



Comprehensive Annual Financial Report

for the Fiscal Year Ended
June 30, 2006

CITY OF WOODLAND, CALIFORNIA

June 30, 2006

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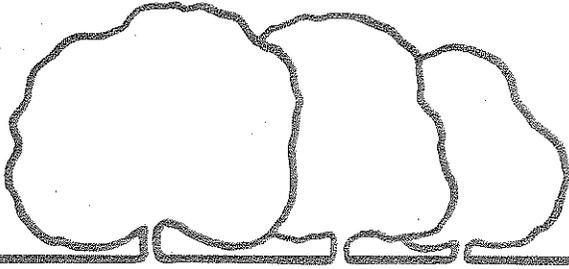
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City of Woodland

January 16, 2007

Honorable Mayor David Flory & 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, 2006. 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 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 and 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.

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. Due to the new housing developments and the continued appreciation in property values, which have coincided with the low interest rate environment, the City had an abnormally high increase of 22.1 percent growth in property tax revenue from 2005 to 2006. The City's sales and use tax revenue increased 8.2 percent over the same period.

Between 1997 and 2006 the City's population increased by a total of 9,072 or approximately 20.7%; an average annual increase of approximately 2.1%. 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 seven 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.

City staff, working in accordance with the City Council's guidance, kept General Fund expenditures in line with projected revenues during FY 05/06. The implementation of the "Triple-Flip" revenue swap and additional ERAF shifts resulted in reductions to the City's General Fund revenues during the year. This reduction was offset by increased building fee, property and sales tax revenues.

Changes in City personnel included an increase in positions for safety, parks and recreations, community development, streets and utilities, and approval of essential staff positions coinciding with the Spring Lake development.

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. The development, as approved, includes both custom and production homes, and during the year 342 building permits were issued, with approximately 250 home completed and ready for occupancy. Construction of the backbone infrastructure (including water, sewer, storm drain, and roadway construction) made significant progress throughout the year; a substantial portion of the subdivisions have completed infrastructure.

The City has also made strides in the area of commercial and industrial development. The supplemental Environmental Impact Report (EIR) has been approved 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.

Goals, Objectives, and Major Accomplishments during Fiscal Year 2005/2006

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 2005/06 was on sustainable improvements with a primary focus on improving the City's corporate culture, internal and external customer services, and employee morale. In addition, other identified areas of importance included providing more information to the community, refining administrative processes and procedures and better utilization of technology.

The notable accomplishments are described below:

City Administration

- Maximized commercial opportunities, creating new businesses by supporting growth in the old K-Mart shopping center.
- Leveraged State and Federal grants
- Successfully completed complex negotiation with the County on Redevelopment Pass Through Agreement
- Structured resolution with Yolo County supporting new State Courts and redevelopment in downtown and government center.
- In June 2006, won voter approval to extend ½ cent Sales Tax Measure that will generate upwards of \$67 million to leverage other funding sources to upgrade the historic Library, City Hall and historical Opera House, complete the Community Senior Center and Sports Park, and provide substantial funding for park renovations and road improvements.
- Continued feasibility study for the annexation to the Sacramento Municipal Utilities District.
- Began negotiation of city labor contracts
- Updated majority of human resources policies.
- Improved cash management and cash flow projections for greater return on City investment.
- Successfully negotiated discounted rates for employee benefits
- Developed City-wide internal control policy and implemented process improvements
- Updated fiscal impact study for Spring Lake
- Completed refunding of Beamer-Kentucky improvement bond.
- Issued bonds for Waste Water Treatment Plant improvements, tertiary treatment plant improvements, and expansion of related facilities.
- Developed and implemented first working version of a capital project database.
- Implemented Project module of Pentamation software to coordinate with the capital project database.
- Developed City's first Technology Strategic Plan
- Implemented City's first technology development fee.
- Began analyses of GASB 45 requirements, fiscal impacts relating to implementation in FY 09.
- Began research on wireless networking for Library, Public Works, Parks and Police operations
- Partnered with Communities Online Network for Springlakecommunity.com website
- Finalized negotiations and basic approval of the Gateway Project which will open in FY 08.
- Issued Revenue bond for the Capital Projects (Fire Station #1 and the Community Center).
- Participated in the issuance of TRANS bond resulting in a ~\$80,000 savings of PERS payments.

- Implemented Pentamation conversion for financial and community development computer systems (PentamationPlus and CommunityPlus).
- Implemented updated cash-handling procedures Citywide.
- Developed Remote IT help desk to automate and triage service requests.
- Successfully worked with community groups and citizens to pass extension of Measure "H" ½ cent sales tax initiative which will prioritize community improvements.
- Completed implementation of the City's new Internet connection to provide enhanced services (such as faster throughput, remote network access, and improved SPAM filtering) while keeping a high security posture against malicious code and unauthorized access
- Developed plans for a two-year operational budget – implementation in FY 08
- Completed fiscal reporting requirements on timely basis

Community Development

- Implemented full use of CommunityPlus permit tracking with full implementation of single point of entry for building permits
- Embarking on comprehensive update of City's General Plan.
- Completed permanent Urban Limit Line and Growth Rate General Plan Amendment which was subsequently passed by a citizen vote as "Measure A"
- 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
- Evaluated and modified the Affordable Housing Program for approval in FY 07.
- Secured a \$4 M grant for construction of multi-family affordable housing project in Spring Lake.
- 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
- Emphasized recruitment efforts in the Police Department to sustain employee safety and service level
- Researched, studied and deployed improved tools in the field to safely apprehend suspects
- Continued implementation of digital car video 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
- Senior staff and other staff in critical positions participated in Emergency Response Training at FEMA headquarters.
- Continued interaction with community. Major activities included: First Grade Program, Fire Station Tours, fire extinguisher demonstrations, annual Yolo County Fair Booth, and Fire Prevention Week

Parks and Recreation

- Computerized registration for programs and facilities
- Adopted Banner and Special Event Ordinances
- Adopted ordinance for collection of Quimby fees.
- 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
- Evaluating and revising PRCS Master Plan
- Construction of new Community Senior Center and Sports Park

Library

- Operational improvements have led to a 64% increase in library use between calendar year 2004 and calendar 2006.
- Acquired faster public internet service and upgraded public computers in Library
- Upgraded public catalog workstations in Library
- Purchased equipment allowing self-checkout procedures for Library patron.
- Replaced out-of-date books and increased book inventory in Library using state aid monies.
- 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
- Created a City-wide Construction and Demolition ordinance for adoption in FY 07.
- Reevaluated flood protection options through the Water Resources Association
- Implemented CityWorks, a new computerized maintenance management system for field crews in public works.
- Initiated hand-held computerized meter read devices for commercial utility billing
- Acquired laptop computers for field input and AutoCAD lookup of system layout to further improve work efficiency and effectiveness
- Developed new Storm Drain Development fee methodology that is based upon zone designations.
- 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 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 annually. 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 government code and City policy stipulate how funds can be invested. The investment policy, which is adopted annually by City Council, is intended to provide guidelines for prudent investments and outlines policies to assist in maximizing the efficiency of the cash management while also maintaining sufficient reserves to meet daily cash flow requirements.

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. This statistical section presents detailed trend information that assists users in understanding the basic financial statements, notes to basic financial statements and required supplementary information to assess the economic condition of a government. For the year ending June 30, 2006, the statistical section has been expanded upon in accordance with GASB 44 to better the understandability and usefulness of the information provided.

Independent Auditors

State statutes require an annual audit by independent certified public accountants. The accounting firm of Macias Gini & O'Connell 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.

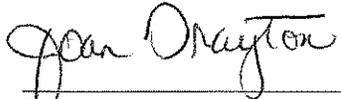
Awards

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, 2005. This marks the eighth 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

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. We also want to thank the members in other City Departments who assisted in the preparation of this report. Finally, we thank you for your 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.


Joan Drayton,
Finance Director/Treasurer


Richard Kirkwood,
City Manager

CITY OF WOODLAND
CITY COUNCIL & ADMINISTRATIVE STAFF ROSTER
FISCAL YEAR ENDING JUNE 30, 2006



DAVID FLORY, MAYOR

MARLIN DAVIES, VICE MAYOR

WILLIAM MARBLE, COUNCILMEMBER

JEFF W. MONROE, COUNCILMEMBER

ART PIMENTAL, COUNCILMEMBER



ADMINISTRATIVE STAFF

RICHARD KIRKWOOD, CITY MANAGER

PHILLIP MARLER, ASSISTANT CITY MANAGER

ANN SIPRELLE, CITY ATTORNEY

SUE VANNUCCI, CITY CLERK

BARRY MUNOWITCH, COMMUNITY DEVELOPMENT DIRECTOR

JOAN DRAYTON, FINANCE DIRECTOR

MICHAEL CAHILL, FIRE CHIEF

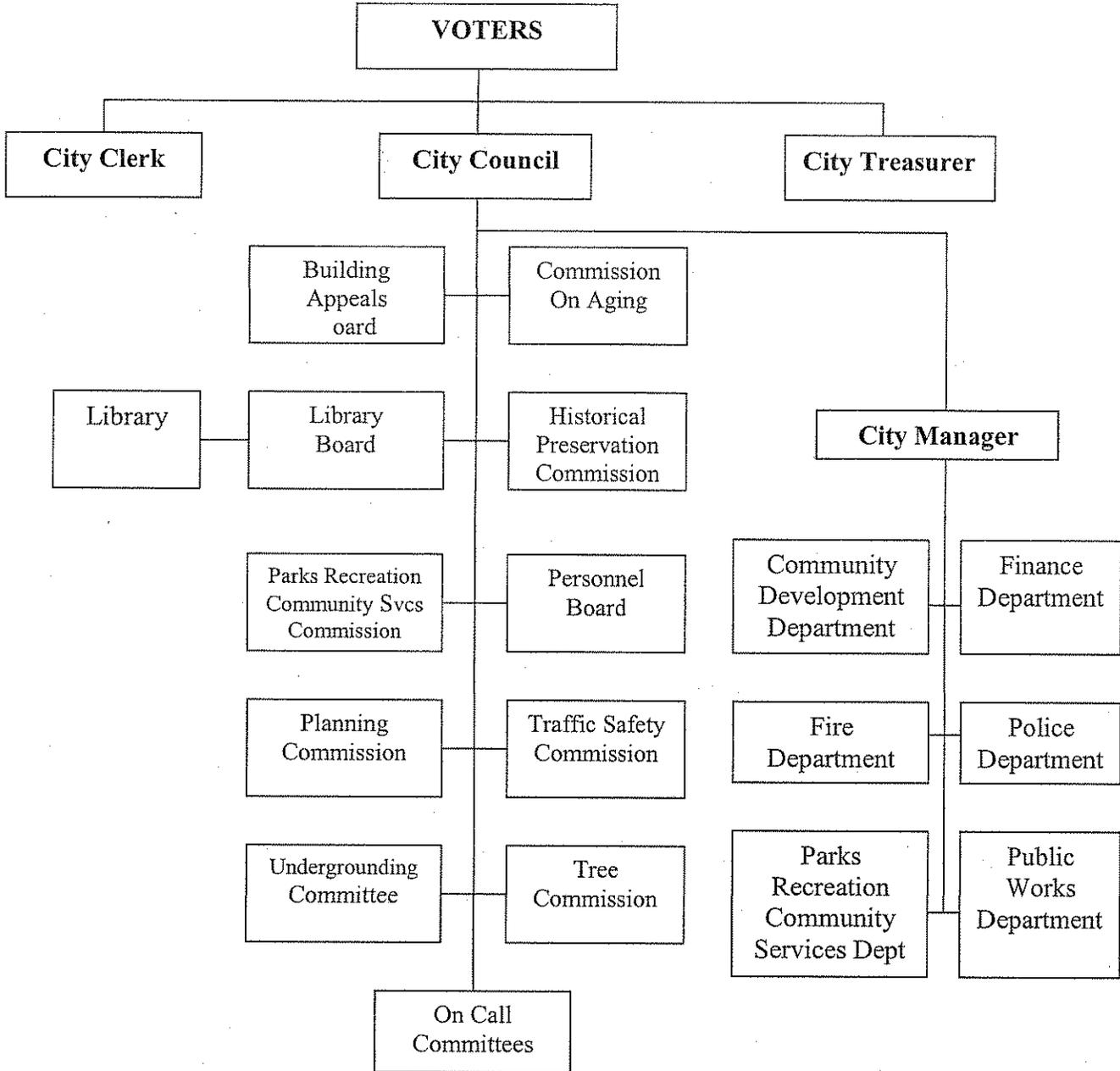
PAUL MILLER, LIBRARY SERVICES DIRECTOR

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

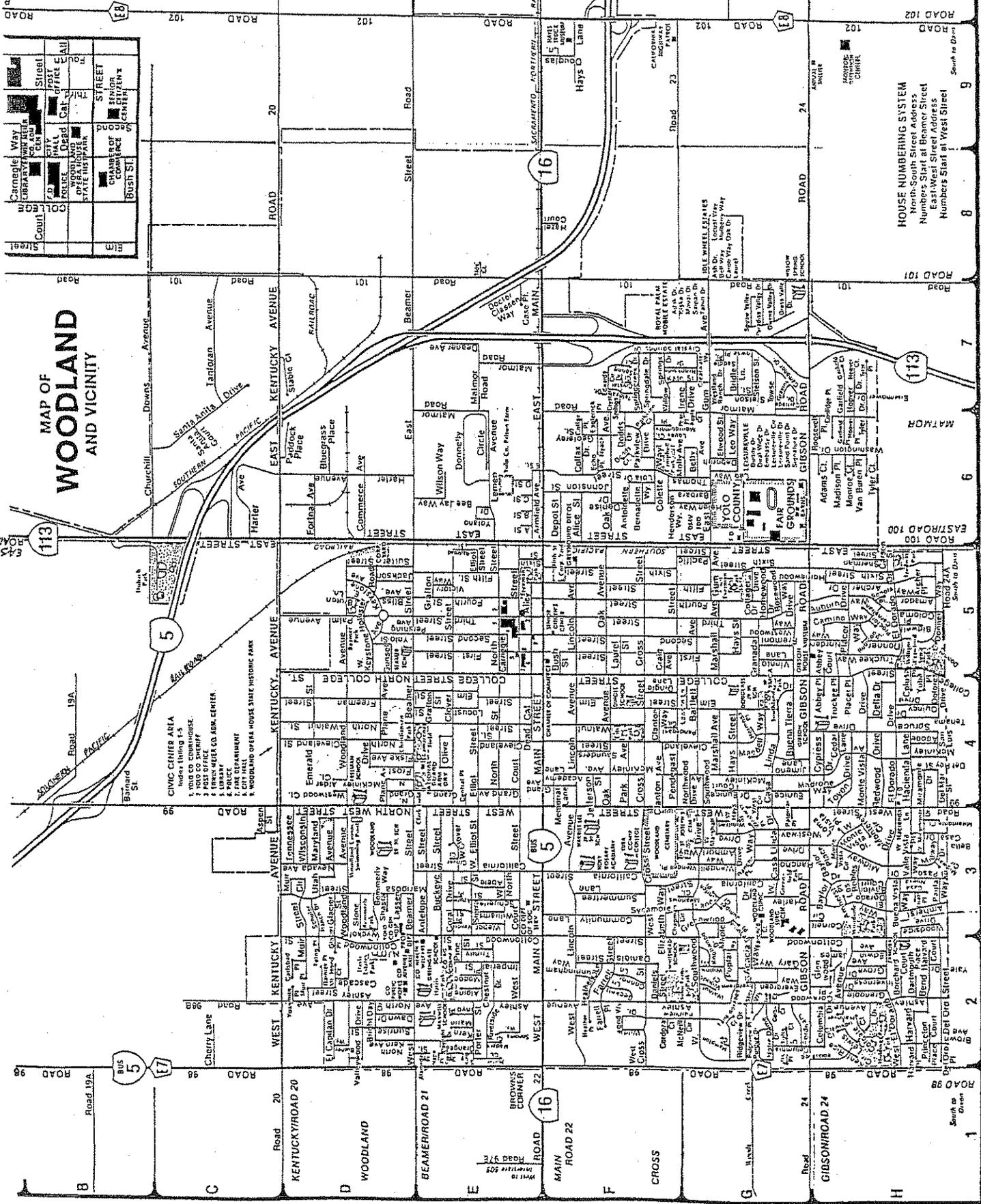


Downtown

Legend

Legend

- Highway
- 5
- 16
- 113
- 17
- 19A
- 19B
- 19C
- 19D
- 19E
- 19F
- 19G
- 19H
- 19I
- 19J
- 19K
- 19L
- 19M
- 19N
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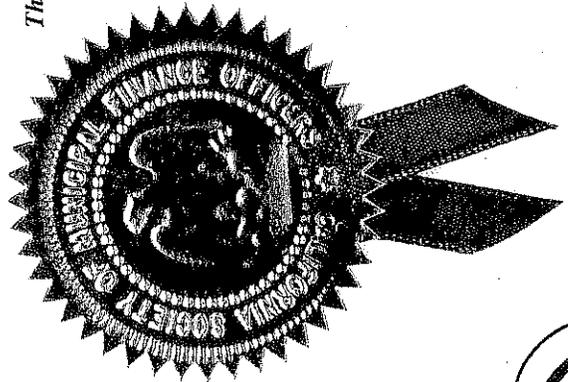
*California Society of
Municipal Finance Officers*

Certificate of Award

Outstanding Financial Reporting 2004-05

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, 2006

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, 2005

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



President

Executive Director



MACIAS GINI & O'CONNELL LLP
CERTIFIED PUBLIC ACCOUNTANTS & MANAGEMENT CONSULTANTS

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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, 2006, 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, 2006, 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, 2005, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 46, *Net Assets Restricted by Enabling Legislation*.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2007 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.

Macias Gini & O'Connell LLP

Certified Public Accountants

Sacramento, California
January 5, 2007

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, 2006. 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 \$38.2 million to \$130.1 million. The net assets of governmental activities increased by \$36.0 million, or 67.5 percent, and the net assets of business-type activities increased by \$2.2 million, or 5 percent.
- The General Fund, using the current financial resources basis, reported revenues in excess of expenditures and other financing sources and uses of \$1.45 Million. The surplus was the result of continuing growth in sales tax and property 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 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, Community Development Block Grant and Redevelopment Agency Low/Mod Housing 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, nonmajor enterprise 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, 2006 & 2005
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government		Total % Change
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	
Current & Other Assets	\$79.0	\$65.3	\$9.4	\$2.1	\$88.4	\$67.4	31.4%
Capital Assets	<u>130.6</u>	<u>83.4</u>	<u>47.4</u>	<u>42.0</u>	<u>178.0</u>	<u>125.4</u>	41.9%
Total Assets	<u>209.6</u>	<u>148.7</u>	<u>56.8</u>	<u>44.1</u>	<u>266.4</u>	<u>192.8</u>	38.2%
Long-term Liabilities	107.9	89.6	14.5	4.9	122.4	94.5	29.5%
Other Liabilities	<u>12.4</u>	<u>5.8</u>	<u>1.5</u>	<u>0.5</u>	<u>13.9</u>	<u>6.3</u>	116.9%
Total Liabilities	<u>120.3</u>	<u>95.4</u>	<u>16.0</u>	<u>5.4</u>	<u>136.3</u>	<u>100.8</u>	35.1%
Net Assets:							
Invested in Capital Assets, Net of Related Debt	48.4	26.3	38.5	37.2	86.9	63.5	36.9%
Restricted	26.1	16.7	1.0	0.9	27.1	17.6	54.0%
Unrestricted	<u>14.8</u>	<u>10.3</u>	<u>1.3</u>	<u>0.5</u>	<u>16.1</u>	<u>10.8</u>	49.1%
Total Net Assets	<u>\$89.3</u>	<u>\$53.3</u>	<u>\$40.8</u>	<u>\$38.6</u>	<u>\$130.1</u>	<u>\$91.9</u>	<u>41.6%</u>

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 \$130.1 million at the close of the fiscal year 2006.

The largest portion of the City's net assets reflects its \$86.9 million (67 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, \$27.1 million (21 percent) represents resources that are subject to external restrictions on how they may be used. This represents an increase of \$9.5 million or 54 percent over the prior year, due primarily to the issuance of the WWTP and the 2005 Capital projects bonds. The remaining balance of \$16.1 million represents unrestricted net assets.

Although net assets of business-type activities increased \$2.2 million or 5 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 \$38.2 million from \$91.9 million in 2005 to \$130.1 million in 2006, which consisted of a \$36.0 million increase in governmental activities and a \$2.2 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, 2006 and 2005
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		Total % change
	2006	2005	2006	2005	2006	2005	
Revenues							
Program revenues:							
Charges for services	\$30,698	\$10,088	\$13,097	\$11,467	\$43,795	\$21,555	103.18%
Operating grants and contributions	4,878	4,005	14	192	4,892	4,197	16.56%
Capital grants and contributions	8,096	115			8,096	115	6940%
General revenues:							
Property taxes	9,781	8,187			9,781	8,187	19.5%
Sales taxes	9,364	8,651			9,364	8,651	8.24%
Other taxes (including Measure H)	5,424	5,591			5,424	5,591	-3.0%
Franchise fees	1,334	1,332			1,334	1,332	0.0%
Motor vehicle in lieu	3,831	4,015			3,831	4,015	-4.6%
Investment earnings	1,781	785	676	197	2,457	982	150.2%
Other	2,324	1,634			2,324	1,634	42.2%
Total revenues	77,511	44,403	13,787	11,856	91,298	56,259	62.28%
Expenditures							
Governmental activities:							
General government	1,818	920			1,818	920	97.6%
Finance	1,248	329			1,248	329	279.3%
Community development	3,031	3,810			3,031	3,810	-20.5%
Parks, recreation and community service	4,194	3,878			4,194	3,878	8.2%
Police	12,677	10,661			12,677	10,661	18.9%
Fire	7,478	6,302			7,478	6,302	18.7%
Library	1,555	1,361			1,555	1,361	14.3%
Public works	6,306	7,934			6,306	7,934	-20.5%
Interest on long-term debt	3,474	1,756			3,474	1,756	97.8%
Business-type activities:							
Water		-	3,507	3,050	3,507	3,050	14.98%
Sewer		-	5,062	4,366	5,062	4,366	15.9%
Storm drain		-	940	800	940	800	17.5%
Wastewater pretreatment		-	271	289	271	289	-6.23%
Parking		-	303	317	303	317	-4.42%
Recycling		-	247	271	247	271	-8.86%
Fire Training Center		-	384	312	384	312	23.08%
Cemetery		-	377	332	377	332	13.55%
Dubach Park		-	182	227	182	227	-19.8%
Total Expenses	41,781	36,951	11,273	9,964	53,054	46,915	13.0%
Excess before transfers	35,730	7,452	2,514	1,892	38,244	9,344	309.3%
Transfers	304	(566)	(304)	566	-	-	
Changes in net assets	\$36,034	\$6,886	\$2,210	\$2,458	\$38,244	\$9,344	309.3%

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

REVENUE

The City's total revenue was \$91.3 million for the fiscal year ended June 30, 2006, an increase of \$35 million or 62 percent from 2005. Revenue from governmental activities totaled \$77.5 million and revenue from business-type activities totaled \$13.8 million. Charges for services and operating and capital grants provided 62 percent of the total revenue received during 2006, while taxes (property, sales and other) provided 28 percent of total revenue.

Increase in total revenue is due primarily to a \$22.2 million increase in charges for services and an \$8.0 million increase in capital grants and contributions. The increase in charges for services stems primarily from increased development and related fees in the Spring Lake project areas as well as increased utility fees; capital grants and

contributions increase is related to the timing and phases of qualified capital projects and the associated requests and receipts of funding. Additionally, the City continued to receive increases in property, sales and other tax revenues. Investment earnings increased \$1.48 million due to increased interest rates as well as the issuance of two new bonds which allowed additional cash to be invested.

EXPENSES

Expenses of the City for the year totaled \$53.1 million, an increase of \$6.2 million or 13 percent over 2005. This increase is due primarily to staff augmentations in Fire, Police and Community Development and increased activity due to Spring Lake. Governmental activity expenses totaled \$41.8 million, or 79 percent of total expenses. Business-type activities incurred \$11.3 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, 2006 & 2005
 (in millions)

	Total Cost Of Services		Percent Change	Net Cost (Benefit) of Services		Percent Change
	2006	2005		2006	2005	
General Administration	\$1.82	\$0.9	102.2%	\$(.17)	\$(0.58)	-70.7%
Community Development	3.03	3.8	-20.3%	(1.08)	1.42	-176.1%
Finance	1.25	0.3	316.7%	.66	0.32	106.3%
Parks, recreation and community service	4.19	3.9	7.4%	(4.41)	3.14	-240.4%
Police	12.68	10.7	18.5%	10.89	9.27	17.5%
Fire	7.48	6.3	18.7%	5.67	5.88	-3.6%
Library	1.55	1.4	10.7%	1.07	1.18	-9.3%
Public Works	6.31	7.9	-20.1%	(17.99)	0.36	-5097.2%
Interest on long term debt	3.47	1.8	92.8%	3.47	1.76	97.2%
Total	\$41.78	\$37.0		-1.89	\$22.75	

The cost for all governmental activities this year was \$41.8 million. The City's taxpayers paid for approximately 51 percent of these costs; \$24.6 million. Fees, including developer fees, grants and contributions funded the balance of the costs of governmental activities.

Net cost decreases for the Community Development, Parks and Recreation and Public Works department are primarily attributable to revenues generated from development activity in the Spring Lake area, as well as receipt of grant monies for certain capital projects. Additionally, on-going staff vacancies in both Community Development and Public Works resulted in personnel cost savings. The Fire department cost of service increased due to an addition of 5 full time staff to allow all four Engine Companies to be fully staffed at 13 personnel; however, the net cost declined because of increased development fees. Increased personnel costs, facility maintenance and overhead charges for the new Police station resulted in an increase in both total cost of service and net cost for the Police department.

Revenue for the City's business-type activities, excluding transfers, increased by \$1.9 million from \$11.9 million in 2005 to \$13.8 million in 2006. Charges for services totaled \$13.1 million or 95 percent of total business-type activity revenues. Business-type activities expenses increased by \$1.3 million from \$10 million in 2005 to \$11.3 million in 2006. 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 \$48.4 million, a decrease of \$.7 million over the end of the prior year.

Several of the governmental funds had significant net changes in fund balance, which include the following:

- City Capital Projects fund recorded a net increase in fund balance of \$8.4 million as a result of increased building activity in the Spring Lake Specific Plan and the related development fees.
- Spring Lake Capital Projects fund balance decreased by \$12 million due to principal payments on developer fee obligations of \$7.0 million and increased capital expenditures for construction of the backbone infrastructure.
- The fund balance of the Special Sales Tax District fund decreased by \$4.5 million in FY06 due to on-going construction of capital projects in addition to transfers out for debt service payments and reclassifications totaling \$6.0 million.
- Sewer Development fund balance decreased by \$5.0 million in FY06 due primarily to \$12.8 million of capital construction costs related to the Wastewater Treatment Plant expansion and tertiary improvements, offset by \$7.4 million of bond proceed monies and increased development fees.
- The Park Reserve (non-major Capital Projects fund) fund balance increased by \$7.1 million as a result of increased development fees from the Spring Lake Specific Plan construction and related development fees as well as receipt of \$14.2 million in bond proceeds, offset by increased capital expenses of \$8.4 million for construction of the new Community Senior Center.

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 \$5.7 million, while total fund balance was \$6.3 million, an increase of \$1.4 million over the prior year. This was mainly due to increases in sales and property tax revenues in addition to expenditure savings. Overall, the general fund's current year performance resulted in a net change in fund balance of \$1.45 million.

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 2006, the unreserved fund balance of \$5.7 million represents 18 percent of total general fund expenditures of \$32.5 million, and the total fund balance represents approximately 19 percent of that amount. For 2005, the general fund's unreserved fund balance of \$4.3 million was approximately 14 percent of the total expenditures of \$30.4 million, and the total fund balance of \$4.8 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 2006, the unrestricted net assets for the Water and Sewer funds were \$4.8 million and \$9.1 million, respectively. Total net assets for the Water and Sewer funds increased by \$1.4 million and \$1.5 million, respectively, in FY06 due primarily to planned increases in the utility rates, as well as growth in the number of customers resulting from new development.

Three proprietary funds had deficits in unrestricted net assets: Storm Drain fund had a deficit of \$8.7 million, Dubach Park had a deficit of \$301 thousand and the Cemetery had a deficit of \$36 thousand. The internal service funds that are used to account for certain governmental activities had unrestricted net assets of \$1.5 million.

The total growth in net assets for the enterprise funds was \$2.2 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 operating deficit. The City will propose a voter approved rate increase in FY 07 to address this on-going deficiency. Of concern is the growing deficit in Dubach Park enterprise; the yearly revenues generated by activities are insufficient to cover the maintenance of this sports park, due to weather-related and topographic factors. Phase 1 of the planned Sports Park, expected to begin construction in FY07 will correct this issue.

The following table shows 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, 2006

	Operating Revenues	Operating Expenses	Operating Income (Loss)	NonOperating Revenues (Expense)	Interfund Transfers	Change in Net Assets
Water	\$4.76	\$3.51	\$1.25	\$0.13	-	\$1.38
Sewer	6.59	4.53	2.06	-	(0.51)	1.55
Storm Drain	0.32	0.62	(0.30)	(0.36)	-	(.66)
Wastewater Pretreatment	0.39	0.27	0.12	-	-	0.12
Parking	0.25	0.30	(.05)	-	-	(.05)
Recycling	0.22	0.25	(0.03)	.06	-	.03
Fire Training Center	0.39	0.38	.01	-	-	.01
Cemetery	0.14	0.38	(0.24)	-	0.21	(.03)
Dubach Park	0.04	0.18	(0.14)	-	-	(0.14)
Total:	\$13.10	\$10.42	\$2.68	\$(0.17)	\$(0.30)	\$2.21

Fiduciary Funds

The City maintains fiduciary funds for the assets held by the City for special assessment. At the end of fiscal year 2006, the total assets and related liabilities of the fiduciary funds totaled \$9.0 million, representing a decrease of \$6 million since June 30, 2005.

General Fund Budgetary Highlights

The City's final budgeted appropriations increased by \$443 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 \$814 thousand more than budgeted estimates. This variance consisted of a positive variance for taxes, resulting from a strong housing market through much of the fiscal year and the related property and sales taxes; intergovernmental revenues were more than expected due primarily to the receipt of \$200 thousand for reimbursement of state mandated programs as well as increased motor-vehicle in lieu fees (MVLFF); charges for services had a positive variance due to increases in overhead cost recovery; the City's investment earnings were greater than budget due to increased interest rates and an \$84 thousand gain on the sale of investments. These positive variances were offset by \$307 thousand negative variance in license and permit fees and a receipt of \$58 thousand less than budget in fines and penalties.

The \$1.7 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 \$101 thousand due to work done on projects for which costs were fully reimbursed and not an expenditure of the City.
- Budgetary savings in the Community Development Department salaries and benefits of \$173 thousand due to staff vacancies, and nearly \$174 thousand in contracts and professional services savings due to work done on projects fully reimbursable to the City.
- Budgetary savings by the Public Works Department of approximately \$358 thousand is attributed to employee vacancies in Engineering and Operations which resulted in additional supply savings.
- Budgetary savings in Parks & Recreation is primarily due to salary savings in Recreation of \$80K
- Overall GF budgetary savings in Supplies and Services amounted to over \$500K.

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 \$2.4 million at the end of the fiscal year.

In creating its budget for the fiscal year ending June 30, 2007, the City used an estimated budgetary fund balance of \$4.8 million.

CAPITAL ASSET & DEBT ADMINISTRATION

Capital Assets

As of June 30, 2006, the City had invested \$178 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 \$52.6 million, or 42 percent.

City of Woodland
Capital Assets
 As of June 30, 2006 & 2005
 (net of depreciation, in millions)

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Capital Assets Not Being Depreciated						
Land and improvements	\$13.6	\$12.6	\$5.6	\$5.6	\$19.2	\$18.2
Construction in progress	70.7	31.0	7.6	4.7	78.3	35.7
Depreciable Capital Assets:						
Ponds	-	-	0.4	0.4	0.4	0.4
Buildings	17.7	16.4	0.1	0.1	17.8	16.5
Improvements	1.4	1.5	18.5	19.2	19.9	20.7
Machinery and equipment	6.6	6.9	0.8	0.8	7.4	7.7
Sewer treatment plant	-	-	9.6	9.9	9.6	9.9
Infrastructure	20.6	15.0	4.8	1.3	25.4	16.3
Total	\$130.6	\$83.4	\$47.4	\$42.0	\$178.0	\$125.4

This year's major capital asset additions included:

- Storm drainage ponds and facilities for the Spring Lake Specific Plan and land purchased for the relocation of Fire Station #1 added \$0.9 million to land and improvements.
- Construction of the new Community & Senior Center added \$10.8 million to construction in progress.
- Expansion of the Wastewater Treatment Plant and tertiary improvements added \$17.5 million to construction in progress.
- Construction of backbone infrastructure for the Spring Lake Specific Plan added \$13.7 million to construction in progress.
- Pavement rehabilitation and related water line replacement, sewer and storm line repairs added \$6.7 million to infrastructure.

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, 2006 and 2005, the City had \$120.7 million and \$93.1 million, respectively, in long-term debt outstanding. Outstanding debt of governmental activities increased approximately \$18.1 million. This increase was primarily the result of issuance of \$27.9 million of new bonds for construction of capital projects and expansion of the wastewater treatment plant, offset by a \$7.0 million retirement of developer fee obligations for the Spring Lake Specific Plan and a \$3.2 million retirement of the 2002 Lease Revenue Bonds. Outstanding debt of business-type activities increased \$9.5 million due to the issuance of \$10.1 million in new bonds for expansion of the wastewater treatment plant, offset by approximately \$0.6 million, the result of principal payments on existing debt during the fiscal year.

**City of Woodland
Outstanding Debt**
As of June 30, 2006 & 2005
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenue and other bonds, net	\$51.2	\$26.5	\$10.1	\$-	\$61.3	\$26.5
Tax allocation bonds	2.1	2.2	-	-	2.1	2.2
Certificates of participation, net	-	0.3	4.2	4.8	4.2	5.1
Loans payable	6.1	5.0	-	-	6.1	5.0
Developer fee obligations	45.0	52.0	-	-	45.0	52.0
Capital lease obligations	2.0	2.3	-	-	2.0	2.3
Total	\$106.4	\$88.3	\$14.3	\$4.8	\$120.7	\$93.1

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, 2006 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

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, 2006 and 2005 was \$0.00 and \$0.60, respectively, a decrease of 100 percent from the prior year, resulting from final repayment of the 1995 Certificates of Participation. This decrease is due to principal payments on existing debt. Bonded debt does not include special assessment debt or mortgage insured bonds for which the City is not obligated.

ECONOMIC FACTORS & NEXT YEAR'S BUDGET

Economic Factors

Although the City's financial status and budget outlook remains positive, the City continues to face significant fiscal challenges. These include:

- The challenge of maintaining service levels in the context of unprecedented growth in population and housing. The City must dedicate financial resources to expand staffing and budget for the provision of services to new residents and new development. Expansion of Fire services to residents with the addition of a fifth Engine Company (triggered by Spring Lake development) and the continued need for the City's existing fourth Engine Company could be severely restricted due to a housing market slow-down and the related drop in developer fees, as well as the expiration of temporary funding for the fourth Engine Company by the end of FY07. An additional restriction may develop because of the slower than expected start for the Woodland Business Park.
- The City's Storm Drain system continues to inevitably deteriorate, and it will require repairs and replacements in older areas of the City in the near future. The Storm Drain Fund currently has a deficit in unrestricted net assets of \$8.7 million and a deficit of total net assets of \$3.9 million. The fund will continue to incur annual operational deficits of ~ \$600 thousand per year, and unfunded capital repairs are estimated at \$1.2 million annually. Development fees pay for new construction only; maintenance impacts stemming from past and future new construction will continue to burden this fund. Storm drain rate increases must be voter approved; Council discussion regarding the issue is ongoing.

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

- Construction of the Gateway project will start in FY 07; this project, anchored by Costco, will ultimately aid area employment as well as generate new sales tax revenues in FY 08. Other retail stores and shops will open in mid-to-late FY 08, including an expanded Target store, which will likely improve sales tax revenues.
- In June 2006, voters passed Measure "E", which will continue the ½ cent special sales tax for a period of twelve years. This is expected to net \$3M in FY 07 and an additional \$4.5M in FY 08. With the expected activity at the new Gateway retail center, regular City sales tax revenues should be enhanced.
- Employment levels have incrementally increased. The real estate market, which was very strong for three consecutive years, has leveled off; however, growth in sales tax receipts both within the City and the region is expected due to Spring Lake development and the Gateway Project.
- It is hoped that the City Center Lofts project will invigorate the Woodland Downtown core area with mixed use projects such as retail businesses, more restaurants and loft residences. This would encourage residents to live and shop in a neighborhood setting, enhancing Woodland's Downtown revenues, and inviting new retail businesses to settle in the area.
- The Woodland Park Specific plan covers approximately 800 acres in the northeast industrial area of the City. Eventually the Plan will encourage diverse employment; it will include land for corporate campus, research and development, as well as current manufacturing and warehousing industries. It should set the stage for job growth for many years to come.

Next Year's Budget

The General Fund budget for 2007 appropriates \$37.9 million, an increase of 1 percent from the prior year. General Fund revenue for 2007 is projected to be \$37.9 million, an increase of 1 percent over 2006.

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.

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CITY OF WOODLAND, CALIFORNIA
STATEMENT OF NET ASSETS
JUNE 30, 2006

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 47,945,580	\$ 12,732,847	\$ 60,678,427
Cash and investments with fiscal agents	1,118,351	920,334	2,038,685
Receivables	14,630,577	944,298	15,574,875
Internal balances	5,378,561	(5,378,561)	-
Other assets	625,721	98,995	724,716
Long-term notes receivable	9,358,914	-	9,358,914
Capital assets not being depreciated	84,220,877	13,218,786	97,439,663
Capital assets being depreciated, net	46,350,571	34,209,338	80,559,909
Total assets	\$ 209,629,152	\$ 56,746,037	\$ 266,375,189
LIABILITIES			
Accounts payable	7,887,703	1,376,940	9,264,643
Interest payable	1,093,513	86,729	1,180,242
Deposits	3,362,384	-	3,362,384
Unearned revenue	47,685	-	47,685
Noncurrent liabilities:			
Due within one year	9,722,699	719,165	10,441,864
Due in more than one year	98,179,982	13,798,230	111,978,212
Total liabilities	120,293,966	15,981,064	136,275,030
NET ASSETS			
Invested in capital assets, net of related debt	48,381,398	38,517,590	86,898,988
Restricted for:			
Capital projects	20,886,895	-	20,886,895
Debt service	1,774,526	920,334	2,694,860
Community development	1,386,350	-	1,386,350
Transportation	699,702	-	699,702
Other purposes	1,389,237	-	1,389,237
Unrestricted	14,817,078	1,327,049	16,144,127
Total net assets	89,335,186	40,764,973	130,100,159
Total liabilities and net assets	\$ 209,629,152	\$ 56,746,037	\$ 266,375,189

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, 2006

	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS/PROGRAMS:								
Governmental activities:								
General government	\$ 7,150,876	\$ (5,332,532)	\$ 1,969,990	\$ 22,005	\$ -	\$ 173,651	\$ -	\$ 173,651
Finance	1,216,035	32,247	585,890	-	-	(662,392)	-	(662,392)
Community development	2,234,919	796,057	3,179,126	928,909	-	1,077,059	-	1,077,059
Parks, recreation and community services	3,918,710	274,864	8,510,365	97,323	-	4,414,114	-	4,414,114
Police	12,157,936	518,768	1,503,740	278,251	-	(10,894,712)	-	(10,894,712)
Fire	7,046,789	431,562	1,794,430	18,124	-	(5,665,797)	-	(5,665,797)
Library	1,472,538	82,217	222,629	262,250	-	(1,069,876)	-	(1,069,876)
Public works	4,484,722	1,821,652	12,932,147	3,270,691	8,096,047	17,992,511	-	17,992,511
Interest on long-term debt	3,473,820	-	-	-	-	(3,473,820)	-	(3,473,820)
Total governmental activities	43,156,344	(1,375,165)	30,698,317	4,877,553	8,096,047	1,890,738	-	1,890,738
Business-type activities:								
Water	2,971,369	535,559	4,759,033	-	-	-	1,252,105	1,252,105
Sewer	4,480,211	582,155	6,589,670	-	-	-	1,527,304	1,527,304
Storm Drain	797,282	142,550	318,737	-	-	-	(621,095)	(621,095)
Wastewater Pretreatment	241,960	28,581	388,346	-	-	-	117,805	117,805
Parking	260,581	42,159	254,052	-	-	-	(48,688)	(48,688)
Recycling	222,675	24,570	220,177	14,354	-	-	(12,714)	(12,714)
Fire Training Center	364,571	19,590	387,025	-	-	-	2,864	2,864
Cemetery	377,086	-	141,317	-	-	-	(235,769)	(235,769)
Dubach Park	182,113	-	39,117	-	-	-	(142,996)	(142,996)
Total business-type activities	9,897,847	1,375,165	13,097,474	14,354	-	-	1,838,816	1,838,816
Total	\$ 53,054,191	\$ -	\$ 43,795,791	\$ 4,891,907	\$ 8,096,047	1,890,738	1,838,816	3,729,554

General revenues:

Taxes:		
Property taxes	9,780,697	9,780,697
Measure H special tax	4,049,446	4,049,446
Utility users tax	213,257	213,257
Other taxes	1,161,070	1,161,070
Franchise fees	1,334,394	1,334,394
Intergovernmental not restricted for specific programs:		
Sales and use tax	9,363,938	9,363,938
Motor vehicle in-lieu	3,830,891	3,830,891
Investment earnings	1,780,863	2,456,827
Miscellaneous	2,324,140	2,324,140
Transfers	304,438	-
Total general revenues and transfers	34,143,134	34,514,660
Change in net assets	36,033,872	38,244,214
Net assets - beginning of year	53,301,314	91,855,945
Net assets - end of year	\$ 89,335,186	\$ 130,100,159

CITY OF WOODLAND, CALIFORNIA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2006

	General Fund	City Capital Projects	Spring Lake Capital Projects	Special Sales Tax District
ASSETS				
Cash and investments	\$ 6,218,060	\$ 2,390,081	\$ 17,865,463	\$ 5,002,066
Cash and investments with fiscal agents	-	30,000	-	-
Accounts receivable	4,792,700	1,637,301	4,454,167	-
Due from other funds	1,449,147	-	-	788,324
Inventory	140,658	-	-	-
Other assets	5,694	-	-	-
Long-term notes receivable	-	-	-	-
Advances to other funds	207,950	-	-	-
Total assets	<u>\$ 12,814,209</u>	<u>\$ 4,057,382</u>	<u>\$ 22,319,630</u>	<u>\$ 5,790,390</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,835,124	\$ 837,017	\$ 809,542	\$ 550,147
Deposits	3,268,924	43,460	-	-
Due to other funds	788,324	-	-	-
Deferred revenue	549,970	1,323,184	4,101,682	-
Compensated absences	100,000	-	-	-
Advances from other funds	-	1,877,927	-	-
Total liabilities	<u>6,542,342</u>	<u>4,081,588</u>	<u>4,911,224</u>	<u>550,147</u>
Fund balances:				
Reserved for:				
Encumbrances	211,826	5,161,225	-	-
Inventory	140,658	-	-	-
Low and moderate income housing	-	-	-	-
Debt service	-	-	-	-
Advances to other funds	207,950	-	-	-
Unreserved, undesignated reported in				
General Fund	5,711,433	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	(5,185,431)	17,408,406	5,240,243
Total fund balances	<u>6,271,867</u>	<u>(24,206)</u>	<u>17,408,406</u>	<u>5,240,243</u>
Total liabilities and fund balances	<u>\$ 12,814,209</u>	<u>\$ 4,057,382</u>	<u>\$ 22,319,630</u>	<u>\$ 5,790,390</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, 2006

Sewer Development	Community Development Block Grant	Woodland Redevelopment Agency Low/Mod Housing	Other Governmental Funds	Total Governmental Funds
\$ 885,738	\$ 1,079,359	\$ 718,838	\$ 12,490,250	\$ 46,649,855
-	96,549	-	991,802	1,118,351
1,178,900	114,847	31,646	2,239,004	14,448,565
-	-	-	25,706	2,263,177
-	-	-	-	140,658
-	-	-	-	5,694
-	2,779,698	3,838,860	2,740,356	9,358,914
2,609,589	-	-	4,716,899	7,534,438
<u>\$ 4,674,227</u>	<u>\$ 4,070,453</u>	<u>\$ 4,589,344</u>	<u>\$ 23,204,017</u>	<u>\$ 81,519,652</u>

ASSETS

Cash and investments	46,649,855
Cash and investments with fiscal agents	1,118,351
Accounts receivable	14,448,565
Due from other funds	2,263,177
Inventory	140,658
Other assets	5,694
Long-term notes receivable	9,358,914
Advances to other funds	7,534,438
Total assets	\$ 81,519,652

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	7,652,982
Deposits	3,362,384
Due to other funds	2,263,177
Deferred revenue	17,703,364
Compensated absences	100,000
Advances from other funds	2,085,877
Total liabilities	33,167,784

Fund balance:

Reserved for:	11,067,118
Encumbrances	140,658
Inventory	703,484
Low and moderate income housing	-
Debt service	1,774,526
Advances to other funds	7,534,438
Unreserved, undesignated reported in:	5,711,433
General Fund	-
Special revenue funds	3,459,176
Capital projects funds	17,961,035

Total fund balances	48,351,868
Total liabilities and fund balances	\$ 81,519,652

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, 2006

Total fund balances - total governmental funds	\$ 48,351,868
<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>	125,929,812
<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>	4,178,296
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.</p>	17,703,364
<p>Certain liabilities are not due and payable in the current period and therefore, are not reported in the funds.</p>	
Developer fee obligations	(45,016,350)
Lease revenue bonds	(51,217,780)
Tax allocation bonds	(2,115,000)
Loans payable	(5,945,182)
Redevelopment pass-through	(156,910)
Compensated absences	(1,334,235)
Interest payable	<u>(1,042,697)</u>
Net assets of governmental activities	<u>\$ 89,335,186</u>

CITY OF WOODLAND, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2006

	General Fund	City Capital Projects	Spring Lake Capital Projects	Special Sales Tax District
REVENUES:				
Taxes	\$ 23,213,558	\$ -	\$ -	\$ -
Fines and penalties	362,997	-	-	-
Intergovernmental	4,487,938	35,601	-	-
Charges for services	6,198,657	-	-	-
Licenses and permits	4,263,630	3,999,833	10,062,059	-
Investment earnings	274,924	(3,627)	972,586	196,737
Miscellaneous	108,187	-	720,000	-
Total revenues	<u>38,909,891</u>	<u>4,031,807</u>	<u>11,754,645</u>	<u>196,737</u>
EXPENDITURES:				
Current:				
General government	1,703,603	-	-	-
Finance	1,038,888	263,675	132,652	-
Community development	2,595,837	-	-	-
Parks, recreation and community services	3,905,703	150,156	190,958	4,974
Police	12,914,423	-	-	-
Fire	6,717,355	42,066	-	-
Library	1,248,873	48,820	-	-
Public works	2,382,534	4,307,742	16,386,931	3,768,675
Debt service:				
Principal	-	-	7,026,307	-
Interest	-	-	-	-
Bond issuance and fiscal agent fees	-	-	-	-
Total expenditures	<u>32,507,216</u>	<u>4,812,459</u>	<u>23,736,848</u>	<u>3,773,649</u>
Excess (deficiency) of revenues over (under) expenditures	6,402,675	(780,652)	(11,982,203)	(3,576,912)
Other financing sources (uses)				
Long-term loans	-	1,097,858	-	-
Bond issuance	-	-	-	-
Bond discount	-	-	-	-
Transfers in	82,071	9,256,173	-	5,159,416
Transfers out	(5,036,217)	(1,178,485)	-	(6,044,300)
Total other financing sources (uses)	<u>(4,954,146)</u>	<u>9,175,546</u>	<u>-</u>	<u>(884,884)</u>
Net change in fund balances	1,448,529	8,394,894	(11,982,203)	(4,461,796)
Fund balances (deficit), beginning of year	<u>4,823,338</u>	<u>(8,419,100)</u>	<u>29,390,609</u>	<u>9,702,039</u>
Fund balances (deficit), end of year	<u>\$ 6,271,867</u>	<u>\$ (24,206)</u>	<u>\$ 17,408,406</u>	<u>\$ 5,240,243</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, 2006

Sewer Development	Community Development Block Grant	Woodland Redevelopment Agency Low/Mod Housing	Other Governmental Funds	Total Governmental Funds	
\$ -	\$ -	\$ 273,221	\$ 1,838,238	\$ 25,325,017	REVENUES:
-	-	-	-	362,997	Taxes
-	718,802	70	5,350,526	10,592,937	Fines and penalties
-	-	-	663,457	6,862,114	Intergovernmental
2,648,991	175,958	6,735	5,385,385	26,542,591	Charges for services
134,244	32,919	30,121	524,803	2,162,707	Licenses and permits
-	-	-	693,926	1,522,113	Investment earnings
<u>2,783,235</u>	<u>927,679</u>	<u>310,147</u>	<u>14,456,335</u>	<u>73,370,476</u>	Miscellaneous
					Total revenues
-	-	-	-	1,703,603	EXPENDITURES:
-	-	-	20,185	1,455,400	Current:
-	625,131	137,163	478,254	3,836,385	General government
-	-	-	438,065	4,689,856	Finance
-	-	-	239,779	13,154,202	Community development
-	-	-	1,299,882	8,059,303	Parks, recreation and community services
-	-	-	344,432	1,642,125	Police
13,631,954	-	-	14,869,247	55,347,083	Fire
-	100,000	15,752	3,642,304	10,784,363	Library
-	-	31,126	2,022,227	2,053,353	Public works
-	-	-	254,319	254,319	Debt service:
<u>13,631,954</u>	<u>725,131</u>	<u>184,041</u>	<u>23,608,694</u>	<u>102,979,992</u>	Principal
					Interest and fiscal charges
					Bond issuance and fiscal agent fees
					Total expenditures
(10,848,719)	202,548	126,106	(9,152,359)	(29,609,516)	Excess (deficiency) of revenues over (under) expenditures
-	-	-	-	1,097,858	Other financing sources (uses)
-	-	-	27,937,780	27,937,780	Issuance of debt
-	-	-	(337,759)	(337,759)	
7,401,426	-	-	20,420,211	42,319,297	Transfers in
(1,584,424)	-	-	(28,239,134)	(42,082,560)	Transfers out
<u>5,817,002</u>	<u>-</u>	<u>-</u>	<u>19,781,098</u>	<u>28,934,616</u>	Total other financing sources (uses)
(5,031,717)	202,548	126,106	10,628,739	(674,900)	Net change in fund balances
<u>7,302,665</u>	<u>983,234</u>	<u>624,378</u>	<u>4,619,605</u>	<u>49,026,768</u>	Fund balances (deficit), beginning of year
<u>\$ 2,270,948</u>	<u>\$ 1,185,782</u>	<u>\$ 750,484</u>	<u>\$ 15,248,344</u>	<u>\$ 48,351,868</u>	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, 2006

Net change in fund balances - total governmental funds \$ (674,900)

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	48,623,687	
Depreciation expense	<u>(1,438,006)</u>	47,185,681

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 8,059,696

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		10,784,363
Proceeds from long-term debt		<u>(29,166,142)</u>

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		(600,691)
Changes in compensated absences		<u>(209,660)</u>

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. 655,525

Change in net assets of governmental activities \$ 36,033,872

**CITY OF WOODLAND, CALIFORNIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 22,134,922	\$ 22,793,022	\$ 23,213,558	\$ 420,536
Fines and penalties	421,000	421,000	362,997	(58,003)
Intergovernmental	3,717,443	4,215,553	4,487,938	272,385
Charges for services	5,992,840	5,992,840	6,198,657	205,817
Licenses and permits	4,826,085	4,571,085	4,263,630	(307,455)
Investment earnings	75,540	75,540	274,924	199,384
Miscellaneous	27,000	27,000	108,187	81,187
Total revenues	37,194,830	38,096,040	38,909,891	813,851
EXPENDITURES				
General Government:				
City Council				
Personnel services	75,386	75,386	75,041	345
Supplies	102,152	102,152	91,610	10,542
Other services and charges	80,700	103,230	87,990	15,240
Total City Council	258,238	280,768	254,641	26,127
City Clerk				
Personnel services	117,010	117,117	120,212	(3,095)
Supplies	21,910	46,910	19,676	27,234
Other services and charges	5,525	5,525	1,951	3,574
Total City Clerk	144,445	169,552	141,839	27,713
City Attorney				
Other services and charges	402,500	402,500	301,137	101,363
City Manager/Human Resources				
Personnel services	767,111	767,731	783,236	(15,505)
Supplies	223,888	235,828	208,495	27,333
Other services and charges	16,002	16,002	14,255	1,747
Total City Manager/Human Resources	1,007,001	1,019,561	1,005,986	13,575
Total General Government	1,812,184	1,872,381	1,703,603	168,778
Finance				
Personnel services	726,761	695,346	663,654	31,692
Supplies	320,557	331,570	324,625	6,945
Other services and charges	189,096	101,353	50,609	50,744
Total Finance	1,236,414	1,128,269	1,038,888	89,381
Community Development				
Personnel services	1,450,335	1,450,396	1,277,460	172,936
Supplies	789,710	791,133	582,359	208,774
Other services and charges	791,372	782,873	736,018	46,855
Total Community Development	3,031,417	3,024,402	2,595,837	428,565

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 (CONTINUED)
YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Parks, Recreation and Community Services				
Personnel services	\$ 2,549,916	\$ 2,580,468	\$ 2,468,897	\$ 111,571
Supplies	1,138,335	1,171,295	1,063,731	107,564
Other services and charges	287,880	387,785	373,075	14,710
Total Parks, Recreation and Community Services	<u>3,976,131</u>	<u>4,139,548</u>	<u>3,905,703</u>	<u>233,845</u>
Police				
Personnel services	8,960,950	8,961,235	9,038,110	(76,875)
Supplies	3,212,962	3,184,286	3,165,030	19,256
Other services and charges	666,807	746,857	711,283	35,574
Total Police	<u>12,840,719</u>	<u>12,892,378</u>	<u>12,914,423</u>	<u>(22,045)</u>
Fire				
Personnel services	4,955,215	4,955,700	4,820,024	135,676
Supplies	1,139,934	1,203,574	1,179,258	24,316
Other services and charges	617,765	832,264	718,073	114,191
Total Fire	<u>6,712,914</u>	<u>6,991,538</u>	<u>6,717,355</u>	<u>274,183</u>
Library				
Personnel services	909,072	911,597	895,869	15,728
Supplies	264,421	267,396	261,432	5,964
Other services and charges	60,658	71,658	91,572	(19,914)
Total Library	<u>1,234,151</u>	<u>1,250,651</u>	<u>1,248,873</u>	<u>1,778</u>
Public Works				
Personnel services	2,127,256	2,110,333	1,752,028	358,305
Supplies	652,387	659,283	526,998	132,285
Other services and charges	131,601	129,449	103,508	25,941
Total Public Works	<u>2,911,244</u>	<u>2,899,065</u>	<u>2,382,534</u>	<u>516,531</u>
Total expenditures	<u>33,755,174</u>	<u>34,198,232</u>	<u>32,507,216</u>	<u>1,691,016</u>
Excess of revenues over expenditures	<u>3,439,656</u>	<u>3,897,808</u>	<u>6,402,675</u>	<u>(877,165)</u>
Other financing sources (uses)				
Transfers in	458,000	253,000	82,071	170,929
Transfers out	(3,347,500)	(5,127,884)	(5,036,217)	(91,667)
Total other financing sources (uses)	<u>(2,889,500)</u>	<u>(4,874,884)</u>	<u>(4,954,146)</u>	<u>79,262</u>
Net change in fund balance	<u>\$ 550,156</u>	<u>\$ (977,076)</u>	<u>1,448,529</u>	<u>\$ 2,425,605</u>
Fund balance, beginning of year			<u>4,823,338</u>	
Fund balance, end of year			<u>\$ 6,271,867</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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 662,639	\$ 662,639	\$ 718,802	\$ 56,163
Investment earnings	-	-	32,919	32,919
Licenses and permits	-	-	175,958	175,958
Total revenues	<u>662,639</u>	<u>662,639</u>	<u>927,679</u>	<u>265,040</u>
EXPENDITURES				
Current:				
Community development	379,820	1,175,990	625,131	550,859
Debt service:				
Principal	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	-
Total expenditures	<u>479,820</u>	<u>1,275,990</u>	<u>725,131</u>	<u>550,859</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 182,819</u>	<u>\$ (613,351)</u>	202,548	<u>\$ 815,899</u>
Fund balance, beginning of year			<u>983,234</u>	
Fund balance, end of year			<u>\$ 1,185,782</u>	

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

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CITY OF WOODLAND, CALIFORNIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2006

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	Water	Sewer	Storm Drain	Other Enterprise Funds		
ASSETS						
Current assets:						
Cash and investments	\$ 2,916,204	\$ 8,075,972	\$ -	\$ 1,740,671	\$ 12,732,847	\$ 1,295,725
Accounts receivable	400,411	489,255	10,318	44,314	944,298	182,012
Due from other funds	-	307,140	-	-	307,140	232,339
Prepaid items and deposits	-	-	-	-	-	479,369
Other assets	82,918	16,077	-	-	98,995	-
Total current assets	<u>3,399,533</u>	<u>8,888,444</u>	<u>10,318</u>	<u>1,784,985</u>	<u>14,083,280</u>	<u>2,189,445</u>
Noncurrent assets:						
Cash and investments with fiscal agents	-	920,334	-	-	920,334	-
Advances to other funds	1,877,927	1,285,824	-	70,000	3,233,751	-
Land	281,851	2,957,761	447,400	1,895,633	5,582,645	-
Construction in progress	215,430	6,989,842	430,869	-	7,636,141	-
Depreciable capital assets (net of accumulated depreciation)	7,596,641	22,744,566	3,845,572	22,559	34,209,338	4,641,636
Total noncurrent assets	<u>9,971,849</u>	<u>34,898,327</u>	<u>4,723,841</u>	<u>1,988,192</u>	<u>51,582,209</u>	<u>4,641,636</u>
Total assets	<u>13,371,382</u>	<u>43,786,771</u>	<u>4,734,159</u>	<u>3,773,177</u>	<u>65,665,489</u>	<u>6,831,081</u>
LIABILITIES						
Current liabilities:						
Accounts payable	377,136	909,174	42,703	47,927	1,376,940	234,721
Due to other funds	-	-	-	307,140	307,140	232,339
Interest payable	-	86,729	-	-	86,729	50,816
Compensated absences	22,836	28,311	8,502	14,516	74,165	12,821
Long-term debt - current portion	-	645,000	-	-	645,000	249,934
Deferred revenue	-	-	-	-	-	47,685
Total current liabilities	<u>399,972</u>	<u>1,669,214</u>	<u>51,205</u>	<u>369,583</u>	<u>2,489,974</u>	<u>828,316</u>
Noncurrent liabilities:						
Compensated absences	53,799	55,098	5,239	25,373	139,509	47,033
Advances from other funds	-	-	8,612,312	-	8,612,312	70,000
Revenue bonds	-	10,087,220	-	-	10,087,220	-
Certificates of participation, net	-	3,571,501	-	-	3,571,501	-
Capital lease obligations	-	-	-	-	-	1,707,436
Total noncurrent liabilities	<u>53,799</u>	<u>13,713,819</u>	<u>8,617,551</u>	<u>25,373</u>	<u>22,410,542</u>	<u>1,824,469</u>
Total liabilities	<u>453,771</u>	<u>15,383,033</u>	<u>8,668,756</u>	<u>394,956</u>	<u>24,900,516</u>	<u>2,652,785</u>
NET ASSETS (DEFICIT)						
Invested in capital assets, net of related debt	8,093,922	23,781,635	4,723,841	1,918,192	38,517,590	2,684,266
Restricted for debt service	-	920,334	-	-	920,334	-
Unrestricted	4,823,689	3,701,769	(8,658,438)	1,460,029	1,327,049	1,494,030
Total net assets (deficit)	<u>\$ 12,917,611</u>	<u>\$ 28,403,738</u>	<u>\$ (3,934,597)</u>	<u>\$ 3,378,221</u>	<u>\$ 40,764,973</u>	<u>\$ 4,178,296</u>

CITY OF WOODLAND, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2006

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	Water	Sewer	Storm Drain	Other Enterprise Funds		
OPERATING REVENUES:						
Charges for services	\$ 4,759,033	\$ 6,321,195	\$ 314,737	\$ 1,169,982	\$ 12,564,947	\$ -
Parking fines	-	-	-	254,052	254,052	-
Billings to departments	-	-	-	-	-	8,074,478
Other	-	268,475	4,000	6,000	278,475	39,042
Total operating revenues	<u>4,759,033</u>	<u>6,589,670</u>	<u>318,737</u>	<u>1,430,034</u>	<u>13,097,474</u>	<u>8,113,520</u>
OPERATING EXPENSES:						
Personnel services	1,287,128	1,552,175	195,382	1,037,479	4,072,164	955,821
Utilities	743,820	506,666	61,055	45,509	1,357,050	14,316
Office supplies and expenses	851,188	989,100	193,121	283,530	2,316,939	72,803
Small tools and supplies	3,046	2,588	501	3,052	9,187	5,463
Contractual services	171,035	265,553	56,356	241,732	734,676	-
Depreciation	287,512	894,942	111,081	4,403	1,297,938	900,409
Equipment rental and maintenance	163,199	321,045	4,830	148,181	637,255	830,482
Insurance premiums and claims	-	-	-	-	-	4,687,018
Total operating expenses	<u>3,506,928</u>	<u>4,532,069</u>	<u>622,326</u>	<u>1,763,886</u>	<u>10,425,209</u>	<u>7,466,312</u>
Operating income (loss)	<u>1,252,105</u>	<u>2,057,601</u>	<u>(303,589)</u>	<u>(333,852)</u>	<u>2,672,265</u>	<u>647,208</u>
NONOPERATING REVENUES (EXPENSES):						
Investment earnings	132,226	533,324	(40,662)	51,076	675,964	37,809
Intergovernmental	-	-	-	14,354	14,354	-
Interest expense	-	(530,297)	(317,506)	-	(847,803)	(97,194)
Total nonoperating revenues (expenses)	<u>132,226</u>	<u>3,027</u>	<u>(358,168)</u>	<u>65,430</u>	<u>(157,485)</u>	<u>(59,385)</u>
Income (loss) before transfers	1,384,331	2,060,628	(661,757)	(268,422)	2,514,780	587,823
Transfers in	-	-	-	212,087	212,087	351,001
Transfers out	-	(516,525)	-	-	(516,525)	(283,300)
Change in net assets	1,384,331	1,544,103	(661,757)	(56,335)	2,210,342	655,524
Net assets (deficit), beginning of year	11,533,280	26,859,635	(3,272,840)	3,434,556	38,554,631	3,522,772
Net assets (deficit), end of year	<u>\$ 12,917,611</u>	<u>\$ 28,403,738</u>	<u>\$ (3,934,597)</u>	<u>\$ 3,378,221</u>	<u>\$ 40,764,973</u>	<u>\$ 4,178,296</u>

CITY OF WOODLAND, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2006

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	Water	Sewer	Storm Drain	Nonmajor Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$ 4,734,083	\$ 6,532,661	\$ 424,400	\$ 1,432,337	\$ 13,123,481	\$ 8,555,914
Payments to suppliers	(1,734,904)	(1,304,949)	(299,748)	(747,036)	(4,086,637)	(1,136,868)
Payments to employees	(1,264,191)	(1,527,092)	(195,451)	(1,039,375)	(4,026,109)	(944,295)
Payments for interfund services used	-	-	-	-	-	(6,195)
Payments for insurance premiums and claims	-	-	-	-	-	(4,978,961)
Net cash provided (used) by operating activities	<u>1,734,988</u>	<u>3,700,620</u>	<u>(70,799)</u>	<u>(354,074)</u>	<u>5,010,735</u>	<u>1,489,595</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers in	-	-	-	212,087	212,087	351,001
Transfers out	-	(516,525)	-	-	(516,525)	(283,300)
Interfund borrowings	-	-	517,260	166,893	684,153	232,339
Interfund loans and repayments	1,178,630	(307,140)	-	70,000	941,490	(70,000)
Operating grants received	-	-	-	14,354	14,354	-
Net cash provided (used) by noncapital financing activities	<u>1,178,630</u>	<u>(823,665)</u>	<u>517,260</u>	<u>463,334</u>	<u>1,335,559</u>	<u>230,040</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition of capital assets	(528,291)	(6,156,532)	(88,293)	(32)	(6,773,148)	(805,989)
Proceeds from sale of capital assets	-	5,655	-	-	5,655	-
Proceeds of revenue bonds	-	10,087,220	-	-	10,087,220	-
Principal payments on long-term debt	-	(605,000)	-	-	(605,000)	(316,743)
Interest paid	-	(490,981)	(317,506)	-	(808,487)	(112,589)
Net cash provided (used) by capital and related financing activities	<u>(528,291)</u>	<u>2,840,362</u>	<u>(405,799)</u>	<u>(32)</u>	<u>1,906,240</u>	<u>(1,235,321)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest received	132,226	533,324	-	51,076	716,626	37,809
Interest paid	-	-	(40,662)	-	(40,662)	-
Net cash provided (used) by investing activities	<u>132,226</u>	<u>533,324</u>	<u>(40,662)</u>	<u>51,076</u>	<u>675,964</u>	<u>37,809</u>
Net increase in cash and cash equivalents	2,517,553	6,250,641	-	160,304	8,928,498	522,123
Cash and cash equivalents, beginning of year	398,651	4,031,489	-	1,580,367	6,010,507	773,602
Cash and cash equivalents, end of year	<u>\$ 2,916,204</u>	<u>\$ 10,282,130</u>	<u>\$ -</u>	<u>\$ 1,740,671</u>	<u>\$ 14,939,005</u>	<u>\$ 1,295,725</u>

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, 2006

	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)	\$ 1,252,105	\$ 2,057,601	\$ (303,589)	\$ (333,852)	\$ 2,672,265	\$ 647,208
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	287,512	894,942	111,081	4,403	1,297,938	900,409
Change in assets and liabilities:						
Accounts receivable	(24,950)	(57,009)	105,663	2,303	26,007	394,709
Due from other funds	-	-	-	-	-	(226,144)
Other assets	(1,243)	29,554	-	-	28,311	-
Prepaid items and deposits	-	-	-	-	-	(272,477)
Accounts payable	198,627	750,449	16,115	(25,032)	940,159	(7,126)
Deferred revenue	-	-	-	-	-	47,685
Due to other funds	-	-	-	-	-	(6,195)
Compensated absences	22,937	25,083	(69)	(1,896)	46,055	11,526
Total adjustments	<u>482,883</u>	<u>1,643,019</u>	<u>232,790</u>	<u>(20,222)</u>	<u>2,338,470</u>	<u>842,387</u>
Net cash provided (used) by operating activities	<u>\$ 1,734,988</u>	<u>\$ 3,700,620</u>	<u>\$ (70,799)</u>	<u>\$ (354,074)</u>	<u>\$ 5,010,735</u>	<u>\$ 1,489,595</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, 2006**

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)
YEAR ENDED JUNE 30, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GASB Statement No. 46

Effective July 1, 2005 the City implemented GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*. There were no assets restricted by enabling legislation at June 30, 2006.

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. These statements distinguish between the *governmental* and *business-type activities* of the City. 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.

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)
YEAR ENDED JUNE 30, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

City Capital Projects Fund – 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.

Woodland Redevelopment Agency Low/Mod Housing Fund – Established to account for the low and moderate income housing set-aside required by the Health and Safety Code.

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)
YEAR ENDED JUNE 30, 2006

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)
YEAR ENDED JUNE 30, 2006**

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)
YEAR ENDED JUNE 30, 2006

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)
 YEAR ENDED JUNE 30, 2006**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed for business-type activities and enterprise funds. 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 provide 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 programs offer 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)
YEAR ENDED JUNE 30, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Long-term Obligations

In the government-wide and proprietary funds 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 \$61,221,000 as of June 30, 2006. 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.

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, 2006, 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)
YEAR ENDED JUNE 30, 2006

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 funds** 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 budget versus actual statements.

**CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2006**

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>	<u>Minimum Rating</u>
Local Agency Investment Fund (LAIF)	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)
YEAR ENDED JUNE 30, 2006

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 a 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	\$22,555,317
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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 investments 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)
YEAR ENDED JUNE 30, 2006

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, 2006, 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	N/A	\$ --	\$ --	\$ --	\$ --	\$ 692,136
Nonnegotiable Certificates of Deposit	N/A	--	--	--	--	7,495,277
Total Deposits						8,187,413
City Pooled Investments:						
LAIF	Not Rated	30,928,184	--	--	--	30,928,184
U. S. Agency Securities:						
Federal National Mortgage Association	AAA	--	--	1,942,813	--	1,942,813
Federal Home Loan Mortgage Corporation	AAA	994,800	--	--	--	994,800
Federal Home Loan Bank	AAA	1,995,625	3,464,219	17,095,473	--	22,555,317
Total City pooled Investments						56,421,113
Cash and Investments with Fiscal Agent:						
Cash in Bank	--	--	--	--	--	135,490
Certificates of Deposit	N/A	30,000	--	--	--	30,000
Money Market Mutual Fund	AAA	4,757,784	--	--	--	4,757,784
CAMP	AAA	194,797	--	--	--	194,796
Guaranteed Investment Contracts	Not Rated	--	--	--	1,678,086	1,678,085
Total Cash and Investments with Fiscal Agent						6,796,155
Total Cash and Investments						\$71,404,681

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2006

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, 2006 was \$16.3 billion. LAIF is part of the State of California's Pooled Money Investment Account (PMIA), which, as of June 30, 2006 had a balance of \$63.3 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 152 days as of June 30, 2006. 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 asset-backed securities representing 2.57% of the PMIA investments.

Cash and investments as of June 30, 2006 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$60,678,427
Cash and investments with fiscal agents	2,038,685
Statement of Fiduciary Net Assets	
Cash and investments	3,930,099
Cash and investments with fiscal agents	<u>4,757,470</u>
 Total cash and investments	 <u><u>\$71,404,681</u></u>

**CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2006**

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, 2006 were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred
General Fund	Other Governmental Funds	\$ 31,949
	Internal Service Funds	50,122
		<u>82,071</u>
City Capital Projects Fund	General Fund	600,000
	Special Sales Tax District Capital Projects Fund	2,889,666
	Other Governmental Funds	5,766,507
		<u>9,256,173</u>
Special Sales Tax District Capital Projects Fund	General Fund	4,049,446
	City Capital Projects Fund	894,178
	Sewer Enterprise Fund	215,792
		<u>5,159,416</u>
Sewer Development Fund	Other Governmental Funds	<u>7,401,426</u>
Other Governmental Funds	General Fund	94,684
	City Capital Projects Fund	246,484
	Special Sales Tax District Capital Projects Fund	3,154,634
	Sewer Development Fund	1,584,424
	Other Governmental Funds	15,039,252
	Sewer Enterprise Fund	300,733
		<u>20,420,211</u>
Other Enterprise Funds	General Fund	<u>212,087</u>
Internal Service Funds	General Fund	80,000
	City Capital Projects Fund	37,823
	Internal Service Funds	233,178
	<u>351,001</u>	
		<u>\$ 42,882,385</u>

**CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2006**

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, 2006 were as follows:

Due To	Due From	Amount
General Fund	Other Governmental Funds	\$ 1,449,147
Special Sales Tax District Capital Projects Fund	General Fund	788,324
Other Governmental Funds	Other Governmental Funds	25,706
Sewer Enterprise Fund	Other Enterprise Funds	307,140
Internal Service Funds	Internal Service Funds	232,339
		<u>\$ 2,802,656</u>

C. Long-Term Interfund Advances

At June 30, 2006 the General Fund had advanced the Woodland Redevelopment Agency City Funds Capital Projects Fund \$207,950 to fund the Wiseman Project, which included widening and frontage improvements. The advance is expected to be repaid by Spreckles (Kamilos) preannexation funds.

At June 30, 2006 the Sewer Development, Water Development and Storm Drain Development Capital Projects Funds had advanced \$8,612,312 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.

The Water Enterprise Fund has an advance of \$1,877,927 to the City 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 \$70,000 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 by next year with 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)
YEAR ENDED JUNE 30, 2006**

NOTE 4 – INTERFUND TRANSACTIONS (Continued)

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, 2006 comprised the following:

	Taxes	Accounts	Inter- governmental	Interest	Total Receivables
Governmental Activities:					
General Fund	\$ 3,301,995	\$ 648,111	\$ 434,618	\$ 407,976	\$ 4,792,700
City Capital Projects	--	1,360,085	277,216	--	1,637,301
Spring Lake Capital Projects	--	4,454,167	--	--	4,454,167
Sewer Development	--	1,178,900	--	--	1,178,900
Community Development Block Grant	--	--	114,847	--	114,847
Woodland Redevelopment Agency Low/Mod Housing	31,543	--	--	103	31,646
Other Governmental Funds	275,741	1,076,153	886,759	351	2,239,004
Internal Service Funds	--	182,012	--	--	182,012
Total Governmental Activities	<u>\$ 3,609,279</u>	<u>\$ 8,899,428</u>	<u>\$ 1,713,440</u>	<u>\$ 408,430</u>	<u>\$ 14,630,577</u>
Business-Type Activities:					
Water	\$ --	\$ 365,254	\$ 35,157	\$ --	\$ 400,411
Sewer	--	466,456	22,799	--	489,255
Storm Drain	--	10,318	--	--	10,318
Other Enterprise Funds	--	44,009	305	--	44,314
Total Business-Type Activities	<u>\$ --</u>	<u>\$ 886,037</u>	<u>\$ 58,261</u>	<u>\$ --</u>	<u>\$ 944,298</u>

Intergovernmental receivables in the general fund of \$321,094 are not expected to be collected within one year.

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 \$9,358,914 is comprised of the following types of loan programs:

**CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2006**

**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 receivable arising from this program at June 30, 2006 was \$3,032,507.

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, 2006 was \$343,238.

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 % and various due dates through the year 2025. At June 30, 2006 the City had issued loans of \$2,458,608 of which \$364,773 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. The balance of these loans receivable at June 30, 2006 was \$50,473.

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, 2006 was \$138,550.

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, 2006 was \$1,132,666.

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2006

**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 or \$45,000 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, 2006, the total outstanding on loans, including interest is \$586,624, which comprises \$230,000 in loans funded by the Agency, \$304,300 representing the agency's market adjustment, and accrued interest of \$52,324.

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, 2006, the total amount of the loan outstanding, including accrued interest was \$1,616,247. 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)
YEAR ENDED JUNE 30, 2006

NOTE 7 – CAPITAL ASSETS

	Balance July 1, 2005	Additions	Retirements	Transfers	Balance June 30, 2006
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 12,640,400	\$ --	\$ (905)	\$ 931,888	\$ 13,571,383
Construction in progress	30,986,681	48,478,211	--	(8,815,398)	70,649,494
Total capital assets, not being depreciated:	<u>43,627,081</u>	<u>48,478,211</u>	<u>(905)</u>	<u>(7,883,510)</u>	<u>84,220,877</u>
Capital assets, being depreciated:					
Buildings	20,070,090	--	--	1,694,440	21,764,530
Improvements	5,640,797	5,160	--	--	5,645,957
Machinery and equipment	15,852,684	947,212	(61,693)	6,742	16,744,945
Infrastructure	15,482,992	--	--	6,182,328	21,665,320
Total capital assets, being depreciated:	<u>57,046,563</u>	<u>952,372</u>	<u>(61,693)</u>	<u>7,883,510</u>	<u>65,820,752</u>
Less accumulated depreciation for:					
Buildings	(3,626,195)	(465,673)	--	--	(4,091,868)
Improvements	(4,091,722)	(147,362)	--	--	(4,239,084)
Machinery and equipment	(8,952,962)	(1,202,908)	61,693	--	(10,094,177)
Infrastructure	(522,580)	(522,472)	--	--	(1,045,052)
Total accumulated Depreciation	<u>(17,193,459)</u>	<u>(2,338,415)</u>	<u>61,693</u>	<u>--</u>	<u>(19,470,181)</u>
Total capital assets, being depreciated, net	<u>39,853,104</u>	<u>(1,386,043)</u>	<u>--</u>	<u>7,883,510</u>	<u>46,350,571</u>
Governmental activities capital assets, net	<u>\$ 83,480,185</u>	<u>\$ 47,092,168</u>	<u>\$ (905)</u>	<u>\$ --</u>	<u>\$ 130,571,448</u>

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2006

NOTE 7 – CAPITAL ASSETS (Continued)

	Balance July, 1, 2005	Increases	Decreases	Transfers	Balance June 30, 2006
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 5,588,335	\$ --	\$ (5,690)	\$ --	\$ 5,582,645
Construction in progress	4,671,692	6,600,473	--	(3,636,024)	7,636,141
Total capital assets, not being depreciated:	10,260,027	6,600,473	(5,690)	(3,636,024)	13,218,786
Capital assets, being depreciated:					
Ponds	781,056	--	--	--	781,056
Buildings	355,830	--	--	--	355,830
Improvements	33,214,942	--	(33)	--	33,214,909
Machinery and equipment	1,948,091	172,675	--	--	2,120,766
Sewer treatment plant	15,472,364	--	--	--	15,472,364
Infrastructure	1,310,695	--	--	3,636,024	4,946,719
Total capital assets, being depreciated:	53,082,978	172,675	(33)	3,636,024	56,891,644
Less accumulated depreciation for:					
Ponds	(368,611)	(15,621)	--	--	(384,232)
Buildings	(252,233)	(6,633)	--	--	(258,866)
Improvements	(14,012,807)	(733,337)	--	--	(14,746,144)
Machinery and equipment	(1,165,712)	(145,959)	--	--	(1,311,671)
Sewer treatment plant	(5,557,651)	(370,177)	--	--	(5,927,828)
Infrastructure	(27,354)	(26,211)	--	--	(53,565)
Total accumulated depreciation	(21,384,368)	(1,297,938)	--	--	(22,682,306)
Total capital assets, being depreciated, net	31,698,610	(1,125,263)	(33)	3,636,024	34,209,338
Business type activities capital Assets, net	\$ 41,958,637	\$ 5,475,210	\$ (5,723)	\$ --	\$ 47,428,124

**CITY OF WOODLAND, CALIFORNIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2006**

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	\$	5,285
Finance		7,391
Community development		21,007
Parks, recreation and community services		155,279
Police		326,394
Fire		63,797
Library		78,815
Public works		780,038
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets		900,409
Total	\$	2,338,415

Business-type Activities:

Water	\$	287,512
Sewer		894,942
Storm Drain		111,081
Nonmajor enterprise funds		4,403
Total	\$	1,297,938

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2006

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, 2005	Additions	Retirements	Balance June 30, 2006	Current Portion
Governmental Activities Debt:						
Woodland Public Facilities Corporation 1995 Certificates of Participation,						
4.0%-5.4%, due 12/01/05	\$ 2,565,000	\$ 290,000	\$ --	(\$290,000)	\$ --	\$ --
Woodland Finance Authority 2002 Lease Revenue Bonds, 2.00%- 5.00%, due 03/01/32						
	33,215,000	26,530,000		(3,250,000)	23,280,000	1,375,000
Woodland Finance Authority 2005 Capital Projects Lease Revenue Bonds, 3.00%-5.00%, due 03/01/26						
	20,390,000	--	20,390,000	--	20,390,000	--
Woodland Finance Authority 2005 Wastewater Revenue Bonds, 3.80%-5.00%, due 03/01/35						
	7,547,780	--	7,547,780	--	7,547,780	--
Woodland Redevelopment Agency 1996 Tax Allocation Bonds, 4.00%-6.375%, due 12/01/26						
	2,500,000	2,165,000	--	(50,000)	2,115,000	55,000
Loans Payable:						
Feather River State Bank Loan:						
7.00%, due 11/05/07	500,000	448,624	--	(15,752)	432,872	16,874
California Housing Finance Agency Loan						
3.00%, due 09/18/11	1,000,000	1,102,050	30,000	--	1,132,050	--
Housing and Urban Development Loan						
2.1-2.6%, due 08/0/14	1,000,000	1,000,000	--	(100,000)	900,000	100,000
California Housing Finance Agency Loan						
3.00%, due 8/23/14	1,550,000	1,550,000	66,247	--	1,616,247	--
California Energy Commission						
3.85%	2,150,000	731,897	1,132,116		1,864,013	--
Redevelopment Agency Pass Through						
	--	209,214	--	(52,304)	156,910	52,304
Developer Fee Obligations						
	--	52,042,657	--	(7,026,307)	45,016,350	7,425,000
Compensated Absences						
	--	1,272,843	1,813,806	(1,592,560)	1,494,089	448,587
Capital Leases:						
Capital lease obligation,						
5.496%, due 10/18/05	350,000	77,683	--	(77,683)	--	--
Capital lease obligation,						
4.049%, 9/17/14	1,058,000	992,580	--	(90,359)	902,221	94,072
Capital lease obligations						
4.8%, due 07/01/11	1,610,045	1,203,850	--	(148,701)	1,055,149	155,862
Total Governmental Activities Debt	\$ 75,435,825	\$89,616,398	\$30,979,949	(\$12,693,666)	\$107,902,681	\$9,722,699

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2006

NOTE 8 – LONG-TERM DEBT (Continued)

	Original Issue Amount	Balance June 30, 2005	Additions	Retirements	Balance June 30, 2006	Current Portion
Business-type Activities Debt						
Woodland Finance Authority 2005 Wastewater Revenue Bonds, 3.80%-5.00%, due 03/01/35	\$ 10,087,220	\$ --	\$10,087,220	\$ --	\$ 10,087,220	\$ --
1992 Wastewater Improvement Certificates of Participation, 2.75%-6.0%, due 03/01/18	17,335,000	5,130,000	--	(\$605,000)	4,525,000	645,000
Less unamortized original-issue discount	(1,285,400)	(359,915)		51,416	(308,499)	0
Certificates of Participation, net	16,049,600	4,770,085	10,087,220	(553,584)	14,303,721	645,000
Compensated Absences	--	167,620	235,804	(189,750)	213,674	74,165
Total Business-type Activities Debt	<u>\$ 26,136,820</u>	<u>\$ 4,937,705</u>	<u>\$10,323,024</u>	<u>(\$743,333)</u>	<u>\$14,517,395</u>	<u>\$ 719,165</u>

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 were 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. 2005 Capital Projects Lease Revenue Bonds

In August 2005 the Authority issued 2005 Capital Projects Lease Revenue Bonds in the principal amount of \$20,390,000. The Revenue Bonds bear interest at 3.0% to 5.0%. Principal payments are due annually commencing March 1, 2007. Interest payments are due semi-annually on March 1 and September 1. The proceeds were used to construct and equip a community senior center and sports complex and two fire stations.

E. 2005 Wastewater Revenue Bonds

In November 2005 the Authority issued Revenue Bonds in the principal amount of \$17,635,000. The Revenue Bonds bear interest at 3.8% to 5.0%. Principal payments are due annually commencing March 1, 2013. Interest payments are due semi-annually on March 1 and September 1. The proceeds were used for acquiring, construction and equipping certain wastewater treatment facility improvements. The bonds have been allocated to the governmental activities and Sewer Enterprise Fund, 42.8% and 57.2%, respectively, based on the repayment provisions outlined in the official statement.

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2006

NOTE 8 – LONG-TERM DEBT (Continued)

F. 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.

G. 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 to 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.

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, 2006 the City had drawn down \$1,864,013 on the loan proceeds.

H. 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.

I. Developer Fee Obligations

In prior years, the City received projected funding for the Spring Lake Project via Mello-Roos Community Facilities District (CFD) bonds and developer advances. 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.

**CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2006**

NOTE 8 – LONG-TERM DEBT (Continued)

J. 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 were 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.

K. 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.

L. Debt Service Requirements

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

For the Year Ending June 30,	Governmental Activities (1)		Business-type Activities	
	Principal	Interest	Principal	Interest
2007	\$ 1,430,000	\$ 2,374,621	\$ 645,000	\$ 260,188
2008	910,000	2,620,319	690,000	223,100
2009	1,180,000	2,821,719	730,000	183,425
2010	1,215,000	2,773,191	770,000	141,450
2011	1,255,000	2,731,269	820,000	97,175
2012-2016	9,515,000	12,736,919	870,000	50,025
2017-2021	12,380,000	10,390,742	--	--
2022-2026	15,575,000	8,689,394	--	--
2027-2031	10,090,000	4,009,419	--	--
2032-2035	9,870,000	1,263,750	--	--
Total	<u>\$ 63,420,000</u>	<u>\$ 50,411,343</u>	<u>\$ 4,525,000</u>	<u>\$ 955,363</u>

(1) Includes the debt service requirements of the 2005 Wastewater Revenue Bonds, a portion of which will be repaid with operating revenues of the Sewer Enterprise Fund.

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2006

NOTE 8 – LONG-TERM DEBT (Continued)

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
2007	\$ 116,874	\$ 68,079
2008	515,998	58,761
2009	100,000	30,910
2010	100,000	26,750
2011	100,000	22,305
2012-2016	3,148,297	695,826
Total	\$ 4,081,169	\$ 902,631

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, 2006. 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 in December 2006.

The future minimum capital lease obligations and the net present value of these minimum lease payments as of June 30, 2006 are as follows:

Year Ending June 30,	Governmental Activities
2007	\$ 335,865
2008	335,865
2009	335,865
2010	335,865
2011	335,865
2012-2016	626,539
Total minimum lease payments	2,305,864
Less amount representing interest	(348,494)
Present value of minimum lease payments	\$ 1,957,370

M. 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, 2006 is as follows:

East Main Street Reassessment District, Series 2001	\$ 9,641,000
Beamer-Kentucky Assessment District	1,990,000
Gibson Ranch Community Facilities District, Phase 1, Series 2001	6,040,000
Gibson Ranch Community Facilities District, Series 2003	2,430,000
Gibson Ranch Community Facilities District, Refunding Bonds, Series 2004	5,390,000
Gibson Ranch Community Facilities District, Series 2004	2,680,000
Spring Lake Community Facilities District, Series 2004	33,050,000
Total Special Assessment Debt	\$ 61,221,000

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2006

NOTE 9 – NET ASSETS AND FUND BALANCES

Fund Equity Deficits

The following funds had fund balance or net assets deficits as of June 30, 2006:

Capital Projects Funds:	
City Capital Projects	\$ 24,206
Special Revenue Funds:	
Transit	10,494
Fire Suppression District	924,581
Enterprise Funds:	
Storm Drain	3,934,597
Cemetery	36,414
Dubach Park	300,825

The deficit in the City Capital Projects is expected to be cured by future development activity along with a review and update to the fee structure. The Transit Fund deficit is expected to be cured by future revenue claims. The Fire Suppression District Special Revenue Fund 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 with a user fee increase. 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.

Funding Policy

Active plan members of the City's safety and miscellaneous plans are required to contribute 9% and 8% , respectively, 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 18.786% for safety plan members and 13.161% 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.

**CITY OF WOODLAND, CALIFORNIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2006**

NOTE 10 – PENSION PLAN (Continued)

Annual Pension Cost

For the year ended June 30, 2006, the City's annual pension cost was \$4,151,811. The required contribution was determined as part of the June 30, 2003 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service from 3.25% to 14.45% (c) 3% cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.0% and a payroll growth component of 3.25%. 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, 2005 for the safety and miscellaneous plans was 26 and 29 years, respectively.

THREE-YEAR TREND INFORMATION FOR PERS

Year Ended	Miscellaneous and Safety Plan		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/04	\$1,877,825	100%	--
6/30/05	3,221,824	100%	--
6/30/06	4,151,811	100%	--

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, 2006, expenditures of \$1,161,306 were recognized for postretirement healthcare benefits.

**CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2006**

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 this joint venture 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.

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, 2006 the City contributed \$874,910 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, 2006, the City has not recorded a liability for any outstanding uninsured claims.

CITY OF WOODLAND, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2006

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 – NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) recently released GASB Statement No. 45, *Accounting and Financial Reporting by Employers of Postemployment Benefits Other Than Pensions* (OPEB).

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.

**CITY OF WOODLAND, CALIFORNIA
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2006**

Safety Plan

Valuation	Entry Age Accrued Actuarial	Value of	Unfunded Accrued Actuarial	Funded	Annual Covered	Unfunded Liability as %
Date	Liability	Assets	Liability	Ratio	Payroll	of Payroll
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%
2005	60,594,034	52,756,483	7,837,551	87.1%	7,634,882	102.7%

Miscellaneous Plan

Valuation	Entry Age Accrued Actuarial	Value of	Unfunded Accrued Actuarial	Funded	Annual Covered	Unfunded Liability as %
Date	Liability	Assets	Liability	Ratio	Payroll	of Payroll
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%
2005	54,349,780	46,190,087	8,159,693	85.0%	10,348,269	78.9%

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.

HOUSING ASSISTANCE GRANTS – accounts for housing assistance grants.

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**CITY OF WOODLAND, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2006**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 3,323,685	\$ 824,718	\$ 8,341,847	\$ 12,490,250
Cash and investments with fiscal agents	38,941	952,861	-	991,802
Accounts receivable	1,118,308	-	1,120,696	2,239,004
Due from other funds	25,706	-	-	25,706
Long-term notes receivable	2,689,883	-	50,473	2,740,356
Advances to other funds	-	-	4,716,899	4,716,899
Total assets	\$ 7,196,523	\$ 1,777,579	\$ 14,229,915	\$ 23,204,017
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 434,440	\$ 3,053	\$ 1,854,306	\$ 2,291,799
Deposits	-	-	50,000	50,000
Due to other funds	1,268,330	-	206,523	1,474,853
Deferred revenue	2,941,413	-	989,658	3,931,071
Advances from other funds	-	-	207,950	207,950
Total liabilities	4,644,183	3,053	3,308,437	7,955,673
Fund balances:				
Reserved for:				
Encumbrances	278,946	-	5,368,121	5,647,067
Debt service	-	1,774,526	-	1,774,526
Advances to other funds	-	-	4,716,899	4,716,899
Unreserved/undesignated	2,273,394	-	836,458	3,109,852
Total fund balances	2,552,340	1,774,526	10,921,478	15,248,344
Total liabilities and fund balances	\$ 7,196,523	\$ 1,777,579	\$ 14,229,915	\$ 23,204,017

CITY OF WOODLAND, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2006

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES:				
Taxes	\$ 907,669	\$ -	\$ 930,569	\$ 1,838,238
Intergovernmental	5,350,289	-	237	5,350,526
Charges for services	663,457	-	-	663,457
Licenses and permits	737,957	-	4,647,428	5,385,385
Investment earnings	43,033	46,478	435,292	524,803
Miscellaneous	75,681	-	618,245	693,926
Total revenues	<u>7,778,086</u>	<u>46,478</u>	<u>6,631,771</u>	<u>14,456,335</u>
EXPENDITURES:				
Current:				
Finance	20,185	-	-	20,185
Community development	206,718	-	271,536	478,254
Parks, recreation and community services	420,849	-	17,216	438,065
Police	239,779	-	-	239,779
Fire	1,299,882	-	-	1,299,882
Library	344,432	-	-	344,432
Public works	4,089,887	-	10,779,360	14,869,247
Debt service:				
Principal	-	3,590,000	52,304	3,642,304
Interest	-	2,022,227	-	2,022,227
Bond issuance costs and fiscal agent fees	-	254,319	-	254,319
Total expenditures	<u>6,621,732</u>	<u>5,866,546</u>	<u>11,120,416</u>	<u>23,608,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,156,354</u>	<u>(5,820,068)</u>	<u>(4,488,645)</u>	<u>(9,152,359)</u>
Other financing sources (uses):				
Bond issuance	-	27,937,780	-	27,937,780
Original issue discount	-	(337,759)	-	(337,759)
Transfers in	158,040	6,018,910	14,243,261	20,420,211
Transfers out	(132,489)	(27,327,160)	(779,485)	(28,239,134)
Total other financing sources (uses)	<u>25,551</u>	<u>6,291,771</u>	<u>13,463,776</u>	<u>19,781,098</u>
Net change in fund balances	1,181,905	471,703	8,975,131	10,628,739
Fund balances, beginning of year	<u>1,370,435</u>	<u>1,302,823</u>	<u>1,946,347</u>	<u>4,619,605</u>
Fund balances, end of year	<u>\$ 2,552,340</u>	<u>\$ 1,774,526</u>	<u>\$ 10,921,478</u>	<u>\$ 15,248,344</u>

CITY OF WOODLAND, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2006

	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	\$ 545	\$ 6,450	\$ 281,000	\$ -	\$ 16,860	\$ 15,212
Cash and investments with fiscal agents	-	-	-	38,941	-	-
Accounts receivable	722	1,335	31,622	-	-	251,530
Due from other funds	-	-	-	-	-	-
Long-term notes receivable	-	-	-	-	-	-
Total assets	\$ 1,267	\$ 7,785	\$ 312,622	\$ 38,941	\$ 16,860	\$ 266,742
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 166	\$ 525	\$ 7,045	\$ -	\$ -	\$ -
Due to other funds	-	-	-	29,440	-	25,706
Deferred revenue	-	-	-	-	-	251,530
Total liabilities	166	525	7,045	29,440	-	277,236
Fund balances:						
Reserved for:						
Encumbrances	1,400	-	11,164	-	-	-
Unreserved, undesignated	(299)	7,260	294,413	9,501	16,860	(10,494)
Total fund balances (deficits)	1,101	7,260	305,577	9,501	16,860	(10,494)
Total liabilities and fund balances	\$ 1,267	\$ 7,785	\$ 312,622	\$ 38,941	\$ 16,860	\$ 266,742

CITY OF WOODLAND, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2006

Proposition 172	Transportation	Literacy Grant	Special Transportation	Gas Tax	Home Grant	
\$ -	\$ 288,561	\$ 10,765	\$ -	\$ 155,962	\$ 200,568	ASSETS
65,942	-	-	-	-	-	Cash and investments
-	-	5,410	613,023	-	-	Cash and investments with fiscal agents
-	25,706	-	-	-	-	Accounts receivable
-	-	-	-	-	-	Due from other funds
-	-	-	-	-	2,689,883	Long-term notes receivable
<u>\$ 65,942</u>	<u>\$ 314,267</u>	<u>\$ 16,175</u>	<u>\$ 613,023</u>	<u>\$ 155,962</u>	<u>\$ 2,890,451</u>	Total assets
LIABILITIES AND FUND BALANCES						
Liabilities:						
\$ -	\$ 63,208	\$ 350	\$ 245,030	\$ 65,864	\$ -	Accounts payable
40,091	-	-	247,444	-	-	Due to other funds
-	-	-	-	-	2,689,883	Deferred revenue
<u>40,091</u>	<u>63,208</u>	<u>350</u>	<u>492,474</u>	<u>65,864</u>	<u>2,689,883</u>	Total liabilities
Fund balances:						
Reserved for:						
-	179,231	2,911	-	80,493	-	Encumbrances
25,851	71,828	12,914	120,549	9,605	200,568	Unreserved, undesignated
<u>25,851</u>	<u>251,059</u>	<u>15,825</u>	<u>120,549</u>	<u>90,098</u>	<u>200,568</u>	Total fund balances (deficits)
<u>\$ 65,942</u>	<u>\$ 314,267</u>	<u>\$ 16,175</u>	<u>\$ 613,023</u>	<u>\$ 155,962</u>	<u>\$ 2,890,451</u>	Total liabilities and fund balances

CITY OF WOODLAND, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2006

	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	\$ 43,532	\$ 4,940	\$ 94,683	\$ 1,202	\$ 7,551	\$ 171,156
Cash and investments with fiscal agents	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	66,840
Due from other funds	-	-	-	-	-	-
Long-term notes receivable	-	-	-	-	-	-
Total assets	<u>\$ 43,532</u>	<u>\$ 4,940</u>	<u>\$ 94,683</u>	<u>\$ 1,202</u>	<u>\$ 7,551</u>	<u>\$ 237,996</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	43,532	4,940	93,971	1,202	7,551	237,996
Total fund balances (deficits)	<u>43,532</u>	<u>4,940</u>	<u>94,683</u>	<u>1,202</u>	<u>7,551</u>	<u>237,996</u>
Total liabilities and fund balances	<u>\$ 43,532</u>	<u>\$ 4,940</u>	<u>\$ 94,683</u>	<u>\$ 1,202</u>	<u>\$ 7,551</u>	<u>\$ 237,996</u>

CITY OF WOODLAND, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2006

State Library Programs	Cemetery Endowment	Lighting & Landscaping Districts	Fire Suppression District	Off-Site Affordable Housing	Housing Assistance Grants	Total Nonmajor Special Revenue Funds	
\$ 175,074	\$ 454,425	\$ 304,299	\$ -	\$ 790,900	\$ 300,000	\$ 3,323,685	ASSETS
-	-	-	-	-	-	38,941	Cash and investments
62,130	-	18,686	1,068	-	-	1,118,308	Cash and investments with fiscal agents
-	-	-	-	-	-	25,706	Accounts receivable
-	-	-	-	-	-	2,689,883	Due from other funds
-	-	-	-	-	-	-	Long-term notes receivable
<u>\$ 237,204</u>	<u>\$ 454,425</u>	<u>\$ 322,985</u>	<u>\$ 1,068</u>	<u>\$ 790,900</u>	<u>\$ 300,000</u>	<u>\$ 7,196,523</u>	Total assets
							LIABILITIES AND FUND BALANCES
\$ 1,989	\$ 49,364	\$ 899	\$ -	\$ -	\$ -	\$ 434,440	Liabilities:
-	-	-	925,649	-	-	1,268,330	Accounts payable
-	-	-	-	-	-	2,941,413	Due to other funds
-	-	-	-	-	-	-	Deferred revenue
<u>1,989</u>	<u>49,364</u>	<u>899</u>	<u>925,649</u>	<u>-</u>	<u>-</u>	<u>4,644,183</u>	Total liabilities
							Fund balances:
-	3,035	-	-	-	-	278,946	Reserved for:
235,215	402,026	322,086	(924,581)	790,900	300,000	2,273,394	Encumbrances
-	-	-	-	-	-	-	Unreserved, undesignated
<u>235,215</u>	<u>405,061</u>	<u>322,086</u>	<u>(924,581)</u>	<u>790,900</u>	<u>300,000</u>	<u>2,552,340</u>	Total fund balances (deficits)
<u>\$ 237,204</u>	<u>\$ 454,425</u>	<u>\$ 322,985</u>	<u>\$ 1,068</u>	<u>\$ 790,900</u>	<u>\$ 300,000</u>	<u>\$ 7,196,523</u>	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, 2006**

	Streng Pond Landscape Maintenance District	North Park Landscape Maintenance District	Gibson Ranch Landscape Maintenance District	Special Needs Assistance Grant	Housing Monitoring	Transit
Revenues:						
Taxes	\$ 14,421	\$ 26,683	\$ 472,011	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	194,861	-	984,577
Charges for services	-	-	10,805	-	-	-
Licenses and permits	-	-	-	-	16,465	-
Investment earnings	(4)	255	5,396	-	433	15,563
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>14,417</u>	<u>26,938</u>	<u>488,212</u>	<u>194,861</u>	<u>16,898</u>	<u>1,000,140</u>
Expenditures:						
Current:						
Finance	1,267	637	3,631	-	-	-
Community development	-	-	-	188,332	18,386	-
Parks, recreation and community services	14,167	25,988	331,203	-	-	-
Police	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Library	-	-	-	-	-	-
Public works	-	3,674	43,893	-	-	1,004,733
Total expenditures	<u>15,434</u>	<u>30,299</u>	<u>378,727</u>	<u>188,332</u>	<u>18,386</u>	<u>1,004,733</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,017)</u>	<u>(3,361)</u>	<u>109,485</u>	<u>6,529</u>	<u>(1,488)</u>	<u>(4,593)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	19,805
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,805</u>
Net change in fund balances	<u>(1,017)</u>	<u>(3,361)</u>	<u>109,485</u>	<u>6,529</u>	<u>(1,488)</u>	<u>15,212</u>
Fund balances (deficits), beginning 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>
Fund balances (deficits), end of year	<u>\$ 1,101</u>	<u>\$ 7,260</u>	<u>\$ 305,577</u>	<u>\$ 9,501</u>	<u>\$ 16,860</u>	<u>\$ (10,494)</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:
401,913	1,278,761	100,252	602,573	994,746	-	Taxes
-	-	-	-	-	-	Intergovernmental
-	-	3,482	-	14,140	-	Charges for services
-	8,279	(2,220)	60	3,099	14,025	Licenses and permits
-	-	266	-	-	73,772	Investment earnings
401,913	1,287,040	101,780	602,633	1,011,985	87,797	Miscellaneous
						Total revenues
-	-	-	-	-	-	Expenditures:
-	-	-	-	-	-	Current:
-	-	-	-	-	-	Finance
94,378	-	-	-	-	-	Community development
129,755	-	-	-	-	-	Parks, recreation and community services
-	-	-	-	-	-	Police
-	-	136,746	-	-	-	Fire
-	1,077,608	-	527,359	1,092,181	-	Library
224,133	1,077,608	136,746	527,359	1,092,181	-	Public works
						Total expenditures
177,780	209,432	(34,966)	75,274	(80,196)	87,797	Excess (deficiency) of revenues over (under) expenditures
-	-	138,235	-	-	-	Other financing sources (uses):
-	(19,805)	-	-	-	-	Transfers in
-	(19,805)	138,235	-	-	-	Transfers out
						Total other financing sources (uses)
177,780	189,627	103,269	75,274	(80,196)	87,797	Net change in fund balance
(151,929)	61,432	(87,444)	45,275	170,294	112,771	Fund balances (deficits), beginning of year
\$ 25,851	\$ 251,059	\$ 15,825	\$ 120,549	\$ 90,098	\$ 200,568	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	100,112	-	-	237,996
Charges for services	31,001	843	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Investment earnings	1,029	148	1,433	135	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	32,030	991	101,545	135	-	237,996
Expenditures:						
Current:						
Finance	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Parks, recreation and community services	-	-	-	-	-	-
Police	56,021	-	72,907	16,473	-	-
Fire	-	-	-	-	-	-
Library	-	-	-	-	-	-
Public works	-	-	-	-	-	199,096
Total expenditures	56,021	-	72,907	16,473	-	199,096
Excess (deficiency) of revenues over (under) expenditures	(23,991)	991	28,638	(16,338)	-	38,900
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	(23,991)	991	28,638	(16,338)	-	38,900
Fund balances (deficits), beginning of year	67,523	3,949	66,045	17,540	7,551	199,096
Fund balances (deficits), end of year	\$ 43,532	\$ 4,940	\$ 94,683	\$ 1,202	\$ 7,551	\$ 237,996

**CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2006**

State Library Programs	Cemetery Endowment	Lighting & Landscaping Districts	Fire Suppression District	Off-Site Affordable Housing	Housing Assistance Grants	Total Nonmajor Special Revenue Funds	
\$ -	\$ -	\$ 393,279	\$ 1,275	\$ -	\$ -	\$ 907,669	Revenues:
154,498	-	-	-	-	300,000	5,350,289	Taxes
-	12,760	-	608,048	-	-	663,457	Intergovernmental
14,170	-	-	-	689,700	-	737,957	Charges for services
6,240	14,076	-	(24,914)	-	-	43,033	Licenses and permits
225	-	-	1,418	-	-	75,681	Investment earnings
175,133	26,836	393,279	585,827	689,700	300,000	7,778,086	Miscellaneous
							Total revenues
-	-	13,334	1,316	-	-	20,185	Expenditures:
-	-	-	-	-	-	206,718	Current:
-	11,912	37,579	-	-	-	420,849	Finance
-	-	-	-	-	-	239,779	Community development
-	-	-	1,170,127	-	-	1,299,882	Parks, recreation and community services
207,686	-	-	-	-	-	344,432	Police
-	139,706	1,637	-	-	-	4,089,887	Fire
207,686	151,618	52,550	1,171,443	-	-	6,621,732	Library
							Public works
							Total expenditures
(32,553)	(124,782)	340,729	(585,616)	689,700	300,000	1,156,354	Excess (deficiency) of revenues over (under) expenditures
-	-	-	-	-	-	158,040	Other financing sources (uses):
(112,684)	-	-	-	-	-	(132,489)	Transfers in
(112,684)	-	-	-	-	-	25,551	Transfers out
							Total other financing sources (uses)
(145,237)	(124,782)	340,729	(585,616)	689,700	300,000	1,181,905	Net change in fund balance
380,452	529,843	(18,643)	(338,965)	101,200	-	1,370,435	Fund balances (deficits), beginning of year
\$ 235,215	\$ 405,061	\$ 322,086	\$ (924,581)	\$ 790,900	\$ 300,000	\$ 2,552,340	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, 2006

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 14,435	\$ 14,435	\$ 14,421	\$ (14)
Investment earnings	-	-	(4)	(4)
Miscellaneous	3,690	3,690	-	(3,690)
Total revenues	<u>18,125</u>	<u>18,125</u>	<u>14,417</u>	<u>(3,708)</u>
EXPENDITURES				
Current:				
Finance	2,200	2,200	1,267	933
Parks, recreation and community services	17,510	17,585	14,167	3,418
Total expenditures	<u>19,710</u>	<u>19,785</u>	<u>15,434</u>	<u>4,351</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,585)</u>	<u>\$ (1,660)</u>	(1,017)	<u>\$ 643</u>
Fund balance, beginning of year			<u>2,118</u>	
Fund balance, end of year			<u>\$ 1,101</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, 2006

	<u>Budgeted Amounts</u>		<u>Amount Actuals</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 27,709	\$ 27,709	\$ 26,683	\$ (1,026)
Investment earnings	-	-	255	255
Miscellaneous	5,000	5,000	-	(5,000)
Total revenues	<u>32,709</u>	<u>32,709</u>	<u>26,938</u>	<u>(5,771)</u>
EXPENDITURES				
Current:				
Finance	1,200	1,200	637	563
Parks, recreation and community services	28,073	28,593	25,988	2,605
Public works	2,835	2,835	3,674	(839)
Total expenditures	<u>32,108</u>	<u>32,628</u>	<u>30,299</u>	<u>2,329</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 601</u>	<u>\$ 81</u>	(3,361)	<u>\$ (3,442)</u>
Fund balance, beginning of year			<u>10,621</u>	
Fund balance, end of year			<u>\$ 7,260</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 390,400	\$ 390,400	\$ 472,011	\$ 81,611
Charges for services	3,000	3,000	10,805	7,805
Investment earnings	1,500	1,500	5,396	3,896
Miscellaneous	18,100	18,100	-	(18,100)
Total revenues	<u>413,000</u>	<u>413,000</u>	<u>488,212</u>	<u>75,212</u>
EXPENDITURES				
Current:				
Finance	5,500	5,500	3,631	1,869
Parks, recreation and community services	197,586	352,720	331,203	21,517
Public works	53,222	53,222	43,893	9,329
Total expenditures	<u>256,308</u>	<u>411,442</u>	<u>378,727</u>	<u>32,715</u>
Excess of revenues over expenditures	<u>\$ 156,692</u>	<u>\$ 1,558</u>	109,485	<u>\$ 107,927</u>
Fund balance, beginning of year			<u>196,092</u>	
Fund balance, end of year			<u>\$ 305,577</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ 194,861</u>	<u>\$ 19,861</u>
EXPENDITURES				
Current:				
Community development	<u>8,340</u>	<u>126,421</u>	<u>188,332</u>	<u>(61,911)</u>
Excess (deficiency) of revenues over (under) expenditures	<u><u>\$ 166,660</u></u>	<u><u>\$ 48,579</u></u>	<u>6,529</u>	<u><u>\$ (42,050)</u></u>
Fund balance, beginning of year			<u>2,972</u>	
Fund balance, end of year			<u><u>\$ 9,501</u></u>	

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ 18,000	\$ 18,000	\$ 16,465	\$ (1,535)
Investment earnings	100	100	433	333
Total revenues	<u>18,100</u>	<u>18,100</u>	<u>16,898</u>	<u>(1,202)</u>
EXPENDITURES				
Current:				
Community development	<u>13,380</u>	<u>22,544</u>	<u>18,386</u>	<u>4,158</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 4,720</u>	<u>\$ (4,444)</u>	(1,488)	<u>\$ 2,956</u>
Fund balance, beginning of year			<u>18,348</u>	
Fund balance, end of year			<u>\$ 16,860</u>	

CITY OF WOODLAND, CALIFORNIA
TRANSIT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 1,038,000	\$ 984,577	\$ (53,423)
Investment earnings	-	-	15,563	15,563
Total revenues	<u>-</u>	<u>1,038,000</u>	<u>1,000,140</u>	<u>(37,860)</u>
EXPENDITURES				
Current:				
Public works	992,548	992,548	1,004,733	(12,185)
Excess (deficiency) of revenues over (under) expenditures	<u>(992,548)</u>	<u>45,452</u>	<u>(4,593)</u>	<u>(50,045)</u>
Other financing sources:				
Transfers in	-	-	19,805	19,805
Net change in fund balance	<u>\$ (992,548)</u>	<u>\$ 45,452</u>	15,212	<u>\$ (30,240)</u>
Fund balance (deficit), beginning of year			<u>(25,706)</u>	
Fund balance (deficit), end of year			<u>\$ (10,494)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	# \$ 294,500	\$ 294,500	\$ -	\$ (294,500)
Intergovernmental	-	-	401,913	401,913
Miscellaneous	6,500	6,500	-	(6,500)
Total revenues	<u>301,000</u>	<u>301,000</u>	<u>401,913</u>	<u>100,913</u>
EXPENDITURES				
Current:				
Police	108,160	108,160	94,378	13,782
Fire	162,054	167,054	129,755	37,299
Total expenditures	<u>270,214</u>	<u>275,214</u>	<u>224,133</u>	<u>51,081</u>
Excess of revenues over expenditures	<u>\$ 30,786</u>	<u>\$ 25,786</u>	177,780	<u>\$ 151,994</u>
Fund balance (deficit), beginning of year			<u>(151,929)</u>	
Fund balance, end of year			<u>\$ 25,851</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,226,000	\$ 1,226,000	\$1,278,761	\$ 52,761
Investment earnings	-	-	8,279	8,279
Miscellaneous	4,600	4,600	-	(4,600)
Total revenues	<u>1,230,600</u>	<u>1,230,600</u>	<u>1,287,040</u>	<u>56,440</u>
EXPENDITURES				
Current:				
Public works	<u>1,415,953</u>	<u>1,419,213</u>	<u>1,077,608</u>	<u>341,605</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(185,353)</u>	<u>(188,613)</u>	<u>209,432</u>	<u>398,045</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(19,805)</u>	<u>(19,805)</u>
Net change in fund balance	<u>\$ (185,353)</u>	<u>\$ (188,613)</u>	<u>189,627</u>	<u>\$ 378,240</u>
Fund balance, beginning of year			<u>61,432</u>	
Fund balance, end of year			<u>\$ 251,059</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 3,482	3,482
Intergovernmental	104,400	104,400	100,252	(4,148)
Investment earnings	-	-	(2,220)	(2,220)
Miscellaneous	-	-	266	266
Total revenues	<u>104,400</u>	<u>104,400</u>	<u>101,780</u>	<u>(2,620)</u>
EXPENDITURES				
Current:				
Library	<u>134,481</u>	<u>135,981</u>	<u>136,746</u>	<u>(765)</u>
Deficiency of revenues under expenditures	<u>(30,081)</u>	<u>(31,581)</u>	<u>(34,966)</u>	<u>(3,385)</u>
Other financing sources:				
Transfers in	<u>65,000</u>	<u>65,000</u>	<u>138,235</u>	<u>73,235</u>
Net change in fund balance	<u>\$ 34,919</u>	<u>\$ 33,419</u>	103,269	<u>\$ 69,850</u>
Fund balance (deficit), beginning of year			<u>(87,444)</u>	
Fund balance, end of year			<u>\$ 15,825</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 984,500	\$ 984,500	\$ 994,746	\$ 10,246
Licenses and permits	-	-	14,140	14,140
Investment earnings	-	-	3,099	3,099
Miscellaneous	6,300	6,300	-	(6,300)
Total revenues	<u>990,800</u>	<u>990,800</u>	<u>1,011,985</u>	<u>21,185</u>
EXPENDITURES				
Current:				
Public works	<u>1,146,175</u>	<u>1,150,925</u>	<u>1,092,181</u>	<u>58,744</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (155,375)</u>	<u>\$ (160,125)</u>	(80,196)	<u>\$ 79,929</u>
Fund balance, beginning of year			<u>170,294</u>	
Fund balance, end of year			<u>\$ 90,098</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 14,025	\$ 14,025
Miscellaneous	-	-	73,772	73,772
Total revenues	<u>-</u>	<u>-</u>	<u>87,797</u>	<u>87,797</u>
Fund balance, beginning of year			<u>112,771</u>	
Fund balance, end of year			<u>\$ 200,568</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, 2006

	<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	\$ 31,001	\$ 16,001
Investment earnings	3,000	3,000	1,029	(1,971)
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>32,030</u>	<u>14,030</u>
EXPENDITURES				
Current:				
Police	<u>1,007</u>	<u>61,007</u>	<u>56,021</u>	<u>4,986</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 16,993</u>	<u>\$ (43,007)</u>	(23,991)	<u>\$ 19,016</u>
Fund balance, beginning of year			<u>67,523</u>	
Fund balance, end of year			<u>\$ 43,532</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, 2006

	<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	\$ 843	\$ 243
Investment earnings	-	-	148	148
Total revenues	<u>600</u>	<u>600</u>	<u>991</u>	<u>391</u>
Excess of revenues over expenditures	<u>\$ 600</u>	<u>\$ 600</u>	991	<u>\$ 391</u>
Fund balance, beginning of year			<u>3,949</u>	
Fund balance, end of year			<u>\$ 4,940</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, 2006

	<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	\$ 100,112	\$ 112
Investment earnings	-	-	1,433	1,433
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>101,545</u>	<u>1,545</u>
EXPENDITURES				
Current:				
Police	<u>87,428</u>	<u>87,428</u>	<u>72,907</u>	<u>14,521</u>
Excess of revenues over expenditures	<u>\$ 12,572</u>	<u>\$ 12,572</u>	28,638	<u>\$ 16,066</u>
Fund balance, beginning of year			<u>66,045</u>	
Fund balance, end of year			<u>\$ 94,683</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 135	\$ 135
EXPENDITURES				
Current:				
Police	-	15,677	16,473	(796)
Total expenditures	-	15,677	16,473	(796)
Deficiency of revenues under expenditures	<u>\$ -</u>	<u>\$ (15,677)</u>	(16,338)	<u>\$ (661)</u>
Fund balance, beginning of year			<u>17,540</u>	
Fund balance, end of year			<u>\$ 1,202</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 237,996	\$ 237,996
Total revenues	<u>-</u>	<u>-</u>	<u>237,996</u>	<u>237,996</u>
EXPENDITURES				
Current:				
Public works	<u>-</u>	<u>726</u>	<u>199,096</u>	<u>(198,370)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (726)</u>	38,900	<u>\$ 39,626</u>
Fund balance, beginning of year			<u>199,096</u>	
Fund balance, end of year			<u>\$ 237,996</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 39,000	\$ 39,000	\$ 154,498	\$ 115,498
Licenses and permits	-	-	14,170	14,170
Investment earnings	-	-	6,240	6,240
Miscellaneous	-	-	225	225
Total revenues	<u>39,000</u>	<u>39,000</u>	<u>175,133</u>	<u>136,133</u>
EXPENDITURES				
Current:				
Library	<u>181,934</u>	<u>277,149</u>	<u>207,686</u>	<u>69,463</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (142,934)</u>	<u>\$ (238,149)</u>	(32,553)	<u>\$ 205,596</u>
Fund balance, beginning of year			<u>380,452</u>	
Fund balance, end of year			<u>\$ 235,215</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, 2006

	<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	\$ 12,760	\$ (2,240)
Investment earnings	20,000	20,000	14,076	(5,924)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>26,836</u>	<u>(8,164)</u>
EXPENDITURES				
Current:				
Parks, recreation and community services	-	40,530	11,912	28,618
Public works	5,480	244,805	139,706	105,099
Total expenditures	<u>5,480</u>	<u>285,335</u>	<u>151,618</u>	<u>133,717</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 29,520</u>	<u>\$ (250,335)</u>	(124,782)	<u>\$ 125,553</u>
Fund balance, beginning of year			<u>529,843</u>	
Fund balance, end of year			<u>\$ 405,061</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 17,205	\$ 17,205	\$ 393,279	\$ 376,074
EXPENDITURES				
Current:				
Finance	13,000	111,500	13,334	98,166
Parks, recreation and community services	84,156	91,180	37,579	53,601
Public works	174,055	174,055	1,637	172,418
Total expenditures	<u>271,211</u>	<u>376,735</u>	<u>52,550</u>	<u>324,185</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (254,006)</u>	<u>\$ (359,530)</u>	340,729	<u>\$ 700,259</u>
Fund balance (deficit), beginning of year			<u>(18,643)</u>	
Fund balance, end of year			<u>\$ 322,086</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 12,500	\$ 12,500	\$ 1,275	\$ (11,225)
Charges for services	308,400	308,400	608,048	299,648
Investment earnings	-	-	(24,914)	(24,914)
Miscellaneous	-	-	1,418	1,418
Total revenues	<u>320,900</u>	<u>320,900</u>	<u>585,827</u>	<u>264,927</u>
EXPENDITURES				
Current:				
Finance	3,100	3,100	1,316	1,784
Fire	<u>1,091,967</u>	<u>1,091,967</u>	<u>1,170,127</u>	<u>(78,160)</u>
Total expenditures	<u>1,095,067</u>	<u>1,095,067</u>	<u>1,171,443</u>	<u>(76,376)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (774,167)</u>	<u>\$ (774,167)</u>	(585,616)	<u>\$ 188,551</u>
Fund balance (deficit), beginning of year			<u>(338,965)</u>	
Fund balance (deficit), end of year			<u>\$ (924,581)</u>	

CITY OF WOODLAND, CALIFORNIA
HOUSING ASSISTANCE GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	<u>\$ -</u>	<u>\$ -</u>	\$ 300,000	<u>\$ 300,000</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ 300,000</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.

2005 CAPITAL PROJECTS LEASE REVENUE BONDS – accounts for the accumulation of resources for, and payment of, principal and interest on the 2005 Capital Projects Lease Revenue Bonds issued to construct and equip a community senior center and sports complex and two fire stations.

2005 WASTEWATER TREATMENT PLANT REVENUE BONDS - accounts for the accumulation of resources for, and payment of, principal and interest on the 2005 Wastewater Treatment Plant Revenue Bonds issued to acquire, construct and equip certain wastewater treatment facility improvements.

**CITY OF WOODLAND, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2006**

	Certificates of Participation	2002 Lease Revenue Bonds	Woodland Redevelopment Agency 1996 Tax Allocation Bonds	2005 Capital Projects Lease Revenue Bonds	2005 Wastewater Treatment Plant Revenue Bonds	Total Nonmajor Debt Service Funds
ASSETS						
Cash and investments	\$ -	\$ 139,258	\$ -	\$ 400,118	\$ 285,342	\$ 824,718
Cash and investments with fiscal agents	-	763,989	188,117	755	-	952,861
Total assets	<u>\$ -</u>	<u>\$ 903,247</u>	<u>\$ 188,117</u>	<u>\$ 400,873</u>	<u>\$ 285,342</u>	<u>\$ 1,777,579</u>
FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 752	\$ 2,301	\$ -	\$ -	\$ 3,053
Fund balances:						
Reserved for debt service	-	902,495	185,816	400,873	285,342	1,774,526
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 903,247</u>	<u>\$ 188,117</u>	<u>\$ 400,873</u>	<u>\$ 285,342</u>	<u>\$ 1,777,579</u>

CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2006

	Certificates of Participation	2002 Lease Revenue Bonds	Woodland Redevelopment Agency 1996 Tax Allocation Bonds	2005 Capital Projects Lease Revenue Bonds	2005 Wastewater Treatment Plant Revenue Bonds	Total Nonmajor Debt Service Funds
Revenues:						
Investment earnings	\$ 4,377	\$ 43,108	\$ 7,440	\$ (5,201)	\$ (3,246)	\$ 46,478
Expenditures:						
Current						
Debt service:						
Principal	290,000	3,250,000	50,000	-	-	3,590,000
Interest	9,755	1,176,230	141,527	450,613	244,102	2,022,227
Bond issuance costs and fiscal agent fees	-	-	-	239,391	14,928	254,319
Total expenditures	299,755	4,426,230	191,527	690,004	259,030	5,866,546
Deficiency of revenues under expenditures	(295,378)	(4,383,122)	(184,087)	(695,205)	(262,276)	(5,820,068)
Other financing sources (uses):						
Bond issuance	-	-	-	20,390,000	7,547,780	27,937,780
Original issue discount	-	-	-	(213,266)	(124,493)	(337,759)
Transfers in	37,184	4,430,000	180,891	845,078	525,757	6,018,910
Transfers out	-	-	-	(19,925,734)	(7,401,426)	(27,327,160)
Total other financing sources (uses)	37,184	4,430,000	180,891	1,096,078	547,618	6,291,771
Net change in fund balance	(258,194)	46,878	(3,196)	400,873	285,342	471,703
Fund balance, beginning of year	258,194	855,617	189,012	-	-	1,302,823
Fund balance, end of year	\$ -	\$ 902,495	\$ 185,816	\$ 400,873	\$ 285,342	\$ 1,774,526

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 4,377	\$ 4,377
Expenditures:				
Debt service:				
Principal	-	297,830	290,000	7,830
Interest	-	3,700	9,755	(6,055)
Total expenditures	-	301,530	299,755	1,775
Excess (deficiency) of revenues over (under) expenditures	-	(301,530)	(295,378)	6,152
Other financing sources:				
Transfers in	50,000	50,000	37,184	(12,816)
Net change in fund balance	<u>\$ 50,000</u>	<u>\$ (251,530)</u>	(258,194)	<u>\$ (6,664)</u>
Fund balance, beginning of year			258,194	
Fund balance, end of year			<u>\$ -</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 43,108	\$ 43,108
Expenditures:				
Debt service:				
Principal	4,423,280	4,423,280	3,250,000	1,173,280
Interest	3,000	3,000	1,176,230	(1,173,230)
Total expenditures	<u>4,426,280</u>	<u>4,426,280</u>	<u>4,426,230</u>	<u>50</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,426,280)</u>	<u>(4,426,280)</u>	<u>(4,383,122)</u>	<u>43,158</u>
Other financing sources:				
Transfers in	<u>4,430,000</u>	<u>4,430,000</u>	<u>4,430,000</u>	<u>-</u>
Net change in fund balance	<u>\$ 3,720</u>	<u>\$ 3,720</u>	46,878	<u>\$ 43,158</u>
Fund balance, beginning of year			<u>855,617</u>	
Fund balance, end of year			<u>\$ 902,495</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 7,440	\$ 7,440
Expenditures:				
Debt service:				
Principal	185,815	185,815	50,000	135,815
Interest	3,000	3,000	141,527	(138,527)
Total expenditures	<u>188,815</u>	<u>188,815</u>	<u>191,527</u>	<u>(2,712)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(188,815)</u>	<u>(188,815)</u>	<u>(184,087)</u>	<u>4,728</u>
Other financing sources:				
Transfers in	<u>192,000</u>	<u>192,000</u>	<u>180,891</u>	<u>(11,109)</u>
Net change in fund balance	<u>\$ 3,185</u>	<u>\$ 3,185</u>	<u>(3,196)</u>	<u>\$ (6,381)</u>
Fund balance, beginning of year			<u>189,012</u>	
Fund balance, end of year			<u>\$ 185,816</u>	

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.

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

PARK IN-LIEU FEES - accounts for fees collected for park improvements and 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
WOODLAND REDEVELOPMENT AGENCY
2005 CAPITAL PROJECTS LEASE REVENUE BONDS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ -	\$ -	\$ (5,201)	\$ (5,201)
Expenditures:				
Debt service:				
Interest	447,945	912,211	450,613	461,598
Bond issuance costs and fiscal agent fees	-	-	239,391	14,928
Total expenditures	<u>447,945</u>	<u>912,211</u>	<u>690,004</u>	<u>476,526</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(447,945)</u>	<u>(912,211)</u>	<u>(695,205)</u>	<u>217,006</u>
Other financing sources (uses):				
Bond issuance	-	20,390,000	20,390,000	-
Original issue discount	-	-	(213,266)	(213,266)
Transfer in	-	-	845,078	845,078
Transfer out	<u>-</u>	<u>(19,925,734)</u>	<u>(19,925,734)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>464,266</u>	<u>1,096,078</u>	<u>631,812</u>
Net change in fund balance	<u>\$ (447,945)</u>	<u>\$ (447,945)</u>	400,873	<u>\$ 848,818</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ 400,873</u>	

CITY OF WOODLAND, CALIFORNIA
WOODLAND REDEVELOPMENT AGENCY
2005 WASTEWATER TREATMENT PLANT REVENUE BONDS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ (3,246)	\$ (3,246)
Expenditures:				
Debt service:				
Interest	-	-	244,102	(244,102)
Bond issuance costs	-	460,455	14,928	445,527
Total expenditures	-	460,455	259,030	201,425
Excess (deficiency) of revenues over (under) expenditures	-	(460,455)	(262,276)	198,179
Other financing sources (uses):				
Bond issuance	-	17,510,507	7,547,780	(9,962,727)
Original issue discount	-	-	(124,493)	(124,493)
Transfers in	-	244,102	525,757	281,655
Transfers out	-	(17,294,153)	(7,401,426)	9,892,727
Total other financing sources (uses)	-	460,456	547,618	87,162
Net change in fund balance	\$ -	\$ 1	285,342	\$ 285,341
Fund balance, beginning of year			-	
Fund balance, end of year			\$ 285,342	

**CITY OF WOODLAND, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2006**

	Woodland Redevelopment Agency City Funds	Park Reserve	Park in Lieu Fees	Gibson Ranch Capital Projects
ASSETS				
Cash and investments	\$ 774,745	\$ 5,571,520	\$ 1,195,901	\$ 92,845
Accounts receivable	165,715	910,065	-	-
Long-term notes receivable	-	-	-	50,473
Advances to other funds	-	-	-	-
Total assets	<u>\$ 940,460</u>	<u>\$ 6,481,585</u>	<u>\$ 1,195,901</u>	<u>\$ 143,318</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 23,949	\$ 1,703,928	\$ 69,137	\$ -
Due to other funds	-	-	-	-
Deposits	-	-	-	-
Deferred revenue	-	910,065	-	50,473
Advances from other funds	207,950	-	-	-
Total liabilities	<u>231,899</u>	<u>2,613,993</u>	<u>69,137</u>	<u>50,473</u>
Fund balances:				
Reserved for:				
Encumbrances	-	3,980	-	-
Advances to other funds	-	-	-	-
Unreserved, undesignated	708,561	3,863,612	1,126,764	92,845
Total fund balances	<u>708,561</u>	<u>3,867,592</u>	<u>1,126,764</u>	<u>92,845</u>
Total liabilities and fund balances	<u>\$ 940,460</u>	<u>\$ 6,481,585</u>	<u>\$ 1,195,901</u>	<u>\$ 143,318</u>

**CITY OF WOODLAND, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2006**

<u>Water Development</u>	<u>Storm Drain Development</u>	<u>Total Nonmajor Capital Projects Funds</u>	
\$ - 21,592 - <u> 2,458,026</u>	\$ 706,836 23,324 - <u> 2,258,873</u>	\$ 8,341,847 1,120,696 50,473 <u> 4,716,899</u>	ASSETS Cash and investments Accounts receivable Long-term notes receivable Advances to other funds Total assets
<u>\$ 2,479,618</u>	<u>\$ 2,989,033</u>	<u>\$ 14,229,915</u>	
LIABILITIES AND FUND BALANCES			
Liabilities:			
\$ 57,292 206,523 50,000 5,796 - <u> 319,611</u>	\$ - - - 23,324 - <u> 23,324</u>	\$ 1,854,306 206,523 50,000 989,658 207,950 <u> 3,308,437</u>	Accounts payable Due to other funds Deposits Deferred revenue Advances from other funds Total liabilities
Fund balances:			
Reserved for:			
3,600,909 2,458,026 (3,898,928)	1,763,232 2,258,873 (1,056,396)	5,368,121 4,716,899 836,458	Encumbrances Advances to other funds Unreserved, undesignated
<u>2,160,007</u>	<u>2,965,709</u>	<u>10,921,478</u>	Total fund balances
<u>\$ 2,479,618</u>	<u>\$ 2,989,033</u>	<u>\$ 14,229,915</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, 2006

	Woodland Redevelopment Agency City Funds	Park Reserve	Park in Lieu Fees
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Taxes	\$ 930,569	\$ -	\$ -
Intergovernmental	237	-	-
Licenses and permits	504,001	1,983,926	843,666
Investment earnings	15,419	200,046	-
Miscellaneous	51,304	6,000	457,000
	<u>1,501,530</u>	<u>2,189,972</u>	<u>1,300,666</u>
Expenditures:			
Current			
Community development	271,536	-	-
Parks, recreation and community services	-	15,033	2,183
Public works	1,790	8,724,956	171,719
Debt service:			
Principal	52,304	-	-
	<u>325,630</u>	<u>8,739,989</u>	<u>173,902</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,175,900</u>	<u>(6,550,017)</u>	<u>1,126,764</u>
Other financing sources (uses):			
Transfers in	-	14,243,261	-
Transfers out	(180,891)	(598,594)	-
Total other financing sources (uses)	<u>(180,891)</u>	<u>13,644,667</u>	<u>-</u>
Net change in fund balance	995,009	7,094,650	1,126,764
Fund balance (deficit), beginning of year	<u>(286,448)</u>	<u>(3,227,058)</u>	<u>-</u>
Fund balance, end of year	<u>\$ 708,561</u>	<u>\$ 3,867,592</u>	<u>\$ 1,126,764</u>

CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2006

Gibson Ranch Capital Projects	Water Development	Storm Drain Development	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ 930,569
-	-	-	237
-	1,069,283	246,552	4,647,428
6,007	99,142	114,678	435,292
70,391	33,550	-	618,245
<u>76,398</u>	<u>1,201,975</u>	<u>361,230</u>	<u>6,631,771</u>
-	-	-	271,536
-	-	-	17,216
-	1,657,129	223,766	10,779,360
-	-	-	52,304
<u>-</u>	<u>1,657,129</u>	<u>223,766</u>	<u>11,120,416</u>
<u>76,398</u>	<u>(455,154)</u>	<u>137,464</u>	<u>(4,488,645)</u>
-	-	-	14,243,261
-	-	-	(779,485)
<u>-</u>	<u>-</u>	<u>-</u>	<u>13,463,776</u>
76,398	(455,154)	137,464	8,975,131
16,447	2,615,161	2,828,245	1,946,347
<u>\$ 92,845</u>	<u>\$ 2,160,007</u>	<u>\$ 2,965,709</u>	<u>\$ 10,921,478</u>

Revenues:

Taxes
 Intergovernmental
 Licenses and permits
 Investment earnings
 Miscellaneous

Total revenues

Expenditures:

Current

Community development
 Parks, recreation and community services
 Public works
 Debt service:
 Principal

Total expenditures

Excess (deficiency) of revenues over
 under) expenditures

Other financing sources (uses):

Transfers in
 Transfers out

Total other financing sources (uses)

Net change in fund balance

Fund balance, beginning of year

Fund balance, end of year

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, 2006

	Equipment Service and Repair	Benefits	Self- Insurance	Information Systems	Total
ASSETS					
Current assets:					
Cash and investments	\$ 1,133,930	\$ -	\$ 71,596	\$ 90,199	\$ 1,295,725
Accounts receivable	116,721	-	65,291	-	182,012
Due from other funds	232,339	-	-	-	232,339
Prepaid items and deposits	206,678	272,691	-	-	479,369
Total current assets	<u>1,689,668</u>	<u>272,691</u>	<u>136,887</u>	<u>90,199</u>	<u>2,189,445</u>
Noncurrent assets:					
Capital assets, net of accumulated depreciation	4,073,914	-	-	567,722	4,641,636
Total assets	<u>5,763,582</u>	<u>272,691</u>	<u>136,887</u>	<u>657,921</u>	<u>6,831,081</u>
LIABILITIES					
Current liabilities:					
Accounts payable	95,944	40,352	8,380	90,045	234,721
Due to other funds	-	232,339	-	-	232,339
Interest payable	50,816	-	-	-	50,816
Compensated absences	10,756	-	2,005	60	12,821
Capital lease obligations	249,934	-	-	-	249,934
Deferred revenues	-	-	47,685	-	47,685
Total current liabilities	<u>407,450</u>	<u>272,691</u>	<u>58,070</u>	<u>90,105</u>	<u>828,316</u>
Noncurrent liabilities:					
Compensated absences	17,911	-	567	28,555	47,033
Advances from other funds	-	-	-	70,000	70,000
Capital lease obligations	1,707,436	-	-	-	1,707,436
Total noncurrent liabilities	<u>1,725,347</u>	<u>-</u>	<u>567</u>	<u>98,555</u>	<u>1,824,469</u>
Total liabilities	<u>2,132,797</u>	<u>272,691</u>	<u>58,637</u>	<u>188,660</u>	<u>2,652,785</u>
NET ASSETS					
Invested in capital assets, net of related debt	2,116,544	-	-	567,722	2,684,266
Unrestricted	1,514,241	-	78,250	(98,461)	1,494,030
Total net assets	<u>\$ 3,630,785</u>	<u>\$ -</u>	<u>\$ 78,250</u>	<u>\$ 469,261</u>	<u>\$ 4,178,296</u>

**CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2006**

	Equipment Service and Repair	Benefits	Self- Insurance	Information Systems	Total
OPERATING REVENUES:					
Billings to departments	\$ 2,178,028	\$ 3,636,169	\$ 1,240,873	\$ 1,019,408	\$ 8,074,478
Other	16,939	-	22,103	-	39,042
Total operating revenues	<u>2,194,967</u>	<u>3,636,169</u>	<u>1,262,976</u>	<u>1,019,408</u>	<u>8,113,520</u>
OPERATING EXPENSES:					
Personnel services	464,349	-	54,311	437,161	955,821
Utilities	3,287	-	-	11,029	14,316
Office supplies and expenses	16,414	-	17,452	38,937	72,803
Small tools and supplies	5,463	-	-	-	5,463
Depreciation	814,959	-	-	85,450	900,409
Equipment rental and maintenance	612,765	-	-	217,717	830,482
Insurance premiums and claims	-	3,667,445	1,019,573	-	4,687,018
Total operating expenses	<u>1,917,237</u>	<u>3,667,445</u>	<u>1,091,336</u>	<u>790,294</u>	<u>7,466,312</u>
Operating income (loss)	<u>277,730</u>	<u>(31,276)</u>	<u>171,640</u>	<u>229,114</u>	<u>647,208</u>
Nonoperating revenues (expenses)					
Investment earnings	37,809	-	-	-	37,809
Interest expense	(90,852)	-	-	(6,342)	(97,194)
Total nonoperating revenues (expnses)	<u>(53,043)</u>	<u>-</u>	<u>-</u>	<u>(6,342)</u>	<u>(59,385)</u>
Income (loss) before transfers	224,687	(31,276)	171,640	222,772	587,823
Transfers in	117,822	59,087	-	174,092	351,001
Transfers out	-	-	(283,300)	-	(283,300)
Change in net assets	342,509	27,811	(111,660)	396,864	655,524
Net assets (deficit), beginning of year	<u>3,288,276</u>	<u>(27,811)</u>	<u>189,910</u>	<u>72,397</u>	<u>3,522,772</u>
Net assets, end of year	<u>\$ 3,630,785</u>	<u>\$ -</u>	<u>\$ 78,250</u>	<u>\$ 469,261</u>	<u>\$ 4,178,296</u>

**CITY OF WOODLAND, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2006**

	Equipment Service and Repair	Benefits	Self- Insurance	Information Systems	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	\$ 2,636,270	\$ 3,636,169	\$ 1,264,067	\$ 1,019,408	\$ 8,555,914
Payments to suppliers	(837,935)	-	(23,296)	(275,637)	(1,136,868)
Payments to employees	(460,396)	-	(54,813)	(429,086)	(944,295)
Payments for interfund services used	-	-	-	(6,195)	(6,195)
Insurance premiums and claims paid	-	(3,959,388)	(1,019,573)	-	(4,978,961)
Net cash provided (used) by operating activities	<u>1,337,939</u>	<u>(323,219)</u>	<u>166,385</u>	<u>308,490</u>	<u>1,489,595</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Interfund borrowing	-	232,339	-	-	232,339
Transfers in	117,822	59,087	-	174,092	351,001
Transfers out	-	-	(283,300)	-	(283,300)
Interfund loans and repayments	-	-	-	(70,000)	(70,000)
Net cash provided (used) by noncapital financing activities	<u>117,822</u>	<u>291,426</u>	<u>(283,300)</u>	<u>104,092</u>	<u>230,040</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(489,948)	-	-	(316,041)	(805,989)
Principal payments on long-term debt	(316,743)	-	-	-	(316,743)
Interest paid	(106,247)	-	-	(6,342)	(112,589)
Net cash used by capital and related financing activities	<u>(912,938)</u>	<u>-</u>	<u>-</u>	<u>(322,383)</u>	<u>(1,235,321)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	37,809	-	-	-	37,809
Net increase (decrease) in cash and cash equivalents	580,632	(31,793)	(116,915)	90,199	522,123
Cash and cash equivalents, beginning of year	553,298	31,793	188,511	-	773,602
Cash and cash equivalents, end of year	<u>\$ 1,133,930</u>	<u>\$ -</u>	<u>\$ 71,596</u>	<u>\$ 90,199</u>	<u>1,295,725</u>

CITY OF WOODLAND, CALIFORNIA
 COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2006

	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)	\$ 277,730	\$ (31,276)	\$ 171,640	\$ 229,114	\$ 647,208
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	814,959	-	-	85,450	900,409
Changes in assets and liabilities:					
Accounts receivable	441,303	-	(46,594)	-	394,709
Due from other funds	(226,144)	-	-	-	(226,144)
Prepaid items and deposits	214	(272,691)	-	-	(272,477)
Accounts payable	25,924	(19,252)	(5,844)	(7,954)	(7,126)
Deferred revenue	-	-	47,685	-	47,685
Due to other funds	-	-	-	(6,195)	(6,195)
Compensated absences	3,953	-	(502)	8,075	11,526
Total adjustments	<u>1,060,209</u>	<u>(291,943)</u>	<u>(5,255)</u>	<u>79,376</u>	<u>842,387</u>
Net cash provided (used) by operating activities	<u>\$ 1,337,939</u>	<u>\$ (323,219)</u>	<u>\$ 166,385</u>	<u>\$ 308,490</u>	<u>1,489,595</u>

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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, 2006

	East Main Reassessment District			Balance, June 30, 2006
	Balance, July 1, 2005	Additions	Deletions	
ASSETS:				
Cash and investments	\$ 975,251	\$ 1,391,179	\$ (1,356,123)	\$ 1,010,307
Cash and investments with fiscal agents	859,647	1,295,048	(1,265,491)	889,204
Accounts receivable	64,679	64,873	(64,679)	64,873
Total assets	<u>\$ 1,899,577</u>	<u>\$ 2,751,100</u>	<u>\$ (2,686,293)</u>	<u>\$ 1,964,384</u>
LIABILITIES:				
Due to assessment district bondholders	<u>\$ 1,899,577</u>	<u>\$ 2,751,100</u>	<u>\$ (2,686,293)</u>	<u>\$ 1,964,384</u>

	Beamer-Kentucky Assessment District			Balance, June 30, 2006
	Balance, July 1, 2005	Additions	Deletions	
ASSETS:				
Cash and investments	\$ 455,878	\$ 592,060	\$ (952,848)	\$ 95,090
Cash and investments with fiscal agents	324,688	914,057	(1,235,846)	2,899
Accounts receivable	19,914	20,080	(19,914)	20,080
Total assets	<u>\$ 800,480</u>	<u>\$ 1,526,197</u>	<u>\$ (2,208,608)</u>	<u>\$ 118,069</u>
LIABILITIES:				
Due to assessment district bondholders	<u>\$ 800,480</u>	<u>\$ 1,526,197</u>	<u>\$ (2,208,608)</u>	<u>\$ 118,069</u>

	Gibson Ranch Community Facilities District			Balance, June 30, 2006
	Balance, July 1, 2005	Additions	Deletions	
ASSETS:				
Cash and investments	\$ 1,248,759	\$ 1,490,445	\$ (1,364,517)	\$ 1,374,687
Cash and investments with fiscal agents	1,373,247	1,297,683	(1,256,451)	1,414,479
Accounts receivable	68,866	68,866	(68,866)	68,866
Total assets	<u>\$ 2,690,872</u>	<u>\$ 2,856,994</u>	<u>\$ (2,689,834)</u>	<u>\$ 2,858,032</u>
LIABILITIES:				
Due to assessment district bondholders	<u>\$ 2,690,872</u>	<u>\$ 2,856,994</u>	<u>\$ (2,689,834)</u>	<u>\$ 2,858,032</u>

CITY OF WOODLAND, CALIFORNIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2006

Spring Lake Community Facilities District				
	Balance, July 1, 2005	Additions	Deletions	Balance, June 30, 2006
ASSETS:				
Cash and investments	\$ 5,998	\$ 3,514,695	\$ (2,092,260)	\$ 1,428,433
Cash and investments with fiscal agents	4,188,132	1,188,878	(2,926,122)	2,450,888
Accounts receivable	-	120,436	-	120,436
Total assets	<u>\$ 4,194,130</u>	<u>\$ 4,824,009</u>	<u>\$ (5,018,382)</u>	<u>\$ 3,999,757</u>
LIABILITIES:				
Deposits payable	<u>\$ 4,194,130</u>	<u>\$ 4,824,009</u>	<u>\$ (5,018,382)</u>	<u>\$ 3,999,757</u>

Recreation Contract				
	Balance, July 1, 2005	Additions	Deletions	Balance, June 30, 2006
ASSETS:				
Cash and investments	\$ 20,368	\$ 126,281	\$ (125,067)	\$ 21,582
Accounts receivable	586	1,930	(586)	1,930
Total assets	<u>\$ 20,954</u>	<u>\$ 128,211</u>	<u>\$ (125,653)</u>	<u>\$ 23,512</u>
LIABILITIES:				
Accounts payable	<u>\$ 20,954</u>	<u>\$ 128,211</u>	<u>\$ (125,653)</u>	<u>\$ 23,512</u>

Totals				
	Balance, July 1, 2005	Additions	Deletions	Balance, June 30, 2006
ASSETS:				
Cash and investments	\$ 2,706,254	\$ 7,114,660	\$ (5,890,815)	\$ 3,930,099
Cash and investments with fiscal agents	6,745,714	4,695,666	(6,683,910)	4,757,470
Accounts receivable	154,045	276,185	(154,045)	276,185
Total assets	<u>\$ 9,606,013</u>	<u>\$ 12,086,511</u>	<u>\$ (12,728,770)</u>	<u>\$ 8,963,754</u>
LIABILITIES:				
Accounts payable	\$ 20,954	\$ 128,211	\$ (125,653)	\$ 23,512
Deposits payable	4,194,130	4,824,009	(5,018,382)	3,999,757
Due to assessment district bondholders	5,390,929	7,134,291	(7,584,735)	4,940,485
Total liabilities	<u>\$ 9,606,013</u>	<u>\$ 12,086,511</u>	<u>\$ (12,728,770)</u>	<u>\$ 8,963,754</u>

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**CITY OF WOODLAND, CALIFORNIA
COMBINING BALANCE SHEET
CITY CAPITAL PROJECTS FUND
JUNE 30, 2006**

	Capital Projects	State Bond Act Parks Projects	Capital Project Management	General City Development	Police Development
ASSETS					
Cash and investments	\$ 737,214	\$ (29,853)	\$ 2,459	\$ 2,482,086	\$ (4,690,812)
Cash and investments with fiscal agents	-	-	-	-	-
Accounts receivable	272,537	36,902	-	160,458	178,178
Due from other funds	-	-	-	-	-
Inventory	-	-	-	-	-
Other assets	-	-	-	-	-
Long term notes receivables	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total assets	<u>\$ 1,009,751</u>	<u>\$ 7,049</u>	<u>\$ 2,459</u>	<u>\$ 2,642,544</u>	<u>\$ (4,512,634)</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 133,446	\$ 12,690	\$ 2,459	\$ 6,478	\$ -
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	160,459	178,178
Compensated absences	-	-	-	-	-
Advances from other funds	1,877,927	-	-	-	-
Total liabilities	<u>2,011,373</u>	<u>12,690</u>	<u>2,459</u>	<u>166,937</u>	<u>178,178</u>
Fund balance:					
Reserved for:					
Encumbrances	62,007	27,922	-	1,703,091	1,718,351
Inventory	-	-	-	-	-
Low and moderate income housing	-	-	-	-	-
Debt service	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Unreserved, undesignated reported in					
General Fund	-	-	-	-	-
Capital projects funds	(1,063,629)	(33,563)	-	772,516	(6,409,163)
Special revenue funds	-	-	-	-	-
Total fund balances	<u>(1,001,622)</u>	<u>(5,641)</u>	<u>-</u>	<u>2,475,607</u>	<u>(4,690,812)</u>
Total liabilities and fund balances	<u>\$ 1,009,751</u>	<u>\$ 7,049</u>	<u>\$ 2,459</u>	<u>\$ 2,642,544</u>	<u>\$ (4,512,634)</u>

**CITY OF WOODLAND, CALIFORNIA
COMBINING BALANCE SHEET
CITY CAPITAL PROJECTS FUND
JUNE 30, 2006**

Fire Development	Library Development	Road Development	Tree Reserve	Gibson Ranch Infrastructure	Total City Capital Projects	
						ASSETS
\$ 4,878,681	\$ 767,743	\$ (2,900,830)	\$ 22,229	\$ 1,121,164	\$ 2,390,081	Cash and investments
-	-	30,000	-	-	30,000	Cash and investments with fiscal agents
193,653	54,484	736,410	-	4,679	1,637,301	Accounts receivable
-	-	-	-	-	-	Due from other funds
-	-	-	-	-	-	Inventory
-	-	-	-	-	-	Other assets
-	-	-	-	-	-	Long term notes receivables
-	-	-	-	-	-	Advances to other funds
<u>\$ 5,072,334</u>	<u>\$ 822,227</u>	<u>\$ (2,134,420)</u>	<u>\$ 22,229</u>	<u>\$ 1,125,843</u>	<u>\$ 4,057,382</u>	Total assets
						LIABILITIES AND FUND BALANCES
						Liabilities:
\$ 356,745	\$ -	\$ 321,118	\$ -	\$ 4,081	\$ 837,017	Accounts payable
-	-	43,460	-	-	43,460	Deposits
-	-	-	-	-	-	Due to other funds
193,653	54,484	736,410	-	-	1,323,184	Deferred revenue
-	-	-	-	-	-	Compensated absences
-	-	-	-	-	1,877,927	Advances from other funds
<u>550,398</u>	<u>54,484</u>	<u>1,100,988</u>	<u>-</u>	<u>4,081</u>	<u>4,081,588</u>	Total liabilities
						Fund balance:
						Reserved for:
(142,890)	573,987	1,190,317	28,440	-	5,161,225	Encumbrances
-	-	-	-	-	-	Inventory
-	-	-	-	-	-	Low and moderate income housing
-	-	-	-	-	-	Debt service
						Advances to other funds
						Unreserved, undesignated reported in
-	-	-	-	-	-	General Fund
4,664,826	193,756	(4,425,725)	(6,211)	1,121,762	(5,185,431)	Capital projects funds
-	-	-	-	-	-	Special revenue funds
<u>4,521,936</u>	<u>767,743</u>	<u>(3,235,408)</u>	<u>22,229</u>	<u>1,121,762</u>	<u>(24,206)</u>	Total fund balances
<u>\$ 5,072,334</u>	<u>\$ 822,227</u>	<u>\$ (2,134,420)</u>	<u>\$ 22,229</u>	<u>\$ 1,125,843</u>	<u>\$ 4,057,382</u>	Total liabilities and fund balances

CITY OF WOODLAND, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CITY CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2006

	Capital Projects	State Bond Act Parks Projects	Capital Project Management	General City Development	Police Development
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and penalties	-	-	-	-	-
Intergovernmental	-	35,601	-	-	-
Charges for services	-	-	-	-	-
Licenses and permits	22,236	-	-	393,808	383,311
Investment earnings	(6,309)	-	-	81,736	(145,624)
Miscellaneous	-	-	-	-	-
Total revenues	15,927	35,601	-	475,544	237,687
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Finance	47,687	-	59,076	156,912	-
Community development	-	-	-	-	-
Parks, recreation and community services	157,298	(7,142)	-	-	-
Police	-	-	-	-	-
Fire	12,969	-	-	-	-
Library	-	-	-	-	-
Public works	1,073,018	29,020	(67,982)	138,500	595,067
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Bond issuance and fiscal agent fees	-	-	-	-	-
Total expenditures	1,290,972	21,878	(8,906)	295,412	595,067
Excess (deficiency) of revenues over (under) expenditures	(1,275,045)	13,723	8,906	180,132	(357,380)
Other financing sources (uses)					
Long-term loans	1,097,858	-	-	-	-
Bond issuance	-	-	-	-	-
Bond discount	-	-	-	-	-
Transfers in	3,250,741	-	-	-	238,925
Transfers out	(894,179)	-	-	-	-
Total other financing sources (uses)	3,454,420	-	-	-	238,925
Net change in fund balances	2,179,375	13,723	8,906	180,132	(118,455)
Fund balances (deficit), beginning of year	(3,180,997)	(19,364)	(8,906)	2,295,475	(4,572,357)
Fund balances (deficit), end of year	\$ (1,001,622)	\$ (5,641)	\$ -	\$ 2,475,607	\$ (4,690,812)

CITY OF WOODLAND, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CITY CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2006

Fire Development	Library Development	Road Development	Tree Reserve	Gibson Ranch Infrastructure	Total City Capital Projects	
\$	-	\$	-	\$	-	\$
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
513,306	149,097	2,073,999	-	464,076	3,999,833	-
134,103	19,561	(118,212)	698	30,420	(3,627)	-
-	-	-	-	-	-	-
647,409	168,658	1,955,787	698	494,496	4,031,807	-
						REVENUES:
						Taxes
						Fines and penalties
						35,601 Intergovernmental
						Charges for services
						Licenses and permits
						Investment earnings
						Miscellaneous
						Total revenues
						EXPENDITURES:
						Current:
						General government
						263,675 Finance
						Community development
						150,156 Parks, recreation and community services
						Police
29,097	-	-	-	-	-	42,066 Fire
-	48,820	-	-	-	-	48,820 Library
860,163	6,421	1,061,387	2,376	609,772	4,307,742	Public works
						Debt service:
						Principal
						Interest and fiscal charges
						Bond issuance and fiscal agent fees
889,260	55,241	1,061,387	2,376	609,772	4,812,459	Total expenditures
(241,851)	113,417	894,400	(1,678)	(115,276)	(780,652)	Excess (deficiency) of revenues over (under) expenditures
						Other financing sources (uses)
						1,097,858 Long-term loans
						Bond issuance
						Bond discount
5,766,507	-	-	-	-	-	9,256,173 Transfers in
(284,306)	-	-	-	-	(1,178,485)	Transfers out
5,482,201	-	-	-	-	9,175,546	Total other financing sources (uses)
5,240,350	113,417	894,400	(1,678)	(115,276)	8,394,894	Net change in fund balances
						Fund balances (deficit), beginning of year
(718,414)	654,326	(4,129,808)	23,907	1,237,038	(8,419,100)	
\$ 4,521,936	\$ 767,743	\$ (3,235,408)	\$ 22,229	\$ 1,121,762	\$ (24,206)	Fund balances (deficit), end of year

CITY OF WOODLAND
NET ASSETS
LAST THREE FISCAL YEARS

	Fiscal Year			
	2002-03	2003-04	2004-05	2005-06
Governmental activities				
Invested in capital assets, net of related debt	\$ (5,974,470)	\$ 18,466,085	\$ 26,316,581	\$ 48,381,398
Restricted	28,474,693	24,228,114	16,682,105	26,136,710
Unrestricted	<u>6,744,092</u>	<u>7,372,245</u>	<u>10,302,628</u>	<u>14,817,078</u>
Total governmental activities net assets	<u>\$ 29,244,315</u>	<u>\$ 50,066,444</u>	<u>\$ 53,301,314</u>	<u>\$ 89,335,186</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 31,474,247	\$ 34,279,325	\$ 37,188,552	\$ 33,124,403
Restricted	-	-	920,091	920,334
Unrestricted	<u>2,486,050</u>	<u>1,792,349</u>	<u>445,988</u>	<u>6,720,236</u>
Total business-type activities net assets	<u>\$ 33,960,297</u>	<u>\$ 36,071,674</u>	<u>\$ 38,554,631</u>	<u>\$ 40,764,973</u>
Primary government				
Invested in capital assets, net of related debt	\$ 25,499,777	\$ 52,745,410	\$ 63,505,133	\$ 81,505,801
Restricted	28,474,693	24,228,114	17,602,196	27,057,044
Unrestricted	<u>9,230,142</u>	<u>9,164,594</u>	<u>10,748,616</u>	<u>21,537,314</u>
Total primary government net assets	<u>\$ 63,204,612</u>	<u>\$ 86,138,118</u>	<u>\$ 91,855,945</u>	<u>\$ 130,100,159</u>

NOTE: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002-2003

CITY OF WOODLAND
CHANGES IN NET ASSETS
LAST FOUR FISCAL YEARS

	Fiscal Year			
	2002-03	2003-04	2004-05	2005-06
Expenses				
Governmental activities:				
General government	\$ 804,147	\$ 846,549	\$ 919,743	\$ 1,818,344
Finance	880,704	459,971	329,476	1,248,282
Community Development	2,698,530	3,552,412	3,809,587	3,030,976
Parks, recreation and community services	3,697,090	3,554,470	3,877,823	4,193,574
Police	10,025,791	10,270,280	10,660,799	12,676,703
Fire	5,024,823	4,998,293	6,301,829	7,478,351
Library	1,414,866	1,468,196	1,361,020	1,554,755
Public Works	4,300,993	4,915,892	7,934,290	6,306,374
Interest on long-term liabilities	2,370,129	1,648,293	1,756,743	3,473,820
Total governmental activities expenses	\$ 31,217,073	\$ 31,714,356	\$ 36,951,310	\$ 41,781,179
Business-type activities:				
Water Utility	\$ 3,479,614	\$ 3,320,033	\$ 3,050,253	\$ 3,506,928
Sewer	4,925,883	4,151,316	4,366,121	5,062,366
Storm Drain	920,303	617,485	799,882	939,832
Wastewater Pretreatment	285,794	327,334	289,252	270,541
Parking	254,144	287,074	317,473	302,740
Recycling	193,109	200,845	271,214	247,245
Fire Training Center	35,364	69,306	311,730	384,161
Cemetery	305,594	301,495	331,637	377,086
Dubach Park	-	-	227,281	182,113
Total business-type activities expenses	10,399,805	9,274,888	9,964,843	11,273,012
Total primary government expenses	\$ 41,616,878	\$ 40,989,244	\$ 46,916,153	\$ 53,054,191
Program Revenues				
Governmental activities:				
Charges for Services:				
General Government	\$ 61,593	\$ 58,251	\$ 1,474,342	\$ 1,969,990
Finance	201,774	5,293	10,854	585,890
Community Development	1,927,047	1,473,717	2,141,304	3,179,126
Parks, recreation and community services	379,080	944,727	652,359	8,510,365
Police	629,922	504,030	713,486	1,503,740
Fire	114,295	366,602	309,899	1,794,430
Library	31,305	46,945	19,179	222,629
Public Works	1,528,669	13,065,145	4,767,255	12,932,147
Operating Grants and Contributions	4,245,419	4,035,639	4,004,712	4,877,553
Capital Grants and Contributions	7,871,072	7,130,560	115,481	8,096,047
Total governmental activities program revenues	\$ 16,990,176	\$ 27,630,909	\$ 14,208,871	\$ 43,671,917
Business-type activities:				
Charges for services:				
Water	\$ 3,554,666	\$ 4,148,888	\$ 4,364,072	\$ 4,759,033
Sewer	4,408,855	5,119,334	5,520,842	6,589,670
Storm Drain	172,800	174,219	176,943	318,737
Wastewater Pretreatment	353,157	379,679	394,310	388,346
Parking	213,742	367,151	294,903	254,052
Recycling	227,844	227,035	223,355	220,117
Fire Training	72,432	66,343	294,013	387,025
Cemetery	105,952	99,776	128,634	141,317
Dubach Park	-	-	69,452	39,117
Operating Grants and Contributions	32,051	184,234	191,873	14,354
Capital Grants and Contributions	-	178,217	-	-
Total business-type activities program revenues	9,141,499	10,944,876	11,658,397	13,111,768
Total primary government program revenues	\$ 26,131,675	\$ 38,575,785	\$ 25,867,268	\$ 56,783,685

(continued)

CITY OF WOODLAND
CHANGES IN NET ASSETS
LAST THREE FISCAL YEARS

(continued)

	Fiscal Year			
	2002-03	2003-04	2004-05	2005-06
Net (Expense)/Revenue				
Governmental activities	\$ (14,179,081)	\$ (4,077,346)	\$ (22,742,438)	\$ 1,890,738
Business-type activities	(1,306,122)	1,663,887	1,693,554	1,838,816
Total primary government net expense	<u>(15,485,203)</u>	<u>(2,413,459)</u>	<u>(21,048,884)</u>	<u>3,729,554</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	6,684,665	7,649,661	8,186,362	9,780,697
Utility Users tax (Measure H)	3,529,072	3,737,578	4,162,525	4,262,703
Other taxes	1,120,950	1,338,368	1,428,605	1,161,070
Franchise fees	930,797	1,416,716	1,332,035	1,334,394
Sales taxes	7,577,040	7,738,037	6,821,372	9,363,938
Sales tax in lieu	-	-	1,829,274	-
Motor vehicle in lieu fees	2,955,804	2,291,591	4,015,060	3,830,891
Investment earnings	484,019	407,370	785,219	1,780,863
Gain from disposal of capital assets	166,760	-	-	-
Miscellaneous	379,942	501,154	1,634,124	2,324,140
Transfers	<u>(7,531,590)</u>	<u>(181,000)</u>	<u>(566,221)</u>	<u>304,438</u>
Total governmental activities	<u>16,297,459</u>	<u>24,899,475</u>	<u>29,628,355</u>	<u>34,143,134</u>
Business-type activities:				
Investment earnings	325,355	128,487	197,476	675,964
Miscellaneous	53,981	138,003	-	-
Transfers	<u>7,531,590</u>	<u>181,000</u>	<u>566,221</u>	<u>(304,438)</u>
Total business-type activities	<u>7,910,926</u>	<u>447,490</u>	<u>763,697</u>	<u>371,526</u>
Total primary government	<u>24,208,385</u>	<u>25,346,965</u>	<u>30,392,052</u>	<u>34,514,660</u>
Change in Net Assets				
Governmental activities	2,118,378	20,822,129	6,885,917	36,033,872
Business-type activities	<u>6,604,804</u>	<u>2,111,377</u>	<u>2,457,251</u>	<u>2,210,342</u>
Total primary government	<u>\$ 8,723,182</u>	<u>\$ 22,933,506</u>	<u>\$ 9,343,168</u>	<u>\$ 38,244,214</u>

(concluded)

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

CITY OF WOODLAND
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST THREE FISCAL YEARS

	Fiscal Year			
	2002-03	2003-04	2004-05	2005-06
General Fund				
Reserved	\$ 319,302	\$ 322,339	\$ 546,620	\$ 560,434
Unreserved	2,574,929	3,551,472	4,276,718	5,711,433
Total general fund	<u>\$ 2,894,231</u>	<u>\$ 3,873,811</u>	<u>\$ 4,823,338</u>	<u>\$ 6,271,867</u>
All Other Governmental Funds				
Reserved	\$ 7,953,823	\$ 2,036,224	\$ 14,700,024	\$ 17,870,938
Unreserved, undesignated reported in				
Special revenue funds	2,017,211	3,108,660	2,077,758	3,459,176
Debt Service funds	-	-	-	-
Capital projects funds	17,498,721	17,598,760	27,425,648	20,749,887
Total all other governmental funds	<u>\$ 27,469,755</u>	<u>\$ 22,743,644</u>	<u>\$ 44,203,430</u>	<u>\$ 42,080,001</u>

NOTE: The City did not implement GASB 34 until FY03 therefore it is only required to show financial data from 2003 instead of the 10 year requirement.

CITY OF WOODLAND
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST THREE FISCAL YEARS

	Fiscal Year			
	2002-03	2003-04	2004-05	2005-06
Revenues				
Taxes	\$ 19,029,636	\$ 20,700,343	\$ 22,846,924	\$ 25,325,017
Contribution from property owners	-	4,669,080	26,954,441	-
Fines and penalties	511,906	359,630	602,630	362,997
Intergovernmental	9,996,232	7,768,056	8,851,802	10,592,937
Charges for services	712,914	546,908	5,600,175	6,862,114
Licenses, fees, and permits	2,393,155	3,016,263	7,756,794	26,542,591
Investment earnings	501,445	435,690	771,186	2,162,707
Fees and reimbursements	8,351,932	14,492,890	-	-
Other revenues	925,213	2,366,003	1,443,515	1,522,113
Total revenues	<u>42,422,433</u>	<u>54,354,863</u>	<u>74,827,467</u>	<u>73,370,476</u>
Expenditures				
General government	1,536,443	1,510,764	1,550,077	1,703,603
Finance	1,219,519	934,871	1,182,689	1,455,400
Community development	2,884,956	2,467,624	6,118,975	3,836,385
Parks, recreation and community services	4,150,568	5,271,014	4,120,841	4,689,856
Police	9,939,251	10,061,455	11,904,073	13,154,202
Fire	5,230,687	5,713,030	6,616,713	8,059,303
Library	1,405,864	1,383,889	1,353,616	1,642,125
Public works	21,516,993	26,763,664	35,391,914	55,347,083
Total expenses	<u>47,884,281</u>	<u>54,106,311</u>	<u>68,238,898</u>	<u>89,887,957</u>

CITY OF WOODLAND
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST THREE FISCAL YEARS

(continued)	Fiscal Year			
	2002-03	2003-04	2004-05	2005-06
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	1,200,677	3,206,992	3,523,352	10,784,363
Interest and fiscal charges	1,764,221	1,575,091	1,689,995	2,307,672
Total expenditures	<u>50,849,179</u>	<u>58,888,394</u>	<u>73,452,245</u>	<u>102,979,992</u>
Excess of revenues over (under) expenditures	(8,426,746)	(4,533,531)	1,375,222	(29,609,516)
Other Financing sources (uses)				
Proceeds sale of capital assets	166,760	-	-	-
Proceeds from long-term loans	-	1,000,000	2,281,897	1,097,858
Bond Issuance	33,215,000	-	-	27,600,021
Transfers in	33,691,881	11,083,700	19,525,085	42,319,297
Transfers out	(39,906,068)	(11,296,700)	(20,097,149)	(42,082,560)
Contribution from developer advances	-	-	20,763,581	-
Total other financing sources (uses)	<u>27,167,573</u>	<u>787,000</u>	<u>22,473,414</u>	<u>28,934,616</u>
Net change in fund balances	<u>\$ 18,740,827</u>	<u>\$ (3,746,531)</u>	<u>\$ 23,848,636</u>	<u>\$ (674,900)</u>
Debt service as a percentage of noncapital expenditures	6%	8%	7%	13%

(concluded)

CITY OF WOODLAND
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

Fiscal Year	Property	Sales Taxes	Utility Use Taxes	Real Property Transfer Tax	Occupancy Tax	Other Taxes	Total
2001-02	\$ 6,381,498	\$ 6,831,948	\$ 342,877	\$ 283,222	\$ 577,198	\$ 4,497,332	\$ 18,914,075
2002-03	6,698,166	7,577,040	329,593	402,382	579,286	3,113,576	18,700,043
2003-04	7,670,401	7,738,037	325,560	481,542	715,634	3,443,609	20,374,783
2004-05	8,184,837	8,650,645	316,183	704,088	724,518	4,266,653	22,846,924
2005-06	9,629,945	9,363,938	213,257	545,468	615,602	4,956,807	25,325,017
Change 2002-2006	51%	37%	-38%	93%	7%	10%	34%

NOTE: Certain amounts in prior years are

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

Fiscal Year	Real Property Assessed/Market Value	Business Property Assessed/Market Value	Total Assessed/Market Value	Percentage of Increase in Market Value	Total Direct Tax Rate
1996-97	\$ 1,760,403,576	\$ 207,809,093	\$ 1,968,212,669	1.2%	0%
1997-98	1,820,089,816	256,899,433	2,076,989,249	5.5%	0%
1998-99	1,944,888,415	271,797,111	2,216,685,526	6.7%	0%
1999-00	2,036,020,154	290,102,329	2,326,122,483	4.9%	0%
2000-01	2,198,347,840	321,131,121	2,519,478,961	8.3%	0%
2001-02	2,369,383,933	332,465,644	2,701,849,577	7.2%	0%
2002-03	2,508,185,387	333,626,275	2,841,811,662	5.2%	0%
2003-04	2,718,892,439	342,792,511	3,061,684,950	7.7%	0%
2004-05	2,974,344,251	352,754,057	3,327,098,308	8.7%	0%
2005-06	3,396,701,505	397,769,478	3,794,470,983	14.0%	0%

NOTES:

- (1) The State of California Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100 percent of market value as defined by Article XIII A and may be adjusted no more than two percent per year unless the property is improved, sold or transferred. Because of this method of assessment, the City does not have a reasonable basis for estimating the actual value of taxable property and this information is not presented above.
- (2) The State Legislature has determined the method of distribution of receipts from a one percent tax levy among the counties, cities, school districts, and other districts.
- (3) The City participates in the County Plan whereby all taxes are remitted to the City each year.

SOURCE:

Yolo County Assessor's and Auditor's Office.

CITY OF WOODLAND
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (rate per \$100 of assessed value)

Fiscal Year	City Direct Rate	Overlapping Rates				Total
		Basic County Wide Levy	School District	Flood Control Debt Service		
1996-97	- %	1.00 %	- %	0.023 %	1.023 %	
1997-98	- %	1.00 %	- %	0.023 %	1.023 %	
1998-99	- %	1.00 %	- %	- %	1.000 %	
1999-00	- %	1.00 %	- %	- %	1.000 %	
2000-01	- %	1.00 %	- %	- %	1.000 %	
2001-02	- %	1.00 %	- %	- %	1.000 %	
2002-03	- %	1.00 %	- %	- %	1.000 %	
2003-04	- %	1.00 %	- %	- %	1.000 %	
2004-05	- %	1.00 %	- %	- %	1.000 %	
2005-06	- %	1.00 %	- %	- %	1.000 %	

NOTES:

- (1) Overlapping rates are those of local and county governments that apply to property owners within the City of Woodland. Not all overlapping rates apply to all Woodland property owners; for example, although the County of Yolo property tax rates apply to all City property owners, school districts' rates apply only to property owners within those districts' geographic boundaries.
- (2) The State of California Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for general obligation debt has been approved by voters.

SOURCE:

Yolo County's Assessor's Office

CITY OF WOODLAND
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND NINE YEARS AGO

Taxpayer	FY 2005-06			FY 1996-97		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Walgreen Company	\$ 120,190,244	1	24.00%	\$ 56,738,181	1	20.26%
Dayton Hundson Corporation	92,101,562	2	18.39%	38,200,370	3	13.64%
Pacific Coast Producers	55,787,934	3	11.14%	-		0.00%
US Industrial REIT	51,865,587	4	10.36%	-		0.00%
Reynen & Bardis	36,971,499	5	7.38%	-		0.00%
Centex Homes	36,562,210	6	7.30%	-		0.00%
KB Home North Bay Inc.	35,729,080	7	7.13%	-		0.00%
Payless Drug Stores Northwest	24,568,291	8	4.91%	32,344,416	5	11.55%
Russell Ranch Development Inc.	24,568,291	9	4.91%	-		0.00%
CLPF-Woodland Industrial LP	22,511,446	10	4.49%	-		0.00%
Woodland Biomass	-		0.00%	53,370,976	2	19.06%
County Fair Mall	-		0.00%	37,546,797	4	13.41%
Rice Growers Assn (RGA)	-		0.00%	14,400,726	6	5.14%
Cotter & Company	-		0.00%	13,129,864	7	4.69%
Mazda Motor of America	-			12,097,999	8	4.32%
PacificGulf Property	-			11,685,000	9	4.17%
Autum Run Investors	-		0.00%	10,564,661	10	3.77%
Total	\$ 500,856,144		100.00%	\$ 280,078,990		100.00%

SOURCE: Yolo County Assessor's Secured Roll

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1996-97	\$ 4,663,772	\$ 4,663,772	100%	\$ -	\$ 4,663,772	100%
1997-98	4,938,051	4,938,051	100%	-	4,938,051	100%
1998-99	5,100,405	5,100,405	100%	-	5,100,405	100%
1999-00	5,661,858	5,661,868	100%	-	5,661,868	100%
2000-01	6,110,072	6,110,072	100%	-	6,110,072	100%
2001-02	6,381,498	6,381,498	100%	-	6,381,498	100%
2002-03	6,698,166	6,698,166	100%	-	6,698,166	100%
2003-04	7,670,401	7,670,401	100%	-	7,670,401	100%
2004-05	8,184,837	8,184,837	100%	-	8,184,837	100%
2005-06	9,629,638	9,629,638	100%	-	9,629,638	100%

NOTE: The City participates in the County Plan whereby all taxes are remitted to the City each year.

SOURCE: Yolo County Assessor's and Auditor's Office

CITY OF WOODLAND
TAXABLE SALES BY CATEGORY
LAST FIVE FISCAL YEARS

	Fiscal Year				
	2000-01	2001-02	2002-03	2003-04	2004-05
Retail Stores	\$ 448,417	\$ 468,596	\$ 513,656	\$ 552,233	\$ 585,904
All other outlets	613,596	613,467	667,962	771,300	813,262
Total	\$ 1,062,013	\$ 1,082,063	\$ 1,181,618	\$ 1,323,533	\$ 1,399,166
City direct sales tax rate	-	0.05%	0.05%	0.05%	0.05%

NOTES:

(1) Taxable Sales data for fiscal year 2006 is not yet available.

SOURCE: California State Board of Equalization

CITY OF SANTA ROSA
 DIRECT AND OVERLAPPING SALES TAX RATES
 LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rate	Overlapping Rate Yolo County
1996-97	-	1.00%
1997-98	-	1.00%
1998-99	-	1.00%
1999-00	-	1.00%
2000-01	0.05%	1.05%
2001-02	0.05%	1.05%
2002-03	0.05%	1.05%
2003-04	0.05%	1.05%
2004-05	0.05%	1.05%
2005-06	0.05%	1.05%

NOTES:

- (1) The City of Woodland tax rate was approved by Woodland citizens in 2000 and went into effect on July 1, 2000. The tax funds critical public improvements in City infrastructure, as well as construction of certain capital projects.
- (2) Any increases to the City direct tax rate must be approved by a majority vote of the citizens of Woodland.

SOURCE:

California State Board of Equalization

CITY OF WOODLAND
 SALES TAX REVENUE PAYERS BY INDUSTRY
 CURRENT YEAR AND NINE YEARS AGO

	FY 2005-06				FY 1996-97			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail trade	2	20.00%	\$144,758,535	28.90%	3	30.00%	\$126,629,394	45.21%
Services								
Manufacturing	1	10.00%	55,787,934	11.14%	3	30.00%	78,598,839	28.06%
Wholesale trade								
Government								
Construction	3	30.00%	96,859,581	19.34%				
Finance, insurance, and real estate	4	40.00%	203,450,094	40.62%	3	30.00%	60,450,031	21.58%
Transportation and utilities								
Agricultural					1	10.00%	14,400,726	5.14%
Mining								
Farm earnings								
Total	10.00	100.00%	\$500,856,144	100.00%	10	100.00%	\$280,078,990	100.00%

NOTE: *Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the state's revenue. Fiscal year 2006 is the most recent year for which data are available.*

SOURCE: Sales tax commission.
 Yolo County Assessor (Principal Property Tax Payers List)

CITY OF WOODLAND
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST FIVE FISCAL YEARS

Fiscal Year	Governmental Activities						Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Revenue & Other Bonds (net)	Tax Allocation Bonds	Certificates of Participation	Loans Payable	Developer Fee Obligation	Capital Lease Obligations	Revenue & Other Bonds (net)	Certificates of Participation			
2001-02	\$ -	\$ 2,305,000	\$ 1,085,000	\$ 2,201,763	\$ -	\$ 1,610,045	\$ -	\$ 12,352,334	\$ 19,554,142	0.03 %	\$ 388.21
2002-03	32,405,000	2,260,000	835,000	2,069,922	-	1,480,907	-	5,777,250	44,828,079	0.06	878.93
2003-04	29,590,000	2,215,000	570,000	2,796,811	4,391,065	1,496,868	-	5,293,668	46,353,412	0.06	882.60
2004-05	26,530,000	2,165,000	290,000	5,041,785	52,042,657	2,274,113	-	4,770,085	93,113,640	0.12	1,744.29
2005-06	51,217,780	2,115,000	-	6,102,092	45,016,350	1,957,370	10,087,220	4,216,501	120,712,313	0.15	2,278.79

NOTES: (1) Details regarding the City's outstanding debt can be found in Note 8 in the notes to the financial statements.
(2) Refer to Table 18 for personal income and population data.

CITY OF WOODLAND
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
1996-97	\$ 5,725,765	0.29%	\$ 130
1997-98	5,421,897	0.26%	122
1998-99	4,984,179	0.22%	109
1999-00	4,621,529	0.20%	100
2000-01	4,731,635	0.19%	94
2001-02	5,304,480	0.20%	105
2002-03	39,050,829	1.37%	766
2003-04	36,668,679	1.20%	698
2004-05	36,300,898	1.09%	680
2005-06	61,392,242	0.00%	1,159

- NOTES: (1) Details regarding the City's outstanding debt can be found in Note 8 in the notes to the financial statements.
(2) Refer to Table 6 for Taxable Value of Property data.
(3) Refer to Table 18 for population data.

CITY OF WOODLAND
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 JUNE 30, 2006

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
City of Woodland	\$ -	100.00%	\$ -
Other debt			
			<u>-</u>
Subtotal, overlapping debt			-
City direct debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ -</u></u>

CITY OF WOODLAND
LEGAL DEBT MARGIN INFORMATION
LAST FIVE FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2006

Assessed value	\$ 3,794,470,983
Debt limit (3.75% of assessed value)	142,292,662
Debt applicable to limit	-
Legal debt margin	<u><u>\$ 142,292,662</u></u>

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
Debt Limit	\$ 106,567,937	\$ 114,813,186	\$ 124,766,187	\$ 141,445,268	\$ 142,292,662
Total net debt applicable to limit	1,085,000	835,000	570,000	290,000	-
Assets in debt svc fund avail for pymt	258,736	257,499	256,178	258,194	-
Legal debt margin	<u><u>\$ 105,741,673</u></u>	<u><u>\$ 114,235,685</u></u>	<u><u>\$ 124,452,365</u></u>	<u><u>\$ 141,413,462</u></u>	<u><u>\$ 142,292,662</u></u>
Total net debt applicable to the limit as a percentage of debt limit	1.02%	0.73%	0.46%	0.21%	0%

NOTE: Assessed value of property subject to taxation at full market value as a result of Proposition 13.

SOURCE: Yolo County Assessor's Office.

CITY OF WOODLAND
 PLEDGED-REVENUE COVERAGE
 LAST FIVE FISCAL YEARS

Fiscal Year	Wastewater Revenue Bonds*						Coverage Ratios	
	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Including Demand Fees	Excluding Demand Fees	
				Principal	Interest			
2001-02	\$ 3,695,980	\$ 2,609,858	\$ 1,086,122	\$ -	\$ 814,350	133.37%	133.37%	
2002-03	4,046,639	3,755,491	291,148	510,000	977,711	29.78%	29.78%	
2003-04	11,214,459	2,819,081	8,395,378	535,000	524,833	1599.63%	1599.63%	
2004-05	5,433,769	3,252,175	2,181,594	575,000	249,875	873.07%	873.07%	
2005-06	7,122,994	4,153,652	2,969,342	605,000	335,804	884.25%	884.25%	

- NOTES:
- (1) Gross revenue and expenses are based upon bond counsel interpretation.
 - (2) Net Revenues are equal to Gross Revenues less operating costs.
 - (3) Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

SOURCE: City of Woodland Wastewater Utility Fund Financial Statements
 1992 Wastewater Improvement Certificates of Participation and
 2005 Lease Revenue Bond.

Supporting Expenditure Detail

FY	Total Annual Expenses	Interest Expenses	Depreciation	= Operating Expenditures
2002	4,182,893	814,350	758,685	2,609,858
2003	5,582,754	977,711	849,552	3,755,491
2004	4,171,232	524,833	827,318	2,819,081
2005	4,366,295	249,875	864,245	3,252,175
2006	5,578,891	530,297	894,942	4,153,652

CITY OF WOODLAND
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
1996-97	43,900	\$ 567,056,300	\$ 12,917	4.9%
1997-98	44,450	609,987,350	13,723	4.6%
1998-99	45,600	614,414,400	13,474	4.4%
1999-00	46,300	658,524,900	14,223	3.9%
2000-01	50,600	705,870,000	13,950	4.8%
2001-02	50,370	712,080,690	14,137	4.5%
2002-03	51,003	741,430,611	14,537	5.6%
2003-04	52,519	777,333,719	14,801	5.8%
2004-05	53,382	800,463,090	14,995	5.4%
2005-06	52,972	792,302,204	14,957	4.8%

NOTES:

- (1) Personal income is calculated as per capita personal income multiplied by the City's population.
- (2) Per capita personal income is calculated as median household income divided by median household size (three persons).

SOURCES:

- (1) Population data source - State Department of Finance
- (2) Per capita personal income data source (calculated from median household income) - from U.S. Housing and Urban Development data
- (3) Unemployment rate data source - State Department of Employment Development and U.S. Bureau of Labor Statistics: www.calmis.ca.gov

CITY OF WOODLAND
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND FIVE YEARS AGO

Employer	2006			2001		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Target Distribution Center	800	1	15.79%			
Walgreen Co., Distribution	659	2	13.01%			
Woodland Memorial Hospital	480	3	9.48%			
Woodland Clinic Medical	450	4	8.88%			
Silvercrest/Western Homes	303	5	5.98%			
Pacific Coast Producers	300	6	5.92%			
Fleetwood Homes of California	255	7	5.03%			
Truck Accessories Group Inc.	180	8	3.55%			
Butterfield Electric Inc.	176	9	3.47%			
Skyline Homes - Buddy Homes	165	10	3.26%			
Sherwin-Williams Co.				121	1	2.68%
Sizzler				103	2	2.28%
Western Power Products Inc.				92	3	2.03%
Valley Truck & Tractor				85	4	1.88%
Baby Nutritional Care				80	5	1.77%
Robert's Arco Main				73	6	1.61%
Cache Creek Foods, LLC				64	7	1.42%
Mac Go, Inc.				55	8	1.22%
Rafael's Family Restaurant				48	9	1.06%
Total Top 30 Employers	5,065		74.39%	4,522		15.94%

Source: City Community Development Division.

CITY OF WOODLAND
 FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST FIVE FISCAL YEARS

Function/Program	Full-time-Equivalent Employees as of June 30.				
	2002	2003	2004	2005	2006
Governmental Activities:					
General government	41	40	40	42	40
Public safety					
Police	86	88	91	95	94
Fire	45	45	48	58	62
Public works	71	71	76	89	89
Recreation and parks	38	38	37	38	39
Community development	15	16	19	19	21
Business-type activities:					
Water utility	2	2	2	2	2
Wastewater utility	6	7	7	7	7
Parking	1	1	1	1	1
Storm water	5	5	6	6	8
Total	310	313	327	357	363

NOTES: (1) The employees that support the housing opportunity and other function are included in other primary government functions/programs.

SOURCE: Various City departments.

CITY OF WOODLAND
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST FIVE FISCAL YEARS

Function/Program	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
Governmental Activities:					
General government					
Building permits issued	1,587	1,961	1,998	1,996	2,151
Building inspections conducted	5,757	6,958	8,183	9,621	12,483
Public safety					
Police					
Physical arrests	-	2,656	2,372	3,255	3,177
Traffic violations	-	2,124	3,665	5,942	5,754
Fire					
Emergency responses	4,285	4,104	4,160	4,072	4,171
Fires extinguished	491	266	292	262	260
Inspections	-	2,464	2,398	1,653	1,680
Public works					
Street resurfacing (miles)	8.7	9.8	11.4	13.4	13.7
Potholes repaired	950	922	981	963	984
Recreation and parks					
Athletic field permits issued	-	69	73	84	96
Community center admissions	-	-	-	-	-
Senior center participants	-	71,490	72,919	74,377	75,864
Business-type Activities:					
Water utility					
Number of customers	12,819	13,069	13,069	13,689	13,689
New connections	94	250	-	620	-
Water main breaks	32	44	32	30	33
Average daily consumption (per consumer)	280	306	306	306	305
Wastewater utility					
Average daily sewage treatment (per consumer/ton)	0.19%	0.17%	0.25%	0.26%	0.28%
Parking					
Number of lots	14	14	15	16	17
Average annual maintenance	\$13,992	\$13,486	\$16,545	\$15,830	\$22,962
Storm water					
Storm sewer miles	88	88	88	90	97
Average Daily Flows (mgd)	-	6.6	6.6	6.77	6.6

NOTES:

SOURCE: Various City departments

CITY OF WOODLAND
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
Governmental Activities:					
General government					
Public safety					
Police					
Stations	1	1	1	1	1
Vehicular patrol units	-	-	-	20	20
Fire					
Stations	3	3	3	3	3
Public works					
Streets (miles)	157	167	167	167	183.6
Streetlights	2,726	2,755	2,755	2,855	3,800
Traffic signals	-	55	55	55	57
Recreation and parks					
Parks - Number of developed acres	176.99	176.99	176.99	176.99	178.19
Number of parks	26	29	29	29	29
Number of swimming facilities	2	2	2	2	2
Number of community recreation centers	-	-	-	-	-
Number of senior centers	1	1	1	1	1
Number of bike lanes	33	60	60	60	60
Business-type Activities:					
Water utility					
Number of water connections	12,819	13,069	13,069	13,689	13,689
Billions of gallons sold	5,675,365,560	5,183,290,853	5,336,239,594	4,976,962,505	5,118,798,895
Wastewater utility					
Number of sewer connections	12,819	13,069	13,069	13,689	13,689
Plant treatment capacity (MGD)	7.8	7.8	7.8	7.8	7.8
Plant flow capacity (annual avg)	6.6	6.7	6.8	6.7	6.7
Parking					
Number of lots	14	14	15	16	17
Municipal transit					
Revenue service miles	N/A	N/A	N/A	N/A	N/A
Storm Water					
Miles	88	88	88	90	97

NOTES: N/A = Not available

SOURCE: Various City departments.