

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF OROVILLE
California

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Submitted by:

Department of Finance

Diane MacMillan
Director of Finance

**CITY OF OROVILLE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008
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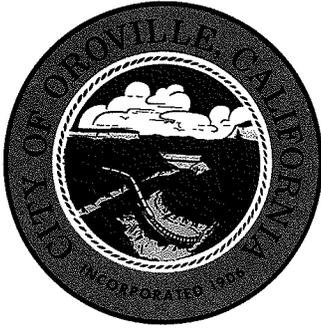
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1735 MONTGOMERY STREET • OROVILLE, CALIFORNIA 95965-4897

OFFICE OF THE
FINANCE DEPARTMENT
(530) 538-2410

December 19, 2008

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, 2008. The City's Department of Finance has prepared this report using the new reporting requirements prescribed by GASB Statement No. 34. 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 auditor's 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 Redevelopment Agency and the Oroville Public Financing Authority of the City of Oroville are combined in this report, to constitute a single reporting entity. The basis for including the Redevelopment Agency and the Oroville Public Financing Authority of the City of Oroville is because of the significance of their operational and financial relationships with the City. The City Council sits as the governing body of the Agency and the Authority. In addition, the City provides loans and management assistance to both the Agency and the Authority.

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 light, community development and general administrative services.

LOCAL ECONOMY

The City of Oroville's economy was just starting to take off when the downturn in housing and the financial market began tumbling down. Even though we've slowed down, due to the statewide financial conditions, we show some promise in commercial building and planned subdivision development within the next three years.

Our focus is on developing the necessary plans and guidelines for building infrastructure to accommodate future growth in our area.

Due to the City of Oroville's successful staff efforts in grant writing, we have bought in more than \$31 million in grant funds over the past several years. This has offset the local cost for planned improvements in our community. Through these improvements it is enhancing the local appeal as well as setting up for new infrastructure and future sustainability.

The City of Oroville will take a conservative stance as we have in the past in an economic recession, which has kept us afloat thru tough times. We are currently in a positive position but as we all know with the flick of a pen our position could change just like all the other local government entities in this trying time. We will strive to be visionary and open-minded to new concepts and follow thru with our goals for the future.

OTHER INFORMATION

LONG TERM FINANCIAL PLANNING

The City of Oroville has annually prepared and adopted a five year forecast in the annual fiscal year budget for the general fund, redevelopment agency, redevelopment agency low and moderate housing fund and the sewer fund.

Some studies have started and some are being proposed for this upcoming year to give the City a guideline for future needs and further financial planning.

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, described earlier, 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.

RISK MANAGEMENT

During fiscal year 2007-08 the City continued its self insurance program for workers' compensation and liability insurance. The City is a member of the Northern California Cities Self Insurance Fund. Property and airport insurance are obtained from the open market, through an insurance broker.

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 auditor has attested to the accuracy of the spending limitations for the current period. The City's limit for the current fiscal year is \$30,574,944. Expenditures are expected to continue to remain well under the current limit in 2008-09.

BUDGETARY CONTROLS

A two-year budget and financial plan approved by the City Council is established for all funds except as noted 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 the 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 2007-08 and the Financial Plan for fiscal year 2008-09 were approved by the City Council in July of 2007. The second year of each two-year budget which is identified as a "financial plan," was formally adopted at the beginning of fiscal year 2008-09.

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, 2008. 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, Sherral Skinner and Arthur Forbes, and the staff

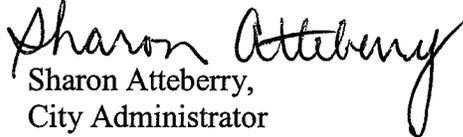
of Davis Hammon & Company particularly, Steve Herr, CPA, Kerry Webber, CPA, Jim Duckett, CPA, Candis Parkison and Abby Scheurer for their efforts in publishing this report.

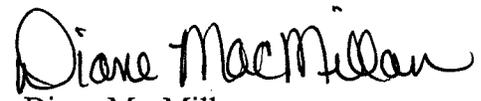
CERTIFICATE OF ACHIEVEMENT

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, 2007. This was the thirteenth 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,


Sharon Atteberry,
City Administrator


Diane MacMillan,
Director of Finance

CITY OF OROVILLE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2008

Prepared by Finance Department

City Officials

CITY COUNCIL
(and acting Board of
Commissioners of Oroville
Redevelopment Agency and
Oroville Public Financing
Authority)

Steven D. Jernigan - MAYOR

Jim Prouty
Mike Howard
Art Hatley

Sue Corkin - RDA Chair
Jack Berry – RDA Vice Chair
Jamie Johannson – Vice Mayor

ADMINISTRATION

Sharon L. Atteberry
City Administrator

Diane MacMillan
Director of Finance

Kirk E. Trostle
Chief of Police

Charles L. Miller
Director of Parks and Trees

Karolyn J. Fairbanks
City Treasurer (Elected)

Les Bowers
Interim Fire Chief

Eric Teitelman
Director of Community
Development & Public Works

Dwight L. Moore
City Attorney

Pat Clark
Director of Business Assistance
And Housing Development

PLANNING COMMISSION

Thil Wilcox
Damon Robison
Randy Chapman

Rochelle Frazier – Chair
Dr. Daniel Gordon – Vice Chair

Janel Tarzy
Rhonda Brunson

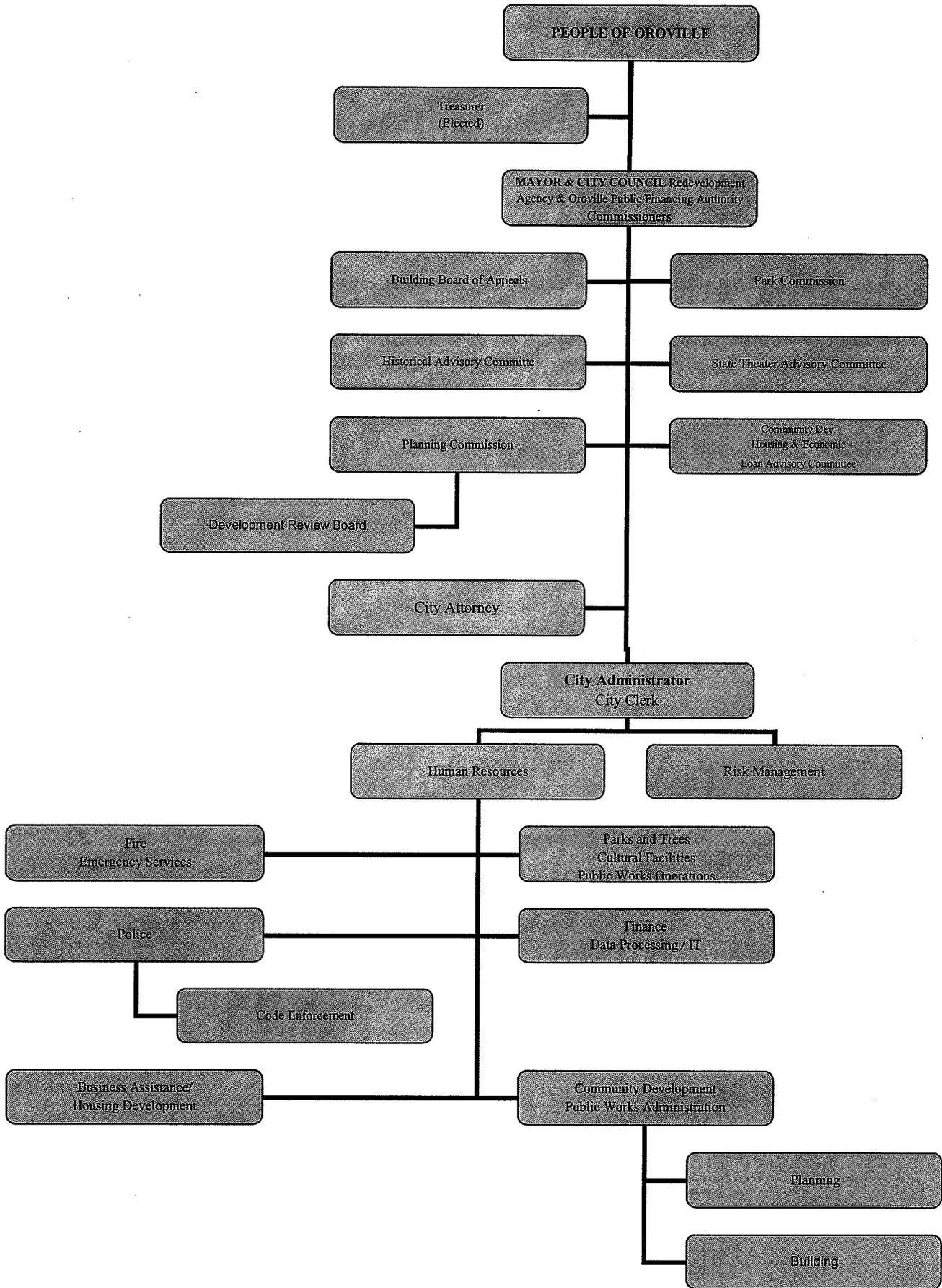
PARK COMMISSION

Joshua Day - Vice Chair
Lani Fridrich

Carolyn Norton - Chair

Freda Flint
Allen Young

CITY OF OROVILLE ORGANIZATIONAL CHART



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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



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

Stephen B. Norman, CPA • PFS
Stephen J. Herr, CPA
Kerry A. Webber, 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, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Oroville management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to in the first paragraph 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, 2008, and the respective change in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2008, 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* and important for assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 5 through 16 and 48 through 54, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Oroville's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and the statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, which 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 and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. 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 express no opinion on them.

Davis Hammon & Co.

December 19, 2008



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2008

This discussion and analysis of the City of Oroville's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The governmental assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$43,190,389. Of this amount, \$26,958,664 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's governmental net assets increased by \$4,558,327, primarily due to increased general revenues.
- As of the close of the current fiscal year the City's total net assets reported were \$44,059,028, an increase of \$4,687,734 from the prior year. This increase was also primarily due to increased general revenues.
- \$27,827,303 of the City's total net assets of \$44,059,028 is considered unrestricted.
- At the end of the current fiscal year, the General Fund's unreserved-undesignated fund balance for the general fund was \$891,276. This is 7.9% of total general fund expenditures.
- In addition to the unreserved-undesignated fund balance, the City Council has designated a General Fund Reserve of \$800,000 which, when added to the unreserved-undesignated fund balance, totals \$1,691,276. This is 15% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Oroville and its component units using the integrated approach as prescribed by GASB Statement No. 34.

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 as prescribed by the statement in regards to interfund activity, payables and receivables.

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets report information about the City as a whole and about its activities. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting

used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's roads.

In the Statement of Net Assets and the Statement of Activities and Changes in Net Assets, we distinguish the City's functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business type activities). The activities of these two distinctions are as follows:

Governmental activities - Most of the City's basic services are reported in this category, including the General Government, Fire, Police, Community Development, Public Works, Redevelopment, Housing and Parks and Trees. Property and sales taxes, utility user taxes, transient occupancy taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities.

Business Type activities - The City charges a fee to riders of the transit system to cover a portion of the operating costs of the system.

The government-wide financial statements can be found on pages 18-19 of this report.

Fund Financial Statements - The Fund Financial Statements include statements for each of the three categories of activities, government, business type and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The business type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The City's fiduciary activities are limited to agency funds, which only report a balance sheet and do not have a measurement focus. Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

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.

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 an accounting method called 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 of the governmental fund financial statements to those in the Government-Wide Financial Statements are explained in a reconciliation schedule following each governmental fund financial statement.

The basic governmental fund financial statements can be found on pages 20-23 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 Assets and the Statement of Revenues, Expenses and Changes in Fund Net Assets. 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. We use 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 24-26 of this report.

Fiduciary funds – The City is the trustee of fiduciary funds held in trust. Other activities reported in this category include the Lake Oroville Joint Powers Authority, for which the City has no direct liability. The City’s fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. We exclude these activities from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic fiduciary fund financial statement can be found on page 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 28-46 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. Required supplementary information can be found on pages 48-54 of this report. Combining and individual fund statements and schedules can be found on pages 56-134 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the net assets for the City as a whole increased 11.9% from \$39,371,294 at June 30, 2007 to \$44,059,028 at June 30, 2008. A large portion of the City’s net assets, \$11,808,604, (26.8%) reflects the 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 assets, \$4,423,121, (10.0%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$27,827,303, (63.2%) may be used to meet the City's ongoing obligations to citizens and creditors.

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

CITY OF OROVILLE'S NET ASSETS

| | Governmental Activities | | Business Type Activities | | Total | |
|---|-------------------------|---------------------|--------------------------|------------------|---------------------|---------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Current and other assets | \$69,108,522 | \$68,120,004 | \$869,145 | \$740,824 | \$69,977,667 | \$68,860,828 |
| Capital assets | 36,137,528 | 33,084,255 | 0 | 0 | 36,137,528 | 33,084,255 |
| Total Assets | 105,246,050 | 101,204,259 | 869,145 | 740,824 | 106,115,195 | 101,945,083 |
| Vouchers payable and other current liabilities | 1,986,427 | 1,600,611 | 506 | 1,592 | 1,986,933 | 1,602,203 |
| Other liabilities | 25,279,404 | 22,887,907 | 0 | 0 | 25,279,404 | 22,887,907 |
| Non-current liabilities | 34,789,830 | 38,083,679 | 0 | 0 | 34,789,830 | 38,083,679 |
| Total Liabilities | 62,055,661 | 62,572,197 | 506 | 1,592 | 62,056,167 | 62,573,789 |
| Net Assets: | | | | | | |
| Invested in capital assets, net of related Debt | 11,808,604 | 9,433,101 | 0 | 0 | 11,808,604 | 9,433,101 |
| Restricted | 4,423,121 | 6,785,954 | 0 | 0 | 4,423,121 | 6,785,954 |
| Unrestricted | 26,958,664 | 22,413,007 | 868,639 | 739,232 | 27,827,303 | 23,152,239 |
| Total Net Assets | \$43,190,389 | \$38,632,062 | \$868,639 | \$739,232 | \$44,059,028 | \$39,371,294 |

CITY OF OROVILLE CHANGES IN NET ASSETS

| | Governmental Activities | | Business Type Activities | | Total | |
|---|-------------------------|---------------------|--------------------------|------------------|---------------------|---------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$8,271,818 | \$8,358,367 | \$6,975 | \$17,989 | \$8,278,793 | \$8,376,356 |
| Operating grants and Contributions | 3,744,832 | 3,900,722 | 520,174 | 627,198 | 4,265,006 | 4,527,920 |
| Capital grants and Contributions | 3,345,417 | 1,995,122 | 0 | 0 | 3,345,417 | 1,995,122 |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes | 6,809,199 | 6,020,342 | 0 | 0 | 6,809,199 | 6,020,342 |
| Sales and Use taxes | 2,735,269 | 2,737,202 | 0 | 0 | 2,735,269 | 2,737,202 |
| Other taxes | 4,273,750 | 4,364,410 | 0 | 0 | 4,273,750 | 4,364,410 |
| Intergovernmental revenue not restricted to specific programs | 285,453 | 232,279 | 0 | 0 | 285,453 | 232,279 |
| Unrestricted Investment Earnings | 361,927 | 302,126 | 31,735 | 26,022 | 393,662 | 328,148 |
| Total Revenues | 29,827,665 | 27,910,570 | 558,884 | 671,209 | 30,386,549 | 28,581,779 |
| Expenses: | | | | | | |
| General Government | 2,333,025 | 2,250,497 | 0 | 0 | 1,955,466 | 2,250,497 |
| Public Safety | 6,789,797 | 6,588,449 | 0 | 0 | 6,039,555 | 6,588,449 |
| Public Works | 1,596,817 | 1,454,510 | 0 | 0 | 1,264,877 | 1,454,510 |
| Streets and Storm Drains | 1,707,890 | 1,172,901 | 0 | 0 | 794,733 | 1,717,290 |
| Transportation | 608,313 | 455,305 | 429,477 | 376,907 | 811,679 | 832,212 |
| Business Assistance and Housing | 7,375,036 | 8,556,595 | 0 | 0 | 7,375,036 | 8,556,595 |
| Parks and Leisure | 1,064,824 | 1,038,579 | 0 | 0 | 1,064,824 | 1,038,579 |
| Health and Sanitation | 1,356,115 | 1,287,714 | 0 | 0 | 1,356,115 | 1,287,714 |
| Interest and Fiscal Charges | 1,932,990 | 1,751,264 | 0 | 0 | 1,932,990 | 1,751,264 |
| Total Expenses | 24,764,807 | 24,555,814 | 429,477 | 376,907 | 25,194,284 | 24,932,721 |
| Increase (decrease) in Net Assets | 5,062,858 | 3,354,756 | 129,407 | 294,302 | 5,192,265 | 3,649,058 |
| Net Assets - July 1, Prior period adjustments | 38,632,062 | 35,277,306 | 739,232 | 444,930 | 39,371,294 | 35,722,236 |
| | -504,531 | | | | -504,531 | |
| Net Assets, June 30 | \$43,190,389 | \$38,632,062 | \$868,639 | \$739,232 | \$44,059,028 | \$39,371,294 |

GOVERNMENTAL ACTIVITIES

Total resources available during the year to finance governmental operations were \$68,459,727, consisting of net assets at July 1, 2007 of \$38,632,062, program revenues of \$15,362,067 and general revenues of \$14,465,598. Total expenditures for governmental activities during the year were \$24,764,807; thus, net assets were increased by \$4,558,327 to \$43,190,389.

The cost of all governmental activities this year was \$24,764,807. However, as shown in the Statement of Activities, the amount that the taxpayer ultimately financed for these activities was \$9,402,740 because some of the cost was paid by those who directly benefited from these programs, \$8,271,818, or by other governments and organizations that subsidized certain programs with operating grants and contributions, \$3,744,832 and capital grants and contributions, \$3,345,417. 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 assets from business type activities increased by \$129,407. This accounts for just over 2% of the total increase in the City of Oroville's net assets. There were no investments in capital assets attributable to business type activities of the City as of June 30, 2008.

The cost of all Proprietary (business type) activities this year was \$429,477. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems were \$6,975. Operating grants and contributions were \$520,174. Capital grants and contributions were \$0. Investment earnings were \$31,735.

Total resources available during the year to finance Proprietary fund (business type) activities were \$1,298,116 consisting of net assets as of July 1, 2007 of \$739,232, program revenues of \$527,149 and general revenues of \$31,735. The total cost of proprietary fund (business type) activities during the year were \$429,477; thus, net assets were increased from \$739,232 to \$868,639. All of this increase is attributable to the City's transit system operations.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The total fund balance at year-end for the City's General fund of \$4,789,636 is an overall increase of \$166,410 over the prior year-end. Tax revenues decreased by \$39,261 and current services decreased by \$197,475, while transfers out of the General Fund decreased by \$416,345.

Among the special revenue funds, the First Time Homebuyers Grant Fund experienced a modest fund balance change, decreasing by \$64,869 from \$610,832 on June 30, 2007 to \$545,963 on June 30, 2008. This decrease was due to loan foreclosures. The First Time Homebuyers Grant Fund will expend these funds for qualifying low and moderate income housing purposes.

In addition other significant fund balance change occurred in the Low & Moderate Income Housing Fund which increased by \$528,107 or 31%.

DEBT ADMINISTRATION

Debt from governmental activities decreased by \$3,293,849 from \$38,083,679 at year-end in fiscal year 2006-07 to \$34,789,830 at year-end in fiscal year 2007-08, primarily due to regular debt service payments and the payoff of two Oroville Public Financing Authority Bond issues. As of June 30, 2008, only the \$594,281 in compensated absences and \$6,554,664 of the taxable pension obligation bonds are considered general City obligations subject to the City's debt limit which is \$42,572,156. There was no debt attributable to business type activities as of June 30, 2008.

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.

Limited Obligation debt funded by special assessments paid by property owners – Assessment District No. 1993-1 Limited Obligation Improvement Bonds of \$3,280,000 are within three subdivisions. As of June 30, 2008, \$0 was outstanding on these bonds. They were issued to acquire public improvements and are payable solely from assessments levied upon the properties within the district. The City's credit rating is not impacted by these bonds and the City's only obligations are to: 1) turn over special assessment taxes paid by the property owners to the Trustee; and, 2) in the event of non-payment, pursue judicial foreclosure against the non-paying property owners so that the property can be sold to repay the bondholders. These bonds were purchased by the Oroville Public Financing Authority (OPFA).

Oroville Public Financing Authority debt – The OPFA had three outstanding revenue bond issues. The City's credit is not impacted by OPFA revenue bond issues. There are two types of revenues which fund the debt service on these issues.

OPFA obligations paid from special assessment revenues – The debt service payments on these assessment bonds and the interest from the reserve funds of each bond issue are the only sources of revenues to pay the debt service on the OPFA Revenue Bonds. The only security for the bonds is the debt service payments and the reserve funds of each bond issue.

The two issues, OPFA Series 1992 (\$2,500,000) and OPFA Series 1992B (\$1,140,000), which were issued to purchase the City's \$3,280,000 of Assessment District No. 1993-1 Limited Obligation Improvement Bonds and were paid in full as of June 30, 2008. \$0 was outstanding on these bond issues.

The only sources of payment of the debt service are the revenues from the assessment district bonds which consist of the special assessment taxes paid by the property owners and the interest on the reserve funds. The City originally had six (6) assessment districts. Assessment District No. 1993-1 refunded all of the prior assessment bonds and consolidated all six districts into one.

OPFA obligations paid from OPFA/RDA loan payment revenues – The loan payments made to the OPFA by the Redevelopment Agency on the loans between the OPFA and the Redevelopment 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 Redevelopment Agency to defease prior bond issues and to provide an additional \$5,250,000 in money for new Redevelopment Agency 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 Redevelopment Agency to defease an issue, and to provide an additional \$5,375,000 in money for new RDA Projects.

| | <u>Balance July 1, 2007</u> | <u>Incurred or Issued</u> | <u>Satisfied or Matured</u> | <u>Balance June 30, 2008</u> |
|---------------------------------------|---------------------------------|-------------------------------|---------------------------------|----------------------------------|
| Government Activities: | | | | |
| Compensated Absences | \$531,886 | \$594,281 | \$531,886 | \$594,281 |
| Oroville Public Financing Authority | | | | |
| Revenue Bonds Payable | 28,860,000 | 0 | 2,010,000 | 26,850,000 |
| Special Assessment District Bonds | 1,397,505 | 0 | 1,397,505 | 0 |
| Pension Obligation Bonds | 7,260,000 | 0 | 85,000 | 7,175,000 |
| Total Governmental Activities | <u><u>\$38,049,391</u></u> | <u><u>\$594,281</u></u> | <u><u>\$4,024,391</u></u> | <u><u>\$34,619,281</u></u> |
| Business Type Activities: | | | | |
| Total Business Type Activities | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |

The above table excludes unamortized issue discounts, premiums and refunding losses.

Additional detail and information on long-term debt activity is described in the notes to the financial statements on pages 40 thru 43.

CASH MANAGEMENT

The City continues to maintain a conservative investment program. Idle cash is invested in certain eligible investments as constrained by the adopted investment policy. The City's policy is to minimize credit and market risk, while maintaining a competitive yield on its deposits. Currently all idle cash is invested in the Local Agency Investment Fund (LAIF) of the State of California. Bond proceeds are invested as authorized by the bond documents, under the direction of the trustees. The Investment Policy was last revised in January of 2007.

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, 2008, net capital assets of the governmental activities totaled \$36,137,528 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 | \$6,737,237 | \$0 | \$6,737,237 |
| Buildings and Improvements | 12,602,437 | 4,260,993 | 8,341,443 |
| Underground Collection System | 3,993,666 | 2,604,561 | 1,389,105 |
| Equipment, Vehicles, Machinery | 6,495,086 | 4,106,746 | 2,388,340 |
| Infrastructure | 34,414,739 | 24,804,896 | 9,609,843 |
| Construction in Progress | 7,671,559 | 0 | 7,671,559 |
| Total Governmental Activities | \$71,914,724 | \$35,777,196 | \$36,137,528 |
| Business Type Activities: | | | |
| Total Business Type Activities | \$0 | \$0 | \$0 |

Additional detail and information on capital asset activity is described in the notes to the financial statements on page 38.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2007/08 original (or adopted) General Fund budgeted expenditures in the amount of \$12,013,033 to the final budget amount of \$13,455,744 shows a net increase of \$1,442,711 to the final budget allocation. The increase consists of an approved carryover of \$814,810 into fiscal year 2007-08 under the Expenditure Control Budget as well as \$627,901 in supplemental changes to the budget approved during the fiscal year, a large portion of the changes were due to transfers to other funds to provide fiscal stabilization.

NEXT YEAR'S BUDGET AND RATES

Current Year's Revenue Assumptions

The key assumptions in the City budget's revenue forecast for fiscal year 2008-09 were:

1. A 3% per year increase in property taxes was estimated due to current new housing development and ownership changes. Most of the City is in the Redevelopment Project Area No.1, and the majority of growth goes to the Redevelopment Agency.
2. Sales taxes were estimated using a revised base determined by the City's sales tax consultant, MRC/MBIA.
3. The base year amounts for Transient Occupancy, Utility User, Franchise and Motor Vehicle In-Lieu of Taxes were adjusted based upon actual receipts. A 4% growth rate was assumed.
4. Investment earnings were expected to remain low in 2008-09, and the base year was adjusted downward accordingly with a 1% growth.
5. Sewer service charges were expected to increase by 3.5% in accordance with the City's long term plan for funding the sewer operations.

6. The Redevelopment Agency fund tax increment was estimated to grow by 5% over the previous year, based on the latest trends.
7. The Airport (Special Aviation) fund revenues from airplane fuel sales, hangar rentals and the golf course were estimated based upon historical trends.
8. 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 no new positions were added for the general operations of the City or for the Redevelopment Agency.

Capital Expenditures

Equipment

A small amount of equipment purchases were authorized in the 2008-09 equipment fund budgets, mostly to meet public safety needs. 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 contained a carryover of \$599,720 and no new appropriations for capital improvements to City buildings was allocated.

Parks and Cultural Facilities

The Redevelopment Agency budget and the Parks Development fund contain appropriations which have been carried over into fiscal year 2008-09 for improvements to the State Theater, renovation of Hewitt Park and ADA (Americans with Disabilities Act) access improvements to City parks and cultural facilities.

Improvements to Streets and Infrastructure

The Redevelopment Agency has appropriated a significant amount of funds to improve City streets and infrastructure during the 2008-09 fiscal year. Projects include slurry seals, paving, and sidewalks.

Improvements to the Airport

An Airport layout plan is currently in progress with grant funding. No new improvements were budgeted for the Airport in 2008-09, ongoing grant appropriation efforts will continue. If awarded any grants during 2008-09 matching funds will be approved by City Council action.

Economic Development Capital Projects

Funds were carried over from the 2007-08 to 2008-09 Redevelopment Agency budget in the amount of \$533,647 for land purchase and \$706,116 in public improvements to the riverfront area. These funds, combined with a \$3 million State grant, Phase I of the Riverfront improvements were completed by December 31, 2007. Design work was also completed for the entire Riverfront and continued efforts to acquire additional grant funding for the remaining phases are in progress. 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 sales taxes, continue to impact the State of California and the nation.

As a result of a declining economy the State is showing a huge shortfall which will and has necessitated major cut-backs in spending. The State's fiscal problems are of concern to the City of Oroville because they have resulted in decreased State payments to cities in fiscal years 2006-07 and 2007-08 as the State struggles to balance its budget.

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.

A decline in the stock market in the past years is still having a big impact on the State and City budgets because there has been a decrease in the rates of return for the PERS (Public Employees Retirement System) which serves most of the public employees in the State of California. The 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.

The local economy showed some signs of a decline. Oroville's unemployment rates, which have consistently been higher than the rest of the State and the nation, in fiscal year 2007-08, unemployment increased from 8.7% to 11.2%. Although there was a year-to-year increase in 2007-08, the 11.2% unemployment rate still represents a 9.2% decrease from 2003/04 levels.

Another economic indicator, a decline in sales taxes, which was not as high in comparison with the rest of the State and Nation. Oroville sales tax receipts were \$2,735,269. This is \$1,933 less than the \$2,737,202 which was received in fiscal year 2006-07. There are indications that the decline of sales tax will continue and at this time a decline is being predicted for the 2008-09 fiscal year.

In fiscal year 2007-08, building activity continued to be strong with 49 building permits issued for new construction. This is a decrease from fiscal year 2006-07 when 74 building permits for new construction were issued.

A total of 32 of these permits were issued for construction of single family homes within existing and new subdivisions as well as various other areas throughout the City.

In addition, 27 low and moderate income families received first time home buyer loans funded through federal grants.

A total of 262 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 homeowners, who have sold to first time home buyers, to purchase "move-up" properties, thus stimulating the housing market.

A total of 17 commercial building permits for new construction were issued. This included small to large size commercial projects being constructed. The largest being a hotel/motel \$143,904 and a office/retail plaza \$36,333.

The total valuation of all building permits issued in fiscal year 2007-08 was \$28,323,061. This was \$7,431,808 more than the \$20,891,253 issued in fiscal year 2006-07.

The City and the Oroville Redevelopment Agency started an aggressive retail marketing effort in fiscal year 2001-02, the results of which are expected to take several years for fruition. Home Depot opened in January 2005 and this has added additional interest in Oroville by other developers, such as Appleby's Restaurant that opened in early 2008 and a Super Walmart that is estimated to open in two to three years from now.

The City and its Redevelopment Agency are 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 an Enterprise Zone and a Recycling Market Zone, two strong economic development tools.

The City has been able to assist businesses to create and retain jobs, in a variety of ways, through a combination of grants, Redevelopment Agency funds 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.

CITY OF OROVILLE
STATEMENT OF NET ASSETS
JUNE 30, 2008

| <u>ASSETS</u> | <u>Governmental Activities</u> | <u>Business- Type Activities</u> | <u>Total</u> |
|---|------------------------------------|--|----------------------|
| Cash and Investments | | | |
| Cash With Fiscal Agent: | | | |
| Restricted | \$ 31,282,711 | \$ 825,221 | \$ 32,107,932 |
| Receivables | 1,982,647 | | 1,982,647 |
| Loans Receivable | 3,452,630 | 43,924 | 3,496,554 |
| Inventory | 606,977 | | 606,977 |
| | 93,414 | | 93,414 |
| Noncurrent Assets: | | | |
| Loans Receivable | 22,938,347 | | 22,938,347 |
| Deferred Charges | 816,525 | | 816,525 |
| Net Pension Asset | 6,554,664 | | 6,554,664 |
| Real Property Primarily Held for Resale | 1,380,607 | | 1,380,607 |
| Capital Assets (net of accumulated depreciation): | | | |
| Nondepreciable | 14,408,796 | | 14,408,796 |
| Depreciable | 21,728,732 | | 21,728,732 |
| | <u>105,246,050</u> | <u>869,145</u> | <u>106,115,195</u> |
| Total Assets | | | |
| | | | |
| <u>LIABILITIES</u> | | | |
| Vouchers Payable And Other Current Liabilities | | | |
| Payable From Restricted Assets: | 1,986,427 | 506 | 1,986,933 |
| Accrued Interest Payable | 400,278 | | 400,278 |
| Due To Other Related Agency | 182,161 | | 182,161 |
| Deferred Loans | 22,938,347 | | 22,938,347 |
| Deferred Revenues - Unearned | 1,431,546 | | 1,431,546 |
| Unpaid Claims | 327,072 | | 327,072 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 982,556 | | 982,556 |
| Due In More Than One Year | 33,807,274 | | 33,807,274 |
| | <u>62,055,661</u> | <u>506</u> | <u>62,056,167</u> |
| Total Liabilities | | | |
| | | | |
| <u>NET ASSETS</u> | | | |
| Invested In Capital Assets (net of related debt) | | | |
| Restricted For: | | | |
| Public Safety | 9,049,646 | | 9,049,646 |
| Streets and Storm Drains | 138,861 | | 138,861 |
| Parks and Leisure | 2,538,075 | | 2,538,075 |
| Debt Service | 163,816 | | 163,816 |
| Unrestricted | 1,582,369 | | 1,582,369 |
| | 29,717,622 | 868,639 | 30,586,261 |
| | <u>\$ 43,190,389</u> | <u>\$ 868,639</u> | <u>\$ 44,059,028</u> |
| Total Net Assets | | | |

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

**CITY OF OROVILLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

| FUNCTIONS/PROGRAMS | Program Revenues | | Net (Expense) Revenue And Change In Net Assets | |
|-----------------------------------|-------------------------|---|---|-----------------------------|
| | Charges For Services | Operating Grants And Contributions | Governmental Activities | Business-Type Activities |
| | <u>Expenses</u> | <u>Capital Grants And Contributions</u> | <u>Total</u> | |
| Governmental Activities: | | | | |
| General Government | \$ 2,333,025 | | \$ (1,287,954) | \$ (1,287,954) |
| Public Safety | 6,789,797 | | (6,033,446) | (6,033,446) |
| Public Works | 1,596,817 | | (1,178,216) | (1,178,216) |
| Streets and Storm Drains | 1,707,890 | \$ 3,253,455 | 2,349,035 | 2,349,035 |
| Transportation | 608,313 | 91,962 | 40,346 | 40,346 |
| Parks and Leisure | 1,064,824 | | (874,526) | (874,526) |
| Health and Sanitation | 1,356,115 | | 453,147 | 453,147 |
| Housing and Community Development | 7,375,036 | 5,000 | (938,136) | (938,136) |
| Interest and Fiscal Charges | 1,932,990 | 3,213,175 | (1,932,990) | (1,932,990) |
| Total Governmental Activities | <u>24,764,807</u> | <u>3,744,832</u> | <u>(9,402,740)</u> | <u>(9,402,740)</u> |
| Business-Type Activities: | | | | |
| Local Transportation | 429,477 | 520,174 | | 97,672 |
| Total Business-Type Activities | <u>429,477</u> | <u>520,174</u> | <u>-</u> | <u>97,672</u> |
| Total | <u>\$ 25,194,284</u> | <u>\$ 4,265,006</u> | <u>(9,402,740)</u> | <u>(9,305,068)</u> |

General Revenues:

| | | | | |
|--|--|--|----------------------|----------------------|
| Taxes: | | | | |
| Property Taxes | | | 6,809,199 | 6,809,199 |
| Sales and Use Taxes | | | 2,735,269 | 2,735,269 |
| Sales and Use Taxes In-Lieu | | | 2,070,355 | 2,070,355 |
| Documentary Stamp | | | 55,679 | 55,679 |
| Transient Occupancy | | | 320,145 | 320,145 |
| Utility Users | | | 1,432,010 | 1,432,010 |
| Franchise | | | 395,561 | 395,561 |
| Unrestricted Investment Earnings | | | 285,453 | 285,453 |
| Intergovernmental Revenues Not Restricted To Specific Programs | | | 31,735 | 31,735 |
| Total General Revenues And Transfers | | | <u>14,465,598</u> | <u>14,497,333</u> |
| Change In Net Assets | | | 5,062,858 | 5,192,265 |
| Net Assets, July 1, | | | 38,632,062 | 39,371,294 |
| Prior Period Adjustment | | | (504,531) | (504,531) |
| Net Assets, July 1, As Restated | | | 38,127,531 | 38,866,763 |
| Net Assets, June 30, | | | <u>\$ 43,190,389</u> | <u>\$ 44,059,028</u> |

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

**CITY OF OROVILLE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008**

| | ASSETS | | | | | | | | | |
|---|------------------|----------------------------------|--|--|------------------------------------|--|----------------------------------|---|--------------------------|--------------------------|
| | General Fund | First Time Home Buyer Grant Fund | Community Development Block Grant Fund | Oroville Public Financing Authority Fund | Oroville Redevelopment Agency Fund | Oroville Agency Low & Moderate Income Housing Fund | HOME Housing Revolving Loan Fund | Oroville Public Financing Authority Redemption Fund | Other Governmental Funds | Total Governmental Funds |
| Cash | 2,433,944 | 500,914 | 1,088,860 | 44,625 | 5,669,949 | 1,557,619 | 39,150 | 46,160 | 18,180,090 | 29,571,311 |
| Cash With Fiscal Agent | | | | | | | | 1,982,647 | | 1,982,647 |
| Receivables: | | | | | | | | | | |
| Taxes | 386,318 | | | | | 22,770 | | | 20,082 | 482,192 |
| Accounts | 281,072 | | | | 53,022 | 68,913 | | | 155,538 | 505,523 |
| Sewer Service Charges | | | | | | | | | 122,227 | 122,227 |
| Grants | 196,729 | 520,516 | 907,148 | | | 4,118 | | 27,190 | 552,078 | 1,979,742 |
| Due From Other Funds | 191,646 | | | 625,000 | | | | | 118,890 | 346,927 |
| Inventory | 29,773 | | | | | | | | 230,506 | 1,047,152 |
| Loans Receivable | 11,003 | 7,030,537 | 4,189,217 | 26,225,000 | | 4,338,493 | 3,237,524 | 3,940 | 4,738,550 | 33,713 |
| Advances Due From Other Funds | 1,800,000 | | 43,833 | | | 1,336,774 | | 93,764 | 23,545,324 | 28,118,764 |
| Real Property Primarily Held for Resale | | | | | | | | | 1,380,607 | 1,380,607 |
| Total Assets | 5,330,485 | 8,051,967 | 6,239,058 | 26,894,625 | 5,722,971 | 7,328,687 | 3,276,674 | 2,055,997 | 24,215,665 | 89,116,129 |

| | LIABILITIES AND FUND BALANCE | | | | | | | | | |
|---|------------------------------|----------------------------------|--|--|------------------------------------|--|----------------------------------|---|--------------------------|--------------------------|
| | General Fund | First Time Home Buyer Grant Fund | Community Development Block Grant Fund | Oroville Public Financing Authority Fund | Oroville Redevelopment Agency Fund | Oroville Agency Low & Moderate Income Housing Fund | HOME Housing Revolving Loan Fund | Oroville Public Financing Authority Redemption Fund | Other Governmental Funds | Total Governmental Funds |
| Liabilities: | | | | | | | | | | |
| Vouchers Payable | 232,078 | 475,467 | 562,713 | | 24,721 | 9,045 | | | 237,319 | 1,541,343 |
| Accrued Salaries and Benefits | 299,696 | | 4,706 | | 12,128 | 5,168 | | | 28,760 | 350,458 |
| Contract Retentions Payable | | | 31,256 | | | 11,721 | | | | 42,977 |
| Deposits Payable | | | | | | 1,183 | | | 6,173 | 7,356 |
| Due To Other Funds | | | | | 625,000 | | | | 422,152 | 1,047,152 |
| Due To Other Related Agency | | | | | | | | | 182,161 | 182,161 |
| Advances Payable to Other Funds | | 7,030,537 | 4,189,217 | 28,025,000 | | 4,262,594 | 3,237,524 | | 93,764 | 28,118,764 |
| Deferred Loans | 9,075 | | 73,733 | | | 1,336,774 | | | 4,218,475 | 22,938,347 |
| Deferred Revenues - Unearned | | | | | | | | | 11,964 | 11,964 |
| Total Liabilities | 540,849 | 7,506,004 | 4,861,625 | 28,686,849 | 28,686,849 | 5,628,485 | 3,237,524 | 2,055,997 | 5,200,768 | 55,660,104 |
| Fund Balance: | | | | | | | | | | |
| Reserved For Encumbrances | 179,044 | 23,350 | 267,117 | | 61,779 | 60,660 | | | 715,850 | 1,307,800 |
| Reserved For Petty Cash | 1,450 | | | | | | | | | 1,450 |
| Reserved For Chinese Temple | 23,455 | | | | | | | | 267,374 | 23,455 |
| Reserved For Public Safety | | | | | | | | | 163,816 | 163,816 |
| Reserved For Park Improvements | | | | | | | | | 2,475,667 | 2,475,667 |
| Reserved For Street Improvements | | | | | | | | | 2,203,890 | 2,203,890 |
| Reserved For Drainage/Sewer Improvements | | | | | | | | | 93,764 | 93,764 |
| Reserved For Long-Term Receivables | 1,800,000 | | | 26,225,000 | | | | | | 28,118,764 |
| Reserved For Debt Service Unreserved, Designated: | | | | | | | | 2,055,997 | | 2,055,997 |
| Designated For General Reserve | 800,000 | | | | | | | | | 800,000 |
| Designated For Budgetary Carryovers | 1,094,561 | | | | | | | | | 1,094,561 |
| Unreserved, Undesignated - Reported In: | | | | | | | | | | |
| General Fund | 891,126 | | | | | | | | | 891,126 |
| Special Revenue Funds | | 522,613 | 1,110,316 | 669,625 | (23,025,657) | 1,641,542 | 39,150 | | 6,335,207 | (12,707,204) |
| Debt Service Funds | | | | | | | | | | 331,666 |
| Capital Projects Funds | | | | | | | | | 6,427,663 | 6,427,663 |
| Total Fund Balance | 4,789,636 | 545,963 | 1,377,433 | 26,894,625 | (22,963,878) | 1,702,202 | 39,150 | 2,055,997 | 19,014,897 | 33,456,025 |
| Total Liabilities and Fund Balance | 5,330,485 | 8,051,967 | 6,239,058 | 26,894,625 | 5,722,971 | 7,328,687 | 3,276,674 | 2,055,997 | 24,215,665 | 89,116,129 |

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 ASSETS
JUNE 30, 2008

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

Total Fund Balances \$ 33,456,025

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

| | |
|--------------------------------|---------------------|
| Capital assets | \$ 71,914,724 |
| Less: Accumulated depreciation | <u>(35,777,196)</u> |
| | 36,137,528 |

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 assets.

1,415,755

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 | \$ (34,397,054) |
| Deferred charge of issuance costs (will be amortized) | 7,371,189 |
| Bond discounts (will be amortized) | 111,738 |
| Bond premium (will be amortized) | (167,218) |
| Deferred refunding loss (will be amortized) | 256,985 |
| Accrued interest payable | (400,278) |
| Compensated absences | <u>(27,818,919)</u> |

Net Assets Of Governmental Activities

\$ 43,190,389

CITY OF OROVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

| | General Fund | First Time Home Buyer Grant Fund | Community Development Block Grant Fund | Oroville Public Financing Authority Fund | Oroville Redevelopment Agency Fund | Oroville Agency Low & Moderate Income Housing Fund | HOME Housing Revolving Loan Fund | Oroville Public Financing Authority Redemption Fund | Other Governmental Funds | Total Governmental Funds |
|--|--------------------|----------------------------------|--|--|------------------------------------|--|----------------------------------|---|--------------------------|--------------------------|
| REVENUES | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property Taxes | \$ 673,462 | | | | \$ 4,560,593 | \$ 1,499,951 | | | \$ 75,193 | \$ 6,809,199 |
| Sales and Use Taxes | 2,735,269 | | | | | | | | | 2,735,269 |
| Sales and Use Taxes In-Lieu | 2,070,355 | | | | | | | | | 2,070,355 |
| Documentary Stamp | 55,679 | | | | | | | | | 55,679 |
| Transient Occupancy | 320,145 | | | | | | | | | 320,145 |
| Utility Users | 1,432,010 | | | | | | | | | 1,432,010 |
| Franchise | 395,561 | | | | | | | | | 395,561 |
| Licenses and Permits | 416,007 | | | | | | | | | 416,007 |
| Fines and Forfeitures | 81,311 | | | | | | | | | 81,311 |
| Interest, Rents, and Concessions | 285,453 | 2,215 | 28,313 | 1,121,542 | 145,440 | 194,613 | 63,022 | 240,142 | 1,327,192 | 3,407,932 |
| Intergovernmental Revenues | 161,588 | 1,712,685 | 1,201,713 | | 207,595 | 66,645 | | | 4,123,347 | 7,473,793 |
| Current Service Charges | 514,333 | | | | | | | | 1,635,931 | 2,150,264 |
| Other Revenues | 198,403 | 5,245 | 129,328 | 4,840 | | 1,060,458 | 120,707 | | 1,735,656 | 3,254,837 |
| Total Revenues | 9,339,586 | 1,720,355 | 1,359,354 | 1,121,542 | 4,918,468 | 2,821,667 | 183,729 | 240,142 | 9,383,981 | 31,088,824 |
| EXPENDITURES | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | 2,264,530 | | | | | | | | | 2,264,530 |
| Public Safety | 6,769,113 | | | | | | | | | 6,769,113 |
| Public Works | 392,907 | | | | | | | | | 392,907 |
| Streets and Storm Drains | 790,146 | | | | | | | | | 790,146 |
| Transportation | | | | | | | | | | |
| Parks and Leisure | 905,902 | | | | | | | | | 905,902 |
| Health and Sanitation | | | | | | | | | | |
| Housing and Community Development | | 265,766 | 806,042 | | 797,954 | 1,632,810 | 151,581 | | 1,756,419 | 5,410,572 |
| Debt Service: | | | | | | | | | | |
| Principal Retirement | 140,974 | 1,373,760 | 1,274,885 | | 1,259,967 | 29,498 | | | 566,219 | 3,257,164 |
| Interest and Fiscal Charges | | | | | 215,864 | | | | 4,205,146 | 7,240,127 |
| Capital Outlay | | | | | | | | | | |
| Total Expenditures | 11,283,572 | 1,639,526 | 2,080,927 | - | 2,273,785 | 1,662,308 | 151,581 | 3,440,978 | 10,420,650 | 32,953,327 |
| Excess (Deficiency) of Revenues Over Expenditures | (1,943,986) | 80,829 | (721,573) | 1,121,542 | 2,644,683 | 1,159,359 | 32,148 | (3,200,836) | (1,036,669) | (1,864,503) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Capital Lease | | | | | | | | | | |
| Transfers In | 2,402,276 | 181,300 | 1,734,221 | | | | | | | 4,317,827 |
| Transfers Out | (291,880) | (326,988) | (544,829) | (3,248,372) | (752,437) | (823,349) | (1,345) | 1,944,938 | (3,616,020) | (9,605,230) |
| Total Other Financing Sources (Uses) | 2,110,396 | (145,688) | 1,189,392 | (3,248,372) | (752,437) | (631,252) | 33,395 | 1,944,938 | (47,632) | 452,730 |
| Net Change in Fund Balances | 166,410 | (64,869) | 467,819 | (2,126,830) | 1,892,246 | 528,107 | 65,543 | (1,255,898) | (1,084,301) | (1,411,773) |
| Fund Balance, July 1 | 4,623,226 | 610,832 | 1,414,145 | 29,021,455 | (24,856,124) | 1,174,095 | (26,393) | 3,311,895 | 20,099,198 | 35,372,329 |
| Prior Period Adjustment | - | - | (504,531) | - | - | - | - | - | - | (504,531) |
| Fund Balance, July 1, As Restated | 4,623,226 | 610,832 | 909,614 | 29,021,455 | (24,856,124) | 1,174,095 | (26,393) | 3,311,895 | 20,099,198 | 34,867,798 |
| Fund Balance, June 30 | 4,789,636 | 545,963 | 1,377,433 | 26,894,625 | (22,963,878) | 1,702,202 | 39,150 | 2,055,997 | 19,014,897 | 33,456,025 |

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, 2008

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

Net Change in Fund Balances - Total Governmental Funds \$ (1,411,773)

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 | \$ 4,520,007 |
| Depreciation expense | <u>(1,825,787)</u> |
| | 2,694,220 |

The net effect of various miscellaneous transactions involving capital assets (i.e., sales trade-ins, and donations) is to increase net assets.

359,053

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 assets. 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:

| | |
|-------------------------|---------------|
| Debt Issued: | |
| Capital lease financing | |
| Principal repayments: | |
| Bonds | \$ (169,347) |
| Capital lease financing | 3,492,505 |
| | <u>48,794</u> |
| | 3,541,299 |

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 | \$ (62,395) |
| Accrued interest | 117,419 |
| Amortization of bond issuance costs | (40,481) |
| Amortization of bond discount | (6,059) |
| Amortization of bond premium | 7,484 |
| Amortization of bond refunding loss | (17,132) |
| Amortization of prepaid pension obligation | <u>(409,666)</u> |
| | (410,830) |

Internal service funds are used by management to charge the costs of stores, vehicle maintenance and various insurance costs to individual funds.

460,236

Change In Net Assets Of Governmental Activities

\$ 5,062,858

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

CITY OF OROVILLE
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2008

| | <u>Business-Type Activity Enterprise Fund</u> | <u>Governmental Activities Internal Service Funds</u> |
|------------------------------------|---|---|
| <u>ASSETS</u> | | |
| Current Assets: | | |
| Cash | 825,221 | \$ 1,711,400 |
| Accounts Receivable | 43,924 | 16,019 |
| Inventory | | 59,701 |
| Total Assets | <u>869,145</u> | <u>1,787,120</u> |
| <u>LIABILITIES</u> | | |
| Current Liabilities: | | |
| Vouchers Payable | 506 | 11,518 |
| Accrued Salaries and Benefits | | 21,267 |
| Accrued Employee Compensated Leave | | 11,508 |
| Unpaid Claims Liability | | 327,072 |
| Total Liabilities | <u>506</u> | <u>371,365</u> |
| <u>NET ASSETS</u> | | |
| Unrestricted | 868,639 | 1,415,755 |
| Total Net Assets | <u>\$ 868,639</u> | <u>\$ 1,415,755</u> |

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

CITY OF OROVILLE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

| | Business-Type Activity Enterprise Fund | Local Transportation Fund | Governmental Activities Internal Service Funds |
|---|---|---------------------------------|--|
| <u>OPERATING REVENUES</u> | | | |
| Passenger Fares - Oro Express | \$ 6,975 | | \$ 1,054,504 |
| Incoming Provisions | | | 476,686 |
| Reimbursements | | | 1,531,190 |
| Total Operating Revenues | 6,975 | | 1,531,190 |
| <u>OPERATING EXPENSES</u> | | | |
| Salaries and Benefits | | | 155,707 |
| Supplies | | | 256,364 |
| Other Services and Charges | 429,477 | | 45,260 |
| Claims | | | 382,637 |
| Total Operating Expenses | 429,477 | | 839,968 |
| Net Operating Income | (422,502) | | 691,222 |
| <u>NONOPERATING REVENUES (EXPENSES)</u> | | | |
| Local Transportation Tax | 520,174 | | |
| Investment Earnings | 31,735 | | 52,397 |
| Total Nonoperating Revenues (Expenses) | 551,909 | | 52,397 |
| Income (Loss) Before Operating Transfers | 129,407 | | 743,619 |
| Transfers In | | | 4,617 |
| Transfers Out | | | (288,000) |
| Change In Net Assets | 129,407 | | 460,236 |
| Net Assets, July 1 | 739,232 | | 955,519 |
| Net Assets, June 30 | \$ 868,639 | | \$ 1,415,755 |

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, 2008

| | <u>Business-Type Activity Enterprise Fund</u> | <u>Governmental Activities Internal Service Funds</u> |
|--|---|---|
| | <u>Local Transportation Fund</u> | |
| <u>Cash Flows From Operating Activities</u> | | |
| Receipts From Customers and Users | \$ 6,975 | \$ 411,934 |
| Receipts From Interfund Services Provided | | 1,103,655 |
| Payments to Employees | (430,563) | (154,225) |
| Payments to Suppliers | | (662,498) |
| Net Cash Provided (Used) By Operating Activities | <u>(423,588)</u> | <u>698,866</u> |
| <u>Cash Flows From Noncapital Financing Activities</u> | | |
| Local Transportation Tax | 504,595 | |
| Transfers In | | 4,617 |
| Transfers Out | | (288,000) |
| Net Cash Provided (Used) By Noncapital Financing Activities | <u>504,595</u> | <u>(283,383)</u> |
| <u>Cash Flows From Investing Activities</u> | | |
| Interest on Investments | 31,735 | 52,397 |
| Net Cash Provided (Used) By Investing Activities | <u>31,735</u> | <u>52,397</u> |
| Net Increase (Decrease) In Cash | 112,742 | 467,880 |
| Cash Balance, July 1 | 712,479 | 1,243,520 |
| Cash Balance, June 30 | <u>\$ 825,221</u> | <u>\$ 1,711,400</u> |
| <u>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</u> | | |
| Operating Income (Loss) | \$ (422,502) | \$ 691,222 |
| <u>Adjustments to Reconcile Operating Income to Net Cash Provided (Used):</u> | | |
| Decrease (Increase) in Accounts Receivable | | (15,601) |
| Decrease (Increase) in Inventory | | (25,971) |
| Increase (Decrease) in Vouchers Payable | (1,086) | (596) |
| Increase (Decrease) in Accrued Salaries and Benefits | | (1,076) |
| Increase (Decrease) in Other Liabilities | | 50,888 |
| Total Adjustments | <u>(1,086)</u> | <u>7,644</u> |
| Net Cash Provided (Used) By Operating Activities | <u>\$ (423,588)</u> | <u>\$ 698,866</u> |

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

CITY OF OROVILLE
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2008

| | | <u>Agency Funds</u> |
|--------------------------|-----------|-------------------------|
| <u>ASSETS</u> | | |
| Cash | \$ | 773,014 |
| Receivables: Taxes | | 2,556 |
| Total Assets | \$ | <u>775,570</u> |
| <u>LIABILITIES</u> | | |
| Vouchers Payable | \$ | 35,742 |
| Deposits Payable | | 637,558 |
| Due to Other Agencies | | 102,270 |
| Total Liabilities | \$ | <u>775,570</u> |

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

**CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

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 Units. The Oroville Redevelopment Agency (Agency), established October 6, 1980, is a community redevelopment agency formed, organized and existing pursuant to the provisions of Part I of Division 24 (commencing with Section 33000) of the State of California Health and Safety Code. The Agency has established one Redevelopment Project Area known as Oroville Redevelopment Project No. 1, encompassing approximately 6,080 acres, wholly within the City limits. Although the City and Agency are legally separate entities, the seven (7) members of the Oroville City Council also act as the governing body of the Agency. For financial reporting purposes, the Agency is reported as if part of the City's operation because of the common governing body members and the Agency's redevelopment activities are for the benefit of the citizens of the City.

Oroville Public Financing Authority

The Oroville Public Financing Authority (Authority), established January 21, 1992, is a joint powers authority created by the City of Oroville and the Oroville Redevelopment Agency. 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). Again 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.

Complete financial statements of the Oroville Redevelopment Agency component unit can be obtained directly from the City of Oroville, 1735 Montgomery Street, Oroville, CA 95965. The Oroville Public Financing Authority does not prepare financial statements as a separate component unit.

B) Government-Wide And Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information 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 are offset by program revenues. *Direct expenses* are those clearly identifiable with a specific function or segment. In conformity with the City 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.

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JUNE 30, 2008**

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.

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, 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.

Special Revenue Funds - account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specific purposes. Major special revenue funds include the following:

First Time Home Buyer Grant Fund - to account for the loan and administrative activity of the City's Home Investment Partnerships Program.

Community Development Block Grant Fund - to account for the loan and administrative activity of the City's Community Development Block Grant Program.

Oroville Public Financing Authority Fund - to account for the activities related to financing public capital improvements to be owned by any of its members or other governmental entities.

Oroville Redevelopment Agency Fund - to account for the tax increment revenues used for the general operations of the Oroville Redevelopment Agency.

Oroville Redevelopment Agency Low & Moderate Income Housing Fund - to account for the 20% housing set-a-side tax increment revenues used for the housing operations of the Oroville Redevelopment Agency.

HOME Housing Revolving Loan Fund - to account for activities relative to the City's housing revolving loan program funded by the State HOME grants.

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).

Oroville Public Financing Authority Redemption Fund - to account 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.

**CITY OF OROVILLE
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Additionally, the City reports the following fund types:

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.

Fiduciary Funds - agency funds are 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, Honor Grove, and the Lake Oroville JPA. These funds are used to record receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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 one (3) new non-major special revenues fund - the Recycling Fund, the Supplemental Benefits Fund and CalHOME Revolving Loan Fund. The new funds were created account for the activities of the City's solid waste recycling grant activity, the activities associated with supplemental payments received from the California Department of Water Resources, and loan activities applicable to the City's CalHOME grant program, respectively.

The Oroville Public Financing Authority Redemption Fund (formally reported as a non-major fund) has been classified as a major debt service fund in the accompanying financial statements.

Adoption of New Pronouncements

This City has adopted the reporting and disclosure requirements of GASB Statement No. 50 *Pension Disclosures* this year.

**CITY OF OROVILLE
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Prior Period Adjustment

An adjustment was made to the beginning fund balance of the Community Development Block Grant Fund (a major special revenue fund) to eliminate a grant receivable, and related grant revenue, that was recorded in error. The adjustment had the effect of reducing beginning fund balance by \$504,531; from \$1,414,145 to \$909,614. The adjustment reduced the amount reported for prior year change in fund balances by \$504,531; from \$500,727 to (\$3,804).

D) Assets, Liabilities, And Net Assets 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.

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) Restricted Net Assets

The government-wide statement of net assets reports \$4,423,121 of restricted net assets, of which \$2,840,752 is restricted by enabling legislation. Certain proceeds of the Oroville Public Financing Authority revenues bonds (as well as certain resources set aside for their repayment) are reported as restricted assets on the balance sheet because their use is limited by applicable bond or other covenants.

4) 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 | \$ 482,192 | | \$ 482,192 |
| Accounts | 521,542 | \$ 43,924 | 565,466 |
| Sewer Service Charges | 122,227 | | 122,227 |
| Grants | 1,979,742 | | 1,979,742 |
| Interest | 346,927 | | 346,927 |
| Total Receivables | \$ 3,452,630 | \$ 43,924 | \$ 3,496,554 |
| Vouchers Payable And Other Current Liabilities: | | | |
| Vouchers Payable | \$ 1,552,861 | \$ 506 | \$ 1,553,367 |
| Accrued Salaries and Benefits | 383,233 | | 383,233 |
| Contract Retentions Payable | 42,977 | | 42,977 |
| Deposits | 7,356 | | 7,356 |
| Total Vouchers Payable And Other Current Liabilities: | \$ 1,986,427 | \$ 506 | \$ 1,986,933 |

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.

**CITY OF OROVILLE
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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.

At June 30, 2008, the City had no unbilled receivables.

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

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 CDBG/RLF loans receivable has been presented as *deferred loans* on the accompanying financial statements.

As required by the State Health and Safety Code, twenty percent (20%) of Redevelopment Agency (RDA) tax increment revenues are set aside in a special fund for the purposes of providing housing to low and moderate income citizens. Accounting procedures applied are consistent with the Community Development Block Grant Program. The long-term portion of all RDA loans receivable has been presented as deferred 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."

5) Real Property Primarily Held for Resale

Under the terms of the loans granted by the City and Oroville Redevelopment Agency low and moderate income housing programs discussed in Note 1(D)(4) above, several 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 deferred revenue - unearned. At June 30, 2008, the carrying value of these properties was \$1,380,607.

6) 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 has 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.

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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, 2008.

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 capitalize these collections.

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

| | <u>Years</u> |
|-----------------------------------|---------------|
| 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 |

7) Compensated Absences

As required by GASB-16, the liability for compensated absences has been recorded. 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, 2008, 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.

Postemployment Benefits - Under the terms of the City's current memorandum of understanding with its various employee bargaining units, regularly retiring employees can convert accumulated sick leave benefits to purchase continued medical insurance coverage based upon the leave dollar value at the time of retirement. Retiring management employees are permitted one month's medical premium for each three days of accumulated sick leave. The City uses a pay-as-you-go basis to fund the cost of continued medical coverage. During the year ended June 30, 2008, the City incurred expenditures of \$119,972 under this program for eighteen (18) former employees.

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 reported as deferred charges and are being amortized using the straight-line method over the term of the related debt.

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9) Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or legally restricted by outside parties for use for a specific purpose. Designated fund balances represent tentative management plans for future use of financial resources and are subject to change.

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:

- 1) 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.
- 2) Public hearings are conducted at City Hall to obtain taxpayer comments.
- 3) 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.
- 4) 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 3, 2007, 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, 2008, totaled \$27,207,466. The City's policy is to allow appropriations to lapse at year-end.

Encumbrances - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriations, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbered amounts lapse at year-end. However, encumbrances generally are reappropriated as a part of the following year's budget.

B) Excess Of Expenditures Over Appropriations

For the year ended June 30, 2008, one of the City's funds had expenditures that exceeded appropriations as noted below

| | |
|----------------------------|------------|
| New Capital Equipment Fund | \$ 135,132 |
|----------------------------|------------|

**CITY OF OROVILLE
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C) Deficit Fund Equity

The following special revenue funds and capital projects fund had deficit fund equity as of June 30, 2008:

| | |
|---|-----------------|
| Oroville Redevelopment Agency | \$ (22,963,878) |
| Housing Administration | (16,807) |
| Building Facilities Capital Improvement | (93,446) |

The Oroville Redevelopment Agency Fund (RDA) deficit is due to reporting long-term advances due to the OPFA as a liability in the RDA fund as required by GASB pronouncements. These long-term advances will be repaid through the collection of future tax increment revenues allocated to the RDA through the year 2031. The Housing Administration Fund deficit was caused by interfund transfers into the fund being less than the operating expenditures of the funds and will be eliminated by additional operating transfers in future periods. The Building Facilities Capital Improvement Fund deficit is expected to be eliminated through future grant revenues and or transfers from other funds.

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 Assets: | |
| Cash and investments | \$ 32,107,932 |
| Restricted cash with fiscal agent | 1,982,647 |
| Statement of Fiduciary Net Assets: | |
| Cash and investments | 773,014 |
| Total Cash and Investments | <u>\$ 34,863,593</u> |

Cash and investments consist of the following:

| | |
|--------------------------------------|----------------------|
| Cash on hand | \$ 1,450 |
| Deposits with financial institutions | 117,686 |
| Investments | 34,744,457 |
| Total Cash and Investments | <u>\$ 34,863,593</u> |

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.

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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, 2008, 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 | \$ 32,761,818 | \$ 32,761,818 | | | |
| Held By Bond Trustee: | | | | | |
| Money Market Funds | 45,760 | 45,760 | | | |
| Investment Agreement | 1,936,879 | | | | \$ 1,936,879 |
| Total Fair Value | \$ 34,744,457 | \$ 32,807,578 | \$ - | \$ - | \$ 1,936,879 |

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, 2008, 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).

**CITY OF OROVILLE
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| Investment Type | Fair Value | Exempt From Disclosure | Year End Rating AAA/AAAm | Not Rated |
|------------------------------|---------------------|---------------------------|--------------------------------|---------------------|
| State Investment Pool - LAIF | \$32,761,818 | | | \$32,761,818 |
| Held By Bond Trustee: | | | | |
| Money Market Funds | 45,760 | | \$45,760 | |
| Investment Agreement | 1,936,879 | | 1,936,879 | |
| Total Fair Value | \$34,744,457 | \$0 | \$1,982,639 | \$32,761,818 |

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, 2008 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 \$228,670, of which \$100,000 was covered by federal depository insurance. The \$128,670 uninsured amount was exposed to custodial credit risk and was collateralized by securities, as described above.

As of June 30, 2008, City investments in the following investment types were held by the same institution that was used by the City to buy the securities:

| | |
|----------------------|-----------|
| Money Market Funds | \$ 45,760 |
| Investment Agreement | 1,936,879 |

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 \$40,000,000 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. For the purpose of these financial statements, the fair value of amounts in LAIF is equivalent to the dollars held.

B) Net Pension Asset

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 resulted in the City recording a "Net Pension

CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Asset⁷ in the government-wide financial statements in the original amount of \$7,066,747. This amount is being amortized on a straight-line basis over the 17 year life of the bonds. The unamortized balance of the asset was \$6,554,664 as of June 30, 2008.

C) Capital Assets

Capital assets activity for the year ended June 30, 2008 was as follows:

| Government Activities: | Balance July 1, 2007 | Additions | Deletions and Adjustments | Balance June 30, 2008 |
|--|---------------------------------|---------------------|--------------------------------------|----------------------------------|
| Nondepreciable Capital Assets: | | | | |
| Land | \$ 6,737,237 | | | \$ 6,737,237 |
| Construction in progress | 5,768,406 | \$ 2,336,534 | \$ 433,381 | 7,671,559 |
| Total Nondepreciable Capital Assets | 12,505,643 | 2,336,534 | 433,381 | 14,408,796 |
| Depreciable Capital Assets: | | | | |
| Improvements other than buildings | 3,318,215 | | | 3,318,215 |
| Buildings | 8,194,472 | 1,089,750 | | 9,284,222 |
| Underground collection system | 3,993,666 | | | 3,993,666 |
| Machinery and equipment | 6,375,756 | 541,267 | 421,937 | 6,495,086 |
| Infrastructure | 33,006,965 | 1,407,774 | | 34,414,739 |
| Total Depreciable Capital Assets | 54,889,074 | 3,038,791 | 421,937 | 57,505,928 |
| Less: Accumulated Depreciation: | | | | |
| Land improvements | (1,724,056) | (142,255) | | (1,866,311) |
| Buildings | (2,146,978) | (247,704) | | (2,394,682) |
| Underground collection system | (2,531,633) | (72,928) | | (2,604,561) |
| Machinery and equipment | (4,074,477) | (391,322) | (359,053) | (4,106,746) |
| Infrastructure | (23,833,318) | (971,578) | | (24,804,896) |
| Total Accumulated Depreciation | (34,310,462) | (1,825,787) | (359,053) | (35,777,196) |
| Depreciable Capital Assets, net | 20,578,612 | 1,213,004 | 62,884 | 21,728,732 |
| Governmental Activities Capital Assets, net | \$ 33,084,255 | \$ 3,549,538 | \$ 496,265 | \$ 36,137,528 |

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

| | |
|---|---------------------|
| Governmental Activities: | |
| General government | \$ 28,672 |
| Public safety | 307,256 |
| Public works | 1,213,502 |
| Transportation | 84,196 |
| Parks and leisure | 146,750 |
| Housing and community development | 45,411 |
| Total Depreciation Expense - Governmental Activities | \$ 1,825,787 |

Construction And Other Commitments

The City had several major active construction projects as of June 30, 2008. At year-end the City's commitments with contractors are as follows:

| | Total Commitment | Expended To-Date | Remaining Commitment |
|----------------------------------|-----------------------------|-----------------------------|---------------------------------|
| Montgomery Street Roundabout | \$ 1,646,702 | \$ 251,353 | \$ 1,395,349 |
| City Hall Expansion/Solar Panels | 143,877 | - | 143,877 |
| Hewitt Park - Phase II | 500,000 | 237,441 | 262,559 |

**CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

D) Interfund Receivables, Payables And Transfers

The composition of Interfund balances and advances within the City's fund financial statements as of June 30, 2008 is as follows:

Due To(From) Other Funds:

| Receivable Fund | Payable Fund | Amount |
|--|---|---------------------|
| General | Capital Projects | \$ 102,101 |
| General | Building Facilities Capital Improvement | 89,545 |
| Oroville Public Financing Authority Fund | Oroville Redevelopment Agency | 625,000 |
| Economic Development Revolving Loan | EDBG | 211,598 |
| Equipment Replacement | Special Aviation | 18,908 |
| Total Due To(From) Other Funds | | <u>\$ 1,047,152</u> |

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

| | | |
|--|------------------------------------|----------------------|
| General Fund | Oroville Redevelopment Agency | \$ 1,800,000 |
| | Total General Fund | <u>1,800,000</u> |
| Oroville Public Financing Authority Fund | Oroville Redevelopment Agency Fund | 26,225,000 |
| | Total Special Revenue Funds | <u>26,225,000</u> |
| Equipment Replacement | Special Aviation | 93,764 |
| | Total Capital Project Funds | <u>93,764</u> |
| Total Advances Due To(From) Other Funds | | <u>\$ 28,118,764</u> |

The General Fund reports a receivable from the Capital Projects and Building Facilities Capital Improvement Funds due to a negative pooled cash balances at June 30, 2008. The deficit cash balances will be are expected to be eliminated through future operating transfers.

The Oroville Public Financing Authority (OPFA) has made several loans to the Oroville Redevelopment Agency totaling \$26,850,000, of which \$625,000 has been classified as a current liability. As explained in Note 3(E), Long-Term Debt, the OPFA issued several series of revenue bonds, the proceeds of which were loaned to the RDA. The loan agreement between the OPFA and the RDA contain the same debt service repayment provisions as the OPFA series bonds as explained in Note 3(E). Total interest and principal paid to the OPFA during the year ended June 30, 2008 was \$1,164,200 and \$550,000, respectively.

The Economic Development Revolving Loan Fund reports a receivable from the due to a negative pooled cash balance at June 30, 2008. The deficit cash balances will be eliminated when sufficient loan payments are collected by the EDBG Fund.

The Equipment Replacement Fund has advanced the Special Aviation Fund \$112,672, of which \$18,908 has been reported as a current liability. The loan is to be repaid over the next 7 years at an interest rate of 5.00%. Total interest and principal paid to the Equipment Replacement Fund during the year ended June 30, 2008 was \$6,125 and \$17,987, respectively.

The General Fund has advanced the Oroville Redevelopment Agency (RDA) \$1,800,000. The loan shall be repaid at such time funds become available to the RDA for repayment; therefore, there is no established repayment schedule. The interest rate is 5.00% and is paid annually. Total interest paid to the General Fund for the year ended June 30, 2008 was \$90,000.

**CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

The General Fund, OPFA Fund and Equipment Replacement Fund have each established a reserve of fund balance for the long-term advances receivable.

The following operating transfers were made during the year ended June 30, 2008:

| Transfers | Transfers In | Transfers Out |
|--|---------------------|---------------------|
| General Fund | \$ 2,402,276 | \$ 291,880 |
| Special Revenue Funds: | | |
| First Time Home Buyer Grant | 181,300 | 326,998 |
| Community Development Block Grant | 1,734,221 | 544,829 |
| Oroville Public Financing Authority | | 3,248,372 |
| Oroville Redevelopment Agency | | 752,437 |
| Oroville Redevelopment Agency Low & Moderate Income Housing Fund | 192,097 | 823,349 |
| HOME Housing Revolving Loan Fund | 34,740 | 1,345 |
| Nonmajor Special Revenue Funds | 1,505,948 | 2,939,224 |
| Debt Service Funds: | | |
| Oroville Public Financing Authority Redemption | 1,944,938 | |
| Nonmajor Debt Service Funds | 1,340,244 | 268,376 |
| Capital Projects Funds: | | |
| Nonmajor Capital Projects Funds | 552,849 | 408,420 |
| Internal Service Funds | 4,617 | 288,000 |
| | <u>\$ 9,893,230</u> | <u>\$ 9,893,230</u> |

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.

E) Long-Term Debt

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

| | Balance July 1, 2007 | Additions | Deletions | Balance June 30, 2008 | Due Within One Year |
|--------------------------------------|-------------------------|-------------------|---------------------|--------------------------|------------------------|
| <u>Government Activities</u> | | | | | |
| Bonds Payable: | | | | | |
| Pension Obligation Bonds | \$ 7,260,000 | | \$ 85,000 | \$ 7,175,000 | \$ 160,000 |
| Less: Unamortized discount | (71,542) | | (4,209) | (67,333) | |
| Total pension obligation bonds | 7,188,458 | \$ - | 80,791 | 7,107,667 | 160,000 |
| Oroville Public Financing Authority: | | | | | |
| Revenue bonds payable | 28,860,000 | | 2,010,000 | 26,850,000 | 625,000 |
| Less: Unamortized discount | (46,254) | | (1,851) | (44,403) | |
| Unamortized refunding loss | (274,117) | | (17,132) | (256,985) | |
| Add: Unamortized premium | 174,700 | | 7,484 | 167,216 | |
| Total revenue bonds payable | 28,714,329 | - | 1,998,501 | 26,715,828 | 625,000 |
| Special Assessment Debt: | | | | | |
| Limited obligation bonds | 1,397,505 | | 1,397,505 | - | |
| Total Bonds Payable | 37,300,292 | - | 3,476,797 | 33,823,495 | 785,000 |
| Capital lease obligation | 251,501 | 169,347 | 48,794 | 372,054 | 48,986 |
| Compensated absences | 531,886 | 594,281 | 531,886 | 594,281 | 148,570 |
| Total Long-Term Liabilities | <u>\$ 38,083,679</u> | <u>\$ 763,628</u> | <u>\$ 4,057,477</u> | <u>\$ 34,789,830</u> | <u>\$ 982,556</u> |

**CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

Compensated absences 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

\$7,260,000 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.

\$7,175,000

Oroville Public Financing Authority (OPFA) Revenue Bonds

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

16,325,000

\$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.

2,045,000

Total Oroville Public Financing Authority Revenue Bonds

\$26,850,000

**CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

The annual debt service requirement to amortize bonds outstanding as of June 30, 2008 is as follows:

| Year Ended June 30, | Governmental Activities | | | |
|------------------------|--------------------------|---------------------|----------------------|----------------------|
| | Pension Obligation Bonds | | OPFA Bonds | |
| | Principal | Interest | Principal | Interest |
| 2009 | \$ 160,000 | \$ 383,666 | \$ 625,000 | \$ 1,239,680 |
| 2010 | 190,000 | 375,570 | 705,000 | 1,218,249 |
| 2011 | 220,000 | 365,937 | 730,000 | 1,192,854 |
| 2012 | 250,000 | 354,739 | 755,000 | 1,165,311 |
| 2013 | 290,000 | 341,914 | 785,000 | 1,135,781 |
| 2014-2018 | 2,055,000 | 1,442,609 | 4,400,000 | 5,151,162 |
| 2019-2023 | 3,425,000 | 754,644 | 5,350,000 | 4,058,842 |
| 2024-2028 | 585,000 | 32,081 | 6,795,000 | 2,565,160 |
| 2029-2033 | | | 6,705,000 | 686,375 |
| | <u>\$ 7,175,000</u> | <u>\$ 4,051,160</u> | <u>\$ 26,850,000</u> | <u>\$ 18,413,414</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, 2008, cash on hand \$17,509 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 September 25, 1997, the City issued \$27,670,000 of City of Oroville Insured Hospital Revenue Bonds (Oroville Hospital) 1997 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 and are fully insured. 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, 2008, the outstanding principal of these bonds was \$17,570,000.

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, a truck with a dump bed, commercial mower and police cars with safety equipment. These leases qualify as a capital leases for accounting purposes and, therefore, has been recorded at the present value for its future minimum lease payments.

The assets acquired through capital leases are as follows:

| | Governmental Activities | | |
|-----------------------------------|-------------------------|-----------------------------|-------------------|
| | Original Cost | Accumulated Depreciation | Net |
| Forklift | \$ 23,059 | \$ (3,253) | \$ 19,806 |
| Vehicles | 66,818 | (11,974) | 54,844 |
| Truck with dump bed | 35,051 | (6,182) | 28,869 |
| Mower | 17,700 | (1,662) | 16,038 |
| Police cars with safety equipment | 86,575 | (11,839) | 74,736 |
| Street sweeper | 169,347 | - | 169,347 |
| | <u>\$ 398,550</u> | <u>\$ (34,910)</u> | <u>\$ 363,640</u> |

**CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

The City's future minimum lease payments and the net present value of future minimum lease payments at June 30, 2008 were as follows:

| Year Ended June 30, | Annual Payment |
|---|-------------------|
| 2009 | \$ 94,952 |
| 2010 | 94,952 |
| 2011 | 94,952 |
| 2012 | 95,060 |
| 2013 | 38,544 |
| Total Minimum Lease payments | 418,460 |
| Less: Amount representing interest | (46,406) |
| Present Value Of Minimum Lease Payments | \$ 372,054 |

F) Reserves And Designations Of Fund Equity

The City has established "Reserves" of fund equity to segregate fund balances which are not appropriable for expenditure in future periods, or which are legally set aside for specific future use. Fund "Designations" also may be established to indicate tentative plans for financial resource utilization in a future period.

Reserves

- Reserved for Encumbrances - Amounts reserved for encumbrances are commitments for materials and services on purchase orders and contracts that are unperformed.
- Reserved for Petty Cash - Amount reserved for cash held in the City's various petty cash funds.
- Reserved for Chinese Temple - to reserve donations made to the City for specific improvements to the City-owned Chinese Temple.
- Reserved for Public Safety – to reserve amounts limited for public safety related cost including amounts received from asset seizures, Proposition 172 public safety funds, Local Law Enforcement Block Grants, law enforcement and fire suppression impact fees.
- Reserved for Park Improvements - to reserve amounts collected from park development fees to be used for the acquisition, improvement or expansion of public parks and playground facilities in the City.
- Reserved for Street Improvements - to reserve amounts limited improving streets and traffic circulation including amounts received from traffic impact fees, transportation development and regional surface transportation program funds, and gas taxes.
- Reserved for Drainage/Sewer Improvements – to reserve amounts dedicated to the City's drainage and sewer systems. The reserve represents amounts collected for sewer connection fees and drainage impact fees.
- Reserved For Long-Term Receivables - Reserves have been established for the noncurrent portion of receivables held in specific funds including long-term advances from other funds.
- Reserved For Debt Service - Reserves established in accordance with bond resolutions and indentures.

Designations

- Designated For General Reserve - Designated by City Council as a minimum reserve to be retained in the General Fund for unforeseen contingencies.
- Designated For Budgetary Carryovers - This designation was established for 2007/08 appropriations that are anticipated to be carried over to 2008/09 as supplemental appropriations.

**CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

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 Joint Powers Authority (Authority), 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 Authority 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 insurance. 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.

Based on the requirements of GASB-10 and GASB-30, 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, |
|-----------------------|--------------------|---|-------------------|---------------------|
| 2007 | \$ 318,594 | \$ 326,713 | \$ (369,123) | \$ 276,184 |
| 2008 | 276,184 | 212,347 | (161,459) | 327,072 |

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 Joint Powers Authority (Authority) - As explained in Note 4(A), the City is a member of this public entity risk pool for liability and workers' compensation purposes. The Authority consists of seventeen 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 (5.882 percent) and have equal control over budgeting and financing activities. Each member city has a representative on the Board of Directors. The City paid \$531,390 in quarterly and annual premiums and assessments to the Authority for liability and worker's compensation insurance.

Sewage Commission - Oroville Region (SC-OR) - SC-OR was organized under a joint powers agreement between the City of Oroville, Thermalito Irrigation 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, 2008, the amount remitted to SC-OR by the City of Oroville totaled \$719,605. At June 30, 2008, the City owed SC-OR \$182,161 for amounts collected but not yet remitted.

**CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

Noted below is condensed financial information derived from the audited financial statements of SC-OR as of June 30, 2008:

| | |
|----------------------------------|----------------------|
| Cash | \$ 6,395,135 |
| Other Assets | 11,602,293 |
| Total Assets | <u>\$ 18,504,684</u> |
| | |
| Liabilities | \$ 298,741 |
| Net Assets | 18,205,943 |
| Total Liabilities And Net Assets | <u>\$ 18,504,684</u> |
| | |
| Total Revenues | \$ 2,322,596 |
| Total Expenses | (2,053,870) |
| Net Increase In Net Assets | <u>\$ 268,726</u> |

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

C) Contingencies

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.

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.

D) 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 2007/08 was 9.773% (14.906% 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.

**CITY OF OROVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

Annual Pension Cost:

For fiscal year 2007/08 the City of Oroville's annual pension cost was \$740,260 (\$336,669 for miscellaneous and \$403,591 for safety employees) and the City actually contributed \$740,260. In addition, the City paid \$484,823 representing substantially all of the employees' required contributions under the terms of the City's various employee bargaining unit agreements. The required contribution for fiscal year 2007/08 was determined as part of the June 30, 2005, actuarial valuation.

| Three-Year Trend Information | | | | |
|------------------------------|---------------------|------------|---------------------------|---------------------------|
| Year Ending June 30, | Annual Pension Cost | | Percentage Contributed | Net Pension Obligation |
| | Miscellaneous | Safety | | |
| 2006 | \$ 443,530 | \$ 707,017 | 100% | \$ - |
| 2007 | 496,810 | 763,532 | 100% | - |
| 2008 | 336,669 | 403,591 | 100% | - |

E) 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.

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, 2008

| | <u>Budget Amounts</u> | | <u>Final</u> | <u>Actual Amounts</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|---|-----------------------|---------------------|---------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | | |
| REVENUES | | | | | |
| Taxes: | | | | | |
| Property Taxes | \$ 508,123 | \$ 384,000 | \$ 673,462 | \$ 289,462 | (99,460) |
| Sales and Use Taxes | 2,834,729 | 2,834,729 | 2,735,269 | 2,070,355 | (185,247) |
| Sales and Use Taxes In-Lieu | | 2,255,602 | 2,070,355 | 55,679 | (20,358) |
| Documentary Stamp | 76,037 | 76,037 | 329,780 | 320,145 | (9,635) |
| Transient Occupancy | 329,780 | 329,780 | 1,432,010 | 395,561 | 43,482 |
| Utility Users | 1,388,528 | 1,388,528 | 378,158 | 416,007 | 17,403 |
| Franchise | 378,158 | 378,158 | 399,945 | 81,311 | 16,062 |
| Licenses and Permits | | 399,945 | 280,451 | 285,453 | (199,140) |
| Fines and Forfeitures | | 280,451 | 310,941 | 161,598 | (25,488) |
| Interest, Rents, and Concessions | 298,472 | 310,941 | 241,847 | 514,333 | (80,249) |
| Intergovernmental Revenues | 1,287,140 | 241,847 | 812,963 | 198,403 | (298,630) |
| Current Service Charges | 1,517,159 | 812,963 | 166,510 | | 31,893 |
| Other Revenues | 1,091,186 | 166,510 | | | |
| Total Revenues | 9,709,312 | 9,859,491 | 9,339,586 | (519,905) | |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General Government | 2,862,727 | 3,379,627 | 2,264,530 | 1,115,097 | 807,908 |
| Public Safety | 6,957,080 | 7,597,021 | 6,789,113 | 392,907 | 58,615 |
| Public Works | 381,227 | 451,522 | 790,146 | 905,902 | 175,043 |
| Streets and Storm Drains | 900,618 | 965,189 | 140,974 | | 42,331 |
| Parks and Leisure | 894,381 | 948,233 | | | (27,089) |
| Capital Outlay | 17,000 | 113,885 | | | |
| Total Expenditures | 12,013,033 | 13,455,477 | 11,283,572 | 2,171,905 | |
| Excess (Deficiency) of Revenues Over Expenditures | (2,303,721) | (3,595,986) | (1,943,986) | 1,652,000 | |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 2,391,609 | 2,499,609 | 2,402,276 | (97,333) | |
| Transfers Out | (87,140) | (274,755) | (291,880) | (17,125) | |
| Total Other Financing Sources (Uses) | 2,304,469 | 2,224,854 | 2,110,396 | (114,458) | |
| Net Change in Fund Balances | 748 | (1,371,132) | 166,410 | 1,537,542 | |
| Fund Balance, July 1 | 4,623,226 | 4,623,226 | 4,623,226 | - | |
| Fund Balance, June 30 | \$ 4,623,974 | \$ 3,252,094 | \$ 4,789,636 | \$ 1,537,542 | |

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, 2008

| | <u>Budget Amounts</u> | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|-----------------------|-------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | | \$ 32,120 | \$ 2,215 | \$ (29,905) |
| Intergovernmental Revenues: | | | | |
| Grants | | 2,800,000 | 1,712,895 | (1,087,105) |
| Other Revenues: | | | | |
| Loan Collections | \$ 128,480 | 96,360 | 5,245 | (91,115) |
| Total Revenues | <u>128,480</u> | <u>2,928,480</u> | <u>1,720,355</u> | <u>(1,208,125)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Other Services and Supplies | 250,000 | 149,056 | 47,178 | 101,878 |
| Housing Loans Made | | 737,241 | 218,588 | 518,653 |
| Capital Outlay: | | | | |
| Housing and Community Development | | 1,913,000 | 1,373,760 | 539,240 |
| Total Expenditures | <u>250,000</u> | <u>2,799,297</u> | <u>1,639,526</u> | <u>1,159,771</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(121,520)</u> | <u>129,183</u> | <u>80,829</u> | <u>(48,354)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | | | | |
| Transfers Out | 250,000 | 431,300 | 181,300 | (250,000) |
| | (171,397) | (969,097) | (326,998) | 642,099 |
| Total Other Financing Sources (Uses) | <u>78,603</u> | <u>(537,797)</u> | <u>(145,698)</u> | <u>392,099</u> |
| Net Change in Fund Balances | <u>(42,917)</u> | <u>(408,614)</u> | <u>(64,869)</u> | <u>343,745</u> |
| Fund Balance, July 1 | 610,832 | 610,832 | 610,832 | - |
| Fund Balance, June 30 | <u>\$ 567,915</u> | <u>\$ 202,218</u> | <u>\$ 545,963</u> | <u>\$ 343,745</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, 2008

| | <u>Budget Amounts</u> | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|----------------------------|--------------------------|----------------------------|---|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 18,101 | \$ 18,101 | \$ 28,313 | \$ 10,212 |
| Intergovernmental Revenues: | | | | |
| Grants | | 1,681,000 | 1,201,713 | (479,287) |
| Other Revenues: | | | | |
| Loan Collections | 75,000 | 75,000 | 129,328 | 54,328 |
| Refunds/Reimbursements | | | | |
| Total Revenues | <u>93,101</u> | <u>1,774,101</u> | <u>1,359,354</u> | <u>(414,747)</u> |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| Salaries and Benefits | | 91,247 | 161,192 | (69,945) |
| Other Services and Supplies | 117,700 | 2,526,928 | 644,850 | 1,882,078 |
| Loans Made | | 635,100 | | 635,100 |
| Capital Outlay: | | | | |
| Housing and Community Development | | 1,494,040 | 1,274,885 | 219,155 |
| Total Expenditures | <u>117,700</u> | <u>4,747,315</u> | <u>2,080,927</u> | <u>2,666,388</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(24,599)</u> | <u>(2,973,214)</u> | <u>(721,573)</u> | <u>2,251,641</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers In | | | | |
| Transfers Out | 1,395,432 | 3,294,563 | 1,734,221 | (1,560,342) |
| | (93,101) | (1,098,120) | (544,829) | 553,291 |
| Total Other Financing Sources (Uses) | <u>1,302,331</u> | <u>2,196,443</u> | <u>1,189,392</u> | <u>(1,007,051)</u> |
| Net Change in Fund Balances | <u>1,277,732</u> | <u>(776,771)</u> | <u>467,819</u> | <u>1,244,590</u> |
| Fund Balance, July 1 | 1,414,145 | 1,414,145 | 1,414,145 | - |
| Prior Period Adjustment | - | - | (504,531) | (504,531) |
| Fund Balance, July 1, As Restated | <u>1,414,145</u> | <u>1,414,145</u> | <u>909,614</u> | <u>(504,531)</u> |
| Fund Balance, June 30 | <u>\$ 2,691,877</u> | <u>\$ 637,374</u> | <u>\$ 1,377,433</u> | <u>\$ 740,059</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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|----------------------|----------------------|----------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Interest, Rents, and Concessions: Investment Earnings | \$ 1,806,818 | \$ 1,806,818 | \$ 1,121,542 | \$ (685,276) |
| Total Revenues | <u>1,806,818</u> | <u>1,806,818</u> | <u>1,121,542</u> | <u>(685,276)</u> |
| EXPENDITURES | | | | |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues Over Expenditures | <u>1,806,818</u> | <u>1,806,818</u> | <u>1,121,542</u> | <u>(685,276)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (1,806,818) | (1,806,818) | (3,248,372) | (1,441,554) |
| Total Other Financing Sources (Uses) | <u>(1,806,818)</u> | <u>(1,806,818)</u> | <u>(3,248,372)</u> | <u>(1,441,554)</u> |
| Net Change In Fund Balances | - | - | (2,126,830) | (2,126,830) |
| Fund Balance, July 1 | 29,021,455 | 29,021,455 | 29,021,455 | - |
| Fund Balance, June 30 | <u>\$ 29,021,455</u> | <u>\$ 29,021,455</u> | <u>\$ 26,894,625</u> | <u>\$ (2,126,830)</u> |

CITY OF OROVILLE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
OROVILLE REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget Amounts</u> | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-------------------------------|-------------------------------|-------------------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Property Taxes | \$ 4,514,443 | \$ 4,417,815 | \$ 4,560,593 | \$ 142,778 |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | 201,106 | 201,106 | 145,440 | (55,666) |
| Intergovernmental Revenues: | | | | |
| HOPTR | | 96,628 | 207,595 | 110,967 |
| Other Revenues: | | | 4,840 | 4,840 |
| Refunds/Reimbursements | | | | |
| Total Revenues | <u>4,715,549</u> | <u>4,715,549</u> | <u>4,918,468</u> | <u>202,919</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salaries and Benefits | 520,750 | 524,496 | 394,312 | 130,184 |
| Other Services and Supplies | 1,325,296 | 2,536,127 | 403,642 | 2,132,485 |
| Debt Service: | | | | |
| Principal Retirement | 550,000 | 550,000 | | 550,000 |
| Interest and Fiscal Charges | 1,256,818 | 1,354,318 | 1,259,967 | 94,351 |
| Capital Outlay: | | | | |
| Streets and Storm Drains | 258,000 | 450,000 | | 450,000 |
| Housing and Community Development | | 1,170,877 | 215,864 | 955,013 |
| Total Expenditures | <u>3,910,864</u> | <u>6,585,818</u> | <u>2,273,785</u> | <u>4,312,033</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 804,685 | (1,870,269) | 2,644,683 | 4,514,952 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (762,623) | (789,089) | (752,437) | 36,652 |
| Total Other Financing Sources (Uses) | <u>(762,623)</u> | <u>(789,089)</u> | <u>(752,437)</u> | <u>36,652</u> |
| Net Change In Fund Balances | 42,062 | (2,659,358) | 1,892,246 | 4,551,604 |
| Fund Balance, July 1 | (24,856,124) | (24,856,124) | (24,856,124) | - |
| Fund Balance, June 30 | <u>\$ (24,814,062)</u> | <u>\$ (27,515,482)</u> | <u>\$ (22,963,878)</u> | <u>\$ 4,551,604</u> |

CITY OF OROVILLE
OROVILLE REDEVELOPMENT AGENCY
LOW & MODERATE INCOME HOUSING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|---------------------|--------------------|---------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Property | \$ 1,338,528 | \$ 1,319,542 | \$ 1,499,951 | \$ 180,409 |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | 77,834 | 126,370 | 92,664 | (33,706) |
| Rents and Concessions | | 36,864 | 101,949 | 65,085 |
| Intergovernmental Revenues: | | | | |
| HOPTR | 27,014 | 46,000 | 51,899 | 5,899 |
| Grants | 8,180 | 8,180 | 14,746 | 6,566 |
| Other Revenues: | | | | |
| Loan Collections | 121,339 | 72,803 | 185,274 | 112,471 |
| Sale of Property | 904,625 | 904,625 | 875,171 | (29,454) |
| Refunds/Reimbursements | 36,864 | | 13 | 13 |
| Total Revenues | 2,514,384 | 2,514,384 | 2,821,667 | 307,283 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salaries and Benefits | 45,784 | 66,924 | 105,499 | (38,575) |
| Other Services and Supplies | 305,035 | 826,379 | 729,788 | 96,591 |
| Loans and Housing Construction | | 1,168,535 | 797,523 | 371,012 |
| Capital Outlay: | | | | |
| Housing and Community Development | 100,092 | 188,723 | 29,498 | 159,225 |
| Total Expenditures | 450,911 | 2,250,561 | 1,662,308 | 588,253 |
| Excess (Deficiency) of Revenues Over Expenditures | 2,063,473 | 263,823 | 1,159,359 | 895,536 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | | | | |
| Transfers Out | (1,116,700) | 189,777 | 192,097 | 2,320 |
| | | (1,430,776) | (823,349) | 607,427 |
| Total Other Financing Sources (Uses) | (1,116,700) | (1,240,999) | (631,252) | 609,747 |
| Net Change in Fund Balances | 946,773 | (977,176) | 528,107 | 1,505,283 |
| Fund Balance, July 1 | 1,174,095 | 1,174,095 | 1,174,095 | - |
| Fund Balance, June 30 | \$ 2,120,868 | \$ 196,919 | \$ 1,702,202 | \$ 1,505,283 |

CITY OF OROVILLE
HOME HOUSING REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-----------------|-----------------|------------------|--|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 32,400 | \$ 32,400 | \$ 63,022 | \$ 30,622 |
| Other Revenues: | | | | |
| Loan Payments | 115,200 | 115,200 | 120,707 | 5,507 |
| Total Revenues | <u>147,600</u> | <u>147,600</u> | <u>183,729</u> | <u>36,129</u> |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| Other Services and Supplies | | 23,326 | | 23,326 |
| Loans Made | 120,044 | 151,581 | 151,581 | - |
| Total Expenditures | <u>120,044</u> | <u>174,907</u> | <u>151,581</u> | <u>23,326</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>27,556</u> | <u>(27,307)</u> | <u>32,148</u> | <u>59,455</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers In | 128,480 | 151,806 | 34,740 | (117,066) |
| Transfers Out | (156,036) | (124,499) | (1,345) | 123,154 |
| Total Other Financing Sources (Uses) | <u>(27,556)</u> | <u>27,307</u> | <u>33,395</u> | <u>6,088</u> |
| Net Change in Fund Balances | - | - | 65,543 | 65,543 |
| Fund Balance, July 1 | (26,393) | (26,393) | (26,393) | - |
| Fund Balance, June 30 | <u>(26,393)</u> | <u>(26,393)</u> | <u>\$ 39,150</u> | <u>\$ 65,543</u> |

**CITY OF OROVILLE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008**

| | Total Special Revenue Funds | Total Debt Service Funds | Total Capital Projects Funds | Total Nonmajor Governmental Funds |
|-------------------------------|--------------------------------------|-----------------------------------|---------------------------------------|--|
| Cash and Investments | \$ 11,414,526 | \$ 386,915 | \$ 6,378,649 | \$ 18,180,090 |
| Receivables: | | | | |
| Taxes | 20,082 | | | 20,082 |
| Accounts | 128,739 | 26,799 | | 155,538 |
| Sewer Service Charges | 122,227 | | | 122,227 |
| Grants | 200,917 | | 351,161 | 552,078 |
| Interest | 73,686 | 2 | 45,202 | 118,890 |
| Due From Other Funds | 211,598 | | 18,908 | 230,506 |
| Inventory | 3,940 | | | 3,940 |
| Loans Receivable | 4,726,586 | | 11,964 | 4,738,550 |
| Advances Due From Other Funds | | | 93,764 | 93,764 |
| Total Assets | \$ 16,902,301 | \$ 413,716 | \$ 6,899,648 | \$ 24,215,665 |

LIABILITIES AND FUND BALANCES

| | | | | |
|--|----------------------|-------------------|---------------------|----------------------|
| Liabilities: | | | | |
| Vouchers Payable | \$ 103,642 | \$ 82,050 | \$ 51,627 | \$ 237,319 |
| Accrued Salaries and Benefits | 28,760 | | | 28,760 |
| Deposits Payable | 6,173 | | | 6,173 |
| Due To Other Funds | 230,506 | | 191,646 | 422,152 |
| Due To Other Agencies | 182,161 | | | 182,161 |
| Advances Payable to Other Funds | 93,764 | | | 93,764 |
| Deferred Loans | 4,218,475 | | 11,964 | 4,218,475 |
| Deferred Revenue - Unearned | | | | 11,964 |
| Total Liabilities | 4,863,481 | 82,050 | 255,237 | 5,200,768 |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Encumbrances | 592,866 | | 122,984 | 715,850 |
| Public Safety | 267,374 | | | 267,374 |
| Park Improvements | 163,816 | | | 163,816 |
| Street Improvements | 2,475,667 | | | 2,475,667 |
| Drainage/Sewer Improvements | 2,203,890 | | | 2,203,890 |
| Long Term Receivables | | | 93,764 | 93,764 |
| Unreserved: | | | | |
| Undesignated | 6,335,207 | 331,666 | 6,427,663 | 13,094,536 |
| Total Fund Balances | 12,038,820 | 331,666 | 6,644,411 | 19,014,897 |
| Total Liabilities and Fund Balances | \$ 16,902,301 | \$ 413,716 | \$ 6,899,648 | \$ 24,215,665 |

CITY OF OROVILLE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

| | Total Special Revenue Funds | Total Debt Service Funds | Total Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|--------------------------------------|-----------------------------------|---------------------------------------|--|
| <u>REVENUES</u> | | | | |
| Taxes | \$ 75,193 | | | \$ 75,193 |
| Licenses and Permits | 486,462 | | | 486,462 |
| Interest, Rents, and Concessions | 1,026,927 | \$ 1,783 | \$ 298,482 | 1,327,192 |
| Intergovernmental Revenues | 1,431,840 | | 2,691,507 | 4,123,347 |
| Current Service Charges | 1,635,931 | | | 1,635,931 |
| Other | 1,051,419 | 652,545 | 31,892 | 1,735,856 |
| Total Revenues | 5,707,772 | 654,328 | 3,021,881 | 9,383,981 |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| General Government | | | 12,877 | 12,877 |
| Public Safety | 152,262 | | | 152,262 |
| Streets and Storm Drains | 114,454 | | | 208,442 |
| Transportation | 525,557 | 93,988 | | 525,567 |
| Parks and Leisure | 78,634 | | | 78,634 |
| Health and Sanitation | 1,383,795 | | | 1,383,795 |
| Housing and Community Development | 1,756,419 | | | 1,756,419 |
| Debt Service: | | | | |
| Principal Retirement | | 1,531,299 | | 1,531,299 |
| Interest and Fiscal Charges | 6,125 | 560,094 | | 566,219 |
| Capital Outlay | 193,623 | | 4,011,523 | 4,205,146 |
| Total Expenditures | 4,210,869 | 2,185,381 | 4,024,400 | 10,420,650 |
| Excess (Deficiency) of Revenues Over Expenditures | 1,496,903 | (1,531,053) | (1,002,519) | (1,036,669) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Capital Lease | | | 169,347 | 169,347 |
| Transfers In | 1,505,948 | 1,340,244 | 552,849 | 3,399,041 |
| Transfers Out | (2,939,224) | (268,376) | (408,420) | (3,616,020) |
| Total Other Financing Sources (Uses) | (1,433,276) | 1,071,868 | 313,776 | (47,632) |
| Net Change In Fund Balances | 63,627 | (459,185) | (688,743) | (1,084,301) |
| Fund Balances, July 1 | 11,975,193 | 790,851 | 7,333,154 | 20,099,198 |
| Fund Balances, June 30 | \$ 12,038,820 | \$ 331,666 | \$ 6,644,411 | \$ 19,014,897 |

CITY OF OROVILLE
 COMBINING BALANCE SHEET
 SPECIAL REVENUE
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

| | Community Promotions Fund | Sewer 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 |
|---------------------|---------------------------|---------------------|----------------------------|---------------------------|----------------------------|-------------------------------------|--------------------------|------------------------|---------------------------|
| \$ | 27,146 | 2,979,165 | 680,472 | 480,805 | 163,816 | 149,671 | 490,693 | 379,187 | 273,615 |
| | 156 | 3,334 | | | | | | | |
| | | 122,227 | | | | | | | |
| Total Assets | \$ 27,302 | \$ 3,104,726 | \$ 680,472 | \$ 480,805 | \$ 163,816 | \$ 149,671 | \$ 490,693 | \$ 379,187 | \$ 273,615 |

ASSETS

Cash and Investments
 Receivables:
 Taxes
 Accounts
 Sewer Service Charges
 Grants
 Interest
 Loans
 Due From Other Funds
 Inventory

LIABILITIES AND FUND BALANCES

Liabilities:
 Vouchers Payable
 Accrued Salaries and Benefits
 Deposits Payable
 Due To Other Funds
 Due To Other Related Agency
 Advances Payable to Other Funds
 Deferred Loans

| | Community Promotions Fund | Sewer 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 |
|--|---------------------------|---------------------|----------------------------|---------------------------|----------------------------|-------------------------------------|--------------------------|------------------------|---------------------------|
| \$ | - | 230,526 | - | - | - | - | - | - | 1,714 |
| | 2,500 | 290,779 | | | 163,816 | 149,671 | 490,693 | 379,187 | 271,901 |
| | 24,802 | 1,919,995 | 680,472 | 480,805 | | | | | |
| Total Fund Balances | 27,302 | 2,874,200 | 680,472 | 480,805 | 163,816 | 149,671 | 490,693 | 379,187 | 271,901 |
| Total Liabilities and Fund Balances | \$ 27,302 | \$ 3,104,726 | \$ 680,472 | \$ 480,805 | \$ 163,816 | \$ 149,671 | \$ 490,693 | \$ 379,187 | \$ 273,615 |

LIABILITIES AND FUND BALANCES

Fund Balances:
 Reserved:
 Encumbrances
 Public Safety
 Park Improvements
 Street Improvements
 Drainage/Sewer Improvements
 Unreserved:
 Undesignated

Continued

CITY OF OROVILLE
COMBINING BALANCE SHEET
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

| | Regional Surface Transportation Program 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 |
|-----------------------|--|-------------------|--|---|------------------------------------|-----------------------------|-----------------------------------|---------------------|--------------------------|
| Cash and Investments | \$ 1,180,069 | \$ 44,903 | \$ 62,241 | \$ 36,135 | \$ 57,691 | \$ 619,466 | | | \$ 21,297 |
| Receiveables: | | | | | | | | | |
| Taxes | | | | | | | | | |
| Accounts | | | | | | | | | |
| Sewer Service Charges | | 2,746 | 53,954 | 29,568 | 35,435 | 2,646 | | | |
| Grants | | | | | | | | \$ 176,675 | |
| Interest | | | | | | | | 48,144 | |
| Loans | | | | | | | | 1,541,849 | |
| Due From Other Funds | | | | | | | | | |
| Inventory | | | | | | 3,940 | | | |
| Total Assets | \$ 1,180,069 | \$ 47,649 | \$ 116,195 | \$ 65,703 | \$ 93,126 | \$ 626,052 | \$ - | \$ 1,766,668 | \$ 21,297 |

LIABILITIES AND FUND BALANCES

| | | | | | | | | | |
|--|---------------------|------------------|-------------------|------------------|------------------|-------------------|--------------------|---------------------|------------------|
| Liabilities: | | | | | | | | | |
| Vouchers Payable | \$ 2,184 | | | | | | | | |
| Accrued Salaries and Benefits | | | | | | | | \$ 112 | |
| Deposits Payable | | | | | | | \$ 16,807 | | |
| Due To Other Funds | | | | | | 18,908 | | 211,598 | |
| Due To Other Agencies | | | | | | 93,764 | | | |
| Advances Payable to Other Funds | | | | | | | | 1,408,462 | |
| Deferred Loans | | | | | | | | | |
| Total Liabilities | \$ 2,184 | \$ - | \$ - | \$ - | \$ - | \$ 156,924 | \$ 16,807 | \$ 1,620,172 | \$ - |
| Fund Balances: | | | | | | | | | |
| Reserved: | | | | | | | | | |
| Encumbrances | 83,652 | | | | | 33,836 | | | 21,297 |
| Public Safety | | | | | | | | | |
| Park Improvements | | | | | | | | | |
| Street Improvements | 1,094,233 | 47,649 | 116,195 | 65,703 | 93,126 | | | 146,496 | |
| Drainage/Sewer Improvements | | | | | | | | | |
| Unreserved: | | | | | | | | | |
| Undesignated | | | | | | 435,292 | (16,807) | | |
| Total Fund Balances | \$ 1,177,885 | \$ 47,649 | \$ 116,195 | \$ 65,703 | \$ 93,126 | \$ 469,128 | \$ (16,807) | \$ 146,496 | \$ 21,297 |
| Total Liabilities and Fund Balances | \$ 1,180,069 | \$ 47,649 | \$ 116,195 | \$ 65,703 | \$ 93,126 | \$ 626,052 | \$ - | \$ 1,766,668 | \$ 21,297 |

Continued

CITY OF OROVILLE
COMBINING BALANCE SHEET
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

| | Public Safety Augmentation Fund | Police Supplemental Law Enforcement Fund | Law Enforcement Block Grant Fund | Law Enforcement Impact Fee Fund | Fire Suppression Impact Fee Fund | Contingency Fund | Fire Grant Fund | General Government Development Impact Fee Fund | Lighting & Landscape Maintenance Districts Fund |
|--|---------------------------------|--|----------------------------------|---------------------------------|----------------------------------|-------------------|-----------------|--|---|
| Cash and Investments | \$ 57,727 | \$ 1,176 | \$ 106,455 | \$ 50,173 | \$ 22,105 | \$ 930,498 | \$ - | \$ 43,283 | \$ 81,044 |
| Receivables: | | | | | | | | | |
| Taxes | 7,880 | | | | | | | | |
| Accounts | | | | | | | | | |
| Sewer Service Charges | | | | | | | | | |
| Grants | | | 337 | | | | | | 7,982 |
| Interest | | | | | | | | | |
| Loans | | | | | | | | | |
| Due From Other Funds | | | | | | | | | |
| Inventory | | | | | | | | | |
| Total Assets | \$ 65,407 | \$ 1,176 | \$ 106,792 | \$ 50,173 | \$ 22,105 | \$ 930,498 | \$ 4,637 | \$ 43,283 | \$ 89,026 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Vouchers Payable | | | \$ 895 | | | | | | |
| Accrued Salaries and Benefits | | | 657 | | | | | | |
| Deposits Payable | | | | | | | | | |
| Due To Other Funds | | | | | | | | | |
| Due To Other Agencies | | | | | | | | | |
| Advances Payable to Other Funds | | | | | | | | | |
| Deferred Loans | | | | | | | | | |
| Total Liabilities | \$ - | \$ - | \$ 1,552 | \$ - | \$ - | \$ - | \$ 2,661 | \$ - | \$ 3,134 |
| Fund Balances: | | | | | | | | | |
| Reserved: | | | | | | | | | |
| Encumbrances | | | | | | | | | |
| Public Safety | 65,407 | 1,176 | 105,240 | 50,173 | 22,105 | 25,650 | 1,976 | 43,283 | 4,491 |
| Park Improvements | | | | | | | | | |
| Street Improvements | | | | | | | | | |
| Drainage/Sewer Improvements | | | | | | | | | |
| Unreserved: | | | | | | | | | |
| Undesignated | | | | | | 904,848 | | | 81,401 |
| Total Fund Balances | \$ 65,407 | \$ 1,176 | \$ 105,240 | \$ 50,173 | \$ 22,105 | \$ 930,498 | \$ 1,976 | \$ 43,283 | \$ 85,892 |
| Total Liabilities and Fund Balances | \$ 65,407 | \$ 1,176 | \$ 106,792 | \$ 50,173 | \$ 22,105 | \$ 930,498 | \$ 4,637 | \$ 43,283 | \$ 89,026 |

Continued

CITY OF OROVILLE
COMBINING BALANCE SHEET
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

| | Benefit Assessment Districts Fund | Supplemental Benefits Fund | State Theater 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 | Micro-Enterprise Revolving Loan Fund |
|-----------------------|-----------------------------------|----------------------------|--------------------|---------------------|--|---|--|----------------------------------|--------------------------------------|
| Cash and Investments | \$ 54,870 | \$ 8,730 | \$ 5,579 | \$ 100,999 | \$ 213,634 | \$ 672,632 | \$ 500,319 | \$ 109,527 | \$ 178,070 |
| Receivables: | | | | | | | | | |
| Taxes | 4,420 | | | | | | | | |
| Accounts | | | | | | | | | |
| Sewer Service Charges | | 900 | | | | | | | |
| Grants | | 19,268 | | | | | | | |
| Interest | | | | | | 1,773 | 23,396 | | |
| Loans | | | | | | 1,490,415 | 895,992 | 665,814 | |
| Due From Other Funds | | | | | | | 211,598 | | |
| Inventory | | | | | | | | | |
| Total Assets | \$ 59,290 | \$ 27,998 | \$ 6,479 | \$ 100,999 | \$ 213,634 | \$ 2,164,820 | \$ 1,631,305 | \$ 775,341 | \$ 178,070 |

LIABILITIES AND FUND BALANCES

| | | | | | | | | | |
|--|------------------|------------------|-------------------|-------------------|-------------------|---------------------|---------------------|-------------------|-------------------|
| Liabilities: | | | | | | | | | |
| Vouchers Payable | | | | | | | | | |
| Accrued Salaries and Benefits | | | | | 657 | | | | |
| Deposits Payable | | 5,000 | 4,676 | | 57 | | | | |
| Due To Other Funds | | 91 | 6,173 | | | | | | |
| Due To Other Agencies | | | | | | | | | |
| Advances Payable to Other Funds | | | | | | | | | |
| Deferred Loans | | | | | | | | | |
| Total Liabilities | \$ - | \$ 5,091 | \$ 10,849 | \$ - | \$ 714 | \$ 1,352,772 | \$ 708,063 | \$ 665,814 | \$ - |
| Fund Balances: | | | | | | | | | |
| Reserved: | | | | | | | | | |
| Encumbrances | | | | | 46,422 | | | | |
| Public Safety | | | | | | | | | |
| Park Improvements | | | | | | | | | |
| Street Improvements | | | | | | | | | |
| Drainage/Sewer Improvements | | | | | | | | | |
| Unreserved: | | | | | | | | | |
| Undesignated | 59,290 | 22,907 | (4,370) | 100,999 | 166,498 | 812,048 | 913,242 | 109,527 | 178,070 |
| Total Fund Balances | \$ 59,290 | \$ 22,907 | \$ (4,370) | \$ 100,999 | \$ 166,498 | \$ 812,048 | \$ 913,242 | \$ 109,527 | \$ 178,070 |
| Total Liabilities and Fund Balances | \$ 59,290 | \$ 27,998 | \$ 6,479 | \$ 100,999 | \$ 213,634 | \$ 2,164,820 | \$ 1,631,305 | \$ 775,341 | \$ 178,070 |

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, 2008

| | Community Promotions Fund | Sewer Fund | Sewer Connection Fees Fund | Drainage Impact Fees Fund | Park Development Fees Fund | Thermalitio Traffic Impact Fees Fund | Traffic Impact Fees Fund | Drainage Citywide Fund | Local Transportation Fund |
|--|---------------------------|--------------|----------------------------|---------------------------|----------------------------|--------------------------------------|--------------------------|------------------------|---------------------------|
| REVENUES | | | | | | | | | |
| Taxes | | | | | | | | | |
| Licenses and Permits | | | | \$ 17,833 | \$ 77,936 | \$ | \$ 181,600 | \$ 174,614 | |
| Interest, Rents, and Concessions | | | \$ 27,063 | 19,969 | 5,376 | 6,249 | 20,088 | 12,709 | \$ 10,542 |
| Intergovernmental Revenues | | | | | | | | | 29,707 |
| Current Service Charges | | 1,536,121 | 98,631 | | | | | | |
| Other | | 1,291 | 435 | | | | 502 | | |
| Total Revenues | \$ - | \$ 1,660,191 | \$ 126,129 | \$ 37,802 | \$ 83,312 | \$ 6,249 | \$ 202,190 | \$ 187,323 | \$ 40,249 |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| Public Safety | | | | | | | | | |
| Streets and Storm Drains | | | | 16,785 | | | | | 41,133 |
| Transportation | | | | | | | | | |
| Parks and Leisure | | | | | | | | | |
| Health and Sanitation | | | | | | | | | |
| Housing and Community Development | | | | | | | | | |
| Debt Service: | | | | | | | | | |
| Interest Charges | | | | | | | | | |
| Capital Outlay | | | | | | | 62,250 | | |
| Total Expenditures | 23,343 | 1,403,477 | - | 16,785 | - | - | 62,250 | - | 41,133 |
| Excess (Deficiency) of Revenues Over Expenditures | (23,343) | 256,714 | 126,129 | 21,017 | 83,312 | 6,249 | 139,940 | 187,323 | (884) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers In | 40,000 | 11,947 | | | | | | | |
| Transfers Out | (40,000) | (266,765) | | | | | | | |
| Total Other Financing Sources (Uses) | 16,657 | 1,896 | 126,129 | 21,017 | 83,312 | 6,249 | 139,940 | 187,323 | (884) |
| Net Change in Fund Balances | 10,645 | 2,872,304 | 554,343 | 459,788 | 80,504 | 143,422 | 350,753 | 191,864 | 272,785 |
| Fund Balances, July 1 | | | | | | | | | |
| Fund Balances, June 30 | \$ 27,302 | \$ 2,874,200 | \$ 680,472 | \$ 480,805 | \$ 163,816 | \$ 149,671 | \$ 490,693 | \$ 379,187 | \$ 271,901 |

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, 2008

| | Regional Surface Transportation Program 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 |
|---|--|------------------|------------------------------------|-----------------------------------|---------------------------|-----------------------|-----------------------------|-------------------|--------------------|
| REVENUES | | | | | | | | | |
| Taxes | | | | | | | | | |
| Licenses and Permits | \$ 32,191 | \$ 1,046 | \$ 2,508 | \$ 1,459 | \$ 2,342 | \$ 244,004 | | \$ 90,107 | \$ 806 |
| Interest, Rents, and Concessions | 532,240 | 5,000 | 130,653 | 76,236 | 92,989 | 91,962 | | 231,922 | |
| Intergovernmental Revenues | | | | | | | | | |
| Current Service Charges | | 14,793 | | | | 318,818 | | 165,416 | 5,125 |
| Other | | | | | | | | | |
| Total Revenues | 564,431 | 20,839 | 133,161 | 77,695 | 95,331 | 654,784 | - | 487,445 | 5,931 |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| Public Safety | | | | | | | | | |
| Streets and Storm Drains | 12,435 | | 825 | 500 | 500 | 525,557 | | | |
| Transportation | | | | | | | | | |
| Parks and Leisure | | | | | | | | | |
| Health and Sanitation | | | | | | | | | |
| Housing and Community Development | | | | | | | 575,217 | 207,129 | |
| Debt Service: | | | | | | | | | |
| Interest Charges | 24,741 | 5,399 | | | | 6,125 | | | 1,558 |
| Capital Outlay | | | | | | | | | |
| Total Expenditures | 37,176 | 5,399 | 825 | 500 | 500 | 531,682 | 575,217 | 207,129 | 1,558 |
| Excess (Deficiency) of Revenues Over Expenditures | 527,255 | 15,440 | 132,336 | 77,195 | 94,831 | 123,102 | (575,217) | 280,316 | 4,373 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers In | | | | | | | | | |
| Transfers Out | | 36,615 | | | | | | 577,420 | |
| | | (4,406) | | | | | | (289,868) | |
| Total Other Financing Sources (Uses) | - | 32,209 | (81,282) | (47,671) | (58,725) | (93,102) | 577,420 | (289,868) | - |
| Net Change in Fund Balances | 527,255 | 47,649 | 51,054 | 29,524 | 36,106 | 30,000 | 2,203 | (9,572) | 4,373 |
| Fund Balances, July 1 | 650,630 | - | 65,141 | 36,179 | 57,020 | 439,128 | (19,010) | 156,068 | 16,924 |
| Fund Balances, June 30 | \$ 1,177,885 | \$ 47,649 | \$ 116,195 | \$ 65,703 | \$ 93,126 | \$ 469,128 | \$ (16,807) | \$ 146,496 | \$ 21,297 |

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, 2008

| | Public Safety Augmentation Fund | Police Supplemental Law Enforcement Fund | Law Enforcement Block Grant Fund | Law Enforcement Impact Fee Fund | Fire Suppression Impact Fee Fund | Contingency Fund | Fire Grant Fund | General Government Development Impact Fee Fund | Lighting & Landscape Maintenance Districts Fund |
|---|---------------------------------|--|----------------------------------|---------------------------------|----------------------------------|-------------------|-----------------|--|---|
| REVENUES | | | | | | | | | |
| Taxes | | | | | | | | | |
| Licenses and Permits | | | | \$ 14,516 | \$ 5,468 | | | \$ 14,495 | \$ 54,525 |
| Interest, Rentals, and Concessions | | 49 | | 1,850 | 821 | | | 1,765 | 3,037 |
| Intergovernmental Revenues | \$ 100,827 | \$ 100,000 | \$ 885 | | | | \$ 4,637 | | |
| Current Service Charges | | | | | | | | | |
| Other | | | | | | \$ 56,054 | | | |
| Total Revenues | 100,827 | 100,049 | 885 | 16,366 | 6,289 | 56,054 | 4,637 | 16,260 | 57,562 |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| Public Safety | | | | | | | | | |
| Streets and Storm Drains | | | 28,034 | | | 36,959 | 87,269 | | 42,276 |
| Transportation | | | | | | | | | |
| Parks and Leisure | | | | | | | | | |
| Health and Sanitation | | | | | | | | | |
| Housing and Community Development | | | | | | | | | |
| Debt Service: | | | | | | | | | |
| Interest Charges | | | | | | | 8,373 | | |
| Capital Outlay | | | | | | | | | |
| Total Expenditures | - | - | 28,034 | - | - | 36,959 | 95,642 | - | 42,276 |
| Excess (Deficiency) of Revenues Over Expenditures | 100,827 | 100,049 | (27,149) | 16,366 | 6,289 | 19,095 | (91,005) | 16,260 | 15,286 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers In | | | | | | | | | |
| Transfers Out | (90,000) | (100,000) | | | | (15,000) | | (10,000) | |
| Total Other Financing Sources (Uses) | (90,000) | (100,000) | - | - | - | (15,000) | - | (10,000) | - |
| Net Change in Fund Balances | 10,827 | 49 | (27,149) | 16,366 | 6,289 | 4,095 | (91,005) | 6,260 | 15,286 |
| Fund Balances, July 1 | 54,560 | 1,127 | 132,389 | 33,807 | 15,816 | 926,403 | 92,981 | 37,023 | 70,606 |
| Fund Balances, June 30 | \$ 65,407 | \$ 1,176 | \$ 105,240 | \$ 50,173 | \$ 22,105 | \$ 930,498 | \$ 1,976 | \$ 43,283 | \$ 85,892 |

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, 2008**

| | Benefit Assessment Districts Fund | Supplemental Benefits Fund | State Theater 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 | Micro-Enterprise Revolving Loan Fund |
|---|-----------------------------------|----------------------------|--------------------|---------------------|--|---|--|----------------------------------|--------------------------------------|
| REVENUES | | | | | | | | | |
| Taxes | \$ 20,668 | | | | | | | | |
| Licenses and Permits | | | | | | | | | |
| Interest, Rents, and Concessions | 1,955 | \$ 34,782 | \$ 46,507 | | \$ 81,801 | \$ 78,167 | \$ 120,381 | \$ 48,116 | \$ 7,438 |
| Intergovernmental Revenues | | | | | | | | | |
| Current Service Charges | | | | | | | | | |
| Other | | | 51 | | | 164,294 | 190,431 | 61,765 | |
| Total Revenues | 22,623 | 34,782 | 46,558 | - | 81,801 | 242,461 | 310,812 | 109,881 | 7,438 |
| | | | | | | | | | |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| Public Safety | | | | | | | | | |
| Streets and Storm Drains | | | | | | | | | |
| Transportation | | | | | | | | | |
| Parks and Leisure | | 11,875 | 66,759 | | | | | | |
| Health and Sanitation | | | | | | | | | |
| Housing and Community Development | | | | | 18,676 | 337,436 | 6,919 | 537,376 | 119 |
| Debt Service: | 5,015 | | | | | | | | |
| Interest Charges | | | | | 70,813 | | | | |
| Capital Outlay | | | 807 | | | | | | |
| Total Expenditures | 5,015 | 11,875 | 67,566 | - | 89,489 | 337,436 | 6,919 | 537,376 | 119 |
| Excess (Deficiency) of Revenues Over Expenditures | 17,608 | 22,907 | (21,008) | - | (7,688) | (94,975) | 303,893 | (427,495) | 7,319 |
| | | | | | | | | | |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers In | | | 16,000 | | | | | | |
| Transfers Out | | | | | | (5,116) | | 416,278 | |
| Total Other Financing Sources (Uses) | | | 16,000 | | | (5,116) | | (185,303) | |
| Net Change in Fund Balances | 17,608 | 22,907 | (5,008) | - | (7,688) | (100,091) | (914,713) | (242,192) | 7,319 |
| Fund Balances, July 1 | 41,682 | - | 638 | 100,999 | 220,608 | 912,139 | 1,837,955 | 351,719 | 170,751 |
| Fund Balances, June 30 | \$ 59,290 | \$ 22,907 | \$ (4,370) | \$ 100,999 | \$ 212,920 | \$ 812,048 | \$ 923,242 | \$ 109,527 | \$ 178,070 |

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, 2008

| | CaiHOME Revolving Loan Fund | Housing Rehabilitation Revolving Loan Fund | City Revolving Loan Fund | Annexation Fund | Plan Retention Fund | Totals 2008 |
|--|--------------------------------------|--|-----------------------------------|--------------------|---------------------------|----------------------|
| REVENUES | | | | | | |
| Taxes | | | | | | \$ 75,193 |
| Licenses and Permits | | | | | | 486,462 |
| Interest, Rents, and Concessions | | \$ 10,556 | \$ 19,381 | \$ 5,416 | \$ 449 | 1,026,927 |
| Intergovernmental Revenues | | | | | | 1,431,840 |
| Current Service Charges | | | | | 1,179 | 1,635,931 |
| Other | \$ 9,097 | | 63,347 | | | 1,051,419 |
| Total Revenues | 9,097 | 10,556 | 82,728 | 5,416 | 1,628 | 5,707,772 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Public Safety | | | | | | 152,262 |
| Streets and Storm Drains | | | | | | 114,454 |
| Transportation | | | | | | 525,557 |
| Parks and Leisure | | | | | | 78,634 |
| Health and Sanitation | | | | | | 1,383,795 |
| Housing and Community Development | | 16,789 | 28,194 | 206 | | 1,756,419 |
| Debt Service: | | | | | | 6,125 |
| Interest Charges | | | | | | 193,623 |
| Capital Outlay | | | | | | |
| Total Expenditures | - | 16,789 | 28,194 | 206 | - | 4,210,869 |
| Excess (Deficiency) of Revenues Over Expenditures | 9,097 | (6,233) | 54,534 | 5,210 | 1,628 | 1,496,903 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers In | | | | | | 1,505,948 |
| Transfers Out | | | (20,000) | | | (2,939,224) |
| Total Other Financing Sources (Uses) | - | - | (20,000) | - | - | (1,433,276) |
| Net Change in Fund Balances | 9,097 | (6,233) | 34,534 | 5,210 | 1,628 | 63,627 |
| Fund Balances, July 1 | - | 252,085 | 249,283 | 124,423 | 9,691 | 11,975,193 |
| Fund Balances, June 30 | \$ 9,097 | \$ 245,852 | \$ 283,817 | \$ 129,633 | \$ 11,319 | \$ 12,038,820 |

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, 2008

| | Budget Amounts | | Variance With Final Budget Positive (Negative) |
|--|------------------|-------------------|---|
| | Original | Final | |
| <u>REVENUES</u> | | | |
| Total Revenues | \$ - | \$ - | \$ - |
| <u>EXPENDITURES</u> | | | |
| Current: | | | |
| Other Services and Charges | 40,000 | 52,389 | 23,343 |
| Total Expenditures | 40,000 | 52,389 | 29,046 |
| Excess (Deficiency) of Revenues Over Expenditures | (40,000) | (52,389) | 29,046 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers In | 40,000 | 40,000 | - |
| Total Other Financing Sources (Uses) | 40,000 | 40,000 | - |
| Net Change In Fund Balances | - | (12,389) | 29,046 |
| Fund Balance, July 1 | 10,645 | 10,645 | - |
| Fund Balance, June 30 | \$ 10,645 | \$ (1,744) | \$ 29,046 |

CITY OF OROVILLE
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 141,883 | \$ 141,883 | \$ 117,055 | \$ (24,828) |
| Rents and Concessions | | 5,724 | 5,724 | - |
| Current Service Charges: | | | | |
| Sewer Service Charges | 1,537,566 | 1,531,841 | 1,536,121 | 4,280 |
| Other Revenues: | | | | |
| Refunds and Reimbursements | | 11,947 | 1,291 | (10,656) |
| Total Revenues | <u>1,679,449</u> | <u>1,691,395</u> | <u>1,660,191</u> | <u>(31,204)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salaries and Benefits | 324,582 | 331,413 | 310,778 | 20,635 |
| Other Services and Supplies | 505,625 | 1,212,921 | 353,412 | 859,509 |
| SC-OR Treatment Charges | 748,389 | 748,389 | 719,605 | 28,784 |
| Capital Outlay | 142,900 | 21,450 | 19,682 | 1,768 |
| Total Expenditures | <u>1,721,496</u> | <u>2,314,173</u> | <u>1,403,477</u> | <u>910,696</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(42,047)</u> | <u>(622,778)</u> | <u>256,714</u> | <u>879,492</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 11,947 | | 11,947 | 11,947 |
| Transfers Out | (266,765) | (266,765) | (266,765) | - |
| Total Other Financing Sources (Uses) | <u>(254,818)</u> | <u>(266,765)</u> | <u>(254,818)</u> | <u>11,947</u> |
| Net Change In Fund Balances | (296,865) | (889,543) | 1,896 | 891,439 |
| Fund Balance, July 1 | 2,872,304 | 2,872,304 | 2,872,304 | - |
| Fund Balance, June 30 | \$ 2,575,439 | \$ 1,982,761 | \$ 2,874,200 | \$ 891,439 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 28,303 | \$ 28,303 | \$ 27,063 | \$ (1,240) |
| Current Service Charges: | | | | |
| Sewer Connection Fees | 39,959 | 39,959 | 92,415 | 52,456 |
| Sewer Tapping Charges | 4,076 | 4,076 | 6,216 | 2,140 |
| Other Revenues: | | | | |
| Refunds and Reimbursements | | | 435 | 435 |
| Total Revenues | 72,338 | 72,338 | 126,129 | 53,791 |
| EXPENDITURES | | | | |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues Over Expenditures | 72,338 | 72,338 | 126,129 | 53,791 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change In Fund Balances | 72,338 | 72,338 | 126,129 | 53,791 |
| Fund Balance, July 1 | 554,343 | 554,343 | 554,343 | - |
| Fund Balance, June 30 | \$ 626,681 | \$ 626,681 | \$ 680,472 | \$ 53,791 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Licenses and Permits: | | | | |
| Drainage Impact Fees | \$ 31,599 | \$ 31,599 | \$ 17,833 | \$ (13,766) |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | 17,246 | 17,246 | 19,969 | 2,723 |
| Total Revenues | <u>48,845</u> | <u>48,845</u> | <u>37,802</u> | <u>(11,043)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Other Services and Supplies | 2,688 | 22,732 | 16,785 | 5,947 |
| Total Expenditures | <u>2,688</u> | <u>22,732</u> | <u>16,785</u> | <u>5,947</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>46,157</u> | <u>26,113</u> | <u>21,017</u> | <u>(5,096)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change In Fund Balances | <u>46,157</u> | <u>26,113</u> | <u>21,017</u> | <u>(5,096)</u> |
| Fund Balance, July 1 | 459,788 | 459,788 | 459,788 | - |
| Fund Balance, June 30 | <u>\$ 505,945</u> | <u>\$ 485,901</u> | <u>\$ 480,805</u> | <u>\$ (5,096)</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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Licenses and Permits: | | | | |
| Park Impact Fees | \$ 26,218 | \$ 26,218 | \$ 77,936 | \$ 51,718 |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | 3,915 | 3,915 | 5,376 | 1,461 |
| Total Revenues | <u>30,133</u> | <u>30,133</u> | <u>83,312</u> | <u>53,179</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Other Services and Supplies | 2,688 | 2,688 | | 2,688 |
| Total Expenditures | <u>2,688</u> | <u>2,688</u> | <u>-</u> | <u>2,688</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 27,445 | 27,445 | 83,312 | 55,867 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change In Fund Balances | 27,445 | 27,445 | 83,312 | 55,867 |
| Fund Balance, July 1 | 80,504 | 80,504 | 80,504 | - |
| Fund Balance, June 30 | <u>\$ 107,949</u> | <u>\$ 107,949</u> | <u>\$ 163,816</u> | <u>\$ 55,867</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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|-----------------------|-----------------------|-----------------------|--|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Interest, Rents, and Concessions: Investment Earnings | \$ 7,458 | \$ 7,458 | \$ 6,249 | \$ (1,209) |
| Total Revenues | <u>7,458</u> | <u>7,458</u> | <u>6,249</u> | <u>(1,209)</u> |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| Other Services and Supplies | 2,684 | 2,684 | | 2,684 |
| Total Expenditures | <u>2,684</u> | <u>2,684</u> | <u>-</u> | <u>2,684</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>4,774</u> | <u>4,774</u> | <u>6,249</u> | <u>1,475</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 | 4,774 | 4,774 | 6,249 | 1,475 |
| Fund Balance, July 1 | 143,422 | 143,422 | 143,422 | - |
| Fund Balance, June 30 | <u>148,196</u> | <u>148,196</u> | <u>149,671</u> | <u>1,475</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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|--|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Licenses and Permits: | | | | |
| Traffic Impact Fees | \$ 65,225 | \$ 65,225 | \$ 181,600 | \$ 116,375 |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | 18,617 | 18,617 | 20,088 | 1,471 |
| Other Revenues: | | | | |
| Refunds and Reimbursements | | 502 | | 502 |
| Total Revenues | <u>83,842</u> | <u>83,842</u> | <u>202,190</u> | <u>118,348</u> |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| Other Services and Supplies | 2,688 | 4,174 | | 4,174 |
| Capital Outlay: | | | | |
| Streets and Storm Drains | | 63,720 | 62,250 | 1,470 |
| Total Expenditures | <u>2,688</u> | <u>67,894</u> | <u>62,250</u> | <u>5,644</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>81,154</u> | <u>15,948</u> | <u>139,940</u> | <u>123,992</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | 81,154 | 15,948 | 139,940 | 123,992 |
| Fund Balance, July 1 | 350,753 | 350,753 | 350,753 | - |
| Fund Balance, June 30 | <u>\$ 431,907</u> | <u>\$ 366,701</u> | <u>\$ 490,693</u> | <u>\$ 123,992</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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|--|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Licenses and Permits: | | | | |
| Drainage Impact Fees | \$ 94,956 | \$ 94,956 | \$ 174,614 | \$ 79,658 |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | 9,892 | 9,892 | 12,709 | 2,817 |
| Total Revenues | <u>104,848</u> | <u>104,848</u> | <u>187,323</u> | <u>82,475</u> |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| Other Services and Supplies | 2,688 | 2,688 | | 2,688 |
| Total Expenditures | <u>2,688</u> | <u>2,688</u> | <u>-</u> | <u>2,688</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 102,160 | 102,160 | 187,323 | 85,163 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | 102,160 | 102,160 | 187,323 | 85,163 |
| Fund Balance, July 1 | 191,864 | 191,864 | 191,864 | - |
| Fund Balance, June 30 | <u>\$ 294,024</u> | <u>\$ 294,024</u> | <u>\$ 379,187</u> | <u>\$ 85,163</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, 2008

| | Budget Amounts | | Final | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-------------------|----|-------------------|-------------------|--|
| | Original | | | | |
| REVENUES | | | | | |
| Interest, Rents, and Concessions: | | | | | |
| Investment Earnings | \$ 8,079 | \$ | 8,079 | \$ 10,542 | \$ 2,463 |
| Intergovernmental Revenues: | | | | | |
| Grants | 60,000 | | 168,581 | 29,707 | 29,707 |
| Other Subventions | | | | | (168,581) |
| Total Revenues | <u>68,079</u> | | <u>176,660</u> | <u>40,249</u> | <u>(136,411)</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Other Services and Supplies | | | 41,133 | 41,133 | - |
| Total Expenditures | <u>-</u> | | <u>41,133</u> | <u>41,133</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 68,079 | | 135,527 | (884) | (136,411) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Total Other Financing Sources (Uses) | <u>-</u> | | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | 68,079 | | 135,527 | (884) | (136,411) |
| Fund Balance, July 1 | 272,785 | | 272,785 | 272,785 | - |
| Fund Balance, June 30 | <u>\$ 340,864</u> | | <u>\$ 408,312</u> | <u>\$ 271,901</u> | <u>\$ (136,411)</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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-------------------|-------------------|---------------------|--|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 30,016 | \$ 30,016 | \$ 32,191 | \$ 2,175 |
| Intergovernmental Revenues: | | | | |
| Grants | 120,000 | 120,000 | 532,240 | 412,240 |
| Total Revenues | <u>150,016</u> | <u>150,016</u> | <u>564,431</u> | <u>414,415</u> |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| Other Services and Supplies | 20,000 | 32,500 | 12,435 | 20,065 |
| Capital Outlay: | | | | |
| Streets and Storm Drains | 445,000 | 552,466 | 24,741 | 527,725 |
| Total Expenditures | <u>465,000</u> | <u>584,966</u> | <u>37,176</u> | <u>547,790</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(314,984)</u> | <u>(434,950)</u> | <u>527,255</u> | <u>962,205</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | (314,984) | (434,950) | 527,255 | 962,205 |
| Fund Balance, July 1 | 650,630 | 650,630 | 650,630 | - |
| Fund Balance, June 30 | <u>\$ 335,646</u> | <u>\$ 215,680</u> | <u>\$ 1,177,885</u> | <u>\$ 962,205</u> |

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, 2008

| | Budget Amounts | | Variance With Final Budget Positive (Negative) |
|--|----------------|-----------|---|
| | Original | Final | |
| REVENUES | | | |
| Interest, Rents, and Concessions: | | | |
| Investment Earnings | | \$ 1,046 | \$ 1,046 |
| Intergovernmental Revenues: | | | |
| Grants | | 5,000 | 5,000 |
| Other Revenues: | | | |
| Refunds and Reimbursements | | 14,793 | 14,793 |
| Total Revenues | \$ - | \$ 20,839 | \$ 20,839 |
| EXPENDITURES | | | |
| Current: | | | |
| Other Services and Supplies | | 16,615 | 16,615 |
| Capital Outlay: | | | |
| Health and Sanitation | | 5,399 | 14,601 |
| Total Expenditures | - | 36,615 | 31,216 |
| Excess (Deficiency) of Revenues Over Expenditures | - | (36,615) | 52,055 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | | | |
| Transfers Out | | 36,615 | - |
| Total Other Financing Sources (Uses) | - | 36,615 | (4,406) |
| Net Change in Fund Balances | - | - | 47,649 |
| Fund Balance, July 1 | - | - | - |
| Fund Balance, June 30 | \$ - | \$ 47,649 | \$ 47,649 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|------------------|-------------------|--|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 2,516 | \$ 2,516 | \$ 2,508 | \$ (8) |
| Intergovernmental Revenues: | | | | |
| State Gas Tax 2107 & 2107.2 | 121,509 | 121,509 | 130,653 | 9,144 |
| Total Revenues | <u>124,025</u> | <u>124,025</u> | <u>133,161</u> | <u>9,136</u> |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| Other Services and Supplies | 825 | 825 | 825 | - |
| Total Expenditures | <u>825</u> | <u>825</u> | <u>825</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 123,200 | 123,200 | 132,336 | 9,136 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers Out | (121,489) | (121,489) | (81,282) | 40,207 |
| Total Other Financing Sources (Uses) | <u>(121,489)</u> | <u>(121,489)</u> | <u>(81,282)</u> | <u>40,207</u> |
| Net Change in Fund Balances | 1,711 | 1,711 | 51,054 | 49,343 |
| Fund Balance, July 1 | 65,141 | 65,141 | 65,141 | - |
| Fund Balance, June 30 | <u>\$ 66,852</u> | <u>\$ 66,852</u> | <u>\$ 116,195</u> | <u>\$ 49,343</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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|--|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 1,476 | \$ 1,476 | \$ 1,459 | \$ (17) |
| Intergovernmental Revenues: | | | | |
| State Gas Tax 186.1 & 2106 | 70,847 | 70,847 | 76,236 | 5,389 |
| Total Revenues | <u>72,323</u> | <u>72,323</u> | <u>77,695</u> | <u>5,372</u> |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| Other Services and Supplies | 500 | 500 | 500 | - |
| Total Expenditures | <u>500</u> | <u>500</u> | <u>500</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 71,823 | 71,823 | 77,195 | 5,372 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers Out | (71,970) | (71,970) | (47,671) | 24,299 |
| Total Other Financing Sources (Uses) | <u>(71,970)</u> | <u>(71,970)</u> | <u>(47,671)</u> | <u>24,299</u> |
| Net Change In Fund Balances | (147) | (147) | 29,524 | 29,671 |
| Fund Balance, July 1 | 36,179 | 36,179 | 36,179 | - |
| Fund Balance, June 30 | <u>\$ 36,032</u> | <u>\$ 36,032</u> | <u>\$ 65,703</u> | <u>\$ 29,671</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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|--|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 2,407 | \$ 2,407 | \$ 2,342 | \$ (65) |
| Intergovernmental Revenues: | | | | |
| State Gas Tax 2105 | 82,432 | 82,432 | 92,989 | 10,557 |
| Total Revenues | <u>84,839</u> | <u>84,839</u> | <u>95,331</u> | <u>10,492</u> |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| Other Services and Supplies | 500 | 500 | 500 | - |
| Total Expenditures | <u>500</u> | <u>500</u> | <u>500</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 84,339 | 84,339 | 94,831 | 10,492 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers Out | (84,839) | (84,839) | (58,725) | 26,114 |
| Total Other Financing Sources (Uses) | <u>(84,839)</u> | <u>(84,839)</u> | <u>(58,725)</u> | <u>26,114</u> |
| Net Change in Fund Balances | (500) | (500) | 36,106 | 36,606 |
| Fund Balance, July 1 | 57,020 | 57,020 | 57,020 | - |
| Fund Balance, June 30 | <u>\$ 56,520</u> | <u>\$ 56,520</u> | <u>\$ 93,126</u> | <u>\$ 36,606</u> |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-------------------|------------------|-------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 6,265 | \$ 6,265 | \$ 25,539 | \$ 19,274 |
| Rents and Concessions | 431,829 | 183,342 | 218,465 | 35,123 |
| Intergovernmental Revenues: | | | | |
| Grants | | 145,000 | 91,962 | (53,038) |
| Current Service Charges: | | | | |
| Other Fees | | 248,487 | 318,818 | 70,331 |
| Total Revenues | 438,094 | 583,094 | 654,784 | 71,690 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salaries and Benefits | 35,650 | 36,437 | 37,872 | (1,435) |
| Other Services and Supplies | 208,594 | 690,124 | 487,685 | 202,439 |
| Debt Service: | | | | |
| Interest Charges | | 7,000 | 6,125 | 875 |
| Capital Outlay | | | | |
| Transportation | 26,500 | 128,724 | | 128,724 |
| Total Expenditures | 270,744 | 862,285 | 531,682 | 330,603 |
| Excess (Deficiency) of Revenues Over Expenditures | 167,350 | (279,191) | 123,102 | 402,293 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (84,352) | (93,102) | (93,102) | - |
| Total Other Financing Sources (Uses) | (84,352) | (93,102) | (93,102) | - |
| Net Change in Fund Balances | 82,998 | (372,293) | 30,000 | 402,293 |
| Fund Balance, July 1 | 439,128 | 439,128 | 439,128 | - |
| Fund Balance, June 30 | \$ 522,126 | \$ 66,835 | \$ 469,128 | \$ 402,293 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-----------------|-----------------|-----------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salaries and Benefits | 722,439 | 722,439 | 575,217 | 147,222 |
| Total Expenditures | 722,439 | 722,439 | 575,217 | 147,222 |
| Excess (Deficiency) of Revenues Over Expenditures | (722,439) | (722,439) | (575,217) | 147,222 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 722,439 | 722,439 | 577,420 | (145,019) |
| Total Other Financing Sources (Uses) | 722,439 | 722,439 | 577,420 | (145,019) |
| Net Change In Fund Balances | - | - | 2,203 | 2,203 |
| Fund Balance, July 1 | (19,010) | (19,010) | (19,010) | - |
| Fund Balance, June 30 | (19,010) | (19,010) | (16,807) | 2,203 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-------------------|---------------------|-------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | | \$ 55,632 | \$ 90,107 | \$ 34,475 |
| Intergovernmental Revenues: | | | | |
| Grants | | 500,000 | 231,922 | (268,078) |
| Other Revenues: | | | | |
| Loan Payments | \$ 111,552 | 55,920 | 165,416 | 109,496 |
| Total Revenues | <u>111,552</u> | <u>611,552</u> | <u>487,445</u> | <u>(124,107)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Other Services and Supplies | 182,300 | 262,150 | 7,129 | 255,021 |
| Loans Made | | 593,125 | 200,000 | 393,125 |
| Capital Outlay: | | | | |
| Housing and Community Development | | 4,000 | | 4,000 |
| Total Expenditures | <u>182,300</u> | <u>859,275</u> | <u>207,129</u> | <u>652,146</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(70,748)</u> | <u>(247,723)</u> | <u>280,316</u> | <u>528,039</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | | | | |
| Transfers Out | 182,300 | 182,300 | | (182,300) |
| | (131,552) | (240,009) | (289,888) | (49,879) |
| Total Other Financing Sources (Uses) | <u>50,748</u> | <u>(57,709)</u> | <u>(289,888)</u> | <u>(232,179)</u> |
| Net Change In Fund Balances | <u>(20,000)</u> | <u>(305,432)</u> | <u>(9,572)</u> | <u>295,860</u> |
| Fund Balance, July 1 | 156,068 | 156,068 | 156,068 | - |
| Fund Balance, June 30 | <u>\$ 136,068</u> | <u>\$ (149,364)</u> | <u>\$ 146,496</u> | <u>\$ 295,860</u> |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|-----------------|------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 178 | \$ 178 | \$ 806 | \$ 628 |
| Other Revenues: | | | | |
| Miscellaneous Revenues | | | 5,125 | 5,125 |
| Total Revenues | 178 | 178 | 5,931 | 5,753 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Other Services and Supplies | | 2,751 | | 2,751 |
| Capital Outlay: | | | | |
| Public Safety | | 9,648 | 1,558 | 8,090 |
| Total Expenditures | - | 12,399 | 1,558 | 10,841 |
| Excess (Deficiency) of Revenues Over Expenditures | 178 | (12,221) | 4,373 | 16,594 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change In Fund Balances | 178 | (12,221) | 4,373 | 16,594 |
| Fund Balance, July 1 | 16,924 | 16,924 | 16,924 | - |
| Fund Balance, June 30 | \$ 17,102 | \$ 4,703 | \$ 21,297 | \$ 16,594 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental Revenues: | | | | |
| Other Subventions | \$ 85,280 | \$ 85,280 | \$ 100,827 | \$ 15,547 |
| Total Revenues | <u>85,280</u> | <u>85,280</u> | <u>100,827</u> | <u>15,547</u> |
| EXPENDITURES | | | | |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues Over Expenditures | 85,280 | 85,280 | 100,827 | 15,547 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (90,000) | (90,000) | (90,000) | - |
| Total Other Financing Sources (Uses) | <u>(90,000)</u> | <u>(90,000)</u> | <u>(90,000)</u> | <u>-</u> |
| Net Change in Fund Balances | (4,720) | (4,720) | 10,827 | 15,547 |
| Fund Balance, July 1 | 54,580 | 54,580 | 54,580 | - |
| Fund Balance, June 30 | <u>\$ 49,860</u> | <u>\$ 49,860</u> | <u>\$ 65,407</u> | <u>\$ 15,547</u> |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------------|------------------------|------------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 2,777 | \$ 2,777 | \$ 49 | \$ (2,728) |
| Intergovernmental Revenues: | | | | |
| Grants | 100,000 | 100,000 | 100,000 | - |
| Total Revenues | <u>102,777</u> | <u>102,777</u> | <u>100,049</u> | <u>(2,728)</u> |
| EXPENDITURES | | | | |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues Over Expenditures | <u>102,777</u> | <u>102,777</u> | <u>100,049</u> | <u>(2,728)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (100,000) | (100,000) | (100,000) | - |
| Total Other Financing Sources (Uses) | <u>(100,000)</u> | <u>(100,000)</u> | <u>(100,000)</u> | <u>-</u> |
| Net Change in Fund Balances | 2,777 | 2,777 | 49 | (2,728) |
| Fund Balance, July 1 | 1,127 | 1,127 | 1,127 | - |
| Fund Balance, June 30 | <u>\$ 3,904</u> | <u>\$ 3,904</u> | <u>\$ 1,176</u> | <u>\$ (2,728)</u> |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-------------------|------------------|-------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental Revenues: | | | | |
| Grants | | \$ 885 | \$ 885 | \$ 885 |
| Total Revenues | \$ - | \$ - | 885 | 885 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salaries and Benefits | | | 18,632 | (18,632) |
| Other Services and Supplies | 32,000 | 82,070 | 9,402 | 72,668 |
| Total Expenditures | 32,000 | 82,070 | 28,034 | 54,036 |
| Excess (Deficiency) of Revenues Over Expenditures | (32,000) | (82,070) | (27,149) | 54,921 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | (32,000) | (82,070) | (27,149) | 54,921 |
| Fund Balance, July 1 | 132,389 | 132,389 | 132,389 | - |
| Fund Balance, June 30 | \$ 100,389 | \$ 50,319 | \$ 105,240 | \$ 54,921 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Licenses and Permits: | | | | |
| Police Service Impact Fees | \$ 10,499 | \$ 10,499 | \$ 14,516 | \$ 4,017 |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | 1,739 | 1,739 | 1,850 | 111 |
| Total Revenues | <u>12,238</u> | <u>12,238</u> | <u>16,366</u> | <u>4,128</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Other Services and Supplies | 2,688 | 2,688 | | 2,688 |
| Total Expenditures | <u>2,688</u> | <u>2,688</u> | <u>-</u> | <u>2,688</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>9,550</u> | <u>9,550</u> | <u>16,366</u> | <u>6,816</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change In Fund Balances | 9,550 | 9,550 | 16,366 | 6,816 |
| Fund Balance, July 1 | 33,807 | 33,807 | 33,807 | - |
| Fund Balance, June 30 | \$ 43,357 | \$ 43,357 | \$ 50,173 | \$ 6,816 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|--|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Licenses and Permits: | | | | |
| Fire Service Impact Fees | \$ 3,122 | \$ 3,122 | \$ 5,468 | \$ 2,346 |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | 811 | 811 | 821 | 10 |
| Total Revenues | <u>3,933</u> | <u>3,933</u> | <u>6,289</u> | <u>2,356</u> |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| Other Services and Supplies | 2,688 | 2,688 | | 2,688 |
| Total Expenditures | <u>2,688</u> | <u>2,688</u> | <u>-</u> | <u>2,688</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 1,245 | 1,245 | 6,289 | 5,044 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change In Fund Balances | 1,245 | 1,245 | 6,289 | 5,044 |
| Fund Balance, July 1 | 15,816 | 15,816 | 15,816 | - |
| Fund Balance, June 30 | <u>\$ 17,061</u> | <u>\$ 17,061</u> | <u>\$ 22,105</u> | <u>\$ 5,044</u> |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|----------------|------------|----------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Other Revenues: | | | | |
| Refunds and Reimbursements | | \$ | 56,054 | \$ 56,054 |
| Total Revenues | \$ - | - | 56,054 | 56,054 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Other Services and Supplies | | 73,718 | 36,959 | 36,759 |
| Total Expenditures | - | 73,718 | 36,959 | 36,759 |
| Excess (Deficiency) of Revenues Over Expenditures | - | (73,718) | 19,095 | 92,813 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (354,238) | (354,238) | (15,000) | 339,238 |
| Total Other Financing Sources (Uses) | (354,238) | (354,238) | (15,000) | 339,238 |
| Net Change in Fund Balances | (354,238) | (427,956) | 4,095 | 432,051 |
| Fund Balance, July 1 | 926,403 | 926,403 | 926,403 | - |
| Fund Balance, June 30 | \$ 572,165 | \$ 498,447 | \$ 930,498 | \$ 432,051 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|-------------------|-----------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental Revenues: | | | | |
| Grants | \$ - | \$ 4,740 | \$ 4,637 | \$ (103) |
| Total Revenues | \$ - | \$ 4,740 | \$ 4,637 | \$ (103) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salaries and Benefits | 45,149 | 65,152 | 78,173 | (13,021) |
| Other Services and Supplies | 14,800 | 30,854 | 9,096 | 21,758 |
| Capital Outlay: | | | | |
| Public Safety | | 4,740 | 8,373 | (3,633) |
| Total Expenditures | 59,949 | 100,746 | 95,642 | 5,104 |
| Excess (Deficiency) of Revenues Over Expenditures | (59,949) | (96,006) | (91,005) | 5,001 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | (59,949) | (96,006) | (91,005) | 5,001 |
| Fund Balance, July 1 | 92,981 | 92,981 | 92,981 | - |
| Fund Balance, June 30 | \$ 33,032 | \$ (3,025) | \$ 1,976 | \$ 5,001 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|--|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Licenses and Permits: | | | | |
| General Services Impact Fees | \$ 10,336 | \$ 10,336 | \$ 14,495 | \$ 4,159 |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | 1,909 | 1,909 | 1,765 | (144) |
| Total Revenues | <u>12,245</u> | <u>12,245</u> | <u>16,260</u> | <u>4,015</u> |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| Other Services and Supplies | 2,688 | 2,688 | | 2,688 |
| Total Expenditures | <u>2,688</u> | <u>2,688</u> | <u>-</u> | <u>2,688</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 9,557 | 9,557 | 16,260 | 6,703 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers Out | (10,000) | (10,000) | (10,000) | - |
| Total Other Financing Sources (Uses) | <u>(10,000)</u> | <u>(10,000)</u> | <u>(10,000)</u> | <u>-</u> |
| Net Change in Fund Balances | (443) | (443) | 6,260 | 6,703 |
| Fund Balance, July 1 | 37,023 | 37,023 | 37,023 | - |
| Fund Balance, June 30 | <u>\$ 36,580</u> | <u>\$ 36,580</u> | <u>\$ 43,283</u> | <u>\$ 6,703</u> |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|----------------|----------------|----------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Special Maintenance Assessments | \$ 54,727 | \$ 54,727 | \$ 54,525 | \$ (202) |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | 4,245 | 4,245 | 3,037 | (1,208) |
| Total Revenues | 58,972 | 58,972 | 57,562 | (1,410) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salaries and Benefits | 31,919 | 13,583 | 6,233 | 7,350 |
| Other Services and Supplies | 83,921 | 102,257 | 36,043 | 66,214 |
| Total Expenditures | 115,840 | 115,840 | 42,276 | 73,564 |
| Excess (Deficiency) of Revenues Over Expenditures | (56,868) | (56,868) | 15,286 | 72,154 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | (56,868) | (56,868) | 15,286 | 72,154 |
| Fund Balance, July 1 | 70,606 | 70,606 | 70,606 | - |
| Fund Balance, June 30 | 13,738 | 13,738 | 85,892 | 72,154 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Special Benefit Assessments | \$ 20,668 | \$ 20,668 | \$ 20,668 | \$ - |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | 2,316 | 2,316 | 1,955 | (361) |
| Total Revenues | <u>22,984</u> | <u>22,984</u> | <u>22,623</u> | <u>(361)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salaries and Benefits | 13,013 | | | |
| Other Services and Supplies | 37,989 | 51,002 | 5,015 | 45,987 |
| Total Expenditures | <u>51,002</u> | <u>51,002</u> | <u>5,015</u> | <u>45,987</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(28,018)</u> | <u>(28,018)</u> | <u>17,608</u> | <u>45,626</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | <u>(28,018)</u> | <u>(28,018)</u> | <u>17,608</u> | <u>45,626</u> |
| Fund Balance, July 1 | <u>41,682</u> | <u>41,682</u> | <u>41,682</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 13,664</u> | <u>\$ 13,664</u> | <u>\$ 59,290</u> | <u>\$ 45,626</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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-------------------|-------------------|------------------|--|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Intergovernmental Revenues: | | | | |
| Grants | \$ 600,000 | \$ 600,000 | \$ 34,782 | \$ (565,218) |
| Total Revenues | <u>600,000</u> | <u>600,000</u> | <u>34,782</u> | <u>(565,218)</u> |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| Salaries and Benefits | 32,811 | 32,811 | 1,163 | 31,648 |
| Other Services and Supplies | | | 10,712 | (10,712) |
| Total Expenditures | <u>32,811</u> | <u>32,811</u> | <u>11,875</u> | <u>20,936</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 567,189 | 567,189 | 22,907 | (544,282) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change In Fund Balances | 567,189 | 567,189 | 22,907 | (544,282) |
| Fund Balance, July 1 | - | - | - | - |
| Fund Balance, June 30 | \$ 567,189 | \$ 567,189 | \$ 22,907 | \$ (544,282) |

CITY OF OROVILLE
STATE THEATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|----------------|---------------|----------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 851 | \$ 851 | \$ 386 | \$ (465) |
| Rents and Concessions | 55,875 | 55,875 | 46,121 | (9,754) |
| Other Revenues: | | | | |
| Donations | | | 51 | 51 |
| Total Revenues | 56,726 | 56,726 | 46,558 | (10,168) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salaries and Benefits | 12,982 | 12,982 | 6,513 | 6,469 |
| Other Services and Supplies | 55,364 | 55,632 | 60,246 | (4,614) |
| Capital Outlay: | | | | |
| Parks and Leisure | | 1,000 | 807 | 193 |
| Total Expenditures | 68,346 | 69,614 | 67,566 | 2,048 |
| Excess (Deficiency) of Revenues Over Expenditures | (11,620) | (12,888) | (21,008) | (8,120) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 15,000 | 16,000 | 16,000 | - |
| Total Other Financing Sources (Uses) | 15,000 | 16,000 | 16,000 | - |
| Net Change in Fund Balances | 3,380 | 3,112 | (5,008) | (8,120) |
| Fund Balance, July 1 | 638 | 638 | 638 | - |
| Fund Balance, June 30 | 4,018 | 3,750 | (4,370) | (8,120) |

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, 2008

| | 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 | 100,999 | 100,999 | 100,999 | - |
| Fund Balance, June 30 | \$ 100,999 | \$ 100,999 | \$ 100,999 | \$ - |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 5,519 | \$ 5,519 | \$ 9,801 | \$ 4,282 |
| Rents and Concessions | 72,000 | 72,000 | 72,000 | - |
| Total Revenues | 77,519 | 77,519 | 81,801 | 4,282 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salaries and Benefits | 1,477 | 1,510 | 1,533 | (23) |
| Other Services and Supplies | 7,000 | 41,914 | 17,143 | 24,771 |
| Capital Outlay: | | | | |
| General Government | | 72,227 | 70,813 | 1,414 |
| Total Expenditures | 8,477 | 115,651 | 89,489 | 26,162 |
| Excess (Deficiency) of Revenues Over Expenditures | 69,042 | (38,132) | (7,688) | 30,444 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | 69,042 | (38,132) | (7,688) | 30,444 |
| Fund Balance, July 1 | 220,608 | 220,608 | 220,608 | - |
| Fund Balance, June 30 | \$ 289,650 | \$ 182,476 | \$ 212,920 | \$ 30,444 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 30,700 | \$ 65,012 | \$ 78,167 | \$ 13,155 |
| Other Revenues: | | | | |
| Loan Payments | 171,562 | 137,250 | 164,294 | 27,044 |
| Total Revenues | 202,262 | 202,262 | 242,461 | 40,199 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Other Services and Supplies | 50,000 | 50,000 | 2,436 | 47,564 |
| Loans Made | 500,000 | 500,000 | 335,000 | 165,000 |
| Total Expenditures | 550,000 | 550,000 | 337,436 | 212,564 |
| Excess (Deficiency) of Revenues Over Expenditures | (347,738) | (347,738) | (94,975) | 252,763 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (15,116) | (15,116) | (5,116) | 10,000 |
| Total Other Financing Sources (Uses) | (15,116) | (15,116) | (5,116) | 10,000 |
| Net Change In Fund Balances | (362,854) | (362,854) | (100,091) | 262,763 |
| Fund Balance, July 1 | 912,139 | 912,139 | 912,139 | - |
| Fund Balance, June 30 | 549,285 | 549,285 | 812,048 | 262,763 |

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, 2008

| | Budget Amounts | | Final | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|--------------------|----------------|--------------------|--------------------|--|
| | Original | | | | |
| REVENUES | | | | | |
| Interest, Rents, and Concessions: | | | | | |
| Investment Earnings | \$ 80,427 | \$ | 80,427 | \$ 120,381 | \$ 39,954 |
| Other Revenues: | | | | | |
| Loan Payments | 178,752 | | 178,752 | 190,431 | 11,679 |
| Total Revenues | 259,179 | | 259,179 | 310,812 | 51,633 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Other Services and Supplies | | 88,770 | | 6,026 | 82,744 |
| Loans Made | | 465,037 | | 893 | 464,144 |
| Capital Outlay: | | | | | |
| Housing and Community Development | 55,770 | | 2,000 | - | 2,000 |
| Total Expenditures | 55,770 | 555,807 | 6,919 | 6,919 | 548,888 |
| Excess (Deficiency) of Revenues Over Expenditures | 203,409 | (296,628) | 303,893 | | 600,521 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 127,843 | | 127,843 | 407,688 | 279,845 |
| Transfers Out | (1,287,732) | | (2,934,028) | (1,626,294) | 1,307,734 |
| Total Other Financing Sources (Uses) | (1,159,889) | | (2,806,185) | (1,218,606) | 1,587,579 |
| Net Change In Fund Balances | (956,480) | | (3,102,813) | (914,713) | 2,188,100 |
| Fund Balance, July 1 | 1,837,955 | | 1,837,955 | 1,837,955 | - |
| Fund Balance, June 30 | \$ 881,475 | \$ | (1,264,858) | \$ 923,242 | \$ 2,188,100 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-------------------|--------------------|-------------------|--|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 12,762 | \$ 27,762 | \$ 48,116 | \$ 20,354 |
| Other Revenues: | | | | |
| Loan Payments | | | 61,765 | 61,765 |
| Total Revenues | <u>12,762</u> | <u>27,762</u> | <u>109,881</u> | <u>82,119</u> |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| Loans Made | | 579,003 | 537,376 | 41,627 |
| Total Expenditures | <u>-</u> | <u>579,003</u> | <u>537,376</u> | <u>41,627</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>12,762</u> | <u>(551,241)</u> | <u>(427,495)</u> | <u>123,746</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers In | 1,810 | 401,810 | 416,278 | 14,468 |
| Transfers Out | (10,000) | (258,722) | (230,975) | 27,747 |
| Total Other Financing Sources (Uses) | <u>(8,190)</u> | <u>143,088</u> | <u>185,303</u> | <u>42,215</u> |
| Net Change in Fund Balances | 4,572 | (408,153) | (242,192) | 165,961 |
| Fund Balance, July 1 | 351,719 | 351,719 | 351,719 | - |
| Fund Balance, June 30 | <u>\$ 356,291</u> | <u>\$ (56,434)</u> | <u>\$ 109,527</u> | <u>\$ 165,961</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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|-------------------|--------------------|-------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Interest, Rents, and Concessions: Investment Earnings | \$ 381 | \$ 381 | \$ 7,438 | \$ 7,057 |
| Total Revenues | <u>381</u> | <u>381</u> | <u>7,438</u> | <u>7,057</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Other Services and Supplies | | 10,000 | 119 | 9,881 |
| Loans Made | | 166,500 | - | 166,500 |
| Total Expenditures | <u>-</u> | <u>176,500</u> | <u>119</u> | <u>176,381</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>381</u> | <u>(176,119)</u> | <u>7,319</u> | <u>183,438</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (439) | (23,939) | - | 23,939 |
| Total Other Financing Sources (Uses) | <u>(439)</u> | <u>(23,939)</u> | <u>-</u> | <u>23,939</u> |
| Net Change in Fund Balances | (58) | (200,058) | 7,319 | 207,377 |
| Fund Balance, July 1 | 170,751 | 170,751 | 170,751 | - |
| Fund Balance, June 30 | \$ 170,693 | \$ (29,307) | \$ 178,070 | \$ 207,377 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|----------------|-------------|-----------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Other Revenues: | | | | |
| Loan Payments | | \$ 9,097 | \$ 9,097 | \$ 9,097 |
| Total Revenues | \$ - | - | 9,097 | 9,097 |
| EXPENDITURES | | | | |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues Over Expenditures | - | - | 9,097 | 9,097 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change In Fund Balances | - | - | 9,097 | 9,097 |
| Fund Balance, July 1 | - | - | - | - |
| Fund Balance, June 30 | \$ - | \$ - | \$ 9,097 | \$ 9,097 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-------------------|------------------|-------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 580 | \$ 580 | \$ 10,556 | \$ 9,976 |
| Total Revenues | 580 | 580 | 10,556 | 9,976 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Other Services and Supplies | | 232,000 | 16,789 | 215,211 |
| Total Expenditures | - | 232,000 | 16,789 | 215,211 |
| Excess (Deficiency) of Revenues Over Expenditures | 580 | (231,420) | (6,233) | 225,187 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | | (4,629) | - | 4,629 |
| Total Other Financing Sources (Uses) | - | (4,629) | - | 4,629 |
| Net Change In Fund Balances | 580 | (236,049) | (6,233) | 229,816 |
| Fund Balance, July 1 | 252,085 | 252,085 | 252,085 | - |
| Fund Balance, June 30 | \$ 252,665 | \$ 16,036 | \$ 245,852 | \$ 229,816 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 18,717 | \$ 18,717 | \$ 19,381 | \$ 664 |
| Other Revenues: | | | | |
| Loan Payments | 43,200 | 43,200 | 51,865 | 8,665 |
| Miscellaneous | | | 11,482 | 11,482 |
| Total Revenues | 61,917 | 61,917 | 82,728 | 20,811 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Other Services and Supplies | 4,000 | 20,658 | 28,194 | (7,536) |
| Loans Made | | 35,000 | | 35,000 |
| Total Expenditures | 4,000 | 55,658 | 28,194 | 27,464 |
| Excess (Deficiency) of Revenues Over Expenditures | 57,917 | 6,259 | 54,534 | 48,275 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (20,000) | (23,737) | (20,000) | 3,737 |
| Total Other Financing Sources (Uses) | (20,000) | (23,737) | (20,000) | 3,737 |
| Net Change in Fund Balances | 37,917 | (17,478) | 34,534 | 52,012 |
| Fund Balance, July 1 | 249,283 | 249,283 | 249,283 | - |
| Fund Balance, June 30 | \$ 287,200 | \$ 231,805 | \$ 283,817 | \$ 52,012 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|----------------|-------------------|--|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Interest, Rents, and Concessions: Investment Earnings | \$ 1,584 | \$ 1,584 | \$ 5,416 | \$ 3,832 |
| Total Revenues | 1,584 | 1,584 | 5,416 | 3,832 |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| Other Services and Supplies | 32,000 | 126,017 | 206 | 125,811 |
| Total Expenditures | 32,000 | 126,017 | 206 | 125,811 |
| Excess (Deficiency) of Revenues Over Expenditures | (30,416) | (124,433) | 5,210 | 129,643 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | (30,416) | (124,433) | 5,210 | 129,643 |
| Fund Balance, July 1 | 124,423 | 124,423 | 124,423 | - |
| Fund Balance, June 30 | \$ 94,007 | \$ (10) | \$ 129,633 | \$ 129,643 |

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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|--|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 500 | \$ 500 | \$ 449 | \$ (51) |
| Current Service Charges: | | | | |
| Other Charges | 814 | 814 | 1,179 | 365 |
| Total Revenues | <u>1,314</u> | <u>1,314</u> | <u>1,628</u> | <u>314</u> |
| <u>EXPENDITURES</u> | | | | |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues Over Expenditures | 1,314 | 1,314 | 1,628 | 314 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | 1,314 | 1,314 | 1,628 | 314 |
| Fund Balance, July 1 | 9,691 | 9,691 | 9,691 | - |
| Fund Balance, June 30 | \$ 11,005 | \$ 11,005 | \$ 11,319 | \$ 314 |

CITY OF OROVILLE
 COMBINING BALANCE SHEET
 DEBT SERVICE FUNDS
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

| | 1974 Sewer Bond Fund | City Debt Service Fund | Assessment District 1993-1 Redemption Fund | Totals 2008 |
|--|----------------------------|------------------------------|--|-------------------|
| Cash | \$ 42,537 | \$ 246,697 | \$ 97,681 | \$ 386,915 |
| Receivables: | | | | |
| Accounts | | 22,498 | 4,301 | 26,799 |
| Interest | 2 | | | 2 |
| Total Assets | \$ 42,539 | \$ 269,195 | \$ 101,982 | \$ 413,716 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Vouchers Payable | | | \$ 82,050 | \$ 82,050 |
| Total Liabilities | | | \$ 82,050 | \$ 82,050 |
| Fund Balances: | | | | |
| Reserved For Debt Service | 42,539 | 269,195 | 19,932 | 331,666 |
| Unreserved - Undesignated | | | | |
| Total Fund Balances | 42,539 | 269,195 | 19,932 | 331,666 |
| Total Liabilities and Fund Balances | \$ 42,539 | \$ 269,195 | \$ 101,982 | \$ 413,716 |

**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, 2008**

| | 1974 Sewer Bond Fund | City Debt Service Fund | Assessment District 1993-1 Redemption Fund | Totals 2008 |
|--|----------------------------|------------------------------|--|-------------------|
| REVENUES | | | | |
| Interest, Rents, and Concessions | 1,783 | | | 1,783 |
| Other Revenues - Fees | \$ 652,545 | | | 652,545 |
| Total Revenues | 1,783 | 652,545 | \$ - | 654,328 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Other Services and Supplies | | | 93,988 | 93,988 |
| Debt Service: | | | | |
| Principal Retirement | | 133,794 | 1,397,505 | 1,531,299 |
| Interest and Fiscal Charges | | 446,732 | 113,362 | 560,094 |
| Total Expenditures | - | 580,526 | 1,604,855 | 2,185,381 |
| Excess (Deficiency) of Revenues Over Expenditures | 1,783 | 72,019 | (1,604,855) | (1,531,053) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | | 36,811 | 1,303,433 | 1,340,244 |
| Transfers Out | | | (268,376) | (268,376) |
| Total Other Financing Sources (Uses) | - | 36,811 | 1,035,057 | 1,071,868 |
| Net Change In Fund Balances | 1,783 | 108,830 | (569,798) | (459,185) |
| Fund Balances, July 1 | 40,756 | 160,365 | 589,730 | 790,851 |
| Fund Balances, June 30 | \$ 42,539 | \$ 269,195 | \$ 19,932 | \$ 331,666 |

CITY OF OROVILLE
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS FUNDS
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

| | Equipment Replacement Fund | New Capital Equipment Fund | Capital Projects Fund | Building Facilities Capital Improvement Fund | Oroville Redevelopment Agency 2001 Bond Fund | Oroville Redevelopment Agency 1995 Bond Fund | Oroville Redevelopment Agency 2004 Bond Fund | Totals 2008 |
|--|----------------------------|----------------------------|-----------------------|--|--|--|--|---------------------|
| ASSETS | | | | | | | | |
| Cash and Investments | \$ 801,104 | \$ 195,845 | | | \$ 1,244,285 | \$ 385,586 | \$ 3,751,829 | \$ 6,378,649 |
| Receivables: | | | | | | | | |
| Grants | | | \$ 351,161 | | | | | 351,161 |
| Interest | | | | | | | | 45,202 |
| Loans | 11,964 | | | | 11,349 | | 33,853 | 11,964 |
| Due From Other Funds | 18,908 | | | | | | | 18,908 |
| Advances Due From Other Funds | 93,764 | | | | | | | 93,764 |
| Total Assets | \$ 925,740 | \$ 195,845 | \$ 351,161 | \$ - | \$ 1,255,634 | \$ 385,586 | \$ 3,785,682 | \$ 6,899,648 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Vouchers Payable | | | | | | | | |
| Contract Retentions Payable | 821 | 7,491 | 32,659 | 3,901 | 2,861 | 3,135 | 759 | 51,627 |
| Due To Other Funds | | | 102,101 | 89,545 | | | | 191,646 |
| Deferred Revenues - Unearned | 11,964 | | | | | | | 11,964 |
| Total Liabilities | 12,785 | 7,491 | 134,760 | 93,446 | 2,861 | 3,135 | 759 | 255,237 |
| Fund Balances: | | | | | | | | |
| Reserved: | | | | | | | | |
| Encumbrances | 93,764 | 25,955 | | | 20,635 | | 56,775 | 122,984 |
| Long Term Receivables | | | | | | | | 93,764 |
| Unreserved: | | | | | | | | |
| Undesignated | 819,191 | 162,399 | 216,401 | (93,446) | 1,232,138 | 362,832 | 3,728,148 | 6,427,663 |
| Total Fund Balances | 912,955 | 188,354 | 216,401 | (93,446) | 1,252,773 | 382,451 | 3,784,923 | 6,644,411 |
| Total Liabilities and Fund Balances | \$ 925,740 | \$ 195,845 | \$ 351,161 | \$ - | \$ 1,255,634 | \$ 385,586 | \$ 3,785,682 | \$ 6,899,648 |

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, 2008

| | Equipment Replacement Fund | New Capital Equipment Fund | Capital Projects Fund | Building Facilities Capital Improvement Fund | Oroville Redevelopment Agency 2001 Bond Fund | Oroville Redevelopment Agency 1995 Bond Fund | Oroville Redevelopment Agency 2004 Bond Fund | Totals 2008 |
|---|----------------------------|----------------------------|-----------------------|--|--|--|--|---------------------|
| REVENUES | | | | | | | | |
| Interest, Rents, and Concessions Intergovernmental Revenues | \$ 41,096 | \$ 2,239 | \$ 2,691,507 | \$ 766 | \$ 71,078 | \$ 1,676 | \$ 181,627 | \$ 298,482 |
| Other Revenues | 15,897 | | 15,995 | | | | | 2,691,507 |
| Total Revenues | <u>56,993</u> | <u>2,239</u> | <u>2,707,502</u> | <u>766</u> | <u>71,078</u> | <u>1,676</u> | <u>181,627</u> | <u>3,021,881</u> |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| Loans Made | 12,877 | | | | | | | 12,877 |
| Capital Outlay: | | | | | | | | |
| General Government | 4,289 | 6,190 | | 53,711 | 23,819 | 29,381 | 223,554 | 340,944 |
| Public Safety | 96,869 | 9,484 | | | | | | 106,353 |
| Public Works | | 8,612 | | | | | | 8,612 |
| Streets and Storm Drains | | 173,768 | 2,564,599 | | 163,378 | 15 | 387,636 | 3,115,628 |
| Parks and Leisure | | | 260,102 | | | 6,116 | | 439,986 |
| Total Expenditures | <u>114,035</u> | <u>198,054</u> | <u>2,824,701</u> | <u>53,711</u> | <u>187,197</u> | <u>35,512</u> | <u>611,190</u> | <u>4,024,400</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(57,042)</u> | <u>(195,815)</u> | <u>(117,199)</u> | <u>(52,945)</u> | <u>(116,119)</u> | <u>(33,836)</u> | <u>(429,563)</u> | <u>(1,002,519)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Capital Lease Transfers In | 19,000 | 169,347 | 383,849 | | | | | 169,347 |
| Transfers Out | | 150,000 | | | (408,420) | | | 552,849 |
| Total Other Financing Sources (Uses) | <u>19,000</u> | <u>319,347</u> | <u>383,849</u> | <u>-</u> | <u>(408,420)</u> | <u>-</u> | <u>-</u> | <u>313,776</u> |
| Net Change in Fund Balances | <u>(38,042)</u> | <u>123,532</u> | <u>266,650</u> | <u>(52,945)</u> | <u>(524,539)</u> | <u>(33,836)</u> | <u>(429,563)</u> | <u>(688,743)</u> |
| Fund Balances, July 1 | 950,997 | 64,822 | (50,249) | (40,501) | 1,777,312 | 416,287 | 4,214,486 | 7,333,154 |
| Fund Balances, June 30 | <u>\$ 912,955</u> | <u>\$ 188,354</u> | <u>\$ 216,401</u> | <u>\$ (93,446)</u> | <u>\$ 1,252,773</u> | <u>\$ 382,451</u> | <u>\$ 3,784,923</u> | <u>\$ 6,644,411</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, 2008

| | <u>Budget Amounts</u> | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-----------------------|-------------------|-------------------|--|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 44,868 | \$ 44,868 | \$ 41,096 | \$ (3,772) |
| Other Revenues: | | | | |
| Refunds/Reimbursements | | | 15,897 | 15,897 |
| Total Revenues | <u>44,868</u> | <u>44,868</u> | <u>56,993</u> | <u>12,125</u> |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| Loans Made | 25,000 | 25,000 | 12,877 | 12,123 |
| Capital Outlay: | | | | |
| General Governmental | | 7,179 | 4,289 | 2,890 |
| Public Safety | | 104,263 | 96,869 | 7,394 |
| Public Works | 100,850 | | | |
| Total Expenditures | <u>125,850</u> | <u>136,442</u> | <u>114,035</u> | <u>22,407</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(80,982)</u> | <u>(91,574)</u> | <u>(57,042)</u> | <u>34,532</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers In | 19,000 | 19,000 | 19,000 | - |
| Total Other Financing Sources (Uses) | <u>19,000</u> | <u>19,000</u> | <u>19,000</u> | <u>-</u> |
| Net Change in Fund Balances | <u>(61,982)</u> | <u>(72,574)</u> | <u>(38,042)</u> | <u>34,532</u> |
| Fund Balance, July 1 | 950,997 | 950,997 | 950,997 | - |
| Fund Balance, June 30 | <u>\$ 889,015</u> | <u>\$ 878,423</u> | <u>\$ 912,955</u> | <u>\$ 34,532</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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|-------------------|-------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 2,465 | \$ 2,465 | \$ 2,239 | \$ (226) |
| Total Revenues | <u>2,465</u> | <u>2,465</u> | <u>2,239</u> | <u>(226)</u> |
| EXPENDITURES | | | | |
| Capital Outlay: | | | | |
| General Governmental | 18,500 | 8,258 | 6,190 | 2,068 |
| Public Safety | 11,700 | 11,700 | 9,484 | 2,216 |
| Public Works | 9,867 | 9,809 | 8,612 | 1,197 |
| Parks and Leisure | 8,200 | 33,155 | 173,768 | (140,613) |
| Total Expenditures | <u>48,267</u> | <u>62,922</u> | <u>198,054</u> | <u>(135,132)</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(45,802)</u> | <u>(60,457)</u> | <u>(195,815)</u> | <u>(135,358)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Capital Lease Proceeds | | | 169,347 | 169,347 |
| Transfers In | | 150,000 | 150,000 | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>150,000</u> | <u>319,347</u> | <u>169,347</u> |
| Net Change In Fund Balances | (45,802) | 89,543 | 123,532 | 33,989 |
| Fund Balance, July 1 | 64,822 | 64,822 | 64,822 | - |
| Fund Balance, June 30 | <u>\$ 19,020</u> | <u>\$ 154,365</u> | <u>\$ 188,354</u> | <u>\$ 33,989</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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|----------------|-----------------------|-----------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental Revenues: | | | | |
| Grants | \$ | 5,214,533 | \$ 2,691,507 | \$ (2,523,026) |
| Other Revenue: | | | | |
| Refunds and Reimbursements | | | 15,995 | 15,995 |
| Total Revenues | \$ | <u>5,214,533</u> | <u>2,707,502</u> | <u>(2,507,031)</u> |
| EXPENDITURES | | | | |
| Capital Outlay: | | | | |
| Streets and Storm Drains | | 4,128,344 | 2,564,599 | 1,563,745 |
| Parks and Leisure | | 522,661 | 260,102 | 262,559 |
| Total Expenditures | | <u>4,651,005</u> | <u>2,824,701</u> | <u>1,826,304</u> |
| Excess (Deficiency) of Revenues Over Expenditures | | <u>563,528</u> | <u>(117,199)</u> | <u>(680,727)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | | 214,300 | 383,849 | 169,549 |
| Total Other Financing Sources (Uses) | | <u>214,300</u> | <u>383,849</u> | <u>169,549</u> |
| Net Change in Fund Balances | | 777,828 | 266,650 | (511,178) |
| Fund Balance, July 1 | | (50,249) | (50,249) | - |
| Fund Balance, June 30 | \$ | <u><u>727,579</u></u> | <u><u>216,401</u></u> | <u><u>(511,178)</u></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, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|--------------------|------------------|--------------------|--|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 197 | \$ 197 | \$ 766 | \$ 569 |
| Total Revenues | <u>197</u> | <u>197</u> | <u>766</u> | <u>569</u> |
| <u>EXPENDITURES</u> | | | | |
| Capital Outlay: | | | | |
| General Government | | 653,712 | 53,711 | 600,001 |
| Total Expenditures | <u>-</u> | <u>653,712</u> | <u>53,711</u> | <u>600,001</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>197</u> | <u>(653,515)</u> | <u>(52,945)</u> | <u>600,570</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Loan Proceeds | | 700,000 | | (700,000) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>700,000</u> | <u>-</u> | <u>(700,000)</u> |
| Net Change in Fund Balances | 197 | 46,485 | (52,945) | (99,430) |
| Fund Balance, July 1 | (40,501) | (40,501) | (40,501) | - |
| Fund Balance, June 30 | \$ (40,304) | \$ 5,984 | \$ (93,446) | \$ (99,430) |

CITY OF OROVILLE
OROVILLE REDEVELOPMENT AGENCY 2001 BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|---------------------|--------------------|---------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 31,936 | \$ 31,936 | \$ 70,028 | \$ 38,092 |
| Rents | | | 1,050 | 1,050 |
| Total Revenues | <u>31,936</u> | <u>31,936</u> | <u>71,078</u> | <u>39,142</u> |
| EXPENDITURES | | | | |
| Capital Outlay: | | | | |
| General Government | | 305,313 | 23,819 | 281,494 |
| Streets and Storm Drains | | 300,245 | 163,378 | 136,867 |
| Parks and Leisure | | 498,186 | | 498,186 |
| Total Expenditures | <u>-</u> | <u>1,103,744</u> | <u>187,197</u> | <u>916,547</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>31,936</u> | <u>(1,071,808)</u> | <u>(116,119)</u> | <u>955,689</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | | (214,300) | (408,420) | (194,120) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(214,300)</u> | <u>(408,420)</u> | <u>(194,120)</u> |
| Net Change in Fund Balances | 31,936 | (1,286,108) | (524,539) | 761,569 |
| Fund Balance, July 1 | 1,777,312 | 1,777,312 | 1,777,312 | - |
| Fund Balance, June 30 | <u>\$ 1,809,248</u> | <u>\$ 491,204</u> | <u>\$ 1,252,773</u> | <u>\$ 761,569</u> |

CITY OF OROVILLE
 OROVILLE REDEVELOPMENT AGENCY 1995 BOND FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|--|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | | \$ | 1,676 | \$ 1,676 |
| Intergovernmental Revenues: | | | | |
| State Grants | \$ | 125,000 | | (125,000) |
| Total Revenues | \$ - | <u>125,000</u> | <u>1,676</u> | <u>(123,324)</u> |
| <u>EXPENDITURES</u> | | | | |
| Capital Outlay: | | | | |
| General Government | | 185,449 | 29,381 | 156,068 |
| Streets and Storm Drains | | 43,680 | 15 | 43,665 |
| Parks and Leisure | | 202,252 | 6,116 | 196,136 |
| Total Expenditures | - | <u>431,381</u> | <u>35,512</u> | <u>395,869</u> |
| Excess (Deficiency) of Revenues Over Expenditures | - | <u>(306,381)</u> | <u>(33,836)</u> | <u>272,545</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | - | <u>(306,381)</u> | <u>(33,836)</u> | <u>272,545</u> |
| Fund Balance, July 1 | 416,287 | 416,287 | 416,287 | - |
| Fund Balance, June 30 | <u>\$ 416,287</u> | <u>\$ 109,906</u> | <u>\$ 382,451</u> | <u>\$ 272,545</u> |

CITY OF OROVILLE
 OROVILLE REDEVELOPMENT AGENCY 2004 BOND FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2008

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Interest, Rents, and Concessions: | | | | |
| Investment Earnings | \$ 130,000 | \$ 130,000 | \$ 181,627 | \$ 51,627 |
| Total Revenues | <u>130,000</u> | <u>130,000</u> | <u>181,627</u> | <u>51,627</u> |
| EXPENDITURES | | | | |
| Capital Outlay: | | | | |
| General Government | | 1,444,459 | 223,554 | 1,220,905 |
| Streets and Storm Drains | | 785,687 | 387,636 | 398,051 |
| Parks and Leisure | | 13,934 | | 13,934 |
| Total Expenditures | | <u>2,244,080</u> | <u>611,190</u> | <u>1,632,890</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>130,000</u> | <u>(2,114,080)</u> | <u>(429,563)</u> | <u>1,684,517</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Total Other Financing Sources (Uses) | | | | |
| Net Change in Fund Balances | 130,000 | (2,114,080) | (429,563) | 1,684,517 |
| Fund Balance, July 1 | 4,214,486 | 4,214,486 | 4,214,486 | - |
| Fund Balance, June 30 | <u>\$ 4,344,486</u> | <u>\$ 2,100,406</u> | <u>\$ 3,784,923</u> | <u>\$ 1,684,517</u> |

CITY OF OROVILLE
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2008

| | Payroll Revolving Fund | Stores Revolving Fund | Vehicle Maintenance Fund | Workers' Compensation Revolving Fund | Unemployment Insurance Fund | Vision Insurance Fund | Totals 2008 |
|------------------------------------|------------------------------|-----------------------------|--------------------------------|---|-----------------------------------|-----------------------------|------------------|
| ASSETS | | | | | | | |
| Current Assets: | | | | | | | |
| Cash | \$ 15,714 | \$ 83,033 | \$ 21,053 | \$ 1,465,720 | \$ 42,274 | \$ 83,606 | \$ 1,711,400 |
| Receivables: | | | | | | | |
| Accounts | 418 | 10,235 | 49,466 | 14,887 | 714 | | 16,019 |
| Inventory | | | | | | | 59,701 |
| Total Assets | <u>15,714</u> | <u>93,686</u> | <u>70,519</u> | <u>1,480,607</u> | <u>42,988</u> | <u>83,606</u> | <u>1,787,120</u> |
| LIABILITIES | | | | | | | |
| Current Liabilities: | | | | | | | |
| Vouchers Payable/Claims Payable | | 1,234 | 7,599 | 28 | | 2,657 | 11,518 |
| Accrued Salaries and Benefits | 15,714 | | 5,553 | | | | 21,267 |
| Accrued Employee Compensated Leave | | | 11,508 | 327,072 | | | 11,508 |
| Unpaid Claims Liability | | | | | | | 327,072 |
| Total Liabilities | <u>15,714</u> | <u>1,234</u> | <u>24,660</u> | <u>327,100</u> | <u>-</u> | <u>2,657</u> | <u>371,365</u> |
| NET ASSETS | | | | | | | |
| Unrestricted | | 92,452 | 45,859 | 1,153,507 | 42,988 | 80,949 | 1,416,755 |
| Total Net Assets | <u>-</u> | <u>92,452</u> | <u>45,859</u> | <u>1,153,507</u> | <u>42,988</u> | <u>80,949</u> | <u>1,415,755</u> |

CITY OF OROVILLE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

| | Payroll Revolving Fund | Stores Revolving Fund | Vehicle Maintenance Fund | Workers' Compensation Revolving Fund | Unemployment Insurance Fund | Vision Insurance Fund | Totals 2008 |
|--|------------------------------|-----------------------------|--------------------------------|---|-----------------------------------|-----------------------------|----------------|
| <u>OPERATING REVENUES</u> | | | | | | | |
| Incoming Provisions | | | \$ 454,182 | \$ 539,434 | \$ 18,102 | \$ 42,786 | \$ 1,054,504 |
| Reimbursements | \$ 49,865 | | 2,648 | 424,173 | | | 476,686 |
| Total Operating Revenues | \$ 49,865 | | 456,830 | 963,607 | 18,102 | 42,786 | 1,531,190 |
| <u>OPERATING EXPENSES</u> | | | | | | | |
| Salaries and Benefits | | | 155,707 | | | | 155,707 |
| Supplies | 20,964 | | 235,400 | | | | 256,364 |
| Other Services and Charges | 13,085 | | 28,935 | 3,240 | | | 45,260 |
| Claims | | | | 351,578 | 6,038 | 25,021 | 382,637 |
| Total Operating Expenses | 34,049 | | 420,042 | 354,818 | 6,038 | 25,021 | 839,968 |
| Net Operating Income | 15,816 | | 36,788 | 608,789 | 12,064 | 17,765 | 691,222 |
| <u>NONOPERATING REVENUES (EXPENSES)</u> | | | | | | | |
| Investment Earnings | | | | 47,712 | 1,590 | 3,095 | 52,397 |
| Total Nonoperating Revenues (Expenses) | | | | 47,712 | 1,590 | 3,095 | 52,397 |
| Income (Loss) Before Operating Transfers | 15,816 | | 36,788 | 656,501 | 13,654 | 20,860 | 743,619 |
| Transfers In | | | 4,617 | (288,000) | | | 4,617 |
| Transfers Out | | | | | | | (288,000) |
| Change in Net Assets | 15,816 | | 41,405 | 368,501 | 13,654 | 20,860 | 460,236 |
| Net Assets, July 1 | | | 4,454 | 785,006 | 29,334 | 60,089 | 955,519 |
| Net Assets, June 30 | \$ 92,452 | | 45,859 | \$ 1,153,507 | \$ 42,988 | \$ 80,949 | \$ 1,415,755 |

CITY OF OROVILLE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

| | Payroll Revolving Fund | Stores Revolving Fund | Vehicle Maintenance Fund | Workers' Compensation Revolving Fund | Unemployment Insurance Fund | Vision Insurance Fund | Totals 2008 |
|---|------------------------------|-----------------------------|--------------------------------|---|-----------------------------------|-----------------------------|---------------------|
| <u>Cash Flows From Operating Activities</u> | | | | | | | |
| Receipts From Customers and Users | | | \$ 2,648 | \$ 409,286 | | | \$ 411,934 |
| Receipts From Interfund Services Provided | | | 454,182 | 539,434 | \$ 17,388 | \$ 42,786 | 1,103,655 |
| Payments to Employees | \$ (2,558) | (34,636) | (154,225) | (303,902) | (6,038) | (23,388) | (154,225) |
| Payments to Suppliers | | | (291,976) | | | | (662,498) |
| Net Cash Provided (Used) By Operating Activities | <u>(2,558)</u> | <u>15,229</u> | <u>10,629</u> | <u>644,818</u> | <u>11,350</u> | <u>19,398</u> | <u>698,866</u> |
| <u>Cash Flows From Noncapital Financing Activities</u> | | | | | | | |
| Transfers In | | | 4,617 | (288,000) | | | 4,617 |
| Transfers Out | | | | | | | (288,000) |
| Net Cash Provided (Used) By Noncapital Financing Activities | | | <u>4,617</u> | <u>(288,000)</u> | | | <u>(283,383)</u> |
| <u>Cash Flows From Investing Activities</u> | | | | | | | |
| Interest on Investments | | | | 47,712 | 1,590 | 3,095 | 52,397 |
| Net Cash Provided (Used) By Investing Activities | | | | <u>47,712</u> | <u>1,590</u> | <u>3,095</u> | <u>52,397</u> |
| Net Increase (Decrease) in Cash | (2,558) | 15,229 | 15,246 | 404,530 | 12,940 | 22,493 | 467,880 |
| Cash Balance, July 1 | 18,272 | 67,804 | 5,807 | 1,061,190 | 29,334 | 61,113 | 1,243,520 |
| Cash Balance, June 30 | \$ 15,714 | \$ 83,033 | \$ 21,053 | \$ 1,465,720 | \$ 42,274 | \$ 83,606 | \$ 1,711,400 |

Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:

| | | | | | | | |
|--|-------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|
| Operating Income (Loss) | \$ - | \$ 15,816 | \$ 36,788 | \$ 608,789 | \$ 12,064 | \$ 17,765 | \$ 691,222 |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used): | | | | | | | |
| Decrease (Increase) in Accounts Receivable | | (1,821) | (24,150) | (14,887) | (714) | | (15,601) |
| Decrease (Increase) in Inventory | | 1,234 | (3,491) | 28 | | 1,633 | (25,971) |
| Increase (Decrease) in Vouchers Payable | | | 1,482 | | | | (596) |
| Increase (Decrease) in Accrued Salaries and Benefits | (2,558) | | | 50,888 | | | (1,076) |
| Increase (Decrease) in Other Liabilities | | | | | | | 50,888 |
| Total Adjustments | <u>(2,558)</u> | <u>(587)</u> | <u>(26,159)</u> | <u>36,029</u> | <u>(714)</u> | <u>1,633</u> | <u>7,644</u> |
| Net Cash Provided (Used) By Operating Activities | \$ (2,558) | \$ 15,229 | \$ 10,629 | \$ 644,818 | \$ 11,350 | \$ 19,398 | \$ 698,866 |

CITY OF OROVILLE
 COMBINING BALANCE SHEET
 AGENCY FUNDS
 JUNE 30, 2008

| | Feather River Bluffs Fund | Special Deposit Trust Fund | Honor Grove Fund | Totals 2008 |
|--------------------------|------------------------------------|-------------------------------------|------------------------|-------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash | \$ 17,509 | \$ 755,311 | \$ 194 | \$ 773,014 |
| Receivables: | | | | |
| Taxes | | 2,556 | | 2,556 |
| Total Assets | \$ 17,509 | \$ 757,867 | \$ 194 | \$ 775,570 |
| | | | | |
| LIABILITIES | | | | |
| Vouchers Payable | | 35,742 | | 35,742 |
| Deposits Payable | | 637,558 | | 637,558 |
| Due to Other Agencies | 17,509 | 84,567 | 194 | 102,270 |
| Total Liabilities | \$ 17,509 | \$ 757,867 | \$ 194 | \$ 775,570 |

CITY OF OROVILLE
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

| | Balance July 1, 2007 | Additions | Deletions | Balance June 30, 2008 |
|-----------------------------------|-------------------------|---------------------|---------------------|--------------------------|
| <u>Feather River Bluffs Fund</u> | | | | |
| <u>ASSETS</u> | | | | |
| Cash | \$ 16,778 | \$ 731 | | \$ 17,509 |
| Total Assets | \$ 16,778 | \$ 731 | \$ - | \$ 17,509 |
| <u>LIABILITIES</u> | | | | |
| Due to Other Agencies | \$ 16,778 | \$ 731 | | \$ 17,509 |
| Total Liabilities | \$ 16,778 | \$ 731 | \$ - | \$ 17,509 |
| <u>Special Deposit Trust Fund</u> | | | | |
| <u>ASSETS</u> | | | | |
| Cash | \$ 386,676 | \$ 1,996,978 | \$ 1,628,343 | \$ 755,311 |
| Receivables: | | | | |
| Taxes | 13,642 | 2,556 | 13,642 | 2,556 |
| Total Assets | \$ 400,318 | \$ 1,999,534 | \$ 1,641,985 | \$ 757,867 |
| <u>LIABILITIES</u> | | | | |
| Vouchers Payable | \$ 10,582 | \$ 35,742 | \$ 10,582 | \$ 35,742 |
| Deposits Payable | 283,351 | 1,879,225 | 1,525,018 | 637,558 |
| Due to Other Agencies | 106,385 | 84,567 | 106,385 | 84,567 |
| Total Liabilities | \$ 400,318 | \$ 1,999,534 | \$ 1,641,985 | \$ 757,867 |
| <u>Honor Grove Fund</u> | | | | |
| <u>ASSETS</u> | | | | |
| Cash | \$ 194 | | | \$ 194 |
| Total Assets | \$ 194 | \$ - | \$ - | \$ 194 |
| <u>LIABILITIES</u> | | | | |
| Due to Other Agencies | \$ 194 | | | \$ 194 |
| Total Liabilities | \$ 194 | \$ - | \$ - | \$ 194 |

Continued

CITY OF OROVILLE
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

| <u>Total</u> | <u>Balance July 1, 2007</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2008</u> |
|--------------------------|---------------------------------|---------------------|---------------------|----------------------------------|
| ASSETS | | | | |
| Cash | \$ 403,648 | \$ 1,997,709 | \$ 1,628,343 | \$ 773,014 |
| Receivables: | | | | |
| Taxes | 13,642 | 2,556 | 13,642 | 2,556 |
| Total Assets | \$ 417,290 | \$ 2,000,265 | \$ 1,641,985 | \$ 775,570 |
| LIABILITIES | | | | |
| Vouchers Payable | \$ 10,582 | \$ 35,742 | \$ 10,582 | \$ 35,742 |
| Deposits Payable | 283,351 | 1,879,225 | 1,525,018 | 637,558 |
| Due to Other Agencies | 123,357 | 85,298 | 106,385 | 102,270 |
| Total Liabilities | \$ 417,290 | \$ 2,000,265 | \$ 1,641,985 | \$ 775,570 |

CITY OF OROVILLE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
JUNE 30, 2008 AND 2007

| | 2008 | 2007 |
|--|-----------------------------|-----------------------------|
| Governmental Funds Capital Assets: | | |
| Land | \$ 6,737,237 | \$ 6,737,237 |
| Improvements Other Than Buildings | 3,318,215 | 3,318,215 |
| Buildings | 9,284,222 | 8,194,472 |
| Underground Collector System | 3,993,666 | 3,993,666 |
| Machinery and Equipment | 6,495,086 | 6,375,756 |
| Infrastructure | 34,414,739 | 33,006,965 |
| Construction in Progress | 7,671,559 | 5,768,406 |
| Total Governmental Funds Capital Assets | <u>\$ 71,914,724</u> | <u>\$ 67,394,717</u> |

Investments in Governmental Funds Capital Assets by Source:

| | | |
|--|-----------------------------|-----------------------------|
| City Governmental Funds: | | |
| General Fund | 1,141,411 | \$ 1,342,304 |
| Special Revenue Funds | 6,437,148 | 5,214,142 |
| Capital Projects Funds | 19,972,811 | 16,474,916 |
| Assets Acquired in Prior Years | 44,173,533 | 44,173,534 |
| Donations | 189,821 | 189,821 |
| Total Governmental Funds Capital Assets | <u>\$ 71,914,724</u> | <u>\$ 67,394,717</u> |

All of the City's capital assets are used in the operations of governmental funds. Capital assets that did not readily identify the funding source have been reported as "Assets Acquired in Prior Years."

CITY OF OROVILLE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 JUNE 30, 2008

| | Land | Improvements Other Than Buildings | Buildings | Underground Collection System | Machinery And Equipment | Infrastructure | Construction In Progress | Total |
|---|---------------------|---|---------------------|-------------------------------------|-------------------------------|----------------------|-----------------------------|----------------------|
| General Government | \$ 63,455 | | \$ 769,991 | | \$ 258,705 | | \$ | 1,092,151 |
| Public Safety | 52,500 | \$ 189,840 | 1,254,358 | | 3,680,236 | | \$ 12,756 | 5,189,690 |
| Public Works and Streets | 3,032,869 | 953,675 | 1,357,126 | | 1,733,044 | \$ 33,232,485 | 145,081 | 40,454,280 |
| Parks and Community Relations | 599,841 | 877,524 | 3,753,341 | | 623,435 | | 1,491,266 | 7,345,407 |
| Transportation | 2,255,711 | 1,297,176 | 1,310,049 | | 7,000 | 1,182,254 | | 6,052,190 |
| Health and Sanitation | | | | \$ 3,993,666 | | | | 3,993,666 |
| Housing and Community Development | 732,861 | | 839,357 | | 192,666 | | 6,022,456 | 7,787,340 |
| Total Governmental Fund Capital Assets | \$ 6,737,237 | \$ 3,318,215 | \$ 9,284,222 | \$ 3,993,666 | \$ 6,495,086 | \$ 34,414,739 | \$ 7,671,559 | \$ 71,914,724 |

CITY OF OROVILLE
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 FOR THE YEAR ENDED JUNE 30, 2008

| | Balance July 1, 2007 | Additions | Deletions | Balance June 30, 2008 |
|-----------------------------------|-------------------------|---------------------|-------------------|--------------------------|
| General Government | \$ 1,077,619 | \$ 14,532 | | \$ 1,092,151 |
| Public Safety | 5,267,738 | 131,841 | 209,889 | 5,189,690 |
| Public Works and Streets | 38,889,204 | 1,702,452 | 137,376 | 40,454,280 |
| Parks and Community Relations | 6,585,796 | 759,611 | | 7,345,407 |
| Transportation | 6,052,190 | | | 6,052,190 |
| Health and Sanitation | 3,993,666 | | | 3,993,666 |
| Housing and Community Development | 5,528,504 | 2,766,889 | 508,053 | 7,787,340 |
| Total General Fixed Assets | \$ 67,394,717 | \$ 5,375,325 | \$ 855,318 | \$ 71,914,724 |

Table 1

CITY OF OROVILLE
NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
 (only years available)
 (accrual basis of accounting)

| | Fiscal Year | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Governmental activities: | | | | | | |
| Invested in capital assets, net of related debt | \$ 16,463,031 | \$ 18,539,335 | \$ 19,602,707 | \$ 9,496,652 | \$ 9,433,101 | \$ 9,049,646 |
| Restricted | 2,552,981 | 2,331,036 | 2,117,771 | 4,327,621 | 6,785,954 | 4,423,121 |
| Unrestricted | 6,150,482 | 7,878,229 | 10,016,196 | 21,453,033 | 22,413,007 | 29,717,622 |
| Total Governmental Activities Net Assets | \$ 25,166,494 | \$ 28,748,600 | \$ 31,736,674 | \$ 35,277,306 | \$ 38,632,062 | \$ 43,190,389 |
| Business-type activities: | | | | | | |
| Invested in capital assets, net of related debt | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | - | - | - | - | - | - |
| Unrestricted | 69,656 | 91,759 | 84,167 | 444,930 | 739,232 | 868,639 |
| Total Business-Type Activities Net Assets | \$ 69,656 | \$ 91,759 | \$ 84,167 | \$ 444,930 | \$ 739,232 | \$ 868,639 |
| Primary government: | | | | | | |
| Invested in capital assets, net of related debt | \$ 16,463,031 | \$ 18,539,335 | \$ 19,602,707 | \$ 9,496,652 | \$ 9,433,101 | \$ 9,049,646 |
| Restricted | 2,552,981 | 2,331,036 | 2,117,771 | 4,327,621 | 6,785,954 | 4,423,121 |
| Unrestricted | 6,220,138 | 7,969,988 | 10,100,363 | 21,897,963 | 23,152,239 | 30,586,261 |
| Total Primary Government Net Assets | \$ 25,236,150 | \$ 28,840,359 | \$ 31,820,841 | \$ 35,722,236 | \$ 39,371,294 | \$ 44,059,028 |

The City of Oroville implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to implementation is not available.

CITY OF OROVILLE
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(only years available)
(accrual basis of accounting)

| | Fiscal Year | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Expenses | | | | | | |
| Governmental Activities: | | | | | | |
| General Government | \$ 1,905,765 | \$ 2,168,097 | \$ 2,059,019 | \$ 1,955,466 | \$ 2,250,497 | \$ 2,333,025 |
| Public Safety | 4,596,067 | 5,027,715 | 5,573,955 | 6,039,555 | 6,588,449 | 6,789,797 |
| Public Works | 1,123,315 | 1,221,645 | 1,271,814 | 1,264,877 | 1,454,510 | 1,596,817 |
| Streets and Storm Drains | 707,519 | 668,491 | 684,273 | 794,733 | 1,172,901 | 1,707,890 |
| Transportation | 206,029 | 135,496 | 194,411 | 360,690 | 455,305 | 608,313 |
| Parks and Leisure | 825,479 | 984,715 | 1,016,945 | 973,716 | 1,038,579 | 1,064,824 |
| Health and Sanitation | 1,079,628 | 1,056,899 | 1,064,965 | 1,120,658 | 1,287,714 | 1,356,115 |
| Housing and Community Development | 4,391,819 | 5,076,656 | 4,966,380 | 7,604,125 | 8,556,595 | 7,375,036 |
| Interest and Fiscal Charges | 2,643,566 | 1,520,866 | 1,569,160 | 2,020,781 | 1,751,264 | 1,932,990 |
| Total Governmental Activities Expenses | 17,479,187 | 17,860,580 | 18,400,922 | 22,134,601 | 24,555,814 | 24,764,807 |
| Business-Type Activities: | | | | | | |
| Local Transportation | 284,103 | 335,562 | 368,189 | 450,989 | 376,907 | 429,477 |
| Total Business-Type Activities Expenses | 284,103 | 335,562 | 368,189 | 450,989 | 376,907 | 429,477 |
| Total Primary Government Expenses | \$ 17,763,290 | \$ 18,196,142 | \$ 18,769,111 | \$ 22,585,590 | \$ 24,932,721 | \$ 25,194,284 |
| Program Revenues | | | | | | |
| Governmental Activities: | | | | | | |
| Charges For Services: | | | | | | |
| General Government | \$ 113,329 | \$ 759,018 | \$ 626,967 | \$ 474,839 | \$ 516,860 | \$ 1,045,071 |
| Public Safety | 408,274 | 415,672 | 544,773 | 524,241 | 588,707 | 529,571 |
| Public Works | 49,554 | 344,229 | 75,777 | 203,488 | 518,926 | 418,601 |
| Streets and Storm Drains | 95,957 | 334,030 | 253,481 | 897,961 | 515,088 | 503,593 |
| Transportation | 136,703 | 135,700 | 216,123 | 317,589 | 475,224 | 556,697 |
| Parks and Leisure | 29,958 | 199,173 | 175,143 | 110,888 | 121,011 | 190,298 |
| Health and Sanitation | 1,360,221 | 1,488,139 | 1,403,067 | 1,511,202 | 1,683,329 | 1,804,262 |
| Housing and Community Development | 3,192,976 | 3,861,730 | 2,879,717 | 5,486,346 | 3,939,222 | 3,223,725 |
| Operating Grants and Contributions | 1,530,135 | 2,345,202 | 1,089,440 | 3,176,966 | 3,900,722 | 3,744,832 |
| Capital Grants and Contributions | 797,598 | 480,203 | 1,074,987 | 192,709 | 1,995,122 | 3,345,417 |
| Total Governmental Activities Program Revenues | 7,714,705 | 10,363,096 | 8,339,475 | 12,896,229 | 14,254,211 | 15,362,067 |
| Business-Type Activities: | | | | | | |
| Charges For Services: | | | | | | |
| Local Transportation | 19,705 | 15,003 | 18,386 | 18,011 | 17,989 | 6,975 |
| Operating Grants and Contributions | 283,129 | 338,313 | 334,796 | 504,195 | 627,198 | 520,174 |
| Capital Grants and Contributions | - | - | - | - | - | - |
| Total Business-Type Activities Program Revenues | 302,834 | 353,316 | 353,182 | 522,206 | 645,187 | 527,149 |
| Total Primary Government Program Revenues | \$ 8,017,539 | \$ 10,716,412 | \$ 8,692,657 | \$ 13,418,435 | \$ 14,899,398 | \$ 15,889,216 |
| Net Expense/(Revenue) | | | | | | |
| Governmental activities | \$ 9,764,482 | \$ 7,497,484 | \$ 10,061,447 | \$ 9,238,372 | \$ 10,301,603 | \$ 9,402,740 |
| Business-Type activities | (18,731) | (17,754) | 15,007 | (71,217) | (268,280) | (97,672) |
| Total Primary Government Net Expense | \$ 9,745,751 | \$ 7,479,730 | \$ 10,076,454 | \$ 9,167,155 | \$ 10,033,323 | \$ 9,305,068 |

continued

CITY OF OROVILLE
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(only years available)
(accrual basis of accounting)

| | Fiscal Year | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| General Revenues And Other Changes In Net Assets | | | | | | |
| Governmental Activities: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes | \$ 4,159,404 | \$ 4,417,233 | \$ 4,660,741 | \$ 5,352,094 | \$ 6,020,342 | \$ 6,809,199 |
| Sales and Use Taxes | 2,769,044 | 2,897,290 | 3,018,263 | 2,765,394 | 2,737,202 | 2,735,269 |
| Sales and Use Taxes In-Lieu | - | - | - | 1,791,244 | 2,161,518 | 2,070,355 |
| Documentary Stamp Tax | 51,233 | 61,963 | 52,301 | 91,389 | 82,967 | 55,679 |
| Transient Occupancy Tax | 316,714 | 331,803 | 352,354 | 336,453 | 323,713 | 320,145 |
| Utility Users Tax | 1,125,580 | 1,147,103 | 1,197,309 | 1,328,099 | 1,384,802 | 1,432,010 |
| Franchise Tax | 307,456 | 301,911 | 311,702 | 302,601 | 411,410 | 395,561 |
| Investment Earnings | 639,396 | 156,887 | 2,607,477 | 219,413 | 302,126 | 285,453 |
| Unrestricted Grants and Contributions | 885,266 | 599,948 | 849,374 | 504,741 | 232,279 | 361,927 |
| Miscellaneous | - | 930,852 | - | - | - | - |
| Total Governmental Activities | 10,254,093 | 10,844,990 | 13,049,521 | 12,691,428 | 13,656,359 | 14,465,598 |
| Business-Type Activities: | | | | | | |
| Investment Earnings | 4,251 | 4,349 | 7,415 | 12,513 | 26,022 | 31,735 |
| Total Business-Type Activities | 4,251 | 4,349 | 7,415 | 12,513 | 26,022 | 31,735 |
| Total Primary Government | \$ 10,258,344 | \$ 10,849,339 | \$ 13,056,936 | \$ 12,703,941 | \$ 13,682,381 | \$ 14,497,333 |
| Change in Net Assets | | | | | | |
| Governmental activities | \$ 489,611 | \$ 3,347,506 | \$ 2,988,074 | \$ 3,453,056 | \$ 3,354,756 | \$ 5,062,858 |
| Business-Type activities | 22,982 | 22,103 | (7,592) | 83,730 | 294,302 | 129,407 |
| Total Primary Government | \$ 512,593 | \$ 3,369,609 | \$ 2,980,482 | \$ 3,536,786 | \$ 3,649,058 | \$ 5,192,265 |

The City of Oroville implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to implementation is not available.

Table 3

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

| | Fiscal Year | | | | | |
|------------------------------------|----------------------|----------------------|---------------------------|----------------------|----------------------|----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| General Fund: | | | | | | |
| Reserved | \$ 1,865,456 | \$ 1,864,323 | \$ 1,859,197 | \$ 2,090,721 | \$ 2,336,720 | \$ 2,003,949 |
| Unreserved | 1,250,971 | 1,578,368 | 1,797,917 | 2,092,987 | 2,286,506 | 2,785,687 |
| Total General Fund | <u>\$ 3,116,427</u> | <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> |
| All Other Governmental Funds: | | | | | | |
| Reserved | \$ 27,609,228 | \$ 27,483,113 | \$ 32,480,719 | \$ 36,477,244 | \$ 37,366,342 | \$ 34,614,264 |
| Unreserved, Reported In: | | | | | | |
| Special Revenue Funds | 14,151,999 | 14,703,341 | (13,411,583) ¹ | (15,048,282) | (14,273,994) | (12,707,204) |
| Debt Service Funds | 152,226 | 98,580 | 492,162 | 666,414 | 790,851 | 331,666 |
| Capital Projects Funds | 6,782,871 | 5,261,117 | 8,390,602 | 7,021,812 | 6,865,904 | 6,427,663 |
| Total All Other Governmental Funds | <u>\$ 48,696,324</u> | <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> |

The City of Oroville has elected to show only six years of data for this schedule.

¹ Decrease in unreserved due to reporting Oroville Redevelopment Agency advances payable to other funds.

Table 4

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

| | Fiscal Year | | | | | |
|--|----------------------|-----------------------|---------------------|---------------------|---------------------|-----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Revenues | | | | | | |
| Taxes | \$ 8,728,930 | \$ 9,173,415 | \$ 9,592,670 | \$ 11,967,574 | \$ 13,121,954 | \$ 13,818,218 |
| Special Assessments | 351,036 | 352,070 | 496,876 | 200,246 | 177,149 | - |
| Licenses and Permits | 287,251 | 667,826 | 617,506 | 481,411 | 670,988 | 902,469 |
| Fines and Forfeitures | 92,514 | 87,496 | 65,102 | 72,607 | 91,652 | 81,311 |
| Interest, Rents, and Concessions | 3,029,080 | 2,404,481 | 2,959,726 | 5,054,138 | 3,754,779 | 3,407,932 |
| Intergovernmental Revenues | 3,311,438 | 3,441,916 | 3,943,311 | 3,964,804 | 6,334,566 | 7,473,793 |
| Current Service Charges | 1,429,641 | 1,757,667 | 1,680,247 | 1,924,401 | 2,225,183 | 2,150,264 |
| Other Revenues | 2,326,129 | 4,425,141 | 3,299,714 | 3,235,400 | 2,869,356 | 3,254,837 |
| Total Revenues | 19,556,019 | 22,310,012 | 22,655,152 | 26,880,581 | 29,245,627 | 31,088,824 |
| Expenditures | | | | | | |
| General Government | 1,808,024 | 2,087,760 | 1,963,497 | 1,962,238 | 2,188,558 | 2,277,407 |
| Public Safety | 4,398,812 | 4,870,513 | 5,402,885 | 5,980,420 | 6,566,957 | 6,941,375 |
| Public Works | 246,939 | 244,516 | 250,969 | 251,611 | 358,093 | 392,907 |
| Streets and Storm Drains | 704,024 | 677,864 | 695,956 | 813,115 | 988,692 | 998,588 |
| Transportation | 127,102 | 53,685 | 112,766 | 270,892 | 366,683 | 525,557 |
| Parks and Leisure | 730,415 | 842,668 | 872,768 | 832,592 | 915,284 | 984,536 |
| Health and Sanitation | 997,915 | 1,062,503 | 1,072,167 | 1,135,167 | 1,238,363 | 1,383,795 |
| Housing and Community Development | 4,395,832 | 5,441,172 | 4,871,635 | 6,493,459 | 8,545,882 | 5,410,572 |
| Capital Outlay | 4,014,148 | 2,882,147 | 3,423,900 | 3,522,838 | 3,029,727 | 7,240,127 |
| Debt Service: | | | | | | |
| Principal Retirement | 886,547 | 2,705,090 | 1,000,000 | 714,162 | 568,333 | 3,541,299 |
| Interest and Fiscal Charges | 3,307,601 | 2,685,443 | 2,752,469 | 3,286,531 | 2,899,632 | 3,257,164 |
| Payoff Unfunded Pension Expense | - | - | - | - | 7,066,747 | 1 |
| Other Charges | 888,183 | - | 321,250 | - | 120,659 | - |
| Total Expenditures | 22,505,542 | 23,553,361 | 22,740,252 | 25,263,025 | 34,853,610 | 32,953,327 |
| Excess of Revenues Over(Under) Expenditures | (2,949,523) | (1,243,349) | (85,100) | 1,617,556 | (5,607,983) | (1,864,503) |
| Other Financing Sources(Uses) | | | | | | |
| Transfers In | 20,445,975 | 7,686,202 | 18,318,484 | 10,157,834 | 9,911,653 | 9,888,613 |
| Transfers Out | (20,451,232) | (7,690,802) | (18,106,854) | (10,170,784) | (9,671,144) | (9,605,230) |
| Bonds Issued | 36,510,000 | - | 10,625,000 | - | 7,260,000 | - |
| Premium on Bonds Issued | 208,436 | - | 499 | - | - | - |
| Discount on Bonds Issued | - | - | (51,806) | - | (72,594) | - |
| Payment to Bond Refunding Escrow Agent | (23,164,657) | - | (5,135,514) | - | - | - |
| Other Long-Term Debt Proceeds | - | 189,440 | - | - | 251,501 | 169,347 |
| Total Other Financing Sources(Uses) | 13,548,522 | 184,840 | 5,649,809 | (12,950) | 7,679,416 | 452,730 |
| Net Change In Fund Balances | \$ 10,598,999 | \$ (1,058,509) | \$ 5,564,709 | \$ 1,604,606 | \$ 2,071,433 | \$ (1,411,773) |
| Debt Service as Percentage of Noncapital Expenditures | 27.5% | 26.5% | 21.0% | 17.5% | 33.3% | 23.9% |

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

The City of Oroville has elected to show only six years of data for this schedule.

Table 5

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

| Fiscal Year | City of Oroville | | | | Oroville Redevelopment Agency | | | | Total Direct Tax Rate |
|-------------|------------------|-----------|---------|------------------------|-------------------------------|------------|----------|------------------------|-----------------------|
| | Secured | Unsecured | Utility | Taxable Assessed Value | Secured | Unsecured | Utility | Taxable Assessed Value | |
| 2003 | \$ 33,013 | \$ 1,814 | \$ 285 | \$ 35,112 | \$ 506,781 | \$ 101,761 | \$ 3,079 | \$ 611,621 | 0.683% |
| 2004 | 34,466 | 1,357 | 323 | 36,146 | 532,859 | 102,594 | 3,331 | 638,784 | 0.654% |
| 2005 | 41,738 | 1,276 | 398 | 43,412 | 581,061 | 94,548 | 3,834 | 679,443 | 0.645% |
| 2006 | 44,622 | 985 | 373 | 45,980 | 652,036 | 102,325 | 3,620 | 757,981 | 0.666% |
| 2007 | 48,552 | 3,037 | 1,804 | 53,393 | 751,208 | 107,491 | 1,706 | 860,405 | 0.659% |
| 2008 | 72,327 | 1,260 | 21 | 73,608 | 854,448 | 111,609 | 955 | 967,012 | 0.579% |

The City of Oroville has elected to show only six years of data for this schedule.

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 SIX FISCAL YEARS
 (Rate per \$100 of assessed valuation)

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| City Direct Rates: | | | | | |
| City of Oroville/Oroville Redevelopment Agency | \$ 1.000000 | \$ 1.000000 | \$ 1.000000 | \$ 1.000000 | \$ 1.000000 |
| Total City Direct Rate | <u>1.000000</u> | <u>1.000000</u> | <u>1.000000</u> | <u>1.000000</u> | <u>1.000000</u> |
| Overlapping Rates: | | | | | |
| Butte College | 0.017110 | 0.016003 | 0.020880 | 0.020880 | 0.020880 |
| Oroville Elementary School | 0.022224 | 0.025149 | 0.019335 | 0.018679 | 0.017190 |
| Oroville High School District | 0.027247 | 0.017321 | 0.016897 | 0.017241 | 0.014688 |
| | <u>\$ 1.066581</u> | <u>\$ 1.058473</u> | <u>\$ 1.057112</u> | <u>\$ 1.056800</u> | <u>\$ 1.052758</u> |

The City of Oroville has elected to show only six years of data for this schedule.

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 | 2008 | | | 1999 | | |
|--|----------------------------|------|--|----------------------------|------|--|
| | Taxable Assessed Valuation | Rank | Percentage of Total Assessed Valuation | Taxable Assessed Valuation | Rank | Percentage of Total Assessed Valuation |
| Pacific Coast Producers | \$ 25,215 | 1 | 2.42% | \$ 18,941 | 1 | 3.63% |
| Roplast Industries, Inc | 12,131 | 2 | 1.17% | 7,560 | 5 | 1.45% |
| Currier Square Spe LLC | 11,730 | 3 | 1.13% | - | - | - |
| Sierra Pacific Industries | 10,644 | 4 | 1.02% | - | - | - |
| Home Depot USA | 10,907 | 5 | 1.05% | - | - | - |
| Oroville Medical Complex | 10,156 | 6 | 0.98% | - | - | - |
| Pacific Oroville Power | 8,409 | 7 | 0.81% | - | - | - |
| Oroville Plaza Shopping | 7,459 | 8 | 0.72% | - | - | - |
| Ammunition Accessories | 6,735 | 9 | 0.65% | - | - | - |
| Wal Mart Stores Inc. | 6,425 | 10 | 0.62% | - | - | - |
| Pension Fund For Operating Engineers Trust | - | - | - | 6,017 | 7 | 1.15% |
| Western Investment Real Estate Trust | - | - | - | 7,653 | 4 | 1.47% |
| Blount, Inc | - | - | - | 8,632 | 3 | 1.66% |
| Oroville Cogeneration Ltd. Partnership | - | - | - | 9,534 | 2 | 1.83% |
| Northwind Properties Ltd. | - | - | - | 6,592 | 6 | 1.26% |
| Golden Calle Vista Investors LP | - | - | - | 3,108 | 9 | 0.60% |
| Lynn Family Partnership | - | - | - | 856 | 10 | 0.16% |
| | - | - | - | 3,805 | 8 | 0.73% |
| Totals | \$ 109,811 | | 10.55% | \$ 72,698 | | 13.94% |

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 SIX FISCAL YEARS
 (only years available)

| Fiscal Year | Taxes Levied for the Fiscal Year | Collected Within the Fiscal Year of Levy | | Collections in Subsequent Years | Total Collections to Date | |
|-------------|----------------------------------|--|-----------------|---------------------------------|---------------------------|------------------------|
| | Fiscal Year | Amount | Percent of Levy | | Amount | As Percent Of Tax Levy |
| 2003 | \$ 5,397,934 | \$ 4,693,740 | 86.95% | 103,221 | \$ 4,796,961 | 88.87% |
| 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% |

Note: The amounts presented include City of Oroville and Oroville Redevelopment Agency property taxes. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies.

Source: Department of Finance, City of Oroville

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

| Fiscal Year | Governmental Activities | | | | | | | | | | Debt Per Capita |
|-------------|-------------------------|------------------|-----------|--------------------------|--------------------------|-------------------------------|-------------------------|--------------------------|-------------------------------|----------|-----------------|
| | OPFA ¹ | | | | | Total Governmental Activities | | | | | |
| | Revenue Bonds | Allocation Bonds | Tax Bonds | Pension Obligation Bonds | Limited Obligation Bonds | Capital Leases | Governmental Activities | Total Primary Government | Percentage of Personal Income | | |
| 2003 | \$ 3,275,000 | \$ 23,095,000 | \$ - | \$ - | \$ 2,915,000 | \$ 5,187 | \$ 29,290,187 | \$ 29,290,187 | 9.55% | \$ 2,236 | |
| 2004 | 1,880,000 | 22,965,000 | - | - | 1,880,000 | - | 26,725,000 | 26,725,000 | 8.26% | 2,014 | |
| 2005 | 1,600,000 | 28,340,000 | - | - | 1,600,000 | - | 31,540,002 | 31,540,002 | 9.32% | 2,364 | |
| 2006 | 1,500,000 | 27,885,000 | - | - | 1,440,838 | - | 30,825,838 | 30,825,838 | 8.95% | 2,306 | |
| 2007 | 1,460,000 | 27,400,000 | 7,260,000 | 7,260,000 | 1,397,505 | 251,501 | 37,769,009 | 37,769,009 | 10.06% | 2,797 | |
| 2008 | - | 26,850,000 | 7,175,000 | 7,175,000 | - | 372,054 | 34,397,062 | 34,397,062 | 10.81% | 2,374 | |

The City of Oroville has elected to show only six years of data for this schedule.

¹ 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.

² The OPFA issued \$10,625,000 of new tax allocation bonds in fiscal year 2005.

³ The City issued \$7,260,000 in pension obligation bonds in fiscal year 2007

Bond issue was paid in full in fiscal year 2008.

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

Table 10

CITY OF OROVILLE
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST SIX FISCAL YEARS
 (only years available)

| Fiscal Year | Governmental Activities | | | | | Percentage of Assessed Value ¹ | Per Capita |
|-------------|-------------------------|---------------|----------------------|--------------------------|---------------|---|------------|
| | OPFA | | Tax Allocation Bonds | Pension Obligation Bonds | Total | | |
| | Revenue Bonds | | | | | | |
| 2003 | \$ 3,275,000 | \$ 23,095,000 | \$ - | \$ - | \$ 26,370,000 | 4.08% | 2,013 |
| 2004 | 1,880,000 | 22,965,000 | - | - | 24,845,000 | 3.68% | 1,872 |
| 2005 | 1,600,000 | 28,340,000 | - | - | 29,940,000 | 4.14% | 2,244 |
| 2006 | 1,500,000 | 27,885,000 | - | - | 29,385,000 | 3.66% | 2,198 |
| 2007 | 1,460,000 | 27,400,000 | 7,260,000 | 7,260,000 | 36,120,000 | 3.95% | 2,675 |
| 2008 | - | 26,850,000 | 7,175,000 | 7,175,000 | 34,025,000 | 3.27% | 2,348 |

¹ Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

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

**CITY OF OROVILLE
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2008**

City of Oroville Assessed Valuation
 Oroville Redevelopment Agency Assessed Valuation
 Total Assessed Valuation

\$ (52,258,728)
 966,056,981
\$ 913,798,253

| | Percentage Applicable ¹ | Outstanding Debt 06/30/08 | Estimated Share of Overlapping Debt |
|--|---------------------------------------|---------------------------------|--|
| Overlapping Debt Repaid With Property Taxes: | | | |
| Oroville Unified Elementary District General Obligation Bonds | 3.006% | \$ 5,371,411 | \$ 161,465 |
| Oroville Unified High School District General Obligation Bonds | 6.292% | 9,371,431 | 589,650 |
| Butte Community College District | 6.116% | 62,943,079 | 3,849,599 |
| Total Overlapping Debt Repaid With Property Taxes | | <u>77,685,921</u> | <u>4,600,714</u> |

Overlapping Other Debt:

| | | | |
|------------------------------|---|----------------------|------------------|
| Total Other Overlapping Debt | - | - | - |
| Total Overlapping Debt | | <u>\$ 77,685,921</u> | <u>4,600,714</u> |

Direct Debt

| | | | |
|-----------------------------------|--|--|----------------------|
| Total Direct And Overlapping Debt | | | <u>\$ 34,397,062</u> |
| | | | <u>\$ 38,997,776</u> |

¹ 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**

| | Fiscal Year | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Assessed Valuation | \$ 521,444,000 | \$ 563,613,000 | \$ 575,241,238 | \$ 610,383,093 | \$ 658,485,885 | \$ 686,687,607 | \$ 734,588,128 | \$ 815,869,239 | \$ 1,028,203,577 | \$ 1,135,257,495 |
| Conversion percentage | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% |
| Adjusted assessed valuation | \$ 130,361,000 | \$ 140,903,250 | \$ 143,810,310 | \$ 152,595,773 | \$ 164,621,471 | \$ 171,671,902 | \$ 183,647,032 | \$ 203,967,310 | \$ 257,050,894 | \$ 283,814,374 |
| Charter debt limit percentage | 3.75% | 3.75% | 3.75% | 3.75% | 3.75% | 3.75% | 3.75% | 3.75% | 3.75% | 3.75% |
| Debt limit | \$ 19,554,150 | \$ 21,135,488 | \$ 21,571,546 | \$ 22,889,366 | \$ 24,693,221 | \$ 25,750,785 | \$ 27,547,055 | \$ 30,595,096 | \$ 38,557,634 | \$ 42,572,156 |
| Total net debt applicable to limit: General obligation bonds | - | - | - | - | - | - | - | - | 7,260,000 | 7,175,000 |
| Legal debt margin | \$ 19,554,150 | \$ 21,135,488 | \$ 21,571,546 | \$ 22,889,366 | \$ 24,693,221 | \$ 25,750,785 | \$ 27,547,055 | \$ 30,595,096 | \$ 31,297,634 | \$ 35,397,156 |
| Total debt applicable to the limit as a percentage of debt limit | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 18.8% | 16.9% |

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 SIX FISCAL YEARS
(only years available)**

| Fiscal Year | Tax Allocation Bonds | | | | Coverage |
|-------------|----------------------|------------|-----------------------|--|----------|
| | Tax Increment | Principal | Debt Service Interest | | |
| 2003 | \$ 3,684,050 | \$ 390,000 | \$ 1,266,764 | | 2.22 |
| 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 | 1,164,200 | | 1.98 |

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

The City of Oroville has elected to show only six years of data for this schedule.

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 NINE FISCAL YEARS
 (only years available)

| Calendar Year | Population ¹ | Personal Income ² (in thousands) | Per Capita Personal Income | Unemployment Rate ³ |
|---------------|-------------------------|--|----------------------------|--------------------------------|
| 2000 | 12,645 | \$ 273,470 | \$ 21,627 | 10.3% |
| 2001 | 13,004 | 292,648 | 22,504 | 10.6% |
| 2002 | 13,100 | 306,772 | 23,418 | 10.9% |
| 2003 | 13,271 | 323,389 | 24,368 | 9.5% |
| 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% |

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 | 2008 | | 1999 | |
|---------------------------|---------------------|-----------------------------|---------------------|-----------------------------|
| | Number of Employees | Percent of Total Employment | Number of Employees | Percent of Total Employment |
| County of Butte | 2,384 | 24.78% | 2,105 | 45.25% |
| Oroville Medical Complex | 1,233 | 12.81% | 883 | 18.98% |
| Pacific Coast Producers | 725 | 7.53% | 520 | 11.18% |
| Wal Mart Stores, Inc. | 261 | 2.71% | 224 | 4.82% |
| Home Depot USA | 105 | 1.09% | - | 0.00% |
| City of Oroville | 119 | 1.24% | 99 | 2.13% |
| Currier Square Spe LLC | 127 | 1.32% | 93 | 2.00% |
| Roplast Industries, Inc. | 103 | 1.07% | 97 | 2.09% |
| Ammunition Accessories | 96 | 1.00% | 83 | 1.78% |
| Sierra Pacific Industries | 135 | 1.40% | 100 | 2.15% |

"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 Total Employment of 85.90%. The estimate assumes constant change between known years.

Source: Butte County Auditor-Controller's Office

Table 16

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

| Function | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|
| General Government | 15 | 15 | 17 | 18 | 21 | 20 | 20 | 19 | 22 | 24 |
| Public Safety | 55 | 56 | 59 | 59 | 59 | 56 | 56 | 57 | 60 | 61 |
| Public Works | 11 | 11 | 10 | 10 | 10 | 13 | 13 | 13 | 13 | 11 |
| Community Development | 7 | 7 | 8 | 8 | 8 | 12 | 12 | 12 | 11 | 14 |
| Parks and Trees | 9 | 9 | 9 | 11 | 11 | 10 | 10 | 10 | 10 | 10 |
| | <u>97</u> | <u>98</u> | <u>103</u> | <u>106</u> | <u>109</u> | <u>111</u> | <u>111</u> | <u>111</u> | <u>116</u> | <u>120</u> |

Source: City of Oroville Budget

CITY OF OROVILLE
OPERATING INDICATORS BY FUNCTION
LAST FIVE FISCAL YEARS
 (only years available)

| Function | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|--------|--------|--------|--------|--------|
| Police: | | | | | |
| Arrests | 1,625 | 2,831 | 2,439 | 2,496 | 2,444 |
| Parking Citations Issued | 159 | 355 | 283 | 302 | 225 |
| Fire: | | | | | |
| Number of Emergency Calls | 3,024 | 3,301 | 3,697 | 3,947 | 3,651 |
| Inspections | 3,455 | 4,140 | 3,638 | 3,420 | 2,723 |
| Public Works: | | | | | |
| Street Resurfacing (miles) | - | 10 | - | 1 | - |
| Parks and Recreation: | | | | | |
| Number of Facility Rentals | 153 | 281 | 332 | 110 | 133 |
| Wastewater: | | | | | |
| New Connections ¹ | 16 | 9 | 14 | 10 | 156 |
| Average Daily Flows (thousands of gallons) | 115.96 | 114.19 | 124.65 | 124.65 | 111.28 |

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 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 124.25 | 124.25 | 124.25 | 124.25 | 124.25 | 131.59 | 132.63 | 132.88 |
| Streetlights | 1,223 | 1,223 | 1,223 | 1,223 | 1,223 | 1,223 | 1,229 | 1,234 | 1,256 | 1,375 |
| Traffic Signals | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 17 |
| Parks and Recreation: Parks | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Community Centers | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Wastewater ¹ : Sewer Lines (miles) | 73 | 73 | 73 | 73 | 73 | 73 | 73 | 73 | 73 | 73 |
| Sewer Storm Drains | 73 | 73 | 73 | 73 | 73 | 73 | 73 | 73 | 73 | 73 |
| Maximum Daily Capacity (thousands of gallons) | 107.46 | 108.58 | 104.25 | 113.93 | 118.11 | 115.96 | 114.19 | 124.65 | 124.65 | 111.28 |

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
Sewerage Commission - Oroville Region

CITY OF OROVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

| 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: | | |
| CDBG No. 05-EDBG-1977 | 14.228 | \$ 225,562 |
| CDBG No. 06-EDBG-2699 | 14.228 | 6,360 |
| CDBG No. 04-STBG-1965 | 14.228 | 65,436 |
| CDBG No. 06-STBG-2564 | 14.228 | 8,826 |
| CDBG No. 06-STBG-2607 | 14.228 | 646,431 |
| 04-PTAA-0331 | 14.228 | 34,849 |
| 05-PTAA-1977 | 14.228 | 39,010 |
| Subtotal | | <u>1,026,474</u> |
| Home Investment Partnerships Program: | | |
| HOME No. 04-HOME-0750 | 14.239 | 2,926 |
| HOME No. 05-HOME-1702 | 14.239 | 69,381 |
| HOME No. 06-HOME-2358 | 14.239 | 212,872 |
| HOME No. 06-HOME-2407 | 14.239 | 1,427,716 |
| Subtotal | | <u>1,712,895</u> |
| Total U.S. Department of Housing and Urban Development | | |
| | | <u>2,739,369</u> |
| <u>U.S. Department of Transportation</u> | | |
| Airport Improvement Program: | | |
| Project No. 03-06-0178-11 | 20.601 | 33,693 |
| Project No. 03-06-0178-12 | 20.601 | 67,970 |
| Passed Through State Department of Transportation: | | |
| Highway Planning And Construction (Federal-Aid Highway Program) | | |
| Project No. CML-5142(028) | 20.205 | 50,840 |
| Total U.S. Department of Transportation | | |
| | | <u>152,303</u> |
| <u>U.S. Department of Agriculture</u> | | |
| Community Facilities Loans and Grants | | |
| No. 4-004-946000387 | 10.766 | 53,712 |
| Total U.S. Department of Agriculture | | |
| | | <u>53,712</u> |
| TOTALS | | <u>\$ 2,945,384</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, 2008

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.

Expenditures reported for the U.S. Department of Agriculture Community Facilities Loans and Grants (USDA) is a portion of the \$700,000 loan provided by the program. In August, 2008, the City issued \$700,000 in Certificates of Participation (COP) that were acquired by the USDA. The COP's carry a 4.25% annual interest rate and a term of 25 years.



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Kerry A. Webber, 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 the basic financial statements of the 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, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 19, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Oroville's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Oroville's internal control over financial reporting.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting 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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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



This report is intended solely for the information and use of the City Council, management, and the Office of the Controller of the State of California and is not intended to be and should not be used by anyone other than these specified parties.

Davis Hammon & Co.

December 19, 2008



DAVIS HAMMON & CO.
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the City of Oroville, California, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2008. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City of Oroville's management. Our responsibility is to express an opinion on the City of Oroville's compliance based on our audit.

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. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Oroville complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of City of Oroville is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Oroville's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.



Our consideration of internal control over compliance 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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Council, management, and the Office of the Controller of the State of California and is not intended to be and should not be used by anyone other than these specified parties.

Davis Hammon & Co.

December 19, 2008

**CITY OF OROVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2008**

A) Summary of Audit Results

- 1) The auditors' report expresses an unqualified opinion on the basic financial statements.
- 2) No control deficiencies were disclosed related to the audit of the basic financial statements of the City of Oroville.
- 3) No instances of noncompliance material to the basic financial statements of the City of Oroville were disclosed during the audit.
- 4) No control deficiencies were disclosed during the audit of major federal award programs.
- 5) The auditors' report on compliance for major federal award programs for the City of Oroville expresses an unqualified opinion.
- 6) No instances of noncompliance material to major federal award programs of the City of Oroville were disclosed during the audit.
- 7) The programs tested as major programs included:
 - a. Department of Housing and Urban Development
Community Development Block Grants
CFDA: 14.228
 - b. Department of Housing and Urban Development
Home Investment Partnership Program
CFDA: 14.239
- 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.

B) Findings – Financial Statement Audit

No control deficiencies were noted during the current audit period. There were no findings outstanding from prior year audits.

C) Findings and Questioned Costs – Major Federal Award Programs

No findings or questioned costs noted. There were no findings or questioned costs outstanding from prior year audits.

**CITY OF OROVILLE
STATUS OF PRIOR YEAR FINDINGS
JUNE 30, 2008**

No findings or questioned costs noted during prior year audit.



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

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

**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, 2008. 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.

December 19, 2008



DAVIS HAMMON & CO.
Certified Public Accountants

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**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, 2008, and have issued our report thereon dated December 19, 2008. 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.

The results of our tests indicate that, with respect to the items tested the City of Oroville complied, in all material respects, with the provisions referred to in the preceding paragraph.

In our opinion, the City of Oroville complied with, in all material respects, the resolutions and policies of the Sewerage Commission - Oroville Region pertaining to the sewer regional facility charges and monthly service charges for the year ended June 30, 2008.

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.

December 19, 2008