COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF OROVILLE
California

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Submitted by:

Department of
Finance

Diane MacMillan
Director of Finance

CITY OF OROVILLE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
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DISCOVER GOLD . . . DISCOVER OROVILLE

1735 MONTGOMERY STREET • OROVILLE, CALIFORNIA 95965

January 28, 2012

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, 2011. The City's Department of Finance has prepared this report in conformity with accounting principles generally accepted in the United States of America. The City has adopted the new reporting requirements prescribed by the Governmental Accounting Standards Board (GASB) Statement No. 54. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures rests with the City.

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

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

THE REPORTING ENTITY

This report includes all of the funds of the City of Oroville and entities with all their funds related to the City of Oroville. Under criteria established by the Governmental Accounting Standards Board, the financial statements of the 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 local economy continues to show signs of slow to moderate improvement. We are seeing some interest along our major corridors and highway frontage. We have significant hopes that these areas will lead our future economic growth.

Due to the City of Oroville's successful staff efforts in grant writing, we have bought in more than $42 million in grant funds over the past several years. This has offset the local cost for planned improvements in our community. Over the next few years our focus will be on completing capital improvement projects that are grant or bond funded. This should alleviate some of the stress on the City's general fund. These improvements enhance the local appeal as well as set up for new infrastructure and future sustainability.

The City of Oroville has positioned itself to sustain services in this slow growth economy. New labor contracts and other cost cutting measures have reduced the City's overall operating expenditures to the level of five years ago. The reduced expenditures should keep pace with potential revenue growth to eliminate any fiscal structural imbalances between revenue and expenditures. The City also maintains a 28.7% fund balance including a $800,000 reserve which it may need, if California actually ends Redevelopment agencies.

OTHER INFORMATION

LONG TERM FINANCIAL PLANNING

The City of Oroville established a five year general fund budget projection that called for the use of rainy day funds until the economy bounces back. Therefore the City is optimistic about its strategy and will be ready to capitalize when the California economy starts to fully expand.

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

SINGLE AUDIT AND COMPLIANCE

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Budgeting Control

A two-year budget and financial plan approved by the City Council is established for all funds except for Trust and Agency Funds. Certain modifications to the Adopted Budget must be approved by the City Council and/or the City Administrator. The City adopted an Expenditure Control Budget (ECB) effective with the 1994-95 fiscal year. The City's charter requires that a budget be approved each year. The Annual Budget for fiscal year 2010-11 was approved by the City Council in July of 2010.

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

Spending Limitation

The City believes that there will be no problems in complying with the spending limitations of Proposition 4, the Gann Initiative, passed by the voters in 1979. The City's appropriations for 2010/11 were below the adopted limit of $30,313,525. Appropriations and related expenditures are expected to continue to remain well below limit in 2011-12.

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, 2011. 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, Stephen Herr, CPA, James Duckett, CPA, and Candis Parkison 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, 2010. This was the sixteenth 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,

G. Harold Duffey,
City Administrator

Diane MacMillan,
Director of Finance

CITY OF OROVILLE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2011

Prepared by Finance Department

City Officials

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

Linda Dahlmeier - Mayor

Thil Wilcox – Vice Mayor
JR Simpson
Gordon Andoe

Cheri Bunker
David Pittman – RDA Vice Chair
Jack Berry – RDA Chair

ADMINISTRATION

G. Harold Duffy
City Administrator

Diane MacMillan
Director of Finance

Bill La Grone
Chief of Police

Chris Fridrich
Director of Parks and Trees

Karolyn J. Fairbanks
City Treasurer (Elected)

Charles Hurley
Fire Chief

Donald Rust
Director of Planning & Development Services

Scott E. Huber
City Attorney

Rick Walls
Director of Public Works

Pat Clark
Director of Business Assistance And Housing Development

PLANNING COMMISSION

Adonna Brand
Rhonda Brunson

Damon Robison – Chair
Dr. Daniel Gordon
Hardeep Singh

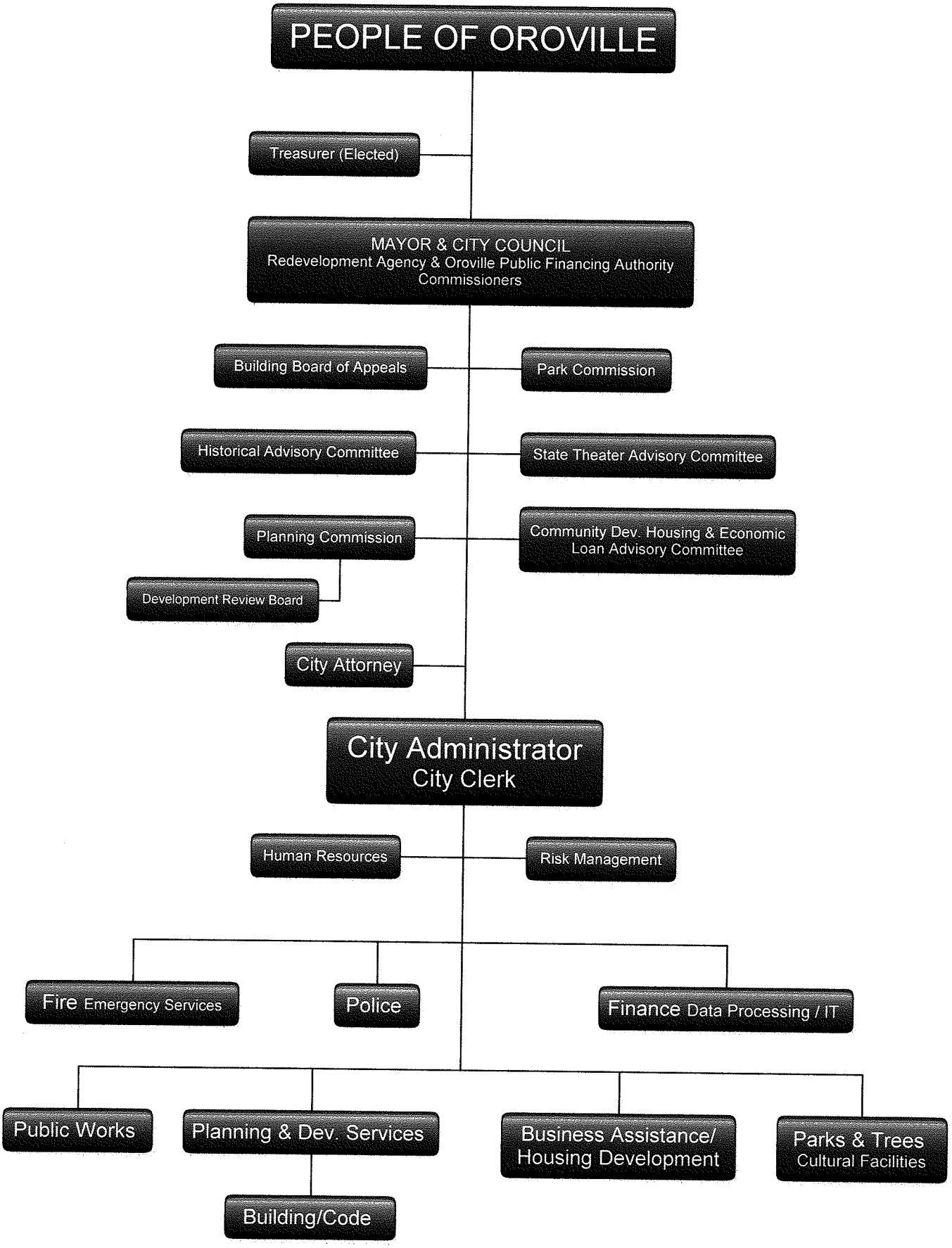
Randy Chapman
Carl Durling

PARK COMMISSION

Beth Brown Standley

Freda Flint - Chair
Machelle Conn

Jim Prouty


PEOPLE OF OROVILLE
Treasurer (Elected)
MAYOR & CITY COUNCIL
Redevelopment Agency & Oroville Public Financing Authority
Commissioners
Building Board of Appeals
Park Commission
Historical Advisory Committee
State Theater Advisory Committee
Planning Commission
Community Dev. Housing & Economic
Loan Advisory Committee
Development Review Board
City Attorney
City Administrator
City Clerk
Human Resources
Risk Management
Fire Emergency Services
Police
Finance Data Processing / IT
Public Works
Planning & Dev. Services
Business Assistance/
Housing Development
Parks & Trees
Cultural Facilities
Building/Code

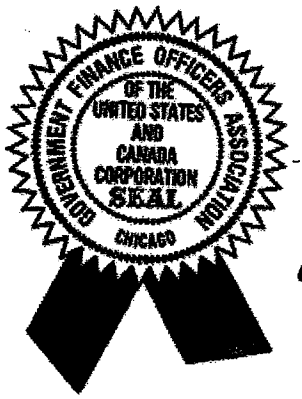
Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oroville
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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.



Linda C. Davidson

President

Jeffrey R. Emer

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, 2011, 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's 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 opinions.

In our opinion, the financial statements referred above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregated remaining fund information of the City of Oroville as of June 30, 2011, and the respective change in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Oroville Redevelopment Agency is a component unit of the City of Oroville. As explained further in Note 4(H), the California State Legislature has enacted legislation that is intended to provide for the dissolution of redevelopment agencies in the State of California. Unless the California State Legislature takes additional action, the Oroville Redevelopment Agency will be dissolved effective February 1, 2012.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2012, 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 should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6 through 17 and 52 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oroville's financial statements as a whole. The introductory section, combining and individual nonmajor fund statements and schedules, and the statistical section are presented for the purpose of additional analysis and are not a required part of the financial statements. The 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 financial statements. The combining and individual nonmajor fund financial statements, individual fund budgetary comparison schedules, capital asset financial schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Davis Hammon & Co.

January 11, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2011

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, 2011. 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 $48,803,654. Of this amount, $27,592,885 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 $3,597,051 due increased program revenues.
- As of the close of the current fiscal year the City's total net assets reported were $49,443,141, a increase of $3,535,144 from the prior year. This increase was also primarily due to increased program revenues.
- $28,222,372 of the City's total net assets of $49,443,141 is considered unrestricted.
- At the end of the current fiscal year, the General Fund's unassigned fund balance was $2,202,839. This is 21.1% of total general fund expenditures.
- In addition to the unassigned fund balance, the City Council has committed $800,000 as a General Fund Reserve which, when added to the unassigned fund balance, totals $3,002,839. This is 28.7% 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 in regards to interfund activity, payables and receivables.

The Statement of Net Assets and the Statement of Activities 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. Based on these and other criteria the City's overall financial health experienced a small improvement in the 2010/11 fiscal year.

In the Statement of Net Assets and the Statement of Activities, 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 19-20 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 21-24 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 25-27 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 28 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 29-50 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparison schedules for the general fund and each major special revenue fund as well as funding progress information for the City's Retiree Healthcare Plan. Required supplementary information can be found on pages 52-59 of this report. Combining and individual fund statements and schedules can be found on pages 61-138 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the net assets for the City as a whole increased 7.7% from $45,907,997 at June 30, 2010 to $49,443,141 at June 30, 2011. A large portion of the City's net assets, $15,379,291, (31.1%) 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, $5,841,478 (11.8%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, $28,222,372 (57.1%) 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	
	2011	2010	2011	2010	2011	2010
Current and other assets	$72,264,632	$68,478,560	$640,187	$701,874	$72,904,819	$68,478,560
Capital assets	40,169,291	40,542,573	0	0	40,169,291	40,542,573
Total Assets	112,433,923	109,021,133	640,187	701,874	113,074,110	109,723,007
Vouchers payable and other current liabilities	1,396,865	1,768,675	700	480	1,397,565	1,769,155
Other liabilities	29,625,319	28,422,389	0	0	29,625,319	28,422,389
Non-current liabilities	32,608,085	33,623,466	0	0	32,608,085	33,623,466
Total Liabilities	68,630,269	63,814,530	700	480	63,630,969	63,815,010
Net Assets:						
Invested in capital assets, net of related Debt	15,379,291	15,022,573	0	0	15,379,291	15,022,573
Restricted	5,841,478	5,495,347	0	0	5,841,478	5,495,347
Unrestricted	27,582,885	24,688,683	639,487	701,394	28,222,372	25,390,077

Total Net Assets	$48,803,654	$45,206,603	$639,487	$701,394	$49,443,141	$45,907,997

CITY OF OROVILLE CHANGES IN NET ASSETS

	Governmental Activities		Business Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Charges for services	$6,597,099	$4,421,706	$6,991	$6,121	$6,604,090	$4,427,827
Operating grants and Contributions	5,187,330	2,507,962	460,262	540,043	5,647,592	3,048,005
Capital grants and Contributions	755,728	2,130,596	0	0	755,728	2,130,596
General Revenues:						
Taxes:						
Property taxes	6,404,500	6,474,547	0	0	6,404,500	6,474,547
Sales and Use taxes	2,556,200	2,292,835	0	0	2,556,200	2,292,835
Other taxes	4,282,581	4,496,269	0	0	4,282,581	4,496,269
Intergovernmental revenue not restricted to specific programs	277,000	79,779	0	0	277,000	79,779
Unrestricted Investment Earnings	146,561	138,643	3,349	5,103	149,910	143,746
Total Revenues	26,206,999	22,542,337	470,602	551,267	26,677,601	23,093,604
Expenses:						
General Government	2,172,282	2,540,032	0	0	2,172,282	2,540,032
Public Safety	7,168,100	7,139,146	0	0	7,168,100	7,139,146
Public Works	1,358,012	1,390,260	0	0	1,358,012	1,390,260
Streets and Storm Drains	835,234	825,763	0	0	835,234	825,763
Transportation	553,893	503,689	350,471	294,466	904,364	798,155
Business Assistance and Housing	5,386,551	4,843,176	0	0	5,386,551	4,843,176
Parks and Leisure	1,542,029	1,230,892	0	0	1,542,029	1,230,892
Health and Sanitation	1,646,946	1,344,401	0	0	1,646,946	1,344,401
Interest and Fiscal Charges	1,637,390	1,680,975	0	0	1,637,390	1,680,975
Total Expenses	22,300,437	21,498,334	350,471	294,466	22,650,908	21,792,800
Transfers	182,038	361,076	(182,038)	(361,076)	0	0
Extraordinary Item SERAF	(491,549)	(2,387,525)			(491,549)	(2,387,525)
Increase (decrease) in Net Assets	3,597,051	(982,446)	(61,907)	(104,275)	3,535,144	(1,086,721)
Net Assets - July 1,	45,206,603	46,189,049	701,394	805,669	45,907,997	46,994,718
Net Assets, June 30	$48,803,654	$45,206,603	$639,487	$701,394	$49,443,141	$45,907,997

GOVERNMENTAL ACTIVITIES

Total resources available during the year to finance governmental operations were $71,595,640, consisting of net assets at July 1, 2010 of $45,206,603, program revenues of $12,540,157 and general revenues and transfers of $13,848,880. Total expenditures for governmental activities during the year were $22,300,437 and there was an extraordinary loss of $491,549; thus, net assets were increased by $3,597,051 to $48,803,654.

The cost of all governmental activities this year was $22,300,437. However, as shown in the Statement of Activities, the amount that the taxpayer ultimately financed for these activities was $12,540,157 because some of the cost was paid by those who directly benefited from these programs, $6,597,099, or by other governments and organizations that subsidized certain programs with operating grants and contributions, $5,187,330 and capital grants and contributions, $755,728. 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 $61,907. There were no investments in capital assets attributable to business type activities of the City as of June 30, 2011.

The cost of all Proprietary (business type) activities this year was $350,471. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems were $6,991. Operating grants and contributions were $460,262. Capital grants and contributions were $0. Investment earnings were $3,349.

Total resources available during the year to finance Proprietary fund (business type) activities were $1,165,005 consisting of net assets as of July 1, 2010 of $701,394, program revenues of $467,253 and general revenues of $3,349. The total cost of proprietary fund (business type) activities during the year were $350,471 and a transfer out of $182,038 was made; thus, net assets were decreased from $701,394 to $639,487. This decrease is attributable to the City's transfer out to the General Fund for street maintenance costs.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The total fund balance at year-end for the City's General fund of $5,449,119 is an increase of $837,696 over the prior year-end. Tax revenues increased by $122,212 while all other revenues decreased by $373,327. The tax revenue increase is mainly attributable to a small increase in property taxes. The decrease in other revenues was due to a reduction mainly in the following two categories, current service fees and other revenues.

Among the special revenue funds, the First Time Homebuyers Grant Fund experienced a modest fund balance change, decreasing by $40,440 from $715,681 on June 30, 2010 to $675,241 on June 30, 2011. This decrease was due to loans made. 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 $1,234,402 due primarily to the decrease in the required State of California legislated SERAF payment. The Oroville Redevelopment Agency Low & Moderate Income Housing Fund's fund balance increased by $910,693 due to a increase in revenues.

DEBT ADMINISTRATION

Debt from governmental activities decreased by $1,015,381 from $33,623,466 at year-end in fiscal year 2009-10 to $32,608,085 at year-end in fiscal year 2010-11, primarily due to regular debt service payments. As of June 30, 2011, only $7,917,757 is considered general City obligations subject to the City's debt limit which is $39,426,113. There was no debt attributable to business type activities as of June 30, 2011.

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, 2010	Incurred or Issued	Satisfied or Matured	Balance June 30, 2011
Government Activities:				
Compensated Absences	$651,421	$342,961	$403,509	$590,873
Oroville Public Financing Authority				
Revenue Bonds Payable	25,520,000	0	730,000	24,790,000
Loans and Leases	631,348	0	102,406	528,942
Pension Obligation Bonds	6,825,000	0	222,000	6,603,000
Total Governmental Activities	$33,627,769	$342,961	$1,457,915	$32,512,815
Business Type Activities:				
Total Business Type Activities	$0	$0	$0	$0

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

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

CAPITAL ASSETS

The capital assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. At June 30, 2011, net capital assets of the governmental activities totaled $40,169,291 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	$7,467,261	$0	$7,467,261
Buildings and Improvements	19,340,910	5,328,362	14,012,548
Underground Collection System	4,181,297	2,792,933	1,388,364
Equipment, Vehicles, Machinery	8,371,250	5,323,661	3,047,589
Infrastructure	40,325,988	27,544,505	12,781,483
Construction in Progress	1,472,046	0	1,472,046
Total Governmental Activities	$81,158,752	$40,989,461	$40,169,291
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 39.

GENERAL FUND BUGETARY HIGHLIGHTS

Comparing the fiscal year 2010/11 original (or adopted) General Fund budgeted expenditures in the amount of $11,597,172 to the final budget amount of $11,430,131 shows a net decrease of $167,041 to the final budget allocation. The decrease consists of departmental reductions mid-year. Other significant changes between final budget and actual would be reductions of revenues such as: property tax, utility users, fines and forfeitures as well as franchise fees.

Expenditures were down due to future budgetary operating concerns. Carryovers into fiscal year 2011/12 are at $473,976.

NEXT YEAR'S BUDGET AND RATES

Current Year's Revenue Assumptions

The key assumptions in the City budget's revenue forecast for fiscal year 2011-12 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, Muni Services LLC.

3. The base year amounts for Transient Occupancy, Utility User, Franchise and Motor Vehicle In-Lieu of Taxes were adjusted based upon actual receipts. A 4% growth rate was assumed.

4. Investment earnings were expected to remain low in 2011-12, and the base year was adjusted downward accordingly with a .5% growth.

5. Sewer service charges were expected to increase by 12.9% 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 just below 2005/06 levels, based on the latest trends.

7. The Airport (Special Aviation) fund revenues from airplane fuel sales, hangar rentals and the golf course were estimated based upon historical trends.

8. In estimating all other funds, a fiscally conservative approach was taken to ensure an accurate representation of the fund's financial position. Revenue projections were estimated using historical data and other data provided by the State, League of California Cities and consultants. When combined with trends and other indicators this normally produces a reasonably good picture of the near future.

Personnel

Due to the current economic situation no new positions were added for the general operations of the City or for the Redevelopment Agency.

Capital Expenditures

Equipment

A small amount of equipment purchases were authorized in the 2011-12 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 includes an appropriation for capital improvements to the City corporation yard building.

Parks and Cultural Facilities

Two appropriations for improvements were authorized for 2011/12. They are to the Chinese Temple and park gates from Housing Program Income funds. No additional projects were authorized due to the lack of funding sources as well as the upcoming dissolution of the Redevelopment Agency.

Improvements to Streets and Infrastructure

The Gas Tax fund has appropriated funds to improve City streets and infrastructure during the 2011-12 fiscal year. Projects include slurry seals, paving, and sidewalks.

Improvements to the Airport

A pavement improvement project was budgeted for the Airport in 2011-12. The City continues to seek additional grant opportunities for future projects. If awarded any new grants during 2011-12 matching funds will be approved by City Council action.

Economic Development Capital Projects

Funds were carried over from the 2010-11 to 2011-12 Redevelopment Agency budget for land purchase and public improvements to the riverfront area which are currently on hold due to State action to dissolve all Redevelopment Agencies. Other grants which are expected to be received as part of the re-licensing settlement agreement for renewal of the FREC (Federal Regulatory Energy Commission) license on the Oroville Dam, will have a significant impact on tourism which is a major industry in Oroville.

ECONOMIC FACTORS AND OUTLOOK

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

The dissolution of the Redevelopment Agency if enacted on February 1, 2012 would create a major loss in funding for the City in all areas of redevelopment such as blight, health and safety, leverage of capital improvement and economic development projects as well as low and moderate housing funds. The City's general fund will lose just over a $1,000,000 in administrative cost reimbursements with an additional loss to the Redevelopment Agency fund for redevelopment operational costs of approximately $3,100,000. The tax increment that would eventually be returned to the City's general fund at some point in time would be approximately $1,700,000.

As a result of a declining economy the State is again indicating 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 five 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 2010-11, unemployment increased from 17.8% to 19.1%.

Another economic indicator, Oroville's sales tax receipts have increased by $160,709 over the $2,292,835 received in fiscal year 2009-10. This indicates that a slow increase of sales tax has begun and at this time a slight increase is being predicted for the 2011-12 fiscal year.

In fiscal year 2010-11, building activity has continued to decline with only 12 building permits issued for new construction. This is a decrease from fiscal year 2009-10 when 16 building permits for new construction were issued. A total of 3 of these permits were issued for construction of single family home.

In addition, 1 low and moderate income families received first time home buyer loans funded through federal grants.

A total of 266 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. In addition to this the City created a lease to purchase program to move eleven City owned homes back to private ownership.

A total of 3 commercial building permits for new construction were issued. This included small to large size commercial projects being constructed. The largest being a restaurant $367,594 and a office building $94,320.

The total valuation of all building permits issued in fiscal year 2010-11 was $7,328,985. This was $844,243 more than the $6,484,742 issued in fiscal year 2009-10.

The City and the Oroville Redevelopment Agency started an aggressive retail marketing effort in fiscal year 2010-11, the results of which are expected to take several years for fruition. On the immediate horizon are Marshall's and a Petco locating here by the end of June 2012. A Super Wal-Mart is estimated to open within two years.

The City is committed to an aggressive economic development effort which seeks to diversify the overall commercial/industrial economic base of the area. As evidence, the City has been designated as 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, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 32,238,409	$ 608,108	$ 32,846,517
Cash With Fiscal Agent:			
Restricted	1,983,196		1,983,196
Receivables	3,099,115	32,079	3,131,194
Loans Receivable	284,866		284,866
Inventory	59,619		59,619
Noncurrent Assets:			
Loans Receivable	26,306,607		26,306,607
Deferred Charges	697,876		697,876
Net Pension Asset	5,313,615		5,313,615
Real Property Primarily Held for Resale	2,281,329		2,281,329
Capital Assets (net of accumulated depreciation):			
Nondepreciable	8,939,307		8,939,307
Depreciable	31,229,984		31,229,984
Total Assets	112,433,923	640,187	113,074,110
LIABILITIES			
Vouchers Payable And Other Current Liabilities	1,396,865	700	1,397,565
Payable From Restricted Assets:			
Accrued Interest Payable	387,232		387,232
Due To Other Related Agency	250,011		250,011
Deferred Loans	26,306,607		26,306,607
Deferred Revenues - Unearned	2,295,516		2,295,516
Unpaid Claims	385,953		385,953
Noncurrent Liabilities:			
Due Within One Year	1,274,979		1,274,979
Due In More Than One Year	31,333,106		31,333,106
Total Liabilities	63,630,269	700	63,630,969
NET ASSETS			
Invested In Capital Assets (net of related debt)	15,379,291		15,379,291
Restricted For:			
Public Safety	421,671		421,671
Streets and Storm Drains	2,450,925		2,450,925
Parks and Leisure	512,779		512,779
Health and Sanitation	744,184		744,184
Housing and Community Development	115,955		115,955
Debt Service	1,595,964		1,595,964
Unrestricted	27,582,885	639,487	28,222,372
Total Net Assets	**$ 48,803,654**	**$ 639,487**	**$ 49,443,141**

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

CITY OF OROVILLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

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	$ 2,172,282	$ 360,093			$ (1,812,189)		$ (1,812,189)
Public Safety	7,168,100	246,808	$ 779,855		(6,141,437)		(6,141,437)
Public Works	1,358,012	251,008			(1,107,004)		(1,107,004)
Streets and Storm Drains	835,234	83,120	390,289	$ 491,608	129,783		129,783
Transportation	553,893	523,175		6,120	(24,598)		(24,598)
Parks and Leisure	1,542,029	50,880	681,374	258,000	(551,775)		(551,775)
Health and Sanitation	1,646,946	2,136,522	10,000		499,576		499,576
Housing and Community Development	5,386,551	2,945,493	3,325,812		884,754		884,754
Interest and Fiscal Charges	1,637,390				(1,637,390)		(1,637,390)
Total Governmental Activities	22,300,437	6,597,099	5,187,330	755,728	(9,760,280)	$ -	(9,760,280)
Business-Type Activities:							
Local Transportation	350,471	6,991	460,262			116,782	116,782
Total Business-Type Activities	350,471	6,991	460,262	-	-	116,782	116,782
Total	$ 22,650,908	$ 6,604,090	$ 5,647,592	$ 755,728	(9,760,280)	116,782	(9,643,498)
General Revenues:							
Taxes:							
Property Taxes					6,404,500		6,404,500
Sales and Use Taxes					2,556,200		2,556,200
Sales and Use Taxes In-Lieu					1,935,673		1,935,673
Documentary Stamp					28,101		28,101
Transient Occupancy					346,716		346,716
Utility Users					1,529,221		1,529,221
Franchise					442,870		442,870
Unrestricted Investment Earnings					146,561	3,349	149,910
Intergovernmental Revenues Not Restricted To Specific Programs					277,000		277,000
Transfers					182,038	(182,038)	-
Total General Revenues And Transfers					13,848,880	(178,689)	13,670,191
Extraordinary Item - SERAF Payment					(491,549)		(491,549)
Change In Net Assets					3,597,051	(61,907)	3,535,144
Net Assets, July 1,					45,206,603	701,394	45,907,997
Net Assets, June 30,					$ 48,803,654	$ 639,487	$ 49,443,141

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

CITY OF OROVILLE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	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	$ 3,098,908	$ 599,435	$ 1,946,081	$ 44,625	$ 6,291,445	$ 3,611,551	$ 73,449	$ 46,160	$ 15,808,393	$ 31,520,047
Cash With Fiscal Agent								1,983,196		1,983,196
Receivables:										
Taxes	340,776								7,726	348,502
Accounts	596,512				246	41,050			90,708	728,516
Sewer Service Charges									147,414	147,414
Grants	1,732	76,154	193,724		4,376	6,734			1,486,190	1,768,910
Interest	33,561		243			2,031		6,467	63,471	105,773
Due From Other Funds	416,007			755,000					361,191	1,532,198
Inventory	24,021								3,064	27,085
Loans Receivable	4,830	9,412,172	5,464,535			3,686,534	3,025,596		4,997,806	26,591,473
Advances Due From Other Funds	1,800,000			24,035,000					170,154	26,005,154
Real Property Primarily Held for Resale			43,833		88,405	2,149,091				2,281,329
Total Assets	**$ 6,316,347**	**$ 10,087,761**	**$ 7,648,416**	**$ 24,834,625**	**$ 6,384,472**	**$ 9,496,991**	**$ 3,099,045**	**$ 2,035,823**	**$ 23,136,117**	**$ 93,039,597**
LIABILITIES AND FUND BALANCE										
Liabilities:										
Vouchers Payable	$ 230,258	$ 348	$ 114,828		$ 48,218	$ 16,710			$ 455,193	$ 865,555
Accrued Salaries and Benefits	392,999				21,089	2,383			54,275	470,746
Deposits Payable						1,183				1,183
Due To Other Funds					755,000				777,198	1,532,198
Due To Other Related Agency									250,011	250,011
Advances Payable to Other Funds	138,816				25,835,000				31,338	26,005,154
Deferred Loans		9,412,172	5,458,212			3,664,889	$ 3,025,596		4,745,738	26,306,607
Deferred Revenues - Unearned	105,155		43,833		88,405	2,149,091			269,446	2,655,930
Total Liabilities	867,228	9,412,520	5,616,873	$ -	26,747,712	5,834,256	3,025,596	$ -	6,583,199	58,087,384
Fund Balance:										
Nonspendable	1,824,021			24,035,000					173,218	26,032,239
Restricted	23,455	616,491	1,690,942		(20,790,726)	3,495,212		1,983,196	4,245,514	(8,735,916)
Committed	924,828	58,750	340,601		427,486	167,523		52,627	1,265,822	3,237,637
Assigned	473,976			799,625			73,449		10,868,364	12,215,414
Unassigned	2,202,839									2,202,839
Total Fund Balance	5,449,119	675,241	2,031,543	24,834,625	(20,363,240)	3,662,735	73,449	2,035,823	16,552,918	34,952,213
Total Liabilities and Fund Balance	**$ 6,316,347**	**$ 10,087,761**	**$ 7,648,416**	**$ 24,834,625**	**$ 6,384,472**	**$ 9,496,991**	**$ 3,099,045**	**$ 2,035,823**	**$ 23,136,117**	**$ 93,039,597**

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, 2011

Amounts reported for governmental activities in the statement of net assets are different because:		
Total Fund Balances		$ 34,952,213
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets	$ 81,158,752	
Less: Accumulated depreciation	(40,989,461)	40,169,291
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		5,313,615
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.		305,562
Liabilities were reported for certain revenues that were not available to pay current period expenditures, and , therefore deferred in the funds.		
Deferred revenues - unearned		360,414
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	$ (31,395,000)	
Deferred charge of issuance costs (will be amortized)	697,876	
Bond discounts (will be amortized)	93,439	
Bond premium (will be amortized)	(144,770)	
Deferred refunding loss (will be amortized)	205,588	
Capital lease	(126,319)	
USDA loan payable	(402,623)	
Accrued interest payable	(387,232)	
Compensated absences	(590,873)	
Net other postemployment benefit liability	(247,527)	(32,297,441)
Net Assets Of Governmental Activities		**$ 48,803,654**

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, 2011

	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	$ 576,007				$ 4,187,871	$ 1,491,723			$ 148,899	$ 6,404,500
Sales and Use Taxes	2,453,544									2,453,544
Sales and Use Taxes In-Lieu	1,935,673									1,935,673
Documentary Stamp	28,101									28,101
Transient Occupancy	346,716									346,716
Utility Users	1,529,221									1,529,221
Franchise	442,870									442,870
Licenses and Permits	277,486								53,240	330,726
Fines and Forfeitures	54,793									54,793
Interest, Rents, and Concessions	146,561	$ 31,711	$ 20,524	$ 1,192,881	99,548	49,423	$ 75		691,287	2,232,010
Intergovernmental Revenues	81,534	284,874	1,289,934		246,304	92,448			4,079,184	6,074,278
Current Service Charges	266,321								2,109,869	2,376,190
Other Revenues	223,679	96,542	88,471		7,805	474,028			3,182,143	4,072,668
Total Revenues	8,362,506	413,127	1,398,929	1,192,881	4,541,528	2,107,622	75	$ -	10,264,622	28,281,290
EXPENDITURES										
Current:										
General Government	2,120,072								10,648	2,130,720
Public Safety	6,672,870								35,368	6,708,238
Public Works	252,524									252,524
Streets and Storm Drains	681,317								141,148	822,465
Transportation									465,155	465,155
Parks and Leisure	699,966								634,790	1,334,756
Health and Sanitation									1,638,361	1,638,361
Housing and Community Development		259,053	1,424,903		689,402	547,751	56,377		2,371,866	5,349,352
Debt Service:										
Principal Retirement								730,000	322,407	1,052,407
Interest and Fiscal Charges					1,282,881			1,192,881	399,362	2,875,124
Capital Outlay	34,584				1,894	7,738			1,617,410	1,661,626
Total Expenditures	10,461,333	259,053	1,424,903	-	1,974,177	555,489	56,377	1,922,881	7,636,515	24,290,728
Excess (Deficiency) of Revenues Over Expenditures	(2,098,827)	154,074	(25,974)	1,192,881	2,567,351	1,552,133	(56,302)	(1,922,881)	2,628,107	3,990,562
OTHER FINANCING SOURCES (USES)										
Transfers In	2,983,767		975,460		21,633		133,353	1,922,881	2,412,300	8,449,394
Transfers Out	(47,244)	(194,694)	(380,728)	(1,922,881)	(863,033)	(641,440)	(3,488)	(21,633)	(3,527,303)	(7,602,444)
Total Other Financing Sources (Uses)	2,936,523	(194,694)	594,732	(1,922,881)	(841,400)	(641,440)	129,865	1,901,248	(1,115,003)	846,950
Extraordinary Item - SERAF Payment	-	-	-	-	(491,549)	-	-	-	-	(491,549)
Net Change In Fund Balances	837,696	(40,620)	568,758	(730,000)	1,234,402	910,693	73,563	(21,633)	1,513,104	4,345,963
Fund Balance, July 1	4,611,423	715,861	1,462,785	25,564,625	(21,597,642)	2,752,042	(114)	2,057,456	15,039,814	30,606,250
Fund Balance, June 30	**$ 5,449,119**	**$ 675,241**	**$ 2,031,543**	**$ 24,834,625**	**$ (20,363,240)**	**$ 3,662,735**	**$ 73,449**	**$ 2,035,823**	**$ 16,552,918**	**$ 34,952,213**

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, 2011

Amounts reported for governmental activities in the statement of activities are different because:			
Net Change in Fund Balances - Total Governmental Funds			$ 4,345,963
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:			
Capital outlay	$	1,617,776	
Depreciation expense		(1,795,249)	(177,473)
In the statement of activities, the loss on the sale of capital assets is reported. However, in the governmental funds, the total proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of capital assets sold.			(195,809)
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	$	950,000	
USDA Loan		16,900	
Capital lease financing		85,507	1,052,407
Revenues not available to pay current expenditures are deferred in the funds:			
Deferred revenues - unearned			(181,694)
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	$	60,548	
Other postemployment benefits		(81,804)	
Accrued interest		7,986	
Amortization of bond issuance costs		(40,584)	
Amortization of bond discount		(6,120)	
Amortization of bond premium		7,483	
Amortization of bond refunding loss		(17,132)	
Amortization of prepaid pension obligation		(415,691)	(485,314)
Internal service funds are used by management to charge the costs of stores, vehicle maintenance and various insurance costs to individual funds.			(761,029)
Change In Net Assets Of Governmental Activities			**$ 3,597,051**

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

CITY OF OROVILLE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Business-Type Activity Enterprise Fund	
	Local Transportation Fund	Governmental Activities Internal Service Funds
ASSETS		
Current Assets:		
Cash	$ 608,108	$ 718,362
Accounts Receivable	32,079	
Inventory		32,534
Total Assets	640,187	750,896
LIABILITIES		
Current Liabilities:		
Vouchers Payable	700	18,374
Accrued Salaries and Benefits		29,645
Accrued Employee Compensated Leave		11,362
Unpaid Claims Liability		385,953
Total Liabilities	700	445,334
NET ASSETS		
Unrestricted	639,487	305,562
Total Net Assets	**$ 639,487**	**$ 305,562**

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, 2011

	Business-Type Activity Enterprise Fund	
	Local Transportation Fund	Governmental Activities Internal Service Funds
OPERATING REVENUES		
Passenger Fares - Oro Express	$ 6,991	
Incoming Provisions		$ 781,076
Reimbursements		50,671
Total Operating Revenues	6,991	831,747
OPERATING EXPENSES		
Salaries and Benefits		148,063
Supplies		278,158
Other Services and Charges	350,471	39,102
Claims		467,545
Total Operating Expenses	350,471	932,868
Net Operating Income	(343,480)	(101,121)
NONOPERATING REVENUES (EXPENSES)		
Local Transportation Tax	460,262	
Investment Earnings	3,349	5,004
Total Nonoperating Revenues (Expenses)	463,611	5,004
Income (Loss) Before Operating Transfers	120,131	(96,117)
Transfers In		5,143
Transfers Out	(182,038)	(670,055)
Change In Net Assets	(61,907)	(761,029)
Net Assets, July 1	701,394	1,066,591
Net Assets, June 30	**$ 639,487**	**$ 305,562**

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, 2011

	Business-Type Activity Enterprise Fund	
	Local Transportation Fund	Governmental Activities Internal Service Funds
Cash Flows From Operating Activities		
Receipts From Customers and Users	$ 6,991	$ 4,414
Receipts From Interfund Services Provided		827,333
Payments to Employees		(149,099)
Payments to Suppliers	(350,251)	(657,291)
Net Cash Provided (Used) By Operating Activities	(343,260)	25,357
Cash Flows From Noncapital Financing Activities		
Local Transportation Tax	635,133	
Transfers In		5,143
Transfers Out	(182,038)	(670,055)
Net Cash Provided (Used) By Noncapital Financing Activities	453,095	(664,912)
Cash Flows From Investing Activities		
Interest on Investments	3,349	5,004
Net Cash Provided (Used) By Investing Activities	3,349	5,004
Net Increase (Decrease) In Cash	113,184	(634,551)
Cash Balance, July 1	494,924	1,352,913
Cash Balance, June 30	**$ 608,108**	**$ 718,362**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	$ (343,480)	$ (101,121)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used):		
Decrease (Increase) in Accounts Receivable		-
Decrease (Increase) in Inventory		1,953
Increase (Decrease) in Vouchers Payable	220	5,777
Increase (Decrease) in Accrued Salaries and Benefits		(538)
Increase (Decrease) in Other Liabilities		119,286
Total Adjustments	220	126,478
Net Cash Provided (Used) By Operating Activities	**$ (343,260)**	**$ 25,357**

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

CITY OF OROVILLE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	Agency Funds
ASSETS	
Cash	$ 335,107
Receivables:	
Taxes	20,745
Total Assets	**$ 355,852**
LIABILITIES	
Vouchers Payable	$ 20,249
Deposits Payable	194,195
Due to Other Agencies	141,408
Total Liabilities	**$ 355,852**

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 is offset by program revenues. *Direct expenses* are those clearly identifiable with a specific function or segment. In conformity with the City's indirect cost allocation plan, certain indirect costs are included in the program expense reported for individual functions and activities. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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 and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. 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). The City has one major debt service fund:

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:

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

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

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.

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

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

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

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

Change in Financial Statement Presentation

During the year the City established two new nonmajor special revenue funds; the Public Facilities Revolving Loan Fund and the Oroville RDA Revolving Loan Fund. The funds were created to account for loans made under new revolving loan programs that support various community development projects.

Adoption of New Pronouncement

For the year ended June 30, 2011, the City has adopted the reporting provisions contained in GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. No restatement of prior year amounts was required due to the adoption of this Statement.

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. Time certificates of deposit have been classified cash equivalents.

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 $5,841,478 of restricted net assets, of which $2,013,051 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	$ 348,502		$ 348,502
Accounts	728,516	$ 32,079	760,595
Sewer Service Charges	147,414		147,414
Grants	1,768,910		1,768,910
Interest	105,773		105,773
Total Receivables	$ 3,099,115	$ 32,079	$ 3,131,194
Vouchers Payable And Other Current Liabilities:			
Vouchers Payable	$ 883,929	$ 700	$ 884,629
Accrued Salaries and Benefits	511,753		511,753
Deposits	1,183		1,183
Total Vouchers Payable And Other Current Liabilities	$ 1,396,865	$ 700	$ 1,397,565

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, 2011, 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, 2011, the carrying value of these properties was $2,281,329.

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, 2011.

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, 2011, 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.

2) Stewardship, Compliance And Accountability

A) Budgetary Information

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

- Bi-annually, in June, the City Administrator submits to the City Council a proposed operating budget for the subsequent fiscal year commencing July 1st and a financing plan for the second subsequent year. Both the operating budget and financing plan include proposed expenditures and the means of financing them.

- Public hearings are conducted at City Hall to obtain taxpayer comments.

- By the first Council meeting in July, and after adjustment as appropriate by the City Council, the operating budget is legally enacted through Council motion. The City's charter requires adoption of an annual budget; therefore, the financing plan is formally adopted as the operating budget at the beginning of the second fiscal year.

- Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds and capital projects funds as well as the Local Transportation, Stores Revolving, Vehicle Maintenance, Workers' Compensation, Unemployment and Vision Insurance funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through various bond indenture provisions. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items.

Budgeted amounts are as initially adopted on July 6, 2010, 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, 2011, totaled $23,445,689. 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 restrictions 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, 2011, the following nonmajor special revenue funds had expenditures that exceeded appropriations:

Drainage Impact Fees	$ (1,358)
Supplemental Benefits	(596,996)
Public Facilities Revolving Loan	(27)
Oroville RDA Revolving Loan	(60,000)
Annexation	(1,645)

C) Deficit Fund Equity

The following special revenue funds had deficit fund equity as of June 30, 2011:

Oroville Redevelopment Agency	$ (20,363,240)
Housing Administration	(8,311)

The Oroville Redevelopment Agency Fund (RDA) deficit is due to reporting long-term advances due to the OPFA as a liability in the RDA fund as required by GASB pronouncements. These long-term advances will be repaid through the collection of future tax increment revenues allocated to the RDA through the year 2031. The Housing Administration deficit is expected to be eliminated through future grant revenues and or transfers from other funds.

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

3) Detailed Notes On All Funds

A) Deposits And Investments

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

Statement of Net Assets:	
Cash and investments	$ 32,846,517
Restricted cash with fiscal agent	1,983,196
Statement of Fiduciary Net Assets:	
Cash and investments	335,107
Total Cash and Investments	$ 35,164,820

Cash and investments consist of the following:

Cash on hand	$ 1,297
Deposits with financial institutions	1,489,599
Investments	33,673,924
Total Cash and Investments	$ 35,164,820

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, 2011, 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	$ 31,690,728	$ 31,690,728			
Held By Bond Trustee:					
Money Market Funds	1,481,817	1,481,817			
Investment Agreement	501,379				$ 501,379
Total Fair Value	$ 33,673,924	$ 33,172,545	$ -	$ -	$ 501,379

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, 2011, 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	$31,690,728			$31,690,728
Held By Bond Trustee:				
Money Market Funds	1,481,817		$1,481,817	
Investment Agreement	501,379		501,379	
Total Fair Value	$33,673,924	$0	$1,983,196	$31,690,728

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, 2011 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 $1,421,129, of which $750,000 was covered by federal depository insurance. The $671,129 uninsured amount was exposed to custodial credit risk and was collateralized by securities, as described above.

As of June 30, 2011, City investments in the following investment types were held by the same institution that was used by the City to buy the securities:

Investment Type	Reported Amount
Money Market Funds	$ 1,481,817
Investment Agreement	501,379

Investment in State Investment Pool

The Local Agency Investment Pool (LAIF) is a special fund of the California State Treasury through which local governments may pool investments. The City may invest up to $50,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. Funds deposited in LAIF are invested in accordance with Government Code Sections 16430 and 16480. Oversight of LAIF is provided by the Pooled Money Investment Board whose members are the California State Treasurer, California Director of Finance and the California State Controller. 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 $5,313,615 as of June 30, 2011.

C) Capital Assets

Capital assets activity for the year ended June 30, 2011 was as follows:

Government Activities:	Balance July 1, 2010	Additions	Deletions and Adjustments	Balance June 30, 2011
Nondepreciable Capital Assets:				
Land	$ 7,262,977		$ (204,284)	$ 7,467,261
Construction in progress	10,806,416	$ 1,058,955	10,393,325	1,472,046
Total Nondepreciable Capital Assets	18,069,393	1,058,955	10,189,041	8,939,307
Depreciable Capital Assets:				
Improvements other than buildings	3,318,215		(5,003,274)	8,321,489
Buildings	10,051,925	5,550	(961,946)	11,019,421
Underground collection system	3,993,666	187,631		4,181,297
Machinery and equipment	8,028,669	342,581		8,371,250
Infrastructure	36,274,917	23,059	(4,028,012)	40,325,988
Total Depreciable Capital Assets	61,667,392	558,821	(9,993,232)	72,219,445
Less: Accumulated Depreciation:				
Land improvements	(2,141,814)	(110,276)		(2,252,090)
Buildings	(2,825,601)	(250,671)		(3,076,272)
Underground collection system	(2,734,419)	(58,514)		(2,792,933)
Machinery and equipment	(4,839,500)	(484,161)		(5,323,661)
Infrastructure	(26,652,878)	(891,627)		(27,544,505)
Total Accumulated Depreciation	(39,194,212)	(1,795,249)	-	(40,989,461)
Depreciable Capital Assets, net	22,473,180	(1,236,428)	(9,993,232)	31,229,984
Governmental Activities Capital Assets, net	$ 40,542,573	$ (177,473)	$ 195,809	$ 40,169,291

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

Governmental Activities:	
General government	$ 26,698
Public safety	349,559
Public works	1,105,084
Transportation	83,965
Parks and leisure	196,163
Housing and community development	33,780
Total Depreciation Expense - Governmental Activities	$ 1,795,249

Construction And Other Commitments

The City had several major active construction projects as of June 30, 2011. At year-end the City's commitments with contractors are as follows:

	Total Commitment	Expended To-Date	Remaining Commitment
City Hall Remodel	$ 131,888	$ 55,997	$ 75,891
Hwy 70/Montgomery St. Landscaping Phase II	523,372	479,334	44,038

D) Interfund Receivables, Payables And Transfers

The composition of Interfund balances and advances within the City's fund financial statements as of June 30, 2011 is as follows:

Due To(From) Other Funds:

Receivable Fund	Payable Fund	Amount
General	Police Supplemental Law Enforcement	$ 27,566
General	Supplemental Benefits	24,316
General	Capital Projects	364,125
City Housing Rehabilitation Revolving Loan	EDBG	339,530
Oroville Public Financing Authority	Oroville Redevelopment Agency	755,000
Equipment Replacement	Special Aviation	21,661
Total Due To(From) Other Funds		$ 1,532,198

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	24,035,000
	Total Special Revenue Funds	24,173,816
Equipment Replacement	Special Aviation	31,338
	Total Capital Project Funds	31,338
Total Advances Due To(From) Other Funds		$ 26,005,154

The General Fund reports receivables from the Police Supplemental Law Enforcement, Supplemental Benefits and Capital Projects Funds due to a negative pooled fund cash balances at June 30, 2011. The deficit cash balances are expected to be eliminated through future grant payments.

The Oroville Public Financing Authority (OPFA) has made several loans to the Oroville Redevelopment Agency totaling $24,790,000, of which $755,000 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, 2011 was $1,192,881 and $730,000, respectively.

The City Housing Rehabilitation Fund reports a receivable from the EDBG and HOME Housing Revolving Loan Funds due to a negative pooled fund cash balance at June 30, 2011. 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 $52,999, of which $31,338 has been reported as a current liability. The loan is to be repaid over the next 2 years at an interest rate of 5.00%. Total interest and principal paid to the Equipment Replacement Fund during the year ended June 30, 2011 was $3,220 and $20,892, 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 the first 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, 2011 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, 2011:

Transfers	Transfers In	Transfers Out
General Fund	$ 2,983,767	$ 47,244
Special Revenue Funds:		
First Time Home Buyer Grant		194,694
Community Development Block Grant	975,460	380,728
Oroville Public Financing Authority		1,922,881
Oroville Redevelopment Agency	21,633	863,033
Oroville Redevelopment Agency Low & Moderate Income Housing Fund		641,440
HOME Housing Revolving Loan Fund	133,353	3,488
Nonmajor Special Revenue Funds	2,383,300	3,452,600
Debt Service Funds:		
Oroville Public Financing Authority Redemption	1,922,881	21,633
Nonmajor Debt Service Funds	10,000	
Capital Projects Funds:		
Nonmajor Capital Projects Funds	19,000	74,703
Enterprise Fund:		
Local Transportation Fund		182,038
Internal Service Funds	5,143	670,055
	$ 8,454,537	$ 8,454,537

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, 2011 was as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Due Within One Year
Government Activities					
Bonds Payable:					
Pension Obligation Bonds	$ 6,825,000		$ 220,000	$ 6,605,000	$ 250,000
Less: Unamortized discount	(58,855)		(4,270)	(54,585)	
Total pension obligation bonds	6,766,145	$ -	215,730	6,550,415	250,000
Oroville Public Financing Authority:					
Revenue bonds payable	25,520,000		730,000	24,790,000	755,000
Less: Unamortized discount	(40,704)		(1,850)	(38,854)	
Unamortized refunding loss	(222,720)		(17,132)	(205,588)	
Add: Unamortized premium	152,253		7,483	144,770	
Total revenue bonds payable	25,408,829	-	718,501	24,690,328	755,000
Total Bonds Payable	32,174,974	-	934,231	31,240,743	1,005,000
USDA COP Loan	419,523	-	16,900	402,623	17,700
Capital lease obligation	211,825	-	85,506	126,319	89,424
Net OPEB obligation	165,723	213,043	131,239	247,527	-
Compensated absences	651,421	342,961	403,509	590,873	162,855
Total Long-Term Liabilities	$ 33,623,466	$ 556,004	$ 1,571,385	$ 32,608,085	$ 1,274,979

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. $6,605,000

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. $15,330,000

$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.	1,710,000
Total Oroville Public Financing Authority Revenue Bonds	$25,520,000

The annual debt service requirement to amortize bonds outstanding as of June 30, 2011 is as follows:

	Governmental Activities			
Year Ended	Pension Obligation Bonds		OPFA Bonds	
June 30,	Principal	Interest	Principal	Interest
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	1,103,775
2015	365,000	310,342	845,000	1,069,574
2016	410,000	291,070	885,000	1,032,683
2017-2021	2,820,000	1,073,934	4,910,000	4,537,784
2022-2026	2,150,000	227,038	6,170,000	3,212,786
2027-2031			7,870,000	1,616,312
2032-2036			1,755,000	43,875
	$ 6,605,000	$ 2,925,987	$ 24,790,000	$ 14,917,881

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, 2011, cash on hand $18,094 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, 2011, the outstanding principal of these bonds was $13,080,000.

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 drawn down a total of $435,823 for the project, and the balance of the loan was $402,623. 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, 2011 is as follows:

	Governmental Activities	
Year Ended	USDA Certificate of Participation	
June 30,	Principal	Interest
2012	$ 17,700	$ 16,735
2013	18,400	15,968
2014	19,200	15,169
2015	20,000	14,336
2016	20,900	13,467
2017-2021	118,400	52,947
2022-2026	145,700	24,985
2027-2031	42,323	1,296
	$ 402,623	$ 154,903

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

The assets acquired through capital leases are as follows:

	Governmental Activities		
	Original Cost	Accumulated Depreciation	Net
Forklift	$ 23,059	$ (10,171)	$ 12,888
Vehicles	66,818	(37,435)	29,383
Truck with dump bed	35,051	(19,325)	15,726
Mower	17,700	(5,196)	12,504
Police cars with safety equipment	86,575	(44,659)	41,916
Street sweeper	169,347	(25,401)	143,946
	$ 398,550	$ (142,187)	$ 256,363

The City's future minimum lease payments and the net present value of future minimum lease payments at June 30, 2011 were as follows:

Year Ended June 30,	Annual Payment
2012	$ 95,059
2013	38,543
Total Minimum Lease payments	133,602
Less: Amount representing interest	(7,283)
Present Value Of Minimum Lease Payments	$ 126,319

F) Nonspendable, Restricted, Committed And Assigned Fund Balance

	General	First Time Home Buyer	Community Development Block Grant	Oroville Public Financing Authority	Oroville Redevelopment Agency
Nonspendable:					
Inventory	$ 24,021				
Long-Term Receivable	1,800,000			$ 24,035,000	
Restricted For:					
Parks and Leisure	23,455				
Housing and Community Development		$ 616,491	$ 1,690,942		$ (20,790,726)
Committed To:					
General Reserve	800,000				
General Government	38,096				
Information Technology	37,856				
Risk Management	28,962				
Public Safety	7,503				
Streets and Storm Drains	12,411				
Housing and Community Development		58,750	340,601		427,486
Assigned To:					
Budgetary Carryovers	473,976				
Debt Service				799,625	
Unassigned	2,202,839				
Total	$ 5,449,119	$ 675,241	$ 2,031,543	$ 24,834,625	$ (20,363,240)

	Oroville Redevelopment Agency Low & Moderate Income Housing	HOME Housing Revolving Loan	Oroville Public Financing Authority Redemption	Other Nonmajor Governmental Funds	Total
Nonspendable:					
Inventory				$ 3,064	$ 27,085
Long-Term Receivable				170,154	26,005,154
Restricted For:					
Public Safety				421,671	421,671
Streets and Storm Drains				2,450,925	2,450,925
Parks and Leisure				512,779	536,234
Health and Sanitation				744,184	744,184
Housing and Community Development	$ 3,495,212			115,955	(14,872,126)
Debt Service			$ 1,983,196		1,983,196
Committed To:					
General Reserve					800,000
General Government				17,117	55,213
Information Technology				188,246	226,102
Risk Management					28,962
Public Safety				6,774	14,277
Streets and Storm Drains				166,821	179,232
Transportation				36,116	36,116
Health and Sanitation				707,632	707,632
Housing and Community Development	167,523			143,116	1,137,476
Debt Service			52,627		52,627
Assigned To:					
General Reserve				370,211	370,211
Budgetary Carryovers					473,976
Transportation				469,109	469,109
Health and Sanitation				2,052,700	2,052,700
Housing and Community Development		$ 73,449		7,063,108	7,136,557
Debt Service				196,862	996,487
Other Capital Projects				716,374	716,374
Unassigned					2,202,839
Total	$ 3,662,735	$ 73,449	$ 2,035,823	$ 16,552,918	$ 34,952,213

4) Other Information

A) Risk Management

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

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

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,
2010	$ 392,449	$ 189,546	$ (315,328)	$ 266,667
2011	266,667	242,707	(123,421)	385,953

B) Related Organizations

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

Northern California Cities Self Insurance Fund (NCCSIF) - As explained in Note 4(A), the City is a member of this public entity risk pool for liability and workers' compensation purposes. The NCCSIF consists of twenty Northern California Member Cities. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess liability coverage. All member cities share administrative costs of the Authority equally (5.00 percent) and have equal control over budgeting and financing activities. Each member city has a representative on the Board of Directors. The City paid $536,870 in quarterly and annual premiums and assessments to the Authority for liability and worker's compensation insurance, and received $144,927 in dividends awarded to the City.

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

Each member entity is required to collect and remit SC-OR's sewer treatment and system regional facility charges. For the year ended June 30, 2011, the amount remitted to SC-OR by the City of Oroville totaled $1,008,835. At June 30, 2011, the City owed SC-OR $250,011 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, 2011:

Cash	$ 6,911,390
Other Assets	10,669,941
Total Assets	$ 17,581,331
Liabilities	$ 498,406
Net Assets	17,581,331
Total Liabilities And Net Assets	$ 18,079,737
Total Revenues	$ 2,129,784
Total Expenses	(2,188,116)
Change In Net Assets	$ (58,332)

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 2010/11 was 10.416% (15.555% 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 2010/11 the City of Oroville's annual pension cost was $771,187 ($341,275 for miscellaneous and $429,912 for safety employees) and the City actually contributed $771,187. In addition, the City paid $478,097 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 2010/11 was determined as part of the June 30, 2008, actuarial valuation.

Three-Year Trend Information

Year Ending June 30,	Annual Pension Cost Miscellaneous	Annual Pension Cost Safety	Percentage Contributed	Net Pension Obligation
2009	$ 351,714	$ 411,498	100%	-
2010	315,135	419,612	100%	-
2011	341,275	429,912	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 participants and the City are established and may be amended by the City pursuant to agreements with its non-represented employees and the unions representing City employees.

The City contributed $106,610 during the 2011 fiscal year on a pay-as-you-go basis for retiree sick leave conversion premiums. The City contributed an estimated $66,117 for the implied subsidy inherent in 2011 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	$ 206,000
Interest on the Net OPEB Obligation	7,043
Adjustment to Annual Required Contribution	-
Annual OPEB Cost	213,043
Contributions Made	(131,239)
Increase in Net OPEB Obligation	81,804
Net OPEB Obligation - Beginning of Year	165,723
Net OPEB Obligation - End of Year	$ 247,527

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 2009/10 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
2009	$ 193,000	55.24%	$ 86,390
2010	202,672	60.86%	165,723
2011	213,043	61.60%	247,527

Funded Status and Funding Progress:

The funded status of the Plan as of June 30, 2009, 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, 2009, 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.

G) Extraordinary Item

Under the provisions of AB 26x4 passed by the California State Legislature in response to the State's looming budget deficient, the Oroville Redevelopment Agency was required to remit a payment of $491,549 to the Butte County Supplemental Revenue Augmentation Fund (SERAF).

H) Subsequent Event – Oroville Redevelopment Agency

On June 29, 2011, the Governor of the State of California signed Assembly Bills X1 26 and 27as part of the State's budget package. Assembly Bill X1 26 requires each California redevelopment agency to suspend nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for the impending dissolution of the Agency. Assembly Bill X1 27 would have provided a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program.

The League of California Cities and the California Redevelopment Association (CRA) filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn Assembly Bills X1 26 and 27 on the grounds that these bills violate the California Constitution.

On December 29, 2011, the California Supreme Court issued a ruling upholding Assembly Bill X1 26, but striking down Assembly Bill X1 27. The ruling effectively eliminates all redevelopment agencies in the State of California. Unless the California State Legislature takes additional action, all redevelopment agencies, including the Oroville Redevelopment Agency, will be dissolved on February 1, 2012. Assembly Bill X1 26 mandates the appointment of a successor agency to expeditiously wind down the affairs of the dissolved redevelopment agencies and provides the successor agency with limited authority that extends only to the extent needed to implement a wind down of redevelopment agency affairs.

Assembly Bill X1 26 directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by Assembly Bill X1 26.

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
REVENUES	Original	Final	Actual Amounts	
Taxes:				
Property Taxes	$ 854,748	$ 546,539	$ 576,007	$ 29,468
Sales and Use Taxes	2,032,953	2,377,317	2,453,544	76,227
Sales and Use Taxes In-Lieu	2,190,233	2,082,987	1,935,673	(147,314)
Documentary Stamp	25,416	21,185	28,101	6,916
Transient Occupancy	352,809	332,678	346,716	14,038
Utility Users	1,604,122	1,524,992	1,529,221	4,229
Franchise	535,416	439,768	442,870	3,102
Licenses and Permits	212,470	236,138	277,486	41,348
Fines and Forfeitures	112,000	31,103	54,793	23,690
Interest, Rents, and Concessions	235,231	107,109	146,561	39,452
Intergovernmental Revenues	84,000	77,743	81,534	3,791
Current Service Charges	178,103	206,964	266,321	59,357
Other Revenues	197,753	183,928	223,679	39,751
Total Revenues	8,615,254	8,168,451	8,362,506	194,055
EXPENDITURES				
Current:				
General Government	2,662,142	2,562,648	2,120,072	442,576
Public Safety	6,909,203	6,817,559	6,672,870	144,689
Public Works	328,039	274,364	252,524	21,840
Streets and Storm Drains	851,314	925,889	681,317	244,572
Parks and Leisure	846,474	743,302	699,966	43,336
Capital Outlay		106,369	34,584	71,785
Total Expenditures	11,597,172	11,430,131	10,461,333	968,798
Excess (Deficiency) of Revenues Over Expenditures	(2,981,918)	(3,261,680)	(2,098,827)	1,162,853
OTHER FINANCING SOURCES (USES)				
Transfers In	2,345,810	2,978,837	2,983,767	4,930
Transfers Out	(29,000)	(59,000)	(47,244)	11,756
Total Other Financing Sources (Uses)	2,316,810	2,919,837	2,936,523	16,686
Net Change In Fund Balances	(665,108)	(341,843)	837,696	1,179,539
Fund Balance, July 1	4,611,423	4,611,423	4,611,423	-
Fund Balance, June 30	**$ 3,946,315**	**$ 4,269,580**	**$ 5,449,119**	**$ 1,179,539**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings		$ 2,000	$ 31,711	$ 29,711
Intergovernmental Revenues:				
Grants		2,636,400	284,874	(2,351,526)
Other Revenues:				
Loan Collections	$ 4,780	2,780	96,542	93,762
Total Revenues	4,780	2,641,180	413,127	(2,228,053)
EXPENDITURES				
Current:				
Other Services and Supplies		119,125	9,725	109,400
Housing Loans		2,509,316	249,328	2,259,988
Capital Outlay:				
Housing and Community Development		14,000		14,000
Total Expenditures	-	2,642,441	259,053	2,383,388
Excess (Deficiency) of Revenues Over Expenditures	4,780	(1,261)	154,074	155,335
OTHER FINANCING SOURCES (USES)				
Transfers In	100,000	100,000		(100,000)
Transfers Out	(12,122)	(264,471)	(194,694)	69,777
Total Other Financing Sources (Uses)	87,878	(164,471)	(194,694)	(30,223)
Net Change In Fund Balances	92,658	(165,732)	(40,620)	125,112
Fund Balance, July 1	715,861	715,861	715,861	-
Fund Balance, June 30	**$ 808,519**	**$ 550,129**	**$ 675,241**	**$ 125,112**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings		$ 27,000	$ 20,524	$ (6,476)
Intergovernmental Revenues:				
Grants		4,892,160	1,289,934	(3,602,226)
Other Revenues:				
Loan Collections	$ 55,619	28,619	88,471	59,852
Refunds/Reimbursements				
Total Revenues	55,619	4,947,779	1,398,929	(3,548,850)
EXPENDITURES				
Current:				
Salaries and Benefits		310,000		310,000
Other Services and Supplies		2,879,766	560,729	2,319,037
Loans Made		2,473,124	864,174	1,608,950
Capital Outlay:				
Housing and Community Development		246,000		246,000
Total Expenditures	-	5,908,890	1,424,903	4,483,987
Excess (Deficiency) of Revenues Over Expenditures	55,619	(961,111)	(25,974)	935,137
OTHER FINANCING SOURCES (USES)				
Transfers In	300,000	1,100,460	975,460	(125,000)
Transfers Out	(162,944)	(1,118,615)	(380,728)	737,887
Total Other Financing Sources (Uses)	137,056	(18,155)	594,732	612,887
Net Change In Fund Balances	192,675	(979,266)	568,758	1,548,024
Fund Balance, July 1	1,462,785	1,462,785	1,462,785	-
Fund Balance, June 30	**$ 1,655,460**	**$ 483,519**	**$ 2,031,543**	**$ 1,548,024**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 1,922,881	$ 1,922,881	$ 1,192,881	$ (730,000)
Total Revenues	1,922,881	1,922,881	1,192,881	(730,000)
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	1,922,881	1,922,881	1,192,881	(730,000)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,922,881)	(1,922,881)	(1,922,881)	-
Total Other Financing Sources (Uses)	(1,922,881)	(1,922,881)	(1,922,881)	-
Net Change In Fund Balances	-	-	(730,000)	(730,000)
Fund Balance, July 1	25,564,625	25,564,625	25,564,625	-
Fund Balance, June 30	**$ 25,564,625**	**$ 25,564,625**	**$ 24,834,625**	**$ (730,000)**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Property Taxes	$ 4,319,412	$ 4,319,412	$ 4,187,871	$ (131,541)
Interest, Rents, and Concessions:				
Investment Earnings	46,044	46,044	99,548	53,504
Intergovernmental Revenues:				
HOPTR	123,127	123,127	232,391	109,264
Grants		404,000	13,913	(390,087)
Other Revenues:				
Refunds/Reimbursements	3,000	3,000	7,805	4,805
Total Revenues	4,491,583	4,895,583	4,541,528	(354,055)
EXPENDITURES				
Current:				
Salaries and Benefits	586,416	586,416	406,723	179,693
Other Services and Supplies	753,362	1,349,628	282,679	1,066,949
Loans Made	750,000	750,000		750,000
Debt Service:				
Interest and Fiscal Charges	1,282,881	1,282,881	1,282,881	-
Capital Outlay:				
Streets and Storm Drains		208,140	1,680	206,460
Housing and Community Development		630,674	214	630,460
Total Expenditures	3,372,659	4,807,739	1,974,177	2,833,562
Excess (Deficiency) of Revenues Over Expenditures	1,118,924	87,844	2,567,351	2,479,507
OTHER FINANCING SOURCES (USES)				
Transfers In			21,633	21,633
Transfers Out	(834,514)	(821,951)	(863,033)	(41,082)
Total Other Financing Sources (Uses)	(834,514)	(821,951)	(841,400)	(19,449)
Extraordinary Item - SERAF Payment	(492,000)	(492,000)	(491,549)	451
Net Change In Fund Balances	(207,590)	(1,226,107)	1,234,402	2,460,509
Fund Balance, July 1	(21,597,642)	(21,597,642)	(21,597,642)	-
Fund Balance, June 30	**$ (21,805,232)**	**$ (22,823,749)**	**$ (20,363,240)**	**$ 2,460,509**

CITY OF OROVILLE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
OROVILLE REDEVELOPMENT AGENCY
LOW & MODERATE INCOME HOUSING SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	$ 1,601,828	$ 1,601,828	$ 1,491,723	$ (110,105)
Interest, Rents, and Concessions:				
Investment Earnings	90,050	90,050	49,423	(40,627)
Rents and Concessions	1,841	1,841		(1,841)
Intergovernmental Revenues:				
HOPTR	30,935	30,935	58,098	27,163
Grants	15,043	15,043	34,350	19,307
Other Revenues:				
Loan Collections	55,444	55,444	444,752	389,308
Sale of Property			180	180
Refunds/Reimbursements	2,000	2,000	29,096	27,096
Total Revenues	1,797,141	1,797,141	2,107,622	310,481
EXPENDITURES				
Current:				
Salaries and Benefits	177,649	177,649	63,125	114,524
Other Services and Supplies	887,888	772,575	415,871	356,704
Loans and Housing Construction		2,200,000	68,755	2,131,245
Capital Outlay:				
Housing and Community Development		88,417	7,738	80,679
Total Expenditures	1,065,537	3,238,641	555,489	2,683,152
Excess (Deficiency) of Revenues Over Expenditures	731,604	(1,441,500)	1,552,133	2,993,633
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,144,168)	(1,144,168)	(641,440)	502,728
Total Other Financing Sources (Uses)	(1,144,168)	(1,144,168)	(641,440)	502,728
Net Change In Fund Balances	(412,564)	(2,585,668)	910,693	3,496,361
Fund Balance, July 1	2,752,042	2,752,042	2,752,042	-
Fund Balance, June 30	**$ 2,339,478**	**$ 166,374**	**$ 3,662,735**	**$ 3,496,361**

CITY OF OROVILLE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
HOME HOUSING REVOLVING LOAN FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 100	$ 219	$ 75	$ (144)
Other Revenues:				
Loan Payments	2,390	2,271		(2,271)
Total Revenues	2,490	2,490	75	(2,415)
EXPENDITURES				
Current:				
Other Services and Supplies			300	(300)
Loans Made			56,077	(56,077)
Total Expenditures	-	-	56,377	(56,377)
Excess (Deficiency) of Revenues Over Expenditures	2,490	2,490	(56,302)	(58,792)
OTHER FINANCING SOURCES (USES)				
Transfers In	4,780	4,780	133,353	128,573
Transfers Out			(3,488)	(3,488)
Total Other Financing Sources (Uses)	4,780	4,780	129,865	125,085
Net Change In Fund Balances	7,270	7,270	73,563	66,293
Fund Balance, July 1	(114)	(114)	(114)	-
Fund Balance, June 30	**$ 7,156**	**$ 7,156**	**$ 73,449**	**$ 66,293**

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, 2009	$ -	$ 1,511,000	$ 1,511,000	0.00%	$ 6,222,231	24.28%

(1) = June 30, 2009 was the initial acturial valuation for the plan and the only valuation completed since GASB 45 was adopted. In the future, information from the three most recent valuations will be presented.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF OROVILLE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	$ 10,981,247	$ 278,912	$ 4,548,234	$ 15,808,393
Receivables:				
Taxes	7,726			7,726
Accounts	90,708			90,708
Sewer Service Charges	147,414			147,414
Grants	767,848		718,342	1,486,190
Interest	60,399		3,072	63,471
Due From Other Funds	339,530		21,661	361,191
Inventory	3,064			3,064
Loans Receivable	4,986,068		11,738	4,997,806
Advances Due From Other Funds	138,816		31,338	170,154
Total Assets	**$ 17,522,820**	**$ 278,912**	**$ 5,334,385**	**$ 23,136,117**
LIABILITIES AND FUND BALANCES				
Liabilities:				
Vouchers Payable	$ 260,635	$ 82,050	$ 112,508	$ 455,193
Accrued Salaries and Benefits	54,275			54,275
Due To Other Funds	413,073		364,125	777,198
Due To Other Agencies	250,011			250,011
Deferred Revenue - Unearned	35,833		233,613	269,446
Advances Payable to Other Funds	31,338			31,338
Deferred Loans	4,745,738			4,745,738
Total Liabilities	5,790,903	82,050	710,246	6,583,199
Fund Balances:				
Nonspendable	141,880		31,338	173,218
Restricted	4,245,514			4,245,514
Committed	937,406		328,416	1,265,822
Assigned	6,407,117	196,862	4,264,385	10,868,364
Total Fund Balances	11,731,917	196,862	4,624,139	16,552,918
Total Liabilities and Fund Balances	**$ 17,522,820**	**$ 278,912**	**$ 5,334,385**	**$ 23,136,117**

CITY OF OROVILLE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	$ 148,899			$ 148,899
Licenses and Permits	53,240			53,240
Interest, Rents, and Concessions	474,233	$ 3	$ 217,051	691,287
Intergovernmental Revenues	3,471,320		607,864	4,079,184
Current Service Charges	2,109,869			2,109,869
Other	2,601,141	564,008	16,994	3,182,143
Total Revenues	8,858,702	564,011	841,909	10,264,622
EXPENDITURES				
Current:				
General Government			10,648	10,648
Public Safety	35,368			35,368
Streets and Storm Drains	141,148			141,148
Transportation	465,155			465,155
Parks and Leisure	634,790			634,790
Health and Sanitation	1,638,361			1,638,361
Housing and Community Development	2,371,866			2,371,866
Debt Service:				
Principal Retirement		322,407		322,407
Interest and Fiscal Charges	3,220	396,142		399,362
Capital Outlay	421,087		1,196,323	1,617,410
Total Expenditures	5,710,995	718,549	1,206,971	7,636,515
Excess (Deficiency) of Revenues Over Expenditures	3,147,707	(154,538)	(365,062)	2,628,107
OTHER FINANCING SOURCES (USES)				
Transfers In	2,383,300	10,000	19,000	2,412,300
Transfers Out	(3,452,600)		(74,703)	(3,527,303)
Total Other Financing Sources (Uses)	(1,069,300)	10,000	(55,703)	(1,115,003)
Net Change In Fund Balances	2,078,407	(144,538)	(420,765)	1,513,104
Fund Balances, July 1	9,653,510	341,400	5,044,904	15,039,814
Fund Balances, June 30	**$ 11,731,917**	**$ 196,862**	**$ 4,624,139**	**$ 16,552,918**

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.

Law Enforcement Impact Fee Fund
To account for revenues and expenditures of development impact fees assessed for police services.

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.

Public Facilities Revolving Loan Fund
To account for the activities for loans issued to fund various public facility projects.

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 / CalHOME Revolving Loan Funds
To account for the activities of the City's housing revolving loan program funded by CDBG and 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 principal and interest.

Oroville RDA Revolving Loan Fund
To account for the activities of the revolving loan program funded by Oroville Redevelopment Agency.

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, 2011

	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	$ 37,788	$ 2,873,104	$ 744,184	$ 506,349	$ 96,014	$ 154,673	$ 561,782	$ 424,824	$ 330,833
Receivables:									
Taxes									
Accounts	156								
Sewer Service Charges		147,414							
Grants									
Interest									
Due From Other Funds									
Inventory									
Loans Receivable									
Advances Due From Other Funds		138,816							
Total Assets	$ 37,944	$ 3,159,334	$ 744,184	$ 506,349	$ 96,014	$ 154,673	$ 561,782	$ 424,824	$ 330,833
LIABILITIES AND FUND BALANCES									
Liabilities:									
Vouchers Payable	$ 3,294	$ 76,682					$ 28,251		
Accrued Salaries and Benefits		17,892							
Due To Other Funds									
Due To Other Related Agency		250,011							
Deferred Revenues - Unearned									
Advances Payable to Other Funds									
Deferred Loans									
Total Liabilities	3,294	344,585	$ -	$ -	$ -	$ -	28,251	$ -	$ -
Fund Balances:									
Nonspendable		138,816							
Restricted			744,184	506,349	96,014	154,673	533,531	424,824	330,833
Committed		707,632							
Assigned	34,650	1,968,301							
Total Fund Balances	34,650	2,814,749	744,184	506,349	96,014	154,673	533,531	424,824	330,833
Total Liabilities and Fund Balances	$ 37,944	$ 3,159,334	$ 744,184	$ 506,349	$ 96,014	$ 154,673	$ 561,782	$ 424,824	$ 330,833

Continued

CITY OF OROVILLE
COMBINING BALANCE SHEET
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	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	$ 85,915	$ 71,381	$ 25,968	$ 17,888	$ 52,392	$ 587,257	$ 23,449		$ 35,432
Receivables:									
Taxes									
Accounts		3,018	13,785	5,931	30,185	37,633			
Sewer Service Charges									
Grants	168,094	10,000				35,833		$ 378,544	
Interest								13,849	
Due From Other Funds									
Inventory						3,064			
Loans Receivable								2,459,397	
Advances Due From Other Funds									
Total Assets	**$ 254,009**	**$ 84,399**	**$ 39,753**	**$ 23,819**	**$ 82,577**	**$ 663,787**	**$ 23,449**	**$ 2,851,790**	**$ 35,432**
LIABILITIES AND FUND BALANCES									
Liabilities:									
Vouchers Payable	$ 600					$ 65,092		$ 45,408	
Accrued Salaries and Benefits						1,574	$ 31,760		
Due To Other Funds						21,661		339,530	
Due To Other Agencies									
Deferred Revenues - Unearned						35,833			
Advances Payable to Other Funds						31,338			
Deferred Loans								2,334,419	
Total Liabilities	600	$ -	$ -	$ -	$ -	155,498	31,760	2,719,357	$ -
Fund Balances:									
Nonspendable						3,064			
Restricted	253,409		39,753	23,819	82,577			115,955	35,432
Committed						36,116		16,478	
Assigned		84,399				469,109	(8,311)		
Total Fund Balances	253,409	84,399	39,753	23,819	82,577	508,289	(8,311)	132,433	35,432
Total Liabilities and Fund Balances	**$ 254,009**	**$ 84,399**	**$ 39,753**	**$ 23,819**	**$ 82,577**	**$ 663,787**	**$ 23,449**	**$ 2,851,790**	**$ 35,432**

Continued

CITY OF OROVILLE
COMBINING BALANCE SHEET
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	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	$ 14,846		$ 101,761	$ 54,623	$ 315,766	$ 23,864	$ 227,730	$ 1,925	$ 17,117
Receivables:									
Taxes	7,257								
Accounts									
Sewer Service Charges									
Grants		$ 38,871	62,032						
Interest									
Due From Other Funds									
Inventory									
Loans Receivable									
Advances Due From Other Funds									
Total Assets	$ 22,103	$ 38,871	$ 163,793	$ 54,623	$ 315,766	$ 23,864	$ 227,730	$ 1,925	$ 17,117
LIABILITIES AND FUND BALANCES									
Liabilities:									
Vouchers Payable			$ 2,132				$ 866		
Accrued Salaries and Benefits			484						
Due To Other Funds		$ 27,566							
Due To Other Agencies									
Deferred Revenues - Unearned									
Advances Payable to Other Funds									
Deferred Loans									
Total Liabilities	$ -	27,566	2,616	$ -	$ -	$ -	866	$ -	$ -
Fund Balances:									
Nonspendable									
Restricted	22,103	11,305	154,403	54,623	315,766	23,864		1,925	
Committed			6,774				2,016		17,117
Assigned							224,848		
Total Fund Balances	22,103	11,305	161,177	54,623	315,766	23,864	226,864	1,925	17,117
Total Liabilities and Fund Balances	$ 22,103	$ 38,871	$ 163,793	$ 54,623	$ 315,766	$ 23,864	$ 227,730	$ 1,925	$ 17,117

Continued

CITY OF OROVILLE
COMBINING BALANCE SHEET
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Lighting & Landscape Maintenance Districts Fund	Benefit Assessment Districts Fund	Westside Public Service Fund	Public Safety Services Fund	Supplemental Benefits Fund	Public Facility Revolving Loan Fund	Pioneer Museum Fund	Public Works Manufacturing Development Center Fund	City Housing Rehabilitation Revolving Loan Fund
ASSETS									
Cash and Investments	$ 48,190	$ 63,311	$ 124,449	$ 124,616		$ 957,440	$ 100,999	$ 377,913	$ 555,316
Receivables:									
Taxes	469								
Accounts									
Sewer Service Charges									
Grants					$ 74,474				
Interest									35,588
Due From Other Funds									339,530
Inventory									
Loans Receivable									1,387,483
Advances Due From Other Funds									
Total Assets	$ 48,659	$ 63,311	$ 124,449	$ 124,616	$ 74,474	$ 957,440	$ 100,999	$ 377,913	$ 2,317,917
LIABILITIES AND FUND BALANCES									
Liabilities:									
Vouchers Payable	$ 9,868	$ 109	$ 6,600	$ 6,600	$ 15,093			$ 40	
Accrued Salaries and Benefits	836				1,641			88	
Due To Other Funds					24,316				
Due To Other Agencies									
Deferred Revenues - Unearned									
Advances Payable to Other Funds									
Deferred Loans									$ 1,336,523
Total Liabilities	10,704	109	6,600	6,600	41,050	$ -	$ -	128	1,336,523
Fund Balances:									
Nonspendable									
Restricted	37,955	63,202		118,016			100,999		
Committed			117,849		33,424				
Assigned						957,440		377,785	981,394
Total Fund Balances	37,955	63,202	117,849	118,016	33,424	957,440	100,999	377,785	981,394
Total Liabilities and Fund Balances	$ 48,659	$ 63,311	$ 124,449	$ 124,616	$ 74,474	$ 957,440	$ 100,999	$ 377,913	$ 2,317,917

Continued

CITY OF OROVILLE
COMBINING BALANCE SHEET
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Economic Development Revolving Loan Fund	CDBG Housing Revolving Loan Fund	CalHOME Revolving Loan Fund	Housing Rehabilitation Revolving Loan Fund	City Revolving Loan Fund	Oroville RDA Revolving Loan Fund	Annexation Fund	Plan Retention Fund	Totals 2011
ASSETS									
Cash and Investments			$ 103,126		$ 257,924	$ 735,735	$ 131,947	$ 13,416	$ 10,981,247
Receivables:									
Taxes									7,726
Accounts									90,708
Sewer Service Charges									147,414
Grants									767,848
Interest	$ 2,227				8,316	419			60,399
Due From Other Funds									339,530
Inventory									3,064
Loans Receivable	160,149	$ 817,017		$ 52,748	49,274	60,000			4,986,068
Advances Due From Other Funds									138,816
Total Assets	**$ 162,376**	**$ 817,017**	**$ 103,126**	**$ 52,748**	**$ 315,514**	**$ 796,154**	**$ 131,947**	**$ 13,416**	**$ 17,522,820**
LIABILITIES AND FUND BALANCES									
Liabilities:									
Vouchers Payable									$ 260,635
Accrued Salaries and Benefits									54,275
Due To Other Funds									413,073
Due To Other Agencies									250,011
Deferred Revenues - Unearned									35,833
Advances Payable to Other Funds									31,338
Deferred Loans	$ 95,757	$ 817,017		$ 52,748	$ 49,274	$ 60,000			4,745,738
Total Liabilities	95,757	817,017	$ -	52,748	49,274	60,000	$ -	$ -	5,790,903
Fund Balances:									
Nonspendable									141,880
Restricted									4,245,514
Committed									937,406
Assigned	66,619		103,126		266,240	736,154	131,947	13,416	6,407,117
Total Fund Balances	66,619	-	103,126	-	266,240	736,154	131,947	13,416	11,731,917
Total Liabilities and Fund Balances	**$ 162,376**	**$ 817,017**	**$ 103,126**	**$ 52,748**	**$ 315,514**	**$ 796,154**	**$ 131,947**	**$ 13,416**	**$ 17,522,820**

CITY OF OROVILLE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	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					$ 2,583		$ 35,003	$ 13,667	
Interest, Rents, and Concessions		$ 12,075	$ 3,514	$ 2,402	453	$ 734	2,662	1,978	$ 1,113
Intergovernmental Revenues									
Current Service Charges		2,100,957	8,405						
Other									
Total Revenues	$ -	2,113,032	11,919	2,402	3,036	734	37,665	15,645	1,113
EXPENDITURES									
Current:									
Public Safety									
Streets and Storm Drains				1,458			45,278		
Transportation									
Parks and Leisure									
Health and Sanitation		1,638,361							
Housing and Community Development	28,584								
Debt Service:									
Interest Charges									
Capital Outlay		232,726							
Total Expenditures	28,584	1,871,087	-	1,458	-	-	45,278	-	-
Excess (Deficiency) of Revenues Over Expenditures	(28,584)	241,945	11,919	944	3,036	734	(7,613)	15,645	1,113
OTHER FINANCING SOURCES (USES)									
Transfers In	30,000	13,307							
Transfers Out		(297,133)							
Total Other Financing Sources (Uses)	30,000	(283,826)	-	-	-	-	-	-	-
Net Change In Fund Balances	1,416	(41,881)	11,919	944	3,036	734	(7,613)	15,645	1,113
Fund Balances, July 1	33,234	2,856,630	732,265	505,405	92,978	153,939	541,144	409,179	329,720
Fund Balances, June 30	**$ 34,650**	**$ 2,814,749**	**$ 744,184**	**$ 506,349**	**$ 96,014**	**$ 154,673**	**$ 533,531**	**$ 424,824**	**$ 330,833**

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, 2011

	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	$ 547	$ 328	$ 135	$ 118	$ 239	$ 173,607		$ 87,089	$ 190
Intergovernmental Revenues	168,094	10,000	106,661	64,362	219,267	6,120		1,412,252	
Current Service Charges									
Other		11,240				349,568		765,382	733
Total Revenues	168,641	21,568	106,796	64,480	219,506	529,295	$ -	2,264,723	923
EXPENDITURES									
Current:									
Public Safety									1,935
Streets and Storm Drains	47,895		800	575	500				
Transportation						465,155			
Parks and Leisure									
Health and Sanitation									
Housing and Community Development							688,064	1,266,332	
Debt Service:									
Interest Charges						3,220			
Capital Outlay	22,736					11,482			3,952
Total Expenditures	70,631	-	800	575	500	479,857	688,064	1,266,332	5,887
Excess (Deficiency) of Revenues Over Expenditures	98,010	21,568	105,996	63,905	219,006	49,438	(688,064)	998,391	(4,964)
OTHER FINANCING SOURCES (USES)									
Transfers In							682,854		
Transfers Out		(4,907)	(106,221)	(69,669)	(189,569)	(100,214)		(1,167,170)	
Total Other Financing Sources (Uses)	-	(4,907)	(106,221)	(69,669)	(189,569)	(100,214)	682,854	(1,167,170)	-
Net Change In Fund Balances	98,010	16,661	(225)	(5,764)	29,437	(50,776)	(5,210)	(168,779)	(4,964)
Fund Balances, July 1	155,399	67,738	39,978	29,583	53,140	559,065	(3,101)	301,212	40,396
Fund Balances, June 30	**$ 253,409**	**$ 84,399**	**$ 39,753**	**$ 23,819**	**$ 82,577**	**$ 508,289**	**$ (8,311)**	**$ 132,433**	**$ 35,432**

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, 2011

	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									
Interest, Rents, and Concessions		$ 41		$ 898		$ 272			$ 817
Intergovernmental Revenues	$ 88,506	100,000	$ 320,551	256	$ 284,770	113			99
Current Service Charges								$ 9,363	
Other							$ 144,927		
Total Revenues	88,506	100,041	320,551	1,154	284,770	385	144,927	9,363	916
EXPENDITURES									
Current:									
Public Safety			31,907				1,485		
Streets and Storm Drains									
Transportation									
Parks and Leisure					50				
Health and Sanitation									
Housing and Community Development									
Debt Service:									
Interest Charges									
Capital Outlay			95,491					54,000	
Total Expenditures	-	-	127,398	-	50	-	1,485	54,000	-
Excess (Deficiency) of Revenues Over Expenditures	88,506	100,041	193,153	1,154	284,720	385	143,442	(44,637)	916
OTHER FINANCING SOURCES (USES)									
Transfers In									
Transfers Out	(97,153)	(89,643)	(85,823)						(10,000)
Total Other Financing Sources (Uses)	(97,153)	(89,643)	(85,823)	-	-	-	-	-	(10,000)
Net Change In Fund Balances	(8,647)	10,398	107,330	1,154	284,720	385	143,442	(44,637)	(9,084)
Fund Balances, July 1	30,750	907	53,847	53,469	31,046	23,479	83,422	46,562	26,201
Fund Balances, June 30	**$ 22,103**	**$ 11,305**	**$ 161,177**	**$ 54,623**	**$ 315,766**	**$ 23,864**	**$ 226,864**	**$ 1,925**	**$ 17,117**

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, 2011

	Lighting & Landscape Maintenance Districts Fund	Benefit Assessment Districts Fund	Westside Public Service Fund	Public Safety Services Fund	Supplemental Benefits Fund	Public Facility Revolving Loan Fund	Pioneer Museum Fund	Public Works Manufacturing Development Center Fund	City Housing Rehabilitation Revolving Loan Fund
REVENUES									
Taxes	$ 16,223		$ 66,338	$ 66,338					
Licenses and Permits									
Interest, Rents, and Concessions	258	$ 314	377	377		$ 11,184		$ 73,624	$ 43,626
Intergovernmental Revenues					$ 681,374				
Current Service Charges									
Other									245,667
Total Revenues	16,481	314	66,715	66,715	681,374	11,184	$ -	73,624	289,293
EXPENDITURES									
Current:									
Public Safety				41					
Streets and Storm Drains	40,947	3,654	41						
Transportation									
Parks and Leisure					634,740				
Health and Sanitation									
Housing and Community Development						4,559		6,533	316,120
Debt Service:									
Interest Charges									
Capital Outlay	700								
Total Expenditures	41,647	3,654	41	41	634,740	4,559	-	6,533	316,120
Excess (Deficiency) of Revenues Over Expenditures	(25,166)	(3,340)	66,674	66,674	46,634	6,625	-	67,091	(26,827)
OTHER FINANCING SOURCES (USES)									
Transfers In						1,599,815			
Transfers Out						(649,000)			(5,700)
Total Other Financing Sources (Uses)	-	-	-	-	-	950,815	-	-	(5,700)
Net Change In Fund Balances	(25,166)	(3,340)	66,674	66,674	46,634	957,440	-	67,091	(32,527)
Fund Balances, July 1	63,121	66,542	51,175	51,342	(13,210)	-	100,999	310,694	1,013,921
Fund Balances, June 30	**$ 37,955**	**$ 63,202**	**$ 117,849**	**$ 118,016**	**$ 33,424**	**$ 957,440**	**$ 100,999**	**$ 377,785**	**$ 981,394**

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, 2011

	Economic Development Revolving Loan Fund	CDBG Housing Revolving Loan Fund	CalHOME Revolving Loan Fund	Housing Rehabilitation Revolving Loan Fund	City Revolving Loan Fund	Oroville RDA Revolving Loan Fund	Annexation Fund	Plan Retention Fund	Totals 2011
REVENUES									
Taxes									$ 148,899
Licenses and Permits									53,240
Interest, Rents, and Concessions	$ 12,989		$ 4,324	$ 819	$ 5,286	$ 32,669	$ 631	$ 62	474,233
Intergovernmental Revenues									3,471,320
Current Service Charges								507	2,109,869
Other	330,880		34,630	11,615	338	706,161			2,601,141
Total Revenues	343,869	$ -	38,954	12,434	5,624	738,830	631	569	8,858,702
EXPENDITURES									
Current:									
Public Safety									35,368
Streets and Storm Drains									141,148
Transportation									465,155
Parks and Leisure									634,790
Health and Sanitation									1,638,361
Housing and Community Development					29	60,000	1,645		2,371,866
Debt Service:									
Interest Charges									3,220
Capital Outlay									421,087
Total Expenditures	-	-	-	-	29	60,000	1,645	-	5,710,995
Excess (Deficiency) of Revenues Over Expenditures	343,869	-	38,954	12,434	5,595	678,830	(1,014)	569	3,147,707
OTHER FINANCING SOURCES (USES)									
Transfers In						57,324			2,383,300
Transfers Out	(406,302)	(141,662)		(12,434)	(20,000)				(3,452,600)
Total Other Financing Sources (Uses)	(406,302)	(141,662)	-	(12,434)	(20,000)	57,324	-	-	(1,069,300)
Net Change In Fund Balances	(62,433)	(141,662)	38,954	-	(14,405)	736,154	(1,014)	569	2,078,407
Fund Balances, July 1	129,052	141,662	64,172	-	280,645	-	132,961	12,847	9,653,510
Fund Balances, June 30	**$ 66,619**	**$ -**	**$ 103,126**	**$ -**	**$ 266,240**	**$ 736,154**	**$ 131,947**	**$ 13,416**	**$ 11,731,917**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Current:				
Other Services and Charges	20,000	37,500	28,584	8,916
Total Expenditures	20,000	37,500	28,584	8,916
Excess (Deficiency) of Revenues Over Expenditures	(20,000)	(37,500)	(28,584)	8,916
OTHER FINANCING SOURCES (USES)				
Transfers In	30,000	30,000	30,000	-
Total Other Financing Sources (Uses)	30,000	30,000	30,000	-
Net Change In Fund Balances	10,000	(7,500)	1,416	8,916
Fund Balance, July 1	33,234	33,234	33,234	-
Fund Balance, June 30	**$ 43,234**	**$ 25,734**	**$ 34,650**	**$ 8,916**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 12,071	$ 12,071	$ 12,075	$ 4
Current Service Charges:				
Sewer Service Charges	2,122,769	2,126,269	2,100,957	(25,312)
Other Revenues:				
Refunds and Reimbursements	3,500			-
Total Revenues	2,138,340	2,138,340	2,113,032	(25,308)
EXPENDITURES				
Current:				
Salaries and Benefits	380,333	386,724	334,924	51,800
Other Services and Supplies	523,637	794,581	294,602	499,979
SC-OR Treatment Charges	928,387	928,387	1,008,835	(80,448)
Capital Outlay				
Health and Sanitation	495,000	727,543	232,726	494,817
Total Expenditures	2,327,357	2,837,235	1,871,087	966,148
Excess (Deficiency) of Revenues Over Expenditures	(189,017)	(698,895)	241,945	940,840
OTHER FINANCING SOURCES (USES)				
Transfers In	13,307	13,307	13,307	-
Transfers Out	(297,133)	(297,133)	(297,133)	-
Total Other Financing Sources (Uses)	(283,826)	(283,826)	(283,826)	-
Net Change In Fund Balances	(472,843)	(982,721)	(41,881)	940,840
Fund Balance, July 1	2,856,630	2,856,630	2,856,630	-
Fund Balance, June 30	**$ 2,383,787**	**$ 1,873,909**	**$ 2,814,749**	**$ 940,840**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 13,180	$ 5,000	$ 3,514	$ (1,486)
Current Service Charges:				
Sewer Connection Fees	10,000	19,700	7,411	(12,289)
Sewer Tapping Charges	3,200	1,680	994	(686)
Total Revenues	26,380	26,380	11,919	(14,461)
EXPENDITURES				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	100	100	-	100
Excess (Deficiency) of Revenues Over Expenditures	26,280	26,280	11,919	(14,361)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	26,280	26,280	11,919	(14,361)
Fund Balance, July 1	732,265	732,265	732,265	-
Fund Balance, June 30	**$ 758,545**	**$ 758,545**	**$ 744,184**	**$ (14,361)**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Licenses and Permits:				
Drainage Impact Fees	$ 10,000	$ 13,150		$ (13,150)
Interest, Rents, and Concessions:				
Investment Earnings	9,150	6,000	$ 2,402	(3,598)
Total Revenues	19,150	19,150	2,402	(16,748)
EXPENDITURES				
Current:				
Other Services and Supplies	100	100	1,458	(1,358)
Total Expenditures	100	100	1,458	(1,358)
Excess (Deficiency) of Revenues Over Expenditures	19,050	19,050	944	(18,106)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	19,050	19,050	944	(18,106)
Fund Balance, July 1	505,405	505,405	505,405	-
Fund Balance, June 30	**$ 524,455**	**$ 524,455**	**$ 506,349**	**$ (18,106)**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Licenses and Permits:				
Park Impact Fees	$ 9,500	$ 9,891	$ 2,583	$ (7,308)
Interest, Rents, and Concessions:				
Investment Earnings	2,091	1,700	453	(1,247)
Total Revenues	11,591	11,591	3,036	(8,555)
EXPENDITURES				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	100	100	-	100
Excess (Deficiency) of Revenues Over Expenditures	11,491	11,491	3,036	(8,455)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	11,491	11,491	3,036	(8,455)
Fund Balance, July 1	92,978	92,978	92,978	-
Fund Balance, June 30	**$ 104,469**	**$ 104,469**	**$ 96,014**	**$ (8,455)**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 2,796	$ 2,796	$ 734	$ (2,062)
Total Revenues	2,796	2,796	734	(2,062)
EXPENDITURES				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	100	100	-	100
Excess (Deficiency) of Revenues Over Expenditures	2,696	2,696	734	(1,962)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	2,696	2,696	734	(1,962)
Fund Balance, July 1	153,939	153,939	153,939	-
Fund Balance, June 30	**$ 156,635**	**$ 156,635**	**$ 154,673**	**$ (1,962)**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Licenses and Permits:				
Traffic Impact Fees	$ 30,000	$ 34,347	$ 35,003	$ 656
Interest, Rents, and Concessions:				
Investment Earnings	9,945	5,598	2,662	(2,936)
Total Revenues	39,945	39,945	37,665	(2,280)
EXPENDITURES				
Current:				
Other Services and Supplies	100	76,915	45,278	31,637
Total Expenditures	100	76,915	45,278	31,637
Excess (Deficiency) of Revenues Over Expenditures	39,845	(36,970)	(7,613)	29,357
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	39,845	(36,970)	(7,613)	29,357
Fund Balance, July 1	541,144	541,144	541,144	-
Fund Balance, June 30	**$ 580,989**	**$ 504,174**	**$ 533,531**	**$ 29,357**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Licenses and Permits:				
Drainage Impact Fees	$ 5,000	$ 8,170	$ 13,667	$ 5,497
Interest, Rents, and Concessions:				
Investment Earnings	7,255	4,085	1,978	(2,107)
Total Revenues	12,255	12,255	15,645	3,390
EXPENDITURES				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	100	100	-	100
Excess (Deficiency) of Revenues Over Expenditures	12,155	12,155	15,645	3,490
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	12,155	12,155	15,645	3,490
Fund Balance, July 1	409,179	409,179	409,179	-
Fund Balance, June 30	**$ 421,334**	**$ 421,334**	**$ 424,824**	**$ 3,490**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 9,580	$ 2,282	$ 1,113	$ (1,169)
Intergovernmental Revenues:				
Other Subventions	130,000	138,898		(138,898)
Total Revenues	139,580	141,180	1,113	(140,067)
EXPENDITURES				
Current:				
Other Services and Supplies	100	158,288		158,288
Total Expenditures	100	158,288	-	158,288
Excess (Deficiency) of Revenues Over Expenditures	139,480	(17,108)	1,113	18,221
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	139,480	(17,108)	1,113	18,221
Fund Balance, July 1	329,720	329,720	329,720	-
Fund Balance, June 30	**$ 469,200**	**$ 312,612**	**$ 330,833**	**$ 18,221**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 12,362	$ 5,904	$ 547	$ (5,357)
Intergovernmental Revenues:				
Grants		6,458	168,094	161,636
Total Revenues	12,362	12,362	168,641	156,279
EXPENDITURES				
Current:				
Other Services and Supplies	12,362	61,842	47,895	13,947
Capital Outlay:				
Streets and Storm Drains		206,852	22,736	184,116
Total Expenditures	12,362	268,694	70,631	198,063
Excess (Deficiency) of Revenues Over Expenditures	-	(256,332)	98,010	354,342
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	(256,332)	98,010	354,342
Fund Balance, July 1	155,399	155,399	155,399	-
Fund Balance, June 30	**$ 155,399**	**$ (100,933)**	**$ 253,409**	**$ 354,342**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 1,609	$ 500	$ 328	$ (172)
Intergovernmental Revenues:				
Grants	5,000	5,000	10,000	5,000
Other Revenues:				
Refunds and Reimbursements	25,769	26,878	11,240	(15,638)
Total Revenues	32,378	32,378	21,568	(10,810)
EXPENDITURES				
Current:				
Other Services and Supplies	2,500	2,000		2,000
Capital Outlay:				
Health and Sanitation	20,000	20,500		20,500
Total Expenditures	22,500	22,500	-	22,500
Excess (Deficiency) of Revenues Over Expenditures	9,878	9,878	21,568	11,690
OTHER FINANCING SOURCES (USES)				
Transfers Out	(4,907)	(4,907)	(4,907)	-
Total Other Financing Sources (Uses)	(4,907)	(4,907)	(4,907)	-
Net Change In Fund Balances	4,971	4,971	16,661	11,690
Fund Balance, July 1	67,738	67,738	67,738	-
Fund Balance, June 30	**$ 72,709**	**$ 72,709**	**$ 84,399**	**$ 11,690**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 1,577	$ 385	$ 135	$ (250)
Intergovernmental Revenues:				
State Gas Tax 2107 & 2107.2	156,908	158,100	106,661	(51,439)
Total Revenues	158,485	158,485	106,796	(51,689)
EXPENDITURES				
Current:				
Other Services and Supplies	800	50,285	800	49,485
Total Expenditures	800	50,285	800	49,485
Excess (Deficiency) of Revenues Over Expenditures	157,685	108,200	105,996	(2,204)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(158,485)	(109,000)	(106,221)	2,779
Total Other Financing Sources (Uses)	(158,485)	(109,000)	(106,221)	2,779
Net Change In Fund Balances	(800)	(800)	(225)	575
Fund Balance, July 1	39,978	39,978	39,978	-
Fund Balance, June 30	**$ 39,178**	**$ 39,178**	**$ 39,753**	**$ 575**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 925	$ 288	$ 118	$ (170)
Intergovernmental Revenues:				
State Gas Tax 186.1 & 2106	95,995	96,632	64,362	(32,270)
Total Revenues	96,920	96,920	64,480	(32,440)
EXPENDITURES				
Current:				
Other Services and Supplies	575	18,475	575	17,900
Total Expenditures	575	18,475	575	17,900
Excess (Deficiency) of Revenues Over Expenditures	96,345	78,445	63,905	(14,540)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(96,920)	(79,020)	(69,669)	9,351
Total Other Financing Sources (Uses)	(96,920)	(79,020)	(69,669)	9,351
Net Change In Fund Balances	(575)	(575)	(5,764)	(5,189)
Fund Balance, July 1	29,583	29,583	29,583	-
Fund Balance, June 30	**$ 29,008**	**$ 29,008**	**$ 23,819**	**$ (5,189)**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 1,959	$ 573	$ 239	$ (334)
Intergovernmental Revenues:				
State Gas Tax 2105	147,406	148,792	219,267	70,475
Total Revenues	149,365	149,365	219,506	70,141
EXPENDITURES				
Current:				
Other Services and Supplies	500	69,859	500	69,359
Total Expenditures	500	69,859	500	69,359
Excess (Deficiency) of Revenues Over Expenditures	148,865	79,506	219,006	139,500
OTHER FINANCING SOURCES (USES)				
Transfers Out	(149,365)	(80,006)	(189,569)	(109,563)
Total Other Financing Sources (Uses)	(149,365)	(80,006)	(189,569)	(109,563)
Net Change In Fund Balances	(500)	(500)	29,437	29,937
Fund Balance, July 1	53,140	53,140	53,140	-
Fund Balance, June 30	**$ 52,640**	**$ 52,640**	**$ 82,577**	**$ 29,937**

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, 2011

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 1,293	$ 4,400	$ 2,774	$ (1,626)
Rents and Concessions	179,975	200,000	170,833	(29,167)
Intergovernmental Revenues:				
Grants		105,603	6,120	(99,483)
Current Service Charges:				
Other Fees	270,300	313,168	347,568	34,400
Refunds and Reimbursements			2,000	2,000
Total Revenues	451,568	623,171	529,295	(93,876)
EXPENDITURES				
Current:				
Salaries and Benefits	32,707	32,707	31,876	831
Other Services and Supplies	340,546	607,203	433,279	173,924
Debt Service:				
Interest Charges	3,617	3,617	3,220	397
Capital Outlay:				
Transportation		50,986	11,482	39,504
Total Expenditures	376,870	694,513	479,857	214,656
Excess (Deficiency) of Revenues Over Expenditures	74,698	(71,342)	49,438	120,780
OTHER FINANCING SOURCES (USES)				
Transfers Out	(93,954)	(93,954)	(100,214)	(6,260)
Total Other Financing Sources (Uses)	(93,954)	(93,954)	(100,214)	(6,260)
Net Change In Fund Balances	(19,256)	(165,296)	(50,776)	114,520
Fund Balance, July 1	559,065	559,065	559,065	-
Fund Balance, June 30	**$ 539,809**	**$ 393,769**	**$ 508,289**	**$ 114,520**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Current:				
Salaries and Benefits	694,810	697,873	688,064	9,809
Total Expenditures	694,810	697,873	688,064	9,809
Excess (Deficiency) of Revenues Over Expenditures	(694,810)	(697,873)	(688,064)	9,809
OTHER FINANCING SOURCES (USES)				
Transfers In	694,810	697,873	682,854	(15,019)
Total Other Financing Sources (Uses)	694,810	697,873	682,854	(15,019)
Net Change In Fund Balances	-	-	(5,210)	(5,210)
Fund Balance, July 1	(3,101)	(3,101)	(3,101)	-
Fund Balance, June 30	**$ (3,101)**	**$ (3,101)**	**$ (8,311)**	**$ (5,210)**

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, 2011

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings		$ 56,154	$ 87,089	$ 30,935
Intergovernmental Revenues:				
Grants		4,096,930	1,412,252	(2,684,678)
Other Revenues:				
Loan Payments	$ 187,154	131,000	765,382	634,382
Total Revenues	187,154	4,284,084	2,264,723	(2,019,361)
EXPENDITURES				
Current:				
Other Services and Supplies		191,961	37,324	154,637
Loans Made		3,624,121	1,229,008	2,395,113
Capital Outlay:				
Housing and Community Development		8,500		8,500
Total Expenditures	-	3,824,582	1,266,332	2,558,250
Excess (Deficiency) of Revenues Over Expenditures	187,154	459,502	998,391	538,889
OTHER FINANCING SOURCES (USES)				
Transfers Out	(238,028)	(613,112)	(1,167,170)	(554,058)
Total Other Financing Sources (Uses)	(238,028)	(613,112)	(1,167,170)	(554,058)
Net Change In Fund Balances	(50,874)	(153,610)	(168,779)	(15,169)
Fund Balance, July 1	301,212	301,212	301,212	-
Fund Balance, June 30	**$ 250,338**	**$ 147,602**	**$ 132,433**	**$ (15,169)**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 360	$ 360	$ 190	$ (170)
Other Revenues:				
Miscellaneous Revenues	4,000	4,000	733	(3,267)
Total Revenues	4,360	4,360	923	(3,437)
EXPENDITURES				
Current:				
Other Services and Supplies		10,840	1,935	8,905
Capital Outlay:				
Public Safety			3,952	(3,952)
Total Expenditures	-	10,840	5,887	4,953
Excess (Deficiency) of Revenues Over Expenditures	4,360	(6,480)	(4,964)	1,516
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	4,360	(6,480)	(4,964)	1,516
Fund Balance, July 1	40,396	40,396	40,396	-
Fund Balance, June 30	**$ 44,756**	**$ 33,916**	**$ 35,432**	**$ 1,516**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental Revenues:				
Other Subventions	$ 100,000	$ 100,000	$ 88,506	$ (11,494)
Total Revenues	100,000	100,000	88,506	(11,494)
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	100,000	100,000	88,506	(11,494)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(100,000)	(100,000)	(97,153)	2,847
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(97,153)	2,847
Net Change In Fund Balances	-	-	(8,647)	(8,647)
Fund Balance, July 1	30,750	30,750	30,750	-
Fund Balance, June 30	**$ 30,750**	**$ 30,750**	**$ 22,103**	**$ (8,647)**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 18	$ 18	$ 41	$ 23
Intergovernmental Revenues:				
Grants	100,000	100,000	100,000	-
Total Revenues	100,018	100,018	100,041	23
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	100,018	100,018	100,041	23
OTHER FINANCING SOURCES (USES)				
Transfers Out	(100,000)	(100,000)	(89,643)	10,357
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(89,643)	10,357
Net Change In Fund Balances	18	18	10,398	10,380
Fund Balance, July 1	907	907	907	-
Fund Balance, June 30	**$ 925**	**$ 925**	**$ 11,305**	**$ 10,380**

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, 2011

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues:				
Grants		$ 368,011	$ 320,551	$ (47,460)
Total Revenues	$ -	368,011	320,551	(47,460)
EXPENDITURES				
Current:				
Salaries and Benefits		256,856	14,339	242,517
Other Services and Supplies		59,787	17,568	42,219
Capital Outlay:				
Public Safety		111,906	95,491	16,415
Total Expenditures	-	428,549	127,398	301,151
Excess (Deficiency) of Revenues Over Expenditures	-	(60,538)	193,153	253,691
OTHER FINANCING SOURCES (USES)				
Transfers Out		(1,880)	(85,823)	(83,943)
Total Other Financing Sources (Uses)	-	(1,880)	(85,823)	(83,943)
Net Change In Fund Balances	-	(62,418)	107,330	169,748
Fund Balance, July 1	53,847	53,847	53,847	-
Fund Balance, June 30	**$ 53,847**	**$ (8,571)**	**$ 161,177**	**$ 169,748**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Licenses and Permits:				
Police Service Impact Fees	$ 1,064	$ 1,493	$ 898	$ (595)
Interest, Rents, and Concessions:				
Investment Earnings	963	534	256	(278)
Total Revenues	2,027	2,027	1,154	(873)
EXPENDITURES				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	100	100	-	100
Excess (Deficiency) of Revenues Over Expenditures	1,927	1,927	1,154	(773)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	1,927	1,927	1,154	(773)
Fund Balance, July 1	53,469	53,469	53,469	-
Fund Balance, June 30	**$ 55,396**	**$ 55,396**	**$ 54,623**	**$ (773)**

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, 2011

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental Revenues:				
Grants			$ 223,770	$ 223,770
Other Subventions		$ 61,000	61,000	-
Total Revenues	$ -	61,000	$ 284,770	223,770
EXPENDITURES				
Capital Outlay:				
Parks and Leisure		79,061	50	79,011
Total Expenditures	-	79,061	50	79,011
Excess (Deficiency) of Revenues Over Expenditures	-	(18,061)	284,720	302,781
OTHER FINANCING SOURCES (USES)				
Transfers Out		(12,985)		12,985
Total Other Financing Sources (Uses)	-	(12,985)	-	12,985
Net Change In Fund Balances	-	(31,046)	284,720	315,766
Fund Balance, July 1	31,046	31,046	31,046	-
Fund Balance, June 30	**$ 31,046**	**$ -**	**$ 315,766**	**$ 315,766**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Licenses and Permits:				
Fire Service Impact Fees	$ 995	$ 1,187	$ 272	$ (915)
Interest, Rents, and Concessions:				
Investment Earnings	435	243	113	(130)
Total Revenues	1,430	1,430	385	(1,045)
EXPENDITURES				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	100	100	-	100
Excess (Deficiency) of Revenues Over Expenditures	1,330	1,330	385	(945)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	1,330	1,330	385	(945)
Fund Balance, July 1	23,479	23,479	23,479	-
Fund Balance, June 30	**$ 24,809**	**$ 24,809**	**$ 23,864**	**$ (945)**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Other Revenues:				
Refunds and Reimbursements			$ 144,927	$ 144,927
Total Revenues	$ -	$ -	144,927	144,927
EXPENDITURES				
Current:				
Other Services and Supplies		39,260	1,485	37,775
Capital Outlay:				
General Government		6,000		6,000
Public Safety		4,487		4,487
Total Expenditures	-	49,747	1,485	48,262
Excess (Deficiency) of Revenues Over Expenditures	-	(49,747)	143,442	193,189
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	(49,747)	143,442	193,189
Fund Balance, July 1	83,422	83,422	83,422	-
Fund Balance, June 30	**$ 83,422**	**$ 33,675**	**$ 226,864**	**$ 193,189**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental Revenues:				
Grants		$ 14,000	$ 9,363	$ (4,637)
Total Revenues	$ -	14,000	9,363	(4,637)
EXPENDITURES				
Capital Outlay:				
Public Safety		54,000	54,000	-
Total Expenditures	-	54,000	54,000	-
Excess (Deficiency) of Revenues Over Expenditures	-	(40,000)	(44,637)	(4,637)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	(40,000)	(44,637)	(4,637)
Fund Balance, July 1	46,562	46,562	46,562	-
Fund Balance, June 30	**$ 46,562**	**$ 6,562**	**$ 1,925**	**$ (4,637)**

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, 2011

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits:				
General Services Impact Fees	$ 1,728	$ 1,938	$ 817	$ (1,121)
Interest, Rents, and Concessions:				
Investment Earnings	484	274	99	(175)
Total Revenues	2,212	2,212	916	(1,296)
EXPENDITURES				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	100	100	-	100
Excess (Deficiency) of Revenues Over Expenditures	2,112	2,112	916	(1,196)
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	(7,888)	(7,888)	(9,084)	(1,196)
Fund Balance, July 1	26,201	26,201	26,201	-
Fund Balance, June 30	**$ 18,313**	**$ 18,313**	**$ 17,117**	**$ (1,196)**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Special Maintenance Assessments	$ 73,839	$ 16,221	$ 16,223	$ 2
Interest, Rents, and Concessions:				
Investment Earnings	939		258	258
Total Revenues	74,778	16,221	16,481	260
EXPENDITURES				
Current:				
Salaries and Benefits	9,947		12,097	(12,097)
Other Services and Supplies	72,163	54,305	28,850	25,455
Capital Outlay:				
Streets and Storm Drains			700	(700)
Total Expenditures	82,110	54,305	41,647	12,658
Excess (Deficiency) of Revenues Over Expenditures	(7,332)	(38,084)	(25,166)	12,918
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	(7,332)	(38,084)	(25,166)	12,918
Fund Balance, July 1	63,121	63,121	63,121	-
Fund Balance, June 30	**$ 55,789**	**$ 25,037**	**$ 37,955**	**$ 12,918**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Special Benefit Assessments	$ 32,839			
Interest, Rents, and Concessions:				
Investment Earnings	366		$ 314	$ 314
Total Revenues	33,205	$ -	314	314
EXPENDITURES				
Current:				
Salaries and Benefits	5,532	4,188	48	4,140
Other Services and Supplies	40,190	37,897	3,606	34,291
Total Expenditures	45,722	42,085	3,654	38,431
Excess (Deficiency) of Revenues Over Expenditures	(12,517)	(42,085)	(3,340)	38,745
OTHER FINANCING SOURCES (USES)				
Transfers Out		(4,218)		4,218
Total Other Financing Sources (Uses)	-	(4,218)	-	4,218
Net Change In Fund Balances	(12,517)	(46,303)	(3,340)	42,963
Fund Balance, July 1	66,542	66,542	66,542	-
Fund Balance, June 30	**$ 54,025**	**$ 20,239**	**$ 63,202**	**$ 42,963**

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, 2011

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Special Benefit Assessments	$ 31,500	$ 30,204	$ 66,338	$ 36,134
Interest, Rents, and Concessions:				
Investment Earnings	532	280	377	97
Total Revenues	32,032	$ 30,484	66,715	36,231
EXPENDITURES				
Current:				
Other Services and Supplies	3,131	3,131	41	3,090
Total Expenditures	3,131	3,131	41	3,090
Excess (Deficiency) of Revenues Over Expenditures	28,901	27,353	66,674	39,321
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	28,901	27,353	66,674	39,321
Fund Balance, July 1	51,175	51,175	51,175	-
Fund Balance, June 30	**$ 80,076**	**$ 78,528**	**$ 117,849**	**$ 39,321**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Special Benefit Assessments	$ 31,500	$ 33,300	$ 66,338	$ 33,038
Interest, Rents, and Concessions:				
Investment Earnings	537	281	377	96
Total Revenues	32,037	$ 33,581	66,715	33,134
EXPENDITURES				
Current:				
Other Services and Supplies	2,919	2,919	41	2,878
Total Expenditures	2,919	2,919	41	2,878
Excess (Deficiency) of Revenues Over Expenditures	29,118	30,662	66,674	36,012
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	29,118	30,662	66,674	36,012
Fund Balance, July 1	51,342	51,342	51,342	-
Fund Balance, June 30	**$ 80,460**	**$ 82,004**	**$ 118,016**	**$ 36,012**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental Revenues:				
Grants	$ 35,744	$ 35,744	$ 681,374	$ 645,630
Total Revenues	35,744	35,744	681,374	645,630
EXPENDITURES				
Current:				
Salaries and Benefits	35,744	37,744	35,303	2,441
Other Services and Supplies			599,437	(599,437)
Total Expenditures	35,744	37,744	634,740	(596,996)
Excess (Deficiency) of Revenues Over Expenditures	-	(2,000)	46,634	48,634
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	(2,000)	46,634	48,634
Fund Balance, July 1	(13,210)	(13,210)	(13,210)	-
Fund Balance, June 30	**$ (13,210)**	**$ (15,210)**	**$ 33,424**	**$ 48,634**

CITY OF OROVILLE
PUBLIC FACILITY REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings			$ 11,184	$ 11,184
Rents and Concessions		$ 365,800		(365,800)
Total Revenues	$ -	365,800	$ 11,184	$ (354,616)
EXPENDITURES				
Current:				
Other Services and Supplies		4,532	4,559	(27)
Total Expenditures	-	4,532	4,559	(27)
Excess (Deficiency) of Revenues Over Expenditures	-	361,268	6,625	(354,643)
OTHER FINANCING SOURCES (USES)				
Transfers In		141,662	1,599,815	1,458,153
Transfers Out		(649,000)	(649,000)	-
Total Other Financing Sources (Uses)	-	(507,338)	950,815	1,458,153
Net Change In Fund Balances	-	(146,070)	957,440	1,103,510
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	**$ -**	**$ (146,070)**	**$ 957,440**	**$ 1,103,510**

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, 2011

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 1,524	$ 1,524	$ 1,624	$ 100
Rents and Concessions	72,000	72,000	72,000	-
Total Revenues	73,524	73,524	73,624	100
EXPENDITURES				
Current:				
Salaries and Benefits	1,694	1,964	1,775	189
Other Services and Supplies	18,120	18,120	4,758	13,362
Total Expenditures	19,814	20,084	6,533	13,551
Excess (Deficiency) of Revenues Over Expenditures	53,710	53,440	67,091	13,651
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	53,710	53,440	67,091	13,651
Fund Balance, July 1	310,694	310,694	310,694	-
Fund Balance, June 30	**$ 364,404**	**$ 364,134**	**$ 377,785**	**$ 13,651**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 9,032	$ 22,891	$ 43,626	$ 20,735
Other Revenues:				
Loan Payments	161,875	148,016	233,411	85,395
Refunds/Reimbursements			12,256	12,256
Total Revenues	170,907	170,907	289,293	118,386
EXPENDITURES				
Current:				
Other Services and Supplies	20,000	36,760	10,370	26,390
Loans Made		445,000	305,750	139,250
Total Expenditures	20,000	481,760	316,120	165,640
Excess (Deficiency) of Revenues Over Expenditures	150,907	(310,853)	(26,827)	284,026
OTHER FINANCING SOURCES (USES)				
Transfers Out	(5,700)	(25,700)	(5,700)	20,000
Total Other Financing Sources (Uses)	(5,700)	(25,700)	(5,700)	20,000
Net Change In Fund Balances	145,207	(336,553)	(32,527)	304,026
Fund Balance, July 1	1,013,921	1,013,921	1,013,921	-
Fund Balance, June 30	**$ 1,159,128**	**$ 677,368**	**$ 981,394**	**$ 304,026**

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, 2011

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings		$ 51,867	$ 12,989	$ (38,878)
Other Revenues:				
Loan Payments	$ 229,867	178,000	330,880	152,880
Total Revenues	229,867	229,867	343,869	114,002
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	229,867	229,867	343,869	114,002
OTHER FINANCING SOURCES (USES)				
Transfers Out	(229,867)	(229,867)	(406,302)	(176,435)
Total Other Financing Sources (Uses)	(229,867)	(229,867)	(406,302)	(176,435)
Net Change In Fund Balances	-	-	(62,433)	(62,433)
Fund Balance, July 1	129,052	129,052	129,052	-
Fund Balance, June 30	**$ 129,052**	**$ 129,052**	**$ 66,619**	**$ (62,433)**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	472,640	472,640		(472,640)
Transfers Out		(141,662)	(141,662)	-
Total Other Financing Sources (Uses)	472,640	330,978	(141,662)	(472,640)
Net Change In Fund Balances	472,640	330,978	(141,662)	(472,640)
Fund Balance, July 1	141,662	141,662	141,662	-
Fund Balance, June 30	**$ 614,302**	**$ 472,640**	**$ -**	**$ (472,640)**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 825	$ 825	$ 4,324	$ 3,499
Other Revenues:				
Loan Payments			34,630	34,630
Total Revenues	825	825	38,954	38,129
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	825	825	38,954	38,129
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	825	825	38,954	38,129
Fund Balance, July 1	64,172	64,172	64,172	-
Fund Balance, June 30	**$ 64,997**	**$ 64,997**	**$ 103,126**	**$ 38,129**

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, 2011

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings			$ 819	$ 819
Other Revenues:				
Loan Payments			11,615	11,615
Total Revenues	$ -	$ -	12,434	12,434
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	12,434	12,434
OTHER FINANCING SOURCES (USES)				
Transfers Out			(12,434)	(12,434)
Total Other Financing Sources (Uses)	-	-	(12,434)	(12,434)
Net Change In Fund Balances	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -

CITY OF OROVILLE
CITY REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 3,318	$ 3,167	$ 5,286	$ 2,119
Other Revenues:				
Loan Payments	10,000	10,151	338	(9,813)
Total Revenues	13,318	13,318	5,624	(7,694)
EXPENDITURES				
Current:				
Other Services and Supplies	28,000	65,975	29	65,946
Total Expenditures	28,000	65,975	29	65,946
Excess (Deficiency) of Revenues Over Expenditures	(14,682)	(52,657)	5,595	58,252
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	(34,682)	(72,657)	(14,405)	58,252
Fund Balance, July 1	280,645	280,645	280,645	-
Fund Balance, June 30	**$ 245,963**	**$ 207,988**	**$ 266,240**	**$ 58,252**

CITY OF OROVILLE
OROVILLE RDA REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings			$ 32,669	$ 32,669
Other Revenues:				
Loan Payments			706,161	706,161
Total Revenues	$ -	$ -	738,830	738,830
EXPENDITURES				
Current:				
Loans Made			60,000	(60,000)
Total Expenditures	-	-	60,000	(60,000)
Excess (Deficiency) of Revenues Over Expenditures	-	-	678,830	678,830
OTHER FINANCING SOURCES (USES)				
Transfers In			57,324	57,324
Total Other Financing Sources (Uses)	-	-	57,324	57,324
Net Change In Fund Balances	-	-	736,154	736,154
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ 736,154	$ 736,154

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings		$ 710	$ 631	$ (79)
Total Revenues	$ -	710	631	(79)
EXPENDITURES				
Current:				
Other Services and Supplies			1,645	(1,645)
Total Expenditures	-	-	1,645	(1,645)
Excess (Deficiency) of Revenues Over Expenditures	-	710	(1,014)	(1,724)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	710	(1,014)	(1,724)
Fund Balance, July 1	132,961	132,961	132,961	-
Fund Balance, June 30	**$ 132,961**	**$ 133,671**	**$ 131,947**	**$ (1,724)**

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, 2011

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 90	$ 90	$ 62	$ (28)
Current Service Charges:				
Other Charges	400	400	507	107
Total Revenues	490	490	569	79
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	490	490	569	79
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	490	490	569	79
Fund Balance, July 1	12,847	12,847	12,847	-
Fund Balance, June 30	**$ 13,337**	**$ 13,337**	**$ 13,416**	**$ 79**

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, 2011

	1974 Sewer Bond Fund	City Debt Service Fund	Assessment District 1993-1 Redemption Fund	Totals 2011
ASSETS				
Cash	$ 43,757	$ 112,334	$ 122,821	$ 278,912
Total Assets	$ 43,757	$ 112,334	$ 122,821	$ 278,912
LIABILITIES AND FUND BALANCES				
Liabilities:				
Vouchers Payable			$ 82,050	$ 82,050
Total Liabilities	$ -	$ -	82,050	82,050
Fund Balances:				
Assigned	43,757	112,334	40,771	196,862
Total Fund Balances	43,757	112,334	40,771	196,862
Total Liabilities and Fund Balances	$ 43,757	$ 112,334	$ 122,821	$ 278,912

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, 2011

	1974 Sewer Bond Fund	City Debt Service Fund	Assessment District 1993-1 Redemption Fund	Totals 2011
REVENUES				
Interest, Rents, and Concessions	$ 3			$ 3
Other Revenues - Fees		$ 564,008		564,008
Total Revenues	3	564,008	$ -	564,011
EXPENDITURES				
Debt Service:				
Principal Retirement		322,407		322,407
Interest and Fiscal Charges		396,142		396,142
Total Expenditures	-	718,549	-	718,549
Excess (Deficiency) of Revenues Over Expenditures	3	(154,541)	-	(154,538)
OTHER FINANCING SOURCES (USES)				
Transfers In		10,000		10,000
Total Other Financing Sources (Uses)	-	10,000	-	10,000
Net Change In Fund Balances	3	(144,541)	-	(144,538)
Fund Balances, July 1	43,754	256,875	40,771	341,400
Fund Balances, June 30	**$ 43,757**	**$ 112,334**	**$ 40,771**	**$ 196,862**

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, 2011

	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 2011
ASSETS								
Cash and Investments	$ 799,451	$ 35,658		$ 132,890	$ 386,048	$ 345,749	$ 2,848,438	$ 4,548,234
Receivables:								
Grants			$ 718,342					718,342
Interest					366		2,706	3,072
Loans	11,738							11,738
Due From Other Funds	21,661							21,661
Advances Due From Other Funds	31,338							31,338
Total Assets	**$ 864,188**	**$ 35,658**	**$ 718,342**	**$ 132,890**	**$ 386,414**	**$ 345,749**	**$ 2,851,144**	**$ 5,334,385**
LIABILITIES AND FUND BALANCES								
Liabilities:								
Vouchers Payable	$ 1,062		$ 36,474	$ 71,189	$ 5		$ 3,778	$ 112,508
Due To Other Funds			364,125					364,125
Deferred Revenues - Unearned	11,738		221,875					233,613
Total Liabilities	12,800	$ -	622,474	71,189	5	$ -	3,778	710,246
Fund Balances:								
Nonspendable	31,338							31,338
Committed	188,246		46,956	61,701	9,955		21,558	328,416
Assigned	631,804	35,658	48,912		376,454	345,749	2,825,808	4,264,385
Total Fund Balances	851,388	35,658	95,868	61,701	386,409	345,749	2,847,366	4,624,139
Total Liabilities and Fund Balances	**$ 864,188**	**$ 35,658**	**$ 718,342**	**$ 132,890**	**$ 386,414**	**$ 345,749**	**$ 2,851,144**	**$ 5,334,385**

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, 2011

	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 2011
REVENUES								
Interest, Rents, and Concessions	$ 7,039	$ 297			$ 198,353	$ 112	$ 11,250	$ 217,051
Intergovernmental Revenues			$ 607,864					607,864
Other Revenues	16,994							16,994
Total Revenues	24,033	297	607,864	$ -	198,353	112	11,250	841,909
EXPENDITURES								
Current:								
General Government	10,648							10,648
Public Safety								-
Streets and Storm Drains								-
Parks and Leisure								-
Capital Outlay:								
General Government				123,108	381,102	2,250	34,163	540,623
Public Safety	45,865	26,269						72,134
Public Works		15,354						15,354
Streets and Storm Drains			537,315		7,220		23,059	567,594
Parks and Leisure					-		618	618
Total Expenditures	56,513	41,623	537,315	123,108	388,322	2,250	57,840	1,206,971
Excess (Deficiency) of Revenues Over Expenditures	(32,480)	(41,326)	70,549	(123,108)	(189,969)	(2,138)	(46,590)	(365,062)
OTHER FINANCING SOURCES (USES)								
Transfers In	19,000							19,000
Transfers Out			(22,646)		(52,057)			(74,703)
Total Other Financing Sources (Uses)	19,000	-	(22,646)	-	(52,057)	-	-	(55,703)
Net Change In Fund Balances	(13,480)	(41,326)	47,903	(123,108)	(242,026)	(2,138)	(46,590)	(420,765)
Fund Balances, July 1	864,868	76,984	47,965	184,809	628,435	347,887	2,893,956	5,044,904
Fund Balances, June 30	**$ 851,388**	**$ 35,658**	**$ 95,868**	**$ 61,701**	**$ 386,409**	**$ 345,749**	**$ 2,847,366**	**$ 4,624,139**

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, 2011

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 14,750	$ 14,750	$ 7,039	$ (7,711)
Other Revenues:				
Sale of Property			4,000	4,000
Refunds/Reimbursements			12,994	12,994
Total Revenues	14,750	14,750	24,033	9,283
EXPENDITURES				
Current:				
Loans Made	25,000	25,000	10,648	14,352
Capital Outlay:				
General Governmental		48,890		48,890
Public Safety	53,916	246,675	45,865	200,810
Total Expenditures	78,916	320,565	56,513	264,052
Excess (Deficiency) of Revenues Over Expenditures	(64,166)	(305,815)	(32,480)	273,335
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	(45,166)	(286,815)	(13,480)	273,335
Fund Balance, July 1	864,868	864,868	864,868	-
Fund Balance, June 30	**$ 819,702**	**$ 578,053**	**$ 851,388**	**$ 273,335**

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, 2011

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 2,857	$ 2,857	$ 297	$ (2,560)
Total Revenues	2,857	2,857	297	(2,560)
EXPENDITURES				
Capital Outlay:				
Public Safety	19,130	26,181	26,269	(88)
Public Works		15,354	15,354	-
Total Expenditures	19,130	41,535	41,623	(88)
Excess (Deficiency) of Revenues Over Expenditures	(16,273)	(38,678)	(41,326)	(2,648)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	(16,273)	(38,678)	(41,326)	(2,648)
Fund Balance, July 1	76,984	76,984	76,984	-
Fund Balance, June 30	**$ 60,711**	**$ 38,306**	**$ 35,658**	**$ (2,648)**

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, 2011

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental Revenues:				
Grants		$ 1,314,811	$ 607,864	$ (706,947)
Total Revenues	$ -	1,314,811	607,864	(706,947)
EXPENDITURES				
Capital Outlay:				
Streets and Storm Drains		1,123,365	537,315	586,050
Total Expenditures	-	1,123,365	537,315	586,050
Excess (Deficiency) of Revenues Over Expenditures	-	191,446	70,549	(120,897)
OTHER FINANCING SOURCES (USES)				
Transfers Out			(22,646)	(22,646)
Total Other Financing Sources (Uses)	-	-	(22,646)	(22,646)
Net Change In Fund Balances	-	191,446	47,903	(143,543)
Fund Balance, July 1	47,965	47,965	47,965	-
Fund Balance, June 30	**$ 47,965**	**$ 239,411**	**$ 95,868**	**$ (143,543)**

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, 2011

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Capital Outlay:				
General Government		409,681	123,108	286,573
Total Expenditures	-	409,681	123,108	286,573
Excess (Deficiency) of Revenues Over Expenditures	-	(409,681)	(123,108)	286,573
OTHER FINANCING SOURCES (USES)				
Loan Proceeds		264,097		(264,097)
Total Other Financing Sources (Uses)	-	264,097	-	(264,097)
Net Change In Fund Balances	-	(145,584)	(123,108)	22,476
Fund Balance, July 1	184,809	184,809	184,809	-
Fund Balance, June 30	**$ 184,809**	**$ 39,225**	**$ 61,701**	**$ 22,476**

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, 2011

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 1,700	$ 1,700	$ 1,353	$ (347)
Intergovernmental Revenues:				
Grants		197,000	197,000	-
Total Revenues	1,700	198,700	198,353	(347)
EXPENDITURES				
Capital Outlay:				
General Government		454,628	381,102	73,526
Streets and Storm Drains		60,315	7,220	53,095
Parks and Leisure		618,407		618,407
Total Expenditures	-	1,133,350	388,322	745,028
Excess (Deficiency) of Revenues Over Expenditures	1,700	(934,650)	(189,969)	744,681
OTHER FINANCING SOURCES (USES)				
Transfers Out			(52,057)	(52,057)
Total Other Financing Sources (Uses)	-	-	(52,057)	(52,057)
Net Change In Fund Balances	1,700	(934,650)	(242,026)	692,624
Fund Balance, July 1	628,435	628,435	628,435	-
Fund Balance, June 30	**$ 630,135**	**$ (306,215)**	**$ 386,409**	**$ 692,624**

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, 2011

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 274	$ 274	$ 112	$ (162)
Intergovernmental Revenues:				
Grants		318,820		(318,820)
Total Revenues	274	319,094	112	(318,982)
EXPENDITURES				
Current:				
Other Services and Supplies		466,660		466,660
Capital Outlay:				
General Government		2,445	2,250	195
Streets and Storm Drains		43,680		43,680
Total Expenditures	-	512,785	2,250	510,535
Excess (Deficiency) of Revenues Over Expenditures	274	(193,691)	(2,138)	191,553
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	274	(193,691)	(2,138)	191,553
Fund Balance, July 1	347,887	347,887	347,887	-
Fund Balance, June 30	**$ 348,161**	**$ 154,196**	**$ 345,749**	**$ 191,553**

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, 2011

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 55,614	$ 55,614	$ 11,250	$ (44,364)
Total Revenues	55,614	55,614	11,250	(44,364)
EXPENDITURES				
Capital Outlay:				
General Government		1,041,558	34,163	1,007,395
Streets and Storm Drains		407,038	23,059	383,979
Parks and Leisure		37,869	618	37,251
Total Expenditures	-	1,486,465	57,840	1,428,625
Excess (Deficiency) of Revenues Over Expenditures	55,614	(1,430,851)	(46,590)	1,384,261
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	55,614	(1,430,851)	(46,590)	1,384,261
Fund Balance, July 1	2,893,956	2,893,956	2,893,956	-
Fund Balance, June 30	**$ 2,949,570**	**$ 1,463,105**	**$ 2,847,366**	**$ 1,384,261**

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, 2011

	Payroll Revolving Fund	Stores Revolving Fund	Vehicle Maintenance Fund	Workers' Compensation Revolving Fund	Unemployment Insurance Fund	Vision Insurance Fund	Totals 2011
ASSETS							
Current Assets:							
Cash	$ 22,878	$ 63,575	$ 65,477	$ 416,362	$ 13,569	$ 136,501	$ 718,362
Inventory		8,104	24,430				32,534
Total Assets	22,878	71,679	89,907	416,362	13,569	136,501	750,896
LIABILITIES							
Current Liabilities:							
Vouchers Payable/Claims Payable	284	5,074	8,270	957		3,789	18,374
Accrued Salaries and Benefits	22,594		7,051				29,645
Accrued Employee Compensated Leave			11,362				11,362
Unpaid Claims Liability				385,953			385,953
Total Liabilities	22,878	5,074	26,683	386,910	-	3,789	445,334
NET ASSETS							
Unrestricted		66,605	63,224	29,452	13,569	132,712	305,562
Total Net Assets	**$ -**	**$ 66,605**	**$ 63,224**	**$ 29,452**	**$ 13,569**	**$ 132,712**	**$ 305,562**

CITY OF OROVILLE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Payroll Revolving Fund	Stores Revolving Fund	Vehicle Maintenance Fund	Workers' Compensation Revolving Fund	Unemployment Insurance Fund	Vision Insurance Fund	Totals 2011
OPERATING REVENUES							
Incoming Provisions			$ 422,582	$ 300,208	$ 15,474	$ 42,812	$ 781,076
Reimbursements		$ 46,257	4,414				50,671
Total Operating Revenues	$ -	46,257	426,996	300,208	15,474	42,812	831,747
OPERATING EXPENSES							
Salaries and Benefits			148,063				148,063
Supplies		23,301	254,857				278,158
Other Services and Charges		20,129	18,973				39,102
Claims				422,848	16,611	28,086	467,545
Total Operating Expenses	-	43,430	421,893	422,848	16,611	28,086	932,868
Net Operating Income	-	2,827	5,103	(122,640)	(1,137)	14,726	(101,121)
NONOPERATING REVENUES (EXPENSES)							
Investment Earnings				4,333	61	610	5,004
Total Nonoperating Revenues (Expenses)	-	-	-	4,333	61	610	5,004
Income (Loss) Before Operating Transfers	-	2,827	5,103	(118,307)	(1,076)	15,336	(96,117)
Transfers In			5,143				5,143
Transfers Out				(670,055)			(670,055)
Change In Net Assets	-	2,827	10,246	(788,362)	(1,076)	15,336	(761,029)
Net Assets, July 1	-	63,778	52,978	817,814	14,645	117,376	1,066,591
Net Assets, June 30	$ -	$ 66,605	$ 63,224	$ 29,452	$ 13,569	$ 132,712	$ 305,562

CITY OF OROVILLE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Payroll Revolving Fund	Stores Revolving Fund	Vehicle Maintenance Fund	Workers' Compensation Revolving Fund	Unemployment Insurance Fund	Vision Insurance Fund	Totals 2011
Cash Flows From Operating Activities							
Receipts From Customers and Users			$ 4,414				$ 4,414
Receipts From Interfund Services Provided		$ 46,257	422,582	$ 300,208	$ 15,474	$ 42,812	827,333
Payments to Employees			(149,099)				(149,099)
Payments to Suppliers	$ 498	(37,354)	(274,531)	(302,605)	(16,611)	(26,688)	(657,291)
Net Cash Provided (Used) By Operating Activities	498	8,903	3,366	(2,397)	(1,137)	16,124	25,357
Cash Flows From Noncapital Financing Activities							
Transfers In			5,143				5,143
Transfers Out				(670,055)			(670,055)
Net Cash Provided (Used) By Noncapital Financing Activities	-	-	5,143	(670,055)	-	-	(664,912)
Cash Flows From Investing Activities							
Interest on Investments				4,333	61	610	5,004
Net Cash Provided (Used) By Investing Activities	-	-	-	4,333	61	610	5,004
Net Increase (Decrease) In Cash	498	8,903	8,509	(668,119)	(1,076)	16,734	(634,551)
Cash Balance, July 1	22,380	54,672	56,968	1,084,481	14,645	119,767	1,352,913
Cash Balance, June 30	**$ 22,878**	**$ 63,575**	**$ 65,477**	**$ 416,362**	**$ 13,569**	**$ 136,501**	**$ 718,362**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:							
Operating Income (Loss)	$ -	$ 2,827	$ 5,103	$ (122,640)	$ (1,137)	$ 14,726	$ (101,121)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used):							
Decrease (Increase) in Accounts Receivable							-
Decrease (Increase) in Inventory		832	1,121				1,953
Increase (Decrease) in Vouchers Payable		5,244	(1,822)	957		1,398	5,777
Increase (Decrease) in Accrued Salaries and Benefits	498		(1,036)				(538)
Increase (Decrease) in Other Liabilities				119,286			119,286
Total Adjustments	498	6,076	(1,737)	120,243	-	1,398	126,478
Net Cash Provided (Used) By Operating Activities	**$ 498**	**$ 8,903**	**$ 3,366**	**$ (2,397)**	**$ (1,137)**	**$ 16,124**	**$ 25,357**

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, 2011

	Feather River Bluffs Fund	Special Deposit Trust Fund	Honor Grove Fund	Totals 2011
ASSETS				
Current Assets:				
Cash	$ 18,094	$ 316,819	$ 194	$ 335,107
Receivables:				
Taxes		20,745		20,745
Total Assets	**$ 18,094**	**$ 337,564**	**$ 194**	**$ 355,852**
LIABILITIES				
Vouchers Payable		$ 20,249		$ 20,249
Deposits Payable		194,195		194,195
Due to Other Agencies	$ 18,094	123,120	$ 194	141,408
Total Liabilities	**$ 18,094**	**$ 337,564**	**$ 194**	**$ 355,852**

CITY OF OROVILLE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Feather River Bluffs Fund				
ASSETS				
Cash	$ 18,008	$ 86		$ 18,094
Total Assets	**$ 18,008**	**$ 86**	**$ -**	**$ 18,094**
LIABILITIES				
Due to Other Agencies	$ 18,008	$ 86		$ 18,094
Total Liabilities	**$ 18,008**	**$ 86**	**$ -**	**$ 18,094**
Special Deposit Trust Fund				
ASSETS				
Cash	$ 616,280	$ 3,409,932	$ 3,709,393	$ 316,819
Receivables:				
Taxes	35,766	20,745	35,766	20,745
Total Assets	**$ 652,046**	**$ 3,430,677**	**$ 3,745,159**	**$ 337,564**
LIABILITIES				
Vouchers Payable	$ 34,168	$ 439,736	$ 453,655	$ 20,249
Deposits Payable	377,139	122,876	305,820	194,195
Due to Other Agencies	240,739	2,868,065	2,985,684	123,120
Total Liabilities	**$ 652,046**	**$ 3,430,677**	**$ 3,745,159**	**$ 337,564**
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, 2011

Total	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
ASSETS				
Cash	$ 634,482	$ 3,410,018	$ 3,709,393	$ 335,107
Receivables:				
Taxes	35,766	20,745	35,766	20,745
Total Assets	**$ 670,248**	**$ 3,430,763**	**$ 3,745,159**	**$ 355,852**
LIABILITIES				
Vouchers Payable	$ 34,168	$ 439,736	$ 453,655	$ 20,249
Deposits Payable	377,139	122,876	305,820	194,195
Due to Other Agencies	258,941	2,868,151	2,985,684	141,408
Total Liabilities	**$ 670,248**	**$ 3,430,763**	**$ 3,745,159**	**$ 355,852**

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, 2011 AND 2010

	2011	2010
Governmental Funds Capital Assets:		
Land	$ 7,467,261	$ 7,262,977
Improvements Other Than Buildings	8,321,489	3,318,215
Buildings	11,019,421	10,051,925
Underground Collector System	4,181,297	3,993,666
Machinery and Equipment	8,371,250	8,028,669
Infrastructure	40,325,988	36,274,917
Construction in Progress	1,472,046	10,806,416
Total Governmental Funds Capital Assets	**$ 81,158,752**	**$ 79,736,785**
Investments in Governmental Funds Capital Assets by Source:		
City Governmental Funds:		
General Fund	$ 2,409,938	$ 2,398,172
Special Revenue Funds	9,394,300	8,984,218
Capital Projects Funds	25,186,968	23,991,040
Assets Acquired in Prior Years	43,977,725	44,173,534
Donations	189,821	189,821
Total Governmental Funds Capital Assets	**$ 81,158,752**	**$ 79,736,785**

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, 2011

	Land	Improvements Other Than Buildings	Buildings	Underground Collection System	Machinery And Equipment	Infrastructure	Construction In Progress	Total
General Government	$ 63,455		$ 770,403		$ 313,306			$ 1,147,164
Public Safety	52,500	$ 189,839	1,254,636		5,211,559			6,708,534
Public Works and Streets	2,690,029	953,675	1,394,855		1,964,428	$ 39,143,734	$ 629,830	46,776,551
Parks and Community Relations	582,368	5,880,798	5,347,871		674,815		139,501	12,625,353
Transportation	2,213,385	1,297,177	1,310,049		14,476	1,182,254		6,017,341
Health and Sanitation	380,292			$ 4,181,297				4,561,589
Housing and Community Development	1,485,232		941,607		192,666		702,715	3,322,220
Total Governmental Fund Capital Assets	**$ 7,467,261**	**$ 8,321,489**	**$ 11,019,421**	**$ 4,181,297**	**$ 8,371,250**	**$ 40,325,988**	**$ 1,472,046**	**$ 81,158,752**

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, 2011

	Balance July 1, 2010	Additions	Deletions/ Adjustments	Balance June 30, 2011
General Government	$ 1,103,908	$ 58,433	$ 15,177	$ 1,147,164
Public Safety	6,485,183	223,351		6,708,534
Public Works and Streets	42,434,580	829,253	(3,512,718)	46,776,551
Parks and Community Relations	8,359,148	2,869	(4,263,336)	12,625,353
Transportation	6,052,190	7,476	42,325	6,017,341
Health and Sanitation	3,993,666		(567,923)	4,561,589
Housing and Community Development	11,308,110	496,394	8,482,284	3,322,220
Total General Fixed Assets	**$ 79,736,785**	**$ 1,617,776**	**$ 195,809**	**$ 81,158,752**

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.

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	$ 15,022,573	$ 15,379,291
Restricted	2,552,981	2,331,036	2,117,771	4,327,621	6,785,954	4,423,121	4,063,999	5,495,347	5,841,478
Unrestricted	6,150,482	7,878,229	10,016,196	21,453,033	22,413,007	29,717,622	30,612,745	24,688,683	27,582,885
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	$ 45,206,603	$ 48,803,654
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	701,394	639,487
Total Business-Type Activities Net Assets	$ 69,656	$ 91,759	$ 84,167	$ 444,930	$ 739,232	$ 868,639	$ 805,669	$ 701,394	$ 639,487
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	$ 15,022,573	$ 15,379,291
Restricted	2,552,981	2,331,036	2,117,771	4,327,621	6,785,954	4,423,121	4,063,999	5,495,347	5,841,478
Unrestricted	6,220,138	7,969,988	10,100,363	21,897,963	23,152,239	30,586,261	31,418,414	25,390,077	28,222,372
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	$ 45,907,997	$ 49,443,141

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	$ 2,540,032	$ 2,172,282
Public Safety	4,596,067	5,027,715	5,573,955	6,039,555	6,588,449	6,789,797	7,010,748	7,139,146	7,168,100
Public Works	1,123,315	1,221,645	1,271,814	1,264,877	1,454,510	1,596,817	1,586,656	1,390,260	1,358,012
Streets and Storm Drains	707,519	668,491	684,273	794,733	1,172,901	1,707,890	949,237	825,763	835,234
Transportation	206,029	135,496	194,411	360,690	455,305	608,313	509,462	503,689	553,893
Parks and Leisure	825,479	984,715	1,016,945	973,716	1,038,579	1,064,824	927,792	1,230,892	1,542,029
Health and Sanitation	1,079,628	1,056,899	1,064,965	1,120,658	1,287,714	1,356,115	1,360,243	1,344,401	1,646,946
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	4,843,176	5,386,551
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	1,680,975	1,637,390
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	21,498,334	22,300,437
Business-Type Activities:									
Local Transportation	284,103	335,562	368,189	450,989	376,907	429,477	485,875	294,466	350,471
Total Business-Type Activities Expenses	284,103	335,562	368,189	450,989	376,907	429,477	485,875	294,466	350,471
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	21,792,800	22,650,908
Program Revenues									
Governmental Activities:									
Charges For Services:									
General Government	113,329	759,018	626,967	474,839	516,860	1,045,071	777,362	625,720	360,093
Public Safety	408,274	415,672	544,773	524,241	588,707	529,571	456,466	113,641	246,808
Public Works	49,554	344,229	75,777	203,488	518,926	418,601	176,576	206,077	251,008
Streets and Storm Drains	95,957	334,030	253,481	897,961	515,088	503,593	148,727	50,272	83,120
Transportation	136,703	135,700	216,123	317,589	475,224	556,697	460,937	560,095	523,175
Parks and Leisure	29,958	199,173	175,143	110,888	121,011	190,298	713,658	16,998	50,880
Health and Sanitation	1,360,221	1,488,139	1,403,067	1,511,202	1,683,329	1,804,262	1,728,044	1,808,105	2,136,522
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	1,040,798	2,945,493
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	2,507,962	5,187,330
Capital Grants and Contributions	797,598	480,203	1,074,987	192,709	1,995,122	3,345,417	1,809,680	2,130,596	755,728
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	9,060,264	12,540,157
Business-Type Activities:									
Charges For Services:									
Local Transportation	19,705	15,003	18,386	18,011	17,989	6,975	5,051	6,121	6,991
Operating Grants and Contributions	283,129	338,313	334,796	504,195	627,198	520,174	401,230	540,043	460,262
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	302,834	353,316	353,182	522,206	645,187	527,149	406,281	546,164	467,253
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	9,606,428	13,007,410
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	12,438,070	9,760,280
Business-Type activities	(18,731)	(17,754)	15,007	(71,217)	(268,280)	(97,672)	79,594	(251,698)	(116,782)
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	12,186,372	9,643,498

continued

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	6,474,547	6,404,500
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	2,292,835	2,556,200
Sales and Use Taxes In-Lieu	-	-	-	1,791,244	2,161,518	2,070,355	2,109,251	2,181,518	1,935,673
Documentary Stamp Tax	51,233	61,963	52,301	91,389	82,967	55,679	23,053	36,545	28,101
Transient Occupancy Tax	316,714	331,803	352,354	336,453	323,713	320,145	320,008	334,870	346,716
Utility Users Tax	1,125,580	1,147,103	1,197,309	1,328,099	1,384,802	1,432,010	1,462,014	1,490,161	1,529,221
Franchise Tax	307,456	301,911	311,702	302,601	411,410	395,561	488,888	453,175	442,870
Investment Earnings	639,396	156,887	2,607,477	219,413	302,126	285,453	177,202	138,643	146,561
Unrestricted Grants and Contributions	885,266	599,948	849,374	504,741	232,279	361,927	89,741	79,779	277,000
Miscellaneous	-	930,852	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	361,076	182,038
Total Governmental Activities	10,254,093	10,844,990	13,049,521	12,691,428	13,656,359	14,465,598	14,287,891	13,843,149	13,848,880
Business-Type Activities:									
Investment Earnings	4,251	4,349	7,415	12,513	26,022	31,735	16,624	5,103	3,349
Transfers	-	-	-	-	-	-	-	(361,076)	(182,038)
Total Business-Type Activities	4,251	4,349	7,415	12,513	26,022	31,735	16,624	(355,973)	(178,689)
Total Primary Government	10,258,344	10,849,339	13,056,936	12,703,941	13,682,381	14,497,333	14,304,515	13,487,176	13,670,191
Extraordinary Item	-	-	-	-	-	-	-	(2,387,525)	(491,549)
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	(982,446)	3,597,051
Business-Type activities	22,982	22,103	(7,592)	83,730	294,302	129,407	(62,970)	(104,275)	(61,907)
Total Primary Government	$ 512,593	$ 3,369,609	$ 2,980,482	$ 3,536,786	$ 3,649,058	$ 5,192,265	$ 2,935,690	$ (1,086,721)	$ 3,535,144

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
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:									
Nonspendable								$ 1,826,619 [2]	$ 1,824,021
Restricted								23,455	23,455
Committed								951,059	924,828
Assigned								562,822	473,976
Unassigned								1,247,468	2,202,839
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	$ 4,611,423	$ 5,449,119
All Other Governmental Funds:									
Nonspendable								$ 24,984,681 [2]	$ 24,208,218
Restricted								(10,917,235)	(8,759,371)
Committed								1,659,543	2,312,809
Assigned								10,267,838	11,741,438
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	$ 25,994,827	$ 29,503,094

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

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

[2] City adopted GASB Statement No. 54 in 2010. Prior year amounts have not beeen restated.

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues									
Taxes	$ 8,728,930	$ 9,173,415	$ 9,592,670	$ 11,967,574	$ 13,121,954	$ 13,818,218	$ 14,020,948	$ 13,263,651	$ 13,140,625
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	273,071	330,726
Fines and Forfeitures	92,514	87,496	65,102	72,607	91,652	81,311	80,813	105,202	54,793
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	2,145,611	2,232,010
Intergovernmental Revenues	3,311,438	3,441,916	3,943,311	3,964,804	6,334,566	7,473,793	5,218,287	4,437,887	6,074,278
Current Service Charges	1,429,641	1,757,667	1,680,247	1,924,401	2,225,183	2,150,264	1,825,401	2,048,720	2,376,190
Other Revenues	2,326,129	4,425,141	3,299,714	3,235,400	2,869,356	3,254,837	3,396,845	1,819,075	4,072,668
Total Revenues	19,556,019	22,310,012	22,655,152	26,880,581	29,245,627	31,088,824	27,463,731	24,093,217	28,281,290
Expenditures									
General Government	1,808,024	2,087,760	1,963,497	1,962,238	2,188,558	2,277,407	2,574,182	2,485,526	2,130,720
Public Safety	4,398,812	4,870,513	5,402,885	5,980,420	6,566,957	6,941,375	7,125,145	6,921,467	6,708,238
Public Works	246,939	244,516	250,969	251,611	358,093	392,907	448,931	183,024	252,524
Streets and Storm Drains	704,024	677,864	695,956	813,115	988,692	998,588	978,716	835,452	822,465
Transportation	127,102	53,685	112,766	270,892	366,683	525,557	425,549	420,940	465,155
Parks and Leisure	730,415	842,668	872,758	832,592	915,284	984,536	1,103,583	1,067,041	1,334,756
Health and Sanitation	997,915	1,062,503	1,072,167	1,135,167	1,238,363	1,383,795	1,364,720	1,349,585	1,638,361
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	4,800,823	5,349,352
Capital Outlay	4,014,148	2,882,147	3,423,900	3,522,838	3,029,727	7,240,127	4,467,125	4,279,952	1,661,626
Debt Service:									
Principal Retirement	886,547	2,705,090	1,000,000	714,162	568,333	3,541,299	863,369	993,160	1,052,407
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	2,938,448	2,875,124
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	26,275,418	24,290,728
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	(2,182,201)	3,990,562
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	8,378,876	8,449,394
Transfers Out	(20,451,232)	(7,690,802)	(18,106,854)	(10,170,784)	(9,671,144)	(9,605,230)	(8,402,761)	(8,135,117)	(7,602,444)
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	145,903	-
Total Other Financing Sources(Uses)	13,548,522	184,840	5,649,809	(12,950)	7,679,416	452,730	790,118	389,662	846,950
Extraordinary Item	-	-	-	-	-	-	-	(2,387,525)	(491,549)
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	$ (4,180,064)	$ 4,345,963
Debt Service as Percentage of Noncapital Expenditures	27.5%	26.5%	21.0%	17.5%	33.3%	23.9%	16.4%	17.9%	17.4%

[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 nine years of data for this schedule.

CITY OF OROVILLE
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST NINE 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	112,723	1,681	21	114,425	885,613	119,496	955	1,006,064	0.537%
2010	102,855	1,471	21	104,347	872,554	118,233	955	991,742	0.549%
2011	98,830	1,268	24	100,122	826,992	123,073	1,176	951,241	0.573%

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

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

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

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
City Direct Rates:									
City of Oroville/Oroville Redevelopment Agency	$ 1.000000	$ 1.000000	$ 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	1.000000	1.000000
Overlapping Rates:									
Butte College	0.018814	0.017110	0.016003	0.020880	0.020880	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	0.018963	0.018664
Oroville High School District	0.000000	0.027247	0.017321	0.016897	0.017241	0.014688	0.015008	0.035438	0.036745
	$ 1.018814	$ 1.066581	$ 1.058473	$ 1.057112	$ 1.056800	$ 1.052758	$ 1.053254	$ 1.075281	$ 1.076289

The City of Oroville has elected to show only nine 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

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

	2011			2002		
Taxpayer	**Taxable Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**	**Taxable Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**
Pacific Coast Producers	$ 24,475	1	2.33%	$ 6,474	4	1.13%
Oroville Plaza El LLC	11,808	2	1.12%	-		
Roplast Industries, Inc	11,348	3	1.08%	-		2.43%
Oroville Medical Complex	10,412	4	0.99%	-		-
Boulder Creek Housing LLC	10,281	5	0.98%	-		
Sierra Pacific Industries	9,181	6	0.87%	-		-
Home Depot USA	9,033	7	0.86%	-		-
California AVIV LLC	8,525	8	0.81%	-		-
Ammunition Accessories	8,119	9	0.77%	-		-
Currier Square Spe LLC	7,906	10	0.75%	-		-
Western Investment Real Estate Trust	-		-	9,231	1	1.51%
California Investors XV	-		-	8,916	2	1.46%
Pension Fund For Operating Engineers Trust	-		-	7,436	3	1.29%
Oroville Cogeneration Ltd. Partnership	-		-	5,912	5	1.03%
Wal Mart Stores Inc.	-		-	5,713	6	0.99%
Guillon Business Park Properties 2 LP	-		-	4,923	7	0.86%
Blount, Inc	-		-	4,592	8	0.80%
Oroville Assisted Living	-		-	4,550	9	0.79%
Craig W. Dress, Trust	-		-	4,274	10	0.74%
Totals	$ 111,088		10.57%	$ 62,021		13.03%

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

CITY OF OROVILLE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST NINE 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%
2010	9,123,272	8,188,656	89.76%	118,319	8,306,975	91.05%
2011	8,822,935	8,009,844	90.78%	83,850	8,093,694	91.73%

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

Source: Department of Finance, City of Oroville

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

Fiscal Year	Governmental Activities							Total Primary Government	Percentage of Personal Income	Debt Per Capita
	OPFA[1]									
	Revenue Bonds	Tax Allocation Bonds	Pension Obligation Bonds	Limited Obligation Bonds	COP Loan	Capital Leases	Total Governmental Activities			
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
2010	-	25,520,000	6,825,000	-	419,523	211,825	32,976,348	32,976,348	9.83%	2,245
2011	-	24,790,000	6,605,000	-	402,623	126,319	31,923,942	31,923,942	8.97%	2,054

The City of Oroville has elected to show only eight 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

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

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

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

Fiscal Year	Governmental Activities: OPFA Revenue Bonds	OPFA 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
2010	-	25,520,000	6,825,000	1,984,163	30,360,837	2.77%	2,067
2011	-	24,790,000	6,605,000	1,983,196	29,411,804	2.80%	1,892

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

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

Source: Department of Finance, City of Oroville

CITY OF OROVILLE
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2011

City of Oroville Assessed Valuation	$ 100,122,000
Oroville Redevelopment Agency Assessed Valuation	951,241,000
Total Assessed Valuation	$ 1,051,363,000

	Percentage Applicable[1]	Outstanding Debt 06/30/11	Estimated Share of Overlapping Debt
Overlapping Debt Repaid With Property Taxes:			
Oroville Unified Elementary District General Obligation Bonds	3.006%	$ 5,863,694	$ 176,263
Oroville Unified High School District General Obligation Bonds	6.292%	20,171,395	1,269,184
Butte Community College District	6.116%	85,440,000	5,225,510
Total Overlapping Debt Repaid With Property Taxes		111,475,089	6,670,957
Overlapping Other Debt:			
Total Other Overlapping Debt		-	-
Total Overlapping Debt		$ 111,475,089	6,670,957
Direct Debt			31,923,942
Total Direct And Overlapping Debt			$ 38,594,899

[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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assessed Valuation	$ 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	$ 1,096,089,000	$ 1,051,363,000
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	$ 152,595,773	$ 164,621,471	$ 171,671,902	$ 183,647,032	$ 203,967,310	$ 257,050,894	$ 283,814,374	$ 280,360,750	$ 274,022,250	$ 262,840,750
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	$ 22,889,366	$ 24,693,221	$ 25,750,785	$ 27,547,055	$ 30,595,096	$ 38,557,634	$ 42,572,156	$ 42,054,113	$ 41,103,338	$ 39,426,113
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-	7,260,000	7,175,000	7,015,000	6,825,000	6,605,000
Legal debt margin	$ 22,889,366	$ 24,693,221	$ 25,750,785	$ 27,547,055	$ 30,595,096	$ 31,297,634	$ 35,397,156	$ 35,039,113	$ 34,278,338	$ 32,821,113
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	18.8%	16.9%	16.7%	16.6%	16.8%

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

CITY OF OROVILLE
PLEDGE-REVENUE COVERAGE
LAST NINE 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]	1,164,200	1.98
2009	6,323,564	625,000	1,239,680	3.39
2010	6,289,041	705,000	1,218,249	3.27
2011	5,970,083	730,000	1,192,881	3.10

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

The City of Oroville has elected to show only nine 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

CITY OF OROVILLE
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(only years available)

Calendar Year	Population[1]	Personal Income[2] (in thousands)	Per Capita Personal Income	Unemployment Rate[3]
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%
2010	14,687	335,510	22,844	17.8%
2011	15,546	356,066	22,904	19.1%

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

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

Table 15

CITY OF OROVILLE
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2011		2002	
Employer	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
County of Butte	2,352	27.67%	2,074	28.53%
Oroville Medical Complex	1,317	15.49%	673	9.26%
Pacific Coast Producers	1,285	15.12%	533	7.33%
Wal Mart Stores, Inc.	250	2.94%	228	3.14%
Home Depot USA	114	1.34%	-	0.00%
City of Oroville	109	1.28%	104	1.43%
Currier Square Spe LLC	105	1.24%	100	1.38%
Roplast Industries, Inc.	113	1.33%	103	1.42%
Ammunition Accessories	94	1.11%	125	1.72%
Sierra Pacific Industries	248	2.92%	70	0.96%

"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

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	17	18	21	20	20	19	22	24	14	22	15
Public Safety	59	59	59	56	56	57	60	61	62	39	60
Public Works	10	10	10	13	13	13	13	11	14	20	18
Community Development	8	8	8	12	12	12	11	14	11	11	10
Parks and Trees	9	11	11	10	10	10	10	10	21	20	10
Planning											10
	103	106	109	111	111	111	116	120	122	112	123

Source: City of Oroville Budget

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

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

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

Source: City of Oroville
Sewage Commission - Oroville Region

CITY OF OROVILLE
CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	131.59	132.63	132.88	92.60	92.60	92.60
Streetlights	1,223	1,223	1,223	1,229	1,234	1,256	1,375	1,375	1,375	1,377
Traffic Signals	18	18	18	18	18	18	17	7	7	7
Parks and Recreation:										
Parks	6	6	6	6	6	6	6	7	7	7
Community Centers	3	3	3	3	3	3	3	3	3	3
Wastewater[1]:										
Sewer Lines (miles)	73	73	73	73	73	73	73	66	66	66
Sewer Storm Drains	73	73	73	73	73	73	73	31	31	31
Maximum Daily Capacity (thousands of gallons)	113.93	118.11	115.96	114.19	124.65	124.65	111.28	166.79	165.49	166.21

[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, 2011

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:		
08-STBG-4482	14.228	244,600
09-STBG-6424	14.228	166,555
10-STBG-6731	14.228	36,982
07-PTAE-6304	14.228	32,796
08-PTAG-5412	14.228	70,000
08-PTAG-5351	14.228	35,000
07-EDEF-3733	14.228	340,484
07-EDOC-3900	14.228	225,110
08-EDEF-5884	14.228	28,155
09-EDEF-6364	14.228	10,898
ARRA - 09-EDAR-6472	14.228	806,815
Subtotal		1,997,395
Home Investment Partnerships Program:		
07-HOME-3903	14.239	1,967
09-HOME-6226	14.239	281,957
Subtotal		283,924
Total U.S. Department of Housing and Urban Development		**2,281,319**
U.S. Department of Transportation		
Airport Improvement Program:		
Project No. 03-06-0178-13	20.601	3,802
Project No. 03-06-0178-14	20.601	33,865
Subtotal		37,667
Passed Through State Department of Transportation:		
Highway Planning and Construction:		
ARRA Project No. ESPL-5142(31)	20.205	173,023
Project No. ESPL-5142(31)	20.205	323,444
Subtotal		496,467
Total U.S. Department of Transportation		**534,134**
U.S. Department of Agriculture		
Community Facilities Loans and Grants		
04-004-946000387 (Loan)	10.766	72,072
04-004-946000387 (Grant)	10.766	14,860
Rural Business Enterprise Grants		
ARRA - 04-004-1946003877	10.769	56,209
Total U.S. Department of Agriculture		**143,141**
U.S. Department of Justice		
Public Safety Partnership & Community Policing:		
COPS Technology Program:		
2008CKWX0299	16.710	72,620
COPS Hiring Recovery Program:		
ARRA - 2009RKWX0091	16.710	85,823
Edward Byrne Memorial:		
COPS JAG:		
ARRA - 2009-SB-B9-0956	16.804	4,603
COPS JAG Cadet:		
2009DJBX0269	16.738	1,149
COPS JAG Equipment:		
2010DJBX0303	16.738	15,545
Bulletproof Vest Partnership Program	16.607	3,389
Total U.S. Department of Justice		**183,129**
U.S. Department of the Interior		
Save America's Treasures		
06-08-ML-0711	15.929	7,077
Total U.S. Department of the Interior		**7,077**
TOTALS		**$ 3,148,800**

See accompanying notes to schedule of expenditures of federal awards.

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

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 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 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, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 11, 2012, which was modified to explain the possible dissolution of the Oroville Redevelopment Agency (a component unit of the City). 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

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

Davis Hammon & Co.

January 11, 2012

MEMBERS: AMERICAN INSTITUTE AND CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
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(1924-1989)

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 could have a direct and material effect on the City's major federal programs for the year ended June 30, 2011. 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 identified in the accompanying schedule of findings and questioned costs 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 compliance requirements referred to above that could have a direct and material effect on its major federal program identified in the accompanying schedule of findings and questioned costs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of City of Oroville is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements of laws, regulations, contracts and grants applicable to its major federal program. 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Oroville's internal control over compliance.

A deficiency in internal control 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the City Council, management, others within the organization, the Office of the Controller of the State of California, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Davis Hammon & Co.

January 11, 2012

CITY OF OROVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2011

A) Summary of Audit Results

1) The auditors' report expresses an unqualified opinion on the basic financial statements. The report was modified to explain the possible dissolution of the Oroville Redevelopment Agency (a component unit of the City).

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 program tested as a major program included:

   a. U.S. Department of Housing and Urban Development
      Community Development Block Grants
      CFDA: 14.228

   b. U.S Department of Transportation
      Highway Planning and Construction
      CFDA: 20.205

8) The threshold for distinguishing Types A and B programs was $300,000.

9) The City of Oroville was determined to be a low-risk auditee.

B) Findings – Financial Statement Audit

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

C) Findings and Questioned Costs – Major Federal Award Programs

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

CITY OF OROVILLE
STATUS OF PRIOR YEAR FINDINGS
JUNE 30, 2011

No findings or questioned costs noted during prior year audit.

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, 2011. 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.

January 11, 2012

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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, 2011, and have issued our report thereon dated January 11, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with the compliance requirements noted above which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance.

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

Davis Hammon & Co.

January 11, 2012

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