

CITY OF OROVILLE



COMPREHENSIVE
ANNUAL FINANCIAL REPORT
TOGETHER WITH AUDITOR'S REPORT

FOR THE
FISCAL YEAR ENDED
JUNE 30, 2013

CITY OF OROVILLE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
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DISCOVER GOLD . . . DISCOVER OROVILLE

1735 MONTGOMERY STREET • OROVILLE, CALIFORNIA 95965

January 21, 2014

Honorable Mayor and Members of the City Council
City of Oroville
1735 Montgomery Street
Oroville, CA 95965

With this letter staff submits the comprehensive annual financial report of the City of Oroville for the fiscal year ended June 30, 2013. The City's Department of Finance has prepared this report in conformity with accounting principles generally accepted in the United States of America. The City has adopted the new reporting requirements prescribed by the Governmental Accounting Standards Board (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*. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures rests with the City.

We believe that the data, as presented, is accurate in all material aspects based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits the financial statements are presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various fund types; and, that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

THE REPORTING ENTITY

This report includes all of the funds of the City of Oroville and entities with all their funds related to the City of Oroville. Under criteria established by the Governmental Accounting Standards Board, the financial statements of the Oroville Public Financing Authority ("Authority") are combined in this report, to constitute a single reporting entity. The basis for including Authority is because of the significance of its operational

and financial relationships with the City. The City Council sits as the governing body of the Authority. In addition, the City provides management assistance to the Authority and, as the former Oroville Redevelopment Agency, received loans from the Authority.

On February 1, 2012, the Oroville Redevelopment Agency was dissolved, and the City of Oroville agreed to serve as the Successor Agency to the former Oroville Redevelopment Agency. The activities of the Successor Agency are included in the accompanying financial statements as a private-purpose trust fund.

The City provides those municipal services required by statute or charter. These municipal services include fire, police, planning, building inspections (development services), community services and parks, public works including street maintenance, sewer maintenance, street lighting, community development and general administrative services.

LOCAL ECONOMY

The City of Oroville's local economy continues to show signs of slow to moderate improvement. We are seeing some interest along our major corridors and highway frontage. We have significant hopes that these areas will lead our future economic growth.

Due to the City of Oroville's successful staff efforts in grant writing, we have bought in more than \$47 million in grant funds over the past several years. This has offset the local cost for planned improvements in our community. Over the next several years our focus will be on completing capital improvement projects that are grant or bond funded. These improvements enhance the local appeal as well as set up for new infrastructure and future sustainability.

The City of Oroville is repositioning itself to provide a sustainable level of service in this slow growth economy. The City eliminated the structural imbalance between revenues and expenditures in the annual budget for 2013-14. The City has still maintains an \$800,000 reserve which has been maintained thru the 2012-13 fiscal year.

OTHER INFORMATION

LONG TERM FINANCIAL PLANNING

The City of Oroville established a five year general fund budget projection that calls for a balanced budget. The City is optimistic about its future strategy and will be ready to capitalize when the California economy starts to recover.

The City of Oroville continues to annually prepare and adopt a five year forecast in the annual fiscal year budget for the general fund and the sewer fund.

SINGLE AUDIT AND COMPLIANCE

As a recipient of federal and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subjected to periodic evaluations by management.

As a part of the City's single audit, tests are made to determine the adequacy of the internal controls applied to the assistance programs, as well as to determine the adequacy of the internal control structure, including the portion related to federal financial assistance programs, and to determine that the government has complied with applicable laws and regulations.

FACTORS AFFECTING FINANCIAL CONDITION

Budgeting Control

A two-year budget and financial plan approved by the City Council is established for all funds except for Trust and Agency Funds. Certain modifications to the Adopted Budget must be approved by the City Council and/or the City Administrator. The City adopted an Expenditure Control Budget (ECB) effective with the 1994-95 fiscal year. The City's charter requires that a budget be approved each year. The Annual Budget for fiscal year 2012-13 was approved by the City Council in July of 2012.

Upon adoption by the City Council, the City maintains budgetary controls to ensure compliance with legal provisions embodied in the budget. Budget to actual comparisons are provided in this report for each individual governmental type fund for which a budget has been adopted. Budgetary procedures are further discussed in the Notes to Financial Statements and can be found in the financial section of this report.

Spending Limitation

The City believes that there will be no problems in complying with the spending limitations of Proposition 4, the Gann Initiative, passed by the voters in 1979. The City's appropriations for 2012/13 were below the adopted limit of \$33,611,412. Appropriations and related expenditures are expected to continue to remain well below limit in 2013-14.

INDEPENDENT AUDIT

An annual audit of the financial records and transactions of the City by an independent certified public accountant is required by the Charter of the City of Oroville Article XIV, Section 1. The accounting firm of Davis Hammon & Company was selected to perform this service for the fiscal year ended June 30, 2013. The auditors' reports on the general purpose financial statements and combining individual fund statements and schedules are included in the financial section of this report. The auditors' report relating specifically to the single audit is included in the single audit and compliance section.

ACKNOWLEDGMENTS

We would like to thank all of the staff of the Department of Finance, including Irene Shaw, Lezlie Wendland, Diane Howard, Sharen Lindberg and the staff of Davis Hammon & Company particularly, Stephen Herr, CPA, James Duckett, CPA, and Abby Scheurer for their efforts in publishing this report.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Oroville for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. This was the eighteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirement and we are submitting it to the GFOA to determine its eligibility for another certificate.

Respectfully submitted,



Randy Murphy,
City Administrator



Diane MacMillan,
Director of Finance

CITY OF OROVILLE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2013

Prepared by Finance Department

City Officials

CITY COUNCIL
(and acting Board of the Oroville
Public Financing Authority)

Thil Wilcox – Vice Mayor JR Simpson Gordon Andoe	Linda Dahlmeier - Mayor	Cheri Bunker David Pittman Jack Berry
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ADMINISTRATION

Diane MacMillan Director of Finance	Randy Murphy City Administrator	Karolyn J. Fairbanks City Treasurer (Elected)
Pat Clark Director of Business Assistance And Housing Development	Bill La Grone Director of Public Safety	Donald Rust Director of Planning & Development Services
	Scott E. Huber City Attorney	

PLANNING COMMISSION

Adonna Brand Tua Vang	Damon Robison – Chair Hardeep Singh	Randy Chapman Carl Durling
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PARK COMMISSION

Beth Brown Standley Ray Sehorn	Scott Lawrence - Chair Machelle Conn	Jim Prouty
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PEOPLE OF OROVILLE

Treasurer (Elected)

MAYOR & CITY COUNCIL
Oroville Public Financing Authority
Commissioners

Building Board of Appeals

Park Commission

Historical Advisory Committee

State Theater Advisory Committee

Planning Commission

Community Dev. Housing & Economic
Loan Advisory Committee

Development Review Board

City Attorney

City Administrator
City Clerk

Human Resources

Risk Management

IT

Fire Emergency Services

Police

Finance

Public Works

Planning & Dev. Services

Business Assistance/
Housing Development

Parks & Trees
Cultural Facilities

Building/Code



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Oroville
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

FINANCIAL SECTION



Davis W. Hammon, Jr., CPA
(1924-1989)

Stephen B. Norman, CPA • PFS
Stephen J. Herr, CPA
James L. Duckett, CPA

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
Members of the City of Oroville
Oroville, California 95965

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregated remaining fund information of the City of Oroville, California, as of and for the year ended June 30, 2013, and the related notes to financial statements, which collectively comprise the City of Oroville's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregated remaining fund information of the City of Oroville as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15, and required supplementary information on pages 52 through 59, 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oroville's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, and the statistical section are presented for the purpose of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, individual fund budgetary comparison schedules, and the schedule of expenditures of federal awards 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, individual fund budgetary comparison schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2014, on our consideration of the City of Oroville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Oroville's internal control over financial reporting and compliance.

Davis Hammon & Co.

January 15, 2014



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2013

As management of the City of Oroville, we offer readers of the City of Oroville's financial statements this narrative overview and analysis of the financial activities of the City of Oroville for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i – iv of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Oroville exceeded its liabilities at the close of the most recent fiscal year by \$54,310,335. Of this amount, \$8,608,073 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- At the close of the current fiscal year, the City of Oroville's governmental funds reported combined fund balances of \$43,793,629, a decrease of \$1,436,721 in comparison with the prior year. Approximately 1.59% of this amount, \$695,300, is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$978,552 or approximately 8.16% of total general fund expenditures.
- The City of Oroville's total outstanding long-term debt decreased by \$917,770 during the current fiscal year mainly due to bond balances decreasing.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Oroville's basic financial statements. The City's basic financial statements comprise three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business type activities separately. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred in regards to interfund activity, payables and receivables.

The Statement of Net Position presents financial information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City'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 related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the Government-Wide Financial Statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City include General Government, Housing, First-Time Home Buyers, Public Safety, Public Works, Streets & Storm Drains, Transportation, Parks & Leisure, Health & Sanitation and Housing & Community Development. The business-type activities of the City are Local Transportation.

The Government-Wide Financial Statements can be found on pages 17-18 of this report.

Fund Financial Statements

The Fund Financial Statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Fund Financial Statements include statements for each of the three categories of activities, government, business type and fiduciary.

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The difference in results between the Governmental Fund Financial Statements to those in the Government-Wide Financial Statements is explained in a reconciliation schedule following each governmental fund financial statement.

The basic governmental Fund Financial Statements can be found on pages 19-22 of this report.

Proprietary funds – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise fund is the same as the business type activities reported in the Government-Wide statements. Proprietary funds provide the same type of information as Government-Wide statements but only in more detail, with additional information, such as

cash flows. The City uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities such as the City's self-insurance, stores and vehicle maintenance funds. The internal services funds are reported with governmental activities in the Government-Wide Financial Statements.

The basic proprietary Fund Financial Statements can be found on pages 23-25 of this report.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reported in the Government-Wide financial statements because the resources of these funds are not available to support the City of Oroville's own programs. The accounting for fiduciary funds is much like that used for business type activities. The City maintains two types of fiduciary funds; private-purpose trust and agency. The Oroville Successor Agency to the former Oroville Redevelopment Agency is reported as a private-purpose trust fund. The City's agency funds report resources held by the City in a custodial capacity for individuals, private organizations and other governments.

The fiduciary Fund Financial Statements can be found on pages 26-27 of this report.

Notes to the 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. The notes to financial statements can be found on pages 28-50 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparison schedules for the general fund and each major special revenue fund as well as funding progress information for the City's Retiree Healthcare Plan. Required supplementary information can be found on pages 52-59 of this report. Nonmajor combining and individual fund statements and schedules can be found on pages 61-137 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the net position for the City as a whole decreased 3.49% from \$56,204,633 at June 30, 2012 to \$54,310,335 at June 30, 2013. A large portion of the City's net position, \$13,015,066 (23.9%) reflects the net investment in capital assets such as land, buildings, machinery and equipment, less depreciation and any related debt used to acquire those assets that is still outstanding. These fixed assets are used to provide services to the citizens of the City of Oroville; therefore, they are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$32,687,196 (60.2%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$8,608,073 (15.8%) may be used to meet the City's ongoing obligations to citizens and creditors.

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

CITY OF OROVILLE'S NET POSITION

	Governmental Activities		Business Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 84,567,899	\$ 82,230,212	\$ 237,039	\$ 330,049	\$ 84,804,938	\$ 82,560,261
Capital assets	36,819,095	37,743,326	-	-	36,819,095	37,743,326
Total Assets	<u>121,386,994</u>	<u>119,973,538</u>	<u>237,039</u>	<u>330,049</u>	<u>121,624,033</u>	<u>120,303,587</u>
Total deferred outflows of resources	4,653,556	5,086,380	-	-	4,653,556	5,086,380
Vouchers payable and other current liabilities	604,944	1,689,194	975	825	605,919	1,690,019
Other liabilities	39,821,905	35,038,115	-	-	39,821,905	35,038,115
Non-current liabilities	31,539,430	32,457,200	-	-	31,539,430	32,457,200
Total Liabilities	<u>71,966,279</u>	<u>69,184,509</u>	<u>975</u>	<u>825</u>	<u>71,967,254</u>	<u>69,185,334</u>
Net Position:						
Net investment in capital assets	13,015,066	13,110,503	-	-	13,015,066	13,110,503
Restricted	32,687,196	34,614,096	-	-	32,687,196	34,614,096
Unrestricted	8,372,009	8,150,810	236,064	329,224	8,608,073	8,480,034
Total Net Position	<u>\$ 54,074,271</u>	<u>\$ 55,875,409</u>	<u>\$ 236,064</u>	<u>\$ 329,224</u>	<u>\$ 54,310,335</u>	<u>\$ 56,204,633</u>

As a result of the dissolution of the Oroville Redevelopment Agency (“RDA”), most of assets and liabilities of the former RDA were transferred to the Oroville Successor Agency. As mentioned previously, the activities of the Oroville Successor Agency are reported as a private-purpose trust fund of the City of Oroville and, therefore, have been excluded from the determination of net position. The City of Oroville now reports a loan receivable (restricted) of \$23,250,000 from the Oroville Successor Agency for amounts due to the Oroville Public Financing Authority (“OPFA”), a component unit of the City of Oroville. The loan is restricted as loan payments must be used for servicing the bonded debt of the OPFA. In prior years this loan receivable was eliminated in preparing the Government-Wide because both the RDA and OPFA were included in the determination of net position.

CITY OF OROVILLE CHANGES IN NET POSITION

	Governmental Activities		Business Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for services	\$ 7,545,585	\$ 5,939,799	\$ 11,206	\$ 10,207	\$ 7,556,791	\$ 5,950,006
Operating grants and contributions	4,899,372	7,049,895	505,692	475,194	5,405,064	7,525,089
Capital grants and contributions	343,628	934,239	-	-	343,628	934,239
General Revenues:						
Taxes:						
Property taxes	1,962,107	4,331,329	-	-	1,962,107	4,331,329
Sales and use taxes	2,756,313	2,698,234	-	-	2,756,313	2,698,234
Other taxes	4,666,223	4,258,322	-	-	4,666,223	4,258,322
Unrestricted investment earnings	15,237	74,472	561	1,427	15,798	75,899
Total Revenues	22,188,465	25,286,290	517,459	486,828	22,705,924	25,773,118
Expenses:						
General government	2,503,161	2,408,143	-	-	2,503,161	2,408,143
Public safety	7,823,664	7,919,128	-	-	7,823,664	7,919,128
Public works	1,419,806	1,252,132	-	-	1,419,806	1,252,132
Streets and storm drains	819,108	1,009,836	-	-	819,108	1,009,836
Transportation	735,007	691,645	519,619	505,722	1,254,626	1,197,367
Parks and leisure	1,435,575	2,731,128	-	-	1,435,575	2,731,128
Health and sanitation	1,716,356	1,686,298	-	-	1,716,356	1,686,298
Housing and community development	6,109,168	9,734,800	-	-	6,109,168	9,734,800
Interest and fiscal charges	1,518,758	1,884,524	-	-	1,518,758	1,884,524
Total Expenses	24,080,603	29,317,634	519,619	505,722	24,600,222	29,823,356
Transfers	91,000	291,369	(91,000)	(291,369)	-	-
Extraordinary item	-	11,509,606	-	-	-	11,509,606
Change in Net Position	(1,801,138)	7,769,631	(93,160)	(310,263)	(1,894,298)	7,459,368
Net Position - July 1,	55,875,409	48,803,654	329,224	639,487	56,204,633	49,443,141
Cumulative effect of change in accounting principal	-	(697,876)	-	-	-	(697,876)
Net Position, June 30	\$ 54,074,271	\$ 55,875,409	\$ 236,064	\$ 329,224	\$ 54,310,335	\$ 56,204,633

GOVERNMENTAL ACTIVITIES

Total resources available during the year to finance governmental operations were \$78,154,874, consisting of net position at July 1, 2012 of \$55,875,409, program revenues of \$12,788,585 and general revenues and transfers of \$9,490,880. Total expenditures for governmental activities during the year were \$24,080,603 and net position decreased by \$1,801,138 to \$54,074,271.

The cost of all governmental activities this year was \$24,080,603. However, as shown in the Statement of Activities, the amount that the taxpayer ultimately financed for these activities was \$11,292,018 because some of the cost was paid by those who directly benefited from these programs, \$7,545,585, or by other governments and organizations that subsidized certain programs with operating grants and contributions, \$4,899,372 and capital grants and contributions, \$343,628. The City paid the “public benefit” portion of governmental activities from various taxes such as property, sales, transient occupancy, utility user, motor vehicle in-lieu-of, gas taxes, etc. (some of which could only be used for certain programs) and with other revenues, such as interest on general entitlements.

BUSINESS TYPE ACTIVITIES

The City’s net position for business type activities decreased by \$93,160. There were no investments in capital assets attributable to business type activities of the City as of June 30, 2013.

The cost of all Proprietary (business type) activities this year was \$519,619. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems were \$11,206. Operating grants and contributions were \$505,692. Capital grants and contributions were \$0. Investment earnings were \$561.

Total resources available during the year to finance Proprietary fund (business type) activities were \$846,643 consisting of net assets as of July 1, 2012 of \$329,224, program revenues of \$516,898 and general revenues of \$561. The total cost of proprietary fund (business type) activities during the year were \$519,619 and a transfer out of \$91,000 was made; thus, net assets were decreased from \$329,224 to \$236,064. This decrease is attributable to the transfer made to the City’s General Fund for street maintenance and operating costs.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

The fund balance of the City’s General Fund increased by \$13,936 to a total balance of \$4,014,794. Tax revenues increased by \$1,034,821 while all other revenues increased by \$66,447. The tax revenue increase is mainly attributable to property taxes. The increase in other revenues were mainly due to an increase in miscellaneous revenues.

Among the special revenue funds, the Housing Program Fund experienced a modest fund balance change, increasing by \$401,325 from \$1,022,922 on June 30, 2012 to \$1,424,247 on June 30, 2013. This increase was due to loan/lease payments. The Housing Program Fund will expend these funds for qualifying low and moderate income housing purposes. In addition the Sewer fund balance increased by \$284,214 from \$2,249,305 on June 30, 2012 to \$2,533,519 on June 30, 2013. This increase is due mainly a reduction in expenditures.

DEBT ADMINISTRATION

Long-Term Debt from governmental activities decreased by \$356,473 from \$32,457,200 at year-end in fiscal year 2011-12 to \$31,539,430 at year-end in fiscal year 2012-13, primarily due to regular debt service payments. As of June 30, 2013, only \$8,194,778 is considered general City obligations subject to the City’s debt limit of \$37,937,625. There was no debt attributable to business type activities as of June 30, 2013.

Taxable Pension Obligation Bonds – These bonds are an unconditional obligation of the City of Oroville payable from any legally available funds. The bonds are not voter-approved debt backed by the taxing power of the City of Oroville and the full faith and credit of the City has not been pledged to the repayment of the bonds. Due the increasing public employee retirement system obligations for the unfunded liability portion which triggers higher rates, the City of Oroville along with other Cities and Counties chose to issue bonds for the unfunded liability to stabilize the rates going forward for retirement. The City of Oroville’s initial portion of the bond issuance equaled \$7,260,000 and the balance outstanding at June 30, 2013 was \$6,065,000

Oroville Public Financing Authority (“OPFA”) debt – The OPFA had three outstanding revenue bond issues. The City’s credit is not impacted by OPFA revenue bond issues. All three of the OPFA bond issue proceeds were loaned to the former Oroville Redevelopment Agency (“RDA”) to fund the various projects of the RDA. When the RDA was dissolved the loans became an enforceable obligation of the Oroville Successor Agency to the Former Oroville Redevelopment Agency (“Successor Agency”).

The loan payments made to the OPFA by the Successor Agency are the sole source of revenues to pay the debt service on these bonds. The loan payments and the reserve funds of each bond issue are the only security for these revenue bonds.

In October 2002, the OPFA issued \$18,255,000 of 2002 Tax Allocation Revenue Bonds. The proceeds were loaned to the former RDA to defease prior bond issues and to provide an additional \$5,250,000 in money for new redevelopment projects.

In August 2004, two additional tax allocation revenue bond series were issued on parity with the 2002 bonds by the OPFA. The two series included the 2004 Tax Allocation Revenue Bonds, Series A in the amount of \$8,480,000 and the 2004 Taxable Tax Allocation Revenue Bonds, Series B in the amount of \$2,145,000. The proceeds of both series were loaned to the former RDA to defease an older issue, and to provide an additional \$5,375,000 in money for new redevelopment projects.

The total amount outstanding for all three issues was \$23,250,000 at June 30, 2013.

	Balance July 1, 2012	Incurred or Issued	Satisfied or Matured	Balance June 30, 2013
Government Activities:				
Compensated absences	\$ 920,958	\$ 368,136	\$ 332,300	\$ 956,794
Oroville Public Financing Authority revenue bonds payable	24,035,000	-	785,000	23,250,000
Loans and leases	685,995	-	55,295	630,700
Pension obligation bonds	6,355,000	-	290,000	6,065,000
Total Governmental Activities	\$ 31,996,953	\$ 368,136	\$ 1,462,595	\$ 30,902,494
Business Type Activities:				
Total Business Type Activities	\$ -	\$ -	\$ -	\$ -

The above table excludes unamortized issue discounts, premiums and refunding losses, and the obligation for net other post-employment benefits.

Additional detail and information on long-term debt activity is described in the notes to the financial statements on pages 42 thru 44.

CAPITAL ASSETS

The capital assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. At June 30, 2013, net capital assets of the governmental activities totaled \$36,819,095 and the net capital assets of the business type activities totaled \$-0-. Depreciation on capital assets is recognized in the Government-Wide Financial Statements. The City has elected to use straight line depreciation as defined by GASB Statement No. 34 for calculation of depreciation.

	Original Cost	Accumulated Depreciation	Book Value
Government Activities:			
Land	\$ 5,982,029	\$ -	\$ 5,982,029
Buildings and improvements	21,031,941	7,499,880	13,532,061
Underground collection system	4,974,607	2,924,650	2,049,957
Equipment, vehicles, machinery	9,502,866	6,116,519	3,386,347
Infrastructure	40,366,442	29,234,581	11,131,861
Construction in progress	736,840	-	736,840
Total Governmental Activities	<u>\$ 82,594,725</u>	<u>\$ 45,775,630</u>	<u>\$ 36,819,095</u>
Business Type Activities:			
Total Business Type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional detail and information on capital asset activity is described in the notes to the financial statements on page 39.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2012/13 original (or adopted) General Fund budgeted expenditures in the amount of \$12,467,674 to the final budget amount of \$12,814,508 shows a net increase of \$346,834 to the final budget allocation. The increase consists of capital outlay and the addition of Housing & Community Development.

General Fund budgetary carryovers into fiscal year 2013/14 were \$270,817 including \$250,354 in encumbrances established for projects for which purchase orders have been issued and \$20,463 for various other projects approved in 2012/13, but no purchase order had been issued at June 30, 2013.

NEXT YEAR'S BUDGET AND RATES

The key assumptions in the City budget's revenue forecast for fiscal year 2013-14 were:

1. A conservative 2% increase in property taxes was estimated.
2. Sales taxes were estimated using a revised base determined by the City's sales tax consultant, Muni Services LLC.
3. The base year amounts for Transient Occupancy, Utility User, and Franchise taxes were adjusted based upon actual receipts. A 10%, 6%, and 6% growth rate was assumed, respectively.
4. Investment earnings were expected to remain low in 2013-14, and the base year was adjusted downward accordingly with a .3% growth.
5. Sewer service charges were expected to increase by 14.9% in accordance with the City's long term plan for funding the sewer operations.
6. The Airport (Special Aviation) fund revenues from airplane fuel sales, hangar rentals and the golf course were estimated based upon historical trends.
7. In estimating all other funds, a fiscally conservative approach was taken to ensure an accurate representation of the fund's financial position. Revenue projections were estimated using historical data and other data provided by the State, League of California Cities and consultants. When combined with trends and other indicators this normally produces a reasonably good picture of the near future.

Personnel

Due to the current economic situation the City went from an authorized staffing level of 122.5 to 86.9 funded positions for the general operations of the City. Of the 35.6 positions unfunded, 13 were currently vacant or frozen.

Capital Expenditures

Equipment

No new equipment purchases were authorized in the 2013-14 equipment fund budgets, due to budgetary restraints. For the time being, with the present fiscal situation, the City will have to rely on carryovers and other one-time revenues to fund much of the City's future equipment needs.

Facility Improvements

The budget for the Building/Facilities Capital Improvement fund did not authorize any new projects for the 2013-14 fiscal year.

Parks and Cultural Facilities

No new projects were authorized due to the lack of funding sources and will be brought forward as funding is attained.

Improvements to Streets and Infrastructure

The Gas Tax funds have appropriated funds to improve City streets and infrastructure during the 2013-14 fiscal year.

Improvements to the Airport

A pavement improvement project was budgeted in fiscal year 2011-12 and has carried over into the Airport budget for 2013-14. The City continues to seek additional grant opportunities for future projects. If awarded any new grants during 2013-14 matching funds will be approved by City Council action.

Economic Development Capital Projects

Many of the prior authorized projects are on hold waiting for the release from the of bond/loan proceeds of the former Oroville Redevelopment Agency (“RDA”). When the RDA was dissolved, it held unexpended debt proceeds required to be used for various redevelopment projects. As discussed earlier, these amounts were transferred to the Oroville Successor Agency of the Former Oroville Redevelopment Agency (“Successor Agency”). At June 30, 2013, the Successor Agency held \$3,364,894 in unexpended debt proceeds.

Other grants which are expected to be received as part of the re-licensing settlement agreement for renewal of the FREC (Federal Regulatory Energy Commission) license on the Oroville Dam, will have a significant impact on tourism which is a major industry in Oroville.

ECONOMIC FACTORS AND OUTLOOK

The City of Oroville is located in Northern California, 155 miles northeast of San Francisco and 77 miles north of Sacramento. Unemployment has continued to be high in the State of California and throughout the nation. Two other indicators, declines in both income and property taxes, continue to impact the State of California and the nation.

The dissolution of the Redevelopment Agency (RDA) was enacted on February 1, 2012 it has created a major loss in funding for the City in all areas of redevelopment such as blight, health and safety, leverage of capital improvement and economic development projects as well as low and moderate housing funds. The tax increment that has been returned to the City’s general fund is approximately an additional \$656,000 annually if not needed for prior RDA debt service and obligations.

The State’s current positive budget projections have come at the expense of the Cities and Counties. The loss of funding such as the RDA, modification of Enterprise Zones and other revenues have crippled a lot of local government by way of staff and service delivery cuts. The City of Oroville is striving along with other local government entities to maintain our level of service to the public and achieve ways to make us whole again in the current economy.

Motor Vehicle In-Lieu-of-Tax revenues continue to be an area of serious concern. During the current fiscal year the State continued to reimburse the cities for the loss due to the reduced Motor Vehicle In-Lieu-of-Tax. The reimbursement is funded by a continuous State general fund appropriation. The State has shifted the Motor Vehicle In-Lieu of Tax revenues to property tax allocations.

The recent declines in the stock market in the past years along with record low investment interest rates are still having a major impact on the State and City budgets because of the resulting decreasing rates of return for the PERS (Public Employees Retirement System) which serves most of the public employees in the State of California. A decrease in the rate of return on PERS investments has and will result in considerable rate increases for the PERS pension plan which must be funded by the City in the future.

The local economy has shown a small sign of improvement. Oroville's unemployment rates, which have consistently been higher than the rest of the State and the nation, in fiscal year 2012-13, unemployment decreased from 17.2% to 14.1%. This is a 3.1% decrease from the prior fiscal year.

Another economic indicator, Oroville's sales tax receipts increased by \$18,051 over the \$2,754,670 received in fiscal year 2011-12. This indicates that a slow increase of sales tax has begun and at this time a slight increase is being predicted for the 2013-14 fiscal year.

In fiscal year 2012-13, building activity has continued to be slower than historical norms with only 17 building permits issued for new construction. This is an increase from fiscal year 2011-12 when 15 building permits for new construction were issued. None of these permits were issued for construction of single family homes, but one (1) was issued for new multi-family senior apartments (49 units).

The City was able to extend 14 additional loans to low and moderate income families through the first-time home buyer program which is funded through Federal and State grants. A total of 301 first-time home buyer loans have been processed since 1997, when the program was created by the City. This in turn has enabled some of the first-time homeowners to sell their homes to purchase "move-up" properties. In addition, the City's lease-to-purchase program has enabled six (6) active City-owned homes to be returned to private ownership. Currently, there are four (4) City-owned homes ready to be put back on the market.

A total of 3 commercial building permits for new construction were issued. This included small to large size commercial projects being constructed. The largest being an extensive McDonald's remodel totaling \$1,037,054. The total valuation of all building permits issued in fiscal year 2012-13 was \$17,343,808. This was \$1,025,618 less than the \$18,061,427 issued in fiscal year 2011-12.

The City and the former Oroville Redevelopment Agency started an aggressive retail marketing effort in fiscal year 2010-11, the results of which are expected to take several years for fruition. Marshall's and Petco which were successfully located here before June 2012 and a Super Wal-Mart estimated to open within two years.

The City is committed to an aggressive economic development effort which seeks to diversify the overall commercial/industrial economic base of the area. As evidence, the City has been designated as a Recycling Market Zone, which is a strong economic development tool.

The City has been able to assist businesses to create and retain jobs, in a variety of ways, through a combination of grants and the sale and lease of land held for industrial development purposes. The City is also a member of a statewide industrial development bond JPA (Joint Powers Authority).

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, separate reports of the City's component units or need any additional financial information, contact the Department of Finance at 1735 Montgomery Street, Oroville, CA 95965, phone (530) 538-2410 or email the Director of Finance, (Diane MacMillan) at macmillandd@cityoforoville.org.

BASIC FINANCIAL STATEMENTS

**CITY OF OROVILLE
STATEMENT OF NET POSITION
JUNE 30, 2013**

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Cash and Investments	\$ 18,290,597	\$ 230,668	\$ 18,521,265
Restricted Assets:			
Cash With Fiscal Agent	1,950,948		1,950,948
Receivable From Oroville Successor Agency:			
Amount Receivable Within One Year	815,000		815,000
Amount Receivable In More Than One Year	22,435,000		22,435,000
Receivables	2,031,716	6,371	2,038,087
Inventory	85,613		85,613
Loans Receivable	37,040,210		37,040,210
Real Property Primarily Held for Resale	1,918,815		1,918,815
Capital Assets (net of accumulated depreciation):			
Nondepreciable	6,718,869		6,718,869
Depreciable	30,100,226		30,100,226
Total Assets	<u>121,386,994</u>	<u>237,039</u>	<u>121,624,033</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Charge on Refunding	171,323		171,323
Deferred Charge for Pension Obligation	4,482,233		4,482,233
Total Deferred Outflows of Resources	<u>4,653,556</u>	<u>-</u>	<u>4,653,556</u>
<u>LIABILITIES</u>			
Vouchers Payable And Other Current Liabilities	604,944	975	605,919
Payable From Restricted Assets:			
Accrued Interest Payable	303,972		303,972
Due To Other Related Agency	235,038		235,038
Unpaid Claims	374,495		374,495
Unearned Revenues - City Code Violations	285,800		285,800
Unearned Revenues - Loans	36,703,785		36,703,785
Unearned Revenues - Real Property Held for Resale	1,918,815		1,918,815
Noncurrent Liabilities:			
Due Within One Year	1,393,399		1,393,399
Due In More Than One Year	30,146,031		30,146,031
Total Liabilities	<u>71,966,279</u>	<u>975</u>	<u>71,967,254</u>
<u>NET POSITION</u>			
Net Investment In Capital Assets	13,015,066		13,015,066
Restricted For:			
General Government	48,216		48,216
Public Safety	989,095		989,095
Streets and Storm Drains	2,512,448		2,512,448
Parks and Leisure	216,077		216,077
Health and Sanitation	912,375		912,375
Housing and Community Development	3,112,009		3,112,009
Debt Service	24,896,976		24,896,976
Unrestricted	8,372,009	236,064	8,608,073
Total Net Position	<u>\$ 54,074,271</u>	<u>\$ 236,064</u>	<u>\$ 54,310,335</u>

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

**CITY OF OROVILLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

<u>FUNCTIONS/PROGRAMS</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue And Change In Net Position</u>			
	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>	<u>Capital Grants And Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
General Government	\$ 2,503,161	\$ 652,142	\$ -	\$ -	\$ (1,851,019)	\$ -	\$ (1,851,019)
Public Safety	7,823,664	346,903	379,346		(7,097,415)		(7,097,415)
Public Works	1,419,806	321,388			(1,098,418)		(1,098,418)
Streets and Storm Drains	819,108	195,273	369,111	171,209	(83,515)		(83,515)
Transportation	735,007	506,070		172,419	(56,518)		(56,518)
Parks and Leisure	1,435,575	65,633	162,505		(1,207,437)		(1,207,437)
Health and Sanitation	1,716,356	2,474,544	5,000		763,188		763,188
Housing and Community Development	6,109,168	2,983,632	3,983,410		857,874		857,874
Interest and Fiscal Charges	1,518,758				(1,518,758)		(1,518,758)
Total Governmental Activities	<u>24,080,603</u>	<u>7,545,585</u>	<u>4,899,372</u>	<u>343,628</u>	<u>(11,292,018)</u>	<u>-</u>	<u>(11,292,018)</u>
Business-Type Activities:							
Local Transportation	519,619	11,206	505,692			(2,721)	(2,721)
Total Business-Type Activities	<u>519,619</u>	<u>11,206</u>	<u>505,692</u>	<u>-</u>	<u>-</u>	<u>(2,721)</u>	<u>(2,721)</u>
Total	<u>\$ 24,600,222</u>	<u>\$ 7,556,791</u>	<u>\$ 5,405,064</u>	<u>\$ 343,628</u>	<u>(11,292,018)</u>	<u>(2,721)</u>	<u>(11,294,739)</u>
General Revenues:							
Taxes:							
Property Taxes					1,962,107		1,962,107
Sales and Use Taxes					2,756,313		2,756,313
Sales and Use Taxes In-Lieu					2,194,730		2,194,730
Documentary Stamp					32,558		32,558
Transient Occupancy					421,261		421,261
Utility Users					1,577,706		1,577,706
Franchise					439,968		439,968
Unrestricted Investment Earnings					15,237	561	15,798
Transfers					91,000	(91,000)	-
Total General Revenues And Transfers					<u>9,490,880</u>	<u>(90,439)</u>	<u>9,400,441</u>
Change In Net Position					(1,801,138)	(93,160)	(1,894,298)
Net Position, July 1,					55,875,409	329,224	56,204,633
Net Position, June 30,					<u>\$ 54,074,271</u>	<u>\$ 236,064</u>	<u>\$ 54,310,335</u>

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

**CITY OF OROVILLE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	General Fund	Sewer Fund	Housing Program Fund	First Time Home Buyer Grant Fund	Community Development Block Grant Fund	Oroville Public Financing Authority Fund	HOME Housing Revolving Loan Fund	Oroville Public Financing Authority Redemption Fund	Other Governmental Funds	Total Governmental Funds
ASSETS										
Cash	\$ 3,292,426	\$ 2,507,938	\$ 1,333,139	\$ 431,599	\$ 820,009	\$ 44,625	\$ 146,271	\$ 46,160	\$ 8,686,712	\$ 17,308,879
Cash With Fiscal Agent								1,950,948		1,950,948
Receivables:										
Taxes	850,087								32,111	882,198
Accounts	335,485		361		1,081				209,922	546,849
Sewer Service Charges		132,384								132,384
Grants	1,212			186,551	106,841				80,914	375,518
Interest	11,434		6,000		28			6,467	70,231	94,160
Due From Other Funds	256,376					815,000			89,078	1,160,454
Inventory	32,595								4,012	36,607
Loans Receivable			6,138,724	14,687,600	8,059,428		2,714,875		5,439,583	37,040,210
Advances Due From Other Funds		138,816				22,435,000			29,154	22,602,970
Real Property Held for Resale	711,515		1,207,300							1,918,815
Total Assets	<u>\$ 5,491,130</u>	<u>\$ 2,779,138</u>	<u>\$ 8,685,524</u>	<u>\$ 15,305,750</u>	<u>\$ 8,987,387</u>	<u>\$ 23,294,625</u>	<u>\$ 2,861,146</u>	<u>\$ 2,003,575</u>	<u>\$ 14,641,717</u>	<u>\$ 84,049,992</u>
LIABILITIES										
Vouchers Payable	\$ 122,018	\$ 2,746	\$ 31,957	\$ 130	\$ 47,424	\$ -	\$ -	\$ -	\$ 154,107	\$ 358,382
Accrued Salaries and Benefits	152,275	7,835			2,049				13,048	175,207
Due To Other Funds									345,454	345,454
Due To Other Related Agency		235,038								235,038
Unearned Revenues - City Code Violations	285,800									285,800
Unearned Revenues - Loans			6,022,020	14,687,600	8,051,067		2,714,875		5,228,223	36,703,785
Unearned Revenues - Real Property Held for Resale	711,515		1,207,300							1,918,815
Advances Payable to Other Funds	138,816								29,154	167,970
Total Liabilities	<u>1,410,424</u>	<u>245,619</u>	<u>7,261,277</u>	<u>14,687,730</u>	<u>8,100,540</u>	<u>-</u>	<u>2,714,875</u>	<u>-</u>	<u>5,769,986</u>	<u>40,190,451</u>
DEFERRED INFLOWS OF RESOURCES										
Unavailable Revenues - Sales Tax	65,912									65,912
Total Deferred Inflows of Resources	<u>65,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,912</u>
FUND BALANCES										
Fund Balances:										
Nonspendable	32,595	138,816				23,250,000			33,166	23,454,577
Restricted	23,455		1,424,247	618,020	886,847			1,950,948	4,837,651	9,741,168
Committed	1,107,229	671,463					146,271	3,859,069	3,859,069	5,836,659
Assigned	1,872,963	1,723,240				44,625		52,627	425,097	4,065,925
Unassigned	978,552								(283,252)	695,300
Total Fund Balances	<u>4,014,794</u>	<u>2,533,519</u>	<u>1,424,247</u>	<u>618,020</u>	<u>886,847</u>	<u>23,294,625</u>	<u>146,271</u>	<u>2,003,575</u>	<u>8,871,731</u>	<u>43,793,629</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,491,130</u>	<u>\$ 2,779,138</u>	<u>\$ 8,685,524</u>	<u>\$ 15,305,750</u>	<u>\$ 8,987,387</u>	<u>\$ 23,294,625</u>	<u>\$ 2,861,146</u>	<u>\$ 2,003,575</u>	<u>\$ 14,641,717</u>	<u>\$ 84,049,992</u>

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

**CITY OF OROVILLE
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2013**

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balances	\$	43,793,629
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets	\$	82,594,725
Less: Accumulated depreciation		<u>(45,775,630)</u>
		36,819,095
Certain prepaid expenses were reported as expenditures when incurred in the funds but are capitalized and amortized in the statement of net position:		
Deferred Charge for Pension Obligation		4,482,233
Internal service funds are used by management to charge the costs of stores, vehicle maintenance and various insurance costs to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities statement of net position.		
		585,481
Liabilities were reported for certain revenues that were not available to pay current period expenditures, and , therefore deferred in the funds.		
Unavailable Revenues - Sales Tax		65,912
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds Payable	\$	(29,315,000)
Bond discounts (will be amortized)		81,198
Bond premium (will be amortized)		(129,806)
Deferred refunding loss (will be amortized)		171,323
USDA loan payable		(630,700)
Accrued interest payable		(303,972)
Compensated absences		(956,794)
Net other postemployment benefit liability		<u>(588,328)</u>
		(31,672,079)
Net Position Of Governmental Activities	<u>\$</u>	<u>54,074,271</u>

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

CITY OF OROVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Sewer Fund	Housing Program Fund	First Time Home Buyer Grant Fund	Community Development Block Grant Fund	Oroville Public Financing Authority Fund	HOME Housing Revolving Loan Fund	Oroville Public Financing Authority Redemption Fund	Other Governmental Funds	Total Governmental Funds
REVENUES										
Taxes:										
Property Taxes	\$ 1,874,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,307	\$ 1,962,107
Sales and Use Taxes	2,754,670									2,754,670
Sales and Use Taxes In-Lieu	2,194,730									2,194,730
Documentary Stamp	32,558									32,558
Transient Occupancy	421,261									421,261
Utility Users	1,577,706									1,577,706
Franchise	418,071								21,897	439,968
Licenses and Permits	349,012								172,555	521,567
Fines and Forfeitures	79,213									79,213
Interest, Rents, and Concessions	15,237	5,433	37,417	10,308	26,265	1,135,782	18,320	27	443,999	1,692,788
Intergovernmental Revenues	106,233			2,373,701	1,093,044				1,662,928	5,235,906
Current Service Charges	311,804	2,416,073	5,536						73,334	2,806,747
Other Revenues	391,876	6,288	687,127	35,484	51,463		39,737		1,405,473	2,617,448
Total Revenues	10,527,171	2,427,794	730,080	2,419,493	1,170,772	1,135,782	58,057	27	3,867,493	22,336,669
EXPENDITURES										
Current:										
General Government	2,382,430								16,925	2,399,355
Public Safety	7,339,823								72,214	7,412,037
Public Works	361,507									361,507
Streets and Storm Drains	760,024								48,343	808,367
Transportation									586,053	586,053
Parks and Leisure	837,327								168,968	1,006,295
Health and Sanitation		1,633,761							2,194	1,635,955
Housing and Community Development	283,656		328,267	2,300,194	1,174,483				2,019,156	6,105,756
Debt Service:										
Principal Retirement								785,000	345,295	1,130,295
Interest and Fiscal Charges								1,135,781	375,172	1,510,953
Capital Outlay	27,144	255,685			209,211				679,450	1,171,490
Total Expenditures	11,991,911	1,889,446	328,267	2,300,194	1,383,694	-	-	1,920,781	4,313,770	24,128,063
Excess (Deficiency) of Revenues Over Expenditures	(1,464,740)	538,348	401,813	119,299	(212,922)	1,135,782	58,057	(1,920,754)	(446,277)	(1,791,394)
OTHER FINANCING SOURCES (USES)										
Transfers In	1,508,231	58,034		119,937	207,207		45,542	1,920,781	2,512,063	6,371,795
Transfers Out	(29,555)	(312,168)	(488)	(129,843)	(480,040)	(1,920,782)	(6,014)		(3,138,232)	(6,017,122)
Total Other Financing Sources (Uses)	1,478,676	(254,134)	(488)	(9,906)	(272,833)	(1,920,782)	39,528	1,920,781	(626,169)	354,673
Net Change In Fund Balances	13,936	284,214	401,325	109,393	(485,755)	(785,000)	97,585	27	(1,072,446)	(1,436,721)
Fund Balances, July 1	4,000,858	2,249,305	1,022,922	508,627	1,372,602	24,079,625	48,686	2,003,548	9,944,177	45,230,350
Fund Balances, June 30	\$ 4,014,794	\$ 2,533,519	\$ 1,424,247	\$ 618,020	\$ 886,847	\$ 23,294,625	\$ 146,271	\$ 2,003,575	\$ 8,871,731	\$ 43,793,629

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

**CITY OF OROVILLE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$	(1,436,721)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay	\$ 1,171,490	
Depreciation expense	<u>(2,095,721)</u>	(924,231)
The issuance of long-term debt provides current financial resources to governmental funds, while payment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:		
Principal repayments:		
Bonds	\$ 1,075,000	
USDA Loan	18,400	
Capital lease financing	<u>36,895</u>	1,130,295
Revenues not available to pay current expenditures are deferred in the funds:		
Deferred revenues - unearned		1,643
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Compensated absences	\$ (35,836)	
Other postemployment benefits	(178,051)	
Accrued interest	7,966	
Amortization of bond discount	(6,120)	
Amortization of bond premium	7,482	
Amortization of bond refunding loss	(17,133)	
Amortization of prepaid pension obligation	<u>(415,691)</u>	(637,383)
Internal service funds are used by management to charge the costs of stores, vehicle maintenance and various insurance costs to individual funds.		
		65,259
Change In Net Position Of Governmental Activities	<u>\$</u>	<u>(1,801,138)</u>

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

CITY OF OROVILLE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Business-Type Activity Enterprise Fund	Governmental Activities Internal Service Funds
<u>ASSETS</u>	Local Transportation Fund	Funds
Current Assets:		
Cash	\$ 230,668	\$ 981,718
Accounts Receivable	6,371	607
Inventory		49,006
Total Assets	237,039	1,031,331
<u>LIABILITIES</u>		
Current Liabilities:		
Vouchers Payable	975	35,774
Accrued Salaries and Benefits		23,042
Accrued Employee Compensated Leave		12,539
Unpaid Claims Liability		374,495
Total Liabilities	975	445,850
<u>NET POSITION</u>		
Unrestricted	236,064	585,481
Total Net Position	\$ 236,064	\$ 585,481

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

CITY OF OROVILLE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activity Enterprise Fund	Governmental Activities Internal Service Funds
<u>OPERATING REVENUES</u>	<u>Local Transportation Fund</u>	<u>Governmental Activities Internal Service Funds</u>
Passenger Fares - Oro Express	\$ 11,206	\$ -
Incoming Provisions		928,406
Reimbursements		79,558
Total Operating Revenues	<u>11,206</u>	<u>1,007,964</u>
<u>OPERATING EXPENSES</u>		
Salaries and Benefits		145,900
Supplies		350,589
Other Services and Charges	519,619	34,911
Claims		379,161
Total Operating Expenses	<u>519,619</u>	<u>910,561</u>
Net Operating Income	<u>(508,413)</u>	<u>97,403</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Local Transportation Tax	505,692	
Investment Earnings	561	2,171
Total Nonoperating Revenues (Expenses)	<u>506,253</u>	<u>2,171</u>
Income (Loss) Before Operating Transfers	(2,160)	99,574
Transfers Out	(91,000)	(34,315)
Change In Net Position	<u>(93,160)</u>	<u>65,259</u>
Net Position, July 1	329,224	520,222
Net Position, June 30	<u>\$ 236,064</u>	<u>\$ 585,481</u>

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

**CITY OF OROVILLE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	Business-Type Activity Enterprise Fund	Governmental Activities Internal Service Funds
	Local Transportation Fund	
<u>Cash Flows From Operating Activities</u>		
Receipts From Customers and Users	\$ 11,206	\$ 78,951
Receipts From Interfund Services Provided		928,406
Payments to Employees		(140,672)
Payments to Suppliers	(519,469)	(751,367)
Net Cash Provided (Used) By Operating Activities	<u>(508,263)</u>	<u>115,318</u>
<u>Cash Flows From Noncapital Financing Activities</u>		
Local Transportation Tax	520,629	
Transfers Out	(91,000)	(34,315)
Net Cash Provided (Used) By Noncapital Financing Activities	<u>429,629</u>	<u>(34,315)</u>
<u>Cash Flows From Investing Activities</u>		
Interest on Investments	561	2,171
Net Cash Provided (Used) By Investing Activities	<u>561</u>	<u>2,171</u>
Net Increase (Decrease) In Cash	(78,073)	83,174
Cash Balance, July 1	308,741	898,544
Cash Balance, June 30	<u>\$ 230,668</u>	<u>\$ 981,718</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	<u>\$ (508,413)</u>	<u>\$ 97,403</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used):		
Decrease (Increase) in Accounts Receivable		(309)
Decrease (Increase) in Inventory		(13,259)
Increase (Decrease) in Vouchers Payable	150	25,971
Increase (Decrease) in Accrued Salaries and Benefits		5,512
Total Adjustments	<u>150</u>	<u>17,915</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ (508,263)</u>	<u>\$ 115,318</u>

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

**CITY OF OROVILLE
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013**

	Oroville Successor Agency Private-Purpose Trust Fund	Agency Funds
<u>ASSETS</u>		
Cash	\$ 5,256,490	\$ 485,089
Receivables:		
Taxes		24,421
Accounts	9,390	13,295
Grants	192,152	
Interest	1,946	
Loans	297,716	
Real Property Held For Resale	196,076	
Capital Assets:		
Nondepreciable	1,485,232	
Depreciable (net of accumulated depreciation)	439,578	
Total Assets	7,878,580	\$ 522,805
<u>LIABILITIES</u>		
Vouchers Payable	63,720	\$ 31,331
Accrued Salaries and Benefits	5,651	
Accrued Interest Payable	267,791	
Deposits Payable	1,183	249,208
Due to Other Funds	815,000	
Unearned Revenues - Loans	287,656	
Unearned Revenues - Real Property Held for Resale	196,076	
Advances Payable to Other Funds	22,435,000	
Due to Other Agencies		242,266
Total Liabilities	24,072,077	\$ 522,805
<u>NET POSITION</u>		
Net position held in trust for dissolution of the former Oroville Redevelopment Agency	\$ (16,193,497)	

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

**CITY OF OROVILLE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2013**

		Oroville Successor Agency Private-Purpose Trust Fund
<u>ADDITIONS</u>		
Redevelopment Property Tax Trust Fund Allocations	\$	1,667,241
Grants		399,330
Loan Collections		16,473
Investment Earnings		50,471
Total Additions		<u>2,133,515</u>
<u>DEDUCTIONS</u>		
Administrative Expenses		301,491
Blight Removal		12,666
Other Agencies		2,590,157
Housing Loan		1,000,000
Levee Project Expenses		71,654
Brownsfield Assessment Expenses		231,935
Loan Interest And Fiscal Charges		1,173,789
Depreciation		25,106
Transfers Out		229,358
Total Deductions		<u>5,636,156</u>
Change In Net Position		(3,502,641)
Net Position, July 1		(12,690,856)
Net Position, June 30	\$	<u>(16,193,497)</u>

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

CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1) Summary of Significant Accounting Policies

A) Reporting Entity

The City of Oroville was incorporated January 3, 1906 under the applicable laws and regulations of the State of California. The City operates under a Council-Administrator form of government and provides the following services as authorized by its charter: public safety (police, fire and code enforcement), streets and highways, sanitation, health and social services, cultural-recreation, public improvements planning and zoning, and general administrative services.

Blended Component Unit. The Oroville Public Financing Authority (Authority), established January 21, 1992, is a joint powers authority created by the City of Oroville. The Authority was formed, organized and is existing pursuant to the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code (Mark-Roos Local Bond Pooling Act of 1985). The City and Authority are legally separate entities. For financial reporting purposes, the Authority is reported as if a part of the City's operations because the seven (7) members of the Oroville City Council also act as the governing body of the Authority and the purpose of the Authority is to assist in the financing of public capital improvements. The Authority does not prepare separate, stand-alone financial statements.

Oroville Successor Agency (OSA) – The City has elected to serve as the successor agency of the Oroville Redevelopment Agency, which formerly was a blended component unit of the City. In its capacity as the Successor Agency, the City will be responsible to wind-up the affairs of the former RDA, and dispose of the RDA's assets in compliance with State legislative requirements. The OSA is governed by a seven (7) member Oversight Board comprised of one (1) Oroville City Council member, (1) City employee, and members appointed by the Butte County Board of Supervisors (2), the Superintendent of the Butte County Office of Education (1), the Feather River Recreation and Parks Board (1), the Chancellor of the California Community College System (1). Activities of the OSA are reported as a private-purpose trust fund in the accompanying financial statements.

B) Government-Wide And Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of changes in net position) report information of all the nonfiduciary activities of the City and its component units. 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 is offset by program revenues. *Direct expenses* are those clearly identifiable with a specific function or segment. In conformity with the City's indirect cost allocation plan, certain indirect costs are included in the program expense reported for individual functions and activities. *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 fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C) Measurement Focus, Basis Of Accounting, And Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and fiduciary fund financial statements (except for agency funds, which have no measurement focus). Revenues are recognized when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales and use taxes, other taxes, grants, rents, current service charges and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash.

The City reports the following major governmental funds:

General Fund - the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

Sewer Fund – This special revenue is used to account for the activities related the City's sewage collection system, and the collection and remission of fees on behalf of SC-OR for sewage treatment. The revenues of this fund principally consist of fees charged to customers connected to the sewer system.

Housing Program Fund – This special revenue fund accounts for the administration and operations of the City's low and moderate income housing program subsequent to the dissolution of the former Oroville Redevelopment Agency. Principal revenues consist of payments received on loans extended to low and moderate income housing, and the proceeds from the sale housing properties.

First Time Home Buyer Grant Fund – This special revenue fund accounts for the loan and administrative activity of the City's first time home buyers program. Revenues are primarily proceeds from the Federal and State HOME Investment Partnership grant programs.

Community Development Block Grant Fund – Established to account for amounts received from Community Development Block Grants, this special revenue fund accounts for the loan and administrative activities of the City's various CDBG grants.

Oroville Public Financing Authority Fund – This special revenue fund accounts for the activities related to financing public capital improvements to be owned by any of its members or other governmental entities. Revenues consist of loan payments received from the Oroville Successor Agency.

HOME Housing Revolving Loan Fund – This special revenue fund accounts for activities relative to the City's housing revolving loan program funded by the HOME grants. Revenues are primarily derived from loan payments made on first time home buyer loans.

Oroville Public Financing Authority Redemption Fund – This debt service fund accounts for the resources accumulated and payments made for principal and interest on the long-term bonds of the OPFA.

The City has only one enterprise fund. This fund has been reported as a major proprietary fund:

Local Transportation Fund – to account for the operations of the Oro Express subsidized taxi service and the City's share of revenues and expenses for the Butte County Transit and Oroville Area Transit in accordance with the Transportation Development Act of the State of California.

Additionally, the City reports the following nonmajor fund types:

Special Revenue Funds – account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

CITY OF OROVILLE
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Debt Service Funds - account for the accumulation of resources for, and payment on, long-term obligation debt principal and interest (other than that serviced primarily by a governmental enterprise).

Capital Project Funds - account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets in governmental funds.

Internal Service Funds - account for payroll revolving activity, stores (purchasing), vehicle maintenance, workers' compensation, unemployment insurance and vision insurance services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

Private-Purpose Trust Fund – accounts for the activities of the City acting as the Successor Agency to the Oroville Redevelopment Agency.

Agency Funds - used by the City to report resources held by the City in a custodial capacity for the Feather River Bluffs assessment district, special deposits trust, BINTF Trust, and Honor Grove. These funds are used to record receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's proprietary fund functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Principal operating revenues of the City's local transportation fund and the City's internal service funds are charges to customers for sales and services. Operating expenses for the enterprise fund and internal service funds include cost of transit operations, salaries and benefits, supplies and other services, and insurance premiums and deductibles. None of the City's proprietary funds own depreciable assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

Change in Financial Statement Presentation

During the year the City established two nonmajor special revenue funds, the SB-1186 Fee Fund and Micro-Enterprise Revolving Loan Fund. The two new nonmajor special revenue funds were created to account for revenues collected for specified purposes.

In addition an agency fund was also created the BINTF Trust fund to account for receipts and remittances made on behalf of the Butte Interagency Narcotics Task Force.

The City has also reported the Sewer Fund as a major special revenue fund in the accompanying financial statements.

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Impact of Recently Issued GASB Pronouncements When Adopted in Future Periods

In June, 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 *Accounting and Financial Reporting for Pensions*. The primary objective of the Statement is to improve accounting and financial reporting for pensions. The Statement establishes new standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. The Statement is required to be adopted in fiscal years beginning after June 15, 2014. When adopted, the City will be required to report a liability for its proportionate share of the net pension liability of the cost-sharing, multiple-employer pension plans of the City.

D) Assets, Liabilities, And Net Position Or Equity

1) Deposits And Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Time certificates of deposit have been classified cash equivalents.

Investments for the City are reported at fair value except for the position in Local Agency Investment Fund (LAIF) which is reported at the net asset value per share (which approximates fair value).

2) Inventories

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the General and Airport funds includes materials, parts and supplies held for outdoor lighting for streets and runways. Inventory in the Stores Revolving Fund consists of expendable supplies held for consumption. Inventory in the Vehicle Maintenance Fund consists of expendable supplies for vehicle repair and maintenance. The cost is charged to the individual departments and funds as inventories are disbursed. Inventories are reconciled, and expenditures are distributed, on a quarterly basis.

3) Receivables And Payables

For the government-wide financial statements, the individual components comprising *receivables* and *vouchers payable and other current liabilities* include the following:

	Governmental Activities	Business- Type Activities	Total Government
Receivables:			
Taxes	\$ 882,198	\$ -	\$ 882,198
Accounts	547,456	6,371	553,827
Sewer Service Charges	132,384		132,384
Grants	375,518		375,518
Interest	94,160		94,160
Total Receivables	\$ 2,031,716	\$ 6,371	\$ 2,038,087
Vouchers Payable And Other Current Liabilities:			
Vouchers Payable	\$ 394,156	\$ 975	\$ 395,131
Accrued Salaries and Benefits	210,788		210,788
Total Vouchers Payable And Other Current Liabilities	\$ 604,944	\$ 975	\$ 605,919

All trade and tax receivables are shown in total. No allowance for uncollectible accounts receivable has been provided as management has determined that uncollectible accounts have historically been immaterial and the direct write-off method does not result in a material difference from the allowance method.

Property taxes for the current year were attached as an enforceable lien as of January 1st and were levied on July 1st. Taxes are due in two equal installments on December 10th and April 10th. The City relies on the competency of the County of Butte Assessor's office to properly assess, collect and distribute property taxes.

CITY OF OROVILLE
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At June 30, 2013, the City had no unbilled receivables.

Receivable From Oroville Successor Agency (Restricted) – As discussed in Note 3(D) *Long-Term Debt*, the Oroville Public Financing Authority (OPFA) made loans to the Oroville Successor Agency (formerly the Oroville Redevelopment Agency). Loan payments received by the OPFA are required to be used for debt service payments on bonds issued by the OPFA. The total amount receivable at June 30, 2013, was \$23,250,000, of which \$22,435,000 was long-term.

Receivables – Included in the amount reported for receivables was \$285,800 in fees and penalties assessed by the City for violations of the Oroville City Code. It is the City's policy to defer revenue recognition of these fees and penalties until the amounts have actually been collected in cash. Therefore, a liability has been recorded for the entire amount titled "Unearned Revenue – City Code Violations."

Loans Receivable - Under the Community Development Block Grant (CDBG) Loan Program and Home Investment Partnerships (HOME) Program, which are funded by the Department of Housing and Urban Development through the State Department of Housing and Community Development (HCD), and the City's Revolving Loan Program (RLF), loans are made to qualified individuals and businesses within prescribed project areas for the purpose of housing acquisition, housing rehabilitation and/or economic development. The majority of these loans are on a deferred payback program for 15 years or upon transfer of title. In accordance with accounting procedures prescribed by HCD, repayments of the outstanding loans are classified as a revenue source in the Community Development Block Grant Fund, First Time Home Buyers Fund and the City's various revolving loan funds. The long-term portion of all loans receivable has been presented as *Unearned Revenues - Loans* on the accompanying financial statements.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to either "due to/from other funds" (i.e. the current portion of Interfund loans) or "advances to/from other funds" (i.e. the non-current portion of Interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activity are reported in the government-wide financial statements as "internal balances."

4) Real Property Primarily Held for Resale

Under the terms of the loans granted by the City discussed above, several real properties have been acquired through foreclosure proceedings. In addition the City has acquired and constructed homes for the purpose of infilling the supply of low and moderate housing. These properties will be subsequently sold and the proceeds placed back into the low and moderate income housing programs. Therefore, these properties have been recorded as an asset on the accompanying financial statements at the lower of cost (the amount of the unpaid loan plus costs for foreclosure properties) or market and fully offset by recognizing a liability for "Unearned Revenues – Real Property Held for Resale." At June 30, 2013, the carrying value of these properties was \$1,918,815.

5) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the governmental column in the governmental-wide financial statements. The City's business-type activity had no capital assets. The City defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Total interest charge to expense was \$1,465,802. Interest is capitalized on construction of major assets acquired with debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. No interest was capitalized during the year ended June 30, 2013.

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The City's museums contain collections of historical artifacts including antique tools, Chinese artifacts and artwork, and relics from the region's past. These collections are protected, cared for and preserved by the City for the purpose of public exhibition; and proceeds from the sale of any item, if any, are used to acquire additional items for the collection. Therefore, the City has elected not to capitalize these collections.

Property, plant and equipment of the City are depreciated using the straight-line method using the following useful lives:

	Years
Improvements other than buildings	15 - 50 years
Buildings	20 - 50 years
Infrastructure	30 - 60 years
Underground collector system	50 years
Machinery and equipment	5 - 20 years
Infrastructure	15 - 50 years

6) Deferred Outflows/Inflows Of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City has two deferred charges that qualify for reporting in this category:

- The City is reporting deferred charge for a debt refunding reported in the government-wide statement of net position for the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- The City is a member of the California Public Employees' Retirement System (PERS). In fiscal year 2006/07, the City issued \$7,260,000 in Pension Obligation Bonds in order to pay the City's unfunded actuarial accrued liability with PERS. The payment to PERS is reported as a deferred charge in the government-wide financial statement and is being amortized on a straight-line basis over the 17 year life of the bonds.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only one type of item (which arises only under a modified accrual basis of accounting) that qualifies for reporting in this category. Accordingly, the item, *Unavailable Revenue – Sales Tax*, is reported only in the governmental funds balance sheet. This amount is deferred and will be recognized as an inflow of resources in the period that the amount becomes available.

7) Compensated Absences

The City has recognized liability for compensated absences. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. However, management of the City of Oroville does not expect to liquidate the liability for compensated absences of governmental activities with expendable available resources at June 30, 2013, but rather from resources received in future periods. Therefore, no liability for compensated absences applicable to governmental activities has been reported in the governmental fund financial statements.

Unused vacation benefits (up to a maximum of 2 years earned benefits) are paid to employees upon termination. Unused sick leave benefits do not vest with the employee and, except as explained below, are lost upon termination. Therefore, unused sick leave benefits have not been accrued. Under the Fair Labor Standards Act (FLSA), safety employees (Police and Fire) may accrue up to 480 hours of compensatory time and general employees may accrue a maximum of 240 hours of compensatory time. Unused compensatory time is compensated for upon termination. Note: Appointed officials and "administrative" employees are exempt from coverage under FLSA.

CITY OF OROVILLE
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Postemployment Benefits Other Than Pensions (OPEB) – As further explained in Note 4(E) *Other Postemployment Benefits*, the City permits retiring employees to convert accumulated sick leave benefits to purchase continued medical insurance coverage based upon the leave dollar value at the time of retirement. The City does not provide any additional postemployment benefits for its employees, except for the Public Employees Retirement System administered by the State of California.

8) Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of assets. Bond discounts and premiums are deferred and amortized over the life of the bonds using the straight-line method, which is not materially different from the effective interest method. Bonds payable are reported net of the unamortized discounts and premiums. Debt issue costs are expensed in the year incurred.

9) Net Position/Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

The government-wide statement of net position reports \$32,367,176 of restricted net position, of which \$2,491,132 is restricted by enabling legislation. Certain proceeds of the Oroville Public Financing Authority revenues bonds and the loan receivable from the Oroville Successor Agency are reported as restricted net position because their use is limited by applicable bond or other covenants.

In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10) Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the City Administrator and Finance Director to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**CITY OF OROVILLE
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2) Stewardship, Compliance And Accountability

A) Budgetary Information

Annually, the City legally adopts a budget for the general, special revenue, and capital projects funds. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Bi-annually, in June, the City Administrator submits to the City Council a proposed operating budget for the subsequent fiscal year commencing July 1st and a financing plan for the second subsequent year. Both the operating budget and financing plan include proposed expenditures and the means of financing them.
- Public hearings are conducted at City Hall to obtain taxpayer comments.
- By the first Council meeting in July, and after adjustment as appropriate by the City Council, the operating budget is legally enacted through Council motion. The City's charter requires adoption of an annual budget; therefore, the financing plan is formally adopted as the operating budget at the beginning of the second fiscal year.
- Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds and capital projects funds as well as the Local Transportation, Stores Revolving, Vehicle Maintenance, Workers' Compensation, Unemployment and Vision Insurance funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through various bond indenture provisions. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items.

Budgeted amounts are as initially adopted on July 10, 2012, and as subsequently modified, by the City Council. Council approval is required for transfers between funds, or for an increase in total appropriations. As per the City's budget policy, the total amounts appropriated from each fund may not be legally exceeded. The City Administrator is responsible for administering the budget to the various departments within the City. For the operating budget, department heads may authorize minor expenditure transfers between activities within a fund's operating budget appropriation total. For the capital budget, department heads may not authorize expenditures that exceed individual line item budgetary appropriations. Supplemental appropriations for the year ended June 30, 2013, totaled \$21,133,922. The City's policy is to allow appropriations to lapse at year-end.

Encumbrances - Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General	\$	250,354
Sewer		8,037
Housing Program		50,102
Community Development Block Grant		435,502
Nonmajor Special Revenue Funds		373,844
Nonmajor Capital Projects Funds		63,254
Total		\$ 1,181,093

**CITY OF OROVILLE
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B) Excess Of Expenditures Over Appropriations

For the year ended June 30, 2013, the following funds had expenditures that exceeded appropriations:

Law Enforcement Block Grant	\$	1,913
Fire Grant		24,511
Supplemental Benefits		47,389
Annexation		1,389

C) Deficit Fund Equity

The following funds had deficit fund equity as of June 30, 2013:

Technology Fee	\$	27,773
Miscellaneous Grant		60,862
City Debt Service		194,617

The non-major Technology Fee special revenue fund deficit will be alleviated through future collections of technology fee revenues. The non-major Miscellaneous Grants special revenue fund deficit is expected to be eliminated through future grant revenues and or transfers from other funds. The non-major City Debt Service fund deficit will be resolved primarily through future contributions from the City's General Fund.

Management will continue to monitor these activities to ensure improved financial position. The deficits do not represent a significant financial burden.

3) Detailed Notes On All Funds

A) Deposits And Investments

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

Statement of Net Position:		
Cash and investments	\$	18,521,265
Restricted cash with fiscal agent		1,950,948
Statement of Fiduciary Net Position:		
Cash and investments		5,741,579
Total Cash and Investments		<u>\$ 26,213,792</u>

Cash and investments consist of the following:

Cash on hand	\$	1,297
Deposits with financial institutions		2,213,824
Investments		23,998,671
Total Cash and Investments		<u>\$ 26,213,792</u>

CITY OF OROVILLE
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Authorized Investments – City Investment Policy - The table below identifies the types of investments that are authorized by the City's investment policy:

Authorized Investment Type	Maximum Maturity (1)	Maximum Total of Portfolio	Maximum Investment On One Issuer
U.S. Government Obligations	3 years	No limit	None
U.S. Agency Obligations	3 years	50%	50%
Time certificates of deposit	1 year	50%	\$1,000,000
Local Agency Investment Fund	N/A	\$40 million	None
Repurchase agreements	10 days	20%	50%
Passbook savings account demand deposits	N/A	50%	\$1,000,000
Money Market/Mutual Funds	3 years	15%	50%
Bankers Acceptance	180 days	30%	50%

(1) = Investments with a longer maturity periods can be authorized by Oroville City Council.

Authorized Investments – Debt Trustee Agreements - Investments held by bond fiscal agents (trustees) are governed by the provisions of the underlying indenture agreements rather than the general provisions of the City's investment policy or California Government Code. The indenture agreements do not specifically identify maximum maturity and maximum investment provisions. The indenture agreements do identify the following permitted investments:

- U.S. Government Obligations
- U.S. Agency Obligations
- Money Market Funds (rated AAAm-G or AAAm)
- Demand or Time Deposits (FDIC insured or fully secured)
- Bonds or Notes (must have one of two highest ratings)
- Bankers Acceptances (rated P1, A1, or A-1+)
- Commercial Paper (rated P1 and A1)
- Repurchase Agreements
- Pre-refunded municipal obligations (highest rating category)
- Local Agency Investment Fund

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy requires that investments have an original maturity date of less than three (3) years, unless the City Council specifically authorizes a longer term. It is the City's practice to manage its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for City's operations

As of June 30, 2013, the City's investments had the following maturities:

Investment Type	Fair Value	Investment Maturities (years)			
		Under 1	1-5	6-10	Over 10
State Investment Pool - LAIF	\$ 22,047,723	\$ 22,047,723	\$ -	\$ -	\$ -
Held By Bond Trustee:					
MoneyMarket Funds	1,449,569	1,449,569			
Investment Agreement	501,379				501,379
Total Fair Value	\$ 23,998,671	\$ 23,497,292	\$ -	\$ -	\$ 501,379

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Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy requires time certificates of deposit and passbook savings accounts to be insured or collateralized as described under "Custodial Credit Risk" below. Repurchase agreements must be fully collateralized, and will only be with a primary dealer of the Federal Reserve Bank having a long-term debt rating of "AAA" by Moody's or Standard & Poors. The policy does not establish minimum ratings for other authorized investments.

As of June 30, 2013, the City's investments were in compliance with the ratings required by the City's investment policy and indenture agreements. Under the terms of the investment repurchase agreement permitted securities must equal 103% of the amount deposited and be comprised of direct obligations or unconditionally guaranteed by the U.S. Government; obligations, debentures, or notes issued by the Federal Home Loan Mortgage Corporation and Federal National Mortgage Association; or cash (100% security ratio).

Investment Type	Fair Value	Exempt From Disclosure	Year End	Not
			Rating AAA/AAAm	Rated
State Investment Pool - LAIF	\$ 22,047,723	\$ -	\$ -	\$22,047,723
Held By Bond Trustee:				
Money Market Funds	1,449,569		1,449,569	
Investment Agreement	501,379		501,379	
Total Fair Value	<u>\$ 23,998,671</u>	<u>\$ -</u>	<u>\$ 1,950,948</u>	<u>\$22,047,723</u>

Concentrations of Credit Risk

With the exception of securities of the U.S. Government and LAIF, the investment policy of the City limits the amount that can be invested in any one issuer to no more than 50% of the total portfolio, or \$1,000,000 for time certificates of deposit and passbook savings accounts. At June 30, 2013, the City had no investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represented 5% or more of the total City investments are as follows:

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that in the event of bank failure, the City's deposits may not be returned to the City or the City will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state and local governmental units by pledging securities in an undivided collateral pool held by the a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal 110% of the total deposits by public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At year-end, the City's deposits with financial institutions totaled \$2,508,467, of which \$256,828 was covered by federal depository insurance. The \$2,251,639 uninsured amount was exposed to custodial credit risk and was collateralized by securities, as described above.

CITY OF OROVILLE
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As of June 30, 2013, City investments in the following investment types were held by the same institution that was used by the City to buy the securities:

Investment Type	Reported Amount
Money Market Funds	\$ 1,449,569
Investment Agreement	501,379

Investment in State Investment Pool

The Local Agency Investment Pool (LAIF) is a special fund of the California State Treasury through which local governments may pool investments. The City may invest up to \$50,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. Funds deposited in LAIF are invested in accordance with Government Code Sections 16430 and 16480. Oversight of LAIF is provided by the Pooled Money Investment Board whose members are the California State Treasurer, California Director of Finance and the California State Controller.

B) Capital Assets

Capital assets activity for the year ended June 30, 2013 was as follows:

	Balance July 1, 2012	Additions	Deletions and Adjustments	Balance June 30, 2013
Government Activities:				
Nondepreciable Capital Assets:				
Land	\$ 5,982,029	\$ -	\$ -	\$ 5,982,029
Construction in progress	1,728,938	402,689	1,394,787	736,840
Total Nondepreciable Capital Assets	<u>7,710,967</u>	<u>402,689</u>	<u>1,394,787</u>	<u>6,718,869</u>
Depreciable Capital Assets:				
Improvements other than buildings	9,099,922	525,785		9,625,707
Buildings	10,896,030	510,204		11,406,234
Underground collection system	4,181,297	793,310		4,974,607
Machinery and equipment	9,168,577	334,289		9,502,866
Infrastructure	40,366,442			40,366,442
Total Depreciable Capital Assets	<u>73,712,268</u>	<u>2,163,588</u>	<u>-</u>	<u>75,875,856</u>
Less: Accumulated Depreciation:				
Land improvements	(3,634,052)	(427,906)		(4,061,958)
Buildings	(3,197,431)	(240,491)		(3,437,922)
Underground collection system	(2,852,926)	(71,724)		(2,924,650)
Machinery and equipment	(5,660,650)	(455,869)		(6,116,519)
Infrastructure	(28,334,850)	(899,731)		(29,234,581)
Total Accumulated Depreciation	<u>(43,679,909)</u>	<u>(2,095,721)</u>	<u>-</u>	<u>(45,775,630)</u>
Depreciable Capital Assets, net	<u>30,032,359</u>	<u>67,867</u>	<u>-</u>	<u>30,100,226</u>
Governmental Activities Capital Assets, net	<u>\$ 37,743,326</u>	<u>\$ 470,556</u>	<u>\$ 1,394,787</u>	<u>\$ 36,819,095</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental Activities:	
General government	\$ 66,299
Public safety	337,414
Public works	1,052,232
Transportation	148,799
Parks and leisure	419,253
Health and Sanitation	71,724
Total Depreciation Expense - Governmental Activities	<u>\$ 2,095,721</u>

**CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

Construction And Other Commitments

The City had two major active construction projects as of June 30, 2013. At year-end the City's commitments with contractors are as follows:

	Total Commitment	Expended To-Date	Remaining Commitment
Airport Paving Project	\$ 234,144	\$ 153,123	\$ 81,021
Safe Routes to School Project	666,000	30,425	635,575

C) Interfund Receivables, Payables And Transfers

The composition of Interfund balances and advances within the City's fund financial statements as of June 30, 2013, is as follows:

Due To(From) Other Funds:

Receivable Fund	Payable Fund	Amount
General	Gas Tax 2107	\$ 897
General	Miscellaneous Grants	60,862
General	City Debt Service	194,617
City Housing Rehabilitation Revolving Loan	EDBG	75,315
City Housing Rehabilitation Revolving Loan	CDBG Revolving Loan	5,809
Equipment Replacement	Special Aviation	7,954
Oroville Public Financing Authority	Oroville Successor Agency Fiduciary	815,000
Total Due To(From) Other Funds		<u>\$ 1,160,454</u>

Long-Term Advances Due To (From) Other Funds:

Receivable Fund	Payable Fund	Amount
Sewer	General	\$ 138,816
	Total General	<u>138,816</u>
Equipment Replacement	Technology Fee	29,154
	Total Special Revenue	<u>29,154</u>
Oroville Public Financing Authority Fund	Oroville Successor Agency Fiduciary	22,435,000
	Total Fiduciary	<u>22,435,000</u>
Total Advances Due To(From) Other Funds		<u>\$ 22,602,970</u>

The General Fund reports receivables from the Gas Tax 2107 Fund, Miscellaneous Grants Fund and City Debt Service Fund due to a negative pooled fund cash balances at June 30, 2013. The deficit cash balances are expected to be eliminated through future revenues in the Gas Tax 2107 and Miscellaneous Grants funds; and payments from the General Fund for the City Debt Service Fund.

The City Housing Rehabilitation Revolving Loan Fund reports receivables from the EDBG Fund and CDBG Revolving Loan Fund due to negative pooled fund cash balances at June 30, 2013. The deficit cash balances are expected to be eliminated through future grant and revolving loan payments.

CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

As previously noted, the Oroville Public Financing Authority (OPFA) made several loans to the Oroville Redevelopment Agency (RDA). As a result of the dissolution of the RDA, the loans became an obligation of the Oroville Successor Agency (OSA), which is reported as a private purpose trust fund in the accompanying financial statements. The outstanding loan balances totaled \$23,250,000 at June 30, 2013, of which \$815,000 has been classified as a current liability. As explained in Note 3(D), *Long-Term Debt*, the OPFA issued several series of revenue bonds, the proceeds of which were loaned to the former RDA. The loan agreement between the OPFA and the former RDA contain the same debt service repayment provisions as the OPFA series bonds. Total interest and principal paid to the OPFA during the year ended June 30, 2013, was \$1,135,771 and \$785,000, respectively. The City has reported the \$23,250,000 as a restricted asset, *Receivable From Oroville Successor Agency*, on the statement of net position as loan payments are required to be utilized for bond debt service payments.

The Equipment Replacement Fund made an advance to the Special Aviation Fund, of which \$7,954 was outstanding at June 30, 2013. The loan is to be repaid over the next year at an interest rate of 5.00%. Total interest and principal paid to the Equipment Replacement Fund during the year ended June 30, 2013 was \$1,028 and \$23,084, respectively.

An additional advance was been made to the Technology Fee Fund which is being repaid as technology fees are collected. Total payments made by the Technology Fee Fund were \$30,000 during the year ended June 30, 2013.

On June 29, 2008, the Sewer Fund advanced the General Fund \$138,816 to finance the construction of a force main power canal crossing project. The term of the advance is 20 years; however payments are deferred for the first 7 years. Interest will be charged at a rate of 1.5% per annum.

The following operating transfers were made during the year ended June 30, 2013:

Transfers	Transfers In	Transfers Out
General Fund	\$ 1,508,231	\$ 29,555
Special Revenue Funds:		
Sewer	58,034	312,168
Housing Program		488
First Time Home Buyer Grant	119,937	129,843
Community Development Block Grant	207,207	480,040
Oroville Public Financing Authority		1,920,782
HOME Housing Revolving Loan Fund	45,542	6,014
Nonmajor Special Revenue Funds	2,423,063	3,022,939
Debt Service Funds:		
Oroville Public Financing Authority Redemption	1,920,781	
Nonmajor Debt Service Funds	70,000	43,917
Capital Projects Funds:		
Nonmajor Capital Projects Funds	19,000	71,376
Enterprise Fund:		
Local Transportation Fund		91,000
Internal Service:		
Nonmajor Internal Service Funds		34,315
Private Purpose Trust Fund		229,358
	\$ 6,371,795	\$ 6,371,795

The City makes routine transfers between funds to 1) allocate costs in conformity with its indirect cost allocation plan, 2) move revenues from the fund with collection authorization to the debt service fund, 3) transfer resources for administration of its housing grants program, and 4) move housing/economic development grant program income into revolving loan funds.

CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

D) Long-Term Debt

Long-term liability activity for the year ended June 30, 2013 was as follows:

<u>Government Activities</u>	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Due Within One Year
Bonds Payable:					
Pension Obligation Bonds	\$ 6,355,000	\$ -	\$ 290,000	\$ 6,065,000	\$ 320,000
Less: Unamortized discount	(50,314)		(4,270)	(46,044)	
Total pension obligation bonds	<u>6,304,686</u>	<u>-</u>	<u>285,730</u>	<u>6,018,956</u>	<u>320,000</u>
Oroville Public Financing Authority:					
Revenue bonds payable	24,035,000		785,000	23,250,000	815,000
Less: Unamortized discount	(37,004)		(1,850)	(35,154)	
Add: Unamortized premium	137,288		7,482	129,806	
Total revenue bonds payable	<u>24,135,284</u>	<u>-</u>	<u>790,632</u>	<u>23,344,652</u>	<u>815,000</u>
Total Bonds Payable	<u>30,439,970</u>	<u>-</u>	<u>1,076,362</u>	<u>29,363,608</u>	<u>1,135,000</u>
USDA COP Loan	649,100		18,400	630,700	19,200
Capital lease obligation	36,895	-	36,895	-	-
Net OPEB obligation	410,277	277,063	99,012	588,328	-
Compensated absences	920,958	368,136	332,300	956,794	239,199
Total Long-Term Liabilities	<u>\$ 32,457,200</u>	<u>\$ 645,199</u>	<u>\$ 1,562,969</u>	<u>\$ 31,539,430</u>	<u>\$ 1,393,399</u>

Compensated absences and the net OPEB obligation are generally liquidated by the General Fund. Other individual debt issues comprising the City's long-term debt are as follows:

Taxable Pension Obligation Bonds

Taxable Pension Obligation Bonds – 2007 Series A-1 are comprised of \$7,260,000 in serial bonds. The bonds are an unconditional obligation of the City of Oroville payable from legally available funds. However, the bonds are not voter-approved debt backed by the taxing power of the City and the full faith and credit of the City has not been pledged to the repayment of the bonds. The proceeds of the bonds were used to pay the City's unfunded accrued actuarial liability to the California Public Employees' Retirement System. The bonds are due in annual installments ranging from \$85,000 to \$820,000 through June 1, 2024; interest ranging from 5.06 to 5.37 percent.

\$ 6,065,000

Oroville Public Financing Authority (OPFA) Revenue Bonds

The proceeds of the following three OPFA bond series were loaned to the former Oroville Redevelopment Agency (RDA) and used by the RDA to finance past and future capital projects of the RDA. Loan payments are now made by the Oroville Successor Agency to the OPFA are used to make debt service payments on the bonds.

\$18,255,000 Oroville Public Financing Authority 2002 Tax Allocation Revenue Bonds are comprised of \$8,300,000 of serial bonds and \$9,955,000 of term bonds. The serial bonds mature annually on September 15th in installments ranging from \$100,000 to \$690,000 through September 15, 2018, and have interest rates ranging from 2.50 percent to 4.25 percent. \$3,745,000 of the term bonds are due on September 15, 2025 and have an interest rate of 4.70 percent. \$6,210,000 of the term bonds are due on September 15, 2030 and have an interest rate of 4.78 percent. The bonds are an obligation of the Authority payable solely from proceeds of the sale of the bonds and investment revenues from local obligations and purchase contracts.

\$ 13,725,000

**CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

\$8,480,000 Oroville Public Financing Authority 2004 Tax Allocation Revenue Bonds, Series A are comprised of \$1,165,000 of serial bonds and \$7,315,000 of term bonds. The serial bonds mature annually beginning September 15, 2017 in installments ranging from \$275,000 to \$310,000 through September 15, 2020, and have interest rates ranging from 4.25% to 4.55%. The term bonds are due as follows:

\$3,335,000 with an interest rate of 4.85% matures September 15, 2023.

\$1,185,000 with an interest rate of 5.05% matures September 15, 2027.

\$2,795,000 with an interest rate of 5.00% matures September 15, 2031.

These bonds are a special obligation of the OPFA payable solely from a pledge of revenues primarily consisting of certain tax increment revenues received by the RDA.

8,480,000

\$2,145,000 Oroville Public Financing Authority 2004 Taxable Tax Allocation Revenue Bonds, Series B are comprised of \$1,280,000 of serial bonds and \$865,000 of term bonds. The serial bonds mature annually beginning September 15, 2012 in installments ranging from \$235,000 to \$285,000 through September 15, 2016, and have interest rates ranging from 5.00% to 5.55%. The term bonds are due as follows:

\$435,000 with an interest rate of 4.25% matures September 15, 2009.

\$430,000 with an interest rate of 4.85% matures September 15, 2011.

These bonds are a special obligation of the OPFA payable solely from a pledge of revenues primarily consisting of certain tax increment revenues received by the RDA/Oroville Successor Agency.

1,045,000

Total Oroville Public Financing Authority Revenue Bonds

\$ 23,250,000

The annual debt service requirement to amortize bonds outstanding as of June 30, 2013 is as follows:

Year Ended June 30,	Governmental Activities			
	Pension Obligation Bonds		OPFA Bonds	
	Principal	Interest	Principal	Interest
2014	\$ 320,000	\$ 326,950	\$ 815,000	\$ 1,103,775
2015	365,000	310,342	845,000	1,069,574
2016	410,000	291,070	885,000	1,032,683
2017	455,000	269,340	920,000	992,719
2018	505,000	244,907	935,000	952,412
2019-2023	3,425,000	754,644	5,350,000	4,058,841
2024-2028	585,000	32,081	6,795,000	2,565,160
2029-2033			6,705,000	784,125
	<u>\$ 6,065,000</u>	<u>\$ 2,229,334</u>	<u>\$ 23,250,000</u>	<u>\$ 12,559,289</u>

Feather River Bluffs Assessment District Improvement Bonds - These assessment district improvement bonds were issued in June, 1980, in accordance with the provisions of the Improvement Act of 1911, under the procedures provided for in the Municipal Improvement Act of 1913. These bonds are not obligations of the City of Oroville, the County of Butte, or the State of California. The bonds are in default and judicial foreclosure proceedings are being finalized. Bonds outstanding at the time of default totaled \$891,170. It is the City's opinion that the City has no obligation for payment of the bonds. For the year ended June 30, 2013, cash on hand \$18,210 and the offsetting liability have been included in the accompanying financial statements and are reported in an agency fund.

Disclosure of Conduit (No-Commitment) Debt - On April 2, 2012, the City issued \$15,000,000 of City of Oroville Variable Rate Demand Hospital Revenue Bonds (Oroville Hospital) 2012 Series A. The proceeds from the sale of these bonds were loaned to Oroville Hospital for the renovation and construction Hospital improvements and to refund certain older bonds from a former issue. These bonds will be repaid solely from the loan payments made by Oroville Hospital to the City. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for the repayment of these bonds. Accordingly, the bonds are not reported as a liability in the accompanying financial statements. At June 30, 2013, the outstanding principal of these bonds was \$14,115,000.

CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

USDA Certificate of Participation Loan - The City of Oroville entered into a loan agreement with the United States Department of Agriculture (USDA) wherein the City issued a certificate of participation to the USDA in an amount not to exceed \$700,000 to fund the expansion and renovation of City Hall. At the balance sheet date, the City had drawn down a total of \$700,000 for the project, and the balance of the loan was \$630,700. The rate of interest is 4.25% payable semi-annually. The agreement requires annual principal payments on August 1st ranging from \$16,300 to \$44,100 through the year 2033.

The annual debt service requirement to amortize the loan as of June 30, 2013 is as follows:

Year Ended June 30,	Governmental Activities USDA Certificate of Participation	
	Principal	Interest
	2014	\$ 19,200
2015	20,000	25,564
2016	20,900	24,695
2017	21,800	23,787
2018	22,700	22,841
2019-2023	128,600	98,592
2024-2028	158,400	68,204
2029-2033	195,000	30,778
2033-2038	44,100	937
	\$ 630,700	\$ 321,795

Capital Lease - The City of Oroville has entered into a leasing agreement comprised of several individual equipment leases to finance the acquisition of a forklift, several vehicles, truck with a dump bed, commercial mower and police cars with safety equipment. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value for its future minimum lease payments. The lease was paid off during the year ended June 30, 2013.

The assets acquired through capital leases are as follows:

	Governmental Activities		
	Original Cost	Accumulated Depreciation	Net
Forklift	\$ 23,059	\$ (14,783)	\$ 8,276
Vehicles	66,818	(54,409)	12,409
Truck with dump bed	35,051	(28,087)	6,964
Mower	17,700	(7,552)	10,148
Police cars with safety equipment	86,575	(66,539)	20,036
Street sweeper	169,347	(42,335)	127,012
	\$ 398,550	\$ (213,705)	\$ 184,845

CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

E) Nonspendable, Restricted, Committed And Assigned Fund Balance

	General	Sewer	Housing Program	First Time Home Buyer Grant	Community Development Block Grant
Nonspendable:					
Inventory	\$ 32,595	\$ -	\$ -	\$ -	\$ -
Long-Term Receivable		138,816			
Restricted For:					
Parks and Leisure	23,455				
Housing and Community Development			1,424,247	618,020	886,847
Committed To:					
General Government	219,893				
Public Safety	10,985				
Public Works	3,375				
Streets and Storm Drains	16,001				
Parks and Leisure	100				
Health And Sanitation		671,463			
Future Salaries And Benefits	56,875				
General Reserve	800,000				
Assigned To:					
Budgetary Carryovers	20,463				
Health And Sanitation		1,723,240			
Return Former RDA Loan Payment	1,852,500				
Unassigned	978,552				
Total	\$ 4,014,794	\$ 2,533,519	\$ 1,424,247	\$ 618,020	\$ 886,847

	Oroville Public Financing Authority	HOME Housing Revolving Loan	Oroville Public Financing Authority Redemption	Other Nonmajor Governmental Funds	Total
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 4,012	\$ 36,607
Long-Term Receivable	23,250,000			29,154	23,417,970
Restricted For:					
General Government				190,623	190,623
Public Safety				805,119	805,119
Streets and Storm Drains				2,512,448	2,512,448
Parks and Leisure				192,622	216,077
Health and Sanitation				909,188	909,188
Housing and Community Development				227,651	3,156,765
Debt Service			1,950,948		1,950,948
Committed To:					
General Government				963,077	1,182,970
Public Safety					10,985
Public Works					3,375
Streets and Storm Drains					16,001
Parks and Leisure				17,568	17,668
Transportation				23,268	23,268
Health and Sanitation					671,463
Housing and Community Development		146,271		2,508,535	2,654,806
Debt Service			52,627		52,627
Future Salaries And Benefits					56,875
General Reserve				346,621	1,146,621
Assigned To:					
Budgetary Carryovers					20,463
General Government				15,729	15,729
Parks and Leisure				173,090	173,090
Transportation				79,827	79,827
Health and Sanitation					1,723,240
Housing and Community Development				115,680	115,680
Debt Service	44,625			40,771	85,396
Return Former RDA Loan Payment					1,852,500
Unassigned				(283,252)	695,300
Total	\$ 23,294,625	\$ 146,271	\$ 2,003,575	\$ 8,871,731	\$ 43,793,629

**CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

4) Other Information

A) Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City provides property, liability, and worker's compensation insurance through the Northern California Cities Self Insurance Fund (NCCSIF), a public entity risk pool currently operating as a common risk management and insurance program for several Northern California Cities. The City pays quarterly and annual premiums to the NCCSIF for liability and worker's compensation insurance.

The City's deductible is \$50,000 for worker's compensation and \$50,000 for liability. The coverages from \$50,000 to \$500,000 in worker's compensation and \$50,000 to \$1,000,000 in liability are covered by a risk-sharing plan where all members participate in the loss. Claims that exceed the \$500,000 level (\$1,000,000 liability) are covered by excess Joint Powers Authorities. The City continues to carry commercial insurance for all other risks of loss, such as employee health and accident. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

An estimated liability has been accrued for unpaid claims, including the effects of specific, incremental claim adjustments expenditures/expenses; salvage or subrogation; and allocated claim adjustment expenditures/expenses. A reconciliation of unpaid claims liabilities is shown below:

Year Ended June 30	Balance July 1,	Current Year Claims And Changes In Estimates	Claim Payments	Balance June 30,
2012	\$ 385,953	\$ 361,595	\$ (373,053)	\$ 374,495
2013	374,495	165,474	(336,560)	203,409

B) Related Organizations

The City has entered into various joint powers agreements. Under the criteria established by GASB, the City does not have sufficient authority, influence or accountability over these entities to incorporate it in this annual report as a component unit of the reporting entity.

Northern California Cities Self Insurance Fund (NCCSIF) - As explained in Note 4(A) *Risk Management*, the City is a member of this public entity risk pool for liability and workers' compensation purposes. The NCCSIF consists of twenty Northern California Member Cities. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess liability coverage. All member cities share administrative costs of the Authority equally (5.00 percent) and have equal control over budgeting and financing activities. Each member city has a representative on the Board of Directors. The City paid \$609,223 in quarterly and annual premiums and assessments to the Authority for liability and worker's compensation insurance, and received \$72,779 in dividends awarded to the City.

Sewage Commission - Oroville Region (SC-OR) - SC-OR was organized under a joint powers agreement between the City of Oroville, Thermalito Water and Sewer District, and Lake Oroville Area Public Utility District. SC-OR's primary purpose is to provide sewage treatment services to the local government member entities. Each member sends two representatives (one voting, one nonvoting) to SC-OR's Board of Directors that constitutes the entire governing board. No participating member entity has access to SC-OR's resources or surpluses, nor is any participant liable for SC-OR's debts or deficits. Further, the City of Oroville does not have any equity interest in SC-OR.

Each member entity is required to collect and remit SC-OR's sewer treatment and system regional facility charges. For the year ended June 30, 2013, the amount remitted to SC-OR by the City of Oroville totaled \$940,384. At June 30, 2013, the City owed SC-OR \$235,038 for amounts collected but not yet remitted.

CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Noted below is condensed financial information derived from the audited financial statements of SC-OR as of June 30, 2013:

Cash	\$ 7,037,301
Other Assets	11,394,837
Total Assets	<u>\$ 18,432,138</u>
Liabilities	\$ 397,489
Net Position	18,034,649
Total Liabilities And Net Position	<u>\$ 18,432,138</u>
Total Revenues	\$ 2,103,364
Total Expenses	(2,232,510)
Change In Net Position	<u>\$ (129,146)</u>

Complete financial statements for SC-OR can be obtained from its administrative office at P.O. Box 1350, Oroville, CA 95965.

C) Contingencies

There are several pending lawsuits in which the City is involved. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City attorney the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

D) Subsequent Event

On January 31, 2012, the Oroville Redevelopment Agency (RDA) paid \$1,852,500 (\$1,800,000 principal and \$52,500 interest) to the City of Oroville's General Fund to repay a loan obligation due to the City. Section 34171(d)(2) of the California Health and Safety Code limited the authority of redevelopment agencies to repay loans between the RDA and the City. After January 1, 2011, only loans established within two years of the date of creation of the RDA are permitted to be repaid to the City. The loan between the RDA and City was established after the two year period. The City has taken the position that it had a legal right to demand payment, and the RDA had a legal obligation to pay. The California State Department of Finance has determined that the City must return the payment. The City would then need to obtain a finding by the Oversight Board of the Oroville Successor Agency (OSA) that the loan was made for legitimate redevelopment purposes and qualifies as an enforceable obligation eligible for repayment, but such repayment would be limited to the restrictions contained in Section 34191.4(b) of the Health and Safety Code. Upon return of the loan payment by the City, the General Fund would reinstate the loan receivable from the OSA, and a corresponding liability would be recorded in the OSA private-purpose trust fund pending the Oversight Board finding.

On December 10, 2013, the City complied with the State's demand and remitted \$1,852,500 to the Butte County Auditor-Controller. The payment was made from the City's General Fund. Management expects that the amount will be repaid to the General Fund by the Oroville Successor Agency over the next several years.

**CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

E) Employee Retirement Systems

Plan Description

The City of Oroville's two (2) defined benefit pension plans, Miscellaneous Plan of the City of Oroville and Safety Plan of the City of Oroville (Plans), provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plans are part of the Miscellaneous Plan Risk Pool and Safety Plan Risk Pool, respectively, of the California Public Employees Retirement System (CalPERS) and are cost-sharing, multiple-employer plans administered by CalPERS. CalPERS acts as a common investment and administrative agent for participating public employees within the State of California. State statutes within the Public Employees' Retirement Law establish a menu of benefit provisions as well as other requirements. The City of Oroville selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a publically available comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office - 400 P Street - Sacramento, CA 95814.

Funding Policy

Active plan members in the Plans are required to contribute 7.0% (9% for safety employees) of their annual covered salary. The City of Oroville is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by CalPERS Board of Administration. The required employer contribution rate for fiscal 2012/13 was 11.521% (21.440% for safety employees). The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

For fiscal year 2012/13 the City of Oroville's annual pension cost was \$1,076,363 (\$425,610 for miscellaneous and \$650,753 for safety employees) and the City actually contributed \$1,076,363. In addition, the City paid \$310,438 of the employees' required contributions under the terms of the City's various employee bargaining unit agreements. The required contribution for fiscal year 2012/13 was determined as part of the June 30, 2010, actuarial valuation.

Three-Year Trend Information				
Year Ending June 30,	Annual Pension Cost		Percentage Contributed	Net Pension Obligation
	Miscellaneous	Safety		
2011	\$ 341,275	\$ 429,912	100%	-
2012	433,542	626,797	100%	-
2013	425,610	650,753	100%	-

F) Other Postemployment Benefits

Plan Description

The City of Oroville Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the City. The plan provides lifetime healthcare insurance coverage for eligible retirees and their dependents through the City's group medical insurance plan, which covers both active and retired participants. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the City, its non-represented employees and the unions representing City employees. The Plan does not issue a separate financial report.

Employees are eligible to participate in the Plan if they retire directly from the City under CalPERS and pay the full premium. Since premiums are determined for actives and retirees on a combined basis, an implied subsidy must be reflected under GASB 45. Certain Management employees are eligible for sick leave conversion benefits at retirement, including medical, dental, vision, long-term disability, and life benefits.

CITY OF OROVILLE
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JUNE 30, 2013

Funding Policy

The contribution requirements of Plan participants and the City are established and may be amended by the City pursuant to agreements with its non-represented employees and the unions representing City employees.

The City contributed \$27,612 during the 2012/13 fiscal year on a pay-as-you-go basis for retiree sick leave conversion premiums. The City contributed an estimated \$71,400 for the implied subsidy inherent in 2012/13 retiree-paid premiums.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

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

Annual Required Contribution	\$	286,000
Interest on the Net OPEB Obligation		17,437
Adjustment to Annual Required Contribution		(26,374)
Annual OPEB Cost		277,063
Contributions Made		(99,012)
Increase in Net OPEB Obligation		178,051
Net OPEB Obligation - Beginning of Year		410,277
Net OPEB Obligation - End of Year	\$	588,328

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal year 2012/13 and the two preceding fiscal years were as follows:

Year Ending June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 213,043	61.60%	\$ 247,527
2012	264,933	38.57%	410,277
2013	277,063	35.74%	588,328

Funded Status and Funding Progress

The funded status of the Plan as of June 30, 2011, the Plan's most recent actuarial valuation date, was as follows:

Actuarial Accrued Liability (AAL)	\$	2,686,000
Actuarial Value of Plan Assets		-
Unfunded Actuarial Accrued Liability (UAAL)		2,686,000
Funded Ratio (Actuarial Value of Plan Assets/AAL)		0.00%
Covered Payroll (Active Plan Participants)	\$	6,228,000
UAAL as a Percentage of Covered Payroll		43.13%

CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing costs between the employer and plan participants to 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 of assets, consistent with the long-term perspective of the calculations.

For the June 30, 2011, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.25% investment rate of return (net of administrative expenses) and a 3% general inflation assumption. Premiums were assumed to increase for non-Medicare medical cost increase of 8.5% for 2014, graded down to 5.0% for 2021 and thereafter. The Medicare medical cost increase rates were 8.9% for 2014, downgraded to 5.0% for 2021 and thereafter. The initial unfunded actuarial accrued liability was amortized as a level percentage of projected payroll over a fixed 30-year period, of which 26 years remain.

G) Deferred Compensation

The City of Oroville offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit employees to defer a portion of their salary until future years. Participation in the plans is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City has adopted the provisions of GASB Statement 32 and, therefore, the assets and liabilities of these plans have been excluded from the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OROVILLE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

<u>REVENUES</u>	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Taxes:				
Property Taxes	\$ 1,298,163	\$ 1,185,959	\$ 1,874,800	\$ 688,841
Sales and Use Taxes	2,864,104	2,864,104	2,754,670	(109,434)
Sales and Use Taxes In-Lieu	2,093,958	2,127,541	2,194,730	67,189
Documentary Stamp	23,356	23,356	32,558	9,202
Transient Occupancy	338,862	338,862	421,261	82,399
Utility Users	1,702,392	1,702,392	1,577,706	(124,686)
Franchise	434,600	434,600	418,071	(16,529)
Licenses and Permits	259,654	359,654	349,012	(10,642)
Fines and Forfeitures	86,169	86,169	79,213	(6,956)
Interest, Rents, and Concessions	170,268	113,734	15,237	(98,497)
Intergovernmental Revenues	187,000	162,409	106,233	(56,176)
Current Service Charges	282,823	351,909	311,804	(40,105)
Other Revenues	283,166	287,347	391,876	104,529
Total Revenues	10,024,515	10,038,036	10,527,171	489,135
<u>EXPENDITURES</u>				
Current:				
General Government	3,006,664	2,947,600	2,382,430	565,170
Public Safety	7,285,709	7,170,348	7,339,823	(169,475)
Public Works	359,909	368,523	361,507	7,016
Streets and Storm Drains	878,273	978,873	760,024	218,849
Parks and Leisure	937,119	937,219	837,327	99,892
Housing and Community Development		304,090	283,656	20,434
Capital Outlay		107,855	27,144	80,711
Total Expenditures	12,467,674	12,814,508	11,991,911	822,597
Excess (Deficiency) of Revenues Over Expenditures	(2,443,159)	(2,776,472)	(1,464,740)	1,311,732
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	1,262,186	1,280,105	1,508,231	228,126
Transfers Out	(29,000)	(29,000)	(29,555)	(555)
Total Other Financing Sources (Uses)	1,233,186	1,251,105	1,478,676	227,571
Net Change In Fund Balances	(1,209,973)	(1,525,367)	13,936	1,539,303
Fund Balance, July 1	4,000,858	4,000,858	4,000,858	-
Fund Balance, June 30	\$ 2,790,885	\$ 2,475,491	\$ 4,014,794	\$ 1,539,303

CITY OF OROVILLE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 12,643	\$ 7,670	\$ 5,433	\$ (2,237)
Current Services:				
Sewer Service Charges	2,520,027	2,525,000	2,416,073	(108,927)
Other Revenues:				
Refunds/Reimbursements			6,288	6,288
Total Revenues	2,532,670	2,532,670	2,427,794	(104,876)
<u>EXPENDITURES</u>				
Current:				
Salaries and Benefits	410,068	419,839	419,747	92
Other Services and Supplies	641,948	520,076	273,630	246,446
SC-OR Treatment Charges	968,546	968,546	940,384	28,162
Capital Outlay:				
Health and Sanitation	716,699	1,166,057	255,685	910,372
Total Expenditures	2,737,261	3,074,518	1,889,446	1,185,072
Excess (Deficiency) of Revenues Over Expenditures	(204,591)	(541,848)	538,348	1,080,196
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	14,117	14,117	58,034	43,917
Transfers Out	(312,168)	(312,168)	(312,168)	-
Total Other Financing Sources (Uses)	(298,051)	(298,051)	(254,134)	43,917
Net Change In Fund Balances	(502,642)	(839,899)	284,214	1,124,113
Fund Balance, July 1	2,249,305	2,249,305	2,249,305	-
Fund Balance, June 30	\$ 1,746,663	\$ 1,409,406	\$ 2,533,519	\$ 1,124,113

CITY OF OROVILLE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
HOUSING PROGRAM FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ -	\$ 25,600	\$ 37,417	\$ 11,817
Current Services:				
Voucher and Other Fees		12,763	5,536	(7,227)
Other Revenues:				
Loan Collections		14,400	115,946	101,546
Sale of Property		450,000	535,000	85,000
Lease to Own Proceeds		39,600	36,181	(3,419)
Total Revenues	<u>-</u>	<u>542,363</u>	<u>730,080</u>	<u>187,717</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies		724,632	58,267	666,365
Housing Loans		185,000	270,000	(85,000)
Total Expenditures	<u>-</u>	<u>909,632</u>	<u>328,267</u>	<u>581,365</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(367,269)</u>	<u>401,813</u>	<u>769,082</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out		(50,000)	(488)	49,512
Total Other Financing Sources (Uses)	<u>-</u>	<u>(50,000)</u>	<u>(488)</u>	<u>49,512</u>
Net Change In Fund Balances	<u>-</u>	<u>(417,269)</u>	<u>401,325</u>	<u>818,594</u>
Fund Balance, July 1	1,022,922	1,022,922	1,022,922	-
Fund Balance, June 30	<u>\$ 1,022,922</u>	<u>\$ 605,653</u>	<u>\$ 1,424,247</u>	<u>\$ 818,594</u>

CITY OF OROVILLE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FIRST TIME HOME BUYER GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ -	\$ 2,017	\$ 10,308	\$ 8,291
Intergovernmental Revenues:				
Grants	80,000	3,694,338	2,373,701	(1,320,637)
Other Revenues:				
Loan Collections	3,152	86,983	35,484	(51,499)
Refunds/Reimbursements	86,983	1,135		(1,135)
Total Revenues	<u>170,135</u>	<u>3,784,473</u>	<u>2,419,493</u>	<u>(1,364,980)</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies		139,420	52,826	86,594
Housing Loans/Subsidies		5,998,125	2,247,368	3,750,757
Capital Outlay:				
Housing and Community Development		15,232		15,232
Total Expenditures	<u>-</u>	<u>6,152,777</u>	<u>2,300,194</u>	<u>3,852,583</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>170,135</u>	<u>(2,368,304)</u>	<u>119,299</u>	<u>2,487,603</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	75,000	300,000	119,937	(180,063)
Transfers Out	(245,135)	(588,717)	(129,843)	458,874
Total Other Financing Sources (Uses)	<u>(170,135)</u>	<u>(288,717)</u>	<u>(9,906)</u>	<u>278,811</u>
Net Change In Fund Balances	-	(2,657,021)	109,393	2,766,414
Fund Balance, July 1	508,627	508,627	508,627	-
Fund Balance, June 30	<u>\$ 508,627</u>	<u>\$ (2,148,394)</u>	<u>\$ 618,020</u>	<u>\$ 2,766,414</u>

CITY OF OROVILLE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 14,819	\$ 14,819	\$ 26,265	\$ 11,446
Intergovernmental Revenues:				
Grants	247,000	4,527,111	1,093,044	(3,434,067)
Other Revenues:				
Loan Collections	8,336	8,336	51,463	43,127
Refunds/Reimbursements	324,293	324,293		(324,293)
Total Revenues	<u>594,448</u>	<u>4,874,559</u>	<u>1,170,772</u>	<u>(3,703,787)</u>
<u>EXPENDITURES</u>				
Current:				
Salaries and Benefits		195,050	134,656	60,394
Other Services and Supplies		1,440,534	404,856	1,035,678
Loans Made		2,564,151	634,971	1,929,180
Capital Outlay:				
Housing and Community Development		608,694	209,211	399,483
Total Expenditures	<u>-</u>	<u>4,808,429</u>	<u>1,383,694</u>	<u>3,424,735</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>594,448</u>	<u>66,130</u>	<u>(212,922)</u>	<u>(279,052)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	225,000	696,409	207,207	(489,202)
Transfers Out	(819,748)	(1,654,394)	(480,040)	1,174,354
Total Other Financing Sources (Uses)	<u>(594,748)</u>	<u>(957,985)</u>	<u>(272,833)</u>	<u>685,152</u>
Net Change In Fund Balances	(300)	(891,855)	(485,755)	406,100
Fund Balance, July 1	1,372,602	1,372,602	1,372,602	-
Fund Balance, June 30	<u>\$ 1,372,302</u>	<u>\$ 480,747</u>	<u>\$ 886,847</u>	<u>\$ 406,100</u>

CITY OF OROVILLE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
OROVILLE PUBLIC FINANCING AUTHORITY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 1,920,782	\$ 1,920,782	\$ 1,135,782	\$ (785,000)
Total Revenues	<u>1,920,782</u>	<u>1,920,782</u>	<u>1,135,782</u>	<u>(785,000)</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,920,782</u>	<u>1,920,782</u>	<u>1,135,782</u>	<u>(785,000)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	(1,920,782)	(1,920,782)	(1,920,782)	-
Total Other Financing Sources (Uses)	<u>(1,920,782)</u>	<u>(1,920,782)</u>	<u>(1,920,782)</u>	<u>-</u>
Net Change In Fund Balances	-	-	(785,000)	(785,000)
Fund Balance, July 1	24,079,625	24,079,625	24,079,625	-
Fund Balance, June 30	<u>\$ 24,079,625</u>	<u>\$ 24,079,625</u>	<u>\$ 23,294,625</u>	<u>\$ (785,000)</u>

CITY OF OROVILLE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
HOME HOUSING REVOLVING LOAN FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 6,481	\$ 495	\$ 18,320	\$ 17,825
Other Revenues:				
Loan Collections		29,582	39,737	10,155
Total Revenues	<u>6,481</u>	<u>30,077</u>	<u>58,057</u>	<u>27,980</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies		1,500		1,500
Loans Made		99,941		99,941
Total Expenditures	<u>-</u>	<u>101,441</u>	<u>-</u>	<u>101,441</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,481</u>	<u>(71,364)</u>	<u>58,057</u>	<u>129,421</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In		5,986	45,542	39,556
Transfers Out		(8,168)	(6,014)	2,154
Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,182)</u>	<u>39,528</u>	<u>41,710</u>
Net Change In Fund Balances	6,481	(73,546)	97,585	171,131
Fund Balance, July 1	48,686	48,686	48,686	-
Fund Balance, June 30	<u>\$ 55,167</u>	<u>\$ (24,860)</u>	<u>\$ 146,271</u>	<u>\$ 171,131</u>

**CITY OF OROVILLE
CITY OF OROVILLE RETIREE HEALTHCARE PLAN
SCHEDULE OF FUNDING PROGRESS
(Amounts in 000's)**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
June 30, 2008	\$ -	\$ 1,511	\$ 1,511	0.00%	\$ 5,739	26.33%
June 30, 2011	-	2,686	2,686	0.00%	6,228	43.13%

NONMAJOR COMBINING AND INDIVIDUAL FUND STATEMENTS

**CITY OF OROVILLE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013**

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 7,638,698	\$ 122,821	\$ 925,193	\$ 8,686,712
Receivables:				
Taxes	32,111			32,111
Accounts	209,922			209,922
Grants	80,914			80,914
Interest	70,231			70,231
Due From Other Funds	81,124		7,954	89,078
Inventory	4,012			4,012
Loans Receivable	5,426,214		13,369	5,439,583
Advances Due From Other Funds			29,154	29,154
Total Assets	<u>\$ 13,543,226</u>	<u>\$ 122,821</u>	<u>\$ 975,670</u>	<u>\$ 14,641,717</u>
LIABILITIES				
Vouchers Payable	\$ 64,664	\$ 82,050	\$ 7,393	\$ 154,107
Accrued Salaries and Benefits	13,048			13,048
Due To Other Funds	150,837	194,617		345,454
Unearned Revenues	5,214,854		13,369	5,228,223
Advances Payable to Other Funds	29,154			29,154
Total Liabilities	<u>5,472,557</u>	<u>276,667</u>	<u>20,762</u>	<u>5,769,986</u>
Fund Balances (Deficits)				
Nonspendable	4,012		29,154	33,166
Restricted	4,837,651			4,837,651
Committed	2,933,315		925,754	3,859,069
Assigned	384,326	40,771		425,097
Unassigned	(88,635)	(194,617)		(283,252)
Total Fund Balances	<u>8,070,669</u>	<u>(153,846)</u>	<u>954,908</u>	<u>8,871,731</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 13,543,226</u>	<u>\$ 122,821</u>	<u>\$ 975,670</u>	<u>\$ 14,641,717</u>

CITY OF OROVILLE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Nonmajor Governmental Funds
<u>REVENUES</u>				
Taxes	\$ 109,204	\$ -	\$ -	\$ 109,204
Licenses and Permits	172,555			172,555
Interest, Rents, and Concessions	441,868		2,131	443,999
Intergovernmental Revenues	1,491,719		171,209	1,662,928
Current Service Charges	73,334			73,334
Other	846,889	547,095	11,489	1,405,473
Total Revenues	<u>3,135,569</u>	<u>547,095</u>	<u>184,829</u>	<u>3,867,493</u>
<u>EXPENDITURES</u>				
Current:				
General Government	2,089		14,836	16,925
Public Safety	72,214			72,214
Streets and Storm Drains	48,343			48,343
Transportation	586,053			586,053
Parks and Leisure	168,968			168,968
Health and Sanitation	2,194			2,194
Housing and Community Development	2,019,156			2,019,156
Debt Service:				
Principal Retirement		345,295		345,295
Interest and Fiscal Charges	1,728	373,444		375,172
Capital Outlay	512,561		166,889	679,450
Total Expenditures	<u>3,413,306</u>	<u>718,739</u>	<u>181,725</u>	<u>4,313,770</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(277,737)</u>	<u>(171,644)</u>	<u>3,104</u>	<u>(446,277)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	2,423,063	70,000	19,000	2,512,063
Transfers Out	(3,022,939)	(43,917)	(71,376)	(3,138,232)
Total Other Financing Sources (Uses)	<u>(599,876)</u>	<u>26,083</u>	<u>(52,376)</u>	<u>(626,169)</u>
Net Change In Fund Balances	(877,613)	(145,561)	(49,272)	(1,072,446)
Fund Balances, July 1	8,948,282	(8,285)	1,004,180	9,944,177
Fund Balances, June 30	<u>\$ 8,070,669</u>	<u>\$ (153,846)</u>	<u>\$ 954,908</u>	<u>\$ 8,871,731</u>

NONMAJOR SPECIAL REVENUE FUNDS

Community Promotions Fund	Recycling Fund	Fire Suppression Impact Fee Fund	Public Works Manufacturing Development Center Fund
To account for community promotion expenditures related to promoting the Oroville Area.	To account for activities of the City's recycling program.	To account for revenues and expenditures of development impact fees assessed for fire suppression services.	To account for funds received and expenditures related to the City's Business Development Center.
Sewer Connection Fees Fund	Special Gas Tax Funds (2107 and 2107.5, 186.1 and 2106, 2105)	Contingency Fund	City Housing Rehabilitation Revolving Loan Fund
To account for revenues collected for sewer connection fees and expenditures for sewer system improvements.	To account for State gasoline taxes received by the City. These funds may be used for street maintenance, right-of-way acquisition and street maintenance.	To accumulate resources and account for expenditures for unanticipated contingencies.	To account for loans to Low and Moderate Income Families, including repayment of principal and receipt of interest income.
Drainage Impact Fees Fund	Special Aviation Fund	Fire Grant Fund	Economic Development Revolving Loan Fund
To account for revenues collected for drainage fees and expenditures for drainage improvements.	To account for lease revenues from leased airport property and annual State allocations for airport operations and improvements.	To account for activities associated with the Indian Gaming Grant.	To account for funds received from the CDBG Economic Development Grant which are authorized to be loaned to private enterprises.
Park Development Fees Fund	Housing Administration Fund	PEG Fee Fund	CDBG Housing Revolving Loan
To account for revenues collected for park use fees and expenditures for park improvements.	To account for administrative overhead for the City's housing loan and rehabilitation programs.	To account for cable franchise fees collected for public access cable services	To account for the activities of the City's housing revolving loan program funded by CDBG program income.
Thermalito Traffic Impact Fund	EDBG Fund	General Government Development Impact Fee Fund	Micro-Enterprise Revolving Loan Fund
To account for revenues collected for traffic impact fees in the Thermalito Area.	To account for the activities of the City's various EDBG grants.	To account for revenues and expenditures of development impact fees assessed for general governmental services.	To account for the activities of the City's small business revolving loan program funded by CDBG program income.
Traffic Impact Fees Fund	Asset Seizure Fund	Lighting & Landscape Maintenance Districts Fund	CalHOME Revolving Loan Funds
To account for revenues collected for traffic impact fees in Oroville, excluding the North Oroville and Thermalito Areas.	To account for revenues and expenditures of assets acquired through law enforcement seizure activities.	To account for property tax assessment revenue collected for maintenance of the capital improvements of various improvement districts.	To account for the activities of the City's housing revolving loan program funded by CalHOME program income.
Drainage Citywide Fund	Public Safety Augmentation Fund	Benefits Assessment Districts Fund	Housing Rehabilitation Revolving Loan Fund
To account for revenues collected for citywide drainage impact fees and expenditures for drainage improvements.	To account for revenues generated for public safety purposes by a special sales tax distributed by Butte County.	To account for property tax assessment revenue collected for maintenance of the capital improvements of various benefit districts.	To account for activities of the City's housing revolving loan program funded by HOME program income.
Local Transportation Fund	Police Supplemental Law Enforcement Fund	Westside Public Service / Public Safety Services Funds	City Revolving Loan Fund
To account for revenues and expenditures associated with Transportation Development Act, Section 99400(A) funds and Traffic Congestion funds.	To account for revenues and expenditures funded by the State COPS program.	To account for property tax assessment revenue collected for public safety facilities and services provided to various benefit districts.	To account for loans, including payment of principal and interest.
Regional Surface Transpiration Program Fund	Law Enforcement Block Grant Fund	Supplemental Benefits Fund	Annexation Fund
To account for the activities of the Regional Surface Transportation Program.	To account for revenues and expenditures funded by the Federal Local Law Enforcement Block Grant.	To account for revenues and expenditures of amounts received from the Department of Water Resources.	To accumulate resources to be utilized for cost of annexing areas located adjacent to current City limits.
Technology Fee Fund	Law Enforcement Impact Fee Fund	Public Facilities Revolving Loan Fund	Plan Retention Fund
To account for collections and expenditures related to the City's technology fee program.	To account for revenues and expenditures of development impact fees assessed for police services.	To account for the activities for loans issued to fund various public facility projects.	To accumulate resources to be utilized for cost of annexing areas located adjacent to current City limits.
SB-1186 Fees Fund	Miscellaneous Grant Fund	Pioneer Museum Fund	
To account for collections and expenditures related to the SB-1186 fees for disability access and compliance.	To account for revenues and expenditures for several small grants awarded to the City.	To maintain accountability for cash contributed to the City for the Pioneer Museum.	

CITY OF OROVILLE
 COMBINING BALANCE SHEET
 SPECIAL REVENUE
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2013

	Community Promotions Fund	Sewer Connection Fees Fund	Drainage Impact Fees Fund	Park Development Fees Fund	Thermalito Traffic Impact Fees Fund	Traffic Impact Fees Fund	Drainage Citywide Fund	Local Transportation Fund	Regional Surface Transportation Program Fund	Technology Fee Fund
ASSETS										
Cash and Investments	\$ 30,116	\$ 826,166	\$ 498,037	\$ 91,623	\$ 155,662	\$ 681,259	\$ 494,308	\$ 132,306	\$ 396,037	\$ 1,268
Receivables:										
Taxes										
Accounts	1,000									113
Grants										
Interest										
Due From Other Funds										
Inventory										
Loans Receivable										
Advances Due From Other Funds										
Total Assets	<u>\$ 31,116</u>	<u>\$ 826,166</u>	<u>\$ 498,037</u>	<u>\$ 91,623</u>	<u>\$ 155,662</u>	<u>\$ 681,259</u>	<u>\$ 494,308</u>	<u>\$ 132,306</u>	<u>\$ 396,037</u>	<u>\$ 1,381</u>
LIABILITIES										
Vouchers Payable	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Salaries and Benefits										
Due To Other Funds										
Unearned Revenues										
Advances Payable to Other Funds										29,154
Total Liabilities	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,154</u>
Fund Balances (Deficits)										
Nonspendable										
Restricted		826,166	498,037	91,623	155,662	681,259	494,308	132,306	396,037	
Committed										
Assigned	31,016									
Unassigned										(27,773)
Total Fund Balances (Deficits)	<u>31,016</u>	<u>826,166</u>	<u>498,037</u>	<u>91,623</u>	<u>155,662</u>	<u>681,259</u>	<u>494,308</u>	<u>132,306</u>	<u>396,037</u>	<u>(27,773)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 31,116</u>	<u>\$ 826,166</u>	<u>\$ 498,037</u>	<u>\$ 91,623</u>	<u>\$ 155,662</u>	<u>\$ 681,259</u>	<u>\$ 494,308</u>	<u>\$ 132,306</u>	<u>\$ 396,037</u>	<u>\$ 1,381</u>

Continued

CITY OF OROVILLE
 COMBINING BALANCE SHEET
 SPECIAL REVENUE
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2013

	SB-1186 Fees Fund	Recycling Fund	Special Gas Tax 2107 & 2107.5 Fund	Special Gas Tax 186.1 & 2106 Fund	Special Gas Tax 2105 Fund	Special Aviation Fund	Housing Administration Fund	EDBG Fund	Asset Seizure Fund	Public Safety Augmentation Fund
ASSETS										
Cash and Investments	\$ 248	\$ 81,209	\$ -	\$ 12,323	\$ 33,471	\$ 60,004	\$ 24,662	\$ -	\$ 34,001	\$ 141,584
Receivables:										
Taxes										
Accounts	2	5,000	11,582	5,182	17,175	28,800				7,866
Grants						68,434		12,480		
Interest								12,771		
Due From Other Funds										
Inventory						4,012				
Loans Receivable								2,807,240		
Advances Due From Other Funds										
Total Assets	<u>\$ 250</u>	<u>\$ 86,209</u>	<u>\$ 11,582</u>	<u>\$ 17,505</u>	<u>\$ 50,646</u>	<u>\$ 161,250</u>	<u>\$ 24,662</u>	<u>\$ 2,832,491</u>	<u>\$ 34,001</u>	<u>\$ 149,450</u>
LIABILITIES										
Vouchers Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,647	\$ -	\$ 55	\$ -	\$ -
Accrued Salaries and Benefits						542	11,056			
Due To Other Funds			897			7,954		75,315		
Unearned Revenues								2,574,226		
Advances Payable to Other Funds	-									
Total Liabilities	<u>-</u>	<u>-</u>	<u>897</u>	<u>-</u>	<u>-</u>	<u>54,143</u>	<u>11,056</u>	<u>2,649,596</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)										
Nonspendable						4,012				
Restricted	250	86,209	10,685	17,505	50,646			182,895	34,001	149,450
Committed						23,268				
Assigned						79,827	13,606			
Unassigned										
Total Fund Balances (Deficits)	<u>250</u>	<u>86,209</u>	<u>10,685</u>	<u>17,505</u>	<u>50,646</u>	<u>107,107</u>	<u>13,606</u>	<u>182,895</u>	<u>34,001</u>	<u>149,450</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 250</u>	<u>\$ 86,209</u>	<u>\$ 11,582</u>	<u>\$ 17,505</u>	<u>\$ 50,646</u>	<u>\$ 161,250</u>	<u>\$ 24,662</u>	<u>\$ 2,832,491</u>	<u>\$ 34,001</u>	<u>\$ 149,450</u>

Continued

CITY OF OROVILLE
 COMBINING BALANCE SHEET
 SPECIAL REVENUE
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2013

	Police Supplemental Law Enforcement Fund	Law Enforcement Block Grant Fund	Law Enforcement Impact Fee Fund	Miscellaneous Grant Fund	Fire Suppression Impact Fee Fund	Contingency Fund	Fire Grant Fund	PEG Fee Fund	General Government Development Impact Fee Fund	Lighting & Landscape Maintenance Districts Fund
ASSETS										
Cash and Investments	\$ 68,217	\$ 125,652	\$ 53,844	\$ -	\$ 20,872	\$ 346,621	\$ 126,216	\$ 38,367	\$ 6,397	\$ 9,738
Receivables:										
Taxes								3,202		7,009
Accounts	43,520									
Grants										
Interest										
Due From Other Funds										
Inventory										
Loans Receivable										
Advances Due From Other Funds										
Total Assets	<u>\$ 111,737</u>	<u>\$ 125,652</u>	<u>\$ 53,844</u>	<u>\$ -</u>	<u>\$ 20,872</u>	<u>\$ 346,621</u>	<u>\$ 126,216</u>	<u>\$ 41,569</u>	<u>\$ 6,397</u>	<u>\$ 16,747</u>
LIABILITIES										
Vouchers Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324	\$ -	\$ -	\$ 1,542
Accrued Salaries and Benefits							474			276
Due To Other Funds				60,862						
Unearned Revenues										
Advances Payable to Other Funds										
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,862</u>	<u>-</u>	<u>-</u>	<u>798</u>	<u>-</u>	<u>-</u>	<u>1,818</u>
Fund Balances (Deficits)										
Nonspendable										
Restricted	111,737	125,652	53,844		20,872		125,418	41,569	6,397	14,929
Committed						346,621				
Assigned										
Unassigned				(60,862)						
Total Fund Balances (Deficits)	<u>111,737</u>	<u>125,652</u>	<u>53,844</u>	<u>(60,862)</u>	<u>20,872</u>	<u>346,621</u>	<u>125,418</u>	<u>41,569</u>	<u>6,397</u>	<u>14,929</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 111,737</u>	<u>\$ 125,652</u>	<u>\$ 53,844</u>	<u>\$ -</u>	<u>\$ 20,872</u>	<u>\$ 346,621</u>	<u>\$ 126,216</u>	<u>\$ 41,569</u>	<u>\$ 6,397</u>	<u>\$ 16,747</u>

Continued

CITY OF OROVILLE
 COMBINING BALANCE SHEET
 SPECIAL REVENUE
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2013

	Benefit Assessment Districts Fund	Westside Public Service Fund	Public Safety Services Fund	Supplemental Benefits Fund	Public Facility Revolving Loan Fund	Pioneer Museum Fund	Public Works Manufacturing Development Center Fund	City Housing Rehabilitation Revolving Loan Fund	Economic Development Revolving Loan Fund	CDBG Housing Revolving Loan Fund
ASSETS										
Cash and Investments	\$ 61,137	\$ 173,026	\$ 173,195	\$ 189,662	\$ -	\$ 100,999	\$ 82,691	\$ 546,262	\$ -	\$ -
Receivables:										
Taxes		10,950	10,950							
Accounts				89,682						
Grants										
Interest								46,392	236	
Due From Other Funds								81,124		
Inventory										
Loans Receivable								1,634,770	79,223	800,115
Advances Due From Other Funds										
Total Assets	<u>\$ 61,137</u>	<u>\$ 183,976</u>	<u>\$ 184,145</u>	<u>\$ 279,344</u>	<u>\$ -</u>	<u>\$ 100,999</u>	<u>\$ 82,691</u>	<u>\$ 2,308,548</u>	<u>\$ 79,459</u>	<u>\$ 800,115</u>
LIABILITIES										
Vouchers Payable	\$ 63	\$ -	\$ -	\$ 8,335	\$ -	\$ -	\$ 8,598	\$ -	\$ -	\$ -
Accrued Salaries and Benefits				669			31			
Due To Other Funds									5,809	
Unearned Revenues				79,682				1,586,446	69,519	800,115
Advances Payable to Other Funds										
Total Liabilities	<u>63</u>	<u>-</u>	<u>-</u>	<u>88,686</u>	<u>-</u>	<u>-</u>	<u>8,629</u>	<u>1,586,446</u>	<u>75,328</u>	<u>800,115</u>
Fund Balances (Deficits)										
Nonspendable										
Restricted	61,074	183,976	184,145			100,999				
Committed				17,568	-		3,004	722,102	4,131	
Assigned				173,090			71,058			
Unassigned										
Total Fund Balances (Deficits)	<u>61,074</u>	<u>183,976</u>	<u>184,145</u>	<u>190,658</u>	<u>-</u>	<u>100,999</u>	<u>74,062</u>	<u>722,102</u>	<u>4,131</u>	<u>-</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 61,137</u>	<u>\$ 183,976</u>	<u>\$ 184,145</u>	<u>\$ 279,344</u>	<u>\$ -</u>	<u>\$ 100,999</u>	<u>\$ 82,691</u>	<u>\$ 2,308,548</u>	<u>\$ 79,459</u>	<u>\$ 800,115</u>

Continued

CITY OF OROVILLE
 COMBINING BALANCE SHEET
 SPECIAL REVENUE
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2013

	Micro- Enterprise Revolving Loan Fund	CalHOME Revolving Loan Fund	Housing Rehabilitation Revolving Loan Fund	City Revolving Loan Fund	Annexation Fund	Plan Retention Fund	Totals 2013
ASSETS							
Cash and Investments	\$ 1,425,195	\$ 103,785	\$ -	\$ 239,486	\$ 37,323	\$ 15,729	\$ 7,638,698
Receivables:							
Taxes							32,111
Accounts							209,922
Grants							80,914
Interest				10,832			70,231
Due From Other Funds							81,124
Inventory							4,012
Loans Receivable			55,592	49,274			5,426,214
Advances Due From Other Funds							-
Total Assets	<u>\$ 1,425,195</u>	<u>\$ 103,785</u>	<u>\$ 55,592</u>	<u>\$ 299,592</u>	<u>\$ 37,323</u>	<u>\$ 15,729</u>	<u>\$ 13,543,226</u>
LIABILITIES							
Vouchers Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,664
Accrued Salaries and Benefits							13,048
Due To Other Funds							150,837
Unearned Revenues			55,592	49,274			5,214,854
Advances Payable to Other Funds							29,154
Total Liabilities	<u>-</u>	<u>-</u>	<u>55,592</u>	<u>49,274</u>	<u>-</u>	<u>-</u>	<u>5,472,557</u>
Fund Balances (Deficits)							
Nonspendable							4,012
Restricted							4,837,651
Committed	1,425,195	103,785		250,318	37,323		2,933,315
Assigned						15,729	384,326
Unassigned							(88,635)
Total Fund Balances (Deficits)	<u>1,425,195</u>	<u>103,785</u>	<u>-</u>	<u>250,318</u>	<u>37,323</u>	<u>15,729</u>	<u>8,070,669</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 1,425,195</u>	<u>\$ 103,785</u>	<u>\$ 55,592</u>	<u>\$ 299,592</u>	<u>\$ 37,323</u>	<u>\$ 15,729</u>	<u>\$ 13,543,226</u>

CITY OF OROVILLE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Community Promotions Fund	Sewer Connection Fees Fund	Drainage Impact Fees Fund	Park Development Fees Fund	Thermalito Traffic Impact Fees Fund	Traffic Impact Fees Fund	Drainage Citywide Fund	Local Transportation Fund	Regional Surface Transportation Program Fund	Technology Fee Fund
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits						159,309	10,125			
Interest, Rents, and Concessions		2,162	1,380	249	424	1,489	1,321	632	1,078	61
Intergovernmental Revenues										
Current Service Charges		33,476								38,284
Other	11,483									
Total Revenues	11,483	35,638	1,380	249	424	160,798	11,446	632	1,078	38,345
EXPENDITURES										
Current:										
General Government										2,084
Public Safety										
Streets and Storm Drains										
Transportation										
Parks and Leisure										
Health and Sanitation										
Housing and Community Development	27,188									
Debt Service:										
Interest Charges										
Capital Outlay			11,250							62,500
Total Expenditures	27,188	-	11,250	-	-	-	-	-	-	64,584
Excess (Deficiency) of Revenues Over Expenditures	(15,705)	35,638	(9,870)	249	424	160,798	11,446	632	1,078	(26,239)
OTHER FINANCING SOURCES (USES)										
Transfer In	20,000									
Transfer Out								(200,368)		
Total Other Financing Sources (Uses)	20,000	-	-	-	-	-	-	(200,368)	-	-
Net Change In Fund Balances (Deficits)	4,295	35,638	(9,870)	249	424	160,798	11,446	(199,736)	1,078	(26,239)
Fund Balances (Deficits), July 1	26,721	790,528	507,907	91,374	155,238	520,461	482,862	332,042	394,959	(1,534)
Fund Balances (Deficits), June 30	\$ 31,016	\$ 826,166	\$ 498,037	\$ 91,623	\$ 155,662	\$ 681,259	\$ 494,308	\$ 132,306	\$ 396,037	\$ (27,773)

Continued

CITY OF OROVILLE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SB-1186 Fees Fund	Recycling Fund	Special Gas Tax 2107 & 2107.5 Fund	Special Gas Tax 186.1 & 2106 Fund	Special Gas Tax 2105 Fund	Special Aviation Fund	Housing Administration Fund	EDBG Fund	Asset Seizure Fund	Public Safety Augmentation Fund
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	251									
Interest, Rents, and Concessions	1	241	19	31	62	172,419		92,005	79	
Intergovernmental Revenues		5,000	114,667	64,280	190,164	145,520		516,665		102,133
Current Service Charges										
Other		9,502				360,550		343,084	7,117	
Total Revenues	<u>252</u>	<u>14,743</u>	<u>114,686</u>	<u>64,311</u>	<u>190,226</u>	<u>678,489</u>	<u>-</u>	<u>951,754</u>	<u>7,196</u>	<u>102,133</u>
EXPENDITURES										
Current:										
General Government										
Public Safety										
Streets and Storm Drains			333	333	333					
Transportation						586,053				
Parks and Leisure										
Health and Sanitation		2,194								
Housing and Community Development	2						617,648	143,305		
Debt Service:										
Interest Charges						1,728				
Capital Outlay		-				358,288				
Total Expenditures	<u>2</u>	<u>2,194</u>	<u>333</u>	<u>333</u>	<u>333</u>	<u>946,069</u>	<u>617,648</u>	<u>143,305</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>250</u>	<u>12,549</u>	<u>114,353</u>	<u>63,978</u>	<u>189,893</u>	<u>(267,580)</u>	<u>(617,648)</u>	<u>808,449</u>	<u>7,196</u>	<u>102,133</u>
OTHER FINANCING SOURCES (USES)										
Transfer In						112,000	636,452			
Transfer Out		(14,396)	(130,942)	(65,332)	(207,908)	(99,192)		(426,142)		(71,403)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(14,396)</u>	<u>(130,942)</u>	<u>(65,332)</u>	<u>(207,908)</u>	<u>12,808</u>	<u>636,452</u>	<u>(426,142)</u>	<u>-</u>	<u>(71,403)</u>
Net Change In Fund Balances (Deficits)	250	(1,847)	(16,589)	(1,354)	(18,015)	(254,772)	18,804	382,307	7,196	30,730
Fund Balances (Deficits), July 1	-	88,056	27,274	18,859	68,661	361,879	(5,198)	(199,412)	26,805	118,720
Fund Balances (Deficits), June 30	<u>\$ 250</u>	<u>\$ 86,209</u>	<u>\$ 10,685</u>	<u>\$ 17,505</u>	<u>\$ 50,646</u>	<u>\$ 107,107</u>	<u>\$ 13,606</u>	<u>\$ 182,895</u>	<u>\$ 34,001</u>	<u>\$ 149,450</u>

Continued

CITY OF OROVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	Police Supplemental Law Enforcement Fund	Law Enforcement Block Grant Fund	Law Enforcement Impact Fee Fund	Miscellaneous Grant Fund	Fire Suppression Impact Fee Fund	Contingency Fund	Fire Grant Fund	PEG Fee Fund	General Government Development Impact Fee Fund	Lighting & Landscape Maintenance Districts Fund
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,570	\$ -	\$ 23,634
Licenses and Permits			864		183				684	
Interest, Rents, and Concessions	243	15,006	144		56		3,791	76	25	57
Intergovernmental Revenues	80,366	83,342					32,309			
Current Service Charges										
Other				11,830						
Total Revenues	80,609	98,348	1,008	11,830	239	-	36,100	19,646	709	23,691
EXPENDITURES										
Current:										
General Government										
Public Safety		15,933					55,240			
Streets and Storm Drains										43,383
Transportation										
Parks and Leisure				39,610						
Health and Sanitation										
Housing and Community Development						871,269				
Debt Service:										
Interest Charges										
Capital Outlay		18,412					19,172			
Total Expenditures	-	34,345	-	39,610	-	871,269	74,412	-	-	43,383
Excess (Deficiency) of Revenues Over Expenditures	80,609	64,003	1,008	(27,780)	239	(871,269)	(38,312)	19,646	709	(19,692)
OTHER FINANCING SOURCES (USES)										
Transfer In				18,100						
Transfer Out	(100,000)	(121,871)		(69,683)					(7,000)	(660)
Total Other Financing Sources (Uses)	(100,000)	(121,871)	-	(51,583)	-	-	-	-	(7,000)	(660)
Extraordinary Item: Dissolution of Oroville RDA										
Net Change In Fund Balances (Deficits)	(19,391)	(57,868)	1,008	(79,363)	239	(871,269)	(38,312)	19,646	(6,291)	(20,352)
Fund Balances (Deficits), July 1	131,128	183,520	52,836	18,501	20,633	1,217,890	163,730	21,923	12,688	35,281
Fund Balances (Deficits), June 30	\$ 111,737	\$ 125,652	\$ 53,844	\$ (60,862)	\$ 20,872	\$ 346,621	\$ 125,418	\$ 41,569	\$ 6,397	\$ 14,929

Continued

CITY OF OROVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	Benefit Assessment Districts Fund	Westside Public Service Fund	Public Safety Services Fund	Supplemental Benefits Fund	Public Facility Revolving Loan Fund	Pioneer Museum Fund	Public Works Manufacturing Development Center Fund	City Housing Rehabilitation Revolving Loan Fund	Economic Development Revolving Loan Fund	CDBG Housing Revolving Loan Fund
REVENUES										
Taxes	\$ -	\$ 33,000	\$ 33,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	1,139									
Interest, Rents, and Concessions	170	434	435		3,473		72,377	59,735	4,502	
Intergovernmental Revenues				157,273						
Current Service Charges										
Other								93,500	9,823	
Total Revenues	<u>1,309</u>	<u>33,434</u>	<u>33,435</u>	<u>157,273</u>	<u>3,473</u>	<u>-</u>	<u>72,377</u>	<u>153,235</u>	<u>14,325</u>	<u>-</u>
EXPENDITURES										
Current:										
General Government										
Public Safety			1,041							
Streets and Storm Drains	2,920	1,041								
Transportation										
Parks and Leisure				129,358						
Health and Sanitation										
Housing and Community Development							18,522	333,600		
Debt Service:										
Interest Charges										
Capital Outlay							42,939			
Total Expenditures	<u>2,920</u>	<u>1,041</u>	<u>1,041</u>	<u>129,358</u>	<u>-</u>	<u>-</u>	<u>61,461</u>	<u>333,600</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,611)</u>	<u>32,393</u>	<u>32,394</u>	<u>27,915</u>	<u>3,473</u>	<u>-</u>	<u>10,916</u>	<u>(180,365)</u>	<u>14,325</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)										
Transfer In						213,965				
Transfer Out	(44)					(1,295,476)	(112,000)	(75,000)	(15,522)	
Total Other Financing Sources (Uses)	<u>(44)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,081,511)</u>	<u>-</u>	<u>(112,000)</u>	<u>(75,000)</u>	<u>(15,522)</u>	<u>-</u>
Extraordinary Item: Dissolution of Oroville RDA										
Net Change In Fund Balances (Deficits)	(1,655)	32,393	32,394	27,915	(1,078,038)	-	(101,084)	(255,365)	(1,197)	-
Fund Balances (Deficits), July 1	62,729	151,583	151,751	162,743	1,078,038	100,999	175,146	977,467	5,328	-
Fund Balances (Deficits), June 30	<u>\$ 61,074</u>	<u>\$ 183,976</u>	<u>\$ 184,145</u>	<u>\$ 190,658</u>	<u>\$ -</u>	<u>\$ 100,999</u>	<u>\$ 74,062</u>	<u>\$ 722,102</u>	<u>\$ 4,131</u>	<u>\$ -</u>

Continued

CITY OF OROVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	Micro- Enterprise Revolving Loan Fund	CalHOME Revolving Loan Fund	Housing Rehabilitation Revolving Loan Fund	City Revolving Loan Fund	Annexation Fund	Plan Retention Fund	Totals 2013
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,204
Licenses and Permits							172,555
Interest, Rents, and Concessions	2,649	282		4,607	113	40	441,868
Intergovernmental Revenues							1,491,719
Current Service Charges						1,574	73,334
Other							846,889
Total Revenues	<u>2,649</u>	<u>282</u>	<u>-</u>	<u>4,607</u>	<u>113</u>	<u>1,614</u>	<u>3,135,569</u>
EXPENDITURES							
Current:							
General Government						5	2,089
Public Safety							72,214
Streets and Storm Drains							48,343
Transportation							586,053
Parks and Leisure							168,968
Health and Sanitation							2,194
Housing and Community Development				25	7,597		2,019,156
Debt Service:							
Interest Charges							1,728
Capital Outlay							512,561
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>7,597</u>	<u>5</u>	<u>3,413,306</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,649</u>	<u>282</u>	<u>-</u>	<u>4,582</u>	<u>(7,484)</u>	<u>1,609</u>	<u>(277,737)</u>
OTHER FINANCING SOURCES (USES)							
Transfer In	1,422,546						2,423,063
Transfer Out				(10,000)			(3,022,939)
Total Other Financing Sources (Uses)	<u>1,422,546</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>(599,876)</u>
Net Change In Fund Balances (Deficits)	1,425,195	282	-	(5,418)	(7,484)	1,609	(877,613)
Fund Balances (Deficits), July 1	-	103,503	-	255,736	44,807	14,120	8,948,282
Fund Balances (Deficits), June 30	<u>\$ 1,425,195</u>	<u>\$ 103,785</u>	<u>\$ -</u>	<u>\$ 250,318</u>	<u>\$ 37,323</u>	<u>\$ 15,729</u>	<u>\$ 8,070,669</u>

**CITY OF OROVILLE
COMMUNITY PROMOTIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Other Revenues:				
Donations	\$ -	\$ -	\$ 11,138	\$ 11,138
Promotional Sales			345	
Total Revenues	-	-	11,483	11,138
<u>EXPENDITURES</u>				
Current:				
Other Services and Charges	30,000	30,000	27,188	2,812
Total Expenditures	30,000	30,000	27,188	2,812
Excess (Deficiency) of Revenues Over Expenditures	(30,000)	(30,000)	(15,705)	13,950
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer In	30,000	30,000	20,000	(10,000)
Total Other Financing Sources (Uses)	30,000	30,000	20,000	(10,000)
Net Change In Fund Balances	-	-	4,295	3,950
Fund Balance, July 1	26,721	26,721	26,721	-
Fund Balance, June 30	\$ 26,721	\$ 26,721	\$ 31,016	\$ 3,950

**CITY OF OROVILLE
SEWER CONNECTION FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 5,663	\$ 2,000	\$ 2,162	\$ 162
Current Service Charges:				
Sewer Connection Fees		11,000	6,145	(4,855)
Sewer Tapping Charges	7,956	619		(619)
Sewer Collection Facility			27,331	27,331
Total Revenues	<u>13,619</u>	<u>13,619</u>	<u>35,638</u>	<u>22,019</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>13,519</u>	<u>13,519</u>	<u>35,638</u>	<u>22,119</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	13,519	13,519	35,638	22,119
Fund Balance, July 1	790,528	790,528	790,528	-
Fund Balance, June 30	<u>\$ 804,047</u>	<u>\$ 804,047</u>	<u>\$ 826,166</u>	<u>\$ 22,119</u>

**CITY OF OROVILLE
DRAINAGE IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Licenses and Permits:				
Drainage Impact Fees	\$ 626	\$ 2,647	\$ -	\$ (2,647)
Interest, Rents, and Concessions:				
Investment Earnings	3,821	1,800	1,380	(420)
Total Revenues	<u>4,447</u>	<u>4,447</u>	<u>1,380</u>	<u>(3,067)</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies	100	150,100		150,100
Capital Outlay:				
Streets and Storm Drains		11,250	11,250	-
Total Expenditures	<u>100</u>	<u>161,350</u>	<u>11,250</u>	<u>150,100</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,347</u>	<u>(156,903)</u>	<u>(9,870)</u>	<u>147,033</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	4,347	(156,903)	(9,870)	147,033
Fund Balance, July 1	507,907	507,907	507,907	-
Fund Balance, June 30	<u>\$ 512,254</u>	<u>\$ 351,004</u>	<u>\$ 498,037</u>	<u>\$ 147,033</u>

**CITY OF OROVILLE
PARK DEVELOPMENT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Licenses and Permits:				
Park Impact Fees	\$ 2,583	\$ 3,000	\$ -	\$ (3,000)
Interest, Rents, and Concessions:				
Investment Earnings	742	325	249	(76)
Total Revenues	<u>3,325</u>	<u>3,325</u>	<u>249</u>	<u>(3,076)</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies	100	9,822		9,822
Capital Outlay:				
Parks and Leisure		16,700		16,700
Total Expenditures	<u>100</u>	<u>26,522</u>	<u>-</u>	<u>26,522</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,225</u>	<u>(23,197)</u>	<u>249</u>	<u>23,446</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	3,225	(23,197)	249	23,446
Fund Balance, July 1	91,374	91,374	91,374	-
Fund Balance, June 30	<u>\$ 94,599</u>	<u>\$ 68,177</u>	<u>\$ 91,623</u>	<u>\$ 23,446</u>

**CITY OF OROVILLE
THERMALITO TRAFFIC IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 1,165	\$ 1,165	\$ 424	\$ (741)
Total Revenues	<u>1,165</u>	<u>1,165</u>	<u>424</u>	<u>(741)</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,065</u>	<u>1,065</u>	<u>424</u>	<u>(641)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	1,065	1,065	424	(641)
Fund Balance, July 1	155,238	155,238	155,238	-
Fund Balance, June 30	<u>\$ 156,303</u>	<u>\$ 156,303</u>	<u>\$ 155,662</u>	<u>\$ (641)</u>

**CITY OF OROVILLE
TRAFFIC IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Licenses and Permits:				
Traffic Impact Fees	\$ 42,109	\$ 44,293	\$ 159,309	\$ 115,016
Interest, Rents, and Concessions:				
Investment Earnings	4,084	1,900	1,489	(411)
Total Revenues	<u>46,193</u>	<u>46,193</u>	<u>160,798</u>	<u>114,605</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies	100	100		100
Capital Outlay:				
Streets and Storm Drains		38,400		38,400
Total Expenditures	<u>100</u>	<u>38,500</u>	<u>-</u>	<u>38,500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>46,093</u>	<u>7,693</u>	<u>160,798</u>	<u>153,105</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	46,093	7,693	160,798	153,105
Fund Balance, July 1	520,461	520,461	520,461	-
Fund Balance, June 30	<u>\$ 566,554</u>	<u>\$ 528,154</u>	<u>\$ 681,259</u>	<u>\$ 153,105</u>

**CITY OF OROVILLE
DRAINAGE CITYWIDE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Licenses and Permits:				
Drainage Impact Fees	\$ 15,443	\$ 15,048	\$ 10,125	\$ (4,923)
Interest, Rents, and Concessions:				
Investment Earnings	1,355	1,750	1,321	(429)
Total Revenues	<u>16,798</u>	<u>16,798</u>	<u>11,446</u>	<u>(5,352)</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies	100	100		100
Capital Outlay:				
Streets and Storm Drains		216,000		216,000
Total Expenditures	<u>100</u>	<u>216,100</u>	<u>-</u>	<u>216,100</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>16,698</u>	<u>(199,302)</u>	<u>11,446</u>	<u>210,748</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	16,698	(199,302)	11,446	210,748
Fund Balance, July 1	482,862	482,862	482,862	-
Fund Balance, June 30	<u>\$ 499,560</u>	<u>\$ 283,560</u>	<u>\$ 494,308</u>	<u>\$ 210,748</u>

**CITY OF OROVILLE
LOCAL TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 2,216	\$ 2,216	\$ 632	\$ (1,584)
Total Revenues	<u>2,216</u>	<u>2,216</u>	<u>632</u>	<u>(1,584)</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,116</u>	<u>2,116</u>	<u>632</u>	<u>(1,484)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out	(200,368)	(200,368)	(200,368)	-
Total Other Financing Sources (Uses)	<u>(200,368)</u>	<u>(200,368)</u>	<u>(200,368)</u>	<u>-</u>
Net Change In Fund Balances	(198,252)	(198,252)	(199,736)	(1,484)
Fund Balance, July 1	332,042	332,042	332,042	-
Fund Balance, June 30	<u>\$ 133,790</u>	<u>\$ 133,790</u>	<u>\$ 132,306</u>	<u>\$ (1,484)</u>

**CITY OF OROVILLE
REGIONAL SURFACE TRANSPORTATION PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ -	\$ -	\$ 1,078	\$ 1,078
Total Revenues	<u>-</u>	<u>-</u>	<u>1,078</u>	<u>1,078</u>
<u>EXPENDITURES</u>				
Capital Outlay:				
Streets and Storm Drains		304,333		304,333
Total Expenditures	<u>-</u>	<u>304,333</u>	<u>-</u>	<u>304,333</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(304,333)</u>	<u>1,078</u>	<u>305,411</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out		(15,000)		15,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>15,000</u>
Net Change In Fund Balances	-	(319,333)	1,078	320,411
Fund Balance, July 1	394,959	394,959	394,959	-
Fund Balance, June 30	<u>\$ 394,959</u>	<u>\$ 75,626</u>	<u>\$ 396,037</u>	<u>\$ 320,411</u>

**CITY OF OROVILLE
TECHNOLOGY FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ -	\$ 250	\$ 61	\$ (189)
Current Service Charges:				
Technology Fees	85,000	84,750	38,284	(46,466)
Total Revenues	<u>85,000</u>	<u>85,000</u>	<u>38,345</u>	<u>(46,655)</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies		4,000	2,084	1,916
Capital Outlay:				
General Government	85,000	114,750	62,500	52,250
Total Expenditures	<u>85,000</u>	<u>118,750</u>	<u>64,584</u>	<u>54,166</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(33,750)</u>	<u>(26,239)</u>	<u>7,511</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	-	(33,750)	(26,239)	7,511
Fund Balance, July 1	-	-	(1,534)	(1,534)
Fund Balance, June 30	<u>\$ -</u>	<u>\$ (33,750)</u>	<u>\$ (27,773)</u>	<u>\$ 5,977</u>

CITY OF OROVILLE
SB-1186 FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Licenses and Permits:				
SB-1186 Fee	\$ -	\$ -	\$ 251	\$ 251
Interest, Rents, and Concessions:				
Investment Earnings			1	1
Total Revenues	-	-	252	252
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies			2	(2)
Total Expenditures	-	-	2	(2)
Excess (Deficiency) of Revenues Over Expenditures	-	-	250	250
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	-	250	250
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ 250	\$ 250

**CITY OF OROVILLE
 RECYCLING FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 338	\$ 338	\$ 241	\$ (97)
Intergovernmental Revenues:				
Grants	5,000	5,000	5,000	-
Other Revenues:				
Refunds and Reimbursements	11,470	11,470	9,502	(1,968)
Total Revenues	16,808	16,808	14,743	(2,065)
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies	2,000	3,000	2,194	806
Capital Outlay:				
Health and Sanitation	22,000	37,058		37,058
Total Expenditures	24,000	40,058	2,194	37,864
Excess (Deficiency) of Revenues Over Expenditures	(7,192)	(23,250)	12,549	35,799
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out	(4,907)	(4,907)	(14,396)	(9,489)
Total Other Financing Sources (Uses)	(4,907)	(4,907)	(14,396)	(9,489)
Net Change In Fund Balances	(12,099)	(28,157)	(1,847)	26,310
Fund Balance, July 1	88,056	88,056	88,056	-
Fund Balance, June 30	\$ 75,957	\$ 59,899	\$ 86,209	\$ 26,310

**CITY OF OROVILLE
SPECIAL GAS TAX 2107 & 2107.5 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 227	\$ 300	\$ 19	\$ (281)
Intergovernmental Revenues:				
State Gas Tax 2107 & 2107.2	109,242	109,169	114,667	5,498
Total Revenues	<u>109,469</u>	<u>109,469</u>	<u>114,686</u>	<u>5,217</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies	5,000	8,333	333	8,000
Total Expenditures	<u>5,000</u>	<u>8,333</u>	<u>333</u>	<u>8,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>104,469</u>	<u>101,136</u>	<u>114,353</u>	<u>13,217</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out	(109,242)	(127,342)	(130,942)	(3,600)
Total Other Financing Sources (Uses)	<u>(109,242)</u>	<u>(127,342)</u>	<u>(130,942)</u>	<u>(3,600)</u>
Net Change In Fund Balances	(4,773)	(26,206)	(16,589)	9,617
Fund Balance, July 1	27,274	27,274	27,274	-
Fund Balance, June 30	<u>\$ 22,501</u>	<u>\$ 1,068</u>	<u>\$ 10,685</u>	<u>\$ 9,617</u>

**CITY OF OROVILLE
SPECIAL GAS TAX 186.1 & 2106 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		Actual Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 288	\$ 190	\$ 31	\$ (159)
Intergovernmental Revenues:				
State Gas Tax 186.1 & 2106	71,541	71,639	64,280	(7,359)
Total Revenues	<u>71,829</u>	<u>71,829</u>	<u>64,311</u>	<u>(7,518)</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies	6,000	6,000	333	5,667
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>333</u>	<u>5,667</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>65,829</u>	<u>65,829</u>	<u>63,978</u>	<u>(1,851)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out	(71,541)	(71,541)	(65,332)	6,209
Total Other Financing Sources (Uses)	<u>(71,541)</u>	<u>(71,541)</u>	<u>(65,332)</u>	<u>6,209</u>
Net Change In Fund Balances	(5,712)	(5,712)	(1,354)	4,358
Fund Balance, July 1	18,859	18,859	18,859	-
Fund Balance, June 30	<u>\$ 13,147</u>	<u>\$ 13,147</u>	<u>\$ 17,505</u>	<u>\$ 4,358</u>

**CITY OF OROVILLE
SPECIAL GAS TAX 2105 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 357	\$ 660	\$ 62	\$ (598)
Intergovernmental Revenues:				
State Gas Tax 2105	187,074	186,771	190,164	3,393
Total Revenues	187,431	187,431	190,226	2,795
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies	500	500	333	167
Total Expenditures	500	500	333	167
Excess (Deficiency) of Revenues Over Expenditures	186,931	186,931	189,893	2,962
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out	(187,074)	(190,607)	(207,908)	(17,301)
Total Other Financing Sources (Uses)	(187,074)	(190,607)	(207,908)	(17,301)
Net Change In Fund Balances	(143)	(3,676)	(18,015)	(14,339)
Fund Balance, July 1	68,661	68,661	68,661	-
Fund Balance, June 30	\$ 68,518	\$ 64,985	\$ 50,646	\$ (14,339)

**CITY OF OROVILLE
SPECIAL AVIATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 2,001	\$ 1,700	\$ 638	\$ (1,062)
Rents and Concessions	179,000	175,000	171,781	(3,219)
Intergovernmental Revenues:				
Grants	61,376	155,863	145,520	(10,343)
Current Service Charges:				
Other Fees	326,000	292,485	360,550	68,065
Total Revenues	<u>568,377</u>	<u>625,048</u>	<u>678,489</u>	<u>53,441</u>
<u>EXPENDITURES</u>				
Current:				
Salaries and Benefits	44,184	50,326	36,620	13,706
Other Services and Supplies	420,000	661,977	549,433	112,544
Debt Service:				
Interest Charges			1,728	(1,728)
Capital Outlay:				
Transportation		391,374	358,288	33,086
Total Expenditures	<u>464,184</u>	<u>1,103,677</u>	<u>946,069</u>	<u>157,608</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>104,193</u>	<u>(478,629)</u>	<u>(267,580)</u>	<u>211,049</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer In		211,192	112,000	(99,192)
Transfer Out	(99,192)	(118,192)	(99,192)	19,000
Total Other Financing Sources (Uses)	<u>(99,192)</u>	<u>93,000</u>	<u>12,808</u>	<u>(80,192)</u>
Net Change In Fund Balances	5,001	(385,629)	(254,772)	130,857
Fund Balance, July 1	361,879	361,879	361,879	-
Fund Balance, June 30	<u>\$ 366,880</u>	<u>\$ (23,750)</u>	<u>\$ 107,107</u>	<u>\$ 130,857</u>

**CITY OF OROVILLE
HOUSING ADMINISTRATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Current:				
Salaries and Benefits	775,353	775,353	617,648	157,705
Total Expenditures	<u>775,353</u>	<u>775,353</u>	<u>617,648</u>	<u>157,705</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(775,353)</u>	<u>(775,353)</u>	<u>(617,648)</u>	<u>157,705</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer In	775,353	775,353	636,452	(138,901)
Total Other Financing Sources (Uses)	<u>775,353</u>	<u>775,353</u>	<u>636,452</u>	<u>(138,901)</u>
Net Change In Fund Balances	-	-	18,804	18,804
Fund Balance, July 1	(5,198)	(5,198)	(5,198)	-
Fund Balance, June 30	<u>\$ (5,198)</u>	<u>\$ (5,198)</u>	<u>\$ 13,606</u>	<u>\$ 18,804</u>

CITY OF OROVILLE
EDBG FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ -	\$ 159,037	\$ 92,005	\$ (67,032)
Intergovernmental Revenues:				
Grants	248,365	3,056,653	516,665	(2,539,988)
Other Revenues:				
Loan Payments	248,495	89,458	343,084	253,626
Refunds/Reimbursements	174,664	174,664		(174,664)
 Total Revenues	671,524	3,479,812	951,754	(2,528,058)
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies		47,591	7,781	39,810
Loans Made		2,308,814	135,524	2,173,290
Capital Outlay:				
Housing and Community Development		5,500		5,500
 Total Expenditures	-	2,361,905	143,305	2,218,600
 Excess (Deficiency) of Revenues Over Expenditures	671,524	1,117,907	808,449	(309,458)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer In	130,000	130,000		(130,000)
Transfer Out	(771,524)	(959,388)	(426,142)	533,246
 Total Other Financing Sources (Uses)	(641,524)	(829,388)	(426,142)	403,246
 Net Change In Fund Balances	30,000	288,519	382,307	93,788
Fund Balance, July 1	(199,412)	(199,412)	(199,412)	-
Fund Balance, June 30	\$ (169,412)	\$ 89,107	\$ 182,895	\$ 93,788

**CITY OF OROVILLE
ASSET SEIZURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 236	\$ 136	\$ 79	\$ (57)
Other Revenues:				
Miscellaneous Revenues	800	900	7,117	6,217
Total Revenues	1,036	1,036	7,196	6,160
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	1,036	1,036	7,196	6,160
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	1,036	1,036	7,196	6,160
Fund Balance, July 1	26,805	26,805	26,805	-
Fund Balance, June 30	\$ 27,841	\$ 27,841	\$ 34,001	\$ 6,160

**CITY OF OROVILLE
PUBLIC SAFETY AUGMENTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Intergovernmental Revenues:				
Other Subventions	\$ 71,403	\$ 71,403	\$ 102,133	\$ 30,730
Total Revenues	71,403	71,403	102,133	30,730
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	71,403	71,403	102,133	30,730
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out	(71,403)	(71,403)	(71,403)	-
Total Other Financing Sources (Uses)	(71,403)	(71,403)	(71,403)	-
Net Change In Fund Balances	-	-	30,730	30,730
Fund Balance, July 1	118,720	118,720	118,720	-
Fund Balance, June 30	\$ 118,720	\$ 118,720	\$ 149,450	\$ 30,730

CITY OF OROVILLE
POLICE SUPPLEMENTAL LAW ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budget Amounts</u>		Actual Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ -	\$ -	\$ 243	\$ 243
Intergovernmental Revenues:				
Grants			80,366	80,366
Total Revenues	-	-	80,609	80,609
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	80,609	80,609
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out			(100,000)	(100,000)
Total Other Financing Sources (Uses)	-	-	(100,000)	(100,000)
Net Change In Fund Balances	-	-	(19,391)	(19,391)
Fund Balance, July 1	131,128	131,128	131,128	-
Fund Balance, June 30	\$ 131,128	\$ 131,128	\$ 111,737	\$ (19,391)

**CITY OF OROVILLE
LAW ENFORCEMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ -	\$ -	\$ 15,006	\$ 15,006
Intergovernmental Revenues:				
Grants	-	280,543	83,342	(197,201)
Total Revenues	-	280,543	98,348	(182,195)
<u>EXPENDITURES</u>				
Current:				
Salaries and Benefits		111		111
Other Services and Supplies		8,326	15,933	(7,607)
Capital Outlay:				
Public Safety		23,995	18,412	5,583
Total Expenditures	-	32,432	34,345	(1,913)
Excess (Deficiency) of Revenues Over Expenditures	-	248,111	64,003	(184,108)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out		(326,677)	(121,871)	204,806
Total Other Financing Sources (Uses)	-	(326,677)	(121,871)	204,806
Net Change In Fund Balances	-	(78,566)	(57,868)	20,698
Fund Balance, July 1	183,520	183,520	183,520	-
Fund Balance, June 30	\$ 183,520	\$ 104,954	\$ 125,652	\$ 20,698

**CITY OF OROVILLE
LAW ENFORCEMENT IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Licenses and Permits:				
Police Service Impact Fees	\$ 476	\$ 680	\$ 864	\$ 184
Interest, Rents, and Concessions:				
Investment Earnings	409	205	144	(61)
Total Revenues	<u>885</u>	<u>885</u>	<u>1,008</u>	<u>123</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>785</u>	<u>785</u>	<u>1,008</u>	<u>223</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	785	785	1,008	223
Fund Balance, July 1	52,836	52,836	52,836	-
Fund Balance, June 30	<u>\$ 53,621</u>	<u>\$ 53,621</u>	<u>\$ 53,844</u>	<u>\$ 223</u>

**CITY OF OROVILLE
MISCELLANEOUS GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Intergovernmental Revenues:				
Other Subventions	\$ -	\$ 552,900	\$ -	\$ (552,900)
Other Revenues:				
Refunds and Reimbursements			11,830	11,830
Total Revenues	-	552,900	11,830	(541,070)
<u>EXPENDITURES</u>				
Current:				
Salaries and Benefits			120	(120)
Other Services and Supplies		390,000	39,490	350,510
Capital Outlay:				
Streets and Storm Drains		34,720		34,720
Parks and Leisure		181,000		181,000
Total Expenditures	-	605,720	39,610	566,110
Excess (Deficiency) of Revenues Over Expenditures	-	(52,820)	(27,780)	25,040
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer In		18,100	18,100	-
Transfer Out			(69,683)	(69,683)
Total Other Financing Sources (Uses)	-	18,100	(51,583)	(69,683)
Net Change In Fund Balances	-	(34,720)	(79,363)	(44,643)
Fund Balance, July 1	18,501	18,501	18,501	-
Fund Balance, June 30	\$ 18,501	\$ (16,219)	\$ (60,862)	\$ (44,643)

**CITY OF OROVILLE
FIRE SUPPRESSION IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Licenses and Permits:				
Fire Service Impact Fees	\$ 426	\$ 525	\$ 183	\$ (342)
Interest, Rents, and Concessions:				
Investment Earnings	180	81	56	(25)
Total Revenues	606	606	239	(367)
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	100	100	-	100
Excess (Deficiency) of Revenues Over Expenditures	506	506	239	(267)
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	506	506	239	(267)
Fund Balance, July 1	20,633	20,633	20,633	-
Fund Balance, June 30	\$ 21,139	\$ 21,139	\$ 20,872	\$ (267)

**CITY OF OROVILLE
CONTINGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		Actual Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies		2,017		2,017
Real Property Held For Resale		1,160,000	871,269	288,731
Total Expenditures	-	1,162,017	871,269	290,748
Excess (Deficiency) of Revenues Over Expenditures	-	(1,162,017)	(871,269)	290,748
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	(1,162,017)	(871,269)	290,748
Fund Balance, July 1	1,217,890	1,217,890	1,217,890	-
Fund Balance, June 30	\$ 1,217,890	\$ 55,873	\$ 346,621	\$ 290,748

**CITY OF OROVILLE
FIRE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental Revenues:				
Other Subventions	\$ -	\$ -	\$ 3,791	\$ 3,791
Intergovernmental Revenues:				
Grants			32,309	32,309
Total Revenues	<u>-</u>	<u>-</u>	<u>36,100</u>	<u>36,100</u>
<u>EXPENDITURES</u>				
Current:				
Salaries and Benefits		1,804	37,666	(35,862)
Other Services and Supplies			17,574	(17,574)
Capital Outlay:				
Public Safety		48,097	19,172	28,925
Total Expenditures	<u>-</u>	<u>49,901</u>	<u>74,412</u>	<u>(24,511)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(49,901)</u>	<u>(38,312)</u>	<u>11,589</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out		(26,000)		26,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>(26,000)</u>	<u>-</u>	<u>26,000</u>
Net Change In Fund Balances	-	(75,901)	(38,312)	37,589
Fund Balance, July 1	163,730	163,730	163,730	-
Fund Balance, June 30	<u>\$ 163,730</u>	<u>\$ 87,829</u>	<u>\$ 125,418</u>	<u>\$ 37,589</u>

**CITY OF OROVILLE
PEG FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes:				
PEG Fee - Cable Franchise	\$ 16,645	\$ 16,615	\$ 19,570	\$ 2,955
Interest, Rents, and Concessions:				
Investment Earnings		30	76	46
Total Revenues	<u>16,645</u>	<u>16,645</u>	<u>19,646</u>	<u>3,001</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>16,645</u>	<u>16,645</u>	<u>19,646</u>	<u>3,001</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	16,645	16,645	19,646	3,001
Fund Balance, July 1	-	21,923	21,923	-
Fund Balance, June 30	<u>\$ 16,645</u>	<u>\$ 38,568</u>	<u>\$ 41,569</u>	<u>\$ 3,001</u>

**CITY OF OROVILLE
GENERAL GOVERNMENT DEVELOPMENT IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Licenses and Permits:				
General Services Impact Fees	\$ 750	\$ 744	\$ 684	\$ (60)
Interest, Rents, and Concessions:				
Investment Earnings	54	60	25	(35)
Total Revenues	804	804	709	(95)
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	100	100	-	100
Excess (Deficiency) of Revenues Over Expenditures	704	704	709	5
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out	(7,000)	(7,000)	(7,000)	-
Total Other Financing Sources (Uses)	(7,000)	(7,000)	(7,000)	-
Net Change In Fund Balances	(6,296)	(6,296)	(6,291)	5
Fund Balance, July 1	12,688	12,688	12,688	-
Fund Balance, June 30	\$ 6,392	\$ 6,392	\$ 6,397	\$ 5

**CITY OF OROVILLE
LIGHTING & LANDSCAPE MAINTENANCE DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes:				
Special Maintenance Assessments	\$ 51,373	\$ 51,466	\$ 23,634	\$ (27,832)
Interest, Rents, and Concessions:				
Investment Earnings	107	14	57	43
Total Revenues	<u>51,480</u>	<u>51,480</u>	<u>23,691</u>	<u>(27,789)</u>
<u>EXPENDITURES</u>				
Current:				
Salaries and Benefits	13,225	13,225	16,657	(3,432)
Other Services and Supplies	43,997	43,997	26,726	17,271
Total Expenditures	<u>57,222</u>	<u>57,222</u>	<u>43,383</u>	<u>13,839</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,742)</u>	<u>(5,742)</u>	<u>(19,692)</u>	<u>(13,950)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out			(660)	(660)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(660)</u>	<u>(660)</u>
Net Change In Fund Balances	(5,742)	(5,742)	(20,352)	(14,610)
Fund Balance, July 1	35,281	35,281	35,281	-
Fund Balance, June 30	<u>\$ 29,539</u>	<u>\$ 29,539</u>	<u>\$ 14,929</u>	<u>\$ (14,610)</u>

**CITY OF OROVILLE
 BENEFIT ASSESSMENT DISTRICTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes:				
Special Benefit Assessments	\$ 34,257	\$ 34,257	\$ 1,139	\$ (33,118)
Interest, Rents, and Concessions:				
Investment Earnings	96	96	170	74
Total Revenues	<u>34,353</u>	<u>34,353</u>	<u>1,309</u>	<u>(33,044)</u>
<u>EXPENDITURES</u>				
Current:				
Salaries and Benefits	5,210		83	(83)
Other Services and Supplies	42,017	47,227	2,837	44,390
Total Expenditures	<u>47,227</u>	<u>47,227</u>	<u>2,920</u>	<u>44,307</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(12,874)</u>	<u>(12,874)</u>	<u>(1,611)</u>	<u>11,263</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out			(44)	(44)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(44)</u>	<u>(44)</u>
Net Change In Fund Balances	(12,874)	(12,874)	(1,655)	11,219
Fund Balance, July 1	62,729	62,729	62,729	-
Fund Balance, June 30	<u>\$ 49,855</u>	<u>\$ 49,855</u>	<u>\$ 61,074</u>	<u>\$ 11,219</u>

**CITY OF OROVILLE
WESTSIDE PUBLIC SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes:				
Special Benefit Assessments	\$ 46,500	\$ 46,500	\$ 33,000	\$ (13,500)
Interest, Rents, and Concessions:				
Investment Earnings	1,478	1,478	434	(1,044)
Total Revenues	<u>47,978</u>	<u>47,978</u>	<u>33,434</u>	<u>(14,544)</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies	3,194	3,194	1,041	2,153
Total Expenditures	<u>3,194</u>	<u>3,194</u>	<u>1,041</u>	<u>2,153</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>44,784</u>	<u>44,784</u>	<u>32,393</u>	<u>(12,391)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	44,784	44,784	32,393	(12,391)
Fund Balance, July 1	151,583	151,583	151,583	-
Fund Balance, June 30	<u>\$ 196,367</u>	<u>\$ 196,367</u>	<u>\$ 183,976</u>	<u>\$ (12,391)</u>

**CITY OF OROVILLE
PUBLIC SAFETY SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes:				
Special Benefit Assessments	\$ 46,500	\$ 46,500	\$ 33,000	\$ (13,500)
Interest, Rents, and Concessions:				
Investment Earnings	1,482	1,482	435	(1,047)
Total Revenues	<u>47,982</u>	<u>\$ 47,982</u>	<u>33,435</u>	<u>(14,547)</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies	2,977	2,977	1,041	1,936
Total Expenditures	<u>2,977</u>	<u>2,977</u>	<u>1,041</u>	<u>1,936</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>45,005</u>	<u>45,005</u>	<u>32,394</u>	<u>(12,611)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	45,005	45,005	32,394	(12,611)
Fund Balance, July 1	151,751	151,751	151,751	-
Fund Balance, June 30	<u>\$ 196,756</u>	<u>\$ 196,756</u>	<u>\$ 184,145</u>	<u>\$ (12,611)</u>

**CITY OF OROVILLE
SUPPLEMENTAL BENEFITS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental Revenues:				
Grants	\$ 43,599	\$ 43,599	\$ 157,273	\$ 113,674
Total Revenues	<u>43,599</u>	<u>43,599</u>	<u>157,273</u>	<u>113,674</u>
<u>EXPENDITURES</u>				
Current:				
Salaries and Benefits	38,438	37,128	39,081	(1,953)
Other Services and Supplies	5,161	44,841	90,277	(45,436)
Total Expenditures	<u>43,599</u>	<u>81,969</u>	<u>129,358</u>	<u>(47,389)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(38,370)</u>	<u>27,915</u>	<u>66,285</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	-	(38,370)	27,915	66,285
Fund Balance, July 1	162,743	162,743	162,743	-
Fund Balance, June 30	<u>\$ 162,743</u>	<u>\$ 124,373</u>	<u>\$ 190,658</u>	<u>\$ 66,285</u>

**CITY OF OROVILLE
PUBLIC FACILITY REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 10,556	\$ 10,556	\$ 3,473	\$ (7,083)
Total Revenues	<u>10,556</u>	<u>10,556</u>	<u>3,473</u>	<u>(7,083)</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,556</u>	<u>10,556</u>	<u>3,473</u>	<u>(7,083)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer In	338,609	338,609	213,965	(124,644)
Transfer Out		(1,565,291)	(1,295,476)	269,815
Total Other Financing Sources (Uses)	<u>338,609</u>	<u>(1,226,682)</u>	<u>(1,081,511)</u>	<u>145,171</u>
Net Change In Fund Balances	349,165	(1,216,126)	(1,078,038)	138,088
Fund Balance, July 1	1,078,038	1,078,038	1,078,038	-
Fund Balance, June 30	<u>\$ 1,427,203</u>	<u>\$ (138,088)</u>	<u>\$ -</u>	<u>\$ 138,088</u>

CITY OF OROVILLE
PIONEER MUSEUM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	-	-	-
Fund Balance, July 1	100,999	100,999	100,999	-
Fund Balance, June 30	<u>\$ 100,999</u>	<u>\$ 100,999</u>	<u>\$ 100,999</u>	<u>\$ -</u>

**CITY OF OROVILLE
PUBLIC WORKS MANUFACTURING DEVELOPMENT CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 1,821	\$ 1,821	\$ 377	\$ (1,444)
Rents and Concessions	72,000	72,000	72,000	-
Total Revenues	<u>73,821</u>	<u>73,821</u>	<u>72,377</u>	<u>(1,444)</u>
<u>EXPENDITURES</u>				
Current:				
Salaries and Benefits	2,087	1,911	1,907	4
Other Services and Supplies	8,500	35,376	16,615	18,761
Capital Outlay:				
Housing and Community Development		46,286	42,939	3,347
Total Expenditures	<u>10,587</u>	<u>83,573</u>	<u>61,461</u>	<u>22,112</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>63,234</u>	<u>(9,752)</u>	<u>10,916</u>	<u>20,668</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out		(112,000)	(112,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(112,000)</u>	<u>(112,000)</u>	<u>-</u>
Net Change In Fund Balances	63,234	(121,752)	(101,084)	20,668
Fund Balance, July 1	175,146	175,146	175,146	-
Fund Balance, June 30	<u>\$ 238,380</u>	<u>\$ 53,394</u>	<u>\$ 74,062</u>	<u>\$ 20,668</u>

CITY OF OROVILLE
CITY HOUSING REHABILITATION REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 3,300	\$ 69,945	\$ 59,735	\$ (10,210)
Other Revenues:				
Loan Payments	104,133	37,488	92,121	54,633
Refunds/Reimbursements			1,379	1,379
Total Revenues	107,433	107,433	153,235	45,802
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies	35,000	185,900	8,600	177,300
Loans Made	300,000	1,045,350	325,000	720,350
Capital Outlay:				
Housing and Community Development		390,000		390,000
Total Expenditures	335,000	1,621,250	333,600	1,287,650
Excess (Deficiency) of Revenues Over Expenditures	(227,567)	(1,513,817)	(180,365)	1,333,452
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out		(199,529)	(75,000)	124,529
Total Other Financing Sources (Uses)	-	(199,529)	(75,000)	124,529
Net Change In Fund Balances	(227,567)	(1,713,346)	(255,365)	1,457,981
Fund Balance, July 1	977,467	977,467	977,467	-
Fund Balance, June 30	\$ 749,900	\$ (735,879)	\$ 722,102	\$ 1,457,981

**CITY OF OROVILLE
ECONOMIC DEVELOPMENT REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 44,476	\$ 44,476	\$ 4,502	\$ (39,974)
Other Revenues:				
Loan Payments	25,017	25,017	9,823	(15,194)
Total Revenues	<u>69,493</u>	<u>69,493</u>	<u>14,325</u>	<u>(55,168)</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>69,493</u>	<u>69,493</u>	<u>14,325</u>	<u>(55,168)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out	(69,493)	(69,493)	(15,522)	53,971
Total Other Financing Sources (Uses)	<u>(69,493)</u>	<u>(69,493)</u>	<u>(15,522)</u>	<u>53,971</u>
Net Change In Fund Balances	-	-	(1,197)	(1,197)
Fund Balance, July 1	5,328	5,328	5,328	-
Fund Balance, June 30	<u>\$ 5,328</u>	<u>\$ 5,328</u>	<u>\$ 4,131</u>	<u>\$ (1,197)</u>

CITY OF OROVILLE
CDBG HOUSING REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF OROVILLE
MICRO-ENTERPRISE REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ -	\$ -	\$ 2,649	\$ 2,649
Total Revenues	-	-	2,649	2,649
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	2,649	2,649
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer In		1,235,056	1,422,546	187,490
Transfer Out		(249,188)		249,188
Total Other Financing Sources (Uses)	-	985,868	1,422,546	436,678
Net Change In Fund Balances	-	985,868	1,425,195	439,327
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	\$ -	\$ 985,868	\$ 1,425,195	\$ 439,327

CITY OF OROVILLE
CALHOME REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 778	\$ 778	\$ 282	\$ (496)
Total Revenues	<u>778</u>	<u>778</u>	<u>282</u>	<u>(496)</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>778</u>	<u>778</u>	<u>282</u>	<u>(496)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	778	778	282	(496)
Fund Balance, July 1	103,503	103,503	103,503	-
Fund Balance, June 30	<u>\$ 104,281</u>	<u>\$ 104,281</u>	<u>\$ 103,785</u>	<u>\$ (496)</u>

CITY OF OROVILLE
HOUSING REHABILITATION REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budget Amounts</u>		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

**CITY OF OROVILLE
CITY REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 2,367	\$ 1,646	\$ 4,607	\$ 2,961
Other Revenues:				
Loan Payments	818	721		(721)
Total Revenues	<u>3,185</u>	<u>2,367</u>	<u>4,607</u>	<u>2,240</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies		150,073	25	150,048
Capital Outlay:				
Housing and Community Development		50,000		50,000
Total Expenditures	<u>-</u>	<u>200,073</u>	<u>25</u>	<u>200,048</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,185</u>	<u>(197,706)</u>	<u>4,582</u>	<u>202,288</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out	(10,000)	(20,000)	(10,000)	10,000
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>(20,000)</u>	<u>(10,000)</u>	<u>10,000</u>
Net Change In Fund Balances	(6,815)	(217,706)	(5,418)	212,288
Fund Balance, July 1	255,736	255,736	255,736	-
Fund Balance, June 30	<u>\$ 248,921</u>	<u>\$ 38,030</u>	<u>\$ 250,318</u>	<u>\$ 212,288</u>

**CITY OF OROVILLE
ANNEXATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 527	\$ 527	\$ 113	\$ (414)
Total Revenues	<u>527</u>	<u>527</u>	<u>113</u>	<u>(414)</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies		6,208	7,597	(1,389)
Total Expenditures	<u>-</u>	<u>6,208</u>	<u>7,597</u>	<u>(1,389)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>527</u>	<u>(5,681)</u>	<u>(7,484)</u>	<u>(1,803)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	527	(5,681)	(7,484)	(1,803)
Fund Balance, July 1	44,807	44,807	44,807	-
Fund Balance, June 30	<u>\$ 45,334</u>	<u>\$ 39,126</u>	<u>\$ 37,323</u>	<u>\$ (1,803)</u>

**CITY OF OROVILLE
PLAN RETENTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 104	\$ 50	\$ 40	\$ (10)
Current Service Charges:				
Other Charges	443	497	1,574	1,077
Total Revenues	<u>547</u>	<u>547</u>	<u>1,614</u>	<u>1,067</u>
<u>EXPENDITURES</u>				
Current:				
Other Services and Supplies			5	(5)
Total Expenditures	<u>-</u>	<u>-</u>	<u>5</u>	<u>(5)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>547</u>	<u>547</u>	<u>1,609</u>	<u>1,062</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	547	547	1,609	1,062
Fund Balance, July 1	14,120	14,120	14,120	-
Fund Balance, June 30	<u>\$ 14,667</u>	<u>\$ 14,667</u>	<u>\$ 15,729</u>	<u>\$ 1,062</u>

NONMAJOR DEBT SERVICE FUNDS

1974 Sewer Bond Fund

To account for tax revenues and debt service expenditures for sewer bonds issued to fund an advance for construction of the sewage treatment facility.

City Debt Service Fund

To account for the provision and financing of the capital lease purchase of various City equipment.

Assessment District 1993-1 Redemption Fund

To account for the provision and financing of public improvements that benefited the Oroville Assessment District.

CITY OF OROVILLE
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	1974 Sewer Bond Fund	City Debt Service Fund	Assessment District 1993-1 Redemption Fund	Totals 2013
ASSETS				
Cash	\$ -	\$ -	\$ 122,821	\$ 122,821
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,821</u>	<u>\$ 122,821</u>
LIABILITIES				
Vouchers Payable	\$ -	\$ -	\$ 82,050	\$ 82,050
Due to Other Funds		194,617		194,617
Total Liabilities	<u>-</u>	<u>194,617</u>	<u>82,050</u>	<u>276,667</u>
Fund Balances				
Assigned	-		40,771	40,771
Unassigned		(194,617)		(194,617)
Total Fund Balances	<u>-</u>	<u>(194,617)</u>	<u>40,771</u>	<u>(153,846)</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,821</u>	<u>\$ 122,821</u>

CITY OF OROVILLE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	1974 Sewer Bond Fund	City Debt Service Fund	Assessment District 1993-1 Redemption Fund	Totals 2013
REVENUES				
Other Revenues - Fees	\$ -	\$ 547,095	\$ -	\$ 547,095
Total Revenues	<u>-</u>	<u>547,095</u>	<u>-</u>	<u>547,095</u>
EXPENDITURES				
Debt Service:				
Principal Retirement		345,295		345,295
Interest and Fiscal Charges		373,444		373,444
Total Expenditures	<u>-</u>	<u>718,739</u>	<u>-</u>	<u>718,739</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(171,644)</u>	<u>-</u>	<u>(171,644)</u>
OTHER FINANCING SOURCES (USES)				
Transfer In		70,000		70,000
Transfer Out	(43,917)			(43,917)
Total Other Financing Sources (Uses)	<u>(43,917)</u>	<u>70,000</u>	<u>-</u>	<u>26,083</u>
Net Change In Fund Balances	(43,917)	(101,644)	-	(145,561)
Fund Balances, July 1	43,917	(92,973)	40,771	(8,285)
Fund Balances, June 30	<u>\$ -</u>	<u>\$ (194,617)</u>	<u>\$ 40,771</u>	<u>\$ (153,846)</u>

NONMAJOR CAPITAL PROJECTS FUNDS

Equipment Replacement Fund

To account for major purchases of replacement equipment from various departments within the City.

New Capital Equipment Fund

To account for major purchases of new equipment and small capital projects from various departments within the City.

Capital Projects Fund

To account for capital projects for the City's infrastructure funded by the Oroville Redevelopment Agency or other funds.

Building Facility Capital Improvement Fund

To account for major renovations and repairs to City's buildings and improvements.

**CITY OF OROVILLE
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS FUNDS
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2013**

	Equipment Replacement Fund	New Capital Equipment Fund	Capital Projects Fund	Building Facilities Capital Improvement Fund	Totals 2013
ASSETS					
Cash and Investments	\$ 414,116	\$ 28,641	\$ 454,052	\$ 28,384	\$ 925,193
Receivables:					
Loans	13,369				13,369
Due From Other Funds	7,954				7,954
Advances Due From Other Funds	29,154				29,154
Total Assets	<u>\$ 464,593</u>	<u>\$ 28,641</u>	<u>\$ 454,052</u>	<u>\$ 28,384</u>	<u>\$ 975,670</u>
LIABILITIES					
Vouchers Payable	\$ 378	\$ -	\$ 7,015	\$ -	\$ 7,393
Unearned Revenues	13,369				13,369
Total Liabilities	<u>13,747</u>	<u>-</u>	<u>7,015</u>	<u>-</u>	<u>20,762</u>
FUND BALANCES					
Nonspendable	29,154				29,154
Committed	421,692	28,641	447,037	28,384	925,754
Total Fund Balances	<u>450,846</u>	<u>28,641</u>	<u>447,037</u>	<u>28,384</u>	<u>954,908</u>
Total Liabilities and Fund Balances	<u>\$ 464,593</u>	<u>\$ 28,641</u>	<u>\$ 454,052</u>	<u>\$ 28,384</u>	<u>\$ 975,670</u>

CITY OF OROVILLE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Equipment Replacement Fund	New Capital Equipment Fund	Capital Projects Fund	Building Facilities Capital Improvement Fund	Totals 2013
REVENUES					
Interest, Rents, and Concessions	\$ 2,131	\$ -	\$ -	\$ -	\$ 2,131
Intergovernmental Revenues			171,209		171,209
Other Revenues	11,489				11,489
Total Revenues	<u>13,620</u>	<u>-</u>	<u>171,209</u>	<u>-</u>	<u>184,829</u>
EXPENDITURES					
Current:					
General Government	14,761			75	14,836
Capital Outlay:					
Public Safety	35,183				35,183
Streets and Storm Drains			131,706		131,706
Total Expenditures	<u>49,944</u>	<u>-</u>	<u>131,706</u>	<u>75</u>	<u>181,725</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(36,324)</u>	<u>-</u>	<u>39,503</u>	<u>(75)</u>	<u>3,104</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	19,000				19,000
Transfers Out	(71,376)				(71,376)
Total Other Financing Sources (Uses)	<u>(52,376)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,376)</u>
Extraordinary Item: Dissolution of Oroville RDA	-	-	-	-	-
Net Change In Fund Balances	(88,700)	-	39,503	(75)	(49,272)
Fund Balances, July 1	539,546	28,641	407,534	28,459	1,004,180
Fund Balances, June 30	<u>\$ 450,846</u>	<u>\$ 28,641</u>	<u>\$ 447,037</u>	<u>\$ 28,384</u>	<u>\$ 954,908</u>

**CITY OF OROVILLE
EQUIPMENT REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Interest, Rents, and Concessions:				
Investment Earnings	\$ 4,745	\$ 2,010	\$ 2,131	\$ 121
Other Revenues:				
Loan Payments		24,727	11,472	(13,255)
Refunds/Reimbursements	21,992		17	17
Total Revenues	<u>26,737</u>	<u>26,737</u>	<u>13,620</u>	<u>(13,117)</u>
<u>EXPENDITURES</u>				
Current:				
Loans Made	25,000	25,000	14,761	10,239
Capital Outlay:				
Public Safety		68,216	35,183	33,033
Parks and Leisure		8,000		8,000
Total Expenditures	<u>25,000</u>	<u>101,216</u>	<u>49,944</u>	<u>51,272</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,737</u>	<u>(74,479)</u>	<u>(36,324)</u>	<u>38,155</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	19,000	19,000	19,000	-
Transfers Out	(63,000)	(71,376)	(71,376)	-
Total Other Financing Sources (Uses)	<u>(44,000)</u>	<u>(52,376)</u>	<u>(52,376)</u>	<u>-</u>
Net Change In Fund Balances	(42,263)	(126,855)	(88,700)	38,155
Fund Balance, July 1	539,546	539,546	539,546	-
Fund Balance, June 30	<u>\$ 497,283</u>	<u>\$ 412,691</u>	<u>\$ 450,846</u>	<u>\$ 38,155</u>

CITY OF OROVILLE
NEW CAPITAL EQUIPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	-	-	-
Fund Balance, July 1	28,641	28,641	28,641	-
Fund Balance, June 30	<u>\$ 28,641</u>	<u>\$ 28,641</u>	<u>\$ 28,641</u>	<u>\$ -</u>

**CITY OF OROVILLE
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental Revenues:				
Grants	\$ -	\$ 1,018,600	\$ 171,209	\$ (847,391)
Total Revenues	<u>-</u>	<u>1,018,600</u>	<u>171,209</u>	<u>(847,391)</u>
<u>EXPENDITURES</u>				
Capital Outlay:				
Streets and Storm Drains		1,098,373	131,706	966,667
Total Expenditures	<u>-</u>	<u>1,098,373</u>	<u>131,706</u>	<u>966,667</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(79,773)</u>	<u>39,503</u>	<u>119,276</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	-	(79,773)	39,503	119,276
Fund Balance, July 1	407,534	407,534	407,534	-
Fund Balance, June 30	<u>\$ 407,534</u>	<u>\$ 327,761</u>	<u>\$ 447,037</u>	<u>\$ 119,276</u>

CITY OF OROVILLE
 BUILDING FACILITIES CAPITAL IMPROVEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Current:				
General Government		48,062	75	47,987
Total Expenditures	-	48,062	75	47,987
Excess (Deficiency) of Revenues Over Expenditures	-	(48,062)	(75)	47,987
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	(48,062)	(75)	47,987
Fund Balance, July 1	28,459	28,459	28,459	-
Fund Balance, June 30	<u>\$ 28,459</u>	<u>\$ (19,603)</u>	<u>\$ 28,384</u>	<u>\$ 47,987</u>

INTERNAL SERVICE FUNDS

Payroll Revolving Fund

To account for the collection and disbursements of resources relative to payroll expenditures. A separate bank account is maintained specifically for payroll purposes.

Stores Revolving Fund

To account for the financing of materials and supplies provided to various departments of the City.

Vehicle Maintenance Fund

To account for resources earmarked for future repairs and maintenance on vehicles and equipment.

Workers' Compensation Fund

To account for activities relative to the City's workers' compensation self-insurance program.

Unemployment Insurance Fund

To account for activities relative to the City's unemployment compensation insurance program.

Vision Insurance Fund

To account for activities relative to the City's vision insurance program.

**CITY OF OROVILLE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2013**

	Payroll Revolving Fund	Stores Revolving Fund	Vehicle Maintenance Fund	Workers' Compensation Revolving Fund	Unemployment Insurance Fund	Vision Insurance Fund	Totals 2013
<u>ASSETS</u>							
Current Assets:							
Cash	\$ 20,621	\$ 60,828	\$ 7,125	\$ 683,326	\$ 76,687	\$ 133,131	\$ 981,718
Accounts Receivable			607				607
Inventory		6,126	42,880				49,006
Total Assets	20,621	66,954	50,612	683,326	76,687	133,131	1,031,331
<u>LIABILITIES</u>							
Current Liabilities:							
Vouchers Payable/Claims Payable		944	32,929	110		1,791	35,774
Accrued Salaries and Benefits	20,621		2,421				23,042
Accrued Employee Compensated Leave			12,539				12,539
Unpaid Claims Liability				374,495			374,495
Total Liabilities	20,621	944	47,889	374,605	-	1,791	445,850
<u>NET POSITION</u>							
Unrestricted		66,010	2,723	308,721	76,687	131,340	585,481
Total Net Position	\$ -	\$ 66,010	\$ 2,723	\$ 308,721	\$ 76,687	\$ 131,340	\$ 585,481

CITY OF OROVILLE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITON
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Payroll Revolving Fund</u>	<u>Stores Revolving Fund</u>	<u>Vehicle Maintenance Fund</u>	<u>Workers' Compensation Revolving Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Vision Insurance Fund</u>	<u>Totals 2013</u>
<u>OPERATING REVENUES</u>							
Incoming Provisions	\$ -	\$ 37,570	\$ 469,319	\$ 330,751	\$ 46,102	\$ 44,664	\$ 928,406
Reimbursements			6,612	72,779		167	79,558
Total Operating Revenues	<u>-</u>	<u>37,570</u>	<u>475,931</u>	<u>403,530</u>	<u>46,102</u>	<u>44,831</u>	<u>1,007,964</u>
<u>OPERATING EXPENSES</u>							
Salaries and Benefits			145,900				145,900
Supplies		19,143	331,446				350,589
Other Services and Charges		20,948	13,963				34,911
Claims				336,577	13,674	28,910	379,161
Total Operating Expenses	<u>-</u>	<u>40,091</u>	<u>491,309</u>	<u>336,577</u>	<u>13,674</u>	<u>28,910</u>	<u>910,561</u>
Net Operating Income	<u>-</u>	<u>(2,521)</u>	<u>(15,378)</u>	<u>66,953</u>	<u>32,428</u>	<u>15,921</u>	<u>97,403</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>							
Investment Earnings				1,610	171	390	2,171
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,610</u>	<u>171</u>	<u>390</u>	<u>2,171</u>
Income (Loss) Before Operating Transfers	-	(2,521)	(15,378)	68,563	32,599	16,311	99,574
Transfer Out						(34,315)	(34,315)
Change In Net Position	<u>-</u>	<u>(2,521)</u>	<u>(15,378)</u>	<u>68,563</u>	<u>32,599</u>	<u>(18,004)</u>	<u>65,259</u>
Net Position, July 1	-	68,531	18,101	240,158	44,088	149,344	520,222
Net Position, June 30	<u>\$ -</u>	<u>\$ 66,010</u>	<u>\$ 2,723</u>	<u>\$ 308,721</u>	<u>\$ 76,687</u>	<u>\$ 131,340</u>	<u>\$ 585,481</u>

CITY OF OROVILLE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Payroll Revolving Fund	Stores Revolving Fund	Vehicle Maintenance Fund	Workers' Compensation Revolving Fund	Unemployment Insurance Fund	Vision Insurance Fund	Totals 2013
<u>Cash Flows From Operating Activities</u>							
Receipts From Customers and Users	\$ -	\$ -	\$ 6,005	\$ 72,779	\$ -	\$ 167	\$ 78,951
Receipts From Interfund Services Provided		37,570	469,319	330,751	46,102	44,664	928,406
Payments to Employees	5,362		(146,034)				(140,672)
Payments to Suppliers	298	(40,862)	(333,293)	(336,467)	(13,674)	(27,369)	(751,367)
Net Cash Provided (Used) By Operating Activities	<u>5,660</u>	<u>(3,292)</u>	<u>(4,003)</u>	<u>67,063</u>	<u>32,428</u>	<u>17,462</u>	<u>115,318</u>
<u>Cash Flows From Noncapital Financing Activities</u>							
Transfer Out						(34,315)	(34,315)
Net Cash Provided (Used) By Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,315)</u>	<u>(34,315)</u>
<u>Cash Flows From Investing Activities</u>							
Interest on Investments				1,610	171	390	2,171
Net Cash Provided (Used) By Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,610</u>	<u>171</u>	<u>390</u>	<u>2,171</u>
Net Increase (Decrease) In Cash	5,660	(3,292)	(4,003)	68,673	32,599	(16,463)	83,174
Cash Balance, July 1	14,961	64,120	11,128	614,653	44,088	149,594	898,544
Cash Balance, June 30	<u>\$ 20,621</u>	<u>\$ 60,828</u>	<u>\$ 7,125</u>	<u>\$ 683,326</u>	<u>\$ 76,687</u>	<u>\$ 133,131</u>	<u>\$ 981,718</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:							
Operating Income (Loss)	<u>\$ -</u>	<u>\$ (2,521)</u>	<u>\$ (15,378)</u>	<u>\$ 66,953</u>	<u>\$ 32,428</u>	<u>\$ 15,921</u>	<u>\$ 97,403</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used):							
Decrease (Increase) in Accounts Receivable	298		(607)				(309)
Decrease (Increase) in Inventory		392	(13,651)				(13,259)
Increase (Decrease) in Vouchers Payable	(284)	(1,163)	25,767	110		1,541	25,971
Increase (Decrease) in Accrued Salaries and Benefits	5,646		(134)				5,512
Total Adjustments	<u>5,660</u>	<u>(771)</u>	<u>11,375</u>	<u>110</u>	<u>-</u>	<u>1,541</u>	<u>17,915</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ 5,660</u>	<u>\$ (3,292)</u>	<u>\$ (4,003)</u>	<u>\$ 67,063</u>	<u>\$ 32,428</u>	<u>\$ 17,462</u>	<u>\$ 115,318</u>

FIDUCIARY FUNDS
AGENCY FUNDS

Feather River Bluffs Fund

To account for the activities of the Feather River Bluffs assessment bonds.

Special Deposit Trust Fund

To account for the collection and payment of various deposits including performance bonds, fire hydrant deposits, and sewer connection deposits collected for other agencies

Honor Grove Fund

To account for contributions made towards the Honor Grove.

**CITY OF OROVILLE
COMBINING BALANCE SHEET
AGENCY FUNDS
JUNE 30, 2013**

	Feather River Bluffs Fund	Special Deposit Trust Fund	Honor Grove Fund	Totals 2013
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 18,210	\$ 466,685	\$ 194	\$ 485,089
Receivables:				
Taxes		24,421		24,421
Accounts		13,295		13,295
Total Assets	<u>\$ 18,210</u>	<u>\$ 504,401</u>	<u>\$ 194</u>	<u>\$ 522,805</u>
<u>LIABILITIES</u>				
Vouchers Payable	\$ -	\$ 31,331	\$ -	\$ 31,331
Deposits Payable		249,208		249,208
Due to Other Agencies	18,210	223,862	194	242,266
Total Liabilities	<u>\$ 18,210</u>	<u>\$ 504,401</u>	<u>\$ 194</u>	<u>\$ 522,805</u>

CITY OF OROVILLE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

Feather River Bluffs Fund	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<u>ASSETS</u>				
Cash	\$ 18,160	\$ 50	\$ -	\$ 18,210
Total Assets	<u>\$ 18,160</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 18,210</u>
<u>LIABILITIES</u>				
Due to Other Agencies	\$ 18,160	\$ 50	\$ -	\$ 18,210
Total Liabilities	<u>\$ 18,160</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 18,210</u>
Special Deposit Trust Fund				
<u>ASSETS</u>				
Cash	\$ 416,801	\$ 466,685	\$ 416,801	\$ 466,685
Receivables:				
Taxes	30,874	24,421	30,874	24,421
Accounts	-	13,295		13,295
Total Assets	<u>\$ 447,675</u>	<u>\$ 504,401</u>	<u>\$ 447,675</u>	<u>\$ 504,401</u>
<u>LIABILITIES</u>				
Vouchers Payable	\$ 4,764	\$ 31,331	\$ 4,764	\$ 31,331
Deposits Payable	242,346	249,208	242,346	249,208
Due to Other Agencies	200,565	223,862	200,565	223,862
Total Liabilities	<u>\$ 447,675</u>	<u>\$ 504,401</u>	<u>\$ 447,675</u>	<u>\$ 504,401</u>
Honor Grove Fund				
<u>ASSETS</u>				
Cash	\$ 194	\$ -	\$ -	\$ 194
Total Assets	<u>\$ 194</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194</u>
<u>LIABILITIES</u>				
Due to Other Agencies	\$ 194	\$ -	\$ -	\$ 194
Total Liabilities	<u>\$ 194</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194</u>

Continued

CITY OF OROVILLE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

<u>Total</u>	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
<u>ASSETS</u>				
Cash	\$ 435,155	\$ 466,735	\$ 416,801	\$ 485,089
Receivables:				
Taxes	30,874	24,421	30,874	24,421
Accounts	-	13,295	-	13,295
Total Assets	<u>\$ 466,029</u>	<u>\$ 504,451</u>	<u>\$ 447,675</u>	<u>\$ 522,805</u>
<u>LIABILITIES</u>				
Vouchers Payable	\$ 4,764	\$ 31,331	\$ 4,764	\$ 31,331
Deposits Payable	242,346	249,208	242,346	249,208
Due to Other Agencies	218,919	223,912	200,565	242,266
Total Liabilities	<u>\$ 466,029</u>	<u>\$ 504,451</u>	<u>\$ 447,675</u>	<u>\$ 522,805</u>

STATISTICAL SECTION

(not covered by Auditors' reports)

This part of the City of Oroville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and activities it performs.

CITY OF OROVILLE
NET ASSETS/POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
Invested in capital assets, net of related debt	\$ 18,539,335	\$ 19,602,707	\$ 9,496,652	\$ 9,433,101	\$ 9,049,646	\$ 11,512,305	\$ 15,022,573	\$ 15,379,291	\$ 13,110,503	\$ 13,015,066
Restricted	2,331,036	2,117,771	4,327,621	6,785,954	4,423,121	4,063,999	5,495,347	5,841,478	34,614,096	32,687,196
Unrestricted	7,878,229	10,016,196	21,453,033	22,413,007	29,717,622	30,612,745	24,688,683	27,582,885	8,150,810	8,372,009
Total Governmental Activities Net Assets/Position	\$ 28,748,600	\$ 31,736,674	\$ 35,277,306	\$ 38,632,062	\$ 43,190,389	\$ 46,189,049	\$ 45,206,603	\$ 48,803,654	\$ 55,875,409	\$ 54,074,271
Business-type activities:										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	91,759	84,167	444,930	739,232	868,639	805,669	701,394	639,487	329,224	236,064
Total Business-Type Activities Net Assets/Position	\$ 91,759	\$ 84,167	\$ 444,930	\$ 739,232	\$ 868,639	\$ 805,669	\$ 701,394	\$ 639,487	\$ 329,224	\$ 236,064
Primary government:										
Invested in capital assets, net of related debt	\$ 18,539,335	\$ 19,602,707	\$ 9,496,652	\$ 9,433,101	\$ 9,049,646	\$ 11,512,305	\$ 15,022,573	\$ 15,379,291	\$ 13,110,503	\$ 13,015,066
Restricted	2,331,036	2,117,771	4,327,621	6,785,954	4,423,121	4,063,999	5,495,347	5,841,478	34,614,096	32,687,196
Unrestricted	7,969,988	10,100,363	21,897,963	23,152,239	30,586,261	31,418,414	25,390,077	28,222,372	8,480,034	8,608,073
Total Primary Government Net Assets/Position	\$ 28,840,359	\$ 31,820,841	\$ 35,722,236	\$ 39,371,294	\$ 44,059,028	\$ 46,994,718	\$ 45,907,997	\$ 49,443,141	\$ 56,204,633	\$ 54,310,335

The City of Oroville implemented GASB 63 for the fiscal year ended June 30, 2012. Information prior to implementation has not been restated

CITY OF OROVILLE
CHANGES IN NET ASSETS/POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities:										
General Government	\$ 2,168,097	\$ 2,059,019	\$ 1,955,466	\$ 2,250,497	\$ 2,333,025	\$ 3,254,442	\$ 2,540,032	\$ 2,172,282	\$ 2,408,143	\$ 2,503,161
Public Safety	5,027,715	5,573,955	6,039,555	6,588,449	6,789,797	7,010,748	7,139,146	7,168,100	7,919,128	7,823,664
Public Works	1,221,645	1,271,814	1,264,877	1,454,510	1,596,817	1,586,656	1,390,260	1,358,012	1,252,132	1,419,806
Streets and Storm Drains	668,491	684,273	794,733	1,172,901	1,707,890	949,237	825,763	835,234	1,009,836	819,108
Transportation	135,496	194,411	360,690	455,305	608,313	509,462	503,689	553,893	691,645	735,007
Parks and Leisure	984,715	1,016,945	973,716	1,038,579	1,064,824	927,792	1,230,892	1,542,029	2,731,128	1,435,575
Health and Sanitation	1,056,899	1,064,965	1,120,658	1,287,714	1,356,115	1,360,243	1,344,401	1,646,946	1,686,298	1,716,356
Housing and Community Development	5,076,656	4,966,380	7,604,125	8,556,595	7,375,036	5,722,327	4,843,176	5,386,551	9,734,800	6,109,168
Interest and Fiscal Charges	1,520,866	1,569,160	2,020,781	1,751,264	1,932,990	1,779,150	1,680,975	1,637,390	1,884,524	1,518,758
Total Governmental Activities Expenses	17,860,580	18,400,922	22,134,601	24,555,814	24,764,807	23,100,057	21,498,334	22,300,437	29,317,634	24,080,603
Business-Type Activities:										
Local Transportation	335,562	368,189	450,989	376,907	429,477	485,875	294,466	350,471	505,722	519,619
Total Business-Type Activities Expenses	335,562	368,189	450,989	376,907	429,477	485,875	294,466	350,471	505,722	519,619
Total Primary Government Expenses	18,196,142	18,769,111	22,585,590	24,932,721	25,194,284	23,585,932	21,792,800	22,650,908	29,823,356	24,600,222
Program Revenues										
Governmental Activities:										
Charges For Services:										
General Government	759,018	626,967	474,839	516,860	1,045,071	777,362	625,720	360,093	456,382	652,142
Public Safety	415,672	544,773	524,241	588,707	529,571	456,466	113,641	246,808	200,056	346,903
Public Works	344,229	75,777	203,488	518,926	418,601	176,576	206,077	251,008	441,321	321,388
Streets and Storm Drains	334,030	253,481	897,961	515,088	503,593	148,727	50,272	83,120	96,294	195,273
Transportation	135,700	216,123	317,589	475,224	556,697	460,937	560,095	523,175	497,683	506,070
Parks and Leisure	199,173	175,143	110,888	121,011	190,298	713,658	16,998	50,880	126,649	65,633
Health and Sanitation	1,488,139	1,403,067	1,511,202	1,683,329	1,804,262	1,728,044	1,808,105	2,136,522	2,359,307	2,474,544
Housing and Community Development	3,861,730	2,879,717	5,486,346	3,939,222	3,223,725	1,976,395	1,040,798	2,945,493	1,762,107	2,983,632
Operating Grants and Contributions	2,345,202	1,089,440	3,176,966	3,900,722	3,744,832	3,562,981	2,507,962	5,187,330	7,049,895	4,899,372
Capital Grants and Contributions	480,203	1,074,987	192,709	1,995,122	3,345,417	1,809,680	2,130,596	755,728	934,239	343,628
Total Governmental Activities Program Revenues	10,363,096	8,339,475	12,896,229	14,254,211	15,362,067	11,810,826	9,060,264	12,540,157	13,923,933	12,788,585
Business-Type Activities:										
Charges For Services:										
Local Transportation	15,003	18,386	18,011	17,989	6,975	5,051	6,121	6,991	10,207	11,206
Operating Grants and Contributions	338,313	334,796	504,195	627,198	520,174	401,230	540,043	460,262	475,194	505,692
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	353,316	353,182	522,206	645,187	527,149	406,281	546,164	467,253	485,401	516,898
Total Primary Government Program Revenues	10,716,412	8,692,657	13,418,435	14,899,398	15,889,216	12,217,107	9,606,428	13,007,410	14,409,334	13,305,483
Net Expense/(Revenue)										
Governmental activities	7,497,484	10,061,447	9,238,372	10,301,603	9,402,740	11,289,231	12,438,070	9,760,280	15,393,701	11,292,018
Business-Type activities	(17,754)	15,007	(71,217)	(268,280)	(97,672)	79,594	(251,698)	(116,782)	20,321	7,721
Total Primary Government Net Expense	7,479,730	10,076,454	9,167,155	10,033,323	9,305,068	11,368,825	12,186,372	9,643,498	15,414,022	11,294,739

continued

CITY OF OROVILLE
CHANGES IN NET ASSETS/POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues And Other Changes In Net Assets/Position										
Governmental Activities:										
Taxes:										
Property Taxes	4,417,233	4,660,741	5,352,094	6,020,342	6,809,199	6,883,060	6,474,547	6,404,500	4,331,329	1,962,107
Sales and Use Taxes	2,897,290	3,018,263	2,765,394	2,737,202	2,735,269	2,734,674	2,292,835	2,556,200	2,698,234	2,756,313
Sales and Use Taxes In-Lieu	-	-	1,791,244	2,161,518	2,070,355	2,109,251	2,181,518	1,935,673	1,892,404	2,194,730
Documentary Stamp Tax	61,963	52,301	91,389	82,967	55,679	23,053	36,545	28,101	26,733	32,558
Transient Occupancy Tax	331,803	352,354	336,453	323,713	320,145	320,008	334,870	346,716	363,530	421,261
Utility Users Tax	1,147,103	1,197,309	1,328,099	1,384,802	1,432,010	1,462,014	1,490,161	1,529,221	1,553,442	1,577,706
Franchise Tax	301,911	311,702	302,601	411,410	395,561	488,888	453,175	442,870	422,213	439,968
Investment Earnings	156,887	2,607,477	219,413	302,126	285,453	177,202	138,643	146,561	74,472	15,237
Unrestricted Grants and Contributions	599,948	849,374	504,741	232,279	361,927	89,741	79,779	277,000	-	-
Miscellaneous	930,852	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	361,076	182,038	291,369	91,000
Total Governmental Activities	10,844,990	13,049,521	12,691,428	13,656,359	14,465,598	14,287,891	13,843,149	13,848,880	11,653,726	9,490,880
Business-Type Activities:										
Investment Earnings	4,349	7,415	12,513	26,022	31,735	16,624	5,103	3,349	1,427	561
Transfers	-	-	-	-	-	-	(361,076)	(182,038)	(291,369)	(91,000)
Total Business-Type Activities	4,349	7,415	12,513	26,022	31,735	16,624	(355,973)	(178,689)	(289,942)	(90,439)
Total Primary Government	10,849,339	13,056,936	12,703,941	13,682,381	14,497,333	14,304,515	13,487,176	13,670,191	11,363,784	9,400,441
Extraordinary Item	-	-	-	-	-	-	(2,387,525)	(491,549)	11,509,606	-
Change In Net Assets/Position										
Governmental activities	3,347,506	2,988,074	3,453,056	3,354,756	5,062,858	2,998,660	(982,446)	3,597,051	7,769,631	(1,801,138)
Business-Type activities	22,103	(7,592)	83,730	294,302	129,407	(62,970)	(104,275)	(61,907)	(310,263)	(93,160)
Total Primary Government	\$ 3,369,609	\$ 2,980,482	\$ 3,536,786	\$ 3,649,058	\$ 5,192,265	\$ 2,935,690	\$ (1,086,721)	\$ 3,535,144	\$ 7,459,368	\$ (1,894,298)

The City of Oroville implemented GASB 63 for the fiscal year ended June 30, 2012. Information prior to implementation has not been restated

CITY OF OROVILLE
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund:										
Nonspendable							\$ 1,826,619 #	\$ 1,824,021	\$ 30,837	\$ 32,595
Restricted							23,455	23,455	23,455	23,455
Committed							951,059	924,828	800,000	1,107,229
Assigned							562,822	473,976	291,753	1,872,963
Unassigned							1,247,468	2,202,839	2,854,813	978,552
Reserved	\$ 1,864,323	\$ 1,859,197	\$ 2,090,721	\$ 2,336,720	\$ 2,003,949	\$ 2,018,270				
Unreserved	1,578,368	1,797,917	2,092,987	2,286,506	2,785,687	2,860,538				
Total General Fund	<u>\$ 3,442,691</u>	<u>\$ 3,657,114</u>	<u>\$ 4,183,708</u>	<u>\$ 4,623,226</u>	<u>\$ 4,789,636</u>	<u>\$ 4,878,808</u>	<u>\$ 4,611,423</u>	<u>\$ 5,449,119</u>	<u>\$ 4,000,858</u>	<u>\$ 4,014,794</u>
All Other Governmental Funds:										
Nonspendable							\$ 24,984,681 #	\$ 24,208,218	\$ 24,244,936	\$ 23,421,982
Restricted							10,728,656	12,031,355	9,504,531	9,717,713
Committed							1,611,294	1,885,323	5,702,469	4,729,430
Assigned							10,267,952	11,290,586	2,076,673	2,192,962
Unassigned							(21,597,756)	(20,363,240)	(299,117) #	(283,252)
Reserved	\$ 27,483,113	\$ 32,480,719	\$ 36,477,244	\$ 37,366,342	\$ 34,614,264	\$ 34,645,371				
Unreserved, Reported In:										
Special Revenue Funds	14,703,341	(13,411,583) #	(15,048,282)	(14,273,994)	(12,707,204)	(11,045,637)				
Debt Service Funds	98,580	492,162	666,414	790,851	331,666	473,059				
Capital Projects Funds	5,261,117	8,390,602	7,021,812	6,865,904	6,427,663	5,473,637				
Total All Other Governmental Funds	<u>\$ 47,546,151</u>	<u>\$ 27,951,900</u>	<u>\$ 29,117,188</u>	<u>\$ 30,749,103</u>	<u>\$ 28,666,389</u>	<u>\$ 29,546,430</u>	<u>\$ 25,994,827</u>	<u>\$ 29,052,242</u>	<u>\$ 41,229,492</u>	<u>\$ 39,778,835</u>

Decrease in unreserved due to reporting Oroville Redevelopment Agency advances payable to other funds.

City adopted GASB Statement No. 54 in 2010. Prior year amounts have not been restated.

The Oroville Redevelopment Agency (RDA) was dissolved on February 1, 2012. Residual assets and liabilities of the RDA were transferred to a private-purpose trust fund.

CITY OF OROVILLE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 9,173,415	\$ 9,592,670	\$ 11,967,574	\$ 13,121,954	\$ 13,818,218	\$ 14,020,948	\$ 13,263,651	\$ 13,140,625	\$ 11,326,272	\$ 9,383,000
Special Assessments	352,070	496,876	200,246	177,149	-	-	-	-	-	-
Licenses and Permits	667,826	617,506	461,411	670,988	902,469	305,279	273,071	330,726	548,712	521,567
Fines and Forfeitures	87,496	65,102	72,607	91,652	81,311	80,813	105,202	54,793	82,220	79,213
Interest, Rents, and Concessions	2,404,481	2,959,726	5,054,138	3,754,779	3,407,932	2,616,158	2,145,611	2,232,010	1,777,177	1,692,788
Intergovernmental Revenues	3,441,916	3,943,311	3,964,804	6,334,566	7,473,793	5,218,287	4,437,887	6,074,278	8,209,369	5,235,906
Current Service Charges	1,757,667	1,680,247	1,924,401	2,225,183	2,150,264	1,825,401	2,048,720	2,376,190	2,716,441	2,806,747
Other Revenues	4,425,141	3,299,714	3,235,400	2,869,356	3,254,837	3,396,845	1,819,075	4,072,668	1,826,304	2,617,448
Total Revenues	22,310,012	22,655,152	26,880,581	29,245,627	31,088,824	27,463,731	24,093,217	28,281,290	26,486,495	22,336,669
Expenditures										
General Government	2,087,760	1,963,497	1,962,238	2,188,558	2,277,407	2,574,182	2,485,526	2,130,720	2,277,003	2,399,355
Public Safety	4,870,513	5,402,885	5,980,420	6,566,957	6,941,375	7,125,145	6,921,467	6,708,238	7,453,132	7,412,037
Public Works	244,516	250,969	251,611	358,093	392,907	448,931	183,024	252,524	337,704	361,507
Streets and Storm Drains	677,864	695,956	813,115	988,692	998,588	978,716	835,452	822,465	982,306	808,367
Transportation	53,685	112,766	270,892	366,683	525,557	425,549	420,940	465,155	548,814	586,053
Parks and Leisure	842,668	872,758	832,592	915,284	984,536	1,103,583	1,067,041	1,334,756	1,288,537	1,006,295
Health and Sanitation	1,062,503	1,072,167	1,135,167	1,238,363	1,383,795	1,364,720	1,349,585	1,638,361	1,621,346	1,635,955
Housing and Community Development	5,441,172	4,871,635	6,493,459	8,545,882	5,410,572	4,941,616	4,800,823	5,349,352	9,284,869	6,105,756
Capital Outlay	2,882,147	3,423,900	3,522,838	3,029,727	7,240,127	4,467,125	4,279,952	1,661,626	2,918,624	1,171,490
Debt Service:										
Principal Retirement	2,705,090	1,000,000	714,162	568,333	3,541,299	863,369	993,160	1,052,407	1,112,124	1,130,295
Interest and Fiscal Charges	2,685,443	2,752,469	3,286,531	2,899,632	3,257,164	2,991,700	2,938,448	2,875,124	2,197,927	1,510,953
Payoff Unfunded Pension Expense	-	-	-	7,066,747 ¹	-	-	-	-	-	-
Other Charges	-	321,250	-	120,659	-	-	-	-	-	-
Total Expenditures	23,553,361	22,740,252	25,263,025	34,853,610	32,953,327	27,284,636	26,275,418	24,290,728	30,022,386	24,128,063
Excess of Revenues Over(Under) Expenditures	(1,243,349)	(85,100)	1,617,556	(5,607,983)	(1,864,503)	179,095	(2,182,201)	3,990,562	(3,535,891)	(1,791,394)
Other Financing Sources(Uses)										
Transfers In	7,686,202	18,318,484	10,157,834	9,911,653	9,888,613	8,902,959	8,378,876	8,449,394	6,884,402	6,371,795
Transfers Out	(7,690,802)	(18,106,854)	(10,170,784)	(9,671,144)	(9,605,230)	(8,402,761)	(8,135,117)	(7,602,444)	(6,493,717)	(6,017,122)
Bonds Issued	-	10,625,000	-	7,260,000	-	-	-	-	-	-
Premium on Bonds Issued	-	499	-	-	-	-	-	-	-	-
Discount on Bonds Issued	-	(51,806)	-	(72,594)	-	-	-	-	-	-
Payment to Bond Refunding Escrow Agent	-	(5,135,514)	-	-	-	-	-	-	-	-
Other Long-Term Debt Proceeds	189,440	-	-	251,501	169,347	289,920	145,903	-	264,177	-
Total Other Financing Sources(Uses)	184,840	5,649,809	(12,950)	7,679,416	452,730	790,118	389,662	846,950	654,862	354,673
Extraordinary Item	-	-	-	-	-	-	(2,387,525)	(491,549)	13,129,166	-
Net Change In Fund Balances	\$ (1,058,509)	\$ 5,564,709	\$ 1,604,606	\$ 2,071,433	\$ (1,411,773)	\$ 969,213	\$ (4,180,064)	\$ 4,345,963	\$ 10,248,137	\$ (1,436,721)
Debt Service as Percentage of Noncapital Expenditures	26.5%	21.0%	17.5%	33.3%	23.9%	16.4%	17.9%	17.4%	12.2%	11.5%

¹ The City issued pension obligation bonds to payoff the unfunded pension liability in fiscal year 2007.

Table 5

**CITY OF OROVILLE
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (in thousands of dollars)**

Fiscal Year	City of Oroville				Oroville Redevelopment ¹				Total Direct Tax Rate
	Secured	Unsecured	Utility	Taxable Assessed Value	Secured	Unsecured	Utility	Taxable Assessed Value	
2004	\$ 34,466	\$ 1,357	\$ 323	\$ 36,146	\$ 532,859	\$ 102,594	\$ 3,331	\$ 638,784	1.000%
2005	41,738	1,276	398	43,412	581,061	94,548	3,834	679,443	1.000%
2006	44,622	985	373	45,980	652,036	102,325	3,620	757,981	1.000%
2007	48,552	3,037	1,804	53,393	751,208	107,491	1,706	860,405	1.000%
2008	72,327	1,260	21	73,608	854,448	111,609	955	967,012	1.000%
2009	112,723	1,681	21	114,425	885,613	119,496	955	1,006,064	1.000%
2010	102,855	1,471	21	104,347	872,554	118,233	955	991,742	1.000%
2011	98,830	1,268	24	100,122	826,992	123,073	1,176	951,241	1.000%
2012	100,962	8,723	24	109,709	794,741	125,740	1,176	921,657	1.000%
2013	104,888	13,003	24	117,915	-	-	-	-	1.000%

¹ Amounts prior to fiscal year 2013 include assessed valuations of the former Oroville Redevelopment Agency which was dissolved effective February 1, 2012.

Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is the only reassessed at the time it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Butte County Auditor/Controller's Office
 Department of Finance, City of Oroville

CITY OF OROVILLE
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of assessed valuation)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
City Direct Rates:										
City of Oroville	\$ 1.000000	\$ 1.000000	\$ 1.000000	\$ 1.000000	\$ 1.000000	\$ 1.000000	\$ 1.000000	\$ 1.000000	\$ 1.000000	\$ 1.000000
Total City Direct Rate	<u>1.000000</u>									
Overlapping Rates:										
Butte College	0.017110	0.016003	0.020880	0.020880	0.020880	0.020880	0.020880	0.020880	0.020880	0.020880
Oroville Elementary School	0.022224	0.025149	0.019335	0.018679	0.017190	0.017366	0.018963	0.018664	0.020156	0.021866
Oroville High School District	0.027247	0.017321	0.016897	0.017241	0.014688	0.015008	0.035438	0.036745	0.035660	0.041104
	<u>\$ 1.066581</u>	<u>\$ 1.058473</u>	<u>\$ 1.057112</u>	<u>\$ 1.056800</u>	<u>\$ 1.052758</u>	<u>\$ 1.053254</u>	<u>\$ 1.075281</u>	<u>\$ 1.076289</u>	<u>\$ 1.076696</u>	<u>\$ 1.083850</u>

Note:

In 1978 the voters of the State of California passed Proposition 13 which limited property tax rate to a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of various school district bonds.

Source: Butte County Auditor/Controller's Office
Department of Finance, City of Oroville

Table 7

**CITY OF OROVILLE
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(amounts expressed in thousands)**

Taxpayer	2013			2004		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Pacific Coast Producers	\$ 27,005	1	2.67%	\$ 21,951	1	7.98%
Pacifica Concordia	14,076	2	1.39%	-		
Oroville Plaza EI LLC	11,428	3	1.13%	7,620	7	2.77%
Roplast Industries, Inc	11,341	4	1.12%	13,318	2	4.84%
Oroville Medical Complex	10,620	5	1.05%	8,897	5	3.24%
Home Depot USA	9,048	6	0.89%	-		
Sierra Pacific Industries	8,775	7	0.87%	10,541	4	3.83%
California AVIV LLC	8,731	8	0.86%	-		
Ammunition Accessories	8,575	9	0.85%	6,087	8	2.21%
Pacific Oroville Power	8,210	10	0.81%	7,792	6	2.83%
Currier Square Spe LLC	-		-	11,256	3	4.09%
Wal Mart Stores Inc.	-		-	5,936	9	2.16%
HP-Oroville LLC	-		-	5,776	10	2.10%
Totals	<u>\$ 117,809</u>		<u>11.65%</u>	<u>\$ 99,174</u>		<u>36.07%</u>

Note: Amounts shown above include assessed value data for both the City of Oroville and the Oroville Redevelopment Agency

Source: Butte County Auditor/Controller's Office
Department of Finance, City of Oroville

Table 8

**CITY OF OROVILLE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	As Percent Of Tax Levy
2004	\$ 5,673,252	\$ 5,089,263	89.71%	\$ 79,191	\$ 5,168,454	91.10%
2005	6,227,986	5,465,571	87.76%	130,107	5,595,678	89.85%
2006	6,966,579	6,041,818	86.73%	194,134	6,235,952	89.51%
2007	7,997,605	6,770,078	84.65%	211,439	6,981,517	87.30%
2008	9,656,457	7,877,182	81.57%	261,551	8,138,733	84.28%
2009	9,372,575	8,322,389	88.80%	235,442	8,557,831	91.31%
2010	9,123,272	8,188,656	89.76%	118,319	8,306,975	91.05%
2011	10,513,628	8,009,844	76.19%	83,850	8,093,694	76.98%
2012	10,313,662	5,766,144	55.91%	95,641	5,861,785	56.84%
2013	537,585 #	459,215	85.42%	82,652	541,867	100.80%

¹ Amounts prior to fiscal year 2013 include property tax levies and collections of the former Oroville Redevelopment Agency which was dissolved effective February 1, 2012.

Source: Department of Finance, City of Oroville

**CITY OF OROVILLE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities									
	OPFA ¹		Pension Obligation Bonds	Limited Obligation Bonds	USDA Loan	Capital Leases	Total Governmental Activities	Total Primary Government	Percentage of Personal Income	Debt Per Capita
	Revenue Bonds	Tax Allocation Bonds								
2004	\$ 1,880,000	\$ 23,161,649	\$ -	\$ 1,880,000	\$ -	\$ -	\$ 26,921,649	\$ 26,921,649	8.32%	\$ 2,014
2005	1,600,000	28,171,328 ²	-	1,600,000	-	-	31,371,328	31,371,328	9.27%	2,351
2006	1,500,000	27,727,828	-	1,440,838	-	-	30,668,666	30,668,666	8.91%	2,294
2007	1,460,000	27,254,329	7,188,458 ³	1,397,505	-	251,501	37,551,793	37,551,793	10.00%	2,781
2008	-	26,715,828	7,107,667	-	-	372,054	34,195,549	34,195,549	10.75%	2,360
2009	-	26,102,328	6,951,875	-	289,920	293,685	33,637,808	33,637,808	10.42%	2,298
2010	-	25,408,829	6,766,145	-	419,523	211,825	32,806,322	32,806,322	9.78%	2,234
2011	-	24,690,328	6,550,415	-	402,623	126,319	31,769,685	31,769,685	8.92%	2,044
2012	-	24,135,284	6,304,686	-	649,100	36,895	31,125,965	31,125,965	8.72%	1,914
2013	-	23,344,652	6,018,956	-	630,700	-	29,994,308	29,994,308	8.35%	1,927

The Oroville Public Financing Authority (OPFA) is a joint powers authority created by the City of Oroville and the Oroville Redevelopment Agency. The Oroville City Council acts as the governing body of the OPFA and is treated as a blended component unit of the City of Oroville.

The OPFA issued \$10,625,000 of new tax allocation bonds in fiscal year 2005.

The City issued \$7,260,000 in pension obligation bonds in fiscal year 2007

Note: The "Percentage of Personal Income" and "Debt Per Capita" ratios are calculated using personal income and population for the prior calendar year.

Source: State Department of Finance
Bureau of Economic Analysis
Department of Finance, City of Oroville

**CITY OF OROVILLE
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Total	Percentage of Assessed Value ¹	Per Capita
	OPFA		Pension Obligation Bonds	Less: Restricted Resources Available ²				
	Revenue Bonds	Tax Allocation Bonds						
2004	\$ 1,880,000	\$ 23,161,649	\$ -	\$ 4,125,164	\$ 20,916,485	3.10%	\$ 1,576	
2005	1,600,000	28,171,328	-	3,983,180	25,788,148	59.40%	1,933	
2006	1,500,000	27,727,828	-	5,103,108	24,124,720	52.47%	1,805	
2007	1,460,000	27,254,329	7,188,458	4,809,247	31,093,540	58.24%	2,302	
2008	-	26,715,828	7,107,667	1,982,647	31,840,848	43.26%	2,197	
2009	-	26,102,328	6,951,875	1,984,533	31,069,670	27.15%	2,122	
2010	-	25,408,829	6,766,145	1,984,163	30,190,811	28.93%	2,056	
2011	-	24,690,328	6,550,415	1,983,196	29,257,547	29.22%	1,882	
2012	-	24,135,284	6,304,686	1,950,921	28,489,049	25.97%	1,752	
2013	-	23,344,652	6,018,956	1,950,948	27,412,660	23.25%	1,761	

Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Restricted resources only include restricted cash with fiscal agent amount. Restricted loans receivable due from the Oroville Successor Agency have been excluded as amounts are not available for current debt payments.

Note: General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

Source: Department of Finance, City of Oroville

TABLE 11

**CITY OF OROVILLE
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2013**

City of Oroville Assessed Valuation		<u>\$ 117,915,000</u>	
	Percentage Applicable¹	Outstanding Debt 06/30/13	Estimated Share of Overlapping Debt
Overlapping Debt Repaid With Property Taxes:			
Oroville Unified Elementary District General Obligation Bonds	3.006%	\$ 5,595,735	\$ 168,208
Oroville Unified High School District General Obligation Bonds	6.292%	18,616,395	1,171,344
Butte Community College District	6.116%	30,593,624	1,871,106
Total Overlapping Debt Repaid With Property Taxes		<u>54,805,754</u>	<u>3,210,657</u>
Overlapping Other Debt:			
Total Other Overlapping Debt		<u>-</u>	<u>-</u>
Total Overlapping Debt		<u>\$ 54,805,754</u>	3,210,657
Direct Debt			29,994,308
Total Direct And Overlapping Debt			<u>\$ 33,204,965</u>

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Butte County Auditor/Controller's Office
Department of Finance, City of Oroville

Table 12

**CITY OF OROVILLE
LEGAL AND DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed Valuation ¹	\$ 686,687,607	\$ 734,588,128	\$ 815,869,239	\$ 1,028,203,577	\$ 1,135,257,495	\$ 1,121,443,000	\$ 1,096,089,000	\$ 1,051,363,000	\$ 1,030,366,000	\$ 1,011,670,000
Conversion percentage	<u>25%</u>									
Adjusted assessed valuation	\$ 171,671,902	\$ 183,647,032	\$ 203,967,310	\$ 257,050,894	\$ 283,814,374	\$ 280,360,750	\$ 274,022,250	\$ 262,840,750	\$ 257,591,500	\$ 252,917,500
Charter debt limit percentage	<u>3.75%</u>									
Debt limit	\$ 25,750,785	\$ 27,547,055	\$ 30,595,096	\$ 38,557,634	\$ 42,572,156	\$ 42,054,113	\$ 41,103,338	\$ 39,426,113	\$ 38,638,725	\$ 37,937,625
Total net debt applicable to limit: General obligation debt	-	-	-	7,439,959	7,479,721	7,535,480	7,397,493	7,079,357	7,040,995	6,649,656
Legal debt margin	<u>\$ 25,750,785</u>	<u>\$ 27,547,055</u>	<u>\$ 30,595,096</u>	<u>\$ 31,117,675</u>	<u>\$ 35,092,435</u>	<u>\$ 34,518,633</u>	<u>\$ 33,705,845</u>	<u>\$ 32,346,756</u>	<u>\$ 31,597,730</u>	<u>\$ 31,287,969</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	19.3%	17.6%	17.9%	18.0%	18.0%	18.2%	17.5%

¹ Assessed valuations include amounts applicable to the former Oroville Redevelopment Agency which was dissolved effective February 1, 2012, but will continue to be included for the purpose of legal and debt margin calculations.

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation, but the City of Oroville's Charter provides for a debt limit of 3.75% of gross assessed valuation. However, California's provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: Butte County Auditor-Controller's Office
Department of Finance, City of Oroville

Table 13

**CITY OF OROVILLE
PLEDGE-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Allocation Bonds				Coverage
	Tax Increment	Debt Service			
		Principal	Interest		
2004	\$ 3,963,244	\$ 130,000	\$ 1,164,892	3.06	
2005	4,208,624	470,000	1,061,634	2.75	
2006	4,912,480	485,000	1,048,779	3.20	
2007	5,423,867	485,000	1,270,630	3.09	
2008	6,294,291	2,010,000 ¹	1,164,200	1.98	
2009	6,323,564	625,000	1,239,680	3.39	
2010	6,289,041	705,000	1,218,249	3.27	
2011	5,970,083	730,000	1,192,881	3.10	
2012	3,020,646 ²	755,000	1,165,310	1.57	
2013	1,417,241	785,000	1,135,781	0.74	

¹ Two bond issues totaling \$1,460,000 were paid in full in fiscal year 2008

² Effective February 1, 2012, the Oroville Redevelopment Agency was dissolved and future increment payments will be made to the Oroville Successor Agency for payment of "enforceable obligations" only. Debt service payments are considered an "enforceable obligation" of the Successor Agency.

Note: Details of the City's outstanding debt can be found in the notes to financial statements.

Source: Department of Finance, City of Oroville

Table 14

**CITY OF OROVILLE
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Calendar Year	Population¹	Personal Income² (in thousands)	Per Capita Personal Income	Unemployment Rate³
2004	13,344	338,364	25,357	12.2%
2005	13,369	344,292	25,753	9.3%
2006	13,468	360,368	26,757	7.9%
2007	13,505	375,453	27,801	8.7%
2008	14,490	318,056	21,950	11.2%
2009	14,369	322,731	22,460	17.4%
2010	14,687	335,510	22,844	17.8%
2011	15,546	356,066	22,904	19.1%
2012	16,260	356,923	21,951	17.2%
2013	15,566	359,061	23,067	14.1%

Note: The "Per Capita Personal Income" is based on the 1994-2004 average annual growth rate of PCPI at 3.9%.

Source: ¹ State Department of Finance
² Bureau of Economic Statistics
³ State of California Employment Development Department
(data shown is for Butte County)

Table 15

**CITY OF OROVILLE
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2013		2004	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
County of Butte	2,434	28.64%	2,162	26.05%
Oroville Medical Complex	1,354	15.93%	691	8.33%
Pacific Coast Producers	1,272	14.96%	544	6.55%
Wal Mart Stores, Inc.	257	3.02%	240	2.89%
Graphic Packaging International	234	2.75%	-	0.00%
Ammunition Accessories	175	2.06%	113	1.36%
Home Depot USA	130	1.53%	-	0.00%
Roplast Industries, Inc.	114	1.34%	102	1.23%
City of Oroville	114	1.34%	107	1.29%
Currier Square Spe LLC	107	1.26%	101	1.22%
Marshalls	15	0.18%	-	0.00%

"Total Employment" as used above represents the total employment of all employers located within City limits. The "Nine Years Ago"; "Number of Employees" is based on the quotient percentage between 1997 and 2006. The estimate assumes constant change between known years.

Source: Employment Development Department , Various Employers

Table 16

**CITY OF OROVILLE
FULL-TIME AND PART-TIME CITY EMPLOYEES
BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	20	20	19	22	24	14	22	15	15	16
Public Safety	56	56	57	60	61	62	39	60	60	60
Public Works	13	13	13	13	11	14	20	18	18	19
Community Development	12	12	12	11	14	11	11	10	10	9
Parks and Trees	10	10	10	10	10	21	20	10	10	9
Planning								10	10	10
	<u>111</u>	<u>111</u>	<u>111</u>	<u>116</u>	<u>120</u>	<u>122</u>	<u>112</u>	<u>123</u>	<u>123</u>	<u>123</u>

Source: Department of Finance, City of Oroville

Table 17

**CITY OF OROVILLE
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police:										
Arrests	1,625	2,831	2,439	2,496	2,444	2,131	1,833	1,742	2,489	2,747
Parking Citations Issued	159	355	283	302	225	275	277	288	409	250
Fire:										
Number of Emergency Calls	3,024	3,301	3,697	3,947	3,651	3,678	3,403	2,633	3,305	3,252
Inspections	3,455	4,140	3,638	3,420	2,723	2,558	1,877	1,772	2,659	372
Public Works:										
Street Resurfacing (miles)	-	10	-	1	-	-	4.5	-	-	-
Parks and Recreation:										
Number of Facility Rentals	153	281	332	110	133	129	148	179	225	223
Wastewater:										
New Connections ¹	16	9	14	10	156	17	16	10	62	11
Average Daily Flows (thousands of gallons)	115.96	114.19	124.65	124.65	111.28	166.79	165.49	116.21	103.33	156.13

¹ New wastewater connections are provided by the City, but administered by Sewerage Commission - Oroville Region.

Source: City of Oroville
Sewerage Commission - Oroville Region

**CITY OF OROVILLE
CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Streets (miles)	124.25	124.25	131.59	132.63	132.88	92.60	92.60	92.60	92.60	92.60
Streetlights	1,223	1,229	1,234	1,256	1,375	1,375	1,375	1,377	1,391	1,409
Traffic Signals	18	18	18	18	17	7	7	7	7	7
Parks and Recreation:										
Parks	6	6	6	6	6	7	7	7	7	7
Community Centers	3	3	3	3	3	3	3	3	3	3
Wastewater ¹ :										
Sewer Lines (miles)	73	73	73	73	73	66	66	66	66	66
Sewer Storm Drains	73	73	73	73	73	31	31	31	31	31
Maximum Daily Capacity (thousands of gallons)	115.96	114.19	124.65	124.65	111.28	166.79	165.49	166.21	105.00	106.00

¹ Wastewater treatment services are provided through the Sewerage Commission - Oroville Region (SCOR). Wastewater and stormdrain pipelines are installed by the City, but administered by SCOR.

Source: City of Oroville
Sewage Commission - Oroville Region

SINGLE AUDIT AND OTHER COMPLIANCE SECTION

**CITY OF OROVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Pass Through Program Title	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>		
Passed Through State Department of Housing and Community Development:		
Community Development Block Grants:		
09-STBG-6424	14.228	\$ 128,797
10-STBG-6731	14.228	681,407
12-CDBG-8405	14.228	43,435
11-PTEC-7637	14.228	78,456
07-EDOC-3900	14.228	55,138
09-EDEF-6364	14.228	110,536
10-EDEF-7258	14.228	79,832
Subtotal		<u>1,177,601</u>
Home Investment Partnerships Program:		
07-HOME-3903	14.239	2,095,761
09-HOME-6226	14.239	68,515
11-HOME-7673	14.239	161,551
Subtotal		<u>2,325,827</u>
Total U.S. Department of Housing and Urban Development		<u>3,503,428</u>
<u>U.S. Department of Transportation</u>		
Airport Improvement Program:		
Project No. 03-06-0178-16	20.106	68,434
Project No. 03-06-0178-17	20.106	36,898
Subtotal		<u>105,332</u>
Passed Through State Department of Transportation:		
Congestion Mitigation and Air Quality		
Project No. ESPL-5142(032)	20.205	101,282
Subtotal		<u>101,282</u>
Total U.S. Department of Transportation		<u>206,614</u>
<u>U.S. Department of Justice</u>		
Bulletproof Vest Partnership Program:		
2012BUBX12063198	16.607	1,212
Public Safety Partnership & Community Policing:		
COPS Hiring Recovery Program:		
ARRA - 2009RKWX0091	16.710	31,055
Edward Byrne Memorial Justice Assistance Grant:		
2011DJBX2932	16.738	6,050
Pass-Through City of Chico:	16.738	14,251
Total U.S. Department of Justice		<u>52,568</u>
<u>U.S. Environmental Protection Agency</u>		
Brownfields Assessment and Cleanup Cooperative Agreements		
BF-00t51301	66.818	231,936
Total U.S. Environmental Protection Agency		<u>231,936</u>
TOTALS		<u>\$ 3,994,546</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF OROVILLE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013

1) Summary of Significant Accounting Policies

The schedule of expenditures of federal awards is a summary of the activity of the City of Oroville's federal award programs and has been prepared using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.



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(1924-1989)

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Stephen J. Herr, CPA
James L. Duckett, CPA

**INDEPENDENT AUDITORS' REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF THE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Council
Members of the City of Oroville
Oroville, CA 95965

We have audited 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregated remaining fund information of the City of Oroville, California, as of and for the year ended June 30, 2013, and related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 15, 2014.

Internal Control Over Financial Reporting

Management of the City of Oroville is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, 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 of Oroville'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 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 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 would not necessarily 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 of Oroville'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.

Davis Hammon & Co.

January 15, 2014

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Honorable Mayor and City Council
Members of the City of Oroville
Oroville, CA 95965

Report on Compliance for Each Major Program

We have audited the City of Oroville's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on the City of Oroville's major federal programs for the year ended June 30, 2013. The City of Oroville's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Oroville's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Oroville complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the City of Oroville is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with types of requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Oroville's internal control over compliance.

A *deficiency in internal control* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely

basis. A *material weakness in internal control* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Davis Hammon & Co.

January 15, 2014

CITY OF OROVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2013

SUMMARY OF AUDITORS' RESULTS

- 1) The auditors' report expresses an unmodified opinion on the financial statements of the City of Oroville.
- 2) No significant deficiencies were disclosed related to the audit of the financial statements of the City of Oroville. No material weaknesses are reported.
- 3) No instances of noncompliance material to the financial statements of the City of Oroville, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
- 4) No significant deficiencies in internal control over major federal award programs were disclosed during the audit. No material weaknesses are reported.
- 5) The auditors' report on compliance for major federal award programs for the City of Oroville expresses an unmodified opinion on all major federal programs.
- 6) There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
- 7) The program tested as a major program was:
 - a. U.S. Department of Housing and Urban Development
Community Development Block Grant
CFDA: 14.228
- 8) The threshold for distinguishing Types A and B programs was \$300,000.
- 9) The City of Oroville was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings noted during the audit.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

No findings or questioned costs noted during the audit of major federal award programs.

CITY OF OROVILLE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2013

2012-01 Retention of Loan Proceeds Received From the Former Oroville Redevelopment Agency

Statement of Condition – The City of Oroville created the Oroville Redevelopment Agency (RDA) on January 5, 1981. On February 7, 1995, the City loaned the Agency \$1,800,000 payable on demand. On January 31, 2012, the City made a demand to the RDA for full payment of the loan and a transfer was made from the RDA to the City's General Fund. The amount transferred was \$1,852,500 including principal and accrued interest. In a letter dated May 30, 2012, the State Department of Finance (State) determined that the loan did not qualify as an enforceable obligation. In a letter dated June 27, 2012, the City responded to the State agreeing that the loan did not qualify as an enforceable obligation, but stated that because "the loan was made prior to the Successor Agency legally being established and the Oroville Redevelopment Agency being dissolved pursuant to AB 1 X 26 on February 1, 2012, the City of Oroville believes that its repayment of the loan was legal."

Recommendation – The City should consult legal counsel to ensure it is in compliance with ABx1 and AB1484. If it is determined that the loan payment should be returned to the Oroville Successor Agency, the City should take necessary steps to have the loan reinstated by the Oversight Board of the Oroville Successor Agency and have the loan repaid as permitted by Section 34191.4(b) of the Health and Safety Code.

Current Status – The City has worked with both legal counsel and outside consultants to pursue administrative appeal processes with the State to have the matter resolved without requiring the return of the loan payment. The City also filed a Petition for Writ of Mandate/Complaint and Injunctive Relief against the State. In December, 2013, the City complied with the State's order and returned the funds to the Successor Agency, but is actively working with the State to ensure the loan will be repaid to the City within a reasonable time period.

**INDEPENDENT ACCOUNTANTS' REPORT
ON AGREED-UPON PROCEDURES APPLIED
TO APPROPRIATIONS LIMIT WORKSHEETS**

Honorable Mayor and City Council
Members of the City of Oroville
Oroville, California 95965

We have applied the procedures enumerated below to the Appropriations Limit calculations of the City of Oroville for the year ended June 30, 2013. These procedures, which were agreed to by the City of Oroville and the League of California Cities (as presented in the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*) were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution.

This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures performed and our findings were as follows:

- 1) We obtained the City's completed alternate computation Appropriations Limit worksheets, and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of our procedures.

- 2) Using the City's alternate computational worksheet, we added last year's limit to the total current year limit adjustments, as computed, for this year, and compared the results to this year's limit.

Finding: No exceptions were noted as a result of our procedures.

- 3) We compared the prior year appropriations limit presented in the alternate computational worksheets to the prior year appropriations limit adopted by the City Council for the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the Appropriations Limit alternate computational worksheets. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication *Article XIII B Appropriations Limitation Uniform Guidelines*.

This report is intended solely for the use of the City of Oroville and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Davis Hammon & Co.

January 15, 2014



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James L. Duckett, CPA

**AUDITORS' REPORT ON COMPLIANCE RELATING TO THE
SEWERAGE COMMISSION - OROVILLE REGION**

Honorable Mayor and City Council
Members of the City of Oroville
Oroville, California 95965

We have audited the basic financial statements of City of Oroville, as of and for the year ended June 30, 2013, and have issued our report thereon dated January 15, 2014. 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.

Compliance

The management of the City of Oroville is responsible for the City's compliance with various resolutions and policies of the Sewerage Commission - Oroville Region ("SC-OR") pertaining to the sewer regional facility charges and monthly sewer service charges. In connection with our audit referred to above, we selected and tested transactions and records applicable to new sewer connections and monthly sewer service charges to determine the City's compliance with SC-OR's resolutions and policies.

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 the compliance requirements noted above 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.

This report is intended solely for the information and use of the City Council, management, and the Board of Directors of the Sewerage Commission - Oroville Region and is not intended to be and should not be used by anyone other than these specified parties.

Davis Hammon & Co.

January 15, 2014