

CITY OF OAKDALE
Oakdale, California

Annual Financial Report
For the Fiscal Year Ended June 30, 2011

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Annual Financial Report
For the Fiscal Year Ended June 30, 2011

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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
City of Oakdale, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oakdale (City) as of and for the fiscal year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Oakdale Senior Housing Limited Partnership which represents 54% and 82% of the assets and revenues, respectively, of the discretely presented components units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Oakdale Senior Housing Limited Partnership, is based on the report of the other auditors.

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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 of the notes to basic financial statements, effective July 1, 2010, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and Statement No. 59, *Financial Instruments Omnibus*.

As described in Note 18 of the notes to basic financial statements, the Senior Housing Corporation, a discretely presented component unit of the City, has an investment in a limited partnership of \$1,987,991. The investment represents its partnership capital of the Oakdale Senior Housing Limited Partnership.

As described in Note 20 of the notes to basic financial statements, the California State Legislature has enacted legislation to provide for the dissolution of Redevelopment Agencies in the State of California.

In accordance with Government Auditing Standards, we have also issued a report dated May 14, 2012, on our consideration of the City's internal control over financial reporting and on 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 3 through 10, the funding progress of the other postemployment benefits payable on page 59, the budgetary comparison Schedules of the General Fund on page 60 and 61, Development Activity Special Revenue Fund on page 62, Recreation Activity Special Revenue Fund on page 63, and Redevelopment Housing Special Revenue Fund on page 64 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements as a whole. The other supplementary information listed in the table of contents, including combining and individual nonmajor governmental funds, the Balance Sheet by Activity – System Development Capital Projects Fund, Statement of Revenues, Expenditures, and Changes in Fund Balances by Activity – System Development Capital Projects Fund, internal service funds, and agency funds financial statements and schedules and major capital projects and debt service fund budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information listed in the table of contents, including combining and individual nonmajor governmental funds, the Balance Sheet by Activity – System Development Capital Projects Fund, Statement of Revenues, Expenditures, and Changes in Fund Balances by Activity – System Development Capital Projects Fund, internal service funds, and agency funds financial statements and schedules and major capital projects and debt service fund budgetary comparison schedules are the responsibility of management and was derived from and relates 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 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 as a whole.

Moss, Levy & Hartzheim

MOSS, LEVY & HARTZHEIM, LLP
Culver City, California
May 14, 2012

THE CITY OF OAKDALE

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

This discussion and analysis of the City of Oakdale's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2011. Please read the Management's Discussion and Analysis in conjunction with the City's financial statements, notes and supplementary schedules.

FINANCIAL HIGHLIGHTS

Government-wide:

- The City's total assets were \$90,781,640 at June 30, 2011. Of this total, \$54,430,471 was governmental assets and \$36,351,169 was business-type assets.
- Total liabilities were \$42,465,037 of which \$27,267,541 was governmental liabilities and \$15,197,496 was business-type liabilities.
- City-wide revenues in fiscal 2011 were \$21,632,788, of which \$15,969,131 was generated by governmental activities and \$5,663,657 was generated by business-type activities.
- City-wide expenses were \$22,016,836, of which \$16,666,846 was incurred by governmental activities and \$5,349,990 was incurred by business-type activities. These amounts do not include transfers out of \$66,619 for governmental activities and \$11,381 for business-type activities.

Fund Level:

- Governmental Fund balances increased to \$21,857,125 in fiscal 2011 from \$20,604,908 in fiscal 2010.
- Governmental Fund revenues increased to \$15,943,497 in fiscal 2011, up \$236,014 from the prior fiscal year's \$15,707,483.
- Governmental Fund expenditures decreased to \$18,010,191 in fiscal 2011, down \$1,685,113 from the prior fiscal year's \$19,695,304.
- Enterprise Fund total assets increased \$5,874,565 to \$36,575,169 in fiscal 2011.
- Enterprise Fund total liabilities increased \$5,572,279 to \$15,421,496 in fiscal 2011.
- Enterprise Fund revenues (including non-operating revenues) increased \$245,894 to \$5,663,657 in fiscal 2011.
- Enterprise Fund expenses (including non-operating expenses) increased \$467,275 to \$5,349,990 in fiscal 2011.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: government-wide financial statements, fund financial statements and notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or worsening.

THE CITY OF OAKDALE

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, e.g., uncollected property or sales taxes and earned but unused vacation leave. This is known as the full accrual basis of accounting.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or most of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include city council, city administrator, city attorney, city clerk, finance, fire, police, animal control, traffic safety, public works, community development, economic development, and redevelopment. These are categorized in total as general government, public safety, public works, community development, and culture and leisure.

The government-wide financial statements include not only the City itself (known as the primary government) but also the activities of three legally separate component units: the Redevelopment Agency of the City of Oakdale, the Parking Authority of the City of Oakdale, and the Oakdale Public Financing Authority. Because the City Council acts as the governing board for each of these component units and because they function as part of the City government, their activities are blended with those of the primary government.

In addition to the primary government, the government-wide financial statements include two discretely presented component units: the Oakdale Senior Housing Limited Partnership and the Oakdale Senior Housing Corporation.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been designated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. This information may be useful in evaluating the City's near-term financial requirements. The basis of accounting in governmental funds is known as the modified accrual basis.

The focus of fund financial statements is narrower than that of government-wide financial statements. It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By so doing, the reader may better understand the long-term impact of the City's near-term financing decisions.

THE CITY OF OAKDALE

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a *reconciliation* to facilitate the comparison between governmental funds and governmental activities on pages 17 and 20. This is required because the government-wide statements are prepared on the full accrual basis of accounting while the fund statements are prepared on the modified accrual basis of accounting.

Proprietary Funds

The City maintains two types of proprietary funds, called enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water, parking and airport activities. *Internal Service funds* are used to report the fire and police equipment replacement activities which are funded by other funds of the City. Since they predominantly serve the governmental rather than the business-type activities, they are included with the governmental activities in the government-wide financial statements.

Fiduciary Statements

The City is the agent for certain Assessment Districts in the City, holding amounts collected and disbursing these amounts as directed or required. The City's fiduciary activities are reported in the separate Statement of Fiduciary Net Assets. These activities are excluded from the government-wide financial statements because the City cannot use these assets to finance its own operations.

Notes to the Basic Financial Statements

Notes to the Basic Financial Statements 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 the financial statements can be found on pages 26 to 57 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's budgetary comparison for certain governmental funds and funding progress for the City's retirement plan (pages 58 to 64). Other Supplementary Information is reported on pages 65 to 119.

THE CITY OF OAKDALE

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a governments' financial position. In the case of the City, assets exceeded liabilities by \$48,316,603 at the close of the most recent fiscal year.

	Summary of Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Cash and investments	\$ 13,886,288	\$ 14,755,727	\$ 1,022,785	\$ 973,770	\$ 14,909,073	\$ 15,729,497
Other current assets	10,981,024	9,298,213	527,685	(2,477,970)	11,508,709	6,820,243
Capital assets	29,563,159	28,988,619	34,800,699	29,064,804	64,363,858	58,053,423
Total assets	54,430,471	53,042,559	36,351,169	27,560,604	90,781,640	80,603,163
Current Liabilities	2,659,151	3,199,765	790,921	1,790,109	3,450,072	4,989,874
Noncurrent liabilities	24,608,390	22,065,968	14,406,575	4,919,108	39,014,965	26,985,076
Total Liabilities	27,267,541	25,265,733	15,197,496	6,709,217	42,465,037	31,974,950
Net Assets:						
Investment in capital						
assets, net of related debt	10,467,910	7,939,675	20,833,708	24,350,994	31,301,618	32,290,669
Restricted	16,039,198	14,213,612	-	183,024	16,039,198	14,396,636
Unrestricted	655,822	5,623,539	319,965	(3,682,631)	975,787	1,940,908
Total net assets	\$ 27,162,930	\$ 27,776,826	\$ 21,153,673	\$ 20,851,387	\$ 48,316,603	\$ 48,628,213

The largest portion of the business type activities net assets reflects its investment in capital assets (e.g., land and improvements, construction in progress, buildings and structures, machinery and equipment and improvements other than buildings, structures and land improvements), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its 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 will not usually be used to liquidate these liabilities.

The Governmental Activities restricted net assets of \$16,039,198 includes \$5,416,223 earmarked for capital projects, \$4,348,462 in debt service reserves, and \$6,274,513 restricted for other specified purposes.

THE CITY OF OAKDALE

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Analysis of the City's Operations -The following table provides a summary of the changes in net assets for governmental and business-type activities.

	Statement of Activities					
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues						
Charges for services	\$ 1,974,669	\$ 2,689,662	\$ 5,591,193	\$ 5,367,639	\$ 7,565,862	\$ 8,057,301
Operating grants and contributions	2,390,140	1,696,401	33,113	6,550	2,423,253	1,702,951
Capital grants and contributions	391,795	305,364			391,795	305,364
General revenues and transfers						
Property taxes	5,309,211	5,640,370			5,309,211	5,640,370
Sales taxes	2,769,895	2,583,975			2,769,895	2,583,975
Other taxes	2,385,173	2,262,548	14,739	13,724	2,399,912	2,276,272
Transfers	(66,619)	(38,400)	(11,381)	(39,600)	(78,000)	(78,000)
Other	748,248	578,115	24,612	29,850	772,860	607,965
Total revenues	<u>15,902,512</u>	<u>15,718,035</u>	<u>5,652,276</u>	<u>5,378,163</u>	<u>21,554,788</u>	<u>21,096,198</u>
Expenses						
Governmental activities:						
General Government	907,602	1,131,223			907,602	1,131,223
Public Safety	6,764,834	7,441,803			6,764,834	7,441,803
Public Works	1,661,950	1,793,081			1,661,950	1,793,081
Community Development	4,550,968	3,923,213			4,550,968	3,923,213
Culture & Leisure	1,386,681	1,993,135			1,386,681	1,993,135
Interest on Long-term Debt	1,394,811	1,329,586			1,394,811	1,329,586
Business type activities:						
Sewer			2,915,445	2,755,872	2,915,445	2,755,872
Water			2,116,247	1,852,130	2,116,247	1,852,130
Parking			41,257	50,543	41,257	50,543
Aviation			277,041	224,170	277,041	224,170
Total expense	<u>16,666,846</u>	<u>17,612,041</u>	<u>5,349,990</u>	<u>4,882,715</u>	<u>22,016,836</u>	<u>22,494,756</u>
Increase (decrease) in net assets	<u>\$ (764,334)</u>	<u>\$ (1,894,006)</u>	<u>\$ 302,286</u>	<u>\$ 495,448</u>	<u>\$ (462,048)</u>	<u>\$ (1,398,558)</u>

Governmental Activities - Governmental Activities decreased the City's net assets by \$764,334. Taxes provided 65% of the revenue and charges for services provided 12% of the revenue received during the fiscal year.

The following table shows the cost of each of the City's major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City's taxpayers by each of the programs.

THE CITY OF OAKDALE

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

	Net Cost of Governmental Activities For the Fiscal Year Ended June 30, 2011	
	Total Cost of Services	Net Cost of Services
General Government	\$ 907,602	\$ (591,991)
Public Safety	6,764,834	(5,781,952)
Public Works	1,661,950	(173,778)
Community Development	4,550,968	(2,815,176)
Culture & Leisure	1,386,681	(1,152,534)
Interest on Long-term Debt	1,394,811	(1,394,811)
Total	\$ 16,666,846	\$ (11,910,242)

The costs for all governmental activities during the fiscal year were \$16,666,846, which is 76% of total expenses. The City's taxpayers paid for \$10,464,279 of these costs. Fees, grants, and contributions funded the balance of the cost.

Business-type Activities - Business-type activities increased the City's net assets by \$302,286. The total charges for services for the business-type activities total \$5,591,193. Program revenues of the City's business-type activities totaled \$5,644,841, while general revenues including transfers were \$7,435. Expenses of business-type activities were \$5,349,990.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's governmental funds reported a combined fund balance at June 30, 2011 of \$21,857,125, an increase of \$1,252,217.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance of the General Fund was \$1,962,453 and the unassigned fund balance was \$1,802,045. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total expenditures. The unassigned fund balance represents 22% of total General Fund expenditures.

THE CITY OF OAKDALE

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

Other changes in fund balances include the following:

Development Activity Special Revenue Fund

- This fund is used to account for revenues and expenses associated with future planning, engineering, and inspection services. This major fund decreased by \$405,840 primarily due to development activity expenditures in excess of development fees collections.

Recreation Activity Special Revenue Fund

- This fund is used to account for revenues and expenses associated with the City's recreation activity program. This major fund decreased by \$20,325 primarily due to reduction in general fund subsidy for facilities.

System Development Capital Project Fund

- This fund is used to account for the capital facilities fees collected for the project categories of roadways, traffic signals, fire, police, and parks. This major fund decreased by \$125,812 primarily due to increase in capital expenditures.

Redevelopment Agency Capital Projects Fund

- This major fund increased by \$1,646,914. The increase was primarily a result of a bond sale for future capital projects.

Redevelopment Agency Housing Special Revenue Fund

- This major fund decreased by \$1,533,293. The decrease was primarily a result of grant funding provided for a senior housing complex.

Redevelopment Agency Debt Service Fund

- This major fund increased by \$236,727. The increase was primarily from reserves from the new bond sale.

Proprietary Funds -The City's proprietary funds provide the same type of information found in the Government-wide Financial Statements, but in more detail.

Capital Assets

The following table summarizes governmental and business-type capital assets at June 30, 2011 and 2010. Additional information on the City's capital assets can be found in the Notes to the Basic Financial Statements of this report.

	Capital Assets					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 2,111,753	\$ 2,111,753	\$ 2,971,430	\$ 2,971,430	\$ 5,083,183	\$ 5,083,183
Construction in Progress	1,464,537	1,361,009	13,977,823	8,331,641	15,442,360	9,692,650
Equipment, Net	1,929,114	1,995,201	989,363	945,005	2,918,477	2,940,206
Buildings and Improvements, Net	11,262,264	11,634,192	16,862,083	16,816,729	28,124,347	28,450,921
Infrastructure, Net	12,795,491	11,886,464			12,795,491	11,886,464
	<u>\$29,563,159</u>	<u>\$28,988,619</u>	<u>\$34,800,699</u>	<u>\$29,064,805</u>	<u>\$64,363,858</u>	<u>\$58,053,424</u>

THE CITY OF OAKDALE

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

Debt Administration

Long-term Debt. At the end of the current fiscal year, the City had \$38,355,107 in tax allocation bonds, revenue bonds and loans payable. The majority of debt was secured by specific revenue sources. Additional information on the City's debt can be found in the Notes to the Basic Financial Statements of this report.

	Outstanding Debt					
	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Tax Allocation Bonds	\$ 21,170,000	\$ 18,225,000	\$ -	\$ -	\$ 21,170,000	\$ 18,225,000
Loans and Leases Payable	291,571	352,440	12,538,536	2,959,320	12,830,107	3,311,760
Revenue Bonds	2,625,000	2,685,000	1,730,000	1,850,000	4,355,000	4,535,000
Discounts and Refunding Loss	(338,832)	(213,496)			(338,832)	(213,496)
Other Post-employment Benefits	52,626	27,702			52,626	27,702
Compensated Absences	1,507,314	1,695,578	292,266	255,320	1,799,580	1,950,898
	<u>\$ 25,307,679</u>	<u>\$ 22,772,224</u>	<u>\$ 14,560,802</u>	<u>\$ 5,064,640</u>	<u>\$ 39,868,481</u>	<u>\$ 27,836,864</u>

During the current fiscal year the City's total debt increased by \$12,031,617, of which \$9,579,216 was related to the California State Water Resources Control Board Revolving Loan, \$2,550,000 was the 2011 Tax Allocation Revenue Bonds loan, \$820,000 was the 2011 Taxable Housing Allocation Revenue bonds loan, less normal principal payments on the other long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

In preparing the budget for 2012, the City management looked at the following economic factors:

- The General fund cash flows assumed an increase in revenues of 2%.
- All general fund departments reduced 11% in their operations and maintenance.
- Funding for one firefighter and one police officer for seven months and subsidy for Senior Center and Community Center for six month pending the outcome of ½ cent sales tax measure in November 2011.
- General fund several part-time positions eliminated and 5% employee concessions.
- Enterprise rates are proposed to be increased by 10% in the current year to more closely reflect the ongoing cost of municipal services.
- The State Supreme Court declared in December 2011 that all Redevelopment Agencies must be dissolved. The impact to the City in terms of economic development may be substantial, the actual impact cannot be determined at this time.
- A two million dollar project that was to be funded by Redevelopment Bond proceeds to assist in development of a commercial area may not be allowed to proceed.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Finance Director, City of Oakdale, 280 North Third Avenue, Oakdale, CA 95361.

**CITY OF OAKDALE
STATEMENT OF NET ASSETS
JUNE 30, 2011**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Totals	Oakdale Senior Housing LP	Senior Housing Corporation
ASSETS					
Cash and investments	\$ 9,902,678	\$ 808,819	\$ 10,711,497	\$ 15,206	\$ 159,891
Restricted cash and investments	3,983,610	213,966	4,197,576	249,054	
Accounts receivable	239,168	663,636	902,804	11,837	1,142
Interest receivable	8,265	470	8,735		724
Intergovernmental receivable	652,949		652,949		
Taxes receivable	244,161		244,161		
Loans receivable	8,123,145		8,123,145		
Prepaid items				16,570	
Inventory	63,744		63,744		
Internal balances	224,000	(224,000)			
Land held for resale	289,567		289,567		
Investment in Joint Venture	431,079		431,079		
Investment in Limited Partnership					1,987,991
Deferred charges, net of accumulated amortization	704,946	87,579	792,525	25,300	
Capital assets not being depreciated	3,576,290	16,949,253	20,525,543	400,000	
Capital assets, net of accumulated depreciation	25,986,869	17,851,446	43,838,315	1,786,838	
Total assets	54,430,471	36,351,169	90,781,640	2,504,805	2,149,748
LIABILITIES					
Accounts payable	851,113	417,285	1,268,398	23,059	
Accrued payroll and benefits	332,046	114,213	446,259		
Due to agency fund	244,894		244,894		
Deposits payable	28,613	77,014	105,627		
Other liabilities	321,429		321,429		
Accrued interest payable	164,174	28,182	192,356	58,499	
Unearned revenue	17,593		17,593	498	
Noncurrent liabilities:					
Due within one year	699,289	154,227	853,516	110,282	
Due in more than one year	24,608,390	14,406,575	39,014,965	2,377,755	
Total liabilities	27,267,541	15,197,496	42,465,037	2,570,093	
NET ASSETS					
Invested in capital assets, net of related debt	10,467,910	20,833,708	31,301,618	398,405	
Restricted for:					
Capital projects	5,416,223		5,416,223		
Low and moderate housing	4,348,462		4,348,462		
Other purposes	6,274,513		6,274,513		
Unrestricted	655,822	319,965	975,787	(463,693)	2,149,748
Total net assets	\$ 27,162,930	\$ 21,153,673	\$ 48,316,603	\$ (65,288)	\$ 2,149,748

The accompanying notes are an integral part of these basic financial statements.

**CITY OF OAKDALE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Primary Government:				
Governmental activities:				
General government	\$ 907,602	\$ 315,611	\$ -	\$ -
Public safety	6,764,834	570,757	346,091	66,034
Public works	1,661,950	657,744	522,396	308,032
Community development	4,550,968	196,410	1,521,653	17,729
Culture and leisure	1,386,681	234,147		
Interest on long-term debt	1,394,811			
Total governmental activities	<u>16,666,846</u>	<u>1,974,669</u>	<u>2,390,140</u>	<u>391,795</u>
Business-type activities:				
Sewer	2,915,445	3,105,700		
Water	2,116,247	2,283,838	24,977	
Parking	41,257	20,535		
Aviation	277,041	209,791		
Total business-type activities	<u>5,349,990</u>	<u>5,619,864</u>	<u>24,977</u>	
Total primary government	<u>\$ 22,016,836</u>	<u>\$ 7,594,533</u>	<u>\$ 2,415,117</u>	<u>\$ 391,795</u>
Component Units:				
Oakdale Senior Housing LP	\$ 657,983	\$ 543,556	\$ -	\$ -
Senior Housing Corporation	15,645			
Total component units	<u>\$ 673,628</u>	<u>\$ 543,556</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues
Taxes:
Property taxes
Sales and use taxes
Franchise taxes
Other taxes
Motor vehicle in-lieu
Use of money and property
Miscellaneous
Transfers
Total general revenues and transfers
Change in net assets
Net Assets, July 1, 2010
Prior Period Adjustments
Net Assets, July 1, 2010, Restated
Net Assets, June 30, 2011

The accompanying notes are an integral part of these basic financial statements.

**Net (Expense) Revenue and
Changes in Net Assets**

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Totals	Oakdale Senior Housing LP	Senior Housing Corporation
\$ (591,991)	\$ -	\$ (591,991)	\$ -	\$ -
(5,781,952)		(5,781,952)		
(173,778)		(173,778)		
(2,815,176)		(2,815,176)		
(1,152,534)		(1,152,534)		
(1,394,811)		(1,394,811)		
<u>(11,910,242)</u>		<u>(11,910,242)</u>		
	190,255	190,255		
	192,568	192,568		
	(20,722)	(20,722)		
	(67,250)	(67,250)		
	<u>294,851</u>	<u>294,851</u>		
<u>(11,910,242)</u>	<u>294,851</u>	<u>(11,615,391)</u>		
			(114,427)	
				(15,645)
			<u>(114,427)</u>	<u>(15,645)</u>
5,309,211		5,309,211		
2,769,895		2,769,895		
824,206		824,206		
1,560,967	14,739	1,575,706		
101,183		101,183		
526,170	4,077	530,247	598	878
120,895		120,895	3,398	
(66,619)	(11,381)	(78,000)		78,000
<u>11,145,908</u>	<u>7,435</u>	<u>11,153,343</u>	<u>3,996</u>	<u>78,878</u>
<u>(764,334)</u>	<u>302,286</u>	<u>(462,048)</u>	<u>(110,431)</u>	<u>63,233</u>
27,776,826	20,851,387	48,628,213	45,143	2,086,515
150,438		150,438		
<u>27,927,264</u>	<u>20,851,387</u>	<u>48,778,651</u>	<u>45,143</u>	<u>2,086,515</u>
<u>\$ 27,162,930</u>	<u>\$ 21,153,673</u>	<u>\$ 48,316,603</u>	<u>\$ (65,288)</u>	<u>\$ 2,149,748</u>

**CITY OF OAKDALE
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2011**

	<u>Special Revenue</u>			
	<u>General</u>	<u>Development Activity</u>	<u>Recreation Activity</u>	<u>Redevelopment Housing</u>
Assets				
Cash and investments	\$ 1,524,932	\$ 460,589	\$ -	\$ 138,358
Restricted cash and investments				10,814
Receivables:				
Accounts	198,378		11,230	
Interest	1,344	372		92
Intergovernmental	558,048			
Taxes and assessments	78,479			24,634
Loans				4,183,637
Inventory	63,744			
Due from other funds	24,974			
Advances to other funds	96,664			
Land held for resale				
Total Assets	<u>\$ 2,546,563</u>	<u>\$ 460,961</u>	<u>\$ 11,230</u>	<u>\$ 4,357,535</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 210,111	\$ 43,635	\$ 17,142	\$ 5,041
Accrued payroll and benefits	285,804	18,545	13,148	4,032
Deposits payable	20,013		8,600	
Other liabilities	68,182	226,068	16,175	
Deferred revenue			17,593	
Due to other funds			50,722	
Due to agency fund				
Advances from other funds				
Total Liabilities	<u>584,110</u>	<u>288,248</u>	<u>123,380</u>	<u>9,073</u>
Fund Balances:				
Nonspendable	160,408			
Restricted		172,713		4,348,462
Unassigned	1,802,045		(112,150)	
Total Fund Balances (Deficits)	<u>1,962,453</u>	<u>172,713</u>	<u>(112,150)</u>	<u>4,348,462</u>
Total Liabilities and Fund Balances	<u>\$ 2,546,563</u>	<u>\$ 460,961</u>	<u>\$ 11,230</u>	<u>\$ 4,357,535</u>

The accompanying notes are an integral part of these basic financial statements.

Capital Projects		Debt Service		Other	Total
System Development	Redevelopment Agency	Redevelopment Agency	Governmental Funds	Governmental Funds	Governmental Funds
\$ 3,777,581	\$ 1,117,283	\$ 302,238	\$ 2,477,782	\$ 9,798,763	
	2,085,354	1,706,257	181,185	3,983,610	
275			29,285	239,168	
3,231	922	244	1,977	8,182	
			94,901	652,949	
	98,536		42,512	244,161	
	200,730		3,738,778	8,123,145	
				63,744	
274,722			49,328	349,024	
1,497,089			106,739	1,700,492	
			289,567	289,567	
<u>\$ 5,552,898</u>	<u>\$ 3,502,825</u>	<u>\$ 2,008,739</u>	<u>\$ 7,012,054</u>	<u>\$ 25,452,805</u>	
\$ 47,814	\$ 264,360	\$ 1,680	\$ 235,806	\$ 825,589	
	5,870		4,647	332,046	
				28,613	
			11,004	321,429	
				17,593	
			74,302	125,024	
			244,894	244,894	
	1,603,828		96,664	1,700,492	
<u>47,814</u>	<u>1,874,058</u>	<u>1,680</u>	<u>667,317</u>	<u>3,595,680</u>	
5,505,084	1,628,767	2,007,059	6,769,153	160,408	
			(424,416)	20,431,238	
				1,265,479	
<u>5,505,084</u>	<u>1,628,767</u>	<u>2,007,059</u>	<u>6,344,737</u>	<u>21,857,125</u>	
<u>\$ 5,552,898</u>	<u>\$ 3,502,825</u>	<u>\$ 2,008,739</u>	<u>\$ 7,012,054</u>	<u>\$ 25,452,805</u>	

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**CITY OF OAKDALE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011**

Fund Balances - Governmental Funds \$ 21,857,125

Amounts reported for Governmental Activities in the Statement of Net Assets are different from those reported in the Governmental Funds because of the following:

Capital assets used in Governmental Activities are not current resources and, therefore, are not reported in the Governmental Funds Balance Sheet:

Capital assets not being depreciated	\$ 3,576,290	
Capital assets, being depreciated	36,813,483	
Less: accumulated depreciation	<u>(10,826,614)</u>	29,563,159

The liabilities below are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet:

Compensated absences	\$ (1,507,314)	
Stanislaus County loan	(122,000)	
Equipment lease	(169,571)	
1997 Tax allocation revenue bonds	(5,805,000)	
2004 Tax allocation revenue bonds	(11,995,000)	
2005 Lease revenue bonds	(2,625,000)	
2011 Tax allocation revenue bonds	(2,550,000)	
2011 Taxable housing tax allocation revenue bonds	(820,000)	
Other post-employment benefits payable	(52,626)	
Less: discounts and deferred loss on refunding	<u>338,832</u>	(25,307,679)

Bond issuance costs are deferred and amortized over the life of the related bond issuance. These amounts are recognized in the current period in the funds. 704,946

Interest expenditures are recognized when paid in the funds. Therefore, interest payable is only recognized on the Statements of Net Assets. (164,174)

The investment in Riverbank-Oakdale Transportation Authority (ROTA) joint venture is not a current financial resource and therefore, is not reported in the funds. 431,079

Internal service funds are used by management to charge the costs of certain activities, such as equipment replacement and maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 78,474

Net Assets of Governmental Activities \$ 27,162,930

The accompanying notes are an integral part of these basic financial statements.

**CITY OF OAKDALE
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Special Revenue			
	General	Development Activity	Recreation Activity	Redevelopment Housing
Revenues:				
Property taxes	\$ 2,557,909	\$ -	\$ -	\$ 586,969
Sales and use taxes	2,645,653			
Franchise taxes	799,365			
Other taxes and assessments	469,114			
Licenses and permits	55,596	109,870		
Fines, forfeitures, and penalties	381,918			
Intergovernmental	330,363			
Charges for services	387,623	394,429	118,726	
Use of money and property	117,334	2,017		43,248
Other	93,375		10,000	12,375
Total Revenues	7,838,250	506,316	128,726	642,592
Expenditures:				
Current:				
General government	828,191			
Public safety	6,376,405			
Public works	546,853			
Community development		911,186		2,565,024
Culture and leisure	419,682		293,176	
Capital outlay	68,617	970		
Debt service:				
Principal				
Interest				
Issuance cost				75,237
Total Expenditures	8,239,748	912,156	293,176	2,640,261
Excess (Deficit) of Revenues over Expenditures	(401,498)	(405,840)	(164,450)	(1,997,669)
Other Financing Sources (Uses):				
Proceeds from issuance of long-term debt				740,050
Tax allocation revenue bonds discount				(37,039)
Transfers in	930,797		144,125	
Transfers out	(218,000)			(357,000)
Total Other Financing Sources (Uses)	712,797		144,125	346,011
Net Changes in Fund Balances	311,299	(405,840)	(20,325)	(1,651,658)
Fund Balances (Deficits), Beginning of Fiscal Year	1,651,154	578,553	(91,825)	5,881,755
Prior Period Adjustments				118,365
Fund Balances (Deficits), Beginning of the Fiscal Year, Restated	1,651,154	578,553	(91,825)	6,000,120
Fund Balances (Deficits), End of Fiscal Year	\$ 1,962,453	\$ 172,713	\$ (112,150)	\$ 4,348,462

The accompanying notes are an integral part of these basic financial statements.

<u>Capital Projects</u>		<u>Debt Service</u>		<u>Other</u>	<u>Total</u>
<u>System</u>	<u>Redevelopment</u>	<u>Redevelopment</u>	<u>Governmental</u>	<u>Governmental</u>	<u>Governmental</u>
<u>Development</u>	<u>Agency</u>	<u>Agency</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
\$ -	\$ 2,164,333	\$ -	\$ -	\$ 5,309,211	
			124,242	2,769,895	
			24,841	824,206	
			1,091,853	1,560,967	
				165,466	
			6,228	388,146	
			2,527,366	2,857,729	
391,654			128,624	1,421,056	
162,826	9,879	40,485	150,137	525,926	
			5,145	120,895	
<u>554,480</u>	<u>2,174,212</u>	<u>40,485</u>	<u>4,058,436</u>	<u>15,943,497</u>	
1,500		6,660	3,580	839,931	
6,150			11,976	6,394,531	
25,316			760,953	1,333,122	
	444,898		285,954	4,207,062	
11,760			373,512	1,098,130	
427,947	872,283		624,289	1,994,106	
9,000		425,000	111,869	545,869	
	161,866	1,055,298	128,907	1,346,071	
	176,132			251,369	
<u>481,673</u>	<u>1,655,179</u>	<u>1,486,958</u>	<u>2,301,040</u>	<u>18,010,191</u>	
<u>72,807</u>	<u>519,033</u>	<u>(1,446,473)</u>	<u>1,757,396</u>	<u>(2,066,694)</u>	
	2,358,750	271,200		3,370,000	
	(97,869)			(134,908)	
		1,412,000	253,875	2,740,797	
(198,619)	(1,133,000)		(900,797)	(2,807,416)	
<u>(198,619)</u>	<u>1,127,881</u>	<u>1,683,200</u>	<u>(646,922)</u>	<u>3,168,473</u>	
<u>(125,812)</u>	<u>1,646,914</u>	<u>236,727</u>	<u>1,110,474</u>	<u>1,101,779</u>	
5,630,896	(18,147)	1,770,332	5,202,190	20,604,908	
			32,073	150,438	
<u>5,630,896</u>	<u>(18,147)</u>	<u>1,770,332</u>	<u>5,234,263</u>	<u>20,755,346</u>	
<u>\$ 5,505,084</u>	<u>\$ 1,628,767</u>	<u>\$ 2,007,059</u>	<u>\$ 6,344,737</u>	<u>\$ 21,857,125</u>	

**CITY OF OAKDALE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measure only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

Net Change in Fund Balances		\$ 1,101,779
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated lives and reported as depreciation expense:		
Capital outlay expenditures are therefore added back to fund balances	\$ 1,788,008	
Depreciation expense not reported in governmental funds	<u>(1,111,551)</u>	676,457
Amortization of deferred bond costs does not require the use of current available resources and therefore, is not included in the funds. This activity is included in the Statement of Activities (net change).		(22,276)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but in the Statement of Net Assets, the costs are deferred and amortized throughout the period during which the related debt is outstanding. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Assets the repayment reduces long-term liabilities:		
Issuance of long term debt is subtracted from the fund balance		(3,370,000)
Issuance costs incurred during the period		251,369
Discounts incurred during the period		134,908
Repayment of debt principal is added back to fund balance		545,869
Amortization of deferred bond discounts and loss on refunding does not require the use of current available resources and, therefore, is not included in the funds. This activity is included in the Statement of Activities.		(9,572)
The amounts below, included in the Statement of Activities, do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds (net change):		
Compensated absences		188,264
The change in the value of the City's investment in the ROTA joint venture does not provide current available resources and, therefore, is not included in the funds. This activity is included in the Statement of Activities.		(109,773)
Accrued interest is interest due on long-term debt payable. This is the net change in accrued interest for the current period.		(16,892)
Other postemployment benefits payable was added to the Statement of Net Assets in the current period. This is the amount of the change in the payable in the current period.		(24,924)
Dispositions of capital assets result in no gain or loss on the governmental fund statements. However, on the statement of activities, gains and losses on sales and dispositions are reported.		(101,917)
Internal service funds are used by management to charge the costs of certain activities, such as equipment replacement and maintenance, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.		<u>(7,626)</u>
Change in Net Assets of Governmental Activities		<u>\$ (764,334)</u>

The accompanying notes are an integral part of these basic financial statements.

**CITY OF OAKDALE
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2011**

Assets	Business-type Activities					Governmental
	Enterprise Funds				Totals	Internal
	Sewer	Water	Parking	Aviation		Service
Current Assets:						Funds
Cash and investments	\$ 270,923	\$ 464,639	\$ 6,517	\$ 66,740	\$ 808,819	\$ 103,915
Restricted cash and investments	213,966				213,966	
Receivables:						
Accounts	342,467	301,682	3,061	16,426	663,636	
Interest	37	375	5	53	470	83
Total Current Assets	<u>827,393</u>	<u>766,696</u>	<u>9,583</u>	<u>83,219</u>	<u>1,686,891</u>	<u>103,998</u>
Noncurrent Assets:						
Deferred charges, net of accumulated amortization	87,579				87,579	
Capital assets:						
Not being depreciated	16,333,788	374,480	87,000	153,985	16,949,253	
Being depreciated, net of accumulated depreciation	<u>8,872,782</u>	<u>6,071,593</u>	<u>549,647</u>	<u>2,357,424</u>	<u>17,851,446</u>	
Total Noncurrent Assets	<u>25,294,149</u>	<u>6,446,073</u>	<u>636,647</u>	<u>2,511,409</u>	<u>34,888,278</u>	
Total Assets	<u>26,121,542</u>	<u>7,212,769</u>	<u>646,230</u>	<u>2,594,628</u>	<u>36,575,169</u>	<u>103,998</u>
Liabilities						
Current Liabilities:						
Accounts payable	215,152	199,536		2,597	417,285	25,524
Accrued payroll and benefits	79,296	33,715		1,202	114,213	
Deposits payable		74,871		2,143	77,014	
Accrued interest payable	28,182				28,182	
Due to other funds	224,000				224,000	
Current portion of long-term liabilities	<u>143,583</u>	<u>10,390</u>		<u>254</u>	<u>154,227</u>	
Total Current Liabilities	<u>690,213</u>	<u>318,512</u>		<u>6,196</u>	<u>1,014,921</u>	<u>25,524</u>
Noncurrent Liabilities:						
Compensated absences	167,246	93,510		2,283	263,039	
Loan payable	12,538,536				12,538,536	
Bonds payable	<u>1,605,000</u>				<u>1,605,000</u>	
Total Noncurrent Liabilities	<u>14,310,782</u>	<u>93,510</u>		<u>2,283</u>	<u>14,406,575</u>	
Total Liabilities	<u>15,000,995</u>	<u>412,022</u>		<u>8,479</u>	<u>15,421,496</u>	<u>25,524</u>
Net Assets						
Invested in capital assets, net of related debt	11,239,579	6,446,073	636,647	2,511,409	20,833,708	
Unrestricted	<u>(119,032)</u>	<u>354,674</u>	<u>9,583</u>	<u>74,740</u>	<u>319,965</u>	<u>78,474</u>
Total Net Assets	<u>\$11,120,547</u>	<u>\$6,800,747</u>	<u>\$646,230</u>	<u>\$2,586,149</u>	<u>\$21,153,673</u>	<u>\$ 78,474</u>

The accompanying notes are an integral part of these basic financial statements.

**CITY OF OAKDALE
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Business-type Activities				Totals	Governmental
	Enterprise Funds					Internal
	Sewer	Water	Parking	Aviation		Service Funds
Operating Revenues:						
Service charges	\$ 3,097,564	\$2,283,838	\$ -	\$ 209,791	\$ 5,591,193	\$ 52,640
Other income	8,136		20,535		28,671	
Total Operating Revenues	3,105,700	2,283,838	20,535	209,791	5,619,864	52,640
Operating Expenses:						
General and administrative	1,418,551	1,112,507		51,324	2,582,382	85,900
Maintenance and operations	1,040,241	755,622	9,726	141,309	1,946,898	
Depreciation	362,716	248,118	31,531	84,408	726,773	
Total Operating Expenses	2,821,508	2,116,247	41,257	277,041	5,256,053	85,900
Operating Income (Loss)	284,192	167,591	(20,722)	(67,250)	363,811	(33,260)
Non-Operating Revenues (Expenses):						
Investment earnings	1,930	1,881	39	227	4,077	244
Taxes and assessments			9,440	5,299	14,739	
Interest expense	(86,007)				(86,007)	
Amortization of debt issuance costs	(7,930)				(7,930)	
Total Non-Operating Revenues (Expenses)	(92,007)	1,881	9,479	5,526	(75,121)	244
Income (Loss) before Transfers and Capital Contributions:	192,185	169,472	(11,243)	(61,724)	288,690	(33,016)
Capital contributions		24,977			24,977	25,390
Transfers:						
Transfers in		18,619			18,619	
Transfers out			(30,000)		(30,000)	
Changes in Net Assets	192,185	213,068	(41,243)	(61,724)	302,286	(7,626)
Net Assets, July 1, 2010	10,928,362	6,587,679	687,473	2,647,873	20,851,387	86,100
Net Assets, June 30, 2011	\$ 11,120,547	\$ 6,800,747	\$ 646,230	\$ 2,586,149	\$ 21,153,673	\$ 78,474

The accompanying notes are an integral part of these basic financial statements.

**CITY OF OAKDALE
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Business-type Activities Enterprise Funds					Governmental Activities
	Sewer	Water	Parking	Aviation	Totals	Internal Service Funds
Cash Flows from Operating Activities:						
Receipts from customers and users	\$3,113,724	\$2,196,575	\$ 19,049	\$ 197,138	\$ 5,526,486	\$ 52,640
Payments to suppliers and users	(2,504,361)	(1,143,971)	(9,726)	(153,974)	(3,812,032)	(60,485)
Payments to employees	(908,720)	(741,781)		(40,680)	(1,691,181)	
Net Cash Provided (Used) by Operating Activities	(299,357)	310,823	9,323	2,484	23,273	(7,845)
Cash Flows from Noncapital Financing Activities:						
Taxes and assessments			9,440	5,299	14,739	
Due to other funds	(2,916,000)				(2,916,000)	
Transfers in		18,619			18,619	
Transfers out			(30,000)		(30,000)	
Net Cash Provided (Used) by Noncapital Financing Activities	(2,916,000)	18,619	(20,560)	5,299	(2,912,642)	
Cash Flows from Capital and Related Financing Activities:						
Purchase of capital assets	(5,922,600)	(521,969)		(18,099)	(6,462,668)	
Capital contribution		24,977			24,977	25,390
Principal payments on long-term debt	(120,000)				(120,000)	
Interest paid	(87,684)				(87,684)	
Proceeds from issuance of long-term debt	9,579,216				9,579,216	
Net Cash Provided (Used) by Capital and Related Financing Activities	3,448,932	(496,992)		(18,099)	2,933,841	25,390
Cash Flows from Investing Activities:						
Interest received	1,935	2,292	54	262	4,543	259
Net Cash Provided by Investing Activities	1,935	2,292	54	262	4,543	259
Net Increase (Decrease) in Cash and Cash Equivalents	235,510	(165,258)	(11,183)	(10,054)	49,015	17,804
Cash and Cash Equivalents - July 1, 2010	249,379	629,897	17,700	76,794	973,770	86,111
Cash and Cash Equivalents - June 30, 2011	<u>\$ 484,889</u>	<u>\$ 464,639</u>	<u>\$ 6,517</u>	<u>\$ 66,740</u>	<u>\$ 1,022,785</u>	<u>\$ 103,915</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets:						
Cash and investments	\$ 270,923	\$ 464,639	\$ 6,517	\$ 66,740	\$ 808,819	\$ 103,915
Restricted cash and investments	213,966				213,966	
Total Cash and Cash Equivalents	<u>\$ 484,889</u>	<u>\$ 464,639</u>	<u>\$ 6,517</u>	<u>\$ 66,740</u>	<u>\$ 1,022,785</u>	<u>\$ 103,915</u>

(Continued)

The accompanying notes are an integral part of these basic financial statements.

**CITY OF OAKDALE
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Business-type Activities Enterprise Funds				Totals	Governmental Activities
	Sewer	Water	Parking	Aviation		Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ 284,192	\$ 167,591	\$(20,722)	\$ (67,250)	\$ 363,811	\$ (33,260)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	362,716	248,118	31,531	84,408	726,773	
(Increase) Decrease in Operating Assets:						
Accounts receivable	8,024	(91,187)	(1,486)	(13,403)	(98,052)	
Increase (Decrease) in Operating Liabilities:						
Accounts payable	(1,033,600)	(32,608)		(705)	(1,066,913)	25,415
Accrued payroll and benefits	45,559	10,345		130	56,034	
Deposits payable		3,924		750	4,674	
Compensated absences	33,752	4,640		(1,446)	36,946	
Net Cash Provided (Used) by Operating Activities	<u>\$ (299,357)</u>	<u>\$ 310,823</u>	<u>\$ 9,323</u>	<u>\$ 2,484</u>	<u>\$ 23,273</u>	<u>\$ (7,845)</u>

The accompanying notes are an integral part of these basic financial statements.

**CITY OF OAKDALE
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
JUNE 30, 2011**

	Agency Funds
ASSETS	
Cash and investments	\$ 1,783,103
Restricted cash and investments	657,511
Due from General Plan fund	244,894
Accounts receivable	251,834
Interest receivable	1,328
	<hr/>
Total Assets	\$ 2,938,670
	<hr/> <hr/>
LIABILITIES	
Accounts payable	\$ 203,994
Amounts held in trust	1,095,174
Due to bondholders	1,639,502
	<hr/>
Total Liabilities	\$ 2,938,670
	<hr/> <hr/>

The accompanying notes are an integral part of these basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Oakdale (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (USGAAP) as applicable to governmental units. The Governmental Accounting Standards Boards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below:

A. Financial Reporting Entity

The City of Oakdale, California, was incorporated in 1906, under the general laws of the State of California. The City operates under a Council-Administrator form of government and provides a full range of municipal services including police, fire, public works, water, sewer, storm drainage, construction, and maintenance of streets and highways, planning and zoning, recreation and cultural services, low income and elderly housing and assistance, redevelopment, and general administrative services.

These basic financial statements present the financial status of the City and its component units, which are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Component unit financial statements may be obtained from the City's Department of Finance.

Blended Component Units – Blended component units, although legally separate entities, are, in substance, part of the City's operations.

Redevelopment Agency of the City of Oakdale – The Redevelopment Agency of the City of Oakdale (Agency) was established by the City Council in 1987 with the authority and responsibility for redeveloping and upgrading blighted areas of the City. The members of the City Council are also members of the Redevelopment Agency's Board of Directors and, as such, are authorized to transact business and exercise their power to plan, engineer, and carry out projects of the Agency.

Oakdale Public Financing Authority – The Oakdale Public Financing Authority (Financing Authority) was created in 1989, by the Joint Exercise of Powers Agreement between the City and the Agency for the purpose of acting as a vehicle for various financing activities of the City and the Agency. The Financing Authority is governed by a five member Governing Board, which consists of members of the City Council. The primary purpose of the Financing Authority is to render financial assistance to the City and the Agency by issuing debt and financing the construction of public facilities. Separate financial statements are not required for the Financing Authority, and therefore, are not issued.

Parking Authority of the City of Oakdale – The Parking Authority of the City of Oakdale (Parking Authority) was created in 1969 by the City Council to provide parking facilities in the downtown area. The Parking Authority is governed by a five member Governing Board, which consists of the members of the City Council. Separate financial statements are not issued for the Authority.

Discretely Presented Component Units – Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

Oakdale Senior Housing Corporation (OSHC) – A nonprofit corporation created to serve as General Partner in Oakdale Senior Housing Limited Partnership (OSHLP) (a component unit described below). It is a component unit of the Redevelopment Agency of the City of Oakdale (Agency) because the governing board of OSHC is appointed by the board of the Agency. The Agency is legally obligated to finance any deficits of OSHC. The Executive Director of the Agency also serves as the Executive Director of OSHC.

Oakdale Senior Housing Limited Partnership (OSHLP) – A California limited partnership created to own and operate an 80 unit low to moderate income senior housing complex in the City of Oakdale, known as Oak Haven. It is a component unit because the Agency appoints the board of the general partner. Additionally, it is a component unit because through contractual arrangements, the Agency is responsible for all financial matters, including the oversight of the management agent hired to oversee the daily operations. The Agency has a guarantee to fund operating deficits and through an investment agreement, provides a minimum of \$40,000 annually to subsidize rents.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the primary government (City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the City's governmental activities. Direct expenses are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational need of a particular program, and (c) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses, and Changes in Net Assets, and a Statement of Cash Flows.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organization, other governmental units, and/or other funds. The City maintains nine fiduciary funds – Yosemite Industrial Park Assessment Fund, G & J Streets Assessment Fund, Developer Activity Fund, Refuse Collection Fund, Bridle Ridge CFD 2003-2 Fund, Bridle Ridge CFD 2004-1 Fund, Bridle Ridge CFD 2005-1 Fund, Riverbank Oakdale Transit Authority Fund, and Senior Housing Corporation Fund.

C. Major Funds

GASB Statement No. 34, defines major funds and requires that the City's major governmental funds are identified and presented separately in the fund financial statements. All other funds, called nonmajor funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Major Funds (Continued)

The City reported the following major governmental funds in the accompanying financial statements:

General Fund

This fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the City.

Development Activity Special Revenue Fund

This fund accounts for activities related to the processing of development applications, building inspections, engineering services, and related support services.

Recreation Activity Special Revenue Fund

This fund accounts for the inflow and outflow of monies in connection with the City's recreation activity program.

Redevelopment Housing Special Revenue Fund

This fund accounts for the 20% of the increase in property tax within the redevelopment area to be used for development of low and moderate income housing.

System Development Capital Project Fund

This fund accounts for development impact fees to be used for infrastructure.

Redevelopment Agency Capital Project Fund

This fund accounts for tax increment monies collected and expenses for redevelopment within the project area.

Redevelopment Agency Debt Service Fund

This fund accounts for the payment of redevelopment agency long-term debt.

The City reported the following major proprietary funds:

Sewer Fund

This fund accounts for the revenues and expenses of the City's sewer operations.

Water Fund

This fund accounts for the revenues and expenses of the City's water operations.

Parking Fund

This fund accounts for the revenues and expenses of the City's downtown parking operations.

Aviation Fund

This fund accounts for the revenues and expenses of the City's airport operations.

Additionally, the City reports the following fund types:

The Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis. The City has two internal service funds, the Fire Equipment Replacement Fund and the Police Equipment Replacement Fund. The Fire Equipment Replacement Fund and the Police Equipment Replacement account for the annual contribution from the general fund to provide for the long-term replacement of fire and police equipment.

The City's Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and other governmental units. The Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City maintains nine fiduciary funds – Yosemite Industrial Park Assessment Fund, G & J Streets Assessment Fund, Developer Activity Fund, Refuse Collection Fund, Bridle Ridge CFD 2003-2 Fund, Bridle Ridge CFD 2004-1 Fund, Bridle Ridge CFD 2005-1, Riverbank Oakdale Transit Authority Fund, and Senior Housing Corporation Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting

The basis of accounting determines when transactions are reported on the financial statements. The government-wide and proprietary funds financial statements are reported using the *economic resources measurement focus* and *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. The fiduciary funds financial statements are reported using the *accrual basis* of accounting. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent that they have matured. Capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as *other financing sources*.

In governmental funds, revenues from taxes, licenses, franchise taxes, interest, certain state and federal grants and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current period. Only the portion of special assessments receivables due within the current fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary funds distinguish between operating revenues and expenses from non-operating 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. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures/expenses. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures and funds for the Oakdale Redevelopment Agency. Cash equivalents have an original maturity date of three months or less from the date of purchase.

F. Cash and Investments

Most cash balances of the City's funds and some of its component units are pooled and invested by the City Treasurer. Unless otherwise dictated by legal or contractual requirements, income earned or losses arising from the investment pooled cash are allocated on a monthly basis to the participating funds and component units based on their proportionate share of

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Investments (Continued)

the average weekly cash balance. Investments are stated at fair value. Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be change and petty cash funds, equity in the City’s cash and investment pool and restricted, non-pooled investments with initial maturities of three months or less.

G. Receivables

Revenue from taxpayer-assessed taxes (sales and use, business license, gas, and franchise fees) is accrued in the Governmental Funds when they are both measurable and available. The City considers these taxes available if they are received within 60 days after fiscal year end.

Grants, entitlements, or shared revenues are recorded as receivables and revenues in the General, Special Revenue, and Capital Projects Funds when they are received or susceptible to accrual. Grants awarded for Proprietary Funds are recorded as receivables and nonoperating revenues when they are earned and are measurable.

Utility service accounts receivable are reported net of allowance for doubtful collections.

H. Interfund Transactions

Activities between funds that are representative of lending/borrowing outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (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”.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

With Council approval, resources may be transferred from one City fund to another. Transfers are used to (1) move revenues from one fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in the other funds in accordance with budget authorizations, and (3) move cash to debt service funds from the funds responsible for payment as debt service payments become due.

I. Property Tax

The City's property taxes are levied on the first day of January by the County assessor, and are payable to the County tax collector in two installments.

The first installment is due November 1st, and is delinquent after December 10th; the second installment is due February 1st and is delinquent after April 10th. Taxes become a lien on the property on January 1st, and on the date of the transfer of the title, and the date of new construction.

The minimum property value which is taxed is \$2,000; however, tax bills are prepared for properties valued at less than \$2,000 if there is a special assessment to be collected.

Article 13A of the California Constitution states: “The maximum amount of any ad valorem tax on real property shall not exceed one percent (1%) of the full cash value of such property. The one percent tax is to be collected by the Counties and apportioned according to law to the districts within the counties.”

The City has elected under State law (TEETER) to receive all of the annual property assessments (excluding interest and penalties, which the County retains) in three installments as follows:

December	55%
April	40%
June	5%
	<u>100%</u>

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories for governmental funds are recorded as expenditures when consumed rather than when purchased.

K. Restricted Assets

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more for property, plant, and equipment and \$25,000 or more for infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, equipment, and infrastructure of the City, as well as the component units, are depreciated using the straight line method over their estimated lives of 5 to 40 years.

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits and sick leave. All vacation and sick leave benefits are accrued as earned by employees. All vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds if they have matured, for example, as a result of employee resignation and retirements. The General Fund is generally used to liquidate the compensated absences balance.

N. Self-insurance

The City is self-insured for worker's compensation, general liability, auto liability, and certain other risks. The City's workers' compensation activities are funded and accounted for separately in the fund financial statements based upon the activities of each fund. The current portion of claims liability are accounted for in the General Fund and the proprietary funds on the basis of settlements reached or judgments entered within the current fiscal year. In the government-wide financial statements and the proprietary fund financial statements, the estimated liability for all self-insurance liability claims is recorded as a liability.

O. Long-term Debt, Discount, Premiums, and Issuance Costs

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Net Assets and Fund Equity

In the government-wide financial statements and proprietary fund financial statements, net assets are reported in three categories under GASB Statement No. 34. These captions apply only to net assets, which are determined only at the government-wide level, proprietary funds, and fiduciary funds as described below.

Invested in capital assets, net of related debt describes the portion of net assets which is represented by the current net book value of the City’s capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, redevelopment funds restricted for low-and-moderate income purposes, and gas tax funds for street construction.

Unrestricted describes the portion of net assets which is not restricted as to use.

At June 30, 2011, the City had recorded restricted net assets in the Governmental Activities as follows:

	<u>Governmental Activities</u>
Restricted for:	
Capital projects	\$ 6,004,488
Low and moderate housing	4,348,462
Other purposes:	
Development	172,713
Streets and roads	434,694
Public safety	104,341
Transportation	233,722
Lighting and landscaping	615,502
Community development	3,827,881
Solid waste	18,950
Economic development	540,978
Neighborhood stabilization	319,001
Facilities	6,731
Total Restricted	<u>\$ 16,627,463</u>

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Net Assets and Fund Equity (Continued)

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - 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 restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City resolution.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**CITY OF OAKDALE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Net Assets and Fund Equity (Continued)

The constraints placed on fund balance for the major governmental funds and all other governmental funds at June 30, 2011 are as follows:

Fund Balances	General Fund	Development Activity Special Revenue Fund	Recreation Activity Special Revenue Fund	Redevelopment Housing Special Revenue Fund	System Development Capital Projects Fund	Redevelopment Agency Capital Projects Fund	Redevelopment Agency Debt Service Fund	Other Governmental Funds	Total
Nonspendable:									
Inventory	\$ 63,744	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,744
Advances	96,664								96,664
Total Nonspendable	160,408								160,408
Restricted for:									
Capital Projects					5,505,084	1,628,767		367,726	7,501,577
Low and moderate housing				4,348,462					4,348,462
Debt service							2,007,059	299,627	2,306,686
Development		172,713							172,713
Streets and roads								434,694	434,694
Public safety								104,341	104,341
Transportation								233,722	233,722
Lighting and landscaping								615,502	615,502
Community development								3,827,881	3,827,881
Solid waste								18,950	18,950
Economic development								540,978	540,978
Neighborhood stabilization								319,001	319,001
Facilities								6,731	6,731
Total Restricted		172,713		4,348,462	5,505,084	1,628,767	2,007,059	6,769,153	20,431,238
Unassigned	1,802,045		(112,150)					(424,416)	1,265,479
Total Fund Balances (Deficits)	\$ 1,962,453	\$ 172,713	\$ (112,150)	\$ 4,348,462	\$ 5,505,084	\$ 1,628,767	\$ 2,007,059	\$ 6,344,737	\$ 21,857,125

Q. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, require management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

R. Fiscal Years

The fiscal year of the City begins on July 1 and ends on June 30. The fiscal year of the Oakdale Senior Housing Limited Partnership begins on January 1 and ends on December 31. The December 31, 2010 financial statements are included in this report. The fiscal year of the Senior Housing Corporation begins on July 1 and ends on June 30. The June 30, 2011 financial statements are included in this report.

S. Component Unit

The audited financial statements for the Oakdale Senior Housing Limited Partnership are available at the office of the general partner at 280 North 3rd Ave, Oakdale, California. Cropper Accountancy Corporation, located in Walnut Creek, California, performed the audit. Their opinion on the financial statements for the year ended December 31, 2010 was unqualified.

T. Use of Restricted Resources

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 they are needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. New Accounting Pronouncements

The City has implemented the requirements of Governmental Accounting Standards Board (GASB) Statement No. 54 and No. 59 during the fiscal year ended June 30, 2011.

GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions

This Statement is effective for periods beginning June 15, 2010. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This Statement affected the Balance Sheet – Governmental Funds for the fiscal year ended June 30, 2011 by changing the classification of the fund balances. See Note 1P for detailed information on the effect on these financial statements.

GASB Statement No. 59 – Financial Instruments Omnibus

This Statement is effective for financial statements for periods beginning after June 15, 2010. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The implementation of this Statement did not have an effect on these financial statements.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The City Council is required to adopt an annual budget resolution by July 1st of each fiscal year for the General Fund, special revenue, capital projects, debt service, and enterprise funds. These budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The City Council made several supplemental budgetary appropriations throughout the fiscal year.

B. Deficit Fund Balances

During the fiscal year ending June 30, 2011, the following funds have a deficit fund balance:

Funds	Deficit Fund Balance
Major Governmental Fund:	
Recreation Activity Special Revenue	\$ 112,150
Nonmajor Funds:	
Special Revenue Funds:	
Museum	20,268
General Plan	304,195
Education/Government CTV	36,260
Capital Projects Fund:	
Surface Transportation	63,693

CITY OF OAKDALE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

C. Excess of Expenditures over Appropriations

Excess of expenditures over appropriations in individual funds are as follows:

Funds	Excess Expenditures
Major Governmental Funds:	
General	\$ 121,459
RDA Housing Special Revenue	2,466,783
RDA Debt Service	67,944
Nonmajor Funds:	
Special Revenue Funds:	
COPS Secure Our Schools	34,801
Non-Judicial Forfeiture	8,419
Lighting and Landscaping	96,493
DUI Enforcement (OTS)	6,331
Museum	4,217
General Plan	230,618
Facilities	2,636

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2011 are classified in the accompanying financial statements as follows:

Primary Government:

Statement of net assets:

Cash and investments	\$ 10,711,497
Restricted cash and investments	4,197,576
Total cash and investments, Statement of Net Assets	<u>14,909,073</u>

Fiduciary funds:

Cash and investments	1,783,103
Restricted cash and investments	657,511
Total cash and investments, Fiduciary Funds	<u>2,440,614</u>

Discrete Component Units:

Cash and investments	175,097
Restricted cash and investments	249,054
Total cash and investments, Discrete Component Units	<u>424,151</u>
Total cash and investments	<u>\$ 17,773,838</u>

Cash and investments as of June 30, 2011 consist of the following:

Cash on hand	\$ 1,200
Deposits with financial institutions	3,341,956
Investments	14,430,682
Total cash and investments	<u>\$ 17,773,838</u>

**CITY OF OAKDALE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Cash and investments held by the City at June 30, 2011 consisted of the following:

	Primary Government	Component Units		Total
		Oakdale Senior Housing LP	Senior Housing Corporation	
Demand deposits and cash on hand:				
Petty cash	\$ 1,200	\$ -	\$ -	\$ 1,200
Demand deposits	3,283,415		31,754	3,315,169
Total demand deposits and cash on hand	3,284,615		31,754	3,316,369
Cash and investments of limited partnership		264,260		264,260
Cash and investments of corporation, pooled with the City of Oakdale			26,787	26,787
Investments:				
Local Agency Investment Fund	7,709,984			7,709,984
U.S. Treasury Obligations	1,000,000			1,000,000
Certificates of Deposit	500,000		101,350	601,350
Total investments	9,209,984		101,350	9,311,334
Investments held with fiscal agents:				
Investment Agreements	594,160			594,160
Money Market Funds	3,775,656			3,775,656
Commercial Paper	271,306			271,306
Local Agency Investment Fund	213,966			213,966
Total investments held with fiscal agents	4,855,088			4,855,088
Total Cash and Investments	\$ 17,349,687	\$ 264,260	\$ 159,891	\$ 17,773,838

A. Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City of Oakdale (City) by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Government Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	10%	None
U.S. Government Agency Issues	5 years	10%	None
Banker's Acceptances	270 days	40%	30%
Commercial Paper, Prime Quality	180 days	40%	10%
Time Certificates of Deposit	3 years	25%	None
Negotiable Certificates of Deposit	3 years	30%	None
Repurchase and Reverse Repurchase Agreements	1 year	20%	None
Medium-Term Notes	5 years	30%	15%
Mutual Funds	5 years	20%	10%
Money Market Mutual Funds	5 years	20%	10%
Local Agency Investment Fund (State Pool)	N/A	None	\$50 million

CITY OF OAKDALE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City’s investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Mortgage-backed Securities	3 years	None	None
Banker's Acceptances	360 days	None	None
Commercial Paper	None	None	None
Negotiable Certificates of Deposit	None	None	None
Investment Agreements	None	None	None
Repurchase Agreements	30 days	None	None
Money Market Mutual Funds	N/A	None	None
Local Agency Investment Fund (State Pool)	N/A	None	None

C. Disclosures Relating to 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. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term 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 operations.

Information about the sensitivity of the fair values of the City’s investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s investments by maturity:

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>	<u>More Than 60 Months</u>
Local Agency Investment Fund	\$ 7,709,984	\$ 7,709,984	\$ -	\$ -	\$ -
U.S. Treasury Obligations	1,000,000			1,000,000	
Certificates of Deposit	601,350	101,350		500,000	
Held by Bond Trustees:					
Investment Agreements	594,160				594,160
Money Market Funds	3,775,656	3,775,656			
Commercial Paper	271,306	271,306			
Local Agency Investment Fund	213,966	213,966			
	<u>\$ 14,166,422</u>	<u>\$ 12,072,262</u>	<u>\$ -</u>	<u>\$ 1,500,000</u>	<u>\$ 594,160</u>

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments including investments held by bond trustees that are highly sensitive to interest rate fluctuations.

CITY OF OAKDALE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
Local Agency Investment Fund	\$ 7,709,984	N/A	\$ -	\$ -	\$ -	\$ -	\$ 7,709,984
U.S. Treasury Obligations	1,000,000		1,000,000				
Certificates of Deposit	601,350	N/A					601,350
Held by Bond Trustees:							
Investment Agreements	594,160	N/A					594,160
Money Market Funds	3,775,656	N/A		3,775,656			
Commercial Paper	271,306	N/A				271,306	
Local Agency Investment Fund	213,966	N/A					213,966
	<u>\$ 14,166,422</u>		<u>\$ 1,000,000</u>	<u>\$ 3,775,656</u>	<u>\$ -</u>	<u>\$ 271,306</u>	<u>\$ 9,119,460</u>

F. Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. There was no investment in any one issuer (other than U.S. Treasury obligations, money market funds, and external investment pools) that represents 5% or more of total City investments.

G. Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or 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 the failure of the counterparty (e.g. broker-dealer) to a transaction, a government 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 provision for deposits; The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the 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.

As of June 30, 2011, \$3,277,774 of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts. As of June 30, 2011, City investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities:

Investment Type	Reported Amount
Commercial Paper	\$ 271,306
Investment Agreements	594,160

CITY OF OAKDALE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

H. Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE 4 – ACCOUNTS RECEIVABLE

Receivables at June 30, 2011 for the City's individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows. All accounts receivable are expected to be collected within one year.

	General	Special Revenue			Capital Projects
		Development Activity	Recreation Activity	Redevelopment Housing	System Development
Governmental Activities Receivables:					
Accounts	\$ 198,378	\$ -	\$ 11,230	\$ -	\$ 275
Interest	1,344	372		92	3,231
Intergovernmental	558,048				
Taxes and assessments	78,479			24,634	
Loans				4,183,637	
Total	<u>\$ 836,249</u>	<u>\$ 372</u>	<u>\$ 11,230</u>	<u>\$ 4,208,363</u>	<u>\$ 3,506</u>

	Capital Projects	Redevelopment	Other Governmental	Internal Service	Total
	Redevelopment Agency	Debt Service			
Governmental Activities Receivables:					
Accounts	\$ -	\$ -	\$ 29,285	\$ -	\$ 239,168
Interest	922	244	1,977	83	8,265
Intergovernmental			94,901		652,949
Taxes and assessments	98,536		42,512		244,161
Loans	200,730		3,738,778		8,123,145
Total	<u>\$ 300,188</u>	<u>\$ 244</u>	<u>\$ 3,907,453</u>	<u>\$ 83</u>	<u>\$ 9,267,688</u>

	Sewer	Water	Parking	Aviation	Totals
	Business-type Activities Receivables:				
Accounts	\$ 342,467	\$ 301,682	\$ 3,061	\$ 16,426	\$ 663,636
Interest	37	375	5	53	470
Total	<u>\$ 342,504</u>	<u>\$ 302,057</u>	<u>\$ 3,066</u>	<u>\$ 16,479</u>	<u>\$ 664,106</u>

CITY OF OAKDALE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The following is a summary of interfund balances as of June 30, 2011.

	<u>Receivable</u>	<u>Payable</u>
Major Governmental Funds:		
General	\$ 24,974	\$ -
Recreation Activity		50,722
System Development	274,722	
Major Enterprise Fund:		
Sewer		224,000
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Supplemental Law Enforcement		24,974
Local Transportation	49,328	
Capital Projects Fund:		
Surface Transportation		49,328
	<u>\$ 349,024</u>	<u>\$ 349,024</u>

B. Interfund Transfers

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General	\$ 930,797	\$ 218,000
Recreation Activity	144,125	
Redevelopment Housing		357,000
System Development		198,619
Redevelopment Agency		1,133,000
Redevelopment Agency Debt Service	1,412,000	
Major Enterprise Funds:		
Water	18,619	
Parking		30,000
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Gas Tax		350,000
Supplemental Law Enforcement		100,000
Traffic Safety		23,797
Public Safety		115,000
Abandoned Vehicle Abatement		10,000
Fire Services CFD 2003-1		280,000
Public Safety CFD		22,000
Facilities	73,875	
Debt Service Fund:		
2005 Lease Revenue Bonds	180,000	
Discrete Component Unit:		
Senior Housing Corporation	78,000	
Total	<u>\$ 2,837,416</u>	<u>\$ 2,837,416</u>

In general, the City uses interfund transfers to (1) move revenues from the funds that collect them to the funds that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to help finance various programs and capital projects accounted for in other funds in accordance with budgetary authorization, and (3) move cash to debt service funds from the funds responsible for payment as debt service payments become due.

In general, the effect of the interfund activity has been eliminated from the government-wide financial statements.

CITY OF OAKDALE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

C. Long-Term Interfund Advances

Advances to/from other funds are non-current interfund loans and are offset by nonspendable fund balance accounts in applicable governmental funds to indicate that they are not available for appropriations and are not expendable available financial resources. At June 30, 2011, the City had the following long-term advances:

	<u>Advances to</u>	<u>Advances from</u>
Major Governmental Funds:		
General	\$ 96,664	\$ -
System Development Capital Projects	1,497,089	
Redevelopment Agency Capital Projects		1,603,828
Nonmajor Governmental Funds:		
Museum Special Revenue		54,734
Education and Government CTV Special Revenue		41,930
Equipment Replacement Capital Projects	<u>106,739</u>	
Total	<u>\$ 1,700,492</u>	<u>\$ 1,700,492</u>

NOTE 6 – LOANS RECEIVABLE

Loans receivable amounts primarily represent loans made for redevelopment, economic development, and property rehabilitation.

Redevelopment Housing Special Revenue Fund

First Time Home Buyer, deferred notes receivable. No installment payments of principal or interest are required until the notes reach their 30-year maturity. Interest rate will be 5% below the rate of the homeowners' first loan but no less than 1%. Secured by deeds of trust.	\$ 5,000
Soroptomist International of Oakdale, receivable in principal installments of \$278 per month, no interest required. Balance due February 27, 2027.	52,500
Children's Guardian Fund, receivable in installments of \$278 or more per month, no interest required. No specific due date. Secured by deed of trust.	64,288
Oakdale Senior Housing Limited Partnership receivable in annual installments of \$70,691 including interest at 5%. Due September 2023. Secured by deed of trust.	663,894
CIC Oakridge Apartments, LP, deferred loan receivable. No installment payments of principal or interest are required until April 6, 2065. Interest rate is 3%.	1,000,000
Central Valley Coalition for Affordable Housing, deferred loan receivable. No installment payments of principal or interest are required until May 24, 2066. Interest rate is 3%.	2,397,955
	<u>\$ 4,183,637</u>

NOTE 6 – LOANS RECEIVABLE (CONTINUED)

Redevelopment Agency Capital Projects Fund

John and Susan Dayton, receivable in installments of \$416 per month, including interest at 3%. Balance due May 30, 2017.

Secured by deed of trust. \$ 33,009

Cowboy Museum, receivable in installments of \$306 per month, no interest required. No specific due date.

Secured by deed of trust. 73,467

Toneata Martocchio, receivable in installments of \$848 per month, including interest at 4%. Balance due December 1, 2012.

Secured by deed of trust. 94,254

\$ 200,730

Community Development Block Grant Fund

Ten property rehabilitation loans, no installment payments of principal or interest are required until the loans reach their 30-year maturity.

Interest rate will be 5% below the rate of the homeowners' first loan but no less than 1%. Secured by deeds of trust.

\$ 791,607

Home Loan Fund

Fifty-two first Time Home Buyer, deferred notes receivable. No installment payments of principal or interest are required until the loans reach their 30-year maturity. Interest rate will be 5% below the rate of the homeowners' first loan but no less than 1%. Secured by deeds of trust.

\$ 2,786,071

Economic Development Fund

Five economic development, property rehabilitation loans. Interest rate varies from 9.5% to 10%. Loans to continue until principal sum is paid. Secured by deeds of trust.

\$ 161,100

Grand Total Governmental Activities Loans Receivable \$ 8,123,145

CITY OF OAKDALE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 7 – CAPITAL ASSETS

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

	Balance as of July 1, 2010	Additions	Deletions	Transfers	Balance as of June 30, 2011
Governmental Activities					
Nondepreciable capital assets					
Land	\$ 2,111,753	\$ -	\$ -	\$ -	\$ 2,111,753
Construction in progress	1,361,009	1,778,561	(100,976) *	(1,574,057)	1,464,537
Total nondepreciable capital assets	<u>3,472,762</u>	<u>1,778,561</u>	<u>(100,976)</u>	<u>(1,574,057)</u>	<u>3,576,290</u>
Depreciable capital assets					
Equipment	7,571,638	9,447	(1,505)	382,643	7,962,223
Buildings	10,137,832				10,137,832
Improvements other than buildings	4,679,621				4,679,621
Infrastructure	12,842,393			1,191,414	14,033,807
Total depreciable capital assets	<u>35,231,484</u>	<u>9,447</u>	<u>(1,505)</u>	<u>1,574,057</u>	<u>36,813,483</u>
Less accumulated depreciation					
Equipment	(5,576,437)	(457,236)	564		(6,033,109)
Buildings	(2,169,786)	(231,743)			(2,401,529)
Improvements other than buildings	(1,013,475)	(140,185)			(1,153,660)
Infrastructure	(955,929)	(282,387)			(1,238,316)
Total accumulated depreciation	<u>(9,715,627)</u>	<u>(1,111,551)</u>	<u>564</u>		<u>(10,826,614)</u>
Net depreciable capital assets	<u>25,515,857</u>	<u>(1,102,104)</u>	<u>(941)</u>	<u>1,574,057</u>	<u>25,986,869</u>
Net capital assets	<u>\$ 28,988,619</u>	<u>\$ 676,457</u>	<u>\$ (101,917)</u>	<u>\$ -</u>	<u>\$ 29,563,159</u>

*These were potential projects that have been discontinued.

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

General Government	\$ 33,348
Public Safety	444,620
Public Works	38,904
Community Development	291,226
Culture and Leisure	303,453
Total Depreciation Expense - Governmental Activities	<u>\$ 1,111,551</u>

CITY OF OAKDALE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 7 – CAPITAL ASSETS (CONTINUED)

Capital asset activity for the fiscal year ended June 30, 2011 was as follows: (Continued)

	Balance as of July 1, 2010	Additions	Deletions	Transfers	Balance as of June 30, 2011
Business-type Activities					
Nondepreciable capital assets					
Land	\$ 2,971,430	\$ -	\$ -	\$ -	\$ 2,971,430
Construction in progress	8,331,641	6,141,689		(495,507)	13,977,823
Total nondepreciable capital assets	<u>11,303,071</u>	<u>6,141,689</u>		<u>(495,507)</u>	<u>16,949,253</u>
Depreciable capital assets					
Equipment	5,314,190	296,002			5,610,192
Buildings and systems	1,722,702			495,507	2,218,209
Improvements other than buildings	22,787,335	24,977			22,812,312
Total depreciable capital assets	<u>29,824,227</u>	<u>320,979</u>		<u>495,507</u>	<u>30,640,713</u>
Less accumulated depreciation					
Equipment	(4,369,186)	(251,643)			(4,620,829)
Buildings and systems	(846,095)	(49,135)			(895,230)
Improvements other than buildings	(6,847,213)	(425,995)			(7,273,208)
Total accumulated depreciation	<u>(12,062,494)</u>	<u>(726,773)</u>			<u>(12,789,267)</u>
Net depreciable capital assets	<u>17,761,733</u>	<u>(405,794)</u>		<u>495,507</u>	<u>17,851,446</u>
Net capital assets	<u>\$ 29,064,804</u>	<u>\$ 5,735,895</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,800,699</u>

Depreciation expense was charged to functions/programs of the business-types activities as follows:

Sewer	\$ 362,716
Water	248,118
Parking	31,531
Aviation	84,408
Total Depreciation Expense - Business-type Activities	<u>\$ 726,773</u>

Discretely presented component units capital assets consisted of the following at June 30, 2011:

	Oakdale Senior Housing Limited Partnership	Oakdale Senior Housing Corporation
Nondepreciable capital assets		
Land	\$ 400,000	\$ -
Total nondepreciable capital assets	<u>400,000</u>	
Depreciable capital assets		
Buildings	4,236,736	
Furniture and equipment	34,617	15,756
Total depreciable capital assets	<u>4,271,353</u>	<u>15,756</u>
Less accumulated depreciation	<u>(2,484,515)</u>	<u>(15,756)</u>
Net depreciable capital assets	<u>1,786,838</u>	
Net capital assets	<u>\$ 2,186,838</u>	<u>\$ -</u>

CITY OF OAKDALE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 8 – DEFERRED CHARGES

Deferred charges consist of issuance costs and discounts for various debt issues.

The total costs deferred as a result of the issuance of the 1997 tax allocation revenue bonds were \$191,207. The amortization period is 360 months. Accumulated amortization as of June 30, 2011 was \$89,236, with amortization expense for the fiscal year of \$6,374.

The total costs deferred as a result of the issuance of the 2002 revenue bonds were \$162,258. The amortization period is 360 months. Accumulated amortization as of June 30, 2011 was \$74,679, with amortization expense for the fiscal year of \$7,930.

The total costs deferred as a result of the issuance of the 2004 tax allocation revenue bonds were \$272,174. The amortization period is 360 months. Accumulated amortization as of June 30, 2011 was \$63,504, with amortization expense for the fiscal year of \$9,072.

The total costs deferred as a result of the issuance of the 2005 lease revenue bonds were \$179,758. The amortization period is 360 months. Accumulated amortization as of June 30, 2011 was \$35,984, with amortization expense for the fiscal year of \$5,992.

The total costs deferred as a result of the issuance of the 2011 tax allocation revenue bonds were \$176,132. The amortization period is 300 months. Accumulated amortization as of June 30, 2011 was \$587, with amortization expense for the fiscal year of \$587.

The total costs deferred as a result of the issuance of the 2011 taxable housing tax allocation revenue bonds were \$75,237. The amortization period is 300 months. Accumulated amortization as of June 30, 2011 was \$251, with amortization expense for the fiscal year of \$251.

NOTE 9 – LONG-TERM DEBT – GOVERNMENTAL ACTIVITIES

The following is a summary of long-term debt activity of the City’s governmental activities for the fiscal year ended June 30, 2011:

	Balance as of July 1, 2010	Additions	Reductions	Balance as of June 30, 2011	Due Within One Year
Governmental Activities:					
1997 Tax allocation revenue bonds loan	\$ 6,010,000	\$ -	\$ (205,000)	\$ 5,805,000	\$ 215,000
2004 Tax allocation revenue bonds loan	12,215,000		(220,000)	11,995,000	225,000
2005 Lease revenue bonds	2,685,000		(60,000)	2,625,000	60,000
2011 Tax allocation revenue bonds loan		2,550,000		2,550,000	
2011 Taxable housing allocation revenue bonds loan		820,000		820,000	
Original issue discounts	(175,862)	(134,908)	8,004	(302,766)	(13,006)
Deferred loss on refunding	(37,634)		1,568	(36,066)	(1,568)
Equipment capital lease	221,440		(51,869)	169,571	54,132
Stanislaus County loan	131,000		(9,000)	122,000	9,000
Other post-employment benefits payable (Note 19)	27,702	50,295	(25,371)	52,626	
Compensated absences	1,695,578		(188,264)	1,507,314	150,731
Total long-term liabilities	\$ 22,772,224	\$ 3,285,387	\$ (749,932)	\$ 25,307,679	\$ 699,289

CITY OF OAKDALE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 9 – LONG-TERM DEBT – GOVERNMENTAL ACTIVITIES (CONTINUED)

A. 1997 Tax Allocation Revenue Bonds Loan from the City of Oakdale Public Financing Authority

The City’s Financing Authority issued \$7,845,000 of 1997 Tax Allocation Revenue Bonds, for the purpose of assisting the Redevelopment Agency (Agency) in advance refunding and defeasing \$3,110,000 of the 1989 Revenue Bonds, Series A to the Authority on May 29, 1997. The proceeds were loaned to the Agency pursuant to the loan agreement.

The 1997 loan bears interest between 4.3 % and 6.0 % and is payable semi-annually on December 1 and June 1 through 2027. The loan is subject to optional early redemption on or after June 1, 2007 from any available source with premium as specified in the agreements. The loan is secured by a first pledge and lien on the Agency’s incremental tax revenues excluding amounts required to be set aside in the Agency’s Housing Fund. The outstanding principal balance of the loan from the Financing Authority at June 30, 2011 is \$5,805,000.

The scheduled annual minimum debt service requirements at June 30, 2011 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 215,000	\$ 350,422	\$ 565,422
2013	230,000	338,060	568,060
2014	245,000	324,720	569,720
2015	260,000	310,266	570,266
2016	280,000	294,926	574,926
2017-2021	1,695,000	1,199,770	2,894,770
2022-2026	2,320,000	612,748	2,932,748
2027	560,000	34,160	594,160
	<u>\$ 5,805,000</u>	<u>\$ 3,465,072</u>	<u>\$ 9,270,072</u>

B. 2004 Tax Allocation Revenue Bonds Loan from the City of Oakdale Public Financing Authority

The City’s Financing Authority issued \$13,330,000 of 2004 Tax Allocation Revenue Bonds for the purpose of assisting the Agency in advance refunding and defeasing the remaining principal of \$1,395,000 of the 1992 Revenue Bond Series A to the Authority on April 7, 2004. The proceeds were loaned to the Agency pursuant to the loan agreement.

The 2004 loan bears interest between 2.0 % and 5.0 % and is payable semi-annually on December 1 and June 1 through 2033. The loan is subject to optional early redemption on or after June 1, 2014 from any available source with premium as specified in the agreements. The loan is secured by a first pledge and lien on the Agency’s incremental tax revenues excluding amounts required to be set aside in the Agency’s Low and Moderate Income Housing Fund. The outstanding principal balance of the loan from the Financing Authority at June 30, 2011 is \$11,995,000.

The scheduled annual minimum debt service requirements at June 30, 2011 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 225,000	\$ 622,688	\$ 847,688
2013	235,000	613,970	848,970
2014	240,000	604,276	844,276
2015	250,000	594,076	844,076
2016	260,000	583,138	843,138
2017-2021	1,455,000	2,725,742	4,180,742
2022-2026	1,820,000	2,321,194	4,141,194
2027-2031	4,895,000	1,583,746	6,478,746
2032-2033	2,615,000	212,582	2,827,582
	<u>\$ 11,995,000</u>	<u>\$ 9,861,412</u>	<u>\$ 21,856,412</u>

NOTE 9 – LONG-TERM DEBT – GOVERNMENTAL ACTIVITIES (CONTINUED)

C. 2005 Lease Revenue Bonds from the City of Oakdale Public Financing Authority

The City’s Financing Authority issued \$2,850,000 of 2004 Lease Revenue Bonds for the purpose of financing the acquisition, construction, and equipping of Oakdale City Fire Station 2 within the City of Oakdale on April 20, 2005. The proceeds were loaned to the Agency pursuant to the loan agreement.

The 2005 loan bears interest between 3.0 % and 4.125 % and is payable semi-annually on January 1 and July 1 through 2035. The loan is subject to optional early redemption on or after July 1, 2011 from any available source with premium as specified in the agreements. The loan is secured by revenues and certain funds and accounts held under the Indenture. The outstanding principal balance of the loan from the Financing Authority at June 30, 2011 is \$2,625,000.

The scheduled annual minimum debt service requirements at June 30, 2011 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 60,000	\$ 117,243	\$ 177,243
2013	60,000	115,083	175,083
2014	65,000	112,673	177,673
2015	65,000	110,072	175,072
2016	70,000	107,372	177,372
2017-2021	400,000	488,464	888,464
2022-2026	500,000	388,678	888,678
2027-2031	625,000	259,090	884,090
2032-2036	780,000	95,176	875,176
	<u>\$ 2,625,000</u>	<u>\$ 1,793,851</u>	<u>\$ 4,418,851</u>

D. 2011 Tax Allocation Revenue Bonds Loan from the City of Oakdale Public Financing Authority

The City’s Financing Authority issued \$2,550,000 of 2011 Tax Allocation Revenue Bonds for the purpose of assisting the Agency to finance certain capital improvements within the Agency’s Central City Redevelopment Project Area, pay the costs of issuing the 2011 Non-Housing Bonds and fund a Reserve Account for the 2011 Non-Housing Bonds. The proceeds were loaned to the Agency pursuant to the loan agreement.

The 2011 loan bears interest at 7.5% and is payable semi-annually on December 1 and June 1 through 2036. The loan is subject to optional early redemption on or after June 1, 2034 from any available source with premium as specified in the agreements. The outstanding principal balance of the loan from the Financing Authority at June 30, 2011 is \$2,550,000.

The scheduled annual minimum debt service requirements at June 30, 2011 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ -	\$ 191,250	\$ 191,250
2013		191,250	191,250
2014		191,250	191,250
2015		191,250	191,250
2016		191,250	191,250
2017-2021		956,250	956,250
2022-2026		956,250	956,250
2027-2031		956,250	956,250
2032-2036	2,550,000	774,000	3,324,000
	<u>\$ 2,550,000</u>	<u>\$ 4,599,000</u>	<u>\$ 7,149,000</u>

NOTE 9 – LONG-TERM DEBT – GOVERNMENTAL ACTIVITIES (CONTINUED)

E. 2011 Taxable housing Tax Allocation Revenue Bonds Loan from the City of Oakdale Public Financing Authority

The City’s Financing Authority issued \$820,000 of 2011 Tax Allocation Revenue Bonds for the purpose of assisting the Agency to finance low and moderate income housing projects within or of benefit to the Agency’s Central City Redevelopment Project Area, pay the costs of issuing the 2011 Housing Bonds, and fund a Reserve Account for the 2011 Housing Bonds. The proceeds were loaned to the Agency pursuant to the loan agreement.

The 2011 loan bears interest at 9.75% and is payable semi-annually on December 1 and June 1 through 2036. The loan is subject to optional early redemption on or after June 1, 2034 from any available source with premium as specified in the agreements. The outstanding principal balance of the loan from the Financing Authority at June 30, 2011 is \$820,000.

The scheduled annual minimum debt service requirements at June 30, 2011 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ -	\$ 79,950	\$ 79,950
2013		79,950	79,950
2014		79,950	79,950
2015		79,950	79,950
2016		79,950	79,950
2017-2021		399,750	399,750
2022-2026		399,750	399,750
2027-2031		399,750	399,750
2032-2036	820,000	324,675	1,144,675
	<u>\$ 820,000</u>	<u>\$ 1,923,675</u>	<u>\$ 2,743,675</u>

F. Equipment Capital Lease

On July 20, 2006, the City entered into a lease agreement with First Municipal Leasing Corporation for a new fire engine. The lease term is from July 20, 2006 to July 31, 2013. The total lease payments for the entire lease are \$363,960 with annual lease payments in the amount of \$61,508. A capital asset of \$379,302 has been recorded in the capital assets of the governmental activities. The outstanding principal balance of the agreement at June 30, 2011 is \$169,571.

The scheduled annual minimum debt service requirements at June 30, 2011 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 54,132	\$ 7,376	\$ 61,508
2013	56,486	5,021	61,507
2014	58,953	2,564	61,517
	<u>\$ 169,571</u>	<u>\$ 14,961</u>	<u>\$ 184,532</u>

G. Stanislaus County Loan

On April 23, 2004, the City entered into an Economic Development “Bank” Project Agreement with the County of Stanislaus, State of California authorizing the establishment of an economic development “Bank” with an annual appropriation of \$1.5 million dollars within the County. The purpose of the Economic Development “Bank” is to make funds available to regional collaborative entities for economic development projects that will result in job retention and creation.

On April 9, 2002, the City was awarded an economic development phase I advance in the amount of \$115,000 for the continued construction of Gregor Avenue to Wakefield in the City, to provide a second access to the existing Industrial Park. The project component has been completed and the loan has been retired on February 2, 2007.

On November 18, 2002, the City was awarded an economic development phase II advance in the amount of \$178,000.

**CITY OF OAKDALE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 9 – LONG-TERM DEBT – GOVERNMENTAL ACTIVITIES (CONTINUED)

G. Stanislaus County Loan (Continued)

The City agreed that the extension of roads, utilities, and the addition of the well shall be completed and repayment to the “Bank” will begin on January 1, 2004, and that the advances shall be retired within 20 years. The outstanding principal balance of the agreement at June 30, 2011 is \$122,000.

The scheduled annual minimum debt service requirements at June 30, 2011 are as follows:

Fiscal Year Ending June 30,	Principal
2012	\$ 9,000
2013	9,000
2014	9,000
2015	9,000
2016	9,000
2017-2021	45,000
2022-2025	32,000
	\$ 122,000

H. Compensated Absences

The City accrues accumulated vacation, sick pay, compensatory time, and holiday benefits due to its employees. The total amount due at June 30, 2011 is \$1,507,314.

NOTE 10 – LONG-TERM DEBT – BUSINESS-TYPE ACTIVITIES

The following is a summary of long-term debt activity of the City’s business-type activities for the fiscal year ended June 30, 2011:

	Balance as of July 1, 2010	Additions	Reductions	Balance as of June 30, 2011	Due Within One Year
Business-type Activities:					
2002 Revenue Bonds	\$ 1,850,000	\$ -	\$ (120,000)	\$ 1,730,000	\$ 125,000
CSWRCB Revolving Loan	2,959,320	9,579,216		12,538,536	
Compensated absences	255,320	36,946		292,266	29,227
Total long-term liabilities	\$ 5,064,640	\$ 9,616,162	\$ (120,000)	\$ 14,560,802	\$ 154,227

A. 2002 Revenue Bonds Loan from the City of Oakdale Public Financing Authority

The City’s Financing Authority issued \$2,680,000 of 2002 Revenue Bonds to provide financing for wastewater facilities for sale to the City of Oakdale on March 28, 2002. The 2002 bonds bear interest between 3.0 % and 4.75 % and is payable semi-annually on September 1 and March 1 through 2022. The loan is subject to optional early redemption on or after March 1, 2012 from any available source as available funds as specified in the agreements. The loan is secured by a first pledge of revenues of the City. The outstanding principal balance of the loan from the Financing Authority at June 30, 2011 is \$1,730,000.

**CITY OF OAKDALE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 9 – LONG-TERM DEBT – GOVERNMENTAL ACTIVITIES (CONTINUED)

A. 2002 Revenue Bonds Loan from the City of Oakdale Public Financing Authority (Continued)

The scheduled annual minimum debt service requirements at June 30, 2011 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 125,000	\$ 85,712	\$ 210,712
2013	130,000	80,244	210,244
2014	135,000	74,393	209,393
2015	140,000	68,150	208,150
2016	145,000	61,500	206,500
2017-2021	855,000	187,320	1,042,320
2022	200,000	10,250	210,250
	<u>\$ 1,730,000</u>	<u>\$ 567,569</u>	<u>\$ 2,297,569</u>

B. California State Water Resources Control Board Revolving Loan

On August 27, 2009, the City entered into a project finance agreement with the California State Water Resource Control Board (Water Control Board). The Water Control Board provided funding assistance in the amount of \$13,030,000 for the rehabilitation and upgrade of the wastewater treatment plant. The City must repay the project funds at an interest rate of 2.5% per annum through August 2031. To date, \$12,538,536 of the loan has been drawn down. Repayment of this loan will depend on the date of completion of rehabilitation and upgrade of the wastewater treatment plant and can't be determined until construction has been completed and all funds have been drawn down. A portion of the loan will also be forgiven if the City is able to meet certain requirements. The rehabilitation and upgrade of the wastewater treatment plan was completed on February 21, 2012.

NOTE 11 – LONG-TERM DEBT – DISCRETE COMPONENT UNITS

The following is a summary of long-term debt activity of the City's discrete component units for the fiscal year ended June 30, 2011:

	Balance as of January 1, 2010	Additions	Reductions	Balance as of December 31, 2010	Due Within One Year
<u>Oakdale Senior Housing LP</u>					
Oakdale Redevelopment Agency	\$ 699,604	\$ -	\$ -	* \$ 699,604	\$ 73,207
CA Housing Finance Agency	1,823,181		(34,748)	1,788,433	37,075
Total long-term liabilities	<u>\$ 2,522,785</u>	<u>\$ -</u>	<u>\$ (34,748)</u>	<u>\$ 2,488,037</u>	<u>\$ 110,282</u>

*The principal payment of \$35,710 due in August 2010 was made on February 25, 2011.

A. Oakdale Redevelopment Agency

Note payable to City of Oakdale Redevelopment Agency, due in annual installments of \$70,691, for thirty years, including interest at 5% per annum, commencing August 1, 1999, and maturing July 1, 2023. This note is secured by a deed of trust on the land and building. The outstanding principal balance of the note at December 31, 2010 is \$699,604.

**CITY OF OAKDALE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 11 – LONG-TERM DEBT – DISCRETE COMPONENT UNITS (CONTINUED)

A. Oakdale Redevelopment Agency (Continued)

The scheduled annual minimum debt service requirements at December 31, 2010 are as follows:

Component Unit Year Ending December 31,	Principal
2011	\$ 73,207
2012	39,285
2013	41,335
2014	43,402
2015	45,572
Thereafter	<u>456,803</u>
	<u>\$ 699,604</u>

B. California Housing Finance Agency

Note payable to the California Housing Finance Agency, due in monthly interest and principal payments of \$12,686. These payments began April 1, 2003, and will mature March 1, 2033. This note is secured by a deed of trust on the land and building. The outstanding principal balance of the note at December 31, 2010 is \$1,788,433.

The scheduled annual minimum debt service requirements at December 31, 2010 are as follows:

Component Unit Year Ending December 31,	Principal
2011	\$ 37,075
2012	39,558
2013	42,207
2014	45,034
2015	48,050
Thereafter	<u>1,576,509</u>
	<u>\$ 1,788,433</u>

NOTE 12 – ASSESSMENT DISTRICT DEBT

The City also administers special assessment bonds issued in prior years. The following is a summary of the special assessment bonds outstanding:

Special Assessment District	Balance as of June 30, 2011
Bridle Ridge Community Facilities District 2003-2	\$ 3,945,000
Bridle Ridge Community Facilities District 2004-1	1,430,000
Bridle Ridge Community Facilities District 2005-1	3,145,000
G & J Street Refunding	<u>530,000</u>
	<u>\$ 9,050,000</u>

The City has no obligation for the repayment of these debts and is only acting as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings. For this reason, this debt is not reported as long-term debt of the City.

NOTE 13 – 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 participates in the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public entity risk pool currently operating as a common risk management and insurance program for 55 cities.

NOTE 13 – RISK MANAGEMENT (CONTINUED)

The purpose of CSJVRMA is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expense. It was established under the provisions of California Government Code Section 6500 et seq. The CSJVRMA is governed by a Board of Directors, which meets 3-4 times per year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA.

The City is covered for the first \$1,000,000 of each general liability claim and \$500,000 of each worker's compensation claim through the CSJVRMA. The City has the right to receive dividends or the obligation to pay assessments based on a formula which, among other expenses, charges the City's account for liability and workers' compensation losses under \$50,000. The CSJVRMA participates in an excess pool which provides general liability coverage from \$1,000,000 to \$20,000,000. The CSJVRMA participates in an excess pool that provides worker's compensation coverage from \$250,000 to \$500,000 and purchases excess insurance above the \$500,000 to the statutory limit.

At the termination of the joint powers agreement and after all claims have been settled, any excess equity or deficit will be divided among the cities in accordance with its governing documents.

Audited financial statements are available from the Central San Joaquin Risk Management Authority at 1831 K Street, Sacramento, CA 95814.

During the past three fiscal years, none of the above programs of protection have had settlements or judgments that exceed pooled or insured coverage for the City. There have not been significant reductions in pooled or insured coverage from coverage in the prior year for the City.

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS AND PLANS

A. Plan Description

The City's defined benefit pension plan, the California Public Employees' Retirement System, provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The California Public Employees' Retirement System is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law.

The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office - 400 P Street - Sacramento, CA 95814.

B. Funding Policy

The City pays 7% of annual covered salary for active plan members in the City's defined pension plan. The City makes the contributions required of the City employees on their behalf and for their account. The City is required to contribute at an actuarially determined combined rate of 16.237% for miscellaneous employees and 29.908% for safety employees. The contribution requirements of plan members and the City are established and may be amended by PERS. The City's contributions to PERS for the fiscal year ending June 30, 2011, 2010, and 2009 were \$592,796, \$582,759, and \$682,337, for miscellaneous employees; and \$871,537, \$946,855, and \$1,075,969, for safety employees, respectively, and equal 100% of the required contribution for each fiscal year.

NOTE 15 – CONTINGENT LIABILITIES

There are various claims and legal actions pending against the City for which no provision has been made in the financial statements. In the opinion of the City Attorney, liabilities arising from these claims and legal actions, if any, will not be material to these financial statements.

The City has received federal grants for specific purposes that are subject to review and audit by the federal government. Although such audits could result in expenditure disallowances under grant terms, any required reimbursements are not expected to be material.

NOTE 15 – CONTINGENT LIABILITIES (CONTINUED)

SERAF Contingency. During the fiscal year 2008-2009, the State of California experienced a severe budgetary crisis. Various “budget trailer bills” were passed by the state legislature to balance the state’s budget, including bills that required California redevelopment agencies to transfer funds to the Educational Revenue Augmentation Fund (ERAF) and Supplemental Educational Revenue Augmentation Fund (SERAF) administered by the various county auditor-controllers. Noted below is a general explanation of the SERAF legislation, together with the effect of this legislation on the City of Oakdale and its Redevelopment Agency (the Agency).

Pursuant to AB 26 4x, a budget trailer bill, California redevelopment agencies were required to make SERAF contributions totaling \$1.7 billion for the fiscal year 2009-2010 and \$350 million for the fiscal year 2010-2011. Under AB 26 4x, agencies may borrow a portions of the required contributions from their low and moderate income housing fund. Alternatively, sponsoring governmental agencies (the cities or counties) may elect to pay the SERAF contributions on behalf of their redevelopment agencies. On October 20, 2009, the (CRA) filed a class action lawsuit on behalf of all California redevelopment agencies challenging the SERAF obligations as unconstitutional.

The Agency’s SERAF contribution was \$237,653 for 2010-2011. It is the position of Agency officials that the SERAF contributions required by AB 26 4x are unconstitutional, and that the Agency is not obligated to make these contributions, however, the Agency has made the contribution for 2010-2011.

Recent Changes in Legislation Affecting California Redevelopment Agencies. The Redevelopment Agency operates pursuant to the provisions of California Redevelopment Law (Health & Safety Code Section 33000 et seq.). On June 28, 2011, the California Legislature adopted Assembly Bill XI 26 (Dissolution Act) and Assembly Bill XI 27 (Continuation Act). The express purpose of the Dissolution Act was to provide for the elimination of redevelopment agencies, and to direct the orderly distribution of a former redevelopment agency's assets and liabilities. The purpose of Continuation Act was to provide a voluntary alternative for local governments to continue redevelopment activities. Taken together, these Acts require the Agency and its sponsoring community (the City) to take several legislative actions to implement their various provisions.

NOTE 16 – INVESTMENT AGREEMENTS

Oakdale Senior Housing Corporation

The Oakdale Redevelopment Agency has agreed to invest \$400,000 of principal received from Oakdale Senior Housing Corporation (Corporation) and pay the Corporation an annual minimum return of \$40,000. The annual payments shall be from principal and interest earned on principal and if necessary from the Agency funds up to the minimum of \$40,000 a year. The payments are due on July 1 of each year beginning July 1, 1994, and continue for 15 years. This agreement was established to provide the Corporation with a guaranteed income stream to augment rental income from the Senior Housing Project in order to maintain low rental rates. The annual payments made for the fiscal years ended June 30, 2011, 2010, and 2009 were \$78,000, \$78,000, and \$78,000, respectively.

NOTE 17 – JOINT VENTURE

The City has entered into a joint exercise of powers agreement with the City of Riverbank to provide joint transit services to the citizens of the area. The agreement established a separate and distinct entity, the Riverbank-Oakdale Transit Authority (ROTA). ROTA provides transit services under common administration and management and with the same equipment resources.

ROTA is funded by federal capital, and local operating grants from Stanislaus Council of Governments. ROTA also receives funding from Stanislaus County for services provided outside of the City limits of Riverbank and Oakdale.

The joint exercise of powers agreement between the Cities of Riverbank and Oakdale that created ROTA states that within three months after the close of the fiscal year, a final accounting shall be provided to each agency and any deficiency shall be borne equally between each agency unless otherwise agreed to on or before May 1st of each year.

**CITY OF OAKDALE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 17 – JOINT VENTURE (CONTINUED)

Summarized financial information at June 30, 2011 is as follows:

ASSETS	
Current assets:	
Cash and investments	\$ 184,838
Interest receivable	53
Accounts receivable	2,415
Total current assets	<u>187,306</u>
Non-current assets:	
Capital assets, net of accumulated depreciation	<u>759,186</u>
Total Assets	<u>946,492</u>
LIABILITIES	
Current liabilities:	
Accounts payable	35,415
Accrued payroll	2,526
Deferred revenue	44,588
Compensated absences	1,805
Total current liabilities	<u>84,334</u>
NET ASSETS	
Invested in capital assets, net of related debt	759,186
Unrestricted	<u>102,972</u>
Total Net Assets	<u>\$ 862,158</u>

The audited financial statements are available at the office of the City of Oakdale at 280 North 3rd Avenue, Oakdale, California. The audit was performed by Clendenin Bird & Company, PC located in Modesto, California. Their opinion on the financial statements for the fiscal year ended June 30, 2011 was unqualified.

NOTE 18 – SENIOR HOUSING CORPORATION – INVESTMENT IN LIMITED PARTNERSHIP

The Oakdale Senior Housing Corporation (OSHC) is the general partner of the Oakdale Senior Housing Limited Partnership (OSHLP). Pursuant to the terms of the partnership agreement, the OSHC contributes, on an annual basis, to the operations and its partnership capital account of the OSHLP. At June 30, 2011, the OSHC reported \$1,987,991 as “Investment in Limited Partnership”, representing its partnership capital of the OSHLP. Upon dissolution of the OSHLP, net assets of the partnership will be distributed based on the terms of the partnership agreement which may not represent the balance of the OSHC’s partnership capital.

NOTE 19 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The City pays for CalPERS minimum employer contribution to retirees as long as the retiree had 5 years of service vested with the City, be at least 50 years of age (safety employees) or at least 55 years of age (miscellaneous employees), retire from the City, and elect to be a part of the CalPERS retirement health plan. As of June 30, 2011, eighteen retirees were receiving benefits.

Funding Policy

The City’s policy is to contribute an amount sufficient to pay the current year’s minimum employer contribution only. For the fiscal year 2010-11, the City contributed \$25,371, which covered the current year’s minimum employer contribution, but did not include any addition prefunding of benefits.

Annual OPEB and Net OPEB Obligation

The City’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and an amount actuarially determined in accordance with the parameters of GASB Statement No.45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City’s annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation.

NOTE 19 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB and Net OPEB Obligation (Continued)

Annual required contribution	\$ 49,409
Interest on net OPEB obligation	886
Annual OPEB cost (expense)	<u>50,295</u>
Contributions made	<u>(25,371)</u>
Increase in net OPEB obligation	24,924
Net OPEB obligation - beginning of fiscal year	<u>27,702</u>
Net OPEB obligation - end of fiscal year	<u>\$ 52,626</u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010 and 2011 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation (Asset)
6/30/2010	\$ 49,409	44%	\$ 27,702
6/30/2011	50,295	50%	52,626

Funded Status and Funding Progress

As of July 1, 2009, the most recent Alternative Measurement Method valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$1,482,268, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,482,268.

The Alternative Measurement Method of valuations of an ongoing plan involves estimates of the value of reported amounts 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.

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 members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members 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.

In the July 1, 2009 Alternative Measurement Method valuation, the actuarial assumptions included a 3.3 percent investment rate of return, which is the expected long-term investment returns on plan assets and an annual increase in the minimum employer contribution of 3.2 percent. The actuarial value of assets is not applicable (no assets as of the initial valuation date). The UAAL is being amortized as a flat percentage of covered payroll over thirty years. The remaining amortization period at June 30, 2011 was twenty eight years.

NOTE 20 – SUBSEQUENT EVENTS

On December 29, 2011, the California Supreme Court rendered an opinion upholding the State of California’s rights to abolish redevelopment agencies (Assembly Bill 1X 26). The California Supreme Court also rendered an opinion invalidating the State of California’s allowance of redevelopment agencies to make payments to various funds benefitting schools and special districts as a condition of continued operation (Assembly Bill 1X 27).

As of February 1, 2012, the Redevelopment Agency of the City of Oakdale was dissolved, in accordance with AB 1X 26. The City has elected to become the successor agency.

**CITY OF OAKDALE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 20 – SUBSEQUENT EVENTS (CONTINUED)

On September 9, 2011, \$118,700 was fraudulently wired from the City's general bank account. The City is covered by insurance and received a recovery payment of \$116,200 on March 15, 2012, which excluded the \$2,500 deductible. The City has subsequently closed all of the bank accounts at that bank and has opened new ones at the same bank.

The rehabilitation and upgrade of the wastewater treatment plan was completed on February 21, 2012. The City was required to establish a reserve fund of \$855,709, as a covenant to the California State Water Resources Control Board Revolving Loan, by the completion date of the project. As of the date of this report, a reserve fund has not been established.

In a letter dated April 30, 2012, the City of Oakdale Successor Agency was notified by the California Department of Finance that \$6,221,877 of enforceable obligations do not qualify as enforceable obligations. The Successor Agency has subsequently submitted documentation to the California Department of Finance in appealing the disallowances, and is currently awaiting a response.

NOTE 21 – PRIOR PERIOD ADJUSTMENTS

A prior period adjustment of \$150,438 was made on the Statement of Activities for Governmental Activities for an understatement of accounts receivable of \$32,073 in the prior fiscal year and an understatement of land held for resale of \$118,365 in the prior fiscal year.

A prior period adjustment of \$118,365 was made in the Redevelopment Housing Special Revenue Fund for an understatement of land held for resale in the prior fiscal year.

A prior period adjustment of \$32,073 was made in the Gas Tax Special Revenue Fund for an understatement of accounts receivable in the prior fiscal year.

NOTE 1 – SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

The City Council is required to adopt an annual budget resolution by July 1st of each fiscal year for the General Fund, special revenue, capital projects, debt service, and enterprise funds. These budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The City Council made several supplemental budgetary appropriations throughout the fiscal year.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

NOTE 2 – NEW RISK POOL AND FUTURE CONTRIBUTIONS FOR PENSION PLAN

As a result of having less than 100 active members in CalPERS as of June 30, 2003, the City was required to participate in a risk pool for its retirement pension plan. Mandated pooling is effective with the June 30, 2003 valuation which determines the contribution rate for 2005-2006. The 2005-2006 is the first year under pooling, and therefore, the City's pooled employer contribution rate is the same as the stand-alone employer contribution rate. This is because the difference between the pool's normal cost and the stand-alone normal cost will be phased out over five years, beginning with 2006-2007. For 2006-2007, 80% of the difference between the pool's normal costs and the stand-alone normal cost is reflected in the development of the City's pooled employer contribution rate. For 2007-2008, only 60% of the difference will be reflected; and so on, until it is fully subject to the pool's normal costs for 2010-2011 and beyond. See Note 14 of the notes to basic financial statements for additional information.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF OAKDALE
 REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2011**

Other Postemployment Benefits

Schedule of Funding Progress

Valuation Date	Actuarial Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Liability (Excess Assets) (a)-(b)	Funded Status (b)/(a)	Annual Covered Payroll (c)	UAAL as a % of Payroll [(a)-(b)]/(c)
7/1/2009	\$ 1,482,268	\$ -	\$ 1,482,268	0.0%	\$ 6,917,803	21.4%

See Notes to Required Supplementary Information

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes	\$ 2,636,200	\$ 2,636,200	\$ 2,557,909	\$ (78,291)
Sales and use taxes	2,319,000	2,319,000	2,645,653	326,653
Franchise taxes	775,000	775,000	799,365	24,365
Other taxes	407,000	407,000	469,114	62,114
Licenses and permits	38,000	38,000	55,596	17,596
Fines, forfeitures, and penalties	258,500	258,500	381,918	123,418
Intergovernmental	319,495	285,495	330,363	44,868
Charges for services	349,320	346,320	387,623	41,303
Use of money and property	50,000	89,000	117,334	28,334
Other	39,000	37,000	93,375	56,375
Total Revenues	<u>7,191,515</u>	<u>7,191,515</u>	<u>7,838,250</u>	<u>646,735</u>
Expenditures:				
Current:				
General government:				
City council	21,684	21,684	21,454	230
Administration	168,273	162,539	185,671	(23,132)
City clerk	113,702	110,329	103,144	7,185
Finance	151,612	147,806	146,952	854
City treasurer	1,060	1,060	1,106	(46)
City attorney	88,908	88,908	27,489	61,419
Non-departmental	383,530	383,530	342,375	41,155
Total General Government	<u>928,769</u>	<u>915,856</u>	<u>828,191</u>	<u>87,665</u>
Public safety:				
Police	3,561,737	3,571,444	3,806,838	(235,394)
Fire	2,287,318	2,287,318	2,350,282	(62,964)
Crossing guards	12,000	12,000	15,851	(3,851)
Animal control	239,313	237,073	203,434	33,639
Total Public Safety	<u>6,100,368</u>	<u>6,107,835</u>	<u>6,376,405</u>	<u>(268,570)</u>

(Continued)

See Notes to Required Supplementary Information

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Public works:				
Garage	\$ 75,628	\$ 73,736	\$ 52,328	\$ 21,408
Street maintenance	226,579	261,785	201,909	59,876
Street sweeping	17,900	17,900	18,184	(284)
Traffic safety	197,500	197,500	208,811	(11,311)
Storm drain	73,562	64,066	65,621	(1,555)
Total Public Works	591,169	614,987	546,853	68,134
Culture and leisure:				
Park maintenance	438,810	365,602	356,592	9,010
Facility maintenance	35,809	36,295	63,090	(26,795)
Total Culture and Leisure	474,619	401,897	419,682	(17,785)
Capital outlay	77,714	77,714	68,617	9,097
Total Expenditures	8,172,639	8,118,289	8,239,748	(121,459)
Excess (Deficit) of Revenues over Expenditures	(981,124)	(926,774)	(401,498)	525,276
Other Financing Sources (Uses):				
Transfers in	962,000	962,000	930,797	(31,203)
Transfers out	(218,000)	(218,000)	(218,000)	
Total Other Financing Sources (Uses)	744,000	744,000	712,797	(31,203)
Net Change in Fund Balance	(237,124)	(182,774)	311,299	494,073
Fund Balance, July 1, 2010	1,651,154	1,651,154	1,651,154	
Fund Balance, June 30, 2011	\$ 1,414,030	\$ 1,468,380	\$ 1,962,453	\$ 494,073

See Notes to Required Supplementary Information

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEVELOPMENT ACTIVITY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 157,200	\$ 157,200	\$ 109,870	\$ (47,330)
Charges for services	595,600	595,600	394,429	(201,171)
Use of money and property	40,000	40,000	2,017	(37,983)
Total Revenues	792,800	792,800	506,316	(286,484)
Expenditures:				
Current:				
Community development	1,049,363	1,051,363	911,186	140,177
Capital outlay	58,600	58,600	970	57,630
Total Expenditures	1,107,963	1,109,963	912,156	197,807
Net Change In Fund Balance	(315,163)	(317,163)	(405,840)	(88,677)
Fund Balance, July 1, 2010	578,553	578,553	578,553	
Fund Balance, June 30, 2011	\$ 263,390	\$ 261,390	\$ 172,713	\$ (88,677)

See Notes to Required Supplementary Information

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECREATION ACTIVITY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 189,219	\$ 189,219	\$ 118,726	\$ (70,493)
Other	10,000	10,000	10,000	
Total Revenues	<u>199,219</u>	<u>199,219</u>	<u>128,726</u>	<u>(70,493)</u>
Expenditures:				
Current:				
Culture and leisure	<u>347,276</u>	<u>321,093</u>	<u>293,176</u>	<u>27,917</u>
Total Expenditures	<u>347,276</u>	<u>321,093</u>	<u>293,176</u>	<u>27,917</u>
Excess (Deficit) of Revenues over Expenditures	<u>(148,057)</u>	<u>(121,874)</u>	<u>(164,450)</u>	<u>(42,576)</u>
Other Financing Sources (Uses):				
Transfers in	<u>136,000</u>	<u>125,000</u>	<u>144,125</u>	<u>19,125</u>
Total Other Financing Sources (Uses)	<u>136,000</u>	<u>125,000</u>	<u>144,125</u>	<u>19,125</u>
Net Change In Fund Balance	(12,057)	3,126	(20,325)	(23,451)
Fund Balance (Deficit), July 1, 2010	<u>(91,825)</u>	<u>(91,825)</u>	<u>(91,825)</u>	
Fund Balance (Deficit), June 30, 2011	<u>\$ (103,882)</u>	<u>\$ (88,699)</u>	<u>\$ (112,150)</u>	<u>\$ (23,451)</u>

See Notes to Required Supplementary Information

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
REDEVELOPMENT HOUSING SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 585,000	\$ 585,000	\$ 586,969	\$ 1,969
Use of money and property	90,000	160,690	43,248	(117,442)
Other			12,375	12,375
Total Revenues	<u>675,000</u>	<u>745,690</u>	<u>642,592</u>	<u>(103,098)</u>
Expenditures:				
Current:				
Community development		251,478	2,565,024	(2,313,546)
Debt Service:				
Cost of debt issuance			75,237	(75,237)
Total Expenditures		<u>251,478</u>	<u>2,640,261</u>	<u>(2,388,783)</u>
Excess (Deficit) of Revenues over Expenditures	<u>675,000</u>	<u>494,212</u>	<u>(1,997,669)</u>	<u>(2,491,881)</u>
Other Financing Sources (Uses):				
Proceeds from issuance of long-term debt			740,050	740,050
Tax allocation revenue bonds discount			(37,039)	(37,039)
Transfers out		(279,000)	(357,000)	(78,000)
Total Other Financing Sources (Uses)		<u>(279,000)</u>	<u>346,011</u>	<u>625,011</u>
Net Change In Fund Balance	<u>675,000</u>	<u>215,212</u>	<u>(1,651,658)</u>	<u>(1,866,870)</u>
Fund Balance, July 1, 2010	5,881,755	5,881,755	5,881,755	
Prior Period Adjustments			118,365	118,365
Fund Balance, July 1, 2010, Restated	<u>5,881,755</u>	<u>5,881,755</u>	<u>6,000,120</u>	<u>118,365</u>
Fund Balance, June 30, 2011	<u>\$ 6,556,755</u>	<u>\$ 6,096,967</u>	<u>\$ 4,348,462</u>	<u>\$ (1,748,505)</u>

See Notes to Required Supplementary Information

OTHER SUPPLEMENTARY INFORMATION

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SYSTEM DEVELOPMENT CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 193,600	\$ 391,654	\$ 198,054
Use of money and property	87,620	162,826	75,206
	<u>281,220</u>	<u>554,480</u>	<u>273,260</u>
Total Revenues			
Expenditures:			
Current:			
General government	100,986	1,500	99,486
Public safety	1,200	6,150	(4,950)
Public works	30,550	25,316	5,234
Culture and leisure	11,750	11,760	(10)
Capital outlay	3,535,154	427,947	3,107,207
Debt Service:			
Principal	9,000	9,000	
	<u>3,688,640</u>	<u>481,673</u>	<u>3,206,967</u>
Total Expenditures			
Excess (Deficit) of Revenues over Expenditures	<u>(3,407,420)</u>	<u>72,807</u>	<u>3,480,227</u>
Other Financing Sources (Uses):			
Transfers out	<u>(180,000)</u>	<u>(198,619)</u>	<u>(18,619)</u>
	<u>(180,000)</u>	<u>(198,619)</u>	<u>(18,619)</u>
Total Other Financing Sources (Uses)			
Net Change In Fund Balance	(3,587,420)	(125,812)	3,461,608
Fund Balance, July 1, 2010	<u>5,630,896</u>	<u>5,630,896</u>	
Fund Balance, June 30, 2011	<u>\$ 2,043,476</u>	<u>\$ 5,505,084</u>	<u>\$ 3,461,608</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 2,062,347	\$ 2,164,333	\$ 101,986
Use of money and property	86,180	9,879	(76,301)
	<u>2,148,527</u>	<u>2,174,212</u>	<u>25,685</u>
Total Revenues			
Expenditures:			
Current:			
Community development	323,163	444,898	(121,735)
Capital outlay	1,253,222	872,283	380,939
Debt Service:			
Principal	19,240		19,240
Interest	216,070	161,866	54,204
Cost of debt issuance		176,132	(176,132)
	<u>1,811,695</u>	<u>1,655,179</u>	<u>156,516</u>
Total Expenditures			
Excess (Deficit) of Revenues over Expenditures	<u>336,832</u>	<u>519,033</u>	<u>182,201</u>
Other Financing Sources (Uses):			
Proceeds from issuance of long-term debt		2,358,750	2,358,750
Tax allocation revenue bonds discount		(97,869)	(97,869)
Transfers out	(1,163,000)	(1,133,000)	30,000
	<u>(1,163,000)</u>	<u>1,127,881</u>	<u>2,290,881</u>
Total Other Financing Sources (Uses)			
Net Change In Fund Balance	(826,168)	1,646,914	2,473,082
Fund Balance (Deficit), July 1, 2010	<u>(18,147)</u>	<u>(18,147)</u>	
Fund Balance (Deficit), June 30, 2011	<u>\$ (844,315)</u>	<u>\$ 1,628,767</u>	<u>\$ 2,473,082</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
REDEVELOPMENT AGENCY DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 20,000	\$ 40,485	\$ 20,485
Total Revenues	<u>20,000</u>	<u>40,485</u>	<u>20,485</u>
Expenditures:			
Current:			
General government	6,800	6,660	140
Debt Service:			
Principal	385,000	425,000	(40,000)
Interest	1,027,214	1,055,298	(28,084)
Total Expenditures	<u>1,419,014</u>	<u>1,486,958</u>	<u>(67,944)</u>
Excess (Deficit) of Revenues over Expenditures	<u>(1,399,014)</u>	<u>(1,446,473)</u>	<u>(47,459)</u>
Other Financing Sources (Uses):			
Proceeds from issuance of long-term debt		271,200	271,200
Transfers in	1,412,000	1,412,000	
Total Other Financing Sources (Uses)	<u>1,412,000</u>	<u>1,683,200</u>	<u>271,200</u>
Net Change In Fund Balance	12,986	236,727	223,741
Fund Balance, July 1, 2010	<u>1,770,332</u>	<u>1,770,332</u>	
Fund Balance, June 30, 2011	<u>\$ 1,783,318</u>	<u>\$ 2,007,059</u>	<u>\$ 223,741</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted for particular purposes.

Gas Tax Fund – To account for state gas tax revenues based on population. The revenues may be expended only for street and road repair, maintenance, design, construction, and traffic signal design and installation.

Supplemental Law Enforcement Fund – To account for grant monies received for additional police officers.

Traffic Safety Fund – To account for grant funds received from the office of traffic safety.

COPS – Secure Our Schools Fund – To account for Office Traffic Safety Grant money to be used to placing cameras in local schools.

Local Transportation Fund – To account for the City's allocation of local transportation revenues for streets, roads, and sidewalk improvements.

Non-Judicial Forfeiture Fund – To account for monies received from asset seizures in the City's jurisdiction.

Public Safety Fund – To account for monies received through a special sales tax to be spent to sustain the public safety department.

Police Reserves Fund – To account for billings and costs associated with special events when reserves are used.

Lighting and Landscaping Fund – To account for the maintenance of lighting and landscaping in various districts.

Abandoned Vehicle Abatement Fund – To account for revenues and expenses associated with the abatement of abandoned vehicles.

DUI Enforcement (OTS) Fund – To account for grant money to be used for DUI enforcement.

Community Development Block Grant Fund – To account for federal grants and other monies received and disbursed under the Housing and Community Development Act, to assist low and moderate income groups in obtaining loans to rehabilitate or revitalize their homes.

Museum Fund – To account for monies used in connection with the operation of the Museum.

Fire Services CFD 2003-1 Fund – To account for revenues collected within the district to provide fire protection services.

General Plan Fund – To account for fees charged on all building permits to provide funding for the update of the City's General Plan.

Home Loan Fund – To account for federal and state grants funds disbursed under the Housing and Community Development Act and Cal Home loan programs, to assist low and moderate income groups in obtaining loans for the purchase of their first home.

Solid Waste Management Fund – To account for the operation of the City's recycling program.

Economic Development Fund – To account for the City's revolving loan program.

Public Safety CFD Fund – To account for the revenues collected from a new assessment district to provide funding for public safety (Police and Fire) personnel.

Education/Government CTV Fund – To manage and coordinate the City's public education/government cable television activities, record and televise City Council meetings. Funding is provided by a 1% fee on all cable TV in the City.

NSP Grant Fund – To account for the Neighborhood Stabilization grants.

Facilities Fund – To account for the revenues and expenditures related to the operation of various City facilities that are available for use by the community service groups and the general public. These activities were previously reported in the recreation activity fund.

CAPITAL PROJECTS FUNDS

Capital Projects funds account for financial resources to be used for the acquisition or construction of major capital facilities.

Surface Transportation Fund – To account for federal grant revenues and expenditures for street projects.

Equipment Replacement Fund – To account for revenues reserved for equipment replacement.

DEBT SERVICE FUND

Debt Service Fund accounts for the accumulation of resources to pay principal and interest on long-term debt obligations.

2005 Lease Revenue Bonds Fund – To account for principal and interest payments on the 2005 lease revenue bonds.

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

	<u>Special Revenue</u>				
	<u>Gas Tax</u>	<u>Supplemental Law Enforcement</u>	<u>Traffic Safety</u>	<u>COPS Secure Our Schools</u>	<u>Local Transportation</u>
Assets					
Cash and investments	\$ 369,909	\$ -	\$ -	\$ -	\$ 193,875
Restricted cash and investments					
Receivables:					
Accounts					157
Interest	299				
Intergovernmental	64,486	25,004			
Taxes and assessments					
Loans					49,328
Due from other funds					
Advances to other funds					
Land held for resale					
Total Assets	<u>\$ 434,694</u>	<u>\$ 25,004</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,360</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 9,638
Accrued payroll and benefits					
Other liabilities					
Due to agency fund					
Due to other funds		24,974			
Advances from other funds					
Total Liabilities		<u>24,974</u>			<u>9,638</u>
Fund Balances:					
Restricted	434,694	30			233,722
Unassigned					
Total Fund Balances (Deficits)	<u>434,694</u>	<u>30</u>			<u>233,722</u>
Total Liabilities and Fund Balances	<u>\$ 434,694</u>	<u>\$ 25,004</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,360</u>

Special Revenue

<u>Non-Judicial Forfeiture</u>	<u>Public Safety</u>	<u>Police Reserves</u>	<u>Lighting and Landscaping</u>	<u>Abandoned Vehicle Abatement</u>	<u>DUI Enforcement (OTS)</u>	<u>Community Development Block Grant</u>	<u>Museum</u>
\$ 12,990	\$ 4,140	\$ 3,444	\$ 722,975	\$ 36,242	\$ -	\$ 58,620	\$ 34,792
10	3	703 2	620	29		46 4,487	
	10,172		25,924			791,607	
<u>\$ 13,000</u>	<u>\$ 14,315</u>	<u>\$ 4,149</u>	<u>\$ 749,519</u>	<u>\$ 36,271</u>	<u>\$ -</u>	<u>\$ 854,760</u>	<u>\$ 34,792</u>
\$ 1,684	\$ -	\$ -	\$ 134,017	\$ -	\$ -	\$ 2,900 286	\$ 326
11,004							54,734
<u>12,688</u>			<u>134,017</u>			<u>3,186</u>	<u>55,060</u>
312	14,315	4,149	615,502	36,271		851,574	(20,268)
<u>312</u>	<u>14,315</u>	<u>4,149</u>	<u>615,502</u>	<u>36,271</u>		<u>851,574</u>	<u>(20,268)</u>
<u>\$ 13,000</u>	<u>\$ 14,315</u>	<u>\$ 4,149</u>	<u>\$ 749,519</u>	<u>\$ 36,271</u>	<u>\$ -</u>	<u>\$ 854,760</u>	<u>\$ 34,792</u>

(CONTINUED)

**CITY OF OAKDALE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2011**

	<u>Special Revenue</u>			
	<u>Fire Services CFD 2003-1</u>	<u>General Plan</u>	<u>Home Loan</u>	<u>Solid Waste Management</u>
Assets				
Cash and investments	\$ 38,184	\$ -	\$ 190,090	\$ 18,011
Restricted cash and investments				
Receivables:				
Accounts				
Interest	31		146	15
Intergovernmental				924
Taxes and assessments	5,927			
Loans			2,786,071	
Due from other funds				
Advances to other funds				
Land held for resale				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 44,142</u>	<u>\$ -</u>	<u>\$2,976,307</u>	<u>\$ 18,950</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 59,301	\$ -	\$ -
Accrued payroll and benefits				
Other liabilities				
Due to agency fund		244,894		
Due to other funds				
Advances from other funds				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u> </u>	<u>304,195</u>	<u> </u>	<u> </u>
Fund Balances:				
Restricted	44,142		2,976,307	18,950
Unassigned		(304,195)		
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances (Deficits)	<u>44,142</u>	<u>(304,195)</u>	<u>2,976,307</u>	<u>18,950</u>
	<u>\$ 44,142</u>	<u>\$ -</u>	<u>\$2,976,307</u>	<u>\$ 18,950</u>

Special Revenue				Capital Projects			Debt Service	Total
Economic Development	Public Safety CFD	Education/Government CTV	NSP Grant	Facilities	Surface Transportation	Equipment Replacement	2005 Lease Revenue Bonds	Nonmajor Governmental Funds
\$ 381,275	\$ 4,629	\$ 18	\$ 29,434	\$ 32	\$ -	\$ 260,776	\$ 118,346 181,185	\$ 2,477,782 181,185
308	4	5,652		22,930		211	96	29,285 1,977
161,100	489							94,901 42,512
						106,739		3,738,778 49,328
			289,567					106,739 289,567
<u>\$ 542,683</u>	<u>\$ 5,122</u>	<u>\$ 5,670</u>	<u>\$ 319,001</u>	<u>\$ 22,962</u>	<u>\$ -</u>	<u>\$ 367,726</u>	<u>\$ 299,627</u>	<u>\$ 7,012,054</u>
\$ 333 1,372	\$ -	\$ -	\$ -	\$ 13,242 2,989	\$ 14,365	\$ -	\$ -	\$ 235,806 4,647 11,004 244,894
		41,930			49,328			74,302 96,664
1,705		41,930		16,231	63,693			667,317
540,978	5,122	(36,260)	319,001	6,731	(63,693)	367,726	299,627	6,769,153 (424,416)
540,978	5,122	(36,260)	319,001	6,731	(63,693)	367,726	299,627	6,344,737
<u>\$ 542,683</u>	<u>\$ 5,122</u>	<u>\$ 5,670</u>	<u>\$ 319,001</u>	<u>\$ 22,962</u>	<u>\$ -</u>	<u>\$ 367,726</u>	<u>\$ 299,627</u>	<u>\$ 7,012,054</u>

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

	Special Revenue				
	Gas Tax	Supplemental Law Enforcement	Traffic Safety	COPS - Secure Our Schools	Local Transportation
Revenues:					
Sales and use taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise taxes					
Other taxes and assessments					
Fines, forfeitures, and penalties					
Intergovernmental	504,491	100,031		40,644	
Charges for services			23,300		
Use of money and property	813				908
Other					
Total Revenues	505,304	100,031	23,300	40,644	908
Expenditures:					
Current:					
General government					
Public safety					
Public works					
Community development					
Culture and leisure					
Capital outlay	8,386			41,681	330,617
Debt service:					
Principal					
Interest					
Total Expenditures	8,386			41,681	330,617
Excess (Deficit) of Revenues Over Expenditures	496,918	100,031	23,300	(1,037)	(329,709)
Other Financing Sources (Uses):					
Transfers in					
Transfers out	(350,000)	(100,000)	(23,797)		
Total Other Financing Sources (Uses)	(350,000)	(100,000)	(23,797)		
Net Change In Fund Balances	146,918	31	(497)	(1,037)	(329,709)
Fund Balances (Deficits), July 1, 2010	255,703	(1)	497	1,037	563,431
Prior Period Adjustments	32,073				
Fund Balances (Deficits), July 1, 2010, Restated	287,776	(1)	497	1,037	563,431
Fund Balances (Deficits), June 30, 2011	\$ 434,694	\$ 30	\$ -	\$ -	\$ 233,722

Special Revenue							
Non-Judicial Forfeiture	Public Safety	Police Reserves	Lighting and Landscaping	Abandoned Vehicle Abatement	DUI Enforcement (OTS)	Community Development Block Grant	Museum
\$ -	\$ 124,242	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			799,086				
6,228				25,593	9,193	93,287	
43	13	3,014 8	1,911	80		540	8,808 145
6,271	124,255	3,022	800,997	25,673	9,193	93,827	8,953
2,345			760,953		6,331		
						15,157	11,167
6,074		1,976				15,516	
8,419		1,976	760,953		6,331	30,673	11,167
(2,148)	124,255	1,046	40,044	25,673	2,862	63,154	(2,214)
	(115,000)			(10,000)			
	(115,000)			(10,000)			
(2,148)	9,255	1,046	40,044	15,673	2,862	63,154	(2,214)
2,460	5,060	3,103	575,458	20,598	(2,862)	788,420	(18,054)
2,460	5,060	3,103	575,458	20,598	(2,862)	788,420	(18,054)
\$ 312	\$ 14,315	\$ 4,149	\$ 615,502	\$ 36,271	\$ -	\$ 851,574	\$ (20,268)

(CONTINUED)

**CITY OF OAKDALE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Special Revenue</u>				
	<u>Fire Services CFD 2003-1</u>	<u>General Plan</u>	<u>Home Loan</u>	<u>Solid Waste Management</u>	<u>Economic Development</u>
Revenues:					
Sales and use taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise taxes					
Other taxes and assessments	265,654				
Fines, forfeitures, and penalties					
Intergovernmental			1,428,366		
Charges for services		12,488		5,828	
Use of money and property	78		564	47	4,874
Other					5,000
					<u>5,000</u>
Total Revenues	<u>265,732</u>	<u>12,488</u>	<u>1,428,930</u>	<u>5,875</u>	<u>9,874</u>
Expenditures:					
Current:					
General government					
Public safety					
Public works					
Community development		261,118	9,679		
Culture and leisure					99,412
Capital outlay					
Debt service:					
Principal					
Interest					
					<u>99,412</u>
Total Expenditures		<u>261,118</u>	<u>9,679</u>		<u>99,412</u>
Excess (Deficit) of Revenues Over Expenditures	<u>265,732</u>	<u>(248,630)</u>	<u>1,419,251</u>	<u>5,875</u>	<u>(89,538)</u>
Other Financing Sources (Uses):					
Transfers in					
Transfers out	(280,000)				
Total Other Financing Sources (Uses)	<u>(280,000)</u>				
Net Change In Fund Balances	<u>(14,268)</u>	<u>(248,630)</u>	<u>1,419,251</u>	<u>5,875</u>	<u>(89,538)</u>
Fund Balances (Deficits), July 1, 2010	58,410	(55,565)	1,557,056	13,075	630,516
Prior Period Adjustments					
Fund Balances (Deficits), July 1, 2010, Restated	<u>58,410</u>	<u>(55,565)</u>	<u>1,557,056</u>	<u>13,075</u>	<u>630,516</u>
Fund Balances (Deficits), June 30, 2011	<u>\$ 44,142</u>	<u>\$ (304,195)</u>	<u>\$ 2,976,307</u>	<u>\$ 18,950</u>	<u>\$ 540,978</u>

Special Revenue				Capital Projects		Debt Service	Total
Public Safety CFD	Education/Government CTV	NSP Grant	Facilities	Surface Transportation	Equipment Replacement	2005 Lease Revenue Bonds	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,242
	24,841						24,841
27,113							1,091,853
		17,729		308,032			6,228
			83,897		97		2,527,366
4	21		119,587		11,652	186	128,624
							150,137
							5,145
27,117	24,862	17,729	203,484	308,032	11,749	186	4,058,436
	3,580						3,580
						3,300	11,976
							760,953
							285,954
			262,933				373,512
			7,695	212,344			624,289
					51,869	60,000	111,869
					9,639	119,268	128,907
	3,580		270,628	212,344	61,508	182,568	2,301,040
27,117	21,282	17,729	(67,144)	95,688	(49,759)	(182,382)	1,757,396
			73,875			180,000	253,875
(22,000)							(900,797)
			73,875			180,000	(646,922)
(22,000)							
5,117	21,282	17,729	6,731	95,688	(49,759)	(2,382)	1,110,474
5	(57,542)	301,272		(159,381)	417,485	302,009	5,202,190
							32,073
5	(57,542)	301,272		(159,381)	417,485	302,009	5,234,263
\$ 5,122	\$ (36,260)	\$ 319,001	\$ 6,731	\$ (63,693)	\$ 367,726	\$ 299,627	\$ 6,344,737

**CITY OF OAKDALE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GAS TAX SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 299,000	\$ 504,491	\$ 205,491
Use of money and property	1,000	813	(187)
	<u>300,000</u>	<u>505,304</u>	<u>205,304</u>
Total Revenues			
	<u>300,000</u>	<u>505,304</u>	<u>205,304</u>
Expenditures:			
Capital outlay	53,387	8,386	45,001
	<u>53,387</u>	<u>8,386</u>	<u>45,001</u>
Total Expenditures			
	<u>53,387</u>	<u>8,386</u>	<u>45,001</u>
Excess (Deficit) of Revenues Over Expenditures	<u>246,613</u>	<u>496,918</u>	<u>250,305</u>
Other Financing Sources (Uses):			
Transfers out	(350,000)	(350,000)	
	<u>(350,000)</u>	<u>(350,000)</u>	
Total Other Financing Sources (Uses)			
	<u>(350,000)</u>	<u>(350,000)</u>	
Net Change In Fund Balance	<u>(103,387)</u>	<u>146,918</u>	<u>250,305</u>
Fund Balance, July 1, 2010	255,703	255,703	
Prior Period Adjustments		32,073	32,073
	<u>255,703</u>	<u>287,776</u>	<u>32,073</u>
Fund Balance, July 1, 2010, Restated			
	<u>255,703</u>	<u>287,776</u>	<u>32,073</u>
Fund Balance, June 30, 2011	<u>\$ 152,316</u>	<u>\$ 434,694</u>	<u>\$ 282,378</u>

**CITY OF OAKDALE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 SUPPLEMENTAL LAW ENFORCEMENT SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 100,000	\$ 100,031	\$ 31
Use of money and property	100		(100)
	<u>100,100</u>	<u>100,031</u>	<u>(69)</u>
Total Revenues			
Other Financing Sources (Uses):			
Transfers out	(100,000)	(100,000)	
	<u>(100,000)</u>	<u>(100,000)</u>	
Total Other Financing Sources (Uses)			
Net Change In Fund Balance	100	31	(69)
Fund Balance (Deficit), July 1, 2010	<u>(1)</u>	<u>(1)</u>	
Fund Balance, June 30, 2011	<u>\$ 99</u>	<u>\$ 30</u>	<u>\$ (69)</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRAFFIC SAFETY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 25,000	\$ 23,300	\$ (1,700)
Use of money and property	10		(10)
Total Revenues	<u>25,010</u>	<u>23,300</u>	<u>(1,710)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(25,000)</u>	<u>(23,797)</u>	<u>1,203</u>
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(23,797)</u>	<u>1,203</u>
Net Change In Fund Balance	10	(497)	(507)
Fund Balance, July 1, 2010	<u>497</u>	<u>497</u>	
Fund Balance, June 30, 2011	<u>\$ 507</u>	<u>\$ -</u>	<u>\$ (507)</u>

**CITY OF OAKDALE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 COPS SECURE OUR SCHOOLS SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ 40,644	\$ 40,644
Total Revenues	<u> </u>	<u>40,644</u>	<u>40,644</u>
Expenditures:			
Capital outlay	<u>6,880</u>	<u>41,681</u>	<u>(34,801)</u>
Total Expenditures	<u>6,880</u>	<u>41,681</u>	<u>(34,801)</u>
Net Change In Fund Balance	(6,880)	(1,037)	5,843
Fund Balance, July 1, 2010	<u>1,037</u>	<u>1,037</u>	<u> </u>
Fund Balance (Deficit), June 30, 2011	<u><u>\$ (5,843)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,843</u></u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOCAL TRANSPORTATION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 50,000	\$ -	\$ (50,000)
Use of money and property	5,000	908	(4,092)
Total Revenues	<u>55,000</u>	<u>908</u>	<u>(54,092)</u>
Expenditures:			
Capital outlay	<u>483,987</u>	<u>330,617</u>	<u>153,370</u>
Total Expenditures	<u>483,987</u>	<u>330,617</u>	<u>153,370</u>
Net Change In Fund Balance	(428,987)	(329,709)	99,278
Fund Balance, July 1, 2010	<u>563,431</u>	<u>563,431</u>	<u> </u>
Fund Balance, June 30, 2011	<u>\$ 134,444</u>	<u>\$ 233,722</u>	<u>\$ 99,278</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NON-JUDICIAL FORFEITURE SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Fines, forfeitures, and penalties	\$ -	\$ 6,228	\$ 6,228
Use of money and property	100	43	(57)
	<u>100</u>	<u>6,271</u>	<u>6,171</u>
Total Revenues			
Expenditures:			
Current:			
Public safety		2,345	(2,345)
Capital outlay		6,074	(6,074)
		<u>8,419</u>	<u>(8,419)</u>
Total Expenditures			
Net Change In Fund Balance	100	(2,148)	(2,248)
Fund Balance, July 1, 2010	<u>2,460</u>	<u>2,460</u>	
Fund Balance, June 30, 2011	<u>\$ 2,560</u>	<u>\$ 312</u>	<u>\$ (2,248)</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC SAFETY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Sales and use taxes	\$ 113,000	\$ 124,242	\$ 11,242
Use of money and property	2,000	13	(1,987)
	<u>115,000</u>	<u>124,255</u>	<u>9,255</u>
Total Revenues			
	<u>115,000</u>	<u>124,255</u>	<u>9,255</u>
Excess (Deficit) of Revenues Over Expenditures			
	<u>115,000</u>	<u>124,255</u>	<u>9,255</u>
Other Financing Sources (Uses):			
Transfers out	<u>(115,000)</u>	<u>(115,000)</u>	<u> </u>
	<u>(115,000)</u>	<u>(115,000)</u>	<u> </u>
Total Other Financing Sources (Uses)			
	<u>(115,000)</u>	<u>(115,000)</u>	<u> </u>
Net Change In Fund Balance		9,255	9,255
Fund Balance, July 1, 2010	<u>5,060</u>	<u>5,060</u>	<u> </u>
Fund Balance, June 30, 2011	<u>\$ 5,060</u>	<u>\$ 14,315</u>	<u>\$ 9,255</u>

**CITY OF OAKDALE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 POLICE RESERVES SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 2,500	\$ 3,014	\$ 514
Use of money and property		8	8
	<u>2,500</u>	<u>3,022</u>	<u>522</u>
Expenditures:			
Current:			
Public safety	2,500		2,500
Capital outlay		1,976	(1,976)
	<u>2,500</u>	<u>1,976</u>	<u>524</u>
Net Change In Fund Balance		1,046	1,046
Fund Balance, July 1, 2010	<u>3,103</u>	<u>3,103</u>	
Fund Balance, June 30, 2011	<u>\$ 3,103</u>	<u>\$ 4,149</u>	<u>\$ 1,046</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LIGHTING AND LANDSCAPING SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Other taxes and assessments	\$ 811,401	\$ 799,086	\$ (12,315)
Use of money and property	5,300	1,911	(3,389)
Total Revenues	<u>816,701</u>	<u>800,997</u>	<u>(15,704)</u>
Expenditures:			
Current:			
Public works	<u>664,460</u>	<u>760,953</u>	<u>(96,493)</u>
Total Expenditures	<u>664,460</u>	<u>760,953</u>	<u>(96,493)</u>
Net Change In Fund Balance	152,241	40,044	(112,197)
Fund Balance, July 1, 2010	<u>575,458</u>	<u>575,458</u>	<u> </u>
Fund Balance, June 30, 2011	<u>\$ 727,699</u>	<u>\$ 615,502</u>	<u>\$ (112,197)</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ABANDONED VEHICLE ABATEMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 8,000	\$ 25,593	\$ 17,593
Use of money and property	100	80	(20)
	<u>8,100</u>	<u>25,673</u>	<u>17,573</u>
Total Revenues			
	<u>8,100</u>	<u>25,673</u>	<u>17,573</u>
Other Financing Sources (Uses):			
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	
	<u>(10,000)</u>	<u>(10,000)</u>	
Total Other Financing Sources (Uses)			
	<u>(10,000)</u>	<u>(10,000)</u>	
Net Change In Fund Balance	(1,900)	15,673	17,573
Fund Balance, July 1, 2010	<u>20,598</u>	<u>20,598</u>	
Fund Balance, June 30, 2011	<u>\$ 18,698</u>	<u>\$ 36,271</u>	<u>\$ 17,573</u>

**CITY OF OAKDALE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 DUI ENFORCEMENT (OTS) SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ 9,193	\$ 9,193
Total Revenues	<u> </u>	<u>9,193</u>	<u>9,193</u>
Expenditures:			
Current:			
Public safety	<u> </u>	<u>6,331</u>	<u>(6,331)</u>
Total Expenditures	<u> </u>	<u>6,331</u>	<u>(6,331)</u>
Net Change In Fund Balance		2,862	2,862
Fund Balance, July 1, 2010	<u>(2,862)</u>	<u>(2,862)</u>	<u> </u>
Fund Balance (Deficit), June 30, 2011	<u>\$ (2,862)</u>	<u>\$ -</u>	<u>\$ 2,862</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 375,921	\$ 93,287	\$ (282,634)
Use of money and property	50	540	490
Total Revenues	<u>375,971</u>	<u>93,827</u>	<u>(282,144)</u>
Expenditures:			
Current:			
Community development	30,228	15,157	15,071
Capital outlay	<u>266,604</u>	<u>15,516</u>	<u>251,088</u>
Total Expenditures	<u>296,832</u>	<u>30,673</u>	<u>266,159</u>
Net Change In Fund Balance	79,139	63,154	(15,985)
Fund Balance, July 1, 2010	<u>788,420</u>	<u>788,420</u>	<u> </u>
Fund Balance, June 30, 2011	<u>\$ 867,559</u>	<u>\$ 851,574</u>	<u>\$ (15,985)</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MUSEUM SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 8,700	\$ 8,808	\$ 108
Other	100	145	45
Total Revenues	<u>8,800</u>	<u>8,953</u>	<u>153</u>
Expenditures:			
Current:			
Culture and leisure	<u>6,950</u>	<u>11,167</u>	<u>(4,217)</u>
Total Expenditures	<u>6,950</u>	<u>11,167</u>	<u>(4,217)</u>
Net Change In Fund Balance	1,850	(2,214)	(4,064)
Fund Balance (Deficit), July 1, 2010	<u>(18,054)</u>	<u>(18,054)</u>	<u> </u>
Fund Balance (Deficit), June 30, 2011	<u>\$ (16,204)</u>	<u>\$ (20,268)</u>	<u>\$ (4,064)</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE SERVICES CFD 2003-1 SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Other taxes and assessments	\$ 259,000	\$ 265,654	\$ 6,654
Use of money and property	1,000	78	(922)
	<u>260,000</u>	<u>265,732</u>	<u>5,732</u>
Other Financing Sources (Uses):			
Transfers out	<u>(280,000)</u>	<u>(280,000)</u>	
	<u>(280,000)</u>	<u>(280,000)</u>	
Net Change In Fund Balance	(20,000)	(14,268)	5,732
Fund Balance, July 1, 2010	<u>58,410</u>	<u>58,410</u>	
Fund Balance, June 30, 2011	<u>\$ 38,410</u>	<u>\$ 44,142</u>	<u>\$ 5,732</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL PLAN SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 25,000	\$ 12,488	\$ (12,512)
Use of money and property	500		(500)
	<u>25,500</u>	<u>12,488</u>	<u>(13,012)</u>
Expenditures:			
Current:			
Community development	30,500	261,118	(230,618)
	<u>30,500</u>	<u>261,118</u>	<u>(230,618)</u>
Net Change In Fund Balance	(5,000)	(248,630)	(243,630)
Fund Balance (Deficit), July 1, 2010	<u>(55,565)</u>	<u>(55,565)</u>	
Fund Balance (Deficit), June 30, 2011	<u>\$ (60,565)</u>	<u>\$ (304,195)</u>	<u>\$ (243,630)</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOME LOAN SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 300,000	\$ 1,428,366	\$ 1,128,366
Use of money and property	3,600	564	(3,036)
Total Revenues	<u>303,600</u>	<u>1,428,930</u>	<u>1,125,330</u>
Expenditures:			
Current:			
Community development	400,000	9,679	390,321
Total Expenditures	<u>400,000</u>	<u>9,679</u>	<u>390,321</u>
Net Change In Fund Balance	(96,400)	1,419,251	1,515,651
Fund Balance, July 1, 2010	<u>1,557,056</u>	<u>1,557,056</u>	
Fund Balance, June 30, 2011	<u>\$ 1,460,656</u>	<u>\$ 2,976,307</u>	<u>\$ 1,515,651</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SOLID WASTE MANAGEMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ -	\$ 5,828	\$ 5,828
Use of money and property	300	47	(253)
	<u>300</u>	<u>5,875</u>	<u>5,575</u>
Total Revenues			
	300	5,875	5,575
Net Change In Fund Balance			
Fund Balance, July 1, 2010	<u>13,075</u>	<u>13,075</u>	
Fund Balance, June 30, 2011	<u>\$ 13,375</u>	<u>\$ 18,950</u>	<u>\$ 5,575</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 22,000	\$ 4,874	\$ (17,126)
Other		5,000	5,000
	<hr/>	<hr/>	<hr/>
Total Revenues	22,000	9,874	(12,126)
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
Culture and leisure	114,518	99,412	15,106
	<hr/>	<hr/>	<hr/>
Total Expenditures	114,518	99,412	15,106
	<hr/>	<hr/>	<hr/>
Net Change In Fund Balance	(92,518)	(89,538)	2,980
	<hr/>	<hr/>	<hr/>
Fund Balance, July 1, 2010	630,516	630,516	
	<hr/>	<hr/>	<hr/>
Fund Balance, June 30, 2011	<u>\$ 537,998</u>	<u>\$ 540,978</u>	<u>\$ 2,980</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC SAFETY CFD SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Other taxes and assessments	\$ 27,000	\$ 27,113	\$ 113
Use of money and property		4	4
Total Revenues	<u>27,000</u>	<u>27,117</u>	<u>117</u>
Other Financing Sources (Uses):			
Transfers out	<u>(22,000)</u>	<u>(22,000)</u>	
Total Other Financing Sources (Uses)	<u>(22,000)</u>	<u>(22,000)</u>	
Net Change In Fund Balance	5,000	5,117	117
Fund Balance, July 1, 2010	<u>5</u>	<u>5</u>	
Fund Balance, June 30, 2011	<u><u>\$ 5,005</u></u>	<u><u>\$ 5,122</u></u>	<u><u>\$ 117</u></u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATION/GOVERNMENT CTV SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Franchise taxes	\$ 34,000	\$ 24,841	\$ (9,159)
Use of money and property		21	21
Total Revenues	<u>34,000</u>	<u>24,862</u>	<u>(9,138)</u>
Expenditures:			
Current:			
General government	<u>5,000</u>	<u>3,580</u>	<u>1,420</u>
Total Expenditures	<u>5,000</u>	<u>3,580</u>	<u>1,420</u>
Net Change In Fund Balance	29,000	21,282	(7,718)
Fund Balance (Deficit), July 1, 2010	<u>(57,542)</u>	<u>(57,542)</u>	
Fund Balance (Deficit), June 30, 2011	<u>\$ (28,542)</u>	<u>\$ (36,260)</u>	<u>\$ (7,718)</u>

**CITY OF OAKDALE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 NSP GRANT SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ 17,729	\$ 17,729
Total Revenues	<u> </u>	<u>17,729</u>	<u>17,729</u>
Net Change In Fund Balance		17,729	17,729
Fund Balance, July 1, 2010	<u>301,272</u>	<u>301,272</u>	<u> </u>
Fund Balance, June 30, 2011	<u>\$ 301,272</u>	<u>\$ 319,001</u>	<u>\$ 17,729</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FACILITIES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 96,175	\$ 83,897	\$ (12,278)
Use of money and property	78,400	119,587	41,187
Total Revenues	<u>174,575</u>	<u>203,484</u>	<u>28,909</u>
Expenditures:			
Current:			
Culture and leisure	266,492	262,933	3,559
Capital outlay	1,500	7,695	(6,195)
Total Expenditures	<u>267,992</u>	<u>270,628</u>	<u>(2,636)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(93,417)</u>	<u>(67,144)</u>	<u>26,273</u>
Other Financing Sources (Uses):			
Transfers in	93,000	73,875	(19,125)
Total Other Financing Sources (Uses)	<u>93,000</u>	<u>73,875</u>	<u>(19,125)</u>
Net Change In Fund Balance	(417)	6,731	7,148
Fund Balance, July 1, 2010	<u> </u>	<u> </u>	<u> </u>
Fund Balance (Deficit), June 30, 2011	<u>\$ (417)</u>	<u>\$ 6,731</u>	<u>\$ 7,148</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SURFACE TRANSPORTATION CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ 308,032	\$ 308,032
Use of money and property	500		(500)
Total Revenues	<u>500</u>	<u>308,032</u>	<u>307,532</u>
Expenditures:			
Capital outlay	<u>670,866</u>	<u>212,344</u>	<u>458,522</u>
Total Expenditures	<u>670,866</u>	<u>212,344</u>	<u>458,522</u>
Net Change In Fund Balance	(670,366)	95,688	766,054
Fund Balance (Deficit), July 1, 2010	<u>(159,381)</u>	<u>(159,381)</u>	
Fund Balance (Deficit), June 30, 2011	<u>\$ (829,747)</u>	<u>\$ (63,693)</u>	<u>\$ 766,054</u>

**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EQUIPMENT REPLACEMENT CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ -	\$ 97	\$ 97
Use of money and property	7,200	11,652	4,452
 Total Revenues	 7,200	 11,749	 4,549
Expenditures:			
Debt service:			
Principal	51,875	51,869	6
Interest	9,640	9,639	1
 Total Expenditures	 61,515	 61,508	 7
 Net Change In Fund Balance	 (54,315)	 (49,759)	 4,556
 Fund Balance, July 1, 2010	 417,485	 417,485	 _____
 Fund Balance, June 30, 2011	 <u>\$ 363,170</u>	 <u>\$ 367,726</u>	 <u>\$ 4,556</u>

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**CITY OF OAKDALE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
2005 LEASE REVENUE BONDS DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 2,000	\$ 186	\$ (1,814)
Total Revenues	<u>2,000</u>	<u>186</u>	<u>(1,814)</u>
Expenditures:			
Current:			
Public safety	3,500	3,300	200
Debt service:			
Principal	60,000	60,000	
Interest	<u>120,242</u>	<u>119,268</u>	<u>974</u>
Total Expenditures	<u>183,742</u>	<u>182,568</u>	<u>1,174</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(181,742)</u>	<u>(182,382)</u>	<u>(640)</u>
Other Financing Sources (Uses):			
Transfers in	<u>180,000</u>	<u>180,000</u>	
Total Other Financing Sources (Uses)	<u>180,000</u>	<u>180,000</u>	
Net Change In Fund Balance	(1,742)	(2,382)	(640)
Fund Balance, July 1, 2010	<u>302,009</u>	<u>302,009</u>	
Fund Balance, June 30, 2011	<u>\$ 300,267</u>	<u>\$ 299,627</u>	<u>\$ (640)</u>

**CITY OF OAKDALE
BALANCE SHEET - BY ACTIVITY
SYSTEM DEVELOPMENT CAPITAL PROJECTS FUND
JUNE 30, 2011**

	<u>Parks</u>	<u>Streets</u>	<u>Storm Drain</u>	<u>Administration</u>
Assets				
Cash and investments	\$ 267,103	\$ -	\$ 262,221	\$ 10,481
Receivables:				
Accounts				
Interest	216		212	8
Due from other funds	1,570,480			
Advances to other funds	374,272		374,272	
Total Assets	<u>\$ 2,212,071</u>	<u>\$ -</u>	<u>\$ 636,705</u>	<u>\$ 10,489</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 36,989	\$ -	\$ -
Due to other funds		924,388		
Total Liabilities		<u>961,377</u>		
Fund Balances:				
Restricted	2,212,071		636,705	10,489
Unassigned		(961,377)		
Total Fund Balances (Deficits)	<u>2,212,071</u>	<u>(961,377)</u>	<u>636,705</u>	<u>10,489</u>
Total Liabilities and Fund Balances	<u>\$ 2,212,071</u>	<u>\$ -</u>	<u>\$ 636,705</u>	<u>\$ 10,489</u>

Fire	Police	General Government	Sewer	Water	Total System Development Fund
\$ 460	\$ 4	\$ 186,382	\$ 350	\$ 3,050,580	\$ 3,777,581
		151	275	2,644	275
		255,000		481,220	3,231
				748,545	2,306,700
					1,497,089
<u>\$ 460</u>	<u>\$ 4</u>	<u>\$ 441,533</u>	<u>\$ 625</u>	<u>\$ 4,282,989</u>	<u>\$ 7,584,876</u>
\$ -	\$ -	\$ -	\$ -	\$ 10,825	\$ 47,814
783,560	66,810		257,220		2,031,978
783,560	66,810		257,220	10,825	2,079,792
		441,533		4,272,164	7,572,962
(783,100)	(66,806)		(256,595)		(2,067,878)
(783,100)	(66,806)	441,533	(256,595)	4,272,164	5,505,084
<u>\$ 460</u>	<u>\$ 4</u>	<u>\$ 441,533</u>	<u>\$ 625</u>	<u>\$ 4,282,989</u>	<u>\$ 7,584,876</u>

**CITY OF OAKDALE
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BY ACTIVITY
SYSTEM DEVELOPMENT CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Parks</u>	<u>Streets</u>	<u>Storm Drain</u>	<u>Administration</u>
Revenues:				
Charges for services	\$ 31,525	\$ 217,035	\$ 47,442	\$ 3,510
Use of money and property	38,799	(3)	38,360	24
Total Revenues	<u>70,324</u>	<u>217,032</u>	<u>85,802</u>	<u>3,534</u>
Expenditures:				
Current:				
General government				
Public safety				
Public works		9,836	2,041	
Culture and leisure	11,760			
Capital outlay	87,736	319,771		
Debt service:				
Principal		9,000		
Total Expenditures	<u>99,496</u>	<u>338,607</u>	<u>2,041</u>	
Excess (Deficit) of Revenues over Expenditures	<u>(29,172)</u>	<u>(121,575)</u>	<u>83,761</u>	<u>3,534</u>
Other Financing Sources (Uses):				
Transfers out				
Total Other Financing Sources (Uses)				
Net Changes in Fund Balances	(29,172)	(121,575)	83,761	3,534
Fund Balances (Deficits), Beginning of Fiscal Year	<u>2,241,243</u>	<u>(839,802)</u>	<u>552,944</u>	<u>6,955</u>
Fund Balances (Deficits), End of Fiscal Year	<u>\$ 2,212,071</u>	<u>\$ (961,377)</u>	<u>\$ 636,705</u>	<u>\$ 10,489</u>

<u>Fire</u>	<u>Police</u>	<u>General Government</u>	<u>Sewer</u>	<u>Water</u>	<u>Total System Development Fund</u>
\$ 5,416	\$ 5,530	\$ 2,068	\$ 34,984	\$ 44,144	\$ 391,654
(7)	2	987	2	84,662	162,826
<u>5,409</u>	<u>5,532</u>	<u>3,055</u>	<u>34,986</u>	<u>128,806</u>	<u>554,480</u>
		1,500			1,500
4,950	1,200		4,439	9,000	6,150
		20,440			25,316
					11,760
					427,947
					9,000
<u>4,950</u>	<u>1,200</u>	<u>21,940</u>	<u>4,439</u>	<u>9,000</u>	<u>481,673</u>
459	4,332	(18,885)	30,547	119,806	72,807
(180,000)				(18,619)	(198,619)
(180,000)				(18,619)	(198,619)
(179,541)	4,332	(18,885)	30,547	101,187	(125,812)
(603,559)	(71,138)	460,418	(287,142)	4,170,977	5,630,896
<u>\$ (783,100)</u>	<u>\$ (66,806)</u>	<u>\$ 441,533</u>	<u>\$ (256,595)</u>	<u>\$ 4,272,164</u>	<u>\$ 5,505,084</u>

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Fire Equipment Replacement Fund – To account for the annual contribution from the general fund to provide for the long-term replacement of fire equipment.

Police Equipment Replacement Fund – To account for the annual contribution from the general fund to provide for the long-term replacement of police equipment.

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CITY OF OAKDALE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2011

	Fire Equipment Replacement	Police Equipment Replacement	Total
ASSETS			
Cash and investments	\$ 95,958	\$ 7,957	\$ 103,915
Interest receivable	77	6	83
Total assets	<u>96,035</u>	<u>7,963</u>	<u>103,998</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	<u>17,567</u>	<u>7,957</u>	<u>25,524</u>
Total liabilities	<u>17,567</u>	<u>7,957</u>	<u>25,524</u>
NET ASSETS			
Unrestricted	<u>78,468</u>	<u>6</u>	<u>78,474</u>
Total net assets	<u>\$ 78,468</u>	<u>\$ 6</u>	<u>\$ 78,474</u>

**CITY OF OAKDALE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Fire Equipment Replacement	Police Equipment Replacement	Totals
Revenues:			
Charges for services	\$ 52,640	\$ -	\$ 52,640
Total revenues	<u>52,640</u>		<u>52,640</u>
Expenses:			
Administration	<u>77,880</u>	<u>8,020</u>	<u>85,900</u>
Total expenses	<u>77,880</u>	<u>8,020</u>	<u>85,900</u>
Operating Income (Loss)	<u>(25,240)</u>	<u>(8,020)</u>	<u>(33,260)</u>
Non-operating revenues (expenses):			
Interest income	<u>220</u>	<u>24</u>	<u>244</u>
Total non-operating revenues (expenses)	<u>220</u>	<u>24</u>	<u>244</u>
Total change in net assets before capital contributions	(25,020)	(7,996)	(33,016)
Capital contributions	<u>25,390</u>		<u>25,390</u>
Change in net assets	370	(7,996)	(7,626)
Net Assets, July 1, 2010	<u>78,098</u>	<u>8,002</u>	<u>86,100</u>
Net Assets, June 30, 2011	<u>\$ 78,468</u>	<u>\$ 6</u>	<u>\$ 78,474</u>

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

	Fire Equipment Replacement	Police Equipment Replacement	Totals
Cash Flows from Operating Activities:			
Receipts from customers/other funds	\$ 52,640	\$ -	\$ 52,640
Payment to suppliers and users	(60,422)	(63)	(60,485)
Net Cash Provided (Used) by Operating Activities	(7,782)	(63)	(7,845)
Cash flows from Capital and Related Financing Activities:			
Contributed capital	25,390		25,390
Net Cash Provided by Capital and Related Financing Activities	25,390		25,390
Cash flows from Investing Activities:			
Interest received	232	27	259
Net Cash Provided (Used) by Investing Activities	232	27	259
Net Increase (Decrease) in Cash and Cash Equivalents	17,840	(36)	17,804
Cash and Cash Equivalents, July 1, 2010	78,118	7,993	86,111
Cash and Cash Equivalents, June 30, 2011	<u>\$ 95,958</u>	<u>\$ 7,957</u>	<u>\$ 103,915</u>
Reconciliation of Cash and Cash Equivalents to Combining Statement of Net Assets			
Cash and investments	<u>\$ 95,958</u>	<u>\$ 7,957</u>	<u>\$ 103,915</u>
Total Cash and Investments	<u>\$ 95,958</u>	<u>\$ 7,957</u>	<u>\$ 103,915</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (25,240)	\$ (8,020)	\$ (33,260)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Increase (Decrease) in Operating Liabilities:			
Accounts payable	17,458	7,957	25,415
Net Cash Provided (Used) by Operating Activities	<u>\$ (7,782)</u>	<u>\$ (63)</u>	<u>\$ (7,845)</u>

**CITY OF OAKDALE
 AGENCY FUNDS
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 JUNE 30, 2011**

	<u>Yosemite Industrial Park Assessment</u>	<u>G & J Streets Assessment</u>	<u>Developer Activity</u>	<u>Refuse Collection</u>
ASSETS				
Cash and investments	\$ -	\$ 447,183	\$ 674,896	\$ 138,785
Restricted cash and investments				
Due from General Plan fund			244,894	
Accounts receivable		1,747		212,013
Interest receivable		361	545	
	<u>\$ -</u>	<u>\$ 449,291</u>	<u>\$ 920,335</u>	<u>\$ 350,798</u>
LIABILITIES				
Accounts payable	\$ -	\$ 1,226	\$ 64,595	\$ 138,173
Amounts held in trust			855,740	212,625
Due to bondholders		448,065		
	<u>\$ -</u>	<u>\$ 449,291</u>	<u>\$ 920,335</u>	<u>\$ 350,798</u>

<u>Bridle Ridge CFD 2003-2</u>	<u>Bridle Ridge CFD 2004-1</u>	<u>Bridle Ridge CFD 2005-1</u>	<u>Riverbank Oakdale Transit Authority</u>	<u>Senior Housing Corporation</u>	<u>Totals</u>
\$ 291,677	\$ 70,887	\$ 132,888	\$ -	\$ 26,787	\$ 1,783,103
314,175	116,000	227,336			657,511
19,572	3,050	15,452			244,894
236	57	107		22	251,834
<u>625,660</u>	<u>189,994</u>	<u>375,783</u>	<u>0</u>	<u>26,809</u>	<u>1,328</u>
<u>\$ 625,660</u>	<u>\$ 189,994</u>	<u>\$ 375,783</u>	<u>\$ -</u>	<u>\$ 26,809</u>	<u>\$ 2,938,670</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203,994
625,660	189,994	375,783		26,809	1,095,174
					1,639,502
<u>\$ 625,660</u>	<u>\$ 189,994</u>	<u>\$ 375,783</u>	<u>\$ -</u>	<u>\$ 26,809</u>	<u>\$ 2,938,670</u>

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

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<u>Yosemite Industrial Park Assessment</u>				
ASSETS				
Cash and investments	\$ 172,869	\$ 198	\$ (173,067)	\$ -
Interest receivable	198		(198)	
Total Assets	<u>\$ 173,067</u>	<u>\$ 198</u>	<u>\$ (173,265)</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 1,248	\$ -	\$ (1,248)	\$ -
Due to bondholders	171,819	198	(172,017)	
Total Liabilities	<u>\$ 173,067</u>	<u>\$ 198</u>	<u>\$ (173,265)</u>	<u>\$ -</u>
<u>G & J Streets Assessment</u>				
ASSETS				
Cash and investments	\$ 403,981	\$ 43,202	\$ -	\$ 447,183
Accounts receivable		1,747		1,747
Interest receivable	463	361	(463)	361
Total Assets	<u>\$ 404,444</u>	<u>\$ 45,310</u>	<u>\$ (463)</u>	<u>\$ 449,291</u>
LIABILITIES				
Accounts payable	\$ -	\$ 1,226	\$ -	\$ 1,226
Due to bondholders	404,444	44,084	(463)	448,065
Total Liabilities	<u>\$ 404,444</u>	<u>\$ 45,310</u>	<u>\$ (463)</u>	<u>\$ 449,291</u>
<u>Developer Activity</u>				
ASSETS				
Cash and investments	\$ 1,065,507	\$ 1,221	\$ (391,832)	\$ 674,896
Due from General Plan fund		244,894		244,894
Interest receivable	1,221	545	(1,221)	545
Total Assets	<u>\$ 1,066,728</u>	<u>\$ 246,660</u>	<u>\$ (393,053)</u>	<u>\$ 920,335</u>
LIABILITIES				
Accounts payable	\$ -	\$ 64,595	\$ -	\$ 64,595
Amounts held in trust	1,066,728	182,065	(393,053)	855,740
Total Liabilities	<u>\$ 1,066,728</u>	<u>\$ 246,660</u>	<u>\$ (393,053)</u>	<u>\$ 920,335</u>

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**CITY OF OAKDALE
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<u>Refuse Collection</u>				
ASSETS				
Cash and investments	\$ 141,736	\$ 613	\$ (3,564)	\$ 138,785
Accounts receivable	208,252	3,761		212,013
Total Assets	\$ 349,988	\$ 4,374	\$ (3,564)	\$ 350,798
LIABILITIES				
Accounts payable	\$ 141,737	\$ -	\$ (3,564)	\$ 138,173
Amounts held in trust	208,251	4,374		212,625
Total Liabilities	\$ 349,988	\$ 4,374	\$ (3,564)	\$ 350,798
<u>Bridle Ridge CFD 2003-2</u>				
ASSETS				
Cash and investments	\$ 296,284	\$ 339	\$ (4,946)	\$ 291,677
Restricted cash and investments	314,175			314,175
Accounts receivable		19,572		19,572
Interest receivable	339	236	(339)	236
Total Assets	\$ 610,798	\$ 20,147	\$ (5,285)	\$ 625,660
LIABILITIES				
Due to bondholders	\$ 610,798	\$ 20,147	\$ (5,285)	\$ 625,660
Total Liabilities	\$ 610,798	\$ 20,147	\$ (5,285)	\$ 625,660
<u>Bridle Ridge CFD 2004-1</u>				
ASSETS				
Cash and investments	\$ 83,137	\$ 95	\$ (12,345)	\$ 70,887
Restricted cash and investments	116,000			116,000
Accounts receivable		3,050		3,050
Interest receivable	95	57	(95)	57
Total Assets	\$ 199,232	\$ 3,202	\$ (12,440)	\$ 189,994
LIABILITIES				
Due to bondholders	\$ 199,232	\$ 3,202	\$ (12,440)	\$ 189,994
Total Liabilities	\$ 199,232	\$ 3,202	\$ (12,440)	\$ 189,994

(Continued)

**CITY OF OAKDALE
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<u>Bridle Ridge CFD 2005-1</u>				
ASSETS				
Cash and investments	\$ 151,769	\$ 174	\$ (19,055)	\$ 132,888
Restricted cash and investments	227,336			227,336
Accounts receivable		15,452		15,452
Interest receivable	174	107	(174)	107
Total Assets	\$ 379,279	\$ 15,733	\$ (19,229)	\$ 375,783
LIABILITIES				
Accounts payable	\$ 1,760	\$ -	\$ (1,760)	\$ -
Due to bondholders	377,519	15,733	(17,469)	375,783
Total Liabilities	\$ 379,279	\$ 15,733	\$ (19,229)	\$ 375,783
<u>Riverbank Oakdale Transit Authority</u>				
ASSETS				
Cash and investments	\$ 344,797	\$ 2,382	\$ (347,179)	\$ -
Accounts receivable	115,809		(115,809)	
Interest receivable	2,382		(2,382)	
Total Assets	\$ 462,988	\$ 2,382	\$ (465,370)	\$ -
LIABILITIES				
Due to Riverbank Oakdale Transit Authority	\$ 462,988	\$ 2,382	\$ (465,370)	\$ -
Total Liabilities	\$ 462,988	\$ 2,382	\$ (465,370)	\$ -
<u>Senior Housing Corporation</u>				
ASSETS				
Cash and investments	\$ 18,683	\$ 8,104	\$ -	\$ 26,787
Interest receivable	21	22	(21)	22
Total Assets	\$ 18,704	\$ 8,126	\$ (21)	\$ 26,809
LIABILITIES				
Amounts held in trust	\$ 18,704	\$ 8,126	\$ (21)	\$ 26,809
Total Liabilities	\$ 18,704	\$ 8,126	\$ (21)	\$ 26,809

(Continued)

**CITY OF OAKDALE
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<u>Total Agency Funds</u>				
ASSETS				
Cash and investments	\$ 2,678,763	\$ 56,328	\$ (951,988)	\$ 1,783,103
Restricted cash and investments	657,511			657,511
Due from General Plan fund		244,894		244,894
Accounts receivable	324,061	43,582	(115,809)	251,834
Interest receivable	4,893	1,328	(4,893)	1,328
	<u>\$ 3,665,228</u>	<u>\$ 346,132</u>	<u>\$(1,072,690)</u>	<u>\$ 2,938,670</u>
Total Assets				
LIABILITIES				
Accounts payable	\$ 144,745	\$ 65,821	\$ (6,572)	\$ 203,994
Amounts held in trust	1,293,683	194,565	(393,074)	1,095,174
Due to bondholders	1,763,812	83,364	(207,674)	1,639,502
Due to Riverbank Oakdale Transit Authority	462,988	2,382	(465,370)	
	<u>\$ 3,665,228</u>	<u>\$ 346,132</u>	<u>\$(1,072,690)</u>	<u>\$ 2,938,670</u>
Total Liabilities				