

*TOWN OF TRUCKEE, CALIFORNIA*  
*ANNUAL FINANCIAL REPORT*  
*FOR THE YEAR ENDED JUNE 30, 2008*

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TOWN OF TRUCKEE, CALIFORNIA  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2008

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# INTRODUCTORY SECTION

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- 
- List of Officials

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TOWN OF TRUCKEE, CALIFORNIA  
TOWN COUNCIL  
FOR THE YEAR ENDED JUNE 30, 2008

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

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## FINANCIAL SECTION

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

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**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, 2008, 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, 2008, 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 9, 2008, 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 accompanying Required Supplementary Information, such as Management's Discussion and Analysis and the Budgetary Comparison Schedules as listed in the table of contents, is not a required part of the basic financial statements but is 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 9, 2008

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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# TOWN OF TRUCKEE, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2008

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, 2008. 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 \$129.5 million. Of this amount, \$18.4 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 \$129.4 million. Of this balance, \$19 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 \$18.7 million. The reserved balance is \$6.8 million. The unreserved designated balance of \$7.0 million is designated for various contingencies and future capital needs and \$4.9 million is unreserved and undesignated and available for spending at the Town's discretion.

The Town completed the construction of infrastructure and a road for the Frishman Hollow very low income housing project. Five roads were added to the Town's infrastructure: Sudsbury Circle, Eastbourne Court, Plymouth Lane and Bexhill Place are in the Cambridge Estates Phase 3 development and have reached tax neutrality. Rue Ivy is the newly constructed street in Frishman Hollow and was accepted after construction was completed.

The Pine Forest / TTUSD fiduciary fund was established to hold monies received according to development agreements for construction of a left turn pocket or roundabout at the intersection of SR89/Alder Drive/Prosser Dam Road. Construction began during fiscal 2008/09 and 100% of the roundabout will be paid by the developer. This fund was liquefied as required by the reimbursement agreement and will no longer be utilized.

The Town executed the purchase of 19.46 acres from the United States Forest Service for \$5,245,717. The land is located on the South East corner of the intersection of I80 and Donner Pass Road. The land may be used for the relocation of the Town's Public Service Facility and Animal Services Facility. No debt was incurred with this purchase.

### **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, 2008

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 basic fiduciary fund financial statements can be found on pages 34-35 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund statements. The notes to the financial statements can be found on pages 39-55 of this report.

TOWN OF TRUCKEE, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008

**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, 2008.

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

	Governmental Activities		Business-type Activities		Total Activities		Total Percentage Change
	2007	2008	2007	2008	2007	2008	
Current and other assets	\$ 50,985	\$ 59,121	\$ (180)	\$ (484)	\$ 50,805	\$ 58,637	15%
Capital assets	81,945	90,206	621	658	82,566	\$ 90,865	10%
<b>Total assets</b>	<b>132,930</b>	<b>149,327</b>	<b>441</b>	<b>174</b>	<b>133,371</b>	<b>149,501</b>	12%
Current Liabilities	9,732	13,689	279	87	10,011	13,775	38%
Long-term debt outstanding	6,149	6,197	81	60	6,230	6,257	0%
<b>Total liabilities</b>	<b>15,881</b>	<b>19,885</b>	<b>360</b>	<b>147</b>	<b>16,241</b>	<b>20,032</b>	
Net assets							
Invested in capital assets net of related debt	75,815	84,576	621	658	76,436	85,234	12%
Restricted	18,178	25,868	-	-	18,178	25,868	42%
Unrestricted	23,056	18,998	(540)	(631)	22,516	18,367	-18%
<b>Total net assets</b>	<b>\$ 117,049</b>	<b>\$ 129,442</b>	<b>\$ 81</b>	<b>\$ 28</b>	<b>\$ 117,130</b>	<b>\$ 129,469</b>	

As of June 30, 2008, the Town's government-wide total assets exceeded liabilities (net assets) by \$129.5 million. Governmental activities finished the year with a positive net asset balance, \$129.4 million. Business type activities finished the year with a positive balance of \$.028 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, \$85.2 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 \$1.6 million of roadways infrastructure and expended \$5.2 million towards the purchase of land for a future Public Service Facility.

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 \$25.9 million or 17% 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.

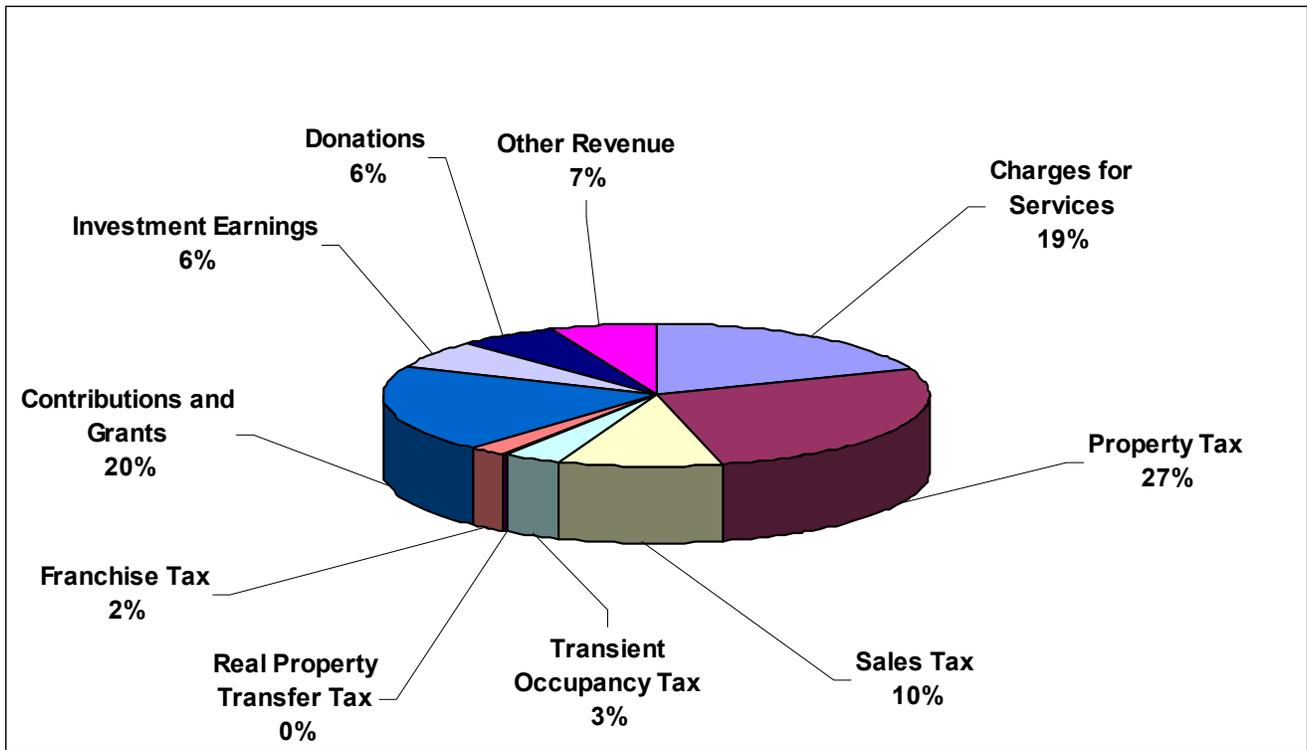
TOWN OF TRUCKEE, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2008

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 \$18.4 million or 14.1% of the total net assets. Governmental activities account for \$19 million or 103% of the total unrestricted net assets. Business-type activities account for \$(.06) million or (.3)% 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 parking and building funds are financed by a loan from the general fund. The parking district increased revenues by 4.4% and decreased expenses by 2% and will continue to look for opportunities to increase future revenues through expansion of its district via redevelopment efforts. The building fund increased revenues by 15.9% and reduced expenses by 16% to address the negative net assets from 2007. The building division will continue to control costs during the slow down in new construction.

REVENUES

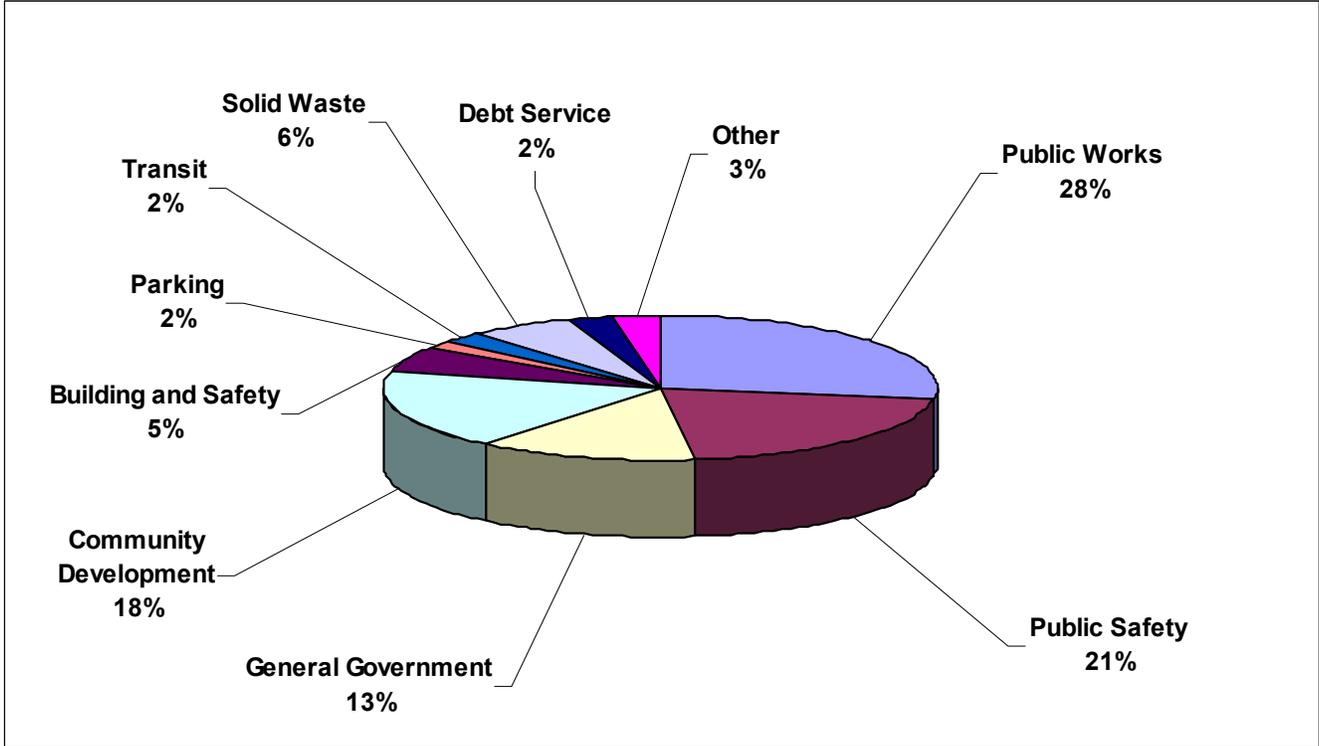


TOWN OF TRUCKEE, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2008

EXPENSES



GOVERNMENTAL ACTIVITIES

Governmental activities account for \$129.4 million or 99.98% of the total Government-wide net assets. The following lists key components of net assets and highlights the changes between fiscal 2007 and fiscal 2008 for both Governmental Activities and Business-type Activities:

	Governmental Activities		Business-type Activities		Total Activities		Total Percentage Change
	2007	2008	2007	2008	2007	2008	
<b>Revenues</b>							
<i>Program Revenues</i>							
Charges for services	\$ 3,134	\$ 4,165	\$ 3,891	\$ 4,059	\$ 7,025	\$ 8,224	17%
Operating grants and contributions	6,805	1,248	547	640	7,352	1,888	-74%
Capital grants and contributions	3,232	9,695	-	-	3,232	9,695	200%
<i>General Revenues</i>							
Property taxes	10,399	11,532	-	-	10,399	11,532	11%
Sales taxes	5,030	4,210	-	-	5,030	4,210	-16%
Transient occupancy tax	1,296	1,435	-	-	1,296	1,435	11%
Other taxes	2,500	2,494	-	-	2,500	2,494	0%
Investment earnings	2,063	2,685	19	17	2,082	2,702	30%
Donations	3,261	-	-	-	3,261	-	-100%
Other revenue / Transfers	2,381	792	(13)	73	2,368	865	-63%
<b>Total revenues</b>	<b>40,101</b>	<b>38,256</b>	<b>4,445</b>	<b>4,789</b>	<b>44,546</b>	<b>43,045</b>	

TOWN OF TRUCKEE, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2008

	Governmental Activities		Business-type Activities		Total Activities		Total Percentage Change
	2007	2008	2007	2008	2007	2008	
<b>Expenses</b>							
General government	3,206	3,907	-	-	3,206	3,907	22%
Public safety	5,465	6,321	-	-	5,465	6,321	16%
Public works	10,360	8,437	-	-	10,360	8,437	-19%
Community development	4,871	5,595	-	-	4,871	5,595	15%
Transit	-	-	740	683	740	683	-8%
Solid Waste	-	-	1,787	1,954	1,787	1,954	9%
Building & Safety	-	-	1,896	1,636	1,896	1,636	-14%
Parking	-	-	582	569	582	569	-2%
Interest on long-term debt	656	707	-	-	656	707	8%
Other	836	896	-	-	836	896	7%
<b>Total expenses</b>	<b>25,394</b>	<b>25,863</b>	<b>5,005</b>	<b>4,842</b>	<b>30,399</b>	<b>30,705</b>	
<b>Increase (decrease) in net assets</b>	<b>\$ 14,707</b>	<b>\$ 12,393</b>	<b>\$ (560)</b>	<b>\$ (53)</b>	<b>\$ 14,147</b>	<b>\$ 12,340</b>	

Total governmental revenues for the year were \$38.3 million, a decrease of \$1.8 million or 4.8% when compared to 2007. Excluding \$2.4 million road capital contributions, the decrease in revenues is primarily due to decreased grant revenues; in 2007 the Town received \$10 million in operating and capital grants and contributions compared with \$8.5 million in 2008. HOME and California Housing & Community Development grants represent a \$1.3 million increase while public works grants decreased \$1.96 million compared with 2007. Excluding road capital contributions, overall operating and capital grants decreased \$1.5 million compared with 2007. Property taxes increased 11% while sales taxes decreased 16% compared with 2007. Taxes, which include property, sales, and other taxes account for \$18.2 million or 47.6% of the Town's governmental activities revenue. Without capital grants, taxes would be 68% of the Town's governmental activities revenue.

Total governmental expenses for the year were \$25.9 million as compared to \$25.4 million, a 2% increase when compared with 2007. The primary factor driving increased expenses are budgeted operating expense increases in wage and benefit costs; as well as reduced levels of fleet capital expenses.

**BUSINESS-TYPE ACTIVITIES**

Business-type activities account for \$( .06) million or (3)% of the total Government-wide unrestricted net assets. The decrease in net assets is the result of net losses in the Town's parking and building & safety funds. Revenues increased in the solid waste, parking and building fund. Solid waste revenue increased 7% compared to 2007 due to budgeted rate increases. Parking revenue fees increased due to increased compliance, and fines increased due to collections from 2007 enforcement efforts. Total parking fund revenue increased 4% compared to 2007. Building revenue increased by 16% compared to 2007 due to increased fees effective July, 2007 and total expenses decreased 16% compared with 2007 primarily due to decreases in the personnel costs. Budgeted increases in solid waste revenue resulted in increased expenses of 9%.

**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 \$44.6 million. Of the total fund balance, \$30.4 million or 68% 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, 2008 the total fund balance of the general fund was \$18.7 million with \$5.4 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 \$6.97 million in unreserved/designated funds for contingencies, equipment replacement, facilities construction and capital projects.

Total governmental revenues exceeded expenditures by \$5.9 million primarily as a result of unanticipated general fund revenues, budgetary savings and the accumulation of special revenue funds for impact fees and road construction and maintenance to be used for future capital projects.

TOWN OF TRUCKEE, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2008

**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 59. There were no significant changes to the original budget.

Actual revenues exceeded budgeted revenues primarily as a result of higher than anticipated taxes and assessments. Property taxes, sales taxes, real property transfer tax, franchise fees, motor vehicle privilege tax and transient occupancy taxes were the primary contributors to the higher than anticipated tax revenues.

Actual expenditures were lower than budgeted expenditures as a result of budgetary savings, lower than anticipated administrative costs 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, 2008, amounts to \$90.9 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
	2007	2008	2007	2008	2007	2008	
Right of way	\$ 38,661	\$ 40,913	\$ -	\$ -	\$ 38,661	\$ 40,913	5.8%
Land	2,802	8,047	-	-	\$ 2,802	\$ 8,047	187.2%
Construction in progress	2,842	3,645	-	-	\$ 2,842	\$ 3,645	28.3%
Buildings and improvements	8,256	8,084	151	140	\$ 8,407	\$ 8,224	-2.2%
Equipment	6,054	6,074	470	518	\$ 6,524	\$ 6,592	1.0%
Infrastructure	23,331	23,443	-	-	\$ 23,331	\$ 23,443	0.5%
<b>TOTALS</b>	<b>\$ 81,946</b>	<b>\$ 90,206</b>	<b>\$ 621</b>	<b>\$ 658</b>	<b>\$ 82,567</b>	<b>\$ 90,864</b>	

Major capital asset additions this year were due to the completion of a road for the Frishman Hollow very low income housing project and the acceptance of five roads to the Town's infrastructure. Sudsbury Circle, Eastbourne Court, Plymouth Lane and Bexhill Place are in the Cambridge Estates Phase 3 development and have reached tax neutrality. Rue Ivy is the newly constructed street in Frishman Hollow and was accepted after construction was completed. Construction in progress includes Frishman Hollow infrastructure, pre-construction on the new public service facility and trail and bike lane construction.

Additional information on the Town's capital assets can be found in note 3 on page 50.

**Long-term Debt.** The Town's long-term debt as of June 30, 2008 was \$6.3 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 51.

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 statutes limit the amount of general obligation debt to 15% of the Town's total assessed valuation which was \$8,133 million in fiscal 2008. The Town of Truckee's debt limit is \$769.9 million. The Town currently has no general obligation debt outstanding.

# TOWN OF TRUCKEE, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2008

### **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 2009 it was estimated that 150 new single-family units would be constructed within the Town, compared with 270 units in fiscal 2008. Non-residential growth is estimated to be comparable to 2008 during fiscal 2009. These growth factors were utilized in developing the Town's revenue estimates.

Total Town-wide expenditures excluding debt service, overlay reserve and capital expenditures were projected to increase approximately 6% compared with 2008 budgeted expenditures. The biggest portion of these costs are salary and benefits which are budgeted to increase 4% based on negotiated agreements with the Town's bargaining units. There were no regular employee increases in staffing levels in the 2009 budget. Most other expenditures were estimated to grow at the rate of inflation.

The Town's general fund is currently contributing approximately \$1 million to the Town's capital programs as well as \$.5 million reserved for street overlay maintenance. The Town has budgeted to increase the reserve for construction of a new public service facility by \$2.5 million. The Town Council has also designated \$3.4 million 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.

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# **BASIC FINANCIAL STATEMENTS**

Government Wide Financial Statements

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TOWN OF TRUCKEE, CALIFORNIA

STATEMENT OF NET ASSETS

JUNE 30, 2008

<b><u>ASSETS</u></b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Cash and investments	\$ 42,957,508	\$ 173,290	\$ 43,130,798
Cash with fiscal agent	131,333	-	131,333
Accounts receivable	292,520	105,809	398,329
Interest receivable	384,313	816	385,129
Taxes receivable	1,495,600	-	1,495,600
Internal balances	765,008	(765,008)	-
Deposits	180	-	180
Due from other governments	1,155,419	-	1,155,419
Prepaid costs	-	851	851
Long-term receivables	5,688,429	-	5,688,429
Loans receivable	6,050,690	-	6,050,690
Land held for resale	200,000	-	200,000
Capital assets:			
Non-depreciable assets	52,605,251	-	52,605,251
Depreciable assets, net of depreciation	37,600,918	658,489	38,259,407
Total capital assets	<u>90,206,169</u>	<u>658,489</u>	<u>90,864,658</u>
<b>Total Assets</b>	<b><u>149,327,169</u></b>	<b><u>174,247</u></b>	<b><u>149,501,416</u></b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	1,418,695	27,457	1,446,152
Salaries and benefits payable	481,616	48,139	529,755
Deposits payable	453,334	7,431	460,765
Unearned revenue	11,232,108	-	11,232,108
Long-term liabilities			
Due within one year	102,893	3,737	106,630
Due in more than one year	6,196,724	59,850	6,256,574
<b>Total Liabilities</b>	<b><u>19,885,370</u></b>	<b><u>146,614</u></b>	<b><u>20,031,984</u></b>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	84,575,714	658,489	85,234,203
Restricted for:			
Capital Projects	3,533,463	-	3,533,463
Debt service	132,686	-	132,686
Grants, taxes, and fees	22,201,632	-	22,201,632
Unrestricted	18,998,304	(630,856)	18,367,448
<b>Total Net Assets</b>	<b><u>\$ 129,441,799</u></b>	<b><u>\$ 27,633</u></b>	<b><u>\$ 129,469,432</u></b>

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, 2008

<u>FUNCTIONS/PROGRAMS</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	3,906,900	185,690	115,792	1,094,572
Public safety	6,321,316	695,570	228,526	-
Public works	8,436,944	3,061,513	483,406	3,415,638
Community development	5,595,010	222,141	420,428	5,185,217
Facilities	895,536	-	-	-
Interest on long-term debt	707,524	-	-	-
<b>Total Governmental Activities</b>	<u>25,863,229</u>	<u>4,164,914</u>	<u>1,248,152</u>	<u>9,695,427</u>
Business-type activities:				
Parking	569,241	487,531	-	-
Solid waste	1,953,859	1,896,195	36,864	-
Building and safety	1,635,544	1,625,310	-	-
Transit	683,218	50,414	602,830	-
<b>Total Business-type Activities</b>	<u>4,841,862</u>	<u>4,059,450</u>	<u>639,694</u>	<u>-</u>
<b>Total</b>	<u>\$ 30,705,091</u>	<u>\$ 8,224,364</u>	<u>\$ 1,887,846</u>	<u>\$ 9,695,427</u>

TOWN OF TRUCKEE, CALIFORNIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008

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

<b>FUNCTIONS/PROGRAMS</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Governmental activities:			
General government	(2,510,846)	-	(2,510,846)
Public safety	(5,397,219)	-	(5,397,219)
Public works	(1,476,387)	-	(1,476,387)
Community development	232,777	-	232,777
Facilities	(895,536)	-	(895,536)
Interest on long-term debt	(707,524)	-	(707,524)
<b>Total Governmental Activities</b>	<b>(10,754,736)</b>	<b>-</b>	<b>(10,754,736)</b>
Business-type activities:			
Parking	-	(81,710)	(81,710)
Solid waste	-	(20,800)	(20,800)
Building and safety	-	(10,234)	(10,234)
Transit	-	(29,974)	(29,974)
<b>Total Business-type Activities</b>	<b>-</b>	<b>(142,718)</b>	<b>(142,718)</b>
<b>Total</b>	<b>\$ (10,754,736)</b>	<b>\$ (142,718)</b>	<b>\$ (10,897,454)</b>
<b>General revenues:</b>			
Taxes:			
Property taxes	11,531,636	-	11,531,636
Sales and use taxes	4,209,796	-	4,209,796
Transient occupancy taxes	1,434,819	-	1,434,819
Property transfer taxes	181,589	-	181,589
Franchise taxes	929,501	-	929,501
Grants and contributions - unrestricted	1,382,647	-	1,382,647
Interest and investment earnings	2,684,807	17,084	2,701,891
Miscellaneous	780,149	84,778	864,927
<b>Transfers</b>	<b>12,270</b>	<b>(12,270)</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>	<b>23,147,214</b>	<b>89,592</b>	<b>23,236,806</b>
<b>Change in Net Assets</b>	<b>12,392,478</b>	<b>(53,126)</b>	<b>12,339,352</b>
<b>Net Assets - Beginning</b>	<b>117,049,321</b>	<b>80,759</b>	<b>117,130,080</b>
<b>Net Assets - Ending</b>	<b>\$ 129,441,799</b>	<b>\$ 27,633</b>	<b>\$ 129,469,432</b>

Continued (Page 2 of 2)

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

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# **BASIC FINANCIAL STATEMENTS**

Fund Financial Statements

TOWN OF TRUCKEE, CALIFORNIA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2008

<b>ASSETS</b>	<b>General</b>	<b>Measure A</b>	<b>Impact Fees</b>	<b>HOME Grant</b>
Cash and investments	\$ 10,893,240	\$ 7,213,335	\$ 7,269,939	\$ 24,249
Cash with fiscal agent	-	-	-	-
Accounts receivable	149,285	-	-	4,044
Interest receivable	132,154	63,229	56,223	183
Taxes receivable	1,235,549	319,200	-	-
Deposits	180	-	-	-
Due from other funds	1,038,775	-	-	-
Due from other governments	37,169	-	-	-
Prepaid costs	-	-	-	-
Advances to other funds	5,415,263	-	-	-
Long-term interest receivable	-	-	-	490,858
Notes receivable	1,297,671	-	-	3,899,900
Loans receivable	-	-	-	4,526,195
RDA land held for resale	-	-	-	-
<b>Total Assets</b>	<b>\$ 20,199,286</b>	<b>\$ 7,595,764</b>	<b>\$ 7,326,162</b>	<b>\$ 8,945,429</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 538,209	\$ -	\$ -	\$ 3,525
Salaries and benefits payable	465,818	-	-	-
Deposits payable	404,610	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	55,582	-	-	8,916,953
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>1,464,219</b>	<b>-</b>	<b>-</b>	<b>8,920,478</b>
<b>FUND BALANCES</b>				
Reserved for:				
Self insurance retention	75,000	-	-	-
Advances	5,415,263	-	-	-
RDA land held for resale	-	-	-	-
Notes receivable	1,297,671	-	-	-
Loans receivable	-	-	-	-
Debt service	-	-	-	-
Unreserved, reported in:				
General				
Designated	6,970,008	-	-	-
Undesignated	4,977,125	-	-	-
Special Revenue				
Undesignated	-	7,595,764	7,326,162	24,951
Capital Projects				
Undesignated	-	-	-	-
<b>Total Fund Balances</b>	<b>18,735,067</b>	<b>7,595,764</b>	<b>7,326,162</b>	<b>24,951</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 20,199,286</b>	<b>\$ 7,595,764</b>	<b>\$ 7,326,162</b>	<b>\$ 8,945,429</b>

TOWN OF TRUCKEE, CALIFORNIA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2008

<b>ASSETS</b>	<b>Capital Projects</b>	<b>Redevelopment Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
Cash and investments	\$ 1,717,744	\$ 6,987,168	\$ 8,851,833	\$ 42,957,508
Cash with fiscal agent	-	-	131,333	131,333
Accounts receivable	20,134	-	73,631	247,094
Interest receivable	-	54,402	78,122	384,313
Taxes receivable	-	111,245	60,888	1,726,882
Deposits	-	-	-	180
Due from other funds	-	-	-	1,038,775
Due from other governments	-	-	-	37,169
Prepaid costs	-	-	-	-
Advances to other funds	-	-	-	5,415,263
Long-term interest receivable	-	-	-	490,858
Notes receivable	-	-	-	5,197,571
Loans receivable	-	16,781	1,507,711	6,050,687
RDA land held for resale	-	200,000	-	200,000
<b>Total Assets</b>	<b>\$ 1,737,878</b>	<b>\$ 7,369,596</b>	<b>\$ 10,703,518</b>	<b>\$ 63,877,633</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 449,977	\$ 404,585	\$ 22,399	\$ 1,418,695
Salaries and benefits payable	6,920	5,673	3,205	481,616
Deposits payable	42,973	-	5,751	453,334
Due to other funds	-	-	273,767	273,767
Unearned revenue	-	-	2,259,573	11,232,108
Advances from other funds	-	5,415,263	-	5,415,263
<b>Total Liabilities</b>	<b>499,870</b>	<b>5,825,521</b>	<b>2,564,695</b>	<b>19,274,783</b>
<b>FUND BALANCES</b>				
Reserved for:				
Self insurance retention	-	-	-	75,000
Advances	-	-	-	5,415,263
RDA land held for resale	-	200,000	-	200,000
Notes receivable	-	-	-	1,297,671
Loans receivable	-	16,781	90,786	107,567
Debt service	-	-	132,687	132,687
Unreserved, reported in:				
General				
Designated	-	-	-	6,970,008
Undesignated	-	-	-	4,977,125
Special Revenue				
Undesignated	-	-	7,163,970	22,110,847
Capital Projects				
Undesignated	1,238,008	1,327,294	751,380	3,316,682
<b>Total Fund Balances</b>	<b>1,238,008</b>	<b>1,544,075</b>	<b>8,138,823</b>	<b>44,602,850</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,737,878</b>	<b>\$ 7,369,596</b>	<b>\$ 10,703,518</b>	<b>\$ 63,877,633</b>

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, 2008

<b>Total Governmental Fund Balances</b>	\$ 44,602,850
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.	90,206,169
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	(6,299,617)
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>932,397</u>
<b>Net Assets of Governmental Activities</b>	<u>\$ 129,441,799</u>

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

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TOWN OF TRUCKEE, CALIFORNIA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

<b>REVENUES</b>	<b>General</b>	<b>Measure A</b>	<b>Impact Fees</b>	<b>HOME Grant</b>
Taxes and assessments	\$ 15,150,103	\$ 1,971,095	\$ -	\$ -
Licenses and permits	85,780	-	-	-
Fines and forfeitures	429,494	-	-	-
Use of money and property	970,685	317,854	281,774	862
Intergovernmental revenues	1,509,527	-	-	3,936,182
Charges for services	1,078,137	-	1,852,099	-
Donations	-	-	-	-
Other revenues	478,575	-	-	-
<b>Total Revenues</b>	<b>19,702,301</b>	<b>2,288,949</b>	<b>2,133,873</b>	<b>3,937,044</b>
<b>EXPENDITURES</b>				
Current:				
General government	2,913,303	-	-	-
Public safety	5,961,375	-	-	-
Public works	5,375,942	-	-	-
Community development	919,977	-	-	3,935,226
Facilities	913,442	-	-	-
Capital outlay	222,941	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
<b>Total Expenditures</b>	<b>16,306,980</b>	<b>-</b>	<b>-</b>	<b>3,935,226</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>3,395,321</b>	<b>2,288,949</b>	<b>2,133,873</b>	<b>1,818</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,489,332	-	-	-
Transfers out	(6,657,399)	(972,475)	(651)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(5,168,067)</b>	<b>(972,475)</b>	<b>(651)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(1,772,746)</b>	<b>1,316,474</b>	<b>2,133,222</b>	<b>1,818</b>
<b>Fund Balances - Beginning</b>	<b>20,507,813</b>	<b>6,279,290</b>	<b>5,192,940</b>	<b>23,133</b>
<b>Fund Balances - Ending</b>	<b>\$ 18,735,067</b>	<b>\$ 7,595,764</b>	<b>\$ 7,326,162</b>	<b>\$ 24,951</b>

TOWN OF TRUCKEE, CALIFORNIA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

<u>REVENUES</u>	<u>Capital Projects</u>	<u>Redevelopment Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Taxes and assessments	\$ -	\$ 1,171,472	\$ 1,826,270	\$ 20,118,940
Licenses and permits	-	-	-	85,780
Fines and forfeitures	-	-	-	429,494
Use of money and property	10,030	285,254	373,554	2,240,013
Intergovernmental revenues	1,742,167	19,966	2,666,279	9,874,121
Charges for services	-	-	1,164,203	4,094,439
Donations	-	-	-	-
Other revenues	93,141	13	166,450	738,179
<b>Total Revenues</b>	<u>1,845,338</u>	<u>1,476,705</u>	<u>6,196,756</u>	<u>37,580,966</u>
 <u>EXPENDITURES</u>				
Current:				
General government	247,229	-	488,591	3,649,123
Public safety	-	-	91,718	6,053,093
Public works	738,394	-	25,580	6,139,916
Community development	-	270,501	455,450	5,581,154
Facilities	-	-	-	913,442
Capital outlay	7,641,599	-	759,147	8,623,687
Debt service				
Principal	-	-	145,000	145,000
Interest and other charges	-	313,088	259,587	572,675
<b>Total Expenditures</b>	<u>8,627,222</u>	<u>583,589</u>	<u>2,225,073</u>	<u>31,678,090</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(6,781,884)</u>	<u>893,116</u>	<u>3,971,683</u>	<u>5,902,876</u>
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	9,126,786	-	462,734	11,078,852
Transfers out	-	(112,396)	(3,323,661)	(11,066,582)
<b>Total Other Financing Sources (Uses)</b>	<u>9,126,786</u>	<u>(112,396)</u>	<u>(2,860,927)</u>	<u>12,270</u>
<b>Net Change in Fund Balances</b>	2,344,902	780,720	1,110,756	5,915,146
<b>Fund Balances - Beginning</b>	<u>(1,106,894)</u>	<u>763,355</u>	<u>7,028,067</u>	<u>38,687,704</u>
<b>Fund Balances - Ending</b>	<u>\$ 1,238,008</u>	<u>\$ 1,544,075</u>	<u>\$ 8,138,823</u>	<u>\$ 44,602,850</u>

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, 2008

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 5,915,146</b>
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 (\$8,623,687) and capital assets acquired through donations (\$2,424,165) exceeded depreciation expense (\$2,759,577) in the current period.	8,288,275
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the loss on the disposal of the capital assets.	(27,336)
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 (\$932,397). Some revenues reported in prior year Statement of Activities were recognized in the governmental funds in current year (\$2,690,647).	(1,758,250)
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.	145,000
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	(35,508)
Amortization of bond discount, cost of issuance and refunding difference	(134,849)
<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ 12,392,478</u></b>

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

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TOWN OF TRUCKEE, CALIFORNIA

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2008

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Parking</b>	<b>Solid Waste</b>	<b>Building and Safety</b>
<b><u>ASSETS</u></b>			
Current Assets			
Cash and investments	\$ 260	\$ -	\$ 100
Accounts receivable	151	103,797	-
Interest receivable	-	816	-
Prepaid costs	-	-	851
<b>Total Current Assets</b>	<b>411</b>	<b>104,613</b>	<b>951</b>
Noncurrent Assets			
Capital Assets			
Depreciable capital assets	412,154	36,305	319,853
Less: accumulated depreciation	(79,776)	(7,217)	(261,684)
<b>Total Noncurrent Assets</b>	<b>332,378</b>	<b>29,088</b>	<b>58,169</b>
<b>Total Assets</b>	<b>332,789</b>	<b>133,701</b>	<b>59,120</b>
<b><u>LIABILITIES</u></b>			
Current Liabilities			
Accounts Payable	5,262	4,536	6,189
Salaries & benefits payable	10,160	3,735	32,867
Deposits payable	-	-	7,431
Due to other funds	704,151	9,110	51,747
Compensated Absences	1,171	-	2,490
<b>Total Current Liabilities</b>	<b>720,744</b>	<b>17,381</b>	<b>100,724</b>
Noncurrent Liabilities			
Compensated absences	10,143	3,938	40,905
<b>Total Noncurrent Liabilities</b>	<b>10,143</b>	<b>3,938</b>	<b>40,905</b>
<b>Total Liabilities</b>	<b>730,887</b>	<b>21,319</b>	<b>141,629</b>
<b><u>NET ASSETS</u></b>			
Invested in capital assets	332,378	29,088	58,169
Unrestricted	(730,476)	83,294	(140,678)
<b>Total Net Assets</b>	<b>\$ (398,098)</b>	<b>\$ 112,382</b>	<b>\$ (82,509)</b>

TOWN OF TRUCKEE, CALIFORNIA

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2008

	<u>Transit</u>	<u>Totals</u>
<b><u>ASSETS</u></b>		
Current Assets		
Cash and investments	\$ 172,930	\$ 173,290
Accounts receivable	1,861	105,809
Interest receivable	-	816
Prepaid costs	-	851
	<u>174,791</u>	<u>280,766</u>
<b>Total Current Assets</b>		
Noncurrent Assets		
Capital Assets		
Depreciable capital assets	473,485	1,241,797
Less: accumulated depreciation	<u>(234,631)</u>	<u>(583,308)</u>
	<u>238,854</u>	<u>658,489</u>
<b>Total Noncurrent Assets</b>		
	<u>413,645</u>	<u>939,255</u>
<b>Total Assets</b>		
<b><u>LIABILITIES</u></b>		
Current Liabilities		
Accounts Payable	11,470	27,457
Salaries & benefits payable	1,377	48,139
Deposits payable	-	7,431
Due to other funds	-	765,008
Compensated Absences	76	3,737
	<u>12,923</u>	<u>851,772</u>
<b>Total Current Liabilities</b>		
Noncurrent Liabilities		
Compensated absences	<u>4,864</u>	<u>59,850</u>
<b>Total Noncurrent Liabilities</b>		
	<u>4,864</u>	<u>59,850</u>
<b>Total Liabilities</b>		
	<u>17,787</u>	<u>911,622</u>
<b><u>NET ASSETS</u></b>		
Invested in capital assets	238,854	658,489
Unrestricted	<u>157,004</u>	<u>(630,856)</u>
<b>Total Net Assets</b>	<u>\$ 395,858</u>	<u>\$ 27,633</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, 2008

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Parking</b>	<b>Solid Waste</b>	<b>Building and Safety</b>
<b><u>OPERATING REVENUES</u></b>			
Charges for services	\$ 390,181	\$ 1,896,195	\$ 1,625,310
Fines and forfeitures	97,350	-	-
Other revenues	785	-	1,195
<b>Total Operating Revenues</b>	<b>488,316</b>	<b>1,896,195</b>	<b>1,626,505</b>
<b><u>OPERATING EXPENSES</u></b>			
Salaries and benefits	248,817	116,348	1,065,475
Services and supplies	260,263	1,833,611	551,901
Depreciation	30,518	3,900	18,168
<b>Total Operating Expenses</b>	<b>539,598</b>	<b>1,953,859</b>	<b>1,635,544</b>
<b>Operating Income (Loss)</b>	<b>(51,282)</b>	<b>(57,664)</b>	<b>(9,039)</b>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>			
Intergovernmental revenues	-	36,864	-
Interest income	359	1,799	-
Interest expense	(29,643)	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(29,284)</b>	<b>38,663</b>	<b>-</b>
<b>Income (Loss) before Transfers</b>	<b>(80,566)</b>	<b>(19,001)</b>	<b>(9,039)</b>
Transfers in	7,946	-	107
Transfers out	-	-	(20,323)
<b>Change in Net Assets</b>	<b>(72,620)</b>	<b>(19,001)</b>	<b>(29,255)</b>
<b>Total Net Assets - Beginning</b>	<b>(325,478)</b>	<b>131,383</b>	<b>(53,254)</b>
<b>Total Net Assets - Ending</b>	<b>\$ (398,098)</b>	<b>\$ 112,382</b>	<b>\$ (82,509)</b>

TOWN OF TRUCKEE, CALIFORNIA  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

	<b>Transit</b>	<b>Totals</b>	
<b><u>OPERATING REVENUES</u></b>			
Charges for services	\$ 50,414	\$ 3,962,100	
Fines and forfeitures	-	97,350	
Other revenues	82,798	84,778	
<b>Total Operating Revenues</b>	<b>133,212</b>	<b>4,144,228</b>	
<b><u>OPERATING EXPENSES</u></b>			
Salaries and benefits	52,794	1,483,434	
Services and supplies	591,819	3,237,594	
Depreciation	38,605	91,191	
<b>Total Operating Expenses</b>	<b>683,218</b>	<b>4,812,219</b>	
<b>Operating Income (Loss)</b>	<b>(550,006)</b>	<b>(667,991)</b>	
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>			
Intergovernmental revenues	602,830	639,694	
Interest income	14,926	17,084	
Interest expense	-	(29,643)	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>617,756</b>	<b>627,135</b>	
Income (Loss) before Transfers	67,750	(40,856)	
Transfers in	-	8,053	
Transfers out	-	(20,323)	
Change in Net Assets	67,750	(53,126)	
Total Net Assets - Beginning	328,108	80,759	
<b>Total Net Assets - Ending</b>	<b>\$ 395,858</b>	<b>\$ 27,633</b>	

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, 2008

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Parking</u>	<u>Solid Waste</u>	<u>Building and Safety</u>	<u>Transit</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Receipts from customers	\$ 490,170	\$ 1,934,981	\$ 1,626,504	\$ 161,714
Payments to suppliers	(260,601)	(2,012,256)	(573,327)	(596,742)
Payments to employees	(242,316)	(114,574)	(1,056,256)	(52,008)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(12,747)</u>	<u>(191,849)</u>	<u>(3,079)</u>	<u>(487,036)</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>				
Intergovernmental revenues received	-	36,863	-	602,830
Transfers from other funds	7,946	-	107	-
Transfers to other funds	-	-	(20,323)	-
Interfund loans received	34,336	9,110	23,010	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>42,282</u>	<u>45,973</u>	<u>2,794</u>	<u>602,830</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>				
Purchase of capital assets	-	-	-	(128,371)
Interest paid on debt	(29,643)	-	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(29,643)</u>	<u>-</u>	<u>-</u>	<u>(128,371)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Interest received on investments	368	2,356	385	15,158
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>368</u>	<u>2,356</u>	<u>385</u>	<u>15,158</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	260	(143,520)	100	2,581
<b>Balances - Beginning of the Year</b>	-	143,520	-	170,349
<b>Balances - End of the Year</b>	<u>\$ 260</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 172,930</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>				
Operating income (loss)	\$ (51,284)	\$ (57,663)	\$ (9,038)	\$ (550,005)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	30,518	3,900	18,168	38,605
Decrease (increase) in:				
Accounts receivable	1,859	38,784	-	28,500
Prepaid costs	-	-	(854)	27,213
Increase (decrease) in:				
Accounts payable	(342)	(178,645)	(17,491)	(32,136)
Salaries and benefits payable	10,160	3,735	32,867	1,377
Deposits payable	-	-	(3,083)	-
Compensated absences	(3,658)	(1,960)	(23,648)	(590)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (12,747)</u>	<u>\$ (191,849)</u>	<u>\$ (3,079)</u>	<u>\$ (487,036)</u>

TOWN OF TRUCKEE, CALIFORNIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

	<b>Totals</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>	
Receipts from customers	\$ 4,213,369
Payments to suppliers	(3,442,926)
Payments to employees	(1,465,154)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(694,711)</b>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>	
Intergovernmental revenues received	639,693
Transfers from other funds	8,053
Transfers to other funds	(20,323)
Interfund loans received	66,456
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>693,879</b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>	
Purchase of capital assets	(128,371)
Interest paid on debt	(29,643)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(158,014)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>	
Interest received on investments	18,267
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>18,267</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(140,579)
<b>Balances - Beginning of the Year</b>	<b>313,869</b>
<b>Balances - End of the Year</b>	<b>\$ 173,290</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>	
Operating income (loss)	\$ (667,990)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	91,191
Decrease (increase) in:	
Accounts receivable	69,143
Prepaid costs	26,359
Increase (decrease) in:	
Accounts payable	(228,614)
Salaries and benefits payable	48,139
Deposits payable	(3,083)
Compensated absences	(29,856)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (694,711)</b>

Continued (Page 2 of 2)

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

TOWN OF TRUCKEE, CALIFORNIA  
 STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 JUNE 30, 2008

<b><u>ASSETS</u></b>	<b><u>Pine Forest TTUSD Project</u></b>
Cash and investments	\$ -
Interest receivable	-
<b>Total Assets</b>	<hr style="border-top: 1px solid black;"/> -
<b><u>LIABILITIES</u></b>	
Accounts Payable	<hr style="border-top: 1px solid black;"/> -
<b>Total Liabilities</b>	<hr style="border-top: 1px solid black;"/> -
<b><u>NET ASSETS</u></b>	
Held in trust for other purposes	<hr style="border-top: 1px solid black;"/> <hr style="border-top: 3px double black;"/> \$ -

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

TOWN OF TRUCKEE, CALIFORNIA  
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2008

<b><u>ADDITIONS</u></b>	<b><u>Pine Forest TTUSD Project</u></b>
Investment earnings: Interest	\$ -
<b>Total Additions</b>	<u>-</u>
<b><u>DEDUCTIONS</u></b>	
Services and supplies	<u>508,445</u>
<b>Total Deductions</b>	<u>508,445</u>
<b>Total Change in Net Assets</b>	(508,445)
<b>Net Assets - Beginning</b>	<u>508,445</u>
<b>Net Assets - Ending</b>	<u><u>\$ -</u></u>

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

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# **BASIC FINANCIAL STATEMENTS**

Notes to the Basic Financial Statements

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TOWN OF TRUCKEE, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

**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, 2008

**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 Fund is a special revenue fund used to account for Measure A revenues and expenditures. Measure A is a ½ percent sales tax which is 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, 2008

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

The Town reports the following major 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.

All trust funds employ the same economic resources measurement focus and accrual basis of accounting as do proprietary funds, using the accrual basis of accounting to recognize receivables and payables.

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, 2008

**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, 2008

**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, 2008

**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, 2008

**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 \$7,595,764 restricted by enabling legislation (Measure A).
- 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, 2008, the Town had recorded restricted net assets in governmental activities as follows:

	<u>Governmental Activities</u>	
Restricted for:		
Capital Projects	\$	3,533,463
Debt Service		132,686
Grants, taxes, and fees		<u>22,201,632</u>
Total Restricted	<u>\$</u>	<u>25,867,781</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, 2008, 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, 2008, 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 contingencies, health insurance contingency, litigation, road maintenance overlay, and facility 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, 2008

**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, 2008

**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, 2008:

The Parking fund had a net asset deficit of \$398,098, 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 \$82,509, which is expected to be eliminated in future years through increased user charges and planned cost reductions.

The following nonmajor governmental funds had a fund balance deficit at June 30, 2008:

The Homeland Security/OES Grant had a fund balance deficit of \$2,329, which is expected to be eliminated in future years through recognition and collection of grant revenues.

The CalHome Grant fund had a fund balance deficit of \$239,929, which is expected to be eliminated in future years through recognition and collection of grant revenues.

B. GANN Spending Limit

Under Article XIIB 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, 2008, 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:

Primary Government	\$ 43,262,131
Total Cash and Investments	<u>\$ 43,262,131</u>

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

**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)	743,752
Deposits with fiscal agents	<u>131,333</u>
Total Cash and Deposits	<u>875,885</u>
Investments:	
In Town's pool	<u>42,386,246</u>
Total Investments	<u>42,386,246</u>
Total Cash and Investments	<u>\$ 43,262,131</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 \$100,000 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 \$875,085 and the bank balance was \$2,777,688. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$300,000 was covered by federal depository insurance and \$2,477,688 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, 2008, the Town had the following investments:

	Maturities			Fair Value	Weighted Average Maturity (Years)
	0 - 1 year	1 - 5 years	Over 5 years		
<b>Investments in Investment Pool</b>					
U.S. Government Agency Securities	\$ -	\$ 12,842,943	\$ -	\$ 12,842,943	1.97
Corporate Notes	1,971,968	1,836,471	-	3,808,439	1.04
Local Agency Investment Fund (LAIF)	<u>25,734,864</u>	-	-	<u>25,734,864</u>	-
Total Investments in Investment Pool	<u>\$ 27,706,832</u>	<u>\$ 14,679,414</u>	<u>\$ -</u>	<u>\$ 42,386,246</u>	<u>0.69</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 \$42,386,246 investment portfolio, over 65% 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, 2008

**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, 2008	Standard & Poor's	% of Portfolio
Federal Home Loan Mortgage Corporation	AAA	5.3%
Federal Home Loan Bank	AAA	5.4%
Federal National Mortgage Association	AAA	7.1%
Federal Farm Credit Bank	AAA	4.0%
US Treasury	TSY	8.3%
Corporate Obligations	A	1.4%
Corporate Obligations	A+	1.5%
Corporate Obligations	AA-	2.4%
Corporate Obligations	AA	1.0%
Corporate Obligations	AA+	0.5%
Corporate Obligations	AAA	2.3%
LAIF	Unrated	60.8%
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**

Nearly 30% 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% 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, 2008, the Town's investment position in the State of California Local Agency Investment Fund (LAIF) was \$25,734,864. The total amount invested by all public agencies in LAIF on that day was \$70,024,464,150. Of that amount, 85.28% is invested in non-derivative financial products and 14.72% 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, 2008

**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, 2008, was as follows:

	Balance July 1, 2007	Additions/ Adjustments	Retirements/ Adjustments	Balance June 30, 2008
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,801,660	\$ 5,245,717	\$ -	\$ 8,047,377
Right of Way	38,660,668	2,251,935	-	40,912,603
Construction in Progress	2,841,731	2,069,800	(1,266,260)	3,645,271
Total Capital Assets, Not Being Depreciated	<u>44,304,059</u>	<u>9,567,452</u>	<u>(1,266,260)</u>	<u>52,605,251</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	9,571,697	53,616	-	9,625,313
Equipment	10,919,857	1,094,465	(247,512)	11,766,810
Infrastructure	30,342,554	1,598,579	-	31,941,133
Total Capital Assets, Being Depreciated	<u>50,834,108</u>	<u>2,746,660</u>	<u>(247,512)</u>	<u>53,333,256</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(1,315,544)	(225,707)	-	(1,541,251)
Equipment	(4,865,984)	(1,047,490)	220,176	(5,693,297)
Infrastructure	(7,011,409)	(1,486,380)	-	(8,497,789)
Total Accumulated Depreciation	<u>(13,192,937)</u>	<u>(2,759,577)</u>	<u>220,176</u>	<u>(15,732,338)</u>
Total Capital Assets, Being Depreciated, Net	<u>37,641,171</u>	<u>(12,917)</u>	<u>(27,336)</u>	<u>37,600,918</u>
Governmental Activities Capital Assets, Net	<u>\$ 81,945,230</u>	<u>\$ 9,554,535</u>	<u>\$ (1,293,596)</u>	<u>\$ 90,206,169</u>
<b>Business-Type Activities</b>				
Capital Assets, Being Depreciated:				
Structures and improvements	\$ 198,215	\$ -	\$ -	\$ 198,215
Equipment	915,210	128,372	-	1,043,582
Total Capital Assets, Being Depreciated	<u>1,113,425</u>	<u>128,372</u>	<u>-</u>	<u>1,241,797</u>
Less Accumulated Depreciation For:				
Structures and improvements	(46,909)	(11,296)	-	(58,205)
Equipment	(445,208)	(79,895)	-	(525,103)
Total Accumulated Depreciation	<u>(492,117)</u>	<u>(91,191)</u>	<u>-</u>	<u>(583,308)</u>
Total Capital Assets, Being Depreciated, Net	<u>621,308</u>	<u>37,181</u>	<u>-</u>	<u>658,489</u>
Business-Type Activities Capital Assets, Net	<u>\$ 621,308</u>	<u>\$ 37,181</u>	<u>\$ -</u>	<u>\$ 658,489</u>

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

**NOTE 3: DETAILED NOTES (CONTINUED)**

**Depreciation**

Depreciation expense was charged to governmental functions as follows:

General government	\$	230,777
Public safety		229,725
Public works		<u>2,299,075</u>
Total Depreciation Expense - Governmental Functions	<u>\$</u>	<u>2,759,577</u>

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

Parking	\$	30,518
Solid Waste		3,900
Building and Safety		18,168
Transit		<u>38,605</u>
Total Depreciation Expense - Business-Type Functions	<u>\$</u>	<u>91,191</u>

**Construction in Progress**

Construction in progress for governmental activities relates primarily to work performed on the Truckee River Trail, the Donner Pass Road Erosion Control/Bike Lane Project, DPR/SR89N Roundabout, Trout Creek Restoration, Frishman Hollow housing facility infrastructure, and the new Public Service Facility.

**E. Long-Term Liabilities**

The following is a summary of all long-term liabilities activity for the year ended June 30, 2008:

	Balance July 1, 2007	Additions/ Adjustments	Retirements	Balance June 30, 2008	Amounts Due Within One Year
<b>Governmental Activities</b>					
Lease Revenue Bonds	\$ 6,130,000	\$ -	\$ (145,000)	\$ 5,985,000	\$ 160,000
Less: Unamortized Discount	(6,030)	-	1,206	\$ (4,824)	(1,206)
Less: Cost of Issuance	(20,403)	-	4,081	\$ (16,322)	(4,081)
Less: Refunding Difference	(462,961)	-	129,562	\$ (333,399)	(129,562)
Lease Revenue Bonds, Net	<u>5,640,606</u>	-	(10,151)	5,630,455	25,151
Compensated Absences (Note 1M)	<u>633,654</u>	<u>473,237</u>	<u>(437,729)</u>	<u>\$ 669,162</u>	<u>77,742</u>
Total Governmental Activities - Long-term Liabilities	<u>\$ 6,274,260</u>	<u>\$ 473,237</u>	<u>\$ (447,880)</u>	<u>\$ 6,299,617</u>	<u>\$ 102,893</u>
<b>Business-Type Activities</b>					
Compensated Absences (Note 1M)	<u>\$ 93,443</u>	<u>\$ 48,064</u>	<u>\$ (77,920)</u>	<u>\$ 63,587</u>	<u>\$ 3,737</u>
Total Business-Type Activities - Long-term Liabilities	<u>\$ 93,443</u>	<u>\$ 48,064</u>	<u>\$ (77,920)</u>	<u>\$ 63,587</u>	<u>\$ 3,737</u>

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

**NOTE 3: DETAILED NOTES (CONTINUED)**

As of June 30, 2008 lease revenue bonds consisted of the following:

	<u>Governmental Activities</u>
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 3D.	\$ 425,000
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>5,560,000</u>
Total Lease Revenue Bonds	<u>\$ 5,985,000</u>

The annual aggregate maturities for years subsequent to June 30, 2008 are as follows:

<u>Lease Revenue Bonds</u>	<u>Governmental Activities</u>		
	<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 160,000	\$ 250,473	\$ 410,473
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
2014-2018	1,085,000	\$ 942,581	2,027,581
2019-2023	1,295,000	\$ 720,256	2,015,256
2024-2028	1,590,000	\$ 422,877	2,012,877
2029-2031	1,120,000	\$ 75,031	1,195,031
Total	<u>\$ 5,985,000</u>	<u>\$ 3,311,099</u>	<u>\$ 9,296,099</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, 2008, the amount of defeased debt outstanding but not reflected in the long-term debt of the Town amounted to \$5,185,000.

G. Leases

**Operating Leases**

Rental expenses incurred under operating leases are not considered material.

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

**NOTE 3: DETAILED NOTES (CONTINUED)**

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 from the Parking district and amounts due to 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, 2008:

	<u>Due from Other funds</u>	<u>Due to Other funds</u>
General Fund	\$ 1,038,775	\$ -
Nonmajor Governmental Funds	-	273,767
Parking	-	704,151
Solid Waste	-	9,110
Building and Safety	-	51,747
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 1,038,775</u>	<u>\$ 1,038,775</u>

**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, 2008:

	<u>Advances to Other funds</u>	<u>Advances from Other funds</u>
General Fund	\$ 5,415,263	\$ -
Redevelopment Capital Projects	-	5,415,263
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 5,415,263</u>	<u>\$ 5,415,263</u>

**Transfers**

Transfers are indicative of funding for 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, 2008:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,489,332	\$ 6,657,399
Measure A	-	972,475
Impact Fees	-	651
Capital Projects	9,126,786	-
Redevelopment Capital Projects	-	112,396
Nonmajor Governmental Funds	462,734	3,323,661
Parking	7,946	-
Building and Safety	107	20,323
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 11,086,905</u>	<u>\$ 11,086,905</u>

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

**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 2007/2008 was 15.941 percent for miscellaneous employees and 33.279 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 2007/2008, the Town's annual pension cost of \$915,458 for the miscellaneous plan and \$688,668 for the safety plan was equal to the Town's actual contributions. The required contributions for fiscal year 2007/2008 were determined as part of the June 30, 2005 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 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, 2006	\$ 1,167,710	100%	\$ -
June 30, 2007	1,483,443	100%	-
June 30, 2008	1,604,126	100%	-

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.

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

**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: OTHER INFORMATION**

A. Construction Commitments

The Town has signed agreements for \$1,137,421 in various construction projects that were not complete as of June 30, 2008. Construction completed and paid subsequent to June 30, 2008 on these projects was \$940,704. The Town has also signed agreements for construction projects subsequent to June 30, 2008 in the amount of \$2,857,693 of which \$1,304,088 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.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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TOWN OF TRUCKEE, CALIFORNIA  
 Required Supplementary Information  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

<b>REVENUES</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Taxes and assessments	\$ 14,300,414	\$ 14,300,414	\$ 15,150,103	\$ 849,689
Licenses and permits	91,000	91,000	85,780	(5,220)
Fines and forfeitures	400,000	400,000	429,494	29,494
Use of money and property	636,200	636,200	970,685	334,485
Intergovernmental revenues	1,421,232	1,421,232	1,509,527	88,295
Charges for services	1,010,100	1,010,100	1,078,137	68,037
Donations	-	-	-	-
Other revenues	477,887	477,887	478,575	688
<b>Total Revenues</b>	<b>18,336,833</b>	<b>18,336,833</b>	<b>19,702,301</b>	<b>1,365,468</b>
<b>EXPENDITURES</b>				
Current:				
General government	3,057,770	3,057,770	2,913,303	144,467
Public safety	5,999,959	5,999,959	5,961,375	38,584
Public works	5,881,245	5,881,245	5,375,942	505,303
Community development	918,843	918,843	919,977	(1,134)
Facilities	926,409	926,409	913,442	12,967
Capital outlay	1,580,272	1,580,272	222,941	1,357,331
<b>Total Expenditures</b>	<b>18,364,498</b>	<b>18,364,498</b>	<b>16,306,980</b>	<b>2,057,518</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(27,665)</b>	<b>(27,665)</b>	<b>3,395,321</b>	<b>3,422,986</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	1,489,332	1,489,332
Transfers out	(8,236,704)	(8,236,704)	(6,657,399)	1,579,305
<b>Total Other Financing Sources (Uses)</b>	<b>(8,236,704)</b>	<b>(8,236,704)</b>	<b>(5,168,067)</b>	<b>3,068,637</b>
<b>Net Change in Fund Balances</b>	<b>(8,264,369)</b>	<b>(8,264,369)</b>	<b>(1,772,746)</b>	<b>6,491,623</b>
<b>Fund Balances - Beginning</b>	<b>20,507,813</b>	<b>20,507,813</b>	<b>20,507,813</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 12,243,444</b>	<b>\$ 12,243,444</b>	<b>\$ 18,735,067</b>	<b>\$ 6,491,623</b>

See accompanying note to the required supplementary information.

TOWN OF TRUCKEE, CALIFORNIA  
 Required Supplementary Information  
 BUDGETARY COMPARISON SCHEDULE  
 MEASURE A - MAJOR SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

<b>REVENUES</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Taxes and assessments	\$ 2,187,537	\$ 2,187,537	\$ 1,971,095	\$ (216,442)
Use of money and property	150,000	150,000	317,854	167,854
<b>Total Revenues</b>	<b>2,337,537</b>	<b>2,337,537</b>	<b>2,288,949</b>	<b>(48,588)</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>2,337,537</b>	<b>2,337,537</b>	<b>2,288,949</b>	<b>(48,588)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(4,980,000)	(4,980,000)	(972,475)	4,007,525
<b>Total Other Financing Sources (Uses)</b>	<b>(4,980,000)</b>	<b>(4,980,000)</b>	<b>(972,475)</b>	<b>4,007,525</b>
<b>Net Change in Fund Balances</b>	<b>(2,642,463)</b>	<b>(2,642,463)</b>	<b>1,316,474</b>	<b>3,958,937</b>
<b>Fund Balances - Beginning</b>	<b>6,279,290</b>	<b>6,279,290</b>	<b>6,279,290</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 3,636,827</b>	<b>\$ 3,636,827</b>	<b>\$ 7,595,764</b>	<b>\$ 3,958,937</b>

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, 2008

<b>REVENUES</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Use of money and property	\$ 150,000	\$ 150,000	\$ 281,774	\$ 131,774
Charges for services	700,000	700,000	1,852,099	1,152,099
<b>Total Revenues</b>	<b>850,000</b>	<b>850,000</b>	<b>2,133,873</b>	<b>1,283,873</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>850,000</b>	<b>850,000</b>	<b>2,133,873</b>	<b>1,283,873</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(320,000)	(320,000)	(651)	319,349
<b>Total Other Financing Sources (Uses)</b>	<b>(320,000)</b>	<b>(320,000)</b>	<b>(651)</b>	<b>319,349</b>
<b>Net Change in Fund Balances</b>	<b>530,000</b>	<b>530,000</b>	<b>2,133,222</b>	<b>1,603,222</b>
<b>Fund Balances - Beginning</b>	<b>4,976,688</b>	<b>4,976,688</b>	<b>5,192,940</b>	<b>216,252</b>
<b>Fund Balances - Ending</b>	<b>\$ 5,506,688</b>	<b>\$ 5,506,688</b>	<b>\$ 7,326,162</b>	<b>\$ 1,819,474</b>

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, 2008

<b><u>REVENUES</u></b>	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance with Final Budget Positive (Negative)</u></b>
Use of money and property	\$ -	\$ -	\$ 862	\$ 862
Intergovernmental revenues	4,000,000	4,000,000	3,936,182	(63,818)
<b>Total Revenues</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>3,937,044</b>	<b>(62,956)</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Community development	4,000,000	4,000,000	3,935,226	64,774
<b>Total Expenditures</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>3,935,226</b>	<b>64,774</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>1,818</b>	<b>1,818</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>1,818</b>	<b>1,818</b>
<b>Fund Balances - Beginning</b>	<b>17,129</b>	<b>17,129</b>	<b>23,133</b>	<b>6,004</b>
<b>Fund Balances - Ending</b>	<b>\$ 17,129</b>	<b>\$ 17,129</b>	<b>\$ 24,951</b>	<b>\$ 7,822</b>

See accompanying note to the required supplementary information.

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TOWN OF TRUCKEE, CALIFORNIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2008

**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**

None of the major governmental funds had expenditures in excess of appropriations at June 30, 2008.

TOWN OF TRUCKEE, CALIFORNIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2008

**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, 2005	872,346,612	729,556,809	142,789,803	83.6%	203,995,039	70.0%
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%

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, 2005	6,367,049,264	5,295,150,375	1,071,898,889	83.2%	664,147,796	161.4%
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%

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**COMBINING FUND STATEMENTS AND SCHEDULES**

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**NONMAJOR GOVERNMENTAL FUNDS**

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TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2008

<b><u>ASSETS</u></b>	<b>Special Revenue Funds</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Totals</b>
Cash and investments	\$ 8,097,334	\$ 752,616	\$ 1,883	\$ 8,851,833
Cash with fiscal agent	529	-	130,804	131,333
Accounts receivable	73,631	-	-	73,631
Interest receivable	78,122	-	-	78,122
Taxes receivable	60,888	-	-	60,888
Due from other governments	-	-	-	-
Loans receivable	1,507,711	-	-	1,507,711
<b>Total Assets</b>	<b><u>\$ 9,818,215</u></b>	<b><u>\$ 752,616</u></b>	<b><u>\$ 132,687</u></b>	<b><u>\$ 10,703,518</u></b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 21,163	\$ 1,236	\$ -	\$ 22,399
Salaries & benefits payable	3,205	-	-	3,205
Deposits payable	5,751	-	-	5,751
Due to other funds	273,767	-	-	273,767
Unearned revenue	2,259,573	-	-	2,259,573
<b>Total Liabilities</b>	<b><u>2,563,459</u></b>	<b><u>1,236</u></b>	<b><u>-</u></b>	<b><u>2,564,695</u></b>
 <b>FUND BALANCES</b>				
Reserved for:				
Loans receivable	90,786	-	-	90,786
Debt service	-	-	132,687	132,687
Unreserved				
Undesignated	7,163,970	751,380	-	7,915,350
<b>Total Fund Balances</b>	<b><u>7,254,756</u></b>	<b><u>751,380</u></b>	<b><u>132,687</u></b>	<b><u>8,138,823</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 9,818,215</u></b>	<b><u>\$ 752,616</u></b>	<b><u>\$ 132,687</u></b>	<b><u>\$ 10,703,518</u></b>

TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDD JUNE 30, 2008

<b>REVENUES</b>	<b>Special Revenue Funds</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Totals</b>
Taxes and assessments	\$ 1,826,270	\$ -	\$ -	\$ 1,826,270
Use of money and property	370,454	3,100	-	373,554
Intergovernmental revenues	1,571,707	1,094,572	-	2,666,279
Charges for services	1,164,203	-	-	1,164,203
Other revenue	152,450	14,000	-	166,450
<b>Total Revenues</b>	<b>5,085,084</b>	<b>1,111,672</b>	<b>-</b>	<b>6,196,756</b>
<b>EXPENDITURES</b>				
Current:				
General government	480,414	8,178	-	488,591
Public safety	91,718	-	-	91,718
Public works	25,580	-	-	25,580
Community development	455,450	-	-	455,450
Capital outlay	27,209	731,937	-	759,147
Debt service				
Principal	-	-	145,000	145,000
Interest and other charges	-	-	259,587	259,587
<b>Total Expenditures</b>	<b>1,080,371</b>	<b>740,115</b>	<b>404,587</b>	<b>2,225,073</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>4,004,713</b>	<b>371,557</b>	<b>(404,587)</b>	<b>3,971,683</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	58,147	-	404,587	462,734
Transfers out	(3,323,661)	-	-	(3,323,661)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,265,514)</b>	<b>-</b>	<b>404,587</b>	<b>(2,860,927)</b>
<b>Net Change in Fund Balances</b>	<b>739,199</b>	<b>371,557</b>	<b>-</b>	<b>1,110,756</b>
<b>Fund Balances - Beginning</b>	<b>6,515,557</b>	<b>379,823</b>	<b>132,687</b>	<b>7,028,067</b>
<b>Fund Balances - Ending</b>	<b>\$ 7,254,756</b>	<b>\$ 751,380</b>	<b>\$ 132,687</b>	<b>\$ 8,138,823</b>

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**NONMAJOR GOVERNMENTAL FUNDS**  
Special Revenue Funds

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2008

<b><u>ASSETS</u></b>	<b><u>Asset Forfeiture</u></b>	<b><u>Animal Control</u></b>	<b><u>Abandoned Vehicle</u></b>	<b><u>Air Quality Mitigation</u></b>
Cash and investments	\$ 18,691	\$ 630	\$ 17,801	\$ 215,613
Cash with fiscal agent	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	152	-	139	1,842
Taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Loans receivable	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 18,843</u></b>	<b><u>\$ 630</u></b>	<b><u>\$ 17,940</u></b>	<b><u>\$ 217,455</u></b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,200
Salaries & benefits payable	-	-	-	-
Deposits payable	5,751	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b><u>5,751</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,200</u></b>
 <b>FUND BALANCES</b>				
Reserved for:				
Loans receivable	-	-	-	-
Unreserved				
Undesignated	13,092	630	17,940	216,255
<b>Total Fund Balances</b>	<b><u>13,092</u></b>	<b><u>630</u></b>	<b><u>17,940</u></b>	<b><u>216,255</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 18,843</u></b>	<b><u>\$ 630</u></b>	<b><u>\$ 17,940</u></b>	<b><u>\$ 217,455</u></b>

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2008

<b>ASSETS</b>	<b>Downtown in Lieu Parking</b>	<b>Downtown Frontage Improvement</b>	<b>COPS Program</b>	<b>CLEEP Project</b>
Cash and investments	\$ 303,295	\$ 15,411	\$ 167,902	\$ 20,301
Cash with fiscal agent	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	2,394	122	1,399	160
Taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Loans receivable	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 305,689</u></b>	<b><u>\$ 15,533</u></b>	<b><u>\$ 169,301</u></b>	<b><u>\$ 20,461</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 7,721	\$ -
Salaries & benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>7,721</u></b>	<b><u>-</u></b>
 <b>FUND BALANCES</b>				
Reserved for:				
Loans receivable	-	-	-	-
Unreserved				
Undesignated	<u>305,689</u>	<u>15,533</u>	<u>161,580</u>	<u>20,461</u>
<b>Total Fund Balances</b>	<b><u>305,689</u></b>	<b><u>15,533</u></b>	<b><u>161,580</u></b>	<b><u>20,461</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 305,689</u></b>	<b><u>\$ 15,533</u></b>	<b><u>\$ 169,301</u></b>	<b><u>\$ 20,461</u></b>

Continued (Page 2 of 8)

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2008

<b>ASSETS</b>	<b>Assessment Districts</b>	<b>CDBG 05-STBG 1416</b>	<b>Housing Reimbursement</b>	<b>Homeland Security/ OES Grant</b>
Cash and investments	\$ 4,100,114	\$ 14,624	\$ 178,360	\$ 6,990
Cash with fiscal agent	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	33,441	11,932	1,624	55
Taxes receivable	39,150	-	-	-
Due from other governments	-	-	-	-
Loans receivable	-	-	427,578	-
<b>Total Assets</b>	<b>\$ 4,172,705</b>	<b>\$ 26,556</b>	<b>\$ 607,562</b>	<b>\$ 7,045</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 9,374
Salaries & benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	538,227	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>538,227</b>	<b>9,374</b>
<b>FUND BALANCES</b>				
Reserved for:				
Loans receivable	-	-	-	-
Unreserved				
Undesignated	4,172,705	26,556	69,335	(2,329)
<b>Total Fund Balances</b>	<b>4,172,705</b>	<b>26,556</b>	<b>69,335</b>	<b>(2,329)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,172,705</b>	<b>\$ 26,556</b>	<b>\$ 607,562</b>	<b>\$ 7,045</b>

Continued (Page 3 of 8)

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2008

<b>ASSETS</b>	<b>ABC Grant</b>	<b>Office of Traffic Safety</b>	<b>Gas Tax</b>
Cash and investments	\$ 21,923	\$ 42,921	\$ 57,587
Cash with fiscal agent	-	-	-
Accounts receivable	-	-	-
Interest receivable	173	410	454
Taxes receivable	-	-	-
Due from other governments	-	-	-
Loans receivable	-	-	-
<b>Total Assets</b>	<b>\$ 22,096</b>	<b>\$ 43,331</b>	<b>\$ 58,041</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Salaries & benefits payable	-	1,702	-
Deposits payable	-	-	-
Due to other funds	-	30,874	-
Unearned revenue	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>32,576</b>	<b>-</b>
<b>FUND BALANCES</b>			
Reserved for:			
Loans receivable	-	-	-
Unreserved			
Undesignated	22,096	10,755	58,041
<b>Total Fund Balances</b>	<b>22,096</b>	<b>10,755</b>	<b>58,041</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 22,096</b>	<b>\$ 43,331</b>	<b>\$ 58,041</b>

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TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2008

<b>ASSETS</b>	<b>Town Hall</b>	<b>Redevelopment Housing</b>	<b>CDBG Miscellaneous Income</b>	<b>CDBG Program Income</b>
Cash and investments	\$ -	\$ 934,752	\$ 45,725	\$ 37,135
Cash with fiscal agent	529	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	-	8,555	177	245
Taxes receivable	-	21,738	-	-
Due from other governments	-	-	-	-
Loans receivable	-	130,192	-	39,496
<b>Total Assets</b>	<b>\$ 529</b>	<b>\$ 1,095,237</b>	<b>\$ 45,902</b>	<b>\$ 76,876</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 38
Salaries & benefits payable	-	1,503	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	130,191	-	39,496
<b>Total Liabilities</b>	<b>-</b>	<b>131,694</b>	<b>-</b>	<b>39,534</b>
<b>FUND BALANCES</b>				
Reserved for:				
Loans receivable	-	-	-	-
Unreserved				
Undesignated	529	963,543	45,902	37,342
<b>Total Fund Balances</b>	<b>529</b>	<b>963,543</b>	<b>45,902</b>	<b>37,342</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 529</b>	<b>\$ 1,095,237</b>	<b>\$ 45,902</b>	<b>\$ 76,876</b>

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TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2008

	<b>Boulders Moderate Housing</b>	<b>CDBG Housing Rehab</b>	<b>CalHome Grant</b>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 806,453	\$ 3,991	\$ 2,765
Cash with fiscal agent	-	-	-
Accounts receivable	-	-	-
Interest receivable	6,338	58	22
Taxes receivable	-	-	-
Due from other governments	-	-	-
Loans receivable	331,000	63,874	442,967
<b>Total Assets</b>	<b><u>\$ 1,143,791</u></b>	<b><u>\$ 67,923</u></b>	<b><u>\$ 445,754</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Salaries & benefits payable	-	-	-
Deposits payable	-	-	-
Due to other funds	-	-	242,716
Unearned revenue	1,063,000	45,692	442,967
<b>Total Liabilities</b>	<b><u>1,063,000</u></b>	<b><u>45,692</u></b>	<b><u>685,683</u></b>
FUND BALANCES			
Reserved for:			
Loans receivable	-	18,182	-
Unreserved			
Undesignated	<u>80,791</u>	<u>4,049</u>	<u>(239,929)</u>
<b>Total Fund Balances</b>	<b><u>80,791</u></b>	<b><u>22,231</u></b>	<b><u>(239,929)</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 1,143,791</u></b>	<b><u>\$ 67,923</u></b>	<b><u>\$ 445,754</u></b>

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TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2008

<u>ASSETS</u>	<u>Recycling Grant</u>	<u>CDBG 04-EDBG- 1022</u>	<u>1st Time Homeowners Downpayment Assistance</u>	<u>Household Hazardous Waste</u>
Cash and investments	\$ 22,550	\$ -	\$ 66,535	\$ 1,803
Cash with fiscal agent	-	-	-	-
Accounts receivable	-	-	73,631	-
Interest receivable	-	287	525	-
Taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Loans receivable	-	72,604	-	-
<b>Total Assets</b>	<b>\$ 22,550</b>	<b>\$ 72,891</b>	<b>\$ 140,691</b>	<b>\$ 1,803</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 13	\$ -	\$ -
Salaries & benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	177	-	-
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>190</b>	<b>-</b>	<b>-</b>
 <b>FUND BALANCES</b>				
Reserved for:				
Loans receivable	-	72,604	-	-
Unreserved				
Undesignated	22,550	97	140,691	1,803
<b>Total Fund Balances</b>	<b>22,550</b>	<b>72,701</b>	<b>140,691</b>	<b>1,803</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 22,550</b>	<b>\$ 72,891</b>	<b>\$ 140,691</b>	<b>\$ 1,803</b>

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TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2008

<b>ASSETS</b>	<b>STBG Housing Needs Assessment</b>	<b>Impact Fees Miscellaneous</b>	<b>Totals</b>
Cash and investments	\$ -	\$ 993,462	\$ 8,097,334
Cash with fiscal agent	-	-	\$ 529
Accounts receivable	-	-	\$ 73,631
Interest receivable	-	7,618	\$ 78,122
Taxes receivable	-	-	\$ 60,888
Due from other governments	-	-	\$ -
Loans receivable	-	-	\$ 1,507,711
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 1,001,080</b>	<b>\$ 9,818,215</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 2,817	\$ 21,163
Salaries & benefits payable	-	-	\$ 3,205
Deposits payable	-	-	\$ 5,751
Due to other funds	-	-	\$ 273,767
Unearned revenue	-	-	\$ 2,259,573
<b>Total Liabilities</b>	<b>-</b>	<b>2,817</b>	<b>2,563,459</b>
<b>FUND BALANCES</b>			
Reserved for:			
Loans receivable	-	-	\$ 90,786
Unreserved			
Undesignated	-	998,263	\$ 7,163,970
<b>Total Fund Balances</b>	<b>-</b>	<b>998,263</b>	<b>\$ 7,254,756</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 1,001,080</b>	<b>\$ 9,818,215</b>

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TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

<b>REVENUES</b>	<b>Asset Forfeiture</b>	<b>Animal Control</b>	<b>Abandoned Vehicle</b>	<b>Air Quality Mitigation</b>
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	850	-	641	9,875
Intergovernmental revenues	-	-	-	-
Charges for services	-	1,216	1,667	30,271
Other revenue	-	-	-	38,819
<b>Total Revenues</b>	<b>850</b>	<b>1,216</b>	<b>2,308</b>	<b>78,965</b>
<b>EXPENDITURES</b>				
Current:				
General government	6,742	-	-	123,469
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>6,742</b>	<b>-</b>	<b>-</b>	<b>123,469</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(5,892)</b>	<b>1,216</b>	<b>2,308</b>	<b>(44,504)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	(1,442)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(1,442)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(5,892)</b>	<b>(226)</b>	<b>2,308</b>	<b>(44,504)</b>
<b>Fund Balances - Beginning</b>	<b>18,984</b>	<b>856</b>	<b>15,632</b>	<b>260,759</b>
<b>Fund Balances - Ending</b>	<b>\$ 13,092</b>	<b>\$ 630</b>	<b>\$ 17,940</b>	<b>\$ 216,255</b>

TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

<b>REVENUES</b>	<b>Downtown in Lieu Parking</b>	<b>Downtown Frontage Improvement</b>	<b>COPS Program</b>	<b>CLEEP Project</b>
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	11,420	581	6,349	764
Intergovernmental revenues	-	-	100,000	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
<b>Total Revenues</b>	<b>11,420</b>	<b>581</b>	<b>106,349</b>	<b>764</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	67,049	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	27,209	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>94,258</b>	<b>-</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>11,420</b>	<b>581</b>	<b>12,091</b>	<b>764</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>11,420</b>	<b>581</b>	<b>12,091</b>	<b>764</b>
<b>Fund Balances - Beginning</b>	<b>294,269</b>	<b>14,952</b>	<b>149,489</b>	<b>19,697</b>
<b>Fund Balances - Ending</b>	<b>\$ 305,689</b>	<b>\$ 15,533</b>	<b>\$ 161,580</b>	<b>\$ 20,461</b>

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TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

<b>REVENUES</b>	<b>Assessment Districts</b>	<b>CDBG 05-STBG 1416</b>	<b>Housing Reimbursement</b>	<b>Homeland Security/ OES Grant</b>
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	161,834	42,243	6,249	216
Intergovernmental revenues	-	1,258,166	165,000	488
Charges for services	761,854	-	-	-
Other revenue	-	-	-	-
<b>Total Revenues</b>	<b>923,688</b>	<b>1,300,409</b>	<b>171,249</b>	<b>704</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	12,420
Public works	25,580	-	-	-
Community development	-	4,600	270,000	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>25,580</b>	<b>4,600</b>	<b>270,000</b>	<b>12,420</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>898,108</b>	<b>1,295,809</b>	<b>(98,751)</b>	<b>(11,716)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(154,500)	(1,498,315)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(154,500)</b>	<b>(1,498,315)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>743,608</b>	<b>(202,506)</b>	<b>(98,751)</b>	<b>(11,716)</b>
<b>Fund Balances - Beginning</b>	<b>3,429,097</b>	<b>229,062</b>	<b>168,086</b>	<b>9,387</b>
<b>Fund Balances - Ending</b>	<b>\$ 4,172,705</b>	<b>\$ 26,556</b>	<b>\$ 69,335</b>	<b>\$ (2,329)</b>

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TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

<b>REVENUES</b>	<b>ABC Grant</b>	<b>Office of Traffic Safety</b>	<b>Gas Tax</b>	<b>Town Hall</b>
Taxes and assessments	\$ -	\$ -	\$ 1,434,394	\$ -
Use of money and property	818	1,687	2,167	5,035
Intergovernmental revenues	650	46,722	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
<b>Total Revenues</b>	<b>1,468</b>	<b>48,409</b>	<b>1,436,561</b>	<b>5,035</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	79,298	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>79,298</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,468</b>	<b>(30,889)</b>	<b>1,436,561</b>	<b>5,035</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(1,434,393)	(6,339)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(1,434,393)</b>	<b>(6,339)</b>
<b>Net Change in Fund Balances</b>	<b>1,468</b>	<b>(30,889)</b>	<b>2,168</b>	<b>(1,304)</b>
<b>Fund Balances - Beginning</b>	<b>20,628</b>	<b>41,644</b>	<b>55,873</b>	<b>1,833</b>
<b>Fund Balances - Ending</b>	<b>\$ 22,096</b>	<b>\$ 10,755</b>	<b>\$ 58,041</b>	<b>\$ 529</b>

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TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

<b>REVENUES</b>	<b>Redevelopment Housing</b>	<b>CDBG Miscellaneous Income</b>	<b>CDBG Program Income</b>
Taxes and assessments	\$ 391,876	\$ -	\$ -
Use of money and property	40,239	844	1,176
Intergovernmental revenues	-	-	-
Charges for services	-	-	-
Other revenue	-	-	-
<b>Total Revenues</b>	<b>432,115</b>	<b>844</b>	<b>1,176</b>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	438
Public safety	-	-	-
Public works	-	-	-
Community development	180,115	-	-
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>180,115</b>	<b>-</b>	<b>438</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>252,000</b>	<b>844</b>	<b>738</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	23,306	34,841
Transfers out	(164,931)	-	(28,706)
<b>Total Other Financing Sources (Uses)</b>	<b>(164,931)</b>	<b>23,306</b>	<b>6,135</b>
<b>Net Change in Fund Balances</b>	<b>87,069</b>	<b>24,150</b>	<b>6,873</b>
<b>Fund Balances - Beginning</b>	<b>876,474</b>	<b>21,752</b>	<b>30,469</b>
<b>Fund Balances - Ending</b>	<b>\$ 963,543</b>	<b>\$ 45,902</b>	<b>\$ 37,342</b>

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TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

	<b>Boulders Moderate Housing</b>	<b>CDBG Housing Rehab</b>	<b>CalHome Grant</b>	<b>Recycling Grant</b>
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	34,520	256	104	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Other revenue	40,000	-	-	-
<b>Total Revenues</b>	<u>74,520</u>	<u>256</u>	<u>104</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	40,000	-	242,716	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<u>40,000</u>	<u>-</u>	<u>242,716</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>34,520</u>	<u>256</u>	<u>(242,612)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	(3,589)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(3,589)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	34,520	(3,333)	(242,612)	-
<b>Fund Balances - Beginning</b>	<u>46,271</u>	<u>25,564</u>	<u>2,683</u>	<u>22,550</u>
<b>Fund Balances - Ending</b>	<u>\$ 80,791</u>	<u>\$ 22,231</u>	<u>\$ (239,929)</u>	<u>\$ 22,550</u>

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TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

<b>REVENUES</b>	<b>CDBG 04-EDBG- 1022</b>	<b>1st Time Homeowners Downpayment Assistance</b>	<b>Household Hazardous Waste</b>	<b>STBG Housing Needs Assessment</b>
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	5,562	2,505	-	6
Intergovernmental revenues	681	-	-	-
Charges for services	-	-	-	-
Other revenue	-	73,631	-	-
<b>Total Revenues</b>	<b>6,243</b>	<b>76,136</b>	<b>-</b>	<b>6</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	735	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>735</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>5,508</b>	<b>76,136</b>	<b>-</b>	<b>6</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(31,252)	-	-	(194)
<b>Total Other Financing Sources (Uses)</b>	<b>(31,252)</b>	<b>-</b>	<b>-</b>	<b>(194)</b>
<b>Net Change in Fund Balances</b>	<b>(25,744)</b>	<b>76,136</b>	<b>-</b>	<b>(188)</b>
<b>Fund Balances - Beginning</b>	<b>98,445</b>	<b>64,555</b>	<b>1,803</b>	<b>188</b>
<b>Fund Balances - Ending</b>	<b>\$ 72,701</b>	<b>\$ 140,691</b>	<b>\$ 1,803</b>	<b>\$ -</b>

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TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

<b><u>REVENUES</u></b>	<b>Impact Fees Miscellaneous</b>	<b>Totals</b>
Taxes and assessments	\$ -	\$ 1,826,270
Use of money and property	34,513	\$ 370,454
Intergovernmental revenues	-	\$ 1,571,707
Charges for services	369,195	\$ 1,164,203
Other revenue	-	\$ 152,450
<b>Total Revenues</b>	<b>403,708</b>	<b>5,085,084</b>
<b><u>EXPENDITURES</u></b>		
Current:		
General government	-	\$ 480,414
Public safety	-	\$ 91,718
Public works	-	\$ 25,580
Community development	-	\$ 455,450
Capital outlay	-	\$ 27,209
<b>Total Expenditures</b>	<b>-</b>	<b>\$ 1,080,371</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>403,708</b>	<b>\$ 4,004,713</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>		
Transfers in	-	\$ 58,147
Transfers out	-	\$ (3,323,661)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>\$ (3,265,514)</b>
<b>Net Change in Fund Balances</b>	<b>403,708</b>	<b>\$ 739,199</b>
<b>Fund Balances - Beginning</b>	<b>594,555</b>	<b>\$ 6,515,557</b>
<b>Fund Balances - Ending</b>	<b>\$ 998,263</b>	<b>\$ 7,254,756</b>

Continued (Page 8 of 8)

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**NONMAJOR GOVERNMENTAL FUNDS**  
Capital Projects Funds

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2008

<b><u>ASSETS</u></b>	<b><u>Fleet Replacement</u></b>
Cash and investments	\$ 752,616
<b>Total Assets</b>	<b>\$ 752,616</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>	
LIABILITIES	
Accounts Payable	\$ 1,236
<b>Total Liabilities</b>	<b>1,236</b>
FUND BALANCES	
Unreserved:	
Undesignated	751,380
<b>Total Fund Balances</b>	<b>751,380</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 752,616</b>

TOWN OF TRUCKEE, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

<u>REVENUES</u>	<u>Fleet Replacement</u>
Use of money and property	\$ 3,100
Intergovernmental revenues	1,094,572
Other revenue	14,000
<b>Total Revenues</b>	<u>1,111,672</u>
<u>EXPENDITURES</u>	
Current:	
General government	8,178
Capital outlay	731,937
<b>Total Expenditures</b>	<u>740,115</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>371,557</u>
<u>OTHER FINANCING SOURCES (USES)</u>	
Transfers in	-
Transfers out	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>
<b>Net Change in Fund Balances</b>	371,557
<b>Fund Balances - Beginning</b>	<u>379,823</u>
<b>Fund Balances - Ending</b>	<u>\$ 751,380</u>

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**NONMAJOR GOVERNMENTAL FUNDS**  
Debt Service Funds

TOWN OF TRUCKEE, CALIFORNIA  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 JUNE 30, 2008

**ASSETS**

Cash and investments  
 Cash with fiscal agent

<u>Debt Service</u>
\$ 1,883
<u>130,804</u>
<u>\$ 132,687</u>

**Total Assets**

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Accounts Payable

\$ -

**Total Liabilities**

-

**FUND BALANCES**

Reserved for:  
 Debt service

132,687

**Total Fund Balances**

132,687

**Total Liabilities and Fund Balances**

\$ 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, 2008

<u>REVENUES</u>	<u>Debt Service</u>
Taxes and assessments	\$ -
<b>Total Revenues</b>	<b>-</b>
<u>EXPENDITURES</u>	
Debt service	
Principal	145,000
Interest and other charges	259,587
<b>Total Expenditures</b>	<b>404,587</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(404,587)</b>
<u>OTHER FINANCING SOURCES (USES)</u>	
Transfers in	404,587
Transfers out	-
<b>Total Other Financing Sources (Uses)</b>	<b>404,587</b>
<b>Net Change in Fund Balances</b>	<b>-</b>
<b>Fund Balances - Beginning</b>	<b>132,687</b>
<b>Fund Balances - Ending</b>	<b>\$ 132,687</b>