

TOWN OF TRUCKEE, CALIFORNIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009



Photo: Steam train arriving in Truckee (courtesy of Laura Sexton)

This page intentionally left blank.

TOWN OF TRUCKEE, CALIFORNIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009

Table of Contents

INTRODUCTORY SECTION

List of Officials i

FINANCIAL SECTION

Independent Auditor's Report..... 1

Management's Discussion and Analysis (Required Supplementary Information) 5

Basic Financial Statements..... 13

Government-Wide Financial Statements

Statement of Net Assets 15

Statement of Activities..... 16

Fund Financial Statements

Governmental Funds 20

 Balance Sheet 20

 Reconciliation of Total Governmental Fund Balances to the Government-Wide
 Statement of Net Assets - Governmental Activities 22

 Statement of Revenues, Expenditures, and Changes in Fund Balances 24

 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
 Balances of Governmental Funds to the Government-Wide Statement of Activities -
 Governmental Activities 26

Proprietary Funds 28

 Statement of Net Assets 28

 Statement of Revenues, Expenses, and Changes in Net Assets 30

 Statement of Cash Flows..... 32

Notes to the Basic Financial Statements

1 Financial Reporting Entity and Summary of Significant Accounting Policies 37

2 Stewardship, Compliance, and Accountability 45

3 Detailed Notes 45

4 Employees' Retirement Plan..... 52

5 Risk Management..... 53

6 Subsequent Events..... 53

7 Other Information 54

(Table of Contents, continued)

<u>Required Supplementary Information (Other than MD&A)</u>	55
Budgetary Comparison Schedule - General Fund	57
Budgetary Comparison Schedule - Measure A - Major Special Revenue Fund	58
Budgetary Comparison Schedule - Impact Fees - Major Special Revenue Fund	59
Budgetary Comparison Schedule - Home Grant - Major Special Revenue Fund.....	60
Notes to Required Supplementary Information.....	62
<u>Combining Fund Statements and Schedules</u>	65
Nonmajor Governmental Funds	
Combining Balance Sheet	69
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances....	70
Special Revenue Funds.....	71
Combining Balance Sheet.....	72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	80
Capital Projects Funds.....	89
Combining Balance Sheet.....	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	91
Debt Service Funds	93
Combining Balance Sheet.....	94
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	95

INTRODUCTORY SECTION

-
- List of Officials

This page intentionally left blank.

TOWN OF TRUCKEE, CALIFORNIA
TOWN COUNCIL
FOR THE YEAR ENDED JUNE 30, 2009

<u>Name</u>	<u>Office</u>
Dr. Mark Brown	Mayor
Carolyn Wallace Dee	Vice Mayor
Richard Anderson	Councilmember
Barbara Green	Councilmember
Joan deRyk Jones	Councilmember

This page intentionally left blank.

FINANCIAL SECTION

-
- Independent Auditor's Report
 - Management's Discussion and Analysis
 - Basic Financial Statements
 - Required Supplementary Information
 - Combining Fund Statements and Schedules

This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

To The Honorable Mayor and
Members of the Town Council
Town of Truckee
Truckee, California

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 Town of Truckee, California (Town), as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 Town as of June 30, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 2009, on our consideration of the Town'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 important for assessing the results of our audit.

The Management's Discussion and Analysis and the Budgetary Comparison Schedules as listed in the table of contents, are not a required part 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 Town's basic financial statements. The introductory section and combining fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements 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 section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.


Smith & Newell CPA's
Yuba City, California
December 2, 2009

This page intentionally left blank.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This page intentionally left blank.

TOWN OF TRUCKEE, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

This discussion and analysis of the Town of Truckee's (Town) financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the accompanying basic financial statements, and the notes to the financial statements.

FINANCIAL HIGHLIGHTS

The Town's government-wide total assets exceeded liabilities (net assets) at the close of the fiscal year by \$135.9 million. Of this amount, \$20.5 million is in unrestricted net assets, which is available to meet the Town's ongoing commitments to citizens and creditors.

The Town's governmental activities ended the year with total net assets of \$135.6 million. Of this balance, \$20.7 million is unrestricted and available for spending at the Town's discretion.

The Town's General Fund ended the year with a fund balance of \$20.5 million. The reserved balance is \$6.4 million. The unreserved designated balance of \$5.3 million is designated for various contingencies and future capital needs and \$8.8 million is unreserved and undesignated and available for spending at the Town's discretion.

The Town did not complete or accept any infrastructure during the fiscal year.

During fiscal 2008 The Town executed the purchase of 19.46 acres from the United States Forest Service for \$5,245,717. In September of 2009 the Town reimbursed itself for this purchase via the issuance of \$5 million of lease revenue bonds. The land is located on the South East corner of the intersection of I80 and Donner Pass Road. The Town entered in to a contract in August of 2009 for the construction of phase 1 of this project.

In November of 2008 the citizens of the Town of Truckee approved "Measure V" a ½ sales tax locally collected to be used for Town roads and drainage and other infrastructure. This passage of this measure effective extended the previously-approved Measure A for an additional 20 years, through 2080.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. These statements include all activities of the Town of Truckee using the integrated approach as prescribed by GASB Statement No. 34. The Statement of Net Assets and Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements tell how these services are financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside the Government.

GOVERNMENT- WIDE STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances. These statements include all assets and liabilities of the Town using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received.

The Statement of Net Assets presents information on all the Town'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 one indicator of whether the Town's financial position is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net assets changed in the most recent fiscal year. All changes of net assets are reported as soon as the underlying event giving rise to the change occurs.

Thus, revenues and expenses are reported on this statement for some items that will result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

TOWN OF TRUCKEE, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

The government-wide financial statements of the Town are divided as follows:

Governmental Activities: Most of the Town's basic services are included here such as public safety, transportation (street and roads), community development and general government. These services are primarily financed by property and sales taxes, federal and state grants, and development fees.

Business-type Activities: The Town charges fees to customers to cover the costs of services provided. The Town's solid waste removal service, parking, building & safety, and transit services are included here.

The government-wide financial statements can be found on pages 15, 16 and 17 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Town's most significant funds, not the Town as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State Law or by bond covenants. Management establishes other funds to control and manage money for particular purposes or to show the Town is meeting legal responsibilities for using certain taxes, grants, and other money. All the funds of the Town can be classified into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information is useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the 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. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide reconciliations between governmental funds and governmental activities. These reconciliations explain the relationship (or differences) between the fund statements and the government-wide statements. The basic governmental fund financial statements can be found on pages 20-26 of this report.

Proprietary Funds. The Town utilizes enterprise funds (one type of proprietary fund) to account for those activities that are supported primarily by user charges to external users, specifically solid waste removal service, parking, building & safety, and transit services. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Parking, Solid Waste, Transit and Building divisions. The basic proprietary fund financial statements can be found on pages 28-33 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the Town cannot use these funds to finance its operations. The Town currently has no fiduciary funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund statements. The notes to the financial statements can be found on pages 37-54 of this report.

TOWN OF TRUCKEE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Below is a table showing the Town's net assets for the fiscal year ended June 30, 2009.

**Town of Truckee
Net Assets**
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total Activities		Total Percentage Change
	2008	2009	2008	2009	2008	2009	
Current and other assets	\$ 59,121	\$ 62,137	\$ (484)	\$ 332	\$ 58,637	\$ 62,469	7%
Capital assets	90,206	94,996	658	543	90,864	95,539	5%
Total assets	149,327	157,133	174	875	149,501	158,008	6%
Current Liabilities	13,688	15,342	87	487	13,775	15,829	15%
Long-term debt outstanding	6,197	6,187	60	60	6,257	6,247	0%
Total liabilities	19,885	21,529	147	547	20,032	22,076	
Net assets							
Invested in capital assets net of related debt	84,576	89,390	658	543	85,234	89,933	6%
Restricted	25,868	25,487	-	-	25,868	25,487	-1%
Unrestricted	18,998	20,727	(631)	(215)	18,367	20,512	12%
Total net assets	\$ 129,442	\$ 135,604	\$ 28	\$ 328	\$ 129,469	\$ 135,932	

As of June 30, 2009, the Town's government-wide total assets exceeded liabilities (net assets) by \$135.9 million. Governmental activities finished the year with a positive net asset balance, \$135.6 million. Business type activities finished the year with a positive balance of \$.328 million. Net assets as noted earlier may serve over time as a useful indicator of the Town's financial position.

Of the total net assets, \$89.9 million is the Town's investment in capital assets (e.g. land, buildings and improvements, machinery and equipment and the road network) less any related debt used to acquire those assets that is still outstanding. The Town added no roadways infrastructure in 2009 and expended \$5.2 million towards the purchase of land for a future Public Service Facility in 2008.

The Town's long-term liabilities include debt incurred to acquire the Town's administrative facility and compensated absences payable. The Town's administrative facility is utilized to provide services to citizens and is not available for future spending. The repayment of the debt on this asset must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net assets amount to \$25.5 million or 18.7% of total net assets. Restricted net assets are those resources that are subject to external restrictions on how they may be used. These restrictions are established by bond covenants or restrictions on the use of funds by state or federal regulations.

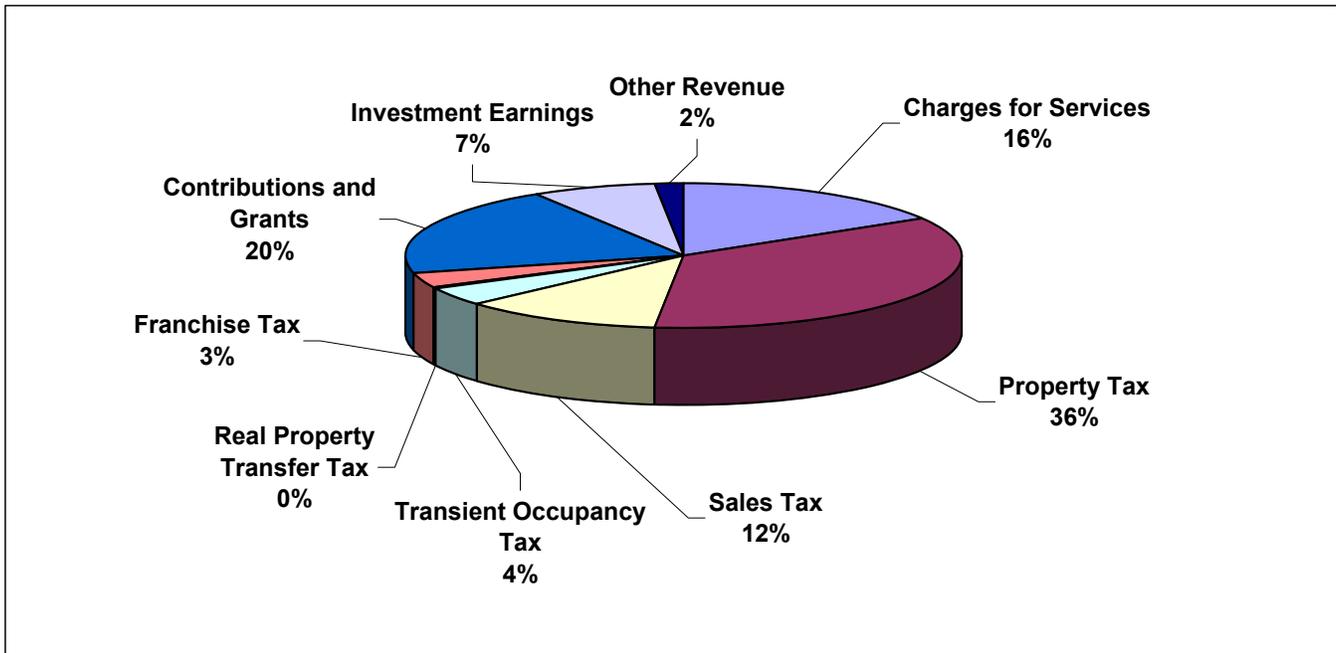
TOWN OF TRUCKEE, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

Unrestricted net assets are those resources which may be used to meet the Town's ongoing commitments to citizens and creditors. Government-wide unrestricted net assets are \$20.5 million or 15% of the total net assets. Governmental activities account for \$20.7 million or 101% of the total unrestricted net assets. Business-type activities account for \$(.215) million or (.1)% of the total. This negative unrestricted net asset position is due to deficits in the parking and building funds as shown on page 28 of this report. The Town can use unrestricted net assets to finance the continuing operations of the solid waste and transit funds. Negative net assets in the building funds are financed by a loan from the general fund. The Parking's fund negative net assets represent short term payables that will be financed in the near term from the General Fund. The Parking District sold the majority of its capital assets to the Redevelopment Agency during the year and expects to turn over its long term to leases to the Agency. It is expected that the Parking District will operate at a break even or better in coming fiscal years. The building fund decreased revenues by 41% due to the tightening in the economy and its effect on the building market and reduced expenses by 26% to address the negative operations and net assets in the fund. The building division will continue to reduce costs during the down turn in new construction.

REVENUES

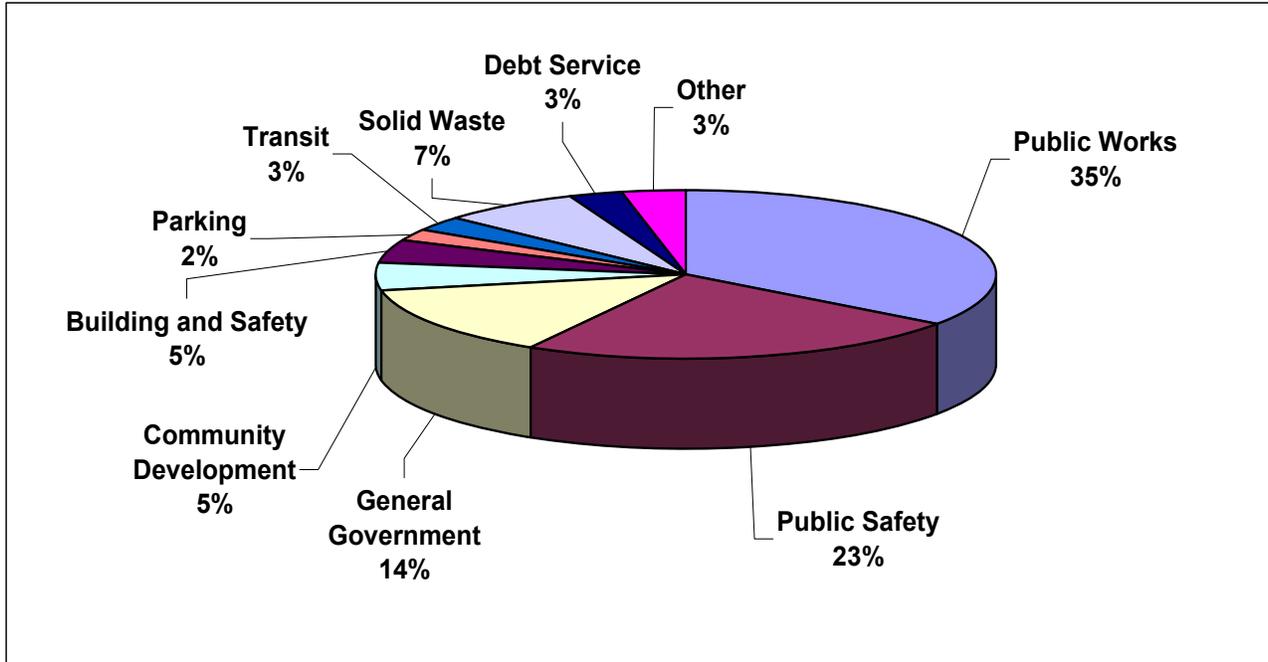


TOWN OF TRUCKEE, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

EXPENSES



GOVERNMENTAL ACTIVITIES

Governmental activities account for \$135.6 million or 99.7% of the total Government-wide net assets. The following lists key components of net assets and highlights the changes between fiscal 2008 and fiscal 2009 for both Governmental Activities and Business-type Activities:

	Governmental Activities		Business-type Activities		Total Activities		Total Percentage Change
	2008	2009	2008	2009	2008	2009	
Revenues							
<i>Program Revenues</i>							
Charges for services	\$ 4,165	\$ 1,930	\$ 4,059	\$ 3,499	\$ 8,224	\$ 5,429	-34%
Operating grants and contributions	1,248	2,172	640	737	\$ 1,888	\$ 2,909	54%
Capital grants and contributions	9,695	2,334	-	-	\$ 9,695	\$ 2,334	-76%
<i>General Revenues</i>							
Property taxes	11,532	11,648	-	-	\$ 11,532	\$ 11,648	1%
Sales taxes	4,210	3,821	-	-	\$ 4,210	\$ 3,821	-9%
Transient occupancy tax	1,435	1,334	-	-	\$ 1,435	\$ 1,334	-7%
Other taxes	2,494	1,200	-	-	\$ 2,494	\$ 1,200	-52%
Investment earnings	2,685	2,387	17	10	\$ 2,702	\$ 2,397	-11%
Other revenue	780	1,865	85	65	\$ 865	\$ 1,930	123%
Total revenues	38,244	28,691	4,801	4,311	43,045	33,002	

TOWN OF TRUCKEE, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

	Governmental Activities		Business-type Activities		Total Activities		Total Percentage Change
	2008	2009	2008	2009	2008	2009	
Expenses							
General government	3,907	3,644	-	-	3,907	3,644	-7%
Public safety	6,321	6,212	-	-	6,321	6,212	-2%
Public works	8,437	9,263	-	-	8,437	9,263	10%
Community development	5,595	1,362	-	-	5,595	1,362	-76%
Transit	-	-	683	689	683	689	1%
Solid Waste	-	-	1,954	1,984	1,954	1,984	2%
Building & Safety	-	-	1,636	1,203	1,636	1,203	-26%
Parking	-	-	569	593	569	593	4%
Interest on long-term debt	707	710	-	-	707	710	0%
Other	896	880	-	-	896	880	-2%
Total expenses	25,863	22,071	4,842	4,469	30,705	26,540	
Excess (deficiency) before transfers	12,381	6,620	(41)	(158)	12,340	6,462	
Transfers	12	(458)	(12)	458	-	-	
Increase (decrease) in net assets	\$ 12,393	\$ 6,162	\$ (53)	\$ 300	\$ 12,340	\$ 6,462	

Total governmental revenues for the year were \$28.7 million, a decrease of \$9.5 million or 25% when compared to 2008. The decrease in revenues is largely due to decreased grant revenues; in 2008 the Town received \$8.5 million in operating and capital grants and contributions exclusive of \$2.4 of road capital contributions compared with \$4.5 million in 2009. HOME and California Housing & Community Development grants represent a \$5.2 million decrease while public works and other grants decreased compared with 2008. Charges for services decreased due to the drop in development driven impact fees and also due to the collection of a one time \$6M amount in impact fees from a neighboring county. Property taxes increased 1% while sales taxes decreased 9.3% compared with 2008 continuing to show the slow down in the economy. Taxes, which include property, sales, and other taxes account for \$18.0 million or 63.7% of the Town's governmental activities revenue. Without capital grants, taxes would be 69.5% of the Town's governmental activities revenue.

Total governmental expenses for the year were \$22.1 million as compared to \$25.86 million, a 15% decrease when compared with 2008. The primary factors driving decreased expenses are reduced grant-related expenditures as well as operating expense decreases in reaction to anticipated slow down or decreased tax revenues.

BUSINESS-TYPE ACTIVITIES

Business-type activities account for \$(.215) million or (1)% of the total Government-wide unrestricted net assets. The increase in net assets is the result of net losses in the Town's building & safety fund, offset by the sale of the Parking District's assets to the Redevelopment Agency as well as a transfer in from the General Fund. Revenues increased in the solid waste and parking funds while decreasing in the building fund. Solid waste revenue increased 4.1% compared to 2008 due to budgeted rate increases. Total parking fund revenue increased 4.2% compared to 2008 due to increased fines due to collections from 2009 enforcement efforts. Building revenue decreased by 41.2% compared to 2008 due the continued fall off of building construction throughout the Town and the Country. Budgeted increases in solid waste revenue resulted in increased expenses of 1.6%.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds. All of the Town's governmental funds ended the year with positive fund balances. The ending fund balance for all funds is \$45.98 million. Of the total fund balance, \$33.9 million or 73.6% is unreserved/undesignated, which is available for spending at the Town's discretion, within the limitations of the fund's purpose.

The general fund is the chief operating fund of the Town. As of June 30, 2009 the total fund balance of the general fund was \$20.5 million with \$5.0 million reserved for advances to the Town's redevelopment agency, \$75,000 reserved for self-insurance, \$1.3 million reserved for long term notes receivable and \$5.3 million in unreserved/designated funds for contingencies, equipment replacement, facilities construction and capital projects.

TOWN OF TRUCKEE, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

Total governmental revenues exceeded expenditures by \$1.8 million primarily as a result budgetary savings and the accumulation of special revenue funds for impact fees and road construction and maintenance to be used for future capital projects.

Proprietary Funds. The Town's solid waste and transit enterprise funds ended the year with positive unrestricted net assets; parking and building funds ended the year with negative unrestricted net assets.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund Budgetary Comparison Schedule is shown on page 57. There were no significant changes to the original budget.

Actual revenues were less than budgeted revenues primarily as a result of lower than anticipated taxes and assessments. Property taxes, sales taxes, real property transfer tax, and motor vehicle privilege tax were the primary contributors to the lower than anticipated tax revenues.

Actual expenditures were lower than budgeted expenditures as a result of budgetary savings, primarily as a reaction to the lower than budgeted revenues, and deferral of capital project costs into later years.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounts to \$95.0 million (net of depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and the road network.

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2008	2009	2008	2009	2008	2009	
Right of way	\$ 40,913	\$ 40,913	\$ -	\$ -	\$ 40,913	\$ 40,913	0.0%
Land	8,047	8,195	-	-	\$ 8,047	\$ 8,195	1.8%
Construction in progress	3,645	10,307	-	-	\$ 3,645	\$ 10,307	182.8%
Buildings and improvements	8,084	8,061	140	30	\$ 8,224	\$ 8,091	-1.6%
Equipment	6,074	5,562	518	513	\$ 6,592	\$ 6,075	-7.8%
Infrastructure	23,443	21,957	-	-	\$ 23,443	\$ 21,957	-6.3%
TOTALS	\$ 90,206	\$ 94,995	\$ 658	\$ 543	\$ 90,864	\$ 95,538	

Major capital asset additions this year were due to the addition of projects still in construction at year end, primarily the Donner Pass Road Erosion Control and Bike Lane project, the pre-construction work on the Public Service Facility, Truckee River Trail Projects, Slurry Seal projects and others.

Additional information on the Town's capital assets can be found in note 3 on page 48.

Long-term Debt. The Town's long-term debt as of June 30, 2009 was \$6.4 million. The majority of the Town's debt is lease revenue bonds used to acquire the Town's current administrative office facility. Additional information on the Town's long-term debt, including business-type activities debt, can be found in note 3 on page 49.

General obligation debts are direct obligations of the Town and are backed by the full faith and credit of the Town requiring voter approval, and may have a tax rate set to cover repayment. State statues limit the amount of general obligation debt to 15% of the Town's total assessed valuation which was \$5,226.3 million in fiscal 2009. The Town of Truckee's debt limit is \$783.9 million. The Town currently has no general obligation debt outstanding.

TOWN OF TRUCKEE, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

The Town continues to experience a slow down in residential growth. During the budget process for fiscal 2010 it was estimated that 40 new single-family units would be constructed within the Town, compared with 150 budgeted units and 34 actual units in fiscal 2009. Non-residential growth is also estimated to be lower in 2010 when compared to 2009. These negative growth factors as well as the changing economy statewide were utilized in developing the Town's revenue estimates.

Total Town-wide expenditures excluding debt service, overlay reserve and capital expenditures were projected to decrease approximately 5.29% compared with 2009 budgeted expenditures. There were decreases in regular employee staffing levels in the 2010 budget, primarily as a result of matching staffing levels to customer demands resulting in a 1.3% decrease in personnel costs. Overall service and supply costs are expected to decline 8.77% below the 2009 budget due to cuts in all areas.

The Town's general fund is currently contributing approximately \$.8 million to the Town's capital programs as well as \$.5 million reserved for street overlay maintenance along with almost \$13M in designated and undesignated reserves toward the Public Service Facility. The Town Council has also designated \$3.4 million (16.7% of revenues) of general fund balance to be reserved for contingencies.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town of Truckee's finances and to demonstrate the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Administrative Services Director, Town of Truckee, 10183 Truckee Airport Road, Truckee, CA, 96161-3306.

BASIC FINANCIAL STATEMENTS

Government Wide Financial Statements

This page intentionally left blank.

TOWN OF TRUCKEE, CALIFORNIA

STATEMENT OF NET ASSETS

JUNE 30, 2009

<u>ASSETS</u>	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 45,741,779	\$ 473,038	\$ 46,214,817
Cash with fiscal agent	130,808	-	130,808
Accounts receivable	740,379	178,182	918,561
Interest receivable	291,190	699	291,889
Taxes receivable	1,381,440	-	1,381,440
Internal balances	319,607	(319,607)	-
Due from other governments	1,099,042	-	1,099,042
Prepaid costs and deposits	61,594	-	61,594
Long-term receivables	5,957,199	-	5,957,199
Loans receivable	6,214,410	-	6,214,410
Land held for resale	200,000	-	200,000
Capital assets:			
Non-depreciable assets	59,414,797	-	59,414,797
Depreciable assets, net of depreciation	35,581,071	542,828	36,123,899
Total capital assets	<u>94,995,868</u>	<u>542,828</u>	<u>95,538,696</u>
Total Assets	<u>157,133,316</u>	<u>875,140</u>	<u>158,008,456</u>
 <u>LIABILITIES</u>			
Accounts Payable	2,115,166	444,625	2,559,791
Salaries and benefits payable	482,600	20,283	502,883
Deposits payable	889,870	7,749	897,619
Unearned revenue	11,716,854	-	11,716,854
Long-term liabilities			
Due within one year	137,624	13,982	151,606
Due in more than one year	6,187,107	60,417	6,247,524
Total Liabilities	<u>21,529,221</u>	<u>547,056</u>	<u>22,076,277</u>
 <u>NET ASSETS</u>			
Invested in capital assets, net of related debt	89,390,564	542,828	89,933,392
Restricted for:			
Capital Projects	3,585,115	-	3,585,115
Debt service	132,687	-	132,687
Grants, taxes, and fees	21,768,879	-	21,768,879
Unrestricted	20,726,850	(214,744)	20,512,106
Total Net Assets	<u>\$ 135,604,095</u>	<u>\$ 328,084</u>	<u>\$ 135,932,179</u>

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

TOWN OF TRUCKEE, CALIFORNIA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2009

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	3,643,850	28,510	150,158	1,096,875
Public safety	6,211,871	519,786	247,100	-
Public works	9,262,667	1,169,346	1,796,576	1,205,377
Community development	1,361,543	212,046	(21,750)	31,718
Facilities	880,198	-	-	-
Interest on long-term debt	710,238	-	-	-
Total Governmental Activities	22,070,367	1,929,688	2,172,084	2,333,970
Business-type activities:				
Parking	592,971	508,476	-	-
Solid waste	1,984,170	1,974,407	12,500	-
Building and safety	1,203,069	955,970	-	-
Transit	689,259	60,140	724,220	-
Total Business-type Activities	4,469,469	3,498,993	736,720	-
Total	\$ 26,539,836	\$ 5,428,681	\$ 2,908,804	\$ 2,333,970

TOWN OF TRUCKEE, CALIFORNIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Net (Expense) Revenue and Changes in Net Assets

<u>FUNCTIONS/PROGRAMS</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental activities:			
General government	(2,368,307)	-	(2,368,307)
Public safety	(5,444,985)	-	(5,444,985)
Public works	(5,091,368)	-	(5,091,368)
Community development	(1,139,529)	-	(1,139,529)
Facilities	(880,198)	-	(880,198)
Interest on long-term debt	(710,238)	-	(710,238)
Total Governmental Activities	(15,634,625)	-	(15,634,626)
Business-type activities:			
Parking	-	(84,495)	(84,495)
Solid waste	-	2,737	2,737
Building and safety	-	(247,099)	(247,099)
Transit	-	95,101	95,101
Total Business-type Activities	-	(233,756)	(233,756)
Total	\$ (15,634,625)	\$ (233,756)	\$ (15,868,382)
General revenues:			
Taxes:			
Property taxes	11,647,733	-	11,647,733
Sales and use taxes	3,820,861	-	3,820,861
Transient occupancy taxes	1,333,991	-	1,333,991
Property transfer taxes	143,005	-	143,005
Franchise taxes	1,057,390	-	1,057,390
Grants and contributions - unrestricted	1,426,370	-	1,426,370
Interest and investment earnings	2,387,409	10,026	2,397,435
Miscellaneous	438,426	65,917	504,343
Transfers	(458,264)	458,264	-
Total General Revenues and Transfers	21,796,921	534,207	22,331,128
Change in Net Assets	6,162,296	300,451	6,462,746
Net Assets - Beginning	129,441,799	27,633	129,469,432
Net Assets - Ending	\$ 135,604,095	\$ 328,084	\$ 135,932,178

Continued (Page 2 of 2)

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

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

Fund Financial Statements

TOWN OF TRUCKEE, CALIFORNIA

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2009

ASSETS	General	Measure A / Measure V	Impact Fees	HOME Grant
Cash and investments	\$ 13,991,329	\$ 6,366,932	\$ 6,847,179	\$ 21,554
Cash with fiscal agent	-	-	-	-
Accounts receivable	110,122	-	-	-
Interest receivable	93,844	51,892	46,530	128
Taxes receivable	964,517	227,300	-	-
Due from other funds	390,169	-	-	-
Due from other governments	37,924	-	7,880	-
Prepaid costs and deposits	16,195	-	-	-
Advances to other funds	5,004,418	-	-	-
Long-term interest receivable	-	-	-	582,643
Notes receivable	1,335,171	-	-	4,039,385
Loans receivable	-	-	-	4,628,006
RDA land held for resale	-	-	-	-
Total Assets	\$ 21,943,689	\$ 6,646,124	\$ 6,901,589	\$ 9,271,716
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 390,194	\$ -	\$ 2,205	\$ 885
Salaries and benefits payable	472,908	-	-	-
Deposits payable	474,073	-	-	-
Due to other funds	-	-	-	13,776
Unearned revenue	118,360	-	-	9,250,034
Advances from other funds	-	-	-	-
Total Liabilities	1,455,535	-	2,205	9,264,695
FUND BALANCES				
Reserved for:				
Self insurance retention	75,000	-	-	-
Advances	5,004,418	-	-	-
RDA land held for resale	-	-	-	-
Notes receivable	1,335,171	-	-	-
Loans receivable	-	-	-	-
Debt service	-	-	-	-
Unreserved, reported in:				
General				
Designated	5,296,661	-	-	-
Undesignated	8,776,904	-	-	-
Special Revenue				
Undesignated	-	6,646,124	6,899,384	7,021
Capital Projects				
Undesignated	-	-	-	-
Total Fund Balances	20,488,154	6,646,124	6,899,384	7,021
Total Liabilities and Fund Balances	\$ 21,943,689	\$ 6,646,124	\$ 6,901,589	\$ 9,271,716

TOWN OF TRUCKEE, CALIFORNIA

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2009

ASSETS	Capital Projects	Redevelopment Capital Projects	Other Governmental Funds	Total Governmental Funds
Cash and investments	\$ 1,313,959	\$ 6,629,574	\$ 10,571,252	\$ 45,741,779
Cash with fiscal agent	-	-	130,808	130,808
Accounts receivable	619,308	-	-	729,430
Interest receivable	-	43,085	55,711	291,190
Taxes receivable	-	144,712	99,993	1,436,522
Due from other funds	-	-	-	390,169
Due from other governments	-	-	50,985	96,789
Prepaid costs and deposits	43,988	-	1,411	61,594
Advances to other funds	-	-	-	5,004,418
Long-term interest receivable	-	-	-	582,643
Notes receivable	-	-	-	5,374,556
Loans receivable	-	11,859	1,574,542	6,214,407
RDA land held for resale	-	200,000	-	200,000
Total Assets	\$ 1,977,255	\$ 7,029,230	\$ 12,484,702	\$ 66,254,305
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,186,304	\$ 452,366	\$ 83,212	\$ 2,115,166
Salaries and benefits payable	1,884	3,681	4,127	482,600
Deposits payable	410,046	-	5,751	889,870
Due to other funds	-	-	56,786	70,562
Unearned revenue	-	3,720	2,344,740	11,716,854
Advances from other funds	-	5,004,418	-	5,004,418
Total Liabilities	1,598,234	5,464,185	2,494,616	20,279,470
FUND BALANCES				
Reserved for:				
Self insurance retention	-	-	-	75,000
Advances	-	-	-	5,004,418
RDA land held for resale	-	200,000	-	200,000
Notes receivable	-	-	-	1,335,171
Loans receivable	-	11,859	72,448	84,307
Debt service	-	-	132,687	132,687
Unreserved, reported in:				
General				
Designated	-	-	-	5,296,661
Undesignated	-	-	-	8,776,904
Special Revenue				
Undesignated	-	-	8,143,902	21,696,431
Capital Projects				
Undesignated	379,021	1,353,186	1,641,049	3,373,256
Total Fund Balances	379,021	1,565,045	9,990,086	45,974,835
Total Liabilities and Fund Balances	\$ 1,977,255	\$ 7,029,230	\$ 12,484,702	\$ 66,254,305

Continued (Page 2 of 2)

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

TOWN OF TRUCKEE, CALIFORNIA

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS -
GOVERNMENTAL ACTIVITIES

JUNE 30, 2009

Total Governmental Fund Balances	\$ 45,974,835
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	94,995,868
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	(6,324,731)
Under the modified accrual basis of accounting used in governmental funds, revenues are not recognized for transactions that do not represent available financial resources. In the Statement of Activities, however, revenues and assets are reported regardless of when financial resources are available.	
Accounts receivable	<u>958,123</u>
Net Assets of Governmental Activities	<u><u>\$ 135,604,095</u></u>

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

This page intentionally left blank.

TOWN OF TRUCKEE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

REVENUES	General	Measure A / Measure V	Impact Fees	HOME Grant
Taxes and assessments	\$ 14,510,036	\$ 1,582,838	\$ -	\$ -
Licenses and permits	34,495	-	-	-
Fines and forfeitures	363,114	-	-	-
Use of money and property	776,686	270,784	262,726	793
Intergovernmental revenues	1,552,738	-	-	16,664
Charges for services	847,948	-	323,988	-
Other revenues	358,715	-	-	-
Total Revenues	18,443,732	1,853,622	586,714	17,457
EXPENDITURES				
Current:				
General government	3,064,527	-	391	-
Public safety	5,774,481	-	-	-
Public works	5,155,460	-	-	-
Community development	864,318	-	-	17,964
Facilities	881,002	-	-	-
Capital outlay	181,580	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total Expenditures	15,921,368	-	391	17,964
Excess of Revenues Over (Under) Expenditures	2,522,364	1,853,622	586,323	(507)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,930,173	-	-	-
Transfers out	(2,699,450)	(2,803,262)	(1,013,101)	(17,423)
Total Other Financing Sources (Uses)	(769,277)	(2,803,262)	(1,013,101)	(17,423)
Net Change in Fund Balances	1,753,087	(949,640)	(426,778)	(17,930)
Fund Balances - Beginning	18,735,067	7,595,764	7,326,162	24,951
Fund Balances - Ending	\$ 20,488,154	\$ 6,646,124	\$ 6,899,384	\$ 7,021

TOWN OF TRUCKEE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

REVENUES	Capital Projects	Redevelopment Capital Projects	Other Governmental Funds	Total Governmental Funds
Taxes and assessments	\$ -	\$ 1,298,899	\$ 2,235,027	\$ 19,626,800
Licenses and permits	-	-	-	34,495
Fines and forfeitures	-	-	11,556	374,670
Use of money and property	13,788	236,220	319,012	1,880,009
Intergovernmental revenues	1,144,446	22,257	1,490,489	4,226,594
Charges for services	-	-	867,219	2,039,155
Other revenues	56,982	-	67,779	483,476
Total Revenues	1,215,216	1,557,376	4,991,082	28,665,199
 EXPENDITURES				
Current:				
General government	154,327	-	114,873	3,334,118
Public safety	-	-	163,898	5,938,379
Public works	1,722,496	-	58,533	6,936,489
Community development	-	336,518	135,035	1,353,835
Facilities	-	-	-	881,002
Capital outlay	6,966,457	277,571	230,130	7,655,738
Debt service				
Principal	-	-	160,000	160,000
Interest and other charges	-	324,916	250,473	575,389
Total Expenditures	8,843,280	939,005	1,112,942	26,834,950
Excess of Revenues Over (Under) Expenditures	(7,628,064)	618,371	3,878,140	1,830,249
 OTHER FINANCING SOURCES (USES)				
Transfers in	6,810,626	1,652	450,876	9,193,327
Transfers out	(41,549)	(599,053)	(2,477,753)	(9,651,591)
Total Other Financing Sources (Uses)	6,769,077	(597,401)	(2,026,877)	(458,264)
Net Change in Fund Balances	(858,987)	20,970	1,851,263	1,371,985
Fund Balances - Beginning	1,238,008	1,544,075	8,138,823	44,602,850
Fund Balances - Ending	\$ 379,021	\$ 1,565,045	\$ 9,990,086	\$ 45,974,835

Continued (Page 2 of 2)

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

TOWN OF TRUCKEE, CALIFORNIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Net Change in Fund Balances - Total Governmental Funds	\$ 1,371,985
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$7,655,087) exceeded depreciation expense (\$2,856,232) in the current period.	4,799,506
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. The additional net effect of various transactions involving capital assets (i.e. sales) is a decrease to net assets.	(9,808)
Some revenues reported in the Statement of Activities will not be collected for several months after the Town's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds (\$958,123). Some revenues reported in prior year Statement of Activities were recognized in the governmental funds in current year (\$932,397).	25,726
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayment exceeded proceeds.	160,000
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 the governmental funds.	
Change in compensated absences	(50,264)
Amortization of bond discount, cost of issuance and refunding difference	(134,849)
Change in Net Assets of Governmental Activities	<u>\$ 6,162,296</u>

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

This page intentionally left blank.

TOWN OF TRUCKEE, CALIFORNIA

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS

JUNE 30, 2009

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Parking</u>	<u>Solid Waste</u>	<u>Building and Safety</u>
<u>ASSETS</u>			
Current Assets			
Cash and investments	\$ 250	\$ 282,443	\$ 100
Accounts receivable	52	98,739	991
Interest receivable	-	699	-
Total Current Assets	<u>302</u>	<u>381,881</u>	<u>1,091</u>
Noncurrent Assets			
Capital Assets			
Depreciable capital assets	24,542	36,305	325,301
Less: accumulated depreciation	<u>(5,908)</u>	<u>(10,805)</u>	<u>(273,874)</u>
Total Noncurrent Assets	<u>18,634</u>	<u>25,500</u>	<u>51,427</u>
Total Assets	<u>18,936</u>	<u>407,381</u>	<u>52,518</u>
<u>LIABILITIES</u>			
Current Liabilities			
Accounts Payable	9,970	281,503	8,406
Salaries & benefits payable	7,707	1,682	10,083
Deposits payable	-	-	7,749
Due to other funds	452	-	319,155
Compensated Absences	<u>5,222</u>	<u>202</u>	<u>7,986</u>
Total Current Liabilities	<u>23,351</u>	<u>283,387</u>	<u>353,379</u>
Noncurrent Liabilities			
Compensated absences	<u>9,108</u>	<u>8,085</u>	<u>37,777</u>
Total Noncurrent Liabilities	<u>9,108</u>	<u>8,085</u>	<u>37,777</u>
Total Liabilities	<u>32,459</u>	<u>291,472</u>	<u>391,156</u>
<u>NET ASSETS</u>			
Invested in capital assets	18,634	25,500	51,427
Unrestricted	<u>(32,157)</u>	<u>90,409</u>	<u>(390,065)</u>
Total Net Assets	<u>\$ (13,523)</u>	<u>\$ 115,909</u>	<u>\$ (338,638)</u>

TOWN OF TRUCKEE, CALIFORNIA

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS

JUNE 30, 2009

	<u>Transit</u>	<u>Totals</u>
<u>ASSETS</u>		
Current Assets		
Cash and investments	\$ 190,245	\$ 473,038
Accounts receivable	78,400	178,182
Interest receivable	-	699
Total Current Assets	<u>268,645</u>	<u>651,919</u>
Noncurrent Assets		
Capital Assets		
Depreciable capital assets	700,211	1,086,359
Less: accumulated depreciation	<u>(252,944)</u>	<u>(543,531)</u>
Total Noncurrent Assets	<u>447,267</u>	<u>542,828</u>
Total Assets	<u>715,912</u>	<u>1,194,747</u>
<u>LIABILITIES</u>		
Current Liabilities		
Accounts Payable	144,746	444,625
Salaries & benefits payable	811	20,283
Deposits payable	-	7,749
Due to other funds	-	319,607
Compensated Absences	<u>572</u>	<u>13,982</u>
Total Current Liabilities	<u>146,129</u>	<u>806,246</u>
Noncurrent Liabilities		
Compensated absences	<u>5,447</u>	<u>60,417</u>
Total Noncurrent Liabilities	<u>5,447</u>	<u>60,417</u>
Total Liabilities	<u>151,576</u>	<u>866,663</u>
<u>NET ASSETS</u>		
Invested in capital assets	447,267	542,828
Unrestricted	<u>117,069</u>	<u>(214,744)</u>
Total Net Assets	<u>\$ 564,336</u>	<u>\$ 328,084</u>

Continued (Page 2 of 2)

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

TOWN OF TRUCKEE, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds		
	Parking	Solid Waste	Building and Safety
<u>OPERATING REVENUES</u>			
Charges for services	\$ 355,599	\$ 1,974,407	\$ 955,870
Fines and forfeitures	152,877	-	100
Other revenues	421	-	939
Total Operating Revenues	508,897	1,974,407	956,909
<u>OPERATING EXPENSES</u>			
Salaries and benefits	258,710	137,789	790,971
Services and supplies	271,054	1,842,793	391,533
Depreciation	30,124	3,588	20,565
Total Operating Expenses	559,888	1,984,170	1,203,069
Operating Income (Loss)	(50,991)	(9,763)	(246,160)
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Intergovernmental revenues	-	12,500	-
Interest income	416	790	-
Interest expense	(16,003)	-	-
Gain (loss) on sale of assets	(17,080)	-	-
Total Non-Operating Revenues (Expenses)	(32,667)	13,290	-
Income (Loss) before Transfers	(83,658)	3,527	(246,160)
Transfers in	468,233	-	3,854
Transfers out	-	-	(13,823)
Change in Net Assets	384,575	3,527	(256,129)
Total Net Assets - Beginning	(398,098)	112,382	(82,509)
Total Net Assets - Ending	\$ (13,523)	\$ 115,909	\$ (338,638)

TOWN OF TRUCKEE, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Transit	Totals
<u>OPERATING REVENUES</u>		
Charges for services	\$ 60,140	\$ 3,346,016
Fines and foreitures	-	152,977
Other revenues	64,557	65,917
Total Operating Revenues	124,697	3,564,910
<u>OPERATING EXPENSES</u>		
Salaries and benefits	64,007	1,251,477
Services and supplies	556,081	3,061,461
Depreciation	69,171	123,448
Total Operating Expenses	689,259	4,436,386
Operating Income (Loss)	(564,562)	(871,476)
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Intergovernmental revenues	724,220	736,720
Interest income	8,820	10,026
Interest expense	-	(16,003)
Gain (loss) on sale of assets	-	(17,080)
Total Non-Operating Revenues (Expenses)	733,040	713,663
Income (Loss) before Transfers	168,478	(157,813)
Transfers in	-	472,087
Transfers out	-	(13,823)
Change in Net Assets	168,478	300,451
Total Net Assets - Beginning	395,858	27,633
Total Net Assets - Ending	\$ 564,336	\$ 328,084

Continued (Page 2 of 2)

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

TOWN OF TRUCKEE, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Parking</u>	<u>Solid Waste</u>	<u>Building and Safety</u>	<u>Transit</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Receipts from customers	\$ 508,996	\$ 1,979,463	\$ 956,238	\$ 106,553
Payments to suppliers	(266,346)	(1,565,825)	(388,467)	(422,804)
Payments to employees	(258,147)	(135,493)	(811,387)	(63,494)
Net Cash Provided (Used) by Operating Activities	(15,497)	278,145	(243,616)	(379,745)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Intergovernmental revenues received	-	12,500	-	666,491
Transfers from other funds	468,234	-	3,852	-
Transfers to other funds	-	-	(13,823)	-
Interfund loans received	-	-	267,409	-
Interfund loans repaid	(703,699)	(9,110)	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(235,465)	3,390	257,438	666,491
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Acquisition of capital assets	(11,032)	-	(13,822)	(277,585)
Proceeds from the sale of capital assets	277,571	-	-	-
Interest paid on debt	(16,003)	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	250,536	-	(13,822)	(277,585)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest received on investments	416	908	-	8,154
Net Cash Provided (Used) by Investing Activities	416	908	-	8,154
Net Increase (Decrease) in Cash and Cash Equivalents	(10)	282,443	-	17,315
Balances - Beginning of the Year	260	-	100	172,930
Balances - End of the Year	\$ 250	\$ 282,443	\$ 100	\$ 190,245
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>				
Operating income (loss)	\$ (50,992)	\$ (9,764)	\$ (246,161)	\$ (564,560)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	30,124	3,588	20,565	69,171
Decrease (increase) in:				
Accounts receivable	100	5,058	(991)	(18,145)
Prepaid costs	-	-	851	-
Increase (decrease) in:				
Accounts payable	4,708	276,967	2,217	133,276
Salaries and benefits payable	(2,453)	(2,053)	(22,783)	(566)
Deposits payable	-	-	318	-
Compensated absences	3,016	4,349	2,368	1,079
Net Cash Provided (Used) by Operating Activities	\$ (15,497)	\$ 278,145	\$ (243,616)	\$ (379,745)

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

TOWN OF TRUCKEE, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from customers	\$ 3,551,250
Payments to suppliers	(2,643,442)
Payments to employees	(1,268,521)
	Net Cash Provided (Used) by Operating Activities (360,713)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Intergovernmental revenues received	678,991
Transfers from other funds	472,086
Transfers to other funds	(13,823)
Interfund loans received	267,409
Interfund loans repaid	(712,809)
	Net Cash Provided (Used) by Noncapital Financing Activities 691,854
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Acquisition of capital assets	(302,439)
Proceeds from the sale of capital assets	277,571
Interest paid on debt	(16,003)
	Net Cash Provided (Used) by Capital and Related Financing Activities (40,871)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest received on investments	9,478
	Net Cash Provided (Used) by Investing Activities 9,478
	Net Increase (Decrease) in Cash and Cash Equivalents 299,748
	Balances - Beginning of the Year 173,290
	Balances - End of the Year \$ 473,038
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	
Operating income (loss)	\$ (871,477)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	123,448
Decrease (increase) in:	
Accounts receivable	(13,978)
Prepaid costs	851
Increase (decrease) in:	
Accounts payable	417,168
Salaries and benefits payable	(27,855)
Deposits payable	318
Compensated absences	10,812
	Net Cash Provided (Used) by Operating Activities \$ (360,713)

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

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

Notes to the Basic Financial Statements

This page intentionally left blank.

TOWN OF TRUCKEE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Truckee (Town) became a charter city on September 15, 1995 and is governed under the charter and applicable state statutes. The Town operates under a Council form of government and provides the following services: public safety, highways and streets, public improvements, planning and zoning, general administrative services, solid waste, building and safety, parking, and transit.

The governmental reporting entity consists of the Town (Primary Government) and its component units. Component units are legally separate organizations for which the Council is financially accountable or other organizations whose component unit nature and significant relationship with the Town are such that exclusion would cause the Town's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (i) the Town's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the Town.

Reporting for component units on the Town's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the Town's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the Town's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the Town Council.

Blended Component Units

Component units that are blended into the reporting activity types of the Town's report are presented below:

Truckee Redevelopment Agency

The Town of Truckee Redevelopment Agency is organized under the State of California Community Redevelopment Law. The governing body is substantially the same as the primary government and the Town and the component unit are financially interdependent, hence, the unit is presented by blending with the primary government. Separate audited financial statements for the Truckee Redevelopment Agency may be obtained by writing to the Town of Truckee, 10183 Truckee Airport Road, Truckee, CA 96161-3306.

Truckee Public Financing Authority

The Truckee Public Financing Authority is a public agency created under a joint exercise of powers agreement between the Town and the agency. The governing body is substantially the same as the primary government and the Town and the component unit are financially interdependent, hence, the unit is presented by blending with the primary government. Separate audited financial statements for the Truckee Public Financing Authority are not issued.

Debt of the Truckee Public Financing Authority is shown as long-term debt of the Town.

Discretely Presented Component Units

There are no component units of the Town which meet the criteria for discrete presentation.

TOWN OF TRUCKEE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the primary government, the Town, and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities, which are normally supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the Town's business-type activities and for each function of the Town'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 1) charges paid by the recipients of goods and services offered by the program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered to be major if it is the primary operating fund of the Town or meets both of the following criteria:

- Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Town reports the following major governmental funds:

- The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the Town that are not accounted for through other funds. For the Town, the General Fund includes such activities as public safety, community development, and public improvements.
- The Measure A and V Funds are special revenue funds used to account for Measure A and V revenues and expenditures. Measures A and V are a ½ percent sales tax which are used to maintain backbone roads within the Town of Truckee.
- The Impact Fees Fund is a special revenue fund used to account for traffic impact fee revenues and expenditures.
- The HOME Grant Fund is a special revenue fund used to account for the HOME Grant program.
- The Capital Projects Fund is used to account for the expenditures of most capital projects undertaken by the Town. This fund receives transfers of resources from various Town funds.
- The Redevelopment Capital Projects Fund is used to account for revenues and expenditures related to Redevelopment Agency capital projects.

TOWN OF TRUCKEE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

The Town reports the following proprietary funds:

- The Parking Fund is an enterprise fund used to account for the operation of Town Parking Facilities.
- The Solid Waste Fund is an enterprise fund used to account for regular garbage collection services, collection of yard waste, and a mixed paper recycling collection program. Services are provided on a user charge basis to residences and businesses.
- The Building and Safety Fund is an enterprise fund used to account for the operations of the State and Town laws and regulations concerning the safety of structures.
- The Transit Fund is an enterprise fund used to account for the operations of public transportation.

C. Basis of Accounting and Measurement Focus

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

For its business-type activities and enterprise funds, the Town has elected under Governmental Accounting Standards Board (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. Governments also have the option of following subsequent private-sector guidance for their Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitute accounting principles generally accepted in the United States of America (GAAP) for governmental units.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services.

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

D. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the enterprise funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the Town's investment pool, to be cash equivalents.

E. Investments

The Town pools cash and investments of all funds except for amounts held by fiscal agent. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. State statutes authorize the Town to invest its cash surplus in obligations of the U.S. treasury, agencies and instrumentalities, corporate bonds, medium term notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund. Investment income from pooled investments is allocated to all funds in the pool. Interest is allocated on the basis of average month end cash balance amounts for each fund as a percentage of the total balance. Income from non-pooled investments is recorded based on the specific investments held by the fund. Interest income is recorded in the fund that earned the interest.

Investments are reported in the accompanying balance sheet at fair value which is determined using selected bases annually. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at a carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

F. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include taxes, grants, and interest. Business-type activities report user fees and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as taxes, grants, interest, and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions that are collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. User fee receivable and interest earnings compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

G. Interfund Transactions

Interfund transactions are reflected as loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are treated as an adjustment to expenditures or expenses; that is, a corresponding increase in expenditures or expenses in the reimbursing fund and a corresponding decrease in expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide presentation.

See Note 3 for details of interfund transactions, including receivables and payables at year end.

H. Inventory and Prepaid Costs

Governmental fund inventories are recorded as expenditures at the time the inventory is purchased. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs.

I. Loans Receivable

For the purpose of the fund financial statements, special revenue fund expenditures relating to long-term loans receivable arising from mortgage subsidy programs are charged to operations at the time of funding and the loans receivable are recorded. The balance of the long-term receivable includes loans for which repayment is deferred or for which repayment may be forgiven if certain terms and conditions of the loans are met.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks and similar items) are defined by the Town as an asset with a cost greater than \$5,000.

Property, plant and equipment have been stated at actual cost. Infrastructure assets, including roads, have been stated at historical cost, beginning with the 1996-97 fiscal year. Contributed capital assets are recorded at estimated fair market value at the date of donation.

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

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements

In the government-wide financial statements, property, plant, and equipment are accounted for as capital assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	4-25 years
Structures and improvements	25-60 years
Infrastructure	25 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund at the time of acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

K. Unearned Revenue

Unearned revenue is recorded for assets recognized in connection with a transaction before the earnings process is complete. Those assets are offset by a corresponding liability for unearned revenue. In addition, loans receivable, including accrued interest, for which repayment is deferred or for which the balance may be forgiven if certain terms and conditions of the loans are met have also been offset by unearned revenue.

L. Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide financial statements. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide financial statements.

M. Compensated Absences

The Town's policy regarding compensated absences is to permit employees to accumulate a limited amount of earned but unused vacation leave, compensatory time, and sick time. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. The current portion of this debt is estimated based on historical trends. In the governmental fund financial statements the expenditures and liabilities related to those obligations are recognized only when they mature. The Town includes its share of social security and medicare taxes payable on behalf of the employees in the accrual for compensated absences.

N. Net Assets/Fund Balances

The government-wide and business-type activities fund financial statements utilize a net assets 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 - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

- Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Net assets restricted for other purposes included \$6,646,124 restricted by enabling legislation (Measures A and V).
- Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

When both restricted and unrestricted net assets are available, unrestricted resources are depleted first before the restricted resources are used.

At June 30, 2009, the Town had recorded restricted net assets in governmental activities as follows:

	<u>Governmental Activities</u>	
Restricted for:		
Capital Projects	\$	3,585,115
Debt Service		132,687
Grants, taxes, and fees		<u>21,768,879</u>
Total Restricted	\$	<u><u>25,486,681</u></u>

In the governmental fund financial statements, reserves and designations segregate portions of fund balance. Reservations of fund balance are for amounts that are not available or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance are established by action of Town Council and represent tentative plans that are subject to change.

As of June 30, 2009, reservations of fund balance included:

- Self Insurance Retention - to reflect funds held to cover the deductible on self-insurance programs.
- Advances - to reflect interfund loans that are long term in nature.
- RDA Land Held For Resale - to reflect RDA land held for resale which does not represent available, spendable resources.
- Notes Receivable - To reflect the principal portion of a note receivable that is long term in nature.
- Loans Receivable - to reflect the portion of loans receivable which is not deferred but which is long term in nature.
- Debt Service - to reflect funds set aside for future debt service payments.

As of June 30, 2009, designations of fund balance were reported in the following governmental fund:

- General Fund - to reflect the Town Council's intention to set aside funds for general fund contingencies, State budget, health insurance, litigation and CalPers rate change designations as well as designations related to, road maintenance overlay, facility construction and roundabout construction.

O. Property Tax Levy, Collection and Maximum Rates

The State of California's (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value, as defined by Article XIII A, and may be adjusted by no more than 2% per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1% tax levy among the County, cities, school districts, and other districts.

TOWN OF TRUCKEE, CALIFORNIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
 (CONTINUED)**

The County of Nevada assesses properties and bills for and collects property taxes as follows:

	Secured	Unsecured
Valuation/lien dates	January 1	January 1
Levy dates	January 1	January 1
Due Dates	November 1 (1st installment) February 1 (2nd installment)	July 1
Delinquent dates	December 10 (1st installment) April 10 (2nd installment)	August 31

The term "unsecured" refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end.

The County of Nevada apportions secured property tax revenue in accordance with the alternate methods of distribution, the "Teeter Plan", as prescribed by Section 4717 of the California Revenue and Taxation code. Therefore, the Town receives 100 percent of the secured property tax levies to which it is entitled, whether or not collected. Unsecured delinquent taxes are considered fully collectible.

P. Grant Revenues

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditure and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if accrual criteria are met. Cash received prior to incurrence of the related expenditure is recorded as unearned revenue.

Q. Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

- Government Funds - By Character
 - Current (further classified by function)
 - Debt Service
 - Capital Outlay
- Proprietary Fund - By Operating and Non-operating

R. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWN OF TRUCKEE, CALIFORNIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balance/Net Assets

The following major proprietary funds had a deficit net asset balance at June 30, 2009:

The Parking fund had a net asset deficit of \$13,523, which is expected to be eliminated in future years through cost reductions and anticipated expansion of the service area through redevelopment efforts.

The Building and Safety fund had a net asset deficit of \$338,638, which is expected to be eliminated in future years through increased user charges and continued cost reductions.

The following nonmajor governmental fund had a fund balance deficit at June 30, 2009:

The CalHome Grant fund had a fund balance deficit of \$32,288, which is expected to be eliminated in future years through recognition and collection of grant revenues.

B. GANN Spending Limit

Under Article XIII B of the California Constitution (the Gann Spending Limitation), the Town is restricted as to the amount of annual appropriations from proceeds of taxes, and of proceeds of taxes allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements.

For the year ended June 30, 2009, the Gann Limit Calculation was calculated based upon the advice of legal counsel to exclude police and animal control services from the appropriations subject to the limit.

NOTE 3: DETAILED NOTES

A. Cash and Investments

Total cash and investments are presented on the Town's financial statements as follows:

Total Primary Government	\$	46,345,625
Total Cash and Investments	\$	46,345,625

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

NOTE 3: DETAILED NOTES (CONTINUED)

Total cash and investments of the Town at fair value are comprised of the following:

Cash and Deposits:	
Cash on hand	\$ 800
Deposits in Town's pool (less outstanding checks)	683,344
Deposits with fiscal agents	<u>130,808</u>
Total Cash and Deposits	<u>814,952</u>
Investments:	
In Town's pool	<u>45,530,673</u>
Total Investments	<u>45,530,673</u>
Total Cash and Investments	<u><u>\$ 46,345,625</u></u>

Deposits

The California Government Code requires California banks and savings and loan associations to collateralize a Town's deposits by pledging government securities. The market value of pledged securities must equal at least 110 percent of a Town's deposits. California law also allows financial institutions to collateralize Town deposits by pledging first trust deed mortgage notes having a value of 150 percent of a Town's total deposits. The Town may waive collateral requirements for deposits which are fully insured up to \$250,000 by Federal Deposit insurance.

At year end, the carrying amount of the Town's cash deposits (including amount in checking accounts and money market accounts) was \$814,152 and the bank balance was \$861,764. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$459,524 was covered by federal depository insurance and \$402,240 was uninsured and collateralized (i.e. collateralized with securities held by the pledging financial institution at 110 percent of the deposits, in accordance with the State of California Government Code, deemed to be held in the Town's name).

Investments

As of June 30, 2009, the Town had the following investments:

	<u>Maturities</u>			Fair Value	Weighted Average Maturity (Years)
	0 - 1 year	1 - 5 years	Over 5 years		
Investments in Investment Pool					
U.S. Government Agency Securities	\$ 524,981	\$ 13,050,894	\$ -	\$ 13,575,875	1.85
Corporate Notes	1,562,051	2,872,461	-	4,434,512	1.70
Local Agency Investment Fund (LAIF)	<u>27,520,286</u>	-	-	<u>27,520,286</u>	-
Total Investments in Investment Pool	<u>\$ 29,607,318</u>	<u>\$ 15,923,355</u>	<u>\$ -</u>	<u>\$ 45,530,673</u>	<u>0.72</u>

Interest Rate Risk

Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. All investments of the Town are invested in accordance with the investment policies of the Town. Of the Town's \$45,530,673 investment portfolio, over 66% of the investments have a maturity of one year or less. Of the remainder, none have a maturity of more than 5 years.

TOWN OF TRUCKEE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 3: DETAILED NOTES (CONTINUED)

Credit Risk

Credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law and Town investment pool policy limit investments in commercial paper to the rating of A1 by Standards & Poor's or P-1 by Moody's Investors Service. State law also limits investments in corporate bonds to the rating of A by both Standards & Poor's and Moody's Investors Service. The Town does not have credit limits on U.S. government securities or U.S. government agency securities.

Investments at June 30, 2009	Standard & Poor's	% of Portfolio
Federal Home Loan Mortgage Corporation	AAA	5.8%
Federal Home Loan Bank	AAA	6.1%
Federal National Mortgage Association	AAA	5.6%
Federal Farm Credit Bank	AAA	4.8%
US Treasury	TSY	6.7%
Corporate Obligations	A	0.5%
Corporate Obligations	A+	0.8%
Corporate Obligations	AA	1.3%
Corporate Obligations	AAA	7.1%
LAIF	Unrated	61.4%
Total		100.00%

Custodial Credit Risk

At year end, the Town did not participate in any repurchase agreements or securities lending that would result in any possible risk in this area.

Concentration of Credit Risk

29% of the Town's investments at year-end are in U.S. Government or Agencies issues. There is no limitation on amounts invested in these types of issues. Of the 9.7% of the portfolio invested in corporate notes and money market funds, no investment in a single issuer exceeds 5%.

Investment in Local Agency Investment Fund

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

At June 30, 2009, the Town's investment position in the State of California Local Agency Investment Fund (LAIF) was \$27,520,286. The total amount invested by all public agencies in LAIF on that day was \$50,853,707,566. Of that amount, 85.29% is invested in non-derivative financial products and 14.71% in structured notes and asset-backed securities.

B. Land Held for Resale

The Town's Redevelopment Agency purchased land on West River Street from Nevada County during fiscal years 2004 and 2005. The land required environmental hazard remediation prior to sale or use. Further clean up is required before the land will be sold or redeveloped.

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

NOTE 3: DETAILED NOTES (CONTINUED)

C. Notes and Loans Receivable

Notes receivable include notes to a developer for the purchase of land and the construction of the Frishman Hollow low/very low housing development. Loans receivable include notes to developers for the Henness Flats low very low housing development and Sierra Pines low housing complex. The loans were funded by HOME program grants.

D. Capital Assets

Capital assets activity for the year ended June 30, 2009, was as follows:

	Balance July 1, 2008	Additions/ Adjustments	Retirements/ Adjustments	Balance June 30, 2009
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 8,047,377	\$ 147,500	\$ -	\$ 8,194,877
Right of Way	40,912,603	-	-	40,912,603
Construction in Progress	3,645,271	6,662,046	-	10,307,317
Total Capital Assets, Not Being Depreciated	<u>52,605,251</u>	<u>6,809,546</u>	<u>-</u>	<u>59,414,797</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	9,625,313	215,227	-	9,840,540
Equipment	11,766,810	630,965	(144,280)	12,253,495
Infrastructure	31,941,133	-	-	31,941,133
Total Capital Assets, Being Depreciated	<u>53,333,256</u>	<u>846,192</u>	<u>(144,280)</u>	<u>54,035,168</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(1,541,251)	(238,177)	-	(1,779,428)
Equipment	(5,693,297)	(1,131,675)	134,472	(6,690,500)
Infrastructure	(8,497,789)	(1,486,380)	-	(9,984,169)
Total Accumulated Depreciation	<u>(15,732,337)</u>	<u>(2,856,232)</u>	<u>134,472</u>	<u>(18,454,097)</u>
Total Capital Assets, Being Depreciated, Net	<u>37,600,919</u>	<u>(2,010,040)</u>	<u>(9,808)</u>	<u>35,581,071</u>
Governmental Activities Capital Assets, Net	<u>\$ 90,206,170</u>	<u>\$ 4,799,506</u>	<u>\$ (9,808)</u>	<u>\$ 94,995,868</u>
	Balance July 1, 2008	Additions/ Adjustments	Retirements/ Adjustments	Balance June 30, 2009
Business-Type Activities				
Capital Assets, Being Depreciated:				
Structures and improvements	\$ 198,215	\$ -	\$ (127,405)	\$ 70,810
Equipment	1,043,582	302,439	(330,472)	1,015,549
Total Capital Assets, Being Depreciated	<u>1,241,797</u>	<u>302,439</u>	<u>(457,877)</u>	<u>1,086,359</u>
Less Accumulated Depreciation For:				
Structures and improvements	(58,205)	(11,296)	29,114	(40,387)
Equipment	(525,103)	(112,152)	134,111	(503,144)
Total Accumulated Depreciation	<u>(583,308)</u>	<u>(123,448)</u>	<u>163,225</u>	<u>(543,531)</u>
Total Capital Assets, Being Depreciated, Net	<u>658,489</u>	<u>178,991</u>	<u>(294,652)</u>	<u>542,828</u>
Business-Type Activities Capital Assets, Net	<u>\$ 658,489</u>	<u>\$ 178,991</u>	<u>\$ (294,652)</u>	<u>\$ 542,828</u>

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 3: DETAILED NOTES (CONTINUED)

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 275,326
Public safety	278,680
Public works	<u>2,302,226</u>
Total Depreciation Expense - Governmental Functions	<u><u>\$ 2,856,232</u></u>

Depreciation expense was charged to the business-type functions as follows:

Parking	\$ 30,124
Solid Waste	3,588
Building and Safety	20,565
Transit	<u>69,171</u>
Total Depreciation Expense - Business-Type Functions	<u><u>\$ 123,448</u></u>

Construction in Progress

Construction in progress for governmental activities relates primarily to work performed on the new Public Service Facility, the Truckee River Legacy Trail, the Donner Pass Road Erosion Control/Bike Lane Project, Pioneer Trail/DPR Roundabout, Trout Creek Restoration, the "Mousehole" and Downtown Streetscape projects.

E. Long-Term Liabilities

The following is a summary of all long-term liabilities activity for the year ended June 30, 2009:

	Balance July 1, 2008	Additions/ Adjustments	Retirements	Balance June 30, 2009	Amounts Due Within One Year
Governmental Activities					
Lease Revenue Bonds	\$ 5,985,000	\$ -	\$ (160,000)	\$ 5,825,000	\$ 165,000
Less: Unamortized Discount	(4,824)	-	1,206	\$ (3,618)	(1,206)
Less: Cost of Issuance	(16,322)	-	4,081	\$ (12,241)	(4,081)
Less: Refunding Difference	(333,399)	-	129,562	\$ (203,837)	(129,562)
Lease Revenue Bonds, Net	<u>5,630,455</u>	-	(25,151)	5,605,304	30,151
Compensated Absences (Note 1M)	<u>669,162</u>	<u>649,261</u>	<u>(598,996)</u>	<u>\$ 719,427</u>	<u>107,473</u>
Total Governmental Activities - Long-term Liabilities	<u><u>\$ 6,299,617</u></u>	<u><u>\$ 649,261</u></u>	<u><u>\$ (624,147)</u></u>	<u><u>\$ 6,324,731</u></u>	<u><u>\$ 137,624</u></u>
Business-Type Activities					
Compensated Absences (Note 1M)	<u>\$ 63,587</u>	<u>\$ 68,642</u>	<u>\$ (57,830)</u>	<u>\$ 74,399</u>	<u>\$ 13,982</u>
Total Business-Type Activities - Long-term Liabilities	<u><u>\$ 63,587</u></u>	<u><u>\$ 68,642</u></u>	<u><u>\$ (57,830)</u></u>	<u><u>\$ 74,399</u></u>	<u><u>\$ 13,982</u></u>

TOWN OF TRUCKEE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 3: DETAILED NOTES (CONTINUED)

As of June 30, 2009 lease revenue bonds consisted of the following:

	Governmental Activities
Lease Revenue Bonds Series 2000A and Series 2000B, dated May 1, 2000, in the amount of \$6,130,000 payable in annual installments of \$5,000 to \$445,000, with an interest rate of 5.2% to 8.375% and maturity on November 1, 2030 for the Series 2000A and November 1, 2019 for the Series 2000B. In prior years a portion of these bonds were advance refunded. See Note 3F.	\$ 325,000
Lease Revenue Refunding Bonds Series 2005, dated September 21, 2005, in the amount of \$5,670,000, payable in annual installments of \$55,000 to \$390,000, with an interest rate of 3.000% to 4.375% and maturity on November 1, 2030.	<u>5,500,000</u>
Total Lease Revenue Bonds	<u><u>\$ 5,825,000</u></u>

The annual aggregate maturities for years subsequent to June 30, 2009 are as follows:

Year Ended June 30	Governmental Activities		
	Principal	Interest	Total
2010	\$ 165,000	\$ 240,683	\$ 405,683
2011	180,000	230,328	410,328
2012	190,000	219,024	409,024
2013	200,000	209,846	409,846
2014	205,000	203,264	408,264
2015-2019	1,120,000	903,424	2,023,424
2020-2024	1,345,000	667,225	2,012,225
2025-2029	1,655,000	353,037	2,008,037
2030-2031	765,000	33,797	798,797
Total	<u>\$ 5,825,000</u>	<u>\$ 3,060,628</u>	<u>\$ 8,885,628</u>

F. Advance Refunding

In prior years, the Town has defeased various debt issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used in part to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Town's government-wide financial statements. As of June 30, 2009, the amount of defeased debt outstanding but not reflected in the long-term debt of the Town amounted to \$1,340,000.

TOWN OF TRUCKEE, CALIFORNIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 3: DETAILED NOTES (CONTINUED)

G. Leases

Operating Leases

Rental expenses incurred under operating leases are not considered material.

H. Interfund Transactions

Due To/From Other Funds

Operating receivables and payables between funds are classified as due from or due to other funds. Amounts due from other funds includes a loan to the Building Department and amounts due from other funds for loans to fund negative cash balances. Negative cash balances are expected to be funded in subsequent fiscal years by collection of revenues. The following are due to and due from balances as of June 30, 2009:

	Due from Other funds	Due to Other funds
General Fund	\$ 390,169	\$ -
HOME Grant	-	13,776
Nonmajor Governmental Funds	-	56,786
Parking	-	452
Building and Safety	-	319,155
	\$ 390,169	\$ 390,169
Total		

Advances To/From Other Funds

Advances to/from other funds are non-current interfund loans and are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources. The following are advances to/from other funds as of June 30, 2009:

	Advances to Other funds	Advances from Other funds
General Fund	\$ 5,004,418	\$ -
Redevelopment Capital Projects	-	5,004,418
	\$ 5,004,418	\$ 5,004,418
Total		

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

NOTE 3: DETAILED NOTES (CONTINUED)

Transfers

Transfers are indicative of funding for or purchase of capital projects, lease payments or debt service, subsidies of various Town operations and re-allocations of special revenues. The following are the interfund transfers for the year ended June 30, 2009:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,930,173	\$ 2,699,450
Measure A/Measure V	-	2,803,262
Impact Fees	-	1,013,101
HOME Grant	-	17,423
Capital Projects	6,810,626	41,549
Redevelopment Capital Projects	1,652	599,053
Nonmajor Governmental Funds	450,876	2,477,753
Parking	468,233	-
Building and Safety	3,854	13,823
	<u>\$ 9,665,414</u>	<u>\$ 9,665,414</u>
Total	<u>\$ 9,665,414</u>	<u>\$ 9,665,414</u>

NOTE 4: EMPLOYEES' RETIREMENT PLAN

A. Defined Benefit Pension Plan

Plan Description

The Town contributes to the miscellaneous plan of the Town of Truckee and the safety plan of the Town of Truckee (plans) which are part of the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. PERS 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 statute. Copies of PERS' annual financial report may be obtained from their executive office - 400 P Street, Sacramento, CA 95814.

Funding Policy

Miscellaneous plan members are required to contribute 8 percent of their annual covered salary. Safety plan members are required to contribute 9 percent of their annual covered salary. The Town pays the employees contribution on their behalf. The Town is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The required employer contribution rate for fiscal year 2008/2009 was 15.252 percent for miscellaneous employees and 29.839 percent for safety employees. The contribution requirements of the plan are established by State statute and the employer contribution rate is established and may be amended by PERS.

Annual Pension Cost

For fiscal year 2008/2009, the Town's annual pension cost of \$880,233 for the miscellaneous plan and \$637,990 for the safety plan was equal to the Town's actual contributions. The required contributions for fiscal year 2008/2009 were determined as part of the June 30, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases of 3.25 percent to 14.45 percent, depending on age, service, and type of employment, and (c) 3.25 percent per year cost of living adjustment. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of PERS assets were determined using techniques that

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

NOTE 4: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

smooth the effect of short term volatility in the market value of investments over a two to five year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into PERS. Subsequent plan amendments are amortized as a level percent of pay over a closed-20-year period.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2007	\$ 1,483,443	100%	\$ -
June 30, 2008	1,604,126	100%	-
June 30, 2009	1,518,223	100%	-

Funded Status and Funding Progress

Since the Town has less than 100 active members in at least one valuation since June 30, 2003, it is required to participate in a risk pool and does not present individual plan funded status.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets for the risk pool is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

B. 457 Plan

The Town maintains a deferred compensation plan (the Plan) for its employees. The plan was created in accordance with the Internal Revenue Code Section 457. The Plan is available to all regular Town employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death or unforeseeable emergency. The Town has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor. The Town has not reflected the Plan's assets and corresponding liabilities (if any) on the accompanying financial statements.

NOTE 5: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has joined together with other municipalities to participate in the Public Agency Risk Sharing Authority of California (PARSAC) for general liability, vehicle liability, errors and omissions, and workers' compensation and employers' liability purposes. PARSAC is a public entity risk pool which serves as a common risk management and insurance program for 36 member cities. The Town pays an annual premium to PARSAC for its insurance coverage. The agreements with PARSAC provide that they will be self sustaining through member premiums and will reinsure through commercial companies for excess coverage.

The Town continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three fiscal years. There is no claims liability to be reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTE 6: SUBSEQUENT EVENTS

On September 8, 2009 the Town, via the Truckee Public Financing Authority, sold \$5,000,000 of lease revenue financing bonds to reimburse itself for the purchase of a piece of property and related infrastructure upon which the Town's new Public Service Facility will be built. The Series 2009 Bonds included \$1.645M of tax exempt financing and \$3.355M of taxable, Build America Bonds enabled under the American Recovery and Reinvestment Act of

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

NOTE 6: SUBSEQUENT EVENTS (CONTINUED)

2009. The Series 2009 Bonds are payable over thirty years and were sold at a total average net interest rate of approximately 5%.

On August 6, 2009 the Town Council awarded a construction contract for an \$11,909,970 plus a contingency of up to \$595,000 for the construction of the Town's Public Service Facility phase 1. Work began on the facility shortly after the contract award and is anticipated to reach completion in fall of 2011. The Town expects to finance this construction with general fund reserves.

NOTE 7: OTHER INFORMATION

A. Construction Commitments

The Town has signed agreements for \$1,381,367 in various construction projects that were not complete as of June 30, 2009. Construction completed and paid subsequent to June 30, 2009 on these projects was \$242,563. The Town has also signed agreements for construction projects subsequent to June 30, 2009 in the amount of \$15,082,386 of which \$1,097,471 was constructed and paid by the date of financial statement preparation.

B. Contingent Liabilities

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

C. Joint Agencies

Public Agency Risk Sharing Authority of California (PARSAC) is a joint powers agency organized for the purpose of pooled joint-protection coverage to member entities. PARSAC operates public entity pools for auto and general liability coverage, plus workers compensation and errors and omissions coverage and the pool purchases excess insurance for members. PARSAC is under the control and direction of a 9 member executive committee consisting of representatives of the 36 member cities.

Complete audited financial statements of PARSAC can be obtained at 1525 Response Road, Suite One, Sacramento, California 95815-4805.

REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank.

TOWN OF TRUCKEE, CALIFORNIA
Required Supplementary Information
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

REVENUES	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Taxes and assessments	\$ 15,142,360	\$ 15,142,360	\$ 14,510,036	\$ (632,324)
Licenses and permits	37,200	37,200	34,495	(2,705)
Fines and forfeitures	420,000	420,000	363,114	(56,886)
Use of money and property	770,000	770,000	776,686	6,686
Intergovernmental revenues	1,290,000	1,290,000	1,552,738	262,738
Charges for services	893,700	893,700	847,948	(45,752)
Other revenues	517,927	517,927	358,715	(159,212)
Total Revenues	19,071,187	19,071,187	18,443,732	(627,455)
EXPENDITURES				
Current:				
General government	3,339,896	3,339,896	3,064,527	275,369
Public safety	6,324,594	6,324,594	5,774,481	550,113
Public works	6,154,127	6,154,127	5,155,460	998,667
Community development	964,367	964,367	864,318	100,049
Facilities	1,019,947	1,019,947	881,002	138,945
Capital outlay	1,652,972	1,652,972	181,580	1,471,392
Total Expenditures	19,455,903	19,455,903	15,921,368	3,534,535
Excess of Revenues Over (Under) Expenditures	(384,716)	(384,716)	2,522,364	2,907,080
OTHER FINANCING SOURCES (USES)				
Transfers in	54,566	54,566	1,930,173	1,875,607
Transfers out	-	-	(2,699,450)	(2,699,450)
Total Other Financing Sources (Uses)	54,566	54,566	(769,277)	(823,843)
Net Change in Fund Balances	(330,150)	(330,150)	1,753,087	2,083,237
Fund Balances - Beginning	17,524,293	17,524,293	18,735,067	1,210,774
Fund Balances - Ending	\$ 17,194,143	\$ 17,194,143	\$ 20,488,154	\$ 3,294,011

See accompanying note to the required supplementary information.

TOWN OF TRUCKEE, CALIFORNIA
 Required Supplementary Information
 BUDGETARY COMPARISON SCHEDULE
 MEASURE A & MEASURE V - MAJOR SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2009

REVENUES	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Taxes and assessments	\$ 1,941,854	\$ 1,941,854	\$ 1,582,838	\$ (359,016)
Use of money and property	125,000	125,000	270,784	145,784
Total Revenues	<u>2,066,854</u>	<u>2,066,854</u>	<u>1,853,622</u>	<u>(213,232)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>2,066,854</u>	<u>2,066,854</u>	<u>1,853,622</u>	<u>(213,232)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(4,096,250)	(4,096,250)	(2,803,262)	1,292,988
Total Other Financing Sources (Uses)	<u>(4,096,250)</u>	<u>(4,096,250)</u>	<u>(2,803,262)</u>	<u>1,292,988</u>
Net Change in Fund Balances	(2,029,396)	(2,029,396)	(949,640)	1,079,756
Fund Balances - Beginning	<u>7,430,445</u>	<u>7,430,445</u>	<u>7,595,764</u>	<u>165,319</u>
Fund Balances - Ending	<u>\$ 5,401,049</u>	<u>\$ 5,401,049</u>	<u>\$ 6,646,124</u>	<u>\$ 1,245,075</u>

See accompanying note to the required supplementary information.

TOWN OF TRUCKEE, CALIFORNIA
 Required Supplementary Information
 BUDGETARY COMPARISON SCHEDULE
 IMPACT FEES - MAJOR SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2009

REVENUES	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Use of money and property	\$ 150,000	\$ 150,000	\$ 262,726	\$ 112,726
Charges for services	500,000	500,000	323,988	(176,012)
Total Revenues	<u>650,000</u>	<u>650,000</u>	<u>586,714</u>	<u>(63,286)</u>
EXPENDITURES				
Current:				
General government	-	-	391	(391)
Total Expenditures	<u>-</u>	<u>-</u>	<u>391</u>	<u>(391)</u>
Excess of Revenues Over (Under) Expenditures	<u>650,000</u>	<u>650,000</u>	<u>586,323</u>	<u>(63,677)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,600,000)	(3,600,000)	(1,013,101)	2,586,899
Total Other Financing Sources (Uses)	<u>(3,600,000)</u>	<u>(3,600,000)</u>	<u>(1,013,101)</u>	<u>2,586,899</u>
Net Change in Fund Balances	(2,950,000)	(2,950,000)	(426,778)	2,523,222
Fund Balances - Beginning	<u>6,613,847</u>	<u>6,613,847</u>	<u>7,326,162</u>	<u>712,315</u>
Fund Balances - Ending	<u>\$ 3,663,847</u>	<u>\$ 3,663,847</u>	<u>\$ 6,899,384</u>	<u>\$ 3,235,537</u>

See accompanying note to the required supplementary information.

TOWN OF TRUCKEE, CALIFORNIA
 Required Supplementary Information
 BUDGETARY COMPARISON SCHEDULE
 HOME GRANT - MAJOR SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2009

REVENUES	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Use of money and property	\$ 950	\$ 950	\$ 793	\$ (157)
Intergovernmental revenues	261,889	261,889	16,664	(245,225)
Total Revenues	262,839	262,839	17,457	(245,382)
EXPENDITURES				
Current:				
Community development	261,889	261,889	17,964	243,925
Total Expenditures	261,889	261,889	17,964	243,925
Excess of Revenues Over (Under) Expenditures	950	950	(507)	(1,457)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(17,423)	(17,423)
Total Other Financing Sources (Uses)	-	-	(17,423)	(17,423)
Net Change in Fund Balances	950	950	(17,930)	(18,880)
Fund Balances - Beginning	24,349	24,349	24,951	602
Fund Balances - Ending	\$ 25,299	\$ 25,299	\$ 7,021	\$ (18,278)

See accompanying note to the required supplementary information.

This page intentionally left blank.

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2009

A. BUDGETARY BASIS OF ACCOUNTING

The approved Town procedures for establishing the budgetary data reflected in the financial statements are as follows:

1. Each year, the Finance Department submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and estimated revenues.

Public hearings are to be conducted at Town Hall to obtain taxpayer comments.

Generally by the first of July, after adjustment as appropriate by the Town Council, the budget is to be legally enacted through council motion.

2. Council approval is required for transfers between funds, or for an increase in total appropriations. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.).
3. Formal budgetary integration is employed as a management control device during the year for the General fund, and Special Revenue funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant adjustments.
4. All unused appropriations for budgeted amounts lapse at the end of the year.
5. Individual fund budgetary comparisons are not presented at the detail budget unit level due to their excessive length. A separate document presenting this information is available.

The Town does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

The Impact Fees fund had \$391 of expenditures in excess of appropriations at June 30, 2009.

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2009

C. PERS SCHEDULE OF FUNDING PROGRESS

As of June 30, 2003, retirement plans with less than 100 active members were required to participate in a risk pool. Therefore, the schedule of funding progress for the Town for the June 30, 2003 valuation date and thereafter is for the entire pool not just the Town employees.

Miscellaneous Plan:

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability (AL)</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Unfunded Liability (Excess Assets) (UL)</u>	<u>Funded Status (AVA/AL)</u>	<u>Annual Covered Payroll</u>	<u>UL as a % of Payroll</u>
June 30, 2006	1,280,157,040	1,069,546,974	210,610,066	83.6%	304,898,179	69.1%
June 30, 2007	1,627,025,950	1,362,059,317	264,966,633	83.7%	376,292,121	70.4%
June 30, 2008	1,823,366,479	1,529,548,799	293,817,680	83.9%	414,589,514	70.9%

Safety Plan:

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability (AL)</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Unfunded Liability (Excess Assets) (UL)</u>	<u>Funded Status (AVA/AL)</u>	<u>Annual Covered Payroll</u>	<u>UL as a % of Payroll</u>
June 30, 2006	7,278,049,834	6,102,615,567	1,175,434,267	83.9%	754,730,438	155.7%
June 30, 2007	7,986,055,176	6,826,599,459	1,159,455,717	85.5%	831,607,658	139.4%
June 30, 2008	8,700,467,733	7,464,927,716	1,235,540,017	85.8%	914,840,596	135.1%

This page intentionally left blank.

COMBINING FUND STATEMENTS AND SCHEDULES

This page intentionally left blank.

NONMAJOR GOVERNMENTAL FUNDS

This page intentionally left blank.

TOWN OF TRUCKEE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2009

<u>ASSETS</u>	<u>Special Revenue Funds</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Totals</u>
Cash and investments	\$ 8,913,024	\$ 1,656,345	\$ 1,883	\$ 10,571,252
Cash with fiscal agent	4	-	130,804	130,808
Interest receivable	55,711	-	-	55,711
Taxes receivable	99,993	-	-	99,993
Due from other governments	50,985	-	-	50,985
Prepaid costs and deposits	1,411	-	-	1,411
Loans receivable	1,574,542	-	-	1,574,542
Total Assets	<u>\$ 10,695,670</u>	<u>\$ 1,656,345</u>	<u>\$ 132,687</u>	<u>\$ 12,484,702</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts Payable	\$ 67,916	\$ 15,296	\$ -	\$ 83,212
Salaries & benefits payable	4,127	-	-	4,127
Deposits payable	5,751	-	-	5,751
Due to other funds	56,786	-	-	56,786
Unearned revenue	2,344,740	-	-	2,344,740
Total Liabilities	<u>2,479,320</u>	<u>15,296</u>	<u>-</u>	<u>2,494,616</u>
 FUND BALANCES				
Reserved for:				
Loans receivable	72,448	-	-	72,448
Debt service	-	-	132,687	132,687
Unreserved				
Undesignated	8,143,902	1,641,049	-	9,784,951
Total Fund Balances	<u>8,216,350</u>	<u>1,641,049</u>	<u>132,687</u>	<u>9,990,086</u>
Total Liabilities and Fund Balances	<u>\$ 10,695,670</u>	<u>\$ 1,656,345</u>	<u>\$ 132,687</u>	<u>\$ 12,484,702</u>

TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

REVENUES	Special Revenue Funds	Capital Projects	Debt Service	Totals
Taxes and assessments	\$ 2,235,027	\$ -	\$ -	\$ 2,235,027
Fines and forfeitures	11,556	-	-	11,556
Use of money and property	304,954	14,058	-	319,012
Intergovernmental revenues	395,917	1,094,572	-	1,490,489
Charges for services	867,219	-	-	867,219
Other revenue	45,054	22,725	-	67,779
Total Revenues	3,859,727	1,131,355	-	4,991,082
EXPENDITURES				
Current:				
General government	103,317	11,556	-	114,873
Public safety	163,898	-	-	163,898
Public works	58,533	-	-	58,533
Community development	135,035	-	-	135,035
Capital outlay	-	230,130	-	230,130
Debt service				
Principal	-	-	160,000	160,000
Interest and other charges	-	-	250,473	250,473
Total Expenditures	460,783	241,686	410,473	1,112,942
Excess of Revenues Over (Under) Expenditures	3,398,944	889,669	(410,473)	3,878,140
OTHER FINANCING SOURCES (USES)				
Transfers in	40,403	-	410,473	450,876
Transfers out	(2,477,753)	-	-	(2,477,753)
Total Other Financing Sources (Uses)	(2,437,350)	-	410,473	(2,026,877)
Net Change in Fund Balances	961,594	889,669	-	1,851,263
Fund Balances - Beginning	7,254,756	751,380	132,687	8,138,823
Fund Balances - Ending	\$ 8,216,350	\$ 1,641,049	\$ 132,687	\$ 9,990,086

NONMAJOR GOVERNMENTAL FUNDS
Special Revenue Funds

TOWN OF TRUCKEE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2009

<u>ASSETS</u>	<u>Asset Forfeiture</u>	<u>Animal Control</u>	<u>Abandoned Vehicle</u>	<u>Affordable Housing In-Lieu</u>
Cash and investments	\$ 30,841	\$ 504	\$ 19,662	\$ 15,264
Cash with fiscal agent	-	-	-	-
Interest receivable	183	-	117	91
Taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Prepaid costs and deposits	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	<u>\$ 31,024</u>	<u>\$ 504</u>	<u>\$ 19,779</u>	<u>\$ 15,355</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salaries & benefits payable	-	-	-	-
Deposits payable	5,751	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>5,751</u>	<u>-</u>	<u>-</u>	<u>-</u>
 FUND BALANCES				
Reserved for:				
Loans receivable	-	-	-	-
Unreserved				
Undesignated	<u>25,273</u>	<u>504</u>	<u>19,779</u>	<u>15,355</u>
Total Fund Balances	<u>25,273</u>	<u>504</u>	<u>19,779</u>	<u>15,355</u>
Total Liabilities and Fund Balances	<u>\$ 31,024</u>	<u>\$ 504</u>	<u>\$ 19,779</u>	<u>\$ 15,355</u>

TOWN OF TRUCKEE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2009

ASSETS	Air Quality Mitigation	Downtown in Lieu Parking	Downtown Frontage Improvement	COPS Program
Cash and investments	\$ 167,653	\$ -	\$ 32,740	\$ 148,801
Cash with fiscal agent	-	-	-	-
Interest receivable	1,001	1,865	195	917
Taxes receivable	-	-	-	-
Due from other governments	3,966	-	-	47,019
Prepaid costs and deposits	-	-	-	1,411
Loans receivable	-	-	-	-
Total Assets	\$ 172,620	\$ 1,865	\$ 32,935	\$ 198,148
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,081
Salaries & benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	1,864	-	-
Unearned revenue	-	-	-	-
Total Liabilities	-	1,864	-	1,081
 FUND BALANCES				
Reserved for:				
Loans receivable	-	-	-	-
Unreserved				
Undesignated	172,620	1	32,935	197,067
Total Fund Balances	172,620	1	32,935	197,067
Total Liabilities and Fund Balances	\$ 172,620	\$ 1,865	\$ 32,935	\$ 198,148

Continued (Page 2 of 8)

TOWN OF TRUCKEE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2009

<u>ASSETS</u>	<u>CLEEP Project</u>	<u>Assessment Districts</u>	<u>CDBG 05-STBG 1416</u>	<u>Housing Reimbursement</u>
Cash and investments	\$ 20,940	\$ 4,680,753	\$ 26,802	\$ 184,198
Cash with fiscal agent	-	-	-	-
Interest receivable	125	28,723	157	1,097
Taxes receivable	-	38,450	-	-
Due from other governments	-	-	-	-
Prepaid costs and deposits	-	-	-	-
Loans receivable	-	-	-	440,178
Total Assets	<u>\$ 21,065</u>	<u>\$ 4,747,926</u>	<u>\$ 26,959</u>	<u>\$ 625,473</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 64,440
Salaries & benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	550,827
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>615,267</u>
 FUND BALANCES				
Reserved for:				
Loans receivable	-	-	-	-
Unreserved				
Undesignated	<u>21,065</u>	<u>4,747,926</u>	<u>26,959</u>	<u>10,206</u>
Total Fund Balances	<u>21,065</u>	<u>4,747,926</u>	<u>26,959</u>	<u>10,206</u>
Total Liabilities and Fund Balances	<u>\$ 21,065</u>	<u>\$ 4,747,926</u>	<u>\$ 26,959</u>	<u>\$ 625,473</u>

Continued (Page 3 of 8)

TOWN OF TRUCKEE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2009

ASSETS	Homeland Security/ OES Grant	ABC Grant	Office of Traffic Safety	Gas Tax
Cash and investments	\$ 3,221	\$ 22,613	\$ 44,345	\$ 60,017
Cash with fiscal agent	-	-	-	-
Interest receivable	19	135	264	358
Taxes receivable	-	-	-	32,729
Due from other governments	-	-	-	-
Prepaid costs and deposits	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	\$ 3,240	\$ 22,748	\$ 44,609	\$ 93,104
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salaries & benefits payable	-	-	3,306	-
Deposits payable	-	-	-	-
Due to other funds	-	-	19,604	-
Unearned revenue	-	-	-	-
Total Liabilities	-	-	22,910	-
FUND BALANCES				
Reserved for:				
Loans receivable	-	-	-	-
Unreserved				
Undesignated	3,240	22,748	21,699	93,104
Total Fund Balances	3,240	22,748	21,699	93,104
Total Liabilities and Fund Balances	\$ 3,240	\$ 22,748	\$ 44,609	\$ 93,104

Continued (Page 4 of 8)

TOWN OF TRUCKEE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2009

ASSETS	Town Hall	Redevelopment Housing	CDBG Miscellaneous Income	CDBG Program Income
Cash and investments	\$ -	\$ 1,298,844	\$ 53,198	\$ 18
Cash with fiscal agent	4	-	-	-
Interest receivable	-	7,475	280	128
Taxes receivable	-	28,814	-	-
Due from other governments	-	-	-	-
Prepaid costs and deposits	-	-	-	-
Loans receivable	-	134,032	-	90,632
Total Assets	\$ 4	\$ 1,469,165	\$ 53,478	\$ 90,778
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ 81	\$ -	\$ -
Salaries & benefits payable	-	821	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	146
Unearned revenue	-	134,031	-	90,632
Total Liabilities	-	134,933	-	90,778
FUND BALANCES				
Reserved for:				
Loans receivable	-	-	-	-
Unreserved				
Undesignated	4	1,334,232	53,478	-
Total Fund Balances	4	1,334,232	53,478	-
Total Liabilities and Fund Balances	\$ 4	\$ 1,469,165	\$ 53,478	\$ 90,778

Continued (Page 5 of 8)

TOWN OF TRUCKEE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2009

ASSETS	Boulders Moderate Housing	CDBG Housing Rehab	CalHome Grant	Recycling Grant
Cash and investments	\$ 867,407	\$ 4,011	\$ 2,852	\$ 22,550
Cash with fiscal agent	-	-	-	-
Interest receivable	5,114	38	17	-
Taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Prepaid costs and deposits	-	-	-	-
Loans receivable	302,800	61,467	488,760	-
Total Assets	\$ 1,175,321	\$ 65,516	\$ 491,629	\$ 22,550
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salaries & benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	35,159	-
Unearned revenue	1,034,800	45,692	488,758	-
Total Liabilities	1,034,800	45,692	523,917	-
FUND BALANCES				
Reserved for:				
Loans receivable	-	15,775	-	-
Unreserved				
Undesignated	140,521	4,049	(32,288)	22,550
Total Fund Balances	140,521	19,824	(32,288)	22,550
Total Liabilities and Fund Balances	\$ 1,175,321	\$ 65,516	\$ 491,629	\$ 22,550

Continued (Page 6 of 8)

TOWN OF TRUCKEE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2009

ASSETS	CDBG 04-EDBG- 1022	1st Time Homeowners Downpayment Assistance	Household Hazardous Waste	Impact Fees Miscellaneous
Cash and investments	\$ -	\$ 143,985	\$ 1,803	\$ 1,060,002
Cash with fiscal agent	-	-	-	-
Interest receivable	110	858	-	6,444
Taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Prepaid costs and deposits	-	-	-	-
Loans receivable	56,673	-	-	-
Total Assets	\$ 56,783	\$ 144,843	\$ 1,803	\$ 1,066,446
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,314
Salaries & benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	13	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	13	-	-	2,314
FUND BALANCES				
Reserved for:				
Loans receivable	56,673	-	-	-
Unreserved				
Undesignated	97	144,843	1,803	1,064,132
Total Fund Balances	56,770	144,843	1,803	1,064,132
Total Liabilities and Fund Balances	\$ 56,783	\$ 144,843	\$ 1,803	\$ 1,066,446

Continued (Page 7 of 8)

TOWN OF TRUCKEE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2009

<u>ASSETS</u>	<u>Totals</u>
Cash and investments	\$ 8,913,024
Cash with fiscal agent	\$ 4
Interest receivable	\$ 55,711
Taxes receivable	\$ 99,993
Due from other governments	\$ 50,985
Prepaid costs and deposits	\$ 1,411
Loans receivable	\$ 1,574,542
Total Assets	<u>\$ 10,695,670</u>
<u>LIABILITIES AND FUND BALANCES</u>	
LIABILITIES	
Accounts payable	\$ 67,916
Salaries & benefits payable	\$ 4,127
Deposits payable	\$ 5,751
Due to other funds	\$ 56,786
Unearned revenue	\$ 2,344,740
Total Liabilities	<u>2,479,320</u>
FUND BALANCES	
Reserved for:	
Loans receivable	\$ 72,448
Unreserved	
Undesignated	<u>\$ 8,143,902</u>
Total Fund Balances	<u>\$ 8,216,350</u>
Total Liabilities and Fund Balances	<u>\$ 10,695,670</u>

Continued (Page 8 of 8)

TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

REVENUES	Asset Forfeiture	Animal Control	Abandoned Vehicle	Affordable Housing In-Lieu
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	11,556	-	-	-
Use of money and property	624	-	548	355
Intergovernmental revenues	-	-	-	-
Charges for services	-	120	1,291	15,000
Other revenue	-	-	-	-
Total Revenues	12,180	120	1,839	15,355
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	12,180	120	1,839	15,355
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(246)	-	-
Total Other Financing Sources (Uses)	-	(246)	-	-
Net Change in Fund Balances	12,180	(126)	1,839	15,355
Fund Balances - Beginning	13,093	630	17,940	-
Fund Balances - Ending	\$ 25,273	\$ 504	\$ 19,779	\$ 15,355

TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Air Quality Mitigation	Downtown in Lieu Parking	Downtown Frontage Improvement	COPS Program
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	5,188	9,021	702	4,186
Intergovernmental revenues	-	-	-	100,135
Charges for services	1,423	-	16,700	-
Other revenue	15,054	-	-	-
Total Revenues	21,665	9,021	17,402	104,321
EXPENDITURES				
Current:				
General government	65,300	-	-	-
Public safety	-	-	-	68,834
Public works	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	65,300	-	-	68,834
Excess of Revenues Over (Under) Expenditures	(43,635)	9,021	17,402	35,487
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(314,709)	-	-
Total Other Financing Sources (Uses)	-	(314,709)	-	-
Net Change in Fund Balances	(43,635)	(305,688)	17,402	35,487
Fund Balances - Beginning	216,255	305,689	15,533	161,580
Fund Balances - Ending	\$ 172,620	\$ 1	\$ 32,935	\$ 197,067

Continued (Page 2 of 8)

TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

REVENUES	CLEEP Project	Assessment Districts	CDBG 05-STBG 1416	Housing Reimbursement
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	604	160,235	778	871
Intergovernmental revenues	-	-	-	(60,000)
Charges for services	-	764,357	-	-
Other revenue	-	-	-	-
Total Revenues	604	924,592	778	(59,129)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	58,533	-	-
Community development	-	-	375	-
Capital outlay	-	-	-	-
Total Expenditures	-	58,533	375	-
Excess of Revenues Over (Under) Expenditures	604	866,059	403	(59,129)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(290,838)	-	-
Total Other Financing Sources (Uses)	-	(290,838)	-	-
Net Change in Fund Balances	604	575,221	403	(59,129)
Fund Balances - Beginning	20,461	4,172,705	26,556	69,335
Fund Balances - Ending	\$ 21,065	\$ 4,747,926	\$ 26,959	\$ 10,206

Continued (Page 3 of 8)

TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

REVENUES	Homeland Security/ OES Grant	ABC Grant	Office of Traffic Safety	Gas Tax
Taxes and assessments	\$ -	\$ -	\$ -	\$ 1,800,020
Fines and forfeitures	-	-	-	-
Use of money and property	32	652	1,279	2,334
Intergovernmental revenues	8,961	-	101,305	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	8,993	652	102,584	1,802,354
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	3,424	-	91,640	-
Public works	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	3,424	-	91,640	-
Excess of Revenues Over (Under) Expenditures	5,569	652	10,944	1,802,354
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(1,767,291)
Total Other Financing Sources (Uses)	-	-	-	(1,767,291)
Net Change in Fund Balances	5,569	652	10,944	35,063
Fund Balances - Beginning	(2,329)	22,096	10,755	58,041
Fund Balances - Ending	\$ 3,240	\$ 22,748	\$ 21,699	\$ 93,104

Continued (Page 4 of 8)

TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

REVENUES	Town Hall	Redevelopment Housing	CDBG Miscellaneous Income	CDBG Program Income
Taxes and assessments	\$ -	\$ 435,007	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	814	40,342	1,355	1,001
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	814	475,349	1,355	1,001
EXPENDITURES				
Current:				
General government	-	-	-	17
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	84,660	-	50,000
Capital outlay	-	-	-	-
Total Expenditures	-	84,660	-	50,017
Excess of Revenues Over (Under) Expenditures	814	390,689	1,355	(49,016)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	6,221	22,502
Transfers out	(1,339)	(20,000)	-	(10,828)
Total Other Financing Sources (Uses)	(1,339)	(20,000)	6,221	11,674
Net Change in Fund Balances	(525)	370,689	7,576	(37,342)
Fund Balances - Beginning	529	963,543	45,902	37,342
Fund Balances - Ending	\$ 4	\$ 1,334,232	\$ 53,478	\$ -

Continued (Page 5 of 8)

TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Boulders Moderate Housing	CDBG Housing Rehab	CalHome Grant	Recycling Grant
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	29,730	150	125	-
Intergovernmental revenues	-	-	245,516	-
Charges for services	-	-	-	-
Other revenue	30,000	-	-	-
Total Revenues	59,730	150	245,641	-
<u>EXPENDITURES</u>				
Current:				
General government	-	-	38,000	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	38,000	-
Excess of Revenues Over (Under) Expenditures	59,730	150	207,641	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	(2,557)	-	-
Total Other Financing Sources (Uses)	-	(2,557)	-	-
Net Change in Fund Balances	59,730	(2,407)	207,641	-
Fund Balances - Beginning	80,791	22,231	(239,929)	22,550
Fund Balances - Ending	\$ 140,521	\$ 19,824	\$ (32,288)	\$ 22,550

Continued (Page 6 of 8)

TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	CDBG 04-EDBG- 1022	1st Time Homeowners Downpayment Assistance	Household Hazardous Waste	Impact Fees Miscellaneous
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	4,015	4,152	-	35,861
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	68,328
Other revenue	-	-	-	-
Total Revenues	4,015	4,152	-	104,189
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	4,015	4,152	-	104,189
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	11,680
Transfers out	(19,945)	-	-	(50,000)
Total Other Financing Sources (Uses)	(19,945)	-	-	(38,320)
Net Change in Fund Balances	(15,930)	4,152	-	65,869
Fund Balances - Beginning	72,700	140,691	1,803	998,263
Fund Balances - Ending	\$ 56,770	\$ 144,843	\$ 1,803	\$ 1,064,132

Continued (Page 7 of 8)

TOWN OF TRUCKEE, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

<u>REVENUES</u>	<u>Totals</u>
Taxes and assessments	\$ 2,235,027
Fines and forfeitures	\$ 11,556
Use of money and property	\$ 304,954
Intergovernmental revenues	\$ 395,917
Charges for services	\$ 867,219
Other revenue	\$ 45,054
Total Revenues	<u>3,859,727</u>
<u>EXPENDITURES</u>	
Current:	
General government	\$ 103,317
Public safety	\$ 163,898
Public works	\$ 58,533
Community development	\$ 135,035
Capital outlay	\$ -
Total Expenditures	<u>\$ 460,783</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 3,398,944</u>
<u>OTHER FINANCING SOURCES (USES)</u>	
Transfers in	\$ 40,403
Transfers out	\$ (2,477,753)
Total Other Financing Sources (Uses)	<u>\$ (2,437,350)</u>
Net Change in Fund Balances	\$ 961,594
Fund Balances - Beginning	<u>\$ 7,254,756</u>
Fund Balances - Ending	<u>\$ 8,216,350</u>

Continued (Page 8 of 8)

This page intentionally left blank.

NONMAJOR GOVERNMENTAL FUNDS
Capital Projects Funds

TOWN OF TRUCKEE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2009

<u>ASSETS</u>	<u>Fleet Replacement</u>
Cash and investments	\$ 1,656,345
Total Assets	\$ 1,656,345
<u>LIABILITIES AND FUND BALANCES</u>	
LIABILITIES	
Accounts Payable	\$ 15,296
Total Liabilities	15,296
FUND BALANCES	
Unreserved:	
Undesignated	1,641,049
Total Fund Balances	1,641,049
Total Liabilities and Fund Balances	\$ 1,656,345

TOWN OF TRUCKEE, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

<u>REVENUES</u>	<u>Fleet Replacement</u>
Use of money and property	\$ 14,058
Intergovernmental revenues	1,094,572
Other revenue	<u>22,725</u>
Total Revenues	<u>1,131,355</u>
<u>EXPENDITURES</u>	
Current:	
General government	11,556
Capital outlay	<u>230,130</u>
Total Expenditures	<u>241,686</u>
Excess of Revenues Over (Under) Expenditures	<u>889,669</u>
<u>OTHER FINANCING SOURCES (USES)</u>	
Transfers in	-
Transfers out	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>
Net Change in Fund Balances	889,669
Fund Balances - Beginning	<u>751,380</u>
Fund Balances - Ending	<u><u>\$ 1,641,049</u></u>

This page intentionally left blank.

NONMAJOR GOVERNMENTAL FUNDS
Debt Service Funds

TOWN OF TRUCKEE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 JUNE 30, 2009

ASSETS

Cash and investments
 Cash with fiscal agent

Total Assets

Debt Service

\$ 1,883
 130,804

\$ 132,687

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts Payable

Total Liabilities

\$ -

-

FUND BALANCES

Reserved for:
 Debt service

Total Fund Balances

Total Liabilities and Fund Balances

132,687

132,687

\$ 132,687

TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

<u>REVENUES</u>	<u>Debt Service</u>
Taxes and assessments	\$ -
Total Revenues	-
<u>EXPENDITURES</u>	
Debt service	
Principal	160,000
Interest and other charges	250,473
Total Expenditures	410,473
Excess of Revenues Over (Under) Expenditures	(410,473)
<u>OTHER FINANCING SOURCES (USES)</u>	
Transfers in	410,473
Transfers out	-
Total Other Financing Sources (Uses)	410,473
Net Change in Fund Balances	-
Fund Balances - Beginning	132,687
Fund Balances - Ending	\$ 132,687