CITY OF OROVILLE

COMPREHENSIVE ANNUAL FINANCIAL REPORT TOGETHER WITH AUDITOR'S REPORT

FOR THE
FISCAL YEAR ENDED
JUNE 30, 2012

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF OROVILLE
California

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Submitted by:

Department of
Finance

Diane MacMillan
Director of Finance

CITY OF OROVILLE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Director of Finance's Letter of Transmittal	i - iv
Listing of City's Officials	v
Organization Chart	vi
Certificate of Achievement for Excellence in Financial Reporting	vii
FINANCIAL SECTION	
Independent Auditors' Report	2 - 3
Management Discussion and Analysis	4 - 15
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet - Governmental Funds	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Position - Proprietary Funds	23
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25
Statement of Fiduciary Net Position	26
Statement of Changes in Fiduciary Net Position	27
Notes to Financial Statements	28 - 51
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General Fund	53
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Housing Program Fund	54
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - First Time Home Buyer Fund	55
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Community Development Block Grant Fund	56
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Oroville Public Financing Authority Fund	57
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Oroville Redevelopment Agency Fund	58
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Oroville Redevelopment Agency Low & Moderate Income Housing Fund	59
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - HOME Housing Revolving Loan Fund	60
City of Oroville Retiree Healthcare Plan - Schedule of Funding Progress	61

CITY OF OROVILLE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
TABLE OF CONTENTS

FINANCIAL SECTION (continued)

Nonmajor Combining and Individual Fund Statements:

Combining Nonmajor Governmental Funds:

Combining Balance Sheet - Nonmajor Governmental Funds 63

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds 64

Combining and Individual Special Revenue Funds:

Combining Balance Sheet - Special Revenue Funds 66 - 70

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds 71 - 75

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Community Promotions Fund 76

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Sewer Fund 77

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Sewer Connection Fees Fund 78

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Drainage Impact Fees Fund 79

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Park Development Fees Fund 80

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Thermalito Traffic Impact Fees Fund 81

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Traffic Impact Fees Fund 82

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Drainage Citywide Fund 83

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Local Transportation Fund 84

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Regional Surface Transportation Program Fund 85

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Technology Fee Fund 86

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Recycling Fund 87

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Special Gas Tax 2107 & 2107.5 Fund 88

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Special Gas Tax 186.1 & 2106 Fund 89

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Special Gas Tax 2105 Fund 90

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Special Aviation Fund 91

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Housing Administration Fund 92

CITY OF OROVILLE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
TABLE OF CONTENTS

FINANCIAL SECTION (continued)

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - EDBG Fund	93
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Asset Seizure Fund	94
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Public Safety Augmentation Fund	95
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Police Supplemental Law Enforcement Fund	96
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Law Enforcement Block Grant Fund	97
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Law Enforcement Impact Fee Fund	98
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Miscellaneous Grant Fund	99
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Fire Suppression Impact Fee Fund	100
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Contingency Fund	101
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Fire Grant Fund	102
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - PEG Fee Fund	103
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - General Government Development Impact Fee Fund	104
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Lighting & Landscape Maintenance Districts Fund	105
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Benefit Assessment Districts Fund	106
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Westside Public Service Fund	107
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Public Safety Services Fund	108
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Supplemental Benefits Fund	109
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Public Facility Revolving Loan Fund	110
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Pioneer Museum Fund	111
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Public Works Manufacturing Development Center Fund	112
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - City Housing Rehabilitation Revolving Loan Fund	113
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Economic Development Revolving Loan Fund	114

CITY OF OROVILLE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
TABLE OF CONTENTS

FINANCIAL SECTION (continued)

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - CDBG Housing Revolving Loan Fund 115

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - CalHOME Revolving Loan Fund 116

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Housing Rehabilitation Revolving Loan Fund 117

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - City Revolving Loan Fund 118

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Oroville RDA Revolving Loan Fund 119

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Annexation Fund 120

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Plan Retention Fund 121

Combining Debt Service Funds:

Combining Balance Sheet - Debt Service Funds 123

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Debt Service Funds 124

Combining and Individual Capital Projects Funds:

Combining Balance Sheet - Capital Funds 126

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Capital Projects Funds 127

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Equipment Replacement Fund 128

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - New Capital Equipment Fund 129

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Capital Projects Fund 130

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Building Facilities Capital Improvement Fund 131

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Oroville Redevelopment Agency 2001 Bond Fund 132

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Oroville Redevelopment Agency 1995 Bond Fund 133

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) And Actual - Oroville Redevelopment Agency 2004 Bond Fund 134

Internal Service Funds:

Combining Statement of Net Position - Internal Service Funds 136

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds 137

Combining Statement of Cash Flows - Internal Service Funds 138

CITY OF OROVILLE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
TABLE OF CONTENTS

FINANCIAL SECTION (continued)

Agency Funds:

Combining Balance Sheet - Agency Funds 140

Combining Statement of Changes in Assets and Liabilities - Agency Funds 141 - 142

STATISTICAL SECTION (unaudited)

Schedules of Financial Trends Information

Net Assets/Position by Component 144

Changes in Net Assets/Position 145 - 146

Fund Balances of Governmental Funds 147

Changes in Fund Balances of Governmental Funds 148

Schedules of Revenue Capacity Information

Assessed Value and Estimated Actual Value of Taxable Property 149

Direct and Overlapping Property Tax Rates 150

Principal Property Tax Payers 151

Property Tax Levies and Collections 152

Schedules of Debt Capacity

Ratios of Outstanding Debt by Type 153

Ratio of General Bonded Debt Outstanding 154

Direct and Overlapping Debt 155

Legal Debt Margin Information 156

Pledge-Revenue Coverage 157

Schedules of Demographic and Economic Information

Demographic and Economic Statistics 158

Principal Employers 159

Schedules of Operating Information

Full-Time and Part-Time City Employees by Function 160

Operating Indicators by Function 161

Capital Asset Statistics 162

SINGLE AUDIT AND OTHER COMPLIANCE REPORTS

Single Audit Schedule and Reports:

Schedule of Expenditures of Federal Awards 164

Notes to the Schedule of Expenditures of Federal Awards 165

Independent Auditors' Report on Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements In Accordance With *Government Auditing Standards* 166

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-133 167 - 168

Schedule of Findings and Questioned Costs 169 - 170

Status of Prior Year Findings 171

Other Compliance Reports:

Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets 172

Auditor's Report on Compliance Relating to the Sewerage Commission - Oroville Region 173

DISCOVER GOLD . . . DISCOVER OROVILLE

1735 MONTGOMERY STREET • OROVILLE, CALIFORNIA 95965

January 28, 2013

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, 2012. The City's Department of Finance has prepared this report in conformity with accounting principles generally accepted in the United States of America. The City has adopted the new reporting requirements prescribed by the Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities.* Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures rests with the City.

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

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

THE REPORTING ENTITY

This report includes all of the funds of the City of Oroville and entities with all their funds related to the City of Oroville. Under criteria established by the Governmental Accounting Standards Board, the financial statements of the Oroville Redevelopment Agency (dissolved) 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 Oroville 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.

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

The City provides those municipal services required by statute or charter. These municipal services include fire, police, planning, building inspections (development services), community services and parks, public works including street maintenance, sewer maintenance, street 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 $44 million in grant funds over the past several years. This has offset the local cost for planned improvements in our community. Over the next several years our focus will be on completing capital improvement projects that are grant or bond funded. These improvements enhance the local appeal as well as set up for new infrastructure and future sustainability.

The City of Oroville is repositioning itself to provide a sustainable level of service in this slow growth economy. The City is working to eliminate the structural imbalance between revenues and expenditures which will be the focus of the upcoming annual budget for 2013-14. The City has an $800,000 reserve which has been maintained thru the 2011-12 fiscal year.

OTHER INFORMATION

LONG TERM FINANCIAL PLANNING

The City of Oroville established a five year general fund budget projection that calls for the use of fund balance which cannot be sustained over an extended period of time. The City is optimistic about its future strategy and will be ready to capitalize when the California economy starts to recover.

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

SINGLE AUDIT AND COMPLIANCE

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Budgeting Control

A two-year budget and financial plan approved by the City Council is established for all funds except for Trust and Agency Funds. Certain modifications to the Adopted Budget must be approved by the City Council and/or the City Administrator. The City adopted an Expenditure Control Budget (ECB) effective with the 1994-95 fiscal year. The City's charter requires that a budget be approved each year. The Annual Budget for fiscal year 2011-12 was approved by the City Council in July of 2011.

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 2011/12 were below the adopted limit of $31,277,495. Appropriations and related expenditures are expected to continue to remain well below limit in 2012-13.

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, 2012. The auditors' reports on the general purpose financial statements and combining individual fund statements and schedules are

included in the financial section of this report. The auditors' report relating specifically to the single audit is included in the single audit and compliance section.

ACKNOWLEDGMENTS

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

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Oroville for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. This was the seventeenth 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,

Peter Cosentini,
Interim City Administrator

Diane MacMillan,
Director of Finance

CITY OF OROVILLE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2012

Prepared by Finance Department

City Officials

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

Linda Dahlmeier - Mayor

Thil Wilcox – Vice Mayor
JR Simpson
Gordon Andoe

Cheri Bunker
David Pittman
Jack Berry

ADMINISTRATION

G. Harold Duffy
City Administrator

Diane MacMillan
Director of Finance

Bill LaGrone
Chief of Police

Vacant
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

Artur DaRosa
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

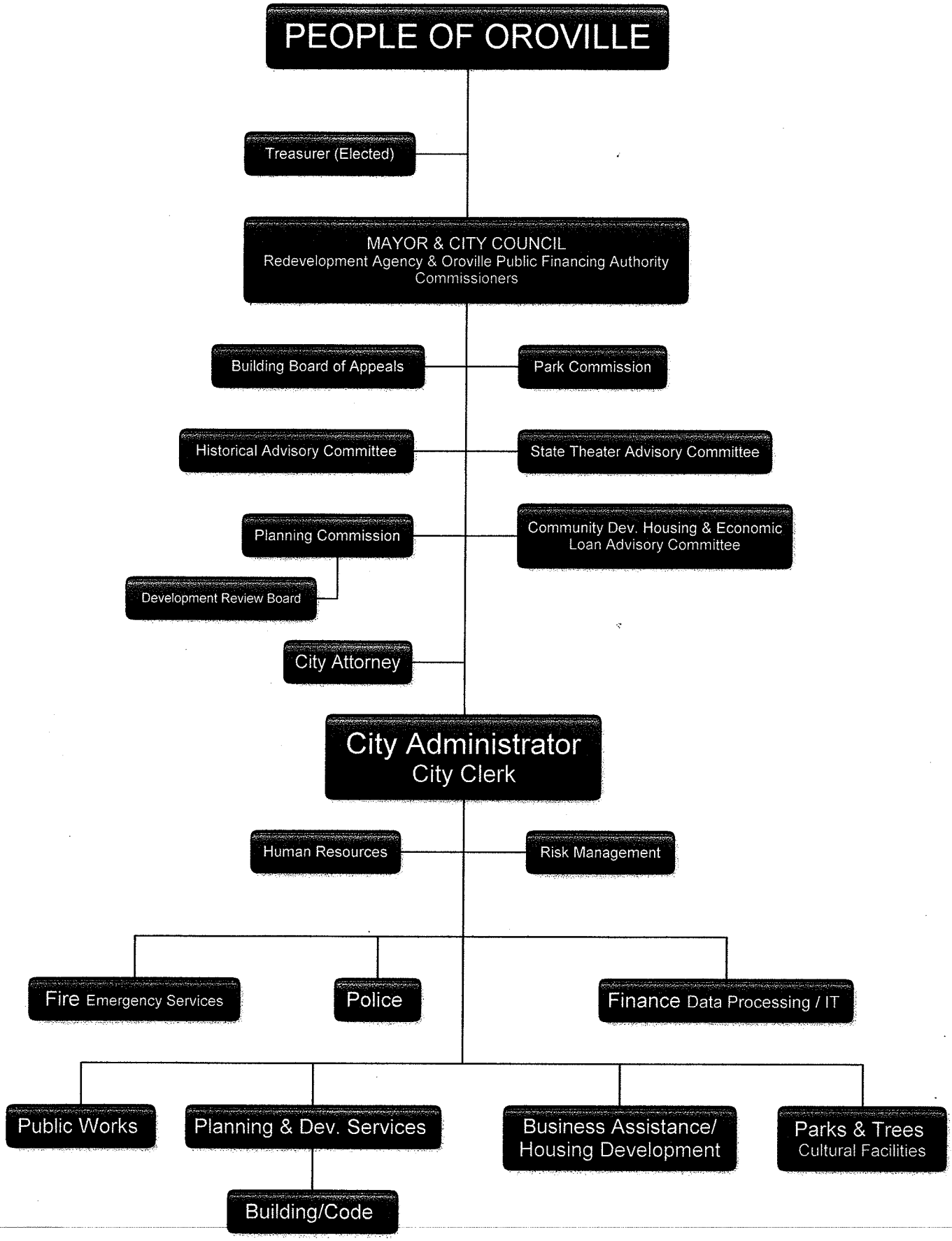
Randy Chapman
Carl Durling

PARK COMMISSION

Beth Brown Standley

Scott Lawrence - Chair
Machelle Conn

Jim Prouty
Freda Flint


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, 2011

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.

Christopher P Morrill
President

Jeffrey R. Esser
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, 2012, 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, 2012, 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 was a component unit of the City of Oroville. As explained further in Note 4(G) *Extraordinary Item – Successor Agency Trust For Assets of Former Redevelopment Agency*, the California State Legislature has enacted legislation that dissolved all redevelopment agencies in the State of California effective February 1, 2012. The City of Oroville has elected to serve as the successor agency to the Oroville Redevelopment Agency.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2013, 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 on pages 4 through 15, and required supplementary information on pages 53 through 61, 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, 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 21, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2012

As management of the City of Oroville, we offer readers of the City of Oroville's financial statements this narrative overview and analysis of the financial activities of the City of Oroville for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i – iv of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Oroville exceeded its liabilities at the close of the most recent fiscal year by $56,204,633. Of this amount, $8,480,034 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- At the close of the current fiscal year, the City of Oroville's governmental funds reported combined fund balances of $45,230,350, a increase of $10,278,137 in comparison with the prior year. Approximately 17.7% of this amount, $2,555,695, is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $2,854,813 or approximately 24% of total general fund expenditures.
- The City of Oroville's total outstanding long-term debt decreased by $356,473 during the current fiscal year because short-term financing was paid in full and bond balances decreased.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

The Statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The Government-Wide financial statements can be found on pages 17-18 of this report.

Fund Financial Statements

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

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

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

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

detail, with additional information, such as cash flows. 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 23-25 of this report.

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial statements. The notes to financial statements can be found on pages 28-51 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 53-61 of this report. Nonmajor combining and individual fund statements and schedules can be found on pages 63-142 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the net position for the City as a whole increased 13.7% from $49,443,141 at June 30, 2011 to $56,204,633 at June 30, 2012. A large portion of the City's net position, $13,110,503, (23.3%) 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 position, $34,614,096 (61.6%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted

net assets, $8,460,034 (15.1%) may be used to meet the City's ongoing obligations to citizens and creditors.

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

For the year ended June 30, 2012, the City adopted the reporting provisions contained in GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities.* The City determined that restatement of prior year financial statements was not practical therefore amounts presented for 2011 on the following tables have not been restated.

CITY OF OROVILLE'S NET POSITION

	Governmental Activities		Business Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	$ 82,230,212	$ 72,264,632	$ 330,049	$ 640,187	$ 82,560,261	$ 72,904,819
Capital assets	37,743,326	40,169,291	-	-	37,743,326	40,169,291
Total Assets	119,973,538	112,433,923	330,049	640,187	120,303,587	113,074,110
Total deferred outflows of resources	5,086,380	-	-	-	5,086,380	-
Vouchers payable and current liabilities	1,690,019	1,396,865	825	700	1,690,844	1,397,565
Other liabilities	35,038,115	32,608,085	-	-	35,038,115	32,608,085
Non-current liabilities	32,457,200	29,625,319	-	-	32,457,200	29,625,319
Total Liabilities	69,185,334	63,630,269	825	700	74,272,539	63,630,969
Net Position:						
Net investment in assets	13,110,503	15,379,291	-	-	13,110,503	15,379,291
Restricted	34,614,096	5,841,478	-	-	34,614,096	5,841,478
Unrestricted	8,150,810	27,582,885	329,224	639,487	8,480,034	28,222,372
Total Net Position	$ 55,875,409	$ 48,803,654	$ 329,224	$ 639,487	$ 56,204,633	$ 49,443,141

Because of the dissolution of the Oroville Redevelopment Agency ("RDA"), most of assets and liabilities of the former RDA were transferred to the Oroville Successor Agency. As mentioned previously, the activities of the Oroville Successor Agency are reported as a private-purpose trust fund of the City of Oroville and, therefore, have been excluded from the determination of net position. The City of Oroville now reports a loan receivable (restricted) of $24,035,000 from the Oroville Successor Agency for amounts due to the Oroville Public Financing Authority ("OPFA"), a component unit of the City of Oroville. The loan is restricted as loan payments must be used for servicing the bonded debt of the OPFA. In prior years this loan receivable was eliminated in preparing the Government-Wide because both the RDA and OPFA were included in the determination of net position.

The total increase in net position of the City of Oroville due to the dissolution of the RDA was $11,509,606.

CITY OF OROVILLE CHANGES IN NET POSITION

	Governmental Activities		Business Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for services	$ 5,939,799	$ 6,597,099	$ 10,207	$ 6,991	$ 5,950,006	$ 6,604,090
Operating grants and contributions	7,049,895	5,187,330	475,194	460,262	7,525,089	5,647,592
Capital grants and contributions	934,239	755,728	-	-	934,239	755,728
General Revenues:						
Taxes:						
Property taxes	4,331,329	6,404,500	-	-	4,331,329	6,404,500
Sales and use taxes	2,698,234	2,556,200			2,698,234	2,556,200
Other taxes	4,258,322	4,282,581	-	-	4,258,322	4,282,581
Intergovernmental revenue not restricted to specific programs	-	277,000	-	-	-	277,000
Unrestricted investment earnings	74,472	146,561	1,427	3,349	75,899	149,910
Total Revenues	25,286,290	26,206,999	486,828	470,602	25,773,118	26,677,601
Expenses:						
General government	2,408,143	2,172,282	-	-	2,408,143	2,172,282
Public safety	7,919,128	7,168,100	-	-	7,919,128	7,168,100
Public works	1,252,132	1,358,012	-	-	1,252,132	1,358,012
Streets and storm drains	1,009,836	835,234	-	-	1,009,836	835,234
Transportation	691,645	553,893	505,722	350,471	1,197,367	904,364
Housing and development	9,734,800	5,386,551	-	-	9,734,800	5,386,551
Parks and leisure	2,731,128	1,542,029			2,731,128	1,542,029
Health and sanitation	1,686,298	1,646,946	-	-	1,686,298	1,646,946
Interest and fiscal charges	1,884,524	1,637,390	-	-	1,884,524	1,637,390
Total Expenses	29,317,634	22,300,437	505,722	350,471	29,823,356	22,650,908
Transfers	291,369	182,038	(291,369)	(182,038)	-	-
Extraordinary item	11,509,606	(491,549)			11,509,606	(491,549)
Change in Net Position	7,769,631	3,597,051	(310,263)	(61,907)	7,459,368	3,535,144
Net Position - July 1,	48,803,654	45,206,603	639,487	701,394	49,443,141	45,907,997
Cumulative effect of in accounting principal	(697,876)	-	-	-	(697,876)	-
Net Position, June 30	$ 55,875,409	$ 48,803,654	$ 329,224	$ 639,487	$ 56,204,633	$ 49,443,141

GOVERNMENTAL ACTIVITIES

Total resources available during the year to finance governmental operations were $73,683,437, consisting of net position at July 1, 2011 of $48,803,654, program revenues of $13,923,933 and general revenues and transfers of $11,653,726. Total expenditures for governmental activities during the year were $29,317,634, Also, there was an extraordinary increase of $11,509,606 recognized as a result of the dissolution of the Oroville Redevelopment Agency. Net position increased by $7,769,631 to $55,875,409.

The cost of all governmental activities this year was $29,317,634. However, as shown in the Statement of Activities, the amount that the taxpayer ultimately financed for these activities was $15,393,701 because some of the cost was paid by those who directly benefited from these programs, $5,939,799, or by other governments and organizations that subsidized certain programs with operating grants and contributions, $7,049,895 and capital grants and contributions, $934,239. The City paid the "public benefit" portion of governmental activities from various taxes such as property, sales, transient occupancy, utility user, motor vehicle in-lieu-of, gas taxes, etc. (some of which could only be used for certain programs) and with other revenues, such as interest on general entitlements.

BUSINESS TYPE ACTIVITIES

The City's net position from business type activities decreased by $310,263. There were no investments in capital assets attributable to business type activities of the City as of June 30, 2012.

The cost of all Proprietary (business type) activities this year was $505,722. As shown in the Statement of Activities and Changes in Net Position, the amounts paid by users of the systems were $10,207. Operating grants and contributions were $475,194. Capital grants and contributions were $0. Investment earnings were $1,427.

Total resources available during the year to finance Proprietary fund (business type) activities were $1,126,315 consisting of net assets as of July 1, 2011 of $639,487, program revenues of $485,401 and general revenues of $1,427. The total cost of proprietary fund (business type) activities during the year were $505,722 and a transfer out of $291,369 was made; thus, net assets were decreased from $639,487 to $329,224. This decrease is attributable to the transfer made to City's General Fund for street maintenance and operating costs.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The total fund balance at year-end for the City's General fund of $4,000,858 is a decrease of $1,448,261 over the prior year-end. Tax revenues increased by $926,843 as well as all other revenues increased by $136,554. The tax revenue increase is mainly attributable to property taxes. The increase in other revenues were mainly due to the following two categories, current service fees and permits.

In most significant fund balance changes occurred in the Oroville Redevelopment Agency funds as a result of the dissolution of the Agency by the State of California effective February 1, 2012. As noted earlier, most of the assets and liabilities of the Agency were transferred to the Oroville Successor Agency. However, some of the assets of the Oroville Redevelopment Agency Low

and Moderate Income Housing Fund were transferred to the City's newly established Housing Program Fund. The Housing Program Fund realized an extraordinary gain of $871,321. At June 30, 2012, the Housing Program Fund had a total fund balance of $1,022,922.

Among the special revenue funds, the First Time Homebuyers Grant Fund experienced a modest fund balance change, decreasing by $1,66,614 from $675,241 on June 30, 2011 to $508,627 on June 30, 2012. 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.

DEBT ADMINISTRATION

Debt from governmental activities decreased by $356,473 from $32,813,673 at year-end in fiscal year 2010-11 to $32,457,200 at year-end in fiscal year 2011-12, primarily due to regular debt service payments. As of June 30, 2012, only $8,321,916 is considered general City obligations subject to the City's debt limit which is $38,638,725. There was no debt attributable to business type activities as of June 30, 2012.

Taxable Pension Obligation Bonds – These bonds are an unconditional obligation of the City of Oroville payable from any legally available funds. The bonds are not voter-approved debt backed by the taxing power of the City of Oroville and the full faith and credit of the City has not been pledged to the repayment of the bonds. Due the increasing public employee retirement system obligations for the unfunded liability portion which triggers higher rates, the City of Oroville along with other Cities and Counties chose to issue bonds for the unfunded liability to stabilize the rates going forward for retirement. The City of Oroville's initial portion of the bond issuance equaled $7,260,000 and the balance outstanding at June 30, 2012, was $6,355,000.

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. The Oroville Successor Agency is now obligated to repay the loans to the OPFA.

The loan payments made to the OPFA by the Oroville Successor Agency are the sole source of revenues dedicated 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 bonds.

In October 2002, the OPFA issued $18,255,000 of 2002 Tax Allocation Revenue Bonds. The proceeds were loaned to the former Oroville 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 former Oroville Redevelopment Agency to defease an issue, and to provide an additional $5,375,000 in money for new RDA Projects.

The total amount outstanding for all three issues was $24,035,000 at June 30, 2012.

	Balance July 1, 2011	Incurred or Issued	Satisfied or Matured	Balance June 30, 2012
Government Activities:				
Compensated absences	$ 590.873	$ 682.071	$ 351.986	$ 920.958
Oroville Public Financing Authority revenue bonds payable	24,790,000	-	755,000	24,035,000
Loans and leases	528,942	264,177	107,124	685,995
Pension obligation bonds	6,605,000	-	250,000	6,355,000
Total Governmental Activities	$ 32,514,815	$ 946,248	$ 1,464,110	$ 31,996,953
Business Type Activities:				
Total Business Type Activities	$ -	$ -	$ -	$ -

The above table excludes unamortized issue discounts, premiums and refunding loss; 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, 2012, net capital assets of the governmental activities totaled $37,743,326 and the net capital assets of the business type activities totaled $0. Depreciation on capital assets is recognized in the Government-Wide Financial Statements. The City has elected to use straight line depreciation as defined by GASB Statement No. 34 for calculation of depreciation.

	Original Cost	Accumulated Depreciation	Book Value
Government Activities:			
Land	$ 5,982,029	$ -	$ 5,982,029
Buildings and improvements	19,995,952	6,831,483	13,164,469
Underground collection system	4,181,297	2,852,926	1,328,371
Equipment, vehicles, machinery	9,168,577	5,660,650	3,507,927
Infrastructure	40,366,442	28,334,850	12,031,592
Construction in progress	1,728,938	-	1,728,938
Total Governmental Activities	$ 81,423,235	$ 43,679,909	$ 37,743,326
Business Type Activities:			
Total Business Type Activities	$ -	$ -	$ -

Additional detail and information on capital asset activity is described in the notes to the financial statements on pages 39-40.

GENERAL FUND BUGETARY HIGHLIGHTS

Comparing the fiscal year 2011/12 original (or adopted) General Fund budgeted expenditures in the amount of $11,834,448 to the final budget amount of $13,641,448 shows a net increase of $1,806,554 to the final budget allocation. The increase consists of a one-time transfer and the addition of Housing & Community Development.

Carryovers into fiscal year 2012/13 are at $291,753.

NEXT YEAR'S BUDGET AND RATES

Current Year's Revenue Assumptions

The key assumptions in the City budget's revenue forecast for fiscal year 2012-13 were:

1. An 8% per year increase in property taxes was estimated due to the dissolution of the former Oroville Redevelopment Agency. Most of the City was in the Redevelopment Project Area No.1, and the majority of growth goes to the Redevelopment Agency and the City gets a residual percentage after distribution of the Recognized Obligation Payments.

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 5% growth rate was assumed.

4. Investment earnings were expected to remain low in 2012-13, and the base year was adjusted downward accordingly with a .5% growth.

5. Sewer service charges were expected to increase by 13.8% in accordance with the City's long term plan for funding the sewer operations.

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

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

Personnel

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

Capital Expenditures

Equipment

A small amount of equipment purchases were authorized in the 2012-13 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 did not authorize any new projects for the 2012-13 fiscal year.

Parks and Cultural Facilities

No new projects were authorized due to the lack of funding sources as well as the dissolution of the former Oroville Redevelopment Agency.

Improvements to Streets and Infrastructure

The Gas Tax funds have appropriated funds to improve City streets and infrastructure during the 2012-13 fiscal year. The project will be to chip seal various roadways.

Improvements to the Airport

A pavement improvement project was budgeted last fiscal year and has carried over into the Airport budget for 2012-13. The City continues to seek additional grant opportunities for future projects. If awarded any new grants during 2012-13, matching funds will be approved by City Council action.

Economic Development Capital Projects

Many projects authorized in prior years are on hold waiting for the release of bond proceeds for their intended use. 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, we expect 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 took effect on February 1, 2012, and has created a major loss in funding for the City in all areas of redevelopment such as blight, health and safety, leverage of capital improvement and economic development projects as well as low and moderate housing funds. The City's General Fund has lost slightly over a $1,000,000 in administrative cost reimbursements along with additional funding loss to the Oroville Redevelopment Agency 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 $1,100,000.

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.

The decline in the stock market in 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 continues to show signs of weakness. A small exception is Oroville's unemployment rate which decreased from 19.1% to 17.2%., but has consistently been higher than the rest of the State and the nation.

Another economic indicator, Oroville's sales tax receipts have increased by $283,075 over the $2,453,544 received in fiscal year 2010-11. This indicates that a slow increase of sales tax has begun and at this time a slight increase is being predicted for the 2012-13 fiscal year.

In fiscal year 2011-12, building activity has continued to be slow with only 15 building permits issued for new construction. This is in increase from fiscal year 2010-11 when 12 building permits for new construction were issued, but still well below historical trends. Only one (1) of these permits was issued for construction of a single family home.

The City was able to extend 21 first-time homebuyer loans to low and moderate income families through a program funded with federal grants. Since 1997, a total of 287 first time home buyer loans have been processed. 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 nine (9) City owned homes back to private ownership.

A total of 2 commercial building permits for new construction were issued. This included small to large size commercial projects being constructed. The largest being a warehouse $1,426,000.

The total valuation of all building permits issued in fiscal year 2011-12 was $18,061,427. This was $10,732,442 more than the $7,328,985 issued in fiscal year 2010-11.

The City and the former Oroville Redevelopment Agency started an aggressive retail marketing effort in fiscal year 2010-11, the results of which are expected to take several years for fruition. On the immediate horizon are a Marshall's and Petco which were successfully located 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 and the sale and lease of land held for industrial development purposes. The City is also a member of a statewide industrial development bond JPA (Joint Powers Authority).

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

CITY OF OROVILLE
STATEMENT OF NET POSITION
JUNE 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 19,747,711	$ 308,741	$ 20,056,452
Restricted Assets:			
Cash With Fiscal Agent	1,950,921		1,950,921
Receivable From Oroville Successor Agency:			
Amount Receivable Within One Year	785,000		785,000
Amount Receivable In More Than One Year	23,250,000		23,250,000
Receivables	2,105,578	21,308	2,126,886
Inventory	70,596		70,596
Loans Receivable	32,409,071		32,409,071
Real Property Primarily Held for Resale	1,911,335		1,911,335
Capital Assets (net of accumulated depreciation):			
Nondepreciable	7,710,967		7,710,967
Depreciable	30,032,359		30,032,359
Total Assets	119,973,538	330,049	120,303,587
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	188,456		188,456
Deferred Charge for Pension Obligation	4,897,924		4,897,924
Total Deferred Outflows of Resources	5,086,380	-	5,086,380
LIABILITIES			
Vouchers Payable And Other Current Liabilities	1,689,194	825	1,690,019
Payable From Restricted Assets:			
Accrued Interest Payable	311,938		311,938
Due To Other Related Agency	234,806		234,806
Unpaid Claims	374,495		374,495
Unearned Revenues - Loans	32,205,541		32,205,541
Unearned Revenues - Real Property Held for Resale	1,911,335		1,911,335
Noncurrent Liabilities:			
Due Within One Year	1,360,535		1,360,535
Due In More Than One Year	31,096,665		31,096,665
Total Liabilities	69,184,509	825	69,185,334
NET POSITION			
Net Investment In Capital Assets	13,110,503		13,110,503
Restricted For:			
General Government	34,611		34,611
Public Safety	1,000,706		1,000,706
Streets and Storm Drains	2,606,273		2,606,273
Parks and Leisure	210,874		210,874
Health and Sanitation	790,528		790,528
Housing and Community Development	4,297,121		4,297,121
Debt Service	25,673,983		25,673,983
Unrestricted	8,150,810	329,224	8,480,034
Total Net Position	$ 55,875,409	$ 329,224	$ 56,204,633

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

CITY OF OROVILLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

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 Position: Governmental Activities	Net (Expense) Revenue And Change In Net Position: Business-Type Activities	Net (Expense) Revenue And Change In Net Position: Total
Governmental Activities:							
General Government	$ 2,408,143	$ 456,382	$ 7,285	$ -	$ (1,944,476)	$ -	$ (1,944,476)
Public Safety	7,919,128	200,056	434,957		(7,284,115)		(7,284,115)
Public Works	1,252,132	441,321			(810,811)		(810,811)
Streets and Storm Drains	1,009,836	96,294	533,519	56,711	(323,312)		(323,312)
Transportation	691,645	497,683		571,737	377,775		377,775
Parks and Leisure	2,731,128	126,649	575,294	305,791	(1,723,394)		(1,723,394)
Health and Sanitation	1,686,298	2,359,307	-		673,009		673,009
Housing and Community Development	9,734,800	1,762,107	5,498,840		(2,473,853)		(2,473,853)
Interest and Fiscal Charges	1,884,524				(1,884,524)		(1,884,524)
Total Governmental Activities	29,317,634	5,939,799	7,049,895	934,239	(15,393,701)	-	(15,393,701)
Business-Type Activities:							
Local Transportation	505,722	10,207	475,194			(20,321)	(20,321)
Total Business-Type Activities	505,722	10,207	475,194	-	-	(20,321)	(20,321)
Total	$ 29,823,356	$ 5,950,006	$ 7,525,089	$ 934,239	(15,393,701)	(20,321)	(15,414,022)
General Revenues:							
Taxes:							
Property Taxes					4,331,329		4,331,329
Sales and Use Taxes					2,698,234		2,698,234
Sales and Use Taxes In-Lieu					1,892,404		1,892,404
Documentary Stamp					26,733		26,733
Transient Occupancy					363,530		363,530
Utility Users					1,553,442		1,553,442
Franchise					422,213		422,213
Unrestricted Investment Earnings					74,472	1,427	75,899
Transfers					291,369	(291,369)	-
Total General Revenues And Transfers					11,653,726	(289,942)	11,363,784
Extraordinary Item - Dissolution of Oroville Redevelopment Agency					11,509,606		11,509,606
Change In Net Position					7,769,631	(310,263)	7,459,368
Net Position, July 1,					48,803,654	639,487	49,443,141
Cumulative Effect of Change in Accounting Principle					(697,876)		(697,876)
Net Position, July 1, As Restated					48,105,778	639,487	48,745,265
Net Position, June 30,					$ 55,875,409	$ 329,224	$ 56,204,633

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

CITY OF OROVILLE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Housing Program 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	$ 3,434,258	$ 998,822	$ 322,686	$ 1,562,997	$ 44,625	$ -	$ -	$ 48,686	$ 46,160	$ 12,390,933	$ 18,849,167
Cash With Fiscal Agent									1,950,921		1,950,921
Receivables:											
Taxes	332,785										
Accounts	575,809	2,019								14,607	347,392
Sewer Service Charges										102,968	680,796
Grants	342		188,441	291,277						186,242	186,242
Interest	22,679	1,756		615						324,665	804,725
Due From Other Funds	92,973				785,000				6,467	54,608	86,125
Inventory	30,837									264,963	1,142,936
Loans Receivable	2,499	4,990,394	12,361,021	6,852,231						4,012	34,849
Advances Due From Other Funds					23,250,000			3,048,176		5,154,750	32,409,071
Real Property Held for Resale		1,911,335								205,924	23,455,924
Total Assets	$ 4,492,182	$ 7,904,326	$ 12,872,148	$ 8,707,120	$ 24,079,625	$ -	$ -	$ 3,096,862	$ 2,003,548	$ 18,703,672	$ 81,859,483
LIABILITIES											
Vouchers Payable	$ 145,744	$ -	$ 2,500	$ 486,617	$ -	$ -	$ -	$ -	-	$ 847,181	$ 1,482,042
Accrued Salaries and Benefits	142,495			2,969						21,816	167,280
Due To Other Funds										357,936	357,936
Due To Other Related Agency										234,806	234,806
Unearned Revenues - Loans		4,970,069	12,361,021	6,844,932						4,981,343	32,205,541
Unearned Revenues - Real Property Held for Resale		1,911,335						3,048,176			1,911,335
Advances Payable to Other Funds	138,816									67,108	205,924
Total Liabilities	427,055	6,881,404	12,363,521	7,334,518	-	-	-	3,048,176	-	6,510,190	36,564,864
DEFERRED INFLOWS OF RESOURCES											
Unavailable Revenues - Sales Tax	64,269										64,269
Total Deferred Inflows of Resources	64,269	-	-	-	-	-	-	-	-	-	64,269
FUND BALANCES											
Fund Balances:											
Nonspendable	30,837				24,035,000					209,936	24,275,773
Restricted	23,455	1,022,922	508,627	1,372,602					1,957,388	4,642,992	9,527,986
Committed	800,000							48,686	46,160	5,607,623	6,502,469
Assigned	291,753				44,625					2,032,048	2,368,426
Unassigned	2,854,813									(299,117)	2,555,696
Total Fund Balances	4,000,858	1,022,922	508,627	1,372,602	24,079,625	-	-	48,686	2,003,548	12,193,482	45,230,350
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,492,182	$ 7,904,326	$ 12,872,148	$ 8,707,120	$ 24,079,625	$ -	$ -	$ 3,096,862	$ 2,003,548	$ 18,703,672	$ 81,859,483

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

CITY OF OROVILLE
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2012

Amounts reported for governmental activities in the statement of net position are different because:		
Total Fund Balances		$ 45,230,350
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets	$ 81,423,235	
Less: Accumulated depreciation	(43,679,909)	37,743,326
Certain prepaid expenses were reported as expenditures when incurred in the funds but are capitalized and amortized in the statement of net position:		
Deferred Charge for Pension Obligation		4,897,924
Internal service funds are used by management to charge the costs of stores, vehicle maintenance and various insurance costs to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities statement of net position.		520,222
Liabilities were reported for certain revenues that were not available to pay current period expenditures, and , therefore deferred in the funds.		
Unavailable Revenues - Sales Tax		64,269
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	$ (30,390,000)	
Bond discounts (will be amortized)	87,318	
Bond premium (will be amortized)	(137,288)	
Deferred refunding loss (will be amortized)	188,456	
Capital lease	(36,895)	
USDA loan payable	(649,100)	
Accrued interest payable	(311,938)	
Compensated absences	(920,958)	
Net other postemployment benefit liability	(410,277)	(32,580,682)
Net Position Of Governmental Activities		$ 55,875,409

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, 2012

	General Fund	Housing Program 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	$ 1,265,929	$ -	$ -	$ -	$ -	$ 2,206,202	$ 771,881	$ -	$ -	$ 87,317	$ 4,331,329
Sales and Use Taxes	2,736,621										2,736,621
Sales and Use Taxes In-Lieu	1,892,404										1,892,404
Documentary Stamp	26,733										26,733
Transient Occupancy	363,530										363,530
Utility Users	1,553,442										1,553,442
Franchise	400,316									21,897	422,213
Licenses and Permits	410,179									138,533	548,712
Fines and Forfeitures	82,220										82,220
Interest, Rents, and Concessions	91,452	3,724	9,821	26,089	1,165,310	21,427	20,122	51		439,181	1,777,177
Intergovernmental Revenues	93,503		3,240,224	1,735,557		99,540	8,513			3,032,032	8,209,369
Current Service Charges	352,972	13,639								2,349,830	2,716,441
Other Revenues	156,602	143,878	36,076	41,768		8,990	334,091			1,104,899	1,826,304
Total Revenues	9,425,903	161,241	3,286,121	1,803,414	1,165,310	2,336,159	1,134,607	51	-	7,173,689	26,486,495
EXPENDITURES											
Current:											
General Government	2,260,876									16,127	2,277,003
Public Safety	7,343,726									109,406	7,453,132
Public Works	337,704										337,704
Streets and Storm Drains	846,623									135,683	982,306
Transportation										548,814	548,814
Parks and Leisure	748,380									540,157	1,288,537
Health and Sanitation										1,621,346	1,621,346
Housing and Community Development	153,292	80,000	3,252,256	2,340,010		542,363	1,402,520	65,187		1,449,241	9,284,869
Debt Service:											
Principal Retirement									755,000	357,124	1,112,124
Interest and Fiscal Charges						645,787			1,165,310	386,830	2,197,927
Capital Outlay	241,204						28,475			2,648,945	2,918,624
Total Expenditures	11,931,805	80,000	3,252,256	2,340,010	-	1,188,150	1,430,995	65,187	1,920,310	7,813,673	30,022,386
Excess (Deficiency) of Revenues Over Expenditures	(2,505,902)	81,241	33,865	(536,596)	1,165,310	1,148,009	(296,388)	(65,136)	(1,920,310)	(639,984)	(3,535,891)
OTHER FINANCING SOURCES (USES)											
Loan Proceeds										264,177	264,177
Transfers In	2,089,950	70,360		303,667		32,725	18,240	50,367	1,920,310	2,398,783	6,884,402
Transfers Out	(1,032,309)		(200,479)	(426,012)	(1,920,310)	(457,627)	(146,669)	(9,994)	(32,275)	(2,268,042)	(6,493,717)
Total Other Financing Sources (Uses)	1,057,641	70,360	(200,479)	(122,345)	(1,920,310)	(424,902)	(128,429)	40,373	1,888,035	394,918	654,862
Extraordinary Gain: Dissolution of Oroville RDA	-	871,321	-	-	-	19,640,133	(3,237,918)	-	-	(4,114,370)	13,159,166
Net Change in Fund Balances	(1,448,261)	1,022,922	(166,614)	(658,941)	(755,000)	20,363,240	(3,662,735)	(24,763)	(32,275)	(4,359,436)	10,278,137
Fund Balances, July 1	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
Fund Balances, June 30	$ 4,000,858	$ 1,022,922	$ 508,627	$ 1,372,602	$ 24,079,625	$ -	$ -	$ 48,686	$ 2,003,548	$ 12,193,482	$ 45,230,350

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, 2012

Amounts reported for governmental activities in the statement of activities are different because:			
Net Change in Fund Balances - Total Governmental Funds			$ 10,278,137
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	$	2,396,927	
Depreciation expense		(2,916,669)	(519,742)
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 position differs from the change in fund balance by the cost of capital assets sold.			79,126
The issuance of long-term debt provides current financial resources to governmental funds, while payment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:			
Debt Issued:			
USDA Loan	$	(264,177)	
Principal repayments:			
Bonds		1,005,000	
USDA Loan		17,700	
Capital lease financing		89,424	847,947
Revenues not available to pay current expenditures are deferred in the funds:			
Deferred revenues - unearned			(296,145)
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	$	(330,085)	
Other postemployment benefits		(162,750)	
Accrued interest		75,294	
Amortization of bond discount		(6,121)	
Amortization of bond premium		7,482	
Amortization of bond refunding loss		(17,132)	
Amortization of prepaid pension obligation		(415,691)	(849,003)
Internal service funds are used by management to charge the costs of stores, vehicle maintenance and various insurance costs to individual funds.			214,660
Captial assets of the Oroville Redevelopment Agency were transferred to the Oroville Successor Agency private-purpose trust fund which reduces the extraordinary gain on the statement of activities:			
Extraordinary Gain: Dissolution of Oroville RDA			(1,985,349)
Change In Net Position Of Governmental Activities			$ 7,769,631

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

CITY OF OROVILLE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2012

	Business-Type Activity Enterprise Fund	
	Local Transportation Fund	Governmental Activities Internal Service Funds
ASSETS		
Current Assets:		
Cash	$ 308,741	$ 898,544
Accounts Receivable	21,308	
Inventory		35,747
Total Assets	330,049	934,291
LIABILITIES		
Current Liabilities:		
Vouchers Payable	825	9,803
Accrued Salaries and Benefits		17,310
Accrued Employee Compensated Leave		12,759
Unpaid Claims Liability		374,495
Total Liabilities	825	414,367
NET POSITION		
Unrestricted	329,224	520,222
Total Net Position	$ 329,224	$ 520,222

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

CITY OF OROVILLE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Business-Type Activity Enterprise Fund	
	Local Transportation Fund	Governmental Activities Internal Service Funds
OPERATING REVENUES		
Passenger Fares - Oro Express	$ 10,207	$ -
Incoming Provisions		886,361
Reimbursements		291,865
Total Operating Revenues	10,207	1,178,226
OPERATING EXPENSES		
Salaries and Benefits		149,109
Supplies		332,881
Other Services and Charges	505,722	75,176
Claims		408,384
Total Operating Expenses	505,722	965,550
Net Operating Income	(495,515)	212,676
NONOPERATING REVENUES (EXPENSES)		
Local Transportation Tax	475,194	
Investment Earnings	1,427	1,984
Total Nonoperating Revenues (Expenses)	476,621	1,984
Income (Loss) Before Operating Transfers	(18,894)	214,660
Transfers Out	(291,369)	
Change In Net Position	(310,263)	214,660
Net Position, July 1	639,487	305,562
Net Position, June 30	$ 329,224	$ 520,222

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, 2012

	Business-Type Activity Enterprise Fund	
	Local Transportation Fund	Governmental Activities Internal Service Funds
Cash Flows From Operating Activities		
Receipts From Customers and Users	$ 10,207	$ 246,395
Receipts From Interfund Services Provided		931,831
Payments to Employees		(160,047)
Payments to Suppliers	(505,597)	(839,981)
Net Cash Provided (Used) By Operating Activities	(495,390)	178,198
Cash Flows From Noncapital Financing Activities		
Local Transportation Tax	485,965	
Transfers Out	(291,369)	
Net Cash Provided (Used) By Noncapital Financing Activities	194,596	-
Cash Flows From Investing Activities		
Interest on Investments	1,427	1,984
Net Cash Provided (Used) By Investing Activities	1,427	1,984
Net Increase (Decrease) In Cash	(299,367)	180,182
Cash Balance, July 1	608,108	718,362
Cash Balance, June 30	$ 308,741	$ 898,544
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	$ (495,515)	$ 212,676
Adjustments to Reconcile Operating Income to Net Cash Provided (Used):		
Decrease (Increase) in Accounts Receivable		(298)
Decrease (Increase) in Inventory		(3,213)
Increase (Decrease) in Vouchers Payable	125	(8,571)
Increase (Decrease) in Accrued Salaries and Benefits		(10,938)
Increase (Decrease) in Other Liabilities		(11,458)
Total Adjustments	125	(34,478)
Net Cash Provided (Used) By Operating Activities	$ (495,390)	$ 178,198

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

CITY OF OROVILLE
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2012

	Oroville Successor Agency Private-Purpose Trust Fund	Agency Funds
ASSETS		
Cash	$ 9,668,417	$ 435,155
Receivables:		
Accounts	29,360	
Taxes		30,874
Grants	42,040	
Interest	2,506	
Loans	307,776	
Real Property Held For Resale	88,405	
Capital Assets:		
Nondepreciable	1,485,232	
Depreciable (net of accumulated depreciation)	464,684	
Total Assets	12,088,420	$ 466,029
LIABILITIES		
Vouchers Payable	151,368	$ 4,764
Accrued Salaries and Benefits	4,581	
Contract Retensions	8,889	
Accrued Interest Payable	239,850	
Deposits Payable	1,183	242,346
Due to Other Funds	785,000	
Unearned Revenues - Loans	250,000	
Unearned Revenues - Real Property Held for Resale	88,405	
Advances Payable to Other Funds	23,250,000	
Due to Other Agencies		218,919
Total Liabilities	24,779,276	$ 466,029
NET POSITION		
Net position held in trust for dissolution of the former Oroville Redevelopment Agency	$ (12,690,856)	

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

CITY OF OROVILLE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2012

	Oroville Successor Agency Private-Purpose Trust Fund
ADDITIONS	
Grants	$ 141,006
Loan Collections	19,849
Rents	3,104
Investment Earnings	40,512
Transfers In	22
Total Additions	204,493
DEDUCTIONS	
Administrative Expenses	235,547
Housing And Development Loans	250,000
Housing Project Expenses	45,443
Levee Project Expenses	153,401
Brownsfield Assessment Expenses	86,879
Loan Interest And Fiscal Charges	479,702
Depreciation	35,433
Transfers Out	99,338
Total Deductions	1,385,743
Extraordinary Loss - Dissolution of Oroville RDA	(11,509,606)
Change In Net Position	(12,690,856)
Net Position, July 1	-
Net Position, June 30	$ (12,690,856)

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 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). The City and Authority are legally separate entities. For financial reporting purposes, the Authority is reported as if a part of the City's operations because the seven (7) members of the Oroville City Council also act as the governing body of the Authority and the purpose of the Authority is to assist in the financing of public capital improvements. The Authority does not prepare separate, stand-alone financial statements.

Through January 31, 2012, 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. As explained in Note 4G, the Agency was dissolved by the State of California legislature effective February 1, 2012. 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 Successor Agency (OSA) – The City has elected to serve as the successor agency of the Oroville Redevelopment Agency. In its capacity as the Successor Agency, the City will be responsible to wind-up the affairs of the former RDA, and dispose of the RDA's assets in compliance with State legislative requirements. The OSA is governed by a seven (7) member Oversight Board comprised of one (1) Oroville City Council member, (1) City employee, and members appointed by the Butte County Board of Supervisors (2), the Superintendent of the Butte County Office of Education (1), the Feather River Recreation and Parks Board (1), the Chancellor of the California Community College System (1). Activities of the OSA are reported as a private-purpose trust fund in the accompanying financial statements.

Financial statements of the Oroville Redevelopment Agency and Oroville Successor Agency can be obtained directly from the City of Oroville, 1735 Montgomery Street, Oroville, CA 95965, however the Oroville Redevelopment Agency did not prepare financial statements subsequent to June 30, 2011.

B) Government-Wide And Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of changes in net position) report information of all the nonfiduciary activities of the City and its component units. For the most part, the effect of Interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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

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

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.

Housing Program Fund – This special revenue fund accounts for the administration and operations of the City's low and moderate income housing program subsequent to the dissolution of the former Oroville Redevelopment Agency.

First Time Home Buyer Grant Fund – This special revenue fund accounts for the loan and administrative activity of the City's Home Investment Partnerships Program.

Community Development Block Grant Fund – This special revenue fund accounts for the loan and administrative activity of the City's Community Development Block Grant Program.

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

Oroville Redevelopment Agency Fund – This special revenue fund accounts for the tax increment revenues used for the general operations of the Oroville Redevelopment Agency. The Agency was dissolved on February 1, 2012.

Oroville Redevelopment Agency Low & Moderate Income Housing Fund – This special revenue fund accounts for the 20% housing set-a-side tax increment revenues used for the housing operations of the Oroville Redevelopment Agency. The Agency was dissolved on February 1, 2012.

HOME Housing Revolving Loan Fund – This special revenue fund accounts for activities relative to the City's housing revolving loan program funded by the State HOME grants.

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

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

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

Additionally, the City reports the following fund types:

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

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:

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

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

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

Agency Funds - used by the City to report resources held by the City in a custodial capacity for the Feather River Bluffs assessment district, special deposits trust, 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 one major special revenue fund – Housing Program Fund, and two nonmajor special revenue funds – Technology Fee Fund, PEG Fee Fund. Also, as noted previously, the City established a private-purpose trust fund for the Oroville Successor Agency.

The Housing Program Fund and the new private-purpose trust fund were created in response to the dissolution of the Oroville Redevelopment Agency (RDA). The Housing Program Fund will account for the activities of the City's low and moderate income housing programs subsequent to the dissolution of the RDA. The private-purpose trust fund will account for the assets and operations of the City acting as the as the Successor Agency of the RDA. The dissolution of the Oroville Redevelopment Agency will also result in the elimination of two major special revenue funds (The Oroville Redevelopment Agency and Oroville Redevelopment Agency Low & Moderate Income Housing Fund), one nonmajor special revenue fund and three non-major capital projects funds in subsequent financial statements.

The two new nonmajor special revenue funds were created to account for revenues collected for specified purposes.

Adoption of New Pronouncement

For the year ended June 30, 2012, the City has adopted the reporting provisions contained in GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities.*

The City has determined that restatement of prior year financial statements was not practical therefore the cumulative effect of applying these Statements has been reported as a restatement of beginning net position or fund balance. The adjustment reduced beginning net position by $697,876, from $49,443,141 to $48,745,265, due to the change in reporting debt issue costs as an expense in the period incurred.

D) Assets, Liabilities, And Net Position Or Equity

1) Deposits And Investments

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

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

2) Inventories

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

3) Receivables And Payables

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

	Governmental Activities	Business-Type Activities	Total Government
Receivables:			
Taxes	$ 347,392	$ -	$ 347,392
Accounts	681,094	21,308	702,402
Sewer Service Charges	186,242		186,242
Grants	804,725		804,725
Interest	86,125		86,125
Total Receivables	$ 2,105,578	$ 21,308	$ 2,126,886
Vouchers Payable And Other Current Liabilities:			
Vouchers Payable	$ 1,491,845	$ 825	$ 1,492,670
Accrued Salaries and Benefits	197,349		197,349
Total Vouchers Payable And Other Current Liabilities	$ 1,689,194	$ 825	$ 1,690,019

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, 2012, the City had no unbilled receivables.

Receivable From Oroville Successor Agency (Restricted) – As discussed in Note 3(D) *Long-Term Debt*, the Oroville Public Financing Authority (OPFA) has made loans to the Oroville Successor Agency (formerly the Oroville Redevelopment Agency). Loan payments received by the OPFA are required to be used for debt service payments on bonds issued by the OPFA. The long-term portion of the receivable was $23,250,000 at June 30, 2012.

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

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

5) Real Property Primarily Held for Resale

Under the terms of the loans granted by the City discussed above, several real properties have been acquired through foreclosure proceedings. In addition the City has acquired and constructed homes for the purpose of infilling the supply of low and moderate housing. These properties will be subsequently sold and the proceeds placed back into the low and moderate income housing programs. Therefore, these properties have been recorded as an asset on the accompanying financial statements at the lower of cost (the amount of the unpaid loan plus costs for foreclosure properties) or market and fully offset by recognizing a liability for Unearned Revenues – Real Property Held for Resale. At June 30, 2012, the carrying value of these properties was $1,911,335.

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 had no capital assets. The City defines capital assets as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of two years. Capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

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

Total interest charge to expense was $1,466,987. 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, 2012.

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) Deferred Outflows/Inflows Of Resources

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

The City is reporting deferred charge for a debt refunding reported in the government-wide statement of net position for the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The City is a member of the California Public Employees' Retirement System (PERS). In fiscal year 2006/07, the City issued $7,260,000 in Pension Obligation Bonds in order to pay the City's unfunded actuarial accrued liability with PERS. The payment to PERS is reported as a deferred charge in the government-wide financial statement and is being amortized on a straight-line basis over the 17 year life of the bonds.

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

8) 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, 2012, 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 4(E) *Other Postemployment Benefits*, the City permits retiring employees to convert accumulated sick leave benefits to purchase continued medical insurance coverage based upon the leave dollar value at the time of retirement. The City does not provide any additional postemployment benefits for its employees, except for the Public Employees Retirement System administered by the State of California.

9) Long-Term Obligations

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

10) Net Position/Fund Balance Flow Assumptions

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

The government-wide statement of net position reports $34,614,096 of restricted net position, of which $2,245,343 is restricted by enabling legislation. Certain proceeds of the Oroville Public Financing Authority revenues bonds and the loan receivable from the Oroville Successor Agency are reported as restricted net position because their use is limited by applicable bond or other covenants.

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

11) Fund Balance Policies

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

resolution, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

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

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 5, 2011, 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, 2012, totaled $20,993,823. The City's policy is to allow appropriations to lapse at year-end.

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

General	$ 207,094
First Time Home Buyer Grant	31,250
Community Development Block Grant	115,993
Nonmajor Special Revenue Funds	489,574
Nonmajor Capital Projects Funds	157,820
Total	$ 1,001,731

B) Excess Of Expenditures Over Appropriations

For the year ended June 30, 2012, the following funds had expenditures that exceeded appropriations:

Housing Program	$ 17,500
Oroville RDA Low & Moderate Income Housing	541,735
Community Promotions	6,298
Drainage Impact	192
Traffic Impact	9,508
Supplemental Benefits	254,451
Public Facility Revolving Loan	187
Oroville RDA 1995 Bond	63,073
Oroville RDA 2004 Bond	120,243

C) Deficit Fund Equity

The following funds had deficit fund equity as of June 30, 2012:

Technology Fee	$ 1,534
Housing Administration	5,198
EDBG	199,412
City Debt Service	92,973

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

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

3) Detailed Notes On All Funds

A) Deposits And Investments

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

Statement of Net Position:	
Cash and investments	$ 20,056,452
Restricted cash with fiscal agent	1,950,921
Statement of Fiduciary Net Position:	
Cash and investments	10,103,572
Total Cash and Investments	$ 32,110,945

Cash and investments consist of the following:

Cash on hand	$ 1,297
Deposits with financial institutions	2,352,136
Investments	29,757,512
Total Cash and Investments	$ 32,110,945

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, 2012, the City's investments had the following maturities:

Investment Type	Fair Value	Investment Maturities (years) Under 1	1-5	6-10	Over 10
State Investment Pool - LAIF	$ 27,806,592	$ 27,806,592	$ -	$ -	$ -
Held By Bond Trustee:					
Money Market Funds	1,449,541	1,449,541			
Investment Agreement	501,379				501,379
Total Fair Value	$ 29,757,512	$ 29,256,133	$ -	$ -	$ 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, 2012, 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	$27,806,592			$27,806,592
Held By Bond Trustee:				
Money Market Funds	1,449,541		$1,449,541	
Investment Agreement	501,379		501,379	
Total Fair Value	$29,757,512	$0	$1,950,920	$27,806,592

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, 2012 the City had no investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represented 5% or more of the total City investments are as follows:

Custodial Credit Risk

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

financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At year-end, the City's deposits with financial institutions totaled $2,875,111, of which $500,000 was covered by federal depository insurance. The $2,375,111 uninsured amount was exposed to custodial credit risk and was collateralized by securities, as described above.

As of June 30, 2012, City investments in the following investment types were held by the same institution that was used by the City to buy the securities:

Investment Type	Reported Amount
Money Market Funds	$ 1,449,541
Investment Agreement	501,379

Investment in State Investment Pool

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

B) Capital Assets

Capital assets activity for the year ended June 30, 2012 was as follows:

Government Activities:	Balance July 1, 2011	Additions	Deletions and Adjustments	Balance June 30, 2012
Nondepreciable Capital Assets:				
Land	$ 7,467,261	$ -	$ 1,485,232	$ 5,982,029
Construction in progress	1,472,046	1,838,883	1,581,991	1,728,938
Total Nondepreciable Capital Assets	8,939,307	1,838,883	3,067,223	7,710,967
Depreciable Capital Assets:				
Improvements other than buildings	8,321,489		(778,433)	9,099,922
Buildings	11,019,421	54,861	178,252	10,896,030
Underground collection system	4,181,297			4,181,297
Machinery and equipment	8,371,250	1,024,625	227,298	9,168,577
Infrastructure	40,325,988	201	(40,253)	40,366,442
Total Depreciable Capital Assets	72,219,445	1,079,687	(413,136)	73,712,268
Less: Accumulated Depreciation:				
Land improvements	(2,252,090)	(1,381,962)		(3,634,052)
Buildings	(3,076,272)	(234,913)	(113,754)	(3,197,431)
Underground collection system	(2,792,933)	(59,993)		(2,852,926)
Machinery and equipment	(5,323,661)	(449,456)	(112,467)	(5,660,650)
Infrastructure	(27,544,505)	(790,345)		(28,334,850)
Total Accumulated Depreciation	(40,989,461)	(2,916,669)	(226,221)	(43,679,909)
Depreciable Capital Assets, net	31,229,984	(1,836,982)	(639,357)	30,032,359
Governmental Activities Capital Assets, net	$ 40,169,291	$ 1,901	$ 2,427,866	$ 37,743,326

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

Governmental Activities:	
General government	$ 50,081
Public safety	338,607
Public works	902,232
Transportation	143,308
Parks and leisure	1,422,448
Health and Sanitation	59,993
Total Depreciation Expense - Governmental Activities	$ 2,916,669

Construction And Other Commitments

The City had two major active construction projects as of June 30, 2012. At year-end the City's commitments with contractors are as follows:

	Total Commitment	Expended To-Date	Remaining Commitment
City Hall Remodel - Fire Sprinklers	$ 78,132	$ 75,954	$ 2,178
Golf Clubhouse Remodel - Fire Sprinklers	38,340	19,019	19,321

C) Interfund Receivables, Payables And Transfers

The composition of Interfund balances and advances within the City's fund financial statements as of June 30, 2012 is as follows:

Due To(From) Other Funds:

Receivable Fund	Payable Fund	Amount
General	City Debt Service	$ 92,973
City Housing Rehabilitation Revolving Loan	EDBG	236,070
City Housing Rehabilitation Revolving Loan	Economic Development Revolving Loan	5,809
Oroville Public Financing Authority	Oroville Successor Agency Fiduciary	785,000
Equipment Replacement	Special Aviation	23,084
Total Due To(From) Other Funds		$ 1,142,936

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

Receivable Fund	Payable Fund	Amount
Sewer	General	$ 138,816
	Total General	138,816
Equipment Replacement	Special Aviation	7,954
Equipment Replacement	Technology Fee	59,154
	Total Special Revenue	67,108
Oroville Public Financing Authority Fund	Oroville Successor Agency Fiduciary	23,250,000
	Total Fiduciary	23,250,000
Total Advances Due To(From) Other Funds		$ 23,455,924

The General Fund reports receivables from the City Debt Service Fund due to a negative pooled fund cash balances at June 30, 2012. The deficit cash balances are expected to be eliminated through future payments from the General Fund.

The City Housing Rehabilitation Revolving Loan Fund reports receivables from the EDBG Fund and Economic Development Revolving Loan Fund due to negative pooled fund cash balances at June 30, 2012. The deficit cash balances are expected to be eliminated through future grant and revolving loan payments.

The Oroville Public Financing Authority (OPFA) made several loans to the Oroville Redevelopment Agency (RDA). Because of the dissolution of the RDA, the loans became an obligation of the Oroville Successor Agency which is reported as a private purpose trust fund in the accompanying financial statements. The outstanding loan balances totaled $24,035,000 at June 30, 2012, of which $785,000 has been classified as a current liability. As explained in Note 3(D), *Long-Term Debt*, the OPFA issued several series of revenue bonds, the proceeds of which were loaned to the RDA. The loan agreement between the OPFA and the RDA contain the same debt service repayment provisions as the OPFA series bonds. Total interest and principal paid to the OPFA during the year ended June 30, 2012 was $1,165,310 and $755,000, respectively. The City has reported the $24,035,000 as a restricted asset, *Receivable From Oroville Successor Agency,* on the statement of net position as loan payments are required to be utilized for bond debt service payments.

The Equipment Replacement Fund has advanced the Special Aviation Fund $31,038, of which $23,084 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, 2012 was $2,151 and $21,960, respectively. An additional advance has been made to the Technology Fee Fund which will be repaid as technology fees are collected.

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

The following operating transfers were made during the year ended June 30, 2012:

Transfers	Transfers In	Transfers Out
General Fund	$ 2,089,950	$ 1,032,309
Special Revenue Funds:		
Housing Program	70,360	
First Time Home Buyer Grant		200,479
Community Development Block Grant	303,667	426,012
Oroville Public Financing Authority		1,920,310
Oroville Redevelopment Agency	32,725	457,627
Oroville Redevelopment Agency Low & Moderate Income Housing Fund	18,240	146,669
HOME Housing Revolving Loan Fund	50,367	9,994
Nonmajor Special Revenue Funds	2,349,783	2,242,278
Debt Service Funds:		
Oroville Public Financing Authority Redemption	1,920,310	32,275
Nonmajor Debt Service Funds	30,000	
Capital Projects Funds:		
Nonmajor Capital Projects Funds	19,000	25,764
Enterprise Fund:		
Local Transportation Fund		291,369
Private Purpose Trust Fund	22	99,338
	$ 6,884,424	$ 6,884,424

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.

D) Long-Term Debt

Long-term liability activity for the year ended June 30, 2012 was as follows:

Government Activities	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012	Due Within One Year
Bonds Payable:					
Pension Obligation Bonds	$ 6,605,000	$ -	$ 250,000	$ 6,355,000	$ 290,000
Less: Unamortized discount	(54,585)		(4,271)	(50,314)	
Total pension obligation bonds	6,550,415	-	245,729	6,304,686	290,000
Oroville Public Financing Authority:					
Revenue bonds payable	24,790,000		755,000	24,035,000	785,000
Less: Unamortized discount	(38,854)		(1,850)	(37,004)	
Add: Unamortized premium	144,770		7,482	137,288	
Total revenue bonds payable	24,895,916	-	760,632	24,135,284	785,000
Total Bonds Payable	31,446,331	-	1,006,361	30,439,970	1,075,000
USDA COP Loan	402,623	264,177	17,700	649,100	18,400
Capital lease obligation	126,319	-	89,424	36,895	36,895
Net OPEB obligation	247,527	264,933	102,183	410,277	-
Compensated absences	590,873	682,071	351,986	920,958	230,240
Total Long-Term Liabilities	$ 32,813,673	$ 1,211,181	$ 1,567,654	$ 32,457,200	$ 1,360,535

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

Taxable Pension Obligation Bonds

Taxable Pension Obligation Bonds – 2007 Series A-1 are comprised of $7,260,000 in serial bonds. The bonds are an unconditional obligation of the City of Oroville payable from legally available funds. However, the bonds are not voter-approved debt backed by the taxing power of the City and the full faith and credit of the City has not been pledged to the repayment of the bonds. The proceeds of the bonds were used to pay the City's unfunded accrued actuarial liability to the California Public Employees' Retirement System. The bonds are due in annual installments ranging from $85,000 to $820,000 through June 1, 2024; interest ranging from 5.06 to 5.37 percent. $6,355,000

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/Oroville Successor Agency 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. $14,275,000

$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/Oroville Successor Agency. 1,280,000

Total Oroville Public Financing Authority Revenue Bonds $24,035,000

The annual debt service requirement to amortize bonds outstanding as of June 30, 2012 is as follows:

	Governmental Activities			
Year Ended	Pension Obligation Bonds		OPFA Bonds	
June 30,	Principal	Interest	Principal	Interest
2013	$ 290,000	$ 341,914	$ 785,000	$ 1,135,781
2014	320,000	326,950	815,000	1,103,776
2015	365,000	310,342	845,000	1,069,574
2016	410,000	291,070	885,000	1,032,683
2017	455,000	269,340	920,000	992,719
2018-2022	3,110,000	922,500	5,110,000	4,306,034
2023-2027	1,405,000	109,132	6,475,000	2,897,675
2028-2032			8,200,000	1,186,329
	$ 6,355,000	$ 2,571,248	$ 24,035,000	$ 13,724,571

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, 2012, cash on hand $18,160 and the offsetting liability have been included in the accompanying financial statements and are reported in an agency fund.

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

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 $700,000 for the project, and the balance of the loan was $649,100. 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, 2012 is as follows:

	Governmental Activities	
Year Ended	USDA Certificate of Participation	
June 30,	Principal	Interest
2013	$ 18,400	$ 21,582
2014	19,200	26,397
2015	20,000	25,564
2016	20,900	24,695
2017	21,800	23,787
2018-2022	123,400	103,946
2023-2027	151,900	74,798
2028-2032	187,100	38,898
2033-2037	86,400	3,710
	$ 649,100	$ 343,377

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	$ (12,477)	$ 10,582
Vehicles	66,818	(45,922)	20,896
Truck with dump bed	35,051	(23,706)	11,345
Mower	17,700	(6,374)	11,326
Police cars with safety equipment	86,575	(55,599)	30,976
Street sweeper	169,347	(33,868)	135,479
	$ 398,550	$ (177,946)	$ 220,604

The City's future minimum lease payments and the net present value of future minimum lease payments at June 30, 2012 were as follows:

Year Ended June 30,	Annual Payment
2013	$ 38,543
Total Minimum Lease payments	38,543
Less: Amount representing interest	(1,648)
Present Value Of Minimum Lease Payments	$ 36,895

E) Nonspendable, Restricted, Committed And Assigned Fund Balance

	General	Housing Program	First Time Home Buyer Grant	Community Development Block Grant	Oroville Public Financing Authority
Nonspendable:					
Inventory	$ 30,837	$ -	$ -	$ -	$ -
Long-Term Receivable					24,035,000
Restricted For:					
Parks and Leisure	23,455				
Housing and Community Development		1,022,922	508,627	1,372,602	
Committed To:					
General Reserve	800,000				
Assigned To:					
Budgetary Carryovers	84,659				
General Government	181,050				
Public Safety	13,471				
Public Works	8,615				
Streets and Storm Drains	3,858				
Parks and Leisure	100				
Debt Service					44,625
Unassigned	2,854,813				
Total	$ 4,000,858	$ 1,022,922	$ 508,627	$ 1,372,602	$ 24,079,625

	HOME Housing Revolving Loan	Oroville Public Financing Authority Redemption	Other Nonmajor Governmental Funds	Total
Nonspendable:				
Inventory	$ -	$ -	$ 4,012	$ 34,849
Long-Term Receivable			205,924	24,240,924
Restricted For:				
General Government			34,611	34,611
Public Safety			1,000,706	1,000,706
Streets and Storm Drains			2,697,647	2,697,647
Parks and Leisure			119,500	142,955
Health and Sanitation			790,528	790,528
Housing and Community Development				2,904,151
Debt Service		1,957,388		1,957,388
Committed To:				
General Reserve			1,217,890	2,017,890
General Government			937,072	937,072
Parks and Leisure			38,670	38,670
Transportation			23,533	23,533
Health and Sanitation			925,579	925,579
Housing and Community Development	48,686		2,464,879	2,513,565
Debt Service		46,160		46,160
Assigned To:				
Budgetary Carryovers				84,659
General Government			14,120	195,170
Public Safety				13,471
Public Works				8,615
Streets and Storm Drains				3,858
Parks and Leisure			124,073	124,173
Transportation			334,334	334,334
Health and Sanitation			1,272,966	1,272,966
Housing and Community Development			201,867	201,867
Debt Service			84,688	129,313
Unassigned			(299,117)	2,555,696
Total	$ 48,686	$ 2,003,548	$ 12,193,482	$ 45,230,350

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,
2011	$ 266,667	$ 242,707	$ (123,421)	$ 385,953
2012	385,953	361,595	(373,053)	374,495

B) Related Organizations

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

Northern California Cities Self Insurance Fund (NCCSIF) - As explained in Note 4(A) *Risk Management*, the City is a member of this public entity risk pool for liability and workers' compensation purposes. The NCCSIF consists of twenty Northern California Member Cities. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess liability coverage. All member cities share administrative costs of the Authority equally (5.00 percent) and have equal control over budgeting and financing activities. Each member city has a representative on the Board of Directors. The City paid $563,223 in quarterly and annual premiums and assessments to the Authority for liability and worker's compensation insurance, and received $356,995 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, 2012, the amount remitted to SC-OR by the City of Oroville totaled $898,455. At June 30, 2012, the City owed SC-OR $234,806 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, 2012:

Cash	$ 6,603,726
Other Assets	11,982,007
Total Assets	$ 18,585,733
Liabilities	$ 421,938
Net Assets	18,163,795
Total Liabilities And Net Assets	$ 18,585,733
Total Revenues	$ 2,667,079
Total Expenses	(2,354,615)
Change In Net Assets	$ 312,464

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

C) Contingencies

On January 31, 2012, the Oroville Redevelopment Agency (RDA) transferred $1,852,500 ($1,800,000 principal and $52,500 interest) to the City of Oroville's General Fund to repay a loan obligation due to the City. Section 34171(d)(2) of the California Health and Safety Code limits the authority of redevelopment agencies to repay loans between the RDA and the City. After January 1, 2011, only loans established within two years of the date of creation of the RDA are permitted to be repaid to the City. The loan between the RDA and City was established after the two year period. The City has taken the position that it had a legal right to demand payment, and the RDA had a legal obligation to pay. The State has determined that the City must return the $1,852,500 to Oroville Successor Agency. If returned, the Oroville Successor Agency would be required to submit the funds to the Butte County Auditor-Controller. The City would then need to obtain a finding by the Oversight Board of the Successor Agency that the loan was made for legitimate redevelopment purposes and qualifies as an enforceable obligation eligible for repayment, but such repayment would be limited to the restrictions contained in Section 34191.4(b) of the Health and Safety Code. Upon return of the loan payment by the City, the General Fund would reinstate the loan receivable from the OSA, and a corresponding liability would be recorded in the OSA private-purpose trust fund pending the Oversight Board finding. However, no adjustment has been made on the accompanying financial statements as a result of this contingency.

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

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

D) 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 2011/12 was 11.341% (21.387% 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 2011/12 the City of Oroville's annual pension cost was $1,060,339 ($433,542 for miscellaneous and $626,797 for safety employees) and the City actually contributed $1,060,339. In addition, the City paid $531,112 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 2011/12 was determined as part of the June 30, 2009, actuarial valuation.

Three-Year Trend Information

Year Ending June 30,	Annual Pension Cost		Percentage Contributed	Net Pension Obligation
	Miscellaneous	Safety		
2010	$ 315,135	$ 419,612	100%	-
2011	341,275	429,912	100%	-
2012	433,542	626,797	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 separate financial report.

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

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 $30,783 during the 2012 fiscal year on a pay-as-you-go basis for retiree sick leave conversion premiums. The City contributed an estimated $71,400 for the implied subsidy inherent in 2012 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	$ 270,000
Interest on the Net OPEB Obligation	10,520
Adjustment to Annual Required Contribution	(15,587)
Annual OPEB Cost	264,933
Contributions Made	(102,183)
Increase in Net OPEB Obligation	162,750
Net OPEB Obligation - Beginning of Year	247,527
Net OPEB Obligation - End of Year	$ 410,277

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
2010	$ 202,672	60.86%	$ 165,723
2011	213,043	61.60%	247,527
2012	264,933	38.57%	410,277

Funded Status and Funding Progress:

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

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

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

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the June 30, 2011, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.25% investment rate of return (net of administrative expenses) and a 3% general inflation assumption. Premiums were assumed to increase for non-Medicare medical cost increase of 8.5% for 2014, graded down to 5.0% for 2021 and thereafter. The Medicare medical cost increase rates were 8.9% for 2014, downgraded to 5.0% for 2021 and thereafter. The initial unfunded actuarial accrued liability was amortized as a level percentage of projected payroll over a fixed 30-year period, of which 27 years remain.

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 - Successor Agency Trust For Assets of Former Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Oroville that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 9, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 7847.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

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

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the

dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary gain in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary loss.

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary gain recognized in the governmental funds was not the same amount as the extraordinary loss that was recognized in the fiduciary fund financial statements.

The difference between the extraordinary gain recognized in the fund financial statements and the extraordinary loss recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary gain reported in governmental funds - decrease to the net posiiton of the Successor Agency Trust Fund	$ (13,159,166)
Capital assets reported in the government-wide financial statements - increase to net position the Successor Agency Trust Fund	1,985,349
Accrued bond interest reported in the government-wide financial statements - decrease to net position the Successor Agency Trust Fund	(335,789)
Net decrease to net position of the Successor Agency Trust Fund as a result of the initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the City)	$ (11,509,606)

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, 2012

	Budget Amounts			
REVENUES	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Taxes:				
Property Taxes	$ 522,158	$ 689,360	$ 1,265,929	$ 576,569
Sales and Use Taxes	2,484,864	2,484,864	2,736,621	251,757
Sales and Use Taxes In-Lieu	1,370,240	2,044,648	1,892,404	(152,244)
Documentary Stamp	22,244	22,244	26,733	4,489
Transient Occupancy	345,985	345,985	363,530	17,545
Utility Users	1,585,992	1,585,992	1,553,442	(32,550)
Franchise	434,522	456,766	400,316	(56,450)
Licenses and Permits	380,097	380,097	410,179	30,082
Fines and Forfeitures	81,100	81,100	82,220	1,120
Interest, Rents, and Concessions	89,403	116,705	91,452	(25,253)
Intergovernmental Revenues	79,597	112,950	93,503	(19,447)
Current Service Charges	518,561	354,095	352,972	(1,123)
Other Revenues	826,270	51,579	156,602	105,023
Total Revenues	8,741,033	8,726,385	9,425,903	699,518
EXPENDITURES				
Current:				
General Government	2,533,506	3,037,604	2,260,876	776,728
Public Safety	7,151,495	7,174,505	7,343,726	(169,221)
Public Works	371,855	381,434	337,704	43,730
Streets and Storm Drains	859,381	944,341	846,623	97,718
Parks and Leisure	918,657	941,716	748,380	193,336
Housing and Community Development		823,905	153,292	670,613
Capital Outlay		337,943	241,204	96,739
Total Expenditures	11,834,894	13,641,448	11,931,805	1,709,643
Excess (Deficiency) of Revenues Over Expenditures	(3,093,861)	(4,915,063)	(2,505,902)	2,409,161
OTHER FINANCING SOURCES (USES)				
Transfers In	2,498,614	2,696,434	2,089,950	(606,484)
Transfers Out	(29,000)	(1,229,000)	(1,032,309)	196,691
Total Other Financing Sources (Uses)	2,469,614	1,467,434	1,057,641	(409,793)
Net Change In Fund Balances	(624,247)	(3,447,629)	(1,448,261)	1,999,368
Fund Balance, July 1	5,449,119	5,449,119	5,449,119	-
Fund Balance, June 30	$ 4,824,872	$ 2,001,490	$ 4,000,858	$ 1,999,368

CITY OF OROVILLE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
HOUSING PROGRAM FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ -	$ -	$ 3,724	$ 3,724
Current Services:				
Voucher and Other Fees			13,639	13,639
Other Revenues:				
Loan Collections			20,869	20,869
Sale of Property			123,000	123,000
Refunds/Reimbursements			9	9
Total Revenues	-	-	161,241	161,241
EXPENDITURES				
Current:				
Other Services and Supplies		57,500		57,500
Housing Loans			80,000	(80,000)
Capital Outlay:				
Housing and Community Development		5,000		5,000
Total Expenditures	-	62,500	80,000	(17,500)
Excess (Deficiency) of Revenues Over Expenditures	-	(62,500)	81,241	143,741
OTHER FINANCING SOURCES (USES)				
Transfers In			70,360	70,360
Transfers Out		(222,626)	-	222,626
Total Other Financing Sources (Uses)	-	(222,626)	70,360	292,986
Extraordinary Item: Dissolution of Oroville RDA			871,321	871,321
Net Change In Fund Balances	-	(285,126)	1,022,922	1,308,048
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ (285,126)	$ 1,022,922	$ 1,308,048

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ -	$ 2,017	$ 9,821	$ 7,804
Intergovernmental Revenues:				
Grants	80,000	6,096,874	3,240,224	(2,856,650)
Other Revenues:				
Loan Collections	3,152	86,983	36,076	(50,907)
Refunds/Reimbursements	86,983	1,135		(1,135)
Total Revenues	170,135	6,187,009	3,286,121	(2,900,888)
EXPENDITURES				
Current:				
Other Services and Supplies		139,420	38,608	100,812
Housing Loans		5,998,125	3,213,648	2,784,477
Capital Outlay:				
Housing and Community Development		15,232		15,232
Total Expenditures	-	6,152,777	3,252,256	2,900,521
Excess (Deficiency) of Revenues Over Expenditures	170,135	34,232	33,865	(367)
OTHER FINANCING SOURCES (USES)				
Transfers In	75,000	225,000		(225,000)
Transfers Out	(245,135)	(588,717)	(200,479)	388,238
Total Other Financing Sources (Uses)	(170,135)	(363,717)	(200,479)	163,238
Net Change In Fund Balances	-	(329,485)	(166,614)	162,871
Fund Balance, July 1	675,241	675,241	675,241	-
Fund Balance, June 30	$ 675,241	$ 345,756	$ 508,627	$ 162,871

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ -	$ 14,819	$ 26,089	$ 11,270
Intergovernmental Revenues:				
Grants	230,000	4,350,979	1,735,557	(2,615,422)
Other Revenues:				
Loan Collections	23,155	8,336	41,768	33,432
Refunds/Reimbursements	288,260	288,260		(288,260)
Total Revenues	541,415	4,662,394	1,803,414	(2,858,980)
EXPENDITURES				
Current:				
Salaries and Benefits		310,000	129,052	180,948
Other Services and Supplies		1,800,394	1,201,534	598,860
Loans Made		2,265,522	1,009,424	1,256,098
Capital Outlay:				
Housing and Community Development		254,550		254,550
Total Expenditures	-	4,630,466	2,340,010	2,290,456
Excess (Deficiency) of Revenues Over Expenditures	541,415	31,928	(536,596)	(568,524)
OTHER FINANCING SOURCES (USES)				
Transfers In	225,000	495,000	303,667	(191,333)
Transfers Out	(766,715)	(1,330,305)	(426,012)	904,293
Total Other Financing Sources (Uses)	(541,715)	(835,305)	(122,345)	712,960
Net Change In Fund Balances	(300)	(803,377)	(658,941)	144,436
Fund Balance, July 1	2,031,543	2,031,543	2,031,543	-
Fund Balance, June 30	$ 2,031,243	$ 1,228,166	$ 1,372,602	$ 144,436

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 1,920,311	$ 1,920,311	$ 1,165,310	$ (755,001)
Total Revenues	1,920,311	1,920,311	1,165,310	(755,001)
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	1,920,311	1,920,311	1,165,310	(755,001)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,920,311)	(1,920,311)	(1,920,310)	1
Total Other Financing Sources (Uses)	(1,920,311)	(1,920,311)	(1,920,310)	1
Net Change In Fund Balances	-	-	(755,000)	(755,000)
Fund Balance, July 1	24,834,625	24,834,625	24,834,625	-
Fund Balance, June 30	$ 24,834,625	$ 24,834,625	$ 24,079,625	$ (755,000)

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, 2012

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property Taxes	$ 4,309,530	$ 4,309,530	$ 2,206,202	$ (2,103,328)
Interest, Rents, and Concessions:				
Investment Earnings	111,621	111,621	21,427	(90,194)
Intergovernmental Revenues:				
HOPTR	43,110	43,110	34,050	(9,060)
Grants			65,490	65,490
Other Revenues:				
Refunds/Reimbursements	3,000	3,000	8,990	5,990
Total Revenues	4,467,261	4,467,261	2,336,159	(2,131,102)
EXPENDITURES				
Current:				
Salaries and Benefits	479,018	479,018	282,849	196,169
Other Services and Supplies	1,533,740	1,533,740	259,514	1,274,226
Debt Service:				
Interest and Fiscal Charges	1,259,310	1,259,310	645,787	613,523
Total Expenditures	3,272,068	3,272,068	1,188,150	2,083,918
Excess (Deficiency) of Revenues Over Expenditures	1,195,193	1,195,193	1,148,009	(47,184)
OTHER FINANCING SOURCES (USES)				
Transfers In			32,725	32,725
Transfers Out	(851,238)	(851,238)	(457,627)	393,611
Total Other Financing Sources (Uses)	(851,238)	(851,238)	(424,902)	426,336
Extraordinary Item: Dissolution of Oroville RDA	-	-	19,640,133	19,640,133
Net Change In Fund Balances	343,955	343,955	20,363,240	20,019,285
Fund Balance, July 1	(20,363,240)	(20,363,240)	(20,363,240)	-
Fund Balance, June 30	$ (20,019,285)	$ (20,019,285)	$ -	$ 20,019,285

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, 2012

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	$ 1,478,803	$ 1,478,803	$ 771,881	$ (706,922)
Interest, Rents, and Concessions:				
Investment Earnings	27,094	27,094	18,810	(8,284)
Rents and Concessions	8,500	8,500	1,312	(7,188)
Intergovernmental Revenues:				
HOPTR			8,513	8,513
Grants	21,955	21,955	-	(21,955)
Other Revenues:				
Loan Collections	131,194	131,194	49,815	(81,379)
Sale of Property			280,000	280,000
Refunds/Reimbursements	2,000	2,000	4,276	2,276
Total Revenues	1,669,546	1,669,546	1,134,607	(534,939)
EXPENDITURES				
Current:				
Salaries and Benefits	83,485	83,485	29,069	54,416
Other Services and Supplies	505,775	505,775	78,205	427,570
Loans and Housing Construction			1,295,246	(1,295,246)
Capital Outlay:				
Housing and Community Development	300,000	300,000	28,475	271,525
Total Expenditures	889,260	889,260	1,430,995	(541,735)
Excess (Deficiency) of Revenues Over Expenditures	780,286	780,286	(296,388)	(1,076,674)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(809,280)	(809,280)	18,240 (146,669)	18,240 662,611
Total Other Financing Sources (Uses)	(809,280)	(809,280)	(128,429)	680,851
Extraordinary Item: Dissolution of Oroville RDA	-	-	(3,237,918)	(3,237,918)
Net Change In Fund Balances	(28,994)	(28,994)	(3,662,735)	(3,633,741)
Fund Balance, July 1	3,662,735	3,662,735	3,662,735	-
Fund Balance, June 30	$ 3,633,741	$ 3,633,741	$ -	$ (3,633,741)

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, 2012

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 6,291	$ 6,291	$ 51	$ (6,240)
Total Revenues	6,291	6,291	51	(6,240)
EXPENDITURES				
Current:				
Other Services and Supplies		1,550	50	1,500
Loans Made		135,496	65,137	70,359
Total Expenditures	-	137,046	65,187	71,859
Excess (Deficiency) of Revenues Over Expenditures	6,291	(130,755)	(65,136)	65,619
OTHER FINANCING SOURCES (USES)				
Transfers In			50,367	50,367
Transfers Out		(18,162)	(9,994)	8,168
Total Other Financing Sources (Uses)	-	(18,162)	40,373	58,535
Net Change In Fund Balances	6,291	(148,917)	(24,763)	124,154
Fund Balance, July 1	73,449	73,449	73,449	-
Fund Balance, June 30	$ 79,740	$ (75,468)	$ 48,686	$ 124,154

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

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

Note = June 30, 2008 was the initial acturial valuation for the plan and only two valuations have completed since GASB 45 was adopted. In the future information from the three most recent valuations will be presented.

NONMAJOR COMBINING AND INDIVIDUAL FUND STATEMENTS

CITY OF OROVILLE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	$ 11,291,863	$ 166,738	$ 932,332	$ 12,390,933
Receivables:				
Taxes	14,607			14,607
Accounts	102,968			102,968
Sewer Service Charges	186,242			186,242
Grants	324,665			324,665
Interest	54,608			54,608
Due From Other Funds	241,879		23,084	264,963
Inventory	4,012			4,012
Loans Receivable	5,143,637		11,113	5,154,750
Advances Due From Other Funds	138,816		67,108	205,924
Total Assets	$ 17,503,297	$ 166,738	$ 1,033,637	$ 18,703,672
LIABILITIES				
Vouchers Payable	$ 746,787	$ 82,050	$ 18,344	$ 847,181
Accrued Salaries and Benefits	21,816			21,816
Due To Other Funds	264,963	92,973		357,936
Due To Other Agencies	234,806			234,806
Unearned Revenues	4,970,230		11,113	4,981,343
Advances Payable to Other Funds	67,108			67,108
Total Liabilities	6,305,710	175,023	29,457	6,510,190
Fund Balances (Deficits)				
Nonspendable	142,828		67,108	209,936
Restricted	4,642,992			4,642,992
Committed	4,670,551		937,072	5,607,623
Assigned	1,947,360	84,688		2,032,048
Unassigned	(206,144)	(92,973)		(299,117)
Total Fund Balances	11,197,587	(8,285)	1,004,180	12,193,482
Total Liabilities and Fund Balances (Deficits)	$ 17,503,297	$ 166,738	$ 1,033,637	$ 18,703,672

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

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	$ 109,214	$ -	$ -	$ 109,214
Licenses and Permits	138,533			138,533
Interest, Rents, and Concessions	429,847	160	9,174	439,181
Intergovernmental Revenues	2,615,749		416,283	3,032,032
Current Service Charges	2,349,830			2,349,830
Other	558,398	506,496	40,005	1,104,899
Total Revenues	6,201,571	506,656	465,462	7,173,689
EXPENDITURES				
Current:				
General Government	3,317		12,810	16,127
Public Safety	109,406			109,406
Streets and Storm Drains	72,157		63,526	135,683
Transportation	548,814			548,814
Parks and Leisure	420,157		120,000	540,157
Health and Sanitation	1,621,346			1,621,346
Housing and Community Development	1,449,241			1,449,241
Debt Service:				
Principal Retirement		357,124		357,124
Interest and Fiscal Charges	2,151	384,679		386,830
Capital Outlay	1,875,406		773,539	2,648,945
Total Expenditures	6,101,995	741,803	969,875	7,813,673
Excess (Deficiency) of Revenues Over Expenditures	99,576	(235,147)	(504,413)	(639,984)
OTHER FINANCING SOURCES (USES)				
Loan Proceeds			264,177	264,177
Transfers In	2,349,783	30,000	19,000	2,398,783
Transfers Out	(2,242,278)		(25,764)	(2,268,042)
Total Other Financing Sources (Uses)	107,505	30,000	257,413	394,918
Extraordinary Item: Dissolution of Oroville RDA	(741,411)		(3,372,959)	(4,114,370)
Net Change In Fund Balances	(534,330)	(205,147)	(3,619,959)	(4,359,436)
Fund Balances, July 1	11,731,917	196,862	4,624,139	16,552,918
Fund Balances, June 30	$ 11,197,587	$ (8,285)	$ 1,004,180	$ 12,193,482

NONMAJOR SPECIAL REVENUE FUNDS

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

CITY OF OROVILLE
COMBINING BALANCE SHEET
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	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	Regional Surface Transportation Program Fund
ASSETS										
Cash and Investments	$ 30,767	$ 2,531,612	$ 790,528	$ 507,907	$ 91,374	$ 155,238	$ 520,461	$ 482,862	$ 332,042	$ 227,703
Receivables:										
Taxes										
Accounts	156									
Sewer Service Charges		186,242								
Grants										
Interest										167,256
Due From Other Funds										
Inventory										
Loans Receivable										
Advances Due From Other Funds		138,816								
Total Assets	$ 30,923	$ 2,856,670	$ 790,528	$ 507,907	$ 91,374	$ 155,238	$ 520,461	$ 482,862	$ 332,042	$ 394,959
LIABILITIES										
Vouchers Payable	$ 4,202	$ 363,990	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accrued Salaries and Benefits		8,569								
Due To Other Funds										
Due To Other Related Agency		234,806								
Unearned Revenues										
Advances Payable to Other Funds										
Total Liabilities	4,202	607,365	-	-	-	-	-	-	-	-
Fund Balances (Deficits)										
Nonspendable		138,816								
Restricted			790,528	507,907	91,374	155,238	520,461	482,862	332,042	394,959
Committed		909,522								
Assigned	26,721	1,200,967								
Unassigned										
Total Fund Balances (Deficits)	26,721	2,249,305	790,528	507,907	91,374	155,238	520,461	482,862	332,042	394,959
Total Liabilities and Fund Balances (Deficits)	$ 30,923	$ 2,856,670	$ 790,528	$ 507,907	$ 91,374	$ 155,238	$ 520,461	$ 482,862	$ 332,042	$ 394,959

Continued

CITY OF OROVILLE
COMBINING BALANCE SHEET
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Technology Fee Fund	Recycling Fund	Special Gas Tax 2107 & 2107.5 Fund	Special Gas Tax 186.1 & 2106 Fund	Special Gas Tax 2105 Fund	Special Aviation Fund	Housing Administration Fund	EDBG Fund	Asset Seizure Fund	Public Safety Augmentation Fund
ASSETS										
Cash and Investments	$ 57,620	$ 83,172	$ 17,517	$ 12,626	$ 37,274	$ 278,723	$ 5,279	$ -	$ 236,805	$ 111,021
Receivables:										
Taxes										
Accounts		4,884	9,757	6,233	31,387	35,096				7,699
Sewer Service Charges										
Grants						107,571				
Interest										
Due From Other Funds								14,798		
Inventory										
Loans Receivable						4,012				
Advances Due From Other Funds								2,806,294		
Total Assets	$ 57,620	$ 88,056	$ 27,274	$ 18,859	$ 68,661	$ 425,402	$ 5,279	$ 2,821,092	$ 236,805	$ 118,720
LIABILITIES										
Vouchers Payable	$ -	$ -	$ -	$ -	$ -	$ 31,711	$ -	$ 100,035	$ 210,000	$ -
Accrued Salaries and Benefits						774	10,477			
Due To Other Funds						23,084		236,070		
Due To Other Related Agency										
Unearned Revenues								2,684,399		
Advances Payable to Other Funds	59,154					7,954				
Total Liabilities	59,154	-	-	-	-	63,523	10,477	3,020,504	210,000	-
Fund Balances (Deficits)										
Nonspendable						4,012				
Restricted			27,274	18,859	68,661				26,805	118,720
Committed		16,057				23,533				
Assigned		71,999				334,334				
Unassigned	(1,534)						(5,198)	(199,412)		
Total Fund Balances (Deficits)	(1,534)	88,056	27,274	18,859	68,661	361,879	(5,198)	(199,412)	26,805	118,720
Total Liabilities and Fund Balances (Deficits)	$ 57,620	$ 88,056	$ 27,274	$ 18,859	$ 68,661	$ 425,402	$ 5,279	$ 2,821,092	$ 236,805	$ 118,720

Continued

CITY OF OROVILLE
COMBINING BALANCE SHEET
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Police Supplemental Law Enforcement Fund	Law Enforcement Block Grant Fund	Law Enforcement Impact Fee Fund	Miscellaneous Grant Fund	Fire Suppression Impact Fee Fund	Contingency Fund	Fire Grant Fund	PEG Fee Fund	General Government Development Impact Fee Fund	Lighting & Landscape Maintenance Districts Fund
ASSETS										
Cash and Investments	$ 131,128	$ 136,488	$ 52,836	$ 18,501	$ 20,633	$ 1,217,890	$ 181,629	$ 16,487	$ 12,688	$ 35,566
Receivables:										
Taxes										
Accounts								5,436		872
Sewer Service Charges										
Grants		49,838								
Interest										
Due From Other Funds										
Inventory										
Loans Receivable										
Advances Due From Other Funds										
Total Assets	$ 131,128	$ 186,326	$ 52,836	$ 18,501	$ 20,633	$ 1,217,890	$ 181,629	$ 21,923	$ 12,688	$ 36,438
LIABILITIES										
Vouchers Payable	$ -	$ 2,806	$ -	$ -	$ -	$ -	$ 16,731	$ -	$ -	$ 956
Accrued Salaries and Benefits							1,168			201
Due To Other Funds										
Due To Other Related Agency										
Unearned Revenues										
Advances Payable to Other Funds										
Total Liabilities	-	2,806	-	-	-	-	17,899	-	-	1,157
Fund Balances (Deficits)										
Nonspendable										
Restricted	131,128	183,520	52,836	18,501	20,633		163,730	21,923	12,688	35,281
Committed						1,217,890				
Assigned										
Unassigned										
Total Fund Balances (Deficits)	131,128	183,520	52,836	18,501	20,633	1,217,890	163,730	21,923	12,688	35,281
Total Liabilities and Fund Balances (Deficits)	$ 131,128	$ 186,326	$ 52,836	$ 18,501	$ 20,633	$ 1,217,890	$ 181,629	$ 21,923	$ 12,688	$ 36,438

Continued

CITY OF OROVILLE
COMBINING BALANCE SHEET
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Benefit Assessment Districts Fund	Westside Public Service Fund	Public Safety Services Fund	Supplemental Benefits Fund	Public Facility Revolving Loan Fund	Pioneer Museum Fund	Public Works Manufacturing Development Center Fund	City Housing Rehabilitation Revolving Loan Fund	Economic Development Revolving Loan Fund	CDBG Housing Revolving Loan Fund
ASSETS										
Cash and Investments	$ 62,787	$ 151,283	$ 151,451	$ 160,056	$ 1,078,038	$ 100,999	$ 169,396	$ 663,018	$ -	$ -
Receivables:										
Taxes										
Accounts		300	300							
Sewer Service Charges				9,455			6,000			
Grants										
Interest										
Due From Other Funds								31,369	1,551	
Inventory								241,879		
Loans Receivable										
Advances Due From Other Funds								1,281,263	88,928	863,706
Total Assets	$ 62,787	$ 151,583	$ 151,751	$ 169,511	$ 1,078,038	$ 100,999	$ 175,396	$ 2,217,529	$ 90,479	$ 863,706
LIABILITIES										
Vouchers Payable	$ 58	$ -	$ -	$ 6,170	$ -	$ -	$ 221	$ 725	$ -	$ -
Accrued Salaries and Benefits				598			29			
Due To Other Funds										
Due To Other Related Agency									5,809	
Unearned Revenues										
Advances Payable to Other Funds								1,239,337	79,342	863,706
Total Liabilities	58	-	-	6,768	-	-	250	1,240,062	85,151	863,706
Fund Balances (Deficits)										
Nonspendable										
Restricted	62,729	151,583	151,751			100,999				
Committed				38,670	1,078,038			977,467	5,328	
Assigned				124,073			175,146			
Unassigned										
Total Fund Balances (Deficits)	62,729	151,583	151,751	162,743	1,078,038	100,999	175,146	977,467	5,328	-
Total Liabilities and Fund Balances (Deficits)	$ 62,787	$ 151,583	$ 151,751	$ 169,511	$ 1,078,038	$ 100,999	$ 175,396	$ 2,217,529	$ 90,479	$ 863,706

Continued

CITY OF OROVILLE
COMBINING BALANCE SHEET
SPECIAL REVENUE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	CalHOME Revolving Loan Fund	Housing Rehabilitation Revolving Loan Fund	City Revolving Loan Fund	Oroville RDA Revolving Loan Fund	Annexation Fund	Plan Retention Fund	Totals 2012
ASSETS							
Cash and Investments	$ 103,503	$ -	$ 248,846	$ -	$ 53,989	$ 14,120	$ 11,291,863
Receivables:							
Taxes							14,607
Accounts							102,968
Sewer Service Charges							186,242
Grants							324,665
Interest			6,890				54,608
Due From Other Funds							241,879
Inventory							4,012
Loans Receivable		54,172	49,274				5,143,637
Advances Due From Other Funds							138,816
Total Assets	$ 103,503	$ 54,172	$ 305,010	$ -	$ 53,989	$ 14,120	$ 17,503,297
LIABILITIES							
Vouchers Payable	$ -	$ -	$ -	$ -	$ 9,182	$ -	$ 746,787
Accrued Salaries and Benefits							21,816
Due To Other Funds							264,963
Due To Other Related Agency							234,806
Unearned Revenues		54,172	49,274				4,970,230
Advances Payable to Other Funds							67,108
Total Liabilities	-	54,172	49,274	-	9,182	-	6,305,710
Fund Balances (Deficits)							
Nonspendable							142,828
Restricted							4,642,992
Committed	103,503		255,736		44,807		4,670,551
Assigned						14,120	1,947,360
Unassigned							(206,144)
Total Fund Balances (Deficits)	103,503	-	255,736	-	44,807	14,120	11,197,587
Total Liabilities and Fund Balances (Deficits)	$ 103,503	$ 54,172	$ 305,010	$ -	$ 53,989	$ 14,120	$ 17,503,297

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

	Community Promotions Fund	Sewer Fund	Sewer Connection Fees Fund	Drainage Impact Fees Fund	Park Development Fees Fund	Thermalito Traffic Impact Fees Fund	Traffic Impact Fees Fund	Drainage Citywide Fund	Local Transportation Fund	Regional Surface Transportation Program Fund
REVENUES										
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits					38,559		31,195	56,304		
Interest, Rents, and Concessions		9,506	2,860	1,850	363	565	1,949	1,734	1,209	841
Intergovernmental Revenues										167,256
Current Service Charges		2,274,790	43,484							
Other	7,285	15,000								
Total Revenues	7,285	2,299,296	46,344	1,850	38,922	565	33,144	58,038	1,209	168,097
EXPENDITURES										
Current:										
General Government										
Public Safety										
Streets and Storm Drains				292			46,214			667
Transportation										
Parks and Leisure										
Health and Sanitation		1,621,346								
Housing and Community Development	45,214									
Debt Service:										
Interest Charges										
Capital Outlay		954,136								25,880
Total Expenditures	45,214	2,575,482	-	292	-	-	46,214	-	-	26,547
Excess (Deficiency) of Revenues Over Expenditures	(37,929)	(276,186)	46,344	1,558	38,922	565	(13,070)	58,038	1,209	141,550
OTHER FINANCING SOURCES (USES)										
Transfers In	30,000	13,818								
Transfers Out		(303,076)			(43,562)					
Total Other Financing Sources (Uses)	30,000	(289,258)	-	-	(43,562)	-	-	-	-	-
Extraordinary Item: Dissolution of Oroville RDA										
Net Change In Fund Balances (Deficits)	(7,929)	(565,444)	46,344	1,558	(4,640)	565	(13,070)	58,038	1,209	141,550
Fund Balances (Deficits), July 1	34,650	2,814,749	744,184	506,349	96,014	154,673	533,531	424,824	330,833	253,409
Fund Balances (Deficits), June 30	$ 26,721	$ 2,249,305	$ 790,528	$ 507,907	$ 91,374	$ 155,238	$ 520,461	$ 482,862	$ 332,042	$ 394,959

Continued

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

	Technology Fee Fund	Recycling Fund	Special Gas Tax 2107 & 2107.5 Fund	Special Gas Tax 186.1 & 2106 Fund	Special Gas Tax 2105 Fund	Special Aviation Fund	Housing Administration Fund	EDBG Fund	Asset Seizure Fund	Public Safety Augmentation Fund
REVENUES										
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits										
Interest, Rents, and Concessions	210	289	295	183	655	204,699		86,084	123	
Intergovernmental Revenues			105,940	64,536	280,919	607,620		415,006		96,617
Current Service Charges	30,902									
Other		13,218				292,984		140,196		
Total Revenues	31,112	13,507	106,235	64,719	281,574	1,105,303	-	641,286	123	96,617
EXPENDITURES										
Current:										
General Government	3,317									
Public Safety									8,750	
Streets and Storm Drains			355	355	355					
Transportation						548,814				
Parks and Leisure										
Health and Sanitation										
Housing and Community Development							652,254	571,359		
Debt Service:										
Interest Charges						2,151				
Capital Outlay	29,329	4,943				598,391				
Total Expenditures	32,646	4,943	355	355	355	1,149,356	652,254	571,359	8,750	-
Excess (Deficiency) of Revenues Over Expenditures	(1,534)	8,564	105,880	64,364	281,219	(44,053)	(652,254)	69,927	(8,627)	96,617
OTHER FINANCING SOURCES (USES)										
Transfers In						112	655,367			
Transfers Out		(4,907)	(118,359)	(69,324)	(295,135)	(102,469)		(401,772)		
Total Other Financing Sources (Uses)	-	(4,907)	(118,359)	(69,324)	(295,135)	(102,357)	655,367	(401,772)	-	-
Extraordinary Item: Dissolution of Oroville RDA										
Net Change In Fund Balances (Deficits)	(1,534)	3,657	(12,479)	(4,960)	(13,916)	(146,410)	3,113	(331,845)	(8,627)	96,617
Fund Balances (Deficits), July 1	-	84,399	39,753	23,819	82,577	508,289	(8,311)	132,433	35,432	22,103
Fund Balances (Deficits), June 30	$ (1,534)	$ 88,056	$ 27,274	$ 18,859	$ 68,661	$ 361,879	$ (5,198)	$ (199,412)	$ 26,805	$ 118,720

Continued

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

	Police Supplemental Law Enforcement Fund	Law Enforcement Block Grant Fund	Law Enforcement Impact Fee Fund	Miscellaneous Grant Fund	Fire Suppression Impact Fee Fund	Contingency Fund	Fire Grant Fund	PEG Fee Fund	General Government Development Impact Fee Fund	Lighting & Landscape Maintenance Districts Fund
REVENUES										
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 21,897	$ -	$ 20,717
Licenses and Permits	189		5,232		1,731				5,512	
Interest, Rents, and Concessions	119,634	145,574	201		81			26	59	120
Intergovernmental Revenues							37,353			
Current Service Charges				7,711						
Other										
Total Revenues	119,823	145,574	5,433	7,711	1,812	-	37,353	21,923	5,571	20,837
EXPENDITURES										
Current:										
General Government										
Public Safety		33,301				8,974	58,341			
Streets and Storm Drains										23,197
Transportation				9,276						
Parks and Leisure										
Health and Sanitation										
Housing and Community Development										
Debt Service:										
Interest Charges										
Capital Outlay				116,930			40,977			
Total Expenditures	-	33,301	-	126,206	-	8,974	99,318	-	-	23,197
Excess (Deficiency) of Revenues Over Expenditures	119,823	112,273	5,433	(118,495)	1,812	(8,974)	(61,965)	21,923	5,571	(2,360)
OTHER FINANCING SOURCES (USES)										
Transfers In				45,000		1,000,000	223,770			
Transfers Out		(89,930)	(7,220)	(223,770)	(5,043)				(10,000)	(314)
Total Other Financing Sources (Uses)	-	(89,930)	(7,220)	(178,770)	(5,043)	1,000,000	223,770	-	(10,000)	(314)
Extraordinary Item: Dissolution of Oroville RDA										
Net Change In Fund Balances (Deficits)	119,823	22,343	(1,787)	(297,265)	(3,231)	991,026	161,805	21,923	(4,429)	(2,674)
Fund Balances (Deficits), July 1	11,305	161,177	54,623	315,766	23,864	226,864	1,925	-	17,117	37,955
Fund Balances (Deficits), June 30	$ 131,128	$ 183,520	$ 52,836	$ 18,501	$ 20,633	$ 1,217,890	$ 163,730	$ 21,923	$ 12,688	$ 35,281

Continued

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

	Benefit Assessment Districts Fund	Westside Public Service Fund	Public Safety Services Fund	Supplemental Benefits Fund	Public Facility Revolving Loan Fund	Pioneer Museum Fund	Public Works Manufacturing Development Center Fund	City Housing Rehabilitation Revolving Loan Fund	Economic Development Revolving Loan Fund	CDBG Housing Revolving Loan Fund
REVENUES										
Taxes	$ -	$ 33,300	$ 33,300	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits										
Interest, Rents, and Concessions	230	475	475		9,069		73,026	20,743	6,646	
Intergovernmental Revenues				575,294						
Current Service Charges										
Other								80,142		
Total Revenues	230	33,775	33,775	575,294	9,069	-	73,026	100,885	6,646	-
EXPENDITURES										
Current:										
General Government										
Public Safety			40							
Streets and Storm Drains	681	41								
Transportation										
Parks and Leisure				410,881						
Health and Sanitation										
Housing and Community Development					187		5,939	85,374		
Debt Service:										
Interest Charges										
Capital Outlay				35,094			69,726			
Total Expenditures	681	41	40	445,975	187	-	75,665	85,374	-	-
Excess (Deficiency) of Revenues Over Expenditures	(451)	33,734	33,735	129,319	8,882	-	(2,639)	15,511	6,646	-
OTHER FINANCING SOURCES (USES)										
Transfers In					381,716					
Transfers Out	(22)				(270,000)		(200,000)	(19,438)	(67,937)	
Total Other Financing Sources (Uses)	(22)	-	-	-	111,716	-	(200,000)	(19,438)	(67,937)	-
Extraordinary Item: Dissolution of Oroville RDA										
Net Change In Fund Balances (Deficits)	(473)	33,734	33,735	129,319	120,598	-	(202,639)	(3,927)	(61,291)	-
Fund Balances (Deficits), July 1	63,202	117,849	118,016	33,424	957,440	100,999	377,785	981,394	66,619	-
Fund Balances (Deficits), June 30	$ 62,729	$ 151,583	$ 151,751	$ 162,743	$ 1,078,038	$ 100,999	$ 175,146	$ 977,467	$ 5,328	$ -

Continued

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

	CalHOME Revolving Loan Fund	Housing Rehabilitation Revolving Loan Fund	City Revolving Loan Fund	Oroville RDA Revolving Loan Fund	Annexation Fund	Plan Retention Fund	Totals 2012
REVENUES							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 109,214
Licenses and Permits							138,533
Interest, Rents, and Concessions	377		922	3,395	348	50	429,847
Intergovernmental Revenues							2,615,749
Current Service Charges						654	2,349,830
Other				1,862			558,398
Total Revenues	377	-	922	5,257	348	704	6,201,571
EXPENDITURES							
Current:							
General Government							3,317
Public Safety							109,406
Streets and Storm Drains							72,157
Transportation							548,814
Parks and Leisure							420,157
Health and Sanitation							1,621,346
Housing and Community Development			1,426		87,488		1,449,241
Debt Service:							
Interest Charges							2,151
Capital Outlay							1,875,406
Total Expenditures	-	-	1,426	-	87,488	-	6,101,995
Excess (Deficiency) of Revenues Over Expenditures	377	-	(504)	5,257	(87,140)	704	99,576
OTHER FINANCING SOURCES (USES)							
Transfers In							2,349,783
Transfers Out			(10,000)				(2,242,278)
Total Other Financing Sources (Uses)	-	-	(10,000)	-	-	-	107,505
Extraordinary Item: Dissolution of Oroville RDA				(741,411)			(741,411)
Net Change In Fund Balances (Deficits)	377	-	(10,504)	(736,154)	(87,140)	704	(534,330)
Fund Balances (Deficits), July 1	103,126	-	266,240	736,154	131,947	13,416	11,731,917
Fund Balances (Deficits), June 30	$ 103,503	$ -	$ 255,736	$ -	$ 44,807	$ 14,120	$ 11,197,587

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Other Revenues:				
Donations	$ -	$ -	$ 7,285	$ 7,285
Total Revenues	-	-	7,285	7,285
EXPENDITURES				
Current:				
Other Services and Charges	30,000	38,916	45,214	(6,298)
Total Expenditures	30,000	38,916	45,214	(6,298)
Excess (Deficiency) of Revenues Over Expenditures	(30,000)	(38,916)	(37,929)	987
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	-	(8,916)	(7,929)	987
Fund Balance, July 1	34,650	34,650	34,650	-
Fund Balance, June 30	**$ 34,650**	**$ 25,734**	**$ 26,721**	**$ 987**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 10,020	$ 10,020	$ 9,506	$ (514)
Current Service Charges:				
Sewer Service Charges	2,298,253	2,298,253	2,274,790	(23,463)
Other Revenues:				
Refunds and Reimbursements			15,000	15,000
Total Revenues	2,308,273	2,308,273	2,299,296	(8,977)
EXPENDITURES				
Current:				
Salaries and Benefits	414,340	415,137	390,645	24,492
Other Services and Supplies	826,473	1,020,679	332,246	688,433
SC-OR Treatment Charges	937,056	937,056	898,455	38,601
Capital Outlay				
Health and Sanitation	243,300	590,676	954,136	(363,460)
Total Expenditures	2,421,169	2,963,548	2,575,482	388,066
Excess (Deficiency) of Revenues Over Expenditures	(112,896)	(655,275)	(276,186)	379,089
OTHER FINANCING SOURCES (USES)				
Transfers In	13,706	13,706	13,818	112
Transfers Out	(309,816)	(309,816)	(303,076)	6,740
Total Other Financing Sources (Uses)	(296,110)	(296,110)	(289,258)	6,852
Net Change In Fund Balances	(409,006)	(951,385)	(565,444)	385,941
Fund Balance, July 1	2,814,749	2,814,749	2,814,749	-
Fund Balance, June 30	**$ 2,405,743**	**$ 1,863,364**	**$ 2,249,305**	**$ 385,941**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 3,800	$ 3,800	$ 2,860	$ (940)
Current Service Charges:				
Sewer Connection Fees	7,956	7,956	43,152	35,196
Sewer Tapping Charges			332	332
Total Revenues	11,756	11,756	46,344	34,588
EXPENDITURES				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	100	100	-	100
Excess (Deficiency) of Revenues Over Expenditures	11,656	11,656	46,344	34,688
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	11,656	11,656	46,344	34,688
Fund Balance, July 1	744,184	744,184	744,184	-
Fund Balance, June 30	**$ 755,840**	**$ 755,840**	**$ 790,528**	**$ 34,688**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Licenses and Permits:				
Drainage Impact Fees	$ 626	$ 626	$ -	$ (626)
Interest, Rents, and Concessions:				
Investment Earnings	2,582	2,582	1,850	(732)
Total Revenues	3,208	3,208	1,850	(1,358)
EXPENDITURES				
Current:				
Other Services and Supplies	100	100	292	(192)
Total Expenditures	100	100	292	(192)
Excess (Deficiency) of Revenues Over Expenditures	3,108	3,108	1,558	(1,550)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	3,108	3,108	1,558	(1,550)
Fund Balance, July 1	506,349	506,349	506,349	-
Fund Balance, June 30	**$ 509,457**	**$ 509,457**	**$ 507,907**	**$ (1,550)**

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, 2012

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and Permits:				
Park Impact Fees	$ 2,583	$ 2,583	$ 38,559	$ 35,976
Interest, Rents, and Concessions:				
Investment Earnings	489	489	363	(126)
Total Revenues	3,072	3,072	38,922	35,850
EXPENDITURES				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	100	100	-	100
Excess (Deficiency) of Revenues Over Expenditures	2,972	2,972	38,922	35,950
OTHER FINANCING SOURCES (USES)				
Transfers Out		(43,562)	(43,562)	-
Total Other Financing Sources (Uses)	-	(43,562)	(43,562)	-
Net Change In Fund Balances	2,972	(40,590)	(4,640)	35,950
Fund Balance, July 1	96,014	96,014	96,014	-
Fund Balance, June 30	**$ 98,986**	**$ 55,424**	**$ 91,374**	**$ 35,950**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 788	$ 788	$ 565	$ (223)
Total Revenues	788	788	565	(223)
EXPENDITURES				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	100	100	-	100
Excess (Deficiency) of Revenues Over Expenditures	688	688	565	(123)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	688	688	565	(123)
Fund Balance, July 1	154,673	154,673	154,673	-
Fund Balance, June 30	**$ 155,361**	**$ 155,361**	**$ 155,238**	**$ (123)**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Licenses and Permits:				
Traffic Impact Fees	$ 39,693	$ 39,693	$ 31,195	$ (8,498)
Interest, Rents, and Concessions:				
Investment Earnings	2,562	2,562	1,949	(613)
Total Revenues	42,255	42,255	33,144	(9,111)
EXPENDITURES				
Current:				
Other Services and Supplies	100	36,706	46,214	(9,508)
Total Expenditures	100	36,706	46,214	(9,508)
Excess (Deficiency) of Revenues Over Expenditures	42,155	5,549	(13,070)	(18,619)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	42,155	5,549	(13,070)	(18,619)
Fund Balance, July 1	533,531	533,531	533,531	-
Fund Balance, June 30	**$ 575,686**	**$ 539,080**	**$ 520,461**	**$ (18,619)**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Licenses and Permits:				
Drainage Impact Fees	$ 9,475	$ 9,475	$ 56,304	$ 46,829
Interest, Rents, and Concessions:				
Investment Earnings	2,137	2,137	1,734	(403)
Total Revenues	11,612	11,612	58,038	46,426
EXPENDITURES				
Current:				
Other Services and Supplies	250,100	250,100		250,100
Total Expenditures	250,100	250,100	-	250,100
Excess (Deficiency) of Revenues Over Expenditures	(238,488)	(238,488)	58,038	296,526
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	(238,488)	(238,488)	58,038	296,526
Fund Balance, July 1	424,824	424,824	424,824	-
Fund Balance, June 30	**$ 186,336**	**$ 186,336**	**$ 482,862**	**$ 296,526**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 1,499	$ 1,499	$ 1,209	$ (290)
Total Revenues	1,499	1,499	1,209	(290)
EXPENDITURES				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	100	100	-	100
Excess (Deficiency) of Revenues Over Expenditures	1,399	1,399	1,209	(190)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	1,399	1,399	1,209	(190)
Fund Balance, July 1	330,833	330,833	330,833	-
Fund Balance, June 30	**$ 332,232**	**$ 332,232**	**$ 332,042**	**$ (190)**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ -	$ -	$ 841	$ 841
Intergovernmental Revenues:				
Grants	167,369	167,369	167,256	(113)
Total Revenues	167,369	167,369	168,097	728
EXPENDITURES				
Current:				
Other Services and Supplies		2,029	667	1,362
Capital Outlay:				
Streets and Storm Drains	167,369	232,369	25,880	206,489
Total Expenditures	167,369	234,398	26,547	207,851
Excess (Deficiency) of Revenues Over Expenditures	-	(67,029)	141,550	208,579
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	(67,029)	141,550	208,579
Fund Balance, July 1	253,409	253,409	253,409	-
Fund Balance, June 30	**$ 253,409**	**$ 186,380**	**$ 394,959**	**$ 208,579**

CITY OF OROVILLE
TECHNOLOGY FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ -	$ -	$ 210	$ 210
Current Service Charges:				
Technology Fees		77,000	30,902	(46,098)
Total Revenues	-	77,000	31,112	(45,888)
EXPENDITURES				
Current:				
Other Services and Supplies			3,317	(3,317)
Capital Outlay:				
General Government		106,329	29,329	77,000
Total Expenditures	-	106,329	32,646	73,683
Excess (Deficiency) of Revenues Over Expenditures	-	(29,329)	(1,534)	27,795
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	(29,329)	(1,534)	27,795
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	**$ -**	**$ (29,329)**	**$ (1,534)**	**$ 27,795**

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, 2012

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 289	$ 289	$ 289	$ -
Intergovernmental Revenues:				
Grants	5,000	5,000		(5,000)
Other Revenues:				
Refunds and Reimbursements	11,137	11,137	13,218	2,081
Total Revenues	16,426	16,426	13,507	(2,919)
EXPENDITURES				
Current:				
Other Services and Supplies	2,000	2,000		2,000
Capital Outlay:				
Health and Sanitation	21,000	21,000	4,943	16,057
Total Expenditures	23,000	23,000	4,943	18,057
Excess (Deficiency) of Revenues Over Expenditures	(6,574)	(6,574)	8,564	15,138
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	(11,481)	(11,481)	3,657	15,138
Fund Balance, July 1	84,399	84,399	84,399	-
Fund Balance, June 30	**$ 72,918**	**$ 72,918**	**$ 88,056**	**$ 15,138**

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, 2012

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 179	$ 179	$ 295	$ 116
Intergovernmental Revenues:				
State Gas Tax 2107 & 2107.2	107,000	107,000	105,940	(1,060)
Total Revenues	107,179	107,179	106,235	(944)
EXPENDITURES				
Current:				
Other Services and Supplies	5,000	5,000	355	4,645
Total Expenditures	5,000	5,000	355	4,645
Excess (Deficiency) of Revenues Over Expenditures	102,179	102,179	105,880	3,701
OTHER FINANCING SOURCES (USES)				
Transfers Out	(107,000)	(107,000)	(118,359)	(11,359)
Total Other Financing Sources (Uses)	(107,000)	(107,000)	(118,359)	(11,359)
Net Change In Fund Balances	(4,821)	(4,821)	(12,479)	(7,658)
Fund Balance, July 1	39,753	39,753	39,753	-
Fund Balance, June 30	**$ 34,932**	**$ 34,932**	**$ 27,274**	**$ (7,658)**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 123	$ 123	$ 183	$ 60
Intergovernmental Revenues:				
State Gas Tax 186.1 & 2106	70,138	70,138	64,536	(5,602)
Total Revenues	70,261	70,261	64,719	(5,542)
EXPENDITURES				
Current:				
Other Services and Supplies	6,000	6,000	355	5,645
Total Expenditures	6,000	6,000	355	5,645
Excess (Deficiency) of Revenues Over Expenditures	64,261	64,261	64,364	103
OTHER FINANCING SOURCES (USES)				
Transfers Out	(70,138)	(70,138)	(69,324)	814
Total Other Financing Sources (Uses)	(70,138)	(70,138)	(69,324)	814
Net Change In Fund Balances	(5,877)	(5,877)	(4,960)	917
Fund Balance, July 1	23,819	23,819	23,819	-
Fund Balance, June 30	**$ 17,942**	**$ 17,942**	**$ 18,859**	**$ 917**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 244	$ 244	$ 655	$ 411
Intergovernmental Revenues:				
State Gas Tax 2105	183,406	183,406	280,919	97,513
Total Revenues	183,650	183,650	281,574	97,924
EXPENDITURES				
Current:				
Other Services and Supplies	500	500	355	145
Total Expenditures	500	500	355	145
Excess (Deficiency) of Revenues Over Expenditures	183,150	183,150	281,219	98,069
OTHER FINANCING SOURCES (USES)				
Transfers Out	(183,506)	(183,506)	(295,135)	(111,629)
Total Other Financing Sources (Uses)	(183,506)	(183,506)	(295,135)	(111,629)
Net Change In Fund Balances	(356)	(356)	(13,916)	(13,560)
Fund Balance, July 1	82,577	82,577	82,577	-
Fund Balance, June 30	**$ 82,221**	**$ 82,221**	**$ 68,661**	**$ (13,560)**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 1,871	$ 1,871	$ 1,625	$ (246)
Rents and Concessions	175,770	175,770	203,074	27,304
Intergovernmental Revenues:				
Grants		628,381	607,620	(20,761)
Current Service Charges:				
Other Fees	322,500	322,500	292,984	(29,516)
Total Revenues	500,141	1,128,522	1,105,303	(23,219)
EXPENDITURES				
Current:				
Salaries and Benefits	42,897	43,350	45,463	(2,113)
Other Services and Supplies	418,000	687,926	503,351	184,575
Debt Service:				
Interest Charges			2,151	(2,151)
Capital Outlay:				
Transportation	43,000	854,703	598,391	256,312
Total Expenditures	503,897	1,585,979	1,149,356	436,623
Excess (Deficiency) of Revenues Over Expenditures	(3,756)	(457,457)	(44,053)	413,404
OTHER FINANCING SOURCES (USES)				
Transfers In			112	112
Transfers Out	(96,303)	(115,303)	(102,469)	12,834
Total Other Financing Sources (Uses)	(96,303)	(115,303)	(102,357)	12,946
Net Change In Fund Balances	(100,059)	(572,760)	(146,410)	426,350
Fund Balance, July 1	508,289	508,289	508,289	-
Fund Balance, June 30	**$ 408,230**	**$ (64,471)**	**$ 361,879**	**$ 426,350**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Current:				
Salaries and Benefits	760,149	764,922	652,254	112,668
Total Expenditures	760,149	764,922	652,254	112,668
Excess (Deficiency) of Revenues Over Expenditures	(760,149)	(764,922)	(652,254)	112,668
OTHER FINANCING SOURCES (USES)				
Transfers In	760,149	760,149	655,367	(104,782)
Total Other Financing Sources (Uses)	760,149	760,149	655,367	(104,782)
Net Change In Fund Balances	-	(4,773)	3,113	7,886
Fund Balance, July 1	(8,311)	(8,311)	(8,311)	-
Fund Balance, June 30	**$ (8,311)**	**$ (13,084)**	**$ (5,198)**	**$ 7,886**

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, 2012

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ -	$ 159,037	$ 86,084	$ (72,953)
Intergovernmental Revenues:				
Grants	269,323	3,471,911	415,006	(3,056,905)
Other Revenues:				
Loan Payments	248,495	89,458	140,196	50,738
Refunds/Reimbursements	174,664	174,664		(174,664)
Total Revenues	692,482	3,895,070	641,286	(3,253,784)
EXPENDITURES				
Current:				
Other Services and Supplies		444,134	50,061	394,073
Loans Made		2,446,245	521,298	1,924,947
Capital Outlay:				
Housing and Community Development		10,231		10,231
Total Expenditures	-	2,900,610	571,359	2,329,251
Excess (Deficiency) of Revenues Over Expenditures	692,482	994,460	69,927	(924,533)
OTHER FINANCING SOURCES (USES)				
Transfers In	130,000	130,000		(130,000)
Transfers Out	(822,482)	(1,071,775)	(401,772)	670,003
Total Other Financing Sources (Uses)	(692,482)	(941,775)	(401,772)	540,003
Net Change In Fund Balances	-	52,685	(331,845)	(384,530)
Fund Balance, July 1	132,433	132,433	132,433	-
Fund Balance, June 30	**$ 132,433**	**$ 185,118**	**$ (199,412)**	**$ (384,530)**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 155	$ 155	$ 123	$ (32)
Other Revenues:				
Miscellaneous Revenues	800	800		(800)
Total Revenues	955	955	123	(832)
EXPENDITURES				
Current:				
Other Services and Supplies	17,453	17,453	8,750	8,703
Capital Outlay:				
Public Safety	10,000	10,000		10,000
Total Expenditures	27,453	27,453	8,750	18,703
Excess (Deficiency) of Revenues Over Expenditures	(26,498)	(26,498)	(8,627)	17,871
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	(26,498)	(26,498)	(8,627)	17,871
Fund Balance, July 1	35,432	35,432	35,432	-
Fund Balance, June 30	**$ 8,934**	**$ 8,934**	**$ 26,805**	**$ 17,871**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental Revenues:				
Other Subventions	$ 71,403	$ 71,403	$ 96,617	$ 25,214
Total Revenues	71,403	71,403	96,617	25,214
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	71,403	71,403	96,617	25,214
OTHER FINANCING SOURCES (USES)				
Transfers Out	(71,403)	(71,403)	-	71,403
Total Other Financing Sources (Uses)	(71,403)	(71,403)	-	71,403
Net Change In Fund Balances	-	-	96,617	96,617
Fund Balance, July 1	22,103	22,103	22,103	-
Fund Balance, June 30	**$ 22,103**	**$ 22,103**	**$ 118,720**	**$ 96,617**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ -	$ -	$ 189	$ 189
Intergovernmental Revenues:				
Grants	-	-	119,634	119,634
Total Revenues	-	-	119,823	119,823
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	119,823	119,823
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(100,000)		100,000
Total Other Financing Sources (Uses)	-	(100,000)	-	100,000
Net Change In Fund Balances	-	(100,000)	119,823	219,823
Fund Balance, July 1	11,305	11,305	11,305	-
Fund Balance, June 30	**$ 11,305**	**$ (88,695)**	**$ 131,128**	**$ 219,823**

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, 2012

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental Revenues:				
Grants	$ -	$ 204,246	$ 145,574	$ (58,672)
Total Revenues	-	204,246	145,574	(58,672)
EXPENDITURES				
Current:				
Salaries and Benefits		46,249	8,126	38,123
Other Services and Supplies		31,179	25,175	6,004
Capital Outlay:				
Public Safety		25,602		25,602
Total Expenditures	-	103,030	33,301	69,729
Excess (Deficiency) of Revenues Over Expenditures	-	101,216	112,273	11,057
OTHER FINANCING SOURCES (USES)				
Transfers Out		(179,745)	(89,930)	89,815
Total Other Financing Sources (Uses)	-	(179,745)	(89,930)	89,815
Net Change In Fund Balances	-	(78,529)	22,343	100,872
Fund Balance, July 1	161,177	161,177	161,177	-
Fund Balance, June 30	**$ 161,177**	**$ 82,648**	**$ 183,520**	**$ 100,872**

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, 2012

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and Permits:				
Police Service Impact Fees	$ 362	$ 362	$ 5,232	$ 4,870
Interest, Rents, and Concessions:				
Investment Earnings	275	275	201	(74)
Total Revenues	637	637	5,433	4,796
EXPENDITURES				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	100	100	-	100
Excess (Deficiency) of Revenues Over Expenditures	537	537	5,433	4,896
OTHER FINANCING SOURCES (USES)				
Transfers Out	(7,220)	(7,220)	(7,220)	-
Total Other Financing Sources (Uses)	(7,220)	(7,220)	(7,220)	-
Net Change In Fund Balances	(6,683)	(6,683)	(1,787)	4,896
Fund Balance, July 1	54,623	54,623	54,623	-
Fund Balance, June 30	**$ 47,940**	**$ 47,940**	**$ 52,836**	**$ 4,896**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental Revenues:				
Other Subventions	$ -	$ 390,000	$ -	$ (390,000)
Other Revenues:				
Refunds and Reimbursements			7,711	7,711
Total Revenues	-	390,000	7,711	(382,289)
EXPENDITURES				
Current:				
Salaries and Benefits			7,756	(7,756)
Other Services and Supplies		394,388	1,520	392,868
Capital Outlay:				
Parks and Leisure		171,057	116,930	54,127
Total Expenditures	-	565,445	126,206	439,239
Excess (Deficiency) of Revenues Over Expenditures	-	(175,445)	(118,495)	56,950
OTHER FINANCING SOURCES (USES)				
Transfers In		45,000	45,000	-
Transfers Out		(12,985)	(223,770)	(210,785)
Total Other Financing Sources (Uses)	-	32,015	(178,770)	(210,785)
Net Change In Fund Balances	-	(143,430)	(297,265)	(153,835)
Fund Balance, July 1	315,766	315,766	315,766	-
Fund Balance, June 30	**$ 315,766**	**$ 172,336**	**$ 18,501**	**$ (153,835)**

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, 2012

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Licenses and Permits:				
Fire Service Impact Fees	$ 276	$ 276	$ 1,731	$ 1,455
Interest, Rents, and Concessions:				
Investment Earnings	121	121	81	(40)
Total Revenues	397	397	1,812	1,415
EXPENDITURES				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	100	100	-	100
Excess (Deficiency) of Revenues Over Expenditures	297	297	1,812	1,515
OTHER FINANCING SOURCES (USES)				
Transfers Out	(5,043)	(5,043)	(5,043)	-
Total Other Financing Sources (Uses)	(5,043)	(5,043)	(5,043)	-
Net Change In Fund Balances	(4,746)	(4,746)	(3,231)	1,515
Fund Balance, July 1	23,864	23,864	23,864	-
Fund Balance, June 30	**$ 19,118**	**$ 19,118**	**$ 20,633**	**$ 1,515**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Current:				
Other Services and Supplies		37,178	8,974	28,204
Capital Outlay:				
General Government		6,000		6,000
Public Safety		4,098		4,098
Parks and Leisure		4,487		4,487
Total Expenditures	-	51,763	8,974	42,789
Excess (Deficiency) of Revenues Over Expenditures	-	(51,763)	(8,974)	42,789
OTHER FINANCING SOURCES (USES)				
Transfers In		1,200,000	1,000,000	(200,000)
Transfers Out	(144,927)	(144,927)		144,927
Total Other Financing Sources (Uses)	(144,927)	1,055,073	1,000,000	(55,073)
Net Change In Fund Balances	(144,927)	1,003,310	991,026	(12,284)
Fund Balance, July 1	226,864	226,864	226,864	-
Fund Balance, June 30	**$ 81,937**	**$ 1,230,174**	**$ 1,217,890**	**$ (12,284)**

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, 2012

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental Revenues:				
Grants	$ -	$ 37,353	$ 37,353	$ -
Total Revenues	-	37,353	37,353	-
EXPENDITURES				
Current:				
Salaries and Benefits		33,825	46,023	(12,198)
Other Services and Supplies		13,109	12,318	791
Capital Outlay:				
Public Safety		126,540	40,977	85,563
Total Expenditures	-	173,474	99,318	74,156
Excess (Deficiency) of Revenues Over Expenditures	-	(136,121)	(61,965)	74,156
OTHER FINANCING SOURCES (USES)				
Transfer In			223,770	223,770
Total Other Financing Sources (Uses)	-	-	223,770	223,770
Net Change In Fund Balances	-	(136,121)	161,805	297,926
Fund Balance, July 1	1,925	1,925	1,925	-
Fund Balance, June 30	**$ 1,925**	**$ (134,196)**	**$ 163,730**	**$ 297,926**

CITY OF OROVILLE
PEG FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
PEG Fee - Cable Franchise	$ -	$ -	$ 21,897	$ 21,897
Interest, Rents, and Concessions:				
Investment Earnings			26	26
Total Revenues	-	-	21,923	21,923
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	21,923	21,923
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	-	21,923	21,923
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ 21,923	$ 21,923

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Licenses and Permits:				
General Services Impact Fees	$ 516	$ 516	$ 5,512	$ 4,996
Interest, Rents, and Concessions:				
Investment Earnings	85	85	59	(26)
Total Revenues	601	601	5,571	4,970
EXPENDITURES				
Current:				
Other Services and Supplies	100	100		100
Total Expenditures	100	100	-	100
Excess (Deficiency) of Revenues Over Expenditures	501	501	5,571	5,070
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	(9,499)	(9,499)	(4,429)	5,070
Fund Balance, July 1	17,117	17,117	17,117	-
Fund Balance, June 30	**$ 7,618**	**$ 7,618**	**$ 12,688**	**$ 5,070**

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, 2012

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Special Maintenance Assessments	$ 27,702	$ 27,702	$ 20,717	$ (6,985)
Interest, Rents, and Concessions:				
Investment Earnings	212	212	120	(92)
Total Revenues	27,914	27,914	20,837	(7,077)
EXPENDITURES				
Current:				
Salaries and Benefits	12,870	9,709	9,694	15
Other Services and Supplies	42,929	42,948	13,503	29,445
Total Expenditures	55,799	52,657	23,197	29,460
Excess (Deficiency) of Revenues Over Expenditures	(27,885)	(24,743)	(2,360)	22,383
OTHER FINANCING SOURCES (USES)				
Transfers Out		(3,142)	(314)	2,828
Total Other Financing Sources (Uses)	-	(3,142)	(314)	2,828
Net Change In Fund Balances	(27,885)	(27,885)	(2,674)	25,211
Fund Balance, July 1	37,955	37,955	37,955	-
Fund Balance, June 30	**$ 10,070**	**$ 10,070**	**$ 35,281**	**$ 25,211**

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, 2012

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes:				
Special Benefit Assessments	$ 1,667	$ 1,667	$ -	$ (1,667)
Interest, Rents, and Concessions:				
Investment Earnings	293	293	230	(63)
Total Revenues	1,960	1,960	230	(1,730)
EXPENDITURES				
Current:				
Salaries and Benefits	5,110	5,110	14	5,096
Other Services and Supplies	41,193	41,193	667	40,526
Total Expenditures	46,303	46,303	681	45,622
Excess (Deficiency) of Revenues Over Expenditures	(44,343)	(44,343)	(451)	43,892
OTHER FINANCING SOURCES (USES)				
Transfers Out			(22)	(22)
Total Other Financing Sources (Uses)	-	-	(22)	(22)
Net Change In Fund Balances	(44,343)	(44,343)	(473)	43,870
Fund Balance, July 1	63,202	63,202	63,202	-
Fund Balance, June 30	**$ 18,859**	**$ 18,859**	**$ 62,729**	**$ 43,870**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Special Benefit Assessments	$ 46,500	$ 46,500	$ 33,300	$ (13,200)
Interest, Rents, and Concessions:				
Investment Earnings	780	780	475	(305)
Total Revenues	47,280	47,280	33,775	(13,505)
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	44,149	44,149	33,734	(10,415)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	44,149	44,149	33,734	(10,415)
Fund Balance, July 1	117,849	117,849	117,849	-
Fund Balance, June 30	**$ 161,998**	**$ 161,998**	**$ 151,583**	**$ (10,415)**

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, 2012

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes:				
Special Benefit Assessments	$ 46,500	$ 46,500	$ 33,300	$ (13,200)
Interest, Rents, and Concessions:				
Investment Earnings	782	782	475	(307)
Total Revenues	47,282	$ 47,282	33,775	(13,507)
EXPENDITURES				
Current:				
Other Services and Supplies	2,919	2,919	40	2,879
Total Expenditures	2,919	2,919	40	2,879
Excess (Deficiency) of Revenues Over Expenditures	44,363	44,363	33,735	(10,628)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	44,363	44,363	33,735	(10,628)
Fund Balance, July 1	118,016	118,016	118,016	-
Fund Balance, June 30	**$ 162,379**	**$ 162,379**	**$ 151,751**	**$ (10,628)**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental Revenues:				
Grants	$ 118,599	$ 153,914	$ 575,294	$ 421,380
Total Revenues	118,599	153,914	575,294	421,380
EXPENDITURES				
Current:				
Salaries and Benefits	38,438	38,438	38,314	124
Other Services and Supplies	80,161	117,771	372,567	(254,796)
Capital Outlay:				
Parks and Leisure		35,315	35,094	221
Total Expenditures	118,599	191,524	445,975	(254,451)
Excess (Deficiency) of Revenues Over Expenditures	-	(37,610)	129,319	166,929
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	(37,610)	129,319	166,929
Fund Balance, July 1	33,424	33,424	33,424	-
Fund Balance, June 30	**$ 33,424**	**$ (4,186)**	**$ 162,743**	**$ 166,929**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 7,142	$ 7,142	$ 9,069	$ 1,927
Total Revenues	7,142	7,142	9,069	1,927
EXPENDITURES				
Current:				
Other Services and Supplies			187	(187)
Total Expenditures	-	-	187	(187)
Excess (Deficiency) of Revenues Over Expenditures	7,142	7,142	8,882	1,740
OTHER FINANCING SOURCES (USES)				
Transfers In	338,609	338,609	381,716	43,107
Transfers Out		(270,000)	(270,000)	-
Total Other Financing Sources (Uses)	338,609	68,609	111,716	43,107
Net Change In Fund Balances	345,751	75,751	120,598	44,847
Fund Balance, July 1	957,440	957,440	957,440	-
Fund Balance, June 30	**$ 1,303,191**	**$ 1,033,191**	**$ 1,078,038**	**$ 44,847**

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, 2012

	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)				
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, 2012

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 1,927	$ 1,927	$ 1,026	$ (901)
Rents and Concessions	72,000	72,000	72,000	-
Total Revenues	73,927	73,927	73,026	(901)
EXPENDITURES				
Current:				
Salaries and Benefits	2,041	2,041	1,696	345
Other Services and Supplies	7,000	7,000	4,243	2,757
Capital Outlay:				
Housing and Community Development		69,726	69,726	-
Total Expenditures	9,041	78,767	75,665	3,102
Excess (Deficiency) of Revenues Over Expenditures	64,886	(4,840)	(2,639)	2,201
OTHER FINANCING SOURCES (USES)				
Transfers Out	(200,000)	(200,000)	(200,000)	-
Total Other Financing Sources (Uses)	(200,000)	(200,000)	(200,000)	-
Net Change In Fund Balances	(135,114)	(204,840)	(202,639)	2,201
Fund Balance, July 1	377,785	377,785	377,785	-
Fund Balance, June 30	**$ 242,671**	**$ 172,945**	**$ 175,146**	**$ 2,201**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 3,300	$ 70,049	$ 20,743	$ (49,306)
Other Revenues:				
Loan Payments	104,133	37,488	74,768	37,280
Refunds/Reimbursements			5,374	5,374
Total Revenues	107,433	107,537	100,885	(6,652)
EXPENDITURES				
Current:				
Other Services and Supplies	35,000	64,390	17,374	47,016
Loans Made	300,000	889,250	68,000	821,250
Capital Outlay:				
Housing and Community Development		370,000		370,000
Total Expenditures	335,000	1,323,640	85,374	1,238,266
Excess (Deficiency) of Revenues Over Expenditures	(227,567)	(1,216,103)	15,511	1,231,614
OTHER FINANCING SOURCES (USES)				
Transfers Out		(39,438)	(19,438)	20,000
Total Other Financing Sources (Uses)	-	(39,438)	(19,438)	20,000
Net Change In Fund Balances	(227,567)	(1,255,541)	(3,927)	1,251,614
Fund Balance, July 1	981,394	981,394	981,394	-
Fund Balance, June 30	**$ 753,827**	**$ (274,147)**	**$ 977,467**	**$ 1,251,614**

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, 2012

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 44,476	$ 44,476	$ 6,646	$ (37,830)
Other Revenues:				
Loan Payments	25,017	25,017		(25,017)
Total Revenues	69,493	69,493	6,646	(62,847)
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	69,493	69,493	6,646	(62,847)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(69,493)	(69,493)	(67,937)	1,556
Total Other Financing Sources (Uses)	(69,493)	(69,493)	(67,937)	1,556
Net Change In Fund Balances	-	-	(61,291)	(61,291)
Fund Balance, July 1	66,619	66,619	66,619	-
Fund Balance, June 30	**$ 66,619**	**$ 66,619**	**$ 5,328**	**$ (61,291)**

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, 2012

	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)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 526	$ 526	$ 377	$ (149)
Total Revenues	526	526	377	(149)
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	526	526	377	(149)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	526	526	377	(149)
Fund Balance, July 1	103,126	103,126	103,126	-
Fund Balance, June 30	**$ 103,652**	**$ 103,652**	**$ 103,503**	**$ (149)**

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, 2012

	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)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -

CITY OF OROVILLE
CITY REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 1,549	$ 1,549	$ 922	$ (627)
Other Revenues:				
Loan Payments	818	818		(818)
Total Revenues	2,367	2,367	922	(1,445)
EXPENDITURES				
Current:				
Other Services and Supplies		160,073	1,426	158,647
Capital Outlay:				
Housing and Community Development		50,000		50,000
Total Expenditures	-	210,073	1,426	208,647
Excess (Deficiency) of Revenues Over Expenditures	2,367	(207,706)	(504)	207,202
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	(7,633)	(217,706)	(10,504)	207,202
Fund Balance, July 1	266,240	266,240	266,240	-
Fund Balance, June 30	**$ 258,607**	**$ 48,534**	**$ 255,736**	**$ 207,202**

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 3,803	$ 3,803	$ 3,395	$ (408)
Other Revenues:				
Loan Payments			1,862	1,862
Total Revenues	3,803	3,803	5,257	1,454
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	3,803	3,803	5,257	1,454
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Extraordinary Item: Dissolution of Oroville RDA	-	-	(741,411)	(741,411)
Net Change In Fund Balances	3,803	3,803	(736,154)	(739,957)
Fund Balance, July 1	736,154	736,154	736,154	-
Fund Balance, June 30	$ 739,957	$ 739,957	$ -	$ (739,957)

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 357	$ 357	$ 348	$ (9)
Total Revenues	357	357	348	(9)
EXPENDITURES				
Current:				
Other Services and Supplies		131,947	87,488	44,459
Total Expenditures	-	131,947	87,488	44,459
Excess (Deficiency) of Revenues Over Expenditures	357	(131,590)	(87,140)	44,450
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	357	(131,590)	(87,140)	44,450
Fund Balance, July 1	131,947	131,947	131,947	-
Fund Balance, June 30	**$ 132,304**	**$ 357**	**$ 44,807**	**$ 44,450**

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, 2012

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 68	$ 68	$ 50	$ (18)
Current Service Charges:				
Other Charges	434	434	654	220
Total Revenues	502	502	704	202
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	502	502	704	202
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	502	502	704	202
Fund Balance, July 1	13,416	13,416	13,416	-
Fund Balance, June 30	**$ 13,918**	**$ 13,918**	**$ 14,120**	**$ 202**

NONMAJOR DEBT SERVICE FUNDS

1974 Sewer Bond Fund

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

City Debt Service Fund

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

Assessment District 1993-1 Redemption Fund

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

CITY OF OROVILLE
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	1974 Sewer Bond Fund	City Debt Service Fund	Assessment District 1993-1 Redemption Fund	Totals 2012
ASSETS				
Cash	$ 43,917	$ -	$ 122,821	$ 166,738
Total Assets	$ 43,917	$ -	$ 122,821	$ 166,738
LIABILITIES				
Vouchers Payable	$ -	$ -	$ 82,050	$ 82,050
Due to Other Funds		92,973		92,973
Total Liabilities	-	92,973	82,050	175,023
Fund Balances				
Assigned	43,917		40,771	84,688
Unassigned		(92,973)		(92,973)
Total Fund Balances	43,917	(92,973)	40,771	(8,285)
Total Liabilities and Fund Balances	$ 43,917	$ -	$ 122,821	$ 166,738

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, 2012

	1974 Sewer Bond Fund	City Debt Service Fund	Assessment District 1993-1 Redemption Fund	Totals 2012
REVENUES				
Interest, Rents, and Concessions	$ 160	$ -	$ -	$ 160
Other Revenues - Fees		506,496		506,496
Total Revenues	160	506,496	-	506,656
EXPENDITURES				
Debt Service:				
Principal Retirement		357,124		357,124
Interest and Fiscal Charges		384,679		384,679
Total Expenditures	-	741,803	-	741,803
Excess (Deficiency) of Revenues Over Expenditures	160	(235,307)	-	(235,147)
OTHER FINANCING SOURCES (USES)				
Transfers In		30,000		30,000
Total Other Financing Sources (Uses)	-	30,000	-	30,000
Net Change In Fund Balances	160	(205,307)	-	(205,147)
Fund Balances, July 1	43,757	112,334	40,771	196,862
Fund Balances, June 30	$ 43,917	$ (92,973)	$ 40,771	$ (8,285)

NONMAJOR CAPITAL PROJECTS FUNDS

Equipment Replacement Fund

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

New Capital Equipment Fund

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

Capital Projects Fund

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

Building Facility Capital Improvement Fund

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

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, 2012

	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 2012
ASSETS								
Cash and Investments	$ 449,354	$ 28,641	$ 425,878	$ 28,459	$ -	$ -	$ -	$ 932,332
Receivables:								
Loans	11,113							11,113
Due From Other Funds	23,084							23,084
Advances Due From Other Funds	67,108							67,108
Total Assets	$ 550,659	$ 28,641	$ 425,878	$ 28,459	$ -	$ -	$ -	$ 1,033,637
LIABILITIES								
Vouchers Payable	$ -	$ -	$ 18,344	$ -	$ -	$ -	$ -	$ 18,344
Unearned Revenues	11,113							11,113
Total Liabilities	11,113	-	18,344	-	-	-	-	29,457
FUND BALANCES								
Nonspendable	67,108							67,108
Committed	472,438	28,641	407,534	28,459				937,072
Total Fund Balances	539,546	28,641	407,534	28,459	-	-	-	1,004,180
Total Liabilities and Fund Balances	$ 550,659	$ 28,641	$ 425,878	$ 28,459	$ -	$ -	$ -	$ 1,033,637

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, 2012

	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 2012
REVENUES								
Interest, Rents, and Concessions	$ 4,162	$ -	$ -	$ -	$ 557	$ 38	$ 4,417	$ 9,174
Intergovernmental Revenues			416,283					416,283
Other Revenues	40,005							40,005
Total Revenues	44,167	-	416,283	-	557	38	4,417	465,462
EXPENDITURES								
Current:								
General Government	12,762	44					4	12,810
Streets and Storm Drains					453	63,073		63,526
Parks and Leisure							120,000	120,000
Capital Outlay:								
General Government	33,431			297,419				330,850
Public Safety	308,816	6,973						315,789
Streets and Storm Drains			101,661				239	101,900
Parks and Leisure					25,000			25,000
Total Expenditures	355,009	7,017	101,661	297,419	25,453	63,073	120,243	969,875
Excess (Deficiency) of Revenues Over Expenditures	(310,842)	(7,017)	314,622	(297,419)	(24,896)	(63,035)	(115,826)	(504,413)
OTHER FINANCING SOURCES (USES)								
Loan Proceeds				264,177				264,177
Transfers In	19,000							19,000
Transfers Out	(20,000)		(2,956)		(2,808)			(25,764)
Total Other Financing Sources (Uses)	(1,000)	-	(2,956)	264,177	(2,808)	-	-	257,413
Extraordinary Item: Dissolution of Oroville RDA	-	-	-	-	(358,705)	(282,714)	(2,731,540)	(3,372,959)
Net Change In Fund Balances	(311,842)	(7,017)	311,666	(33,242)	(386,409)	(345,749)	(2,847,366)	(3,619,959)
Fund Balances, July 1	851,388	35,658	95,868	61,701	386,409	345,749	2,847,366	4,624,139
Fund Balances, June 30	$ 539,546	$ 28,641	$ 407,534	$ 28,459	$ -	$ -	$ -	$ 1,004,180

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, 2012

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ -	$ 3,809	$ 4,162	$ 353
Other Revenues:				
Sale of Property			23,379	23,379
Refunds/Reimbursements		21,992	16,626	(5,366)
Total Revenues	-	25,801	44,167	18,366
EXPENDITURES				
Current:				
Loans Made		39,352	12,762	26,590
Capital Outlay:				
General Governmental		48,890	33,431	15,459
Public Safety		319,722	308,816	10,906
Parks and Leisure		15,000		15,000
Total Expenditures	-	422,964	355,009	67,955
Excess (Deficiency) of Revenues Over Expenditures	-	(397,163)	(310,842)	86,321
OTHER FINANCING SOURCES (USES)				
Transfers In		19,000	19,000	-
Transfers Out		(20,000)	(20,000)	-
Total Other Financing Sources (Uses)	-	(1,000)	(1,000)	-
Net Change In Fund Balances	-	(398,163)	(311,842)	86,321
Fund Balance, July 1	851,388	851,388	851,388	-
Fund Balance, June 30	$ 851,388	$ 453,225	$ 539,546	$ 86,321

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ -	$ 182	$ -	$ (182)
Total Revenues	-	182	-	(182)
EXPENDITURES				
Current:				
Other Services and Supplies			44	(44)
Capital Outlay:				
Public Safety		9,159	6,973	2,186
Total Expenditures	-	9,159	7,017	2,142
Excess (Deficiency) of Revenues Over Expenditures	-	(8,977)	(7,017)	1,960
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	-	(8,977)	(7,017)	1,960
Fund Balance, July 1	35,658	35,658	35,658	-
Fund Balance, June 30	$ 35,658	$ 26,681	$ 28,641	$ 1,960

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, 2012

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental Revenues:				
Grants	$ -	$ 1,160,784	$ 416,283	$ (744,501)
Total Revenues	-	1,160,784	416,283	(744,501)
EXPENDITURES				
Capital Outlay:				
Streets and Storm Drains		342,845	101,661	241,184
Total Expenditures	-	342,845	101,661	241,184
Excess (Deficiency) of Revenues Over Expenditures	-	817,939	314,622	(503,317)
OTHER FINANCING SOURCES (USES)				
Transfers Out			(2,956)	(2,956)
Total Other Financing Sources (Uses)	-	-	(2,956)	(2,956)
Net Change In Fund Balances	-	817,939	311,666	(506,273)
Fund Balance, July 1	95,868	95,868	95,868	-
Fund Balance, June 30	$ 95,868	$ 913,807	$ 407,534	$ (506,273)

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, 2012

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Capital Outlay:				
General Government		316,907	297,419	19,488
Total Expenditures	-	316,907	297,419	19,488
Excess (Deficiency) of Revenues Over Expenditures	-	(316,907)	(297,419)	19,488
OTHER FINANCING SOURCES (USES)				
Loan Proceeds		264,097	264,177	80
Total Other Financing Sources (Uses)	-	264,097	264,177	80
Net Change In Fund Balances	-	(52,810)	(33,242)	19,568
Fund Balance, July 1	61,701	61,701	61,701	-
Fund Balance, June 30	$ 61,701	$ 8,891	$ 28,459	$ 19,568

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, 2012

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 1,809	$ 1,809	$ 557	$ (1,252)
Total Revenues	1,809	1,809	557	(1,252)
EXPENDITURES				
Current:				
Other Services and Supplies			453	(453)
Capital Outlay:				
Parks and Leisure	55,000	55,000	25,000	30,000
Total Expenditures	55,000	55,000	25,453	29,547
Excess (Deficiency) of Revenues Over Expenditures	(53,191)	(53,191)	(24,896)	28,295
OTHER FINANCING SOURCES (USES)				
Transfers Out			(2,808)	(2,808)
Total Other Financing Sources (Uses)	-	-	(2,808)	(2,808)
Extraordinary Item: Dissolution of Oroville RDA			(358,705)	(358,705)
Net Change In Fund Balances	(53,191)	(53,191)	(386,409)	(333,218)
Fund Balance, July 1	386,409	386,409	386,409	-
Fund Balance, June 30	$ 333,218	$ 333,218	$ -	$ (333,218)

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, 2012

	Budget Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 106	$ 106	$ 38	$ (68)
Total Revenues	106	106	38	(68)
EXPENDITURES				
Current:				
Other Services and Supplies			63,073	(63,073)
Total Expenditures	-	-	63,073	(63,073)
Excess (Deficiency) of Revenues Over Expenditures	106	106	(63,035)	(63,141)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Extraordinary Item: Dissolution of Oroville RDA			(282,714)	(282,714)
Net Change In Fund Balances	106	106	(345,749)	(345,855)
Fund Balance, July 1	345,749	345,749	345,749	-
Fund Balance, June 30	$ 345,855	$ 345,855	$ -	$ (345,855)

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, 2012

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest, Rents, and Concessions:				
Investment Earnings	$ 7,450	$ 7,450	$ 4,417	$ (3,033)
Total Revenues	7,450	7,450	4,417	(3,033)
EXPENDITURES				
Current:				
Other Services and Supplies			120,004	(120,004)
Capital Outlay:				
Streets and Storm Drains			239	(239)
Total Expenditures	-	-	120,243	(120,243)
Excess (Deficiency) of Revenues Over Expenditures	7,450	7,450	(115,826)	(123,276)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Extraordinary Item: Dissolution of Oroville RDA			(2,731,540)	(2,731,540)
Net Change In Fund Balances	7,450	7,450	(2,847,366)	(2,854,816)
Fund Balance, July 1	2,847,366	2,847,366	2,847,366	-
Fund Balance, June 30	$ 2,854,816	$ 2,854,816	$ -	$ (2,854,816)

INTERNAL SERVICE FUNDS

Payroll Revolving Fund

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

Stores Revolving Fund

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

Vehicle Maintenance Fund

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

Workers' Compensation Fund

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

Unemployment Insurance Fund

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

Vision Insurance Fund

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

CITY OF OROVILLE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2012

	Payroll Revolving Fund	Stores Revolving Fund	Vehicle Maintenance Fund	Workers' Compensation Revolving Fund	Unemployment Insurance Fund	Vision Insurance Fund	Totals 2012
ASSETS							
Current Assets:							
Cash	$ 14,961	$ 64,120	$ 11,128	$ 614,653	$ 44,088	$ 149,594	$ 898,544
Accounts Receivable	298						298
Inventory		6,518	29,229				35,747
Total Assets	15,259	70,638	40,357	614,653	44,088	149,594	934,589
LIABILITIES							
Current Liabilities:							
Vouchers Payable/Claims Payable	284	2,107	7,162			250	9,803
Accrued Salaries and Benefits	14,975		2,335				17,310
Accrued Employee Compensated Leave			12,759				12,759
Unpaid Claims Liability				374,495			374,495
Total Liabilities	15,259	2,107	22,256	374,495	-	250	414,367
NET POSITION							
Unrestricted		68,531	18,101	240,158	44,088	149,344	520,222
Total Net Position	$ -	$ 68,531	$ 18,101	$ 240,158	$ 44,088	$ 149,344	$ 520,222

CITY OF OROVILLE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITON
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Payroll Revolving Fund	Stores Revolving Fund	Vehicle Maintenance Fund	Workers' Compensation Revolving Fund	Unemployment Insurance Fund	Vision Insurance Fund	Totals 2012
OPERATING REVENUES							
Incoming Provisions	$ -	$ -	$ 463,525	$ 329,511	$ 48,089	$ 45,236	$ 886,361
Reimbursements		45,470	4,974	241,421			291,865
Total Operating Revenues	-	45,470	468,499	570,932	48,089	45,236	1,178,226
OPERATING EXPENSES							
Salaries and Benefits			149,109				149,109
Supplies		26,523	306,358				332,881
Other Services and Charges		17,021	58,155				75,176
Claims				361,595	17,663	29,126	408,384
Total Operating Expenses	-	43,544	513,622	361,595	17,663	29,126	965,550
Net Operating Income	-	1,926	(45,123)	209,337	30,426	16,110	212,676
NONOPERATING REVENUES (EXPENSES)							
Investment Earnings				1,369	93	522	1,984
Total Nonoperating Revenues (Expenses)	-	-	-	1,369	93	522	1,984
Change In Net Position	-	1,926	(45,123)	210,706	30,519	16,632	214,660
Net Position, July 1	-	66,605	63,224	29,452	13,569	132,712	305,562
Net Position, June 30	$ -	$ 68,531	$ 18,101	$ 240,158	$ 44,088	$ 149,344	$ 520,222

CITY OF OROVILLE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Payroll Revolving Fund	Stores Revolving Fund	Vehicle Maintenance Fund	Workers' Compensation Revolving Fund	Unemployment Insurance Fund	Vision Insurance Fund	Totals 2012
Cash Flows From Operating Activities							
Receipts From Customers and Users	$ -	$ -	$ 4,974	$ 241,421			$ 246,395
Receipts From Interfund Services Provided		45,470	463,525	329,511	48,089	45,236	931,831
Payments to Employees	(7,619)		(152,428)				(160,047)
Payments to Suppliers	(298)	(44,925)	(370,420)	(374,010)	(17,663)	(32,665)	(839,981)
Net Cash Provided (Used) By Operating Activities	(7,917)	545	(54,349)	196,922	30,426	12,571	178,198
Cash Flows From Noncapital Financing Activities							
Net Cash Provided (Used) By Noncapital Financing Activities	-	-	-	-	-	-	-
Cash Flows From Investing Activities							
Interest on Investments				1,369	93	522	1,984
Net Cash Provided (Used) By Investing Activities	-	-	-	1,369	93	522	1,984
Net Increase (Decrease) In Cash	(7,917)	545	(54,349)	198,291	30,519	13,093	180,182
Cash Balance, July 1	22,878	63,575	65,477	416,362	13,569	136,501	718,362
Cash Balance, June 30	$ 14,961	$ 64,120	$ 11,128	$ 614,653	$ 44,088	$ 149,594	$ 898,544
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:							
Operating Income (Loss)	$ -	$ 1,926	$ (45,123)	$ 209,337	$ 30,426	$ 16,110	$ 212,676
Adjustments to Reconcile Operating Income to Net Cash Provided (Used):							
Decrease (Increase) in Accounts Receivable	(298)						(298)
Decrease (Increase) in Inventory		1,586	(4,799)				(3,213)
Increase (Decrease) in Vouchers Payable		(2,967)	(1,108)	(957)		(3,539)	(8,571)
Increase (Decrease) in Accrued Salaries and Benefits	(7,619)		(3,319)				(10,938)
Increase (Decrease) in Other Liabilities				(11,458)			(11,458)
Total Adjustments	(7,917)	(1,381)	(9,226)	(12,415)	-	(3,539)	(34,478)
Net Cash Provided (Used) By Operating Activities	$ (7,917)	$ 545	$ (54,349)	$ 196,922	$ 30,426	$ 12,571	$ 178,198

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, 2012

	Feather River Bluffs Fund	Special Deposit Trust Fund	Honor Grove Fund	Totals 2012
ASSETS				
Current Assets:				
Cash	$ 18,160	$ 416,801	$ 194	$ 435,155
Receivables:				
Taxes		30,874		30,874
Total Assets	$ 18,160	$ 447,675	$ 194	$ 466,029
LIABILITIES				
Vouchers Payable	$ -	$ 4,764	$ -	$ 4,764
Deposits Payable		242,346		242,346
Due to Other Agencies	18,160	200,565	194	218,919
Total Liabilities	$ 18,160	$ 447,675	$ 194	$ 466,029

CITY OF OROVILLE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Feather River Bluffs Fund				
ASSETS				
Cash	$ 18,094	$ 66	$ -	$ 18,160
Total Assets	$ 18,094	$ 66	$ -	$ 18,160
LIABILITIES				
Due to Other Agencies	$ 18,094	$ 66	$ -	$ 18,160
Total Liabilities	$ 18,094	$ 66	$ -	$ 18,160
Special Deposit Trust Fund				
ASSETS				
Cash	$ 316,819	$ 1,390,387	$ 1,290,405	$ 416,801
Receivables:				
Taxes	20,745	30,874	20,745	30,874
Total Assets	$ 337,564	$ 1,421,261	$ 1,311,150	$ 447,675
LIABILITIES				
Vouchers Payable	$ 20,249	$ 4,764	$ 20,249	$ 4,764
Deposits Payable	194,195	129,992	81,841	242,346
Due to Other Agencies	123,120	1,286,505	1,209,060	200,565
Total Liabilities	$ 337,564	$ 1,421,261	$ 1,311,150	$ 447,675
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, 2012

Total	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
ASSETS				
Cash	$ 335,107	$ 1,390,453	$ 1,290,405	$ 435,155
Receivables:				
Taxes	20,745	30,874	20,745	30,874
Total Assets	$ 355,852	$ 1,421,327	$ 1,311,150	$ 466,029
LIABILITIES				
Vouchers Payable	$ 20,249	$ 4,764	$ 20,249	$ 4,764
Deposits Payable	194,195	129,992	81,841	242,346
Due to Other Agencies	141,408	1,286,571	1,209,060	218,919
Total Liabilities	$ 355,852	$ 1,421,327	$ 1,311,150	$ 466,029

STATISTICAL SECTION

(not covered by Auditors' reports)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	$ 13,110,503
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	34,614,096
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	8,150,810
Total Governmental Activities Net Assets/Position	$ 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	$ 55,875,409
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	329,224
Total Business-Type Activities Net Assets/Posiiton	$ 69,656	$ 91,759	$ 84,167	$ 444,930	$ 739,232	$ 868,639	$ 805,669	$ 701,394	$ 639,487	$ 329,224
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	$ 13,110,503
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	34,614,096
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	8,480,034
Total Primary Government Net Assets/Position	$ 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	$ 56,204,633

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

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	$ 2,408,143
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	7,919,128
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	1,252,132
Streets and Storm Drains	707,519	668,491	684,273	794,733	1,172,901	1,707,890	949,237	825,763	835,234	1,009,836
Transportation	206,029	135,496	194,411	360,690	455,305	608,313	509,462	503,689	553,893	691,645
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	2,731,128
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	1,686,298
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	9,734,800
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	1,884,524
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	29,317,634
Business-Type Activities:										
Local Transportation	284,103	335,562	368,189	450,989	376,907	429,477	485,875	294,466	350,471	505,722
Total Business-Type Activities Expenses	284,103	335,562	368,189	450,989	376,907	429,477	485,875	294,466	350,471	505,722
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	29,823,356
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	456,382
Public Safety	408,274	415,672	544,773	524,241	588,707	529,571	456,466	113,641	246,808	200,056
Public Works	49,554	344,229	75,777	203,488	518,926	418,601	176,576	206,077	251,008	441,321
Streets and Storm Drains	95,957	334,030	253,481	897,961	515,088	503,593	148,727	50,272	83,120	96,294
Transportation	136,703	135,700	216,123	317,589	475,224	556,697	460,937	560,095	523,175	497,683
Parks and Leisure	29,958	199,173	175,143	110,888	121,011	190,298	713,658	16,998	50,880	126,649
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	2,359,307
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	1,762,107
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	7,049,895
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	934,239
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	13,923,933
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	10,207
Operating Grants and Contributions	283,129	338,313	334,796	504,195	627,198	520,174	401,230	540,043	460,262	475,194
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	485,401
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	14,409,334
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	15,393,701
Business-Type activities	(18,731)	(17,754)	15,007	(71,217)	(268,280)	(97,672)	79,594	(251,698)	(116,782)	20,321
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	15,414,022

continued

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues And Other Changes In Net Assets/Position										
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	4,331,329
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	2,698,234
Sales and Use Taxes In-Lieu	-	-	-	1,791,244	2,161,518	2,070,355	2,109,251	2,181,518	1,935,673	1,892,404
Documentary Stamp Tax	51,233	61,963	52,301	91,389	82,967	55,679	23,053	36,545	28,101	26,733
Transient Occupancy Tax	316,714	331,803	352,354	336,453	323,713	320,145	320,008	334,870	346,716	363,530
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	1,553,442
Franchise Tax	307,456	301,911	311,702	302,601	411,410	395,561	488,888	453,175	442,870	422,213
Investment Earnings	639,396	156,887	2,607,477	219,413	302,126	285,453	177,202	138,643	146,561	74,472
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	291,369
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	11,653,726
Business-Type Activities:										
Investment Earnings	4,251	4,349	7,415	12,513	26,022	31,735	16,624	5,103	3,349	1,427
Transfers	-	-	-	-	-	-	-	(361,076)	(182,038)	(291,369)
Total Business-Type Activities	4,251	4,349	7,415	12,513	26,022	31,735	16,624	(355,973)	(178,689)	(289,942)
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	11,363,784
Extraordinary Item	-	-	-	-	-	-	-	(2,387,525)	(491,549)	11,509,606
Change In Net Assets/Position										
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	7,769,631
Business-Type activities	22,982	22,103	(7,592)	83,730	294,302	129,407	(62,970)	(104,275)	(61,907)	(310,263)
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	$ 7,459,368

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

Table 3

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:										
Nonspendable								$ 1,826,619 [2]	$ 1,824,021	$ 30,837
Restricted								23,455	23,455	23,455
Committed								951,059	924,828	800,000
Assigned								562,822	473,976	291,753
Unassigned								1,247,468	2,202,839	2,854,813
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	$ 4,000,858
All Other Governmental Funds:										
Nonspendable								$ 24,984,681 [2]	$ 24,208,218	$ 24,244,936
Restricted								10,728,656	12,031,355	9,504,531
Committed								1,611,294	1,885,323	5,702,469
Assigned								10,267,952	11,290,586	2,076,673
Unassigned								(21,597,756)	(20,363,240)	(299,117) [3]
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	$ 29,052,242	$ 41,229,492

[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.

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

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	$ 11,326,272
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	548,712
Fines and Forfeitures	92,514	87,496	65,102	72,607	91,652	81,311	80,813	105,202	54,793	82,220
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	1,777,177
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	8,209,369
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	2,716,441
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	1,826,304
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	26,486,495
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	2,277,003
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	7,453,132
Public Works	246,939	244,516	250,969	251,611	358,093	392,907	448,931	183,024	252,524	337,704
Streets and Storm Drains	704,024	677,864	695,956	813,115	988,692	998,588	978,716	835,452	822,465	982,306
Transportation	127,102	53,685	112,766	270,892	366,683	525,557	425,549	420,940	465,155	548,814
Parks and Leisure	730,415	842,668	872,758	832,592	915,284	984,536	1,103,583	1,067,041	1,334,756	1,288,537
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	1,621,346
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	9,284,869
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	2,918,624
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	1,112,124
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	2,197,927
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	30,022,386
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	(3,535,891)
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	6,884,402
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)	(6,493,717)
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	-	264,177
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	654,862
Extraordinary Item	-	-	-	-	-	-	-	(2,387,525)	(491,549)	13,129,166
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	$ 10,248,137
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%	12.2%

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

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

Fiscal Year	City of Orovile				Oroville Redevelopment Agency [1]				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%
2012	96,093	1,279	24	97,396	799,610	133,184	176	932,970	0.584%

[1] The Oroville Redevelopment Agency was dissolved effective February 1, 2012.

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

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

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
City Direct Rates:										
City of Oroville	$ 1.000000	$ 1.000000	$ 1.000000	$ 1.000000	$ 1.000000	$ 1.000000	$ 1.000000	$ 1.000000	$ 1.000000	$ 1.000000
Total City Direct Rate	1.000000	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	0.020880
Oroville Elementary School	0.000000	0.022224	0.025149	0.019335	0.018679	0.017190	0.017366	0.018963	0.018664	0.020156
Oroville High School District	0.000000	0.027247	0.017321	0.016897	0.017241	0.014688	0.015008	0.035438	0.036745	0.035660
	$ 1.018814	$ 1.066581	$ 1.058473	$ 1.057112	$ 1.056800	$ 1.052758	$ 1.053254	$ 1.075281	$ 1.076289	$ 1.076696

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)

Taxpayer	2012 Taxable Assessed Valuation	2012 Rank	2012 Percentage of Total Assessed Valuation	2003 Taxable Assessed Valuation	2003 Rank	2003 Percentage of Total Assessed Valuation
Pacific Coast Producers	$ 24,475	1	2.33%	$ 21,159	1	3.21%
Oroville Plaza El LLC	11,808	2	1.12%	-		
Roplast Industries, Inc	11,348	3	1.08%	12,831	2	1.95%
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%	8,471	3	1.29%
Home Depot USA	9,033	7	0.86%	-		-
California AVIV LLC	8,525	8	0.81%	-		-
Ammunition Accessories	8,119	9	0.77%	6,390	8	0.97%
Currier Square Spe LLC	7,906	10	0.75%	-		-
Feather River Tribal Health	-		-	8,469	4	1.29%
Western Investment Real Estate Trust	-		-	7,635	5	1.16%
Wal Mart Stores Inc.	-		-	6,656	6	1.01%
Pacific Oroville Power	-		-	6,579	7	1.00%
Oroville Cogeneration Ltd. Partnership	-		-	5,912	9	0.90%
Guillon Business Park Properties 2 LP	-		-	4,923	10	0.75%
Totals	$ 111,088		10.57%	$ 89,025		13.53%

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 TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	As Percent Of Tax Levy
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	10,513,628	8,009,844	76.19%	83,850	8,093,694	76.98%
2012	10,313,662	5,766,144	55.91%	95,641	5,861,785	56.84%

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 TEN FISCAL YEARS

Fiscal Year	Governmental Activities: OPFA[1] Revenue Bonds	OPFA[1] Tax Allocation Bonds	Pension Obligation Bonds	Limited Obligation Bonds	USDA Loan	Capital Leases	Total Governmental Activities	Total Primary Government	Percentage of Personal Income	Debt Per Capita
2003	$ 3,275,000	$ 23,095,000	$ -	$ 2,915,000	$ -	$ 5,187	$ 29,290,187	$ 29,290,187	9.55%	$ 2,236
2004	1,880,000	22,965,000	-	1,880,000	-	-	26,725,000	26,725,000	8.26%	2,014
2005	1,600,000	28,340,000 [2]	-	1,600,000	-	-	31,540,000	31,540,000	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 [3]	1,397,505	-	251,501	37,769,006	37,769,006	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
2012	-	24,035,000	6,355,000	-	649,100	36,895	31,075,995	31,075,995	8.71%	1,911

[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 TEN FISCAL YEARS

Fiscal Year	Governmental Activities: OPFA Revenue Bonds	OPFA Tax Allocation Bonds	Pension Obligation Bonds	Less: Restricted Resources Available[2]	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
2012	-	24,035,000	6,355,000	1,950,921	28,439,079	2.76%	1,829

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

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

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

Source: Department of Finance, City of Oroville

CITY OF OROVILLE
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2012

City of Oroville Assessed Valuation		$ 97,396,000
Oroville Redevelopment Agency Assessed Valuation		932,970,000
Total Assessed Valuation		$ 1,030,366,000

	Percentage Applicable[1]	Outstanding Debt #NUM!	Estimated Share of Overlapping Debt
Overlapping Debt Repaid With Property Taxes:			
Oroville Unified Elementary District General Obligation Bonds	3.006%	$ 5,737,548	$ 172,471
Oroville Unified High School District General Obligation Bonds	6.292%	19,421,395	1,221,994
Butte Community College District	6.116%	61,840,000	3,782,134
Total Overlapping Debt Repaid With Property Taxes		86,998,943	5,176,599
Overlapping Other Debt:			
Total Other Overlapping Debt		-	-
Total Overlapping Debt		$ 86,998,943	5,176,599
Direct Debt			31,075,995
Total Direct And Overlapping Debt			$ 36,252,594

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

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

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

Table 12

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed Valuation	$ 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	$ 1,030,366,000
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	$ 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	$ 257,591,500
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	$ 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	$ 38,638,725
Total net debt applicable to limit: General obligation debt	-	-	-	-	7,511,501	7,547,054	7,598,605	7,456,348	7,133,942	7,040,995
Legal debt margin	$ 24,693,221	$ 25,750,785	$ 27,547,055	$ 30,595,096	$ 31,046,133	$ 35,025,102	$ 34,455,508	$ 33,646,990	$ 32,292,171	$ 31,597,730
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	19.5%	17.7%	18.1%	18.1%	18.1%	18.2%

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 TEN FISCAL YEARS

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
2012	3,020,646 [2]	755,000	1,165,310	1.57

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

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

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

Source: Department of Finance, City of Oroville

CITY OF OROVILLE
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

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%
2012	16,260	356,923	21,951	17.2%

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

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

Table 15

CITY OF OROVILLE
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2012 Number of Employees	2012 Percent of Total Employment	2003 Number of Employees	2003 Percent of Total Employment
County of Butte	2,290	27.59%	2,118	25.21%
Oroville Medical Complex	1,313	15.82%	682	8.12%
Pacific Coast Producers	1,272	15.33%	538	6.40%
Wal Mart Stores, Inc.	276	3.33%	234	2.79%
Graphic Packaging International	205	2.47%	-	0.00%
Roplast Industries, Inc.	150	1.81%	102	1.21%
City of Oroville	123	1.48%	105	1.25%
Ammunition Accessories	114	1.37%	119	1.42%
Home Depot USA	112	1.35%	-	0.00%
Currier Square Spe LLC	105	1.27%	100	1.19%
Marshalls	52	0.63%	-	0.00%

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

Source: Employment Development Department , Various Employers

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

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government	21	20	20	19	22	24	14	22	15	15
Public Safety	59	56	56	57	60	61	62	39	60	60
Public Works	10	13	13	13	13	11	14	20	18	18
Community Development	8	12	12	12	11	14	11	11	10	10
Parks and Trees	11	10	10	10	10	10	21	20	10	10
Planning									10	10
	109	111	111	111	116	120	122	112	123	123

Source: Department of Finance, City of Oroville

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

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

[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	2012
Police:											
Stations	1	1	1	1	1	1	1	1	1	1	1
Fire:											
Fire Stations	1	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	92.60
Streetlights	1,223	1,223	1,223	1,229	1,234	1,256	1,375	1,375	1,375	1,377	1,391
Traffic Signals	18	18	18	18	18	18	17	7	7	7	7
Parks and Recreation:											
Parks	6	6	6	6	6	6	6	7	7	7	7
Community Centers	3	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	66
Sewer Storm Drains	73	73	73	73	73	73	73	31	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	105.00

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

Source: City of Oroville
Sewage Commission - Oroville Region

SINGLE AUDIT AND OTHER COMPLIANCE SECTION

CITY OF OROVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

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	$ 783,839
09-STBG-6424	14.228	405,282
10-STBG-6731	14.228	196,307
07-PTAE-6304	14.228	37,204
07-EDOC-3900	14.228	96,436
08-EDEF-5884	14.228	117,013
09-EDEF-6364	14.228	176,484
ARRA - 09-EDAR-6472	14.228	308,185
Subtotal		2,120,750
Home Investment Partnerships Program:		
07-HOME-3903	14.239	2,973,222
09-HOME-6226	14.239	433,615
Subtotal		3,406,837
Total U.S. Department of Housing and Urban Development		5,527,587
U.S. Department of Transportation		
Airport Improvement Program:		
Project No. 03-06-0178-13	20.106	24,478
Project No. 03-06-0178-14	20.106	19,193
Project No. 03-06-0178-15	20.106	505,564
Subtotal		549,235
Passed Through State Department of Transportation:		
Highway Planning and Construction:		
ARRA Project No. ESPL-5142(31)	20.205	38,506
Project No. ESPL-5142(31)	20.205	71,986
Subtotal		110,492
Total U.S. Department of Transportation		659,727
U.S. Department of Agriculture		
Community Facilities Loans and Grants		
04-004-946000387	10.766	187,654
Total U.S. Department of Agriculture		187,654
U.S. Department of Justice		
Bulletproof Vest Partnership Program	16.607	1,633
Public Safety Partnership & Community Policing:		
COPS Hiring Recovery Program:		
ARRA - 2009RKWX0091	16.710	89,930
Edward Byrne Memorial Justice Assistance Grant:		
2009DJBX0269	16.738	8,610
2011DJBX2932	16.738	2,237
Grant to Units of Local Government:		
ARRA - 2009-SB-B9-0956	16.804	2,344
Total U.S. Department of Justice		104,754
U.S. Environmental Protection Agency		
Brownfields Assessment and Cleanup Cooperative Agreements		
BF-00t51301	66.818	125,126
Total U.S. Environmental Protection Agency		125,126
U.S. Department of Energy		
Passed Through California Energy Commission:		
ARRA - Energy Efficiency and Conservation Block Grant Program		
CBG-09-084	81.128	82,126
Total U.S. Environmental Protection Agency		82,126
TOTALS		$ 6,686,974

See accompanying notes to schedule of expenditures of federal awards.

CITY OF OROVILLE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2012

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, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 21, 2013, which was modified to disclose the 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

Management of the City of Oroville is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting 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 in internal control* 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 defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City' of Oroville's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2012-01.

The City of Oroville's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

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 21, 2013

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

DAVIS HAMMON & CO.
Certified Public Accountants

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 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 City of Oroville's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on the City of Oroville's major federal programs for the year ended June 30, 2012. The City of Oroville's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City of Oroville's management. Our responsibility is to express an opinion on the City of Oroville's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Oroville complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the City of Oroville is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Oroville's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 in internal control* 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.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 defined 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 21, 2013

CITY OF OROVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2012

SUMMARY OF AUDITORS' RESULTS

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

2) No significant deficiencies were disclosed related to the audit of the basic financial statements of the City of Oroville.

3) One instance of noncompliance material to the basic financial statements of the City of Oroville was disclosed as required to be reported in accordance with Governmental Auditing Standards.

4) No significant 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) There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.

7) The program tested as a major program included:

   a. U.S. Department of Housing and Urban Development
   HOME Investment Partnerships Program
   CFDA: 14.239

   b. U.S Department of Transportation
   Airport Improvement Program
   CFDA: 20.106

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

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

FINDINGS – FINANCIAL STATEMENT AUDIT

2012-01 *Criteria* – As part of the State legislation dissolving all California redevelopment agencies, the California Health and Safety Code (Code) restricts the repayment of loans owed by a redevelopment agency to the entity that created the redevelopment agency. After January 1, 2011, only loans established within two years of the creation of the redevelopment agency meet the criteria as an "enforceable obligation" eligible for repayment. Loan repayments made by a redevelopment agency to an entity that created the agency are required to be returned to the successor agency of the redevelopment agency.

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

Questioned Costs – $1,852,500.

Perspective Information – The loan agreement between the City of Oroville and the RDA was a valid obligation of the former Oroville Redevelopment Agency, but did not meet the "enforceable obligation" criteria established by State legislation. This is an isolated incident specifically directed to this unique circumstance.

Cause – The Oroville City Council and City management believed it was in the best interest of the citizens of the City of Oroville to have the RDA repay the loan and, subsequently retain the payment.

Effect – If returned, the Oroville Successor Agency may need to submit the funds to the Butte County Auditor-Controller, or use the funds to pay other enforceable obligations. If the funds are returned by the City, the City's General Fund would re-establish the loan receivable from the Oroville Successor Agency and take steps to have the loan repaid under the provisions of Section 34191.4(b) of the Code. Under this scenario, the City's rights and use of the funds could be delayed, limited, or forfeited.

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

Views of Responsible Officials - The City of Oroville disagrees with Finding 2012-01 in several respects. The City of Oroville has not received a formal demand from the State to return the funds. In the event that such a demand is received, the City believes that the repayment of the loan was proper and specifically authorized by the specific language of the ABx1 26 and AB1484 ("RDA Suspension Provisions"). The RDA Suspension Provisions provide that, even after the suspension provisions took effect, "Nothing in this part shall be construed to interfere with a redevelopment agency's authority, pursuant to enforceable obligations as defined in this chapter [of Part 1.8], to (1) make payments due, (2) enforcing existing covenants and obligations, or (3) perform its obligations." (Health & Saf. Code § 34167(f).) The City strongly believes that the definition of enforceable obligation includes this loan. Further, it is apparent from the definition of enforceable obligation that the Legislature viewed as not being enforceable only those city/agency agreements remaining in existence after February 1, 2012. As this repayment occurred on January 31, 2012, the City believes that the repayment was proper. The City's statutory interpretation is consistent with the Department of Finance and State Controller's Office findings in relation to other similarly situated cities in California.

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.

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 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, 2012. 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 21, 2013

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

DAVIS HAMMON & CO.
Certified Public Accountants

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

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

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

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

We have audited the basic financial statements of City of Oroville, as of and for the year ended June 30, 2012, and have issued our report thereon dated January 21, 2013. 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 21, 2013

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