COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF OROVILLE
California

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Submitted by:

Department of Finance

Diane MacMillan
Director of Finance

CITY OF OROVILLE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
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1735 MONTGOMERY STREET • OROVILLE, CALIFORNIA 95965-4897

OFFICE OF THE
FINANCE DEPARTMENT
(530) 538-2410

December 28, 2009

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, 2009. 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 tumbled down. We show some future commercial building within the next two or three years if plans continue on the current course. 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 $34 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 have reduced our estimates, taken furloughs and frozen positions to achieve some stability. The upcoming two years are going to be our biggest challenge, since the State is so unpredictable and threatens our local control on revenues that are vital to the City's general fund. Further cuts will be necessary to protect essential services. 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.

Studies such as the Economic Development Strategy, Marketing and Business Development Road Map and RDA 5-year Implementation Plan have been completed this past year in order 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 2008-09 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 $30,947,958. Expenditures are expected to continue to remain well under the current limit in 2009-10.

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 2008-09 was approved by the City Council in July of 2008.

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, 2009. 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 Vellutini 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, 2008. This was the fourteenth 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, 2009

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

Thil Wilcox
JR Simpson
Art Hatley

Sue Corkin - RDA Vice Chair
David Pittman – RDA Chair
Jamie Johannson – Vice Mayor

ADMINISTRATION

Sharon L. Atteberry
City Administrator

Diane MacMillan
Director of Finance

Kirk E. Trostle
Chief of Police

Charles 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

Adonna Brand
Rhonda Brunson
Hardeep Singh

Damon Robison – Chair
Dr. Daniel Gordon – Vice Chair

Randy Chapman
Chris Lambert

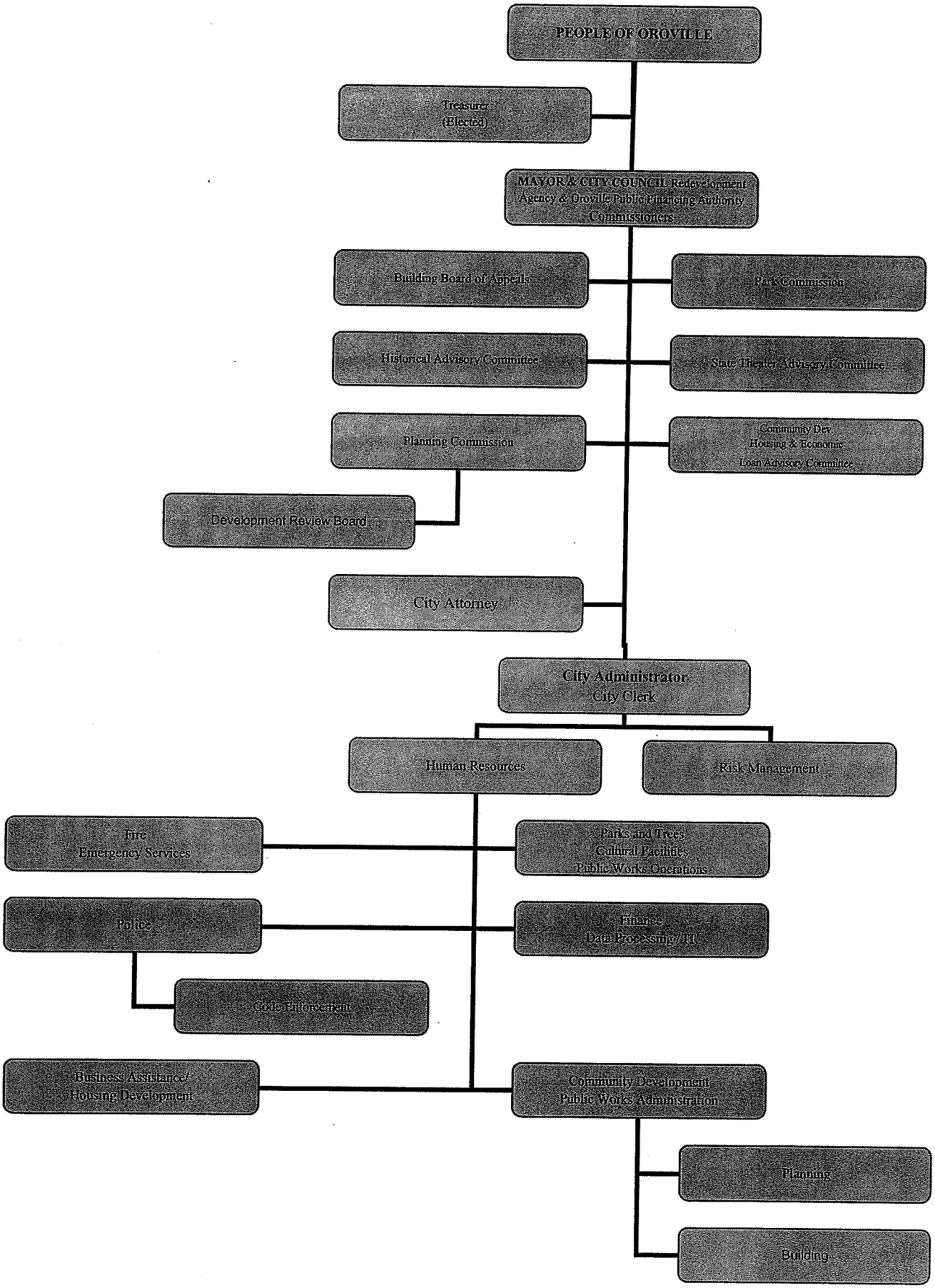
PARK COMMISSION

Joshua Day
Lani Fridrich

Freda Flint - Chair

Jim Prouty
Karolyn Fairbanks

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, 2008

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

FINANCIAL SECTION

DAVIS HAMMON & CO.
Certified Public Accountants

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, 2009, 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, 2009, 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 Unites States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2009, 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 on pages 5 through 16 and the budgetary comparison information and City of Oroville Retiree Healthcare Plan schedule of finding progress on pages 50 through 57, 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 fund statements and schedules, 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 fund financial statements, individual nonmajor fund financial statements, individual fund budgetary comparison schedules, 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 22, 2009

MEMBERS: AMERICAN INSTITUTE AND CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
2080 Myers Street, Suite 3, Oroville, CA 95966-5341 (530) 533-3392 FAX (530) 533-2714

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2009

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, 2009. 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 $46,189,049. Of this amount, $30,612,745 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 $2,998,660, primarily due to decreased expenditures.
- As of the close of the current fiscal year the City's total net assets reported were $46,994,718, an increase of $2,935,690 from the prior year. This increase was also primarily due to decreased expenditures.
- $31,418,414 of the City's total net assets of $46,994,718 is considered unrestricted.
- At the end of the current fiscal year, the General Fund's unreserved-undesignated fund balance for the general fund was $1,020,367. This is 8.2% 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 $1,820,367. This is 14.6% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business type activities separately. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred 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. 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 28-48 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 49-57 of this report. Combining and individual fund statements and schedules can be found on pages 58-140 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the net assets for the City as a whole increased 6.7% from $44,059,028 at June 30, 2008 to $46,994,718 at June 30, 2009. A large portion of the City's net assets, $11,512,305, (24.5%) 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, $4,063,999 (8.6%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, $31,418,414 (66.9%) 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	
	2009	2008	2009	2008	2009	2008
Current and other assets	$70,078,572	$69,108,522	$806,333	$869,145	$70,884,905	$69,977,667
Capital assets	38,198,238	36,137,528	0	0	38,198,238	36,137,528
Total Assets	108,276,810	105,246,050	806,333	869,145	109,083,143	106,115,195
Vouchers payable and other current liabilities	1,994,908	1,986,427	664	506	1,995,572	1,986,933
Other liabilities	25,763,555	25,279,404	0	0	25,763,555	25,279,404
Non-current liabilities	34,329,298	34,789,830	0	0	34,329,298	34,789,830
Total Liabilities	62,087,761	62,055,661	664	506	62,088,425	62,056,167
Net Assets:						
Invested in capital assets, net of related Debt	11,512,305	9,049,646	0	0	11,512,305	9,049,646
Restricted	4,063,999	4,423,121	0	0	4,063,999	4,423,121
Unrestricted	30,612,745	29,717,622	805,669	868,639	31,418,414	30,586,261
Total Net Assets	$46,189,049	$43,190,389	$805,669	$868,639	$46,994,718	$44,059,028

CITY OF OROVILLE CHANGES IN NET ASSETS

	Governmental Activities		Business Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for services	$6,438,165	$8,271,818	$5,051	$6,975	$6,443,216	$8,278,793
Operating grants and Contributions	3,562,981	3,744,832	401,230	520,174	3,964,211	4,265,006
Capital grants and Contributions	1,809,680	3,345,417	0	0	1,809,680	3,345,417
General Revenues:						
Taxes:						
Property taxes	6,883,060	6,809,199	0	0	6,883,060	6,809,199
Sales and Use taxes	2,734,674	2,735,269	0	0	2,734,674	2,735,269
Other taxes	4,403,214	4,273,750	0	0	4,403,214	4,273,750
Intergovernmental revenue not restricted to specific programs	89,741	285,453	0	0	89,741	285,453
Unrestricted Investment Earnings	177,202	361,927	16,624	31,735	193,826	393,662
Total Revenues	26,098,717	29,827,665	422,905	558,884	26,521,622	30,386,549
Expenses:						
General Government	3,254,442	2,333,025	0	0	3,254,442	1,955,466
Public Safety	7,010,748	6,789,797	0	0	7,010,748	6,039,555
Public Works	1,586,656	1,596,817	0	0	1,586,656	1,264,877
Streets and Storm Drains	949,237	1,707,890	0	0	949,237	794,733
Transportation	509,462	608,313	485,875	429,477	995,337	811,679
Business Assistance and Housing	5,722,327	7,375,036	0	0	5,722,327	7,375,036
Parks and Leisure	927,792	1,064,824	0	0	927,792	1,064,824
Health and Sanitation	1,360,243	1,356,115	0	0	1,360,243	1,356,115
Interest and Fiscal Charges	1,779,150	1,932,990	0	0	1,779,150	1,932,990
Total Expenses	23,100,057	24,764,807	485,875	429,477	23,585,932	25,194,284
Increase (decrease) in Net Assets	2,998,660	5,062,858	(62,970)	129,407	2,935,690	5,192,265
Net Assets - July 1,	43,190,389	38,632,062	868,639	739,232	44,059,028	39,371,294
Prior period adjustments		(504,531)				(504,531)
Net Assets, June 30	$46,189,049	$43,190,389	$805,669	$868,639	$46,994,718	$44,059,028

GOVERNMENTAL ACTIVITIES

Total resources available during the year to finance governmental operations were $69,289,106, consisting of net assets at July 1, 2008 of $43,190,389, program revenues of $11,810,826 and general revenues of $14,287,891. Total expenditures for governmental activities during the year were $23,100,057; thus, net assets were increased by $2,998,660 to $46,189,049.

The cost of all governmental activities this year was $23,100,057. However, as shown in the Statement of Activities, the amount that the taxpayer ultimately financed for these activities was $11,289,231 because some of the cost was paid by those who directly benefited from these programs, $6,438,165, or by other governments and organizations that subsidized certain programs with operating grants and contributions, $3,562,981 and capital grants and contributions, $1,809,680. 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 decreased by $62,907. There were no investments in capital assets attributable to business type activities of the City as of June 30, 2009.

The cost of all Proprietary (business type) activities this year was $485,875. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems were $5,051. Operating grants and contributions were $401,230. Capital grants and contributions were $0. Investment earnings were $16,624.

Total resources available during the year to finance Proprietary fund (business type) activities were $1,291,544 consisting of net assets as of July 1, 2008 of $868,639, program revenues of $401,230 and general revenues of $16,624. The total cost of proprietary fund (business type) activities during the year were $485,875; thus, net assets were decreased from $868,639 to $805,669. All of this decrease 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 $4,878,808 is an overall increase of $89,172 over the prior year-end. Tax revenues increased by $118,586 while current service revenues decreased by $330,766. Tax revenue increases mainly attributable to Utility User and Franchise Fees, while current services decreased mainly in fees charged for housing developments. The increase in other revenues of $1,011,947 was due primarily to the transfer of building ownership from the County of Butte to the City of Oroville.

Among the special revenue funds, the First Time Homebuyers Grant Fund experienced a modest fund balance change, increasing by $138,720 from $545,963 on June 30, 2008 to $684,683 on June 30, 2009. This increase was due to loan repayments. 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 Oroville Redevelopment Agency which increased by $2,097,855 (9.1%) due a modest increase in revenues and decreased capital outlays. The Oroville Redevelopment Agency Low & Moderate Income Housing Fund's fund balance increased by $698,452 (41.0%) due to decrease in current operating expenditures.

DEBT ADMINISTRATION

Debt from governmental activities decreased by $460,532 from $34,789,830 at year-end in fiscal year 2007-08 to $34,329,298 at year-end in fiscal year 2008-09, primarily due to regular debt service payments. As of June 30, 2009, only the $605,100 in compensated absences and $7,015,000 of the taxable pension obligation bonds are considered general City obligations subject to the City's debt limit which is $42,054,113. There was no debt attributable to business type activities as of June 30, 2009.

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.

Oroville Public Financing Authority (OPFA) debt – The OPFA had three outstanding revenue bond issues. The City's credit is not impacted by OPFA revenue bond issues. All three of the OPFA bond issue proceeds were loaned to the Oroville Redevelopment Agency (RDA) to fund the various projects of the RDA.

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.

	Balance July 1, 2008	Incurred or Issued	Satisfied or Matured	Balance June 30, 2009
Government Activities:				
Compensated Absences	$594,281	$320,411	$309,592	$605,100
Oroville Public Financing Authority Revenue Bonds Payable	26,850,000	0	625,000	26,225,000
Pension Obligation Bonds	7,175,000	0	160,000	7,015,000
Total Governmental Activities	$34,789,830	$320,411	$1,094,592	$33,845,100
Business Type Activities:				
Total Business Type Activities	$0	$0	$0	$0

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 September of 2009.

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, 2009, net capital assets of the governmental activities totaled $38,198,238 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	13,308,361	4,630,508	8,677,853
Underground Collection System	3,993,666	2,676,793	1,316,873
Equipment, Vehicles, Machinery	7,408,253	4,474,252	2,934,001
Infrastructure	35,899,843	25,689,483	10,210,360
Construction in Progress	8,321,914	0	8,321,914
Total Governmental Activities	$75,669,274	$37,471,036	$38,198,238
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 BUGETARY HIGHLIGHTS

Comparing the fiscal year 2008/09 original (or adopted) General Fund budgeted expenditures in the amount of $12,649,732 to the final budget amount of $14,078,284 shows a net increase of $1,428,552 to the final budget allocation. The increase consists of an approved carryover of $1,313,587 into fiscal year 2008-09 under the Expenditure Control Budget as well as $114,965 due to a fund transfer to the City's contingency fund from salary savings during 2008/09. One sufficient net asset increase was the recording of a transfer of a building to the City. Other significant changes between final budget and actual would be Sales Tax, Utility Users and Franchise fees.

Expenditures were down due to project delays as well as future budgetary operating concerns. Over one million was marked for carryovers into fiscal year 2009/10.

NEXT YEAR'S BUDGET AND RATES

Current Year's Revenue Assumptions

The key assumptions in the City budget's revenue forecast for fiscal year 2009-10 were:

1. A 1% per year increase in property taxes was estimated due to the housing slump in 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 5% growth rate was assumed.

4. Investment earnings were expected to remain low in 2009-10, and the base year was adjusted downward accordingly with a 1% growth.

5. Sewer service charges were expected to increase by 8% in accordance with the City's long term plan for funding the sewer operations.

6. The Redevelopment Agency fund tax increment was estimated to remain at 2008/09 levels, based on the latest housing 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 2009-10 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 had no new appropriations for capital improvements to City buildings.

Parks and Cultural Facilities

The Redevelopment Agency budget and the Parks Development fund contain appropriations which have been carried over into fiscal year 2009-10 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 2009-10 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 2009-10, ongoing grant appropriation efforts will continue. If awarded any grants during 2009-10 matching funds will be approved by City Council action.

Economic Development Capital Projects

Funds were carried over from the 2008-09 to 2009-10 Redevelopment Agency budget in the amount of $533,647 for land purchase and $620,816 in public improvements to the riverfront area. Design work was 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 the last three fiscal years 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 in the future.

The local economy showed all the 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 2008-09, unemployment increased from 11.2% to 17.4%.

Another economic indicator, Oroville's sales tax receipts were $2,734,674. This is $595 less than the $2,735,269 which was received in fiscal year 2007-08. There are indications that the decline of sales tax will continue and at this time a decline is being predicted for the 2009-10 fiscal year.

In fiscal year 2008-09, building activity has continued to decline with only 17 building permits issued for new construction. This is a decrease from fiscal year 2007-08 when 49 building permits for new construction were issued. A total of 6 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, 1 low and moderate income families received first time home buyer loans funded through federal grants.

A total of 263 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 5 commercial building permits for new construction were issued. This included small to large size commercial projects being constructed. The largest being a car wash $153,049 and a coffee shop $32,519.

The total valuation of all building permits issued in fiscal year 2008-09 was $11,086,335. This was $17,236,726 less than the $28,323,061 issued in fiscal year 2007-08.

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. Denny's and Grocery Outlet opened in 2009 and a Super Wal-Mart 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.

BASIC FINANCIAL STATEMENTS

CITY OF OROVILLE
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 32,705,753	$ 806,333	$ 33,512,086
Cash With Fiscal Agent:			
Restricted	1,984,533		1,984,533
Receivables	2,465,995		2,465,995
Loans Receivable	568,548		568,548
Inventory	72,977		72,977
Noncurrent Assets:			
Loans Receivable	24,217,542		24,217,542
Deferred Charges	779,043		779,043
Net Pension Asset	6,144,997		6,144,997
Real Property Primarily Held for Resale	1,139,184		1,139,184
Capital Assets (net of accumulated depreciation):			
Nondepreciable	15,059,151		15,059,151
Depreciable	23,139,087		23,139,087
Total Assets	108,276,810	806,333	109,083,143
LIABILITIES			
Vouchers Payable And Other Current Liabilities	1,390,408	664	1,391,072
Payable From Restricted Assets:			
Accrued Interest Payable	396,560		396,560
Due To Other Related Agency	207,940		207,940
Deferred Loans	24,217,542		24,217,542
Deferred Revenues - Unearned	1,153,564		1,153,564
Unpaid Claims	392,449		392,449
Noncurrent Liabilities:			
Due Within One Year	1,144,435		1,144,435
Due In More Than One Year	33,184,863		33,184,863
Total Liabilities	62,087,761	664	62,088,425
NET ASSETS			
Invested In Capital Assets (net of related debt)	11,512,305		11,512,305
Restricted For:			
Public Safety	124,625		124,625
Streets and Storm Drains	2,239,886		2,239,886
Parks and Leisure	111,515		111,515
Debt Service	1,587,973		1,587,973
Unrestricted	30,612,745	805,669	31,418,414
Total Net Assets	**$ 46,189,049**	**$ 805,669**	**$ 46,994,718**

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

CITY OF OROVILLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants And Contributions	Program Revenues: Capital Grants And Contributions	Net (Expense) Revenue And Change In Net Assets: Governmental Activities	Net (Expense) Revenue And Change In Net Assets: Business-Type Activities	Net (Expense) Revenue And Change In Net Assets: Total
Governmental Activities:							
General Government	$ 3,254,442	$ 777,362			$ (2,477,080)		$ (2,477,080)
Public Safety	7,010,748	456,466	$ 330,660	$ 170,134	(6,053,488)		(6,053,488)
Public Works	1,586,656	176,576			(1,410,080)		(1,410,080)
Streets and Storm Drains	949,237	148,727	222,165	1,312,754	734,409		734,409
Transportation	509,462	460,937		101,186	52,661		52,661
Parks and Leisure	927,792	713,658	144,882	100,606	31,354		31,354
Health and Sanitation	1,360,243	1,728,044	6,000		373,801		373,801
Housing and Community Development	5,722,327	1,976,395	2,859,274	125,000	(761,658)		(761,658)
Interest and Fiscal Charges	1,779,150				(1,779,150)		(1,779,150)
Total Governmental Activities	23,100,057	6,438,165	3,562,981	1,809,680	(11,289,231)	$ -	(11,289,231)
Business-Type Activities:							
Local Transportation	485,875	5,051	401,230			(79,594)	(79,594)
Total Business-Type Activities	485,875	5,051	401,230	-	-	(79,594)	(79,594)
Total	$ 23,585,932	$ 6,443,216	$ 3,964,211	$ 1,809,680	(11,289,231)	(79,594)	(11,368,825)
General Revenues:							
Taxes:							
Property Taxes					6,883,060		6,883,060
Sales and Use Taxes					2,734,674		2,734,674
Sales and Use Taxes In-Lieu					2,109,251		2,109,251
Documentary Stamp					23,053		23,053
Transient Occupancy					320,008		320,008
Utility Users					1,462,014		1,462,014
Franchise					488,888		488,888
Unrestricted Investment Earnings					177,202	16,624	193,826
Intergovernmental Revenues Not Restricted To Specific Programs					89,741		89,741
Total General Revenues And Transfers					14,287,891	16,624	14,304,515
Change In Net Assets					2,998,660	(62,970)	2,935,690
Net Assets, July 1,					43,190,389	868,639	44,059,028
Net Assets, June 30,					$ 46,189,049	$ 805,669	$ 46,994,718

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

CITY OF OROVILLE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	General Fund	First Time Home Buyer Grant Fund	Community Development Block Grant Fund	Oroville Public Financing Authority Fund	Oroville Redevelopment Agency Fund	Oroville Redevelopment Agency Low & Moderate Income Housing Fund	HOME Housing Revolving Loan Fund	Oroville Public Financing Authority Redemption Fund	Other Governmental Funds	Total Governmental Funds
ASSETS										
Cash	$ 2,754,393	$ 472,712	$ 1,815,153	$ 44,625	$ 7,148,207	$ 2,325,482	$ 7,077	$ 46,160	$ 16,593,257	$ 31,207,066
Cash With Fiscal Agent								1,984,533		1,984,533
Receivables:										
Taxes	375,988				40,266	17,348			18,519	452,121
Accounts	586,621					42,726			96,402	725,749
Sewer Service Charges									117,571	117,571
Grants		211,977	144,242						543,129	899,348
Interest	102,861		97			1,484		27,133	121,827	253,402
Due From Other Funds	69,968			705,000					220,299	995,267
Inventory	23,709								4,625	28,334
Loans Receivable	9,075	8,924,624	4,179,580			4,057,330	2,974,463		4,641,018	24,786,090
Advances Due From Other Funds	1,800,000			25,520,000					212,706	27,532,706
Real Property Primarily Held for Resale			43,833			1,095,351				1,139,184
Total Assets	$ 5,722,615	$ 9,609,313	$ 6,182,905	$ 26,269,625	$ 7,188,473	$ 7,539,721	$ 2,981,540	$ 2,057,826	$ 22,569,353	$ 90,121,371
LIABILITIES AND FUND BALANCE										
Liabilities:										
Vouchers Payable	$ 276,195	$ 6	$ 164,427		$ 15,459	$ 29,412			$ 343,380	$ 828,879
Accrued Salaries and Benefits	421,777		4,611		14,037	2,156			38,483	481,064
Contract Retentions Payable			800							800
Deposits Payable						1,183			6,448	7,631
Due To Other Funds					705,000				290,267	995,267
Due To Other Related Agency									207,940	207,940
Advances Payable to Other Funds	138,816				27,320,000				73,890	27,532,706
Deferred Loans		8,924,624	4,179,580			4,011,565	$ 2,974,463		4,127,310	24,217,542
Deferred Revenues - Unearned	7,019		43,833			1,095,351			278,101	1,424,304
Total Liabilities	843,807	8,924,630	4,393,251	$ -	28,054,496	5,139,667	2,974,463	$ -	5,365,819	55,696,133
Fund Balance:										
Reserved For Encumbrances	193,515	12,105	697,386			119,017			1,181,899	2,203,922
Reserved For Petty Cash	1,300									1,300
Reserved For Chinese Temple	23,455									23,455
Reserved For Public Safety									217,902	217,902
Reserved For Park Improvements									111,515	111,515
Reserved For Street Improvements									2,608,601	2,608,601
Reserved For Drainage/Sewer Improvements									1,906,414	1,906,414
Reserved For Long-Term Receivables	1,800,000			25,520,000					212,706	27,532,706
Reserved For Debt Service								2,057,826		2,057,826
Unreserved, Designated:										
Designated For General Reserve	800,000									800,000
Designated For Budgetary Carryovers	1,040,171									1,040,171
Unreserved, Undesignated - Reported In:										
General Fund	1,020,367									1,020,367
Special Revenue Funds		672,578	1,092,268	749,625	(20,866,023)	2,281,037	7,077		5,017,801	(11,045,637)
Debt Service Funds									473,059	473,059
Capital Projects Funds									5,473,637	5,473,637
Total Fund Balance	4,878,808	684,683	1,789,654	26,269,625	(20,866,023)	2,400,054	7,077	2,057,826	17,203,534	34,425,238
Total Liabilities and Fund Balance	$ 5,722,615	$ 9,609,313	$ 6,182,905	$ 26,269,625	$ 7,188,473	$ 7,539,721	$ 2,981,540	$ 2,057,826	$ 22,569,353	$ 90,121,371

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, 2009

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

Total Fund Balances		$ 34,425,238
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets	$ 75,669,274	
Less: Accumulated depreciation	(37,471,036)	38,198,238
Certain prepaid expenses were reported as expenditures when incurred in the funds but are capitalized and amortized in the statement of net assets:		
Net pension asset		6,144,997
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.		1,096,651
Liabilities were reported for certain revenues that were not available to pay current period expenditures, and , therefore deferred in the funds.		
Deferred revneues - unearned		270,740
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		
Deferred charge of issuance costs (will be amortized)	$ (33,240,000)	
Bond discounts (will be amortized)	779,043	
Bond premium (will be amortized)	105,680	
Deferred refunding loss (will be amortized)	(159,736)	
Capital lease	239,853	
USDA loan payable	(293,685)	
Accrued interest payable	(289,920)	
Compensated absences	(396,560)	
Net other postemployment benefit liability	(605,100)	
	(86,390)	(33,946,815)
Net Assets Of Governmental Activities		$ 46,189,049

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

CITY OF OROVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	General Fund	First Time Home Buyer Grant Fund	Community Development Block Grant Fund	Oroville Public Financing Authority Fund	Oroville Redevelopment Agency Fund	Oroville Redevelopment 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	$ 663,179									
Sales and Use Taxes	2,734,674				$ 4,492,230	$ 1,631,845			$ 95,806	$ 6,883,060
Sales and Use Taxes In-Lieu	2,109,251									2,734,674
Documentary Stamp	23,053									2,109,251
Transient Occupancy	320,008									23,053
Utility Users	1,462,014									320,008
Franchise	488,888									1,462,014
Licenses and Permits	243,498									488,888
Fines and Forfeitures	80,813								61,781	305,279
Interest, Rents, and Concessions	177,202	$ 29,758	$ 16,904	$ 1,239,680	197,139	106,378	$ 8,181	$ 2,505		80,813
Intergovernmental Revenues	198,789	1,752,634	519,344		249,498	80,102			838,411	2,616,158
Current Service Charges	183,567								2,417,920	5,218,287
Other Revenues	1,210,350	24,098	94,992		5,208	516,907	19,913		1,641,834	1,825,401
									1,525,377	3,396,845
Total Revenues	9,895,286	1,806,490	631,240	1,239,680	4,944,075	2,335,232	28,094	2,505	6,581,129	27,463,731
EXPENDITURES										
Current:										
General Government	2,560,177								14,005	2,574,182
Public Safety	7,059,702								65,443	7,125,145
Public Works	448,931									448,931
Streets and Storm Drains	887,980								90,736	978,716
Transportation									425,549	425,549
Parks and Leisure	849,894								253,689	1,103,583
Health and Sanitation									1,364,720	1,364,720
Housing and Community Development		1,117,791	975,222		700,415	907,345	64,636		1,176,207	4,941,616
Debt Service:										
Principal Retirement								625,000	238,369	863,369
Interest and Fiscal Charges					1,336,272			1,240,356	415,072	2,991,700
Capital Outlay	675,239	502,753	509,412		7,066	21,692			2,750,963	4,467,125
Total Expenditures	12,481,923	1,620,544	1,484,634	-	2,043,753	929,037	64,636	1,865,356	6,794,753	27,284,636
Excess (Deficiency) of Revenues Over Expenditures	(2,586,637)	185,946	(853,394)	1,239,680	2,900,322	1,406,195	(36,542)	(1,862,851)	(213,624)	179,095
OTHER FINANCING SOURCES (USES)										
Loan Proceeds									289,920	289,920
Transfers In	2,837,170	181,300	1,613,088				7,641	1,864,680	2,399,080	8,902,959
Transfers Out	(161,361)	(228,526)	(347,473)	(1,864,680)	(802,467)	(708,343)	(3,172)		(4,286,739)	(8,402,761)
Total Other Financing Sources (Uses)	2,675,809	(47,226)	1,265,615	(1,864,680)	(802,467)	(708,343)	4,469	1,864,680	(1,597,739)	790,118
Net Change In Fund Balances	89,172	138,720	412,221	(625,000)	2,097,855	697,852	(32,073)	1,829	(1,811,363)	969,213
Fund Balance, July 1	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
Fund Balance, June 30	**$ 4,878,808**	**$ 684,683**	**$ 1,789,654**	**$ 26,269,625**	**$ (20,866,023)**	**$ 2,400,054**	**$ 7,077**	**$ 2,057,826**	**$ 17,203,534**	**$ 34,425,238**

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, 2009

Amounts reported for governmental activities in the statement of activities are different because:		
Net Change in Fund Balances - Total Governmental Funds		$ 969,213
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	$ 3,754,550	
Depreciation expense	(1,693,840)	2,060,710
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:		
Principal repayments:		
Bonds	$ 785,000	
Capital lease financing	78,369	863,369
Debt Issued:		
USDA loan financing	$ (289,920)	(289,920)
Revenues not available to pay current expenditures are deferred in the funds:		
Deferred revneues - unearned		270,740
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	$ (10,819)	
Other postemplyment benefits	(86,390)	
Accrued interest	3,718	
Amortization of bond issuance costs	(37,482)	
Amortization of bond discount	(6,058)	
Amortization of bond premium	7,482	
Amortization of bond refunding loss	(17,132)	
Amortization of prepaid pension obligation	(409,667)	(556,348)
Internal service funds are used by management to charge the costs of stores, vehicle maintenance and various insurance costs to individual funds.		(319,104)
Change In Net Assets Of Governmental Activities		$ 2,998,660

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

CITY OF OROVILLE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009

	Business-Type Activity Enterprise Fund	
	Local Transportation Fund	Governmental Activities Internal Service Funds
ASSETS		
Current Assets:		
Cash	$ 806,333	$ 1,498,687
Accounts Receivable		17,804
Inventory		44,643
Total Assets	806,333	1,561,134
LIABILITIES		
Current Liabilities:		
Vouchers Payable	664	30,750
Accrued Salaries and Benefits		28,911
Accrued Employee Compensated Leave		12,373
Unpaid Claims Liability		392,449
Total Liabilities	664	464,483
NET ASSETS		
Unrestricted	805,669	1,096,651
Total Net Assets	$ 805,669	$ 1,096,651

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, 2009

	Business-Type Activity Enterprise Fund	
	Local Transportation Fund	Governmental Activities Internal Service Funds
OPERATING REVENUES		
Passenger Fares - Oro Express	$ 5,051	
Incoming Provisions		$ 917,195
Reimbursements		126,581
Total Operating Revenues	5,051	1,043,776
OPERATING EXPENSES		
Salaries and Benefits		159,377
Supplies		272,168
Other Services and Charges	485,875	47,325
Claims		419,747
Total Operating Expenses	485,875	898,617
Net Operating Income	(480,824)	145,159
NONOPERATING REVENUES (EXPENSES)		
Local Transportation Tax	401,230	
Investment Earnings	16,624	35,935
Total Nonoperating Revenues (Expenses)	417,854	35,935
Income (Loss) Before Operating Transfers	(62,970)	181,094
Transfers In		4,802
Transfers Out		(505,000)
Change In Net Assets	(62,970)	(319,104)
Net Assets, July 1	868,639	1,415,755
Net Assets, June 30	$ 805,669	$ 1,096,651

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, 2009

	Business-Type Activity Enterprise Fund	
	Local Transportation Fund	Governmental Activities Internal Service Funds
Cash Flows From Operating Activities		
Receipts From Customers and Users	$ 5,051	$ 75,229
Receipts From Interfund Services Provided		966,762
Payments to Employees		(158,055)
Payments to Suppliers	(485,717)	(632,386)
Net Cash Provided (Used) By Operating Activities	(480,666)	251,550
Cash Flows From Noncapital Financing Activities		
Local Transportation Tax	445,154	
Transfers In		4,802
Transfers Out		(505,000)
Net Cash Provided (Used) By Noncapital Financing Activities	445,154	(500,198)
Cash Flows From Investing Activities		
Interest on Investments	16,624	35,935
Net Cash Provided (Used) By Investing Activities	16,624	35,935
Net Increase (Decrease) In Cash	(18,888)	(212,713)
Cash Balance, July 1	825,221	1,711,400
Cash Balance, June 30	**$ 806,333**	**$ 1,498,687**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	$ (480,824)	$ 145,159
Adjustments to Reconcile Operating Income to Net Cash Provided (Used):		
Decrease (Increase) in Accounts Receivable		(1,785)
Decrease (Increase) in Inventory		15,058
Increase (Decrease) in Vouchers Payable	158	18,692
Increase (Decrease) in Accrued Salaries and Benefits		9,049
Increase (Decrease) in Other Liabilities		65,377
Total Adjustments	158	106,391
Net Cash Provided (Used) By Operating Activities	$ (480,666)	$ 251,550

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

CITY OF OROVILLE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009

	Agency Funds
ASSETS	
Cash	$ 534,500
Receivables:	
Taxes	26,565
Total Assets	**$ 561,065**
LIABILITIES	
Vouchers Payable	$ 20,725
Deposits Payable	407,247
Due to Other Agencies	133,093
Total Liabilities	**$ 561,065**

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

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.

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

The City reports the following major governmental funds:

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

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.

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 three (3) new non-major special revenues fund – the Miscellaneous Grant Fund, the Westside Public Service Fund and the Public Safety Fund. The new funds were created to account for the activities of several small grants awarded to the City and for municipal and safety services provided for, and funded by, local community facility districts.

Adoption of New Pronoucements

This City has adopted the reporting and disclosure requirements of GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* this year.

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 $4,063,999 of restricted net assets, of which $2,476,026 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	$ 452,121		$ 452,121
Accounts	743,553		743,553
Sewer Service Charges	117,571		117,571
Grants	899,348		899,348
Interest	253,402		253,402
Total Receivables	$ 2,465,995	$ -	$ 2,465,995
Vouchers Payable And Other Current Liabilities:			
Vouchers Payable	$ 859,629	$ 664	$ 860,293
Accrued Salaries and Benefits	522,348		522,348
Contract Retentions Payable	800		800
Deposits	7,631		7,631
Total Vouchers Payable And Other Current Liabilitie	$ 1,390,408	$ 664	$ 1,391,072

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

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

At June 30, 2009, 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, 2009, the carrying value of these properties was $1,139,184.

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.

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, 2009.

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

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

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

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, 2009, 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 Other Than Pensions (OPEB) – As further explained in Note 4E, the City permits retiring employees to convert accumulated sick leave benefits to purchase continued medical insurance coverage based upon the leave dollar value at the time of retirement. The City does not provide any additional postemployment benefits for its employees, except for the Public Employees Retirement System administered by the State of California.

8) Long-Term Obligations

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

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 1, 2008, 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, 2009, totaled $27,738,758. 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, 2009, one of the City's funds had expenditures that exceeded appropriations as noted below

Supplemental Benefits	$ (142,263)

C) Deficit Fund Equity

The following special revenue funds and capital projects fund had deficit fund equity as of June 30, 2009:

Oroville Redevelopment Agency	$ (20,866,023)
Law Enforcement Block Grant	(96,760)
Supplemental Benefits	(22,236)
CDBG Housing Revolving Loan	(807)

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 Law Enforcement Block Grant, Supplemental Benefits, and CDBG Housing Revolving Loan deficits are 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	$ 33,512,086
Restricted cash with fiscal agent	1,984,533
Statement of Fiduciary Net Assets:	
Cash and investments	534,500
Total Cash and Investments	$ 36,031,119

Cash and investments consist of the following:

Cash on hand	$ 1,450
Deposits with financial institutions	973,893
Investments	35,055,776
Total Cash and Investments	$ 36,031,119

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

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

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

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

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

Interest Rate Risk

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

As of June 30, 2009, the City's investments had the following maturities:

		Investment Maturities (years)			
Investment Type	Fair Value	Under 1	1-5	6-10	Over 10
State Investment Pool - LAIF	$ 33,071,243	$ 33,071,243			
Held By Bond Trustee:					
Money Market Funds	47,654	47,654			
Investment Agreement	1,936,879				$ 1,936,879
Total Fair Value	$ 35,055,776	$ 33,118,897	$ -	$ -	$ 1,936,879

Dislosures 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, 2009, the City's investments were in compliance with the ratings required by the City's investment policy and indenture agreements. Under the terms of the investment repurchase agreement permitted securities must equal 103% of the amount deposited and be comprised of direct obligations or unconditionally guaranteed by the U.S. Government; obligations, debentures, or notes issued by the Federal Home Loan Mortgage Corporation and Federal National Mortgage Association; or cash (100% security ratio).

Investment Type	Fair Value	Exempt From Disclosure	Year End Rating AAA/AAAm	Not Rated
State Investment Pool - LAIF	$33,071,243			$33,071,243
Held By Bond Trustee:				
Money Market Funds	47,654		$47,654	
Investment Agreement	1,936,879		1,936,879	
Total Fair Value	$35,055,776	$0	$1,984,533	$33,071,243

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, 2009 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 $1,007,877, of which $100,000 was covered by federal depository insurance. The $907,877 uninsured amount was exposed to custodial credit risk and was collateralized by securities, as described above.

As of June 30, 2009, 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	$ 47,654
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 Asset" 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 $6,144,997 as of June 30, 2009.

C) Capital Assets

Capital assets activity for the year ended June 30, 2009 was as follows:

Government Activities:	Balance July 1, 2008	Additions	Deletions and Adjustments	Balance June 30, 2009
Nondepreciable Capital Assets:				
Land	$ 6,737,237			$ 6,737,237
Construction in progress	7,671,559	$ 2,165,578	$ 1,515,223	8,321,914
Total Nondepreciable Capital Assets	14,408,796	2,165,578	1,515,223	15,059,151
Depreciable Capital Assets:				
Improvements other than buildings	3,318,215			3,318,215
Buildings	9,284,222	705,924		9,990,146
Underground collection system	3,993,666			3,993,666
Machinery and equipment	6,495,086	913,167		7,408,253
Infrastructure	34,414,739	1,485,104		35,899,843
Total Depreciable Capital Assets	57,505,928	3,104,195	-	60,610,123
Less: Accumulated Depreciation:				
Land improvements	(1,866,311)	(137,751)		(2,004,062)
Buildings	(2,394,682)	(231,764)		(2,626,446)
Underground collection system	(2,604,561)	(72,232)		(2,676,793)
Machinery and equipment	(4,106,746)	(367,506)		(4,474,252)
Infrastructure	(24,804,896)	(884,587)		(25,689,483)
Total Accumulated Depreciation	(35,777,196)	(1,693,840)	-	(37,471,036)
Depreciable Capital Assets, net	21,728,732	1,410,355	-	23,139,087
Governmental Activities Capital Assets, net	$ 36,137,528	$ 3,575,933	$ 1,515,223	$ 38,198,238

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

Governmental Activities:	
General government	$ 46,797
Public safety	268,255
Public works	1,134,236
Transportation	83,965
Parks and leisure	127,064
Housing and community development	33,523
Total Depreciation Expense - Governmental Activities	$ 1,693,840

Construction And Other Commitments

The City had several major active construction projects as of June 30, 2009. At year-end the City's commitments with contractors are as follows:

	Total Commitment	Expended To-Date	Remaining Commitment
State Theater Renovations	$ 621,484	$ 256,431	$ 365,053

D) Interfund Receivables, Payables And Transfers

The composition of Interfund balances and advances within the City's fund financial statements as of June 30, 2009 is as follows:

Due To(From) Other Funds:

Receivable Fund	Payable Fund	Amount
General	Police Supplemental Law Enforcement	$ 43,367
General	Law Enforcement Block Grant	9,440
General	Miscellaneous Grant	4,000
General	Supplemental Benefits	13,161
Oroville Public Financing Authority Fund	Oroville Redevelopment Agency Fund	705,000
City Housing Rehabilitation Revolving Loan	EDBG	199,617
City Housing Rehabilitation Revolving Loan	CDBG Housing Revolving Loan	807
Equipment Replacement	Special Aviation	19,875
Total Due To(From) Other Funds		$ 995,267

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

Receivable Fund	Payable Fund	Amount
General Fund	Oroville Redevelopment Agency	$ 1,800,000
	Total General Fund	1,800,000
Sewer Fund	General Fund	138,816
Oroville Public Financing Authority Fund	Oroville Redevelopment Agency Fund	25,520,000
	Total Special Revenue Funds	25,658,816
Equipment Replacement	Special Aviation	73,890
	Total Capital Project Funds	73,890
Total Advances Due To(From) Other Funds		$ 27,532,706

The General Fund reports receivables from the Police Law Enforcement, Law Enforcement Block Grant, Miscellaneous Grant and Supplemental Benefits Funds due to a negative pooled fund cash balances at June 30, 2009. The deficit cash balances 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 $26,225,000, of which $705,000 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, 2009 was $1,239,680 and $625,000, respectively.

The City Housing Rehabilitation Fund reports a receivable from the EDBG and CDBG Housing Revolving Loan Funds due to a negative pooled fund cash balance at June 30, 2009. The deficit cash balances will be eliminated when sufficient loan payments are collected by both funds.

The Equipment Replacement Fund has advanced the Special Aviation Fund $93,765, of which $19,875 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, 2009 was $5,205 and $18,907, respectively.

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

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, 2009 was $90,000.

The General Fund, Sewer Funds, 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, 2009:

Transfers	Transfers In	Transfers Out
General Fund	$ 2,837,170	$ 161,361
Special Revenue Funds:		
First Time Home Buyer Grant	181,300	228,526
Community Development Block Grant	1,613,088	347,473
Oroville Public Financing Authority		1,864,680
Oroville Redevelopment Agency		802,467
Oroville Redevelopment Agency Low & Moderate Income Housing Fund		708,343
HOME Housing Revolving Loan Fund	7,641	3,172
Nonmajor Special Revenue Funds	2,170,086	4,171,598
Debt Service Funds:		
Oroville Public Financing Authority Redemption	1,864,680	
Nonmajor Debt Service Funds	116,994	
Capital Projects Funds:		
Nonmajor Capital Projects Funds	112,000	115,141
Internal Service Funds	4,802	505,000
	$ 8,907,761	$ 8,907,761

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, 2009 was as follows:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Due Within One Year
Government Activities					
Bonds Payable:					
Pension Obligation Bonds	$ 7,175,000		$ 160,000	$ 7,015,000	$ 190,000
Less: Unamortized discount	(67,333)		(4,208)	(63,125)	
Total pension obligation bonds	7,107,667	$ -	155,792	6,951,875	190,000
Oroville Public Financing Authority:					
Revenue bonds payable	26,850,000		625,000	26,225,000	705,000
Less: Unamortized discount	(44,403)		(1,848)	(42,555)	
Unamortized refunding loss	(256,985)		(17,132)	(239,853)	
Add: Unamortized premium	167,216		7,480	159,736	
Total revenue bonds payable	26,715,828	-	613,500	26,102,328	705,000
Total Bonds Payable	33,823,495	-	769,292	33,054,203	895,000
USDA COP Loan	-	289,920	-	289,920	16,300
Capital lease obligation	372,054		78,369	293,685	81,860
Net OPEB obligation	-	193,000	106,610	86,390	-
Compensated absences	594,281	320,411	309,592	605,100	151,275
Total Long-Term Liabilities	$ 34,789,830	$ 803,331	$ 1,263,863	$ 34,329,298	$ 1,144,435

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

Taxable Pension Obligation Bonds

$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.	$7,015,000

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.	15,835,000
$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.	1,910,000
Total Oroville Public Financing Authority Revenue Bonds	$26,225,000

The annual debt service requirement to amortize bonds outstanding as of June 30, 2009 is as follows:

	Governmental Activities			
Year Ended	Pension Obligation Bonds		OPFA Bonds	
June 30,	Principal	Interest	Principal	Interest
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	320,000	326,950	815,000	1,103,776
2015-2019	2,300,000	1,333,447	4,275,000	4,959,399
2020-2024	3,445,000	568,937	4,780,000	3,793,514
2025-2029	-		7,915,000	2,214,475
2030-2034			5,465,000	390,375
	$ 7,015,000	$ 3,667,494	$ 26,225,000	$ 17,173,734

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, 2009, cash on hand $17,889 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, 2009, the outstanding principal of these bonds was $16,145,000.

USDA Certificate of Participation Loan - The City of Oroville entered into a loan agreement with the United Sates Department of Agriculture (USDA) wherein the City issued a certificate of participation to the USDA in an amount not to exceed $700,000 to fund the expansion and renovation of City Hall. At the balance sheet date, the City had only drawn down $289,920 of the funds for the project. The rate of interest is 4.25% payable semi-annually. The agreement requires annual principal payments on August 1st ranging from $16,300 to $44,100 through the year 2033.

The annual debt service requirement to amortize the loan as of June 30, 2009 is as follows:

	Governmental Activities	
Year Ended	USDA Certificate of Participatio	
June 30,	Principal	Interest
2010	$ 16,000	$ 11,982
2011	16,900	11,282
2012	17,700	10,547
2013	18,400	9,780
2014	19,200	8,981
2015-2019	20,000	8,148
2020-2024	113,600	26,937
2025-2029	68,120	3,914
	$ 289,920	$ 91,571

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	$ (5,559)	$ 17,500
Vehicles	66,818	(20,461)	46,357
Truck with dump bed	35,051	(10,563)	24,488
Mower	17,700	(2,840)	14,860
Police cars with safety equipment	86,575	(22,779)	63,796
Street sweeper	169,347	(8,467)	160,880
	$ 398,550	$ (70,669)	$ 327,881

The City's future minimum lease payments and the net present value of future minimum lease payments at June 30, 2009 were as follows:

Year Ended June 30,	Annual Payment
2010	$ 94,952
2011	94,952
2012	95,060
2013	38,544
Total Minimum Lease payments	323,508
Less: Amount representing interest	(32,823)
Present Value Of Minimum Lease Payments	$ 290,685

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 2008/09 appropriations that are anticipated to be carried over to 2009/10 as supplemental appropriations.

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,
2008	$ 276,184	$ 212,347	$ (161,459)	$ 327,072
2009	327,072	280,651	(215,274)	392,449

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 $577,139 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, 2009, the amount remitted to SC-OR by the City of Oroville totaled $820,607. At June 30, 2009, the City owed SC-OR $207,940 for amounts collected but not yet remitted.

Noted below is condensed financial information derived from the audited financial statements of SC-OR as of June 30, 2009:

Cash	$ 6,619,120
Other Assets	11,948,540
Total Assets	$ 18,567,660
Liabilities	$ 373,881
Net Assets	18,193,779
Total Liabilities And Net Assets	$ 18,567,660
Total Revenues	$ 2,209,072
Total Expenses	(2,221,236)
Net Increase In Net Assets	$ (12,164)

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 2008/09 was 10.029% (15.155% for safety employees). The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost:

For fiscal year 2008/09 the City of Oroville's annual pension cost was $763,212 ($351,714 for miscellaneous and $411,498 for safety employees) and the City actually contributed $740,260. In addition, the City paid $489,760 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 2008/09 was determined as part of the June 30, 2006, actuarial valuation.

Three-Year Trend Information

Year Ending	Annual Pension Cost		Percentage	Net Pension
June 30,	Miscellaneous	Safety	Contributed	Obligation
2007	$ 496,810	$ 763,532	100%	-
2008	336,669	403,591	100%	-
2009	351,714	411,498	100%	-

E) Other Postemployment Benefits

Plan Description:

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

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

Funding Policy:

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

The City contributed $106,610 during the 2009 fiscal year on a pay-as-you-go basis for retiree sick leave conversion premiums. The City contributed an estimated $16,000 for the implied subsidy inherent in 2009 retiree-paid premiums.

Annual OPEB Cost and Net OPEB Obligation:

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

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

Annual Required Contribution	$ 193,000
Interest on the Net OPEB Obligation	-
Adjustment to Annual Required Contribution	-
Annual OPEB Cost	193,000
Contributions Made	(106,610)
Increase in Net OPEB Obligation	86,390
Net OPEB Obligation - Beginning of Year	-
Net OPEB Obligation - End of Year	$ 86,390

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal year 2008/09 and the two preceding fiscal years were as follows:

Year Ending June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2007	n/a	n/a	n/a
2008	n/a	n/a	n/a
2009	$ 193,000	44.76%	$ 143,549

Funded Status and Funding Progress:

The funded status of the Plan as of June 30, 2008, the Plan's most recent actuarial valuation date, was as follows:

Actuarial Accrued Liability (AAL)	$ 1,511,000
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	1,511,000
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Participants)	$ 6,222,231
UAAL as a Percentage of Covered Payroll	24.28%

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

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the

effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the June 30, 2008, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.25% investment rate of return (net of administrative expenses) and a 3% general inflation assumption. Premiums were assumed to increase with a pre-Medicare medical cost increase of 9.1% for HMO's and 9.8% for PPO's for 2011, both graded down to 4.5% for 2018 and thereafter. The post-Medicare medical cost increase rates were 9.4% for HMO's and 10.1% for 2011, both downgraded to 4.5% for 2018 and thereafter. The initial unfunded actuarial accrued liability was amortized as a level percentage of projected payroll over a fixed 30-year period.

F) Deferred Compensation

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OROVILLE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property Taxes	$ 517,859	$ 741,194	$ 663,179	$ (78,015)
Sales and Use Taxes	2,652,286	2,516,281	2,734,674	218,393
Sales and Use Taxes In-Lieu	2,159,317	2,240,833	2,109,251	(131,582)
Documentary Stamp	85,456	32,800	23,053	(9,747)
Transient Occupancy	322,922	341,209	320,008	(21,201)
Utility Users	1,755,857	1,608,410	1,462,014	(146,396)
Franchise	451,287	420,090	488,888	68,798
Licenses and Permits	413,253	298,649	243,498	(55,151)
Fines and Forfeitures	81,000	81,000	80,813	(187)
Interest, Rents, and Concessions	299,015	199,604	177,202	(22,402)
Intergovernmental Revenues	161,000	84,687	198,789	114,102
Current Service Charges	638,982	244,479	183,567	(60,912)
Other Revenues	298,147	512,618	1,210,350	697,732
Total Revenues	9,836,381	9,321,854	9,895,286	573,432
EXPENDITURES				
Current:				
General Government	2,966,187	3,843,095	2,560,177	1,282,918
Public Safety	7,354,708	7,446,422	7,059,702	386,720
Public Works	411,833	465,237	448,931	16,306
Streets and Storm Drains	953,468	1,105,133	887,980	217,153
Parks and Leisure	963,536	992,193	849,894	142,299
Capital Outlay	-	226,204	675,239	(449,035)
Total Expenditures	12,649,732	14,078,284	12,481,923	1,596,361
Excess (Deficiency) of Revenues Over Expenditures	(2,813,351)	(4,756,430)	(2,586,637)	2,169,793
OTHER FINANCING SOURCES (USES)				
Transfers In	2,837,149	2,923,685	2,837,170	(86,515)
Transfers Out		(162,917)	(161,361)	1,556
Total Other Financing Sources (Uses)	2,837,149	2,760,768	2,675,809	(84,959)
Net Change In Fund Balances	23,798	(1,995,662)	89,172	2,084,834
Fund Balance, July 1	4,789,636	4,789,636	4,789,636	-
Fund Balance, June 30	$ 4,813,434	$ 2,793,974	$ 4,878,808	$ 2,084,834

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 107,088	$ 107,088	$ 29,758	$ (77,330)
Intergovernmental Revenues:				
Grants		3,934,899	1,752,634	(2,182,265)
Other Revenues:				
Loan Collections	71,392	71,392	24,098	(47,294)
Total Revenues	178,480	4,113,379	1,806,490	(2,306,889)
EXPENDITURES				
Current:				
Other Services and Supplies	202,580	436,113	29,087	407,026
Housing Loans		3,163,188	1,088,704	2,074,484
Capital Outlay:				
Housing and Community Development		532,753	502,753	30,000
Total Expenditures	202,580	4,132,054	1,620,544	2,511,510
Excess (Deficiency) of Revenues Over Expenditures	(24,100)	(18,675)	185,946	204,621
OTHER FINANCING SOURCES (USES)				
Transfers In	200,000	381,300	181,300	(200,000)
Transfers Out	(218,817)	(640,696)	(228,526)	412,170
Total Other Financing Sources (Uses)	(18,817)	(259,396)	(47,226)	212,170
Net Change In Fund Balances	(42,917)	(278,071)	138,720	416,791
Fund Balance, July 1	545,963	545,963	545,963	-
Fund Balance, June 30	**$ 503,046**	**$ 267,892**	**$ 684,683**	**$ 416,791**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 61,860	$ 61,860	$ 16,904	$ (44,956)
Intergovernmental Revenues:				
Grants		2,502,343	519,344	(1,982,999)
Other Revenues:				
Loan Collections	41,241	41,241	94,992	53,751
Refunds/Reimbursements				
Total Revenues	103,101	2,605,444	631,240	(1,974,204)
EXPENDITURES				
Current:				
Salaries and Benefits			116,157	(116,157)
Other Services and Supplies	49,309	1,718,400	802,365	916,035
Loans Made		56,700	56,700	-
Capital Outlay:				
Housing and Community Development		2,671,810	509,412	2,162,398
Total Expenditures	49,309	4,446,910	1,484,634	2,962,276
Excess (Deficiency) of Revenues Over Expenditures	53,792	(1,841,466)	(853,394)	988,072
OTHER FINANCING SOURCES (USES)				
Transfers In	107,700	1,720,788	1,613,088	(107,700)
Transfers Out	(161,492)	(1,127,933)	(347,473)	780,460
Total Other Financing Sources (Uses)	(53,792)	592,855	1,265,615	672,760
Net Change In Fund Balances	-	(1,248,611)	412,221	1,660,832
Fund Balance, July 1	1,377,433	1,377,433	1,377,433	-
Fund Balance, June 30	$ 1,377,433	$ 128,822	$ 1,789,654	$ 1,660,832

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 1,864,680	$ 1,864,680	$ 1,239,680	$ (625,000)
Total Revenues	1,864,680	1,864,680	1,239,680	(625,000)
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	1,864,680	1,864,680	1,239,680	(625,000)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,864,680)	(1,864,680)	(1,864,680)	-
Total Other Financing Sources (Uses)	(1,864,680)	(1,864,680)	(1,864,680)	-
Net Change In Fund Balances	-	-	(625,000)	(625,000)
Fund Balance, July 1	26,894,625	26,894,625	26,894,625	-
Fund Balance, June 30	**$ 26,894,625**	**$ 26,894,625**	**$ 26,269,625**	**$ (625,000)**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property Taxes	$ 4,729,083	$ 4,538,411	$ 4,492,230	$ (46,181)
Interest, Rents, and Concessions:				
Investment Earnings	220,628	107,440	197,139	89,699
Intergovernmental Revenues:				
HOPTR	200,986	224,749	249,498	24,749
Other Revenues:				
Refunds/Reimbursements		9,544	5,208	(4,336)
Total Revenues	5,150,697	4,880,144	4,944,075	63,931
EXPENDITURES				
Current:				
Salaries and Benefits	553,178	553,178	429,042	124,136
Other Services and Supplies	1,173,417	3,249,978	271,373	2,978,605
Debt Service:				
Principal Retirement	55,000	55,000		55,000
Interest and Fiscal Charges	1,907,680	2,002,031	1,336,272	665,759
Capital Outlay:				
Streets and Storm Drains	50,000	50,000		50,000
Housing and Community Development	350,000	1,319,703	7,066	1,312,637
Total Expenditures	4,089,275	7,229,890	2,043,753	5,186,137
Excess (Deficiency) of Revenues Over Expenditures	1,061,422	(2,349,746)	2,900,322	5,250,068
OTHER FINANCING SOURCES (USES)				
Transfers Out	(828,008)	(883,174)	(802,467)	80,707
Total Other Financing Sources (Uses)	(828,008)	(883,174)	(802,467)	80,707
Net Change In Fund Balances	233,414	(3,232,920)	2,097,855	5,330,775
Fund Balance, July 1	(22,963,878)	(22,963,878)	(22,963,878)	-
Fund Balance, June 30	**$ (22,730,464)**	**$ (26,196,798)**	**$ (20,866,023)**	**$ 5,330,775**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	$ 1,560,520	$ 1,652,217	$ 1,631,845	$ (20,372)
Interest, Rents, and Concessions:				
Investment Earnings	117,207	110,241	105,795	(4,446)
Rents and Concessions	2,874	2,874	583	(2,291)
Intergovernmental Revenues:				
HOPTR	27,765	31,187	62,374	31,187
Grants	10,000	14,458	17,728	3,270
Other Revenues:				
Loan Collections	136,878	83,207	38,322	(44,885)
Sale of Property	230,516	478,584	478,585	1
Refunds/Reimbursements	17,098	17,625		(17,625)
Total Revenues	2,102,858	2,390,393	2,335,232	(55,161)
EXPENDITURES				
Current:				
Salaries and Benefits	50,490	50,490	63,609	(13,119)
Other Services and Supplies	881,044	742,357	220,548	521,809
Loans and Housing Construction		915,618	623,188	292,430
Capital Outlay:				
Housing and Community Development		85,406	21,692	63,714
Total Expenditures	931,534	1,793,871	929,037	864,834
Excess (Deficiency) of Revenues Over Expenditures	1,171,324	596,522	1,406,195	809,673
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,225,340)	(1,217,890)	(708,343)	509,547
Total Other Financing Sources (Uses)	(1,225,340)	(1,217,890)	(708,343)	509,547
Net Change In Fund Balances	(54,016)	(621,368)	697,852	1,319,220
Fund Balance, July 1	1,702,202	1,702,202	1,702,202	-
Fund Balance, June 30	$ 1,648,186	$ 1,080,834	$ 2,400,054	$ 1,319,220

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 48,204	$ 48,204	$ 8,181	$ (40,023)
Other Revenues:				
Loan Payments	103,824	103,824	19,913	(83,911)
Total Revenues	152,028	152,028	28,094	(123,934)
EXPENDITURES				
Current:				
Loans Made	119,791	266,271	64,636	201,635
Total Expenditures	119,791	266,271	64,636	201,635
Excess (Deficiency) of Revenues Over Expenditures	32,237	(114,243)	(36,542)	77,701
OTHER FINANCING SOURCES (USES)				
Transfers In	128,480	128,480	7,641	(120,839)
Transfers Out	(160,717)	(160,717)	(3,172)	157,545
Total Other Financing Sources (Uses)	(32,237)	(32,237)	4,469	36,706
Net Change In Fund Balances	-	(146,480)	(32,073)	114,407
Fund Balance, July 1	39,150	39,150	39,150	-
Fund Balance, June 30	$ 39,150	$ (107,330)	$ 7,077	$ 114,407

CITY OF OROVILLE
CITY OF OROVILLE RETIREE HEALTHCARE PLAN
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
June 30, 2006	n/a	n/a	n/a	n/a	n/a	n/a
June 30, 2007	n/a	n/a	n/a	n/a	n/a	n/a
June 30, 2008	$ -	$ 1,511,000	$ 1,511,000	0.00%	$ 6,222,231	24.28%

(1) = June 30, 2008 was the initial acturial valuation for the plan.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF OROVILLE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	$ 10,239,654	$ 530,709	$ 5,822,894	$ 16,593,257
Receivables:				
Taxes	18,519			18,519
Accounts	72,004	24,398		96,402
Sewer Service Charges	117,571			117,571
Grants	417,523		125,606	543,129
Interest	105,610	2	16,215	121,827
Due From Other Funds	200,424		19,875	220,299
Inventory	4,625			4,625
Loans Receivable	4,633,657		7,361	4,641,018
Advances Due From Other Funds	138,816		73,890	212,706
Total Assets	**$ 15,948,403**	**$ 555,109**	**$ 6,065,841**	**$ 22,569,353**
LIABILITIES AND FUND BALANCES				
Liabilities:				
Vouchers Payable	$ 256,351	$ 82,050	$ 4,979	$ 343,380
Accrued Salaries and Benefits	38,483			38,483
Deposits Payable	6,448			6,448
Due To Other Funds	290,267			290,267
Due To Other Agencies	207,940			207,940
Advances Payable to Other Funds	73,890			73,890
Deferred Loans	4,127,310			4,127,310
Deferred Revenue - Unearned	170,134		107,967	278,101
Total Liabilities	5,170,823	82,050	112,946	5,365,819
Fund Balances:				
Reserved:				
Encumbrances	776,531		405,368	1,181,899
Public Safety	217,902			217,902
Park Improvements	111,515			111,515
Street Improvements	2,608,601			2,608,601
Drainage/Sewer Improvements	1,906,414			1,906,414
Long Term Receivables	138,816		73,890	212,706
Unreserved:				
Undesignated	5,017,801	473,059	5,473,637	10,964,497
Total Fund Balances	10,777,580	473,059	5,952,895	17,203,534
Total Liabilities and Fund Balances	**$ 15,948,403**	**$ 555,109**	**$ 6,065,841**	**$ 22,569,353**

CITY OF OROVILLE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	$ 95,806			$ 95,806
Licenses and Permits	61,781			61,781
Interest, Rents, and Concessions	686,565	$ 12,945	$ 138,901	838,411
Intergovernmental Revenues	1,297,720		1,120,200	2,417,920
Current Service Charges	1,641,834			1,641,834
Other	851,300	660,598	13,479	1,525,377
Total Revenues	4,635,006	673,543	1,272,580	6,581,129
EXPENDITURES				
Current:				
General Government			14,005	14,005
Public Safety	65,443			65,443
Streets and Storm Drains	89,828	908		90,736
Transportation	425,549			425,549
Parks and Leisure	253,689			253,689
Health and Sanitation	1,364,720			1,364,720
Housing and Community Development	1,176,207			1,176,207
Debt Service:				
Principal Retirement		238,369		238,369
Interest and Fiscal Charges	5,205	409,867		415,072
Capital Outlay	514,093		2,236,870	2,750,963
Total Expenditures	3,894,734	649,144	2,250,875	6,794,753
Excess (Deficiency) of Revenues Over Expenditures	740,272	24,399	(978,295)	(213,624)
OTHER FINANCING SOURCES (USES)				
Loan Proceeds			289,920	289,920
Transfers In	2,170,086	116,994	112,000	2,399,080
Transfers Out	(4,171,598)		(115,141)	(4,286,739)
Total Other Financing Sources (Uses)	(2,001,512)	116,994	286,779	(1,597,739)
Net Change In Fund Balances	(1,261,240)	141,393	(691,516)	(1,811,363)
Fund Balances, July 1	12,038,820	331,666	6,644,411	19,014,897
Fund Balances, June 30	$ 10,777,580	$ 473,059	$ 5,952,895	$ 17,203,534

SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS

Community Promotions Fund
To account for community promotion expenditures related to promoting the Oroville Area.

Sewer Fund
To account for activities of the City's sewage collection system and for fees collected on behalf of SC-OR.

Sewer Connection Fees Fund
To account for revenues collected for sewer connection fees and expenditures for sewer system improvements.

Drainage Impact Fees Fund
To account for revenues collected for drainage fees and expenditures for drainage improvements.

Park Development Fees Fund
To account for revenues collected for park use fees and expenditures for park improvements.

Thermalito Traffic Impact Fund
To account for revenues collected for traffic impact fees in the Thermalito Area.

Traffic Impact Fees Fund
To account for revenues collected for traffic impact fees in Oroville, excluding the North Oroville and Thermalito Areas.

Drainage Citywide Fund
To account for revenues collected for citywide drainage impact fees and expenditures for drainage improvements.

Local Transportation Fund
To account for revenues and expenditures associated with Transportation Development Act, Section 99400(A) funds and Traffic Congestion funds.

Regional Surface Transpiration Program Fund
To account for the activities of the Regional Surface Transportation Program.

Recycling Fund
To account for activities of the City's recycling program.

Special Gas Tax Funds (2107 and 2107.5, 186.1 and 2106, 2105)
To account for State gasoline taxes received by the City. These funds may be used for street maintenance, right-of-way acquisition and street maintenance.

Special Aviation Fund
To account for lease revenues from leased airport property and annual State allocations for airport operations and improvements.

Housing Administration Fund
To account for administrative overhead for the City's housing loan and rehabilitation programs.

EDBG Fund
To account for the activities of the City's various EDBG grants.

Asset Seizure Fund
To account for revenues and expenditures of assets acquired through law enforcement seizure activities.

Public Safety Augmentation Fund
To account for revenues generated for public safety purposes by a special sales tax distributed by Butte County.

Police Supplemental Law Enforcement Fund
To account for revenues and expenditures funded by the State COPS program.

Law Enforcement Block Grant Fund
To account for revenues and expenditures funded by the Federal Local Law Enforcement Block Grant.

Miscellaneous Grant Fund
To account for revenues and expenditures for several small grants awarded to the City.

Fire Suppression Impact Fee Fund
To account for revenues and expenditures of development impact fees assessed for fire suppression services.

Contingency Fund
To accumulate resources and account for expenditures for unanticipated contingencies.

Fire Grant Fund
To account for activities associated with the Indian Gaming Grant.

General Government Development Impact Fee Fund
To account for revenues and expenditures of development impact fees assessed for general governmental services.

Lighting & Landscape Maintenance Districts Fund
To account for property tax assessment revenue collected for maintenance of the capital improvements of various improvement districts.

Benefits Assessment Districts Fund
To account for property tax assessment revenue collected for maintenance of the capital improvements of various benefit districts.

Westside Public Service / Public Safety Services Fund
To account for property tax assessment revenue collected for municipal and public safety services provided to various benefit districts.

Supplemental Benefits Fund
To account for revenues and expenditures of amounts received from the Department of Water Resources.

State Theater Fund
To account for the resources and expenditures of performing arts and films sponsored by the State Theater.

Pioneer Museum Fund
To maintain accountability for cash contributed to the City for the Pioneer Museum.

Public Works Manufacturing Development Center Fund
To account for funds received and expenditures related to the City's Business Development Center.

City Housing Rehabilitation Revolving Loan Fund
To account for loans to Low and Moderate Income Families, including repayment of principal and receipt of interest income.

Economic Development Revolving Loan Fund
To account for funds received from the CDBG Economic Development Grant which are authorized to be loaned to private enterprises.

CDBG Housing Revolving Loan Fund
To account for the activities of the City's housing revolving loan program funded by CDBG program income.

Micro-Enterprise Revolving Loan Fund
To account for activities relative to the City's small business revolving loan program.

CalHOME Revolving Loan Fund
To account for activities of the City's housing revolving loan program funded by CalHOME program income.

Housing Rehabilitation Revolving Loan Fund
To account for activities of the City's housing revolving loan program funded by HOME program income.

City Revolving Loan Fund
To account for loans, including payment of principle and interest.

Annexation Fund
To accumulate resources to be utilized for cost of annexing areas located adjacent to current City limits.

Plan Retention Fund
To accumulate resources to be utilized for cost of annexing areas located adjacent to current City limits.

CITY OF OROVILLE
COMBINING BALANCE SHEET
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	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
ASSETS									
Cash and Investments	$ 41,817	$ 2,779,679	$ 708,109	$ 499,369	$ 175,765	$ 152,924	$ 532,455	$ 398,983	$ 372,077
Receivables:									
Taxes									
Accounts	156	10,966							
Sewer Service Charges		117,571							29,500
Grants									
Interest									
Due From Other Funds									
Inventory									
Loans Receivable									
Advances Due From Other Funds		138,816							
Total Assets	$ 41,973	$ 3,047,032	$ 708,109	$ 499,369	$ 175,765	$ 152,924	$ 532,455	$ 398,983	$ 401,577
LIABILITIES AND FUND BALANCES									
Liabilities:									
Vouchers Payable	$ 7,300	$ 61,434			$ 13,038				
Accrued Salaries and Benefits		9,162							
Deposits Payable									
Due To Other Funds									
Due To Other Related Agency		207,940							
Advances Payable to Other Funds									
Deferred Loans									
Deferred Revenues - Unearned									
Total Liabilities	7,300	278,536	$ -	$ -	13,038	$ -	$ -	$ -	$ -
Fund Balances:									
Reserved:									
Encumbrances		173,102		363,473	51,212				
Public Safety									
Park Improvements					111,515				
Street Improvements						152,924	532,455		401,577
Drainage/Sewer Improvements		663,426	708,109	135,896				398,983	
Long-Term Receivables		138,816							
Unreserved:									
Undesignated	34,673	1,793,152							
Total Fund Balances	34,673	2,768,496	708,109	499,369	162,727	152,924	532,455	398,983	401,577
Total Liabilities and Fund Balances	$ 41,973	$ 3,047,032	$ 708,109	$ 499,369	$ 175,765	$ 152,924	$ 532,455	$ 398,983	$ 401,577

Continued

CITY OF OROVILLE
COMBINING BALANCE SHEET
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	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
ASSETS									
Cash and Investments	$ 1,241,941	$ 57,730	$ 28,391	$ 24,246	$ 46,353	$ 610,417	$ 25,939		$ 26,665
Receivables:									
Taxes									
Accounts			10,902	4,971	5,967	4,262			
Sewer Service Charges									
Grants						8,039		$ 165,451	
Interest								66,438	
Due From Other Funds									
Inventory						4,625			
Loans Receivable								1,567,567	
Advances Due From Other Funds									
Total Assets	$ 1,241,941	$ 57,730	$ 39,293	$ 29,217	$ 52,320	$ 627,343	$ 25,939	$ 1,799,456	$ 26,665
LIABILITIES AND FUND BALANCES									
Liabilities:									
Vouchers Payable						$ 22,543		$ 2,523	
Accrued Salaries and Benefits						1,836	$ 25,659		
Deposits Payable									
Due To Other Funds						19,875		199,617	
Due To Other Agencies									
Advances Payable to Other Funds						73,890			
Deferred Loans								1,433,056	
Deferred Revenues - Unearned									
Total Liabilities	$ -	$ -	$ -	$ -	$ -	118,144	25,659	1,635,196	$ -
Fund Balances:									
Reserved:									
Encumbrances	1,890					22,793		61,226	
Public Safety									26,665
Park Improvements									
Street Improvements	1,240,051	57,730	39,293	29,217	52,320			103,034	
Drainage/Sewer Improvements									
Long-Term Receivables									
Unreserved:									
Undesignated						486,406	280		
Total Fund Balances	1,241,941	57,730	39,293	29,217	52,320	509,199	280	164,260	26,665
Total Liabilities and Fund Balances	$ 1,241,941	$ 57,730	$ 39,293	$ 29,217	$ 52,320	$ 627,343	$ 25,939	$ 1,799,456	$ 26,665

Continued

CITY OF OROVILLE
COMBINING BALANCE SHEET
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Public Safety Augmentation Fund	Police Supplemental Law Enforcement Fund	Law Enforcement Block Grant Fund	Law Enforcement Impact Fee Fund	Miscellaneous Grant Fund	Fire Suppression Impact Fee Fund	Contingency Fund	Fire Grant Fund	General Government Development Impact Fee Fund
ASSETS									
Cash and Investments	$ 41,985			$ 52,565		$ 23,194	$ 537,711	$ 61,975	$ 35,546
Receivables:									
Taxes	5,989								
Accounts									
Sewer Service Charges									
Grants		$ 44,259	$ 170,134		$ 4,000				
Interest								4,637	
Due From Other Funds									
Inventory									
Loans Receivable									
Advances Due From Other Funds									
Total Assets	$ 47,974	$ 44,259	$ 170,134	$ 52,565	$ 4,000	$ 23,194	$ 537,711	$ 66,612	$ 35,546
LIABILITIES AND FUND BALANCES									
Liabilities:									
Vouchers Payable			$ 87,090				$ 7,883		
Accrued Salaries and Benefits			230						
Deposits Payable									
Due To Other Funds		$ 43,367	9,440		$ 4,000				
Due To Other Agencies									
Advances Payable to Other Funds									
Deferred Loans									
Deferred Revenues - Unearned			170,134						
Total Liabilities	$ -	43,367	266,894	$ -	4,000	$ -	7,883	$ -	$ -
Fund Balances:									
Reserved:									
Encumbrances							36,241		
Public Safety	47,974	892		52,565		23,194		66,612	
Park Improvements									
Street Improvements									
Drainage/Sewer Improvements									
Long-Term Receivables									
Unreserved:									
Undesignated			(96,760)				493,587		35,546
Total Fund Balances	47,974	892	(96,760)	52,565	-	23,194	529,828	66,612	35,546
Total Liabilities and Fund Balances	$ 47,974	$ 44,259	$ 170,134	$ 52,565	$ 4,000	$ 23,194	$ 537,711	$ 66,612	$ 35,546

Continued

CITY OF OROVILLE
COMBINING BALANCE SHEET
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Lighting & Landscape Maintenance Districts Fund	Benefit Assessment Districts Fund	Westside Public Service Fund	Public Safety Services Fund	Supplemental Benefits Fund	State Theater Fund	Pioneer Museum Fund	Public Works Manufacturing Development Center Fund	City Housing Rehabilitation Revolving Loan Fund
ASSETS									
Cash and Investments	$ 55,557	$ 62,719	$ 29,220	$ 29,385		$ 19,635	$ 100,999	$ 242,897	$ 606,733
Receivables:									
Taxes	8,860	3,670							
Accounts						5,280			
Sewer Service Charges									
Grants									
Interest					$ 21,003				
Due From Other Funds									2,930
Inventory									200,424
Loans Receivable									
Advances Due From Other Funds									1,395,321
Total Assets	$ 64,417	$ 66,389	$ 29,220	$ 29,385	$ 21,003	$ 24,915	$ 100,999	$ 242,897	$ 2,205,408
LIABILITIES AND FUND BALANCES									
Liabilities:									
Vouchers Payable	$ 3,006				$ 28,731	$ 21,375		$ 452	
Accrued Salaries and Benefits	183				1,347			66	
Deposits Payable						6,448			
Due To Other Funds					13,161				
Due To Other Agencies									
Advances Payable to Other Funds									
Deferred Loans									$ 1,261,423
Deferred Revenues - Unearned									
Total Liabilities	3,189	$ -	$ -	$ -	43,239	27,823	$ -	518	1,261,423
Fund Balances:									
Reserved:									
Encumbrances									
Public Safety									
Park Improvements									
Street Improvements									
Drainage/Sewer Improvements									
Long-Term Receivables									
Unreserved:									
Undesignated	61,228	66,389	29,220	29,385	(22,236)	(2,908)	100,999	242,379	943,985
Total Fund Balances	61,228	66,389	29,220	29,385	(22,236)	(2,908)	100,999	242,379	943,985
Total Liabilities and Fund Balances	$ 64,417	$ 66,389	$ 29,220	$ 29,385	$ 21,003	$ 24,915	$ 100,999	$ 242,897	$ 2,205,408

Continued

CITY OF OROVILLE
COMBINING BALANCE SHEET
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Economic Development Revolving Loan Fund	CDBG Housing Revolving Loan Fund	Micro-Enterprise Revolving Loan Fund	CalHOME Revolving Loan Fund	Housing Rehabilitation Revolving Loan Fund	City Revolving Loan Fund	Annexation Fund	Plan Retention Fund	Totals 2009
ASSETS									
Cash and Investments				$ 9,747	$ 194,167	$ 268,346	$ 132,084	$ 12,329	$ 10,239,654
Receivables:									
Taxes									18,519
Accounts									72,004
Sewer Service Charges									117,571
Grants									417,523
Interest	$ 35,708								105,610
Due From Other Funds						534			200,424
Inventory									4,625
Loans Receivable	697,916	$ 809,624							4,633,657
Advances Due From Other Funds					79,906	83,323			138,816
Total Assets	$ 733,624	$ 809,624	$ -	$ 9,747	$ 274,073	$ 352,203	$ 132,084	$ 12,329	$ 15,948,403
LIABILITIES AND FUND BALANCES									
Liabilities:									
Vouchers Payable					$ 555	$ 421			$ 256,351
Accrued Salaries and Benefits									38,483
Deposits Payable									6,448
Due To Other Funds		$ 807							290,267
Due To Other Agencies									207,940
Advances Payable to Other Funds									73,890
Deferred Loans	$ 504,978	809,624			79,906	38,323			4,127,310
Deferred Revenues - Unearned									170,134
Total Liabilities	504,978	810,431	$ -	$ -	80,461	38,744	$ -	$ -	5,170,823
Fund Balances:									
Reserved:									
Encumbrances						4,539	62,055		776,531
Public Safety									217,902
Park Improvements									111,515
Street Improvements									2,608,601
Drainage/Sewer Improvements									1,906,414
Long-Term Receivables									138,816
Unreserved:									
Undesignated	228,646	(807)	-	9,747	193,612	308,920	70,029	12,329	5,017,801
Total Fund Balances	228,646	(807)	-	9,747	193,612	313,459	132,084	12,329	10,777,580
Total Liabilities and Fund Balances	$ 733,624	$ 809,624	$ -	$ 9,747	$ 274,073	$ 352,203	$ 132,084	$ 12,329	$ 15,948,403

CITY OF OROVILLE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	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
REVENUES									
Taxes									
Licenses and Permits				$ 8,022	$ 8,240		$ 30,745	$ 11,474	
Interest, Rents, and Concessions		$ 61,176	$ 14,973	10,542	3,709	$ 3,253	11,017	8,322	$ 6,773
Intergovernmental Revenues									122,903
Current Service Charges		1,628,387	12,693						
Other									
Total Revenues	$ -	1,689,563	27,666	18,564	11,949	3,253	41,762	19,796	129,676
EXPENDITURES									
Current:									
Public Safety									
Streets and Storm Drains									
Transportation									
Parks and Leisure									
Health and Sanitation					13,038				
Housing and Community Development	32,629	1,364,691	29						
Debt Service:									
Interest Charges									
Capital Outlay		165,565							
Total Expenditures	32,629	1,530,256	29	-	13,038	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	(32,629)	159,307	27,637	18,564	(1,089)	3,253	41,762	19,796	129,676
OTHER FINANCING SOURCES (USES)									
Transfers In	40,000	12,425							
Transfers Out		(277,436)							
Total Other Financing Sources (Uses)	40,000	(265,011)	-	-	-	-	-	-	-
Net Change In Fund Balances	7,371	(105,704)	27,637	18,564	(1,089)	3,253	41,762	19,796	129,676
Fund Balances, July 1	27,302	2,874,200	680,472	480,805	163,816	149,671	490,693	379,187	271,901
Fund Balances, June 30	$ 34,673	$ 2,768,496	$ 708,109	$ 499,369	$ 162,727	$ 152,924	$ 532,455	$ 398,983	$ 401,577

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, 2009

	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									
Interest, Rents, and Concessions	$ 24,765	$ 1,151	$ 2,200	$ 1,279	$ 1,850	$ 190,887		$ 73,211	$ 633
Intergovernmental Revenues	194,651	5,000	93,112	58,888	70,165	101,186		257,696	
Current Service Charges									
Other		8,512				275,255		145,404	4,735
Total Revenues	219,416	14,663	95,312	60,167	72,015	567,328	$ -	476,311	5,368
EXPENDITURES									
Current:									
Public Safety									
Streets and Storm Drains	32,930		651	507	145				
Transportation						425,549			
Parks and Leisure									
Health and Sanitation									
Housing and Community Development							671,151	218,436	
Debt Service:									
Interest Charges									
Capital Outlay	122,430					5,205			
Total Expenditures	155,360	-	651	507	145	430,754	671,151	218,436	-
Excess (Deficiency) of Revenues Over Expenditures	64,056	14,663	94,661	59,660	71,870	136,574	(671,151)	257,875	5,368
OTHER FINANCING SOURCES (USES)									
Transfers In							688,238		
Transfers Out		(4,582)	(171,563)	(96,146)	(112,676)	(96,503)		(240,111)	
Total Other Financing Sources (Uses)	-	(4,582)	(171,563)	(96,146)	(112,676)	(96,503)	688,238	(240,111)	-
Net Change In Fund Balances	64,056	10,081	(76,902)	(36,486)	(40,806)	40,071	17,087	17,764	5,368
Fund Balances, July 1	1,177,885	47,649	116,195	65,703	93,126	469,128	(16,807)	146,496	21,297
Fund Balances, June 30	$ 1,241,941	$ 57,730	$ 39,293	$ 29,217	$ 52,320	$ 509,199	$ 280	$ 164,260	$ 26,665

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, 2009

	Public Safety Augmentation Fund	Police Supplemental Law Enforcement Fund	Law Enforcement Block Grant Fund	Law Enforcement Impact Fee Fund	Miscellaneous Grant Fund	Fire Suppression Impact Fee Fund	Contingency Fund	Fire Grant Fund	General Government Development Impact Fee Fund
REVENUES									
Taxes									
Licenses and Permits				$ 1,290		$ 600			$ 1,410
Interest, Rents, and Concessions				1,102		489			853
Intergovernmental Revenues	$ 89,237	$ 100,000			$ 4,000			$ 60,000	
Current Service Charges									
Other									
Total Revenues	89,237	100,000	$ -	2,392	4,000	1,089	$ -	60,000	2,263
EXPENDITURES									
Current:									
Public Safety		284	31,866				31,006		
Streets and Storm Drains									
Transportation									
Parks and Leisure					4,000				
Health and Sanitation									
Housing and Community Development									
Debt Service:									
Interest Charges									
Capital Outlay			170,134				55,964		
Total Expenditures	-	284	202,000	-	4,000	-	86,970	-	-
Excess (Deficiency) of Revenues Over Expenditures	89,237	99,716	(202,000)	2,392	-	1,089	(86,970)	60,000	2,263
OTHER FINANCING SOURCES (USES)									
Transfers In								4,636	
Transfers Out	(106,670)	(100,000)					(313,700)		(10,000)
Total Other Financing Sources (Uses)	(106,670)	(100,000)	-	-	-	-	(313,700)	4,636	(10,000)
Net Change In Fund Balances	(17,433)	(284)	(202,000)	2,392	-	1,089	(400,670)	64,636	(7,737)
Fund Balances, July 1	65,407	1,176	105,240	50,173	-	22,105	930,498	1,976	43,283
Fund Balances, June 30	$ 47,974	$ 892	$ (96,760)	$ 52,565	$ -	$ 23,194	$ 529,828	$ 66,612	$ 35,546

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, 2009

	Lighting & Landscape Maintenance Districts Fund	Benefit Assessment Districts Fund	Westside Public Service Fund	Public Safety Services Fund	Supplemental Benefits Fund	State Theater Fund	Pioneer Museum Fund	Public Works Manufacturing Development Center Fund	City Housing Rehabilitation Revolving Loan Fund
REVENUES									
Taxes	$ 23,601	$ 9,205	$ 31,500	$ 31,500					
Licenses and Permits									
Interest, Rents, and Concessions	1,512	1,260	172	172		$ 39,925		$ 76,567	$ 62,106
Intergovernmental Revenues					$ 140,882				
Current Service Charges									
Other						1,800			163,163
Total Revenues	25,113	10,465	31,672	31,672	140,882	41,725	$ -	76,567	225,269
EXPENDITURES									
Current:									
Public Safety									
Streets and Storm Drains	49,777	3,366	2,452	2,287					
Transportation									
Parks and Leisure									
Health and Sanitation					181,388	55,263			
Housing and Community Development								47,108	81,582
Debt Service:									
Interest Charges									
Capital Outlay									
Total Expenditures	49,777	3,366	2,452	2,287	181,388	55,263	-	47,108	81,582
Excess (Deficiency) of Revenues Over Expenditures	(24,664)	7,099	29,220	29,385	(40,506)	(13,538)	-	29,459	143,687
OTHER FINANCING SOURCES (USES)									
Transfers In						15,000			28,672
Transfers Out					(4,637)				(40,422)
Total Other Financing Sources (Uses)	-	-	-	-	(4,637)	15,000	-	-	(11,750)
Net Change In Fund Balances	(24,664)	7,099	29,220	29,385	(45,143)	1,462	-	29,459	131,937
Fund Balances, July 1	85,892	59,290	-	-	22,907	(4,370)	100,999	212,920	812,048
Fund Balances, June 30	$ 61,228	$ 66,389	$ 29,220	$ 29,385	$ (22,236)	$ (2,908)	$ 100,999	$ 242,379	$ 943,985

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, 2009

	Economic Development Revolving Loan Fund	CDBG Housing Revolving Loan Fund	Micro-Enterprise Revolving Loan Fund	CalHOME Revolving Loan Fund	Housing Rehabilitation Revolving Loan Fund	City Revolving Loan Fund	Annexation Fund	Plan Retention Fund	Totals 2009
REVENUES									
Taxes									$ 95,806
Licenses and Permits									61,781
Interest, Rents, and Concessions	$ 41,218	$ 17,686	$ 3,871	$ 546	$ 5,202	$ 15,076	$ 2,811	$ 256	686,565
Intergovernmental Revenues									1,297,720
Current Service Charges									1,641,834
Other	203,681	204		104		48,442		754	851,300
Total Revenues	244,899	17,890	3,871	650	5,202	63,518	2,811	1,010	4,635,006
EXPENDITURES									
Current:									
Public Safety									65,443
Streets and Storm Drains									89,828
Transportation									425,549
Parks and Leisure									253,689
Health and Sanitation									1,364,720
Housing and Community Development		60,101			50,964	13,876	360		1,176,207
Debt Service:									
Interest Charges									5,205
Capital Outlay									514,093
Total Expenditures	-	60,101	-	-	50,964	13,876	360	-	3,894,734
Excess (Deficiency) of Revenues Over Expenditures	244,899	(42,211)	3,871	650	(45,762)	49,642	2,451	1,010	740,272
OTHER FINANCING SOURCES (USES)									
Transfers In		1,381,115							2,170,086
Transfers Out	(939,495)	(1,449,238)	(181,941)		(6,478)	(20,000)			(4,171,598)
Total Other Financing Sources (Uses)	(939,495)	(68,123)	(181,941)	-	(6,478)	(20,000)	-	-	(2,001,512)
Net Change In Fund Balances	(694,596)	(110,334)	(178,070)	650	(52,240)	29,642	2,451	1,010	(1,261,240)
Fund Balances, July 1	923,242	109,527	178,070	9,097	245,852	283,817	129,633	11,319	12,038,820
Fund Balances, June 30	$ 228,646	$ (807)	$ -	$ 9,747	$ 193,612	$ 313,459	$ 132,084	$ 12,329	$ 10,777,580

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Current:				
Other Services and Charges	40,000	69,046	32,629	36,417
Total Expenditures	40,000	69,046	32,629	36,417
Excess (Deficiency) of Revenues Over Expenditures	(40,000)	(69,046)	(32,629)	36,417
OTHER FINANCING SOURCES (USES)				
Transfers In	40,000	40,000	40,000	-
Total Other Financing Sources (Uses)	40,000	40,000	40,000	-
Net Change In Fund Balances	-	(29,046)	7,371	36,417
Fund Balance, July 1	27,302	27,302	27,302	-
Fund Balance, June 30	$ 27,302	$ (1,744)	$ 34,673	$ 36,417

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 39,121	$ 57,370	$ 57,837	$ 467
Rents and Concessions	4,000	4,000	3,339	(661)
Current Service Charges:				
Sewer Service Charges	1,570,190	1,610,974	1,628,387	17,413
Other Revenues:				
Refunds and Reimbursements	2,100	2,100		(2,100)
Total Revenues	1,615,411	1,674,444	1,689,563	15,119
EXPENDITURES				
Current:				
Salaries and Benefits	357,380	357,380	282,950	74,430
Other Services and Supplies	194,197	970,522	261,125	709,397
SC-OR Treatment Charges	785,808	785,808	820,616	(34,808)
Capital Outlay	502,481	618,363	165,565	452,798
Total Expenditures	1,839,866	2,732,073	1,530,256	1,201,817
Excess (Deficiency) of Revenues Over Expenditures	(224,455)	(1,057,629)	159,307	1,216,936
OTHER FINANCING SOURCES (USES)				
Transfers In	12,425	12,425	12,425	-
Transfers Out	(277,436)	(416,252)	(277,436)	138,816
Total Other Financing Sources (Uses)	(265,011)	(403,827)	(265,011)	138,816
Net Change In Fund Balances	(489,466)	(1,461,456)	(105,704)	1,355,752
Fund Balance, July 1	2,874,200	2,874,200	2,874,200	-
Fund Balance, June 30	**$ 2,384,734**	**$ 1,412,744**	**$ 2,768,496**	**$ 1,355,752**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 10,000	$ 10,000	$ 14,973	$ 4,973
Current Service Charges:				
Sewer Connection Fees	60,618	60,618	9,720	(50,898)
Sewer Tapping Charges	8,000	8,000	2,973	(5,027)
Total Revenues	78,618	78,618	27,666	(50,952)
EXPENDITURES				
Current:				
Other Services and Supplies			29	(29)
Total Expenditures	-	-	29	(29)
Excess (Deficiency) of Revenues Over Expenditures	78,618	78,618	27,637	(50,981)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	78,618	78,618	27,637	(50,981)
Fund Balance, July 1	680,472	680,472	680,472	-
Fund Balance, June 30	**$ 759,090**	**$ 759,090**	**$ 708,109**	**$ (50,981)**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and Permits:				
Drainage Impact Fees	$ 17,500	$ 17,500	$ 8,022	$ (9,478)
Interest, Rents, and Concessions:				
Investment Earnings	9,739	9,739	10,542	803
Total Revenues	27,239	27,239	18,564	(8,675)
EXPENDITURES				
Current:				
Other Services and Supplies		5,947		5,947
Total Expenditures	-	5,947	-	5,947
Excess (Deficiency) of Revenues Over Expenditures	27,239	21,292	18,564	(2,728)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	27,239	21,292	18,564	(2,728)
Fund Balance, July 1	480,805	480,805	480,805	-
Fund Balance, June 30	**$ 508,044**	**$ 502,097**	**$ 499,369**	**$ (2,728)**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and Permits:				
Park Impact Fees	$ 36,634	$ 36,634	$ 8,240	$ (28,394)
Interest, Rents, and Concessions:				
Investment Earnings	3,000	3,000	3,709	709
Total Revenues	39,634	39,634	11,949	(27,685)
EXPENDITURES				
Current:				
Other Services and Supplies		66,938	13,038	53,900
Total Expenditures	-	66,938	13,038	53,900
Excess (Deficiency) of Revenues Over Expenditures	39,634	(27,304)	(1,089)	26,215
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	39,634	(27,304)	(1,089)	26,215
Fund Balance, July 1	163,816	163,816	163,816	-
Fund Balance, June 30	**$ 203,450**	**$ 136,512**	**$ 162,727**	**$ 26,215**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 3,255	$ 3,255	$ 3,253	$ (2)
Total Revenues	3,255	3,255	3,253	(2)
EXPENDITURES				
Current:				
Other Services and Supplies		2,684		2,684
Total Expenditures	-	2,684	-	2,684
Excess (Deficiency) of Revenues Over Expenditures	3,255	571	3,253	2,682
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	3,255	571	3,253	2,682
Fund Balance, July 1	149,671	149,671	149,671	-
Fund Balance, June 30	**$ 152,926**	**$ 150,242**	**$ 152,924**	**$ 2,682**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and Permits:				
Traffic Impact Fees	$ 56,150	$ 56,150	$ 30,745	$ (25,405)
Interest, Rents, and Concessions:				
Investment Earnings	10,000	10,000	11,017	1,017
Other Revenues:				
Refunds and Reimbursements	500	500		(500)
Total Revenues	66,650	66,650	41,762	(24,888)
EXPENDITURES				
Current:				
Other Services and Supplies		5,644		5,644
Capital Outlay:				
Streets and Storm Drains		1,470		1,470
Total Expenditures	-	7,114	-	7,114
Excess (Deficiency) of Revenues Over Expenditures	66,650	59,536	41,762	(17,774)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	66,650	59,536	41,762	(17,774)
Fund Balance, July 1	490,693	490,693	490,693	-
Fund Balance, June 30	**$ 557,343**	**$ 550,229**	**$ 532,455**	**$ (17,774)**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and Permits:				
Drainage Impact Fees	$ 82,627	$ 82,627	$ 11,474	$ (71,153)
Interest, Rents, and Concessions:				
Investment Earnings	4,000	4,000	8,322	4,322
Total Revenues	86,627	86,627	19,796	(66,831)
EXPENDITURES				
Current:				
Other Services and Supplies		2,688		2,688
Total Expenditures	-	2,688	-	2,688
Excess (Deficiency) of Revenues Over Expenditures	86,627	83,939	19,796	(64,143)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	86,627	83,939	19,796	(64,143)
Fund Balance, July 1	379,187	379,187	379,187	-
Fund Balance, June 30	**$ 465,814**	**$ 463,126**	**$ 398,983**	**$ (64,143)**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 4,000	$ 4,000	$ 6,773	$ 2,773
Intergovernmental Revenues:				
Other Subventions	77,671	79,271	122,903	43,632
Total Revenues	81,671	83,271	129,676	46,405
EXPENDITURES				
Current:				
Other Services and Supplies		45,000		45,000
Total Expenditures	-	45,000	-	45,000
Excess (Deficiency) of Revenues Over Expenditures	81,671	38,271	129,676	91,405
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	81,671	38,271	129,676	91,405
Fund Balance, July 1	271,901	271,901	271,901	-
Fund Balance, June 30	**$ 353,572**	**$ 310,172**	**$ 401,577**	**$ 91,405**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 10,008	$ 10,008	$ 24,765	$ 14,757
Intergovernmental Revenues:				
Grants	125,000	525,000	194,651	(330,349)
Total Revenues	135,008	535,008	219,416	(315,592)
EXPENDITURES				
Current:				
Other Services and Supplies	10,000	116,691	32,930	83,761
Capital Outlay:				
Streets and Storm Drains		927,725	122,430	805,295
Total Expenditures	10,000	1,044,416	155,360	889,056
Excess (Deficiency) of Revenues Over Expenditures	125,008	(509,408)	64,056	573,464
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	125,008	(509,408)	64,056	573,464
Fund Balance, July 1	1,177,885	1,177,885	1,177,885	-
Fund Balance, June 30	**$ 1,302,893**	**$ 668,477**	**$ 1,241,941**	**$ 573,464**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings			$ 1,151	$ 1,151
Intergovernmental Revenues:				
Grants			5,000	5,000
Other Revenues:				
Refunds and Reimbursements	$ 17,241	$ 17,241	8,512	(8,729)
Total Revenues	17,241	17,241	14,663	(2,578)
EXPENDITURES				
Current:				
Other Services and Supplies	418	19,816		19,816
Capital Outlay:				
Health and Sanitation	15,000	35,000		35,000
Total Expenditures	15,418	54,816	-	54,816
Excess (Deficiency) of Revenues Over Expenditures	1,823	(37,575)	14,663	52,238
OTHER FINANCING SOURCES (USES)				
Transfers Out	(4,582)	(4,582)	(4,582)	-
Total Other Financing Sources (Uses)	(4,582)	(4,582)	(4,582)	-
Net Change In Fund Balances	(2,759)	(42,157)	10,081	52,238
Fund Balance, July 1	47,649	47,649	47,649	-
Fund Balance, June 30	**$ 44,890**	**$ 5,492**	**$ 57,730**	**$ 52,238**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 1,034	$ 1,034	$ 2,200	$ 1,166
Intergovernmental Revenues:				
State Gas Tax 2107 & 2107.2	171,563	171,563	93,112	(78,451)
Total Revenues	172,597	172,597	95,312	(77,285)
EXPENDITURES				
Current:				
Other Services and Supplies	866	866	651	215
Total Expenditures	866	866	651	215
Excess (Deficiency) of Revenues Over Expenditures	171,731	171,731	94,661	(77,070)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(171,563)	(171,563)	(171,563)	-
Total Other Financing Sources (Uses)	(171,563)	(171,563)	(171,563)	-
Net Change In Fund Balances	168	168	(76,902)	(77,070)
Fund Balance, July 1	116,195	116,195	116,195	-
Fund Balance, June 30	**$ 116,363**	**$ 116,363**	**$ 39,293**	**$ (77,070)**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 600	$ 600	$ 1,279	$ 679
Intergovernmental Revenues:				
State Gas Tax 186.1 & 2106	101,569	101,569	58,888	(42,681)
Total Revenues	102,169	102,169	60,167	(42,002)
EXPENDITURES				
Current:				
Other Services and Supplies	525	525	507	18
Total Expenditures	525	525	507	18
Excess (Deficiency) of Revenues Over Expenditures	101,644	101,644	59,660	(41,984)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(101,569)	(101,569)	(96,146)	5,423
Total Other Financing Sources (Uses)	(101,569)	(101,569)	(96,146)	5,423
Net Change In Fund Balances	75	75	(36,486)	(36,561)
Fund Balance, July 1	65,703	65,703	65,703	-
Fund Balance, June 30	**$ 65,778**	**$ 65,778**	**$ 29,217**	**$ (36,561)**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 1,200	$ 1,200	$ 1,850	$ 650
Intergovernmental Revenues:				
State Gas Tax 2105	119,081	119,081	70,165	(48,916)
Total Revenues	120,281	120,281	72,015	(48,266)
EXPENDITURES				
Current:				
Other Services and Supplies	525	525	145	380
Total Expenditures	525	525	145	380
Excess (Deficiency) of Revenues Over Expenditures	119,756	119,756	71,870	(47,886)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(119,081)	(119,081)	(112,676)	6,405
Total Other Financing Sources (Uses)	(119,081)	(119,081)	(112,676)	6,405
Net Change In Fund Balances	675	675	(40,806)	(41,481)
Fund Balance, July 1	93,126	93,126	93,126	-
Fund Balance, June 30	**$ 93,801**	**$ 93,801**	**$ 52,320**	**$ (41,481)**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 11,000	$ 11,000	$ 12,671	$ 1,671
Rents and Concessions	221,061	221,061	178,216	(42,845)
Intergovernmental Revenues:				
Grants		102,992	101,186	(1,806)
Current Service Charges:				
Other Fees	227,600	227,600	275,206	47,606
Refunds and Reimbursements			49	49
Total Revenues	459,661	562,653	567,328	4,675
EXPENDITURES				
Current:				
Salaries and Benefits	40,710	40,710	38,987	1,723
Other Services and Supplies	215,616	478,684	386,562	92,122
Debt Service:				
Interest Charges		7,000	5,205	1,795
Capital Outlay				
Transportation	50,000	153,724		153,724
Total Expenditures	306,326	680,118	430,754	249,364
Excess (Deficiency) of Revenues Over Expenditures	153,335	(117,465)	136,574	254,039
OTHER FINANCING SOURCES (USES)				
Transfers Out	(87,726)	(87,726)	(96,503)	(8,777)
Total Other Financing Sources (Uses)	(87,726)	(87,726)	(96,503)	(8,777)
Net Change In Fund Balances	65,609	(205,191)	40,071	245,262
Fund Balance, July 1	469,128	469,128	469,128	-
Fund Balance, June 30	**$ 534,737**	**$ 263,937**	**$ 509,199**	**$ 245,262**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Current:				
Salaries and Benefits	782,604	782,604	671,151	111,453
Total Expenditures	782,604	782,604	671,151	111,453
Excess (Deficiency) of Revenues Over Expenditures	(782,604)	(782,604)	(671,151)	111,453
OTHER FINANCING SOURCES (USES)				
Transfers In	782,604	782,604	688,238	(94,366)
Total Other Financing Sources (Uses)	782,604	782,604	688,238	(94,366)
Net Change In Fund Balances	-	-	17,087	17,087
Fund Balance, July 1	(16,807)	(16,807)	(16,807)	-
Fund Balance, June 30	**$ (16,807)**	**$ (16,807)**	**$ 280**	**$ 17,087**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 90,931	$ 90,931	$ 73,211	$ (17,720)
Intergovernmental Revenues:				
Grants		3,449,397	257,696	(3,191,701)
Other Revenues:				
Loan Payments	60,621	60,621	145,404	84,783
Total Revenues	151,552	3,600,949	476,311	(3,124,638)
EXPENDITURES				
Current:				
Other Services and Supplies	162,222	390,344	47,583	342,761
Loans Made		2,916,750	170,853	2,745,897
Capital Outlay:				
Housing and Community Development		14,500		14,500
Total Expenditures	162,222	3,321,594	218,436	3,103,158
Excess (Deficiency) of Revenues Over Expenditures	(10,670)	279,355	257,875	(21,480)
OTHER FINANCING SOURCES (USES)				
Transfers In	142,300	142,300		(142,300)
Transfers Out	(131,630)	(421,655)	(240,111)	181,544
Total Other Financing Sources (Uses)	10,670	(279,355)	(240,111)	39,244
Net Change In Fund Balances	-	-	17,764	17,764
Fund Balance, July 1	146,496	146,496	146,496	-
Fund Balance, June 30	**$ 146,496**	**$ 146,496**	**$ 164,260**	**$ 17,764**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 187	$ 187	$ 633	$ 446
Other Revenues:				
Miscellaneous Revenues			4,735	4,735
Total Revenues	187	187	5,368	5,181
EXPENDITURES				
Current:				
Other Services and Supplies		2,751		2,751
Capital Outlay:				
Public Safety		8,089		8,089
Total Expenditures	-	10,840	-	10,840
Excess (Deficiency) of Revenues Over Expenditures	187	(10,653)	5,368	16,021
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	187	(10,653)	5,368	16,021
Fund Balance, July 1	21,297	21,297	21,297	-
Fund Balance, June 30	**$ 21,484**	**$ 10,644**	**$ 26,665**	**$ 16,021**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental Revenues:				
Other Subventions	$ 70,000	$ 70,000	$ 89,237	$ 19,237
Total Revenues	70,000	70,000	89,237	19,237
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	70,000	70,000	89,237	19,237
OTHER FINANCING SOURCES (USES)				
Transfers Out	(100,000)	(100,000)	(106,670)	(6,670)
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(106,670)	(6,670)
Net Change In Fund Balances	(30,000)	(30,000)	(17,433)	12,567
Fund Balance, July 1	65,407	65,407	65,407	-
Fund Balance, June 30	**$ 35,407**	**$ 35,407**	**$ 47,974**	**$ 12,567**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 5,493	$ 5,493		$ (5,493)
Intergovernmental Revenues:				
Grants	100,000	100,000	$ 100,000	-
Total Revenues	105,493	105,493	100,000	(5,493)
EXPENDITURES				
Current:				
Other Services and Supplies			284	(284)
Total Expenditures	-	-	284	(284)
Excess (Deficiency) of Revenues Over Expenditures	105,493	105,493	99,716	(5,777)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(106,670)	(106,670)	(100,000)	6,670
Total Other Financing Sources (Uses)	(106,670)	(106,670)	(100,000)	6,670
Net Change In Fund Balances	(1,177)	(1,177)	(284)	893
Fund Balance, July 1	1,176	1,176	1,176	-
Fund Balance, June 30	$ (1)	$ (1)	$ 892	$ 893

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Current:				
Salaries and Benefits			14,957	(14,957)
Other Services and Supplies	32,000	84,598	16,909	67,689
Capital Outlay:				
Public Safety		280,590	170,134	110,456
Total Expenditures	32,000	365,188	202,000	163,188
Excess (Deficiency) of Revenues Over Expenditures	(32,000)	(365,188)	(202,000)	163,188
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(32,000)	(365,188)	(202,000)	163,188
Fund Balance, July 1	105,240	105,240	105,240	-
Fund Balance, June 30	**$ 73,240**	**$ (259,948)**	**$ (96,760)**	**$ 163,188**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and Permits:				
Police Service Impact Fees	$ 7,000	$ 7,000	$ 1,290	$ (5,710)
Interest, Rents, and Concessions:				
Investment Earnings	870	870	1,102	232
Total Revenues	7,870	7,870	2,392	(5,478)
EXPENDITURES				
Current:				
Other Services and Supplies		2,688		2,688
Total Expenditures	-	2,688	-	2,688
Excess (Deficiency) of Revenues Over Expenditures	7,870	5,182	2,392	(2,790)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	7,870	5,182	2,392	(2,790)
Fund Balance, July 1	50,173	50,173	50,173	-
Fund Balance, June 30	**$ 58,043**	**$ 55,355**	**$ 52,565**	**$ (2,790)**

CITY OF OROVILLE
MISCELLANEOUS GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental Revenues:				
Other Subventions		$ 4,000	$ 4,000	$ -
Total Revenues	$ -	4,000	4,000	-
EXPENDITURES				
Current:				
Other Services and Supplies		8,000	4,000	4,000
Total Expenditures	-	8,000	4,000	4,000
Excess (Deficiency) of Revenues Over Expenditures	-	(4,000)	-	4,000
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	(4,000)	-	4,000
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ (4,000)	$ -	$ 4,000

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and Permits:				
Fire Service Impact Fees	$ 2,513	$ 2,513	$ 600	$ (1,913)
Interest, Rents, and Concessions:				
Investment Earnings	300	300	489	189
Total Revenues	2,813	2,813	1,089	(1,724)
EXPENDITURES				
Current:				
Other Services and Supplies		2,688		2,688
Total Expenditures	-	2,688	-	2,688
Excess (Deficiency) of Revenues Over Expenditures	2,813	125	1,089	964
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	2,813	125	1,089	964
Fund Balance, July 1	22,105	22,105	22,105	-
Fund Balance, June 30	**$ 24,918**	**$ 22,230**	**$ 23,194**	**$ 964**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Current:				
Other Services and Supplies		73,718	31,006	42,712
Capital Outlay:				
General Government			3,218	(3,218)
Public Safety			50,108	(50,108)
Streets and Storm Drains			2,638	(2,638)
Total Expenditures	-	73,718	86,970	(13,252)
Excess (Deficiency) of Revenues Over Expenditures	-	(73,718)	(86,970)	(13,252)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(354,238)	(354,238)	(313,700)	40,538
Total Other Financing Sources (Uses)	(354,238)	(354,238)	(313,700)	40,538
Net Change In Fund Balances	(354,238)	(427,956)	(400,670)	27,286
Fund Balance, July 1	930,498	930,498	930,498	-
Fund Balance, June 30	**$ 576,260**	**$ 502,542**	**$ 529,828**	**$ 27,286**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental Revenues:				
Grants			$ 60,000	$ 60,000
Total Revenues	$ -	$ -	60,000	60,000
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	60,000	60,000
OTHER FINANCING SOURCES (USES)				
Transfers In			4,636	4,636
Total Other Financing Sources (Uses)	-	-	4,636	4,636
Net Change In Fund Balances	-	-	64,636	64,636
Fund Balance, July 1	1,976	1,976	1,976	-
Fund Balance, June 30	**$ 1,976**	**$ 1,976**	**$ 66,612**	**$ 64,636**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and Permits:				
General Services Impact Fees	$ 6,464	$ 6,464	$ 1,410	$ (5,054)
Interest, Rents, and Concessions:				
Investment Earnings	700	700	853	153
Total Revenues	7,164	7,164	2,263	(4,901)
EXPENDITURES				
Current:				
Other Services and Supplies		2,688		2,688
Total Expenditures	-	2,688	-	2,688
Excess (Deficiency) of Revenues Over Expenditures	7,164	4,476	2,263	(2,213)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(10,000)	(10,000)	(10,000)	-
Total Other Financing Sources (Uses)	(10,000)	(10,000)	(10,000)	-
Net Change In Fund Balances	(2,836)	(5,524)	(7,737)	(2,213)
Fund Balance, July 1	43,283	43,283	43,283	-
Fund Balance, June 30	**$ 40,447**	**$ 37,759**	**$ 35,546**	**$ (2,213)**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes:				
Special Maintenance Assessments	$ 31,229	$ 31,229	$ 23,601	$ (7,628)
Interest, Rents, and Concessions:				
Investment Earnings	722	722	1,512	790
Total Revenues	31,951	31,951	25,113	(6,838)
EXPENDITURES				
Current:				
Salaries and Benefits	13,550	13,550	4,549	9,001
Other Services and Supplies	66,134	66,134	45,228	20,906
Total Expenditures	79,684	79,684	49,777	29,907
Excess (Deficiency) of Revenues Over Expenditures	(47,733)	(47,733)	(24,664)	23,069
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	(47,733)	(47,733)	(24,664)	23,069
Fund Balance, July 1	85,892	85,892	85,892	-
Fund Balance, June 30	**$ 38,159**	**$ 38,159**	**$ 61,228**	**$ 23,069**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes:				
Special Benefit Assessments	$ 11,234	$ 11,234	$ 9,205	$ (2,029)
Interest, Rents, and Concessions:				
Investment Earnings	461	461	1,260	799
Total Revenues	11,695	11,695	10,465	(1,230)
EXPENDITURES				
Current:				
Other Services and Supplies	37,157	37,157	3,366	33,791
Total Expenditures	37,157	37,157	3,366	33,791
Excess (Deficiency) of Revenues Over Expenditures	(25,462)	(25,462)	7,099	32,561
OTHER FINANCING SOURCES (USES)				
Transfers Out	(4,610)	(4,610)		4,610
Total Other Financing Sources (Uses)	(4,610)	(4,610)	-	4,610
Net Change In Fund Balances	(30,072)	(30,072)	7,099	37,171
Fund Balance, July 1	59,290	59,290	59,290	-
Fund Balance, June 30	**$ 29,218**	**$ 29,218**	**$ 66,389**	**$ 37,171**

CITY OF OROVILLE
WESTSIDE PUBLIC SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes:				
Special Benefit Assessments			$ 31,500	$ 31,500
Interest, Rents, and Concessions:				
Investment Earnings			172	172
Total Revenues	$ -	$ -	31,672	31,672
EXPENDITURES				
Current:				
Other Services and Supplies			2,452	(2,452)
Total Expenditures	-	-	2,452	(2,452)
Excess (Deficiency) of Revenues Over Expenditures	-	-	29,220	29,220
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	-	29,220	29,220
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ 29,220	$ 29,220

CITY OF OROVILLE
PUBLIC SAFETY SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes:				
Special Benefit Assessments			$ 31,500	$ 31,500
Interest, Rents, and Concessions:				
Investment Earnings			172	172
Total Revenues	$ -	$ -	31,672	31,672
EXPENDITURES				
Current:				
Other Services and Supplies			2,287	(2,287)
Total Expenditures	-	-	2,287	(2,287)
Excess (Deficiency) of Revenues Over Expenditures	-	-	29,385	29,385
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	-	29,385	29,385
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ 29,385	$ 29,385

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental Revenues:				
Grants			$ 140,882	$ 140,882
Total Revenues	$ -	$ -	140,882	140,882
EXPENDITURES				
Current:				
Salaries and Benefits	34,124	34,124	33,227	897
Other Services and Supplies	5,001	5,001	148,161	(143,160)
Total Expenditures	39,125	39,125	181,388	(142,263)
Excess (Deficiency) of Revenues Over Expenditures	(39,125)	(39,125)	(40,506)	(1,381)
OTHER FINANCING SOURCES (USES)				
Transfers Out			(4,637)	(4,637)
Total Other Financing Sources (Uses)	-	-	(4,637)	(4,637)
Net Change In Fund Balances	(39,125)	(39,125)	(45,143)	(6,018)
Fund Balance, July 1	22,907	22,907	22,907	-
Fund Balance, June 30	$ (16,218)	$ (16,218)	$ (22,236)	$ (6,018)

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 200	$ 200	$ 322	$ 122
Rents and Concessions	55,318	55,318	39,603	(15,715)
Other Revenues:				
Donations			1,800	1,800
Total Revenues	55,518	55,518	41,725	(13,793)
EXPENDITURES				
Current:				
Salaries and Benefits	13,506	13,506	12,679	827
Other Services and Supplies	57,012	57,012	42,584	14,428
Total Expenditures	70,518	70,518	55,263	15,255
Excess (Deficiency) of Revenues Over Expenditures	(15,000)	(15,000)	(13,538)	1,462
OTHER FINANCING SOURCES (USES)				
Transfers In	15,000	15,000	15,000	-
Total Other Financing Sources (Uses)	15,000	15,000	15,000	-
Net Change In Fund Balances	-	-	1,462	1,462
Fund Balance, July 1	(4,370)	(4,370)	(4,370)	-
Fund Balance, June 30	$ (4,370)	$ (4,370)	$ (2,908)	$ 1,462

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 5,200	$ 5,200	$ 4,567	$ (633)
Rents and Concessions	72,000	72,000	72,000	-
Total Revenues	77,200	77,200	76,567	(633)
EXPENDITURES				
Current:				
Salaries and Benefits	1,608	1,608	1,707	(99)
Other Services and Supplies	8,000	13,485	45,401	(31,916)
Capital Outlay:				
General Government		40,937		40,937
Total Expenditures	9,608	56,030	47,108	8,922
Excess (Deficiency) of Revenues Over Expenditures	67,592	21,170	29,459	8,289
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	67,592	21,170	29,459	8,289
Fund Balance, July 1	212,920	212,920	212,920	-
Fund Balance, June 30	**$ 280,512**	**$ 234,090**	**$ 242,379**	**$ 8,289**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 63,996	$ 63,996	$ 62,106	$ (1,890)
Other Revenues:				
Loan Payments	120,093	120,093	162,088	41,995
Refunds/Reimbursements			1,075	1,075
Total Revenues	184,089	184,089	225,269	41,180
EXPENDITURES				
Current:				
Other Services and Supplies	20,000	66,947	24,872	42,075
Loans Made	200,000	375,563	56,710	318,853
Total Expenditures	220,000	442,510	81,582	360,928
Excess (Deficiency) of Revenues Over Expenditures	(35,911)	(258,421)	143,687	402,108
OTHER FINANCING SOURCES (USES)				
Transfers In			28,672	28,672
Transfers Out	(15,969)	(51,122)	(40,422)	10,700
Total Other Financing Sources (Uses)	(15,969)	(51,122)	(11,750)	39,372
Net Change In Fund Balances	(51,880)	(309,543)	131,937	441,480
Fund Balance, July 1	812,048	812,048	812,048	-
Fund Balance, June 30	**$ 760,168**	**$ 502,505**	**$ 943,985**	**$ 441,480**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 89,920	$ 89,920	$ 41,218	$ (48,702)
Other Revenues:				
Loan Payments	159,536	159,536	203,681	44,145
Total Revenues	249,456	249,456	244,899	(4,557)
EXPENDITURES				
Current:				
Other Services and Supplies	648,966	31,000		31,000
Loans Made		594,000		594,000
Total Expenditures	648,966	625,000	-	625,000
Excess (Deficiency) of Revenues Over Expenditures	(399,510)	(375,544)	244,899	620,443
OTHER FINANCING SOURCES (USES)				
Transfers In	127,843	127,843		(127,843)
Transfers Out		(735,884)	(939,495)	(203,611)
Total Other Financing Sources (Uses)	127,843	(608,041)	(939,495)	(331,454)
Net Change In Fund Balances	(271,667)	(983,585)	(694,596)	288,989
Fund Balance, July 1	923,242	923,242	923,242	-
Fund Balance, June 30	**$ 651,575**	**$ (60,343)**	**$ 228,646**	**$ 288,989**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 13,060	$ 160,716	$ 17,686	$ (143,030)
Other Revenues:				
Loan Payments		9,142	204	(8,938)
Total Revenues	13,060	169,858	17,890	(151,968)
EXPENDITURES				
Current:				
Other Services and Supplies	23,966		78	(78)
Loans Made		69,374	60,023	9,351
Total Expenditures	23,966	69,374	60,101	9,273
Excess (Deficiency) of Revenues Over Expenditures	(10,906)	100,484	(42,211)	(142,695)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,810	713,728	1,381,115	667,387
Transfers Out		(1,473,204)	(1,449,238)	23,966
Total Other Financing Sources (Uses)	1,810	(759,476)	(68,123)	691,353
Net Change In Fund Balances	(9,096)	(658,992)	(110,334)	548,658
Fund Balance, July 1	109,527	109,527	109,527	-
Fund Balance, June 30	$ 100,431	$ (549,465)	$ (807)	$ 548,658

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 378		$ 3,871	$ 3,871
Total Revenues	378	$ -	3,871	3,871
EXPENDITURES				
Current:				
Other Services and Supplies		1,000		1,000
Loans Made		199,320		199,320
Total Expenditures	-	200,320	-	200,320
Excess (Deficiency) of Revenues Over Expenditures	378	(200,320)	3,871	204,191
OTHER FINANCING SOURCES (USES)				
Transfers Out	(470)	(515)	(181,941)	(181,426)
Total Other Financing Sources (Uses)	(470)	(515)	(181,941)	(181,426)
Net Change In Fund Balances	(92)	(200,835)	(178,070)	22,765
Fund Balance, July 1	178,070	178,070	178,070	-
Fund Balance, June 30	**$ 177,978**	**$ (22,765)**	**$ -**	**$ 22,765**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings			$ 546	$ 546
Other Revenues:				
Loan Payments			104	104
Total Revenues	$ -	$ -	650	650
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	650	650
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	-	650	650
Fund Balance, July 1	9,097	9,097	9,097	-
Fund Balance, June 30	**$ 9,097**	**$ 9,097**	**$ 9,747**	**$ 650**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 608	$ 608	$ 5,202	$ 4,594
Total Revenues	608	608	5,202	4,594
EXPENDITURES				
Current:				
Other Services and Supplies		219,840	50,964	168,876
Total Expenditures	-	219,840	50,964	168,876
Excess (Deficiency) of Revenues Over Expenditures	608	(219,232)	(45,762)	173,470
OTHER FINANCING SOURCES (USES)				
Transfers Out			(6,478)	(6,478)
Total Other Financing Sources (Uses)	-	-	(6,478)	(6,478)
Net Change In Fund Balances	608	(219,232)	(52,240)	166,992
Fund Balance, July 1	245,852	245,852	245,852	-
Fund Balance, June 30	**$ 246,460**	**$ 26,620**	**$ 193,612**	**$ 166,992**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 26,499	$ 26,499	$ 15,076	$ (11,423)
Other Revenues:				
Loan Payments	38,934	38,934	47,883	8,949
Miscellaneous			559	559
Total Revenues	65,433	65,433	63,518	(1,915)
EXPENDITURES				
Current:				
Other Services and Supplies		31,201	13,876	17,325
Total Expenditures	-	31,201	13,876	17,325
Excess (Deficiency) of Revenues Over Expenditures	65,433	34,232	49,642	15,410
OTHER FINANCING SOURCES (USES)				
Transfers Out	(20,000)	(20,000)	(20,000)	-
Total Other Financing Sources (Uses)	(20,000)	(20,000)	(20,000)	-
Net Change In Fund Balances	45,433	14,232	29,642	15,410
Fund Balance, July 1	283,817	283,817	283,817	-
Fund Balance, June 30	**$ 329,250**	**$ 298,049**	**$ 313,459**	**$ 15,410**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 1,285	$ 1,285	$ 2,811	$ 1,526
Total Revenues	1,285	1,285	2,811	1,526
EXPENDITURES				
Current:				
Other Services and Supplies		81,245	360	80,885
Total Expenditures	-	81,245	360	80,885
Excess (Deficiency) of Revenues Over Expenditures	1,285	(79,960)	2,451	82,411
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	1,285	(79,960)	2,451	82,411
Fund Balance, July 1	129,633	129,633	129,633	-
Fund Balance, June 30	**$ 130,918**	**$ 49,673**	**$ 132,084**	**$ 82,411**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings			$ 256	$ 256
Current Service Charges:				
Other Charges	$ 768	$ 768	754	(14)
Total Revenues	768	768	1,010	242
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	768	768	1,010	242
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	768	768	1,010	242
Fund Balance, July 1	11,319	11,319	11,319	-
Fund Balance, June 30	**$ 12,087**	**$ 12,087**	**$ 12,329**	**$ 242**

DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS

1974 Sewer Bond Fund

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

City Debt Service Fund

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

Assessment District 1993-1 Redemption Fund

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

CITY OF OROVILLE
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	1974 Sewer Bond Fund	City Debt Service Fund	Assessment District 1993-1 Redemption Fund	Totals 2009
ASSETS				
Cash	$ 43,463	$ 372,756	$ 114,490	$ 530,709
Receivables:				
Accounts		24,398		24,398
Interest	2			2
Total Assets	$ 43,465	$ 397,154	$ 114,490	$ 555,109
LIABILITIES AND FUND BALANCES				
Liabilities:				
Vouchers Payable			$ 82,050	$ 82,050
Total Liabilities	$ -	$ -	82,050	82,050
Fund Balances:				
Unreserved - Undesignated	43,465	397,154	32,440	473,059
Total Fund Balances	43,465	397,154	32,440	473,059
Total Liabilities and Fund Balances	$ 43,465	$ 397,154	$ 114,490	$ 555,109

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, 2009

	1974 Sewer Bond Fund	City Debt Service Fund	Assessment District 1993-1 Redemption Fund	Totals 2009
REVENUES				
Interest, Rents, and Concessions	$ 926	$ 12,019		$ 12,945
Other Revenues - Fees		647,182	$ 13,416	660,598
Total Revenues	926	659,201	13,416	673,543
EXPENDITURES				
Current:				
Other Services and Supplies			908	908
Debt Service:				
Principal Retirement		238,369		238,369
Interest and Fiscal Charges		409,867		409,867
Total Expenditures	-	648,236	908	649,144
Excess (Deficiency) of Revenues Over Expenditures	926	10,965	12,508	24,399
OTHER FINANCING SOURCES (USES)				
Transfers In		116,994		116,994
Total Other Financing Sources (Uses)	-	116,994	-	116,994
Net Change In Fund Balances	926	127,959	12,508	141,393
Fund Balances, July 1	42,539	269,195	19,932	331,666
Fund Balances, June 30	**$ 43,465**	**$ 397,154**	**$ 32,440**	**$ 473,059**

CAPITAL PROJECTS FUNDS
NONMAJOR GOVERNMENTAL FUNDS

Equipment Replacement Fund

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

New Capital Equipment Fund

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

Capital Projects Fund

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

Building Facility Capital Improvement Fund

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

Oroville Redevelopment Agency 2001 Bond Fund

To account for major capital projects undertaken by the Oroville Redevelopment Agency from the 2001 series bond proceeds.

Oroville Redevelopment Agency 1995 Bond Fund

To account for major capital projects undertaken by the Oroville Redevelopment Agency form the 1995 series bond proceeds.

Oroville Redevelopment Agency 2004 Bond Fund

To account for major capital projects undertaken by the Oroville Redevelopment Agency form the 2004A and 2004B series bond proceeds.

CITY OF OROVILLE
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

ASSETS	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 2009
Cash and Investments	$ 740,816	$ 168,620	$ 24,068	$ 43,532	$ 855,129	$ 328,188	$ 3,662,541	$ 5,822,894
Receivables:								
Grants								
Interest					100,606	25,000		125,606
Loans	7,361				3,088		13,127	16,215
Due From Other Funds	19,875							7,361
Advances Due From Other Funds	73,890							19,875
								73,890
Total Assets	**$ 841,942**	**$ 168,620**	**$ 24,068**	**$ 43,532**	**$ 958,823**	**$ 353,188**	**$ 3,675,668**	**$ 6,065,841**
LIABILITIES AND FUND BALANCES								
Liabilities:								
Vouchers Payable		$ 711			$ 268	$ 4,000		$ 4,979
Deferred Revenues - Unearned	$ 7,361				100,606			107,967
Total Liabilities	7,361	711	$ -	$ -	100,874	4,000	$ -	112,946
Fund Balances:								
Reserved:								
Encumbrances			24,068		380,800	500		405,368
Long Term Receivables	73,890							73,890
Unreserved:								
Undesignated	760,691	167,909		43,532	477,149	348,688	3,675,668	5,473,637
Total Fund Balances	834,581	167,909	24,068	43,532	857,949	349,188	3,675,668	5,952,895
Total Liabilities and Fund Balances	**$ 841,942**	**$ 168,620**	**$ 24,068**	**$ 43,532**	**$ 958,823**	**$ 353,188**	**$ 3,675,668**	**$ 6,065,841**

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, 2009

	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 2009
REVENUES								
Interest, Rents, and Concessions	$ 21,334	$ 2,498			$ 26,768	$ 560	$ 87,741	$ 138,901
Intergovernmental Revenues			$ 995,200			125,000		1,120,200
Other Revenues	13,479							13,479
Total Revenues	34,813	2,498	995,200	$ -	26,768	125,560	87,741	1,272,580
EXPENDITURES								
Current:								
Loans Made	14,005							14,005
Capital Outlay:								
General Government		1,277		152,942	299,605	152,303	48,120	654,247
Public Safety	118,182	2,216						120,398
Streets and Storm Drains			1,280,533		6,846		147,489	1,434,868
Parks and Leisure		19,450				6,520	1,387	27,357
Total Expenditures	132,187	22,943	1,280,533	152,942	306,451	158,823	196,996	2,250,875
Excess (Deficiency) of Revenues Over Expenditures	(97,374)	(20,445)	(285,333)	(152,942)	(279,683)	(33,263)	(109,255)	(978,295)
OTHER FINANCING SOURCES (USES)								
Loan Proceeds				289,920				289,920
Transfers In	19,000		93,000					112,000
Transfers Out					(115,141)			(115,141)
Total Other Financing Sources (Uses)	19,000	-	93,000	289,920	(115,141)	-	-	286,779
Net Change In Fund Balances	(78,374)	(20,445)	(192,333)	136,978	(394,824)	(33,263)	(109,255)	(691,516)
Fund Balances, July 1	912,955	188,354	216,401	(93,446)	1,252,773	382,451	3,784,923	6,644,411
Fund Balances, June 30	**$ 834,581**	**$ 167,909**	**$ 24,068**	**$ 43,532**	**$ 857,949**	**$ 349,188**	**$ 3,675,668**	**$ 5,952,895**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 45,811	$ 45,811	$ 21,334	$ (24,477)
Other Revenues:				
Refunds/Reimbursements			13,479	13,479
Total Revenues	45,811	45,811	34,813	(10,998)
EXPENDITURES				
Current:				
Loans Made	25,000	37,123	14,005	23,118
Capital Outlay:				
General Governmental		2,890		2,890
Public Safety	105,000	122,695	118,182	4,513
Total Expenditures	130,000	162,708	132,187	30,521
Excess (Deficiency) of Revenues Over Expenditures	(84,189)	(116,897)	(97,374)	19,523
OTHER FINANCING SOURCES (USES)				
Transfers In	19,000	19,000	19,000	-
Total Other Financing Sources (Uses)	19,000	19,000	19,000	-
Net Change In Fund Balances	(65,189)	(97,897)	(78,374)	19,523
Fund Balance, July 1	912,955	912,955	912,955	-
Fund Balance, June 30	**$ 847,766**	**$ 815,058**	**$ 834,581**	**$ 19,523**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 84	$ 84	$ 2,498	$ 2,414
Total Revenues	84	84	2,498	2,414
EXPENDITURES				
Capital Outlay:				
General Governmental		2,068	1,277	791
Public Safety		2,216	2,216	-
Public Works		1,197		1,197
Parks and Leisure		28,734	19,450	9,284
Total Expenditures	-	34,215	22,943	11,272
Excess (Deficiency) of Revenues Over Expenditures	84	(34,131)	(20,445)	13,686
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	84	(34,131)	(20,445)	13,686
Fund Balance, July 1	188,354	188,354	188,354	-
Fund Balance, June 30	**$ 188,438**	**$ 154,223**	**$ 167,909**	**$ 13,686**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental Revenues:				
Grants		$ 2,015,333	$ 995,200	$ (1,020,133)
Total Revenues	$ -	2,015,333	995,200	(1,020,133)
EXPENDITURES				
Capital Outlay:				
Streets and Storm Drains		2,509,496	1,280,533	1,228,963
Total Expenditures	-	2,509,496	1,280,533	1,228,963
Excess (Deficiency) of Revenues Over Expenditures	-	(494,163)	(285,333)	208,830
OTHER FINANCING SOURCES (USES)				
Transfers In		102,050	93,000	(9,050)
Total Other Financing Sources (Uses)	-	102,050	93,000	(9,050)
Net Change In Fund Balances	-	(392,113)	(192,333)	199,780
Fund Balance, July 1	216,401	216,401	216,401	-
Fund Balance, June 30	**$ 216,401**	**$ (175,712)**	**$ 24,068**	**$ 199,780**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 207	$ 207		$ (207)
Total Revenues	207	207	$ -	(207)
EXPENDITURES				
Capital Outlay:				
General Government		599,720	152,942	446,778
Total Expenditures	-	599,720	152,942	446,778
Excess (Deficiency) of Revenues Over Expenditures	207	(599,513)	(152,942)	446,571
OTHER FINANCING SOURCES (USES)				
Loan Proceeds		410,080	289,920	(120,160)
Total Other Financing Sources (Uses)	-	410,080	289,920	(120,160)
Net Change In Fund Balances	207	(189,433)	136,978	326,411
Fund Balance, July 1	(93,446)	(93,446)	(93,446)	-
Fund Balance, June 30	**$ (93,239)**	**$ (282,879)**	**$ 43,532**	**$ 326,411**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 10,700	$ 10,700	$ 26,768	$ 16,068
Intergovernmental Revenues:				
Grants		197,000		(197,000)
Total Revenues	10,700	207,700	26,768	(180,932)
EXPENDITURES				
Capital Outlay:				
General Government		646,199	299,605	346,594
Streets and Storm Drains		136,904	6,846	130,058
Parks and Leisure		498,186		498,186
Total Expenditures	-	1,281,289	306,451	974,838
Excess (Deficiency) of Revenues Over Expenditures	10,700	(1,073,589)	(279,683)	793,906
OTHER FINANCING SOURCES (USES)				
Transfers Out		(102,050)	(115,141)	(13,091)
Total Other Financing Sources (Uses)	-	(102,050)	(115,141)	(13,091)
Net Change In Fund Balances	10,700	(1,175,639)	(394,824)	780,815
Fund Balance, July 1	1,252,773	1,252,773	1,252,773	-
Fund Balance, June 30	**$ 1,263,473**	**$ 77,134**	**$ 857,949**	**$ 780,815**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 2,200	$ 2,200	$ 560	$ (1,640)
Intergovernmental Revenues:				
Grants		125,000	125,000	-
Total Revenues	2,200	127,200	125,560	(1,640)
EXPENDITURES				
Capital Outlay:				
General Government		449,317	152,303	297,014
Streets and Storm Drains		43,680		43,680
Parks and Leisure		196,136	6,520	189,616
Total Expenditures	-	689,133	158,823	530,310
Excess (Deficiency) of Revenues Over Expenditures	2,200	(561,933)	(33,263)	528,670
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	2,200	(561,933)	(33,263)	528,670
Fund Balance, July 1	382,451	382,451	382,451	-
Fund Balance, June 30	**$ 384,651**	**$ (179,482)**	**$ 349,188**	**$ 528,670**

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, 2009

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 41,000	$ 41,000	$ 87,741	$ 46,741
Total Revenues	41,000	41,000	87,741	46,741
EXPENDITURES				
Capital Outlay:				
General Government		1,219,431	48,120	1,171,311
Streets and Storm Drains		538,381	147,489	390,892
Parks and Leisure		13,934	1,387	12,547
Total Expenditures	-	1,771,746	196,996	1,574,750
Excess (Deficiency) of Revenues Over Expenditures	41,000	(1,730,746)	(109,255)	1,621,491
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	41,000	(1,730,746)	(109,255)	1,621,491
Fund Balance, July 1	3,784,923	3,784,923	3,784,923	-
Fund Balance, June 30	**$ 3,825,923**	**$ 2,054,177**	**$ 3,675,668**	**$ 1,621,491**

INTERNAL SERVICE FUNDS

Payroll Revolving Fund

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

Stores Revolving Fund

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

Vehicle Maintenance Fund

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

Workers' Compensation Fund

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

Unemployment Insurance Fund

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

Vision Insurance Fund

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

CITY OF OROVILLE
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2009

	Payroll Revolving Fund	Stores Revolving Fund	Vehicle Maintenance Fund	Workers' Compensation Revolving Fund	Unemployment Insurance Fund	Vision Insurance Fund	Totals 2009
ASSETS							
Current Assets:							
Cash	$ 23,441	$ 89,035	$ 53,619	$ 1,185,135	$ 45,512	$ 101,945	$ 1,498,687
Receivables:							
Accounts				17,114	690		17,804
Inventory		9,540	35,103				44,643
Total Assets	23,441	98,575	88,722	1,202,249	46,202	101,945	1,561,134
LIABILITIES							
Current Liabilities:							
Vouchers Payable/Claims Payable	540	943	26,983	39		2,245	30,750
Accrued Salaries and Benefits	22,901		6,010				28,911
Accrued Employee Compensated Leave			12,373				12,373
Unpaid Claims Liability				392,449			392,449
Total Liabilities	23,441	943	45,366	392,488	-	2,245	464,483
NET ASSETS							
Unrestricted		97,632	43,356	809,761	46,202	99,700	1,096,651
Total Net Assets	$ -	$ 97,632	$ 43,356	$ 809,761	$ 46,202	$ 99,700	$ 1,096,651

CITY OF OROVILLE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Payroll Revolving Fund	Stores Revolving Fund	Vehicle Maintenance Fund	Workers' Compensation Revolving Fund	Unemployment Insurance Fund	Vision Insurance Fund	Totals 2009
OPERATING REVENUES							
Incoming Provisions			$ 422,298	$ 433,958	$ 16,698	$ 44,241	$ 917,195
Reimbursements		$ 49,125	3,378	74,078			126,581
Total Operating Revenues	$ -	49,125	425,676	508,036	16,698	44,241	1,043,776
OPERATING EXPENSES							
Salaries and Benefits			159,377				159,377
Supplies		26,320	245,848				272,168
Other Services and Charges		17,625	27,756	1,944			47,325
Claims				377,845	14,420	27,482	419,747
Total Operating Expenses	-	43,945	432,981	379,789	14,420	27,482	898,617
Net Operating Income	-	5,180	(7,305)	128,247	2,278	16,759	145,159
NONOPERATING REVENUES (EXPENSES)							
Investment Earnings				33,007	936	1,992	35,935
Total Nonoperating Revenues (Expenses)	-	-	-	33,007	936	1,992	35,935
Income (Loss) Before Operating Transfers	-	5,180	(7,305)	161,254	3,214	18,751	181,094
Transfers In			4,802				4,802
Transfers Out				(505,000)			(505,000)
Change In Net Assets	-	5,180	(2,503)	(343,746)	3,214	18,751	(319,104)
Net Assets, July 1	-	92,452	45,859	1,153,507	42,988	80,949	1,415,755
Net Assets, June 30	$ -	$ 97,632	$ 43,356	$ 809,761	$ 46,202	$ 99,700	$ 1,096,651

CITY OF OROVILLE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Payroll Revolving Fund	Stores Revolving Fund	Vehicle Maintenance Fund	Workers' Compensation Revolving Fund	Unemployment Insurance Fund	Vision Insurance Fund	Totals 2009
Cash Flows From Operating Activities							
Receipts From Customers and Users			$ 3,378	$ 71,851			$ 75,229
Receipts From Interfund Services Provided		$ 49,543	422,298	433,958	$ 16,722	$ 44,241	966,762
Payments to Employees			(158,055)				(158,055)
Payments to Suppliers	$ 7,727	(43,541)	(239,857)	(314,401)	(14,420)	(27,894)	(632,386)
Net Cash Provided (Used) By Operating Activities	7,727	6,002	27,764	191,408	2,302	16,347	251,550
Cash Flows From Noncapital Financing Activities							
Transfers In			4,802				4,802
Transfers Out				(505,000)			(505,000)
Net Cash Provided (Used) By Noncapital Financing Activities	-	-	4,802	(505,000)	-	-	(500,198)
Cash Flows From Investing Activities							
Interest on Investments				33,007	936	1,992	35,935
Net Cash Provided (Used) By Investing Activities	-	-	-	33,007	936	1,992	35,935
Net Increase (Decrease) In Cash	7,727	6,002	32,566	(280,585)	3,238	18,339	(212,713)
Cash Balance, July 1	15,714	83,033	21,053	1,465,720	42,274	83,606	1,711,400
Cash Balance, June 30	**$ 23,441**	**$ 89,035**	**$ 53,619**	**$ 1,185,135**	**$ 45,512**	**$ 101,945**	**$ 1,498,687**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:							
Operating Income (Loss)	$ -	$ 5,180	$ (7,305)	$ 128,247	$ 2,278	$ 16,759	$ 145,159
Adjustments to Reconcile Operating Income to Net Cash Provided (Used):							
Decrease (Increase) in Accounts Receivable		418		(2,227)	24		(1,785)
Decrease (Increase) in Inventory		695	14,363				15,058
Increase (Decrease) in Vouchers Payable		(291)	19,384	11		(412)	18,692
Increase (Decrease) in Accrued Salaries and Benefits	7,727		1,322				9,049
Increase (Decrease) in Other Liabilities				65,377			65,377
Total Adjustments	7,727	822	35,069	63,161	24	(412)	106,391
Net Cash Provided (Used) By Operating Activities	$ 7,727	$ 6,002	$ 27,764	$ 191,408	$ 2,302	$ 16,347	$ 251,550

FIDUCIARY FUNDS
AGENCY FUNDS

Feather River Bluffs Fund

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

Special Deposit Trust Fund

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

Honor Grove Fund

To account for contributions made towards the Honor Grove.

CITY OF OROVILLE
COMBINING BALANCE SHEET
AGENCY FUNDS
JUNE 30, 2009

	Feather River Bluffs Fund	Special Deposit Trust Fund	Honor Grove Fund	Totals 2009
ASSETS				
Current Assets:				
Cash	$ 17,889	$ 516,417	$ 194	$ 534,500
Receivables:				
Taxes		26,565		26,565
Total Assets	**$ 17,889**	**$ 542,982**	**$ 194**	**$ 561,065**
LIABILITIES				
Vouchers Payable		$ 20,725		$ 20,725
Deposits Payable		407,247		407,247
Due to Other Agencies	$ 17,889	115,010	$ 194	133,093
Total Liabilities	**$ 17,889**	**$ 542,982**	**$ 194**	**$ 561,065**

CITY OF OROVILLE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

Feather River Bluffs Fund	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
ASSETS				
Cash	$ 17,509	$ 380		$ 17,889
Total Assets	**$ 17,509**	**$ 380**	**$ -**	**$ 17,889**
LIABILITIES				
Due to Other Agencies	$ 17,509	$ 380		$ 17,889
Total Liabilities	**$ 17,509**	**$ 380**	**$ -**	**$ 17,889**
Special Deposit Trust Fund				
ASSETS				
Cash	$ 755,311	$ 1,088,740	$ 1,327,634	$ 516,417
Receivables:				
Taxes	2,556	26,565	2,556	26,565
Total Assets	**$ 757,867**	**$ 1,115,305**	**$ 1,330,190**	**$ 542,982**
LIABILITIES				
Vouchers Payable	$ 35,742	$ 277,837	$ 292,854	$ 20,725
Deposits Payable	637,558	48,464	278,775	407,247
Due to Other Agencies	84,567	789,004	758,561	115,010
Total Liabilities	**$ 757,867**	**$ 1,115,305**	**$ 1,330,190**	**$ 542,982**
Honor Grove Fund				
ASSETS				
Cash	$ 194			$ 194
Total Assets	**$ 194**	**$ -**	**$ -**	**$ 194**
LIABILITIES				
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, 2009

Total	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
ASSETS				
Cash	$ 773,014	$ 1,089,120	$ 1,327,634	$ 534,500
Receivables:				
Taxes	2,556	26,565	2,556	26,565
Total Assets	**$ 775,570**	**$ 1,115,685**	**$ 1,330,190**	**$ 561,065**
LIABILITIES				
Vouchers Payable	$ 35,742	$ 277,837	$ 292,854	$ 20,725
Deposits Payable	637,558	48,464	278,775	407,247
Due to Other Agencies	102,270	789,384	758,561	133,093
Total Liabilities	**$ 775,570**	**$ 1,115,685**	**$ 1,330,190**	**$ 561,065**

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

CITY OF OROVILLE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
JUNE 30, 2009 AND 2008

	2009	2008
Governmental Funds Capital Assets:		
Land	$ 6,737,237	$ 6,737,237
Improvements Other Than Buildings	3,318,215	3,318,215
Buildings	9,990,146	9,284,222
Underground Collector System	3,993,666	3,993,666
Machinery and Equipment	7,408,253	6,495,086
Infrastructure	35,899,843	34,414,739
Construction in Progress	8,321,914	7,671,559
Total Governmental Funds Capital Assets	**$ 75,669,274**	**$ 71,914,724**
Investments in Governmental Funds Capital Assets by Source:		
City Governmental Funds:		
General Fund	$ 1,891,375	$ 1,141,411
Special Revenue Funds	8,188,311	6,437,148
Capital Projects Funds	21,226,235	19,972,811
Assets Acquired in Prior Years	44,173,532	44,173,533
Donations	189,821	189,821
Total Governmental Funds Capital Assets	**$ 75,669,274**	**$ 71,914,724**

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, 2009

	Land	Improvements Other Than Buildings	Buildings	Underground Collection System	Machinery And Equipment	Infrastructure	Construction In Progress	Total
General Government	$ 63,455		$ 804,314		$ 279,891			$ 1,147,660
Public Safety	52,500	$ 189,840	1,262,973		4,331,790		$ 47,042	5,884,145
Public Works and Streets	3,032,869	953,675	1,394,855		1,925,954	$ 34,717,589	180,501	42,205,443
Parks and Community Relations	599,841	877,524	4,385,925		670,952		1,775,533	8,309,775
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		832,030		192,666		6,318,838	8,076,395
Total Governmental Fund Capital Assets	**$ 6,737,237**	**$ 3,318,215**	**$ 9,990,146**	**$ 3,993,666**	**$ 7,408,253**	**$ 35,899,843**	**$ 8,321,914**	**$ 75,669,274**

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, 2009

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
General Government	$ 1,092,151	$ 55,509		$ 1,147,660
Public Safety	5,189,690	694,455		5,884,145
Public Works and Streets	40,454,280	1,751,163		42,205,443
Parks and Community Relations	7,345,407	964,368		8,309,775
Transportation	6,052,190			6,052,190
Health and Sanitation	3,993,666			3,993,666
Housing and Community Development	7,787,340	289,055		8,076,395
Total General Fixed Assets	$ 71,914,724	$ 3,754,550	$ -	$ 75,669,274

STATISTICAL SECTION

(not covered by Auditors' reports)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Table 1

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

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
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	$ 11,512,305
Restricted	2,552,981	2,331,036	2,117,771	4,327,621	6,785,954	4,423,121	4,063,999
Unrestricted	6,150,482	7,878,229	10,016,196	21,453,033	22,413,007	29,717,622	30,612,745
Total Governmental Activities Net Assets	$ 25,166,494	$ 28,748,600	$ 31,736,674	$ 35,277,306	$ 38,632,062	$ 43,190,389	$ 46,189,049
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	805,669
Total Business-Type Activities Net Assets	$ 69,656	$ 91,759	$ 84,167	$ 444,930	$ 739,232	$ 868,639	$ 805,669
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	$ 11,512,305
Restricted	2,552,981	2,331,036	2,117,771	4,327,621	6,785,954	4,423,121	4,063,999
Unrestricted	6,220,138	7,969,988	10,100,363	21,897,963	23,152,239	30,586,261	31,418,414
Total Primary Government Net Assets	$ 25,236,150	$ 28,840,359	$ 31,820,841	$ 35,722,236	$ 39,371,294	$ 44,059,028	$ 46,994,718

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 SEVEN FISCAL YEARS
(only years available)
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental Activities:							
General Government	$ 1,905,765	$ 2,168,097	$ 2,059,019	$ 1,955,466	$ 2,250,497	$ 2,333,025	$ 3,254,442
Public Safety	4,596,067	5,027,715	5,573,955	6,039,555	6,588,449	6,789,797	7,010,748
Public Works	1,123,315	1,221,645	1,271,814	1,264,877	1,454,510	1,596,817	1,586,656
Streets and Storm Drains	707,519	668,491	684,273	794,733	1,172,901	1,707,890	949,237
Transportation	206,029	135,496	194,411	360,690	455,305	608,313	509,462
Parks ans Leisure	825,479	984,715	1,016,945	973,716	1,038,579	1,064,824	927,792
Health and Sanitation	1,079,628	1,056,899	1,064,965	1,120,658	1,287,714	1,356,115	1,360,243
Housing and Community Development	4,391,819	5,076,656	4,966,380	7,604,125	8,556,595	7,375,036	5,722,327
Interest and Fiscal Charges	2,643,566	1,520,866	1,569,160	2,020,781	1,751,264	1,932,990	1,779,150
Total Governmental Activities Expenses	17,479,187	17,860,580	18,400,922	22,134,601	24,555,814	24,764,807	23,100,057
Business-Type Activities:							
Local Transportation	284,103	335,562	368,189	450,989	376,907	429,477	485,875
Total Business-Type Activities Expenses	284,103	335,562	368,189	450,989	376,907	429,477	485,875
Total Primary Government Expenses	$ 17,763,290	$ 18,196,142	$ 18,769,111	$ 22,585,590	$ 24,932,721	$ 25,194,284	$ 23,585,932
Program Revenues							
Governmental Activities:							
Charges For Services:							
General Government	$ 113,329	$ 759,018	$ 626,967	$ 474,839	$ 516,860	$ 1,045,071	$ 777,362
Public Safety	408,274	415,672	544,773	524,241	588,707	529,571	456,466
Public Works	49,554	344,229	75,777	203,488	518,926	418,601	176,576
Streets and Storm Drains	95,957	334,030	253,481	897,961	515,088	503,593	148,727
Transportation	136,703	135,700	216,123	317,589	475,224	556,697	460,937
Parks ans Leisure	29,958	199,173	175,143	110,888	121,011	190,298	713,658
Health and Sanitation	1,360,221	1,488,139	1,403,067	1,511,202	1,683,329	1,804,262	1,728,044
Housing and Community Development	3,192,976	3,861,730	2,879,717	5,486,346	3,939,222	3,223,725	1,976,395
Operating Grants and Contributions	1,530,135	2,345,202	1,089,440	3,176,966	3,900,722	3,744,832	3,562,981
Capital Grants and Contributions	797,598	480,203	1,074,987	192,709	1,995,122	3,345,417	1,809,680
Total Governmental Activities Program Revenues	7,714,705	10,363,096	8,339,475	12,896,229	14,254,211	15,362,067	11,810,826
Business-Type Activities:							
Charges For Services:							
Local Transportation	19,705	15,003	18,386	18,011	17,989	6,975	5,051
Operating Grants and Contributions	283,129	338,313	334,796	504,195	627,198	520,174	401,230
Capital Grants and Contributions	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	302,834	353,316	353,182	522,206	645,187	527,149	406,281
Total Primary Government Program Revenues	$ 8,017,539	$ 10,716,412	$ 8,692,657	$ 13,418,435	$ 14,899,398	$ 15,889,216	$ 12,217,107
Net Expense/(Revenue)							
Governmental activities	$ 9,764,482	$ 7,497,484	$ 10,061,447	$ 9,238,372	$ 10,301,603	$ 9,402,740	$ 11,289,231
Business-Type activities	(18,731)	(17,754)	15,007	(71,217)	(268,280)	(97,672)	79,594
Total Primary Government Net Expense	$ 9,745,751	$ 7,479,730	$ 10,076,454	$ 9,167,155	$ 10,033,323	$ 9,305,068	$ 11,368,825

continued

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

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
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	$ 6,883,060
Sales and Use Taxes	2,769,044	2,897,290	3,018,263	2,765,394	2,737,202	2,735,269	2,734,674
Sales and Use Taxes In-Lieu	-	-	-	1,791,244	2,161,518	2,070,355	2,109,251
Documentary Stamp Tax	51,233	61,963	52,301	91,389	82,967	55,679	23,053
Transient Occupancy Tax	316,714	331,803	352,354	336,453	323,713	320,145	320,008
Utility Users Tax	1,125,580	1,147,103	1,197,309	1,328,099	1,384,802	1,432,010	1,462,014
Franchise Tax	307,456	301,911	311,702	302,601	411,410	395,561	488,888
Investment Earnings	639,396	156,887	2,607,477	219,413	302,126	285,453	177,202
Unrestricted Grants and Contributions	885,266	599,948	849,374	504,741	232,279	361,927	89,741
Miscellaneous	-	930,852	-	-	-	-	-
Total Governmental Activities	10,254,093	10,844,990	13,049,521	12,691,428	13,656,359	14,465,598	14,287,891
Business-Type Activities:							
Investment Earnings	4,251	4,349	7,415	12,513	26,022	31,735	16,624
Total Business-Type Activities	4,251	4,349	7,415	12,513	26,022	31,735	16,624
Total Primary Government	$ 10,258,344	$ 10,849,339	$ 13,056,936	$ 12,703,941	$ 13,682,381	$ 14,497,333	$ 14,304,515
Change In Net Assets							
Governmental activities	$ 489,611	$ 3,347,506	$ 2,988,074	$ 3,453,056	$ 3,354,756	$ 5,062,858	$ 2,998,660
Business-Type activities	22,982	22,103	(7,592)	83,730	294,302	129,407	(62,970)
Total Primary Government	$ 512,593	$ 3,369,609	$ 2,980,482	$ 3,536,786	$ 3,649,058	$ 5,192,265	$ 2,935,690

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 SEVEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
General Fund:							
Reserved	$ 1,865,456	$ 1,864,323	$ 1,859,197	$ 2,090,721	$ 2,336,720	$ 2,003,949	$ 2,018,270
Unreserved	1,250,971	1,578,368	1,797,917	2,092,987	2,286,506	2,785,687	2,860,538
Total General Fund	$ 3,116,427	$ 3,442,691	$ 3,657,114	$ 4,183,708	$ 4,623,226	$ 4,789,636	$ 4,878,808
All Other Governmental Funds:							
Reserved	$ 27,609,228	$ 27,483,113	$ 32,480,719	$ 36,477,244	$ 37,366,342	$ 34,614,264	$ 34,645,371
Unreserved, Reported In:							
Special Revenue Funds	14,151,999	14,703,341	(13,411,583) [1]	(15,048,282)	(14,273,994)	(12,707,204)	(11,045,637)
Debt Service Funds	152,226	98,580	492,162	666,414	790,851	331,666	473,059
Capital Projects Funds	6,782,871	5,261,117	8,390,602	7,021,812	6,865,904	6,427,663	5,473,637
Total All Other Governmental Funds	$ 48,696,324	$ 47,546,151	$ 27,951,900	$ 29,117,188	$ 30,749,103	$ 28,666,389	$ 29,546,430

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 SEVEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Revenues							
Taxes	$ 8,728,930	$ 9,173,415	$ 9,592,670	$ 11,967,574	$ 13,121,954	$ 13,818,218	$ 14,020,948
Special Assessments	351,036	352,070	496,876	200,246	177,149	-	-
Licenses and Permits	287,251	667,826	617,506	461,411	670,988	902,469	305,279
Fines and Forfeitures	92,514	87,496	65,102	72,607	91,652	81,311	80,813
Interest, Rents, and Concessions	3,029,080	2,404,481	2,959,726	5,054,138	3,754,779	3,407,932	2,616,158
Intergovernmental Revenues	3,311,438	3,441,916	3,943,311	3,964,804	6,334,566	7,473,793	5,218,287
Current Service Charges	1,429,641	1,757,667	1,680,247	1,924,401	2,225,183	2,150,264	1,825,401
Other Revenues	2,326,129	4,425,141	3,299,714	3,235,400	2,869,356	3,254,837	3,396,845
Total Revenues	19,556,019	22,310,012	22,655,152	26,880,581	29,245,627	31,088,824	27,463,731
Expenditures							
General Government	1,808,024	2,087,760	1,963,497	1,962,238	2,188,558	2,277,407	2,574,182
Public Safety	4,398,812	4,870,513	5,402,885	5,980,420	6,566,957	6,941,375	7,125,145
Public Works	246,939	244,516	250,969	251,611	358,093	392,907	448,931
Streets and Storm Drains	704,024	677,864	695,956	813,115	988,692	998,588	978,716
Transportation	127,102	53,685	112,766	270,892	366,683	525,557	425,549
Parks and Leisure	730,415	842,668	872,758	832,592	915,284	984,536	1,103,583
Health and Sanitation	997,915	1,062,503	1,072,167	1,135,167	1,238,363	1,383,795	1,364,720
Housing and Community Development	4,395,832	5,441,172	4,871,635	6,493,459	8,545,882	5,410,572	4,941,616
Capital Outlay	4,014,148	2,882,147	3,423,900	3,522,838	3,029,727	7,240,127	4,467,125
Debt Service:							
Principal Retirement	886,547	2,705,090	1,000,000	714,162	568,333	3,541,299	863,369
Interest and Fiscal Charges	3,307,601	2,685,443	2,752,469	3,286,531	2,899,632	3,257,164	2,991,700
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	27,284,636
Excess of Revenues Over(Under) Expenditures	(2,949,523)	(1,243,349)	(85,100)	1,617,556	(5,607,983)	(1,864,503)	179,095
Other Financing Sources(Uses)							
Transfers In	20,445,975	7,686,202	18,318,484	10,157,834	9,911,653	9,888,613	8,902,959
Transfers Out	(20,451,232)	(7,690,802)	(18,106,854)	(10,170,784)	(9,671,144)	(9,605,230)	(8,402,761)
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	289,920
Total Other Financing Sources(Uses)	13,548,522	184,840	5,649,809	(12,950)	7,679,416	452,730	790,118
Net Change In Fund Balances	$ 10,598,999	$ (1,058,509)	$ 5,564,709	$ 1,604,606	$ 2,071,433	$ (1,411,773)	$ 969,213
Debt Service as Percentage of Noncapital Expenditures	27.5%	26.5%	21.0%	17.5%	33.3%	23.9%	16.4%

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

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

Table 5

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

Fiscal Year	City of Orovile				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%
2009	126,736	2,944	21	129,701	872,554	118,233	955	991,742	0.537%

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

Table 6

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

	2003	2004	2005	2006	2007	2008	2009
City Direct Rates:							
City of Oroville/Oroville Redevelopment Agency	$ 1.000000	$ 1.000000	$ 1.000000	$ 1.000000	$ 1.000000	$ 1.000000	$ 1.000000
Total City Direct Rate	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Overlapping Rates:							
Butte College	0.018814	0.017110	0.016003	0.020880	0.020880	0.020880	0.020880
Oroville Elementary School	0.000000	0.022224	0.025149	0.019335	0.018679	0.017190	0.017366
Oroville High School District	0.000000	0.027247	0.017321	0.016897	0.017241	0.014688	0.015008
	$ 1.018814	$ 1.066581	$ 1.058473	$ 1.057112	$ 1.056800	$ 1.052758	$ 1.053254

The City of Oroville has elected to show only seven 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 additiona 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	2009 Taxable Assessed Valuation	2009 Rank	2009 Percentage of Total Assessed Valuation	2000 Taxable Assessed Valuation	2000 Rank	2000 Percentage of Total Assessed Valuation
Pacific Coast Producers	$ 28,207	1	2.52%	$ 19,361	1	4.06%
Currier Square Spe LLC	11,965	3	1.07%	-		-
Roplast Industries, Inc	11,932	2	1.06%	14,365	2	3.02%
Home Depot USA	11,081	5	0.99%	-		-
Sierra Pacific Industries	10,984	4	0.98%	-		-
Oroville Medical Complex	10,359	6	0.92%	-		-
Pacific Oroville Power	8,931	7	0.80%	-		-
California AVIV LLC	8,610	8	0.77%	-		-
Ammunition Accessories	7,283	9	0.65%	-		-
Wal Mart Stores Inc.	6,554	10	0.58%	6,310	6	1.32%
Blount, Inc	-		-	9,393	3	1.97%
Pension Fund For Operating Engineers Trust	-		-	7,603	4	1.60%
Western Investment Real Estate Trust	-		-	7,500	5	1.57%
Oroville Cogeneration Ltd. Partnership	-		-	5,657	7	1.19%
Koppers Industries, Inc.	-		-	5,282	8	1.11%
Lynn Family Partnership	-		-	4,032	9	0.85%
Northwind Properties Ltd.	-		-	3,657	10	0.77%
Totals	$ 115,906		10.34%	$ 83,160		17.46%

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 SEVEN 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	
		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%
2009	9,372,575	8,322,389	88.80%	235,442	8,557,831	91.31%

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

Table 9

CITY OF OROVILLE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST SEVEN FISCAL YEARS

	Governmental Activities									
	OPFA[1]									
Fiscal Year	Revenue Bonds	Tax Allocation Bonds	Pension Obligation Bonds	Limited Obligation Bonds	COP Loan	Capital Leases	Total Governmental Activities	Total Primary Government	Percentage of Personal Income	Debt Per Capita
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	1,397,505	-	251,501	37,769,009	37,769,009	10.06%	2,797
2008	-	26,850,000	7,175,000	-	-	372,054	34,397,062	34,397,062	10.81%	2,374
2009	-	26,225,000	7,015,000	-	289,920	293,685	33,823,605	33,823,605	10.48%	2,311

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 SEVEN FISCAL YEARS
(only years available)

	Governmental Activities						
	OPFA						
Fiscal Year	Revenue Bonds	Tax Allocation Bonds	Pension Obligation Bonds	Less: Restricted Resources Available	Total	Percentage of Assessed Value[1]	Per Capita
2003	$ 3,275,000	$ 23,095,000	$ -	$ 5,105,932	$ 21,264,068	3.29%	$ 1,623
2004	1,880,000	22,965,000	-	4,125,164	20,719,836	3.07%	1,561
2005	1,600,000	28,340,000	-	3,983,180	25,956,820	3.59%	1,945
2006	1,500,000	27,885,000	-	5,103,108	24,281,892	3.02%	1,816
2007	1,460,000	27,400,000	7,260,000	4,809,247	31,310,753	3.43%	2,318
2008	-	26,850,000	7,175,000	1,982,647	32,042,353	3.08%	2,211
2009	-	26,225,000	7,015,000	1,984,533	31,255,467	2.79%	2,135

[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

TABLE 11

CITY OF OROVILLE
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2009

City of Oroville Assessed Valuation	$ 129,701,000
Oroville Redevelopment Agency Assessed Valuation	991,742,000
Total Assessed Valuation	$1,121,443,000

	Percentage Applicable[1]	Outstanding Debt 06/30/09	Estimated Share of Overlapping Debt
Overlapping Debt Repaid With Property Taxes:			
Oroville Unified Elementary District General Obligation Bonds	3.006%	$ 5,106,411	$ 153,499
Oroville Unified High School District General Obligation Bonds	6.292%	19,741,431	1,242,131
Butte Community College District	6.116%	80,313,079	4,911,948
Total Overlapping Debt Repaid With Property Taxes		105,160,921	6,307,577
Overlapping Other Debt:			
Total Other Overlapping Debt		-	-
Total Overlapping Debt		$ 105,160,921	6,307,577
Direct Debt			33,823,605
Total Direct And Overlapping Debt			$ 40,131,182

[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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Assessed Valuation	$ 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	$ 1,121,443,000
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	$ 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	$ 280,360,750
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	$ 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	$ 42,054,113
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-	-	-	7,260,000	7,175,000	7,015,000
Legal debt margin	$ 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	$ 35,039,113
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%	18.8%	16.9%	16.7%

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 SEVEN FISCAL YEARS
(only years available)

Fiscal Year	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	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
2009	6,323,564	625,000	1,239,680	3.39

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

The City of Oroville has elected to show only seven 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%
2009	14,369	322,731	22,460	17.4%

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	2009		2000	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
County of Butte	2,151	25.92%	2,000	30.94%
Oroville Medical Complex	1,200	14.46%	658	10.18%
Pacific Coast Producers	1,359	16.37%	523	8.09%
Wal Mart Stores, Inc.	256	3.08%	218	3.37%
Home Depot USA	100	1.20%	-	0.00%
City of Oroville	115	1.39%	101	1.56%
Currier Square Spe LLC	115	1.39%	99	1.53%
Roplast Industries, Inc.	96	1.16%	103	1.59%
Ammunition Accessories	90	1.08%	135	2.09%
Sierra Pacific Industries	157	1.89%	63	0.97%

"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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government	15	17	18	21	20	20	19	22	24	14
Public Safety	56	59	59	59	56	56	57	60	61	62
Public Works	11	10	10	10	13	13	13	13	11	14
Community Development	7	8	8	8	12	12	12	11	14	11
Parks and Trees	9	9	11	11	10	10	10	10	10	21
	98	103	106	109	111	111	111	116	120	122

Source: City of Oroville Budget

Table 17

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

Function	2004	2005	2006	2007	2008	2009
Police:						
Arrests	1,625	2,831	2,439	2,496	2,444	2,131
Parking Citations Issued	159	355	283	302	225	275
Fire:						
Number of Emergency Calls	3,024	3,301	3,697	3,947	3,651	3,678
Inspections	3,455	4,140	3,638	3,420	2,723	2,558
Public Works:						
Street Resurfacing (miles)	-	10	-	1	-	-
Parks and Recreation:						
Number of Facility Rentals	153	281	332	110	133	129
Wastewater:						
New Connections[1]	16	9	14	10	156	17
Average Daily Flows (thousands of gallons)	115.96	114.19	124.65	124.65	111.28	166.79

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

Source: City of Oroville
Sewage Commission - Oroville Region

Table 18

CITY OF OROVILLE
CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
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	131.59	132.63	132.88	92.60
Streetlights	1,223	1,223	1,223	1,223	1,223	1,229	1,234	1,256	1,375	1,375
Traffic Signals	18	18	18	18	18	18	18	18	17	7
Parks and Recreation:										
Parks	6	6	6	6	6	6	6	6	6	7
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	66
Sewer Storm Drains	73	73	73	73	73	73	73	73	73	31
Maximum Daily Capacity (thousands of gallons)	108.58	104.25	113.93	118.11	115.96	114.19	124.65	124.65	111.28	166.79

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

Source: City of Oroville
Sewage Commission - Oroville Region

SINGLE AUDIT AND OTHER COMPLIANCE SECTION

CITY OF OROVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor/Pass Through Program Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development		
Passed Through State Department of Housing and Community Development:		
Community Development Block Grants:		
CDBG No. 05-EDBG-1977	14.228	$ 59,870
CDBG No. 06-EDBG-2572	14.228	70,000
CDBG No. 06-EDBG-2699	14.228	16,146
CDBG No. 06-STBG-2564	14.228	54,794
CDBG No. 06-STBG-2607	14.228	234,183
CDBG No. 08-STBG-4482	14.228	2,237
07-PTAG-3668	14.228	18,300
07-EDOC-3900	14.228	174,082
07-EDBF-3733	14.228	7,598
Subtotal		637,210
Home Investment Partnerships Program:		
HOME No. 06-HOME-2358	14.239	587,128
HOME No. 06-HOME-2407	14.239	546,626
HOME No. 07-HOME-3080	14.239	597,788
HOME No. 07-HOME-3903	14.239	7,076
Subtotal		1,738,618
Total U.S. Department of Housing and Urban Development		**2,375,828**
U.S. Department of Transportation		
Airport Improvement Program:		
Project No. 03-06-0178-11	20.601	31,134
Project No. 03-06-0178-12	20.601	6,752
Passed Through State Department of Transportation:		
Highway Planning And Contruction (Federal-Aid Highway Program) Project No. CML-5142(028)	20.205	995,200
Total U.S. Department of Transportation		**1,033,086**
U.S. Department of Agriculture		
Community Faciities Loans and Grants No. 4-004-946000387	10.766	138,374
Rural Business Enterprise Grants		
RBEG-2006	10.769	29,900
RBEG-2008	10.769	22,760
Total U.S. Department of Agriculture		**191,034**
U.S. Department of Justice		
COPS Technology Program 2008CKWX0299	16.710	170,134
Bulletproof Vest Partnership Program	16.607	2,056
Total U.S. Department of Justice		**172,190**
U.S. Department of the Interior		
Save America's Treasures 06-08-ML-0711	15.929	100,606
Total U.S. Department of the Interior		**100,606**
TOTALS		**$ 3,872,744**

See accompanying notes to schedule of expenditures of federal awards.

CITY OF OROVILLE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2009

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.

DAVIS HAMMON & CO.
Certified Public Accountants

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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, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 22, 2009. 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.*

MEMBERS: AMERICAN INSTITUTE AND CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
2080 Myers Street, Suite 3, Oroville, CA 95966-5341 (530) 533-3392 FAX (530) 533-2714

DAVIS HAMMON & CO.
Certified Public Accountants

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 22, 2009

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, 2009. 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, 2009.

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.

MEMBERS: AMERICAN INSTITUTE AND CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
2080 Myers Street, Suite 3, Oroville, CA 95966-5341 (530) 533-3392 FAX (530) 533-2714

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 22, 2009

CITY OF OROVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

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. U.S. Department of Transportation
      Highway Planning And Construction
      (Federal-Aid Highway Program)
      CFDA: 20.205

   b. U.S. 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.

OTHER COMPLIANCE REPORTS

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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, 2009. 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 XIIIB Appropriations Limitation Uniform Guidelines*) were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIIIB 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 XIIIB 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 22, 2009

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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, 2009, and have issued our report thereon dated December 22, 2009. 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.

Except as explained below, 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.

Condition and Criteria: The City of Oroville has not properly collected nor remitted monthly sewer service charges for certain properties consisting principally of facilities of public agencies that were connected to the sewer system. It should be noted that all of the excluded properties were connected to the sewer system many years ago and that there were no findings for entities connected during the current year.

Effect: Certain customers, primarily public agencies, were undercharged thus reducing sewer service revenues for the City and SC-OR.

Cause: The City utilizes its building permit process to monitor sewer system connections and changes. The sewer regional facility charge is collected when the permit is issued, and monthly fees begin at the earlier of the actual physical connection to the system, or six months from the date of issuance of the permit. For many years, monthly charges began only when the customer was actually connected. Normally, the City collects the monthly sewer charge by adding the annual amount to the property tax rolls prepared by the County of Butte. Some public agencies are exempt from property taxes and not included on the County tax rolls and are, therefore, billed directly by the City.

Various public agencies are not required to obtain a permit from the City when connecting to the City's sewer system or constructing facilities that impact their effluent flow into the system. As a result, certain facilities were connected to the system for many years without being charged the monthly service fee.

Population and Items Tested: The City identified 113 connections that had not been charged the monthly sewer charge of which 73 belonged to the Butte County Housing Authority. We tested an additional 25 public agency facilities to determine whether sewer service charges were properly assessed. All 25 public agencies that we tested were properly charged the monthly service fee.

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Auditor's Recommendation: The City needs to review sewer system connections to ensure all facilities connected to the system are properly assessed the monthly service charge. Facilities connected to the system that have not been charged should be added to the City's sewer service billing system immediately and charged the required fee. The City should also consider assessing fees for services rendered in past years.

Additionally, the City and SC-OR should develop procedures to ensure public agencies connecting to the system, or making facility changes that impact effluent flow, notify the City to ensure the proper charges are assessed in a timely manner.

Management's Response: The City has reviewed its sewer system connection records to determine the number of overlooked agencies and the amount of excluded sewer service fees. The excluded connections have been added to the City's sewer service billing system and monthly service charges are being properly assessed, collected and remitted to SC-OR. The City is working with SC-OR and legal counsel to determine the amount of past charges that can be billed, collected and remitted.

The City is currently conducting a complete video inspection of its sewer system. One of the benefits of the inspection is that all connections to the system will be noted and mapped, expediting the process of ensuring all facilities are integrated in the City's sewer service billing system.

The City has notified its Community Development and Public Works Department employees to be cognizant of public agency construction within the City limits to ensure sewer system charges are assessed in a complete and timely manner.

In our opinion, except for the matter noted above, 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, 2009.

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 22, 2009