

CITY OF WOODLAND, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2005

Prepared by
FINANCE DEPARTMENT

CITY OF WOODLAND, CALIFORNIA

June 30, 2005

TABLE OF CONTENTS

INTRODUCTORY SECTION

(Page)

Transmittal Letter..... i
City Council & Administrative Staff Roster..... viii
City Organization Chart..... ix
City of Woodland Map..... x
CSMFO Certificate of Award..... xi
GFOA Certificate of Achievement..... xii

FINANCIAL SECTION

Independent Auditor's Report..... 1
Management's Discussion and Analysis (Required Supplementary Information)..... 3
Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Assets..... 14
 Statement of Activities..... 15
 Fund Financial Statements:
 Balance Sheet – Governmental Funds..... 16
 Reconciliation of the Balance Sheet - Governmental Funds to the
 Statement of Net Assets – Governmental Activities..... 18
 Statement of Revenues, Expenditures and Changes in Fund
 Balances – Governmental Funds..... 19
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances - Governmental Funds to the
 Statement of Activities..... 21
 Statement of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual – General Fund..... 22
 Statement of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual – Community Development Block Grant
 Special Revenue Fund..... 24
 Statement of Net Assets – Proprietary Funds..... 25
 Statement of Revenues, Expenses and Changes in Fund Net
 Assets – Proprietary Funds..... 26
 Statement of Cash Flows – Proprietary Funds..... 27
 Statement of Fiduciary Net Assets – Agency Funds..... 29
 Notes to Financial Statements..... 30
Required Supplementary Information:
 Schedule of Funding Progress (Unaudited)..... 62
Combining and Individual Fund Statements and Schedules:
 Nonmajor Governmental Funds:
 Combining Balance Sheet – Nonmajor Governmental Funds..... 63
 Combining Statement of Revenues, Expenditures and Changes in
 Fund Balances – Nonmajor Governmental Funds..... 64
 Combining Balance Sheet – Nonmajor Special Revenue Funds..... 65

CITY OF WOODLAND, CALIFORNIA
June 30, 2005

TABLE OF CONTENTS (CONTINUED)

	(Page)
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	69
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Nonmajor Special Revenue Funds:	
Streng Pond Landscape Maintenance District.....	73
North Park Landscape Maintenance District.....	74
Gibson Ranch Landscape Maintenance District.....	75
Special Needs Assistance Grant	76
Housing Monitoring	77
Transit.....	78
Proposition 172.....	79
Transportation.....	80
Literacy Grant.....	81
Gas Tax	82
Home Grant	83
Asset Seizure	84
Historical Walking Tour.....	85
Supplemental Law Enforcement Services Grant.....	86
Local Law Enforcement Block Grant.....	87
Traffic Congestion Relief	88
State Library Programs.....	89
Cemetery Endowment	90
Lighting & Landscaping Districts	91
Fire Suppression District.....	92
Combining Balance Sheet – Nonmajor Debt Service Funds	93
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	94
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Nonmajor Debt Service Funds:	
Certificates of Participation	95
2002 Lease Revenue Bonds.....	96
Woodland Redevelopment Agency 1996 Tax Allocation Bonds.....	97
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	100
Nonmajor Enterprise Funds:	
Combining Statement of Net Assets	102
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	103
Combining Statement of Cash Flows.....	104

CITY OF WOODLAND, CALIFORNIA7

June 30, 2005

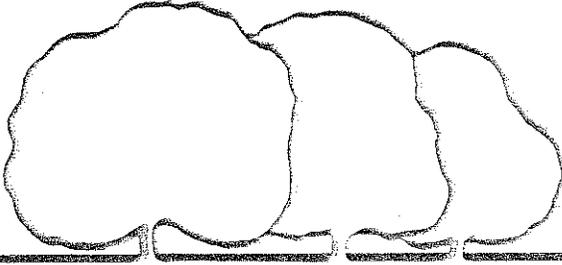
TABLE OF CONTENTS (CONTINUED)

	(Page)
Internal Service Funds:	
Combining Statement of Net Assets	106
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	107
Combining Statement of Cash Flows.....	108
Agency Funds:	
Combining Statement of Changes in Assets and Liabilities	110

STATISTICAL SECTION

Fund information:	
General Revenues by Source – Last Ten Fiscal Years	112
General Expenditures by Function – Last Ten Fiscal Years	113
Property Tax Levies and Collections – Last Ten Fiscal Years.....	114
General Tax Revenues by Source – Last Ten Fiscal Years	115
Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	116
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	117
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita – Last Ten Fiscal Years.....	118
Computation of Direct and Overlapping Debt.....	119
Computation of Legal Debt Margin	120
Ratio of Annual Debt Service Expenditures For Certificates of Participation to Total General Expenditures – Last Ten Fiscal Years	121
Demographic Statistics – Last Ten Fiscal Years	122
Property Value, Construction, and Bank Deposits – Last Ten Fiscal Years	123
Principal Taxpayers	124
Miscellaneous Statistics.....	125

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City of Woodland

December 12, 2005

Honorable Mayor Matt Rexroad & Members of the City Council:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Woodland (City), California for the fiscal year ended June 30, 2005. The report has been developed and organized to conform to generally accepted accounting principles (GAAP) and to meet reporting standards set forth by the California Society of Municipal Finance Officers and the national Government Finance Officers Association.

Local ordinances and state law require that the City issue a report annually on its financial position and changes in financial position, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the information and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed information is complete and reliable in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the City and its component units.

Management's discussion and analysis (MD&A) is required supplementary information and provides information and analysis that users need to interpret the basic financial statements. This transmittal letter is designed to complement the MD&A, which is included in the financial section of this document.

This report will be submitted for consideration of annual award to the California Society of Municipal Finance Officers (CSMFO) and the Government Finance Officers Association (GFOA) of the United States.

Reporting Entity

The City of Woodland was incorporated as a general law city on February 22, 1871. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), streets, recycling, parks and recreation, water, sewer and storm drain, planning and zoning, general administration services, and redevelopment. The financial statements of the City include the financial activities of the City as well as the following component units which are controlled by and dependent on the City:

- The Woodland Redevelopment Agency is a separate governmental entity whose purpose is to prepare and implement plans for improvement, rehabilitation, and development of certain areas within the City.
- The Woodland Public Facilities Corporation is a separate governmental entity whose purpose is to assist with the financing or refinancing of certain public capital facilities within the City. The Corporation has the power to purchase bonds issued by any local agency at public or negotiated sales and may sell such bonds to public or private purchasers at public or negotiated sales.
- The Woodland Finance Authority is a separate governmental entity whose purpose is to assist with the financing or refinancing of certain public capital facilities within the City. The Authority has the power to purchase bonds issued by any local agency at public or negotiated sales and may sell such bonds to public or private purchasers at public or negotiated sales.

December 12, 2005
Re: CAFR June 30, 2005
Page Two

Economic Condition & Outlook

The City is located in what continues to be one of the most prosperous and fastest growing areas of the State. The City is eighty-five miles northeast of San Francisco, and, thus, feels the impact of growth in suburban areas of the greater Bay Area. More importantly, the City is only eighteen miles northwest of Sacramento and shares in the economic trends of the Sacramento Valley Region. Sacramento serves as the state's capital and center of state government.

The County has a well-developed transportation network which includes road, rail and shipping services. Interstate 80, a transcontinental highway linking San Francisco with points east is nine miles to the south of Woodland via State Route 113. Interstate 5 bisects Woodland and serves as the West Coast's major north-south interstate running from the Canadian border to the Mexican border. The Union Pacific railroad crosses the County with its main line generally paralleling Interstate 80, with trunk lines running into adjoining counties. Freight transportation is also provided by several intra-state and transcontinental trucking firms. Waterborne facilities are available through the Sacramento-Yolo Port District immediately to the south of the City. Ships can reach Sacramento from San Francisco Bay in less than eight hours. The Sacramento Metropolitan Airport is located approximately 12 miles east of the City and is served by most major carriers as well as commuter carriers. Airline service is available to all principal cities on the West Coast as well as direct flights to other major cities in the United States. The City has a diversified economic base that has its origins in agriculture. However, due to the proximity of the City to major transportation arteries (Interstate 5 and State Route 113), and major waterways, the City has also become increasingly important as a manufacturing and distribution center of products including food processing, plastics, farm machinery and-manufactured homes. As a result of construction growth over the past several years as well as property value growth, the City had an increase of 6.7 percent growth in property tax revenue from 2004 to 2005. The City's sales and use tax revenue increased 10 percent over the same period.

Between 1996 and 2005 the City's population increased by a total of 10,128 or approximately 23.4%; an average annual increase of approximately 2.3%. The City is the second most populous in the County. The Woodland Area continues to have diverse employment opportunities, with the largest three employment sectors identified as services, government and retail trade.

During the past six years, the City Council and City Management set a course to identify unfunded needs, adjust fees and rates to a pay-as-you-go philosophy and deliver the programs and services within available resources. Properly managing the growth of the City and using a pay-as-you-go philosophy, reinvesting in an aging infrastructure, meeting clean water regulatory requirements for storm water, waste water plant improvement to satisfy NPDES permit requirements and improving our water supply are key issues that are capital intensive and rate sensitive.

In June 2004, the City formed the City of Woodland Communities Facilities District No. 2004-1 (Spring Lake), consisting of approximately 657-acres for the development of 1,407 single family homes, 621 multi-family units, nine acres of commercial development and 30 acres of parks and open space. Construction of the backbone infrastructure commenced in September 2004 and the first building permits were issued in late June of 2005.

The Spring Lake development, as approved, has five subdivisions including both custom and production homes. Custom home builders have started construction on the Russell Ranch Development with twenty-five

(25) units approved for construction. Production builders began construction during the summer of 2005, and anticipate the issuance of up to fifteen (15) building permits per week in 2006. The drainage ponds on the west side of CR 102 are near completion.

The City has also made strides in the area of commercial and industrial development. A supplemental Environmental Impact Report (EIR) is being prepared for the newly revised Gateway project, consisting of 525,000 square feet of retail space planned to include a new Costco, a relocated Target and other retail shops and restaurants.

The Woodland Park Specific Plan (Plan) covers approximately 800 acres in the northeast industrial area and is currently undergoing planning and financial review. The Plan will set the stage for job growth for many years to come and will include land for a corporate campus, research and development, manufacturing and warehousing.

As well, at the close of FY 05, staff has structured the complex financing for Spring Lake, Waste Water improvements, restructured debt at lower interest rates, working to amend the Gateway Development closing the gap with county relationships. We are also forging new partnerships with the School District, assisting them to structure financing for capital improvements.

Goals, Objectives, and Major Accomplishments during Fiscal Year 2004/2005

The chief function of local government is to serve the best interest of its community. The City Council, as the legislative body, develops policy and directly establishes strategic decisions. The Council's focus for FY 2004/05 was on sustainable improvements with a primary focus on improving the City's corporate culture, customer services and employee morale, providing more information to the community, refining administrative processes and internal controls, as well as increasing utilization of technology.

City staff, working in accordance with the Council's guidance, has focused, this past year, on developing the "corporate culture" and has delivered to improve our customer service, reducing complaints, improving internal processes and accountability. We have focused our attention on improving the use of technology and created website improvements, e-news letters, CM to Council interim reports and we continue our efforts to make as much information as possible available to the community we serve. Improving our customer service attitude, training our staff and engaging issues with prompt service are our mantra. We have developed and presented to the Council our customer service improvement program, technology systems strategic plan and tightened and improved our internal control policies and continue our bi-annual City Council and Senior Management Retreats. The City has managed to make needed capital and operational improvements especially in public safety and public works and has improved the overall service levels of our community. While we continue to have budget challenges, we have maintained a prudent course of managing within our resources and delivering reliable and predictable services for a safe and livable community. Enterprise activities, waste water (tertiary treatment, ultra-violet) plant improvements, successful rate increases, capital facilities improvements, progress with the new community and senior center and more, all point to moving in the right direction.

Specific notable accomplishments are described below:

City Administration

- Initiated a feasibility study for the annexation to the Sacramento Municipal Utilities District. The report, which showed annexation would be beneficial, was provided to the Council in January 2005
- Orchestrated the Process Improvement Team (PIT) to determine best practices and methods for the development review

- Negotiated city labor contracts
- Updated majority of human resources policies
- Successfully negotiated discounted rates for employee benefits
- Developed City-wide internal control policy and implemented process improvements
- Updated fiscal impact study for Spring Lake
- Began development of a capital project database
- Developed City's first Technology Strategic Plan
- Implemented City's first technology development fee
- Began research on wireless networking for Library, Public Works, Parks and Police operations.
- Partnered with Communities Online Network for Springlakecommunity.com website
- Purchased eGOV Plus web portal to provide citizens access to permits, licenses and utility bills, to be implemented in FY 05/06
- Purchased Pentamation upgrades for financial and community development computer systems
- Worked with the community on extension of Measure "H" ½ cent sales tax initiative to prioritize endeavors funded by the extension based on community input and council guidance.
- Completed fiscal reporting requirements on timely basis

Community Development

- Implemented full use of Encompass permit tracking with partial implementation of single point of entry for building permits
- Provided bimonthly reports on permit status
- Improved various customer handouts
- Enhanced coordination and outreach with Chamber and other customer groups
- Revamped CDD website
- Began implementation of Economic Development website
- Implemented Affordable Housing Program
- Continued efforts on the following projects: Woodland Gateway project; retention of retail within the City; Downtown Specific Plan implementation; Business Park/Industrial Development and Master Planning of the Northeast Area
- Concentrated on efficient and effective land use, environmental planning, building inspection and code compliance
- Researched economic development projects including use of external funding via grants or other means.

Public Safety

- Continued emphasis on Problem Oriented Policing (POP) approach to address community concerns
- Researched wireless technology and improvements on mobile software
- Began replacement of car video systems with digital systems
- Conducted career assessment interviews with all employees and provided training which included assertive supervision, law enforcement ethics, hostile work environment, domestic violence and racial profiling.
- Regular and routine updates on Community Emergency Response Team (CERT) and community preparedness, approximately four times annually
- Continued interaction with community whose major activities included: First Grade Program, Fire Station Tours, fire extinguisher demonstrations, annual Yolo County Fair Booth, and Fire Prevention Week

Community Services

- Extended PRCS (Parks, Recreation and Community Services) Departments front counter service hours
- Computerized registration for programs and facilities
- Posted PRCSUF (Parks, Recreation, Community Services & Urban Forest) Commission agenda packet on City website
- Produced six DVD movie presentations covering a wide range of services
- Published two color brochures highlighting "People, Parks, and Programs" which were distributed to 14,000 homes in the City
- Adopted Banner and Special Event Ordinances
- Computerized lighting control system allowing for billing of ball field light users
- Established Sports Council for pro-active sport issue resolutions enhancing partnerships in the community
- Adopted PRCS Master Plan
- Adopted Cemetery Master Plan
- Acquired faster public internet service and upgraded public computers in library
- Upgraded public catalog workstations in library
- Replaced out-of-date books and increased book inventory in Library using state aid monies.
- Held successful library centennial celebration
- Cleaned and painted various parts of the Library

City Infrastructure

- Provided training and certification programs for staff in water treatment, distribution, wastewater collection and treatment programs
- Reevaluated flood protection options through the Water Resources Association
- Implemented CityWorks, a new computerized maintenance management system for field crews in public works
- Acquired laptop computers for field input and AutoCAD lookup of system layout to further improve work efficiency and effectiveness
- Purchased Video TV van for inspecting sewer lines and evaluating program system repair needs
- Participated as regular speakers at Chamber Governmental Affairs and Water Committee meetings
- Adopted Vehicle Five-Year replacement program

Internal Controls

City management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting records are maintained to allow for the preparation of financial statements in conformity with GAAP. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the likely derived benefit, and, (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that adequate internal controls are in place to document compliance with applicable laws and regulations related to these programs. Management's continuing commitment to sound and viable internal controls is emphasized through written policies and procedures and a well-trained and qualified financial staff.

Budgetary Controls

The objective of the City's budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Budgetary authority is maintained at a fund level and control is maintained at the department level (i.e., Police, Fire, Public Works, etc.) for the General Fund. Budgetary control for capital improvement projects is currently maintained on a project and fund basis which is reviewed and approved on an annual basis. As demonstrated by the statements included in the financial section of this report, the City continues to meet its responsibility for sound fiscal management.

Cash Management

The City Finance Director is responsible for the cash management and investment program of the City. The City's investments are managed in compliance with the investment policy adopted by the City Council in May 2005, reaffirmed quarterly and last updated on June 30, 2005.

Risk Management

The City is a member of a joint powers authority, the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), an insurance pool limited to public agencies in Yolo County. Provided coverage includes general liability, workers' compensation, property, and boiler and machinery.

The City, through YCPARMIA and in-house Safety Committees, participates in an active loss prevention program which includes periodic safety inspections of all facilities, specialized training in safety and handling of hazardous materials, and a wellness program provided to police employees. Recent actuarial reports indicate that the agency has sufficient resources to meet current and immediate future liabilities.

Statistical Information

The final section in the CAFR includes various statistical data relating to the City. Including but not limited to: Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita for the Last Ten Fiscal Years, Computation of Direct and Overlapping Debt, and Computation of Legal Debt Margin. The Computation of Legal Debt Margin shows the City as having debt of only \$31,806 (net the reserve fund) and a Debt Limit of over \$141 million dollars. This demonstrates the City has significant capacity, under State Law, to increase its Bonded Debt.

These tables continue to show a decline in the Bonded Debt per Capita to Assessed Valuation. Between FY 2004 and FY 2005, the Bonded Debt per Capita decreased over .09% or \$5.38 per resident. The dollar amount of debt, per capita, is now slightly under \$1.00. The Bonded Debt to Assessed Valuation is a ratio of .0001.

Independent Auditors

State statutes require an annual audit by independent certified public accountants. The accounting firm of Macias Gini & Company LLP has been engaged by the City to conduct this year's audit. In addition to meeting the requirements set forth in state statutes, the audit also meets the requirements of the OMB Circular A-133. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

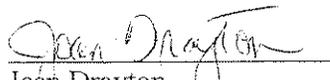
Awards

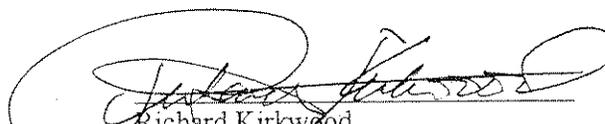
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a certificate of Achievement for the Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2004. This marks the seventh consecutive year the City has received this award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to receive this recognition, the City must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such report must satisfy accounting principles generally accepted in the United States of America and applicable legal requirements. The award is valid for a period of one year only. We believe that the current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another award.

Acknowledgements

Managing a complex and dynamic medium sized city requires hundreds of policy decisions by the Council and competent and expert services of the city staff. I believe we are meeting the challenge and I am proud of our accomplishments and I am encouraged with our future. I want to first thank the Mayor and City Council for their interest and continuing support in planning and conducting the City's financial operations in a responsible manner, consistent with the City's mission to protect, preserve and enhance the quality of life for the citizens of this community. Secondly, I want to thank the Finance Department and other members of various City Departments who assisted in the preparation of this report. The Department of Finance takes great pride in the preparation of this report. The professionalism, commitment and effort of each member of this Department have made this presentation possible. Finally, I want to thank the senior staff, the city employees and the community in general for making Woodland the wonderful place it is.


Joan Drayton,
Finance Director/Treasurer


Richard Kirkwood,
City Manager

CITY OF WOODLAND
CITY COUNCIL & ADMINISTRATIVE STAFF ROSTER
FISCAL YEAR ENDING JUNE 30, 2005



MATT REXROAD, MAYOR

DAVID FLORY, VICE MAYOR

NEAL PEART, COUNCILMEMBER

JEFF MONROE, COUNCILMEMBER

ART PIMENTAL, COUNCILMEMBER



ADMINISTRATIVE STAFF

RICHARD KIRKWOOD, CITY MANAGER

PHILLIP MARLER, ASISTANT CITY MANAGER

ANN SIPRELLE, CITY ATTORNEY

SUE VANNUCCI, CITY CLERK

TRICIA STEVENS, COMMUNITY DEVELOPMENT DIRECTOR

JOAN DRAYTON, FINANCE DIRECTOR

KARL DIEKMAN, FIRE CHIEF

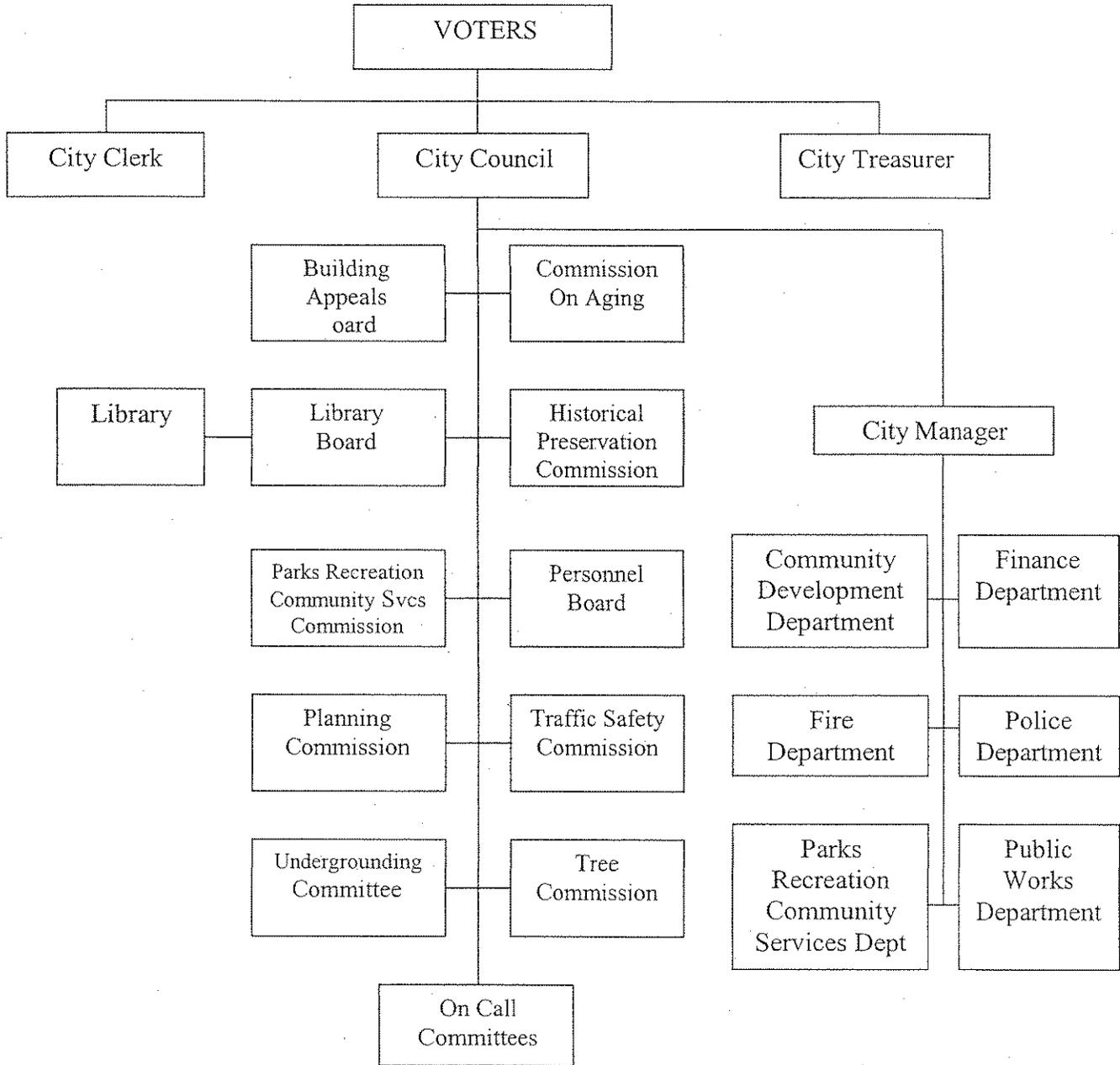
PAUL MILLER, LIBRARY SERVICES DIRECTOR

DAN GENTRY, PARKS, RECREATION & COMMUNITY SERVICES DIRECTOR

CAREY SULLIVAN, POLICE CHIEF

GARY WEGENER, PUBLIC WORKS DIRECTOR/CITY ENGINEER

CITY OF WOODLAND
GENERAL OVERVIEW
ORGANIZATION CHART



*California Society of
Municipal Finance Officers*

Certificate of Award

Outstanding Financial Reporting 2003-04

Presented to the

City of Woodland

*This certificate is issued in recognition of meeting professional standards and criteria in reporting
which reflect a high level of quality in the annual financial statements
and in the underlying accounting system from which the reports were prepared.*

February 24, 2005

William A. Shand

Bill Thomas, Chair
Professional & Technical Standards Committee

Dedicated to Excellence in Municipal Financial Management



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Woodland,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

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



Nancy L. Zjelke

President

Jeffrey R. Enos

Executive Director



MACIAS GINI & COMPANY LLP

3000 S Street, Ste. 300
Sacramento, California 95816

916.928.4600 PHONE
916.928.2755 FAX

Members of the City Council
Woodland, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Woodland, California (the City), as of and for the year ended June 30, 2005, 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 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Woodland California, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Community Development Block Grant Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, effective July 1, 2004, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosure, an amendment of GASB Statement No. 3*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2005 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.

The Management's Discussion and Analysis and Schedule of Funding Progress as listed in the table of contents are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Maivas Gini + Company LLP

Certified Public Accountants

Sacramento, California
December 8, 2005

MANAGEMENT'S DISCUSSION & ANALYSIS

This section of the City of Woodland's (City) Comprehensive Annual Financial Report presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2005. Please read this in conjunction with the transmittal letter, which can be found in the introductory section of this report, and with the City's financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

- The City's total net assets increased over the course of the fiscal year by \$9.3 million to \$91.9 million. The net assets of governmental activities increased by \$6.9 million, or 15 percent, and the net assets of business-type activities increased by \$2.5 million, or 7 percent.
- The General Fund, using the current financial resources basis, reported revenues in excess of expenditures and other financing sources and uses of \$991 thousand. The surplus was the result of unanticipated increases in sales tax and documentary stamp tax revenues, as well as expenditure savings.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts -- management's discussion and analysis (this portion), the basic financial statements, required supplementary information, and optional combining statements for non-major governmental funds, non-major enterprise funds, internal service funds and agency funds. The basic financial statements include two kinds of statements that present different views of the City.

- The government-wide financial statements provide both long-term and short-term information about the City's overall financial status.
- Fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
 - Governmental funds statements tell how general government services such as police, fire and public works were financed in the short-term as well as what remains for future spending.
 - Proprietary fund statements offer short-term and long-term financial information about the activities the City operates like businesses, such as utility services.
 - Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by the Pension Plans' Schedule of Funding Progress, which is required supplementary information. In addition to these required elements, we have included combining statements that provide details about our non-major governmental funds, non-major enterprise funds, internal service funds and agency funds, each of which is presented in a column in the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers 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 or not the financial position of the City is improving or deteriorating.

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 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, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

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 a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, finance, community development, parks, recreation and community services, police, fire, library, and public works. The business-type activities of the City include water, sewer, storm drain, wastewater pretreatment, parking, recycling, fire training, cemetery, and Dubach Park.

The government-wide financial statements include not only the City itself (known as the primary government) but also the City of Woodland Redevelopment Agency (RDA), Woodland Public Facilities Corporation, and the Woodland Finance Authority. Although legally separate from the City, the component units are blended with the primary government because of their governance or financial relationship to the City.

FUND FINANCIAL STATEMENTS

The fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources that have been segregated 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 which include **governmental**, **proprietary** and **fiduciary** funds.

Governmental Funds. Governmental funds, which account for most of the City's basic services, are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Fund financial statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Because of the focus of governmental funds is narrower than that of the 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 doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual and governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental funds balance sheet and in the governmental funds statements of revenues, expenditures and changes in fund balances for the General, City Capital Projects, Spring Lake Capital Projects, Special Sales Tax District, Sewer Development, and Community Development Block Grant funds, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annually appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds. Proprietary funds are generally used to account for services for which the City charges customers—either outside customers, or internal units or departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary 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 the operations of water, sewer, storm drain, wastewater pretreatment, parking, recycling, fire training, cemetery and Dubach Park.

Internal Service funds are used to report activities that provide supplies and services for certain City programs and activities. The City uses internal service funds to account for its fleet of vehicles and equipment, management information services, self-insurance and employee benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Basic Financial Statements

The 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.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

Combining Statements and Schedules

The combining statements referred to earlier in connection with non-major governmental funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information on pensions.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole.

City of Woodland Summary of Net Assets As of June 30, 2005 & 2004 (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government		Total % Change
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	
Current & Other Assets	\$65.3	\$45.9	\$2.0	\$2.9	\$67.3	\$48.8	39%
Capital Assets	<u>83.4</u>	<u>55.5</u>	<u>42.0</u>	<u>39.6</u>	<u>125.4</u>	<u>95.1</u>	31%
Total Assets	<u>148.7</u>	<u>100.7</u>	<u>44.0</u>	<u>42.5</u>	<u>192.7</u>	<u>143.2</u>	35%
Long-term Liabilities	89.6	38.2	4.9	4.9	94.5	43.1	119%
Other Liabilities	<u>5.8</u>	<u>16.1</u>	<u>0.6</u>	<u>1.5</u>	<u>6.4</u>	<u>17.6</u>	-63%
Total Liabilities	<u>95.4</u>	<u>54.3</u>	<u>5.5</u>	<u>6.4</u>	<u>100.9</u>	<u>60.7</u>	66%
Net Assets:							
Invested in Capital Assets, Net of Related Debt	26.3	18.5	37.2	34.3	63.5	52.8	20%
Restricted	16.7	25.1	0.9	-	17.6	25.1	-30%
Unrestricted	<u>10.3</u>	<u>2.8</u>	<u>0.5</u>	<u>1.8</u>	<u>10.8</u>	<u>4.6</u>	135%
Total Net Assets	<u>\$53.3</u>	<u>\$46.4</u>	<u>\$38.6</u>	<u>\$36.1</u>	<u>\$91.9</u>	<u>\$82.5</u>	11%

ANALYSIS OF NET ASSETS

Net assets represent the difference between the City's resources and its obligations. Over time, net assets may serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$91.9 million at the close of the fiscal year 2005.

The largest portion of the City's net assets reflects its \$63.5 million (69 percent) investment in capital assets (e.g. land, buildings and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens. 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 cannot be liquidated for these liabilities.

Another portion of the City's net assets, \$17.6 million (19 percent) represents resources that are subject to external restrictions on how they may be used. This represents a decrease of \$7.5 million or 30 percent over the prior year, due primarily to the Spring Lake project's fund balance restriction of \$29.4 million. The remaining balance of \$10.8 million represents unrestricted net assets.

Although net assets of business-type activities increased \$2.5 million or 7 percent, the City can generally only use these net assets to finance the continuing operations of the business-type activities.

CHANGES IN NET ASSETS

The City's overall net assets increased by \$9.4 million from \$82.5 million in 2004 to \$91.9 million in 2005, which consisted of a \$6.9 million increase in governmental activities and a \$2.5 million increase in business-type activities. Major reasons for these changes are noted in the government and business-type activities discussion below.

City of Woodland
Changes in Net Assets
For the Fiscal Years Ended June 30, 2005 and 2004
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		Total % change
	2005	2004	2005	2004	2005	2004	
Revenues							
Program revenues:							
Charges for services	\$ 9,987	\$17,294	\$11,467	\$10,582	\$21,454	\$27,876	-23.0%
Operating grants and contributions	4,253	3,206	192	184	4,445	3,390	31.1%
Capital grants and contributions	115	7,131	-	178	115	7,309	-98.4%
General revenues:							
Property taxes	8,187	7,670	-	-	8,187	7,670	6.7%
Sales taxes	8,651	7,738	-	-	8,651	7,738	11.8%
Other taxes (including Measure H)	5,591	5,055	-	-	5,591	5,055	10.6%
Franchise fees	1,332	1,417	-	-	1,332	1,417	-6.0%
Motor vehicle in lieu	4,015	2,292	-	-	4,015	2,292	75.2%
Investment earnings	785	407	197	128	982	535	83.6%
Other	1,487	501	-	138	1,487	639	132.7%
Total revenues	44,403	52,711	11,856	11,210	56,259	63,921	-12.0%
Expenditures							
Governmental activities:							
General government	920	1,569	-	-	920	1,569	-41.4%
Finance	329	989	-	-	329	989	-66.7%
Community development	3,810	3,644	-	-	3,810	3,644	4.6%
Parks, recreation and community service	3,878	3,537	-	-	3,878	3,537	9.6%
Police	10,661	10,257	-	-	10,661	10,257	3.9%
Fire	6,302	4,966	-	-	6,302	4,966	26.9%
Library	1,361	1,454	-	-	1,361	1,454	-6.4%
Public works	7,934	4,852	-	-	7,934	4,852	63.5%
Interest on long-term debt	1,756	1,648	-	-	1,756	1,648	6.6%
Business-type activities:							
Water	-	-	3,050	2,832	3,050	2,832	7.7%
Sewer	-	-	4,366	3,679	4,366	3,679	18.7%
Storm drain	-	-	800	477	800	477	67.7%
Wastewater pretreatment	-	-	289	294	289	294	-1.7%
Parking	-	-	317	250	317	250	26.8%
Recycling	-	-	271	172	271	172	57.6%
Fire Training Center	-	-	312	67	312	67	365.7%
Cemetery	-	-	332	301	332	301	10.3%
Dubach Park	-	-	227	-	227	-	100.0%
Total Expenses	36,951	32,916	9,964	8,072	46,915	40,988	14.5%
Excess before transfers	7,452	19,795	1,892	3,138	9,344	22,933	-59.3%
Transfers	(566)	(181)	566	181	-	-	
Changes in net assets	\$ 6,886	\$19,614	\$ 2,458	\$ 3,319	\$ 9,344	\$22,933	-59.3%

Note: Certain amounts from prior year have been reclassified to conform to the current year presentation

REVENUE

The City's total revenue was \$56.3 million for the fiscal year ended June 30, 2005, a decrease of \$7.6 million or 12 percent from 2004. Revenue from governmental activities totaled \$44.4 million and revenue from business-type activities totaled \$11.9 million. Charges for services and operating grants provided 46 percent of the total revenue received during 2005, while taxes (property, sales and other) provided 40 percent of total revenue.

Decrease in total revenue is due primarily to a \$6.4 million decrease in charges for services and a \$7.2 million decrease in capital grants and contributions. The decrease in charges for services stems primarily from loss of development fee revenues resulting from the completion of the Gibson Ranch Project in 2004 and delays in construction of the Spring Lake Project; capital grants and contributions decrease is related to the timing and phases of qualified capital projects and the associated requests and receipts of funding. These decreases were offset by an increase of \$1.0 million, \$2.0 million and \$1.7 million in operating grants and contributions, taxes and motor vehicle in lieu (MVL) revenues, respectively. Similar to capital grants, operating grants are subject to timing differences in project phasing and reimbursement, tax increases are attributable to higher property values and increased sales for home improvements. The MVL increase is attributable to a one-time \$867 thousand reimbursement from the State.

EXPENSES

Expenses of the City for the year totaled \$46.9 million, an increase of \$5.9 million or 15 percent over 2004. This increase is due primarily to staff augmentations in public safety (fire and police), as well as staff augmentations in community development and public works to handle the increased activity related to the Spring Lake Specific Plan project. Governmental activity expenses totaled \$37 million, or 79 percent of total expenses. Business-type activities incurred \$10 million, or 21 percent of total expenses during the year.

GOVERNMENTAL ACTIVITIES

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.

City of Woodland
Net Cost of Governmental Activities
 As of June 30, 2005 & 2004
 (in millions)

	Total Cost Of Services		Percent Change	Net Cost (Benefit) of Services		Percent Change
	2005	2004		2005	2004	
General Administration	\$0.9	\$0.8	12.5%	\$(0.6)	\$0.8	-175.0%
Community Development	3.8	3.6	5.6%	1.4	1.3	7.7%
Finance	0.3	0.5	-40.0%	0.3	0.5	-40.0%
Parks, recreation and community service	3.9	3.6	8.3%	3.1	2.0	55.0%
Police	10.7	10.2	4.9%	8.1	9.1	-11.0%
Fire	6.3	5.0	26.0%	6.0	4.5	33.3%
Library	1.4	1.5	-6.7%	1.3	1.3	0.0%
Public Works	7.9	4.1	92.7%	1.2	(16.9)	-107.1%
Interest on long term debt	<u>1.8</u>	<u>1.6</u>	12.5%	<u>1.8</u>	<u>1.6</u>	12.5%
Total	<u>\$37.0</u>	<u>\$30.9</u>		<u>\$22.6</u>	<u>\$4.2</u>	

The cost for all governmental activities this year was \$37 million. The City's taxpayers paid for approximately 61 percent of these costs; \$22.6 million. Fees, grants and contributions funded the balance of the costs of governmental activities.

Community Development increase in net cost is due to the addition of three new staff for the Spring Lake development. Parks, recreation and community services net cost increased due to increased maintenance costs for City parks and Lighting and Landscaping Districts and fewer development fees as a result of project delays. The Fire Department net cost increased due to an addition of 12 full time staff; 10 dedicated to a 4th Fire Engine Company. Public Works went from a net revenue to a cost to the City. This change is primarily attributable to a timing difference in the collection of development fees and the work associated with those fees.

BUSINESS-TYPE ACTIVITIES

Revenue for the City's business-type activities, excluding transfers, increased by \$0.7 million from \$11.2 million in 2004 to \$11.9 million in 2005. Charges for services totaled \$11.5 million or 97 percent of total business-type activity revenues. Business-type activities expenses increased by \$1.9 million from \$8.1 million in 2004 to \$10 million in 2005. The costs of capital improvements are reported as capital assets in the statement of net assets, rather than as expenses in the statement of activities.

FINANCIAL ANALYSIS OF THE CITY'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. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of Governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$49.0 million, an increase of \$23.8 million over the end of the prior year.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved fund balance of the general fund was \$4.3 million, while total fund balance was \$4.8 million, an increase of \$1.0 million over the prior year. This was mainly due to increases in sales and document stamp taxes and expenditure savings. Overall, the general fund's current year performance resulted in revenues in excess of expenditures of \$991 thousand.

As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. For 2005, the unreserved fund balance of \$4.3 million represents 14 percent of total general fund expenditures of \$30.4 million, and the total fund balance represents approximately 16 percent of that amount. For 2004, the general fund's unreserved fund balance of \$3.6 million was approximately 15 percent of the total expenditures of \$25.5 million, and the total fund balance of \$3.9 million represented approximately 16 percent of expenditures.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of fiscal year 2005, the unrestricted net assets for the Water and Sewer funds were \$3.7 million and \$3.3 million, respectively. Three proprietary funds had deficits in unrestricted net assets: the Storm Drain fund had a deficit of \$8.0 million, Dubach Park had a deficit of \$158 thousand and the Cemetery had a deficit of \$13 thousand. The internal service funds that are used to account for certain governmental activities had unrestricted net assets of \$1.1 million.

The total growth in net assets for the enterprise funds was \$2.5 million. Factors concerning the finances of these funds have been addressed previously in the discussion of the City's business-type activities. As in the previous years, the Storm Drain Fund's decrease in net assets is related to a continuing operation deficit. The City intends to move forward with a voter approved rate increase in mid-2006 to address this on-going operational deficit.

The following table show actual revenues, expenses and results of operations (excluding capital contributions and expenses) for the current fiscal year in the City's proprietary funds (in millions):

**City of Woodland
Proprietary Fund Operations
As of June 30, 2005**

	Operating Revenues	Operating Expenses	Operating Income (Loss)	NonOperating Revenues(Expense)	Interfund Transfers	Change in Net Assets
Water	\$4.4	\$3.1	\$1.3	\$0.2	-	\$1.5
Sewer	5.5	4.1	1.4	(0.1)	0.4	1.7
Storm Drain	0.2	0.6	(0.4)	(0.2)	-	(0.6)
Wastewater Pretreatment	0.4	0.3	0.1	-	-	0.1
Parking	0.3	0.3	-	-	-	-
Recycling	0.2	0.3	(0.1)	-	-	(0.1)
Fire Training Center	0.3	0.3	-	-	-	-
Cemetery	0.1	0.3	(0.2)	-	0.2	-
Dubach Park	<u>0.1</u>	<u>0.2</u>	<u>(0.1)</u>	-	-	<u>(0.1)</u>
Total:	<u>\$11.5</u>	<u>\$9.5</u>	<u>\$2.0</u>	<u>\$(0.1)</u>	<u>\$0.6</u>	<u>\$2.5</u>

Fiduciary Funds

The City maintains fiduciary funds for the assets held by the City for special assessment. At the end of fiscal year 2005, the total assets and related liabilities of the fiduciary funds totaled \$9.6 million, representing a decrease of \$7.0 million since June 30, 2004.

General Fund Budgetary Highlights

The City's final budgeted appropriations increased by \$895 thousand from the preliminary budget due to carry-forward appropriations on various programs and projects, and supplemental appropriations related to grants approved during the fiscal year.

During the year, actual revenues and other resources were \$114 thousand more than budgeted estimates. While the City realized \$1.4 million more revenue than budgeted for sales, property, hotel, utility and real estate transfer taxes, fines and penalties, intergovernmental revenues and investment earnings, this was partially offset because the City received \$1.3 million less than budgeted in charges for services, licenses and permits and other miscellaneous revenues. This decrease was primarily attributed to delays in the Spring Lake Development.

The \$1.2 million positive variance between the final budget and actual expenditures (budgetary basis) is primarily due to the following factors:

- Budgetary savings by the City Attorney of approximately \$141 thousand is due to work done on projects for which costs were fully reimbursed and not an expenditure of the City.
- Budgetary savings in the Police Department of approximately \$504 thousand is related to an overstated estimate on the PERS rate for public safety.
- Budgetary savings by the Public Works Department of approximately \$116 thousand is attributed to employee vacancies.

The net effect of the budgetary savings in appropriations and the realization of some revenues greater than estimated, resulted in a positive budgetary fund balance variance of \$1.4 million at the end of the fiscal year.

In creating its budget for the fiscal year ending June 30, 2006, the City used an estimated budgetary fund balance of \$3.7 million.

CAPITAL ASSET & DEBT ADMINISTRATION

Capital Assets

As of June 30, 2005, the City had invested \$125.4 million in a broad range of capital assets, including police and fire equipment, buildings, parks and park improvements, roads and water, sewer and storm drainage transmission and distribution systems. This represents a net increase for the current fiscal year of \$30.4 million, or 32 percent.

City of Woodland
Capital Assets
 As of June 30, 2005 & 2004
 (net of depreciation, in millions)

	Governmental Activities		Business-Type Activities		Total	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Capital Assets Not Being Depreciated						
Land and improvements	\$12.6	\$7.3	\$5.6	\$5.6	\$18.2	\$12.9
Construction in progress	31.0	9.9	4.7	1.3	35.7	11.2
Depreciable Capital Assets:						
Ponds	-	-	0.4	0.4	0.4	0.4
Buildings	16.4	16.8	0.1	0.1	16.5	16.9
Improvements	1.5	1.6	19.2	19.9	20.7	21.5
Machinery and equipment	6.9	6.3	0.8	0.7	7.7	7.0
Sewer treatment plant	-	-	9.9	10.3	9.9	10.3
Infrastructure	<u>15.0</u>	<u>13.6</u>	<u>1.3</u>	<u>1.3</u>	<u>16.3</u>	<u>14.9</u>
Total	<u>\$83.4</u>	<u>\$55.5</u>	<u>\$42.0</u>	<u>\$39.6</u>	<u>\$125.4</u>	<u>\$95.1</u>

This year's major capital asset additions included:

- Approximately 40 acres of land for the future Sports Park Complex added \$4.0 million to land and improvements.
- Storm drainage ponds and facilities for the Spring Lake Specific Plan added \$1.4 million to land and improvements.
- Construction of backbone infrastructure for the Spring Lake Specific Plan added \$17.3 million to construction in progress.
- Pavement rehabilitation and related water line replacement, sewer and storm line repairs added \$3.6 million to construction in progress.

More detailed information about the City's capital assets is presented in Note 7 of the Notes to the Financial Statements.

Long-term Debt

At June 30, 2005 and 2004, the City had \$93.1 and \$46.4 million, respectively, in long-term debt outstanding. Outstanding debt of governmental activities increased approximately \$47.2 million. This increase was primarily the result of \$47.7 million of new developer fee obligations for the Spring Lake Specific Plan, partially offset by principal payments on existing debt. Outstanding debt of business-type activities decreased approximately \$0.5 million, the result of principal payments on existing debt during the fiscal year.

**City of Woodland
Outstanding Debt**
As of June 30, 2005 & 2004
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenue and other bonds, net	\$26.5	\$29.6	\$-	\$-	\$26.5	\$29.6
Tax allocation bonds	2.2	2.2	-	-	2.2	2.2
Certificates of participation, net	0.3	0.6	4.8	5.3	5.1	5.9
Loans payable	5.0	3.0	-	-	5.0	3.0
Developer fee obligations	52.0	4.4	-	-	52.0	4.4
Capital lease obligations	2.3	1.3	-	-	2.3	1.3
Total	<u>\$88.3</u>	<u>\$41.1</u>	<u>\$4.8</u>	<u>\$5.3</u>	<u>\$93.1</u>	<u>\$46.4</u>

More detailed information about the City's total long-term liabilities is presented in Note 8 of the Notes to the Financial Statements.

The City continues to maintain excellent credit ratings on all of its debt issues. The following are the ratings at June 30, 2005 as determined by Moody's Investors Service and Standard & Poor's. These ratings have not changed subsequent to year-end.

	<u>Moody's</u>	<u>S & P</u>
Insured Issues:		
• 2002 Lease Revenue Bonds	A3	AAA
• 2003 Gibson Ranch CFD		AAA
• 2004 Gibson Ranch Refunding Bonds		AAA
Uninsured Issues:		
• 1995 Certificates of Participation	A3	

The City's bonded debt per capita is a useful indicator to citizens and investors of the City's debt position. The bonded debt per capita at June 30, 2005 and 2004 was \$0.60 and \$5.98, respectively, a decrease of 90 percent from the prior year. This decrease is due to principal payments on existing debt. Bonded debt does not include special assessment debt, conduit debt, or mortgage insured bonds for which the City is not obligated.

ECONOMIC FACTORS & NEXT YEAR'S BUDGET

Economic Factors

The City's financial status and budget outlook continue to improve, yet the City faces fiscal challenges in providing needed service levels in the context of both its existing population and the anticipated growth in population and housing.

Economic factors that may favorably affect the City in the longer term include:

- In November 2004, the voters of the State approved Proposition 1A which provides for the return, in fiscal year 2006/07, of the annual property tax reduction referred to above. The proposition also greatly reduces the State's ability to permanently tax municipal revenues in the future.
- Phase 1 of the Spring Lake project is underway, which includes development of 657 acres. Backbone infrastructure construction began in 2004, the first building permits were issued in late 2005 and custom home builders have begun construction. Production builders began construction during the summer of 2005 and anticipate issuance of up to 15 building permits per week in 2006.

- The newly revised Gateway project consists of 525,000 square feet of retail development, which will include a Costco, a relocated Target and other retail shops and restaurants.
- The Woodland Park Specific plan covers approximately 800 acres in the northeast industrial area of the City. The plan will set the stage for job growth for many years to come and will include land for corporate campus, research and development, manufacturing and warehousing.

Next Year's Budget

The General Fund budget for FY 2006 appropriates \$37.7 million, an increase of over 3 percent over the prior year. General Fund revenue for FY 2006 is projected to be \$37.7 million, an increase of 3 percent over 2005.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances, and to demonstrate the City's accountability for the money it receives. If you have questions about this report, need additional financial information, or would like to obtain component unit financial statements, contact the City of Woodland Department of Finance, 300 First Street, Woodland, California, 95695 or visit the City's web page at www.cityofwoodland.org.

CITY OF WOODLAND, CALIFORNIA
STATEMENT OF NET ASSETS
JUNE 30, 2005

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 29,385,742	\$ 5,090,416	\$ 34,476,158
Cash and investments with fiscal agents	8,586,344	920,091	9,506,435
Receivables	12,362,989	970,306	13,333,295
Internal balances	5,038,742	(5,038,742)	-
Other assets	341,848	127,306	469,154
Long-term notes receivable	9,477,968	-	9,477,968
Capital assets not being depreciated	43,627,081	10,260,027	53,887,108
Capital assets being depreciated, net	39,853,104	31,698,610	71,551,714
Total assets	\$ 148,673,818	\$ 44,028,014	\$ 192,701,832
LIABILITIES			
Accounts payable	3,166,070	436,849	3,602,919
Interest payable	508,217	98,829	607,046
Deposits	1,250,188	-	1,250,188
Unearned revenue	831,631	-	831,631
Noncurrent liabilities:			
Due within one year	8,965,133	660,152	9,625,285
Due in more than one year	80,651,265	4,277,553	84,928,818
Total liabilities	95,372,504	5,473,383	100,845,887
NET ASSETS			
Invested in capital assets, net of related debt	26,316,581	37,188,552	63,505,133
Restricted for:			
Capital projects	11,988,211	-	11,988,211
Debt service	1,302,823	920,091	2,222,914
Community development	1,096,005	-	1,096,005
Low and moderate income housing	624,378	-	624,378
Transportation	476,097	-	476,097
Other purposes	1,194,591	-	1,194,591
Unrestricted	10,302,628	445,988	10,748,616
Total net assets	53,301,314	38,554,631	91,855,945
Total liabilities and net assets	\$ 148,673,818	\$ 44,028,014	\$ 192,701,832

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

CITY OF WOODLAND, CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005

FUNCTIONS/PROGRAMS:	Program Revenues					Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Indirect Expense Allocation	Charges for Services	Operating	Capital	Governmental Activities	Business-type Activities	Total
				Grants and Contributions	Grants and Contributions			
Governmental activities:								
General government	\$ 5,012,491	\$ (4,092,748)	\$ 1,474,342	\$ 20,000	\$ -	\$ 574,599	\$ -	\$ 574,599
Finance	1,077,513	(748,037)	10,854	-	-	(318,622)	-	(318,622)
Community development	3,023,099	786,488	2,040,104	353,720	-	(1,415,763)	-	(1,415,763)
Parks, recreation and community services	3,718,272	159,551	652,359	59,819	29,858	(3,135,787)	-	(3,135,787)
Police	10,303,487	357,312	789,061	1,730,343	-	(8,141,395)	-	(8,141,395)
Fire	5,984,725	317,104	228,957	107,040	-	(5,965,831)	-	(5,965,831)
Library	1,303,086	57,934	19,179	76,561	-	(1,265,279)	-	(1,265,279)
Public works	6,162,025	1,772,265	4,772,622	1,905,667	85,623	(1,170,379)	-	(1,170,379)
Interest on long-term debt	1,756,743	-	-	-	-	(1,756,743)	-	(1,756,743)
Total governmental activities	38,341,441	(1,390,132)	9,987,478	4,253,150	115,481	(22,595,200)	-	(22,595,200)
Business-type activities:								
Water	2,503,954	546,299	4,364,072	118,587	-	-	1,432,406	1,432,406
Sewer	3,789,894	576,227	5,520,842	59,132	-	-	1,213,853	1,213,853
Storm Drain	650,898	148,984	176,943	-	-	-	(622,939)	(622,939)
Wastewater Pretreatment	255,026	34,226	394,310	-	-	-	105,058	105,058
Parking	277,129	40,344	294,903	-	-	-	(22,570)	(22,570)
Recycling	238,315	32,899	223,355	14,154	-	-	(33,705)	(33,705)
Fire Training Center	300,576	11,154	294,013	-	-	-	(17,717)	(17,717)
Cemetery	331,637	-	128,634	-	-	-	(203,003)	(203,003)
Dubach Park	227,281	-	69,452	-	-	-	(157,829)	(157,829)
Total business-type activities	8,574,711	1,390,132	11,466,524	191,873	-	-	1,693,554	1,693,554
Total	\$ 46,916,152	\$ -	\$ 21,454,002	\$ 4,445,023	\$ 115,481	(22,595,200)	1,693,554	(20,901,646)

General revenues:

Taxes:		
Property taxes	8,186,362	8,186,362
Utility users tax (Measure H)	4,162,525	4,162,525
Other taxes	1,428,605	1,428,605
Franchise fees	1,332,035	1,332,035
Intergovernmental not restricted for specific programs:		
Sales and use tax	6,821,372	6,821,372
Sales tax in-lieu	1,829,274	1,829,274
Motor vehicle in-lieu	4,015,060	4,015,060
Investment earnings	785,219	197,476
Miscellaneous	1,486,886	1,486,886
Transfers	(566,221)	566,221
Total general revenues and transfers	29,481,117	763,697
Change in net assets	6,885,917	2,457,251
Net assets - beginning, as restated	46,415,397	36,097,380
Net assets- ending	\$ 53,301,314	\$ 38,554,631

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

CITY OF WOODLAND, CALIFORNIA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2005

	General Fund	City Capital Projects	Spring Lake Capital Projects	Special Sales Tax District
ASSETS				
Cash and investments	\$ 541,858	\$ 1,769,704	\$ 17,705,063	\$ 276,888
Cash and investments with fiscal agents	-	30,000	7,000,000	-
Accounts receivable	4,721,579	1,113,086	5,423,796	-
Due from other funds	2,160,373	2,400,000	-	9,570,000
Inventory	126,845	-	-	-
Other assets	8,111	-	-	-
Long-term notes receivable	-	27,417	-	-
Advances to other funds	207,949	-	-	-
Total assets	<u>\$ 7,766,715</u>	<u>\$ 5,340,207</u>	<u>\$ 30,128,859</u>	<u>\$ 9,846,888</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,322,669	\$ 375,612	\$ 738,250	\$ 44,849
Deposits	1,206,728	43,460	-	-
Due to other funds	-	11,059,017	-	100,000
Deferred revenue	313,980	450,978	-	-
Compensated absences	100,000	-	-	-
Advances from other funds	-	1,830,240	-	-
Total liabilities	<u>2,943,377</u>	<u>13,759,307</u>	<u>738,250</u>	<u>144,849</u>
Fund balance:				
Reserved for:				
Encumbrances	211,826	118,369	-	-
Inventory	126,845	-	-	-
Low and moderate income housing	-	-	-	-
Debt service	-	-	-	-
Advances to other funds	207,949	-	-	-
Unreserved, undesignated reported in				
General Fund	4,276,718	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	(8,537,469)	29,390,609	9,702,039
Total fund balances	<u>4,823,338</u>	<u>(8,419,100)</u>	<u>29,390,609</u>	<u>9,702,039</u>
Total liabilities and fund balances	<u>\$ 7,766,715</u>	<u>\$ 5,340,207</u>	<u>\$ 30,128,859</u>	<u>\$ 9,846,888</u>

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

CITY OF WOODLAND, CALIFORNIA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2005

<u>Sewer Development</u>	<u>Community Development Block Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	
\$ 3,874,210 - 90,384 1,000,000 - - - 2,496,498 <u>\$ 7,461,092</u>	\$ 655,179 348,895 11,506 - - 2,826,480 - <u>\$ 3,842,060</u>	\$ 3,789,238 1,207,449 425,916 25,706 - - 6,624,071 4,512,484 <u>\$ 16,584,864</u>	\$ 28,612,140 8,586,344 11,786,267 15,156,079 126,845 8,111 9,477,968 7,216,931 <u>\$ 80,970,685</u>	ASSETS Cash and investments Cash and investments with fiscal agents Accounts receivable Due from other funds Inventory Other assets Long-term notes receivable Advances to other funds Total assets
\$ 68,043 - - 90,384 - - 158,427 1,440 - - - 2,496,498 - - 4,804,727 7,302,665 <u>\$ 7,461,092</u>	\$ 32,346 - - 2,826,480 - - 2,858,826 - - - - - 983,234 - 983,234	\$ 342,394 - 3,997,062 6,793,476 - 207,949 11,340,881 5,691,032 - 577,378 1,302,823 4,512,484 - - 1,094,524 (7,934,258) 5,243,983	\$ 2,924,163 1,250,188 15,156,079 10,475,298 100,000 2,038,189 31,943,917 Fund balance: Reserved for: Encumbrances Inventory Low and moderate income housing Debt service Advances to other funds Unreserved, undesignated reported in General Fund Special revenue funds Capital projects funds Total fund balances	LIABILITIES AND FUND BALANCES Liabilities: Accounts payable Deposits Due to other funds Deferred revenue Compensated absences Advances from other funds Total liabilities Total liabilities and fund balances
<u>\$ 7,461,092</u>	<u>\$ 3,842,060</u>	<u>\$ 16,584,864</u>	<u>\$ 80,970,685</u>	Total liabilities and fund balances

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

CITY OF WOODLAND, CALIFORNIA
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES
 JUNE 30, 2005

Total fund balances - total governmental funds	\$ 49,026,768
<p>Amounts reported for governmental activities in the statement of net assets are different from those reported in the governmental funds above because of the following:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>	78,744,130
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.</p>	3,522,772
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.</p>	9,643,667
<p>Certain liabilities are not due and payable in the current period and therefore, are not reported in the funds.</p>	
Certificates of participation	(290,000)
Developer fee obligations	(52,042,657)
Lease revenue bonds	(26,530,000)
Tax allocation bonds	(2,165,000)
Loans payable	(4,832,571)
Redevelopment pass-through	(209,214)
Compensated absences	(1,124,575)
Interest payable	(442,006)
Net assets of governmental activities	\$ 53,301,314

CITY OF WOODLAND, CALIFORNIA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2005

	General Fund	City Capital Projects	Spring Lake Capital Projects	Special Sales Tax District
REVENUES:				
Taxes	\$ 21,675,597	\$ -	\$ -	\$ -
Contribution from property owners	-	-	26,954,441	-
Fines and penalties	602,630	-	-	-
Intergovernmental	4,745,505	29,858	-	-
Charges for services	5,492,105	-	-	-
Licenses and permits	3,459,474	2,080,612	93,997	-
Investment earnings	157,047	(61,315)	339,066	121,026
Miscellaneous	458,324	498,997	-	-
Total revenues	<u>36,590,682</u>	<u>2,548,152</u>	<u>27,387,504</u>	<u>121,026</u>
EXPENDITURES:				
Current:				
General government	1,550,077	-	-	-
Finance	1,095,561	8,906	63,630	-
Community development	2,470,167	965,269	-	-
Parks, recreation and community services	3,585,147	37,079	-	119,257
Police	11,638,964	-	-	-
Fire	6,064,973	25,596	-	-
Library	1,086,972	48,635	-	-
Public works	2,787,183	1,831,019	18,163,515	1,610,737
Debt service:				
Principal	-	-	66,430	-
Interest and fiscal charges	151,690	47,687	-	-
Total expenditures	<u>30,430,734</u>	<u>2,964,191</u>	<u>18,293,575</u>	<u>1,729,994</u>
Excess (deficiency) of revenues over (under) expenditures	6,159,948	(416,039)	9,093,929	(1,608,968)
Other financing sources (uses)				
Transfers in	68,313	3,204,873	-	11,311,007
Transfers out	(5,236,970)	(10,455,361)	(1,944)	-
Contribution from developer advances	-	-	20,763,581	-
Proceeds from long-term loans	-	731,897	-	-
Total other financing sources (uses)	<u>(5,168,657)</u>	<u>(6,518,591)</u>	<u>20,761,637</u>	<u>11,311,007</u>
Net change in fund balances	991,291	(6,934,630)	29,855,566	9,702,039
Fund balances (deficit), beginning of year	3,832,047	(1,484,470)	(464,957)	-
Fund balances (deficit), end of year	<u>\$ 4,823,338</u>	<u>\$ (8,419,100)</u>	<u>\$ 29,390,609</u>	<u>\$ 9,702,039</u>

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

CITY OF WOODLAND, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2005

<u>Sewer Development</u>	<u>Community Development Block Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	
\$ -	\$ -	\$ 1,171,327	\$ 22,846,924	REVENUES:
-	-	-	26,954,441	Taxes
-	-	-	602,630	Contribution from property owners
-	582,423	3,494,016	8,851,802	Fines and penalties
-	-	108,070	5,600,175	Intergovernmental
1,135,014	-	987,697	7,756,794	Charges for services
97,325	4,663	113,374	771,186	Licenses and permits
69,260	36,846	380,088	1,443,515	Investment earnings
1,301,599	623,932	6,254,572	74,827,467	Miscellaneous
				Total revenues
-	-	-	1,550,077	EXPENDITURES:
-	-	14,592	1,182,689	Current:
-	699,951	1,983,588	6,118,975	General government
-	-	379,358	4,120,841	Finance
-	-	265,109	11,904,073	Community development
-	-	526,144	6,616,713	Parks, recreation and community services
-	-	218,009	1,353,616	Police
-	-	9,778,878	35,391,914	Fire
1,220,582	-	-	-	Library
-	-	3,456,922	3,523,352	Public works
-	24,576	1,466,042	1,689,995	Debt service:
1,220,582	724,527	18,088,642	73,452,245	Principal
				Interest and fiscal charges
				Total expenditures
81,017	(100,595)	(11,834,070)	1,375,222	Excess (deficiency) of revenues over (under) expenditures
-	-	4,940,892	19,525,085	Other financing sources (uses)
(1,703,945)	-	(2,698,929)	(20,097,149)	Transfers in
-	-	-	20,763,581	Transfers out
-	-	1,550,000	2,281,897	Contribution from developer advances
(1,703,945)	-	3,791,963	22,473,414	Proceeds from long-term loans
				Total other financing sources (uses)
(1,622,928)	(100,595)	(8,042,107)	23,848,636	Net change in fund balances
8,925,593	1,083,829	13,286,090	25,178,132	Fund balances (deficit), beginning of year
\$ 7,302,665	\$ 983,234	\$ 5,243,983	\$ 49,026,768	Fund balances (deficit), end of year

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

CITY OF WOODLAND, CALIFORNIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005

Net change in fund balances - total governmental funds \$ 23,848,636

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital outlay	28,856,771	
Depreciation expense	<u>(1,357,969)</u>	27,498,802

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,546,454

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither, transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt.

Principal retirement	-	3,523,352
Proceeds from long-term loans		(2,311,897)
Proceeds related to developer fee obligations		(47,718,022)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	7,814	
Changes in compensated absences		(332,901)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds is reported with governmental activities. 823,679

Change in net assets of governmental activities \$ 6,885,917

CITY OF WOODLAND, CALIFORNIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 20,501,218	\$ 21,000,000	\$ 21,675,597	\$ 675,597
Fines and penalties	269,300	419,300	602,630	183,330
Intergovernmental	3,285,190	4,373,538	4,745,505	371,967
Charges for services	5,512,622	5,567,335	5,492,105	(75,230)
Licenses and permits	4,187,675	4,542,095	3,459,474	(1,082,621)
Investment earnings	5,000	5,000	157,047	152,047
Miscellaneous	561,049	569,299	458,324	(110,975)
Total revenues	34,322,054	36,476,567	36,590,682	114,115
EXPENDITURES				
General Government:				
City Council				
Personnel services	56,101	76,301	77,173	(872)
Supplies	122,196	135,255	138,514	(3,259)
Other services and charges	78,000	91,436	73,516	17,920
Total City Council	256,297	302,992	289,203	13,789
City Clerk				
Personnel services	85,136	110,528	109,950	578
Supplies	44,762	44,762	11,593	33,169
Other services and charges	5,525	5,525	2,776	2,749
Total City Clerk	135,423	160,815	124,319	36,496
City Attorney				
Other services and charges	402,000	402,000	261,070	140,930
City Manager/Human Resources				
Personnel services	618,363	684,743	689,600	(4,857)
Supplies	170,881	201,470	173,426	28,044
Other services and charges	19,200	19,200	12,459	6,741
Total City Manager/Human Resources	808,444	905,413	875,485	29,928
Total General Government	1,602,164	1,771,220	1,550,077	221,143
Finance				
Personnel services	628,995	650,195	666,284	(16,089)
Supplies	207,233	222,673	224,805	(2,132)
Other services and charges	262,936	262,936	204,472	58,464
Total Finance	1,099,164	1,135,804	1,095,561	40,243
Community Development				
Personnel services	991,208	1,141,723	1,092,883	48,840
Supplies	585,992	665,777	584,244	81,533
Other services and charges	954,019	793,319	793,040	279
Total Community Development	2,531,219	2,600,819	2,470,167	130,652

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

CITY OF WOODLAND, CALIFORNIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Parks, Recreation and Community Services				
Personnel services	\$ 2,343,676	\$ 2,331,123	\$ 2,295,134	\$ 35,989
Supplies	1,043,340	1,069,539	1,022,774	46,765
Other services and charges	312,318	365,982	267,239	98,743
Total Parks, Recreation and Community Services	<u>3,699,334</u>	<u>3,766,644</u>	<u>3,585,147</u>	<u>181,497</u>
Police				
Personnel services	8,690,946	8,738,924	8,235,338	503,586
Supplies	2,678,380	2,936,518	2,816,169	120,349
Other services and charges	483,164	538,986	587,457	(48,471)
Total Police	<u>11,852,490</u>	<u>12,214,428</u>	<u>11,638,964</u>	<u>575,464</u>
Fire				
Personnel services	4,390,549	4,388,291	4,416,598	(28,307)
Supplies	1,017,339	1,124,754	1,011,647	113,107
Other services and charges	596,128	659,917	636,728	23,189
Total Fire	<u>6,004,016</u>	<u>6,172,962</u>	<u>6,064,973</u>	<u>107,989</u>
Library				
Personnel services	762,817	774,117	796,629	(22,512)
Supplies	235,377	244,895	237,925	6,970
Other services and charges	51,510	51,510	52,418	(908)
Total Library	<u>1,049,704</u>	<u>1,070,522</u>	<u>1,086,972</u>	<u>(16,450)</u>
Public Works				
Personnel services	2,139,422	2,139,422	2,023,770	115,652
Supplies	638,365	639,605	590,069	49,536
Other services and charges	124,107	123,882	173,344	(49,462)
Total Public Works	<u>2,901,894</u>	<u>2,902,909</u>	<u>2,787,183</u>	<u>115,726</u>
Debt service:				
Interest and fiscal charges	-	-	151,690	(151,690)
Total expenditures	<u>30,739,985</u>	<u>31,635,308</u>	<u>30,430,734</u>	<u>1,204,574</u>
Deficiency of revenues under expenditures	<u>3,582,069</u>	<u>4,841,259</u>	<u>6,159,948</u>	<u>(1,090,459)</u>
Other financing sources (uses)				
Transfers in	-	-	68,313	(68,313)
Transfers out	(4,104,600)	(5,236,970)	(5,236,970)	-
Total other financing sources (uses)	<u>(4,104,600)</u>	<u>(5,236,970)</u>	<u>(5,168,657)</u>	<u>(68,313)</u>
Net change in fund balances	<u>\$ (522,531)</u>	<u>\$ (395,711)</u>	991,291	<u>\$ 1,387,002</u>
Fund balances, beginning of year			<u>3,832,047</u>	
Fund balances, end of year			<u>\$ 4,823,338</u>	

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

CITY OF WOODLAND, CALIFORNIA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 701,000	\$ 701,000	\$ 582,423	\$ (118,577)
Investment earnings	-	-	4,663	4,663
Miscellaneous	-	-	36,846	36,846
Total revenues	<u>701,000</u>	<u>701,000</u>	<u>623,932</u>	<u>(77,068)</u>
EXPENDITURES				
Current:				
Community development	702,312	1,295,415	699,951	595,464
Debt service:				
Interest and fiscal charges	-	-	24,576	(24,576)
Total expenditures	<u>702,312</u>	<u>1,295,415</u>	<u>724,527</u>	<u>570,888</u>
Net change in fund balance	<u>\$ (1,312)</u>	<u>\$ (594,415)</u>	(100,595)	<u>\$ 493,820</u>
Fund balance, beginning of year			<u>1,083,829</u>	
Fund balance, end of year			<u>\$ 983,234</u>	

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

CITY OF WOODLAND, CALIFORNIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2005

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	Water	Sewer	Storm Drain	Other Enterprise Funds		
ASSETS						
Current assets:						
Cash and investments	\$ 398,651	\$ 3,111,398	\$ -	\$ 1,580,367	\$ 5,090,416	\$ 773,602
Accounts receivable	375,463	432,246	115,981	46,616	970,306	576,722
Due from other funds	1,226,317	-	-	-	1,226,317	6,195
Prepaid items and deposits	-	-	-	-	-	206,892
Other assets	81,675	45,631	-	-	127,306	-
Total current assets	<u>2,082,106</u>	<u>3,589,275</u>	<u>115,981</u>	<u>1,626,983</u>	<u>7,414,345</u>	<u>1,563,411</u>
Noncurrent assets:						
Cash and investments with fiscal agents	-	920,091	-	-	920,091	-
Advances to other funds	1,830,240	-	-	140,000	1,970,240	-
Land	281,851	2,963,451	447,400	1,895,633	5,588,335	-
Construction in progress	1,200,807	2,166,981	1,303,904	-	4,671,692	-
Depreciable capital assets (net of accumulated depreciation)	6,370,483	22,305,805	2,995,325	26,997	31,698,610	4,736,055
Total noncurrent assets	<u>9,683,381</u>	<u>28,356,328</u>	<u>4,746,629</u>	<u>2,062,630</u>	<u>44,848,968</u>	<u>4,736,055</u>
Total assets	<u>11,765,487</u>	<u>31,945,603</u>	<u>4,862,610</u>	<u>3,689,613</u>	<u>52,263,313</u>	<u>6,299,466</u>
LIABILITIES						
Current liabilities:						
Accounts payable	178,509	158,728	26,588	73,024	436,849	241,907
Due to other funds	-	-	1,086,070	140,247	1,226,317	6,195
Interest payable	-	98,829	-	-	98,829	66,211
Compensated absences	8,162	28,310	8,303	10,377	55,152	6,780
Long-term debt - current portion	-	605,000	-	-	605,000	316,743
Total current liabilities	<u>186,671</u>	<u>890,867</u>	<u>1,120,961</u>	<u>223,648</u>	<u>2,422,147</u>	<u>637,836</u>
Noncurrent liabilities:						
Compensated absences	45,536	30,016	5,507	31,409	112,468	41,488
Advances from other funds	-	-	7,008,982	-	7,008,982	140,000
Certificates of participation, net	-	4,165,085	-	-	4,165,085	-
Capitalized lease obligations	-	-	-	-	-	1,957,370
Total noncurrent liabilities	<u>45,536</u>	<u>4,195,101</u>	<u>7,014,489</u>	<u>31,409</u>	<u>11,286,535</u>	<u>2,138,858</u>
Total liabilities	<u>232,207</u>	<u>5,085,968</u>	<u>8,135,450</u>	<u>255,057</u>	<u>13,708,682</u>	<u>2,776,694</u>
NET ASSETS						
Invested in capital assets, net of related debt	7,853,141	22,666,152	4,746,629	1,922,630	37,188,552	2,461,942
Restricted for debt service	-	920,091	-	-	920,091	-
Unrestricted	3,680,139	3,273,392	(8,019,469)	1,511,926	445,988	1,060,830
Total net assets (deficit)	<u>\$ 11,533,280</u>	<u>\$ 26,859,635</u>	<u>\$ (3,272,840)</u>	<u>\$ 3,434,556</u>	<u>\$ 38,554,631</u>	<u>\$ 3,522,772</u>

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

CITY OF WOODLAND, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2005

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	Water	Sewer	Storm Drain	Other Enterprise Funds		
OPERATING REVENUES:						
Charges for services	\$ 4,364,072	\$ 5,409,090	\$ 170,943	\$ 1,103,755	\$ 11,047,860	\$ -
Parking fines	-	-	-	294,903	294,903	-
Billings to departments	-	-	-	-	-	7,777,704
Other	-	111,752	6,000	6,009	123,761	105,971
Total operating revenues	<u>4,364,072</u>	<u>5,520,842</u>	<u>176,943</u>	<u>1,404,667</u>	<u>11,466,524</u>	<u>7,883,675</u>
OPERATING EXPENSES:						
Personnel services	879,114	1,159,707	228,540	1,079,737	3,347,098	967,088
Utilities	701,356	470,464	47,847	37,490	1,257,157	18,125
Office supplies and expenses	847,640	179,229	31,841	210,754	1,269,464	31,303
Small tools and supplies	2,041	4,642	992	1,388	9,063	5,828
Contractual services	186,082	1,041,148	264,608	271,519	1,763,357	-
Depreciation	299,074	846,245	20,757	2,932	1,169,008	754,514
Equipment rental and maintenance	134,946	414,811	11,076	139,629	700,462	906,204
Insurance premiums and claims	-	-	-	-	-	4,395,619
Total operating expenses	<u>3,050,253</u>	<u>4,116,246</u>	<u>605,661</u>	<u>1,743,449</u>	<u>9,515,609</u>	<u>7,078,681</u>
Operating income (loss)	<u>1,313,819</u>	<u>1,404,596</u>	<u>(428,718)</u>	<u>(338,782)</u>	<u>1,950,915</u>	<u>804,994</u>
NONOPERATING REVENUES (EXPENSES):						
Investment earnings	66,471	132,319	(30,941)	29,627	197,476	14,033
Intergovernmental	118,587	59,132	-	14,154	191,873	-
Interest expense	-	(249,875)	(194,221)	(5,138)	(449,234)	(44,562)
Gain on sale of capital assets	-	-	-	-	-	43,371
Total nonoperating revenues (expenses)	<u>185,058</u>	<u>(58,424)</u>	<u>(225,162)</u>	<u>38,643</u>	<u>(59,885)</u>	<u>12,842</u>
Income (loss) before transfers	1,498,877	1,346,172	(653,880)	(300,139)	1,891,030	817,836
Transfers in	-	352,565	-	214,205	566,770	354,235
Transfers out	(186)	(177)	(186)	-	(549)	(348,392)
Change in net assets	1,498,691	1,698,560	(654,066)	(85,934)	2,457,251	823,679
Net assets (deficit), beginning of year	10,034,589	25,161,075	(2,618,774)	3,520,490	36,097,380	2,699,093
Net assets (deficit), end of year	<u>\$ 11,533,280</u>	<u>\$ 26,859,635</u>	<u>\$ (3,272,840)</u>	<u>\$ 3,434,556</u>	<u>\$ 38,554,631</u>	<u>\$ 3,522,772</u>

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

CITY OF WOODLAND, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2005

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds	
	Water	Sewer	Storm Drain	Nonmajor Enterprise Funds		Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$ 4,277,235	\$ 5,418,235	\$ 174,192	\$ 1,402,542	\$ 11,272,204	\$ 7,320,020
Payments to suppliers	(1,952,556)	(2,188,270)	(319,849)	(562,188)	(5,022,863)	(550,408)
Payments to employees	(894,093)	(1,153,889)	(227,375)	(1,067,836)	(3,343,193)	(953,717)
Payments for interfund services used	-	-	-	-	-	(414,095)
Payments for insurance premiums and claims	-	-	-	-	-	(4,345,920)
Net cash provided (used) by operating activities	1,430,586	2,076,076	(373,032)	(227,482)	2,906,148	1,055,880
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers in	-	352,565	-	214,205	566,770	354,235
Transfers out	(186)	(177)	(186)	-	(549)	(348,392)
Interfund borrowings	-	2,947,882	1,086,070	139,319	4,173,271	-
Interfund loans (repayments)	(1,226,317)	-	-	(8,711)	(1,235,028)	-
Payments received/(made) on advances from/to other funds	(47,688)	(85,634)	-	(15,634)	(148,956)	(70,000)
Operating grants received	118,587	59,132	-	14,154	191,873	-
Net cash provided (used) by noncapital financing activities	(1,155,604)	3,273,768	1,085,884	343,333	3,547,381	(64,157)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition of capital assets	(1,029,079)	(1,775,088)	(767,425)	(11,790)	(3,583,382)	(170,996)
Proceeds from sale of capital assets	-	-	-	-	-	43,371
Principal payments on long-term debt	-	(575,000)	-	-	(575,000)	(282,204)
Interest paid	-	(382,404)	(225,162)	(5,138)	(612,704)	(48,798)
Net cash used by capital and related financing activities	(1,029,079)	(2,732,492)	(992,587)	(16,928)	(4,771,086)	(458,627)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest received	66,471	132,319	-	29,627	228,417	14,033
Net increase (decrease) in cash and cash equivalents	(687,626)	2,749,671	(279,735)	128,550	1,910,860	547,129
Cash and cash equivalents, beginning of year	1,086,277	1,281,818	279,735	1,451,817	4,099,647	226,473
Cash and cash equivalents, end of year	\$ 398,651	\$ 4,031,489	\$ -	\$ 1,580,367	\$ 6,010,507	\$ 773,602

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

CITY OF WOODLAND, CALIFORNIA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2005

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	Water	Sewer	Storm Drain	Nonmajor Enterprise Funds		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 1,313,819	\$ 1,404,596	\$ (428,718)	\$ (338,782)	\$ 1,950,915	\$ 804,994
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	299,074	846,245	20,757	2,932	1,169,008	754,514
Change in assets and liabilities:						
Accounts receivable	(86,837)	(102,607)	(2,751)	(2,125)	(194,320)	(563,655)
Due from other funds	-	-	-	-	-	(6,195)
Other assets	3,960	1,341	-	-	5,301	-
Prepaid items and deposits	-	-	-	-	-	285,397
Accounts payable	(84,451)	(79,317)	36,515	98,592	(28,661)	181,549
Due to other funds	-	-	-	-	-	(414,095)
Compensated absences	(14,979)	5,818	1,165	11,901	3,905	13,371
Total adjustments	<u>116,767</u>	<u>671,480</u>	<u>55,686</u>	<u>111,300</u>	<u>955,233</u>	<u>250,886</u>
Net cash provided (used) by operating activities	<u>\$ 1,430,586</u>	<u>\$ 2,076,076</u>	<u>\$ (373,032)</u>	<u>\$ (227,482)</u>	<u>\$ 2,906,148</u>	<u>\$ 1,055,880</u>
 NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:						
Borrowing under capital lease	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,058,000</u>

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

CITY OF WOODLAND, CALIFORNIA
STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS
JUNE 30, 2005

ASSETS

Cash and investments	\$ 2,706,254
Cash and investments with fiscal agents	6,745,714
Accounts receivable	<u>154,045</u>
Total assets	<u><u>\$ 9,606,013</u></u>

LIABILITIES

Accounts payable	\$ 20,954
Deposits payable	4,194,130
Due to assessment district bondholders	<u>5,390,929</u>
Total liabilities	<u><u>\$ 9,606,013</u></u>

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

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Woodland was incorporated as a general law city on February 22, 1871. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, recycling, recreation and culture, water and sewer, planning and zoning, general administration services, and redevelopment.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

A. Reporting Entity

The financial statements of the City of Woodland include the financial activities of the City as well as the Woodland Redevelopment Agency, the Woodland Public Facilities Corporation and the Woodland Finance Authority, all of which are controlled by and dependent on the City. While these are separate legal entities, City Council serves in separate session as their governing body and their financial activities are integral to those of the City. Their financial activities have been aggregated and merged (termed “blended”) with those of the City in the accompanying financial statements.

The **Woodland Redevelopment Agency (Agency)** is a separate government entity whose purpose is to prepare and implement plans for improvement, rehabilitation, and development of certain areas within the City. The Agency is controlled by the City and has the same governing board as the City, which also performs all accounting and administrative functions for the Agency. The financial activities of the Agency have been included in these financial statements in the Redevelopment Agency Capital Projects Funds and the Redevelopment Agency 1996 Tax Allocation Bonds Debt Service Fund.

The **Woodland Public Facilities Corporation (Corporation)** is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital facilities within the City. The Corporation has the power to purchase bonds issued by any local agency at public or negotiated sales and may sell such bonds to public or private purchasers at public or negotiated sales. The Corporation is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Corporation. The financial activities of the Corporation are included in the Certificates of Participation Debt Service Fund.

The **Woodland Finance Authority (Authority)** is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital facilities within the City. The Authority has the power to purchase bonds issued by any local agency at public or negotiated sales and may sell such bonds to public or private purchasers at public or negotiated sales. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Redevelopment Agency 1996 Tax Allocation Bonds Debt Service Fund.

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GASB Statement No. 40

Effective July 1, 2004 the City implemented GASB Statement No. 40, *Deposits and Investment Risk Disclosures, an amendment of GASB Statement No. 3*. This statement establishes and modifies disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) interest rate risk and foreign currency risk. This statement also establishes and modifies disclosure requirements for deposit risks: custodial credit risk and foreign currency risk.

C. Government-wide and Fund Financial Statements

Government-wide Statements: The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the primary government (the City) and its component units. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charges to external parties. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that 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 needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Taxes and other items not properly included among program revenues are reported instead 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 governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

D. Major Funds

GASB Statement 34 defines major funds and requires that the City's major governmental and enterprise funds be identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

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

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this fund are property taxes, sales taxes, unrestricted revenues from the State, fines and forfeitures and interest income. Expenditures are made for public safety, most street work and the other services not required to be accounted for in another fund.

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

City Capital Projects – Established to account for capital project improvements such as public facilities, traffic congestion, tree and equipment expenditures over \$5,000 within the general government.

Spring Lake Capital Projects Fund – Established to account for the proceeds received from the issuance of special assessment debt, for which the City has no obligation, and project specific funds collected for capital improvement in the Spring Lake Community Facilities District.

Special Sales Tax District Capital Projects Fund – Established to account for funds collected by the City representing the Measure H ½ cent special sales tax.

Sewer Development Fund – Established to account for fees collected from developers for the sewer system expansion.

Community Development Block Grant Fund – Established to account for Community Development Block Grant revenue and expenditures.

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

Water Fund - Accounts for the provision of water services to residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance and billing and collection.

Sewer Fund - Accounts for the provision of sewer services to residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

Storm Drain Fund - Accounts for the provision of storm drain services to residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

The City also reports the following fund types:

Internal Service Funds - The funds account for equipment service and repair, employee benefits, self-insurance and information systems; all of which are provided to other departments on a cost-reimbursement basis.

Fiduciary Funds - Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the government-wide financial statements, but are presented in separate fiduciary fund financial statements.

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide, proprietary funds and fiduciary funds financial statements are reported using the *economic resources measurement focus* and the *accrual basis* of accounting. However, because agency funds only report assets and liabilities, they do not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues reported in the governmental funds to be available if they are collected within 90 days after the end of the current fiscal period, except for property taxes which the City considers available if they are collected within 60 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due. Governmental capital asset acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Property taxes, sales taxes, franchise taxes, special assessments and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Fines, licenses and permits, and charges for services are considered to be measurable and available only when the City receives cash. Nonexchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations.

Proprietary funds distinguish operating revenues, such as charges for services, from nonoperating items. Operating revenues and expenses principally 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 proprietary funds are charges to customers for services rendered. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City may fund programs with a combination of cost-reimbursement grants, block grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by unrestricted resources.

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City allocates certain indirect costs incurred by the General Fund to those activities that benefit.

For its business-type activities and enterprise funds, the City has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), are accounting principles generally accepted in the United States of America.

F. Revenue Recognition for Water, Sewer and Recycling Funds

Revenues are recognized based on cycle billings rendered to customers.

G. Property Taxes

Yolo County assesses properties and it bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on July 1. Secured property taxes become a lien on real property on January 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and March 1. Property taxes become delinquent after December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31.

The term “unsecured” refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed.

H. Assets, Liabilities and Net Assets/Fund Balance

1. Cash and Investments

The City pools cash and investments except for investments managed by paying fiscal agents under bonded debt agreements. Interest from bank accounts and investments are allocated to the various funds based on the average daily balances of the funds entitled to receive interest. The City reports investments at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers.

2. Cash and Investments with Fiscal Agents

Proceeds from various City debt issuances, as well as special assessment debt, that have been set aside for repayment are classified as cash and investments with fiscal agents because their use is limited by applicable bond covenants. The reserves are determined as a portion of the bond proceeds or as required by the applicable bond covenants.

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Interfund Receivables and Payables

Interfund transactions between funds are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e. temporary cash borrowings) or "advances to/from other funds" (i.e. the noncurrent portion of interfund loans) in the balance sheet of governmental funds and the statement of net assets for proprietary funds. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide statement of net assets as "internal balances." Advances between funds, as reported in the governmental funds balance sheet, are offset by a reservation of fund balance to indicate those amounts that are not available for appropriation and are not expendable available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation of the government-wide presentation.

4. Inventory

Inventory is valued at cost using the first-in first-out method. The City keeps perpetual records of inventory. The last week of June each fiscal year a physical count of inventory is taken and the perpetual records are adjusted. The City uses the consumption method of accounting for inventory.

5. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, construction in progress and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated fair market value at the date of donation.

The City has applied the transition provisions for the retroactive reporting of infrastructure assets, which extends the retroactive reporting requirements through the year ended June 30, 2007. No later than this date, the City must capitalize and report major general infrastructure assets that were acquired or received, major renovations, restorations, or improvements in the year ended after June 30, 1980 and through June 30, 2002. The City has capitalized all infrastructure assets acquired or constructed during the year.

**CITY OF WOODLAND, CALIFORNIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Depreciation on capital assets and improvements is provided using the straight line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. Capital assets with a value of \$1,000 or more are capitalized. Estimated useful lives are as follows:

	Useful Lives
Ponds	50 years
Buildings	25 – 50 years
Improvements	10 – 50 years
Machinery and equipment	3 – 10 years
Sewer treatment plant	20 – 50 years
Infrastructure	10 – 60 years

6. Notes Receivable

The City and the Agency provides financial assistance in the form of loans to qualified low-income homeowners and investors who rent to low-income tenants under the Housing Rehabilitation and First-Time Homebuyer Loan Programs. The program offers low interest loans and grants to repair health and safety problems. The loans are typically amortized or deferred over a 30-year period..

7. Deferred Revenue

Deferred revenue recorded in the governmental funds arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenue also arises when resources are received by the City before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the City recognizes revenue.

8. Compensated Absences

Compensated absences comprise unused vacation leave, vested sick pay and certain compensated time off, which is paid at the date of termination from City employment. All compensated pay is accrued when incurred in the government-wide and proprietary fund financial statements. For all governmental funds, termination pay-outs expected to be paid out of current financial resources are recorded as fund liabilities. Compensated absences liability is typically liquidated by the General Fund.

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Long-term Obligations

In the government-wide and proprietary funds fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund 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 effective interest method. Bonds payable are reported net of the applicable bond discount and amortized over the term of the related debt.

10. Special Assessments

Special assessment debt totaled \$63,766,400 as of June 30, 2005. The City is not liable for such debt; rather, it acts solely as an agent for the property owners who are liable for the debt in collecting the assessments, forwarding the collections to the bondholders, and initiating foreclosure proceedings, if applicable. Accordingly, this liability is not reflected in these basic financial statements. In accordance with GASB Statement No. 6, *Accounting and Financial Reporting for Special Assessments*, the City has recorded \$26,954,441 as contributions from property owners representing a portion of bond proceeds from the issuance of the Series 2004 Spring Lake Community Facilities District Special Tax Bonds.

11. Net Assets/Fund Balances

The government-wide and proprietary fund financial statements utilize a net asset presentation. Net assets are categorized as invested in capital assets – net of related debt, restricted and unrestricted.

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 net assets represent external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements and redevelopment funds restricted for low and moderate income housing.

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

In the fund financial statements, reservations represent portions of fund balance that are not available for appropriation or are legally restricted for a specific purpose. At June 30, 2005, reservations included:

Reserve for **encumbrances** represents the portion of fund balance set aside for open purchase orders.

Reserve for **inventory** represents the portion of fund balance that is segregated for inventory, and is not available for appropriation.

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reserve for **low and moderate income housing** is the portion of redevelopment fund balance legally required to be set-aside for low and moderate income housing expenditures under the California Health and Safety Code.

Reserve for **debt service** is the portion of fund balance legally restricted for the payment of principal and interest on long-term liabilities.

Reserve for **advances to other fund** represents the portion of fund balance set aside to indicate this item does not represent available, spendable resources.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. Budgeting Procedures

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public meetings are conducted during June to obtain taxpayer comments.
3. The budget is legally enacted through passage of a minute order.
4. The City Manager is authorized to transfer budgeted amounts among funds and departments so long as the total City budget, exclusive of Capital projects, does not change. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is at the total City operating budget level. Only those revisions, if any, which increase total budgeted expenditures must be approved by the City Council.
6. Budgets are adopted for the General Fund, all special revenue funds, and all debt service funds, except for the Special Transportation and Off-Site Affordable Housing Special Revenue Funds. The City also adopts project time frame budgets for capital projects funds. Such budgets are based on a project time frame and therefore are not comparable on an annual basis.
7. Formal budgetary integration is employed as a management control device during the year for all budgeted funds.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), except for capital projects funds, which are budgeted on a project length basis.

The various City functions and activities are presented in the accompanying combining budget versus actual statements.

**CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

B. Encumbrances

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in all budgeted funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities and are reappropriated in the following year. Unexpended appropriations lapse at year-end and must be reappropriated in the following year.

NOTE 3 – CASH AND INVESTMENTS

A. Authorized Investments

The City's dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except cash and investments with fiscal agents. These funds are invested at the maximum yield, consistent with safety and liquidity. Individual funds pay expenditures as needed with available cash reserves or with short term interfund loans.

The table below identifies the investment types that are authorized by the City's investment policy and California Government Code Section 53601. The City's investment policy is more restrictive than the California Government Code, as the City may not invest in derivatives or reverse repurchase agreements. 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 City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating
Local Agency Investment Fund	N/A	None	None	None
U.S. Treasury Securities	5 years	None	None	None
U.S. Agency Securities	5 years	None	None	None
Negotiable Certificates of Deposit	5 years	30%	None	None
Medium Term Corporate Notes	5 years	30%	None	AA
Money Market Mutual Funds	N/A	20%	10%	AAA

The City's investments are carried at cost and adjusted to reflect their fair value at the end of the fiscal year, and it includes the effects of these adjustments in investment earnings.

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. 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 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, except that 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 depository regulated under stated law. The market 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.

C. Concentration of Credit Risk

Nearly 30%, of the City's pooled investments at year-end are in U.S. Agency Securities. There is no limitation on amounts invested in these types of issues. Investments in any one issuer (other than U.S. Treasury Notes, mutual funds and external investment pools) that represented 5% or more of the total investments of the City are as follows:

Federal Home Loan Bank	\$10,330,482
------------------------	--------------

Investments in any one issuer that represented 5% or more of the total investments by reporting unit (governmental activities, business-type activities, discretely presented component units, major fund and nonmajor funds in the aggregate) is as follows:

- \$920,025 of cash and investments with fiscal agent reported in the Sewer Enterprise Fund (a major fund of the City) was held in the form of an unrated guaranteed investment contract issued by AIG Financial Products that matures on March 1, 2018.
- \$757,323 of cash and investments with fiscal agent reported in the Woodland Redevelopment Agency 1996 Tax Allocation Bonds Debt Service Fund (nonmajor funds in the aggregate) was held in the form of an unrated guaranteed investment contract issued by FSA Capital Management Services, LLC that matures on March 1, 2032.
- \$258,194 of cash and investment with fiscal agent reported in the Certificates of Participation Debt Service Fund (nonmajor funds in the aggregate) was invested in a money market mutual fund. The money market mutual fund is rated AAA by Standard & Poors.

CITY OF WOODLAND, CALIFORNIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2005

NOTE 3 – CASH AND INVESTMENTS (Continued)

D. Interest Rate and Credit 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 is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City structures its investment portfolio such that securities mature to meet cash requirements for ongoing operations and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools which provides the necessary liquidity needed for operations.

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. It is the City's policy to limit investments to the safest types of securities with the minimum ratings required by the California Government Code, pre-qualifying the financial institutions, broker/dealers and advisers with which the City will do business and diversifying the investment portfolio so that potential losses on individual securities is minimized. As of June 30, 2005, the City's investments and credit ratings are as follows:

	Credit Rating (S & P)	Maturity				Fair Value
		31-180 Days	181-365 Days	1-5 Years	Over 5 Years	
Deposits:						
Cash in Bank and on Hand		\$ --	\$ --	\$ --	\$ --	\$ 1,436,381
Nonnegotiable Certificates of Deposit	N/A	--	--	--	--	1,104,000
Total Deposits						<u>2,540,381</u>
City Pooled Investments:						
L.A.I.F.	Not Rated	23,314,986	--	--	--	23,314,986
U. S. Agency Securities:						
Federal National Mortgage Association	AAA	--	--	--	996,563	996,563
Federal Home Loan Bank	AAA	--	3,917,512	6,412,970	--	10,330,482
Total City pooled investments						<u>34,642,031</u>
Cash and Investments with Fiscal Agent:						
Cash in Bank	--	--	--	--	--	348,895
Certificates of Deposit	N/A	--	--	--	--	30,000
Money Market Mutual Fund	AAA	13,421,190	--	--	--	13,421,190
CAMP	AAA	774,661	--	--	--	774,661
Guaranteed Investment Contracts	Not Rated	--	--	--	1,677,403	1,677,403
Total Cash and Investments with Fiscal Agent						<u>16,252,149</u>
Total Cash and Investments						<u>\$ 53,434,561</u>

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 3 – CASH AND INVESTMENTS (Continued)

The City is a voluntary participant in the State of California Local Agency Investment Fund (LAIF). The total amount invested by all public agencies in LAIF as of June 30, 2005 was \$18.6 billion. LAIF is part of the State of California's Pooled Money Investment Account (PMIA), which, as of June 30, 2005 had a balance of \$60.5 billion. PMIA is not SEC registered, but is required to invest according to California State Government Code. The weighted average maturity of PMIA investments was 165 days as of June 30, 2005. The Local Investment Advisory Board (LIAB) has oversight responsibility for LAIF. The LIAB consists of five members as designated by state statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the City Treasurer's portion of the pool. Included in PMIA's investment portfolio are certain derivative securities or similar products in the form of structured notes totaling \$184.3 million, and asset-backed securities totaling \$1.27 billion.

Cash and investments as of June 30, 2005 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$ 34,476,158
Cash and investments with fiscal agents	9,506,435
Statement of Fiduciary Net Assets	
Cash and investments	2,706,254
Cash and investments with fiscal agents	<u>6,745,714</u>
 Total cash and investments	 <u>\$ 53,434,561</u>

CITY OF WOODLAND, CALIFORNIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2005

NOTE 4 – INTERFUND TRANSACTIONS

A. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that incurred an expenditure on behalf of another fund, provide funding for capital projects and the payment of debt service. Transfers between funds during the fiscal year ended June 30, 2005 were as follows:

<u>Funding Receiving Transfers</u>	<u>Fund Making Transfers</u>	<u>Amount Transferred</u>
General Fund	Other Governmental Funds	\$ 68,313
City Capital Projects	General Fund	864,873
	Other Governmental Funds	2,340,000
		<u>3,204,873</u>
Special Sales Tax District Capital Projects Fund	General Fund	3,846,342
	City Capital Projects Fund	7,464,665
		<u>11,311,007</u>
Other Governmental Funds	General Fund	311,363
	City Capital Projects Fund	2,990,696
	Sewer Development Capital Projects Fund	1,351,380
	Other Governmental Funds	287,453
		<u>4,940,892</u>
Sewer Enterprise Fund	Sewer Development Capital Projects Fund	352,565
Other Enterprise Funds	General Fund	214,205
Internal Service Funds	General Fund	187
	Spring Lake Capital Projects Fund	1,944
	Water Enterprise Fund	186
	Sewer Enterprise Fund	177
	Storm Drain Enterprise Fund	186
	Other Governmental Funds	3,163
	Internal Service Funds	348,392
		<u>354,235</u>
		<u>\$ 20,446,090</u>

**CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 4 – INTERFUND TRANSACTIONS (Continued)

B. Current Interfund Balances

Current interfund balances arise in the normal course of business and represent temporary cash borrowings that are expected to be repaid shortly after the end of the fiscal year. Current interfund balances as of June 30, 2005 were as follows:

Due To	Due From	Amount
General Fund	City Capital Projects Fund	\$ 1,458,630
	Other Governmental Funds	701,743
		<u>2,160,373</u>
City Capital Projects Fund	Special Sales Tax District Capital Projects Fund	100,000
	Other Governmental Funds	2,300,000
		<u>2,400,000</u>
Special Sales Tax District Capital Projects Fund	City Capital Projects Fund	9,460,987
	Other Governmental Funds	109,013
		<u>9,570,000</u>
Sewer Development Capital Projects Fund	City Capital Projects Fund	139,400
	Other Governmental Funds	860,600
		<u>1,000,000</u>
Other Governmental Funds	Other Governmental Funds	<u>25,706</u>
Water Enterprise Fund	Storm Drain Enterprise Fund	1,086,070
	Other Enterprise Funds	140,247
		<u>1,226,317</u>
Internal Service Funds	Internal Service Funds	<u>6,195</u>
		<u>\$ 16,388,591</u>

C. Long-Term Interfund Advances

At June 30, 2005 the General Fund had advanced the Woodland Redevelopment Agency City Funds Capital Projects Fund \$207,949 to fund the Wiseman Project, which included widening and frontage improvements. The advance is expected to be repaid by Spreckles (Kamilos) preannexation funds.

The Water Enterprise Fund has an advance of \$1,830,240 to the City Capital Projects Capital Projects Fund for the buy-out of a ten-year lease of the Municipal Services Center, and for certain site improvements. The advance bears simple interest at an annual rate of 5.5% and is expected to be repaid out of future land sale proceeds.

The Recycling Enterprise Fund has an advance of \$140,000 to the Information Systems Internal Service Fund for the purchase of equipment and a network upgrade. This advance is expected to be repaid out of future service charges over the next two years at \$70,000 plus interest at a rate equal to the LAIF rate on June 30th of each fiscal year.

**CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 4 – INTERFUND TRANSACTIONS (Continued)

At June 30, 2005 the Sewer Development, Water Development and Storm Drain Development Capital Projects Funds had advanced \$7,008,982 to the Storm Drain Enterprise Fund for cash flow purposes. Interest on the advance is equal to the LAIF rate on June 30th of each fiscal year. The remaining repayment terms will be evaluated when the related fee study is completed.

D. Internal Balances

Internal balances are presented in the government-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2005 comprised the following:

	Taxes	Accounts	Inter- governmental	Interest	Utilities	Total Receivables
Governmental Activities:						
General Fund	\$ 2,859,220	\$ 512,383	\$ 1,047,858	\$ 302,118	\$ --	\$ 4,721,579
City Capital Projects	--	799,528	313,558	--	--	1,113,086
Spring Lake Capital Projects	--	5,423,796	--	--	--	5,423,796
Sewer Development	--	90,384	--	--	--	90,384
Community Development Block Grant	--	--	11,506	--	--	11,506
Other Governmental Funds	133,551	247,050	33,550	11,765	--	425,916
Internal Service Funds	--	576,722	--	--	--	576,722
Total Governmental Activities	<u>\$ 2,992,771</u>	<u>\$ 7,649,863</u>	<u>\$ 1,406,472</u>	<u>\$ 313,883</u>	<u>\$ --</u>	<u>\$ 12,362,989</u>
Business-Type Activities:						
Water	\$ --	\$ --	\$ --	\$ --	\$ 375,463	\$ 375,463
Sewer	--	--	--	--	432,246	432,246
Storm Drain	--	103,850	--	--	12,131	115,981
Other Enterprise Funds	--	5,048	--	--	41,568	46,616
Total Business-Type Activities	<u>\$ --</u>	<u>\$ 108,898</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 861,408</u>	<u>\$ 970,306</u>

NOTE 6 – NOTES RECEIVABLE REDEVELOPMENT AGREEMENTS AND DEFERRED REVENUE

A. Notes Receivable

The City engages in various programs designed to encourage construction or improvement in low-to-moderate-income housing or other projects. Under these programs, which are described below, grants or loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's terms. Although these loans and notes are expected to be repaid in full, their balance has been offset by deferred revenue as they are not expected to be repaid during fiscal year 2005-2006. The City's loan balance of \$9,477,968 is comprised of the following types of loan programs:

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 6 – NOTES RECEIVABLE REDEVELOPMENT AGREEMENTS AND DEFERRED REVENUE (Continued)

Housing Rehabilitation and Affordable Housing Loans

The housing rehabilitation loans are to provide second mortgages to eligible families for assistance in making repairs to their homes. The affordable housing loans are provided to promote development of low-income housing. Each of the loans are secured by a deed of trust and have various deferred payback terms with interest ranging from 0% to 4%. The balance of the loans receivables arising from this program at June 30, 2005 was \$3,082,946.

First Time Homebuyer Program

The Program is designed to provide second mortgages to eligible families for assistance in purchasing their first house. The maximum loan amount is \$40,000, financed as a three percent interest thirty year deferred payment loan. The balance of the loans receivable arising from this program at June 30, 2005 was \$415,473.

Property Improvement Loans

The City has made loans to qualifying parties to assist them in financing certain improvements to their properties. Interest rates and payment terms on these loans vary; the outstanding balance on these loans at June 30, 2005 was \$27,417.

Owner Participation Agreements

As of June 30, 1996 the Redevelopment Agency had entered into an Owner Participation Agreement with real property owners in the Redevelopment Area for the purpose of making property improvements to the historic Hotel Woodland. These improvements were financed with loans secured by deeds of trust on the property. The amounts and terms of these loans call for interest rates up to 4.44 percent and various due dates through the year 2025. At June 30, 2005 the City had issued loans of \$2,388,948, of which \$353,891 were issued by the Agency.

Gibson Ranch Community Facilities District

The City entered into a number of reimbursement agreements with various parties regarding the acquisition and development of the Gibson Ranch Community Facilities District. Interest of 9% on \$70,391 is paid annually. The balance of these loans receivable at June 30, 2005 was \$120,864.

Mobile Home Park Owner Participation Agreement and Rehabilitation Loans

The Agency loaned the Community Housing Opportunities Corporation (CHOC) \$300,000 to purchase two parcels of mobile home park and motel real property on the condition that CHOC operate and maintain these properties as low and moderate income housing. The loans are secured by second and third deeds of trust and have interest at rates of 4% to 6.5% during the first three years and at LAIF rates until maturity in 2020. The balance of the remaining loan receivable at June 30, 2005 was \$146,782.

During fiscal year 2001-2002, the Agency loaned \$1,000,000 to CHOC, secured by a deed of trust; interest accrues at 3% per annum, but payments of principal and interest are deferred until 2009. The balance of this loan receivable at June 30, 2005 was \$1,102,666.

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 6 – NOTES RECEIVABLE REDEVELOPMENT AGREEMENTS AND DEFERRED REVENUE (Continued)

Greenwood Subdivision

As part of the Greenwood Subdivision Buyer Assistance Program, the difference between the Developer's reduced sales price and the market sales price is considered a silent second loan to an eligible buyer. In addition, the Agency provides a loan of \$15,000 to moderate-income households and \$40,000 to low-income households. As long as the eligible buyer occupies the property as its principal place of residence and is not in default under the affordability covenants and resale restrictions, 10% of the initial loan amount shall be credited toward the outstanding principal after 10 years and at each five-year period thereafter throughout the 45-year term of the note. As of June 30, 2005, the total outstanding on loans, including interest is \$614,095, which comprises \$245,000 in loans funded by the Agency, \$329,800 representing the developer's market adjustment, and accrued interest of \$39,295.

Capital Hotel

The Redevelopment Agency's has a loan agreement with the owners of the Capital Hotel to pay a portion of the costs for a feasibility study applicable to the residential uses proposed for the property. The loan will be funded by the Agency's Low and Moderate Income Housing Fund and is not to exceed \$15,000. The repayment will be in 5 installments beginning December 2004 bearing no interest and it is secured only by a promissory note. The balance of the loan at June 30, 2005 was \$9,029.

Heritage Oaks Apartments

The Agency loaned Heritage Oaks, L.P. \$1,550,000 to pay a portion of the costs of the financing for the acquisition and rehabilitation of a 120-unit multi-family residential apartment complex, commonly referred to as the Heritage Oaks Apartments. Heritage Oaks L.P. intends to acquire and rehabilitate Heritage Oaks Apartments and rent the units to very low and low-income individuals and families. As of June 30, 2005, the total amount of the loan outstanding, including accrued interest was \$1,569,748. Payment on the loan is secured by a deed of trust and assignment of rents on the Heritage Oaks Apartments. So long as there is no default on the loan, the entire principal balance including accrued interest is due and payable on August 22, 2014.

B. Redevelopment Agreements

The City and Redevelopment Agency have entered into the development agreements below in an effort to provide incentives to develop new businesses and new sales tax revenues.

Woodland Corporate Center

In January 2003, the Agency entered into a Disposition and Development Agreement providing for the Agency's acquisition of City property and the subsequent sale of the property to Wiseman Company, LLC (Developer) for \$100. The Woodland Corporate Center is to include a multi-story Class A office building, containing approximately 35,000 square feet of leasable space, parking and landscaping improvements. Prior to the sale, in July 2003, the Agency was required to demolish and remove the current structure on site for an amount not to exceed \$75,000. Off street and frontage improvements to be made by the City were to be reimbursed by the Developer in the maximum amount of \$50,000.

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 7 – CAPITAL ASSETS

	Balance July 1, 2004	Additions	Retirements	Transfers	Balance June 30, 2005
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 7,255,931	\$ 5,387,569	\$ --	\$ (3,100)	\$ 12,640,400
Construction in progress	9,916,317	23,110,042	--	(2,039,678)	30,986,681
Total capital assets, not being depreciated:	<u>17,172,248</u>	<u>28,497,611</u>	<u>--</u>	<u>(2,042,778)</u>	<u>43,627,081</u>
Capital assets, being depreciated:					
Buildings	19,920,294	--	--	149,796	20,070,090
Improvements	5,576,194	64,603	--	--	5,640,797
Machinery and equipment	14,404,037	1,523,553	(168,895)	93,989	15,852,684
Infrastructure	13,683,999	--	--	1,798,993	15,482,992
Total capital assets, being depreciated:	<u>53,584,524</u>	<u>1,588,156</u>	<u>(168,895)</u>	<u>2,042,778</u>	<u>57,046,563</u>
Less accumulated depreciation for:					
Buildings	(3,162,515)	(463,680)	--	--	(3,626,195)
Improvements	(3,940,713)	(151,009)	--	--	(4,091,722)
Machinery and equipment	(8,082,526)	(1,039,331)	168,895	--	(8,952,962)
Infrastructure	(64,117)	(458,463)	--	--	(522,580)
Total accumulated depreciation	<u>(15,249,871)</u>	<u>(2,112,483)</u>	<u>168,895</u>	<u>--</u>	<u>(17,193,459)</u>
Total capital assets, being depreciated, net	<u>38,334,653</u>	<u>(524,327)</u>	<u>--</u>	<u>2,042,778</u>	<u>39,853,104</u>
Governmental activities capital assets, net	<u>\$ 55,506,901</u>	<u>\$ 27,973,284</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 83,480,185</u>

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 7 – CAPITAL ASSETS (Continued)

	Balance July, 1, 2004	Increases	Decreases	Transfers	Balance June 30, 2005
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 5,588,335	\$ --	\$ --	\$ --	\$ 5,588,335
Construction in progress	1,319,313	3,352,379	--	--	4,671,692
Total capital assets, not being depreciated:	6,907,648	3,352,379	--	--	10,260,027
Capital assets, being depreciated:					
Ponds	781,056	--	--	--	781,056
Buildings	355,830	--	--	--	355,830
Improvements	33,214,912	--	--	--	33,214,942
Machinery and equipment	1,759,848	231,003	(42,760)	--	1,948,091
Sewer treatment plant	15,472,364	--	--	--	15,472,364
Infrastructure	1,310,695	--	--	--	1,310,695
Total capital assets, being depreciated:	52,894,705	231,003	(42,760)	--	53,082,978
Less accumulated depreciation for:					
Ponds	(352,990)	(15,621)	--	--	(368,611)
Buildings	(259,375)	(6,858)	14,000	--	(252,233)
Improvements	(13,326,195)	(686,612)	--	--	(14,012,807)
Machinery and equipment	(1,102,185)	(63,527)	--	--	(1,165,712)
Sewer treatment plant	(5,187,475)	(370,176)	--	--	(5,557,651)
Infrastructure	(1,140)	(26,214)	--	--	(27,354)
Total accumulated depreciation	(20,229,360)	(1,169,008)	14,000	--	(21,384,368)
Total capital assets, being depreciated, net	32,665,345	(938,005)	(28,760)	--	31,698,610
Business type activities capital assets, net	\$ 39,572,993	\$ 2,414,374	\$ (28,760)	\$ --	\$ 41,958,637

CITY OF WOODLAND, CALIFORNIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2005

NOTE 7 – CAPITAL ASSETS (Continued)

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program is as follows:

Governmental Activities:

General government	\$	5,258
Finance		8,059
Community development		46,801
Parks, recreation and community services		141,265
Police		341,516
Fire		57,938
Library		79,054
Public works		678,078
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets		754,514
Total	\$	2,112,483

Business-type Activities:

Water	\$	299,074
Sewer		846,245
Storm Drain		20,757
Nonmajor enterprise funds		2,932
Total	\$	1,169,008

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 8 – LONG-TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

The City's debt issues and transactions are summarized below and discussed in detail thereafter.

A. Current Year Transactions and Balances

	Original Issue Amount	Balance June 30, 2004	Additions	Retirements	Balance June 30, 2005	Current Portion
Governmental Activities Debt:						
Woodland Public Facilities Corporation						
1995 Certificates of Participation,						
4.0%-5.4%, due 12/01/05	\$ 2,565,000	\$ 570,000	\$ --	\$ (280,000)	\$ 290,000	\$ 290,000
Woodland Finance Authority						
2002 Lease Revenue Bonds, 2.00%-						
5.00%, due 03/01/32						
	33,215,000	29,590,000	--	(3,060,000)	26,530,000	3,250,000
Woodland Redevelopment Agency						
1996 Tax Allocation Bonds,						
4.00%-6.375%, due 12/01/26						
	2,500,000	2,215,000	--	(50,000)	2,165,000	50,000
Loans Payable:						
Feather River State Bank Loan:						
7.00%, due 11/05/07	500,000	463,243	--	(14,619)	448,624	15,753
California Housing Finance Agency Loan						
3.00%, due 09/18/11	1,000,000	1,072,050	30,000	--	1,102,050	--
Housing and Urban Development Loan						
2.1-2.6%, due 08/0/14	1,000,000	1,000,000	--	--	1,000,000	100,000
California Housing Finance Agency Loan						
3.00%, due 8/23/14	1,550,000	--	1,550,000	--	1,550,000	--
California Energy Commission						
3.85%	2,150,000	--	731,897	--	731,897	--
Redevelopment Agency Pass Through	--	261,518	--	(52,304)	209,214	52,304
Developer Fee Obligations	--	4,391,065	47,718,022	(66,430)	52,042,657	4,429,000
Compensated Absences	--	826,571	1,746,753	(1,400,481)	1,272,843	461,333
Capital Leases:						
Capital lease obligation,						
5.496%, due 10/18/05						
	350,000	151,319	--	(73,636)	77,683	77,683
Capital lease obligation,						
4.049%, 9/17/14						
	1,058,000	--	1,058,000	(65,420)	992,580	90,359
Capital lease obligations						
4.8%, due 07/01/11						
	1,610,045	1,345,549	--	(141,699)	1,203,850	148,701
Total Governmental Activities Debt	<u>\$ 47,498,045</u>	<u>\$ 41,886,315</u>	<u>\$ 52,834,672</u>	<u>\$ 5,204,589</u>	<u>\$89,616,398</u>	<u>\$ 8,965,133</u>
Business-type Activities Debt						
1992 Waste Improvement						
Certificates of Participation,						
2.75%-6.0%, due 03/01/18						
	\$ 17,335,000	\$ 5,705,000	\$ --	\$ (575,000)	\$ 5,130,000	\$ 605,000
Less unamortized original-issue discount						
	(1,285,400)	(411,332)	--	51,417	(359,915)	--
Certificates of Participation, net						
	16,049,600	5,293,668	--	(523,583)	4,770,085	605,000
Compensated Absences	--	163,715	160,115	(156,210)	167,620	55,152
Total Business-type Activities Debt	<u>\$ 16,049,600</u>	<u>\$ 5,293,668</u>	<u>\$ 160,115</u>	<u>\$ (679,793)</u>	<u>\$ 4,937,705</u>	<u>\$ 660,152</u>

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 8 – LONG-TERM DEBT (Continued)

B. 1995 Certificates of Participation

The 1995 Certificates of Participation were issued to refund the 1989 Certificates of Participation for the Public Library project by the Woodland Public Financing Corporation. Principal and interest are payable semi-annually each July 1 and December 1 through 2005.

C. 2002 Lease Revenue Bonds

In December 2002 the Authority issued Lease Revenue Bonds in the principal amount of \$33,215,000. The Revenue Bonds bear interest at 2.0% to 5.0%. Principal payments are due annually commencing March 1, 2003. Interest payments are due semi-annually on March 1 and September 1. Upon issuance and delivery of the 2002 Bonds a portion of the proceeds were used to prepay and defease \$6,425,000, the aggregate outstanding principal amount of the 1992 Waste Water Improvement Certificates of Participation. The 1992 Bonds were called on March 1, 2003. The remaining portion of the proceeds were used to finance the construction and acquisition of capital projects, including a Police Station Facility, Wastewater Treatment Plan Expansion, Community/Senior Center, recreation fields and road improvements.

D. 1996 Tax Allocation Bonds

The 1996 Tax Allocation Bonds were issued by the Woodland Finance Authority to repay advances made to the Redevelopment Agency by the City, to prepay promissory notes to Feather River State Bank and Triond, and to further the redevelopment activities of the Agency. Principal and interest are payable semi-annually each June 1 and December 1 through 2026, from incremental properly tax revenues of the Agency.

E. Loans Payable

The Redevelopment Agency borrowed \$500,000 from Feather River State Bank at 7 percent interest to finance loans made under an Owner Participation Agreement. The loan calls for 13 semi-annual principal and interest payments of \$23,439 through November 2007.

In fiscal year 2002, the Agency borrowed \$1,000,000 from the California Housing Finance Agency to finance a loan it made under an Owner Participation Agreement. Interest at 3% accrues annually but payment is deferred until the loan is due in September 2011.

In fiscal year 2004, the City received a Section 108 loan from the Department of Housing and Urban Development to finance costs related to the Casa del Sol Mobile Home Park project. Interest is payable semi-annually each February 1 and August 1, and principal payments are payable annually through 2014. Debt service is repayable from Community Development Block Grant Special Revenue Fund.

On August 23, 2004, the Agency borrowed \$1,550,000 from the California Housing Finance Agency to finance a loan to assist in the financing, acquisition and improvement of a 120-unit multifamily residential apartment complex, commonly referred as the Heritage Oaks Apartments. The rehabilitated apartment complex will then be leased out to low and moderate-income families. Interest accrues at 3% per annum, but payment is deferred until the loan due date of August 23, 2014.

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 8 – LONG-TERM DEBT (Continued)

In March 2004, the City signed a loan agreement with the California Energy Commission in the principal amount of \$2,150,000, to finance replacement, installation and upgrades to HVAC units, coolers and well pumps, as well as installing cool roof products on properties owned by the City and located in the City of Woodland. Repayment of the loan is expected from utility expense savings realized from these improvements. At June 30, 2005 the City had drawn down \$731,897 on the loan proceeds.

F. Redevelopment Agency Pass Through

The Redevelopment Agency agreed in 1988 to pass-through to the County of Yolo a portion of its property tax increment revenues to alleviate any financial burden or detriment caused by the formation of the Agency. The agreement allows deferral for the first ten years of tax increment. There is an eight percent per annum interest rate, and payments are being made in ten equal installments commencing in 2000.

G. Developer Fee Obligations

The City received projected funding for the Spring Lake Project via Mello-Roos Community Facilities District (CFD) bonds and developer advances. In the fund financial statements of the Spring Lake Capital Projects Fund, the special assessment bonds of \$26,954,441 are included as contributions from property owners, and developer advances of \$20,763,581 are included as an other financing source. The total funds received are allocated to each developer in the form of fee credits, which are redeemable against future fees assessed in the geographic boundaries of the Spring Lake Project. The total amount of the proceeds received from the bonds and developer advances are included as long-term debt for governmental activities.

H. Internal Service Capital Lease Obligations

In October 6, 2000, the City purchased vehicles for the Police, Parks, and Public Works Departments. The capital lease obligations are paid from the Equipment and Service Repair Internal Service Fund. Annual lease payments of \$81,953 are required through October 2005.

On September 2, 2004 the City purchased various fire equipment. The capital lease obligations are paid from the Equipment and Service Repair Internal Service Fund. Annual lease payments of \$129,188 are required through September 2014.

On July 1, 2001, the City purchased fire equipment on the installment basis. The capital lease obligations are paid from the Equipment and Service Repair Internal Service Fund. Annual lease payments of \$206,678 are required through July 2011.

**CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 8 – LONG-TERM DEBT (Continued)

I. 1992 Waste Water Improvement Certificates of Participation

The 1992 Waste Water Improvement Certificates of Participation were issued to refund the 1988 Wastewater Improvement Certificates of Participation. Semiannual payments are due in March and September through March 2018.

In December 2002 a portion of the Lease Revenue Bonds, issued by the Woodland Financing Authority, were used to prepay and defease \$6,425,000 of outstanding principal amount. Payments on the remaining outstanding principal balance are to continue to be paid as required.

J. Debt Service Requirements

Annual debt service requirements for the certificates of participation, lease revenue bonds and tax allocation bonds in the aggregate are shown below for all long-term debt:

For the Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2006	\$ 3,590,000	\$ 1,314,788	\$ 605,000	\$ 296,487
2007	1,430,000	1,206,595	645,000	260,188
2008	370,000	1,162,292	690,000	223,100
2009	390,000	1,149,892	730,000	183,425
2010	405,000	1,135,855	770,000	141,450
2011-2015	3,070,000	5,386,971	1,690,000	147,200
2016-2020	4,425,000	4,537,258	--	--
2021-2025	5,635,000	3,319,016	--	--
2026-2030	6,665,000	1,753,106	--	--
2931-2032	3,005,000	227,250	--	--
Total	\$ 28,985,000	\$ 21,193,023	\$ 5,130,000	\$ 1,251,850

Annual debt service requirements for the loans payable in the aggregate are shown below for all long-term debt:

For the Year Ending June 30,	Governmental Activities	
	Principal	Interest
2006	\$ 115,753	\$ 71,901
2007	116,873	68,079
2008	515,998	58,761
2009	100,000	30,910
2010	100,000	26,750
2011-2015	1,602,050	63,005
2016-2020	1,550,000	445,126
Total	\$ 4,100,674	\$ 764,532

**CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 8 - LONG-TERM DEBT (Continued)

The California Energy Commission loan is not included in the annual debt service schedule above, as there has been no repayment schedule established as of June 30, 2005. The repayment schedule will be determined at the completion of the project for which the loan proceeds are being utilized. The first loan payment is estimated to begin on December 2006.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2005 are as follows:

Year Ending June 30,	Governmental Activities
2006	\$ 418,819
2007	335,866
2008	335,866
2009	335,866
2010	335,866
2011-2015	962,405
Total minimum lease payments	2,724,688
Less amount representing interest	(450,575)
Present value of minimum lease payments	\$ 2,274,113

K. Special District Debt With No City Commitment

Special Assessment Districts in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by these Districts, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included in general long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2005 is as follows:

East Main Street Reassessment District, Series 2001	\$ 10,341,000
Beamer-Kentucky Assessment District	3,360,000
Gibson Ranch Community Facilities District, Phase 1, Series 2001	6,220,000
Gibson Ranch Community Facilities District, Series 2003	2,480,400
Gibson Ranch Community Facilities District, Refunding Bonds, Series 2004	5,585,000
Gibson Ranch Community Facilities District, Series 2004	2,730,000
Spring Lake Community Facilities District, Series 2004	33,050,000
Total Special Assessment Debt	\$ 63,766,400

**CITY OF WOODLAND, CALIFORNIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 9 – NET ASSETS AND FUND BALANCES

Fund Equity Deficits

The following funds had fund balance or net assets deficits as of June 30, 2005:

Capital Projects Funds:	
City Capital Projects	\$ 8,419,099
Woodland Redevelopment Agency City Funds	286,448
Park Reserve	3,227,058
Special Revenue Funds:	
Transit	25,706
Proposition 172	151,929
Literacy Grant	87,444
Lighting & Landscaping Districts	18,643
Fire Suppression District	338,965
Enterprise Funds:	
Storm Drain	3,272,840
Cemetery	12,758
Dubach Park	157,829

The deficits in the City Capital Projects and Woodland Redevelopment Agency City Funds are expected to be cured by future development activity along with a review and update to the fee structure and future tax increment from development in the area, respectively; the Park Reserve Capital Projects Fund deficit is expected to be cured by future development fees; the Transit Fund deficit is expected to be cured by future revenue claims; the deficit in the Proposition 172 Fund is expected to be cured by increases in future sales tax revenues; the deficit in the Literacy Grant Fund is expected to be cured by future revenues; the Lighting & Landscaping District Special Revenue Fund deficit will be reduced by future tax assessment revenues; the Fire Suppression District Special Revenue Funds deficit will be cured by future special assessment fees collected from the Spring Lake Project; the Storm Drain Enterprise Fund deficit is expected to be cured by a user fee rate adjustment and the Cemetery and Dubach Park Enterprise Fund deficit is expected to be cured by fee revenue.

NOTE 10– PENSION PLAN

Plan Description

The City contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by contract with CalPERS in accordance with the provisions of the Public Employees Retirement Law. Copies of CalPERS' annual financial report may be obtained from their Executive Office, 400 Q Street, P.O. Box 942701, Sacramento, California 94229.

**CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 10- PENSION PLAN (Continued)

Funding Policy

Active plan members of the City's safety and miscellaneous plans are required to contribute 9% and 8% of their annual covered salary. The City makes the contributions required of its employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 16.588% for safety plan members and 9.739% for miscellaneous plan members of their annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost

For the year ended June 30, 2005, the City's annual pension cost was \$3,221,824. The required contribution was determined as part of the June 30, 2002 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service from 3.25% to 14.45% for miscellaneous members (c) 2% cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.5% and a payroll growth component of 3.75%. The actuarial value of CalPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period (smoothed market value). The CalPERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2004 for the safety and miscellaneous plans was 26 and 28 years, respectively.

THREE-YEAR TREND INFORMATION FOR PERS

Year Ended	Miscellaneous Plan		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/03	\$1,210,242	100%	--
6/30/04	1,877,825	100%	--
6/30/05	3,221,824	100%	--

**CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 11- OTHER BENEFITS

A. Health Insurance

The City provides health benefits to certain employees and their dependents for medical, dental, and vision care. Each employee and dependent also receives a life insurance policy, and the employee receives long-term disability insurance.

B. Life Insurance

The City has several levels of life insurance benefits that is based upon the employees bargaining unit.. Life insurance benefits after retirement are continued at the same benefit level and conditions as active employees except that at age 65 and over a reduction is instituted.

C. Postemployment Benefits

The City provides health care benefits for 155 retired employees based on negotiated employee bargaining unit contracts. Substantially all of the City's employees may become eligible for those benefits. The cost of retiree health care benefits is recognized as health care premiums are paid and are financed on a pay-as-you-go basis. For the year ended June 30, 2005, expenditures of \$1,012,123 were recognized for postretirement healthcare benefits.

NOTE 12- RISK MANAGEMENT

The City manages risk by participating in the public entity risk pool described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. The joint venture is governed by a board consisting of representatives from member municipalities. The board controls the operations of the joint venture, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these joint ventures are not the City's responsibility.

A. Coverage

The City is one of ten member agencies which constitutes the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA). YCPARMIA was formed in 1979 to develop an effective risk management program to reduce the amount and frequency of losses by pooling the agencies' self-insurance losses and jointly purchasing excess insurance. A Risk Manager was hired to administer the YCPARMIA program. YCPARMIA provides workers' compensation insurance coverage up to the statutory limit set by the State of California per accident per employee, above the City's self insurance limit of \$1,000 per occurrence, and general and auto liability coverage of \$25,000,000, above the City's self insurance limit of \$5,000 per occurrence, boiler and machinery insurance up to \$100,000,000, above the City's deductible of \$1,000 per claim, and property damage insurance up to \$404,346,517, above the City's deductible of \$10,000 for vehicles, and \$1,000 per other occurrence.

**CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 12— RISK MANAGEMENT (Continued)

YCPARMIA is governed by a board consisting of representatives from member public agencies. The board controls the operations of YCPARMIA, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

During the fiscal year ended June 30, 2005 the City contributed \$774,312 for current year coverage. Audited financial statements are available from YCPARMIA at 77 W. Lincoln Avenue, Woodland, CA 95695.

B. Liability for Uninsured Claims

The City provides for the uninsured portion of claims and judgments in the Self-Insurance Internal Service Fund. Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed, above, the City has coverage for such claims, but it has retained the risk for the deductible, or uninsured portion of these claims. As of June 30, 2005, the City has not recorded a liability for any outstanding uninsured claims.

NOTE 13 – CONTINGENT LIABILITIES

The City has been named in a lawsuit in which the claimant seeks reimbursement for groundwater contamination cleanup. The City's Counsel believes that the ultimate liability on the part of the City is unlikely, but possible. While unknown at this time, the cleanup costs could theoretically exceed \$2 million.

The City participates in Federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act Amendments of 1996 and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

NOTE 14 – RESTATEMENTS OF NET ASSETS/FUND EQUITY

A. Fund Reclassifications

During the current year, the City reclassified its Transit, Payroll and Recreation Contract Funds. In the prior year, the Transit Fund was reported as an enterprise fund, the Payroll Fund was reported as an internal service fund and the Recreation Contract Fund was reported as a special revenue fund. In the current year, the Transit Fund was reclassified and is being reported as a special revenue fund, the Payroll Fund is included in the General Fund and the Recreation Contract Fund is no longer reported as part of the City's reporting entity, as this fund represents the Recreation Foundation, which the City has determined to be a separate legal entity that does not meet the criteria for inclusion as a component unit. As a result of the fund reclassifications, the following were the effects on beginning net assets/fund equity; other enterprise funds increased by \$25,706; internal service funds increased by \$41,764, other governmental funds decreased by \$5,918; General Fund decreased \$41,764; and net assets for governmental activities decreased \$44,954 from amounts previously reported.

**CITY OF WOODLAND, CALIFORNIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 14 – RESTATEMENTS OF NET ASSETS/FUND EQUITY (Continued)

B. Net Asset/Fund Balance Restatements

In the prior year the City recorded \$2,137,577 reserve for conditional grants, which represented an allowance on certain outstanding loans that provides for the eventual forgiveness of the balance if the borrower complies with all terms and conditions of the loan over its full term. However, because the forgiveness is predicated on a future event that may never happen, the City has increased its beginning net assets for governmental activities by \$2,137,577, to record the long-term notes receivable at their net realizable value.

The City decreased beginning net assets by \$4,391,605 to properly record prior year developer advances received for the Spring Lake Project as part of its overall developer fee obligation. The amount has been included in long-term liabilities for governmental activities.

The Spring Lake Capital Projects Fund recorded a \$1,352,065 restatement, reducing beginning fund balance from the amount previously reported, to reflect an overstatement of revenues recognized in the prior years.

The overall effect on beginning net assets of governmental activities as a result of the fund reclassifications and restatements was a decrease of \$3,651,047 from the amount previously reported.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent to June 30, 2005, the City issued the following debt:

Issue Date	Bond Description	Term	Amount	Interest Rate
August 25, 2005	Lease Revenue Bonds 2005. Capital Projects	20 yrs	\$20,390,000	3.0% - 5.0%
November 2, 2005	Wastewater Revenue Bonds	30 yrs	\$17,635,000	3.9% - 5.0%

The 2005 Capital Projects Lease Revenue bond is for the construction and equipping of an approximately 40,000 square foot Community/Senior Center and Sports Complex on an approximately 40 acre site. These bonds will also fund design and construction of two fire stations. These bonds will be repaid through future development fee revenues.

The Wastewater Projects funded by the Wastewater Revenue bonds consist of three components: (i) the expansion of the collection system, water pollution control treatment and disposal facility (WPCF); (ii) the construction of a tertiary treatment facility; and (iii) the construction of flood protection improvements at the WPCF. These bonds will be repaid through future utility and development fee revenues.

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 16 – NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) recently released several new accounting and financial reporting standards. Five of the new standards, GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section, an amendment of NCGA Statement 1*, GASB Statement No. 45, *Accounting and Financial Reporting by Employers of Postemployment Benefits Other Than Pensions (OPEB)*, GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, and GASB Statement No. 47, *Accounting for Termination Benefits*, may have a significant impact on the City's financial reporting process.

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets and insurance recoveries. GASB No. 42 will be effective for the fiscal year ending June 30, 2006.

GASB Statement No. 44 guides the preparation of supplementary information included in the statistical section. This new statement provides specific requirements for the information presented in accordance with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and will enhance comparability among governments presenting a statistical section. GASB No. 44 will be effective for the fiscal year ending June 30, 2006.

GASB Statement No. 45 addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other nonpension benefits. Collectively, these benefits are commonly referred to as other postemployment benefits, or OPEB. The statement generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined benefits as they come due. This statement's provisions may be applied prospectively and do not require governments to fund their OPEB plans. An employer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however, the unfunded actuarial liability is required to be amortized over future periods. This statement also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time. This statement is effective for the City's fiscal year ending June 30, 2008.

GASB Statement No. 46 requires that limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets. This Statement also clarifies the definition of enabling legislation. GASB No. 46 will be effective for the fiscal year ending June 30, 2006.

GASB Statement No. 47 establishes accounting standards for termination benefits and provides guidance regarding the recognition and measurement of related liabilities and expenses. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of this Statement should be implemented simultaneously with the requirements of Statement No. 45. For all other termination benefits, GASB No. 47 will be effective for the fiscal year ending June 30, 2006.

**CITY OF WOODLAND, CALIFORNIA
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2005**

Safety Plan

Valuation	Entry Age Accrued Actuarial	Value of	Unfunded (Overfunded) Accrued Actuarial Liability	Funded	Annual Covered	Unfunded (Overfunded) Liability as %
Date	Liability	Assets	Liability	Ratio	Payroll	of Payroll
2002	\$ 44,664,406	\$ 45,517,687	\$ (853,281)	101.9%	\$ 5,492,009	(15.5%)
2003	49,737,206	46,111,643	3,625,563	92.7%	6,355,042	57.1%
2004	56,354,886	48,636,257	7,718,629	86.3%	6,938,630	111.2%

Miscellaneous Plan

Valuation	Entry Age Accrued Actuarial	Value of	Unfunded (Overfunded) Accrued Actuarial Liability	Funded	Annual Covered	Unfunded (Overfunded) Liability as %
Date	Liability	Assets	Liability	Ratio	Payroll	of Payroll
2002	\$ 38,352,464	\$ 39,671,081	\$ (1,318,617)	103.4%	\$ 8,244,706	(16.0%)
2003	42,768,341	40,213,831	2,554,510	94.0%	8,851,009	28.9%
2004	48,590,279	42,653,670	5,936,609	87.8%	8,844,961	67.1%

SPECIAL REVENUE FUNDS

STRENG POND LANDSCAPE MAINTENANCE DISTRICT – accounts for the maintenance and landscaping costs within the Streng Pond Assessment District.

NORTH PARK LANDSCAPE MAINTENANCE DISTRICT – accounts for the maintenance of lighting and landscaping costs within the North Park Assessment District.

GIBSON RANCH LANDSCAPE MAINTENANCE DISTRICT – accounts for the maintenance of lighting and landscaping costs within the Gibson Ranch Southeast Area Community Facilities District.

SPECIAL NEEDS ASSISTANCE GRANT – accounts for the activity related to the Special Needs Assistance Program grant.

HOUSING MONITORING – accounts for the revenue and expenditures connected with the follow-up monitoring on bonus density or senior citizen agreements with housing units within the City. Units were given special treatment to assist low and moderate income and senior citizens.

TRANSIT – accounts for special transportation funds derived from the city's share of motor fuel revenue to pay for contracted transportation services. These funds are legally restricted items approved in the city's Transportation Development Act (TDA) claim.

PROPOSITION 172 – accounts for the monies generated from the one-half cent sales tax increase. The funds are spent for public safety.

TRANSPORTATION – accounts for the City's share of motor fuel tax revenues that are used for street and road maintenance within the City's boundaries. These funds are approved in the City's TDA claim.

LITERACY GRANT – accounts for special funds received to facilitate citizens in improving their reading, writing and spelling abilities.

SPECIAL TRANSPORTATION – accounts for proceeds from the sale of federal urban aid funds.

GAS TAX – accounts for the special gas tax street improvement funds apportioned by the State.

HOME GRANT – accounts for revenues and expenditures associated with the HOME Investment Partnership Program.

ASSET SEIZURE – accounts for donations received from specific expendable purposes.

HISTORICAL WALKING TOUR – accounts donations received from specific expendable purposes.

SUPPLEMENTAL LAW ENFORCEMENT SERVICES GRANT – accounts for revenues and expenditures related to the Supplemental Law enforcement Services Grant Program.

LOCAL LAW ENFORCEMENT BLOCK GRANT – accounts for the revenues and expenditures related to the Local Law Enforcement Block Grant.

COPS MORE TECHNOLOGY GRANT – accounts for the revenues and expenditures related to the Community Oriented Policing Services (COPS) Making Officers Redeployment Effective (MORE) Grant Program.

TRAFFIC CONGESTION RELIEF – accounts for the revenues received from the State of California under AB2928. The allocations must be spent on local streets and roads maintenance, rehabilitation, and reconstruction projects according to the State's Traffic Congestion Relief Plan.

STATE LIBRARY PROGRAMS – accounts for State library funds and donations received for specific expendable purposes.

CEMETERY ENDOWMENT – accounts for revenues and expenditures related to ongoing maintenance of the City's cemetery.

LIGHTING & LANDSCAPING DISTRICTS – accounts for the maintenance of lighting and landscaping costs within the Woodland West, Nueva Vista, Spring Lake and Sports Park community facilities districts.

FIRE SUPPRESSION DISTRICT – accounts for revenues and expenditures related to tax levy on new development to offset the increased costs of fire suppression and rescue activities.

OFF-SITE AFFORDABLE HOUSING – accounts for fees collected from the Spring Lake Specific Plan (SLSP) to fund affordable housing within areas outside the SLSP to meet the City's affordable housing requirements.

**CITY OF WOODLAND, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 1,988,495	\$ 95,374	\$ 1,705,369	\$ 3,789,238
Cash and investments with fiscal agents	-	1,207,449	-	1,207,449
Accounts receivable	243,187	-	182,729	425,916
Due from other funds	25,706	-	-	25,706
Long-term notes receivable	2,706,996	-	3,917,075	6,624,071
Advances to other funds	-	-	4,512,484	4,512,484
Total assets	\$ 4,964,384	\$ 1,302,823	\$ 10,317,657	\$ 16,584,864
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 159,503	\$ -	\$ 182,891	\$ 342,394
Due to other funds	727,450	-	3,269,612	3,997,062
Deferred revenue	2,706,996	-	4,086,480	6,793,476
Advances from other funds	-	-	207,949	207,949
Total liabilities	3,593,949	-	7,746,932	11,340,881
Fund balances:				
Reserved for:				
Encumbrances	275,911	-	5,415,121	5,691,032
Low and moderate income housing	-	-	577,378	577,378
Debt service	-	1,302,823	-	1,302,823
Advances to other funds	-	-	4,512,484	4,512,484
Unreserved/undesignated	1,094,524	-	(7,934,258)	(6,839,734)
Total fund balances	1,370,435	1,302,823	2,570,725	5,243,983
Total liabilities and fund balances	\$ 4,964,384	\$ 1,302,823	\$ 10,317,657	\$ 16,584,864

CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2005

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES:				
Taxes	\$ 418,786	\$ -	\$ 752,541	1,171,327
Intergovernmental	3,440,738	-	53,278	3,494,016
Charges for services	108,070	-	-	108,070
Licenses and permits	133,110	-	854,587	987,697
Investment earnings	21,118	69,452	22,804	113,374
Miscellaneous	47,012	-	333,076	380,088
Total revenues	<u>4,168,834</u>	<u>69,452</u>	<u>2,016,286</u>	<u>6,254,572</u>
EXPENDITURES:				
Current:				
Finance	14,592	-	-	14,592
Community development	108,815	-	1,874,773	1,983,588
Parks, recreation and community services	365,200	-	14,158	379,358
Police	265,109	-	-	265,109
Fire	526,144	-	-	526,144
Library	218,009	-	-	218,009
Public works	3,494,837	-	6,284,041	9,778,878
Debt service:				
Principal	-	3,390,000	66,922	3,456,922
Interest and fiscal charges	-	1,433,782	32,260	1,466,042
Total expenditures	<u>4,992,706</u>	<u>4,823,782</u>	<u>8,272,154</u>	<u>18,088,642</u>
Deficiency of revenues under expenditures	<u>(823,872)</u>	<u>(4,754,330)</u>	<u>(6,255,868)</u>	<u>(11,834,070)</u>
Other financing sources (uses):				
Transfers in	24,668	4,815,194	101,030	4,940,892
Transfers out	(88,644)	-	(2,610,285)	(2,698,929)
Proceeds from long-term loans	-	-	1,550,000	1,550,000
Total other financing sources (uses)	<u>(63,976)</u>	<u>4,815,194</u>	<u>(959,255)</u>	<u>3,791,963</u>
Net change in fund balances	(887,848)	60,864	(7,215,123)	(8,042,107)
Fund balances, beginning of year	<u>2,258,283</u>	<u>1,241,959</u>	<u>9,785,848</u>	<u>13,286,090</u>
Fund balances, end of year	<u>\$ 1,370,435</u>	<u>\$ 1,302,823</u>	<u>\$ 2,570,725</u>	<u>\$ 5,243,983</u>

CITY OF WOODLAND, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2005

	Streng Pond Landscape Maintenance District	North Park Landscape Maintenance District	Gibson Ranch Landscape Maintenance District	Special Needs Assistance Grant	Housing Monitoring	Transit
ASSETS						
Cash and investments	\$ 1,667	\$ 10,129	\$ 182,456	\$ -	\$ 18,348	\$ -
Accounts receivable	722	1,336	24,216	51,734	-	-
Due from other funds	-	-	-	-	-	-
Long-term notes receivable	-	-	-	-	-	-
Total assets	\$ 2,389	\$ 11,465	\$ 206,672	\$ 51,734	\$ 18,348	\$ -
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 271	\$ 844	\$ 10,580	\$ 34,219	\$ -	\$ -
Due to other funds	-	-	-	14,543	-	25,706
Deferred revenue	-	-	-	-	-	-
Total liabilities	271	844	10,580	48,762	-	25,706
Fund balances:						
Reserved for:						
Encumbrances	1,400	-	11,164	-	-	-
Unreserved, undesignated	718	10,621	184,928	2,972	18,348	(25,706)
Total fund balances (deficits)	2,118	10,621	196,092	2,972	18,348	(25,706)
Total liabilities and fund balances	\$ 2,389	\$ 11,465	\$ 206,672	\$ 51,734	\$ 18,348	\$ -

CITY OF WOODLAND, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2005

Proposition 172	Transportation	Literacy Grant	Special Transportation	Gas Tax	Home Grant	
\$ -	\$ 109,893	\$ 25	\$ -	\$ 200,649	\$ 112,771	ASSETS
62,541	-	3,615	77,350	-	-	Cash and investments
-	25,706	-	-	-	-	Accounts receivable
-	-	-	-	-	2,706,996	Due from other funds
-	-	-	-	-	-	Long-term notes receivable
<u>\$ 62,541</u>	<u>\$ 135,599</u>	<u>\$ 3,640</u>	<u>\$ 77,350</u>	<u>\$ 200,649</u>	<u>\$ 2,819,767</u>	Total assets
						LIABILITIES AND FUND BALANCES
\$ -	\$ 74,167	\$ 1,633	\$ -	\$ 30,355	\$ -	Liabilities:
214,470	-	89,451	32,075	-	-	Accounts payable
-	-	-	-	-	2,706,996	Due to other funds
-	-	-	-	-	-	Deferred revenue
<u>214,470</u>	<u>74,167</u>	<u>91,084</u>	<u>32,075</u>	<u>30,355</u>	<u>2,706,996</u>	Total liabilities
						Fund balances:
-	179,231	2,911	-	80,493	-	Reserved for:
(151,929)	(117,799)	(90,355)	45,275	89,801	112,771	Encumbrances
-	-	-	-	-	-	Unreserved, undesignated
<u>(151,929)</u>	<u>61,432</u>	<u>(87,444)</u>	<u>45,275</u>	<u>170,294</u>	<u>112,771</u>	Total fund balances (deficits)
<u>\$ 62,541</u>	<u>\$ 135,599</u>	<u>\$ 3,640</u>	<u>\$ 77,350</u>	<u>\$ 200,649</u>	<u>\$ 2,819,767</u>	Total liabilities and fund balances

CITY OF WOODLAND, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2005

	Asset Seizure	Historical Walking Tour	Supplemental Law Enforcement Services Grant	Local Law Enforcement Block Grant	COPS MORE Technology Grant	Traffic Congestion Relief
ASSETS						
Cash and investments	\$ 67,523	\$ 3,949	\$ 66,045	\$ 17,540	\$ 7,551	\$ 199,096
Accounts receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Long-term notes receivable	-	-	-	-	-	-
Total assets	<u>\$ 67,523</u>	<u>\$ 3,949</u>	<u>\$ 66,045</u>	<u>\$ 17,540</u>	<u>\$ 7,551</u>	<u>\$ 199,096</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Reserved for:						
Encumbrances	-	-	712	-	-	-
Unreserved, undesignated	67,523	3,949	65,333	17,540	7,551	199,096
Total fund balances (deficits)	<u>67,523</u>	<u>3,949</u>	<u>66,045</u>	<u>17,540</u>	<u>7,551</u>	<u>199,096</u>
Total liabilities and fund balances	<u>\$ 67,523</u>	<u>\$ 3,949</u>	<u>\$ 66,045</u>	<u>\$ 17,540</u>	<u>\$ 7,551</u>	<u>\$ 199,096</u>

CITY OF WOODLAND, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2005

State Library Programs	Cemetery Endowment	Lighting & Landscaping Districts	Fire Suppression District	Off-Site Affordable Housing	Total Nonmajor Special Revenue Funds	
\$ 359,445	\$ 530,208	\$ -	\$ -	\$ 101,200	\$ 1,988,495	ASSETS
21,608	-	-	65	-	243,187	Cash and investments
-	-	-	-	-	25,706	Accounts receivable
-	-	-	-	-	2,706,996	Due from other funds
\$ 381,053	\$ 530,208	\$ -	\$ 65	\$ 101,200	\$ 4,964,384	Long-term notes receivable
						Total assets
						LIABILITIES AND FUND BALANCES
						Liabilities:
\$ 601	\$ 365	\$ 597	\$ 5,871	\$ -	\$ 159,503	Accounts payable
-	-	18,046	333,159	-	727,450	Due to other funds
-	-	-	-	-	2,706,996	Deferred revenue
601	365	18,643	339,030	-	3,593,949	Total liabilities
						Fund balances:
						Reserved for:
-	-	-	-	-	275,911	Encumbrances
380,452	529,843	(18,643)	(338,965)	101,200	1,094,524	Unreserved, undesignated
380,452	529,843	(18,643)	(338,965)	101,200	1,370,435	Total fund balances (deficits)
\$ 381,053	\$ 530,208	\$ -	\$ 65	\$ 101,200	\$ 4,964,384	Total liabilities and fund balances

CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005

	Streng Pond Landscape Maintenance District	North Park Landscape Maintenance District	Gibson Ranch Landscape Maintenance District	Special Needs Assistance Grant	Housing Monitoring	Transit
Revenues:						
Taxes	\$ 14,410	\$ 26,663	\$ 376,778	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	99,318	-	902,186
Charges for services	-	-	8,372	-	-	-
Licenses and permits	-	-	-	-	16,658	-
Investment earnings	17	162	2,362	-	318	67
Miscellaneous	3,521	-	-	-	-	-
Total revenues	<u>17,948</u>	<u>26,825</u>	<u>387,512</u>	<u>99,318</u>	<u>16,976</u>	<u>902,253</u>
Expenditures:						
Current:						
Finance	-	-	-	-	-	-
Community development	-	-	-	96,064	12,751	-
Parks, recreation and community services	18,615	18,494	326,497	-	-	-
Police	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Library	-	-	-	-	-	-
Public works	-	3,385	38,790	-	-	910,421
Total expenditures	<u>18,615</u>	<u>21,879</u>	<u>365,287</u>	<u>96,064</u>	<u>12,751</u>	<u>910,421</u>
Excess (deficiency) of revenues over under) expenditures	<u>(667)</u>	<u>4,946</u>	<u>22,225</u>	<u>3,254</u>	<u>4,225</u>	<u>(8,168)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	8,168
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,168</u>
Net change in fund balance	<u>(667)</u>	<u>4,946</u>	<u>22,225</u>	<u>3,254</u>	<u>4,225</u>	<u>-</u>
Fund balances (deficits), beginning of year	<u>2,785</u>	<u>5,675</u>	<u>173,867</u>	<u>(282)</u>	<u>14,123</u>	<u>(25,706)</u>
Fund balances (deficits), end of year	<u>\$ 2,118</u>	<u>\$ 10,621</u>	<u>\$ 196,092</u>	<u>\$ 2,972</u>	<u>\$ 18,348</u>	<u>\$ (25,706)</u>

CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005

Proposition 172	Transportation	Literacy Grant	Special Transportation	Gas Tax	Home Grant	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Revenues:
315,358	810,843	90,117	28,637	1,003,481	-	Taxes
-	-	-	-	-	-	Intergovernmental
-	-	-	-	13,856	-	Charges for services
(4,734)	3,896	(1,214)	-	2,456	1,872	Licenses and permits
-	-	555	-	-	30,571	Investment earnings
310,624	814,739	89,458	28,637	1,019,793	32,443	Miscellaneous
						Total revenues
-	-	-	-	-	-	Expenditures:
-	-	-	-	-	-	Current:
-	-	-	-	-	-	Finance
-	-	-	-	-	-	Community development
97,798	-	-	-	-	-	Parks, recreation and community services
107,836	-	-	-	-	-	Police
-	-	128,739	-	-	-	Fire
-	1,196,586	-	102,160	1,153,251	-	Library
-	-	-	-	-	-	Public works
205,634	1,196,586	128,739	102,160	1,153,251	-	Total expenditures
104,990	(381,847)	(39,281)	(73,523)	(133,458)	32,443	Excess (deficiency) of revenues over under) expenditures
-	-	16,500	-	-	-	Other financing sources (uses):
-	(8,168)	-	-	-	-	Transfers in
-	(8,168)	16,500	-	-	-	Transfers out
-	-	-	-	-	-	Total other financing sources (uses)
104,990	(390,015)	(22,781)	(73,523)	(133,458)	32,443	Net change in fund balance
(256,919)	451,447	(64,663)	118,798	303,752	80,328	Fund balances (deficits), beginning of year
\$ (151,929)	\$ 61,432	\$ (87,444)	\$ 45,275	\$ 170,294	\$ 112,771	Fund balances (deficits), end of year

CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005

	Asset Seizure	Historical Walking Tour	Supplemental Law Enforcement Services Grant	Local Law Enforcement Block Grant	COPS MORE Technology Grant	Traffic Congestion Relief
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Integovernmental	-	-	100,128	14,109	-	-
Charges for services	5,367	462	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Investment earnings	939	78	858	875	-	(1,227)
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>6,306</u>	<u>540</u>	<u>100,986</u>	<u>14,984</u>	<u>-</u>	<u>(1,227)</u>
Expenditures:						
Current:						
Finance	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Parks, recreation and community services	-	-	-	-	-	-
Police	964	-	121,767	42,198	-	-
Fire	-	-	-	-	-	-
Library	-	-	-	-	-	-
Public works	-	-	-	-	-	85,000
Total expenditures	<u>964</u>	<u>-</u>	<u>121,767</u>	<u>42,198</u>	<u>-</u>	<u>85,000</u>
Excess (deficiency) of revenues over under) expenditures	<u>5,342</u>	<u>540</u>	<u>(20,781)</u>	<u>(27,214)</u>	<u>-</u>	<u>(86,227)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	5,342	540	(20,781)	(27,214)	-	(86,227)
Fund balances (deficits), beginning of year	<u>62,181</u>	<u>3,409</u>	<u>86,826</u>	<u>44,754</u>	<u>7,551</u>	<u>285,323</u>
Fund balances (deficits), end of year	<u>\$ 67,523</u>	<u>\$ 3,949</u>	<u>\$ 66,045</u>	<u>\$ 17,540</u>	<u>\$ 7,551</u>	<u>\$ 199,096</u>

CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005

State Library Programs	Cemetery Endowment	Lighting & Landscaping Districts	Fire Suppression District	Off-Site Affordable Housing	Total Nonmajor Special Revenue Funds	
\$ -	\$ -	\$ -	\$ 935	\$ -	\$ 418,786	Revenues:
76,561	-	-	-	-	3,440,738	Taxes
-	15,166	-	78,703	-	108,070	Intergovernmental
92	-	-	1,304	101,200	133,110	Charges for services
6,633	7,865	-	(105)	-	21,118	Licenses and permits
12,365	-	-	-	-	47,012	Investment earnings
95,651	23,031	-	80,837	101,200	4,168,834	Miscellaneous
						Total revenues
-	-	14,592	-	-	14,592	Expenditures:
-	-	-	-	-	108,815	Current:
-	1,594	-	-	-	365,200	Finance
-	-	2,382	-	-	265,109	Community development
-	-	-	418,308	-	526,144	Parks, recreation and community services
89,270	-	-	-	-	218,009	Police
-	5,244	-	-	-	3,494,837	Fire
89,270	6,838	16,974	418,308	-	4,992,706	Library
						Public works
						Total expenditures
6,381	16,193	(16,974)	(337,471)	101,200	(823,872)	Excess (deficiency) of revenues over under) expenditures
-	-	-	-	-	24,668	Other financing sources (uses):
(77,313)	-	(1,669)	(1,494)	-	(88,644)	Transfers in
(77,313)	-	(1,669)	(1,494)	-	(63,976)	Transfers out
(70,932)	16,193	(18,643)	(338,965)	101,200	(887,848)	Total other financing sources (uses)
451,384	513,650	-	-	-	2,258,283	Net change in fund balance
\$ 380,452	\$ 529,843	\$ (18,643)	\$ (338,965)	\$ 101,200	\$ 1,370,435	Fund balances (deficits), beginning of year
						Fund balances (deficits), end of year

CITY OF WOODLAND, CALIFORNIA
 STRENG POND LANDSCAPE MAINTENANCE DISTRICT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 14,435	\$ 14,435	\$ 14,410	\$ (25)
Investment earnings	-	-	17	17
Miscellaneous	-	-	3,521	3,521
Total revenues	<u>14,435</u>	<u>14,435</u>	<u>17,948</u>	<u>3,513</u>
EXPENDITURES				
Current:				
Parks, recreation and community services	<u>17,326</u>	<u>18,726</u>	<u>18,615</u>	<u>111</u>
Net change in fund balance	<u>\$ (2,891)</u>	<u>\$ (4,291)</u>	(667)	<u>\$ 3,624</u>
Fund balance, beginning of year			<u>2,785</u>	
Fund balance, end of year			<u>\$ 2,118</u>	

CITY OF WOODLAND, CALIFORNIA
 NORTH PARK LANDSCAPE MAINTENANCE DISTRICT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Amount Actuals</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 28,000	\$ 28,000	\$ 26,663	\$ (1,337)
Investment earnings	100	100	162	62
Total revenues	<u>28,100</u>	<u>28,100</u>	<u>26,825</u>	<u>(1,275)</u>
EXPENDITURES				
Current:				
Parks, recreation and community services	40,325	40,325	18,494	21,831
Public works	<u>3,160</u>	<u>3,160</u>	<u>3,385</u>	<u>(225)</u>
Total expenditures	<u>43,485</u>	<u>43,485</u>	<u>21,879</u>	<u>21,606</u>
Net change in fund balance	<u>\$ (15,385)</u>	<u>\$ (15,385)</u>	4,946	<u>\$ 20,331</u>
Fund balance, beginning of year			<u>5,675</u>	
Fund balance, end of year			<u>\$ 10,621</u>	

CITY OF WOODLAND, CALIFORNIA
 GIBSON RANCH LANDSCAPE MAINTENANCE DISTRICT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 350,000	\$ 350,000	\$ 376,778	\$ 26,778
Charges for services	3,500	3,500	8,372	4,872
Investment earnings	2,000	2,000	2,362	362
Total revenues	<u>355,500</u>	<u>355,500</u>	<u>387,512</u>	<u>32,012</u>
EXPENDITURES				
Current:				
Parks, recreation and community services	393,584	404,748	326,497	78,251
Public works	-	-	38,790	(38,790)
Total expenditures	<u>393,584</u>	<u>404,748</u>	<u>365,287</u>	<u>39,461</u>
Net change in fund balance	<u>\$ (38,084)</u>	<u>\$ (49,248)</u>	22,225	<u>\$ 71,473</u>
Fund balance, beginning of year			<u>173,867</u>	
Fund balance, end of year			<u>\$ 196,092</u>	

CITY OF WOODLAND, CALIFORNIA
SPECIAL NEEDS ASSISTANCE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 175,155	\$ 99,318	\$ (75,837)
EXPENDITURES				
Current:				
Community development	-	223,107	96,064	127,043
Net change in fund balance	\$ -	\$ (47,952)	3,254	\$ 51,206
Fund balance (deficit), beginning of year			(282)	
Fund balance, end of year			\$ 2,972	

CITY OF WOODLAND, CALIFORNIA
HOUSING MONITORING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 18,000	\$ 18,000	\$ 16,658	\$ (1,342)
Investment earnings	500	500	318	(182)
Total revenues	18,500	18,500	16,976	(1,524)
EXPENDITURES				
Current:				
Community development	22,320	22,320	12,751	9,569
Net change in fund balance	\$ (3,820)	\$ (3,820)	4,225	\$ 8,045
Fund balance, beginning of year			14,123	
Fund balance, end of year			\$ 18,348	

CITY OF WOODLAND, CALIFORNIA
TRANSIT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 856,750	\$ 856,750	\$ 902,186	\$ 45,436
Investment earnings	-	-	67	67
Total revenues	<u>856,750</u>	<u>856,750</u>	<u>902,253</u>	<u>45,503</u>
EXPENDITURES				
Current:				
Public works	<u>910,693</u>	<u>910,693</u>	<u>910,421</u>	<u>272</u>
Deficiency of revenues under expenditures	<u>(53,943)</u>	<u>(53,943)</u>	<u>(8,168)</u>	<u>45,775</u>
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>-</u>	<u>8,168</u>	<u>8,168</u>
Net change in fund balance	<u>\$ (53,943)</u>	<u>\$ (53,943)</u>	<u>-</u>	<u>\$ 53,943</u>
Fund balance (deficit), beginning of year			<u>(25,706)</u>	
Fund balance (deficit), end of year			<u>\$ (25,706)</u>	

CITY OF WOODLAND, CALIFORNIA
 PROPOSITION 172 SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 319,000	\$ 319,000	\$ 315,358	(3,642)
Investment earnings	-	-	(4,734)	4,734
Total revenues	<u>319,000</u>	<u>319,000</u>	<u>310,624</u>	<u>1,092</u>
EXPENDITURES				
Current:				
Police	-	-	97,798	(97,798)
Fire	<u>288,700</u>	<u>288,700</u>	<u>107,836</u>	<u>180,864</u>
Total expenditures	<u>288,700</u>	<u>288,700</u>	<u>205,634</u>	<u>83,066</u>
Net change in fund balance	<u>\$ 30,300</u>	<u>\$ 30,300</u>	104,990	<u>\$ 74,690</u>
Fund balance (deficit), beginning of year			<u>(256,919)</u>	
Fund balance (deficit), end of year			<u>\$ (151,929)</u>	

CITY OF WOODLAND, CALIFORNIA
TRANSPORTATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 857,000	\$ 857,000	\$ 810,843	\$ (46,157)
Investment earnings	5,000	5,000	3,896	(1,104)
Total revenues	<u>862,000</u>	<u>862,000</u>	<u>814,739</u>	<u>(47,261)</u>
EXPENDITURES				
Current:				
Public works	<u>1,253,691</u>	<u>1,432,922</u>	<u>1,196,586</u>	<u>236,336</u>
Deficiency of revenues under expenditures	<u>(391,691)</u>	<u>(570,922)</u>	<u>(381,847)</u>	<u>189,075</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>(8,168)</u>	<u>(8,168)</u>
Net change in fund balance	<u>\$ (391,691)</u>	<u>\$ (570,922)</u>	<u>(390,015)</u>	<u>\$ 180,907</u>
Fund balance, beginning of year			<u>451,447</u>	
Fund balance, end of year			<u>\$ 61,432</u>	

CITY OF WOODLAND, CALIFORNIA
LITERACY GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 98,000	\$ 98,000	\$ 90,117	(7,883)
Investment earnings	-	-	(1,214)	1,214
Miscellaneous	-	-	555	555
Total revenues	<u>98,000</u>	<u>98,000</u>	<u>89,458</u>	<u>(6,114)</u>
EXPENDITURES				
Current:				
Library	<u>126,451</u>	<u>116,594</u>	<u>128,739</u>	<u>(12,145)</u>
Deficiency of revenues under expenditures	<u>(28,451)</u>	<u>(18,594)</u>	<u>(39,281)</u>	<u>(20,687)</u>
Other financing sources (uses):				
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>16,500</u>	<u>1,500</u>
Net change in fund balance	<u>\$ (13,451)</u>	<u>\$ (3,594)</u>	<u>(22,781)</u>	<u>\$ (19,187)</u>
Fund balance (deficit), beginning of year			<u>(64,663)</u>	
Fund balance (deficit), end of year			<u>\$ (87,444)</u>	

CITY OF WOODLAND, CALIFORNIA
 GAS TAX SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 998,000	\$ 998,000	\$ 1,003,481	\$ 5,481
Licenses and permits	-	-	13,856	13,856
Investment earnings	5,000	5,000	2,456	(2,544)
Total revenues	<u>1,003,000</u>	<u>1,003,000</u>	<u>1,019,793</u>	<u>16,793</u>
EXPENDITURES				
Current:				
Public works	<u>1,104,851</u>	<u>1,185,344</u>	<u>1,153,251</u>	<u>32,093</u>
Net change in fund balance	<u>\$ (101,851)</u>	<u>\$ (182,344)</u>	(133,458)	<u>\$ 48,886</u>
Fund balance, beginning of year			<u>303,752</u>	
Fund balance, end of year			<u>\$ 170,294</u>	

CITY OF WOODLAND, CALIFORNIA
HOME GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 1,872	\$ 1,872
Miscellaneous	-	-	30,571	30,571
Total revenues	<u>-</u>	<u>-</u>	<u>32,443</u>	<u>32,443</u>
EXPENDITURES				
Current:				
Community development	35,825	35,825	-	35,825
Net change in fund balance	<u>\$ (35,825)</u>	<u>\$ (35,825)</u>	32,443	<u>\$ 68,268</u>
Fund balance, beginning of year			<u>80,328</u>	
Fund balance, end of year			<u>\$ 112,771</u>	

CITY OF WOODLAND, CALIFORNIA
 ASSET SEIZURE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 15,000	\$ 15,000	\$ 5,367	\$ (9,633)
Investment earnings	3,000	3,000	939	(2,061)
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>6,306</u>	<u>(11,694)</u>
EXPENDITURES				
Current:				
Police	<u>78,964</u>	<u>78,964</u>	<u>964</u>	<u>78,000</u>
Net change in fund balance	<u>\$ (60,964)</u>	<u>\$ (60,964)</u>	5,342	<u>\$ 66,306</u>
Fund balance, beginning of year			<u>62,181</u>	
Fund balance, end of year			<u>\$ 67,523</u>	

CITY OF WOODLAND, CALIFORNIA
HISTORICAL WALKING TOUR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 600	\$ 600	\$ 462	\$ (138)
Investment earnings	-	-	78	78
Total revenues	<u>600</u>	<u>600</u>	<u>540</u>	<u>(60)</u>
Net change in fund balance	<u>\$ 600</u>	<u>\$ 600</u>	540	<u>\$ (60)</u>
Fund balance, beginning of year			<u>3,409</u>	
Fund balance, end of year			<u>\$ 3,949</u>	

CITY OF WOODLAND, CALIFORNIA
 SUPPLEMENTAL LAW ENFORCEMENT SERVICES GRANT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,128	\$ 128
Investment earnings	-	-	858	858
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>100,986</u>	<u>986</u>
EXPENDITURES				
Current:				
Police	<u>160,615</u>	<u>161,328</u>	<u>121,767</u>	<u>39,561</u>
Net change in fund balance	<u>\$ (60,615)</u>	<u>\$ (61,328)</u>	(20,781)	<u>\$ 40,547</u>
Fund balance, beginning of year			<u>86,826</u>	
Fund balance, end of year			<u>\$ 66,045</u>	

CITY OF WOODLAND, CALIFORNIA
 LOCAL LAW ENFORCEMENT BLOCK GRANT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 14,109	\$ 14,109	\$ -
Investment earnings	-	1,568	875	(693)
Total revenues	-	15,677	14,984	(693)
EXPENDITURES				
Current:				
Police	9,000	24,677	42,198	(17,521)
Net change in fund balance	<u>\$ (9,000)</u>	<u>\$ (9,000)</u>	(27,214)	<u>\$ (18,214)</u>
Fund balance, beginning of year			44,754	
Fund balance, end of year			<u>\$ 17,540</u>	

CITY OF WOODLAND, CALIFORNIA
 TRAFFIC CONGESTION RELIEF SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ (1,227)	\$ 1,227
EXPENDITURES				
Current:				
Public works	-	175,000	85,000	90,000
Net change in fund balance	<u>\$ -</u>	<u>\$ (175,000)</u>	(86,227)	<u>88,773</u>
Fund balance, beginning of year			<u>285,323</u>	
Fund balance, end of year			<u>\$ 199,096</u>	

CITY OF WOODLAND, CALIFORNIA
STATE LIBRARY PROGRAMS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 76,561	\$ 76,561
Licenses and permits	-	-	92	92
Investment earnings	7,500	7,500	6,633	(867)
Miscellaneous	-	-	12,365	12,365
Total revenues	<u>7,500</u>	<u>7,500</u>	<u>95,651</u>	<u>88,151</u>
EXPENDITURES				
Current:				
Library	-	-	89,270	89,270
Excess of revenues over expenditures	<u>7,500</u>	<u>7,500</u>	<u>6,381</u>	<u>(1,119)</u>
Other financing sources (uses):				
Transfers out	-	-	(77,313)	(77,313)
Net change in fund balance	<u>\$ 7,500</u>	<u>\$ 7,500</u>	(70,932)	<u>\$ (78,432)</u>
Fund balance, beginning of year			<u>451,384</u>	
Fund balance, end of year			<u>\$ 380,452</u>	

CITY OF WOODLAND, CALIFORNIA
CEMETERY ENDOWMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 15,000	\$ 15,000	\$ 15,166	\$ 166
Investment earnings	20,000	20,000	7,865	(12,135)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>23,031</u>	<u>(11,969)</u>
EXPENDITURES				
Current:				
Parks, recreation and community services	898	3,933	1,594	2,339
Public works	5,244	5,244	5,244	-
Total expenditures	<u>6,142</u>	<u>9,177</u>	<u>6,838</u>	<u>2,339</u>
Net change in fund balance	<u>\$ 28,858</u>	<u>\$ 25,823</u>	16,193	<u>\$ (9,630)</u>
Fund balance, beginning of year			<u>513,650</u>	
Fund balance, end of year			<u>\$ 529,843</u>	

CITY OF WOODLAND, CALIFORNIA
 LIGHTING & LANDSCAPING DISTRICTS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 131,500	\$ 131,500	\$ -	\$ (131,500)
EXPENDITURES				
Current:				
Finance	132,448	132,448	14,592	117,856
Police	-	-	2,382	(2,382)
Total expenditures	<u>132,448</u>	<u>132,448</u>	<u>16,974</u>	<u>115,474</u>
Deficiency of revenues under expenditures	<u>(948)</u>	<u>(948)</u>	<u>(16,974)</u>	<u>(16,026)</u>
Other financing sources (uses):				
Transfers out	-	-	(1,669)	(1,669)
Net change in fund balance	<u>\$ (948)</u>	<u>\$ (948)</u>	(18,643)	<u>\$ (17,695)</u>
Fund balance, beginning of year			-	
Fund balance (deficit), end of year			<u>\$ (18,643)</u>	

CITY OF WOODLAND, CALIFORNIA
 FIRE SUPPRESSION DISTRICT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 10,000	\$ 10,000	\$ 935	\$ (9,065)
Charges for services	285,500	285,500	78,703	(206,797)
Licenses and permits	-	-	1,304	1,304
Investment earnings	-	-	(105)	105
Total revenues	<u>295,500</u>	<u>295,500</u>	<u>80,837</u>	<u>(214,453)</u>
EXPENDITURES				
Current:				
Fire	<u>499,880</u>	<u>499,880</u>	<u>418,308</u>	<u>81,572</u>
Deficiency of revenues under expenditures	<u>(204,380)</u>	<u>(204,380)</u>	<u>(337,471)</u>	<u>(133,091)</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>(1,494)</u>	<u>(1,494)</u>
Net change in fund balance	<u>\$ (204,380)</u>	<u>\$ (204,380)</u>	<u>(338,965)</u>	<u>\$ (134,585)</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance (deficit), end of year			<u>\$ (338,965)</u>	

DEBT SERVICE FUNDS

CERTIFICATES OF PARTICIPATION – accounts for the accumulation of resources for, and payment of, principal and interest on the 1995 Certificates of Participation for the public library project.

2002 LEASE REVENUE BONDS – accounts for the accumulation of resources for, and payment of, principal and interest on the 2002 Lease Revenue Bonds issued to finance the construction and acquisition activities of various capital projects.

WOODLAND REDEVELOPMENT AGENCY 1996 TAX ALLOCATION BONDS – accounts for the accumulation of resources for, and payment of, principal and interest on the 1996 Tax Allocation Bonds issued to further the resources for various redevelopment activities.

CITY OF WOODLAND, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 JUNE 30, 2005

	<u>Certificates of Participation</u>	<u>2002 Lease Revenue Bonds</u>	<u>Woodland Redevelopment Agency 1996 Tax Allocation Bonds</u>	<u>Total Nonmajor Debt Service Funds</u>
ASSETS				
Cash and investments	\$ -	\$ 95,374	\$ -	\$ 95,374
Cash and investments with fiscal agents	<u>258,194</u>	<u>760,243</u>	<u>189,012</u>	<u>1,207,449</u>
Total assets	<u>\$ 258,194</u>	<u>\$ 855,617</u>	<u>\$ 189,012</u>	<u>\$ 1,302,823</u>
FUND BALANCES				
Reserved for debt service	<u>\$ 258,194</u>	<u>\$ 855,617</u>	<u>\$ 189,012</u>	<u>\$ 1,302,823</u>

CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2005

	Certificates of Participation	2002 Lease Revenue Bonds	Woodland Redevelopment Agency 1996 Tax Allocation Bonds	Total Nonmajor Debt Service Funds
Revenues:				
Investment earnings	\$ 4,953	\$ 60,986	\$ 3,513	\$ 69,452
Expenditures:				
Debt service:				
Principal	280,000	3,060,000	50,000	3,390,000
Interest and fiscal charges	26,800	1,268,030	138,952	1,433,782
Total expenditures	306,800	4,328,030	188,952	4,823,782
Deficiency of revenues under expenditures	(301,847)	(4,267,044)	(185,439)	(4,754,330)
Other financing sources (uses):				
Transfers in	303,863	4,325,080	186,251	4,815,194
Net change in fund balance	2,016	58,036	812	60,864
Fund balance, beginning of year	256,178	797,581	188,200	1,241,959
Fund balance, end of year	\$ 258,194	\$ 855,617	\$ 189,012	\$ 1,302,823

CITY OF WOODLAND, CALIFORNIA
 CERTIFICATES OF PARTICIPATION DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 4,953	\$ 4,953
Expenditures:				
Debt service:				
Principal	280,000	280,000	280,000	-
Interest and fiscal charges	28,080	28,080	26,800	1,280
Total expenditures	<u>308,080</u>	<u>308,080</u>	<u>306,800</u>	<u>1,280</u>
Deficiency of revenues under expenditures	<u>(308,080)</u>	<u>(308,080)</u>	<u>(301,847)</u>	<u>6,233</u>
Other financing sources:				
Transfers in	<u>308,100</u>	<u>308,100</u>	<u>303,863</u>	<u>(4,237)</u>
Net change in fund balance	<u>\$ 20</u>	<u>\$ 20</u>	2,016	<u>\$ 1,996</u>
Fund balance, beginning of year			<u>256,178</u>	
Fund balance, end of year			<u>\$ 258,194</u>	

CITY OF WOODLAND, CALIFORNIA
2002 LEASE REVENUE BONDS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 60,986	\$ 60,986
Expenditures:				
Debt service:				
Principal	3,060,000	3,060,000	3,060,000	-
Interest and fiscal charges	1,265,080	1,265,080	1,268,030	2,950
Total expenditures	4,325,080	4,325,080	4,328,030	2,950
Deficiency of revenues under expenditures	(4,325,080)	(4,325,080)	(4,267,044)	58,036
Other financing sources (uses):				
Transfers in	4,325,080	4,325,080	4,325,080	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	58,036	<u>\$ 58,036</u>
Fund balance, beginning of year			<u>797,581</u>	
Fund balance, end of year			<u>\$ 855,617</u>	

CITY OF WOODLAND, CALIFORNIA
WOODLAND REDEVELOPMENT AGENCY
1996 TAX ALLOCATION BONDS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 3,513	\$ 3,513
Expenditures:				
Debt service:				
Principal	50,000	50,000	50,000	-
Interest and fiscal charges	139,353	139,353	138,952	401
Total expenditures	189,353	189,353	188,952	401
Deficiency of revenues under expenditures	(189,353)	(189,353)	(185,439)	3,914
Other financing sources (uses):				
Transfers in	189,837	189,837	186,251	(3,586)
Net change in fund balance	\$ 484	\$ 484	812	\$ 328
Fund balance, beginning of year			188,200	
Fund balance, end of year			\$ 189,012	

CAPITAL PROJECTS FUNDS

WOODLAND REDEVELOPMENT AGENCY CITY FUNDS – accounts for all revenues and expenditures connected with the project remedy conditions contributing to blight and revitalization of the redevelopment area.

WOODLAND REDEVELOPMENT AGENCY LOW/MOD HOUSING – established to segregate the portions of the redevelopment tax increment funds designated for low and moderate income housing capital projects.

PARK RESERVE – accounts for funds collected from developers for park expansion.

GIBSON RANCH CAPITAL PROJECTS – accounts for the proceeds from the special assessment debt, with no City obligation, and specific project funds collected for capital improvements in Gibson Ranch Southeast Area Community Facilities District.

WATER DEVELOPMENT – accounts for funds collected from developers for water system expansion.

STORM DRAIN DEVELOPMENT – accounts for funds collected from developers for storm drain system expansion.

CITY OF WOODLAND, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2005

	Woodland Redevelopment Agency City Funds	Woodland Redevelopment Agency Low/Mod Housing	Park Reserve	Gibson Ranch Capital Projects
ASSETS				
Cash and investments	\$ -	\$ 611,435	\$ -	\$ 6,944
Accounts receivable	39,154	13,238	50,400	15,838
Long-term notes receivable	-	3,796,211	-	120,864
Advances to other funds	-	-	-	-
Total assets	<u>\$ 39,154</u>	<u>\$ 4,420,884</u>	<u>\$ 50,400</u>	<u>\$ 143,646</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 8,641	\$ 295	\$ 66,458	\$ -
Due to other funds	109,012	-	3,160,600	-
Deferred revenue	-	3,796,211	50,400	127,199
Advances from other funds	207,949	-	-	-
Total liabilities	<u>325,602</u>	<u>3,796,506</u>	<u>3,277,458</u>	<u>127,199</u>
Fund balances:				
Reserved for:				
Encumbrances	-	47,000	3,980	-
Low and moderate income housing	-	577,378	-	-
Advances to other funds	-	-	-	-
Unreserved, undesignated	(286,448)	-	(3,231,038)	16,447
Total fund balances	<u>(286,448)</u>	<u>624,378</u>	<u>(3,227,058)</u>	<u>16,447</u>
Total liabilities and fund balances	<u>\$ 39,154</u>	<u>\$ 4,420,884</u>	<u>\$ 50,400</u>	<u>\$ 143,646</u>

CITY OF WOODLAND, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2005

<u>Water Development</u>	<u>Storm Drain Development</u>	<u>Total Nonmajor Capital Projects Funds</u>	
\$ 415,582 40,775 - <u>2,351,503</u>	\$ 671,408 23,324 - <u>2,160,981</u>	\$ 1,705,369 182,729 3,917,075 <u>4,512,484</u>	ASSETS Cash and investments Accounts receivable Long-term notes receivable Advances to other funds Total assets
<u>\$ 2,807,860</u>	<u>\$ 2,855,713</u>	<u>\$ 10,317,657</u>	
LIABILITIES AND FUND BALANCES			
Liabilities:			
\$ 103,353 - 89,346 - <u>192,699</u>	\$ 4,144 - 23,324 - <u>27,468</u>	\$ 182,891 3,269,612 4,086,480 207,949 <u>7,746,932</u>	Accounts payable Due to other funds Deferred revenue Advances from other funds Total liabilities
Fund balances:			
Reserved for:			
3,600,909 - 2,351,503 (3,337,251) <u>2,615,161</u>	1,763,232 - 2,160,981 (1,095,968) <u>2,828,245</u>	5,415,121 577,378 4,512,484 (7,934,258) <u>2,570,725</u>	Encumbrances Low and moderate income housing Advances to other funds Unreserved, undesignated Total fund balances
<u>\$ 2,807,860</u>	<u>\$ 2,855,713</u>	<u>\$ 10,317,657</u>	Total liabilities and fund balances

CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2005

	Woodland Redevelopment Agency City Funds	Woodland Redevelopment Agency Low/Mod Housing	Park Reserve	Gibson Ranch Capital Projects
Revenues:				
Taxes	\$ 581,526	\$ 171,015	\$ -	\$ -
Intergovernmental		-	-	-
Licenses and permits	65,868	-	272,775	-
Investment earnings	(1,954)	8,388	(11,132)	6,438
Miscellaneous	2,249	202,619	3,166	-
Total revenues	<u>647,689</u>	<u>382,022</u>	<u>264,809</u>	<u>6,438</u>
Expenditures:				
Current				
Community development	222,615	1,652,158	-	-
Parks, recreation and community services	-	-	14,158	-
Public works	311,775	-	4,474,850	-
Debt service:				
Principal	52,304	14,618	-	-
Interest and fiscal charges	-	32,260	-	-
Total expenditures	<u>586,694</u>	<u>1,699,036</u>	<u>4,489,008</u>	<u>-</u>
Excess (deficiency) of revenues over under) expenditures	<u>60,995</u>	<u>(1,317,014)</u>	<u>(4,224,199)</u>	<u>6,438</u>
Other financing sources (uses):				
Transfers in	-	-	101,030	-
Transfers out	(186,251)	-	(2,424,034)	-
Proceeds from long-term loans	-	1,550,000	-	-
Total other financing sources (uses)	<u>(186,251)</u>	<u>1,550,000</u>	<u>(2,323,004)</u>	<u>-</u>
Net change in fund balance	<u>(125,256)</u>	<u>232,986</u>	<u>(6,547,203)</u>	<u>6,438</u>
Fund balance (deficit), beginning of year	<u>(161,192)</u>	<u>391,392</u>	<u>3,320,145</u>	<u>10,009</u>
Fund balance (deficit), end of year	<u>\$ (286,448)</u>	<u>\$ 624,378</u>	<u>\$ (3,227,058)</u>	<u>\$ 16,447</u>

CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2005

Water Development	Storm Drain Development	Total Nonmajor Capital Projects Funds	
			Revenues:
\$ -	\$ -	\$ 752,541	Taxes
53,278	-	53,278	Intergovernmental
235,881	280,063	854,587	Licenses and permits
9,580	11,484	22,804	Investment earnings
65,161	59,881	333,076	Miscellaneous
<u>363,900</u>	<u>351,428</u>	<u>2,016,286</u>	Total revenues
			Expenditures:
			Current
-	-	1,874,773	Community development
-	-	14,158	Parks, recreation and community services
1,065,680	431,736	6,284,041	Public works
			Debt service:
-	-	66,922	Principal
-	-	32,260	Interest and fiscal charges
<u>1,065,680</u>	<u>431,736</u>	<u>8,272,154</u>	Total expenditures
<u>(701,780)</u>	<u>(80,308)</u>	<u>(6,255,868)</u>	Excess (deficiency) of revenues over under) expenditures
			Other financing sources (uses):
-	-	101,030	Transfers in
-	-	(2,610,285)	Transfers out
-	-	1,550,000	Proceeds from long-term loans
<u>-</u>	<u>-</u>	<u>(959,255)</u>	Total other financing sources (uses)
(701,780)	(80,308)	(7,215,123)	Net change in fund balance
<u>3,316,941</u>	<u>2,908,553</u>	<u>9,785,848</u>	Fund balance, beginning of year
<u>\$ 2,615,161</u>	<u>\$ 2,828,245</u>	<u>\$ 2,570,725</u>	Fund balance, end of year

ENTERPRISE FUNDS

WASTEWATER PRETREATMENT – accounts for the provision of wastewater pretreatment services to residents of the City and some residents of the County of Yolo (County). All activities necessary to provide such services are accounted for in this fund, includes, but is not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

PARKING – accounts for the provision of parking control services provided to residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, includes, but is not limited to, administration, operations, capital improvements, maintenance, and billing and collection.

RECYCLING – accounts for the provision of recycling services provided to residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, include, but is not limited to, administration, operations, capital improvements, maintenance, and billing and collection.

FIRE TRAINING CENTER – accounts for the provision of the fire training facility as provided by the City of Woodland's Fire Department. All activities necessary to provide such services are accounted for in this fund, include, but is not limited to, administration, operations, capital improvements, maintenance, and billing and collection.

CEMETERY – accounts for the provision of cemetery services available to residents of the City and County. All activities necessary to provide such services are accounted for in this fund, include, but is not limited to, administration, operations, capital improvements, maintenance, and billing and collection.

DUBACH PARK – accounts for revenues received from third party rentals of the Dubach baseball/softball complex. All costs necessary to operate the sports park are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, and the collection of associated fees.

CITY OF WOODLAND CALIFORNIA
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 JUNE 30, 2005

	Wastewater Pretreatment	Parking	Recycling	Fire Training Center	Cemetery	Dubach Park	Total Nonmajor Enterprise Funds
ASSETS							
Current assets:							
Cash and investments	\$ 106,533	\$ 73,618	\$ 1,361,374	\$ 38,842	\$ -	\$ -	\$ 1,580,367
Accounts receivable	25,777	-	15,791	5,048	-	-	46,616
Total current assets	<u>132,310</u>	<u>73,618</u>	<u>1,377,165</u>	<u>43,890</u>	<u>-</u>	<u>-</u>	<u>1,626,983</u>
Noncurrent assets:							
Advances to other funds	-	-	140,000	-	-	-	140,000
Land	-	1,895,633	-	-	-	-	1,895,633
Capital assets (net of accumulated depreciation)	3,664	2,413	20,920	-	-	-	26,997
Total noncurrent assets	<u>3,664</u>	<u>1,898,046</u>	<u>160,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,062,630</u>
Total assets	<u>135,974</u>	<u>1,971,664</u>	<u>1,538,085</u>	<u>43,890</u>	<u>-</u>	<u>-</u>	<u>3,689,613</u>
LIABILITIES							
Current liabilities:							
Accounts payable	3,031	11,320	25,610	18,497	1,867	12,699	73,024
Due to other funds	-	-	-	-	928	139,319	140,247
Compensated absences	3,347	5,191	1,197	-	-	642	10,377
Total current liabilities	<u>6,378</u>	<u>16,511</u>	<u>26,807</u>	<u>18,497</u>	<u>2,795</u>	<u>152,660</u>	<u>223,648</u>
Noncurrent liabilities:							
Compensated absences	3,808	3,623	1,286	7,560	9,963	5,169	31,409
Total liabilities	<u>10,186</u>	<u>20,134</u>	<u>28,093</u>	<u>26,057</u>	<u>12,758</u>	<u>157,829</u>	<u>255,057</u>
NET ASSETS							
Invested in capital assets, net of related debt	3,664	1,898,046	20,920	-	-	-	1,922,630
Unrestricted	122,124	53,484	1,489,072	17,833	(12,758)	(157,829)	1,511,926
Total net assets	<u>\$ 125,788</u>	<u>\$ 1,951,530</u>	<u>\$ 1,509,992</u>	<u>\$ 17,833</u>	<u>\$ (12,758)</u>	<u>\$ (157,829)</u>	<u>\$ 3,434,556</u>

CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 YEAR ENDED JUNE 30, 2005

	Wastewater Pretreatment	Parking	Recycling	Fire Training Center	Cemetery	Dubach Park	Total Nonmajor Enterprise Funds
OPERATING REVENUES:							
Charges for services	\$ 394,310	\$ -	\$ 217,355	\$ 294,013	\$ 128,625	\$ 69,452	\$ 1,103,755
Parking fines	-	294,903	-	-	-	-	294,903
Other	-	-	6,000	-	9	-	6,009
Total operating revenues	<u>394,310</u>	<u>294,903</u>	<u>223,355</u>	<u>294,013</u>	<u>128,634</u>	<u>69,452</u>	<u>1,404,667</u>
OPERATING EXPENSES:							
Personnel services	199,348	171,883	112,538	210,730	246,573	138,665	1,079,737
Utilities	2,016	173	1,552	-	2,132	31,617	37,490
Office supplies and expenses	8,174	4,078	122,191	45,564	17,976	12,771	210,754
Small tools and supplies	205	-	-	-	1,080	103	1,388
Contractual services	52,219	116,783	16,821	42,652	14,660	28,384	271,519
Depreciation	284	-	2,648	-	-	-	2,932
Equipment rental and maintenance	21,868	24,556	15,464	12,784	49,216	15,741	139,629
Total operating expenses	<u>284,114</u>	<u>317,473</u>	<u>271,214</u>	<u>311,730</u>	<u>331,637</u>	<u>227,281</u>	<u>1,743,449</u>
Operating income (loss)	<u>110,196</u>	<u>(22,570)</u>	<u>(47,859)</u>	<u>(17,717)</u>	<u>(203,003)</u>	<u>(157,829)</u>	<u>(338,782)</u>
NONOPERATING REVENUES (EXPENSES):							
Investment earnings	2,368	1,415	25,157	687	-	-	29,627
Intergovernmental	-	-	14,154	-	-	-	14,154
Interest expense	(5,138)	-	-	-	-	-	(5,138)
Total nonoperating revenues	<u>(2,770)</u>	<u>1,415</u>	<u>39,311</u>	<u>687</u>	<u>-</u>	<u>-</u>	<u>38,643</u>
Income (loss) before transfers	<u>107,426</u>	<u>(21,155)</u>	<u>(8,548)</u>	<u>(17,030)</u>	<u>(203,003)</u>	<u>(157,829)</u>	<u>(300,139)</u>
Transfers in	-	-	-	-	214,205	-	214,205
Change in net assets	<u>107,426</u>	<u>(21,155)</u>	<u>(8,548)</u>	<u>(17,030)</u>	<u>11,202</u>	<u>(157,829)</u>	<u>(85,934)</u>
Net assets (deficit), beginning of year	<u>18,362</u>	<u>1,972,685</u>	<u>1,518,540</u>	<u>34,863</u>	<u>(23,960)</u>	<u>-</u>	<u>3,520,490</u>
Net assets (deficit), end of year	<u>\$ 125,788</u>	<u>\$ 1,951,530</u>	<u>\$ 1,509,992</u>	<u>\$ 17,833</u>	<u>\$ (12,758)</u>	<u>\$ (157,829)</u>	<u>\$ 3,434,556</u>

CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 YEAR ENDED JUNE 30, 2005

	Wastewater Pretreatment	Parking	Recycling	Fire Training Center	Cemetery	Dubach Park	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from customers and users	\$ 382,150	\$ 303,432	\$ 227,409	\$ 291,465	\$ 128,634	\$ 69,452	\$ 1,402,542
Payments to suppliers	(82,363)	(148,312)	(88,279)	(82,551)	(84,766)	(75,917)	(562,188)
Payments to employees	(199,588)	(168,459)	(114,403)	(203,170)	(249,362)	(132,854)	(1,067,836)
Net cash provided (used) by operating activities	100,199	(13,339)	24,727	5,744	(205,494)	(139,319)	(227,482)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Transfers in	-	-	-	-	214,205	-	214,205
Interfund borrowings	-	-	-	-	-	139,319	139,319
Interfund repayments	-	-	-	-	(8,711)	-	(8,711)
Payments received/(made) on advances from/to other funds	(85,634)	-	70,000	-	-	-	(15,634)
Operating grants received	-	-	14,154	-	-	-	14,154
Net cash provided (used) by noncapital financing activities	(85,634)	-	84,154	-	205,494	139,319	343,333
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition of capital assets	-	-	(11,790)	-	-	-	(11,790)
Interest paid	(5,138)	-	-	-	-	-	(5,138)
Net cash used by capital and related financing activities	(5,138)	-	(11,790)	-	-	-	(16,928)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest received	2,368	1,415	25,157	687	-	-	29,627
Net increase (decrease) in cash and cash equivalents	11,795	(11,924)	122,248	6,431	-	-	128,550
Cash and cash equivalents, beginning of year	94,738	85,542	1,239,126	32,411	-	-	1,451,817
Cash and cash equivalents, end of year	\$ 106,533	\$ 73,618	\$ 1,361,374	\$ 38,842	\$ -	\$ -	\$ 1,580,367

CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
 NONMAJOR ENTERPRISE FUNDS
 YEAR ENDED JUNE 30, 2005

	Wastewater Pretreatment	Parking	Recycling	Fire Training Center	Cemetery	Dubach Park	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 110,196	\$ (22,570)	\$ (47,859)	\$ (17,717)	\$ (203,003)	\$ (157,829)	\$ (338,782)
Adjustment to reconcile operating income to net cash flows from operating activities:							
Depreciation	284	-	2,648	-	-	-	2,932
Change in assets and liabilities:							
Accounts receivable	(12,160)	8,529	4,054	(2,548)	-	-	(2,125)
Accounts payable	2,119	(2,722)	67,749	18,449	298	12,699	98,592
Compensated absences	(240)	3,424	(1,865)	7,560	(2,789)	5,811	11,901
Total adjustments	<u>(9,997)</u>	<u>9,231</u>	<u>72,586</u>	<u>23,461</u>	<u>(2,491)</u>	<u>18,510</u>	<u>111,300</u>
Cash flows provided (used) by operating activities	<u>\$ 100,199</u>	<u>\$ (13,339)</u>	<u>\$ 24,727</u>	<u>\$ 5,744</u>	<u>\$ (205,494)</u>	<u>\$ (139,319)</u>	<u>\$ (227,482)</u>

INTERNAL SERVICE FUNDS

EQUIPMENT SERVICE AND REPAIR – accounts for the rental of motor vehicles to other City departments and related costs.

BENEFITS – accounts for the City's health insurance program.

SELF-INSURANCE – accounts for the self-insured portion of the City's worker's compensation, general liability and property insurance programs.

INFORMATION SYSTEMS – accounts for the operation and maintenance of the City's information systems.

CITY OF WOODLAND, CALIFORNIA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2005

	Equipment Service and Repair	Benefits	Self- Insurance	Information Systems	Total
ASSETS					
Current assets:					
Cash and investments	\$ 553,298	\$ 31,793	\$ 188,511	\$ -	\$ 773,602
Accounts receivable	558,025	-	18,697	-	576,722
Due from other funds	6,195	-	-	-	6,195
Prepaid items and deposits	206,892	-	-	-	206,892
Total current assets	<u>1,324,410</u>	<u>31,793</u>	<u>207,208</u>	<u>-</u>	<u>1,563,411</u>
Noncurrent assets:					
Capital assets, net of accumulated depreciation	<u>4,398,924</u>	<u>-</u>	<u>-</u>	<u>337,131</u>	<u>4,736,055</u>
Total assets	<u>5,723,334</u>	<u>31,793</u>	<u>207,208</u>	<u>337,131</u>	<u>6,299,466</u>
LIABILITIES					
Current liabilities:					
Accounts payable	70,020	59,604	14,224	98,059	241,907
Due to other funds	-	-	-	6,195	6,195
Interest payable	66,211	-	-	-	66,211
Compensated absences	5,857	-	923	-	6,780
Capital lease obligations	316,743	-	-	-	316,743
Total current liabilities	<u>458,831</u>	<u>59,604</u>	<u>15,147</u>	<u>104,254</u>	<u>637,836</u>
Noncurrent liabilities:					
Compensated absences	18,857	-	2,151	20,480	41,488
Advances from other funds	-	-	-	140,000	140,000
Capital lease obligations	1,957,370	-	-	-	1,957,370
Total noncurrent liabilities	<u>1,976,227</u>	<u>-</u>	<u>2,151</u>	<u>160,480</u>	<u>2,138,858</u>
Total liabilities	<u>2,435,058</u>	<u>59,604</u>	<u>17,298</u>	<u>264,734</u>	<u>2,776,694</u>
NET ASSETS					
Invested in capital assets, net of related debt	2,124,811	-	-	337,131	2,461,942
Unrestricted	<u>1,163,465</u>	<u>(27,811)</u>	<u>189,910</u>	<u>(264,734)</u>	<u>1,060,830</u>
Total net assets	<u>\$ 3,288,276</u>	<u>\$ (27,811)</u>	<u>\$ 189,910</u>	<u>\$ 72,397</u>	<u>\$ 3,522,772</u>

**CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2005**

	Equipment Service and Repair	Benefits	Self- Insurance	Information Systems	Total
OPERATING REVENUES:					
Billings to departments	\$ 2,007,644	\$ 3,197,577	\$ 1,677,170	\$ 895,313	\$ 7,777,704
Other	69,027	55	36,889	-	105,971
Total operating revenues	<u>2,076,671</u>	<u>3,197,632</u>	<u>1,714,059</u>	<u>895,313</u>	<u>7,883,675</u>
OPERATING EXPENSES:					
Personnel services	511,512	8,860	37,491	409,225	967,088
Utilities	-	-	-	18,125	18,125
Office supplies and expenses	17,515	-	1,502	12,286	31,303
Small tools and supplies	5,828	-	-	-	5,828
Depreciation	665,374	-	-	89,140	754,514
Equipment rental and maintenance	535,401	-	-	370,803	906,204
Insurance premiums and claims	-	3,227,053	1,168,566	-	4,395,619
Total operating expenses	<u>1,735,630</u>	<u>3,235,913</u>	<u>1,207,559</u>	<u>899,579</u>	<u>7,078,681</u>
Operating income (loss)	<u>341,041</u>	<u>(38,281)</u>	<u>506,500</u>	<u>(4,266)</u>	<u>804,994</u>
Nonoperating revenues					
Investment earnings	14,033	-	-	-	14,033
Interest expense	(38,577)	-	-	(5,985)	(44,562)
Gain on disposal of capital assets	43,371	-	-	-	43,371
Total nonoperating revenues	<u>18,827</u>	<u>-</u>	<u>-</u>	<u>(5,985)</u>	<u>12,842</u>
Income (loss) before transfers	359,868	(38,281)	506,500	(10,251)	817,836
Transfers in	-	8,737	-	345,498	354,235
Transfers out	-	-	(348,392)	-	(348,392)
Change in net assets	359,868	(29,544)	158,108	335,247	823,679
Net assets (deficit), beginning of year	<u>2,928,408</u>	<u>1,733</u>	<u>31,802</u>	<u>(262,850)</u>	<u>2,699,093</u>
Net assets (deficit), end of year	<u>\$ 3,288,276</u>	<u>\$ (27,811)</u>	<u>\$ 189,910</u>	<u>\$ 72,397</u>	<u>\$ 3,522,772</u>

CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2005

	Equipment Service and Repair	Benefits	Self- Insurance	Information Systems	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	\$ 1,518,646	\$ 3,197,632	\$ 1,708,429	\$ 895,313	\$ 7,320,020
Payments to suppliers	(264,869)	-	(2,834)	(282,705)	(550,408)
Payments to employees	(507,462)	(8,860)	(34,417)	(402,978)	(953,717)
Payments for interfund services used	-	-	-	(414,095)	(414,095)
Insurance premiums and claims paid	-	(3,177,354)	(1,168,566)	-	(4,345,920)
Net cash provided (used) by operating activities	<u>746,315</u>	<u>11,418</u>	<u>502,612</u>	<u>(204,465)</u>	<u>1,055,880</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	-	8,737	-	345,498	354,235
Transfers out	-	-	(348,392)	-	(348,392)
Payments made on advances from other funds	-	-	-	(70,000)	(70,000)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>8,737</u>	<u>(348,392)</u>	<u>275,498</u>	<u>(64,157)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(105,948)	-	-	(65,048)	(170,996)
Proceeds from sale of capital assets	43,371	-	-	-	43,371
Principal payments on long-term debt	(282,204)	-	-	-	(282,204)
Interest paid	(42,813)	-	-	(5,985)	(48,798)
Net cash used by capital and related financing activities	<u>(387,594)</u>	<u>-</u>	<u>-</u>	<u>(71,033)</u>	<u>(458,627)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	14,033	-	-	-	14,033
Net increase in cash and cash equivalents	372,754	20,155	154,220	-	547,129
Cash and cash equivalents, beginning of year	<u>180,544</u>	<u>11,638</u>	<u>34,291</u>	<u>-</u>	<u>226,473</u>
Cash and cash equivalents, end of year	<u>\$ 553,298</u>	<u>\$ 31,793</u>	<u>\$ 188,511</u>	<u>\$ -</u>	<u>773,602</u>

CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2005

	Equipment Service and Repair	Benefits	Self- Insurance	Information Systems	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 341,041	\$ (38,281)	\$ 506,500	\$ (4,266)	\$ 804,994
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	665,374	-	-	89,140	754,514
Changes in assets and liabilities:					
Accounts receivable	(558,025)	-	(5,630)	-	(563,655)
Due from other funds	(6,195)	-	-	-	(6,195)
Prepaid items and deposits	285,397	-	-	-	285,397
Accounts payable	14,673	49,699	(1,332)	118,509	181,549
Due to other funds	-	-	-	(414,095)	(414,095)
Compensated absences	4,050	-	3,074	6,247	13,371
Total adjustments	405,274	49,699	(3,888)	(200,199)	250,886
Net cash provided (used) by operating activities	<u>\$ 746,315</u>	<u>\$ 11,418</u>	<u>\$ 502,612</u>	<u>\$ (204,465)</u>	<u>1,055,880</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Borrowing under capital lease	<u>\$ 1,058,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,058,000</u>

AGENCY FUNDS

EAST MAIN REASSESSMENT DISTRICT – accounts for the accumulation of resources for and the payment of special assessments within the district.

BEAMER-KENTUCKY ASSESSMENT DISTRICT – accounts for the accumulation of resources for and the payment of special assessments within the district.

GIBSON RANCH COMMUNITY FACILITIES DISTRICT – accounts for the accumulation of resources for and the payment of special assessments within the district.

SPRING LAKE COMMUNITY FACILITIES DISTRICT – accounts for the accumulation of resources for and the payment of special assessments within the district.

RECREATION CONTRACT – accounts for donations and grants received for specific expendable purposes.

CITY OF WOODLAND, CALIFORNIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED JUNE 30, 2005

	East Main Reassessment District			Balance, June 30, 2005
	Balance, July 1, 2004	Additions	Deletions	
ASSETS:				
Cash and investments	\$ 960,929	\$ 1,313,118	\$ (1,298,796)	\$ 975,251
Cash and investments with fiscal agents	847,971	1,846,316	(1,834,640)	859,647
Accounts receivable	69,048	64,679	(69,048)	64,679
Total assets	<u>\$ 1,877,948</u>	<u>\$ 3,224,113</u>	<u>\$ (3,202,484)</u>	<u>\$ 1,899,577</u>
LIABILITIES:				
Due to assessment district bondholders	<u>\$ 1,877,948</u>	<u>\$ 3,224,113</u>	<u>\$ (3,202,484)</u>	<u>\$ 1,899,577</u>

	Beamer-Kentucky Assessment District			Balance, June 30, 2005
	Balance, July 1, 2004	Additions	Deletions	
ASSETS:				
Cash and investments	\$ 449,793	\$ 426,093	\$ (420,008)	\$ 455,878
Cash and investments with fiscal agents	318,738	5,950	-	324,688
Accounts receivable	20,239	19,914	(20,239)	19,914
Total assets	<u>\$ 788,770</u>	<u>\$ 451,957</u>	<u>\$ (440,247)</u>	<u>\$ 800,480</u>
LIABILITIES:				
Due to assessment district bondholders	<u>\$ 788,770</u>	<u>\$ 451,957</u>	<u>\$ (440,247)</u>	<u>\$ 800,480</u>

	Gibson Ranch Community Facilities District			Balance, June 30, 2005
	Balance, July 1, 2004	Additions	Deletions	
ASSETS:				
Cash and investments	\$ 795,993	\$ 1,828,097	\$ (1,375,331)	\$ 1,248,759
Cash and investments with fiscal agents	1,838,811	1,027,962	(1,493,526)	1,373,247
Accounts receivable	58,216	68,866	(58,216)	68,866
Total assets	<u>\$ 2,693,020</u>	<u>\$ 2,924,925</u>	<u>\$ (2,927,073)</u>	<u>\$ 2,690,872</u>
LIABILITIES:				
Due to assessment district bondholders	<u>\$ 2,693,020</u>	<u>\$ 2,924,925</u>	<u>\$ (2,927,073)</u>	<u>\$ 2,690,872</u>

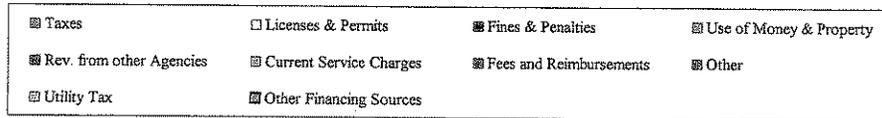
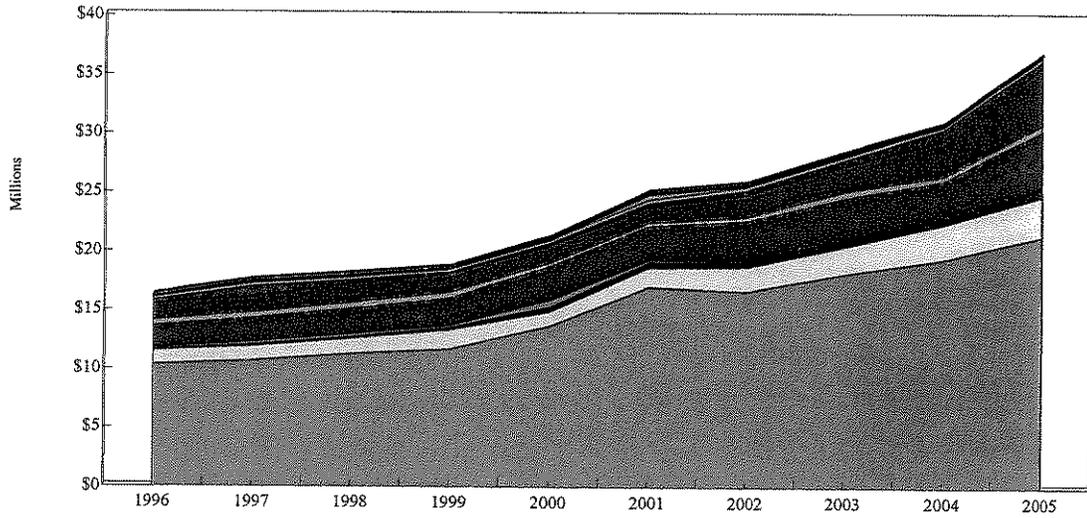
CITY OF WOODLAND, CALIFORNIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED JUNE 30, 2005

	Spring Lake Community Facilities District			
	Balance, July 1, 2004	Additions	Deletions	Balance, June 30, 2005
ASSETS:				
Cash and investments	\$ -	\$ 6,075,049	\$ (6,069,051)	\$ 5,998
Cash and investments with fiscal agents	11,196,719	831,110	(7,839,697)	4,188,132
Accounts receivable	45,748	-	(45,748)	-
Total assets	<u>\$ 11,242,467</u>	<u>\$ 6,906,159</u>	<u>\$ (13,954,496)</u>	<u>\$ 4,194,130</u>
LIABILITIES:				
Deposits payable	<u>\$ 11,242,467</u>	<u>\$ 6,906,159</u>	<u>\$ (13,954,496)</u>	<u>\$ 4,194,130</u>

	Recreation Contract			
	Balance, July 1, 2004	Additions	Deletions	Balance, June 30, 2005
ASSETS:				
Cash and investments	\$ 7,219	\$ 110,569	\$ (97,420)	\$ 20,368
Accounts receivable	-	915	(329)	586
Total assets	<u>\$ 7,219</u>	<u>\$ 111,484</u>	<u>\$ (97,749)</u>	<u>\$ 20,954</u>
LIABILITIES:				
Accounts payable	<u>\$ 7,219</u>	<u>\$ 111,484</u>	<u>\$ (97,749)</u>	<u>\$ 20,954</u>

	Totals			
	Balance, July 1, 2004	Additions	Deletions	Balance, June 30, 2005
ASSETS:				
Cash and investments	\$ 2,213,934	\$ 9,752,926	\$ (9,260,606)	\$ 2,706,254
Cash and investments with fiscal agents	14,202,239	3,711,338	(11,167,863)	6,745,714
Accounts receivable	193,251	154,374	(193,580)	154,045
Total assets	<u>\$ 16,609,424</u>	<u>\$ 13,618,638</u>	<u>\$ (20,622,049)</u>	<u>\$ 9,606,013</u>
LIABILITIES:				
Accounts payable	\$ 7,219	\$ 111,484	\$ (97,749)	\$ 20,954
Deposits payable	11,242,467	6,906,159	(13,954,496)	4,194,130
Due to assessment district bondholders	5,359,738	6,600,995	(6,569,804)	5,390,929
Total liabilities	<u>\$ 16,609,424</u>	<u>\$ 13,618,638</u>	<u>\$ (20,622,049)</u>	<u>\$ 9,606,013</u>

**CITY OF WOODLAND, CALIFORNIA
GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

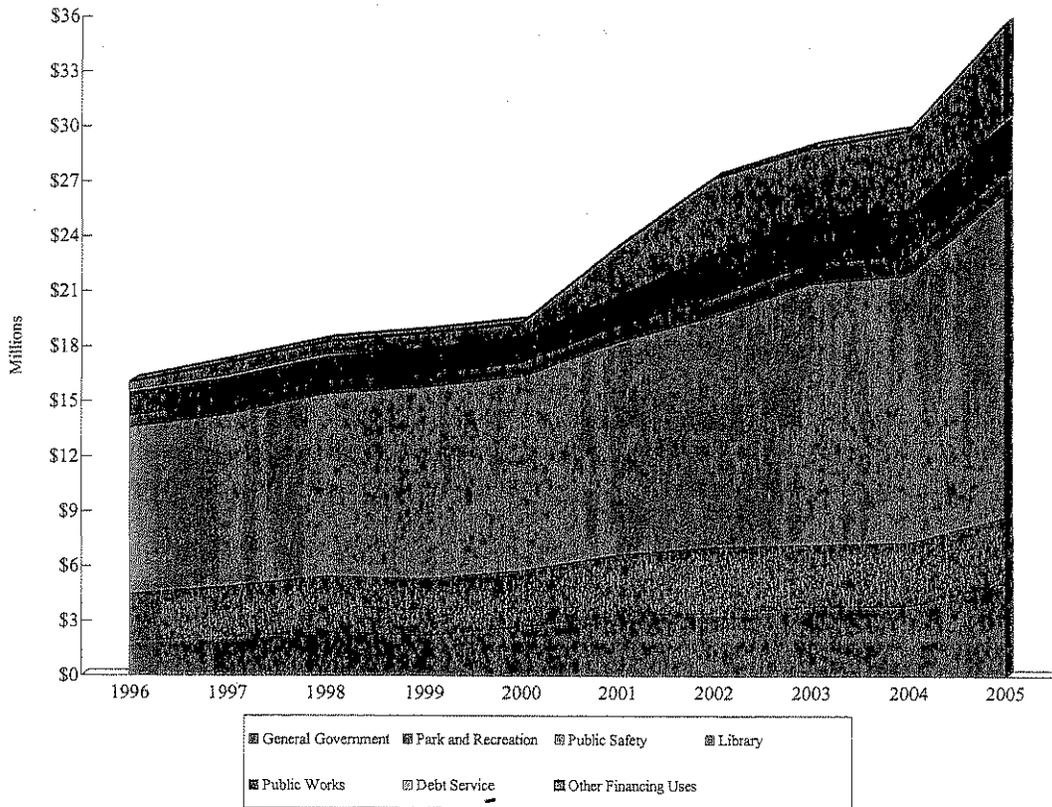


Fiscal Year	Taxes	Licenses and Permits	Fines and Penalties	Investment Earnings	Inter-governmental	Charges for Services	Fees * and Reimbursements	Other	Utility Tax	Total
1996	\$ 10,354,953	\$ 1,204,411	\$ 65,099	\$ 151,516	\$ 1,891,904	\$ 472,616	\$ 1,377,538	\$ 306,520		\$ 16,118,766
1997	10,670,134	1,259,097	126,447	223,736	2,021,948	510,610	1,298,066	828,280		17,234,700
1998	11,261,635	1,310,791	120,319	257,590	2,177,122	534,992	1,527,707	295,969		17,775,550
1999	11,705,358	1,664,188	169,778	201,520	2,300,430	535,876	1,524,204	114,144		18,532,724
2000	13,654,741	1,273,140	352,585	641,732	2,830,141	298,297	1,472,072	140,346		21,040,081
2001	16,992,153	1,676,188	408,844	352,215	2,876,561	381,377	1,333,040	278,470		24,426,316
2002	16,648,998	2,112,419	407,783	169,565	3,316,525	377,554	1,879,153	314,431		25,569,305
2003	18,120,070	2,393,155	511,906	13,131	3,555,273	622,910	2,102,906	492,052		28,140,996
2004	19,409,764	3,016,263	359,630	87,952	3,217,165	449,545	2,993,159	904,419		30,763,457
2005	21,359,414	3,459,474	602,630	157,047	4,745,505	552,077	4,940,028	458,324		36,590,682

Source: City Annual Financial Report

* Includes Charges to Other Departments (101-4737)

**CITY OF WOODLAND, CALIFORNIA
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS**

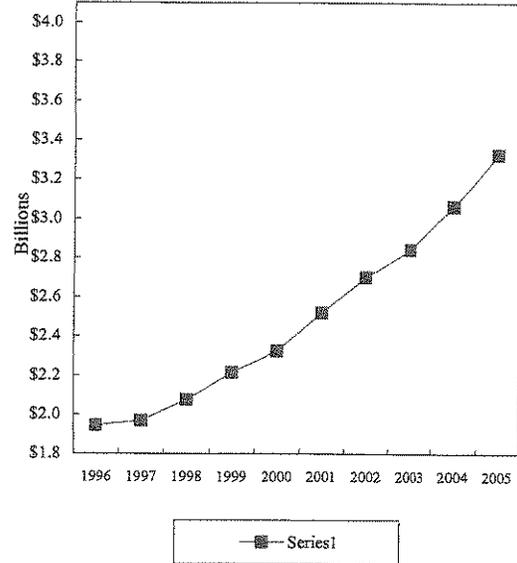
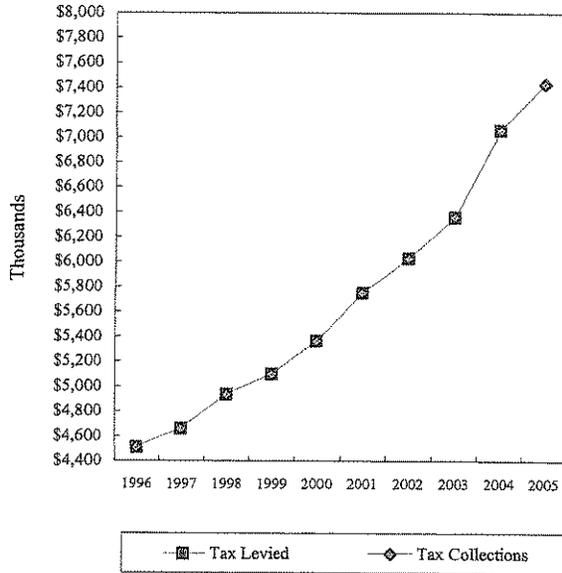


Fiscal Year	General Government (1)	Park and Recreation	Public Safety (2)	Library	Public Works	Debt Service	Total
1996	\$ 1,904,994	\$ 2,583,182	\$ 9,123,302	\$ 600,676	\$ 1,282,747	\$ 1,176,612	\$ 15,612,713
1997	2,151,461	2,719,616	9,436,807	659,557	1,327,967	1,230,850	16,428,467
1998	2,394,117	3,045,397	9,998,102	700,250	1,308,563	1,203,512	17,575,941
1999	2,208,489	3,098,540	10,486,365	701,375	1,370,826	1,188,047	17,923,642
2000	2,701,570	3,074,353	10,623,639	752,560	1,373,927	1,188,046	18,584,095
2001	3,332,778	3,301,185	11,668,340	859,641	1,539,493	1,147,285	20,746,222
2002	3,469,741	3,589,624	12,647,153	951,159	2,334,035	1,177,309	23,063,021
2003	3,820,884	3,387,428	14,247,665	1,119,147	2,402,178	1,179,704	24,977,606
2004	3,859,137	3,468,278	14,573,172	1,064,362	2,530,498	1,179,704	25,495,447
2005	5,115,805	3,585,147	17,703,937	1,086,972	2,787,183	1,511,690	30,430,734

Source: City Annual Financial Report

- (1) General Government includes General Administration, Community Development and Finance expenditures.
 (2) Public Safety includes Police and Fire expenditures.

**CITY OF WOODLAND, CALIFORNIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

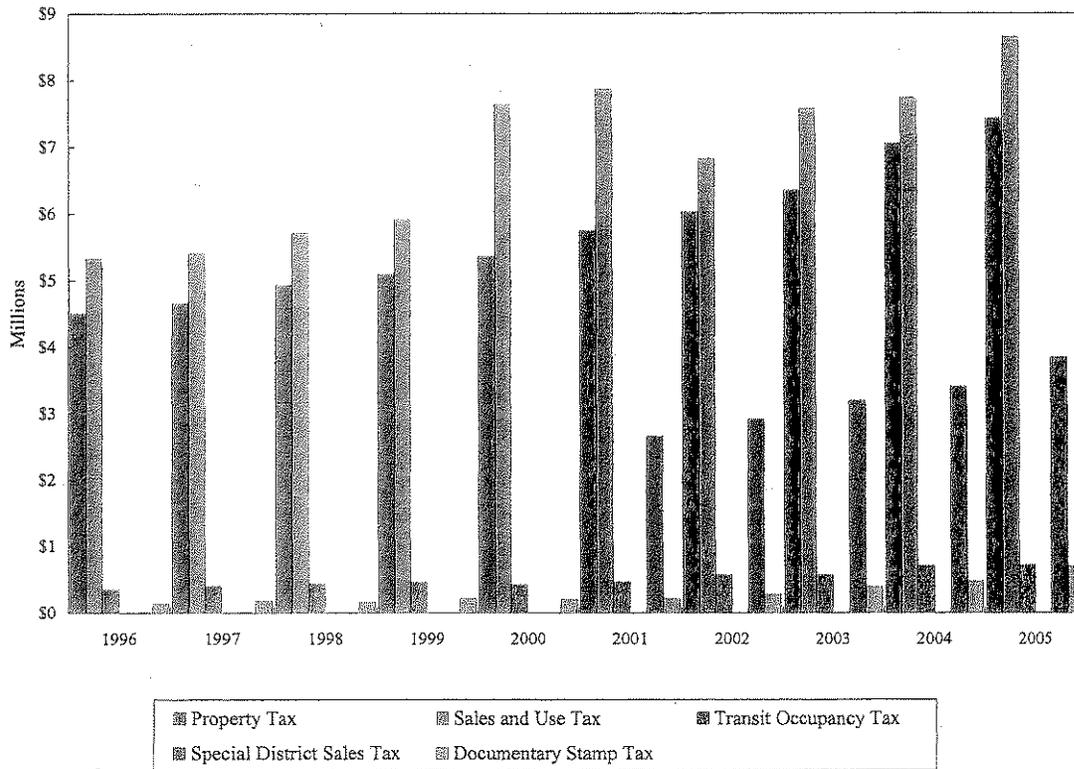


Fiscal Year	(1) Total Tax Levy	(2) Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Value of City Property Subject to Local Tax Rate
1996	\$ 4,511,692	\$ 4,511,692	100.00%	\$ -	\$ 4,511,692	100.00%	1,944,494,310
1997	4,663,772	4,663,772	100.00%	-	4,663,772	100.00%	1,968,212,669
1998	4,938,051	4,938,051	100.00%	-	4,938,051	100.00%	2,076,989,249
1999	5,100,405	5,100,405	100.00%	-	5,100,405	100.00%	2,216,685,526
2000	5,365,411	5,365,411	100.00%	-	5,365,411	100.00%	2,326,122,483
2001	5,754,784	5,754,784	100.00%	-	5,754,784	100.00%	2,519,478,961
2002	6,032,190	6,032,190	100.00%	-	6,032,190	100.00%	2,701,849,577
2003	6,361,883	6,361,883	100.00%	-	6,361,883	100.00%	2,841,811,662
2004	7,062,705	7,062,705	100.00%	-	7,062,705	100.00%	3,061,684,950
2005	7,433,821	7,433,821	100.00%	-	7,433,821	100.00%	3,327,098,308

- (1) Total tax levy provided by County Auditor-Controller
(2) Annual Financial Reports

NOTE: During fiscal year 1995, the County began providing the City 100% of its tax levy under an agreement which allows the County to keep all interest and delinquency charges collected.

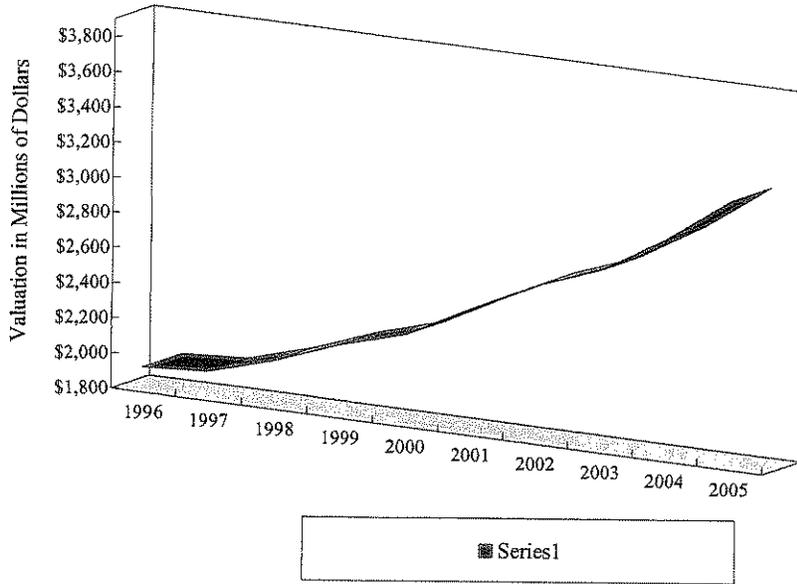
**CITY OF WOODLAND, CALIFORNIA
GENERAL FUND
TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS**



Fiscal Year	General Property Tax (1)	Sales and Use Tax	Special District Sales Tax	Transient Occupancy Tax	Documentary Stamp Tax	Total
1996	\$ 4,511,692	\$ 5,334,905	\$ -	\$ 360,285	\$ 148,071	\$10,354,953
1997	4,663,772	5,406,065	-	410,488	189,809	10,670,134
1998	4,938,051	5,709,856	-	445,794	167,934	11,261,635
1999	5,100,405	5,913,283	-	468,949	222,721	11,705,358
2000	5,365,411	7,645,688	-	431,147	212,495	13,654,741
2001	5,754,784	7,872,489	2,668,452	471,621	224,807	16,992,153
2002	6,032,190	6,831,948	2,924,440	577,198	283,222	16,648,998
2003	6,361,883	7,577,040	3,199,479	579,286	402,382	18,120,070
2004	7,062,705	7,737,865	3,412,018	715,634	481,542	19,409,764
2005	7,433,821	8,650,645	3,846,342	724,518	704,088	21,359,414

Source: City Annual Financial Report
(1) Exclusive of Home Owner Property Tax Relief.

**CITY OF WOODLAND, CALIFORNIA
 ASSESSED AND ESTIMATED ACTUAL
 VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**



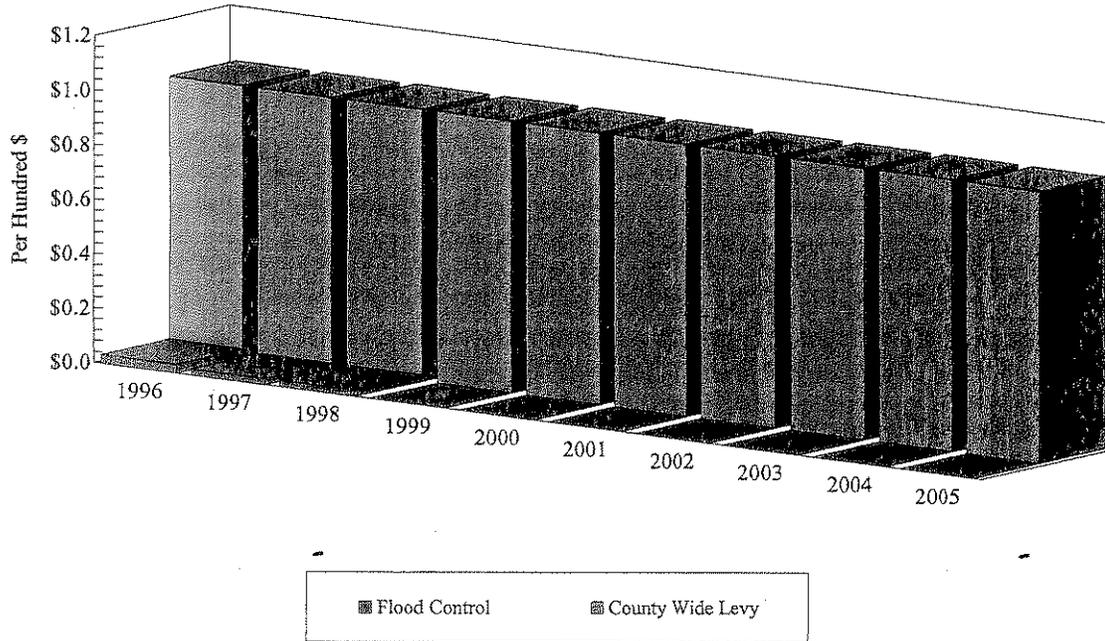
Fiscal Year	Secured & Unsecured Property	Percent Change
1996	1,944,494,310	3.79%
1997	1,968,212,669	1.22%
1998	2,076,989,249	5.53%
1999	2,216,685,526	6.73%
2000	2,326,122,483	4.94%
2001	2,519,478,961	8.31%
2002	2,701,849,577	7.24%
2003	2,841,811,662	5.18%
2004	3,061,684,950	7.74%
2005	3,327,098,308	8.82%

Source: Assessed values provided by the Yolo County Assessor.

All values are net of exemptions.

Under California law, assessed values must equal market value in the year property changes hands. In subsequent years, assessed values may increase a maximum of 2% annually.

CITY OF WOODLAND, CALIFORNIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
 (Per \$100 of Assessed Value)
LAST TEN FISCAL YEARS

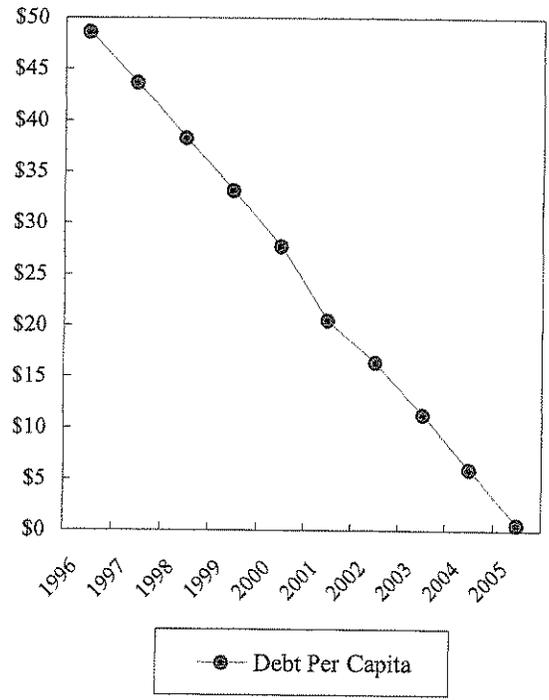
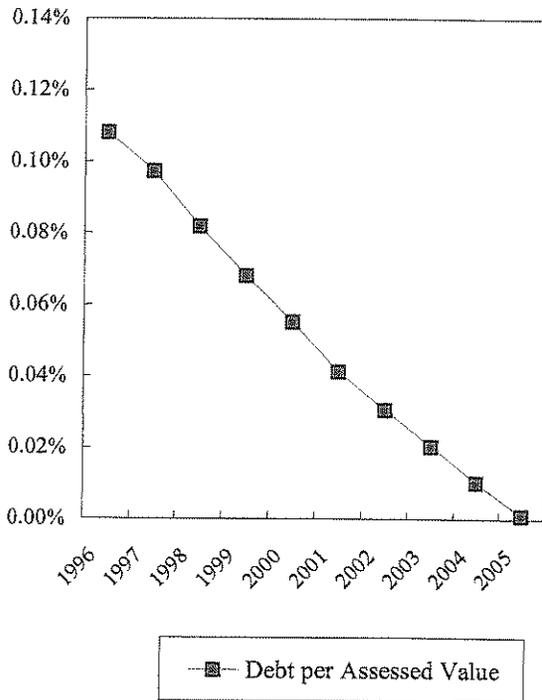


<u>Fiscal Year</u>	<u>Basic County Wide Levy</u>	<u>Flood Control Debt Service</u>	<u>Total</u>
1996	1.000	0.033	1.033
1997	1.000	0.023	1.023
1998	1.000	0.023	1.023
1999	1.000	0.000	1.000
2000	1.000	0.000	1.000
2001	1.000	0.000	1.000
2002	1.000	0.000	1.000
2003	1.000	0.000	1.000
2004	1.000	0.000	1.000
2005	1.000	0.000	1.000

Source: Yolo County Auditor/Controller's Office
 Flood Control -Water Conservation District.

Note: Tax rate is expressed as a percentage of full cash value

CITY OF WOODLAND, CALIFORNIA
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET
BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS



Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Less: Debt Service Monies Available	Net Bonded Debt	Bonded Debt to Assessed Valuation	Bonded Debt Per Capita
1996	43,254	1,944,494,310	\$ 2,370,000	\$ 268,085	\$ 2,101,915	0.108%	48.59
1997	43,900	1,968,212,669	2,180,000	263,717	1,916,283	0.097%	43.65
1998	44,450	2,076,989,249	1,980,000	278,611	1,701,389	0.082%	38.28
1999	45,600	2,216,685,526	1,770,000	258,782	1,511,218	0.068%	33.14
2000	46,300	2,326,122,483	1,555,000	272,120	1,282,880	0.055%	27.71
2001	50,600	2,519,478,961	1,325,000	287,482	1,037,518	0.041%	20.50
2002	50,370	2,701,849,577	1,085,000	258,736	826,264	0.031%	16.40
2003	51,003	2,841,811,662	835,000	257,499	577,501	0.020%	11.32
2004	52,519	3,061,684,950	570,000	256,178	313,822	0.010%	5.98
2005	53,382	3,327,098,308	290,000	258,194	31,806	0.001%	0.60

(1) Source - State of California Population Research Unit
(2) Source - Information provided by the Yolo County Assessor is on full cash value
(3) Source - Annual Financial Report (includes only Certificates of Participation payable from the General Fund)

**CITY OF WOODLAND, CALIFORNIA
COMPUTATION OF DIRECT AND
OVERLAPPING DEBT
JUNE 30, 2005**

<u>JURISDICTION</u>	<u>NET DEBT OUTSTANDING (2)</u>	<u>APPLICABLE %</u>	<u>DEBT AT June 30, 2005</u>	<u>2004-05 ASSESSED VALUATION</u>	<u>RATIO TO ASSESSED VALUATION</u>
City of Woodland	\$ 290,000	100.00%	\$ 290,000	\$ 3,771,873,820	0.008%

(1) Source: Fiscal year 2004-2005 Comprehensive Annual Financial Report

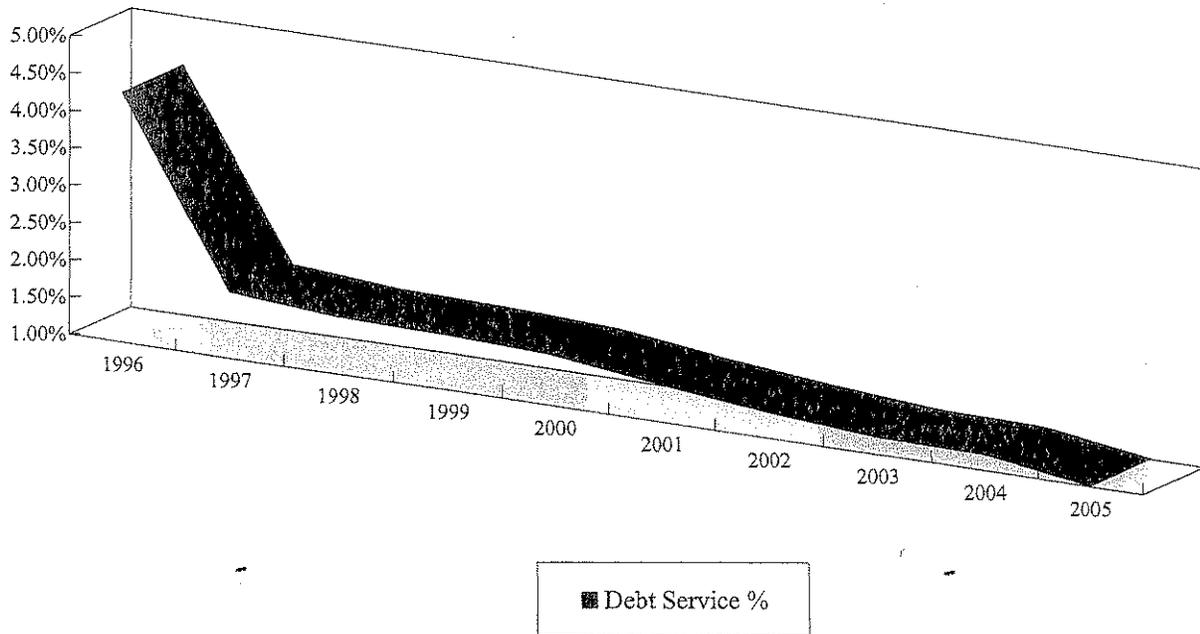
(2) Source: Annual Financial Report (includes only Certificates of Participation payable from the General Fund)

CITY OF WOODLAND, CALIFORNIA
 COMPUTATION OF LEGAL DEBT MARGIN
 AS OF JUNE 30, 2005

Full Taxable Value (1)	<u>\$ 3,771,873,820</u>	
Debt Limit - 3.75% of Full Cash Value		\$141,445,268
Amount of Debt Applicable to Debt Limit: 1995 Certificates of Participation	\$ 290,000	
Less: Assets in Debt Service Fund available for payment of principal	<u>258,194</u>	
AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT		<u>31,806</u>
LEGAL DEBT MARGIN		<u>\$141,413,462</u>

(1) Full taxable value provided by the Yolo County Assessor.

CITY OF WOODLAND, CALIFORNIA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR CERTIFICATES OF PARTICIPATION TO
TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS

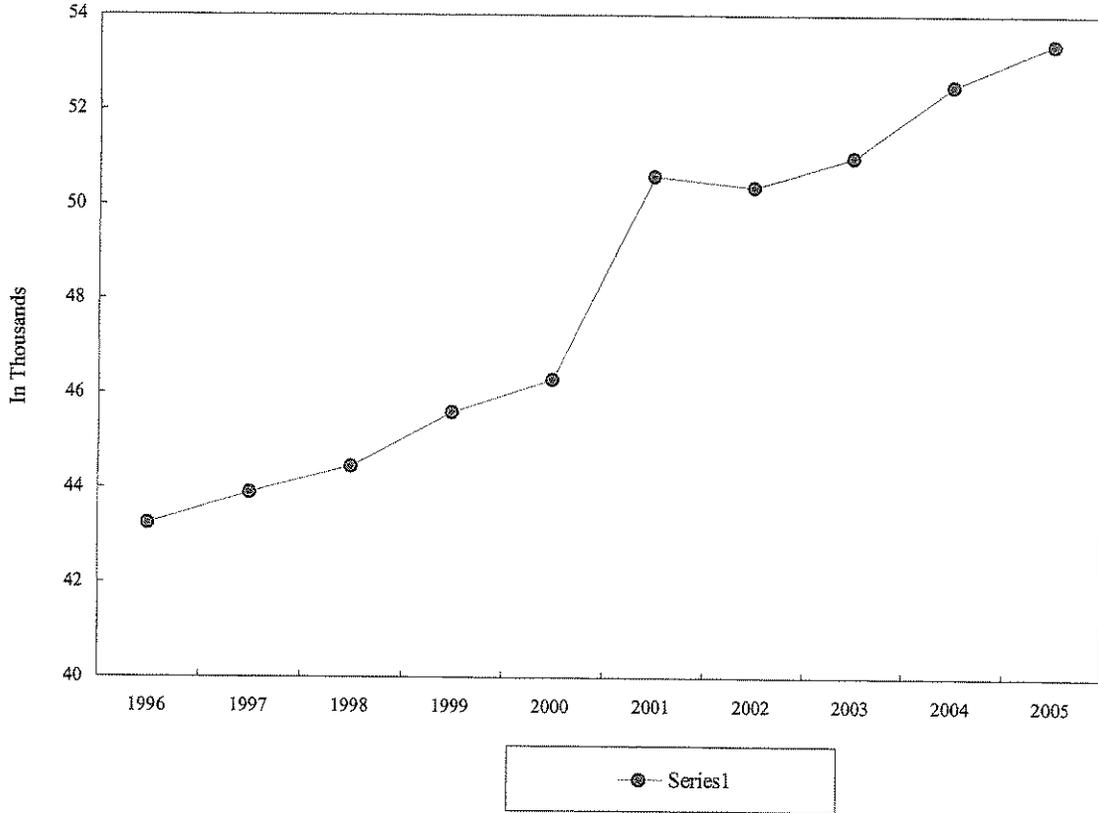


Fiscal Year	Principal	Interest	Professional Fees and Service	Total Debt Service	Total General Fund Expenditures	Debt Service as Percent of General Expenditures
1996	\$ 355,000	\$ 230,988	\$ 93,265	\$ 679,253	\$ 15,612,713	4.35%
1997	190,000	115,185	5,614	310,799	16,428,467	1.89%
1998	200,000	106,500	4,275	310,775	17,575,941	1.77%
1999	210,000	96,860	3,250	310,110	17,923,642	1.73%
2000	215,000	86,553	9,925	311,478	18,584,095	1.68%
2001	230,000	75,535	5,560	311,095	20,746,222	1.50%
2002	240,000	63,665	8,026	311,691	23,063,021	1.35%
2003	250,000	51,045	6,713	307,758	24,977,606	1.23%
2004	265,000	37,523	6,874	309,397	25,495,447	1.21%
2005	280,000	23,080	3,720	306,800	30,430,734	1.01%

Source: City of Woodland Annual Financial Report

Note: 1996 includes the 1989 and 1995 Certificates of Participation

**CITY OF WOODLAND, CALIFORNIA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

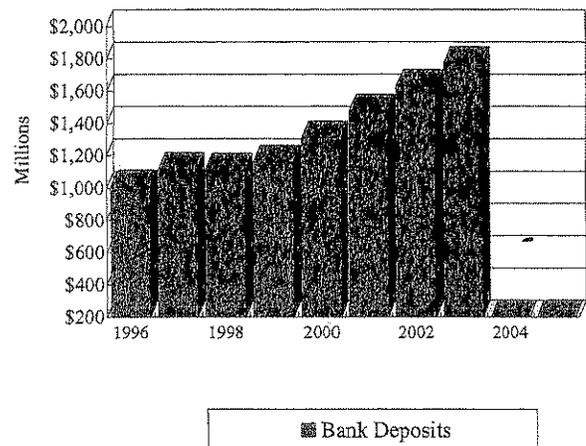
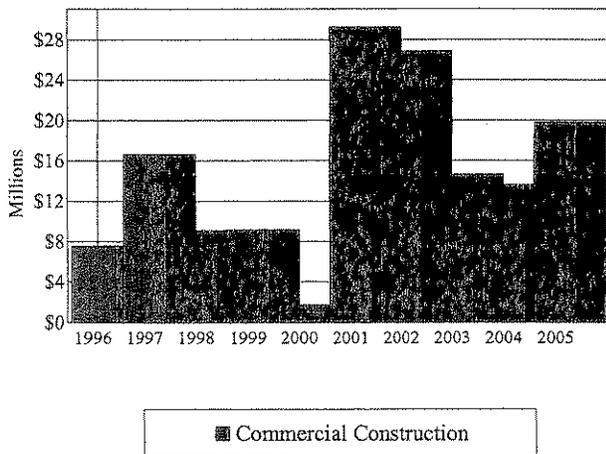
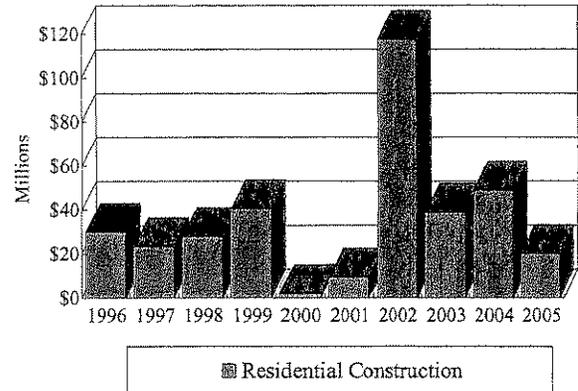
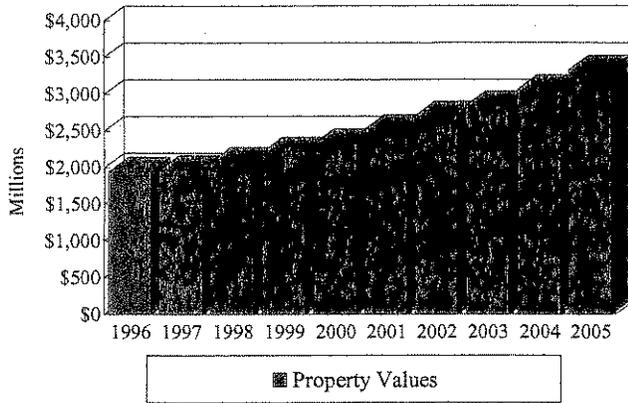


<u>Fiscal Year</u>	<u>City Population</u>	<u>Construction of New Dwelling Units</u>	(1) <u>School Enrollment K-12</u>	(2) <u>Percentage of Unemployment</u>	<u>Building Permits</u>
1996	43,254	293	8,756	5.10%	882
1997	43,900	237	9,161	4.90%	888
1998	44,450	271	9,348	4.60%	912
1999	45,600	268	9,683	4.40%	1,369
2000	46,300	113	10,353	3.90%	1,961
2001	50,600	63	10,368	4.80%	1,410
2002	50,370	123	10,505	4.50%	1,587
2003	51,003	240	10,118	5.60%	1,961
2004	52,519	238	10,426	5.80%	1,998
2005	53,382	153	10,489	5.40%	1,996

(1) Woodland Joint Unified School District

(2) Unemployment for Yolo County - Source: Employment Development Department (EDD)

CITY OF WOODLAND, CALIFORNIA
PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
LAST TEN FISCAL YEARS



Fiscal Year	Property Values	Commercial Construction		Residential Construction		Business Property Value (2)	Real Property Value (2)	Bank Deposits of Yolo County (3)
		Number of Permits (1)	Value (1)	Number of Permits (1)	Value (1)			
1996	\$ 1,944,494,310	5	\$ 7,548,146	293	\$ 30,070,253	\$ 289,270,694	\$ 1,655,223,616	\$ 1,009,470,000
1997	1,968,212,669	9	16,620,566	237	23,569,758	207,809,093	1,760,403,576	1,115,000,000
1998	2,076,989,249	9	9,091,945	271	27,951,589	256,899,433	1,820,089,816	1,111,123,000
1999	2,216,685,526	14	9,185,870	261	40,712,655	271,797,111	1,944,888,415	1,159,000,000
2000	2,326,122,483	17	1,689,417	37	1,902,064	290,102,329	2,036,020,154	1,310,000,000
2001	2,519,478,961	247	29,213,653	41	9,416,679	321,131,121	2,198,347,840	1,474,000,000
2002	2,701,849,577	12	26,880,302	137	117,593,744	332,465,644	2,369,383,933	1,628,000,000
2003	2,841,811,662	58	14,624,832	443	38,953,059	333,626,275	2,508,185,387	1,772,000,000
2004	3,061,684,950	35	13,632,267	392	48,967,046	342,792,511	2,718,892,439	N/A
2005	3,327,098,308	20	19,761,262	129	20,198,438	352,754,057	2,974,344,251	N/A

(1) Source: Community Development Department. The number of permits issued is not indicative of constructive value.
(2) Source: Yolo County Assessor's Roll. All values are stated as full cash value.
(3) Summary of deposits in all commercial and mutual savings banks - Federal Deposit Insurance Corporation