



CITY OF ATASCADERO CITY COUNCIL AGENDA

HYBRID MEETING INFORMATION:

The City Council meeting will be available via teleconference for those who wish to participate remotely. The City Council meeting will also be held in the City Council Chambers and in-person attendance will be available at that location.

HOW TO OBSERVE THE MEETING REMOTELY:

To participate remotely, residents can livestream the meeting on [Zoom](#), SLO-SPAN.org, on Spectrum cable Channel 20 in Atascadero, and listen live on KPRL Radio 1230AM and 99.3FM. The video recording of the meeting will repeat daily on Channel 20 at 1:00 am, 9:00 am, and 6:00 pm and will be available through the City's website and on the City's YouTube Channel. To participate remotely using the Zoom platform please visit:

https://us02web.zoom.us/webinar/register/WN_ZwJ7a031S3KXauEym9ehaA

HOW TO SUBMIT PUBLIC COMMENT:

Public comment may be provided in-person or remotely. Call **(669) 900-6833** (Meeting ID: 889 2347 9018) to listen and provide public comment via phone or via the [Zoom](#) platform using the link above.

Note that the Zoom participation option is provided to the public as a courtesy in order to facilitate participation. The City does not, however, guarantee that meeting participation will be available via Zoom. If Zoom participation is not enabled, or turned off, the meeting will continue with public attendance in-person only.

Written public comments are accepted at cityclerk@atascadero.org. **Comments should identify the Agenda Item Number in the subject line of the email.** Such comments will be forwarded to the City Council and made a part of the administrative record. **To ensure distribution to the City Council before consideration of an item, please submit comments not later than 12:00 p.m. the day of the meeting.** All correspondence will be distributed to the City Council, posted on the City's website, and be made part of the official public record of the meeting. **Please note, comments will not be read into the record.** Please be aware that communications sent to the City Council are public records and are subject to disclosure pursuant to the California Public Records Act and Brown Act unless exempt from disclosure under applicable law. Communications will not be edited for redactions and will be printed/posted as submitted.

AMERICAN DISABILITY ACT ACCOMMODATIONS:

Any member of the public who needs accommodations should contact the City Clerk's Office at cityclerk@atascadero.org or by calling 805-470-3400 at least 48 hours prior to the meeting or time when services are needed. The City will use their best efforts to provide reasonable accommodations to afford as much accessibility as possible while also maintaining public safety in accordance with the City procedure for resolving reasonable accommodation requests.

DISCLOSURE OF CAMPAIGN CONTRIBUTIONS:

Pursuant to Government Code § 84308, City Council Members are disqualified and not able to participate in any agenda item involving contracts (other than competitively bid, labor, or personal employment contracts), franchises, discretionary land use permits and other entitlements if the City Council Member received more than \$250 in campaign contributions from the applicant or contractor, an agent of the applicant or contractor, or any financially interested participant who actively supports or opposes the City's decision on the agenda item since January 1, 2023. Members of the City Council who have received, and applicants, contractors or their agents who have made, campaign contributions totaling more than \$250 to a City Council Member since January 1, 2023, are required to disclose that fact for the official record of the subject proceedings. Disclosures must include the amount of the campaign contribution and identify the recipient City Council Member and may be made either in writing to the City Clerk before the agenda item or by verbal disclosure during consideration.

City Council agendas and minutes may be viewed on the City's website:

www.atascadero.org/agendas

Copies of the staff reports or other documentation relating to each item of business referred to on the Agenda are on file in the office of the City Clerk and are available for public inspection on our website, www.atascadero.org. Contracts, Resolutions and Ordinances will be allocated a number once they are approved by the City Council. The Minutes of this meeting will reflect these numbers. All documents submitted by the public during Council meetings that are made a part of the record or referred to in their statement will be noted in the Minutes and available for review by contacting the City Clerk's office. All documents will be available for public inspection by appointment during City Hall business hours.



CITY OF ATASCADERO CITY COUNCIL

AGENDA

Tuesday, January 23, 2024

City Hall Council Chambers, Fourth Floor
6500 Palma Avenue, Atascadero, California

City Council Regular Session:

6:00 P.M.

**Successor Agency to the Community
Redevelopment Agency of Atascadero:**

**Immediately following
conclusion of the City
Council Regular Session**

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

PLEDGE OF ALLEGIANCE: Mayor Moreno

ROLL CALL: Mayor Moreno
Mayor Pro Tem Funk
Council Member Bourbeau
Council Member Dariz
Council Member Newsom

APPROVAL OF AGENDA: Roll Call

Recommendation: Council:

1. Approve this agenda.
2. Waive the reading in full of all ordinances appearing on this agenda; titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.

A. CONSENT CALENDAR: (All items on the consent calendar are considered to be routine and non-controversial by City staff and will be approved by one motion if no member of the Council or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the Consent Calendar and will be considered in the listed sequence with an opportunity for any member of the public to address the Council concerning the item before action is taken.)

1. City Council Draft Minutes – January 9, 2024 Regular Meeting

- **Recommendation:** Council approve the January 9, 2024, Draft City Council Regular Meeting Minutes. [City Clerk]

2. December 2023 Accounts Payable and Payroll

- Fiscal Impact: \$5,509,319.81.
- Recommendation: Council approve certified City accounts payable, payroll and payroll vendor checks for December 2023. [Administrative Services]

3. Approval of a Debt Management Policy

- Fiscal Impact: None.
- Recommendation: Council adopt Draft Resolution, approving a Debt Management Policy that would apply to the City and its related entities, including the Successor Agency and Public Financing Authority. [Administrative Services]

UPDATES FROM THE CITY MANAGER: (The City Manager will give an oral report on any current issues of concern to the City Council.)

COMMUNITY FORUM: (This portion of the meeting is reserved for persons wanting to address the Council on any matter not on this agenda and over which the Council has jurisdiction. Speakers are limited to three minutes. Please state your name for the record before making your presentation. Comments made during Community Forum will not be a subject of discussion. A maximum of 30 minutes will be allowed for Community Forum, unless changed by the Council. Comments will be allowed for the entire 30-minute period so if the final speaker has finished before the 30-minute period has ended and a member of the public wishes to make a comment after the Council has commenced another item, the member should alert the Clerk within the 30-minute period of their desire to make a comment and the Council will take up that comment upon completion of the item which was commenced. Any members of the public who have questions or need information may contact the City Clerk's Office, between the hours of 8:30 a.m. and 5:00 p.m. at (805) 470-3400, or cityclerk@atascadero.org.)

B. PUBLIC HEARINGS: None

C. MANAGEMENT REPORTS:

1. Update on Council Goals and Actions

- Fiscal Impact: None
- Recommendation: Council receive and file a report on the progress being made relative to the City Council's goals. [City Manager]

2. Fiscal Year 2022-23 Audit

- Fiscal Impact: None
- Recommendation: Council review and accept the financial audit for the period ended June 30, 2023. [Administrative Services]

D. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS: (On their own initiative, Council Members may make a brief announcement or a brief report on their own activities. The following represent standing committees. Informative status reports will be given, as felt necessary):

Mayor Moreno

1. City Selection Committee
2. County Mayors Round Table
3. Regional Economic Action Coalition (REACH)

4. SLO Council of Governments (SLOCOG)
5. SLO Regional Transit Authority (RTA)

Mayor Pro Tem Funk

1. Atascadero Basin Ground Water Sustainability Agency (GSA)
2. Design Review Committee
3. Homeless Services Oversight Council

Council Member Bourbeau

1. City of Atascadero Finance Committee
2. City / Schools Committee
3. Integrated Waste Management Authority (IWMA)
4. SLO County Water Resources Advisory Committee (WRAC)

Council Member Dariz

1. Air Pollution Control District
2. California Joint Powers Insurance Authority (CJPIA) Board
3. Community Action Partnership of San Luis Obispo (CAPSLO)
4. Design Review Committee
5. Visit SLO CAL Advisory Committee

Council Member Newsom

1. City of Atascadero Finance Committee
2. City / Schools Committee
3. League of California Cities – Council Liaison

E. INDIVIDUAL DETERMINATION AND / OR ACTION: (Council Members may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda. The Council may take action on items listed on the Agenda.)

1. City Council
2. City Clerk
3. City Treasurer
4. City Attorney
5. City Manager

ADJOURN TO MEETING OF THE SUCCESSOR AGENCY



CITY OF ATASCADERO CITY COUNCIL

DRAFT MINUTES

Tuesday, January 9, 2024

City Hall Council Chambers, Fourth Floor
6500 Palma Avenue, Atascadero, California

<u>City Council Regular Session:</u>	6:00 P.M.
<u>Successor Agency to the Community Redevelopment Agency of Atascadero:</u>	Immediately following conclusion of the City Council Regular Session
<u>Public Financing Authority:</u>	Immediately following conclusion of the Successor to the Community Redevelopment Agency of Atascadero Meeting

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

Mayor Moreno called the meeting to order at 6:01 p.m. and Council Member Newsom led the Pledge of Allegiance.

ROLL CALL:

Present: Council Members Bourbeau, Newsom, Mayor Pro Tem Funk, and Mayor Moreno

Absent: Council Member Dariz

Others Present: None

Staff Present: City Manager James R. Lewis, Administrative Services Director Jeri Rangel, Community Development Director Phil Dunsmore, Public Works Director Nick DeBar, Fire Chief Casey Bryson, Battalion Chief Matt Miranda, Police Chief Daniel B. Suttles, Outgoing Interim Police Chief

Joe Allen, Community Services & Promotions Director Terrie Banish, Deputy Public Works Director Matt Pigeon, Public Works Analyst Ryan Betz, Recreation Coordinator Larisse Lopez, City Attorney David M. Fleishman, Deputy City Manager/City Clerk Lara Christensen, and Deputy City Manager – IT Luke Knight

APPROVAL OF AGENDA:

MOTION BY: Bourbeau
SECOND BY: Funk

1. Approve this agenda.
2. Waive the reading in full of all ordinances appearing on this agenda; titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.

AYES (4): Bourbeau, Funk, Newsom, and Moreno
ABSENT (1): Dariz

Passed 4-0

A. CONSENT CALENDAR:

1. **City Council Draft Minutes – December 12, 2023 Regular Meeting**
 - Recommendation: Council approve the December 12, 2023, Draft City Council Regular Meeting Minutes. [City Clerk]
2. **Water Reclamation Facility Retrofit and Improvement Project Program Management Services Contract**
 - Fiscal Impact: \$2,569,361 in Wastewater Funds.
 - Recommendation: Council award a professional services agreement with Water Systems Consulting for \$2,569,361 to provide Program Management services for the Atascadero Water Reclamation Facility Retrofit and Improvement Project (Project No. C2020W03). [Public Works]

MOTION BY: Bourbeau
SECOND BY: Newsom

1. Approve the consent calendar (#A-2: Contract No. 2024-001).

AYES (4): Bourbeau, Funk, Newsom, and Moreno
ABSENT (1): Dariz

Passed 4-0

UPDATES FROM THE CITY MANAGER:

City Manager Lewis gave an update on projects and events within the City. City Manager Lewis commended outgoing Interim Police Chief Joe Allen for his many years of service to the City of Atascadero, and welcomed incoming Police Chief Daniel B. Suttles to his first week of duty.

COMMUNITY FORUM:

The following persons spoke by telephone or through the webinar: Geoff Auslen.

B. PUBLIC HEARINGS:

1. Fiscal Year 2023 Annual Road Report

- Fiscal Impact: Approximately \$5,000 in budgeted General Funds.
- Recommendation: The Citizens' Sales Tax Oversight Committee recommends Council:
 1. Approve the Fiscal Year 2023 Annual Road Report.
 2. Approve the 2023 Community Road Report.
[Public Works and Administrative Services]

Public Works Director DeBar and Administrative Services Director Rangel gave the report and answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: Gary Elliott and Geoff Auslen.

Mayor Moreno closed the Public Comment period.

MOTION BY: Bourbeau
SECOND BY: Funk

- 1. Approve the Fiscal Year 2023 Annual Road Report.**
- 2. Approve the 2023 Community Road Report.**

AYES (4): Bourbeau, Funk, Newsom, and Moreno
ABSENT (1): Dariz

Passed 4-0

2. Parks and Recreation Update

- Fiscal Impact: None.
- Recommendation: Council:
 1. Receive and file the Parks and Recreation Update.
 2. Provide direction to staff on potential park and facility projects.
[Public Works and Community Services & Promotions]

Public Works Director DeBar, Community Services & Promotions Director Banish, Public Works Operations Manager Pigeon, and Recreation Coordinator Lopez gave the report and answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: Albert Almodova, Bob Brown, David, Hayden, Lulu, Boston, Quinn, Kennedy, Jayden Stafford, Kayla, Amy, Cheryl, Lilly, Geoff Auslen, and Kevin Campion.

Mayor Moreno closed the Public Comment period.

The Parks and Recreation Update was received and filed.

C. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS:

The following Council Members gave brief update reports on their committees since their last Council meeting:

Mayor Pro Tem Funk

1. Atascadero Basin Ground Water Sustainability Agency
2. Design Review Committee

Council Member Bourbeau

3. Integrated Waste Management Authority (IWMA)

D. INDIVIDUAL DETERMINATION AND / OR ACTION: None

F. ADJOURNMENT

Mayor Moreno adjourned the meeting at 8:18 p.m. to the Meeting of the Successor Agency.

MINUTES PREPARED BY:

Lara K. Christensen
City Clerk

APPROVED:



Atascadero City Council
Staff Report - Administrative Services Department

December 2023 Accounts Payable and Payroll

RECOMMENDATION:

Council approve certified City accounts payable, payroll and payroll vendor checks for December 2023.

DISCUSSION:

Attached for City Council review and approval are the following:

Payroll

Dated	12/7/23	Checks # 35942-35948	\$	8,328.83
		Direct Deposits		397,006.24
Dated	12/21/23	Checks # 35949-35954		6,583.75
		Direct Deposits		376,592.59

Accounts Payable

Dated	12/1/23-12/31/23	Checks # 176476 - 176817 & EFTs 4975-5003		<u>4,720,808.40</u>
TOTAL AMOUNT				<u>\$ 5,509,319.81</u>

FISCAL IMPACT:

Total expenditures for all funds is \$ 5,509,319.81

CERTIFICATION:

The undersigned certifies that the attached demands have been released for payment and that funds are available for these demands.

J. Rangel

 Jeri Rangel
 Director of Administrative Services

ATTACHMENT:

December 2023 Eden Warrant Register in the amount of \$ 4,720,808.40

City of Atascadero
Disbursement Listing
For the Month of December 2023

ITEM NUMBER:
DATE:
ATTACHMENT:

A-2
01/23/24
1

Check Number	Check Date	Vendor	Description	Amount
176476	12/01/2023	13 STARS MEDIA	Accounts Payable Check	801.63
176477	12/01/2023	2 MEXICANS, LLC	Accounts Payable Check	1,050.00
176478	12/01/2023	AIRGAS USA, LLC	Accounts Payable Check	243.43
176479	12/01/2023	AIR-RITE HEATING & COOLING	Accounts Payable Check	4,825.00
176480	12/01/2023	AK & COMPANY	Accounts Payable Check	3,250.00
176481	12/01/2023	ALLIANT INSURANCE SERVICES INC	Accounts Payable Check	150.00
176482	12/01/2023	ALLTECH SERVICES, INC.	Accounts Payable Check	3,445.81
176483	12/01/2023	ALTHOUSE & MEADE, INC.	Accounts Payable Check	1,871.92
176484	12/01/2023	AMERICAN WEST TIRE & AUTO INC	Accounts Payable Check	1,563.28
176485	12/01/2023	APPLIED TECHNOLOGY GROUP, INC.	Accounts Payable Check	20,324.93
176486	12/01/2023	AT&T	Accounts Payable Check	805.11
176488	12/01/2023	AT&T	Accounts Payable Check	1,597.29
176489	12/01/2023	AT&T	Accounts Payable Check	728.04
176490	12/01/2023	ATASCADERO HAY & FEED	Accounts Payable Check	1,652.59
176491	12/01/2023	ATKINSON CONCRETE CONSTRUCTION	Accounts Payable Check	114,200.67
176492	12/01/2023	AURORA WORLD, INC.	Accounts Payable Check	325.12
176493	12/01/2023	AVILA TRAFFIC SAFETY	Accounts Payable Check	23.65
176494	12/01/2023	BASSETT'S CRICKET RANCH, INC.	Accounts Payable Check	1,088.13
176495	12/01/2023	BATTERY SYSTEMS, INC.	Accounts Payable Check	41.63
176496	12/01/2023	BELL'S PLUMBING REPAIR, INC.	Accounts Payable Check	150.00
176497	12/01/2023	BERRY MAN, INC.	Accounts Payable Check	2,018.15
176498	12/01/2023	BRANCH SMITH PROPERTIES	Accounts Payable Check	386.00
176499	12/01/2023	BURKE, WILLIAMS, & SORENSON LLP	Accounts Payable Check	24,937.07
176500	12/01/2023	BURT INDUSTRIAL SUPPLY	Accounts Payable Check	80.52
176501	12/01/2023	CA POLICE CHIEF'S ASSC	Accounts Payable Check	462.00
176502	12/01/2023	CANNON	Accounts Payable Check	43,907.00
176503	12/01/2023	CDCE, INC.	Accounts Payable Check	16,003.59
176504	12/01/2023	CHARTER COMMUNICATIONS	Accounts Payable Check	6,194.33
176505	12/01/2023	CINTAS	Accounts Payable Check	30.05
176506	12/01/2023	CO OF SAN LUIS OBISPO SART PRG	Accounts Payable Check	2,971.00
176507	12/01/2023	COASTAL COPY, INC.	Accounts Payable Check	385.65
176508	12/01/2023	COLE FARMS, INC.	Accounts Payable Check	1,561.54
176509	12/01/2023	COLOR CRAFT PRINTING	Accounts Payable Check	517.80
176510	12/01/2023	CONSOR NORTH AMERICA, INC.	Accounts Payable Check	8,186.99
176511	12/01/2023	COUNTY OF SAN LUIS OBISPO	Accounts Payable Check	957.00
176512	12/01/2023	CSG CONSULTANTS, INC.	Accounts Payable Check	3,014.19
176513	12/01/2023	CULLIGAN SANTA MARIA	Accounts Payable Check	446.79
176514	12/01/2023	CHRISTOPHER DEATON	Accounts Payable Check	87.95
176515	12/01/2023	NICHOLAS DEBAR	Accounts Payable Check	300.00
176516	12/01/2023	JOE DEBRUIN, PH.D.	Accounts Payable Check	180.00

City of Atascadero
Disbursement Listing
For the Month of December 2023

ITEM NUMBER:
DATE: A-2
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Check Number	Check Date	Vendor	Description	Amount
176517	12/01/2023	DEPARTMENT OF JUSTICE	Accounts Payable Check	392.00
176518	12/01/2023	DISCOVER PRODUCTS INC.	Accounts Payable Check	256.00
176519	12/01/2023	PHILIP DUNSMORE	Accounts Payable Check	300.00
176520	12/01/2023	EL CAMINO CAR WASH	Accounts Payable Check	219.99
176521	12/01/2023	EXECUTIVE JANITORIAL	Accounts Payable Check	750.00
176522	12/01/2023	FENCE FACTORY ATASCADERO	Accounts Payable Check	490.50
176523	12/01/2023	FERRELL'S AUTO REPAIR	Accounts Payable Check	51.70
176524	12/01/2023	FIESTA MAHAR MANUFACTURNG CORP	Accounts Payable Check	233.37
176525	12/01/2023	G. SOSA CONSTRUCTION, INC.	Accounts Payable Check	196,475.20
176526	12/01/2023	GARRY BRILL PRODUCTIONS	Accounts Payable Check	150.00
176527	12/01/2023	GAS COMPANY	Accounts Payable Check	1,616.73
176528	12/01/2023	GHS PARTS, INC.	Accounts Payable Check	319.59
176529	12/01/2023	KATHLEEN GROGAN	Accounts Payable Check	965.00
176530	12/01/2023	HAMNER, JEWELL & ASSOCIATES	Accounts Payable Check	3,241.94
176531	12/01/2023	HANSEN BRO'S CUSTOM FARMING	Accounts Payable Check	11,472.00
176532	12/01/2023	HART IMPRESSIONS PRINTING	Accounts Payable Check	1,096.68
176533	12/01/2023	KELLIE K. HART	Accounts Payable Check	54.60
176535	12/01/2023	HOME DEPOT CREDIT SERVICES	Accounts Payable Check	2,768.49
176536	12/01/2023	INFORMATION TECHNOLOGY	Accounts Payable Check	1,229.91
176537	12/01/2023	JEFF & TONY'S DSD, LLC	Accounts Payable Check	348.96
176538	12/01/2023	JIFFY LUBE	Accounts Payable Check	118.45
176539	12/01/2023	JK'S UNLIMITED, INC.	Accounts Payable Check	1,007.50
176540	12/01/2023	KPRL 1230 AM	Accounts Payable Check	620.00
176541	12/01/2023	LAYNE LABORATORIES, INC.	Accounts Payable Check	859.13
176542	12/01/2023	JAMES R. LEWIS	Accounts Payable Check	1,832.18
176543	12/01/2023	LIEBERT CASSIDY WHITMORE	Accounts Payable Check	645.00
176544	12/01/2023	LIFE ASSIST, INC.	Accounts Payable Check	223.87
176545	12/01/2023	LINDE GAS & EQUIPMENT INC.	Accounts Payable Check	67.20
176546	12/01/2023	MARBORG INDUSTRIES	Accounts Payable Check	107.55
176547	12/01/2023	MID-COAST MOWER & SAW, INC.	Accounts Payable Check	250.84
176548	12/01/2023	MIG	Accounts Payable Check	45,748.11
176549	12/01/2023	MINER'S ACE HARDWARE	Accounts Payable Check	377.65
176550	12/01/2023	NATURE PLANET, INC.	Accounts Payable Check	388.80
176551	12/01/2023	KELLYE R. NETZ	Accounts Payable Check	41.00
176552	12/01/2023	NEW TIMES	Accounts Payable Check	2,919.00
176553	12/01/2023	CINTIA B. NUTTALL	Accounts Payable Check	176.40
176554	12/01/2023	ODP BUSINESS SOLUTIONS, LLC	Accounts Payable Check	168.14
176555	12/01/2023	PACIFIC CNTRL COAST HLTH CTRS	Accounts Payable Check	1,545.00
176556	12/01/2023	PACIFIC GAS AND ELECTRIC	Accounts Payable Check	2,476.54
176557	12/01/2023	PASO ROBLES SAFE & LOCK, INC.	Accounts Payable Check	520.00

City of Atascadero
Disbursement Listing
For the Month of December 2023

ITEM NUMBER:
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A-2
01/23/24
1

Check Number	Check Date	Vendor	Description	Amount
176558	12/01/2023	PEAKWIFI, LLC	Accounts Payable Check	1,750.00
176559	12/01/2023	KEVIN PEARCE	Accounts Payable Check	217.49
176560	12/01/2023	PERRY'S PARCEL & GIFT	Accounts Payable Check	30.31
176561	12/01/2023	PHILLIPS INTERNATIONAL, INC.	Accounts Payable Check	1,332.60
176562	12/01/2023	PROCARE JANITORIAL SUPPLY,INC.	Accounts Payable Check	550.75
176563	12/01/2023	JERI RANGEL	Accounts Payable Check	300.00
176564	12/01/2023	RICK ENGINEERING COMPANY	Accounts Payable Check	725.00
176565	12/01/2023	SANDY SCOTT	Accounts Payable Check	152.24
176566	12/01/2023	SECURITAS TECHNOLOGY CORPORATN	Accounts Payable Check	2,638.77
176567	12/01/2023	SERVICE SYSTEMS ASSC, INC.	Accounts Payable Check	2,500.00
176568	12/01/2023	SITEONE LANDSCAPE SUPPLY, LLC	Accounts Payable Check	516.86
176569	12/01/2023	SLO COUNTY SHERIFF'S OFFICE	Accounts Payable Check	780.00
176570	12/01/2023	SOUZA CONSTRUCTION, INC.	Accounts Payable Check	54,068.30
176571	12/01/2023	CONNER M. SPEARS	Accounts Payable Check	4,680.00
176572	12/01/2023	SUNBELT RENTALS, INC.	Accounts Payable Check	1,200.54
176573	12/01/2023	SUNLIGHT JANITORIAL, INC.	Accounts Payable Check	1,650.00
176574	12/01/2023	SUPERIOR PLUS PROPANE	Accounts Payable Check	1,213.43
176575	12/01/2023	SWCA, INC.	Accounts Payable Check	3,678.81
176576	12/01/2023	TELEWORX, LLC	Accounts Payable Check	25,400.00
176577	12/01/2023	TOWNSEND PUBLIC AFFAIRS, INC.	Accounts Payable Check	4,000.00
176578	12/01/2023	TRACKDOWN MANAGEMENT	Accounts Payable Check	100.00
176579	12/01/2023	U.S. BANK	Accounts Payable Check	3,537.00
176580	12/01/2023	U.S. POSTMASTER	Accounts Payable Check	2,200.00
176581	12/01/2023	UNITED RENTALS (NORTH AM), INC	Accounts Payable Check	1,946.15
176582	12/01/2023	VERIZON WIRELESS-VSAT	Accounts Payable Check	55.00
176583	12/01/2023	VINO VICE, INC.	Accounts Payable Check	559.00
176584	12/01/2023	WALLACE GROUP	Accounts Payable Check	75,078.49
176585	12/01/2023	WARM FUZZY TOYS	Accounts Payable Check	232.50
176586	12/01/2023	WEX BANK - BUSINESS UNIVERSAL	Accounts Payable Check	13,062.50
176587	12/01/2023	WEX BANK - WEX FLEET UNIVERSAL	Accounts Payable Check	9,265.38
176588	12/01/2023	YOUTH EVOLUTION SOCCER	Accounts Payable Check	2,197.80
176589	12/01/2023	ZOO MED LABORATORIES, INC.	Accounts Payable Check	732.52
176590	12/01/2023	ZOOM IMAGING SOLUTIONS, INC.	Accounts Payable Check	2,237.07
176591	12/01/2023	ANTHEM BLUE CROSS HEALTH	Payroll Vendor Payment	218,388.98
176592	12/01/2023	BENEFIT COORDINATORS CORP	Payroll Vendor Payment	9,562.20
176593	12/01/2023	FIDELITY SECURITY LIFE INS CO	Payroll Vendor Payment	1,876.40
176594	12/01/2023	LINCOLN NATIONAL LIFE INS CO	Payroll Vendor Payment	1,980.69
4975	12/07/2023	ANTHEM BLUE CROSS HSA	Payroll Vendor Payment	9,287.43
176595	12/07/2023	ATASCADERO MID MGRS ORG UNION	Payroll Vendor Payment	40.00
176596	12/07/2023	ATASCADERO POLICE OFFICERS	Payroll Vendor Payment	2,249.75

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176597	12/07/2023	ATASCADERO PROF. FIREFIGHTERS	Payroll Vendor Payment	1,151.80
176598	12/07/2023	EMPOWER ANNUITY INS CO	Payroll Vendor Payment	7,748.46
176599	12/07/2023	IAFF MERP	Payroll Vendor Payment	1,900.00
176600	12/07/2023	MISSIONSQUARE	Payroll Vendor Payment	8,836.62
176601	12/07/2023	NATIONWIDE RETIREMENT SOLUTION	Payroll Vendor Payment	547.55
176602	12/07/2023	NAVIA BENEFIT SOLUTIONS	Payroll Vendor Payment	1,338.86
4976	12/08/2023	STATE DISBURSEMENT UNIT	Payroll Vendor Payment	283.84
4977	12/08/2023	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	23,521.50
4978	12/08/2023	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	35,708.82
4979	12/08/2023	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	2,756.82
4980	12/08/2023	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	2,837.45
4981	12/08/2023	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	5,870.52
4982	12/08/2023	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	11,377.60
4983	12/08/2023	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	17,608.06
4984	12/08/2023	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	25,145.05
4985	12/11/2023	SEIU LOCAL 620	Payroll Vendor Payment	923.84
4986	12/12/2023	RABOBANK, N.A.	Payroll Vendor Payment	74,810.93
4987	12/12/2023	EMPLOYMENT DEV DEPARTMENT	Payroll Vendor Payment	23,059.32
4988	12/12/2023	EMPLOYMENT DEV. DEPARTMENT	Payroll Vendor Payment	2,786.31
176603	12/15/2023	13 STARS MEDIA	Accounts Payable Check	787.50
176604	12/15/2023	A & F SOUVENIR	Accounts Payable Check	427.76
176605	12/15/2023	A & T ARBORISTS & VEGETATION	Accounts Payable Check	39,853.88
176606	12/15/2023	A SUPERIOR CRANE, LLC	Accounts Payable Check	1,300.00
176607	12/15/2023	ADAMSKI,MOROSKI,MADDEN,	Accounts Payable Check	703.00
176608	12/15/2023	ADDICTION MEDICINE CONSULTANTS	Accounts Payable Check	870.00
176609	12/15/2023	AFSS NORTHERN DIVISION	Accounts Payable Check	399.00
176610	12/15/2023	ALL SIGNS AND GRAPHICS, INC.	Accounts Payable Check	478.50
176611	12/15/2023	ALLIANT INSURANCE SERVICES INC	Accounts Payable Check	185.00
176612	12/15/2023	ALTHOUSE & MEADE, INC.	Accounts Payable Check	1,309.41
176613	12/15/2023	AMERICAN WEST TIRE & AUTO INC	Accounts Payable Check	4,086.88
176614	12/15/2023	ARCHIE'S ALOHA PEST MGMT.	Accounts Payable Check	520.00
176615	12/15/2023	ASSC. OF ZOOS & AQUARIUMS	Accounts Payable Check	100.00
176616	12/15/2023	AT&T	Accounts Payable Check	711.53
176617	12/15/2023	AT&T	Accounts Payable Check	31.51
176618	12/15/2023	ATASCADERO HAY & FEED	Accounts Payable Check	3,500.00
176620	12/15/2023	ATASCADERO MUTUAL WATER CO.	Accounts Payable Check	19,092.45
176621	12/15/2023	TERRIE BANISH	Accounts Payable Check	803.28
176622	12/15/2023	KEITH R. BERGHER	Accounts Payable Check	1,608.75
176623	12/15/2023	BRANCH SMITH PROPERTIES	Accounts Payable Check	386.00
176624	12/15/2023	BRENDLER JANITORIAL SERVICE	Accounts Payable Check	785.00

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176625	12/15/2023	BURKE,WILLIAMS, & SORENSON LLP	Accounts Payable Check	18,030.38
176626	12/15/2023	BURT INDUSTRIAL SUPPLY	Accounts Payable Check	161.49
176627	12/15/2023	CA DEPT OF TAX AND FEE ADMIN.	Accounts Payable Check	624.20
176628	12/15/2023	CAL-COAST REFRIGERATION, INC	Accounts Payable Check	473.81
176629	12/15/2023	KRYSTAL CARLON	Accounts Payable Check	610.63
176630	12/15/2023	CHARTER COMMUNICATIONS	Accounts Payable Check	1,965.87
176631	12/15/2023	LARA CHRISTENSEN	Accounts Payable Check	183.72
176632	12/15/2023	KAREN A. CLANIN	Accounts Payable Check	332.50
176633	12/15/2023	CLEVER CONCEPTS, INC.	Accounts Payable Check	49.95
176634	12/15/2023	COASTAL COPY, INC.	Accounts Payable Check	378.62
176635	12/15/2023	CONSOR NORTH AMERICA, INC.	Accounts Payable Check	6,524.83
176636	12/15/2023	CREATE & LEARN	Accounts Payable Check	413.70
176637	12/15/2023	CRISP IMAGING	Accounts Payable Check	1,765.54
176638	12/15/2023	CRYSTAL SPRINGS WATER	Accounts Payable Check	20.00
176639	12/15/2023	CULLIGAN SANTA MARIA	Accounts Payable Check	522.38
176640	12/15/2023	CULLIGAN/CENTRAL COAST WTR TRT	Accounts Payable Check	70.00
176641	12/15/2023	SHARON J. DAVIS	Accounts Payable Check	469.00
176642	12/15/2023	DEPARTMENT OF TRANSPORTATION	Accounts Payable Check	5,626.18
176643	12/15/2023	DOOMSDAY SKATE, LLC	Accounts Payable Check	168.00
176644	12/15/2023	ECOLOGISTICS, INC.	Accounts Payable Check	7,500.00
176645	12/15/2023	ECONOMIC DEV COLLABORATIVE-	Accounts Payable Check	500,000.00
176646	12/15/2023	RYAN ENFANTINO	Accounts Payable Check	1,319.04
176647	12/15/2023	ESCROW CLEANING SERVICE	Accounts Payable Check	500.00
176648	12/15/2023	FILIPPIN ENGINEERING, INC.	Accounts Payable Check	51,008.24
176649	12/15/2023	G. SOSA CONSTRUCTION, INC.	Accounts Payable Check	1,939.29
176650	12/15/2023	GAS COMPANY	Accounts Payable Check	656.46
176651	12/15/2023	GREAT WESTERN INSTALLATION INC	Accounts Payable Check	18,547.20
176652	12/15/2023	KELLIE K. HART	Accounts Payable Check	163.80
176653	12/15/2023	HUNGRY MOTHER	Accounts Payable Check	250.00
176654	12/15/2023	INTERWEST CONSULTING GROUP INC	Accounts Payable Check	812.50
176655	12/15/2023	GINA JENKINS	Accounts Payable Check	112.00
176656	12/15/2023	JK'S UNLIMITED, INC.	Accounts Payable Check	1,780.17
176657	12/15/2023	JOANN HEAD LAND SURVEYING	Accounts Payable Check	5,348.58
176658	12/15/2023	JOE A. GONSALVES & SON	Accounts Payable Check	3,000.00
176659	12/15/2023	LEE WILSON ELECTRIC CO. INC	Accounts Payable Check	1,428.00
176660	12/15/2023	LIFE ASSIST, INC.	Accounts Payable Check	1,482.64
176661	12/15/2023	MADRONE LANDSCAPES, INC.	Accounts Payable Check	498.50
176662	12/15/2023	MARBORG INDUSTRIES	Accounts Payable Check	2,646.58
176663	12/15/2023	MCCLATCHY SHARED SERVICES, LLC	Accounts Payable Check	293.94
176664	12/15/2023	MICHAEL K. NUNLEY & ASSC, INC.	Accounts Payable Check	1,049.40

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176665	12/15/2023	MINER'S ACE HARDWARE	Accounts Payable Check	663.21
176666	12/15/2023	MATTHEW J. MIRANDA	Accounts Payable Check	672.00
176667	12/15/2023	MOSS, LEVY, & HARTZHEIM LLP	Accounts Payable Check	20,000.00
176668	12/15/2023	MOTOROLA SOLUTIONS, INC.	Accounts Payable Check	15,120.88
176669	12/15/2023	MV TRANSPORTATION, INC.	Accounts Payable Check	13,220.42
176670	12/15/2023	KELLYE R. NETZ	Accounts Payable Check	190.00
176671	12/15/2023	ODP BUSINESS SOLUTIONS, LLC	Accounts Payable Check	759.34
176672	12/15/2023	ANJANETTE ORDONEZ	Accounts Payable Check	649.60
176675	12/15/2023	PACIFIC GAS AND ELECTRIC	Accounts Payable Check	69,695.65
176676	12/15/2023	PASO ROBLES FORD LINCOLN MERC	Accounts Payable Check	30,461.38
176677	12/15/2023	PROCARE JANITORIAL SUPPLY, INC.	Accounts Payable Check	229.42
176678	12/15/2023	PRW STEEL SUPPLY, INC.	Accounts Payable Check	58.20
176679	12/15/2023	RAINSCAPE, A LANDSCAPE SVC CO.	Accounts Payable Check	7,242.00
176680	12/15/2023	RECOGNITION WORKS	Accounts Payable Check	141.38
176681	12/15/2023	SANTA MARIA SUN, LLC	Accounts Payable Check	274.00
176682	12/15/2023	SCHAAF & WHEELER	Accounts Payable Check	2,980.00
176683	12/15/2023	SCOTT O'BRIEN FIRE & SAFETY CO	Accounts Payable Check	173.63
176684	12/15/2023	SECURITAS TECHNOLOGY CORPORATN	Accounts Payable Check	513.04
176685	12/15/2023	SHI INTERNATIONAL CORP.	Accounts Payable Check	599.74
176686	12/15/2023	SITEONE LANDSCAPE SUPPLY, LLC	Accounts Payable Check	163.27
176687	12/15/2023	SLO COUNTY HEALTH AGENCY	Accounts Payable Check	93,685.00
176688	12/15/2023	MARY P. SMITH	Accounts Payable Check	1,254.00
176689	12/15/2023	SOUTH COAST EMERGENCY VEH SVC	Accounts Payable Check	634.61
176690	12/15/2023	SPECIALIZED EQUIPMENT REPAIR	Accounts Payable Check	4,510.60
176691	12/15/2023	JENNIFER L. SPOTTEN	Accounts Payable Check	690.00
176692	12/15/2023	STATE WATER RES CONTROL BOARD	Accounts Payable Check	34,107.00
176693	12/15/2023	SUNBELT RENTALS, INC.	Accounts Payable Check	73,460.63
176694	12/15/2023	SUNRUN INSTALLATION SERVICES	Accounts Payable Check	509.49
176695	12/15/2023	SUPERION, LLC	Accounts Payable Check	450.00
176696	12/15/2023	MADELINE M. TAYLOR	Accounts Payable Check	287.10
176697	12/15/2023	TESCO CONTROLS, LLC	Accounts Payable Check	740.00
176698	12/15/2023	THOMSON REUTERS - WEST	Accounts Payable Check	201.99
176699	12/15/2023	T-MOBILE USA, INC.	Accounts Payable Check	100.00
176700	12/15/2023	KARL O. TOERGE	Accounts Payable Check	288.00
176701	12/15/2023	TOWNSEND PUBLIC AFFAIRS, INC.	Accounts Payable Check	4,000.00
176708	12/15/2023	U.S. BANK	Accounts Payable Check	40,691.87
176709	12/15/2023	UNITED RENTALS (NORTH AM), INC	Accounts Payable Check	1,916.21
176710	12/15/2023	UNIVAR SOLUTIONS USA, INC.	Accounts Payable Check	8,457.74
176711	12/15/2023	VANIR CONSTRUCTION MANAGEMENT	Accounts Payable Check	42,218.81
176712	12/15/2023	VERDIN	Accounts Payable Check	22,934.79

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176713	12/15/2023	VERIZON WIRELESS	Accounts Payable Check	3,126.25
176714	12/15/2023	WEST COAST AUTO & TOWING, INC.	Accounts Payable Check	65.00
176715	12/15/2023	KAREN B. WYKE	Accounts Payable Check	704.40
176716	12/15/2023	YEH AND ASSOCIATES, INC.	Accounts Payable Check	5,917.50
176717	12/15/2023	YOUTH EVOLUTION SOCCER	Accounts Payable Check	1,323.00
4989	12/21/2023	ANTHEM BLUE CROSS HSA	Payroll Vendor Payment	10,549.36
4990	12/21/2023	STATE DISBURSEMENT UNIT	Payroll Vendor Payment	283.84
176718	12/21/2023	ATASCADERO MID MGRS ORG UNION	Payroll Vendor Payment	40.00
176719	12/21/2023	ATASCADERO POLICE OFFICERS	Payroll Vendor Payment	2,249.75
176720	12/21/2023	ATASCADERO PROF. FIREFIGHTERS	Payroll Vendor Payment	1,151.80
176721	12/21/2023	EMPOWER ANNUITY INS CO	Payroll Vendor Payment	7,650.99
176722	12/21/2023	IAFF MERP	Payroll Vendor Payment	1,900.00
176723	12/21/2023	MISSIONSQUARE	Payroll Vendor Payment	8,518.47
176724	12/21/2023	NATIONWIDE RETIREMENT SOLUTION	Payroll Vendor Payment	643.10
176725	12/21/2023	NAVIA BENEFIT SOLUTIONS	Payroll Vendor Payment	1,338.22
4991	12/22/2023	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	23,521.50
4992	12/22/2023	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	35,248.21
4993	12/22/2023	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	2,927.58
4994	12/22/2023	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	2,837.45
4995	12/22/2023	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	5,866.70
4996	12/22/2023	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	11,332.06
4997	12/22/2023	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	16,868.73
4998	12/22/2023	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	24,907.76
4999	12/26/2023	SEIU LOCAL 620	Payroll Vendor Payment	923.84
5000	12/26/2023	RABOBANK, N.A.	Payroll Vendor Payment	70,639.49
5001	12/26/2023	EMPLOYMENT DEV DEPARTMENT	Payroll Vendor Payment	21,510.98
5002	12/26/2023	EMPLOYMENT DEV. DEPARTMENT	Payroll Vendor Payment	2,559.11
5003	12/28/2023	MCGRIFF INSURANCE SERVICE TRUIST INSURANCE HI	Payroll Vendor Payment	742.50
176726	12/29/2023	13 STARS MEDIA	Accounts Payable Check	1,797.60
176727	12/29/2023	A.P.S. AUTOMOTIVE	Accounts Payable Check	2,434.27
176728	12/29/2023	ADAMSKI,MOROSKI,MADDEN,	Accounts Payable Check	259.00
176729	12/29/2023	AMERICAN WEST TIRE & AUTO INC	Accounts Payable Check	2,547.80
176731	12/29/2023	AT&T	Accounts Payable Check	812.56
176732	12/29/2023	AT&T	Accounts Payable Check	735.63
176733	12/29/2023	ATASCADERO HAY & FEED	Accounts Payable Check	908.33
176734	12/29/2023	TERRIE BANISH	Accounts Payable Check	376.61
176735	12/29/2023	BANK OF NEW YORK MELLON	Accounts Payable Check	2,420.00
176736	12/29/2023	BASSETT'S CRICKET RANCH,INC.	Accounts Payable Check	432.06
176737	12/29/2023	BELLA VISTA INVESTIGATIVE SERV	Accounts Payable Check	6,625.00
176738	12/29/2023	BERRY MAN, INC.	Accounts Payable Check	773.90

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176739	12/29/2023	BOUND TREE MEDICAL, LLC	Accounts Payable Check	162.99
176740	12/29/2023	BREZDEN PEST CONTROL, INC.	Accounts Payable Check	183.00
176741	12/29/2023	BURT INDUSTRIAL SUPPLY	Accounts Payable Check	202.21
176742	12/29/2023	KRYSTAL CARLON	Accounts Payable Check	145.28
176743	12/29/2023	CASEY PRINTING, INC.	Accounts Payable Check	8,028.80
176744	12/29/2023	CHARTER COMMUNICATIONS	Accounts Payable Check	4,325.23
176745	12/29/2023	CINTAS	Accounts Payable Check	155.89
176746	12/29/2023	KRISTINE CLARK	Accounts Payable Check	137.00
176747	12/29/2023	CLEAR, INC.	Accounts Payable Check	35.00
176748	12/29/2023	COLOR CRAFT PRINTING	Accounts Payable Check	405.37
176749	12/29/2023	CONEJO VALLEY SIGNS	Accounts Payable Check	106.00
176750	12/29/2023	CSG CONSULTANTS, INC.	Accounts Payable Check	926.52
176751	12/29/2023	CUESTA POLYGRAPH & INVEST. LLC	Accounts Payable Check	7,521.82
176752	12/29/2023	CULLIGAN SANTA MARIA	Accounts Payable Check	45.94
176753	12/29/2023	DEPARTMENT OF JUSTICE	Accounts Payable Check	1,363.00
176754	12/29/2023	DOOMSDAY SKATE, LLC	Accounts Payable Check	12.00
176755	12/29/2023	EARTH SYSTEMS PACIFIC	Accounts Payable Check	4,467.40
176756	12/29/2023	EL CAMINO CAR WASH	Accounts Payable Check	29.99
176757	12/29/2023	EMBLEM ENTERPRISES, INC.	Accounts Payable Check	587.19
176758	12/29/2023	EXECUTIVE JANITORIAL	Accounts Payable Check	750.00
176759	12/29/2023	FERRELL'S AUTO REPAIR	Accounts Payable Check	51.70
176760	12/29/2023	FIGUEROA'S TIRES	Accounts Payable Check	750.38
176761	12/29/2023	FILIPPIN ENGINEERING, INC.	Accounts Payable Check	71,158.81
176762	12/29/2023	GAS COMPANY	Accounts Payable Check	3,904.18
176763	12/29/2023	GENERAL CODE, LLC	Accounts Payable Check	195.00
176764	12/29/2023	GHS PARTS, INC.	Accounts Payable Check	123.28
176765	12/29/2023	GOLDEN STATE COPIER & MAILING	Accounts Payable Check	992.00
176766	12/29/2023	GSOLUTIONZ, INC.	Accounts Payable Check	2,194.74
176767	12/29/2023	HAMNER, JEWELL & ASSOCIATES	Accounts Payable Check	518.50
176768	12/29/2023	HAMON OVERHEAD DOOR CO, INC.	Accounts Payable Check	1,049.10
176769	12/29/2023	KELLIE K. HART	Accounts Payable Check	109.20
176770	12/29/2023	HIGH COUNTRY OUTDOOR, INC.	Accounts Payable Check	900.00
176771	12/29/2023	HINDERLITER, DE LLAMAS	Accounts Payable Check	2,331.09
176772	12/29/2023	HOME DEPOT CREDIT SERVICES	Accounts Payable Check	1,905.64
176773	12/29/2023	INTERWEST CONSULTING GROUP INC	Accounts Payable Check	1,527.50
176774	12/29/2023	IRON MOUNTAIN RECORDS MGMNT	Accounts Payable Check	1,568.07
176775	12/29/2023	JK'S UNLIMITED, INC.	Accounts Payable Check	6,452.93
176776	12/29/2023	JOE A. GONSALVES & SON	Accounts Payable Check	3,000.00
176777	12/29/2023	KPRL 1230 AM	Accounts Payable Check	820.00
176778	12/29/2023	LIN LI	Accounts Payable Check	36.00

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176779	12/29/2023	LOLAS LETTERS CENTRL COAST LLC	Accounts Payable Check	575.00
176780	12/29/2023	MADRONE LANDSCAPES, INC.	Accounts Payable Check	385.00
176781	12/29/2023	MARBORG INDUSTRIES	Accounts Payable Check	820.33
176782	12/29/2023	MARK43, INC.	Accounts Payable Check	119,744.00
176783	12/29/2023	MBS LAND SURVEYS	Accounts Payable Check	8,125.00
176784	12/29/2023	MEDINA LIGHT SHOW DESIGNS	Accounts Payable Check	2,476.00
176785	12/29/2023	MEDSTOP URGENT CARE CENTER	Accounts Payable Check	375.00
176786	12/29/2023	MIG	Accounts Payable Check	26,272.50
176787	12/29/2023	MINER'S ACE HARDWARE	Accounts Payable Check	124.08
176788	12/29/2023	PAUL NETZ	Accounts Payable Check	60.00
176789	12/29/2023	NEW TIMES	Accounts Payable Check	850.00
176790	12/29/2023	NORTH COAST ENGINEERING INC.	Accounts Payable Check	522.50
176791	12/29/2023	NORTHERN CALIFORNIA'S EMERGENCY	Accounts Payable Check	42,415.91
176792	12/29/2023	ODP BUSINESS SOLUTIONS, LLC	Accounts Payable Check	940.86
176793	12/29/2023	PACIFIC GAS AND ELECTRIC	Accounts Payable Check	2,638.92
176794	12/29/2023	DAWN PATTERSON	Accounts Payable Check	137.00
176795	12/29/2023	PERRY'S PARCEL & GIFT	Accounts Payable Check	64.75
176796	12/29/2023	PHILADELPHIA ZOO	Accounts Payable Check	438.28
176797	12/29/2023	POLAR KING INTERNATIONAL, INC.	Accounts Payable Check	77,895.04
176798	12/29/2023	PROCARE JANITORIAL SUPPLY, INC.	Accounts Payable Check	657.45
176799	12/29/2023	QUADIENT, INC.	Accounts Payable Check	124.46
176800	12/29/2023	RICK ENGINEERING COMPANY	Accounts Payable Check	265.00
176801	12/29/2023	SECURITAS TECHNOLOGY CORPORATN	Accounts Payable Check	354.00
176802	12/29/2023	SERVICE SYSTEMS ASSC, INC.	Accounts Payable Check	2,500.00
176803	12/29/2023	SLO COUNTY SHERIFF'S OFFICE	Accounts Payable Check	27.00
176804	12/29/2023	SOUZA CONSTRUCTION, INC.	Accounts Payable Check	1,474,022.99
176805	12/29/2023	SP MAINTENANCE SERVICES, INC.	Accounts Payable Check	600.00
176806	12/29/2023	STATE WATER RES CONTROL BOARD	Accounts Payable Check	25,193.00
176807	12/29/2023	SUN BADGE COMPANY	Accounts Payable Check	269.28
176808	12/29/2023	SUNBELT RENTALS, INC.	Accounts Payable Check	2,034.42
176809	12/29/2023	SUNLIGHT JANITORIAL, INC.	Accounts Payable Check	1,650.00
176810	12/29/2023	SWCA, INC.	Accounts Payable Check	7,771.09
176811	12/29/2023	TEMPLETON UNIFORMS, LLC	Accounts Payable Check	98.94
176812	12/29/2023	ULTREX BUSINESS PRODUCTS	Accounts Payable Check	37.15
176813	12/29/2023	VERIZON WIRELESS	Accounts Payable Check	220.78
176814	12/29/2023	VINO VICE, INC.	Accounts Payable Check	559.00
176815	12/29/2023	WALLACE GROUP	Accounts Payable Check	12,958.29
176816	12/29/2023	YEH AND ASSOCIATES, INC.	Accounts Payable Check	15,879.60
176817	12/29/2023	ZOOM IMAGING SOLUTIONS, INC.	Accounts Payable Check	986.91
				\$4,720,808.40



City of Atascadero

Staff Report – Administrative Services Department

Approval of a Debt Management Policy

RECOMMENDATION:

Council adopt Draft Resolution, approving a Debt Management Policy that would apply to the City and its related entities, including the Successor Agency and Public Financing Authority

DISCUSSION:

California Government Code 8855(i) requires each local agency in the State that wishes to incur debt and other long-term obligations have in place a debt management policy. Because the City and its related entities have not recently incurred long-term debt, a policy compliant with such provisions was not required. In connection with the planned issuance by the Successor Agency to the Community Redevelopment Agency of Atascadero of refunding bonds, as well as other potential bond financings that may be pursued by the City and its related entities in the future, City staff recommends approval of a debt management policy compliant with current law and consistent with best practices.

Staff recommends the City Council approve a debt management policy, which would apply to debt and other long-term obligations of the City and each other entity for which the City Council serves as the governing body, such as the Successor Agency and the Atascadero Public Financing Authority.

FISCAL IMPACT:

None. Any future debt issuances would require approval by the City Council, on behalf of the City or its related entities.

ALTERNATIVES:

Council may elect not to adopt the policy.

ATTACHMENTS:

1. Draft Resolution
2. Debt Management Policy

DRAFT RESOLUTION

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, ADOPTING A DEBT MANAGEMENT POLICY FOR THE CITY AND ITS RELATED ENTITIES

WHEREAS, California Government Code 8855(i) requires each local agency in the State that wishes to incur debt and other long-term obligations have in place a debt management policy meeting the requirement of said statute; and

WHEREAS, the City Council wishes at this time to approve a debt management policy, consistent with the requirements of California Government Code 8855(i), which would apply to debt and other long-term obligations of the City and each other entity for which the City Council serves as the governing body, such as the Successor Agency to the Community Redevelopment Agency of Atascadero and the Atascadero Public Financing Authority.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. Adoption of Policy. The City Council hereby approves and adopts the Debt Management Policy in the form presented to the City Council. The Debt Management Policy shall govern the issuance and administration of debt issued by the City and each other entity for which the City Council serves as the governing body, in accordance and subject to the conditions set forth in such policy.

SECTION 2. Effective Date. This Resolution shall take effect immediately upon approval.

CITY OF ATASCADERO:

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

**ATASCADERO
DEBT MANAGEMENT POLICY**

This Debt Management Policy shall govern the issuance and administration of debt issued by the City of Atascadero and each other entity for which the City Council serves as the governing body (collectively, the “City”).

Debt can be an effective way to finance capital improvements. State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total equalized valuation. Properly managed debt preserves credit ratings, provides flexibility in current and future operating budgets, and provides long-term assets that maintain or improve our quality of life. To provide for the appropriate issuance and responsible use of debt, the City has adopted this Debt Policy.

1. Findings

This Debt Policy is intended to comply with Government Code Section 8855(i), and shall govern all debt undertaken by the City. The City hereby recognizes that a fiscally prudent debt policy is required in order to: (1) Maintain the City’s sound financial position; (2) Ensure the City has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses; (3) Protect the City’s credit-worthiness; (4) Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the City; and (5) Ensure that the City’s debt is consistent with the City’s planning goals and objectives and capital improvement program or budget, as applicable.

2. Policies

A. Purposes For Which Debt May Be Issued

Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the City, as well as management of other long-term obligation such as pension and OPEB obligations. Long-term debt financings are appropriate when the following conditions exist: (1) When the project to be financed is necessary to provide basic services; (2) When the project to be financed will provide benefit to constituents over multiple years; (3) When total debt does not constitute an unreasonable burden to the City and its taxpayers and/or ratepayers, as applicable; (4) When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses. The City may use long-term debt financings subject to the following conditions: (1) The project to be financed must be approved by the City Council; (2) The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%; (3) The City estimates that sufficient revenues will be available to service the debt through its maturity; and (4) The City determines that the issuance of the debt will comply with all applicable state and federal law.

Short-term debt. Short-term debt may be issued to provide financing for the City's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the City may undertake lease-purchase financing for equipment.

B. Types of Debt

The following types of debt are allowable under this Debt Policy: Loan agreements and revenue bonds; Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions; Pension obligation bonds; General obligation bonds (GO Bonds); Bond or grant anticipation notes (BANs); Tax and revenue anticipation notes (TRANS); Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes; Tax increment bonds, including refunding bonds issued by the Successor Agency; State Revolving Loan Funds; and lines of credit / interim borrowings.

The City Council may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy. Debt shall be issued as fixed rate debt unless the City makes a specific determination as to why a variable rate issue would be beneficial to the City in a specific circumstance.

C. Relationship of Debt to Capital Improvement Program and Budget

The City is committed to long-term capital planning. The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's capital budget and the capital improvement plan. The City shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The City shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear. As applicable, the City shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the City's public purposes. The City shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

D. Policy Goals Related to Planning Goals and Objectives

The City is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's annual operations budget. It is a policy goal of the City to protect taxpayers, ratepayers (if applicable) and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs. The City will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges. When refinancing debt, it shall be the policy goal of the City to realize, whenever possible, and subject to any overriding non-financial policy considerations, minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount.

The City shall strive for good communications with bond rating agencies, bond counsel, banks, financial advisors, and other involved in debt issuance and management. Annual financial reports and official statements will reflect the City's commitment to full and open disclosure concerning debt.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the City shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. Without limiting the foregoing, the City will periodically review the requirements of and will endeavor to remain in compliance with the following: (1) Any continuing disclosure undertakings entered into by the City in accordance with SEC Rule 15c2-12; (2) Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance; and (3) The City's investment policies as they relate to the use and investment of bond proceeds.

Proceeds of debt will be held either (1) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the City upon the submission of one or more written requisitions by the Director of Administrative Services (or his or her written designee), or (2) by the City, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the City.



Atascadero City Council

Staff Report – City Manager’s Office

Update on Council Goals and Action Plan

RECOMMENDATION:

Council receive and file a report on the progress being made relative to the City Council’s goals.

DISCUSSION:

An integral part of the budget planning process is the development of an action plan outlining the strategic priorities and actions to be taken in Fiscal Years 2023-2025. The goal setting workshop held on February 10-11, 2023, was the foundation for both the Budget and the companion Action Plan. On March 14, 2023, Council adopted the 2023 Strategic Planning Statements and Strategic Priorities (Statements & Priorities) and on April 25, 2023, Council reviewed the Draft Action Plan providing further direction. In conjunction with the 2023-2025 Budget, the 2023 Action Plan document was adopted by Council on June 13, 2023.

The Action Plan was the culmination of a very robust public outreach effort and included specific actions to address the following three strategic priorities and related key focus areas:

Strategic Priority: Economic and Community Vibrancy

Key Focus Areas:

- Downtown Viability
- Activation of Underutilized Sites and Nodes
- Business Support and Jobs/Housing Balance
- Neighborhood Compatibility and Wellness

Strategic Priority: Fiscal and Infrastructure Efficiency & Sustainability

Key Focus Areas:

- Asset Management/Replacement/Modernization
- Financial Strategies
- Transparency and Accountability

Strategic Priority: Ensuring Public Safety and Providing Exceptional City Services

Key Focus Areas:

- Staff
- Unhoused Population
- Flourishing Community

As part of the City's planning process, the City Council has been extremely consistent in its desire to not only engage the public in developing the Action Plan, but also in its desire to be very transparent in the City's progress in achieving not just the actions, but the underlying goals in the Action Plan. As part of this transparency, the Council expressed a desire to receive consistent updates on progress achieved and areas that need more attention. Tonight's session is intended to update the Council and the public on the progress that has been achieved in the strategic priorities and key focus areas since adoption of the Action Plan seven months ago. This also provides an opportunity for the public to learn of the City's progress and share input with the City Council on any of the priorities and key focus areas prior to priorities and/or key focus areas being reestablished or new one established. The City Council will review the current Strategic Planning Statements and Strategic Priorities at a special workshop in April. The staff has made significant progress addressing the City Council's key priorities. The City is well on its way to making substantial progress.

Review of City Goals and Highlighted Action Plan Items

Strategic Priority: Economic and Community Vibrancy

Key Focus Area #1 – Downtown Viability

- Final design/construction plans for the Downtown Infrastructure Enhancement Project (DIEP) are being completed for an anticipated bid release in April.
- Completed the Downtown paving project and implemented a Community Engagement program to provide weekly construction updates to businesses and residents.
- Approved the Restaurant Loan Program to incentivize additional restaurants and applications are being processed.
- Continue to maintain Atascadero Creek as a quality aesthetic feature in the downtown through voluntary clean-up programs and ongoing management of vegetation and fuels in the creek.
- Continued economic development activities to expedite the relocation of nonconforming uses and occupancy of vacant buildings, encouraged compatible development on vacant lots, recruited new retail business, engaged the new owners of the Carlton to build on the success of the hotel, and facilitated redevelopment of underutilized properties along Sunken Gardens/East Mall/West Mall.
- Released the Request for Qualifications to facilitate development for City-owned East Mall properties.
- Encouraged ongoing collaboration with Downtown businesses to promote Downtown vitality including increased activity and use of The Plaza on El Camino, establishing and promoting events (such as First Fridays) to stimulate business activity and facilitating and sponsoring events increasing tourism and activity in the Downtown.

Key Focus Area #2 – Activation of Underutilized Sites and Nodes

- Completed traffic analysis, concept plans and plan line set-backs for Del Rio corridor/East El Camino Real/US 101 commercial node and continue to work on other commercial nodes in conjunction with major development and the General Plan Update.

- Continued, creative support of development at commercial nodes throughout the City where major sites at Del Rio and Dove Creek have approved designs and are entering construction and and/or final approval phases.
- Utilizing large development projects to assist in the formation of design “themes” for commercial nodes such as Del Rio marketplace setting a new theme for the Del Rio node.
- Employing the General Plan Update process to facilitate redevelopment of underutilized industrial zoned sites and consideration of other site rezoning potential.
- Continue conversations and pursue options with property owners for the redevelopment of Colony Square and the Kmart center.

Key Focus Area #3 – Business Support and Jobs/Housing Balance

- General Plan Update process is more than halfway complete and expected to be finalized and submitted to the Planning Commission and City Council for review and approval before end of year 2024.
- Continue to facilitate enhancement of fiber-optic broadband infrastructure access with award of a contract to Astound for fiber installation to provide increased bandwidth at various City facilities, approval of a zero-fee fiber permit, and preparing the drafts for micro-trenching and “Dig Once” policies.
- Implemented program to provide low interest loans to restaurants for equipment purchases.
- Actively participate in regional economic development planning and conversations to locate businesses to Atascadero.

Strategic Priority: Fiscal and Infrastructure Efficiency & Sustainability

Key Focus Area #1 – Asset Management/Replacement/Modernization

- Examining the life cycle costs for capital projects and purchases and continuing to look for opportunities and grants to fund infrastructure.
- Working through a taskforce of representatives from all departments to purchase and implement Asset Management Software to conduct inventory and condition assessment of City assets, establish procedures for proactive monitoring, and development of a sustainable replacement plan.
- Collaborating with the Friends of the Charles Paddock Zoo to maximize fundraising and increase awareness of the Zoo in order to develop a Zoo capital improvement and funding plan to discern the viability of continuing AZA accreditation.
- Continuing to work on the replacement of Fire Station #1 and upgrades to the Police Department and Fire Station #2 including onboarding of a program, project and construction management firm, increasing the annual allocation to reflect high cost of construction for essential services facilities, and pursuing grants, low interest loans and financing to fund the project.
- Hired consultant to perform program management for the wastewater treatment plant retrofit and secondary treatment improvements and budgeted for increased staffing in Public Works to help with the management of this and other capital projects.
- Implemented “Essentialism Task Force” to review processes that are non-essential or could be made more efficient.

Key Focus Area #2 – Financial Strategies

- Continuing to implement fiscal strategies and adjust plans as needed to allow the City to respond to changes in a fiscally sustainable manner.
- Continuing to actively look for creative investment opportunities, capitalize on grant opportunities and exploring public and private partnerships to accomplish Action Plan goals including hiring and onboarding a grant writing consultant.
- Looking at strategies and possibilities for renewal of Measure F-14 on the 2024 ballot.

Key Focus Area #3 – Transparency and Accountability

- Continuing to utilize technology to increase and clarify transparency and accountability such as implementing the City's records management program to facilitate online access to records, budgeting for a Citywide scanning project in FY24-25 to increase availability of records, employing an online payment and tracking system for City fees and payments, and ensuring messaging is accessible and consistent across all media platforms.
- Completed total overhaul of City website with a new site launched in November 2023.
- Utilizing the Fire Inspection Program to improve and increase emergency planning communications with the business community.
- Implementing a Community Engagement program to build trust and rapport with the community at large including presenting at quarterly Chamber hosted Talk on the Block events, electronic newsletters, and increased use of social media.
- Continuing to refine the annual Measure D-20 and Measure F-14 reports and utilizing the Community Engagement program to highlight use of funds generated by these sales tax measures.
- Making access to financial data such as budget information more user friendly and increasing accessibility to meetings.

Strategic Priority: Ensuring Public Safety and Providing Exceptional City Services

Key Focus Area #1 – Staff

- Continuing to hire and retain an adequate level of staffing to achieve Council priorities such as budgeted for an 8th dispatch position in FY24-25, exploring grant opportunities to fund administrative positions to reduce span of control for Public Safety supervision, and adding one additional firefighter to increase Fire & Emergency response resources.
- Providing competitive salaries/benefits and appropriate classifications for all employees.
- Working to ensure employees have adequate resources to perform duties such as replacing 6 aging police vehicles, replacing AED and heart monitors, purchasing new turnouts and expecting delivery of a new Wildland Engine, ordering a new structure engine, purchasing a new freezer and x-ray machine for the Zoo, purchasing new 4X4 vehicle for building inspections, purchase of compactor/roller, mini-excavator, and dump trailer and budgeted for replacement pickup trucks and utility trucks in Public Works.
- Continuing to support and promote mental health and wellness services through the implementation of peer support programs and mental health services in the

Police and Fire Departments and utilizing AEDAC to promote Citywide employee wellness.

- Hosting an all-staff event, *All for Atascadero! All In!*, to highlight the importance of a cohesive culture that emphasizes working together as one team and treating each other like family.
- Rolled out updated mission statement communitywide through the all-staff event which included items for employees to promote the work they do for the City and their commitment to the mission statement.
- Hired new key staff members including a new Police Chief and City Attorney.
- Completed a rebranding campaign updating the City's brands to modernize the City's image and enhance staff and community credibility and pride.

Key Focus Area #2 – Unhoused Population

- Established the Outreach for Underrepresented Residents (OUR) Team program with a focus on connecting homeless/underrepresented individuals with services, providing a resource for community concerns, and participating in multi-jurisdictional information sharing system.
- Continuing to participate in crafting and developing regional solutions to address homelessness, collaborating with the County in looking for opportunities and grants to provide resources to respond to future opportunities to support underrepresented residents, and supporting partner non-government organizations outreach efforts.
- Revised the Municipal Code to strengthen the camping ordinance and in process of drafting a shopping cart ordinance that does not require a large upfront capital investment from local businesses.
- Continuing to expand training and education of staff and community members on available support resources for our unhoused population and training and educating staff and community members on compassionate interactions with our underrepresented residents.
- Performed 38 clean-ups of problem encampments since July 1, 2023.
- Strengthened communication and partnership with ECHO.
- Continued active participation in countywide task forces addressing homelessness.

Key Focus Area #3 – Flourishing Community

- Signature events continue to be planned and hosted and new or expanded signature events are in the works.
- Completing the draft Digital Inclusion Strategy to ensure that all residents and businesses are afforded the ability to connect to and use the new broadband fiber network.
- Implementing new recreation leagues for both youth and adult and continuing to look for opportunities to provide additional recreational activities to the community.
- Working collaboratively with the Atascadero Unified School District and middle and high school principals on common issues and partnering to increase community access to recreation activities.
- Continuing robust communications regarding emergency preparedness such as community wildfire preparedness, evacuation planning, and storm preparedness

utilizing social media, community newsletters, billboards, Zonehaven, and the Wildfire Consultation program.

FISCAL IMPACT:

None.

ATTACHMENT:

1. Adopted Action Plan 2023-2025



CITY OF ATASCADERO

Action Plan

Approved 6/13/23

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Strategic Priorities

Three current strategic priorities were carried forward from the 2021-2023 Strategic Plan and were reshaped with revised key areas of focus.

- **Economic and Community Vibrancy**
- **Fiscal and Infrastructure Efficiency & Sustainability**
- **Ensuring Public Safety and Providing Exceptional City Services**

ECONOMIC AND COMMUNITY VIBRANCY

Key Focus Areas:

- **Downtown Vitality**
- **Activation of Underutilized Sites and Nodes**
- **Business Support and Jobs/Housing Balance**
- **Neighborhood Compatibility and Wellness**

Downtown Vitality

- Construct the Downtown Infrastructure Enhancement Plan (DIEP) to provide increased safety, Downtown walkability, business support, parking availability **IN PROGRESS**.
 - Conduct purposeful, targeted campaign for ‘We Are Open for Business’ as part of the Downtown Infrastructure Enhancement Plan (DIEP) **ONGOING**
- Complete Downtown paving project (pavement markings, ADA ramps, drainage issues, sidewalk repairs) **COMPLETE**
- Continue Street Tree Renewal Program with goal of having all trees and tree wells replaced and/or filled in compliance with adopted Street Tree Renewal Program (throughout the Downtown core) **ONGOING**
 - Establish Downtown Streetscape Education Campaign that communicates ownership and maintenance responsibilities of trees, sidewalks, streets, etc
- Facilitate Chamber/ Business Improvement Area (BIA) project to install string lights over Entrada Ave **ONGOING**
- Maintain the Atascadero Creek as a quality aesthetic feature to be enjoyed by all
 - Promote the voluntary creek clean-up program as a way to keep the creek free of trash **ONGOING**
 - Explore permits and programs to manage vegetation and fuels in the creek **ONGOING**
 - Continue homeless outreach programs and the Orange Bag Program to help keep the creek clean, safe and healthy **ONGOING**
- Incentivize additional restaurants through the Restaurant Loan Program **ONGOING**
- Explore zoning code changes to increase vibrancy **ONGOING**
 - Research the ability to enforce regular operating hours **IN PROGRESS**
 - Introduce a better definition of retail zoning in the Downtown **IN PROGRESS**
 - Consider up-zoning/mixed-use/potential incentives as part of the General Plan Update **ONGOING**
 - Explore incentives and code revisions to expedite the relocation of nonconforming uses and the occupancy of vacant buildings Downtown **ONGOING**
 - Consider adjusting building height limitations in the Downtown as part of the general plan process and future zoning updates **IN PROGRESS**

- Engage property owners and tenants to encourage compatible development of vacant lots **ONGOING**
- Continue to facilitate and promote current and future uses of vacant lots in Colony Square **ONGOING**
- Continue to facilitate continued operation of the Downtown theater **ONGOING**
- Facilitate redevelopment of underutilized properties along Sunken Gardens/East Mall/West Mall **IN PROGRESS**
- Facilitate development of City-owned East Mall properties: **ONGOING**
 - Research ways to incentivize development of property consistent with Council long-term vision and PD37 (\$0 sale or forgivable loan)
 - Ensure sale and development of properties are done without delay
 - Complete sale of property to developer and facilitate prompt development of properties in accordance with PD37
- Aggressively pursue the Armory site as a potential location for the Public Safety Center/Fire Station #1 **COMPLETE** (site abandoned and project reworked)
- Implement Police Department special assignment position to provide business liaison to address Downtown concerns **PLANNED**
- Acknowledge historical significance & importance of Printery in Downtown and look for opportunities to assist the Printery in obtaining grant funding. **ONGOING**
- Continue to plan and host successful signature events **ONGOING**
- Look for opportunities to facilitate and sponsor events designed to increase tourist activity **ONGOING**
- Continue to build out First Friday events designed to stimulate business activity in the Downtown **IN PROGRESS**
- Facilitate increased activity and use of The Plaza on El Camino **ONGOING**
- Communicate collaboratively with businesses to encourage a sense of pride, ownership, positive attitude, and harmony that promotes Downtown vibrancy **ONGOING**

Activation of Underutilized Sites and Nodes

- Consider developing design “themes” for Commercial Nodes **ONGOING**
- Complete transportation operational analysis, develop transportation concept plan, and adopt plan lines at nodes **IN PROGRESS**
- Creatively support development at Del Rio, Dove Creek & San Anselmo nodes **IN PROGRESS**
 - Begin exploring transportation improvements at San Anselmo/ECR and San Anselmo/101 intersections **ONGOING**
- Investigate potential rezone/road abandonment for The Oaks Center (Spencer’s, Guest House, et.al) **IN PROGRESS**
- Creatively support retail or hospitality buildout of Springhill/Home Depot node **ONGOING**
- Facilitate redevelopment of underutilized industrial zoned sites (Via, Sycamore)

Business Support and Jobs/Housing Balance

- Pursue land uses that support business and jobs/housing balance **ONGOING**
 - Complete General Plan Update and begin General Plan implementation strategies including municipal code updates designed to streamline zoning policies **IN PROGRESS**
 - Continue to work toward meeting our RHNA affordable housing goals **ONGOING**
- Continue to facilitate enhancement of fiber-optic broadband infrastructure access for residents and businesses **IN PROGRESS**
 - Leverage earmarked broadband funds to increase broadband speed, reliability and access, while reducing costs for residents and businesses
 - Use completed Broadband Strategic Plan to apply for additional available funding through Federal and State grants to advance connectivity
 - Find ways to increase consumer ISP choices
 - Consider adjusting permitting fees to encourage fiber-optic broadband development **COMPLETE**
 - Develop micro-trenching policy **IN PROGRESS**
 - Consider developing a “Dig Once” policy **IN PROGRESS**
- Investigate ways we can support and capitalize on the proposed Space Port
- Look for ways to toot our own horn and continue to publish proof that we are easy to work with! **ONGOING**
- Launch a business attraction social media campaign **ONGOING**
- Continue to support regional economic development efforts **ONGOING**
- Support expansion of family entertainment opportunities
- Continue to support Chamber and other non-profit partnerships **ONGOING**

Neighborhood Compatibility and Wellness

- Establish Objective Design Guidelines to support Quality Development and transitions between zoning districts **IN PROGRESS**
- Look for opportunities for trail/pedestrian connections **IN PROGRESS**
- Prepare thoughtful, targeted educational materials for residents/neighbors on SB 9, ADUs, and zoning **IN PROGRESS**
- Participate in and present at local ADU workshops **PLANNED**
- Explore options for short-term rental ordinance by bringing a discussion item to Council. (No staff report)

FISCAL AND INFRASTRUCTURE EFFICIENCY & SUSTAINABILITY

Key Focus Areas:

- **Asset Management/Replacement/Modernization**
- **Financial Strategies**
- **Transparency and Accountability**

Asset Management/Replacement/Modernization

- Examine life cycle costs for capital projects and purchases **ONGOING**
- Look for opportunities and grants to fund infrastructure **ONGOING**
- Purchase and implement Asset Management software **IN PROGRESS**
 - Conduct inventory and condition assessment of City assets **PLANNED**
 - Establish procedures for proactive monitoring **PLANNED**
 - Develop a sustainable replacement plan and prioritize funding for City assets **PLANNED**
- Begin replacing Fire Station #1 **IN PROGRESS**
 - Aggressively pursue obtaining Armory property within first year **COMPLETE**
 - Explore feasibility of co-located Public Safety Center for Fire, Police, Dispatch and Emergency Operation Center (EOC) **COMPLETE**
 - Pursue grants, low interest loans and financing to fund project **ONGOING**
 - Increase projected annual allocation to reflect high cost of construction for essential services facilities **COMPLETE**
- Develop Zoo capital improvement and funding plan to discern the viability of continuing AZA accreditation
 - Collaborate with Friends of the Charles Paddock Zoo (Friends) to maximize fundraising and increase awareness **IN PROGRESS**
 - Work with Friends to develop and implement plan to raise \$1,000,000 in the next two years for construction of the Madagascar Biodiversity Hot Spot **IN PROGRESS**
 - Consider City matching capital funding for Madagascar Biodiversity Hot Spot **COMPLETE**
- Update wastewater treatment plant retrofit and secondary treatment improvements **IN PROGRESS**
 - Add additional staff and/or consultants to manage Wastewater Treatment Plant Update Project **COMPLETE**
 - Begin design of treatment plant upgrades **ONGOING**
 - Pursue grants, low interest loans and financing to fund project **ONGOING**
 - Discuss potential policies related to wastewater capacity charges and other development fees that may discourage desired business types **ONGOING**

- Pursue collaboration with Atascadero State Hospital on common wastewater solutions **ONGOING**
- Based on the availability of grant funding, begin planning to extend sewer to priority eligible sewer expansion areas **IN PROGRESS**
- Continue to address key deferred maintenance issues in parks and public facilities **ONGOING**
- Begin replacement of the financial system **PLANNED**
- Expand energy infrastructure (back-up generators, redundancy) **IN PROGRESS**
- Consider sidewalk repair amnesty or other limited assistance program **PLANNED**
- Update City Engineering Standards to provide safe and consistent public improvements **PLANNED**

Financial Strategies

- Develop balanced strategy of operational expenditures vs. capital/one-time expenditures that will accommodate future growth **ONGOING**
- Adopt budgets and fiscal strategies that: **ONGOING**
 - Continue conservative Council/general fiscal strategy
 - Prepare the City for changing economic conditions
 - Build and maintain responsible reserves for asset replacement
 - Maintain a healthy general fund reserve
- Continue fiscal strategies and adjust plans as needed to allow the City to respond to changes in a fiscally sustainable manner **ONGOING**
- Renew F-14 on the 2024 ballot **PLANNED**
- Implement opportunities, strategies and plans to grow the organization as the community grows **IN PROGRESS**
- Invest in full and part time staff **ONGOING**
- Develop responsible reserves for unfunded liabilities (non-asset) **PLANNED**
 - Explore and consider funding Section 115 Trust for pensions
 - Consider additional payments for unfunded pension liability (UAL)
- Ensure that the resources (tools, equipment, facilities, technology) are available to assist staff and to build staff capacity **IN PROGRESS**
- Identify and invest in tools, equipment and facilities to increase long-term operational efficiencies. Invest in:
 - Agenda management solution **IN PROGRESS**
 - Digital plan check software, equipment and process **PLANNED**
 - Records organization, scanning and destruction **ONGOING**
 - Other time savers
- Prepare and strategically implement new impact fee study **PLANNED**
- Perform critical third-party review of permitting process towards essentialism **IN PROGRESS (moved in-house)**
- Remain active in the League of CA Cities for City's rights and sales tax allocation statewide **ONGOING**
- Actively look for creative investment opportunities **IN PROGRESS**
- Capitalize on grant opportunities to accomplish action plan goals **IN PROGRESS**

- Explore public and private partnerships to achieve action plan goals **IN PROGRESS**
- Establish Citywide primary survey benchmark system to reduce Public Works and Technology staff time and to streamline development **PLANNED**
- Hire grant writing consultant **COMPLETE**

Transparency and Accountability

- Continue to look for ways in which technology can increase and clarify transparency and accountability **IN PROGRESS**
- Complete overhaul of City website. (simplify, eliminate old data and make it more efficient) **COMPLETE**
 - Continue to devote resources to keep website up-to-date **ONGOING**
- Continue and build upon outreach efforts for Measure D-20 and Measure F-14 sales tax measures **IN PROGRESS**
 - Develop outreach program highlighting available information on use of F-14 funds **IN PROGRESS**
 - Refine Measure D-20 annual report to include results and performance measures **COMPLETE**
 - Continue to publish and distribute Measure D-20 and Measure F-14 annual reports **ONGOING**
- Improve transparency and understandability of financial reports **PLANNED**
 - Consider alternate financial presentation to demonstrate balanced budget
 - Make Finance Committee meetings available virtually
- Implement records management program to facilitate access to public records **IN PROGRESS (Laserfiche)**
- Increase transparency and public awareness of Zoo **IN PROGRESS**
- Implement an online payment and tracking system for City fees and tax payments **IN PROGRESS**
- Create and incentivize a new customer satisfaction survey for permit/planning processes
- Ensure that all messaging is accessible and consistent across all media platforms **ONGOING**
- Improve wi-fi at City Hall and the Zoo **IN PROGRESS**
- Continue community engagement in decision-making discussions **ONGOING**
- Improve emergency planning communications with business community through the fire inspection program **ONGOING**

ENSURING PUBLIC SAFETY AND PROVIDING EXCEPTIONAL CITY SERVICES

Key Focus Areas:

- Staff
- Unhoused Population
- Flourishing Community

Staff

- Hire and retain an adequate level of staffing to achieve our priorities **ONGOING**
 - Work toward long-term goal of 2 emergency dispatchers on duty at all times
 - Develop and implement organizational changes to reduce span of control for Public Safety supervision **ONGOING**
 - Work toward long-term goal of additional Fire & Emergency Response resources- **ONGOING**
 - Develop strategies to ensure adequate staffing based on projected changes to workload as community grows/demands change **ONGOING**
- Provide competitive salaries/benefits and appropriate classifications for all employees **ONGOING**
- Continue to maintain and look for opportunities to enhance other hiring, retention, employee growth and development programs **ONGOING**
 - Provide training and professional development opportunities
 - Facilitate employee promotional opportunities with an eye toward succession planning **IN PROGRESS**
 - Explore a wider City employee recognition/commendation program
 - Explore other retention and attraction strategies (low cost loans?)
 - Designing/Implementing apprenticeship programs
- Work to ensure that employees have the tools necessary to do their job – **ONGOING**
- Continue to support and promote mental health and wellness services for employees – **ONGOING**
- Continue to prioritize a cohesive culture that emphasizes working together as one team (no silos) and treating each other like family. **ONGOING**
- Complete an essentialism evaluation of each department to identify lower priority programs and activities **IN PROGRESS**
- Roll out updated mission statement **COMPLETE**
- Hire for heart **ONGOING**

Unhoused Population

- Expand training and education of staff and community members on available support resources for our unhoused population **ONGOING**
- Continue to train and educate staff and community members on compassionate interactions with our under-represented residents **ONGOING**
- Build Outreach for Underrepresented Residents (OUR) Team program with a focus on: **COMPLETE**
 - Connecting homeless/underrepresented individuals with services **ONGOING**
 - Providing a resource for community concerns
 - Participate in multi-jurisdictional information sharing system to more effectively provide services and respond to community needs **ONGOING**
- Look for opportunities to assist Non-profits in facilitating pathways out of homelessness **ONGOING**
- Participate in crafting and developing regional solutions to address homelessness **ONGOING**
- Advocate for addiction and mental health programs **PLANNED**
- Collaborate with the County in looking for opportunities and grants to provide resources to respond to future opportunities to support underrepresented residents **ONGOING**
- Optimize use of opioid settlement funds to support local programs and partnerships
- Support partner non-government organizations outreach efforts **ONGOING**
- Consider revisions to the municipal code to strengthen the camping ordinance and create a shopping cart ordinance that does not require a large upfront capital investment from local businesses **IN PROGRESS**
- Implement strategies for ongoing areas of public concern including design of public spaces **ONGOING**
- Continue to perform regular clean-ups of problem encampments **ONGOING**
- Continue to perform vegetation management activities in the Downtown District **ONGOING**

Flourishing Community

- Adopt list of historic structures and implement General Plan policy **ONGOING**
- Implement Community Choice Energy **IN PROGRESS**
- Continue to meet requirements for AZA accreditation for the Charles Paddock Zoo **IN PROGRESS**
- Consider name change for Zoo to Central Coast Charles Paddock Zoo **IN PROGRESS**
- Increase awareness of available recreational scholarships for lower income residents **ONGOING**

- Consider expanding recreational scholarship program to all low-income residents **IN PROGRESS**
- Improve communications with the schools on common city/school issues like vaping, food distribution resources and safe corridors for kids **ONGOING**
- Continue robust communications regarding community wildfire preparedness and evacuation planning – **ONGOING**



Atascadero City Council

Staff Report – Administrative Services Department

Fiscal Year 2022-23 Audit

RECOMMENDATION:

Council review and accept the financial audit for the period ended June 30, 2023.

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 there were no findings.

The City was well positioned at the end of fiscal year 2022-2023. Most of the General Fund's key revenues exhibited favorable variances when compared to the prior year. General Fund total revenues came in about 6.7%, or \$2.4 million, better than fiscal year 2021-2022. General Fund recurring expenditures for employee services and operating supplies and services came in just under final budgeted amounts. The Council has shown excellent stewardship of the community's funds and ongoing use of those funds for the identified priorities will continue to benefit the City's financial health.

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

Looking back on fiscal year 2022-2023 gives us great cause to celebrate. The City has been accumulating funds over several years with the focus of making some new investments in the community. Fiscal year 2022-2023 marked the beginning of many of these major planned investments in the downtown, for roads, and for public facilities. Revenues, primarily from funding freed up due to the receipt of American Rescue Plan Act funds and Measure D-20 funds, have been collecting in the fund balance as we've prepared for these projects. During those prior years, we saw a surplus of revenues greater than expenditures as we saved up. Since we are now using some of these funds as planned, fiscal year 2022-2023 shows a decrease in fund balance of about \$4.1 million for these infrastructure investments. As we work to complete City priorities, we may continue to see similar results in future fiscal years. This is the beginning of major investments we've been planning for many years.

This deficit is not operational in nature, as the City continues to be good stewards of public funds and operate within available resources. The General Fund balance at the end of the fiscal year, including the Measure F-14 funds, was \$21,186,635.

General Fund activity for fiscal year 2022-23 is summarized in the following chart:

	<i>Measure F-14</i>	<i>General Activity</i>	<i>Total General Fund</i>
Revenues	\$ 3,217,235	\$ 38,527,473	\$ 41,744,708
Expenditures	3,414,306	42,476,237	45,890,543
Net changes in Fund balance	(197,071)	(3,948,764)	(4,145,835)
Beginning Fund Balance	4,207,398	21,125,072	25,332,470
Ending Fund Balance	<u>\$ 4,010,327</u>	<u>\$ 17,176,308</u>	<u>\$ 21,186,635</u>

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 64% 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 52 centerline miles of road have been improved since the inception of Measure F-14. Measure F-14 will sunset in March 2027.

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, to continue to fund essential City services at a steady level. This long-term perspective allows Council and staff to understand the short- and long-term impacts of decisions and potentially take advantage of opportunities that arise.

At the start of fiscal year 2022-23, the adopted budget anticipated the use of \$719,690 in General Fund reserves during the fiscal year. During the updates and review of the financial status during the process of establishing the 2023-2025 Budget, Council approved several adjustments to the budget. These opportunities for adjustments funded the critical infrastructure projects from the General Fund reserves and were transfers to other city funds for those projects. These transfers include \$4,694,000 for the Downtown Infrastructure Enhancement Plan and \$3,500,000 for the Fire Station replacement project. These planned infrastructure transfers were included in the Seven Year Projection that was updated as part of the 2023-2025 Budget document, and are exciting investments in the Council’s priorities and the future of the community.

The following Comparative Income Statement compares revenues and expenditures for the 2021-2022 and 2022-23 fiscal years.

GENERAL FUND COMPARATIVE INCOME STATEMENT
Excluding Measure F-14 Activity

	2021/2022 Actuals	2022/2023 Actuals	% Change	\$ Change
REVENUES:				
Property Tax	\$ 11,213,632	\$ 12,066,128	7.6%	\$ 852,496
Sales tax	11,409,598	11,319,432	-0.8%	(90,166)
Transient Occupancy Tax	2,049,160	2,156,988	5.3%	107,828
Cannabis Business Tax	50,505	47,433	-6.1%	(3,072)
Other Taxes	1,705,449	1,728,133	1.3%	22,684
Intergovernmental	3,829,654	3,847,914	0.5%	18,260
Grants	385,671	485,149	25.8%	99,478
Service Charges				
Mutual Aid	693,598	387,253	-44.2%	(306,345)
Public safety	230,548	253,658	10.0%	23,110
Development	1,430,866	2,023,924	41.4%	593,058
Recreation, zoo, parks & pavilion	1,237,355	1,236,078	-0.1%	(1,277)
Interest	177,972	491,163	176.0%	313,191
Adjustment to Market Value-GASB 31	(703,306)	(16,941)	-97.6%	686,365
Interfund charges	1,308,368	1,331,344	1.8%	22,976
Other	375,941	426,464	13.4%	50,523
Transfers	703,570	743,353	5.7%	39,783
Total revenues	<u>\$ 36,098,581</u>	<u>\$ 38,527,473</u>	<u>6.7%</u>	<u>\$ 2,428,892</u>
EXPENDITURES:				
Employee services	\$ (18,665,393)	\$ (20,148,481)	7.9%	\$ (1,483,088)
Operating supplies & services	(7,522,538)	(7,999,719)	6.3%	(477,181)
Special purchases	(610,243)	(8,911,604)	1360.3%	(8,301,361)
Capital outlay	(1,036,630)	(5,416,433)	422.5%	(4,379,803)
Total expenses	<u>(27,834,804)</u>	<u>(42,476,237)</u>	<u>52.6%</u>	<u>\$ (14,641,433)</u>
Net income	8,263,777	(3,948,764)		
Fund Balance Beginning of year	12,861,295	21,125,072		
FUND BALANCE END OF YEAR	<u>\$ 21,125,072</u>	<u>\$ 17,176,308</u>		

Revenues

The largest sources of General Fund revenue in fiscal year 2022-2023 came from Property Tax Revenue, Sales Tax Revenue, Transient Occupancy Tax, Intergovernmental Sources, and Development Revenue.

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 2022-23 were determined as of January 2022.

Secured property tax grew at a rate of 7.2% from 2021-2022 fiscal year to the 2022-23 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 4.5%, 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

	2021/2022 Actuals	2022/2023 Actuals	% Change	\$ Change
Secured Property Tax	\$ 6,992,373	\$ 7,495,637	7.2%	\$ 503,264
Property tax in lieu of VLF	3,290,304	3,504,056	6.5%	213,752
Unsecured property tax	262,581	282,171	7.5%	19,590
Supplemental property tax	186,227	270,840	45.4%	84,613
Redevelopment agency distribution	497,884	529,714	6.4%	31,830
Prior year secured and unsecured	(15,094)	(15,996)	6.0%	(902)
Property tax penalties and interest	(643)	(294)	-54.3%	349
Total revenues	\$ 11,213,632	\$ 12,066,128	7.6%	\$ 852,496

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.

While sales tax revenue is discussed as a single revenue source, it is collected on products in a variety of industries and the economy impacts these industries in different ways.

Revenues from the Fuel and Service Station industry group were up 6.6% over the prior year, which reflects a slower growth rate than in the prior year when gas consumption and prices were recovering from the impacts of COVID on the economy. The Autos and Transportation industry group were down -15.1% from the prior year, along with Business and Industry at -11.9% decrease, again, both trending down from steep increases in the post-COVID recovery period. Restaurants and hotels trended slightly up at a 3.3% increase, while Building and Construction held fairly flat. Growth in the Pools slowed in fiscal year 2022-23, but State and County Pool revenue was still about 17% of total Bradley-Burns sales tax revenue. Overall, Bradley-Burns sales tax revenues were almost \$5 million for the 2022-23 fiscal year.

Sales Tax Measure D-20 is the “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 \$6.4 million was collected during fiscal year 2022-23. Although both the Bradley-Burns and Measure D-20 sales tax rates are each 1% of sales, like 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.

Transient Occupancy Tax Revenue

The Transient Occupancy Tax (TOT) Revenue is collected from guests staying at hotels and vacation rentals within the City. The City has recently seen significant increases in TOT revenues with the Council’s emphasis on economic development. With help from the Atascadero Tourism Business Improvement District, these increases are expected to continue. In fiscal year 2021-22, TOT revenue broke the two-million-dollar mark for the first time ever. TOT revenues were \$2,157,000 for fiscal year 2022-23.

Development Revenue

Development-related revenues were up almost \$600,000 when compared to the prior year. Development continues to be strong in the City. Some current and upcoming projects include Del Rio Marketplace, Barrel Creek, Dove Creek, housing projects, downtown infill, mixed use projects both downtown and along the Morro Road corridor, among others. The completion of the General Plan Update will create even more opportunities in the community for economic development.

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 2022-23 financial statements was about \$17,000, 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 backbone of the community. The City is a service organization, so the largest portion of General Fund Expenditures is dedicated to employee services. The City competes with other organizations for the best and brightest employees. One of the goals of Measure D-20 was to add some much-needed positions in Public Safety and to have marketable salaries to recruit and retain quality employees. We are pleased that the voters of Atascadero recognized the importance of this. Due to Measure D-20, for the first time in a long time, city salaries are competitive and we have more people to help carry out the services the community desires. As a result, we are keeping and hiring quality people. Because of these changes, Employee Services actual

costs for 2022-23 were higher than the prior year but lower than final adjusted budget by almost \$426,000. This “savings” was due to staffing vacancies in various departments.

Operating Supplies and Services

When compared to the prior year, 2022-23 expenditures were higher by about \$477,000. Actual results for 2022-23 were on target with the final budget and below the June 2023 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 the public, with the focus on Council’s priorities. We are finally able to have more of the resources we need to provide services residents expect. Our operating costs are now more on par with our neighbors, productivity is going up, and things are getting done. Thanks to Measure D-20, we are able to modernize operations and prepare for the future.

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. One time investments result in more reliable and exceptional service delivery. The fact that the City has the financial capacity to invest in these one-time purchases with planned or new revenue is a direct result of city’s solid financial planning and discipline.

The final budget for Special Purchases and Capital Outlay in fiscal year 2022-23 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, some transfers to other City funds for future replacement of vehicles, equipment, and infrastructure, and more.

General Fund Balance

The General Fund balance (excluding Measure F-14 Activity) at June 30, 2023, was just over \$17 million, or 40% of General Fund expenditures for the year. This continues to be in line with Council’s long-range financial strategy, maintaining a healthy reserve. At no time are reserves expected to drop below the Council Policy minimum of 20% of general fund expenditures.

The City of Atascadero thanks the citizens for voting to allow modernization of the organization and to help us catch up through Measure D-20. As a result of the Council’s prioritization of resources and fiscal stewardship, the City has at its base strong financial planning and discipline and we are able to accomplish a lot with what we have. We are financially healthy but not wealthy.

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 2022-23 Audited City Financial Statements
2. Independent Auditors' Draft Report on Internal Control



City of Atascadero

Financial Statements
June 30, 2023

FINANCIAL STATEMENTS

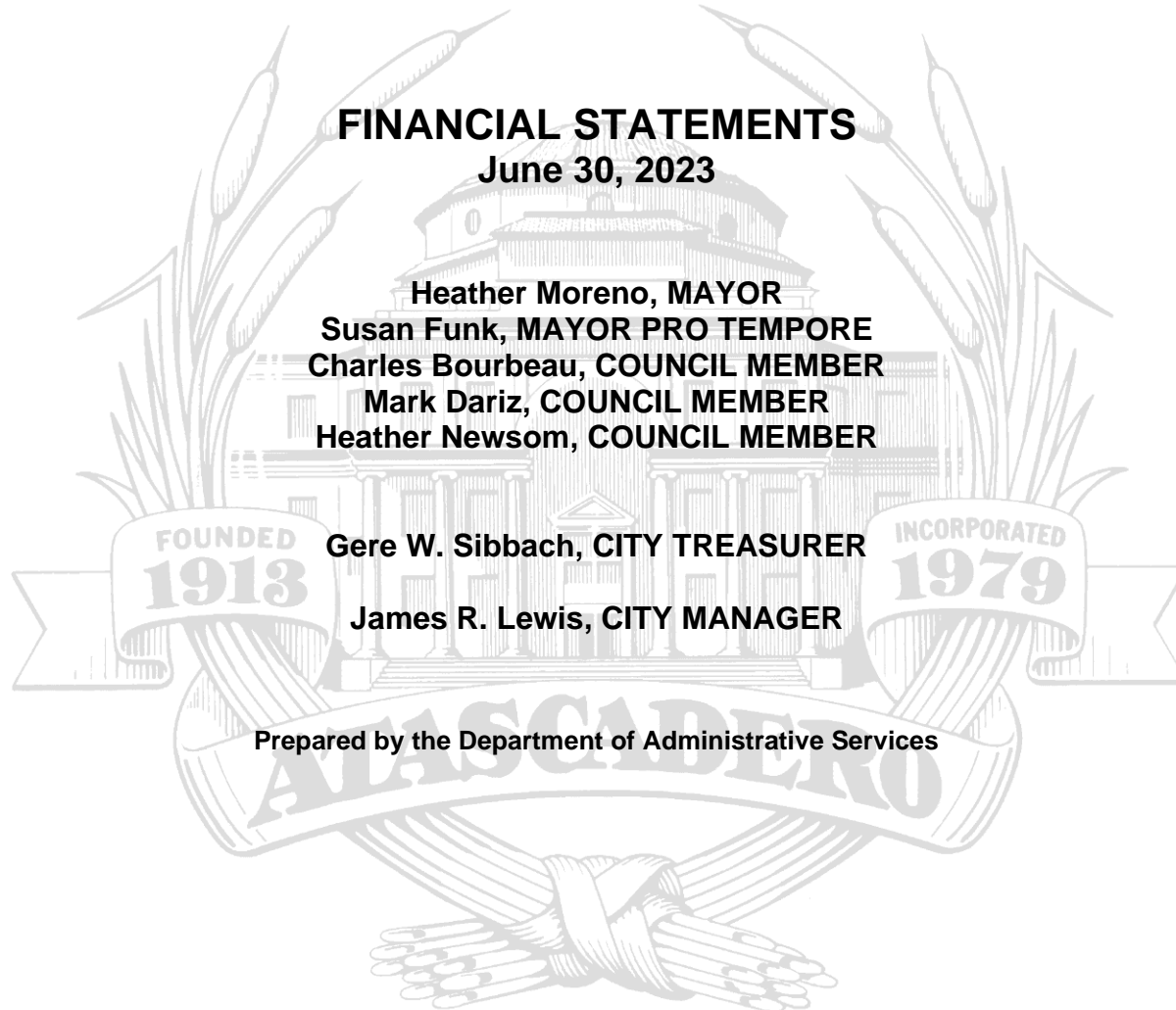
June 30, 2023

**Heather Moreno, MAYOR
Susan Funk, MAYOR PRO TEMPORE
Charles Bourbeau, COUNCIL MEMBER
Mark Dariz, COUNCIL MEMBER
Heather Newsom, COUNCIL MEMBER**

Gere W. Sibbach, CITY TREASURER

James R. Lewis, CITY MANAGER

Prepared by the Department of Administrative Services



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Moss, Levy & Hartzheim LLP

Certified Public Accountants

ITEM NUMBER: C-2
DATE: 01/23/24
ATTACHMENT: 1

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, 2023, 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, 2023, 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, as well as evaluate the overall 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, the budgetary comparison information the General Fund and major special revenue funds, the schedule of changes in the OPEB liability and related ratios, the schedule of OPEB contributions, the schedule of the local government’s proportionate share of net pension liability, and the schedule of pension contributions, 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 15, 2023, 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 15, 2023



Management's Discussion and Analysis

December 15, 2023

To the Honorable Mayor,
Members of the City Council, and
Residents of the City of Atascadero

It is our pleasure to present to you the annual financial statements of the City of Atascadero, California for the fiscal year ending on June 30, 2023. The City prepares a complete set of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) after the end of each fiscal year.

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, 2023. 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, 2023, by about \$219.2 million. Of this amount, \$152.3 million is net investment in capital assets, \$41.8 million is restricted for various purposes, and \$25.1 million is unrestricted.

- Capital projects expenditures were about \$720,000 less than the amount spent in the prior fiscal year due primarily to timing and status of many different road rehabilitation projects that were ongoing through both the current and prior fiscal years.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$62.4 million, an increase of about \$2.4 million from the prior fiscal year. Approximately \$42.1 million of the total is not available for more general spending because it represents amounts that are already obligated or restricted. About \$20.3 million of the ending fund balance is available for future obligations.
- The City's compensated absences due to employees increased by about \$41,000, and the City's total long-term liabilities increased by about \$16.3 million. This increase was primarily due to the City's change in CalPERS Net Pension Liability. For additional information, see Note 8 in the Notes to the Financial Statements.

Financial Highlights (continued)

- At the end of the current fiscal year, unassigned fund balance for the general fund was \$20,956,096 or 51% of total general fund expenditures, \$4,010,327 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

Government-Wide Financial Statements *(continued)*

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.

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 Local Transportation 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 are 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 then 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 \$219.2 million at the close of the most recent fiscal year.

	2022-2023 Governmental Activities	2022-2023 Business-Type Activities	2022-2023 Total	2021-2022 Governmental Activities	2021-2022 Business-Type Activities	2021-2022 Total
Current and other assets	\$ 89,961,338	\$ 10,381,040	\$ 100,342,378	\$ 79,367,406	\$ 9,432,772	\$ 88,800,178
Capital assets	147,498,128	18,644,980	166,143,108	141,953,052	18,498,423	160,451,475
Total assets	<u>237,459,466</u>	<u>29,026,020</u>	<u>266,485,486</u>	<u>221,320,458</u>	<u>27,931,195</u>	<u>249,251,653</u>
Deferred outflows	15,049,612	339,962	15,389,574	7,114,260	148,427	7,262,687
Total deferred outflows	<u>15,049,612</u>	<u>339,962</u>	<u>15,389,574</u>	<u>7,114,260</u>	<u>148,427</u>	<u>7,262,687</u>
Current liabilities	9,022,500	535,109	9,557,609	4,845,345	1,082,305	5,927,650
Noncurrent liabilities	50,452,558	887,230	51,339,788	34,539,006	501,972	35,040,978
Total liabilities	<u>59,475,058</u>	<u>1,422,339</u>	<u>60,897,397</u>	<u>39,384,351</u>	<u>1,584,277</u>	<u>40,968,628</u>
Deferred inflows	1,645,545	167,487	1,813,032	17,273,069	458,936	17,732,005
Total deferred inflows	<u>1,645,545</u>	<u>167,487</u>	<u>1,813,032</u>	<u>17,273,069</u>	<u>458,936</u>	<u>17,732,005</u>
Net position:						
Net investment in capital assets	133,673,128	18,644,980	152,318,108	127,853,052	18,498,423	146,351,475
Restricted	41,777,068	-	41,777,068	35,948,188	-	35,948,188
Unrestricted	15,938,279	9,131,176	25,069,455	7,976,058	7,537,986	15,514,044
Total net position	<u>\$ 191,388,475</u>	<u>\$ 27,776,156</u>	<u>\$ 219,164,631</u>	<u>\$ 171,777,298</u>	<u>\$ 26,036,409</u>	<u>\$ 197,813,707</u>

Government-Wide Financial Analysis (continued)

The largest portion of the City's net position (70%) 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 usually are not used to liquidate these liabilities.

An additional 19% of the City's net position represents resources subject to external restrictions on how they may be used. The remaining 11% (\$25,069,455) is considered unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. There was an increase of \$9,555,411 in unrestricted net position from fiscal year 2021-2022 to 2022-2023.

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 \$21.4 million. Information about changes in net position is summarized below:

SUMMARY OF CHANGES IN NET POSITION
 For the Fiscal Years Ended June 30, 2023 and 2022

	2022-2023 Governmental Activities	2022-2023 Business-Type Activities	2022-2023 Total	2021-2022 Governmental Activities	2021-2022 Business-Type Activities	2021-2022 Total
Revenues:						
Program Revenues						
Charges for services	\$ 4,175,691	\$ 4,388,182	\$ 8,563,873	\$ 3,788,440	\$ 3,683,596	\$ 7,472,036
Operating grants and contributions	5,310,449	451,758	5,762,207	5,143,736	487,295	5,631,031
Capital grants and contributions	6,186,809	-	6,186,809	4,467,886	-	4,467,886
General Revenues:						
Secured and unsecured property taxes	13,118,922	-	13,118,922	12,221,064	-	12,221,064
Sales and use taxes	14,497,346	-	14,497,346	14,621,612	-	14,621,612
Other taxes	4,407,877	-	4,407,877	4,258,578	-	4,258,578
Motor vehicle in lieu	31,551	-	31,551	34,222	-	34,222
Investment Income	434,388	93,234	527,622	(1,446,897)	(302,298)	(1,749,195)
Gain on disposal of capital assets	-	-	-	2,178	-	2,178
Interest from Successor Agency	741,223	-	741,223	706,695	-	706,695
Total Revenues	<u>48,904,256</u>	<u>4,933,174</u>	<u>53,837,430</u>	<u>43,797,514</u>	<u>3,868,593</u>	<u>47,666,107</u>

Government-Wide Financial Analysis (continued)

SUMMARY OF CHANGES IN NET POSITION (continued)
 For the Fiscal Years Ended June 30, 2023 and 2022

	2022-2023	2022-2023	2022-2023	2021-2022	2021-2022	2021-2022
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities	Total	Activities	Activities	Total
Program Expenses						
General Government	\$ 2,972,712	\$ -	\$ 2,972,712	\$ 3,831,315	\$ -	\$ 3,831,315
Public Safety	14,222,407	-	14,222,407	16,170,995	-	16,170,995
Community Development	3,462,951	-	3,462,951	3,287,824	-	3,287,824
Community, Recreation & Zoo Services	2,798,280	-	2,798,280	2,978,346	-	2,978,346
Parks & Open Space	1,207,467	-	1,207,467	1,266,469	-	1,266,469
Public Works	3,945,896	-	3,945,896	4,007,045	-	4,007,045
Sewer	-	2,627,818	2,627,818	-	2,738,529	2,738,529
Transit	-	565,609	565,609	-	638,546	638,546
Interest on long-term debt	683,366	-	683,366	696,368	-	696,368
Total Expenses	<u>29,293,079</u>	<u>3,193,427</u>	<u>32,486,506</u>	<u>32,238,362</u>	<u>3,377,075</u>	<u>35,615,437</u>
Change in net position	19,611,177	1,739,747	21,350,924	11,559,152	491,518	12,050,670
Net position- beginning	<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>
Net position- ending	<u>\$ 191,388,475</u>	<u>\$ 27,776,156</u>	<u>\$ 219,164,631</u>	<u>\$ 171,777,298</u>	<u>\$ 26,036,409</u>	<u>\$ 197,813,707</u>

Governmental activities during the fiscal year increased the City's net position by \$19,611,177. Business-type activities increased the City's net position by \$1,739,747.

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 were 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, in fact, used all funding for general government purposes across fiscal years 2021-2022 and 2022-2023. The City's total ARPA allocation was \$7,194,580.

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, 2023, the City's governmental funds reported combined ending fund balances of \$62,371,186. Of this total, \$113,582 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 \$20,253,761. The General Fund portion of this, \$20,956,096, 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 \$41,776,338 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, \$227,505, 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, 2023, the total fund balance was \$21,186,635 and the spendable unassigned fund balance was 99% 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 52% of fund expenditures. The General Fund balance decreased \$4,145,835 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, 2023, the fund balance was \$5,840,542.

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. The fund balance at June 30, 2023, was \$8,554,348, up \$5,537,132 from the prior fiscal year. The increased fund balance is primarily due to \$3,000,000 in funding from a State Legislative Grant to be used for the Downtown Infrastructure Enhancement Plan.

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, 2023, was \$2,771,566, down \$45,447 from the prior fiscal 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 (\$700,406) at June 30, 2023. As projects continue to develop over time, Impact Fee revenues should move this negative balance toward zero.

Financial Analysis of the City's Funds (continued)

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, 2023, the total fund balance was \$15,280,625, which reflects \$13.8 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.

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, 2023, these funds had an aggregate fund balance of \$9,437,876. Of this total, \$730 is non-spendable, \$227,505 is assigned for specific uses, and (\$1,929) is unassigned. The Restricted Fund Balance is \$9,211,570. 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, increased in FY 2022-2023 by \$16,298,810, primarily due to the large increase in the CalPERS Net Pension Liability, as required to be reported by GASB Statement No. 68. The CalPERS Net Pension Liability increased almost \$16 million from the prior fiscal year mainly due to the poor CalPERS investment return for the fiscal year ending June 30, 2022. In addition to the asset return of -7.5%, the discount rate was lowered 25 basis points, increasing the liability even further. See Note 9 for additional information on CalPERS. Debt was further increased by the new GASB Statement No. 96 pronouncement for Subscription Liability of \$415.756 and decreased by a reduction in bonds payable, but was offset by an increase in compensated absences. The Net Pension Liability for Governmental Activities at the end of the fiscal year was \$34,126,111 and \$879,396 for Business-type Activities. Compensated absences increased by \$41,319 during the fiscal 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, 2023, net capital assets of the governmental activities totaled \$147,498,128 and the net capital assets of the business-type activities totaled \$18,644,980. Depreciation and amortization 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:

	2022-2023 Governmental Activities	2022-2023 Business-Type Activities	2022-2023 Total	2021-2022 Governmental Activities	2021-2022 Business-Type Activities	2021-2022 Total
Non-Depreciable:						
Land	\$ 41,659,554	\$ 547,738	\$ 42,207,292	\$ 41,659,554	\$ 547,738	\$ 42,207,292
Construction in progress	8,417,299	2,633,336	11,050,635	5,163,296	5,717,647	10,880,943
Depreciable:						
Vehicles and equipment	15,302,806	1,375,712	16,678,518	14,048,430	1,232,249	15,280,679
Structures and improvements	56,869,387	34,154,782	91,024,169	56,796,873	30,307,997	87,104,870
Subscription asset	949,033	-	949,033	-	-	-
Infrastructure	82,656,247	-	82,656,247	79,161,466	-	79,161,466
Accumulated amortization	(115,483)	-	(115,483)	-	-	-
Accumulated depreciation	<u>(58,240,715)</u>	<u>(20,066,588)</u>	<u>(78,307,303)</u>	<u>(54,876,567)</u>	<u>(19,307,208)</u>	<u>(74,183,775)</u>
Net capital assets	<u>\$ 147,498,128</u>	<u>\$ 18,644,980</u>	<u>\$ 166,143,108</u>	<u>\$ 141,953,052</u>	<u>\$ 18,498,423</u>	<u>\$ 160,451,475</u>

General Fund Budgetary Highlights

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2023, 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 2022-2023 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 2022-2023:

General Fund	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues	\$ 32,027,350	\$ 36,406,260	\$ 41,001,355	\$ 4,595,095
Expenditures	39,227,830	46,882,780	40,914,694	5,968,086
Other Sources (Uses)	289,150	(4,407,250)	(4,232,496)	174,754
Fund Balance, beginning	<u>25,332,470</u>	<u>25,332,470</u>	<u>25,332,470</u>	<u>-</u>
Fund Balance, ending	<u>\$ 18,421,140</u>	<u>\$ 10,448,700</u>	<u>\$ 21,186,635</u>	<u>\$ 10,737,935</u>

Financial Analysis of the City's Funds (continued)

The City's Seven-Year Projection, adopted with the 2023-2025 budget, assumed increased revenues over and above the 2022-2023 budget, and subsequently, adjustments were made to the 2023-2025 budget to incorporate the use of these revenues to meet the City's goals. Almost \$5.2 million in expenditures of special and capital project budgets that were not spent during 2022-2023 will carry over to be used in fiscal year 2023-2024.

Economic Factors and Next Fiscal Year's Budget

The City continues to recover from the recent Coronavirus slow-down and is ever-focused on economic development. About one-third of the City's General Fund revenues comes from property tax revenues, which tend to be more stable in times of economic flux than other sources. In 2020, the voters passed Sales Tax Measure D-20, providing additional revenue for the General Fund. These funds have been critical to funding the City's services to the community.

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 continue to be used primarily for essential City services. Revenue in fiscal year 2022-23 from this relatively new revenue source was about \$6.4 million.

Public Safety The City and the community strongly support investments in Police and Fire services. Measure D-20 has provided much needed funding for additional investments in increased staffing levels, vehicle and equipment replacement, the funding for the replacement of Fire Station #1, and upgrades to the Police Station and Fire Station #2.

Staffing Retention and Attraction Efforts to retain and attract quality staff were key in the development of the budget, with the intention to increase staff efficiencies, provide improved services to the public, and reduce long-term hiring costs.

Investments in Infrastructure, Internal Replacement Reserves, and Broadband Enhancement The budget includes substantial investments in infrastructure, vehicles and equipment replacement and reserves, and funding for Broadband enhancement.

CalPERS Retirement Costs CalPERS currently estimates that the City's combined unfunded accrued liability (UAL) payment be approximately \$2.7 million in each fiscal year of this budget cycle. This estimated UAL represents approximately 12% of total general fund costs of labor each year. At this time and based on current assumptions, CalPERS is projecting the UAL will peak in fiscal year 2024-2025 and gradually decrease in the years after that. The normal costs rates are expected to continue to grow.

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

To accomplish these goals, the 2023-2024 budget includes the planned use of \$4 million in reserves, in accordance with the Council's financial strategy.

*City of Atascadero
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023*

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.

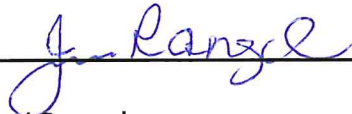
Acknowledgments

We extend our gratitude to the hardworking and committed City staff members, whose diligent efforts have been instrumental in the completion of this report. Staff members from every department provided key support and significant contributions in its development. We would like to express our appreciation to the Mayor, Members of the City Council, and the Executive Management Team for their continual support and unwavering commitment to upholding the highest standards of professionalism in managing the finances of the City of Atascadero.

Respectfully submitted,



James R. Lewis
City Manager



Jeri Rangel
Administrative Services Director

BASIC FINANCIAL STATEMENTS

CITY OF ATASCADERO
STATEMENT OF NET POSITION
June 30, 2023

ITEM NUMBER: C-2
DATE: 01/23/24
ATTACHMENT: 1

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 63,463,667	\$ 9,990,402	\$ 73,454,069
Restricted cash and investments:			
Cash with fiscal agents	1,455,625	-	1,455,625
Certificates of deposit	85,473	-	85,473
Receivables:			
Federal distributions due	2,773,840	234,019	3,007,859
Due from State of California	2,207,891	-	2,207,891
Due from County of San Luis Obispo	347,243	56,865	404,108
Accrued interest	348,719	54,567	403,286
Accrued interest receivable- 2010 bonds	168,377	-	168,377
Other receivables	1,200,374	34,434	1,234,808
Deposits, prepaid items, and inventory	34,230	10,753	44,983
Notes receivable	4,050,899	-	4,050,899
Advance receivable- Successor Agency	13,825,000	-	13,825,000
Capital assets:			
Non-depreciable:			
Land	41,659,554	547,738	42,207,292
Construction in progress	8,417,299	2,633,336	11,050,635
Depreciable or amortizable:			
Vehicles and equipment	15,302,806	1,375,712	16,678,518
Structures and improvements	56,869,387	34,154,782	91,024,169
Subscription asset	949,033	-	949,033
Infrastructure	82,656,247	-	82,656,247
Accumulated amortization	(115,483)	-	(115,483)
Accumulated depreciation	(58,240,715)	(20,066,588)	(78,307,303)
Total assets	<u>237,459,466</u>	<u>29,026,020</u>	<u>266,485,486</u>
DEFERRED OUTFLOWS			
Deferred outflows related to pensions	<u>15,049,612</u>	<u>339,962</u>	<u>15,389,574</u>
Total deferred outflows	<u>15,049,612</u>	<u>339,962</u>	<u>15,389,574</u>

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

CITY OF ATASCADERO
 STATEMENT OF NET POSITION (continued)
 June 30, 2023

ITEM NUMBER: C-2
DATE: 01/23/24
ATTACHMENT: 1

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 2,965,357	\$ 151,558	\$ 3,116,915
Accrued salaries and benefits	1,003,567	13,284	1,016,851
Accrued interest payable	168,377	-	168,377
Other payables	131,873	1,926	133,799
Deposits payable	75,915	-	75,915
Unearned revenue	4,677,411	368,341	5,045,752
Noncurrent liabilities:			
Due within one year	391,965	-	391,965
Due in more than one year	50,060,593	887,230	50,947,823
Total liabilities	<u>59,475,058</u>	<u>1,422,339</u>	<u>60,897,397</u>
DEFERRED INFLOWS			
Deferred inflows related to pensions	<u>1,645,545</u>	<u>167,487</u>	<u>1,813,032</u>
Total deferred inflows	<u>1,645,545</u>	<u>167,487</u>	<u>1,813,032</u>
NET POSITION			
Net investment in capital assets	133,673,128	18,644,980	152,318,108
Restricted for:			
Restricted for parks and recreation	2,949,107	-	2,949,107
Restricted for streets, roads, and drainage	14,735,013	-	14,735,013
Restricted for public safety	1,873,270	-	1,873,270
Restricted for economic development	1,098,511	-	1,098,511
Restricted for redevelopment and housing	5,840,542	-	5,840,542
Restricted for debt service	15,280,625	-	15,280,625
Unrestricted	<u>15,938,279</u>	<u>9,131,176</u>	<u>25,069,455</u>
Total net position	<u>\$ 191,388,475</u>	<u>\$ 27,776,156</u>	<u>\$ 219,164,631</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, 2023

ITEM NUMBER: C-2
DATE: 01/23/24
ATTACHMENT: 1

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Net Governmental Activities	Net Business-Type Activities	Total
Governmental activities:							
General government	\$ 2,972,712	\$ 120,349	\$ 73,620	\$ -	\$ (2,778,743)	\$ -	\$ (2,778,743)
Public safety	14,222,407	687,181	3,929,899	163,451	(9,441,876)	-	(9,441,876)
Community development	3,462,951	1,782,388	356,425	43,511	(1,280,627)	-	(1,280,627)
Community, recreation & zoo services	2,798,280	1,203,010	61,855	106,260	(1,427,155)	-	(1,427,155)
Parks & open space	1,207,467	53,225	60,968	438,284	(654,990)	-	(654,990)
Public works	3,945,896	329,538	827,682	5,435,303	2,646,627	-	2,646,627
Interest on long-term debt	683,366	-	-	-	(683,366)	-	(683,366)
Total governmental activities	29,293,079	4,175,691	5,310,449	6,186,809	(13,620,130)	-	(13,620,130)
Business-type activities:							
Sewer	2,627,818	4,366,595	-	-	-	1,738,777	1,738,777
Transit	565,609	21,587	451,758	-	-	(92,264)	(92,264)
Total business-type activities	3,193,427	4,388,182	451,758	-	-	1,646,513	1,646,513
Total government	\$ 32,486,506	\$ 8,563,873	\$ 5,762,207	\$ 6,186,809	(13,620,130)	1,646,513	(11,973,617)
General revenues							
Taxes:							
Secured and unsecured property taxes					13,118,922	-	13,118,922
Sales tax					14,497,346	-	14,497,346
Transient lodging tax					2,156,988	-	2,156,988
Franchise taxes					1,381,290	-	1,381,290
Business license tax					179,253	-	179,253
Property transfer tax					167,590	-	167,590
Other taxes					522,756	-	522,756
Motor vehicle in lieu					31,551	-	31,551
Investment income					434,388	93,234	527,622
Interest from Successor Agency					741,223	-	741,223
Total general revenues					33,231,307	93,234	33,324,541
Change in net position					19,611,177	1,739,747	21,350,924
Net position at beginning of fiscal year					171,777,298	26,036,409	197,813,707
Net position at end of fiscal year					\$ 191,388,475	\$ 27,776,156	\$ 219,164,631

CITY OF ATASCADERO
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2023

ITEM NUMBER: C-2
DATE: 01/23/24
ATTACHMENT: 1

	General Fund	In Lieu Low / Moderate Income Housing Fund	Local Transportation 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	\$ 19,317,760	\$ 1,779,615	\$ 10,780,563	\$ 4,041,400	\$ -	\$ -	\$ 8,844,421	\$ 44,763,759
Restricted cash and investments:								
Cash and investments with fiscal agent	-	-	-	-	-	1,455,625	-	1,455,625
Certificates of deposit	85,473	-	-	-	-	-	-	85,473
Receivables:								
Federal distributions due	536,991	-	2,179,453	-	-	-	57,396	2,773,840
Due from State of California	2,017,309	-	-	-	-	-	190,582	2,207,891
Due from County of San Luis Obispo	58,806	-	272,582	-	-	-	15,855	347,243
Accrued interest	142,353	10,028	43,296	22,678	-	-	49,882	268,237
Other receivables	1,076,396	-	-	-	-	-	123,978	1,200,374
Due from other funds	70,873	-	-	-	-	-	700,406	771,279
Deposits, prepaid items, and inventory	27,379	-	-	-	-	-	730	28,109
Notes receivable	-	4,050,899	-	-	-	-	-	4,050,899
Advances receivable- Successor Agency	-	-	-	-	-	13,825,000	-	13,825,000
Total assets	\$ 23,333,340	\$ 5,840,542	\$ 13,275,894	\$ 4,064,078	\$ -	\$ 15,280,625	\$ 9,983,250	\$ 71,777,729

CITY OF ATASCADERO
 GOVERNMENTAL FUNDS
 BALANCE SHEET (continued)
 June 30, 2023

ITEM NUMBER: C-2
 DATE: 01/23/24
 ATTACHMENT: 1

	General Fund	In Lieu Low / Moderate Income Housing Fund	Local Transportation 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	\$ 788,560	\$ -	\$ 1,721,546	\$ 79,490	\$ -	\$ -	\$ 221,859	\$ 2,811,455
Accrued salaries and benefits	955,877	-	-	-	-	-	17,980	973,857
Due to other funds	-	-	-	-	700,406	-	70,873	771,279
Unearned revenue	228,827	-	3,000,000	1,213,022	-	-	234,662	4,676,511
Deposits	75,915	-	-	-	-	-	-	75,915
Other payables	97,526	-	-	-	-	-	-	97,526
Total liabilities	<u>2,146,705</u>	<u>-</u>	<u>4,721,546</u>	<u>1,292,512</u>	<u>700,406</u>	<u>-</u>	<u>545,374</u>	<u>9,406,543</u>
Fund Balances:								
Nonspendable	112,852	-	-	-	-	-	730	113,582
Restricted	117,687	5,840,542	8,554,348	2,771,566	-	15,280,625	9,211,570	41,776,338
Assigned for road projects	-	-	-	-	-	-	227,505	227,505
Unassigned	20,956,096	-	-	-	(700,406)	-	(1,929)	20,253,761
Total fund balances (deficits)	<u>21,186,635</u>	<u>5,840,542</u>	<u>8,554,348</u>	<u>2,771,566</u>	<u>(700,406)</u>	<u>15,280,625</u>	<u>9,437,876</u>	<u>62,371,186</u>
Total liabilities and fund balances	<u>\$ 23,333,340</u>	<u>\$ 5,840,542</u>	<u>\$ 13,275,894</u>	<u>\$ 4,064,078</u>	<u>\$ -</u>	<u>\$ 15,280,625</u>	<u>\$ 9,983,250</u>	<u>\$ 71,777,729</u>

CITY OF ATASCADERO
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2023

ITEM NUMBER: C-2
DATE: 01/23/24
ATTACHMENT: 1

Total fund balances - governmental funds		\$	62,371,186
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation and amortization.			
Capital assets at historical cost	\$	136,425,124	
Accumulated depreciation and amortization		<u>(34,213,640)</u>	
	Net		102,211,484
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.			
			(168,377)
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.			
			168,377
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		13,825,000	
Workers' Compensation deposits in excess of estimated claims liability		(161,641)	
Compensated absences payable		1,873,706	
CalPERS pension liability		32,814,556	
Other Post Employment Benefits		<u>250,936</u>	
			(48,602,557)
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			14,454,534
Deferred inflows			(1,551,536)
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.			
			(51,494)

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, 2023

ITEM NUMBER: C-2
DATE: 01/23/24
ATTACHMENT: 1

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.

\$ 62,556,858

Total net position, governmental activities

\$ 191,388,475

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, 2023

ITEM NUMBER: C-2
DATE: 01/23/24
ATTACHMENT: 1

	General Fund	In Lieu Low / Moderate Income Housing Fund	Local Transportation 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	\$ 12,066,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,484,195	\$ 13,550,323
Taxes based on sales and use	14,497,346	-	-	-	-	-	-	14,497,346
Franchise tax	1,381,290	-	-	-	-	-	-	1,381,290
Other taxes	2,551,264	-	-	-	-	-	-	2,551,264
Licenses and permits	1,088,633	-	-	500,996	17,739	-	750,797	2,358,165
Intergovernmental revenues:								
Motor vehicle in lieu	31,551	-	-	-	-	-	-	31,551
American Rescue Plan Act Funds- COVID-19	3,597,290	-	-	-	-	-	-	3,597,290
Grants	485,149	-	2,158,337	-	-	-	133,218	2,776,704
Other governmental revenues	219,073	-	1,987,273	-	-	-	1,491,552	3,697,898
Charges for services:								
Public safety	640,911	-	-	-	-	-	-	640,911
Development	935,291	-	-	-	-	-	-	935,291
Recreation, parks, pavilion, and zoo	1,236,078	-	-	-	-	-	-	1,236,078
Other services	131,371	-	-	-	-	-	-	131,371
Fines and forfeitures	78,628	-	-	-	-	-	3,904	82,532
Use of money and property	513,543	69,419	(177,263)	72,792	-	744,613	82,395	1,305,499
Other revenues	1,547,809	-	-	-	-	-	655	1,548,464
Total revenues	41,001,355	69,419	3,968,347	573,788	17,739	744,613	3,946,716	50,321,977

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, 2023

ITEM NUMBER: C-2
 DATE: 01/23/24
 ATTACHMENT: 1

	General Fund	In Lieu Low / Moderate Income Housing Fund	Local Transportation 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	\$ 4,056,053	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,763	\$ 4,065,816
Public safety	23,001,555	-	-	-	-	-	124,463	23,126,018
Community development	3,586,285	78,300	-	-	-	5,560	307,656	3,977,801
Community, recreation and zoo services	3,020,056	-	-	-	-	-	10,752	3,030,808
Parks and open space	1,179,986	-	-	-	-	-	77,536	1,257,522
Public works	1,936,413	-	137,857	-	-	-	1,254,876	3,329,146
Capital outlay	4,134,346	-	3,249,194	619,235	-	-	199,708	8,202,483
Debt service:								
Principal	-	-	-	-	-	275,000	-	275,000
Interest	-	-	-	-	-	689,738	-	689,738
Total expenditures	40,914,694	78,300	3,387,051	619,235	-	970,298	1,984,754	47,954,332
Excess of revenues over (under) expenditures	86,661	(8,881)	581,296	(45,447)	17,739	(225,685)	1,961,962	2,367,645
Other Financing Sources (Uses):								
Transfers in	743,353	-	4,955,836	-	-	-	281,849	5,981,038
Transfers out	(4,975,849)	-	-	-	-	-	(1,005,189)	(5,981,038)
Total other financing sources and uses	(4,232,496)	-	4,955,836	-	-	-	(723,340)	-
Net change in fund balances	(4,145,835)	(8,881)	5,537,132	(45,447)	17,739	(225,685)	1,238,622	2,367,645
Fund balances (deficits) - June 30, 2022	25,332,470	5,849,423	3,017,216	2,817,013	(718,145)	15,506,310	8,199,254	60,003,541
Fund balances (deficits) - June 30, 2023	\$ 21,186,635	\$ 5,840,542	\$ 8,554,348	\$ 2,771,566	\$ (700,406)	\$ 15,280,625	\$ 9,437,876	\$ 62,371,186

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, 2023**

**ITEM NUMBER:
DATE:
ATTACHMENT:**

**C-2
01/23/24
1**

Total net change in fund balance - governmental funds	\$ 2,367,645
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 \$8,202,483 is greater than depreciation expense \$(1,847,004) in the period.	6,355,479
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.	(97,800)
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.	275,000
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:	(3,390)
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.	3,390
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:	(32,622)
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 fiscal year, the difference between accrual-basis pension costs and actual employer contributions was:	3,913,410
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.	143,907

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, 2023

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.	\$ (17,316)
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 \$7,558,916 less the capital contributions from other governmental funds (\$858,424).	6,700,492
Changes in net position - governmental activities	<u>\$ 19,611,177</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, 2023

ITEM NUMBER: C-2
 DATE: 01/23/24
 ATTACHMENT: 1

	Enterprise Funds			Internal Service Funds
	Wastewater Fund	Transit Fund	Totals	
ASSETS				
Current Assets:				
Cash and investments	\$ 9,945,674	\$ 44,728	\$ 9,990,402	\$ 18,699,908
Receivables:				
Federal distributions due	-	234,019	234,019	-
Due from County of San Luis Obispo	56,820	45	56,865	-
Accrued interest	54,492	75	54,567	80,482
Other receivables	33,062	1,372	34,434	-
Prepaid expenses	8,141	2,612	10,753	6,121
Total current assets	10,098,189	282,851	10,381,040	18,786,511
Capital Assets:				
Non-depreciable:				
Land	547,738	-	547,738	-
Construction in progress	2,633,336	-	2,633,336	319,457
Depreciable:				
Vehicles and equipment	1,021,992	353,720	1,375,712	15,212,090
Structures and improvements	32,682,346	1,472,436	34,154,782	53,064,105
Accumulated depreciation	(19,004,763)	(1,061,825)	(20,066,588)	(24,142,558)
Subscription assets, net	-	-	-	833,550
Net capital assets	17,880,649	764,331	18,644,980	45,286,644
Total assets	27,978,838	1,047,182	29,026,020	64,073,155
DEFERRED OUTFLOWS				
Deferred outflows related to pensions	319,373	20,589	339,962	595,078
Total deferred outflows	319,373	20,589	339,962	595,078

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, 2023

ITEM NUMBER: C-2
 DATE: 01/23/24
 ATTACHMENT: 1

	Enterprise Funds			Internal Service Funds
	Wastewater Fund	Transit Fund	Totals	
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 141,070	\$ 10,488	\$ 151,558	\$ 153,902
Accrued salaries and benefits	11,521	1,763	13,284	29,710
Unearned revenue	-	368,341	368,341	900
Other payables	-	1,926	1,926	34,347
Noncurrent Liabilities:				
Noncurrent liabilities	822,943	64,287	887,230	1,798,507
Total liabilities	975,534	446,805	1,422,339	2,017,366
DEFERRED INFLOWS				
Deferred inflows related to pensions	165,247	2,240	167,487	94,009
Total deferred inflows	165,247	2,240	167,487	94,009
NET POSITION				
Net investment in capital assets	17,880,649	764,331	18,644,980	45,286,644
Net subscription liability	-	-	-	415,756
Unrestricted	9,276,781	(145,605)	9,131,176	16,854,458
Total net position	\$ 27,157,430	\$ 618,726	\$ 27,776,156	\$ 62,556,858

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, 2023

ITEM NUMBER: C-2
DATE: 01/23/24
ATTACHMENT: 1

	Enterprise Funds			Internal Service Funds
	Wastewater Fund	Transit Fund	Totals	
Operating Revenues:				
Service fees	\$ 4,056,858	\$ 21,587	\$ 4,078,445	\$ 2,918,185
Installation, extension, and connection fees	309,737	-	309,737	-
Total operating revenues	4,366,595	21,587	4,388,182	2,918,185
Operating Expenses:				
Salaries and benefits	453,115	38,225	491,340	788,166
Office expense	2,019	799	2,818	1,389
Advertising	942	-	942	-
Computer maintenance and replacement	45,135	26,814	71,949	3,890
Insurance	52,613	10,747	63,360	83,804
Occupancy and rental costs	21,164	3,410	24,574	57,040
Utilities	425,380	-	425,380	106,680
Communications	9,469	1,510	10,979	78,100
Operating supplies	90,821	746	91,567	47,581
Vehicle and equipment operating costs	80,755	51,595	132,350	20,131
Contract services	160,886	148,014	308,900	147,618
Professional development	17,282	-	17,282	6,781
Recruitment	2,705	74	2,779	988
Interest expense	-	-	-	5,472
Franchise fees	80,321	-	80,321	-
Administrative charges	432,390	189,910	622,300	77,680
Special projects:				
Manhole rehabilitation projects	60,210	-	60,210	-
Collection System Expansion Feasibility	7,625	-	7,625	-
Proposition 218 majority protest-rate increase	4,410	-	4,410	-
2023 Storms- Supplies	809	-	809	-
2023 Storms- Emergency Response	1,182	-	1,182	-
Other Minor Equipment	-	-	-	2,864
HVAC Repairs	12,970	-	12,970	17,243

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, 2023

ITEM NUMBER:

C-2

DATE:

01/23/24

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	Enterprise Funds			Internal Service Funds
	Wastewater Fund	Transit Fund	Totals	
Operating Expenses (continued):				
Amortization expense	\$ -	\$ -	\$ -	\$ 115,483
Depreciation expense	665,615	93,765	759,380	2,008,983
Total operating expenses	2,627,818	565,609	3,193,427	3,569,893
Operating income (loss)	1,738,777	(544,022)	1,194,755	(651,708)
Non-Operating Revenues (Expenses):				
Transportation Development Act Funds - Operations	-	225,129	225,129	-
Section 5307 Revenues - Operations	-	225,129	225,129	-
Investment income (loss)	95,613	(2,379)	93,234	(82,988)
Bus advertising sales	-	1,500	1,500	-
Gain / (loss) on sale of capital assets	-	-	-	(222)
Total non-operating revenues	95,613	449,379	544,992	(83,210)
Change in net position prior to capital contributions	1,834,390	(94,643)	1,739,747	(734,918)
Capital Contributions:				
Cash contributions from other funds	-	-	-	7,435,410
Capital contributions from other funds	-	-	-	858,424
Total capital contributions	-	-	-	8,293,834
Change in net position	1,834,390	(94,643)	1,739,747	7,558,916
Total net position, June 30, 2022	25,323,040	713,369	26,036,409	54,997,942
Total net position, June 30, 2023	\$ 27,157,430	\$ 618,726	\$ 27,776,156	\$ 62,556,858

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, 2023

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Wastewater Fund</u>	<u>Transit Fund</u>	<u>Totals</u>	
Cash Flows From Operating Activities:				
Receipts from customers	\$ 4,375,763	\$ 20,980	\$ 4,396,743	\$ -
Internal activity - payments from other funds	-	-	-	2,918,185
Payments to suppliers of goods and services	(2,084,753)	(441,404)	(2,526,157)	(102,768)
Payments for employee services	(554,517)	(43,522)	(598,039)	(970,560)
Net cash provided (used) by operating activities	<u>1,736,493</u>	<u>(463,946)</u>	<u>1,272,547</u>	<u>1,844,857</u>
Cash Flows From Non-Capital Financing Activities:				
Receipts from intergovernmental agencies	-	706,246	706,246	-
Receipts from bus advertising sales	-	1,500	1,500	-
Loans / repayments to other funds	-	(196,010)	(196,010)	-
Net cash provided by non-capital related financing activities	<u>-</u>	<u>511,736</u>	<u>511,736</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	(924,765)	-	(924,765)	(1,412,085)
Cash contributions for capital purchases	-	-	-	7,435,410
Net cash used by capital and related financing activities	<u>(924,765)</u>	<u>-</u>	<u>(924,765)</u>	<u>6,023,325</u>

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

CITY OF ATASCADERO
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS (continued)
For the Fiscal Year Ended June 30, 2023

ITEM NUMBER: C-2
DATE: 01/23/24
ATTACHMENT: 1

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Wastewater Fund</u>	<u>Transit Fund</u>	<u>Totals</u>	
Cash Flows From Investing Activities:				
Interest income	\$ 73,454	\$ (3,062)	\$ 70,392	\$ (125,800)
Net cash provided (used) by investing activities	73,454	(3,062)	70,392	(125,800)
Net increase in cash and cash equivalents	885,182	44,728	929,910	7,742,382
Cash and cash equivalents - June 30, 2022	9,060,492	-	9,060,492	10,957,526
Cash and cash equivalents - June 30, 2023	<u>\$ 9,945,674</u>	<u>\$ 44,728</u>	<u>\$ 9,990,402</u>	<u>\$ 18,699,908</u>
Reconciliation to Statement of Net Position				
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 1,738,777	\$ (544,022)	\$ 1,194,755	\$ (651,708)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Amortization expense	-	-	-	115,483
Depreciation expense	665,615	93,765	759,380	2,008,983
Change in assets, deferred outflows, liabilities, and deferred inflows:				
Receivables, net	9,168	(607)	8,561	-
Prepaid expenses	(4,446)	(237)	(4,683)	27,779
Accounts payable	(590,047)	(7,548)	(597,595)	76,511
Accrued salaries and benefits	(9,304)	331	(8,973)	35
Unearned revenue	-	-	-	100
Other payables	18,828	-	18,828	34,347
Deferred outflows	(179,847)	(11,688)	(191,535)	(408,318)
Deferred inflows	(273,665)	(17,784)	(291,449)	(621,327)
Long-term subscriptions payable	-	-	-	415,756
Net pension liability	366,911	23,844	390,755	833,022
Compensated absences	(5,497)	-	(5,497)	14,194
Net cash provided (used) by operating activities	<u>\$ 1,736,493</u>	<u>\$ (463,946)</u>	<u>\$ 1,272,547</u>	<u>\$ 1,844,857</u>

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, 2023

ITEM NUMBER:
DATE:
ATTACHMENT:

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01/23/24
1

	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	\$ 1,577,121	\$ -	\$ 1,577,121
GASB 31 Adjustment to market	(54,799)	-	(54,799)
Restricted cash and investments:			
Cash with fiscal agent	880,602	-	880,602
Receivables:			
Accrued interest	7,391	-	7,391
Other receivables	350	-	350
Notes receivable	-	200,000	200,000
Due from Successor Agency	-	1,335,322	1,335,322
Total assets	<u>2,410,665</u>	<u>1,535,322</u>	<u>3,945,987</u>
LIABILITIES			
Accounts payable	2,538	-	2,538
Unearned revenue	642,523	-	642,523
Interest payable	292,100	-	292,100
Due to Successor Agency Housing Fund	1,335,322	-	1,335,322
Premium on bonds payable	18,995	-	18,995
2004 Bonds payable	7,545,000	-	7,545,000
2010 Bond Reimbursement Agreement payable to City of Atascadero	13,825,000	-	13,825,000
Total liabilities	<u>23,661,478</u>	<u>-</u>	<u>23,661,478</u>
NET POSITION			
Held in trust for taxing agencies	<u>\$ (21,250,813)</u>	<u>\$ 1,535,322</u>	<u>\$ (19,715,491)</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, 2023

ITEM NUMBER:
DATE:
ATTACHMENT:

C-2
01/23/24
1

	Successor Agency to the Community Redevelopment Agency of Atascadero	Housing Successor Agency to the Community Redevelopment Agency of Atascadero	Totals
ADDITIONS			
Contributions:			
RPTTF distributions	\$ 1,800,524	\$ -	\$ 1,800,524
Investment earnings:			
Interest	42,593	-	42,593
Total additions	<u>1,843,117</u>	<u>-</u>	<u>1,843,117</u>
DEDUCTIONS			
Payment on outstanding services contracts	2,420	-	2,420
Administrative costs	51,570	-	51,570
2004 Bond interest expense	375,051	-	375,051
2010 Bond reimbursement interest expense	691,908	-	691,908
Total deductions	<u>1,120,949</u>	<u>-</u>	<u>1,120,949</u>
Change in net position	722,168	-	722,168
Net position - June 30, 2022	<u>(21,972,981)</u>	<u>1,535,322</u>	<u>(20,437,659)</u>
Net position - June 30, 2023	<u>\$ (21,250,813)</u>	<u>\$ 1,535,322</u>	<u>\$ (19,715,491)</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.

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 the majority of 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 street projects.

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 and SBITAs 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 \$18,076,993 was netted against the liability account of \$18,136,327 in fiscal year 2023. The net balance in the performance bond deposits liability account at June 30, 2023, was \$59,334 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 \$113,582 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 \$41,776,338 is comprised of \$117,687 for economic development to offset the impact of the impending closure of Pacific Gas and Electric's Diablo Canyon Power Plant, \$5,840,542 for affordable housing, \$15,280,625 restricted for debt service, and \$20,537,484 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 \$227,505 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 2022-2023.

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
Local Transportation Fund
Circulation System Fees Fund
Fire Aerial Vehicle Impact Fees Fund
2010 Bond Debt Service Fund

Revenue Source

New Developments
Local Transportation Funds
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, 2023

	General Fund	In Lieu Low/Moderate Income Housing Fund	Local Transportation 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	\$ 112,852	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 730	\$ 113,582
Restricted								
Public Safety	-	-	-	-	-	-	1,960,179	1,960,179
Streets, Roads, and Drainage	-	-	8,554,348	2,771,566	-	-	3,793,374	15,119,288
Parks, Open Space, and Recreation	-	-	-	-	-	-	2,419,078	2,419,078
Community Development and Blight Elimination	117,687	-	-	-	-	-	1,038,939	1,156,626
Affordable Housing	-	5,840,542	-	-	-	-	-	5,840,542
Debt Service	-	-	-	-	-	15,280,625	-	15,280,625
Assigned								
Roads Projects	-	-	-	-	-	-	227,505	227,505
Unassigned								
	20,956,096	-	-	-	(700,406)	-	(1,929)	20,253,761
Total Fund Balances (Deficits)	\$21,186,635	\$ 5,840,542	\$ 8,554,348	\$ 2,771,566	\$ (700,406)	\$ 15,280,625	\$ 9,437,876	\$ 62,371,186

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. 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. 100	"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 one item which qualifies for reporting in this category; refer to Note 9 for a detailed listing of the deferred inflows of revenues the City recognized.

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 his 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 exists in the Fire Aerial Vehicle Impact Fees Fund due to large purchases incurred prior to the receipt of the long-term reimbursing revenues. A deficit fund balance exists in the Supplemental Law Enforcement Services Fund due to a negative adjustment of market valuation per the requirements of GASB Statement No. 31.

	Deficit Fund Balance
Major Governmental Fund	
Fire Aerial Vehicle Impact Fees Fund	\$ (700,406)
Nonmajor Governmental Fund	
Supplemental Law Enforcement Services Fund	(1,929)

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

C. Excess of Expenditures over Appropriations

	<u>Excess Expenditures</u>
Nonmajor Governmental Funds	
Supplemental Law Enforcement Services Fund	\$ (3,087)
Community Facilities District Fund	(34)

Expenditures exceeded projections in the Supplemental Law Enforcement Services fund due to the expenditure of unexpected interest income. Expenditures exceeded projections in the Community Facilities District Fund due to higher than expected contract engineering service costs.

NOTE 3 – CASH AND INVESTMENTS

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

Cash and investments at June 30, 2023, consisted of the following:

Pooled Cash and Investments:	
Cash in bank and on hand	\$ 6,268,287
Investments	42,221,298
Local Agency Investment Fund (LAIF)	<u>26,572,279</u>
Total Pooled Cash and Investments	<u>75,061,864</u>
Funds with Fiscal Agents:	
United States Treasury Money Fund	<u>2,336,227</u>
Total Funds with Fiscal Agents	<u>2,336,227</u>
Total Cash and Investments	<u>\$ 77,398,091</u>

NOTE 3 – CASH AND INVESTMENTS (continued)

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	\$ 63,463,667	\$ 9,990,402	\$ 1,522,322	\$ 74,976,391
Cash and investments held by fiscal agents	1,455,625	-	880,602	2,336,227
Restricted certificates of deposit	85,473	-	-	85,473
Total Cash and Investments	<u>\$ 65,004,765</u>	<u>\$ 9,990,402</u>	<u>\$ 2,402,924</u>	<u>\$ 77,398,091</u>

A. Deposits with Financial Institutions

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

At fiscal year end, the City's bank account balance was \$6,409,009. The first \$250,000 was insured by federal depository insurance and the remainder was 110% collateralized. Certificates of Deposit totaling \$14,677,323 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

NOTE 3 – CASH AND INVESTMENTS (continued)

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

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

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

E. 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.

NOTE 3 – CASH AND INVESTMENTS (continued)

Fair value of assets measured on a recurring basis at June 30, 2023, are as follows:

June 30, 2023	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level1)	Significant Other Observable Inputs (Level 2)	Uncategorized (Level 3)
U. S. Government Obligations	\$ 17,402,001	\$ -	\$ 17,402,001	\$ -
Supranational Securities	2,936,575	-	2,936,575	-
Municipal Securities	7,205,399	-	7,205,399	-
Certificates of Deposit	14,677,323	-	14,677,323	-
	<u>42,221,298</u>	<u>\$ -</u>	<u>\$ 42,221,298</u>	<u>\$ -</u>
Investments measured at amortized cost				
United States Treasury Money Fund	2,336,227			
Local Agency Investment Fund (LAIF)	26,572,279			
Total investments	<u>\$ 71,129,804</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	<u>Fair Value</u>	<u>Percent of Portfolio</u>
U.S. Government Obligations	\$ 17,402,001	25%
Supranational Securities	2,936,575	4%
Municipal Securities	7,205,399	10%
Certificates of Deposit	14,677,323	22%
Local Agency Investment Fund (LAIF)	26,572,279	39%
Total Investments Managed by City	<u>\$ 68,793,577</u>	<u>100%</u>

Investments Held by Fiscal Agents

United States Treasury Money Fund	\$ 2,336,227	100%
Total Investments Held by Fiscal Agents	<u>\$ 2,336,227</u>	<u>100%</u>

Investments	<u>Fair Value</u>	<u>On Demand</u>	<u>Within One Month</u>	<u>One Month to One Year</u>	<u>One to Five Years</u>
U.S. Government Obligations	\$ 17,402,001	\$ -	\$ -	\$ 2,349,883	\$ 15,052,118
Supranational Securities	2,936,575	-	-	996,295	1,940,280
Municipal Securities	7,205,399	-	-	-	7,205,399
Certificates of Deposit	14,677,323	-	-	3,139,769	11,537,554 *
Local Agency Investment Fund (LAIF)	26,572,279	26,572,279	-	-	-
Investments Held by Fiscal Agents	2,336,227	2,336,227 **	-	-	-
Total Investments Managed by City	<u>\$ 71,129,804</u>	<u>\$ 28,908,506</u>	<u>\$ -</u>	<u>\$ 6,485,947</u>	<u>\$ 35,735,351</u>
Percentage of Portfolio	100%	41%	0%	9%	50%

* 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, 2023	
		AAA - A	Not Rated
Investments			
U. S. Government Obligations	\$ 17,402,001	\$ 17,402,001	\$ -
Supranational Securities	2,936,575	2,936,575	-
Municipal Securities	7,205,399	7,205,399	-
Certificates of Deposit	14,677,323	-	14,677,323
Local Agency Investment Fund (LAIF)	26,572,279	-	26,572,279
Investments Held by Fiscal Agents	2,336,227	-	2,336,227
Total Investments Managed by City	<u>\$ 71,129,804</u>	<u>\$ 27,543,975</u>	<u>\$ 43,585,829</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 US Bank and are exposed to custodial credit risk because these investments are uninsured and collateralized with securities held by the US 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-1 et seq.) shall not exceed twenty percent (20%) of the agency's surplus money that may be invested pursuant to the City's Investment Policy.
- 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 \$1,455,625 in cash and investments as of June 30, 2023, held by fiscal agents pledged for the payment or security of the 2010 Lease Revenue Bonds. There was an additional \$880,602 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	\$ 13,825,000
Total		<u>\$ 13,825,000</u>

Advances receivable of \$13,825,000 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 \$4,050,899 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, 2023, was as follows:

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers Between Assets</u>	<u>Balance June 30, 2023</u>
Governmental Activities					
Non-Depreciable capital assets					
Land	\$ 41,659,554	\$ -	\$ -	\$ -	\$ 41,659,554
Construction in progress	<u>5,163,296</u>	<u>7,488,288</u>	<u>-</u>	<u>(4,234,285)</u>	<u>8,417,299</u>
Total non-depreciable capital assets	<u>46,822,850</u>	<u>7,488,288</u>	<u>-</u>	<u>(4,234,285)</u>	<u>50,076,853</u>
Depreciable or amortizable capital assets					
Vehicles and equipment	14,048,430	915,892	(10,341)	348,825	15,302,806
Structures and improvements	56,796,873	37,277	-	35,237	56,869,387
Subscription assets	-	949,033	-	-	949,033
Infrastructure	<u>79,161,466</u>	<u>224,078</u>	<u>(579,520)</u>	<u>3,850,223</u>	<u>82,656,247</u>
Total depreciable or amortizable capital assets	150,006,769	2,126,280	(589,861)	4,234,285	155,777,473
Less accumulated depreciation or amortization	<u>(54,876,567)</u>	<u>(3,971,470)</u>	<u>491,839</u>	<u>-</u>	<u>(58,356,198)</u>
Net depreciable capital assets	<u>95,130,202</u>	<u>(1,845,190)</u>	<u>(98,022)</u>	<u>4,234,285</u>	<u>97,421,275</u>
Net governmental capital assets	<u>\$ 141,953,052</u>	<u>\$ 5,643,098</u>	<u>\$ (98,022)</u>	<u>\$ -</u>	<u>\$ 147,498,128</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, 2023, was as follows:

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers Between Assets</u>	<u>Balance June 30, 2023</u>
Business-Type Activities					
Non-depreciable capital assets					
Land	\$ 547,738	\$ -	\$ -	\$ -	\$ 547,738
Construction in progress	5,717,647	539,978	(18,828)	(3,605,461)	2,633,336
Total non-depreciable capital assets	<u>6,265,385</u>	<u>539,978</u>	<u>(18,828)</u>	<u>(3,605,461)</u>	<u>3,181,074</u>
Depreciable capital assets					
Vehicles and equipment	1,232,249	143,463	-	-	1,375,712
Structures and improvements	30,307,997	241,324	-	3,605,461	34,154,782
Total depreciable or amortizable capital assets	31,540,246	384,787	-	3,605,461	35,530,494
Less accumulated depreciation	<u>(19,307,208)</u>	<u>(759,380)</u>	<u>-</u>	<u>-</u>	<u>(20,066,588)</u>
Net depreciable capital assets	<u>12,233,038</u>	<u>(374,593)</u>	<u>-</u>	<u>3,605,461</u>	<u>15,463,906</u>
Net business-type capital assets	<u>\$ 18,498,423</u>	<u>\$ 165,385</u>	<u>\$ (18,828)</u>	<u>\$ -</u>	<u>\$ 18,644,980</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	\$ 368,324
Public safety	758,866
Community development	235,929
Community, recreation & zoo services	388,731
Parks & open space	311,078
Public works	<u>1,908,542</u>

Total Depreciation and Amortization Expense- Governmental Activities \$ 3,971,470

Business-Type Activities:

Sewer	\$ 665,615
Transit	<u>93,765</u>

Total Depreciation Expense- Business-Type Activities \$ 759,380

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, 2023, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Community Development Block Grant Fund	\$ 57,049
General Fund	Nonmajor Community Facilities District Fund	13,824
Nonmajor Fire Facilities Fees Fund	Fire Aerial Vehicle Impact Fees Fund	700,406
Total		<u>\$ 771,279</u>

B. Interfund Transfers

Interfund transfers were made as follows:

<u>Actual Amount</u>	<u>Description</u>
\$ 743,353	Transfer from the Community Facilities District Fund to the General Fund for fire, police, and park services
275,456	Transfer from the General Fund to the Gas Tax Fund for the cost of Streets Department operations
4,694,000	Transfer from the General Fund to the Local Transportation Fund for the Downtown Infrastructure Enhancement Plan
6,512	Transfer from the Gas Tax Fund to the Local Transportation Fund for the El Camino Real South Rehabilitation Project
234	Transfer from the Gas Tax Fund to the Local Transportation Fund for the Traffic Way North 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
2,393	Transfer from the General Fund to the General Government Facilities Fees Fund for vehicle purchase
255,090	Transfer from the 2010 Bond Proceed Master Agreement Fund to the Local Transportation Fund for the Downtown Infrastructure Enhancement Plan
<u>\$ 5,981,038</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, 2023, total \$1,944,902 for governmental activities and \$7,834 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
2024	\$ 295,000	\$ 676,963
2025	305,000	664,581
2026	315,000	651,800
2027	330,000	637,250
2028	350,000	620,250
2029-2033	2,010,000	2,815,750
2034-2038	5,250,000	2,049,250
2039-2041	4,970,000	381,000
	<u>\$ 13,825,000</u>	<u>\$ 8,496,844</u>

NOTE 8 – LONG-TERM LIABILITIES (continued)

C. Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Additions	Payments	Balance June 30, 2023	Due Within One Year
Governmental Activities:					
Bonds Payable:					
2010 Lease Revenue Bonds	\$ 14,100,000	\$ -	\$ (275,000)	\$ 13,825,000	\$ 295,000
Compensated Absences	1,898,086	1,264,788	(1,217,972)	1,944,902	-
Premium on 2010 Lease Revenue Bonds	54,476	-	(2,982)	51,494	2,990
Subscription Liability	-	530,028	(114,272)	415,756	93,975
Workers' Compensation estimated claims liability in excess of deposits	(17,734)	(211,167)	67,260	(161,641)	-
Net Pension Liability	18,270,558	19,998,397	(4,142,844)	34,126,111	-
Other Post Employment Benefits Liability	233,620	21,662	(4,346)	250,936	-
Total Governmental Activities	<u>\$ 34,539,006</u>	<u>\$ 21,603,708</u>	<u>\$ (5,690,156)</u>	<u>\$ 50,452,558</u>	<u>\$ 391,965</u>
Business-type Activities:					
Compensated Absences	\$ 13,331	\$ 24,150	\$ (29,647)	\$ 7,834	\$ -
Net Pension Liability	488,641	484,493	(93,738)	879,396	-
Total Business-type Activities	<u>\$ 501,972</u>	<u>\$ 508,643</u>	<u>\$ (123,385)</u>	<u>\$ 887,230</u>	<u>\$ -</u>

D. Subscription Based Information Technology Arrangements

On January 12, 2022, the City entered into an initial contract term for Computer-Aided Dispatch/Records Management System (CAD/RMS) software arrangement with Mark43, Inc.. The CAD/RMS system was implemented February 1, 2023, and has a term of six years. Accumulated depreciation for the current year was \$34,773 and the outflows of resources in the current year were \$119,744.

NOTE 8 – LONG-TERM LIABILITIES (continued)

D. Subscription Based Information Technology Arrangements (continued)

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

Fiscal Year Ending June 30,	Mark43, Inc - CAD/RMS	
	Principal	Interest
2024	\$ 93,975	\$ 12,245
2025	100,475	8,947
2026	107,202	5,577
2027	114,104	2,105
	<u>\$ 415,756</u>	<u>\$ 28,874</u>

The City entered into a prepaid software arrangement with CIO Solutions for Firewall Software. The initial contract term is September 25, 2021 – September 24, 2024. The total subscription asset is valued at \$35,396, and \$10,029 has accumulated in amortization as of the end of the fiscal year.

The City entered into a prepaid software arrangement with SHI International Corp. for Malwarebytes Software. The initial contract term is July 31, 2022 – July 31, 2025. The total subscription asset is valued at \$25,174, and \$7,708 has accumulated in amortization as of the end of the fiscal year.

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.

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.

NOTE 9 – EMPLOYEE RETIREMENT BENEFITS (continued)

A. Public Employees’ Retirement System (continued)

Benefits Provided (continued)

The rate plan provisions and benefits in effect at June 30, 2023, 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	13.02%	11.06%	7.76%

	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	23.75%	20.64%	12.78%

NOTE 9 – EMPLOYEE RETIREMENT BENEFITS (continued)

A. Public Employees’ Retirement System (continued)

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, 2023, were \$4,688,082.

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 \$2,940,204 in fiscal year ended June 30, 2023.

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

As of June 30, 2023, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$35,005,507.

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, 2022, 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, 2021, rolled forward to June 30, 2022, 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.

The City’s proportionate share of the net pension liability for the Plan as of measurement dates June 30, 2022, and 2021, was as follows:

Proportionate Percentage Share of Net Pension Liability

	Percentage share of Plan		Change: Increase/ (Decrease)
	June 30, 2023	June 30, 2022	
Measurement Date	6/30/2022	6/30/2021	
Percentage of Plan (PERF C) Net Pension Liability	0.30306%	0.34686%	-0.04380%

NOTE 9 – EMPLOYEE RETIREMENT BENEFITS (continued)

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

For the fiscal year ended June 30, 2023, the City recognized pension expense of \$485,820. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>All Plans</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,129,914	\$ (418,905)
Changes of assumptions	3,554,168	-
Net differences between projected and actual earnings on plan investments	5,905,885	-
Change in employer's proportion	111,525	(147,995)
Differences between the employer's contributions and the employer's proportionate share of contributions	-	(1,246,132)
Pension contributions subsequent to measurement date	4,688,082	-
Total	<u>\$ 15,389,574</u>	<u>\$ (1,813,032)</u>

\$4,688,082 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Deferred Outflows / (Inflows) of Resources</u>
2024	\$ 2,354,144
2025	1,893,749
2026	1,033,456
2027	3,607,111

NOTE 9 – EMPLOYEE RETIREMENT BENEFITS (continued)

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

Actuarial Assumptions – For the measurement period ended June 30, 2022, the total pension liabilities were determined by rolling forward the June 30, 2021, valuation of total pension liability. The June 30, 2022, total pension liability was based on the following actuarial methods and assumptions:

	<u>Plan</u>
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Post Retirement Benefit Increase	Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies
Mortality	Derived using CalPERS' Membership Data for all Funds. The mortality rates incorporate Generational Mortality to capture ongoing mortality improvements using 80% of Scale MP 2020 published by the Society of Actuaries.

The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS' website.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. 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.

NOTE 9 – EMPLOYEE RETIREMENT BENEFITS (continued)

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

Actuarial Assumptions (continued)

Long-Term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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 ^{1,2}
Global equity - cap-weighted	30.0%	4.45%
Global equity non-cap-weighted	12.0%	3.84%
Private equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021-22 Asset Liability Management Study.

NOTE 9 – EMPLOYEE RETIREMENT BENEFITS (continued)

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

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		
	5.90% (1% Decrease)	6.90% (Current Rate)	7.90% (1% Increase)
Measurement Date	6/30/2022		
Fiscal Year End	6/30/2023		
Net Pension Liability	\$ 51,961,017	\$ 35,005,507	\$ 21,108,238

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, 2023, 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 fiscal year were \$14,957, and total contributions from the City were \$7,479. 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 2022/2023, 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 No. 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. For fiscal year ended June 30, 2023, the City’s total contributions were \$4,346.

Employees Covered

As of June 30, 2023, the following current and former employees were covered by the benefit under the plan.

Active members	11
Inactive members	3
Beneficiaries	4
Total	18

Total OPEB Liability

The City has elected to calculate the OPEB liability and related information using the alternative measurement method permitted by GASB Statement No. 75 for employers in plans with fewer than one hundred total plan members. The City’s OPEB liability was measured as of June 30, 2023, and the total OPEB used to calculate the OPEB liability was from the City’s valuation as of June 30, 2023.

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (continued)

Changes in the OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022 (valuation date June 30, 2022)	\$ 233,620
Changes recognized for the measurement period:	
Service cost	14,653
Interest	7,009
Benefit payments	(4,346)
Net changes	17,316
Balance at June 30, 2023 (valuation date June 30, 2023)	\$ 250,936

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	\$ 251,559	\$ 250,936	\$ 250,417

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	\$ 250,417	\$ 250,936	\$ 251,559

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (continued)

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.

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, 2023, was twenty-one 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.

NOTE 12 – RISK MANAGEMENT (continued)

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.

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 2022-23 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.

NOTE 12 – RISK MANAGEMENT (continued)

C. Purchased Insurance (continued)

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 \$95,101,426. 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.

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 2022-23.

E. Unemployment

The City is fully self-insured for unemployment claims.

F. Self Insurance

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

NOTE 12 – RISK MANAGEMENT (continued)

F. Self Insurance (continued)

Self-insurance activity as of and for the fiscal year ended June 30, 2023, is summarized as follows:

	<u>Workers'</u> <u>Compensation</u>
Assets on deposit	\$ 194,393
Estimated liability for reported claims and settlement expenses	<u>(32,752)</u>
Assets in excess of (less than) liabilities	<u><u>\$ 161,641</u></u>

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

	<u>Workers'</u> <u>Compensation</u>
Deposits 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	17,734
Claim payments and related expenditures	67,260
Decrease in estimated claims liability June 30, 2023	73,814
Deposits and interest earnings	<u>2,833</u>
Deposits (unpaid claims liability) June 30, 2023	<u><u>\$ 161,641</u></u>

NOTE 13 – CONTINGENCIES AND COMMITMENTS

The City has 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.

Estate of Douglas Breeze and City of Atascadero (filed January 18, 2022) SSC Case No. 34-2022-80003799

The City contracted with Regional Government Services (“RGS”) for the services of Mr. Doug Breeze for a few months in 2014. CalPERS determined that Mr. Breeze was a City employee. As a result, Mr. Breeze and the City were directed to make PERS contributions. RSG is providing the City's defense and indemnity in this matter; the City is one of several other public entities involved with CalPERS's determination. A determination by the trial court upholding CalPERS's determination is currently on appeal.

Veronica Ulloa-Nevarez v. City of Atascadero (not yet filed).

This is a matter regarding the California Voting Rights Act (“CVRA”). An individual alleged that the City's at-large elections violates the CVRA. No litigation is yet filed; the matter is currently suspended in accordance with the terms of a tolling agreement between the City and claimant.

NOTE 13 – CONTINGENCIES AND COMMITMENTS (continued)

Construction and other significant commitments as of June 30, 2023, including encumbrances outstanding at fiscal year-end, are as follows:

Capital Commitments
Fiscal Year 2022/2023

100 General Fund	\$ 2,379,782
201 Community Facilities District Fund	2,734
202 Apple Valley Street & Storm Drain Assessment District Fund	1,841
203 Apple Valley Landscape & Lighting Assessment District Fund	2,366
204 Las Lomas Street & Storm Drain Assessment District Fund	1,841
205 Las Lomas Landscape & Lighting Assessment District Fund	2,366
206 De Anza Street & Storm Drain Assessment District Fund	1,841
207 De Anza Landscape & Lighting Assessment District Fund	2,366
240 Community Development Block Grant Fund	3,355
265 Local Transportation Fund	6,550,017
281 Circulation System Fees Fund	8,189
284 Law Enforcement Facilities Fees Fund	110,837
287 Parkland Facilities Fees Fund	24,662
527 Wastewater Fund	102,780
680 Vehicle and Equipment Replacement Fund	503,174
690 Technology Fund	54,950
Total	<u>\$ 9,753,101</u>

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 and deferred outflows of resources over all its liabilities and deferred inflows of resources, 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 \$41,657,452 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.

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).

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

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.

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, 2023.

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

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.

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.

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

E. 2004 Redevelopment Agency Tax Allocation Bonds (continued)

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
2024	\$ 475,000	\$ 361,634
2025	500,000	337,869
2026	525,000	312,884
2027	550,000	286,681
2028	575,000	259,259
2029-2033	3,340,000	828,374
2034-2035	1,580,000	80,000
	<u>\$ 7,545,000</u>	<u>\$ 2,466,701</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 were 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 used the standard deduction for revenue loss, and those funds were used for general government purposes. The City’s total ARPA allocation is \$7,194,580, half of which was received and used last fiscal year and the other half was received and used in fiscal year 2022-2023.

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, 2023

ITEM NUMBER:
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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Secured and unsecured property taxes	\$ 11,590,490	\$ 11,590,490	\$ 12,066,128	\$ 475,638
Taxes based on sales and use	12,799,950	12,799,950	14,497,346	1,697,396
Franchise tax	1,255,480	1,255,480	1,381,290	125,810
Other taxes	1,859,450	1,859,450	2,551,264	691,814
Licenses and permits	700,550	700,550	1,088,633	388,083
Intergovernmental revenues:				
Motor vehicle in-lieu and related payments	22,710	22,710	31,551	8,841
American Rescue Plan Act Funds- COVID-19	-	3,597,290	3,597,290	-
Grants	19,240	504,950	485,149	(19,801)
Other governmental revenues	188,830	188,830	219,073	30,243
Charges for services:				
Public safety	469,340	609,960	640,911	30,951
Development	614,670	679,850	935,291	255,441
Recreation, parks, pavilion, and zoo	924,000	961,340	1,236,078	274,738
Other services	60,200	60,200	131,371	71,171
Fines and forfeitures	61,600	61,600	78,628	17,028
Use of money and property	83,740	83,740	513,543	429,803
Other revenues	1,377,100	1,429,870	1,547,809	117,939
Total revenues	32,027,350	36,406,260	41,001,355	4,595,095
Expenditures:				
Employee services	20,631,090	20,574,310	20,148,481	425,829
Operating supplies and services	7,749,150	8,065,710	7,720,263	345,447
Special purchases, projects, and community funding	2,495,120	11,174,130	8,911,604	2,262,526
Capital outlay	8,352,470	7,068,630	4,134,346	2,934,284
Total expenditures	39,227,830	46,882,780	40,914,694	5,968,086
Excess of revenues over (under) expenditures	(7,200,480)	(10,476,520)	86,661	10,563,181

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, 2023

ITEM NUMBER:

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Transfers in	\$ 746,460	\$ 746,460	\$ 743,353	\$ (3,107)
Transfers out	(457,310)	(5,153,710)	(4,975,849)	177,861
Total other financing sources and uses	289,150	(4,407,250)	(4,232,496)	174,754
Excess of revenue and other sources over (under) expenditures and other uses	\$ (6,911,330)	\$ (14,883,770)	(4,145,835)	\$ 10,737,935
Fund balance - June 30, 2022			25,332,470	
Fund balance - June 30, 2023			\$ 21,186,635	

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, 2023

ITEM NUMBER:
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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes:				
Secured property tax	\$ 7,201,490	\$ 7,201,490	\$ 7,495,637	\$ 294,147
Property tax in lieu of VLF	3,417,530	3,417,530	3,504,056	86,526
Unsecured property taxes	273,970	273,970	282,171	8,201
Supplemental property taxes	170,000	170,000	270,840	100,840
Redevelopment Agency Dissolution-residual distribution	527,500	527,500	529,714	2,214
Prior year secured and unsecured	-	-	(15,996)	(15,996)
Property tax penalties and interest	-	-	(294)	(294)
Taxes based on sales:				
Sales and use taxes	4,654,950	4,654,950	4,964,533	309,583
Measure D-20 sales tax	5,430,000	5,430,000	6,354,899	924,899
Measure F-14 sales tax	2,715,000	2,715,000	3,177,914	462,914
Transient occupancy tax	1,490,830	1,490,830	2,156,988	666,158
Franchise taxes:				
Cable television franchise fees	260,510	260,510	249,622	(10,888)
Electricity franchise fees	303,000	303,000	338,733	35,733
Garbage disposal franchise fees	525,300	525,300	570,178	44,878
Landfill franchise fees	15,160	15,160	19,813	4,653
Gas franchise fees	83,950	83,950	122,623	38,673
Wastewater franchise fees	67,560	67,560	80,321	12,761
Business licenses	177,140	177,140	179,253	2,113
Property transfer tax	160,000	160,000	167,590	7,590
Cannabis business tax	31,480	31,480	47,433	15,953
Total Taxes	27,505,370	27,505,370	30,496,028	2,990,658
Licenses and Permits:				
Construction permits	598,710	598,710	903,378	304,668
Grading and drainage permits	44,240	44,240	36,176	(8,064)
Encroachment permits	47,190	47,190	138,465	91,275
Tree application fees	8,410	8,410	4,872	(3,538)
Planning inspections	2,000	2,000	1,242	(758)
Developer Reimbursements- Assessment Districts	-	-	4,500	4,500
Total Licenses and Permits	700,550	700,550	1,088,633	388,083

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, 2023

ITEM NUMBER:
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1

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (continued):				
Intergovernmental Revenues:				
Motor vehicle in-lieu	\$ 22,710	\$ 22,710	\$ 31,551	\$ 8,841
American Rescue Plan Act Funds- COVID-19	-	3,597,290	3,597,290	-
Homeowners' tax relief	46,330	46,330	43,922	(2,408)
State mandated costs	5,000	5,000	32,576	27,576
P.O.S.T. reimbursement	12,000	12,000	16,755	4,755
School Resources Officer	80,000	80,000	80,000	-
County COVID-19 Vaccine Assistance	-	-	324	324
Settlement agreement- SB 1090 Essential Services Mitigation Funds (PG&E DCP)	45,500	45,500	45,496	(4)
Grants:				
Assistance to Fire Fighters Grant	-	1,900	1,894	(6)
Office of Traffic Safety-2022 STEP Grant-Traffic	-	46,310	46,310	-
Office of Traffic Safety-2022 DUI Police Grant	-	2,470	2,462	(8)
Fire Safe Council - 2023 Fuel Management	-	28,180	28,180	-
Fire Safe Council - 2024 Fuel Management	-	1,890	1,888	(2)
Fire Safe Council - 2023 Wildfire Consultations	-	5,450	5,750	300
Board of State and Community Corrections- Police Grant 2016/17	-	5,140	5,133	(7)
SB 1383 Cal Recycle Local Assistance Grant	-	22,430	22,430	-
HCD- Housing Element & Inclusionary Policy	19,240	19,240	4,989	(14,251)
HCD- LEAP Mixed Use Develop Standards	-	20,350	20,343	(7)
HCD- REAP Jurisdictional Zoning Grant	-	67,610	67,607	(3)
HCD- REAP Regional ADU's	-	30,740	35,577	4,837
2018 Parks Bond Act Grant-Lake Park Pier	-	53,240	42,586	(10,654)
Broadband Strategic Plan Grant	-	200,000	200,000	-
Total Intergovernmental Revenues	230,780	4,313,780	4,333,063	19,283

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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (continued):				
Charges for Services:				
Public safety:				
First response charges	\$ 130,480	\$ 130,480	\$ 134,615	\$ 4,135
Weed abatement services	37,780	69,240	79,615	10,375
Mutual Aid-Fire	250,000	359,160	387,253	28,093
Police/Fire false alarms	6,320	6,320	1,428	(4,892)
Castlerock Communication Site Lease	16,430	16,430	15,291	(1,139)
Fingerprints	5,560	5,560	1,190	(4,370)
Vehicle release fees	16,160	16,160	16,016	(144)
Other public safety services	6,610	6,610	5,503	(1,107)
Development:				
Zoning fees	44,960	44,960	55,068	10,108
Subdivision fees- Planning	33,500	33,500	46,350	12,850
Subdivision fees- Public Works	2,030	2,030	34,944	32,914
Appeals	1,270	1,270	4,427	3,157
Assessment district formations/annexations	-	-	1,360	1,360
Planning review	47,190	47,190	73,032	25,842
Building plan check fees	294,930	360,110	431,663	71,553
Public Works plan check fees and inspections	129,770	129,770	116,352	(13,418)
Stormwater permit compliance inspection	5,000	5,000	3,130	(1,870)
Fire plan check and inspection fees	52,770	52,770	140,233	87,463
Other development fees	3,250	3,250	28,732	25,482
Recreation:				
Advertising	3,980	3,980	3,450	(530)
Adult sports	39,000	39,000	22,844	(16,156)
Youth sports	65,000	65,000	62,899	(2,101)
Classes	118,000	118,000	123,770	5,770
Special events -promotions	32,000	48,410	48,418	8
Special events	30,000	39,010	53,164	14,154
Teen Center membership	1,200	1,200	5,822	4,622

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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (continued):				
Charges for Services (continued):				
Rentals and concessions:				
Pavilion facility rentals	\$ 121,870	\$ 121,870	\$ 140,902	\$ 19,032
Other Pavilion rents and concessions	6,740	6,740	1	(6,739)
Colony Park Community Center rentals	16,600	16,600	29,551	12,951
Zoo Event Center rental	-	-	549	549
Outdoor court rentals	-	-	1,095	1,095
Park charges	26,160	26,160	48,353	22,193
Zoo:				
Zoo admissions	314,260	314,260	412,480	98,220
Zoo educational programs	2,050	2,050	59,489	57,439
Zoo gift shop	112,140	124,060	175,780	51,720
Special events- Zoo	35,000	35,000	47,511	12,511
Administrative:				
Copy and mailing fees	7,510	7,510	6,928	(582)
Document imaging fee	16,810	16,810	7,705	(9,105)
Technology surcharge	-	-	71,869	71,869
Business license application fees	35,880	35,880	44,869	8,989
Total Charges for Services	2,068,210	2,311,350	2,943,651	632,301
Fines and Forfeitures:				
Motor vehicle fines	42,000	42,000	20,230	(21,770)
Misdemeanor and other minor fines	3,440	3,440	343	(3,097)
Parking fines	3,000	3,000	1,920	(1,080)
Code enforcement and fire fines	4,800	4,800	570	(4,230)
Business license penalties	7,960	7,960	16,212	8,252
Other penalties	400	400	39,353	38,953
Total Fines and Forfeitures	61,600	61,600	78,628	17,028
Use of Money and Property:				
Interest	56,000	56,000	491,163	435,163
Adjustment to fair value-GASB 31	-	-	(16,941)	(16,941)
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, 2023

ITEM NUMBER:

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	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	\$ 22,740	\$ 22,740	\$ 59,127	\$ 36,387
Measure F-14 Funds adjustment to fair value	-	-	(19,806)	(19,806)
Total Use of Money and Property	<u>83,740</u>	<u>83,740</u>	<u>513,543</u>	<u>429,803</u>
Other Revenues:				
Interfund administrative charges				
General overhead charges	474,680	474,680	474,680	-
Staffing charges for other funds	661,710	661,710	663,620	1,910
Staffing charges for capital projects	137,790	137,790	183,735	45,945
Staffing charges for CDBG administration	-	-	9,309	9,309
Administrative charges- Third Parties	3,080	3,080	9,310	6,230
Administrative charges- Successor Agency	50,480	50,480	51,570	1,090
Workers' compensation reimbursement	6,520	6,520	9,618	3,098
Miscellaneous revenue	18,340	17,670	42,314	24,644
Donations:				
Police	-	9,640	9,652	12
Fire	-	6,730	6,726	(4)
Recreation	-	440	937	497
Parks	-	3,500	3,500	-
Other donations	-	29,360	27,906	(1,454)
Friends of Zoo Donations:				
Memberships	23,000	23,000	49,610	26,610
Other Zoo donations	1,500	5,270	5,322	52
Total Other Revenues	<u>1,377,100</u>	<u>1,429,870</u>	<u>1,547,809</u>	<u>117,939</u>
Total Revenues	<u>32,027,350</u>	<u>36,406,260</u>	<u>41,001,355</u>	<u>4,595,095</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, 2023

ITEM NUMBER:

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
City Council:				
Salaries and benefits	\$ 77,730	\$ 76,460	\$ 76,253	\$ 207
Office expense	200	200	89	111
Advertising	820	820	-	820
Computer maintenance and replacement	14,050	14,050	14,050	-
Occupancy	83,190	83,190	83,190	-
Communications	430	430	198	232
Operating supplies	3,890	3,890	1,754	2,136
Vehicle and equipment operating costs	620	620	288	332
Contract services	37,970	37,970	36,000	1,970
Professional development	24,920	24,920	19,597	5,323
Community outreach	53,590	53,590	32,748	20,842
LAFCO contribution	19,770	19,770	17,920	1,850
Special projects and community funding:				
Essentialism Evaluation	60,000	60,000	-	60,000
Total City Council	377,180	375,910	282,087	93,823
City Clerk:				
Office expense	660	660	23	637
Advertising	5,520	1,430	1,427	3
Contract services	6,220	6,220	3,226	2,994
Professional development	6,510	1,220	904	316
Municipal election	40,810	50,190	50,182	8
Total City Clerk	59,720	59,720	55,762	3,958
City Treasurer:				
Salaries and benefits	5,740	6,090	6,079	11
Contract services	11,570	12,830	12,830	-
Total City Treasurer	17,310	18,920	18,909	11

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
City Attorney:				
Office expense	\$ 80	\$ 80	\$ -	\$ 80
Occupancy	6,030	6,030	6,030	-
Communications	80	80	36	44
Contract services	296,520	304,100	136,280	167,820
Special projects and community funding:				
Special litigation costs	-	127,420	127,408	12
Total City Attorney	302,710	437,710	269,754	167,956
City Manager:				
Salaries and benefits	1,305,950	1,295,010	1,294,973	37
Office expense	7,830	6,320	6,312	8
Computer maintenance and replacement	80,180	80,080	80,076	4
Insurance	26,630	28,220	28,217	3
Occupancy	57,040	57,040	57,040	-
Communications	2,270	2,640	2,640	-
Operating supplies	10,420	3,270	3,259	11
Vehicle and equipment operating costs	6,600	3,970	3,963	7
Contract services	41,670	7,190	7,184	6
Professional development	23,510	17,910	17,899	11
Citywide training	7,280	1,500	1,499	1
Recruitment	520	2,600	2,595	5
Employee development	1,710	2,030	2,028	2
Contingency	100,000	38,500	-	38,500
Special projects and community funding:				
Grant assesement and writing	35,000	35,000	-	35,000
Staff and Brand Development	-	35,000	-	35,000
Senate Bill 1383 consulting services	-	22,430	22,430	-
Opportunities Fund	70,000	70,000	-	70,000

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
City Manager (continued):				
Capital Outlay:				
Computer- new	\$ -	\$ 1,570	\$ 1,565	\$ 5
Total City Manager	<u>1,776,610</u>	<u>1,710,280</u>	<u>1,531,680</u>	<u>178,600</u>
Promotions, Marketing and Outreach				
Salaries and benefits	-	210	201	9
Office expense	5,100	8,410	8,402	8
Advertising	82,100	71,390	71,379	11
Communications	500	-	-	-
Operating supplies	54,300	55,020	55,010	10
Vehicle and equipment operating costs	550	640	635	5
Contract services	79,200	109,650	109,693	(43)
Professional development	930	840	834	6
Total Promotions, Marketing and Outreach	<u>222,680</u>	<u>246,160</u>	<u>246,154</u>	<u>6</u>
Administrative Services:				
Salaries and benefits	977,730	971,440	917,919	53,521
Office expense	14,740	16,820	16,818	2
Advertising	500	500	475	25
Computer maintenance and replacement	96,840	97,100	97,093	7
Insurance	27,660	29,370	29,364	6
Occupancy	78,050	78,050	77,950	100
Communications	1,020	1,020	619	401
Operating supplies	300	300	111	189
Vehicle and equipment operating costs	3,600	3,610	3,605	5
Contract services	175,600	194,170	194,170	-
Professional development	6,650	1,900	1,020	880
Recruitment	-	1,140	1,138	2
Contingency	5,000	5,000	-	5,000
Special purchases, projects, and studies:				
Office tables and furniture	-	4,000	-	4,000

CITY OF ATASCADERO

GENERAL FUND

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

BUDGET AND ACTUAL

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Administrative Services (continued):				
Capital Outlay:				
Credit card acceptance program	\$ 20,000	\$ 20,000	\$ 6,350	\$ 13,650
Total Administrative Services	1,407,690	1,424,420	1,346,632	77,788
Police:				
Salaries and benefits	8,187,170	8,036,210	7,838,987	197,223
Office expense	13,700	20,960	20,954	6
Computer maintenance and replacement	491,680	506,750	506,753	(3)
Insurance	260,910	277,120	277,117	3
Occupancy	58,370	77,460	77,459	1
Utilities	47,140	61,300	61,296	4
Communications	36,850	37,630	37,630	-
Operating supplies	24,960	190,350	190,345	5
Vehicle and equipment operating costs	477,760	505,460	505,452	8
Contract services	776,850	561,790	512,421	49,369
Professional development	18,780	26,480	26,474	6
Recruitment	11,200	54,540	54,539	1
Contingency	10,000	10,000	-	10,000
Special purchases, projects, and studies:				
Desks	-	2,100	2,096	4
Small printers	-	7,800	7,800	-
Radar equipment	-	6,710	6,704	6
Scanner	-	360	359	1
Contracted dispatch services	-	153,740	153,738	2
Cash transfer to Vehicle and Equipment Replacement fund for Equipment Replacement reserve deficit				
	159,940	159,940	159,940	-
Cash transfer to Vehicle and Equipment Replacement fund for Generator at Pine Mountain Repeater site				
	-	2,800	2,800	-
Capital Outlay:				
Capital transfer to Technology Fund for Mark43 annual maintenance				
	-	119,750	119,744	6
CAD/RMS software	466,990	347,240	137,778	209,462
Video camera	-	14,870	14,861	9
	11,042,300	11,181,360	10,715,247	466,113

CITY OF ATASCADERO

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

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Police Grants:				
Salaries and benefits	\$ -	\$ 2,870	\$ 2,859	\$ 11
Operating supplies	1,800	4,730	4,729	1
Contract services	2,320	5,450	5,448	2
Professional development	34,380	44,180	40,062	4,118
Capital Outlay:				
Traffic Records Module Software	-	46,310	46,310	-
	<u>38,500</u>	<u>103,540</u>	<u>99,408</u>	<u>4,132</u>
Total Police	<u>11,080,800</u>	<u>11,284,900</u>	<u>10,814,655</u>	<u>470,245</u>
Fire:				
Salaries and benefits	4,706,130	4,796,480	4,793,999	2,481
Office expense	3,750	2,520	2,510	10
Computer maintenance and replacement	247,500	239,360	239,359	1
Insurance	127,920	132,810	132,811	(1)
Occupancy	84,570	81,990	81,983	7
Utilities	24,500	24,780	39,272	(14,492)
Communications	16,650	9,620	9,615	5
Operating supplies	62,950	62,950	63,572	(622)
Vehicle and equipment operating costs	504,250	504,250	544,813	(40,563)
Contract services	21,550	21,000	20,992	8
Professional development	23,450	23,450	26,377	(2,927)
Recruitment	3,500	660	652	8
Contingency	10,000	10,000	-	10,000
Special purchases, projects, and studies:				
Bed/mattresses	-	-	1,189	(1,189)
Washing machine/dryer	-	-	1,631	(1,631)
Wildland portective gear	-	18,900	-	18,900
EKG/heart monitors equipment repairs	-	10,600	11,084	(484)
Comprehensive evacuation plan	13,220	13,220	-	13,220
Contracted dispatch services	-	-	31,541	(31,541)
Cash contribution to Vehicle and Equipment Replacement Fund for replacement vehicle	159,940	583,580	583,580	-

CITY OF ATASCADERO

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

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Fire (continued):				
Special purchases, projects, and studies (continued):				
Cash contribution to Building Maintenance Fund for Fire Station #1 Replacement	\$ -	\$ 3,500,000	\$ 3,500,000	\$ -
Capital outlay:				
Radio repeater project	180,000	180,000	180,215	(215)
Automated external defibrillators	-	69,150	-	69,150
Fire station #1 rebuild	1,500,000	-	-	-
	<u>7,689,880</u>	<u>10,285,320</u>	<u>10,265,195</u>	<u>20,125</u>
Mutual Aid Program:				
Salaries and benefits	142,240	254,590	254,587	3
Operating supplies	15,000	17,450	17,444	6
Vehicle and equipment operating costs	5,200	-	-	-
	<u>162,440</u>	<u>272,040</u>	<u>272,031</u>	<u>9</u>
Weed Abatement and Other Fire Programs:				
Salaries and benefits	-	3,100	3,108	(8)
Office expense	900	6,080	6,075	5
Advertising	400	-	-	-
Operating supplies	-	6,770	6,763	7
Contract services	72,880	131,940	131,924	16
Special purchases, projects, and studies:				
COVID-19 emergency protective measures	-	1,900	2,105	(205)
	<u>74,180</u>	<u>149,790</u>	<u>149,975</u>	<u>(185)</u>
Total Fire	<u>7,926,500</u>	<u>10,707,150</u>	<u>10,687,201</u>	<u>19,949</u>
Community Development:				
Salaries and benefits	1,634,980	1,584,900	1,584,870	30
Office expense	11,680	21,770	21,763	7
Advertising	5,000	5,140	5,137	3
Computer maintenance and replacement	166,580	166,570	166,564	6
Insurance	41,680	44,170	44,168	2
Occupancy	87,000	87,000	87,000	-
Communications	2,800	5,120	5,110	10
Operating supplies	3,730	1,470	1,461	9
Vehicle and equipment operating costs	15,190	16,420	16,414	6

CITY OF ATASCADERO

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

BUDGET AND ACTUAL

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Community Development (continued):				
Contract services	\$ 97,000	\$ 189,070	\$ 189,062	\$ 8
Professional development	14,830	41,100	41,094	6
Recruitment	600	1,320	1,310	10
Contingency	5,000	5,000	-	5,000
Special purchases, projects, and studies:				
General Plan update	1,173,090	1,173,090	302,449	870,641
Housing Element and Inclusionary Policy	19,240	19,240	4,989	14,251
LEAP Mixed Use Development Standards	-	20,350	20,342	8
REAP Jurisdictional Zoning/Subdivision Ordinance Update	-	67,610	67,607	3
REAP Regional ADU Accessibility and development	-	30,740	30,738	2
Total Community Development	<u>3,278,400</u>	<u>3,480,080</u>	<u>2,590,078</u>	<u>890,002</u>
Central Reception:				
Salaries and benefits	82,580	77,150	64,471	12,679
Office expense	1,050	890	826	64
Computer maintenance and replacement	20,540	20,540	20,540	-
Insurance	2,520	2,670	2,663	7
Occupancy	66,550	66,550	66,550	-
Communications	380	380	289	91
Operating supplies	50	60	56	4
Vehicle and equipment operating costs	50	50	-	50
Professional development	250	250	-	250
Recruitment	150	720	1,180	(460)
Capital outlay:				
Scanner/Printer- new	2,000	2,000	-	2,000
Total Central Reception	<u>176,120</u>	<u>171,260</u>	<u>156,575</u>	<u>14,685</u>
Economic and Business Development:				
Salaries and benefits	161,270	194,580	169,169	25,411
Computer maintenance and replacement	3,460	3,460	3,460	-
Occupancy	4,210	4,210	4,210	-
Chamber of Commerce	122,400	129,600	129,600	-
Business development	21,720	14,520	2,500	12,020
Special purchases, projects, and studies:				
Economic Development-Downtown	-	126,500	126,203	297
Broadband enhancement project	388,110	388,110	200,000	188,110

CITY OF ATASCADERO

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

BUDGET AND ACTUAL

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Economic and Business Development (continued):				
Special purchases, projects, and studies (continued):				
Restaurant Development Loan Program	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
Total Economic and Business Development	701,170	1,860,980	635,142	1,225,838
Recreation:				
Salaries and benefits	392,730	362,100	338,384	23,716
Office expense	4,550	8,060	7,810	250
Advertising	23,830	21,300	21,218	82
Computer maintenance and replacement	28,530	28,080	28,075	5
Insurance	21,560	26,930	26,922	8
Occupancy	50,400	48,800	48,398	402
Utilities	3,740	4,660	4,651	9
Communications	1,240	760	755	5
Operating supplies	31,760	29,360	22,942	6,418
Vehicle and equipment operating costs	4,310	12,310	3,816	8,494
Contract services	133,100	131,940	125,702	6,238
Professional development	5,000	4,640	4,635	5
Recruitment	700	1,670	1,670	-
Contingency	2,500	2,500	-	2,500
Special purchases, projects and studies:				
Inflatable Movie Screen	-	2,200	1,838	362
Event Booth Tents	-	5,330	5,330	-
Youth scholarships	-	440	437	3
Total Recreation	703,950	691,080	642,583	48,497
Community Center:				
Salaries and benefits	55,320	56,810	56,801	9
Office expense	1,450	880	873	7
Advertising	280	-	-	-
Computer maintenance and replacement	10,620	10,620	10,620	-
Insurance	23,400	21,550	21,543	7
Occupancy	145,340	145,340	145,340	-
Utilities	48,900	65,830	65,825	5
Communications	2,500	2,700	2,690	10
Operating supplies	13,830	11,360	11,349	11
Vehicle and equipment operating costs	1,400	680	677	3

CITY OF ATASCADERO

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

BUDGET AND ACTUAL

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Community Center (continued):				
Contract services	\$ 15,860	\$ 17,320	\$ 17,312	\$ 8
Professional development	1,050	-	-	-
Recruitment	250	340	332	8
Special purchases, projects and studies:				
Shade sail replacement	8,650	8,650	-	8,650
Total Community Center	<u>328,850</u>	<u>342,080</u>	<u>333,362</u>	<u>8,718</u>
Pavilion:				
Salaries and benefits	176,150	171,480	167,060	4,420
Office expense	1,180	340	333	7
Advertising	4,740	4,300	4,296	4
Computer maintenance and replacement	12,230	12,230	12,230	-
Insurance	10,020	9,790	9,786	4
Occupancy	57,190	57,190	57,190	-
Utilities	27,000	27,810	27,802	8
Communications	3,800	3,290	3,286	4
Operating supplies	7,580	8,990	8,981	9
Vehicle and equipment operating costs	2,740	350	343	7
Contract services	22,390	25,290	25,284	6
Professional development	100	-	-	-
Recruitment	310	520	518	2
Special purchases, projects, and studies:				
Tables	-	9,400	3,980	5,420
Stage	-	5,600	-	5,600
Window repairs	-	25,000	23,615	1,385
Total Pavilion	<u>325,430</u>	<u>361,580</u>	<u>344,704</u>	<u>16,876</u>
Zoo:				
Salaries and benefits	888,790	851,500	841,928	9,572
Office expense	1,790	2,110	2,101	9
Advertising	200	-	-	-
Computer maintenance and replacement	52,300	52,120	52,115	5
Insurance	30,860	31,950	31,941	9
Occupancy	47,610	47,480	47,479	1
Utilities	67,400	79,500	79,480	20
Communications	1,320	2,570	2,569	1
Operating supplies	127,680	145,260	145,242	18

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	Original	Final		Budget Positive (Negative)
Expenditures (continued):				
Zoo (continued):				
Vehicle and equipment operating costs	\$ 5,940	\$ 10,840	\$ 10,839	\$ 1
Contract services	82,150	90,270	90,260	10
Professional development	14,580	13,150	13,150	-
Recruitment	100	480	478	2
Gift shop retail	37,000	57,710	57,705	5
Special purchases, projects, and studies:				
Animal acquisition	-	6,900	6,885	15
HVAC units	-	3,180	3,175	5
Water heater	-	4,400	4,400	-
Capital outlay:				
Freezer	40,000	40,000	-	40,000
Zoo exhibit improvements	-	21,410	21,407	3
Zoo electrical upgrade	30,000	30,000	3,095	26,905
Total Zoo	<u>1,427,720</u>	<u>1,490,830</u>	<u>1,414,249</u>	<u>76,581</u>
Public Works Administration:				
Salaries and benefits	1,105,660	1,096,010	1,054,463	41,547
Office expense	5,600	5,960	5,952	8
Advertising	250	250	-	250
Computer maintenance and replacement	110,250	100,370	81,756	18,614
Insurance	22,950	24,320	24,320	-
Occupancy charges	37,370	37,370	37,370	-
Communications	3,400	3,400	2,098	1,302
Operating supplies	16,500	19,060	19,055	5
Vehicle and equipment operating costs	10,340	15,930	15,925	5
Contract services	26,000	26,000	24,261	1,739
Professional development	13,080	13,080	11,249	1,831
Recruitment	500	500	50	450
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	<u>1,387,940</u>	<u>1,378,290</u>	<u>1,276,499</u>	<u>101,791</u>
Public Works Operations:				
Salaries and benefits	253,400	262,550	262,532	18
Office expense	2,180	1,350	1,348	2
Computer maintenance and replacement	17,250	17,250	17,250	-

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	Original	Final		
Expenditures (continued):				
Public Works Operations (continued):				
Insurance	\$ 7,600	\$ 7,580	\$ 7,577	\$ 3
Occupancy charges	27,130	29,630	29,630	-
Utilities	9,160	11,420	11,411	9
Communications	1,150	1,270	1,265	5
Operating supplies	6,500	2,410	2,406	4
Vehicle and equipment operating costs	8,260	8,610	8,606	4
Contract services	500	280	274	6
Professional development	1,330	380	376	4
Recruitment	-	350	343	7
Special purchases, projects, and studies:				
Corp yard building minor remodel	9,550	9,550	-	9,550
Downtown street tree renewal program	18,650	18,650	9,273	9,377
Cash contribution to Vehicle and Equipment Replacement Fund for reserve fund deficit	20,850	20,850	20,850	-
Capital Outlay:				
Radio repeater project	90,000	90,000	79,823	10,177
Total Public Works Operations	473,510	482,130	452,964	29,166
Parks:				
Salaries and benefits	477,520	474,770	419,838	54,932
Computer maintenance and replacement	10,620	10,620	10,620	-
Insurance	19,890	20,510	20,510	-
Occupancy	35,270	35,270	35,270	-
Utilities	159,000	159,050	159,049	1
Communications	2,150	1,480	1,296	184
Operating supplies	63,540	57,940	55,773	2,167
Vehicle and equipment operating costs	48,080	56,740	56,740	-
Contract services	79,750	68,690	64,236	4,454
Professional development	3,500	3,820	3,813	7
Recruitment	900	280	273	7
Special purchases, projects, and studies:				
Parks repair and replacement	150,000	150,000	-	150,000
Tree trimming and replacement	1,080	1,080	-	1,080
Creek maintenance projects	60,520	60,520	37,062	23,458

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, 2023

ITEM NUMBER:
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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued):				
Parks (continued):				
Special purchases, projects, and studies (continued):				
Memorial benches	\$ -	\$ 3,960	\$ 3,953	\$ 7
Cash contribution to Vehicle and Equipment Replacement Fund for reserve fund deficit	118,240	118,240	118,240	-
Capital outlay:				
Turf mower	-	5,440	5,436	4
Slurry seal and stripe parking lots	200,000	200,000	-	200,000
Lake Park pier and ADA improvements	-	53,240	53,233	7
Total Parks	1,430,060	1,481,650	1,045,342	436,308
Measure F-14 Sales Tax:				
Capital outlay:				
2021 Pavement Resurfacing (East/South)	103,240	103,240	918	102,322
2021 Pavement Rehabilitation (South)	435,400	435,400	3,539	431,861
2022 Pavement Rehabilitation (West)	3,359,090	3,359,090	3,158,083	201,007
2023 Pavement Rehabilitation (North)	1,845,750	1,845,750	250,656	1,595,094
2024 Pavement Resurfacing (North/Central)	20,000	20,000	-	20,000
2024 Pavement Rehabilitation (East/Central)	60,000	60,000	1,110	58,890
Total Measure F-14 Sales Tax	5,823,480	5,823,480	3,414,306	2,409,174
Non-Departmental:				
Special purchases, projects, and studies:				
COVID-19 emergency protective measures	-	-	977	(977)
2023 Storms- Emergency Response	-	-	102,525	(102,525)
2023 Storms- Supplies	-	-	32,384	(32,384)
2023 Storms- Parks	-	-	72,093	(72,093)
2023 Storms- Replace Supplies and Damaged Equipment	-	-	5,894	(5,894)
2023 Storms- Debris Removal	-	-	41,960	(41,960)
Cash contribution to Vehicle and Equipment Replacement Fund for reserve fund deficit	-	2,050,000	2,050,000	-
Cash contribution to Building Maintenance and Replacement Fund for fund balance	-	1,000,000	1,000,000	-

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, 2023

ITEM NUMBER:

DATE:

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Non-Departmental (continued):				
Capital outlay:				
2023 Storms- Paloma Park Snack Bar	\$ -	\$ -	\$ 4,176	\$ (4,176)
2023 Storms- Atascadero Creek Capacity	-	-	41,157	(41,157)
2023 Storms- Atascadero High School Creek	-	-	729	(729)
Postage Machine	-	4,170	4,161	9
Total Non-Departmental	-	3,054,170	3,356,056	(301,886)
Total expenditures	<u>39,227,830</u>	<u>46,882,780</u>	<u>40,914,694</u>	<u>5,968,086</u>
Excess of revenues over (under) expenditures	<u>(7,200,480)</u>	<u>(10,476,520)</u>	<u>86,661</u>	<u>10,563,181</u>
Other Financing Sources (Uses):				
Transfer from Community Facilities District Fund	746,460	746,460	743,353	(3,107)
Transfer to Gas Tax Fund for streets maintenance	(453,310)	(453,310)	(275,456)	177,854
Transfer to General Government				
Facilities Fee Fund for contribution toward purchase of a new vehicle	-	(2,400)	(2,393)	7
Transfer to Local Transportation Fund for the Downtown Infrastructure Enhancement Plan	-	(4,694,000)	(4,694,000)	-
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>289,150</u>	<u>(4,407,250)</u>	<u>(4,232,496)</u>	<u>174,754</u>
Net change in fund balance	<u>\$ (6,911,330)</u>	<u>\$ (14,883,770)</u>	<u>(4,145,835)</u>	<u>\$ 10,737,935</u>
Fund balance - June 30, 2022			<u>25,332,470</u>	
Fund balance - June 30, 2023			<u>\$ 21,186,635</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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ 14,740	\$ 14,740	\$ 25,908	\$ 11,168
Gain / (Loss) on inclusionary housing program loans	-	-	43,511	43,511
Total revenues	<u>14,740</u>	<u>14,740</u>	<u>69,419</u>	<u>54,679</u>
Expenditures:				
Contract services	5,000	1,500	-	1,500
Administrative charges	74,800	74,800	74,800	-
Special projects:				
Closing cost program expense	-	3,500	3,500	-
PSHHC Del Rio Ridge affordable housing project	400,000	400,000	-	400,000
Total expenditures	<u>479,800</u>	<u>479,800</u>	<u>78,300</u>	<u>401,500</u>
Net change in fund balance	<u>\$ (465,060)</u>	<u>\$ (465,060)</u>	<u>(8,881)</u>	<u>\$ 456,179</u>
Fund balance, June 30, 2022			<u>5,849,423</u>	
Fund balance, June 30, 2023			<u>\$ 5,840,542</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, 2023

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	Budget		Actual Amounts	Variance with Final
	Original	Final		Budget Positive (Negative)
Revenues:				
Local Transportation Tax- Article 3 Bike Paths	\$ 31,910	\$ 31,910	\$ 41,619	\$ 9,709
Local Transportation Tax- Article 8 Streets	669,030	669,030	1,360,686	691,656
HBRR Grant - Via Avenue Bridge	4,029,280	4,029,280	726,107	(3,303,173)
HBRR Grant - Santa Lucia Bridge	4,852,520	4,852,520	1,432,230	(3,420,290)
FHWA- Del Rio Bridge Abutment Repairs	-	249,660	249,654	(6)
FHWA- San Marcos Road Landslide Repair	-	62,740	62,733	(7)
USHA- Traffic Way/Ardilla Ave Rehab	95,960	95,960	64,681	(31,279)
USHA- Downtown Infrastructure Enhancement Plan	-	55,860	55,860	-
RSA- Downtown Infrastructure Enhancement Plan	-	750,000	152,040	(597,960)
State Legislative Grant- Downtown Infrastructure Enhancement Plan	-	3,000,000	-	(3,000,000)
Investment income (loss)	9,140	9,140	(177,263)	(186,403)
Total revenues	9,687,840	13,806,100	3,968,347	(9,837,753)
Expenditures:				
Special projects:				
Pavement Crack Sealing Preservation Program	60,000	60,000	-	60,000
Citywide Pavement Condition Evaluation Update	56,650	56,650	-	56,650
Bridge Evaluations and Studies	25,000	25,000	-	25,000
Storms- Debris Removal	-	-	137,857	(137,857)
Local Roadway Safety Plan	1,600	1,600	-	1,600
Capital outlay:				
Downtown Infrastructure Enhancement Plan	3,659,430	3,719,680	207,900	3,511,780
San Anselmo Road Rehabilitation-West	-	-	468	(468)
El Camino Real Rehabilitation Project- South	333,810	333,810	6,512	327,298
Traffic Way/Ardilla Avenue Rehabilitation	95,960	95,960	64,681	31,279
San Marcos Road Embankment Subsidence Repair	123,330	123,330	-	123,330
San Gabriel Road Rehabilitation	133,300	133,300	-	133,300
San Marcos Road Rehabilitation	131,440	131,440	701	130,739
Traffic Way Rehabilitation - North	150,000	150,000	234	149,766
Traffic Way/US 101 Alleyway Rehabilitation	110,020	110,020	10,287	99,733
San Marcos Road Landslide Repair	-	62,740	62,733	7
Storm Drainage Improvement Projects	125,480	125,480	40,947	84,533
Via Avenue Bridge Replacement	4,546,540	4,733,500	823,827	3,909,673
Santa Lucia Road Bridge Replacement	4,795,150	4,795,150	1,400,760	3,394,390
Del Rio Road Bridge Abutment Repairs	-	249,660	249,654	6
Downtown District Pavement Rehabilitation	1,525,000	1,672,660	208,848	1,463,812

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, 2023

ITEM NUMBER:
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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Capital outlay (continued):				
Storms- Culvert Replacement Emergency Response	\$ -	\$ -	\$ 171,460	\$ (171,460)
Storms- Old Morro Road Repairs	-	-	182	(182)
Total expenditures	<u>15,872,710</u>	<u>16,579,980</u>	<u>3,387,051</u>	<u>13,192,929</u>
Excess of revenues over (under) expenditures	<u>(6,184,870)</u>	<u>(2,773,880)</u>	<u>581,296</u>	<u>3,355,176</u>
Other Financing Sources (Uses):				
Transfer from Gas Tax Fund for El Camino Real Rehabilitation Project South (SB1)	333,810	333,810	6,512	(327,298)
Transfer from Gas Tax Fund for Traffic Way Rehabilitation Project North (SB1)	150,000	150,000	234	(149,766)
Transfer from General Fund for Downtown Infrastructure Enhancement Plan	-	4,694,000	4,694,000	-
Transfer from 2010 Bond Proceeds Master Agreement Fund for Downtown Infrastructure Enhancement Plan	-	255,090	255,090	-
Total other financing sources (uses)	<u>483,810</u>	<u>5,432,900</u>	<u>4,955,836</u>	<u>(477,064)</u>
Net change in fund balance	<u>\$ (5,701,060)</u>	<u>\$ 2,659,020</u>	<u>5,537,132</u>	<u>\$ 2,878,112</u>
Fund balance, June 30, 2022			<u>3,017,216</u>	
Fund balance, June 30, 2023			<u>\$ 8,554,348</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, 2023

ITEM NUMBER: C-2
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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 220,000	\$ 220,000	\$ 500,996	\$ 280,996
Interest income	19,520	19,520	72,792	53,272
Total revenues	<u>239,520</u>	<u>239,520</u>	<u>573,788</u>	<u>334,268</u>
Expenditures:				
Capital outlay:				
101 @ Del Rio Interchange Project	2,469,300	2,469,300	619,235	1,850,065
Total expenditures	<u>2,469,300</u>	<u>2,469,300</u>	<u>619,235</u>	<u>1,850,065</u>
Net change in fund balance	<u>\$ (2,229,780)</u>	<u>\$ (2,229,780)</u>	(45,447)	<u>\$ 2,184,333</u>
Fund balance, June 30, 2022			<u>2,817,013</u>	
Fund balance, June 30, 2023			<u>\$ 2,771,566</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, 2023

ITEM NUMBER: C-2
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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 8,000	\$ 8,000	\$ 17,739	\$ 9,739
Total revenues	8,000	8,000	17,739	9,739
Net change in fund balance	<u>\$ 8,000</u>	<u>\$ 8,000</u>	17,739	<u>\$ 9,739</u>
Fund balance, June 30, 2022			(718,145)	
Fund balance, June 30, 2023			<u>\$ (700,406)</u>	

CITY OF ATASCADERO
SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS
 Last 10 Years*
 For the Fiscal Year Ended June 30, 2023

ITEM NUMBER: C-2
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The following table provides required supplementary information regarding the City's postemployment healthcare benefits.

Measurement Period	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 14,653	\$ 10,981	\$ 8,079	\$ 9,582	\$ 13,252	\$ 7,820
Interest on total OPEB liability	7,009	6,699	6,464	6,190	5,763	5,583
Benefit payments	(4,346)	(7,357)	(6,726)	(6,610)	(4,800)	(7,400)
Net change in total OPEB liability	17,316	10,323	7,817	9,162	14,215	6,003
OPEB liability, beginning of year	233,620	223,297	215,480	206,318	192,103	186,100
OPEB liability, end of year	\$ 250,936	\$ 233,620	\$ 223,297	\$ 215,480	\$ 206,318	\$ 192,103
Covered payroll	\$ 1,354,325	\$ 1,173,780	\$ 1,200,858	\$ 1,200,858	\$ 1,200,858	\$ 1,126,865
Total OPEB liability as a percentage of covered payroll	18.53%	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 six years are shown.

CITY OF ATASCADERO
SCHEDULE OF OPEB CONTRIBUTIONS
Last 10 Years
As of June 30, 2023

ITEM NUMBER: C-2
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As of June 30, 2023, the plan is not administered through a qualified trust. Therefore, there is no Actuarially Determined contribution (ADC). Benefit payments of \$4,346 were made on a pay-as-you-go basis for the fiscal year ended June 30, 2023. 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, 2023

ITEM NUMBER: C-2
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	Fiscal Year End								
	6/30/2023	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	6/30/2022	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	0.303060%	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	\$ 35,005,507	\$ 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 **	\$ 11,164,515	\$ 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	313.54%	188.65%	305.51%	298.05%	284.00%	265.36%	272.08%	228.79%	197.94%
Plan's total pension liability	\$ 49,525,975,138	\$ 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	\$ 37,975,170,163	\$ 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	76.68%	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 nine 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, 2023

ITEM NUMBER: C-2
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Contributions for the fiscal year ending:	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually required contribution (actuarially determined)	\$ 4,688,082	\$ 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	(4,688,082)	(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 **	\$ 12,476,406	\$ 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	37.58%	37.95%	37.63%	33.58%	31.26%	28.76%	24.64%	26.05%	26.68%

Notes to Schedule

Valuation Date	06/30/20	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	6.900%	7.150%	7.150%	7.150%	7.375%	7.650%	7.650%	7.500%	7.500%
Price inflation	2.30%	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 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies	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 nine years are shown.

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

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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income- cash and investments	\$ 5,000	\$ 5,000	\$ 49,315	\$ 44,315
Interest income- 2010 reimbursement agreement with the Successor Agency to the RDA	691,500	691,500	695,298	3,798
Total revenues	<u>696,500</u>	<u>696,500</u>	<u>744,613</u>	<u>48,113</u>
Expenditures:				
Insurance	4,150	4,150	3,635	515
Contract services	2,600	2,600	1,925	675
Principal	275,000	275,000	275,000	-
Interest	689,750	689,750	689,738	12
Total expenditures	<u>971,500</u>	<u>971,500</u>	<u>970,298</u>	<u>1,202</u>
Net change in fund balance	<u>\$ (275,000)</u>	<u>\$ (275,000)</u>	<u>(225,685)</u>	<u>\$ 49,315</u>
Fund balance, June 30, 2022			<u>15,506,310</u>	
Fund balance, June 30, 2023			<u>\$ 15,280,625</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.

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.

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2023

ITEM NUMBER: C-2
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	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	\$ 205,533	\$ 14,029	\$ 584,043	\$ -	\$ 198,880	\$ 759,833
Receivables:						
Federal distributions due	-	-	-	57,396	-	-
Due from State of California	-	-	-	-	-	190,582
Due from County of San Luis Obispo	-	-	-	-	-	-
Accrued interest	1,206	78	3,215	-	1,118	3,978
Other receivables	-	-	123,615	363	-	-
Due from other funds	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	730
Total assets	<u>\$ 206,739</u>	<u>\$ 14,107</u>	<u>\$ 710,873</u>	<u>\$ 57,759</u>	<u>\$ 199,998</u>	<u>\$ 955,123</u>
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ -	\$ -	\$ 42,451	\$ 710	\$ 350	\$ 57,237
Accrued salaries and benefits	2,776	-	-	-	-	15,204
Due to other funds	-	-	-	57,049	-	-
Unearned revenue	205,892	-	-	-	-	-
Total liabilities	<u>208,668</u>	<u>-</u>	<u>42,451</u>	<u>57,759</u>	<u>350</u>	<u>72,441</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	730
Restricted	-	14,107	668,422	-	199,648	881,952
Assigned for road projects	-	-	-	-	-	-
Unassigned	(1,929)	-	-	-	-	-
Total fund balances (deficits)	<u>(1,929)</u>	<u>14,107</u>	<u>668,422</u>	<u>-</u>	<u>199,648</u>	<u>882,682</u>
Total liabilities and fund balances	<u>\$ 206,739</u>	<u>\$ 14,107</u>	<u>\$ 710,873</u>	<u>\$ 57,759</u>	<u>\$ 199,998</u>	<u>\$ 955,123</u>

Special Revenue Funds

	Street Assessment Fund	General Government Facilities Fees Fund	Storm Drainage Facilities Fees Fund	Law Enforcement Facilities Fees Fund	Fire Facilities Fees Fund	Open Space Acquisition Fees Fund
ASSETS						
Cash and investments	\$ 87,467	\$ 292,524	\$ 567,740	\$ 350,281	\$ 816,086	\$ 1,012,091
Receivables:						
Federal distributions due	-	-	-	-	-	-
Due from State of California	-	-	-	-	-	-
Due from County of San Luis Obispo	-	-	-	-	-	-
Accrued interest	490	1,612	3,160	1,970	4,558	5,641
Other receivables	-	-	-	-	-	-
Due from other funds	-	-	-	-	700,406	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 87,957</u>	<u>\$ 294,136</u>	<u>\$ 570,900</u>	<u>\$ 352,251</u>	<u>\$ 1,521,050</u>	<u>\$ 1,017,732</u>
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 31	\$ -
Accrued salaries and benefits	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31</u>	<u>-</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	87,957	294,136	570,900	352,251	1,521,019	1,017,732
Assigned for road projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>87,957</u>	<u>294,136</u>	<u>570,900</u>	<u>352,251</u>	<u>1,521,019</u>	<u>1,017,732</u>
Total liabilities and fund balances	<u>\$ 87,957</u>	<u>\$ 294,136</u>	<u>\$ 570,900</u>	<u>\$ 352,251</u>	<u>\$ 1,521,050</u>	<u>\$ 1,017,732</u>

	Special Revenue Funds					
	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	Apple Valley Landscape & Lighting Assessment District Fund
ASSETS						
Cash and investments	\$ 869,266	\$ 151,663	\$ 311,861	\$ -	\$ 545,289	\$ 211,546
Receivables:						
Federal distributions due	-	-	-	-	-	-
Due from State of California	-	-	-	-	-	-
Due from County of San Luis Obispo	-	-	-	13,824	-	-
Accrued interest	4,761	824	1,738	-	3,036	1,180
Other receivables	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 874,027</u>	<u>\$ 152,487</u>	<u>\$ 313,599</u>	<u>\$ 13,824</u>	<u>\$ 548,325</u>	<u>\$ 212,726</u>
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ 111,746	\$ -	\$ -	\$ -	\$ 127	\$ 3,790
Accrued salaries and benefits	-	-	-	-	-	-
Due to other funds	-	-	-	13,824	-	-
Unearned revenue	-	-	-	-	-	28,770
Total liabilities	<u>111,746</u>	<u>-</u>	<u>-</u>	<u>13,824</u>	<u>127</u>	<u>32,560</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	762,281	152,487	313,599	-	548,198	180,166
Assigned for road projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>762,281</u>	<u>152,487</u>	<u>313,599</u>	<u>-</u>	<u>548,198</u>	<u>180,166</u>
Total liabilities and fund balances	<u>\$ 874,027</u>	<u>\$ 152,487</u>	<u>\$ 313,599</u>	<u>\$ 13,824</u>	<u>\$ 548,325</u>	<u>\$ 212,726</u>

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2023

ITEM NUMBER:
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Special Revenue Funds

	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	\$ 659,145	\$ 198,274	\$ 520,413	\$ 127,434
Receivables:				
Federal distributions due	-	-	-	-
Due from State of California	-	-	-	-
Due from County of San Luis Obispo	968	689	216	158
Accrued interest	3,637	1,092	2,904	710
Other receivables	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 663,750</u>	<u>\$ 200,055</u>	<u>\$ 523,533</u>	<u>\$ 128,302</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 127	\$ 4,288	\$ 127	\$ 875
Accrued salaries and benefits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>127</u>	<u>4,288</u>	<u>127</u>	<u>875</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	663,623	195,767	523,406	127,427
Assigned for road projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>663,623</u>	<u>195,767</u>	<u>523,406</u>	<u>127,427</u>
Total liabilities and fund balances	<u>\$ 663,750</u>	<u>\$ 200,055</u>	<u>\$ 523,533</u>	<u>\$ 128,302</u>

	<u>Capital Projects Funds</u>		
	<u>Capital Projects Fund</u>	<u>2010 Bond Proceeds Master Agreement Fund</u>	<u>TOTALS</u>
ASSETS			
Cash and investments	\$ 357,829	\$ 3,194	\$ 8,844,421
Receivables:			
Federal distributions due	-	-	57,396
Due from State of California	-	-	190,582
Due from County of San Luis Obispo	-	-	15,855
Accrued interest	2,009	965	49,882
Other receivables	-	-	123,978
Due from other funds	-	-	700,406
Prepaid items	-	-	730
Total assets	<u>\$ 359,838</u>	<u>\$ 4,159</u>	<u>\$ 9,983,250</u>
LIABILITIES AND FUND BALANCES			
Accounts payable	\$ -	\$ -	\$ 221,859
Accrued salaries and benefits	-	-	17,980
Due to other funds	-	-	70,873
Unearned revenue	-	-	234,662
Total liabilities	<u>-</u>	<u>-</u>	<u>545,374</u>
Fund Balances:			
Nonspendable	-	-	730
Restricted	132,333	4,159	9,211,570
Assigned for road projects	227,505	-	227,505
Unassigned	-	-	(1,929)
Total fund balances (deficits)	<u>359,838</u>	<u>4,159</u>	<u>9,437,876</u>
Total liabilities and fund balances	<u>\$ 359,838</u>	<u>\$ 4,159</u>	<u>\$ 9,983,250</u>

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For Fiscal Year Ended June 30, 2023

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	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	\$ -	\$ 13,936	\$ 431,401	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	14,708	-
Intergovernmental revenues	112,079	-	-	21,139	-	1,491,552
Fines and forfeitures	-	-	3,904	-	-	-
Use of money and property	1,179	74	2,966	-	3,180	(13,140)
Other revenues	-	-	-	-	-	655
Total revenues	<u>113,258</u>	<u>14,010</u>	<u>438,271</u>	<u>21,139</u>	<u>17,888</u>	<u>1,479,067</u>
Expenditures:						
Salaries and benefits	65,599	-	-	-	-	426,905
Supplies and services	23,520	13,696	293,960	9,763	22,926	654,325
Special projects and studies	26,068	-	-	10,752	-	-
Capital outlay	-	-	-	624	-	-
Total expenditures	<u>115,187</u>	<u>13,696</u>	<u>293,960</u>	<u>21,139</u>	<u>22,926</u>	<u>1,081,230</u>
Excess of revenues over (under) expenditures	<u>(1,929)</u>	<u>314</u>	<u>144,311</u>	<u>-</u>	<u>(5,038)</u>	<u>397,837</u>
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	275,456
Transfers out	-	-	-	-	-	(6,746)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>268,710</u>
Net change in fund balances	<u>(1,929)</u>	<u>314</u>	<u>144,311</u>	<u>-</u>	<u>(5,038)</u>	<u>666,547</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>
Fund balances (deficits), June 30, 2023	<u>\$ (1,929)</u>	<u>\$ 14,107</u>	<u>\$ 668,422</u>	<u>\$ -</u>	<u>\$ 199,648</u>	<u>\$ 882,682</u>

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2023

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Special Revenue Funds

	Street Assessment Fund	General Government Facilities Fees Fund	Storm Drainage Facilities Fees Fund	Law Enforcement Facilities Fees Fund	Fire Facilities Fees Fund	Open Space Acquisition Fees Fund
Revenues:						
Taxes and assessments	\$ 2,160	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	80,686	62,051	40,355	59,048	102,878
Intergovernmental revenues	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	1,217	3,383	5,963	6,614	9,126	11,048
Other revenues	-	-	-	-	-	-
Total revenues	3,377	84,069	68,014	46,969	68,174	113,926
Expenditures:						
Salaries and benefits	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Special projects and studies	1,547	-	-	3,942	-	-
Capital outlay	-	51,290	-	70,901	-	-
Total expenditures	1,547	51,290	-	74,843	-	-
Excess of revenues over (under) expenditures	1,830	32,779	68,014	(27,874)	68,174	113,926
Other Financing Sources (Uses):						
Transfers in	-	2,393	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	2,393	-	-	-	-
Net change in fund balances	1,830	35,172	68,014	(27,874)	68,174	113,926
Fund balances, June 30, 2022	86,127	258,964	502,886	380,125	1,452,845	903,806
Fund balances (deficits), June 30, 2023	\$ 87,957	\$ 294,136	\$ 570,900	\$ 352,251	\$ 1,521,019	\$ 1,017,732

CITY OF ATASCADERO
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
 For Fiscal Year Ended June 30, 2023

ITEM NUMBER: C-2
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	Special Revenue Funds					
	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	Apple Valley Landscape & Lighting Assessment District Fund
Revenues:						
Taxes and assessments	\$ -	\$ -	\$ -	\$ 719,121	\$ 38,500	\$ 63,000
Licenses and permits	279,079	64,153	36,839	-	-	11,000
Intergovernmental revenues	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	3,186	44	3,238	638	6,443	3,175
Other revenues	-	-	-	-	-	-
Total revenues	<u>282,265</u>	<u>64,197</u>	<u>40,077</u>	<u>719,759</u>	<u>44,943</u>	<u>77,175</u>
Expenditures:						
Salaries and benefits	-	-	-	-	-	-
Supplies and services	-	-	-	5,334	5,534	51,578
Special projects and studies	54,610	-	-	-	-	24,970
Capital outlay	57,455	-	-	-	-	-
Total expenditures	<u>112,065</u>	<u>-</u>	<u>-</u>	<u>5,334</u>	<u>5,534</u>	<u>76,548</u>
Excess of revenues over (under) expenditures	<u>170,200</u>	<u>64,197</u>	<u>40,077</u>	<u>714,425</u>	<u>39,409</u>	<u>627</u>
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(743,353)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(743,353)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	170,200	64,197	40,077	(28,928)	39,409	627
Fund balances, June 30, 2022	<u>592,081</u>	<u>88,290</u>	<u>273,522</u>	<u>28,928</u>	<u>508,789</u>	<u>179,539</u>
Fund balances (deficits), June 30, 2023	<u>\$ 762,281</u>	<u>\$ 152,487</u>	<u>\$ 313,599</u>	<u>\$ -</u>	<u>\$ 548,198</u>	<u>\$ 180,166</u>

CITY OF ATASCADERO

NONMAJOR GOVERNMENTAL FUNDS

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

For Fiscal Year Ended June 30, 2023

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Special Revenue Funds

	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	\$ 99,189	\$ 70,453	\$ 30,561	\$ 15,874
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	5,907	2,260	6,413	1,719
Other revenues	-	-	-	-
Total revenues	<u>105,096</u>	<u>72,713</u>	<u>36,974</u>	<u>17,593</u>
Expenditures:				
Salaries and benefits	-	-	-	-
Supplies and services	5,887	58,328	5,477	14,281
Special projects and studies	-	6,044	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>5,887</u>	<u>64,372</u>	<u>5,477</u>	<u>14,281</u>
Excess of revenues over (under) expenditures	<u>99,209</u>	<u>8,341</u>	<u>31,497</u>	<u>3,312</u>
Other Financing Sources (Uses):				
Transfers in	-	2,600	-	1,400
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>2,600</u>	<u>-</u>	<u>1,400</u>
Net change in fund balances	99,209	10,941	31,497	4,712
Fund balances, June 30, 2022	<u>564,414</u>	<u>184,826</u>	<u>491,909</u>	<u>122,715</u>
Fund balances (deficits), June 30, 2023	<u>\$ 663,623</u>	<u>\$ 195,767</u>	<u>\$ 523,406</u>	<u>\$ 127,427</u>

CITY OF ATASCADERO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
For Fiscal Year Ended June 30, 2023

ITEM NUMBER: C-2
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	<u>Capital Projects Funds</u>		
	<u>Capital Projects Fund</u>	<u>2010 Bond Proceeds Master Agreement Fund</u>	<u>TOTALS</u>
Revenues:			
Taxes and assessments	\$ -	\$ -	\$ 1,484,195
Licenses and permits	-	-	750,797
Intergovernmental revenues	-	-	1,624,770
Fines and forfeitures	-	-	3,904
Use of money and property	5,106	12,656	82,395
Other revenues	-	-	655
Total revenues	<u>5,106</u>	<u>12,656</u>	<u>3,946,716</u>
Expenditures:			
Salaries and benefits	-	-	492,504
Supplies and services	-	-	1,164,609
Special projects and studies	-	-	127,933
Capital outlay	-	19,438	199,708
Total expenditures	<u>-</u>	<u>19,438</u>	<u>1,984,754</u>
Excess of revenues over (under) expenditures	<u>5,106</u>	<u>(6,782)</u>	<u>1,961,962</u>
Other Financing Sources (Uses):			
Transfers in	-	-	281,849
Transfers out	-	(255,090)	(1,005,189)
Total other financing sources (uses)	<u>-</u>	<u>(255,090)</u>	<u>(723,340)</u>
Net change in fund balances	5,106	(261,872)	1,238,622
Fund balances, June 30, 2022	<u>354,732</u>	<u>266,031</u>	<u>8,199,254</u>
Fund balances (deficits), June 30, 2023	<u>\$ 359,838</u>	<u>\$ 4,159</u>	<u>\$ 9,437,876</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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
S.L.E.S.F. Grant	\$ -	\$ 112,100	\$ 112,079	\$ (21)
Interest income	-	-	1,179	1,179
Total revenues	-	112,100	113,258	1,158
Expenditures:				
Employee services	-	62,480	65,599	(3,119)
Computer maintenance & replacement	-	7,800	7,800	-
Occupancy	-	1,930	1,927	3
Communications	-	2,750	2,748	2
Operating supplies	-	1,920	1,913	7
Contract services	-	9,130	9,132	(2)
Special projects and purchases:				
Monitors	-	3,680	3,673	7
Personal protective vests	-	14,520	14,510	10
Radio Replacement	-	7,890	7,885	5
Total expenditures	-	112,100	115,187	(3,087)
Net change in fund balance	\$ -	\$ -	(1,929)	\$ (1,929)
Fund balance, June 30, 2022			-	
Fund balance (deficit), June 30, 2023			\$ (1,929)	

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, 2023

ITEM NUMBER: C-2
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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tourism assessments	\$ 12,800	\$ 12,800	\$ 13,936	\$ 1,136
Interest income	70	70	74	4
Total revenues	<u>12,870</u>	<u>12,870</u>	<u>14,010</u>	<u>1,140</u>
Expenditures:				
Main Street Administration	13,760	13,760	13,696	64
Total expenditures	<u>13,760</u>	<u>13,760</u>	<u>13,696</u>	<u>64</u>
Net change in fund balance	<u>\$ (890)</u>	<u>\$ (890)</u>	314	<u>\$ 1,204</u>
Fund balance, June 30, 2022			<u>13,793</u>	
Fund balance, June 30, 2023			<u>\$ 14,107</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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tourism assessments	\$ 298,170	\$ 298,170	\$ 431,401	\$ 133,231
Tourism assessment penalties	-	-	3,904	3,904
Interest income	6,640	6,640	2,966	(3,674)
Total revenues	<u>304,810</u>	<u>304,810</u>	<u>438,271</u>	<u>133,461</u>
Expenditures:				
Office expense	250	250	-	250
Advertising	165,000	145,500	126,556	18,944
Contract services	145,000	163,060	163,051	9
Professional development	450	450	-	450
Administration	2,920	4,360	4,353	7
Total expenditures	<u>313,620</u>	<u>313,620</u>	<u>293,960</u>	<u>19,660</u>
Net change in fund balance	<u>\$ (8,810)</u>	<u>\$ (8,810)</u>	144,311	<u>\$ 153,121</u>
Fund balance, June 30, 2022			<u>524,111</u>	
Fund balance, June 30, 2023			<u>\$ 668,422</u>	

CITY OF ATASCADERO
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2023

ITEM NUMBER: C-2
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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Community Development Block Grant	\$ -	\$ 263,590	\$ 21,139	\$ (242,451)
Total revenues	-	263,590	21,139	(242,451)
Expenditures:				
Advertising	-	460	454	6
Administration:				
CDBG general administration	-	9,310	9,309	1
Special projects and studies:				
Youth scholarships	-	12,640	10,752	1,888
Capital outlay:				
Santa Rosa barrier removal	-	172,560	546	172,014
Viejo Camino barrier removal	-	68,620	78	68,542
Total expenditures	-	263,590	21,139	242,451
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, June 30, 2022			-	
Fund balance, June 30, 2023			\$ -	

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, 2023

ITEM NUMBER: C-2
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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Permits and fees	\$ 12,000	\$ 12,000	\$ 14,708	\$ 2,708
Interest income	790	790	3,180	2,390
Total revenues	<u>12,790</u>	<u>12,790</u>	<u>17,888</u>	<u>5,098</u>
Expenditures:				
Office expense	80	70	-	70
Operating supplies	200	210	206	4
Contract services	10,000	10,000	4,200	5,800
Professional development	300	300	-	300
Administrative charges	18,520	18,520	18,520	-
Special projects and studies:				
Native tree replanting	8,080	8,080	-	8,080
Total expenditures	<u>37,180</u>	<u>37,180</u>	<u>22,926</u>	<u>14,254</u>
Net change in fund balance	<u>\$ (24,390)</u>	<u>\$ (24,390)</u>	<u>(5,038)</u>	<u>\$ 19,352</u>
Fund balance, June 30, 2022			<u>204,686</u>	
Fund balance, June 30, 2023			<u>\$ 199,648</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, 2023

ITEM NUMBER: C-2
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	Budget		Actual Amounts	Variance with Final
	Original	Final		Budget Positive (Negative)
Revenues:				
Section 2103 highway users tax	\$ 235,560	\$ 235,560	\$ 250,869	\$ 15,309
Section 2105 highway users tax	173,040	173,040	175,218	2,178
Section 2106 highway users tax	128,430	128,430	133,717	5,287
Section 2107 highway users tax	220,080	220,080	238,793	18,713
Section 2107.5 highway users tax	6,000	6,000	6,000	-
SB1- Section 2031 Road Maintenance & Rehabilitation	594,140	594,140	686,955	92,815
Other revenues	-	-	655	655
Investment income (loss)	3,110	3,110	(13,140)	(16,250)
Total revenues	<u>1,360,360</u>	<u>1,360,360</u>	<u>1,479,067</u>	<u>118,707</u>
Expenditures:				
Salaries and benefits	522,410	522,410	426,905	95,505
Office expense	-	120	111	9
Computer maintenance & replacement	4,240	4,240	4,240	-
Insurance	25,390	26,500	26,500	-
Utilities	119,650	132,950	132,941	9
Communications	1,500	2,030	2,022	8
Operating supplies and equipment	45,120	36,790	36,056	734
Vehicle and equipment operations	72,340	78,910	78,910	-
Contract services	134,800	121,370	79,347	42,023
Professional development	2,000	2,000	1,988	12
Recruitment	300	430	430	-
Department service allocation	173,290	173,290	173,290	-
Administrative charges	118,490	118,490	118,490	-
Total expenditures	<u>1,219,530</u>	<u>1,219,530</u>	<u>1,081,230</u>	<u>138,300</u>
Excess of revenues over (under) expenditures	<u>140,830</u>	<u>140,830</u>	<u>397,837</u>	<u>257,007</u>

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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Transfer from General Fund for street maintenance	\$ 453,310	\$ 453,310	\$ 275,456	\$ (177,854)
Transfer out to Local Transportation Fund for El Camino Real Rehabilitation South (SB1)	(333,810)	(333,810)	(6,512)	327,298
Transfer out to Local Transportation Fund for Traffic Way Rehabilitation North (SB1)	(150,000)	(150,000)	(234)	149,766
Total other financing sources (uses)	(30,500)	(30,500)	268,710	299,210
Net change in fund balance	\$ 110,330	\$ 110,330	666,547	\$ 556,217
Fund balance, June 30, 2022			216,135	
Fund balance, June 30, 2023			\$ 882,682	

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, 2023

	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	780	780	1,217	437
Total revenues	<u>2,940</u>	<u>2,940</u>	<u>3,377</u>	<u>437</u>
Expenditures:				
Special projects and studies:				
Street maintenance projects	94,280	94,280	1,547	92,733
Total expenditures	<u>94,280</u>	<u>94,280</u>	<u>1,547</u>	<u>92,733</u>
Net change in fund balance	<u>\$ (91,340)</u>	<u>\$ (91,340)</u>	1,830	<u>\$ 93,170</u>
Fund balance, June 30, 2022			<u>86,127</u>	
Fund balance, June 30, 2023			<u>\$ 87,957</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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 40,000	\$ 40,000	\$ 80,686	\$ 40,686
Interest income	(5,220)	(5,220)	3,383	8,603
Total revenues	<u>34,780</u>	<u>34,780</u>	<u>84,069</u>	<u>49,289</u>
Expenditures:				
Capital projects:				
Asset management software	420,000	420,000	-	420,000
New Fire department vehicle	4,870	4,870	3,897	973
New Parks department vehicle	45,000	47,400	47,393	7
Total expenditures	<u>469,870</u>	<u>472,270</u>	<u>51,290</u>	<u>420,980</u>
Excess of revenues over (under) expenditures	<u>(435,090)</u>	<u>(437,490)</u>	<u>32,779</u>	<u>470,269</u>
Other Financing Sources (Uses):				
Cash Contribution from General Fund for Vehicle Purchase	-	2,400	2,393	(7)
Total other financing sources (uses)	<u>-</u>	<u>2,400</u>	<u>2,393</u>	<u>(7)</u>
Net change in fund balance	<u>\$ (435,090)</u>	<u>\$ (435,090)</u>	<u>35,172</u>	<u>\$ 470,262</u>
Fund balance, June 30, 2022			<u>258,964</u>	
Fund balance, June 30, 2023			<u>\$ 294,136</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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 36,000	\$ 36,000	\$ 62,051	\$ 26,051
Interest income	10,180	10,180	5,963	(4,217)
Total revenues	<u>46,180</u>	<u>46,180</u>	<u>68,014</u>	<u>21,834</u>
Net change in fund balance	<u>\$ 46,180</u>	<u>\$ 46,180</u>	68,014	<u>\$ 21,834</u>
Fund balance, June 30, 2022			<u>502,886</u>	
Fund balance, June 30, 2023			<u>\$ 570,900</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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 40,000	\$ 40,000	\$ 40,355	\$ 355
Interest income	4,650	4,650	6,614	1,964
Total revenues	<u>44,650</u>	<u>44,650</u>	<u>46,969</u>	<u>2,319</u>
Expenditures:				
Special projects and studies:				
Equipment for new police officers	32,580	32,580	3,942	28,638
Capital Projects:				
New police department vehicles	184,000	184,000	70,901	113,099
Total expenditures	<u>216,580</u>	<u>216,580</u>	<u>74,843</u>	<u>141,737</u>
Net change in fund balance	<u>\$ (171,930)</u>	<u>\$ (171,930)</u>	<u>(27,874)</u>	<u>\$ 144,056</u>
Fund balance, June 30, 2022			<u>380,125</u>	
Fund balance, June 30, 2023			<u>\$ 352,251</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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 40,000	\$ 40,000	\$ 59,048	\$ 19,048
Rental income	10,800	10,800	-	(10,800)
Interest income	14,670	14,670	9,126	(5,544)
Total revenues	<u>65,470</u>	<u>65,470</u>	<u>68,174</u>	<u>2,704</u>
Net change in fund balance	<u>\$ 65,470</u>	<u>\$ 65,470</u>	68,174	<u>\$ 2,704</u>
Fund balance, June 30, 2022			1,452,845	
Fund balance, June 30, 2023			<u>\$ 1,521,019</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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 55,000	\$ 55,000	\$ 102,878	\$ 47,878
Interest income	18,070	18,070	11,048	(7,022)
Total revenues	<u>73,070</u>	<u>73,070</u>	<u>113,926</u>	<u>40,856</u>
Net change in fund balance	<u>\$ 73,070</u>	<u>\$ 73,070</u>	113,926	<u>\$ 40,856</u>
Fund balance, June 30, 2022			<u>903,806</u>	
Fund balance, June 30, 2023			<u>\$ 1,017,732</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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 150,000	\$ 150,000	\$ 279,079	\$ 129,079
Interest income	5,350	5,350	3,186	(2,164)
Donations- Pickleball Club	14,240	14,240	-	(14,240)
Total revenues	<u>169,590</u>	<u>169,590</u>	<u>282,265</u>	<u>112,675</u>
Expenditures:				
Special projects and studies:				
Atascadero Lake pipeline repairs	-	19,630	19,624	6
2023 Storms- Atascadero Lake pipeline repairs	-	-	34,986	(34,986)
Capital Projects:				
Atascadero Lake pipeline project	137,890	193,260	57,455	135,805
Atascadero Mall Plaza project	67,570	67,570	-	67,570
Pickleball courts at Colony Park	41,520	41,520	-	41,520
Total expenditures	<u>246,980</u>	<u>321,980</u>	<u>112,065</u>	<u>209,915</u>
Net change in fund balance	<u>\$ (77,390)</u>	<u>\$ (152,390)</u>	<u>170,200</u>	<u>\$ 322,590</u>
Fund balance, June 30, 2022			<u>592,081</u>	
Fund balance, June 30, 2023			<u>\$ 762,281</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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 34,000	\$ 34,000	\$ 64,153	\$ 30,153
Interest income	1,220	1,220	44	(1,176)
Total revenues	<u>35,220</u>	<u>35,220</u>	<u>64,197</u>	<u>28,977</u>
Net change in fund balance	<u>\$ 35,220</u>	<u>\$ 35,220</u>	64,197	<u>\$ 28,977</u>
Fund balance, June 30, 2022			<u>88,290</u>	
Fund balance, June 30, 2023			<u>\$ 152,487</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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 16,000	\$ 16,000	\$ 36,839	\$ 20,839
Interest income	5,280	5,280	3,238	(2,042)
Total revenues	<u>21,280</u>	<u>21,280</u>	<u>40,077</u>	<u>18,797</u>
Net change in fund balance	<u>\$ 21,280</u>	<u>\$ 21,280</u>	40,077	\$ 18,797
Fund balance, June 30, 2022			<u>273,522</u>	
Fund balance, June 30, 2023			<u>\$ 313,599</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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 714,230	\$ 714,230	\$ 719,121	\$ 4,891
Interest income	370	370	638	268
Total revenues	<u>714,600</u>	<u>714,600</u>	<u>719,759</u>	<u>5,159</u>
Expenditures:				
Contract services	5,300	5,300	5,334	(34)
Total expenditures	<u>5,300</u>	<u>5,300</u>	<u>5,334</u>	<u>(34)</u>
Excess of revenues over (under) expenditures	<u>709,300</u>	<u>709,300</u>	<u>714,425</u>	<u>5,125</u>
Other Financing Sources (Uses):				
Transfer to the General Fund for police, fire and parks services	<u>(746,460)</u>	<u>(746,460)</u>	<u>(743,353)</u>	<u>3,107</u>
Total other financing sources (uses)	<u>(746,460)</u>	<u>(746,460)</u>	<u>(743,353)</u>	<u>3,107</u>
Net change in fund balance	<u>\$ (37,160)</u>	<u>\$ (37,160)</u>	<u>(28,928)</u>	<u>\$ 8,232</u>
Fund balance, June 30, 2022			<u>28,928</u>	
Fund balance, June 30, 2023			<u>\$ -</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, 2023

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 38,500	\$ 38,500	\$ 38,500	\$ -
Interest income	10,630	10,630	6,443	(4,187)
Total revenues	<u>49,130</u>	<u>49,130</u>	<u>44,943</u>	<u>(4,187)</u>
Expenditures:				
Office expense	-	30	20	10
Advertising	200	170	127	43
Contract services	19,250	19,250	3,756	15,494
Administration	1,860	1,860	1,631	229
Total expenditures	<u>21,310</u>	<u>21,310</u>	<u>5,534</u>	<u>15,776</u>
Net change in fund balance	<u>\$ 27,820</u>	<u>\$ 27,820</u>	39,409	<u>\$ 11,589</u>
Fund balance, June 30, 2022			<u>508,789</u>	
Fund balance, June 30, 2023			<u>\$ 548,198</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, 2023

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	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	3,070	3,070	3,175	105
Total revenues	<u>77,070</u>	<u>77,070</u>	<u>77,175</u>	<u>105</u>
Expenditures:				
Office expense	-	30	20	10
Advertising	600	570	316	254
Utilities	14,440	14,440	6,043	8,397
Operating supplies	2,550	2,550	-	2,550
Contract services	62,080	62,080	43,630	18,450
Administration	2,160	2,160	1,569	591
Special projects and studies:				
Infrastructure improvements	32,000	32,000	24,970	7,030
Total expenditures	<u>113,830</u>	<u>113,830</u>	<u>76,548</u>	<u>37,282</u>
Net change in fund balance	<u>\$ (36,760)</u>	<u>\$ (36,760)</u>	627	<u>\$ 37,387</u>
Fund balance, June 30, 2022			<u>179,539</u>	
Fund balance, June 30, 2023			<u>\$ 180,166</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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 96,180	\$ 96,180	\$ 99,189	\$ 3,009
Interest income	11,090	11,090	5,907	(5,183)
Total revenues	<u>107,270</u>	<u>107,270</u>	<u>105,096</u>	<u>(2,174)</u>
Expenditures:				
Office expense	-	60	52	8
Advertising	300	240	127	113
Contract services	19,440	19,440	4,058	15,382
Administration	1,800	1,800	1,650	150
Special projects and studies:				
Slurry seal	374,000	-	-	-
Total expenditures	<u>395,540</u>	<u>21,540</u>	<u>5,887</u>	<u>15,653</u>
Net change in fund balance	<u>\$ (288,270)</u>	<u>\$ 85,730</u>	<u>99,209</u>	<u>\$ 13,479</u>
Fund balance, June 30, 2022			<u>564,414</u>	
Fund balance, June 30, 2023			<u>\$ 663,623</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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 68,370	\$ 68,370	\$ 70,453	\$ 2,083
Interest income	2,590	2,590	2,260	(330)
Total revenues	<u>70,960</u>	<u>70,960</u>	<u>72,713</u>	<u>1,753</u>
Expenditures:				
Office expense	-	60	51	9
Advertising	520	460	316	144
Utilities	6,120	6,770	6,764	6
Operating supplies	2,000	1,350	-	1,350
Contract services	88,390	88,220	49,629	38,591
Administration	1,400	1,570	1,568	2
Special projects and studies:				
Planting and landscape project	14,000	14,000	6,044	7,956
Total expenditures	<u>112,430</u>	<u>112,430</u>	<u>64,372</u>	<u>48,058</u>
Excess of revenues over (under) expenditures	<u>(41,470)</u>	<u>(41,470)</u>	<u>8,341</u>	<u>49,811</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>\$ (38,870)</u>	<u>\$ (38,870)</u>	<u>10,941</u>	<u>\$ 49,811</u>
Fund balance, June 30, 2022			<u>184,826</u>	
Fund balance, June 30, 2023			<u>\$ 195,767</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, 2023

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 30,560	\$ 30,560	\$ 30,561	\$ 1
Interest income	10,170	10,170	6,413	(3,757)
Total revenues	<u>40,730</u>	<u>40,730</u>	<u>36,974</u>	<u>(3,756)</u>
Expenditures:				
Office expense	-	30	25	5
Advertising	320	290	127	163
Contract services	20,300	20,300	3,756	16,544
Administration	1,600	1,600	1,569	31
Total expenditures	<u>22,220</u>	<u>22,220</u>	<u>5,477</u>	<u>16,743</u>
Net change in fund balance	<u>\$ 18,510</u>	<u>\$ 18,510</u>	31,497	<u>\$ 12,987</u>
Fund balance, June 30, 2022			491,909	
Fund balance, June 30, 2023			<u>\$ 523,406</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, 2023

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments	\$ 17,460	\$ 17,460	\$ 15,874	\$ (1,586)
Interest income	2,320	2,320	1,719	(601)
Total revenues	<u>19,780</u>	<u>19,780</u>	<u>17,593</u>	<u>(2,187)</u>
Expenditures:				
Office expense	-	30	25	5
Advertising	500	470	316	154
Utilities	1,000	1,410	1,402	8
Operating supplies	500	90	-	90
Contract services	17,900	17,900	10,970	6,930
Administration	2,270	2,270	1,568	702
Special projects and studies:				
Landscape improvements	7,860	7,860	-	7,860
Total expenditures	<u>30,030</u>	<u>30,030</u>	<u>14,281</u>	<u>15,749</u>
Excess of revenues over (under) expenditures	<u>(10,250)</u>	<u>(10,250)</u>	<u>3,312</u>	<u>13,562</u>
Other Financing Sources (Uses):				
Transfer from the General Fund for open space maintenance	<u>1,400</u>	<u>1,400</u>	<u>1,400</u>	<u>-</u>
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>\$ (8,850)</u>	<u>\$ (8,850)</u>	<u>4,712</u>	<u>\$ 13,562</u>
Fund balance, June 30, 2022			<u>122,715</u>	
Fund balance, June 30, 2023			<u>\$ 127,427</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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ 7,670	\$ 7,670	\$ 5,106	\$ (2,564)
Total revenues	7,670	7,670	5,106	(2,564)
Net change in fund balance	<u>\$ 7,670</u>	<u>\$ 7,670</u>	5,106	<u>\$ (2,564)</u>
Fund balance, June 30, 2022			354,732	
Fund balance, June 30, 2023			<u>\$ 359,838</u>	

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, 2023

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	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ 12,656	\$ 12,656
Total revenues	-	-	12,656	12,656
Expenditures:				
Capital outlay:				
Centennial Bridge and Plaza project	252,160	5,570	-	5,570
Maiden statue placement	14,140	21,140	19,438	1,702
Downtown parking wayfinding signage	15,500	-	-	-
Total expenditures	281,800	26,710	19,438	7,272
Excess of revenues over (under) expenditures	(281,800)	(26,710)	(6,782)	19,928
Other Financing Sources:				
Transfer to the Local Transportation Fund for the Downtown Infrastructure Enhancement Plan	-	(255,090)	(255,090)	-
Total other financing sources (uses)	-	(255,090)	(255,090)	-
Net change in fund balance	\$ (281,800)	\$ (281,800)	(261,872)	\$ 19,928
Fund balance, June 30, 2022			266,031	
Fund balance, June 30, 2023			\$ 4,159	

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2023

ITEM NUMBER:
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	<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	\$ 2,173,800	\$ 7,694,668	\$ 8,831,440	\$ 18,699,908
Receivables:				
Accrued interest	12,217	34,971	33,294	80,482
Prepaid expenses	6,121	-	-	6,121
Total current assets	<u>2,192,138</u>	<u>7,729,639</u>	<u>8,864,734</u>	<u>18,786,511</u>
Capital Assets:				
Non-depreciable:				
Construction in progress	16,793	93,460	209,204	319,457
Depreciable:				
Vehicles & equipment	3,991,614	11,199,452	21,024	15,212,090
Structures and improvements	-	-	53,064,105	53,064,105
Accumulated depreciation	(3,312,654)	(7,499,912)	(13,329,992)	(24,142,558)
Subscription assets, net	833,550	-	-	833,550
Net capital assets	<u>1,529,303</u>	<u>3,793,000</u>	<u>39,964,341</u>	<u>45,286,644</u>
Total assets	<u>3,721,441</u>	<u>11,522,639</u>	<u>48,829,075</u>	<u>64,073,155</u>
DEFERRED OUTFLOWS				
Deferred outflows related to pensions	356,442	-	238,636	595,078
Total deferred outflows	<u>356,442</u>	<u>-</u>	<u>238,636</u>	<u>595,078</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	112,648	25,649	15,605	153,902
Accrued salaries and benefits	20,578	-	9,132	29,710
Unearned revenue	-	-	900	900
Other payables	34,347	-	-	34,347
Noncurrent Liabilities:				
Noncurrent liabilities	1,184,893	-	613,614	1,798,507
Total liabilities	<u>1,352,466</u>	<u>25,649</u>	<u>639,251</u>	<u>2,017,366</u>

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION (continued)
June 30, 2023

ITEM NUMBER:
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1

	<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	\$ 66,857	\$ -	\$ 27,152	\$ 94,009
Total deferred inflows	<u>66,857</u>	<u>-</u>	<u>27,152</u>	<u>94,009</u>
NET POSITION				
Net investment in capital assets	1,529,303	3,793,000	39,964,341	45,286,644
Net subscription liability	415,756	-	-	415,756
Unrestricted	<u>713,501</u>	<u>7,703,990</u>	<u>8,436,967</u>	<u>16,854,458</u>
Total net position	<u>\$ 2,658,560</u>	<u>\$ 11,496,990</u>	<u>\$ 48,401,308</u>	<u>\$ 62,556,858</u>

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2023

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	<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	\$ 1,196,510	\$ 769,285	\$ 952,390	\$ 2,918,185
Total operating revenues	<u>1,196,510</u>	<u>769,285</u>	<u>952,390</u>	<u>2,918,185</u>
Operating Expenses:				
Salaries and benefits	545,292	-	242,874	788,166
Office expense	1,389	-	-	1,389
Computer maintenance, software and replacement	-	-	3,890	3,890
Insurance	-	-	83,804	83,804
Occupancy and rental costs	57,040	-	-	57,040
Utilities	-	-	106,680	106,680
Communications	75,862	-	2,238	78,100
Operating supplies and services	23,418	-	24,163	47,581
Vehicle and equipment operating costs	2,911	-	17,220	20,131
Contract services	75,267	-	72,351	147,618
Professional development	6,797	-	(16)	6,781
Recruitment	988	-	-	988
Interest Expense	5,472	-	-	5,472
Administrative charges	6,690	-	70,990	77,680
Special projects:				
Other Minor Equipment	-	-	2,864	2,864
HVAC Repairs	-	-	17,243	17,243
Amortization expense	115,483	-	-	115,483
Depreciation expense	<u>227,674</u>	<u>590,310</u>	<u>1,190,999</u>	<u>2,008,983</u>
Total operating expenses	<u>1,144,283</u>	<u>590,310</u>	<u>1,835,300</u>	<u>3,569,893</u>
Operating income (loss)	<u>52,227</u>	<u>178,975</u>	<u>(882,910)</u>	<u>(651,708)</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, 2023

ITEM NUMBER:
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	<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	\$ 24,891	\$ (17,205)	\$ (90,674)	\$ (82,988)
Gain (loss) on sale of capital assets	-	(222)	-	(222)
Total non-operating revenues (expenses)	<u>24,891</u>	<u>(17,427)</u>	<u>(90,674)</u>	<u>(83,210)</u>
Change in net position prior to capital contributions	<u>77,118</u>	<u>161,548</u>	<u>(973,584)</u>	<u>(734,918)</u>
Capital Contributions:				
Cash contributions from other funds	-	2,935,410	4,500,000	7,435,410
Capital contributions from other funds	<u>311,747</u>	<u>406,687</u>	<u>139,990</u>	<u>858,424</u>
Total capital contributions	<u>311,747</u>	<u>3,342,097</u>	<u>4,639,990</u>	<u>8,293,834</u>
Change in net position	388,865	3,503,645	3,666,406	7,558,916
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>
Total net position, June 30, 2023	<u>\$ 2,658,560</u>	<u>\$ 11,496,990</u>	<u>\$ 48,401,308</u>	<u>\$ 62,556,858</u>

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2023

	<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	\$ 1,196,510	\$ 769,285	\$ 952,390	\$ 2,918,185
Payments to suppliers of goods and services	286,072	17,628	(406,468)	(102,768)
Payments for employee services	(660,309)	-	(310,251)	(970,560)
Net cash provided by operating activities	<u>822,273</u>	<u>786,913</u>	<u>235,671</u>	<u>1,844,857</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	(675,064)	(709,012)	(28,009)	(1,412,085)
Cash contributions received for capital purchases	-	2,935,410	4,500,000	7,435,410
Net cash provided (used) by capital and related financing activities	<u>(675,064)</u>	<u>2,226,398</u>	<u>4,471,991</u>	<u>6,023,325</u>
Cash Flows From Investing Activities:				
Investment income (loss)	19,537	(35,968)	(109,369)	(125,800)
Net cash provided (used) by investing activities	<u>19,537</u>	<u>(35,968)</u>	<u>(109,369)</u>	<u>(125,800)</u>
Net increase in cash and cash equivalents	166,746	2,977,343	4,598,293	7,742,382
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>
Cash and cash equivalents - June 30, 2023	<u>\$ 2,173,800</u>	<u>\$ 7,694,668</u>	<u>\$ 8,831,440</u>	<u>\$ 18,699,908</u>

CITY OF ATASCADERO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS (continued)
For the Fiscal Year Ended June 30, 2023

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	<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)	\$ 52,227	\$ 178,975	\$ (882,910)	\$ (651,708)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Amortization expense	115,483	-	-	115,483
Depreciation expense	227,674	590,310	1,190,999	2,008,983
Change in assets, deferred outflows, liabilities, and deferred inflows:				
Prepaid expenses	27,779	-	-	27,779
Accounts payable	64,024	17,628	(5,141)	76,511
Accrued salaries and benefits	(900)	-	935	35
Other payables	34,347	-	-	34,347
Unearned revenue	-	-	100	100
Deferred outflows	(258,544)	-	(149,774)	(408,318)
Deferred inflows	(393,419)	-	(227,908)	(621,327)
Long-term subscriptions payable	415,756	-	-	415,756
Net pension liability	527,463	-	305,559	833,022
Compensated absences	10,383	-	3,811	14,194
Net cash provided by operating activities	<u>\$ 822,273</u>	<u>\$ 786,913</u>	<u>\$ 235,671</u>	<u>\$ 1,844,857</u>



Moss, Levy & Hartzheim LLP
 Certified Public Accountants

ITEM NUMBER: C-2
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

City Council
 City of Atascadero
 Atascadero, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Atascadero (the City), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 15, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Remy & Hartgrain LLP

Santa Maria, California
December 15, 2023

City of Atascadero
Schedule of Findings and Recommendations
June 30, 2023

There were no findings or questioned costs for the fiscal year ended June 30, 2023.

City of Atascadero

Schedule of Prior Fiscal Year Findings and Recommendations
June 30, 2023

FINDING 2022-001
CASH RECEIPTS

Criteria:

Internal control procedures for cash receipts should be in place to ensure all fees match current Council approved rates.

Condition:

During our testing of cash receipts, we found that certain facility use permits were not updated to the proper Council approved rates for the fiscal year ended June 30, 2022 that were approved by the City Council on August 24, 2021.

Effect:

Certain facility use permit fees collected between after the August 24, 2021 update to the fee schedule were understated as they were charged based on the older fee schedule approved July 16, 2019.

Cause:

The City did not properly update all the rates in the system and ensure that all employees involved in fee collection are aware of rate changes upon Council's adoption of a new schedule.

Repeat Finding:

No.

Recommendation:

Ensure that internal control procedures are in place to input fee rate updates into the City's financial systems and ensure that all employees involved in fee collection are aware of rate changes immediately and for those rates to be reviewed. Also, a control should be created to at least periodically recalculate the fees on receipts manually and match to the latest Council approved Master Fee Schedule.

Implemented:

Yes.