total Cash and Investments	<u>\$ 52,080,078</u>	<u>\$ 9,060,492</u>	<u>\$ 2,387,669</u>	<u>\$ 63,528,239</u>

NOTE 3 – CASH AND INVESTMENTS (continued)

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 \$366,055. The balance was insured by federal depository insurance. Certificates of Deposit totaling \$13,150,112 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, 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
- California and California Local Agency Municipal Obligations
- Other State Municipal Obligations
- Supranational Securities
- Bankers' Acceptances
- Commercial Paper
- Certificates of Deposit and Passbook Savings Accounts
- Money Market Funds

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

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

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

NOTE 3 – CASH AND INVESTMENTS (continued)

E. Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurements and Application*, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include the following:

1. Quoted prices for similar assets or liabilities in active markets.
2. Quoted prices for identical or similar assets or liabilities in markets that are not active.
3. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
4. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level 3 inputs are unobservable inputs for the asset or liability.

Fair value of assets measured on a recurring basis at June 30, 2022, are as follows:

June 30, 2022	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Uncategorized (Level 3)
U. S. Government Obligations	\$ 13,789,879	\$ -	\$ 13,789,879	\$ -
Supranational Securities	3,465,320	-	3,465,320	-
Municipal Securities	3,505,777	-	3,505,777	-
Certificates of Deposit	13,150,112	-	13,150,112	-
United States Treasury Money Fund	2,257,908	-	2,257,908	-
	<u>36,168,996</u>	<u>\$ -</u>	<u>\$ 36,168,996</u>	<u>\$ -</u>
Investments measured at amortized cost				
Local Agency Investment Fund (LAIF)	26,719,700			
Total investments	<u>\$ 62,888,696</u>			

Fair values for investments are determined by using a matrix pricing technique. Matrix pricing is used to value securities based on the security's relationship to benchmark quoted prices. Uncategorized investments do not fall under the fair value hierarchy as there is no active market for the investments.

NOTE 3 – CASH AND INVESTMENTS (continued)

F. Investments

Investments for the City are summarized below:

Investments	Fair Value	Percent of Portfolio
U.S. Government Obligations	\$ 13,789,879	23%
Supranational Securities	3,465,320	6%
Municipal Securities	3,505,777	6%
Certificates of Deposit	13,150,112	21%
Local Agency Investment Fund (LAIF)	26,719,700	44%
Total Investments Managed by City	\$ 60,630,788	100%

Investments Held by Fiscal Agents

United States Treasury Money Fund	\$ 2,257,908	100%
Total Investments Held by Fiscal Agents	\$ 2,257,908	100%

Investments	Fair Value	On Demand	Within One Month	One Month to One Year	One to Five Years
U.S. Government Obligations	\$ 13,789,879	\$ -	\$ -	\$ 2,801,414	\$ 10,988,465
Supranational Securities	3,465,320	-	-	1,498,855	1,966,465
Municipal Securities	3,505,777	-	-	-	3,505,777
Certificates of Deposit	13,150,112	-	-	2,365,221	10,784,891 *
Local Agency Investment Fund (LAIF)	26,719,700	26,719,700	-	-	-
Investments Held by Fiscal Agents	2,257,908	2,257,908 **	-	-	-
Total Investments Managed by City	\$ 62,888,696	\$ 28,977,608	\$ -	\$ 6,665,490	\$ 27,245,598
Percentage of Portfolio	100%	46%	0%	11%	43%

* Included here is \$85,473 in certificates of deposit with a local bank, serving as collateral for the Local Road Improvement Loan Program, approved by Council on June 14, 2005.

** Held by fiscal agents for the 2010 Lease Revenue Bonds and the 2004 Tax Allocation Bonds

NOTE 3 – CASH AND INVESTMENTS (continued)

F. Investments (continued)

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. U. S. Government Obligations 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 Certificates of Deposit.

	Fair Value	Rating as of June 30, 2022	
		AAA - A	Not Rated
Investments			
U. S. Government Obligations	\$ 13,789,879	\$ 13,789,879	\$ -
Supranational Securities	3,465,320	3,465,320	-
Municipal Securities	3,505,777	3,505,777	-
Certificates of Deposit	13,150,112	-	13,150,112
Local Agency Investment Fund (LAIF)	26,719,700	-	26,719,700
Investments Held by Fiscal Agents	2,257,908	-	2,257,908
Total Investments Managed by City	<u>\$ 62,888,696</u>	<u>\$ 20,760,976</u>	<u>\$ 42,127,720</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.

NOTE 3 – CASH AND INVESTMENTS (continued)

F. Investments (continued)

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

- No more than thirty percent (30%) of the City's portfolio shall be invested in California and California local agency municipal obligations, and other state municipal obligations.
- 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.
- A maximum of thirty percent (30%) of the City's portfolio may be deposited in certificates of deposit or passbook savings accounts. The minimum requirements for certificate of deposit investments shall be:
 - Investments and accrued interest shall never exceed the FDIC insurance limit in any one institution.
 - Qualified institutions must have a minimum equity ratio of 6% and a minimum capitalization of \$10,000,000.
- Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec 80a-l et seq.) shall not exceed twenty percent (20%) of the agency's surplus money that may be invested pursuant to the City's Investment Policy.
- Up to thirty percent (30%) of the City's portfolio may be invested in United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this paragraph shall be rated in a rating category of "AA" or its equivalent or better by a nationally recognized statistical rating organization. No more than 10% of the City's portfolio shall be invested in obligations of any one bank.

G. Funds with Fiscal Agents

The City had \$1,406,310 in cash and investments as of June 30, 2022, held by fiscal agents pledged for the payment or security of the 2010 Lease Revenue Bonds. There was an additional \$851,598 held by fiscal agents for the 2004 Redevelopment Agency Tax Allocation Bonds in the Successor Agency to the Community Redevelopment Agency of Atascadero Private Purpose Trust Fund. The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds, certificates, or leases, may be invested in accordance with the ordinance, resolutions, or indentures specifying the types of investments its fiscal agents may make.

NOTE 4 – ADVANCES RECEIVABLE – SUCCESSOR AGENCY

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
2010 Bond Debt Service Fund	Successor Agency General Fund	\$ 14,100,000
Total		<u>\$ 14,100,000</u>

Advances receivable of \$14,100,000 consists of a reimbursement agreement with the City for bond debt service. In September of 2010, the City issued bonds on behalf of the former Redevelopment Agency and entered into a reimbursement agreement at that time whereby the City advanced the former Agency the proceeds of the bond and the former Agency was required to make annual payments to the City in the amount of the debt service on the bonds. With the dissolution of redevelopment, this is now a debt of the Successor Agency and the Successor Agency will continue to make the required payments. See Note 15D – Successor Agency Trust for Assets of Former Redevelopment Agency, Bond Reimbursement Agreement Payable, for additional information. This arrangement meets the criteria of ABX1 26, Section 34171(d)(G)(2):

- Written agreement entered into:
 - At the time of issuance, but no later than December 31, 2010, of indebtedness obligations
 - Solely for the purpose of securing or repaying those indebtedness obligations
- Section 34171(e) defines “indebtedness obligation”: bonds, notes, certificates of participation, or other evidence of indebtedness, issued or delivered by the redevelopment agency, or by a joint exercise of powers authority created by the redevelopment agency, to third-party investors or bondholders to finance or refinance redevelopment projects undertaken by the redevelopment agency in compliance with the Community Redevelopment Law.

NOTE 5 – NOTES RECEIVABLE

Notes Receivable in the amount of \$4,090,371 is outstanding in the In Lieu Low/Moderate Income Housing Fund. Developments meeting certain criteria must either pay an In-Lieu fee into the fund or provide “affordably” priced homes for sale to income qualified buyers. These homes are sold by developers at prices below fair market value and the City records notes receivable against the titles in the amounts equal to the difference between the reduced sales prices and the fair market values. The loans are either paid back on a pro-rata share of equity at the time the homes sell, or are forgiven after a period of 30 years of ownership by the same homeowner. The Notes Receivable amount includes loans for 22 homes in the Very Low Income category and 8 homes in the Low/Moderate Income category.

NOTE 6 – CAPITAL ASSETS

A. Capital Assets Additions and Retirements

Capital assets activity in the Governmental Activities for the fiscal year ended June 30, 2022, was as follows:

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers Between Assets</u>	<u>Balance June 30, 2022</u>
Governmental Activities					
Non-Depreciable Capital Assets					
Land	\$ 41,588,097	\$ 71,457	\$ -	\$ -	\$ 41,659,554
Construction in progress	5,549,723	7,920,214	-	(8,306,641)	5,163,296
Total non-depreciable capital assets	<u>47,137,820</u>	<u>7,991,671</u>	<u>-</u>	<u>(8,306,641)</u>	<u>46,822,850</u>
Depreciable Capital Assets					
Vehicles and equipment	13,127,131	907,128	(182,576)	196,747	14,048,430
Structures and improvements	55,129,124	58,690	-	1,609,059	56,796,873
Infrastructure	74,009,505	33,462	(1,382,336)	6,500,835	79,161,466
Total depreciable capital assets	142,265,760	999,280	(1,564,912)	8,306,641	150,006,769
Less Accumulated Depreciation	<u>(52,242,593)</u>	<u>(3,825,809)</u>	<u>1,191,835</u>	<u>-</u>	<u>(54,876,567)</u>
Net depreciable capital assets	<u>90,023,167</u>	<u>(2,826,529)</u>	<u>(373,077)</u>	<u>8,306,641</u>	<u>95,130,202</u>
Net governmental capital assets	<u>\$ 137,160,987</u>	<u>\$ 5,165,142</u>	<u>\$ (373,077)</u>	<u>\$ -</u>	<u>\$ 141,953,052</u>

NOTE 6 – 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, 2022, was as follows:

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers Between Assets</u>	<u>Balance June 30, 2022</u>
Business-Type Activities					
Non-Depreciable Capital Assets					
Land	\$ 547,738	\$ -	\$ -	\$ -	\$ 547,738
Construction in progress	1,791,495	4,686,924	-	(760,772)	5,717,647
Total non-depreciable capital assets	<u>2,339,233</u>	<u>4,686,924</u>	<u>-</u>	<u>(760,772)</u>	<u>6,265,385</u>
Depreciable Capital Assets					
Vehicles and equipment	1,232,249	-	-	-	1,232,249
Structures and improvements	29,405,855	141,370	-	760,772	30,307,997
Total depreciable capital assets	30,638,104	141,370	-	760,772	31,540,246
Less Accumulated Depreciation	<u>(18,484,118)</u>	<u>(823,090)</u>	<u>-</u>	<u>-</u>	<u>(19,307,208)</u>
Net depreciable capital assets	<u>12,153,986</u>	<u>(681,720)</u>	<u>-</u>	<u>760,772</u>	<u>12,233,038</u>
Net business-type capital assets	<u>\$ 14,493,219</u>	<u>\$ 4,005,204</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,498,423</u>

NOTE 6 – 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	\$ 345,684
Public safety	710,634
Community development	227,429
Community, recreation & zoo services	383,352
Parks & open space	301,332
Public works	<u>1,857,378</u>

Total Depreciation Expense- Governmental Activities \$ 3,825,809

Business-Type Activities:

Sewer	\$ 706,733
Transit	<u>116,357</u>

Total Depreciation Expense- Business-Type Activities \$ 823,090

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Interfund Receivables and Payables

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, 2022, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 47,676
General Fund	Transit Fund	196,010
Nonmajor Governmental Funds	Fire Aerial Vehicle Impact Fees Fund	718,145
Total		<u>\$ 961,831</u>

B. Interfund Transfers

Interfund transfers were made as follows:

<u>Actual Amount</u>	<u>Description</u>
\$ 703,570	Transfer from the Community Facilities District Fund to the General Fund for fire, police and park services
208,033	Transfer from the General Fund to the Gas Tax Fund for the cost of Streets Department operations
1,417,201	Transfer from the Gas Tax Fund to the Local Transportation Fund for the El Camino Real South Rehabilitation Project
2,600	Transfer from the General Fund to the Las Lomas Landscape & Lighting Fund for open space maintenance
1,400	Transfer from the General Fund to the De Anza Landscape & Lighting Fund for open space maintenance
<u>\$ 2,332,804</u>	

NOTE 8 – LONG-TERM LIABILITIES

A. Compensated Absences

City employees accumulate earned but unused vacation and certain other leave 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, 2022, total \$1,898,086 for governmental activities and \$13,331 for business-type activities.

B. 2010 Lease Revenue Bonds

On September 1, 2010, the City of Atascadero issued \$16,010,000 in Lease Revenue Bonds for the former Community Redevelopment Agency of Atascadero. The bonds were issued by the City in order to achieve an overall lower interest rate on the bonds. The bond proceeds were transferred to the former Redevelopment Agency for use on the Historic City Hall Project and other redevelopment blight elimination projects. These bonds mature between fiscal years 2015 and 2041, at interest rates ranging from 3.0% to 5.0%. The Successor Agency makes payments, from tax increment revenues, to the City in amounts equal to the annual debt service payments on the bonds. The bonds will then be repaid by the City using these revenues.

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

Fiscal Year Ending June 30,	2010 Lease Revenue Bonds	
	Principal	Interest
2023	\$ 275,000	\$ 689,737
2024	295,000	676,963
2025	305,000	664,581
2026	315,000	651,800
2027	330,000	637,250
2028-2032	1,920,000	2,914,000
2033-2037	4,190,000	2,285,250
2038-2041	6,470,000	667,000
	<u>\$ 14,100,000</u>	<u>\$ 9,186,581</u>

NOTE 8 – LONG-TERM LIABILITIES (continued)

C. Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

	Balance June 30, 2021	Additions	Payments	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Bonds Payable:					
2010 Lease Revenue Bonds	\$ 14,370,000	\$ -	\$ (270,000)	\$ 14,100,000	\$ 275,000
Compensated Absences	1,511,206	1,423,391	(1,036,511)	1,898,086	-
Premium on 2010 Lease Revenue Bonds	57,458	-	(2,982)	54,476	2,982
Workers' Compensation estimated claims liability in excess of deposits	(47,908)	35,254	(5,080)	(17,734)	-
Net Pension Liability	29,776,861	-	(11,506,303)	18,270,558	-
Other Post Employment Benefits Liability	223,297	17,680	(7,357)	233,620	-
Total Governmental Activities	\$ 45,890,914	\$ 1,476,325	\$ (12,828,233)	\$ 34,539,006	\$ 277,982
Business-type Activities:					
Compensated Absences	\$ 35,285	\$ 31,180	\$ (53,134)	\$ 13,331	\$ -
Net Pension Liability	849,200	-	(360,559)	488,641	-
Total Business-type Activities	\$ 884,485	\$ 31,180	\$ (413,693)	\$ 501,972	\$ -

NOTE 9 – EMPLOYEE RETIREMENT BENEFITS

A. Public Employees' Retirement System

Summary of Significant Accounting Policies-Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the City of Atascadero's California Public Employees' Retirement System (CalPERS) Plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 9 – EMPLOYEE RETIREMENT BENEFITS (continued)

A. Public Employees’ Retirement System (continued)

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all others). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City of Atascadero sponsors six rate plans (three miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and City of Atascadero resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited services, equal to a fixed percentage of their highest annual salary formula as determined by the benefit program they participate in. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous Plan		
	<i>Tier 1</i>	<i>Tier 2</i>	<i>Tier 3</i>
Hire date	Prior to July 1, 2012	On or after July 1, 2012	On or after January 1, 2013
Benefit formula	2.5% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-63	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	7.25%
Required employer contribution rates	12.99%	11.06%	7.73%

NOTE 9 – EMPLOYEE RETIREMENT BENEFITS (continued)

A. Public Employees’ Retirement System (continued)

Benefits Provided (continued)

	Safety Plan		
	<i>Tier 1</i>	<i>Tier 2</i>	<i>Tier 3</i>
Hire date	Prior to July 1, 2012	On or after July 1, 2012	On or after January 1, 2013
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50-55	50-57
Monthly benefits, as a % of eligible compensation	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.00%	9.00%	13.00%
Required employer contribution rates	23.71%	20.64%	13.13%

Contributions- Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees.

The City’s contributions to the Plan for the fiscal year ended June 30, 2022, were \$4,236,582.

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amount was paid at the beginning of the fiscal year. The City of Atascadero’s required contribution for the unfunded liability and side fund was \$2,618,886 in fiscal year 2022.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$18,759,199.

The City’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to other projected contributions of all participating employers, actuarially determined.

NOTE 9 – EMPLOYEE RETIREMENT BENEFITS (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

The City's proportionate share of the net pension liability for the Plan as of measurement dates June 30, 2021, and 2020, was as follows:

Proportionate Percentage Share of Net Pension Liability

	Percentage share of Plan		Change: Increase/ (Decrease)
	June 30, 2022	June 30, 2021	
Measurement Date	6/30/2021	6/30/2020	
Percentage of Plan (PERF C) Net Pension Liability	0.34686%	0.28148%	0.06538%

For the fiscal year ended June 30, 2022, the City recognized pension expense of \$5,504,773. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	All Plans	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,751,569	\$ -
Net differences between projected and actual earnings on plan investments	-	(13,310,464)
Change in employer's proportion	274,536	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	(824,251)
Pension contributions subsequent to measurement date	4,236,582	-
Total	\$ 7,262,687	\$ (14,134,715)

NOTE 9 – EMPLOYEE RETIREMENT BENEFITS (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

\$4,236,582 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Deferred Outflows / (Inflows) of Resources
2023	\$ (2,091,194)
2024	(2,408,906)
2025	(2,937,818)
2026	(3,670,692)

Actuarial Assumptions – For the measurement period ended June 30, 2021, the total pension liabilities were determined by rolling forward the June 30, 2020, total pension liability. The June 30, 2021, total pension liabilities were based on the following actuarial methods and assumptions:

	<u>Plan</u>
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Post Retirement Benefit Increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies
Mortality	Derived using CalPERS' Membership Data for all Funds. The mortality rates include 15 years of projected on-going mortality improvements using 90% of Scale MP 2016 published by the Society of Actuaries.

NOTE 9 – EMPLOYEE RETIREMENT BENEFITS (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Actuarial Assumptions (continued)

The mortality table used was developed based on CalPERS' specific data. This table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more detail on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

NOTE 9 – EMPLOYEE RETIREMENT BENEFITS (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

The following table reflects long-term expected real rate of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Assumed Asset Allocation ¹	Real Return Years 1-10 ²	Real Return Years 11+ ³
Public equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

- (1) Figures are based on previous 2017 ALM.
- (2) An expected inflation of 2.00% used for this period.
- (3) An expected inflation of 2.92% used for this period.

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Discount Rate		
	6.15% (1% Decrease)	7.15% (Current Rate)	8.15% (1% Increase)
Measurement Date	6/30/2021		
Fiscal Year End	6/30/2022		
Net Pension Liability	\$ 34,072,278	\$ 18,759,199	\$ 6,145,537

NOTE 9 – EMPLOYEE RETIREMENT BENEFITS (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net positions is available in separately issued CalPERS financial reports.

C. Payable to the Pension Plan

The City paid 100% of the required actuarially determined contributions for the fiscal year ending June 30, 2022, and therefore recorded no payables to the pension plan for the same period.

D. Defined Contribution Plan

The City offers a defined contribution plan, Nationwide Retirement Solutions, for those employees that are excluded from CalPERS membership due to part-time or elected status. The plan is approved as a FICA substitute. Members contribute 5% and the City contributes 2.5%. Total employee contributions for the year were \$14,594, and total contributions from the City were \$7,297. Nationwide Retirement Solutions is the public employee plan subsidiary of Nationwide Financial Services, Inc. (NYSE: NFS).

NOTE 10 – 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, Deputy City Managers, 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 are four people that received benefits in fiscal year 2021/2022, and fourteen other people that may become eligible for benefits under this program. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Contributions

The City accounts for this benefit on a pay-as-you-go basis. Post employment 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, 2022, the City's total contributions were \$7,357.

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (continued)

Employees Covered

As of June 30, 2022, the following current and former employees were covered by the benefit under the plan.

Active members	11
Inactive members	3
Beneficiaries	4
Total	<u>18</u>

Total OPEB Liability

The City has elected to calculate the OPEB liability and related information using the alternative measurement method permitted by GASB Statement 75 for employers in plans with fewer than one hundred total plan members. The City's OPEB liability was measured as of June 30, 2022, and the total OPEB used to calculate the OPEB liability was from the City's valuation as of June 30, 2022.

Changes in the OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021 (valuation date June 30, 2021)	<u>\$ 223,297</u>
Changes recognized for the measurement period:	
Service Cost	10,981
Interest	6,699
Benefit payments	<u>(7,357)</u>
Net changes	<u>10,323</u>
Balance at June 30, 2022 (valuation date June 30, 2022)	<u>\$ 233,620</u>

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (continued)

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.00%) or 1 percentage point higher (4.00%) than the current discount rate.

	Discount Rate		
	1% Decrease 2.00%	Current 3.00%	1% Increase 4.00%
OPEB Liability	\$ 234,397	\$ 233,620	\$ 232,959

Sensitivity of the OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower (2.00%) or 1 percentage point higher (4.00%) than the current Healthcare Trend Rate of 3.0%.

	Healthcare Trend Rate 3%		
	1% Decrease 2.00%	Current 3.00%	1% Increase 4.00%
OPEB Liability	\$ 232,959	\$ 233,620	\$ 234,397

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 – All active members were expected to remain employed until the assumed retirement/age.

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (continued)

Actuarial Methods and Assumptions (continued)

Discount Rate – 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, 2022, was twenty-two years.

NOTE 11 – REVENUE LIMITATIONS IMPOSED BY CALIFORNIA PROPOSITION 218

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

NOTE 12 – 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 124 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. Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool’s total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool’s total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

NOTE 12 – RISK MANAGEMENT (continued)

B. Primary Self-Insurance Programs of the Authority (continued)

Primary Liability Program (continued)

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2021-22 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

C. Purchased Insurance

Pollution Legal Liability Insurance

The City of Atascadero participates in the pollution legal liability insurance program 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 \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

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. City of Atascadero property is currently insured according to a schedule of covered property submitted by the City of Atascadero to the Authority. City of Atascadero property currently has all-risk property insurance protection in the amount of \$94,864,771. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

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 provided through the Authority.

NOTE 12 – RISK MANAGEMENT (continued)

C. Purchased Insurance (continued)

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 facilitated by the Authority.

D. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2021-22.

E. Unemployment

The City is fully self-insured for unemployment claims.

NOTE 12 – RISK MANAGEMENT (continued)

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.

Self-insurance activity as of and for the year ended June 30, 2022, is summarized as follows:

	Workers' Compensation
Interest earnings and other income	\$ 194
Claims expense	35,254
Estimated liability for reported claims and settlement expenses	(106,681)
Assets on deposit	<u>124,415</u>
Assets in excess of (less than) liabilities	<u><u>\$ 17,734</u></u>

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

	Workers' Compensation
Deposits June 30, 2020	\$ (139,672)
Claim payments and related expenditures	(5,867)
Decrease in estimated claims liability June 30, 2021	36,375
Deposits and interest earnings	<u>157,072</u>
Deposits (unpaid claims liability) June 30, 2021	47,908
Claim payments and related expenditures	(35,254)
Decrease in estimated claims liability June 30, 2022	4,684
Deposits and interest earnings	<u>396</u>
Deposits (unpaid claims liability) June 30, 2022	<u><u>\$ 17,734</u></u>

NOTE 13 – CONTINGENCIES AND COMMITMENTS

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.

According to the City Attorney, there are two potentially significant issues pending.

Andrew Sunderland V. City of Atascadero, San Luis Obispo Superior Court Case No. 21 CVP-0074

On March 24, 2021, Andrew J. Sutherland, Trustee of the Andrew J. Sutherland Trust dated April 26, 2016 (“Sutherland”) filed a Petition for Writ of Mandate and Complaint for Procedural and Substantive Taking of Property (“Petition”) which includes the following allegations: Sunderland owns property located at 6020 Conejo Road in the City of Atascadero and the property has a billboard which was erected in 1953 pursuant to a permit issued by the State of California (“Original Billboard”). On January 22, 2017, a large windstorm blew down the Original Billboard and Outfront Media erected a new billboard by March 7, 2017 (“Outfront Billboard”). Outfront removed its billboard following a demand for removal by the City. In August 2019, Sunderland constructed a new billboard (“Reconstructed Original Billboard”). The Petition alleges that the Original Billboard became vested as a lawful use by virtue of the 1953 State permit and Business and Professions Code Section 5412. The Petition prays for a writ of mandate directing the City to accept the application from Sunderland to permit the Reconstructed Billboard and an award of damages of no less than \$600,000 for the taking of the billboard.

The City filed an Answer to the Petition denying the material allegations of the Petition. The City’s Municipal Code does not permit off site signs, including billboards, and the City has not issued a permit either the Outfront Billboard or the so-called Reconstructed Original Billboard.

A hearing on the Plaintiff’s Motion for a Writ of Mandate is set for May 23, 2023 at 9:00 am in Department P2 located at the Paso Robles branch of the San Luis Obispo Superior Court.

Scott Newton V. City of Atascadero, San Luis Obispo Superior Court Case No. 21 CVP-0168

On June 25, 2021, Scott Newton (“Newton”) filed a Petition for Writ of Mandate; Complaint for Damages (“Petition”) against the City of Atascadero and City Council Members Heather Newsom and Susan Funk. The Petition challenges the City’s action in not approving a proposed self-storage project and the City’s not processing a proposed General Plan Amendment for housing. The Petition also alleges violation of Substantive Due Process and Equal Protection (42 USC Section 1983). The Petition prays for a preliminary injury, writ of mandate and monetary damages.

The City sent a letter to the attorney for Newton citing a number of defects in the Petition and the attorney agreed to file a First Amended Petition and Complaint which was filed on or about September 20, 2021 which only names the City as a defendant and includes the same basic allegations and the same Prayer as the Petition.

The City filed an Answer to the First Amended Petition denying the material allegations and raising appropriate affirmative defenses. The City prepared the Administrative Record which has been filed with the Court. The Administrative Record includes records of the City relating to the self-storage and General Plan Amendment issues.

There is a hearing set for March 10, 2023 at 10:30 am in Department P2 located at the Paso Robles branch of the San Luis Obispo Superior Court. This hearing is on the first two causes of action for a writ of mandate regarding the denial of the self-storage project and the General Plan amendment issue.

NOTE 13 – CONTINGENCIES AND COMMITMENTS (continued)

Construction and other significant commitments as of June 30, 2022, including encumbrances outstanding at fiscal year-end, are as follows:

Capital Commitments
Fiscal Year 2021/2022

100 General Fund	\$ 5,202,884
201 Community Facilities District Fund	2,498
202 Apple Valley Street & Storm Drain Assessment District Fund	1,738
203 Apple Valley Landscape & Lighting Assessment District Fund	2,222
204 Las Lomas Street & Storm Drain Assessment District Fund	1,738
205 Las Lomas Landscape & Lighting Assessment District Fund	2,222
206 De Anza Street & Storm Drain Assessment District Fund	1,738
207 De Anza Landscape & Lighting Assessment District Fund	2,222
240 Community Development Block Grant Fund	3,355
265 Local Transportation Fund	586,418
281 Circulation System Fees Fund	576,792
284 Law Enforcement Facilities Fees Fund	138,262
527 Wastewater Fund	538,640
680 Vehicle and Equipment Replacement Fund	616,177
690 Technology Fund	166,075
Total	\$ 7,842,981

NOTE 14 – NET POSITION

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

Net Position

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

Net Investment in Capital Assets describes the portion of Net Position 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 Position 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 economic development, capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income purposes. Restricted Net Position includes \$35,948,188 restricted by enabling legislation.

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

NOTE 15 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1x 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Atascadero, which had previously reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that, upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City Resolution Number 2012-002.

NOTE 15 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (continued)

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of the oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies are only allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill. Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011), all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

The assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012), from governmental funds of the City to fiduciary funds, was reported in the governmental funds as an extraordinary loss in the governmental fund financial statements in fiscal year 2011-2012. The receipt of these assets and liabilities as of January 31, 2012, was reported in the private purpose trust fund as an extraordinary gain in the fiscal year 2011-2012.

The Successor Agency received a Finding of Completion (FOC) from the State Department of Finance on March 8, 2013. In order to be eligible for the FOC, the Successor Agency had to meet the following requirements:

- pay the housing fund balance as determined by Due Diligence Review;
- pay the non-housing fund balance as determined by Due Diligence Review; and
- pay the balance of any outstanding pass-through obligations and residual payments.

NOTE 15 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (continued)

A. Notes Receivable

The Housing Successor Agency is holding \$200,000 in Notes Receivable as part of the Downtown Stimulus Program. The former Redevelopment Agency used the Downtown Stimulus Program as a tool to encourage investors to provide affordable housing in the downtown area. Neither the principal nor interest shall be payable under the Note for the term of 55 years; or until such time as the Program Participant sells or otherwise transfers the site. The Notes will be forgiven in full after the period of 55 years.

B. Capital Assets

The remainder of the capital assets of the Successor Agency were disposed of during fiscal year 2017-2018. No capital asset activity was recorded in the Private Purpose Trust Funds for the fiscal year ended June 30, 2022.

C. Loans Payable Written-Off

The City General Fund loaned three separate advances to the former Redevelopment Agency. The total of these three loans, \$1,375,175, was a liability of the Successor Agency through fiscal year 2019-2020. AB 1484 sets forth the criteria for repayment of these loans:

- California Department of Finance must issue the Successor Agency a Finding of Completion
- Oversight Board must find that the loans were for legitimate redevelopment purposes
- Repayment is subject to certain restrictions, including a reduction of the interest rate to the LAIF rate, restrictions on the timing and amount of annual repayments, and a requirement that 20% of the repayment amount must be deposited into a restricted housing set-aside fund
- Loan repayments shall not be made prior to the 2013-14 fiscal year.

On September 22, 2015, Governor Brown signed Senate Bill 107, a budget bill including, among other things, a modification to Health and Safety Code Section 34191.4(b), concerning the manner in which interest on the loans is to be calculated and limitations on annual loan payment amounts:

- All outstanding interest as of the date of dissolution is to be recalculated from the date of origination of the loan as approved by the Redevelopment Agency on a quarterly basis, at a simple interest rate of 3 percent.
- The amount of property tax available to fund loan repayments is one-half of the difference between the Redevelopment Property Tax Trust Fund (RPTTF) funds available in the current fiscal year and the RPTTF payments to the affected taxing entities in fiscal year 2012-13.

Loan repayment was requested on the Required Obligation Payment Schedule 2019-20. The State Department of Finance denied the request to begin repayment of the loans. These loans were written-off as uncollectable during the 2020-2021 fiscal year.

D. Bond Reimbursement Agreement Payable

In September of 2010, the City issued \$16,010,000 in bonds on behalf of the Redevelopment Agency in order for the Agency to achieve an overall lower debt service cost. At the time of the bond issuance, a reimbursement agreement was entered into whereby the City advanced the Agency the proceeds of the bond and the Agency is required to make annual payments to the City in the amount of the debt service on the bonds. Annual principal payments on the advance are required between fiscal years 2015 and 2041, at interest rates ranging from 3.0% to 5.0%. See Note 8B – Long Term Liabilities, 2010 Lease Revenue Bonds, for additional information.

NOTE 15 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (continued)

E. 2004 Redevelopment Agency Tax Allocation Bonds

The former Atascadero Community Redevelopment Agency (Agency) issued \$12,490,000 in Tax Allocation bonds for improvements to the downtown core. These bonds mature between fiscal years 2011 and 2035, at interest rates ranging from 3.00% to 5.00%. Since the Agency was dissolved effective February 1, 2012, the bonds are now a liability of the Successor Agency. The liability is now reflected on the private purpose trust financial statements of the Successor Agency and is no longer found on the financial statements of the City and its component unit. The bonds will be repaid with the Successor Agency’s Tax Allocation Revenues.

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

Fiscal Year Ending June 30,	2004 Redevelopment Agency Tax Allocation Bonds	
	Principal	Interest
2023	\$ 455,000	\$ 383,677
2024	475,000	361,634
2025	500,000	337,869
2026	525,000	312,884
2027	550,000	286,681
2028-2032	3,180,000	990,258
2033-2035	2,315,000	177,375
	<u>\$ 8,000,000</u>	<u>\$ 2,850,378</u>

NOTE 16 – American Rescue Plan Act

The Federal American Rescue Plan Act (ARPA) was signed into law on March 11, 2021, to provide additional financial relief in the wake of the COVID-19 pandemic. ARPA includes a significant amount of “Coronavirus State and Local Fiscal Recovery Funds” (SLFRF) for state and local governments to use over a period of several years. The funds are being distributed in two equal installments, or “tranches”. Atascadero received the first distribution in July 2021 and the second in July 2022. Smaller cities like Atascadero that are not considered “metropolitan”, are referred to as non-entitlement units of local government, or “NEUs”. Funds may be used for specific purposes as designated in the U.S. Department of Treasury’s Final Rule. The Final Rule offers a standard allowance for revenue loss of up to \$10 million. Recipients that select the standard allowance may use the funds for government services. The City is eligible to use the standard deduction for revenue loss and may use all funding for general government purposes. The City’s total ARPA allocation is \$7,194,580, half of which was received and used in fiscal year 2021-2022. The second half is in General Fund Deferred Inflows.

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Secured and unsecured property taxes	\$ 11,162,380	\$ 11,162,380	\$ 11,213,632	\$ 51,252
Taxes based on sales and use	12,328,040	12,328,040	14,621,612	2,293,572
Franchise tax	1,235,260	1,235,260	1,301,298	66,038
Other taxes	1,828,010	1,828,010	2,503,816	675,806
Licenses and permits	667,470	667,470	787,086	119,616
Intergovernmental revenues:				
Motor vehicle in-lieu and related payments	22,370	22,370	34,222	11,852
American Rescue Plan Act Funds- COVID-19	-	-	3,597,290	3,597,290
Grants	93,950	384,760	385,671	911
Other governmental revenues	185,260	185,260	198,142	12,882
Charges for services:				
Public safety	466,600	733,280	924,146	190,866
Development	589,950	589,950	643,780	53,830
Recreation, parks, pavilion, and zoo	808,920	843,810	1,237,355	393,545
Other services	58,420	58,420	70,945	12,525
Fines and forfeitures	60,500	60,500	58,580	(1,920)
Use of money and property	112,320	112,320	(641,535)	(753,855)
Other revenues	1,312,110	1,324,370	1,554,784	230,414
Total revenues	30,931,560	31,536,200	38,490,824	6,954,624
Expenditures:				
Employee services	19,310,500	19,421,040	18,665,393	755,647
Operating supplies and services	7,480,670	7,600,060	7,310,505	289,555
Special purchases, projects, and community funding	1,167,810	2,064,960	610,243	1,454,717
Capital outlay	8,413,160	9,137,130	4,399,903	4,737,227
Total expenditures	36,372,140	38,223,190	30,986,044	7,237,146
Excess of revenues over (under) expenditures	(5,440,580)	(6,686,990)	7,504,780	14,191,770

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, 2022

ITEM NUMBER: 1
 DATE: 02/23/23
 ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Transfers in	\$ 703,570	\$ 703,570	\$ 703,570	\$ -
Transfers out	(410,310)	(410,310)	(212,033)	198,277
Total other financing sources and uses	293,260	293,260	491,537	198,277
Excess of revenue and other sources over (under) expenditures and other uses	<u>\$ (5,147,320)</u>	<u>\$ (6,393,730)</u>	7,996,317	<u>\$ 14,390,047</u>
Fund balance - June 30, 2021			17,336,153	
Fund balance - June 30, 2022			<u>\$ 25,332,470</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes:				
Secured property tax	\$ 6,940,740	\$ 6,940,740	\$ 6,992,373	\$ 51,633
Property tax in lieu of VLF	3,296,480	3,296,480	3,290,304	(6,176)
Unsecured property taxes	271,260	271,260	262,581	(8,679)
Supplemental property taxes	170,000	170,000	186,227	16,227
Redevelopment Agency Dissolution-residual distribution	483,900	483,900	497,884	13,984
Prior year secured and unsecured	-	-	(15,094)	(15,094)
Property tax penalties and interest	-	-	(643)	(643)
Taxes based on sales:				
Sales and use taxes	4,474,040	4,474,040	5,169,751	695,711
Measure D-20 sales tax	5,236,000	5,236,000	6,239,847	1,003,847
Measure F-14 sales tax	2,618,000	2,618,000	3,212,014	594,014
Transient occupancy tax	1,461,600	1,461,600	2,049,160	587,560
Franchise taxes:				
Cable television franchise fees	257,930	257,930	254,115	(3,815)
Electricity franchise fees	297,060	297,060	290,103	(6,957)
Garbage disposal franchise fees	515,000	515,000	565,400	50,400
Landfill franchise fees	15,080	15,080	18,691	3,611
Gas franchise fees	83,950	83,950	106,267	22,317
Wastewater franchise fees	66,240	66,240	66,722	482
Business licenses	175,550	175,550	173,525	(2,025)
Property transfer tax	160,000	160,000	230,626	70,626
Cannabis business tax	30,860	30,860	50,505	19,645
Total Taxes	26,553,690	26,553,690	29,640,358	3,086,668
Licenses and Permits:				
Construction permits	570,200	570,200	682,877	112,677
Grading and drainage permits	42,130	42,130	36,150	(5,980)
Encroachment permits	44,940	44,940	57,161	12,221
Tree application fees	8,200	8,200	7,994	(206)
Planning inspections	2,000	2,000	2,904	904
Total Licenses and Permits	667,470	667,470	787,086	119,616

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, 2022

ITEM NUMBER: 1

DATE: 02/23/23

ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (continued):				
Intergovernmental Revenues:				
Motor vehicle in-lieu	\$ 22,370	\$ 22,370	\$ 34,222	\$ 11,852
American Rescue Plan Act Funds- COVID-19	-	-	3,597,290	3,597,290
Homeowners' tax relief	44,760	44,760	43,812	(948)
State mandated costs	5,000	5,000	14,148	9,148
P.O.S.T. reimbursement	10,000	10,000	14,686	4,686
School Resources Officer	80,000	80,000	80,000	-
Settlement agreement- SB 1090 Essential Services Mitigation Funds (PG&E DCP)	45,500	45,500	45,496	(4)
Grants:				
Assistance to Fire Fighters Grant	-	6,610	6,606	(4)
SAFER Federal Fire Grant	12,280	12,280	11,346	(934)
Office of Traffic Safety-2022 Fire Dept Extrication Equipment Grant	-	82,000	82,000	-
Office of Traffic Safety-2021 Traffic Police Grant	-	2,760	2,755	(5)
Office of Traffic Safety-2021 DUI Police Grant	-	4,630	4,621	(9)
Office of Traffic Safety-2022 STEP Grant-Traffic	-	10,020	10,012	(8)
Office of Traffic Safety-2022 DUI Police Grant	-	3,040	3,032	(8)
Fire Safe Council - Fuel Management	-	30,780	30,771	(9)
Fire Safe Council - Wildfire Consultations	-	7,270	11,135	3,865
Board of State and Community Corrections- Police Grant	-	1,660	1,659	(1)
HCD- Housing Element & Inclusionary Policy	81,670	81,670	62,431	(19,239)
HCD- LEAP Mixed Use Develop Standards	-	150	148	(2)
HCD- REAP Jurisdictional Zoning Grant	-	16,270	19,348	3,078
HCD- REAP Regional ADU's	-	125,620	139,807	14,187
Total Intergovernmental Revenues	301,580	592,390	4,215,325	3,622,935

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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (continued):				
Charges for Services:				
Public safety:				
First response charges	\$ 128,550	\$ 128,550	\$ 129,126	\$ 576
Weed abatement services	37,780	60,260	60,263	3
Mutual Aid	250,000	494,200	693,598	199,398
Police/Fire false alarms	6,200	6,200	8,004	1,804
Castlerock Communication Site Lease	16,020	16,020	16,041	21
Fingerprints	5,500	5,500	420	(5,080)
Vehicle release fees	16,000	16,000	11,590	(4,410)
Other public safety services	6,550	6,550	5,104	(1,446)
Development:				
Zoning fees	44,300	44,300	27,837	(16,463)
Subdivision fees- Planning	33,000	33,000	55,365	22,365
Subdivision fees- Public Works	2,030	2,030	12,198	10,168
Appeals	1,250	1,250	2,430	1,180
Assessment district formations/annexations	-	-	5,613	5,613
Planning review	44,940	44,940	54,876	9,936
Building plan check fees	280,890	280,890	308,423	27,533
Public Works plan check fees and inspections	123,590	123,590	113,232	(10,358)
Stormwater permit compliance inspection	5,000	5,000	-	(5,000)
Fire plan check and inspection fees	51,740	51,740	48,821	(2,919)
Record compilation service	-	-	28	28
Other development fees	3,210	3,210	14,957	11,747
Recreation:				
Advertising	3,900	3,900	2,983	(917)
Adult sports	35,000	35,000	19,535	(15,465)
Youth sports	55,000	58,510	72,605	14,095
Classes	100,000	100,000	96,810	(3,190)
Special events	49,500	80,880	84,373	3,493
Teen Center membership	350	350	6,282	5,932

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, 2022

ITEM NUMBER: 1

DATE: 02/23/23

ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (continued):				
Charges for Services (continued):				
Rentals and concessions:				
Pavilion facility rentals	\$ 73,120	\$ 73,120	\$ 132,590	\$ 59,470
Other Pavilion rents and concessions	4,040	4,040	1	(4,039)
Colony Park Community Center rentals	16,260	16,260	26,956	10,696
Zoo Event Center rental	-	-	638	638
Outdoor court rentals	-	-	180	180
Park charges	21,890	21,890	48,852	26,962
Zoo:				
Zoo admissions	311,150	311,150	469,900	158,750
Zoo educational programs	2,000	2,000	12,220	10,220
Zoo gift shop	109,710	109,710	213,999	104,289
Special events- Zoo	27,000	27,000	49,060	22,060
Other Zoo revenues	-	-	371	371
Administrative:				
Copy and mailing fees	7,410	7,410	7,801	391
Filming permit	-	-	273	273
Document imaging fee	16,010	16,010	21,086	5,076
Business license application fees	35,000	35,000	41,785	6,785
Total Charges for Services	1,923,890	2,225,460	2,876,226	650,766
Fines and Forfeitures:				
Motor vehicle fines	42,000	42,000	28,487	(13,513)
Misdemeanor and other minor fines	3,140	3,140	425	(2,715)
Parking fines	2,000	2,000	630	(1,370)
Code enforcement and fire fines	4,800	4,800	600	(4,200)
Business license penalties	7,960	7,960	13,543	5,583
Other penalties	600	600	14,895	14,295
Total Fines and Forfeitures	60,500	60,500	58,580	(1,920)
Use of Money and Property:				
Interest	56,000	56,000	177,972	121,972
Adjustment to fair value-GASB 31	-	-	(703,306)	(703,306)
Lease Revenue- 2010 Bonds	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, 2022

ITEM NUMBER: 1
 DATE: 02/23/23
 ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (continued):				
Use of Money and Property (continued):				
Interest on Measure F-14 Funds	\$ 51,320	\$ 51,320	\$ 41,533	\$ (9,787)
Measure F-14 Funds adjustment to fair value	-	-	(157,734)	(157,734)
Total Use of Money and Property	<u>112,320</u>	<u>112,320</u>	<u>(641,535)</u>	<u>(753,855)</u>
Other Revenues:				
Interfund administrative charges				
General overhead charges	445,690	445,690	445,690	-
Staffing charges for other funds	629,210	629,210	622,254	(6,956)
Staffing charges for capital projects	135,470	135,470	230,398	94,928
Staffing charges for CDBG administration	-	-	10,026	10,026
Administrative charges- Third Parties	3,020	3,020	6,225	3,205
Administrative charges- Successor Agency	49,490	49,490	49,490	-
Workers' compensation reimbursement	6,390	6,390	36,215	29,825
Miscellaneous revenue	18,340	18,340	89,097	70,757
Donations:				
Police	-	-	1,418	1,418
Fire	-	130	123	(7)
Recreation	-	1,250	1,248	(2)
Parks	-	6,830	6,826	(4)
Other donations	-	20	17	(3)
Friends of Zoo Donations:				
Memberships	23,000	23,000	49,468	26,468
Other Zoo donations	<u>1,500</u>	<u>5,530</u>	<u>6,289</u>	<u>759</u>
Total Other Revenues	<u>1,312,110</u>	<u>1,324,370</u>	<u>1,554,784</u>	<u>230,414</u>
Total Revenues	<u>30,931,560</u>	<u>31,536,200</u>	<u>38,490,824</u>	<u>6,954,624</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, 2022

ITEM NUMBER: 1
 DATE: 02/23/23
 ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
City Council:				
Salaries and benefits	\$ 75,320	\$ 77,200	\$ 77,187	\$ 13
Office expense	150	350	347	3
Advertising	800	10	3	7
Computer maintenance and replacement	13,360	13,360	13,360	-
Occupancy	80,230	80,230	80,230	-
Communications	420	210	205	5
Operating supplies	3,770	3,220	3,213	7
Vehicle and equipment operating costs	610	80	-	80
Contract services	37,230	37,230	36,000	1,230
Professional development	24,030	24,030	14,440	9,590
Community outreach	52,840	52,840	39,304	13,536
LAFCO contribution	19,380	19,380	16,758	2,622
Special projects and community funding:				
Essentialism Evaluation	60,000	60,000	-	60,000
Total City Council	368,140	368,140	281,047	87,093
City Clerk:				
Office expense	650	650	479	171
Advertising	5,410	5,410	2,168	3,242
Contract services	6,100	5,960	3,015	2,945
Professional development	6,380	6,380	415	5,965
Municipal election	300	440	437	3
Total City Clerk	18,840	18,840	6,514	12,326
City Treasurer:				
Salaries and benefits	5,700	6,540	6,095	445
Contract services	11,340	11,890	11,890	-
Total City Treasurer	17,040	18,430	17,985	445

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, 2022

ITEM NUMBER: 1

DATE: 02/23/23

ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
City Attorney:				
Office expense	\$ 80	\$ 80	\$ 1	\$ 79
Occupancy	5,810	5,810	5,810	-
Communications	80	80	37	43
Contract services	290,700	236,040	223,069	12,971
Special projects and community funding:				
Castlerock litigation costs	-	1,900	1,900	-
Newton litigation costs	-	128,290	128,286	4
Sunderland litigation costs	-	8,670	8,663	7
California Voting Rights Act litigation costs	-	15,800	15,798	2
Total City Attorney	296,670	396,670	383,564	13,106
City Manager:				
Salaries and benefits	1,242,500	1,145,110	1,110,127	34,983
Office expense	8,380	9,480	9,480	-
Computer maintenance and replacement	68,190	68,340	68,334	6
Insurance	24,420	24,420	24,386	34
Occupancy	55,010	55,010	54,830	180
Communications	2,220	2,220	1,816	404
Operating supplies	10,210	10,210	9,345	865
Vehicle and equipment operating costs	6,470	4,890	3,636	1,254
Contract services	41,090	28,700	6,946	21,754
Professional development	23,050	22,200	9,276	12,924
Citywide training	510	7,140	100	7,040
Recruitment	7,140	1,690	1,684	6
Employee development	1,680	1,990	1,156	834
Contingency	100,000	38,130	-	38,130
Special projects and community funding:				
Grant assessment and writing	35,000	35,000	-	35,000
Senate Bill 1383 consulting services	-	10,000	10,000	-
Opportunities Fund	70,000	70,000	-	70,000
Desks	-	2,080	2,075	5

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, 2022

ITEM NUMBER: 1
 DATE: 02/23/23
 ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
City Manager (continued):				
Capital Outlay:				
Computer- new	\$ 1,100	\$ 1,100	\$ -	\$ 1,100
Total City Manager	1,696,970	1,537,710	1,313,191	224,519
Promotions, Marketing and Outreach				
Salaries and benefits	690	360	352	8
Office expense	6,050	6,050	6,035	15
Advertising	80,270	81,770	81,763	7
Computer maintenance and replacement	230	240	240	-
Operating supplies	52,510	52,510	52,497	13
Vehicle and equipment operating costs	470	470	454	16
Contract services	70,000	91,820	91,812	8
Professional development	1,360	3,720	3,720	-
Total Promotions, Marketing and Outreach	211,580	236,940	236,873	67
Administrative Services:				
Salaries and benefits	914,290	914,040	838,792	75,248
Office expense	14,040	14,670	14,661	9
Advertising	400	3,040	3,037	3
Computer maintenance and replacement	93,420	93,430	93,424	6
Insurance	25,490	25,530	25,525	5
Occupancy	75,320	75,280	75,280	-
Communications	1,000	870	843	27
Operating supplies	300	2,380	2,372	8
Vehicle and equipment operating costs	3,600	3,600	3,600	-
Contract services	173,530	182,060	182,055	5
Professional development	7,350	1,120	1,115	5
Recruitment	600	2,070	2,066	4
Contingency	5,000	5,000	-	5,000
Special purchases, projects, and studies:				
Cost allocation study update	16,220	16,220	14,000	2,220
Development impact fee study	10,000	10,000	-	10,000

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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Administrative Services (continued):				
Capital Outlay:				
Credit card acceptance program	\$ 40,000	\$ 40,000	\$ -	\$ 40,000
Total Administrative Services	1,380,560	1,389,310	1,256,770	132,540
Police:				
Salaries and benefits	7,582,790	7,596,140	7,069,748	526,392
Office expense	13,700	15,640	15,632	8
Computer maintenance and replacement	468,380	483,090	483,082	8
Insurance	344,640	344,640	344,576	64
Occupancy	57,290	66,350	66,343	7
Utilities	45,220	52,000	51,995	5
Communications	36,850	36,850	30,487	6,363
Operating supplies	21,960	26,570	26,568	2
Vehicle and equipment operating costs	477,760	477,760	470,436	7,324
Contract services	701,350	624,380	566,663	57,717
Professional development	15,110	17,510	17,503	7
Recruitment	11,200	38,570	38,569	1
Contingency	10,000	10,000	-	10,000
Capital Outlay:				
CAD/RMS software	600,000	600,000	133,011	466,989
Communications system upgrade	-	9,900	9,899	1
Replace radios	227,700	244,290	244,284	6
	10,613,950	10,643,690	9,568,796	1,074,894
Police Grants:				
Salaries and benefits	-	11,000	10,979	21
Operating supplies	1,800	2,740	2,724	16
Contract services	2,320	-	-	-
Professional development	34,380	37,260	35,792	1,468
Capital Outlay:				
Radar trailer	-	9,800	9,799	1
	38,500	60,800	59,294	1,506
Total Police	10,652,450	10,704,490	9,628,090	1,076,400

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, 2022

ITEM NUMBER: 1

DATE: 02/23/23

ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Fire:				
Salaries and benefits	\$ 4,351,580	\$ 4,441,510	\$ 4,441,476	\$ 34
Office expense	3,750	4,020	4,019	1
Computer maintenance and replacement	236,310	227,010	227,008	2
Insurance	117,060	116,920	116,919	1
Occupancy	81,900	77,970	77,964	6
Utilities	24,000	30,270	30,264	6
Communications	16,350	14,340	14,334	6
Operating supplies	62,150	66,020	66,010	10
Vehicle and equipment operating costs	502,450	522,470	522,470	-
Contract services	21,350	22,860	22,860	-
Professional development	23,250	28,460	28,455	5
Recruitment	2,000	740	730	10
Contingency	10,000	-	-	-
Special purchases, projects, and studies:				
Cabinets	-	200	199	1
Washing machine/dryer	-	590	585	5
Fire field equipment- replace chain saws	4,910	4,910	2,688	2,222
Ice machine	-	490	489	1
Roofing projects	4,000	4,000	3,875	125
Comprehensive evacuation plan	22,520	22,520	9,301	13,219
EMS system valuation study	-	3,030	3,022	8
Capital outlay:				
Radio repeater project	180,000	180,000	-	180,000
Vehicle replacement	60,000	60,000	59,888	112
Replace radios	253,000	236,420	236,416	4
Fire station #1 rebuild	750,000	750,000	-	750,000
Cash contribution to Vehicle and Equipment Replacement Fund for replacement vehicle	-	4,470	4,470	-
	<u>6,726,580</u>	<u>6,819,220</u>	<u>5,873,442</u>	<u>945,778</u>
Mutual Aid Program:				
Salaries and benefits	138,140	385,460	385,434	26
Operating supplies	15,000	16,970	16,966	4
Vehicle and equipment operating costs	5,200	-	-	-
	<u>158,340</u>	<u>402,430</u>	<u>402,400</u>	<u>30</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Weed Abatement and Other Fire Programs:				
Salaries and benefits	\$ 37,820	\$ 44,550	\$ 42,604	\$ 1,946
Office expense	900	3,360	3,353	7
Advertising	400	-	-	-
Operating supplies	-	190	175	15
Contract services	71,430	128,950	128,939	11
Special purchases, projects, and studies:				
COVID-19 emergency protective measures	-	7,340	7,340	-
Capital outlay:				
Extrication equipment	-	82,000	82,000	-
	<u>110,550</u>	<u>266,390</u>	<u>264,411</u>	<u>1,979</u>
Total Fire	<u>6,995,470</u>	<u>7,488,040</u>	<u>6,540,253</u>	<u>947,787</u>
Community Development:				
Salaries and benefits	1,556,410	1,500,770	1,487,078	13,692
Office expense	11,780	20,270	20,261	9
Advertising	4,700	5,610	5,605	5
Computer maintenance and replacement	158,410	158,900	158,895	5
Insurance	38,210	38,210	38,171	39
Occupancy	83,910	83,910	83,910	-
Communications	2,800	4,780	4,770	10
Operating supplies	3,250	1,570	1,561	9
Vehicle and equipment operating costs	15,040	17,310	17,308	2
Contract services	96,500	128,350	128,345	5
Professional development	13,400	10,690	10,688	2
Recruitment	570	1,160	1,157	3
Contingency	5,000	2,690	-	2,690
Special purchases, projects, and studies:				
Desks	-	4,310	4,310	-
SB2-Planning grants program	100,000	100,000	-	100,000
General Plan update	450,000	591,800	53,710	538,090
Housing Element and Inclusionary Policy	81,670	81,670	59,856	21,814
LEAP Mixed Use Development Standards	-	150	148	2
REAP Jurisdictional Zoning grant	-	16,270	16,269	1
REAP Regional ADU's	-	125,620	125,613	7
Capital outlay:				
Electronic plan review equipment	10,000	11,020	11,015	5
Total Community Development	<u>2,631,650</u>	<u>2,905,060</u>	<u>2,228,670</u>	<u>676,390</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, 2022

ITEM NUMBER: 1
 DATE: 02/23/23
 ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Central Reception:				
Salaries and benefits	\$ 78,360	\$ 78,590	\$ 58,250	\$ 20,340
Office expense	1,000	960	489	471
Computer maintenance and replacement	19,550	19,550	19,550	-
Insurance	2,310	2,310	2,302	8
Occupancy	64,190	64,190	64,190	-
Communications	380	380	282	98
Operating supplies	50	90	87	3
Vehicle and equipment operating costs	50	50	-	50
Professional development	250	250	-	250
Recruitment	150	150	25	125
Capital outlay:				
Computer- new	2,200	2,200	1,334	866
Scanner/Printer- new	2,000	2,000	-	2,000
Total Central Reception	<u>170,490</u>	<u>170,720</u>	<u>146,509</u>	<u>24,211</u>
Economic and Business Development:				
Salaries and benefits	149,960	180,030	159,220	20,810
Computer maintenance and replacement	3,290	3,290	3,290	-
Occupancy	4,060	4,060	4,060	-
Chamber of Commerce	120,000	120,000	120,000	-
Business development	21,490	21,490	10,200	11,290
Special purchases, projects, and studies:				
Broadband enhancement project	-	388,110	-	388,110
Total Economic and Business Development	<u>298,800</u>	<u>716,980</u>	<u>296,770</u>	<u>420,210</u>
Recreation:				
Salaries and benefits	373,430	367,600	358,785	8,815
Office expense	4,450	10,270	10,240	30
Advertising	23,730	17,640	17,575	65
Computer maintenance and replacement	27,170	26,710	26,710	-
Insurance	20,250	24,170	24,164	6
Occupancy	47,950	45,410	45,404	6
Utilities	3,740	4,920	4,912	8
Communications	1,120	820	805	15
Operating supplies	28,500	30,770	28,329	2,441

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, 2022

ITEM NUMBER: 1
 DATE: 02/23/23
 ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Recreation (continued):				
Vehicle and equipment operating costs	\$ 4,360	\$ 3,920	\$ 3,918	\$ 2
Contract services	123,000	128,530	107,708	20,822
Professional development	4,890	4,520	4,293	227
Recruitment	650	2,240	2,233	7
Contingency	2,500	-	-	-
Special purchases, projects and studies:				
Youth scholarships	-	250	248	2
Total Recreation	665,740	667,770	635,324	32,446
Community Center:				
Salaries and benefits	52,280	46,900	46,886	14
Office expense	1,350	1,470	1,467	3
Advertising	200	10	2	8
Computer maintenance and replacement	10,150	10,150	10,150	-
Insurance	20,980	21,320	21,313	7
Occupancy	140,010	140,010	140,010	-
Utilities	46,700	51,570	51,565	5
Communications	2,450	2,530	2,513	17
Operating supplies	13,720	13,460	13,439	21
Vehicle and equipment operating costs	1,400	-	-	-
Contract services	16,080	18,210	18,192	18
Professional development	950	-	-	-
Recruitment	270	80	75	5
Special purchases, projects and studies:				
Parking lot repairs	-	1,930	1,921	9
Capital outlay:				
Shade sail replacement	24,670	24,670	16,024	8,646
Total Community Center	331,210	332,310	323,557	8,753
Pavilion:				
Salaries and benefits	168,440	164,960	157,230	7,730
Office expense	1,180	1,100	829	271
Advertising	4,740	4,740	3,695	1,045
Computer maintenance and replacement	11,620	11,620	11,620	-
Insurance	9,070	9,150	9,147	3
Occupancy	54,770	54,770	54,770	-

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, 2022

ITEM NUMBER: 1

DATE: 02/23/23

ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Pavilion (continued):				
Utilities	\$ 26,250	\$ 26,250	\$ 24,260	\$ 1,990
Communications	3,780	3,780	3,193	587
Operating supplies	7,580	7,580	5,429	2,151
Vehicle and equipment operating costs	2,650	2,650	37	2,613
Contract services	21,880	21,880	18,053	3,827
Professional development	100	100	-	100
Recruitment	310	310	222	88
Total Pavilion	<u>312,370</u>	<u>308,890</u>	<u>288,485</u>	<u>20,405</u>
Zoo:				
Salaries and benefits	840,420	776,230	771,539	4,691
Office expense	1,650	1,720	1,713	7
Advertising	200	-	-	-
Computer maintenance and replacement	49,720	49,640	49,635	5
Insurance	28,180	28,240	28,232	8
Occupancy	45,560	45,590	45,585	5
Utilities	63,000	62,930	62,914	16
Communications	1,320	2,420	2,418	2
Operating supplies	125,990	129,270	128,791	479
Vehicle and equipment operating costs	5,940	6,810	6,801	9
Contract services	80,060	94,280	94,270	10
Professional development	14,550	12,510	10,948	1,562
Recruitment	100	790	784	6
Gift shop retail	37,000	77,230	77,227	3
Special purchases, projects, and studies:				
Animal acquisition	-	3,890	3,882	8
Capital outlay:				
Sheds	-	4,250	4,241	9
Freezer	40,000	40,000	-	40,000
Zoo electrical upgrade	30,000	30,000	-	30,000
Total Zoo	<u>1,363,690</u>	<u>1,365,800</u>	<u>1,288,980</u>	<u>76,820</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, 2022

ITEM NUMBER: 1
 DATE: 02/23/23
 ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Public Works Administration:				
Salaries and benefits	\$ 1,051,400	\$ 1,038,310	\$ 997,982	\$ 40,328
Office expense	5,320	8,550	8,543	7
Advertising	250	250	238	12
Computer maintenance and replacement	76,480	76,480	75,405	1,075
Insurance	21,040	21,040	21,017	23
Occupancy charges	36,040	36,040	36,040	-
Communications	3,000	3,000	2,024	976
Operating supplies	16,400	18,550	18,546	4
Vehicle and equipment operating costs	10,090	13,730	13,726	4
Contract services	25,750	8,700	8,696	4
Professional development	13,100	12,850	10,200	2,650
Recruitment	500	860	858	2
Contingency	7,000	7,000	-	7,000
Special purchases, projects, and studies:				
Lake dam inundation mapping study	4,040	4,040	-	4,040
City engineering standards	25,000	25,000	-	25,000
Total Public Works Administration	1,295,410	1,274,400	1,193,275	81,125
Public Works Operations:				
Salaries and benefits	239,650	240,950	240,865	85
Office expense	2,180	970	965	5
Computer maintenance and replacement	16,410	16,420	16,420	-
Insurance	6,910	6,960	6,952	8
Occupancy charges	26,260	30,300	30,297	3
Utilities	8,790	12,150	12,140	10
Communications	1,150	1,240	1,236	4
Operating supplies	6,500	3,030	3,028	2
Vehicle and equipment operating costs	8,260	7,870	7,867	3
Contract services	500	-	-	-
Professional development	1,330	130	121	9
Special purchases, projects, and studies:				
Welding equipment-manual pinch roller	-	2,030	2,025	5
California Conservation Corp projects	-	5,950	5,949	1
Corp yard building minor remodel	10,000	10,000	450	9,550
Downtown street tree renewal program	69,450	69,450	50,799	18,651
Capital Outlay:				
Computers- new	1,100	1,340	1,334	6

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, 2022

ITEM NUMBER: 1

DATE: 02/23/23

ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Public Works Operations (continued):				
Capital Outlay (continued):				
Radio repeater project	\$ 90,000	\$ 90,000	\$ -	\$ 90,000
Towable boom lift	30,000	30,000	26,096	3,904
Skid steer loader	50,000	50,000	49,971	29
Total Public Works Operations	<u>568,490</u>	<u>578,790</u>	<u>456,515</u>	<u>122,275</u>
Parks:				
Salaries and benefits	451,320	404,790	404,764	26
Computer maintenance and replacement	10,100	10,100	10,100	-
Insurance	18,170	18,210	18,203	7
Occupancy	33,780	33,780	33,780	-
Utilities	153,910	192,110	192,107	3
Communications	2,150	1,150	1,140	10
Operating supplies	63,520	63,270	63,267	3
Vehicle and equipment operating costs	48,080	50,340	50,332	8
Contract services	79,750	101,970	101,961	9
Professional development	3,500	750	745	5
Recruitment	900	310	310	-
Special purchases, projects, and studies:				
Parks repair and replacement	150,000	150,000	-	150,000
Tree trimming and replacement	-	16,500	15,424	1,076
Creek maintenance projects	55,000	55,000	49,481	5,519
Memorial benches	-	6,870	6,859	11
Capital outlay:				
Turf mower	75,000	75,110	75,108	2
Slurry seal and strip parking lots	200,000	200,000	-	200,000
Cash contribution to Vehicle and Equipment Fund for repeater and other equipment	59,580	59,580	59,580	-
Total Parks	<u>1,404,760</u>	<u>1,439,840</u>	<u>1,083,161</u>	<u>356,679</u>
Measure F-14 Sales Tax:				
Capital outlay:				
2020 Pavement Rehabilitation (East)	9,000	9,000	8,942	58
2021 Pavement Resurfacing (East/South)	550,000	550,000	446,757	103,243

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, 2022

ITEM NUMBER: 1

DATE: 02/23/23

ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Measure F-14 Sales Tax (continued):				
Capital outlay (continued):				
2021 Pavement Rehabilitation (South)	\$ 3,098,940	\$ 3,098,940	\$ 2,663,536	\$ 435,404
2022 Pavement Rehabilitation (West)	1,968,870	2,568,870	209,785	2,359,085
2023 Pavement Rehabilitation (North)	60,000	60,000	34,253	25,747
Total Measure F-14 Sales Tax	<u>5,686,810</u>	<u>6,286,810</u>	<u>3,363,273</u>	<u>2,923,537</u>
Non-Departmental:				
Contract services	5,000	-	-	-
Special purchases, projects, and studies:				
COVID-19 emergency protective measures	-	5,080	5,078	2
Capital outlay:				
Cash contribution to Technology Replacement Fund for backup power supply for city hall	-	12,170	12,160	10
Total Non-Departmental	<u>5,000</u>	<u>17,250</u>	<u>17,238</u>	<u>12</u>
Total expenditures	<u>36,372,140</u>	<u>38,223,190</u>	<u>30,986,044</u>	<u>7,237,146</u>
Excess of revenues over (under) expenditures	<u>(5,440,580)</u>	<u>(6,686,990)</u>	<u>7,504,780</u>	<u>14,191,770</u>
Other Financing Sources (Uses):				
Transfer from Community Facilities District Fund	703,570	703,570	703,570	-
Transfer to Gas Tax Fund for streets maintenance	(406,310)	(406,310)	(208,033)	198,277
Transfer to Las Lomas Landscape and Lighting District for open space maintenance	(2,600)	(2,600)	(2,600)	-
Transfer to De Anza Landscape and Lighting District for open space maintenance	(1,400)	(1,400)	(1,400)	-
Total other financing sources and uses	<u>293,260</u>	<u>293,260</u>	<u>491,537</u>	<u>198,277</u>
Excess of revenue and other sources over (under) expenditures and other uses	<u>\$ (5,147,320)</u>	<u>\$ (6,393,730)</u>	<u>7,996,317</u>	<u>\$ 14,390,047</u>
Fund balance - June 30, 2021			<u>17,336,153</u>	
Fund balance - June 30, 2022			<u>\$ 25,332,470</u>	

CITY OF ATASCADERO
 IN LIEU LOW/MODERATE INCOME HOUSING FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Affordable housing in lieu fees	\$ -	\$ -	\$ 101,533	\$ 101,533
Interest income	15,970	15,970	(48,464)	(64,434)
Gain / (Loss) on inclusionary housing program loans	-	-	2,178	2,178
Total revenues	<u>15,970</u>	<u>15,970</u>	<u>55,247</u>	<u>39,277</u>
Expenditures:				
Contract services	5,000	3,080	-	3,080
Administrative charges	73,450	73,450	73,450	-
Special projects:				
Closing cost program expense	-	1,920	7,048	(5,128)
PSHHC Del Rio Ridge affordable housing project	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Total expenditures	<u>478,450</u>	<u>478,450</u>	<u>80,498</u>	<u>397,952</u>
Net change in fund balance	<u>\$ (462,480)</u>	<u>\$ (462,480)</u>	<u>(25,251)</u>	<u>\$ 437,229</u>
Fund balance, June 30, 2021			<u>5,874,674</u>	
Fund balance, June 30, 2022			<u>\$ 5,849,423</u>	

CITY OF ATASCADERO
 CIRCULATION SYSTEM FEES FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 210,000	\$ 210,000	\$ 613,683	\$ 403,683
USHA Grant-Downtown Infrastructure Enhancement Program	-	-	-	-
Interest income	44,580	44,580	(129,024)	(173,604)
Total revenues	<u>254,580</u>	<u>254,580</u>	<u>484,659</u>	<u>230,079</u>
Expenditures:				
Capital outlay:				
Purchase of 6009 Del Rio	-	71,460	71,457	3
101 @ Del Rio Interchange Project	1,486,960	1,406,400	437,096	969,304
Downtown Infrastructure Enhancement Program	68,840	68,840	-	68,840
Realignment of Ramona Road	-	9,100	9,095	5
Total expenditures	<u>1,555,800</u>	<u>1,555,800</u>	<u>517,648</u>	<u>1,038,152</u>
Net change in fund balance	<u>\$ (1,301,220)</u>	<u>\$ (1,301,220)</u>	<u>(32,989)</u>	<u>\$ 1,268,231</u>
Fund balance, June 30, 2021			<u>2,850,002</u>	
Fund balance, June 30, 2022			<u>\$ 2,817,013</u>	

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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 8,000	\$ 8,000	\$ 21,696	\$ 13,696
Total revenues	8,000	8,000	21,696	13,696
Net change in fund balance	\$ 8,000	\$ 8,000	21,696	\$ 13,696
Fund balance, June 30, 2021			(739,841)	
Fund balance, June 30, 2022			\$ (718,145)	

CITY OF ATASCADERO
SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS
 Last 10 Years*
 For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

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

Measurement Period	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	\$ 10,981	\$ 8,079	\$ 9,582	\$ 13,252	\$ 7,820
Interest on total OPEB liability	6,699	6,464	6,190	5,763	5,583
Benefit payments	(7,357)	(6,726)	(6,610)	(4,800)	(7,400)
Net change in total OPEB liability	10,323	7,817	9,162	14,215	6,003
OPEB liability, beginning of year	223,297	215,480	206,318	192,103	186,100
OPEB liability, end of year	\$ 233,620	\$ 223,297	\$ 215,480	\$ 206,318	\$ 192,103
Covered payroll	\$ 1,173,780	\$ 1,200,858	\$ 1,200,858	\$ 1,200,858	\$ 1,126,865
Total OPEB liability as a percentage of covered payroll	19.90%	18.59%	17.94%	17.18%	17.05%

Notes to Schedule:

There were no changes in assumptions reflected above.

* Fiscal year 2018 was the first year of implementation, therefore, only five years are shown.

As of June 30, 2022, the plan is not administered through a qualified trust. Therefore, there is no Actuarially Determined contribution (ADC). Benefit payments of \$7,357 were made on a pay-as-you-go basis for the fiscal year ended June 30, 2022. Benefit payments of \$6,726 were made on a pay-as-you-go basis for the fiscal year ended June 30, 2021. Benefits payments of \$6,610 were made on a pay-as-you-go basis for the fiscal year ended June 30, 2020. Benefit payments of \$4,800 were made on a pay-as-you-go basis for the fiscal year ended June 30, 2019. Benefit payments of \$7,400 were made on a pay-as-you-go basis for the fiscal year ended June 30, 2018.

CITY OF ATASCADERO
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 Cost-Sharing Multiple-Employer Defined Pension Plan - Last 10 Years*
 As of June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Fiscal Year End							
	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Measurement Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
City's proportion of the net pension liability	0.346860%	0.281480%	0.277520%	0.275210%	0.270324%	0.272255%	0.278260%	0.260250%
City's proportionate share of the net pension liability	\$ 18,759,199	\$ 30,626,061	\$ 28,437,309	\$ 26,519,899	\$ 26,808,749	\$ 23,558,492	\$ 19,099,492	\$ 16,193,941
City's covered payroll **	\$ 9,943,967	\$ 10,024,682	\$ 9,541,259	\$ 9,337,993	\$ 10,102,742	\$ 8,658,607	\$ 8,348,164	\$ 8,181,272
City's proportionate share of the net pension liability as percentage of covered payroll	188.65%	305.51%	298.05%	284.00%	265.36%	272.08%	228.79%	197.94%
Plan's total pension liability	\$ 46,174,942,264	\$ 43,702,930,887	\$ 41,426,453,489	\$ 38,944,855,364	\$ 37,161,348,332	\$ 33,358,627,624	\$ 31,771,217,402	\$ 30,829,966,631
Plan's fiduciary net position	\$ 40,766,653,876	\$ 32,822,501,335	\$ 31,179,414,067	\$ 29,308,589,559	\$ 27,244,095,376	\$ 24,705,532,291	\$ 24,907,305,871	\$ 24,607,502,515
Plan's fiduciary net position as a percentage of the plan's total pension liability	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

* Fiscal year 2015 was the first year of implementation, therefore, only eight years are shown.

** For the year ending on the measurement date.

CITY OF ATASCADERO
SCHEDULE OF PENSION CONTRIBUTIONS
 Cost-Sharing Multiple-Employer Defined Pension Plan - Last 10 Years*
 As of June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

Contributions for the fiscal year ending:	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Contractually required contribution (actuarially determined)	\$ 4,236,582	\$ 3,742,162	\$ 3,366,536	\$ 2,982,660	\$ 2,685,953	\$ 2,489,485	\$ 2,255,947	\$ 2,227,093
Contributions in relation to the actuarially determined contributions	(4,236,582)	(3,742,162)	(3,366,536)	(2,982,660)	(2,685,953)	(2,489,485)	(2,255,947)	(2,227,093)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll **	\$ 11,164,515	\$ 9,943,967	\$ 10,024,682	\$ 9,541,259	\$ 9,337,993	\$ 10,102,742	\$ 8,658,607	\$ 8,348,164
Contributions as a percentage of covered payroll	37.95%	37.63%	33.58%	31.26%	28.76%	24.64%	26.05%	26.68%

Notes to Schedule

Valuation Date	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15	06/30/14	06/30/13	06/30/12
Methods and assumptions used to determine contribution rates:								
Actuarial cost method	Entry age							
Asset valuation method	5-year smoothed market							
Amortization method	Level percentage of payroll, closed							
Discount rate	7.150%	7.150%	7.150%	7.375%	7.650%	7.650%	7.500%	7.500%
Price inflation	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and service							
Mortality	Derived using CalPERS' Membership data for all funds							
Post retirement benefit	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies							

* Fiscal year 2015 was the first year of implementation, therefore, only eight years are shown.

** For the fiscal year ending on the date shown.

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

OTHER SUPPLEMENTARY INFORMATION

CITY OF ATASCADERO

2010 BOND DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income- cash and investments	\$ 5,000	\$ 5,000	\$ 1,545	\$ (3,455)
Interest income- 2010 reimbursement agreement with the Successor Agency to the RDA	697,020	697,020	702,013	4,993
Other 2010 Lease Revenue from Successor Agency	6,300	6,300	5,800	(500)
Total revenues	<u>708,320</u>	<u>708,320</u>	<u>709,358</u>	<u>1,038</u>
Expenditures:				
Insurance	3,800	3,880	3,875	5
Contract services	2,500	2,420	1,925	495
Principal	270,000	270,000	270,000	-
Interest	702,020	702,020	702,013	7
Total expenditures	<u>978,320</u>	<u>978,320</u>	<u>977,813</u>	<u>507</u>
Net change in fund balance	<u>\$ (270,000)</u>	<u>\$ (270,000)</u>	(268,455)	<u>\$ 1,545</u>
Fund balance, June 30, 2021			<u>15,774,765</u>	
Fund balance, June 30, 2022			<u>\$ 15,506,310</u>	

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.

Downtown Business Improvement Area Fund

The City established a Downtown 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. The assessment was reduced to \$0.00 in 2010 at the behest of downtown landlords as part of a program to encourage downtown business. In January 2018, the Atascadero Colony District Committee requested that the assessment be reinstated. The assessment was reinstated effective January 2019.

Atascadero Tourism Business Improvement District Fund

The City established the Atascadero Tourism Business Improvement District (ATBID) effective June 1, 2013, for the purpose of funding tourism promotion and increasing stays at the lodging businesses in Atascadero. A two percent (2%) assessment is placed on the nightly rent of all occupied rooms or spaces for all transient occupancies in Atascadero.

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.

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 are 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.

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.

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 preventive 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 preventive 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.

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 Pavilion on the Lake and the Colony Park Community 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.

Library Expansion Facilities Fees Fund

The County Public Library System currently owns and maintains a 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. Additional development within the City will increase the demand for a larger sized library and for more volumes within the library. Because the need for expanded library services 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 are 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. In December 2010, the County purchased a new library facility at 6555 Capistrano Avenue. The City contributed a total of \$315,180 toward the library expansion during the period spanning December 2010 through June 2014. This amount was a combination of impact fees and other funds that had been set aside for library expansion.

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 a 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 a development known as The Colony at Apple Valley. This assessment district was established in 2005 in order to maintain the landscape and lighting related improvements in the development.

Las Lomas Street & Storm Drain Assessment District Fund

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

Las Lomas Landscape & Lighting Assessment District Fund

This fund is used to account for fees assessed in a 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 a 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 a 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.

2010 Bond Proceeds Master Agreement Fund

On September 1, 2010, the City issued \$16,010,000 in lease revenue bonds to be used for various redevelopment public improvement projects within the downtown area. As part of June 2011 state legislation, all redevelopment agencies throughout the State were dissolved. At that time, the Redevelopment Agency was in the process of expending the 2010 bond proceeds in accordance with the bond covenants which require the funds to be spent on the Historic City Hall Rehabilitation Project with the remaining funds to be spent on other eligible redevelopment projects. The Historic City Hall Rehabilitation Project has been completed, leaving remaining 2010 bond proceeds. In accordance with redevelopment dissolution law, in August of 2014, the City and the Successor Agency entered into a Master Agreement, transferring all remaining bond proceeds to the City to be spent on projects for which the bonds were originally sold. This fund accounts for the expenditure of those 2010 bond funds transferred to the City under the Master Agreement.

Youth Center Construction Fund

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

	Special Revenue Funds					
	Supplemental Law Enforcement Services Fund	Downtown Business Improvement Area Fund	Atascadero Tourism Business Improvement District Fund	Community Development Block Grant Fund	Tree Plant Fund	Gas Tax Fund
ASSETS						
Cash and investments	\$ 139,874	\$ 13,746	\$ 420,378	\$ -	\$ 207,157	\$ 100,064
Receivables:						
Federal distributions due	-	-	-	47,313	-	-
Due from State of California	16,100	-	-	-	-	166,781
Due from County of San Luis Obispo	-	-	-	-	-	-
Accrued interest	512	47	1,469	-	704	504
Other receivables	-	-	123,100	363	-	-
Due from other funds	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	730
Total assets	<u>\$ 156,486</u>	<u>\$ 13,793</u>	<u>\$ 544,947</u>	<u>\$ 47,676</u>	<u>\$ 207,861</u>	<u>\$ 268,079</u>
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ 2,284	\$ -	\$ 20,737	\$ -	\$ 3,175	\$ 40,599
Accrued salaries and benefits	1,502	-	-	-	-	11,345
Due to other funds	-	-	-	47,676	-	-
Unearned revenue	152,700	-	99	-	-	-
Total liabilities	<u>156,486</u>	<u>-</u>	<u>20,836</u>	<u>47,676</u>	<u>3,175</u>	<u>51,944</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	730
Restricted	-	13,793	524,111	-	204,686	215,405
Assigned for road projects	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>13,793</u>	<u>524,111</u>	<u>-</u>	<u>204,686</u>	<u>216,135</u>
Total liabilities and fund balances	<u>\$ 156,486</u>	<u>\$ 13,793</u>	<u>\$ 544,947</u>	<u>\$ 47,676</u>	<u>\$ 207,861</u>	<u>\$ 268,079</u>

	Special Revenue Funds					
	Local Transportation Fund	Street Assessment Fund	General Government Facilities Fees Fund	Storm Drainage Facilities Fees Fund	Law Enforcement Facilities Fees Fund	Fire Facilities Fees Fund
ASSETS						
Cash and investments	\$ 2,711,828	\$ 85,796	\$ 258,105	\$ 501,184	\$ 378,880	\$ 731,851
Receivables:						
Federal distributions due	75,739	-	-	-	-	-
Due from State of California	25,365	-	-	-	-	-
Due from County of San Luis Obispo	622,785	33	-	-	-	-
Accrued interest	9,185	298	859	1,702	1,245	2,487
Other receivables	-	-	-	-	-	391
Due from other funds	-	-	-	-	-	718,145
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 3,444,902</u>	<u>\$ 86,127</u>	<u>\$ 258,964</u>	<u>\$ 502,886</u>	<u>\$ 380,125</u>	<u>\$ 1,452,874</u>
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ 427,686	\$ -	\$ -	\$ -	\$ -	\$ 29
Accrued salaries and benefits	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>427,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	3,017,216	86,127	258,964	502,886	380,125	1,452,845
Assigned for road projects	-	-	-	-	-	-
Total fund balances	<u>3,017,216</u>	<u>86,127</u>	<u>258,964</u>	<u>502,886</u>	<u>380,125</u>	<u>1,452,845</u>
Total liabilities and fund balances	<u>\$ 3,444,902</u>	<u>\$ 86,127</u>	<u>\$ 258,964</u>	<u>\$ 502,886</u>	<u>\$ 380,125</u>	<u>\$ 1,452,874</u>

	Special Revenue Funds					
	Open Space Acquisition Fees Fund	Parkland Facilities Fees Fund	Public Facilities Fees Fund	Library Expansion Facilities Fees Fund	Community Facilities District Fund	Apple Valley Street & Storm Drain Assessment District Fund
ASSETS						
Cash and investments	\$ 900,723	\$ 590,124	\$ 88,015	\$ 272,597	\$ 22,604	\$ 506,488
Receivables:						
Federal distributions due	-	-	-	-	-	-
Due from State of California	-	-	-	-	-	-
Due from County of San Luis Obispo	-	-	-	-	6,324	552
Accrued interest	3,083	1,957	275	925	-	1,749
Other receivables	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 903,806</u>	<u>\$ 592,081</u>	<u>\$ 88,290</u>	<u>\$ 273,522</u>	<u>\$ 28,928</u>	<u>\$ 508,789</u>
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	903,806	592,081	88,290	273,522	28,928	508,789
Assigned for road projects	-	-	-	-	-	-
Total fund balances	<u>903,806</u>	<u>592,081</u>	<u>88,290</u>	<u>273,522</u>	<u>28,928</u>	<u>508,789</u>
Total liabilities and fund balances	<u>\$ 903,806</u>	<u>\$ 592,081</u>	<u>\$ 88,290</u>	<u>\$ 273,522</u>	<u>\$ 28,928</u>	<u>\$ 508,789</u>

Special Revenue 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
ASSETS					
Cash and investments	\$ 221,498	\$ 568,302	\$ 187,989	\$ 489,311	\$ 124,680
Receivables:					
Federal distributions due	-	-	-	-	-
Due from State of California	-	-	-	-	-
Due from County of San Luis Obispo	902	716	510	900	410
Accrued interest	766	2,238	645	1,698	435
Other receivables	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 223,166</u>	<u>\$ 571,256</u>	<u>\$ 189,144</u>	<u>\$ 491,909</u>	<u>\$ 125,525</u>
LIABILITIES AND FUND BALANCES					
Accounts payable	\$ 3,857	\$ 6,842	\$ 4,318	\$ -	\$ 2,810
Accrued salaries and benefits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	39,770	-	-	-	-
Total liabilities	<u>43,627</u>	<u>6,842</u>	<u>4,318</u>	<u>-</u>	<u>2,810</u>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	179,539	564,414	184,826	491,909	122,715
Assigned for road projects	-	-	-	-	-
Total fund balances	<u>179,539</u>	<u>564,414</u>	<u>184,826</u>	<u>491,909</u>	<u>122,715</u>
Total liabilities and fund balances	<u>\$ 223,166</u>	<u>\$ 571,256</u>	<u>\$ 189,144</u>	<u>\$ 491,909</u>	<u>\$ 125,525</u>

Capital Projects Funds

	Capital Projects Fund	2010 Bond Proceeds Master Agreement Fund	Youth Center Construction Fund	TOTALS
ASSETS				
Cash and investments	\$ 353,501	\$ 265,106	\$ -	\$ 10,139,801
Receivables:				
Federal distributions due	-	-	-	123,052
Due from State of California	-	-	-	208,246
Due from County of San Luis Obispo	-	-	-	633,132
Accrued interest	1,231	925	-	34,939
Other receivables	-	-	-	123,854
Due from other funds	-	-	-	718,145
Prepaid items	-	-	-	730
Total assets	<u>\$ 354,732</u>	<u>\$ 266,031</u>	<u>\$ -</u>	<u>\$ 11,981,899</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ -	\$ -	\$ -	\$ 512,337
Accrued salaries and benefits	-	-	-	12,847
Due to other funds	-	-	-	47,676
Unearned revenue	-	-	-	192,569
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>765,429</u>
Fund Balances:				
Nonspendable	-	-	-	730
Restricted	130,598	266,031	-	10,991,606
Assigned for road projects	224,134	-	-	224,134
Total fund balances	<u>354,732</u>	<u>266,031</u>	<u>-</u>	<u>11,216,470</u>
Total liabilities and fund balances	<u>\$ 354,732</u>	<u>\$ 266,031</u>	<u>\$ -</u>	<u>\$ 11,981,899</u>

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Special Revenue Funds					
	Supplemental Law Enforcement Services Fund	Downtown Business Improvement Area Fund	Atascadero Tourism Business Improvement District Fund	Community Development Block Grant Fund	Tree Plant Fund	Gas Tax Fund
Revenues:						
Taxes and assessments	\$ -	\$ 14,131	\$ 409,652	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	44,992	-
Intergovernmental revenues	126,726	-	-	69,008	-	1,334,102
Fines and forfeitures	-	-	933	-	-	-
Use of money and property	(4,308)	(439)	(11,341)	-	(6,095)	(6,966)
Other revenues	-	-	-	-	-	-
Total revenues	<u>122,418</u>	<u>13,692</u>	<u>399,244</u>	<u>69,008</u>	<u>38,897</u>	<u>1,327,136</u>
Expenditures:						
Salaries and benefits	54,039	-	-	-	-	369,108
Supplies and services	51,004	14,480	275,903	10,295	27,115	575,775
Special projects and studies	17,248	-	-	8,820	1,925	-
Capital outlay	5,809	-	-	49,893	-	-
Total expenditures	<u>128,100</u>	<u>14,480</u>	<u>275,903</u>	<u>69,008</u>	<u>29,040</u>	<u>944,883</u>
Excess of revenues over (under) expenditures	<u>(5,682)</u>	<u>(788)</u>	<u>123,341</u>	<u>-</u>	<u>9,857</u>	<u>382,253</u>
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	208,033
Transfers out	-	-	-	-	-	(1,417,201)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,209,168)</u>
Net change in fund balances	<u>(5,682)</u>	<u>(788)</u>	<u>123,341</u>	<u>-</u>	<u>9,857</u>	<u>(826,915)</u>
Fund balances, June 30, 2021	<u>5,682</u>	<u>14,581</u>	<u>400,770</u>	<u>-</u>	<u>194,829</u>	<u>1,043,050</u>
Fund balances, June 30, 2022	<u>\$ -</u>	<u>\$ 13,793</u>	<u>\$ 524,111</u>	<u>\$ -</u>	<u>\$ 204,686</u>	<u>\$ 216,135</u>

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
For Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Special Revenue Funds					
	Local Transportation Fund	Street Assessment Fund	General Government Facilities Fees Fund	Storm Drainage Facilities Fees Fund	Law Enforcement Facilities Fees Fund	Fire Facilities Fees Fund
Revenues:						
Taxes and assessments	\$ -	\$ 2,160	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	105,391	78,219	70,183	76,853
Intergovernmental revenues	1,953,778	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	(86,315)	(2,561)	(7,408)	(14,493)	(11,142)	(11,328)
Other revenues	-	-	-	-	-	-
Total revenues	1,867,463	(401)	97,983	63,726	59,041	65,525
Expenditures:						
Salaries and benefits	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Special projects and studies	30,115	718	-	-	3,420	-
Capital outlay	3,572,444	-	60,126	-	28,867	-
Total expenditures	3,602,559	718	60,126	-	32,287	-
Excess of revenues over (under) expenditures	(1,735,096)	(1,119)	37,857	63,726	26,754	65,525
Other Financing Sources (Uses):						
Transfers in	1,417,201	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	1,417,201	-	-	-	-	-
Net change in fund balances	(317,895)	(1,119)	37,857	63,726	26,754	65,525
Fund balances, June 30, 2021	3,335,111	87,246	221,107	439,160	353,371	1,387,320
Fund balances, June 30, 2022	<u>\$ 3,017,216</u>	<u>\$ 86,127</u>	<u>\$ 258,964</u>	<u>\$ 502,886</u>	<u>\$ 380,125</u>	<u>\$ 1,452,845</u>

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
For Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Special Revenue Funds					
	Open Space Acquisition Fees Fund	Parkland Facilities Fees Fund	Public Facilities Fees Fund	Library Expansion Facilities Fees Fund	Community Facilities District Fund	Apple Valley Street & Storm Drain Assessment District Fund
Revenues:						
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ 681,909	\$ 38,500
Licenses and permits	134,913	377,607	85,688	47,045	-	-
Intergovernmental revenues	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	(26,088)	(18,085)	(2,079)	(7,864)	(1,305)	(14,978)
Other revenues	-	30,000	-	-	-	-
Total revenues	<u>108,825</u>	<u>389,522</u>	<u>83,609</u>	<u>39,181</u>	<u>680,604</u>	<u>23,522</u>
Expenditures:						
Salaries and benefits	-	-	-	-	-	-
Supplies and services	-	-	-	-	4,938	4,818
Special projects and studies	-	-	-	-	-	-
Capital outlay	-	257,574	-	-	-	-
Total expenditures	<u>-</u>	<u>257,574</u>	<u>-</u>	<u>-</u>	<u>4,938</u>	<u>4,818</u>
Excess of revenues over (under) expenditures	<u>108,825</u>	<u>131,948</u>	<u>83,609</u>	<u>39,181</u>	<u>675,666</u>	<u>18,704</u>
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(703,570)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(703,570)</u>	<u>-</u>
Net change in fund balances	<u>108,825</u>	<u>131,948</u>	<u>83,609</u>	<u>39,181</u>	<u>(27,904)</u>	<u>18,704</u>
Fund balances, June 30, 2021	<u>794,981</u>	<u>460,133</u>	<u>4,681</u>	<u>234,341</u>	<u>56,832</u>	<u>490,085</u>
Fund balances, June 30, 2022	<u>\$ 903,806</u>	<u>\$ 592,081</u>	<u>\$ 88,290</u>	<u>\$ 273,522</u>	<u>\$ 28,928</u>	<u>\$ 508,789</u>

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
For Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

Special Revenue 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
Revenues:					
Taxes and assessments	\$ 63,000	\$ 94,322	\$ 66,975	\$ 30,561	\$ 15,874
Licenses and permits	11,000	-	-	-	-
Intergovernmental revenues	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	(6,858)	(16,898)	(5,718)	(14,505)	(3,786)
Other revenues	-	-	-	-	-
Total revenues	<u>67,142</u>	<u>77,424</u>	<u>61,257</u>	<u>16,056</u>	<u>12,088</u>
Expenditures:					
Salaries and benefits	-	-	-	-	-
Supplies and services	60,555	13,682	66,067	4,743	19,554
Special projects and studies	10,000	136,849	-	-	2,339
Capital outlay	-	-	-	-	-
Total expenditures	<u>70,555</u>	<u>150,531</u>	<u>66,067</u>	<u>4,743</u>	<u>21,893</u>
Excess of revenues over (under) expenditures	<u>(3,413)</u>	<u>(73,107)</u>	<u>(4,810)</u>	<u>11,313</u>	<u>(9,805)</u>
Other Financing Sources (Uses):					
Transfers in	-	-	2,600	-	1,400
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,600</u>	<u>-</u>	<u>1,400</u>
Net change in fund balances	<u>(3,413)</u>	<u>(73,107)</u>	<u>(2,210)</u>	<u>11,313</u>	<u>(8,405)</u>
Fund balances, June 30, 2021	<u>182,952</u>	<u>637,521</u>	<u>187,036</u>	<u>480,596</u>	<u>131,120</u>
Fund balances, June 30, 2022	<u>\$ 179,539</u>	<u>\$ 564,414</u>	<u>\$ 184,826</u>	<u>\$ 491,909</u>	<u>\$ 122,715</u>

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
For Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

Capital Projects Funds

	Capital Projects Fund	2010 Bond Proceeds Master Agreement Fund	Youth Center Construction Fund	TOTALS
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 1,417,084
Licenses and permits	-	-	-	1,031,891
Intergovernmental revenues	-	-	-	3,483,614
Fines and forfeitures	-	-	-	933
Use of money and property	(10,590)	(8,151)	(38)	(299,339)
Other revenues	-	-	1,213	31,213
Total revenues	(10,590)	(8,151)	1,175	5,665,396
Expenditures:				
Salaries and benefits	-	-	-	423,147
Supplies and services	-	-	-	1,128,929
Special projects and studies	-	-	-	211,434
Capital outlay	-	28,616	4,190	4,007,519
Total expenditures	-	28,616	4,190	5,771,029
Excess of revenues over (under) expenditures	(10,590)	(36,767)	(3,015)	(105,633)
Other Financing Sources (Uses):				
Transfers in	-	-	-	1,629,234
Transfers out	-	-	-	(2,120,771)
Total other financing sources (uses)	-	-	-	(491,537)
Net change in fund balances	(10,590)	(36,767)	(3,015)	(597,170)
Fund balances, June 30, 2021	365,322	302,798	3,015	11,813,640
Fund balances, June 30, 2022	<u>\$ 354,732</u>	<u>\$ 266,031</u>	<u>\$ -</u>	<u>\$ 11,216,470</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
S.L.E.S.F. Grant	\$ 100,920	\$ 126,740	\$ 126,726	\$ (14)
Interest income	-	1,710	(4,308)	(6,018)
Total revenues	<u>100,920</u>	<u>128,450</u>	<u>122,418</u>	<u>(6,032)</u>
Expenditures:				
Employee services	64,060	54,060	54,039	21
Computer maintenance & replacement	-	7,800	7,800	-
Communications	-	10,550	10,543	7
Operating supplies	10,300	25,220	25,212	8
Contract services	15,000	7,750	7,449	301
Professional development	-	-	-	-
Special projects and purchases:				
Lockers and cabinets	-	1,110	1,104	6
Personal protective vests	-	6,010	6,006	4
Taser equipment	-	10,140	10,138	2
Capital outlay:				
Radio repeater project	11,560	5,810	5,809	1
Total expenditures	<u>100,920</u>	<u>128,450</u>	<u>128,100</u>	<u>350</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(5,682)</u>	<u>\$ (5,682)</u>
Fund balance, June 30, 2021			<u>5,682</u>	
Fund balance, June 30, 2022			<u>\$ -</u>	

CITY OF ATASCADERO
DOWNTOWN BUSINESS IMPROVEMENT AREA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tourism assessments	\$ 12,750	\$ 13,690	\$ 14,131	\$ 441
Interest income	70	70	(439)	(509)
Total revenues	<u>12,820</u>	<u>13,760</u>	<u>13,692</u>	<u>(68)</u>
Expenditures:				
Main Street Administration	<u>14,480</u>	<u>15,420</u>	<u>14,480</u>	<u>940</u>
Total expenditures	<u>14,480</u>	<u>15,420</u>	<u>14,480</u>	<u>940</u>
Net change in fund balance	<u>\$ (1,660)</u>	<u>\$ (1,660)</u>	<u>(788)</u>	<u>\$ 872</u>
Fund balance, June 30, 2021			<u>14,581</u>	
Fund balance, June 30, 2022			<u>\$ 13,793</u>	

CITY OF ATASCADERO
 ATASCADERO TOURISM BUSINESS IMPROVEMENT DISTRICT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tourism assessments	\$ 292,320	\$ 292,320	\$ 409,652	\$ 117,332
Tourism assessment penalties	-	-	933	933
Interest income	6,950	6,950	(11,341)	(18,291)
Total revenues	299,270	299,270	399,244	99,974
Expenditures:				
Office expense	250	270	264	6
Advertising	165,000	159,980	127,366	32,614
Operating supplies	-	-	-	-
Contract services	140,000	143,440	143,436	4
Professional development	430	740	731	9
Administration	2,860	4,110	4,106	4
Total expenditures	308,540	308,540	275,903	32,637
Net change in fund balance	\$ (9,270)	\$ (9,270)	123,341	\$ 132,611
Fund balance, June 30, 2021			400,770	
Fund balance, June 30, 2022			\$ 524,111	

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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Community Development Block Grant	\$ 156,660	\$ 246,280	\$ 69,008	\$ (177,272)
Total revenues	156,660	246,280	69,008	(177,272)
Expenditures:				
Administration:				
CDBG general administration	-	10,300	10,295	5
Special projects and studies:				
Youth scholarships	-	10,700	8,820	1,880
Capital outlay:				
Traffic Way and El Camino Real barrier removal	40,720	40,720	15,852	24,868
Santa Rosa barrier removal	115,940	115,940	34,041	81,899
Viejo Camino barrier removal	-	68,620	-	68,620
Total expenditures	156,660	246,280	69,008	177,272
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, June 30, 2021			-	
Fund balance, June 30, 2022			\$ -	

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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Permits and fees	\$ 12,000	\$ 12,000	\$ 44,992	\$ 32,992
Interest income	1,210	1,210	(6,095)	(7,305)
Total revenues	<u>13,210</u>	<u>13,210</u>	<u>38,897</u>	<u>25,687</u>
Expenditures:				
Office expense	80	80	-	80
Operating supplies	200	200	-	200
Contract services	10,000	10,000	9,055	945
Professional development	300	300	-	300
Administrative charges	18,060	18,060	18,060	-
Special projects and studies:				
Native tree replanting	5,000	5,000	1,925	3,075
Total expenditures	<u>33,640</u>	<u>33,640</u>	<u>29,040</u>	<u>4,600</u>
Net change in fund balance	<u>\$ (20,430)</u>	<u>\$ (20,430)</u>	9,857	<u>\$ 30,287</u>
Fund balance, June 30, 2021			<u>194,829</u>	
Fund balance, June 30, 2022			<u>\$ 204,686</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Section 2103 highway users tax	\$ 231,620	\$ 231,620	\$ 234,748	\$ 3,128
Section 2105 highway users tax	170,150	170,150	164,897	(5,253)
Section 2106 highway users tax	126,040	126,040	128,249	2,209
Section 2107 highway users tax	216,400	216,400	197,252	(19,148)
Section 2107.5 highway users tax	6,000	6,000	6,000	-
SB1- Section 2031 Road Maintenance & Rehabilitation	577,400	577,400	602,956	25,556
Interest income	9,880	9,880	(6,966)	(16,846)
Total revenues	1,337,490	1,337,490	1,327,136	(10,354)
Expenditures:				
Salaries and benefits	494,390	494,390	369,108	125,282
Office expense	-	130	125	5
Computer maintenance & replacement	4,040	4,040	4,040	-
Insurance	23,220	23,250	23,246	4
Utilities	119,150	121,900	121,895	5
Communications	1,500	1,500	1,395	105
Operating supplies and equipment	42,000	38,770	35,749	3,021
Vehicle and equipment operations	70,840	70,840	57,281	13,559
Contract services	133,550	133,550	54,281	79,269
Professional development	2,000	2,000	1,741	259
Recruitment	300	620	612	8
Department service allocation	163,870	163,870	163,870	-
Administrative charges	111,540	111,540	111,540	-
Total expenditures	1,166,400	1,166,400	944,883	221,517
Excess of revenues over (under) expenditures	171,090	171,090	382,253	211,163

CITY OF ATASCADERO
GAS TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Transfer from General Fund for street maintenance	\$ 406,310	\$ 406,310	\$ 208,033	\$ (198,277)
Transfer out to Local Transportation Fund for El Camino Real Rehabilitation South (SB1)	(1,564,360)	(1,564,360)	(1,417,201)	147,159
Total other financing sources (uses)	(1,158,050)	(1,158,050)	(1,209,168)	(51,118)
Net change in fund balance	<u>\$ (986,960)</u>	<u>\$ (986,960)</u>	<u>(826,915)</u>	<u>\$ 160,045</u>
Fund balance, June 30, 2021			<u>1,043,050</u>	
Fund balance, June 30, 2022			<u>\$ 216,135</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local Transportation Tax- Article 3 Bike Paths	\$ 30,370	\$ 30,370	\$ 30,366	\$ (4)
Local Transportation Tax- Article 8 Streets	708,100	708,100	1,199,523	491,423
HBRR Grant - Via Avenue Bridge	1,771,880	1,771,880	44,376	(1,727,504)
HBRR Grant - Santa Lucia Bridge	1,533,880	1,533,880	31,363	(1,502,517)
USHA- Traffic Way/Ardilla Ave Rehabilitation	371,970	371,970	276,015	(95,955)
USHA- San Gabriel Road Rehabilitation	346,770	346,770	346,770	-
Local Roadway Safety Plan	15,880	15,880	25,365	9,485
Interest income	44,320	44,320	(86,315)	(130,635)
Total revenues	<u>4,823,170</u>	<u>4,823,170</u>	<u>1,867,463</u>	<u>(2,955,707)</u>
Expenditures:				
Special projects:				
Roadway Traffic Safety Improvements	30,000	30,000	-	30,000
Citywide Pavement Condition Evaluation Update	6,650	6,650	-	6,650
Bridge Evaluations and Studies	25,000	25,000	-	25,000
Local Roadway Safety Plan	31,710	31,710	30,115	1,595
Capital outlay:				
Downtown Infrastructure Enhancement Plan	650,000	3,650,000	138,226	3,511,774
El Camino Real Rehabilitation Project- South	1,751,010	1,751,010	1,417,201	333,809
Traffic Way/Ardilla Avenue Rehabilitation	371,970	371,970	276,015	95,955
San Marcos Road Embankment Subsidence Repair	123,330	123,330	-	123,330
San Gabriel Road Rehabilitation	958,550	958,550	825,255	133,295
San Marcos Road Rehabilitation	786,700	786,700	655,264	131,436
Traffic Way/US 101 Alleyway Rehabilitation	200,000	200,000	89,981	110,019
Downtown District Pavement Rehabilitation	150,000	150,000	2,339	147,661
Storm Drainage Improvement Projects	75,000	75,000	24,521	50,479
Via Avenue Bridge Replacement	2,001,450	2,001,450	54,907	1,946,543
Santa Lucia Road Bridge Replacement	1,533,880	1,533,880	88,735	1,445,145
Total expenditures	<u>8,695,250</u>	<u>11,695,250</u>	<u>3,602,559</u>	<u>8,092,691</u>
Excess of revenues over (under) expenditures	<u>(3,872,080)</u>	<u>(6,872,080)</u>	<u>(1,735,096)</u>	<u>5,136,984</u>

CITY OF ATASCADERO
 LOCAL TRANSPORTATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Transfer from Gas Tax Fund for El Camino Real Rehabilitation Project South (SB1)	\$ 1,564,360	\$ 1,564,360	\$ 1,417,201	\$ (147,159)
Total other financing sources (uses)	1,564,360	1,564,360	1,417,201	(147,159)
Net change in fund balance	<u>\$ (2,307,720)</u>	<u>\$ (5,307,720)</u>	(317,895)	<u>\$ 4,989,825</u>
Fund balance, June 30, 2021			3,335,111	
Fund balance, June 30, 2022			<u>\$ 3,017,216</u>	

CITY OF ATASCADERO
STREET ASSESSMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	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	380	380	380	-
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	180	180	180	-
Taxes and special assessments- Cayucos	220	220	220	-
Taxes and special assessments- Falda	240	240	240	-
Interest income	1,610	1,610	(2,561)	(4,171)
Total revenues	<u>3,770</u>	<u>3,770</u>	<u>(401)</u>	<u>(4,171)</u>
Expenditures:				
Special projects and studies:				
Street maintenance projects	<u>20,000</u>	<u>20,000</u>	<u>718</u>	<u>19,282</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>718</u>	<u>19,282</u>
Net change in fund balance	<u>\$ (16,230)</u>	<u>\$ (16,230)</u>	<u>(1,119)</u>	<u>\$ 15,111</u>
Fund balance, June 30, 2021			<u>87,246</u>	
Fund balance, June 30, 2022			<u>\$ 86,127</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 40,000	\$ 40,000	\$ 105,391	\$ 65,391
Interest income	(660)	(660)	(7,408)	(6,748)
Total revenues	<u>39,340</u>	<u>39,340</u>	<u>97,983</u>	<u>58,643</u>
Expenditures:				
Capital projects:				
Asset management software	420,000	420,000	-	420,000
New Fire department vehicle	65,000	65,000	60,126	4,874
New Parks department vehicle	45,000	45,000	-	45,000
Total expenditures	<u>530,000</u>	<u>530,000</u>	<u>60,126</u>	<u>469,874</u>
Net change in fund balance	<u>\$ (490,660)</u>	<u>\$ (490,660)</u>	<u>37,857</u>	<u>\$ 528,517</u>
Fund balance, June 30, 2021			<u>221,107</u>	
Fund balance, June 30, 2022			<u>\$ 258,964</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 35,000	\$ 35,000	\$ 78,219	\$ 43,219
Interest income	9,270	9,270	(14,493)	(23,763)
Total revenues	<u>44,270</u>	<u>44,270</u>	<u>63,726</u>	<u>19,456</u>
Net change in fund balance	<u>\$ 44,270</u>	<u>\$ 44,270</u>	63,726	<u>\$ 19,456</u>
Fund balance, June 30, 2021			<u>439,160</u>	
Fund balance, June 30, 2022			<u>\$ 502,886</u>	

CITY OF ATASCADERO
LAW ENFORCEMENT FACILITIES FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 40,000	\$ 40,000	\$ 70,183	\$ 30,183
Interest income	5,950	5,950	(11,142)	(17,092)
Total revenues	<u>45,950</u>	<u>45,950</u>	<u>59,041</u>	<u>13,091</u>
Expenditures:				
Special projects and studies:				
Equipment for new police officers	36,000	36,000	3,420	32,580
Capital Projects:				
Generator for new Templeton repeater	100,000	100,000	28,867	71,133
New police department vehicles	184,000	184,000	-	184,000
Total expenditures	<u>320,000</u>	<u>320,000</u>	<u>32,287</u>	<u>287,713</u>
Net change in fund balance	<u>\$ (274,050)</u>	<u>\$ (274,050)</u>	26,754	<u>\$ 300,804</u>
Fund balance, June 30, 2021			<u>353,371</u>	
Fund balance, June 30, 2022			<u>\$ 380,125</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 30,000	\$ 30,000	\$ 76,853	\$ 46,853
Rental income	10,800	10,800	9,900	(900)
Interest income	13,470	13,470	(21,228)	(34,698)
Total revenues	<u>54,270</u>	<u>54,270</u>	<u>65,525</u>	<u>11,255</u>
Net change in fund balance	<u>\$ 54,270</u>	<u>\$ 54,270</u>	65,525	<u>\$ 11,255</u>
Fund balance, June 30, 2021			<u>1,387,320</u>	
Fund balance, June 30, 2022			<u>\$ 1,452,845</u>	

CITY OF ATASCADERO
 OPEN SPACE ACQUISITION FEES FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 55,000	\$ 55,000	\$ 134,913	\$ 79,913
Interest income	16,620	16,620	(26,088)	(42,708)
Total revenues	<u>71,620</u>	<u>71,620</u>	<u>108,825</u>	<u>37,205</u>
Net change in fund balance	<u>\$ 71,620</u>	<u>\$ 71,620</u>	108,825	<u>\$ 37,205</u>
Fund balance, June 30, 2021			<u>794,981</u>	
Fund balance, June 30, 2022			<u>\$ 903,806</u>	

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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 145,000	\$ 145,000	\$ 377,607	\$ 232,607
Interest income	5,030	5,030	(18,085)	(23,115)
Donations- Pickleball Club	-	44,240	30,000	(14,240)
Total revenues	<u>150,030</u>	<u>194,270</u>	<u>389,522</u>	<u>195,252</u>
Expenditures:				
Capital Projects:				
Atascadero Lake pipeline repair	137,890	137,890	-	137,890
Atascadero Mall Plaza project	135,450	135,450	67,878	67,572
Pickleball courts at Colony Park	141,220	231,220	189,696	41,524
Total expenditures	<u>414,560</u>	<u>504,560</u>	<u>257,574</u>	<u>246,986</u>
Net change in fund balance	<u>\$ (264,530)</u>	<u>\$ (310,290)</u>	131,948	<u>\$ 442,238</u>
Fund balance, June 30, 2021			<u>460,133</u>	
Fund balance, June 30, 2022			<u>\$ 592,081</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 34,000	\$ 34,000	\$ 85,688	\$ 51,688
Interest income	520	520	(2,079)	(2,599)
Total revenues	<u>34,520</u>	<u>34,520</u>	<u>83,609</u>	<u>49,089</u>
Net change in fund balance	<u>\$ 34,520</u>	<u>\$ 34,520</u>	83,609	<u>\$ 49,089</u>
Fund balance, June 30, 2021			<u>4,681</u>	
Fund balance, June 30, 2022			<u>\$ 88,290</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 16,000	\$ 16,000	\$ 47,045	\$ 31,045
Interest income	4,860	4,860	(7,864)	(12,724)
Total revenues	<u>20,860</u>	<u>20,860</u>	<u>39,181</u>	<u>18,321</u>
Net change in fund balance	<u>\$ 20,860</u>	<u>\$ 20,860</u>	39,181	<u>\$ 18,321</u>
Fund balance, June 30, 2021			<u>234,341</u>	
Fund balance, June 30, 2022			<u>\$ 273,522</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 680,220	\$ 680,220	\$ 681,909	\$ 1,689
Interest income	1,020	1,020	(1,305)	(2,325)
Total revenues	<u>681,240</u>	<u>681,240</u>	<u>680,604</u>	<u>(636)</u>
Expenditures:				
Contract services	5,240	5,240	4,938	302
Total expenditures	<u>5,240</u>	<u>5,240</u>	<u>4,938</u>	<u>302</u>
Excess of revenues over (under) expenditures	<u>676,000</u>	<u>676,000</u>	<u>675,666</u>	<u>(334)</u>
Other Financing Sources (Uses):				
Transfer to the General Fund for police, fire and parks services	<u>(703,570)</u>	<u>(703,570)</u>	<u>(703,570)</u>	<u>-</u>
Total other financing sources (uses)	<u>(703,570)</u>	<u>(703,570)</u>	<u>(703,570)</u>	<u>-</u>
Net change in fund balance	<u>\$ (27,570)</u>	<u>\$ (27,570)</u>	<u>(27,904)</u>	<u>\$ (334)</u>
Fund balance, June 30, 2021			<u>56,832</u>	
Fund balance, June 30, 2022			<u>\$ 28,928</u>	

CITY OF ATASCADERO

APPLE VALLEY STREET & STORM DRAIN ASSESSMENT DISTRICT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
 DATE: 02/23/23
 ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 38,500	\$ 38,500	\$ 38,500	\$ -
Interest income	10,070	10,070	(14,978)	(25,048)
Total revenues	<u>48,570</u>	<u>48,570</u>	<u>23,522</u>	<u>(25,048)</u>
Expenditures:				
Office expense	-	30	27	3
Advertising	200	170	100	70
Contract services	18,690	18,690	3,562	15,128
Administration	1,800	1,800	1,129	671
Total expenditures	<u>20,690</u>	<u>20,690</u>	<u>4,818</u>	<u>15,872</u>
Net change in fund balance	<u>\$ 27,880</u>	<u>\$ 27,880</u>	18,704	<u>\$ (9,176)</u>
Fund balance, June 30, 2021			<u>490,085</u>	
Fund balance, June 30, 2022			<u>\$ 508,789</u>	

CITY OF ATASCADERO
 APPLE VALLEY LANDSCAPE & LIGHTING ASSESSMENT DISTRICT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 63,000	\$ 63,000	\$ 63,000	\$ -
Contributions from developer	11,000	11,000	11,000	-
Interest income	3,570	3,570	(6,858)	(10,428)
Total revenues	<u>77,570</u>	<u>77,570</u>	<u>67,142</u>	<u>(10,428)</u>
Expenditures:				
Office expense	-	30	27	3
Advertising	580	550	321	229
Utilities	14,160	14,160	12,553	1,607
Operating supplies	2,500	2,500	69	2,431
Contract services	61,860	61,860	46,355	15,505
Administration	2,100	2,100	1,230	870
Special projects and studies:				
Tree trimming and replacement	10,000	10,000	10,000	-
Infrastructure improvements	24,000	24,000	-	24,000
Total expenditures	<u>115,200</u>	<u>115,200</u>	<u>70,555</u>	<u>44,645</u>
Net change in fund balance	<u>\$ (37,630)</u>	<u>\$ (37,630)</u>	<u>(3,413)</u>	<u>\$ 34,217</u>
Fund balance, June 30, 2021			<u>182,952</u>	
Fund balance, June 30, 2022			<u>\$ 179,539</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 94,320	\$ 94,320	\$ 94,322	\$ 2
Interest income	13,300	13,300	(16,898)	(30,198)
Total revenues	<u>107,620</u>	<u>107,620</u>	<u>77,424</u>	<u>(30,196)</u>
Expenditures:				
Office expense	-	80	72	8
Advertising	300	220	100	120
Contract services	18,840	18,840	12,382	6,458
Administration	1,800	1,800	1,128	672
Special projects and studies:				
Slurry seal	394,000	394,000	136,849	257,151
Total expenditures	<u>414,940</u>	<u>414,940</u>	<u>150,531</u>	<u>264,409</u>
Net change in fund balance	<u>\$ (307,320)</u>	<u>\$ (307,320)</u>	<u>(73,107)</u>	<u>\$ 234,213</u>
Fund balance, June 30, 2021			<u>637,521</u>	
Fund balance, June 30, 2022			<u>\$ 564,414</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 66,980	\$ 66,980	\$ 66,975	\$ (5)
Interest income	3,200	3,200	(5,718)	(8,918)
Total revenues	<u>70,180</u>	<u>70,180</u>	<u>61,257</u>	<u>(8,923)</u>
Expenditures:				
Office expense	-	80	72	8
Advertising	510	430	321	109
Utilities	6,000	7,180	7,175	5
Operating supplies	2,000	2,000	-	2,000
Contract services	88,230	87,050	57,269	29,781
Administration	1,380	1,380	1,230	150
Special projects and studies:				
Planting and landscape project	9,000	9,000	-	9,000
Total expenditures	<u>107,120</u>	<u>107,120</u>	<u>66,067</u>	<u>41,053</u>
Excess of revenues over (under) expenditures	<u>(36,940)</u>	<u>(36,940)</u>	<u>(4,810)</u>	<u>32,130</u>
Other Financing Sources (Uses):				
Transfer from the General Fund for open space maintenance	2,600	2,600	2,600	-
Total other financing sources (uses)	<u>2,600</u>	<u>2,600</u>	<u>2,600</u>	<u>-</u>
Net change in fund balance	<u>\$ (34,340)</u>	<u>\$ (34,340)</u>	<u>(2,210)</u>	<u>\$ 32,130</u>
Fund balance, June 30, 2021			<u>187,036</u>	
Fund balance, June 30, 2022			<u>\$ 184,826</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 30,560	\$ 30,560	\$ 30,561	\$ 1
Interest income	9,790	9,790	(14,505)	(24,295)
Total revenues	<u>40,350</u>	<u>40,350</u>	<u>16,056</u>	<u>(24,294)</u>
Expenditures:				
Office expense	-	20	18	2
Advertising	310	290	100	190
Contract services	19,690	19,690	3,496	16,194
Administration	1,600	1,600	1,129	471
Total expenditures	<u>21,600</u>	<u>21,600</u>	<u>4,743</u>	<u>16,857</u>
Net change in fund balance	<u>\$ 18,750</u>	<u>\$ 18,750</u>	11,313	<u>\$ (7,437)</u>
Fund balance, June 30, 2021			<u>480,596</u>	
Fund balance, June 30, 2022			<u>\$ 491,909</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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 15,880	\$ 15,880	\$ 15,874	\$ (6)
Interest income	2,410	2,410	(3,786)	(6,196)
Total revenues	<u>18,290</u>	<u>18,290</u>	<u>12,088</u>	<u>(6,202)</u>
Expenditures:				
Office expense	-	20	18	2
Advertising	500	480	317	163
Utilities	1,000	1,410	1,402	8
Operating supplies	500	500	-	500
Contract services	17,740	17,330	16,587	743
Administration	2,220	2,220	1,230	990
Special projects and studies:				
Landscape improvements	7,700	7,700	2,339	5,361
Total expenditures	<u>29,660</u>	<u>29,660</u>	<u>21,893</u>	<u>7,767</u>
Excess of revenues over (under) expenditures	<u>(11,370)</u>	<u>(11,370)</u>	<u>(9,805)</u>	<u>1,565</u>
Other Financing Sources (Uses):				
Transfer from the General Fund for open space maintenance	1,400	1,400	1,400	-
Total other financing sources (uses)	<u>1,400</u>	<u>1,400</u>	<u>1,400</u>	<u>-</u>
Net change in fund balance	<u>\$ (9,970)</u>	<u>\$ (9,970)</u>	<u>(8,405)</u>	<u>\$ 1,565</u>
Fund balance, June 30, 2021			<u>131,120</u>	
Fund balance, June 30, 2022			<u>\$ 122,715</u>	

CITY OF ATASCADERO
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ 7,520	\$ 7,520	\$ (10,590)	\$ (18,110)
Total revenues	7,520	7,520	(10,590)	(18,110)
Net change in fund balance	\$ 7,520	\$ 7,520	(10,590)	\$ (18,110)
Fund balance, June 30, 2021			365,322	
Fund balance, June 30, 2022			\$ 354,732	

CITY OF ATASCADERO
 2010 BOND PROCEEDS MASTER AGREEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ 2,790	\$ 2,790	\$ (8,151)	\$ (10,941)
Total revenues	2,790	2,790	(8,151)	(10,941)
Expenditures:				
Capital outlay:				
Centennial Bridge and Plaza project	275,420	275,420	23,257	252,163
Maiden statue placement	15,000	15,000	861	14,139
Downtown parking wayfinding signage	20,000	20,000	4,498	15,502
Total expenditures	310,420	310,420	28,616	281,804
Net change in fund balance	\$ (307,630)	\$ (307,630)	(36,767)	\$ 270,863
Fund balance, June 30, 2021			302,798	
Fund balance, June 30, 2022			\$ 266,031	

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, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ (38)	\$ (38)
Donations	1,220	1,220	1,213	(7)
Total revenues	<u>1,220</u>	<u>1,220</u>	<u>1,175</u>	<u>(45)</u>
Expenditures:				
Capital outlay:				
Colony Park outdoor lighting project	4,300	4,300	4,190	110
Total expenditures	<u>4,300</u>	<u>4,300</u>	<u>4,190</u>	<u>110</u>
Net change in fund balance	<u>\$ (3,080)</u>	<u>\$ (3,080)</u>	<u>(3,015)</u>	<u>\$ 65</u>
Fund balance, June 30, 2021			<u>3,015</u>	
Fund balance, June 30, 2022			<u>\$ -</u>	

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	<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	\$ 2,007,054	\$ 4,717,325	\$ 4,233,147	\$ 10,957,526
Receivables:				
Accrued interest	6,862	16,208	14,599	37,669
Prepaid expenses	33,900	-	-	33,900
Total current assets	<u>2,047,816</u>	<u>4,733,533</u>	<u>4,247,746</u>	<u>11,029,095</u>
Capital Assets:				
Non-depreciable:				
Construction in progress	161,369	60,126	113,719	335,214
Depreciable:				
Vehicles	-	5,490,740	-	5,490,740
Equipment	3,816,281	4,629,669	21,024	8,466,974
Structures and improvements	-	-	52,991,591	52,991,591
Accumulated depreciation	<u>(3,092,000)</u>	<u>(6,912,702)</u>	<u>(12,138,994)</u>	<u>(22,143,696)</u>
Net capital assets	<u>885,650</u>	<u>3,267,833</u>	<u>40,987,340</u>	<u>45,140,823</u>
Total assets	<u>2,933,466</u>	<u>8,001,366</u>	<u>45,235,086</u>	<u>56,169,918</u>
DEFERRED OUTFLOWS				
Deferred outflows related to pensions	<u>97,898</u>	<u>-</u>	<u>88,862</u>	<u>186,760</u>
Total deferred outflows	<u>97,898</u>	<u>-</u>	<u>88,862</u>	<u>186,760</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	48,624	8,021	20,745	77,390
Accrued salaries and benefits	21,478	-	8,197	29,675
Unearned revenue	-	-	800	800
Noncurrent Liabilities:				
Noncurrent liabilities	<u>231,291</u>	<u>-</u>	<u>304,244</u>	<u>535,535</u>
Total liabilities	<u>301,393</u>	<u>8,021</u>	<u>333,986</u>	<u>643,400</u>

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION (continued)
June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	<u>Technology Fund</u>	<u>Vehicle and Equipment Replacement Fund</u>	<u>Building Maintenance and Replacement Fund</u>	<u>Totals</u>
DEFERRED INFLOWS				
Deferred inflows related to pensions	\$ 460,276	\$ -	\$ 255,060	\$ 715,336
Total deferred inflows	<u>460,276</u>	<u>-</u>	<u>255,060</u>	<u>715,336</u>
NET POSITION				
Net investment in capital assets	885,650	3,267,833	40,987,340	45,140,823
Unrestricted	<u>1,384,045</u>	<u>4,725,512</u>	<u>3,747,562</u>	<u>9,857,119</u>
Total net position	<u>\$ 2,269,695</u>	<u>\$ 7,993,345</u>	<u>\$ 44,734,902</u>	<u>\$ 54,997,942</u>

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	<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	\$ 1,137,870	\$ 769,285	\$ 917,740	\$ 2,824,895
Total operating revenues	<u>1,137,870</u>	<u>769,285</u>	<u>917,740</u>	<u>2,824,895</u>
Operating Expenses:				
Salaries and benefits	650,293	-	286,259	936,552
Office expense	1,131	-	-	1,131
Computer maintenance, software and replacement	-	-	3,700	3,700
Insurance	-	-	84,154	84,154
Occupancy and rental costs	55,010	-	-	55,010
Utilities	-	-	90,319	90,319
Communications	71,990	-	2,007	73,997
Operating supplies and services	28,379	-	18,871	47,250
Vehicle and equipment operating costs	285	-	13,239	13,524
Contract services	96,247	-	36,411	132,658
Professional development	2,838	-	-	2,838
Recruitment	53	-	249	302
Administrative charges	6,410	-	67,960	74,370
Special projects:				
Desks	2,075	-	-	2,075
Monitors	265	-	-	265
Depreciation	<u>252,537</u>	<u>583,162</u>	<u>1,191,209</u>	<u>2,026,908</u>
Total operating expenses	<u>1,167,513</u>	<u>583,162</u>	<u>1,794,378</u>	<u>3,545,053</u>
Operating income (loss)	<u>(29,643)</u>	<u>186,123</u>	<u>(876,638)</u>	<u>(720,158)</u>

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (continued)
For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	<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):				
Interest income	\$ (59,100)	\$ (134,626)	\$ (124,909)	\$ (318,635)
Gain (loss) on sale of capital assets	<u>-</u>	<u>10,217</u>	<u>-</u>	<u>10,217</u>
Total non-operating revenues (expenses)	<u>(59,100)</u>	<u>(124,409)</u>	<u>(124,909)</u>	<u>(308,418)</u>
Change in net position prior to capital contributions	<u>(88,743)</u>	<u>61,714</u>	<u>(1,001,547)</u>	<u>(1,028,576)</u>
Capital Contributions:				
Cash contributions from other funds	12,160	64,050	-	76,210
Capital contributions from other funds	<u>156,594</u>	<u>878,363</u>	<u>331,921</u>	<u>1,366,878</u>
Total capital contributions	<u>168,754</u>	<u>942,413</u>	<u>331,921</u>	<u>1,443,088</u>
Change in net position	80,011	1,004,127	(669,626)	414,512
Total net position, June 30, 2021	<u>2,189,684</u>	<u>6,989,218</u>	<u>45,404,528</u>	<u>54,583,430</u>
Total net position, June 30, 2022	<u>\$ 2,269,695</u>	<u>\$ 7,993,345</u>	<u>\$ 44,734,902</u>	<u>\$ 54,997,942</u>

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	<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	\$ 1,137,870	\$ 769,285	\$ 917,740	\$ 2,824,895
Payments to suppliers of goods and services	(288,295)	(29,330)	(314,260)	(631,885)
Payments for employee services	(579,538)	-	(259,935)	(839,473)
Net cash provided by operating activities	<u>270,037</u>	<u>739,955</u>	<u>343,545</u>	<u>1,353,537</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	(73,880)	(61,731)	(6,480)	(142,091)
Cash contributions received for capital purchases	12,160	64,050	-	76,210
Proceeds from sale of capital assets	-	28,400	-	28,400
Net cash provided (used) by capital and related financing activities	<u>(61,720)</u>	<u>30,719</u>	<u>(6,480)</u>	<u>(37,481)</u>
Cash Flows From Investing Activities:				
Interest income	(61,727)	(141,652)	(129,208)	(332,587)
Net cash used by investing activities	<u>(61,727)</u>	<u>(141,652)</u>	<u>(129,208)</u>	<u>(332,587)</u>
Net increase in cash and cash equivalents	146,590	629,022	207,857	983,469
Cash and cash equivalents - June 30, 2021	<u>1,860,464</u>	<u>4,088,303</u>	<u>4,025,290</u>	<u>9,974,057</u>
Cash and cash equivalents - June 30, 2022	<u>\$ 2,007,054</u>	<u>\$ 4,717,325</u>	<u>\$ 4,233,147</u>	<u>\$ 10,957,526</u>

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS (continued)
For the Fiscal Year Ended June 30, 2022

ITEM NUMBER: 1
DATE: 02/23/23
ATTACHMENT: 3

	<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)	\$ (29,643)	\$ 186,123	\$ (876,638)	\$ (720,158)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	252,537	583,162	1,191,209	2,026,908
Change in assets, deferred outflows, liabilities, and deferred inflows:				
Prepaid expenses	(20,201)	-	-	(20,201)
Accounts payable	(3,411)	(29,330)	2,550	(30,191)
Accrued salaries and benefits	6,181	-	(715)	5,466
Unearned revenue	-	-	100	100
Deferred outflows	(8,006)	-	(4,249)	(12,255)
Deferred inflows	438,597	-	232,778	671,375
Net pension liability	(375,161)	-	(199,110)	(574,271)
Compensated absences	9,144	-	(2,380)	6,764
Net cash provided by operating activities	<u>\$ 270,037</u>	<u>\$ 739,955</u>	<u>\$ 343,545</u>	<u>\$ 1,353,537</u>