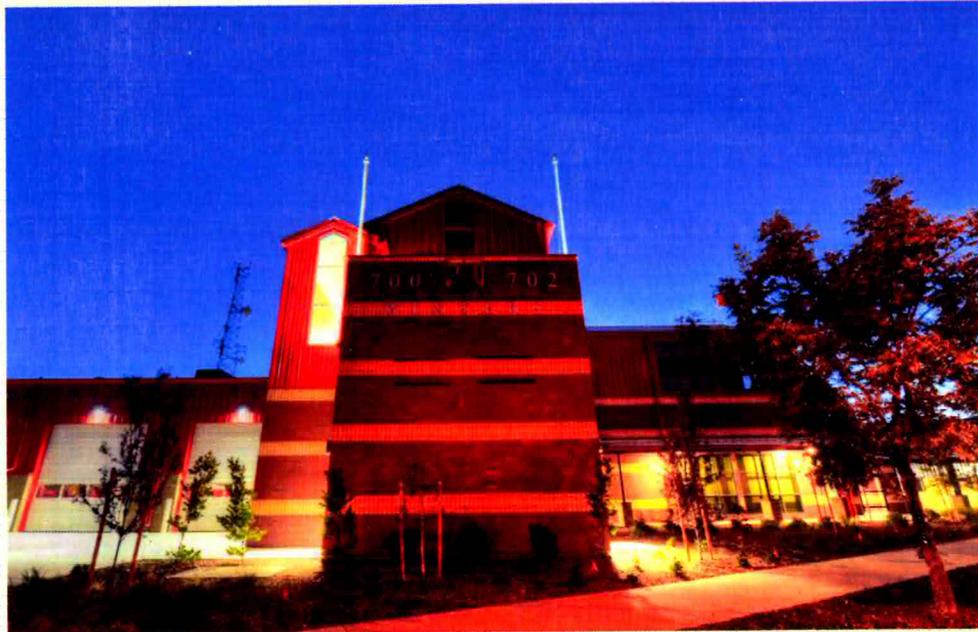
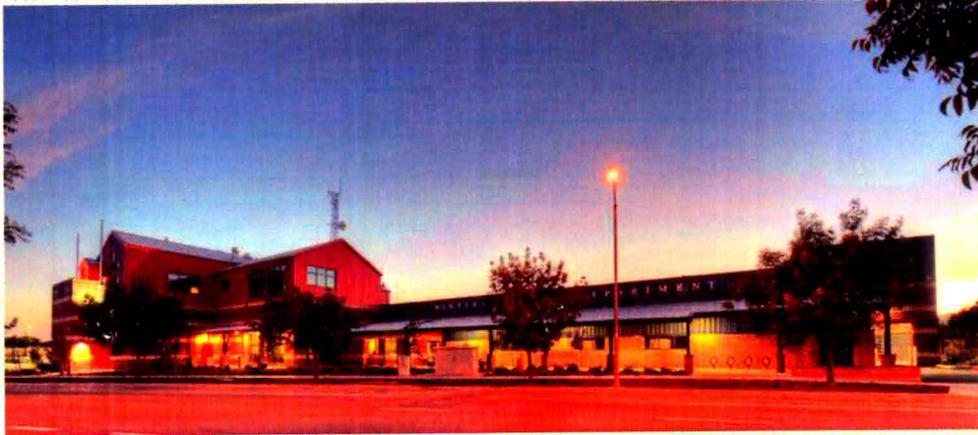




Comprehensive
Annual
Financial Report for
the Year Ended
June 30, 2011



City of Winters Public Safety Facility

Photo by Rudy M. Calpo, AIA

City of Winters
318 First Street
Winters, CA 95694
P. 530-795-4910
F. 530-795-4935

**CITY OF WINTERS
CALIFORNIA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended
June 30, 2011**

**CITY OF WINTERS
Finance Department**

Shelly Gunby
Director of Financial Management

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CITY OF WINTERS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2011

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INTRODUCTORY SECTION

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December 23, 2011

To the Honorable Mayor, Members of the
City Council and the Citizens of the City of Winters:

The comprehensive annual financial report of the City of Winters for the year ended June 30, 2011 is hereby submitted as mandated by State statutes. These statutes require that all general-purpose governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City of Winters. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Winters has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Winters financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Winters comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Winters financial statements have been audited by Moss, Levy & Hartzhiem, a firm of licensed certified public accountants. The goal of the audit was to provide reasonable assurance that the financial statements of the City of Winters for the fiscal year ended June 30, 2011 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Winters financial statements for the fiscal year ended June 30, 2011 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that the management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Winters MD&A can be found immediately following the report of the independent auditors.

318 First Street
Winters, CA 95694
Phone.530.795.4910
Fax. 530.795.4935

COUNCIL
MEMBERS
Michael Martin
Harold Anderson
Tom Stone

MAYOR
Woody Fridae
MAYOR PRO TEM
Cecilia Aguiar-Curry

CITY CLERK
Nanci Mills
TREASURER
Michael Sebastian

CITY MANAGER
John W. Donlevy, Jr.

Governmental Profile

The City of Winters, incorporated in 1898, is located in the southwestern corner of Yolo County, immediately north of the Solano County line and just east of the Vaca Mountain Range. The City of Winters is bordered to the east by I-505. Interstate 80, which lies just 11 miles south, provides easy access to the major metropolitan areas of Sacramento and the Bay Area. State Highway 128 passes directly through the City of Winters and is a major access route to the Napa Valley and recreational opportunities at Lake Berryessa.

The City of Winters is a general law city and employs the Council/Manager form of government. The City Council acts as the legislative and policy making body for the City. The City Council consists of 5 members. The City Council appoints the Mayor after each Council election. The Council appoints the City Manager, City Attorney, and all members of the various boards and commissions, which serve in an advisory capacity to the City Council. The Council sets policy on all public matters relating to the City of Winters, and adopts an annual budget in which the years approved programs, projects and services are financed. The City Council periodically establishes citywide goals and updates the General Plan and Zoning Ordinances as needed. The City Manager is the chief administrator and is responsible for implementing the policies and priorities of the City Council. The City Clerk and Treasurer are elected for four-year terms.

The City of Winters provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; water and sewer services; recreational activities and cultural events. The City of Winters is also responsible for the legally separate Winters Community Development Agency which functions, in essence, as a department of the City of Winters and therefore has been included as an integral part of the City of Winters financial statements.

The annual budget serves as the foundation for the City of Winters financial planning and control. All agencies of the City of Winters are required to submit requests for appropriation to the Director of Financial Management each year. The Director of Financial Management uses these requests as the starting point for developing a proposed budget. The Director of Financial Management and the City Manager present this proposed budget to the City Council for review in May and is required to be legally adopted by June 30, the close of the City of Winters fiscal year. The appropriated budget is adopted at the fund and departmental level. The City Manager is authorized to make transfers between account codes and departments within each fund, except contingencies. City Council approval is required for transfers between funds, except for those inter-fund transfers approved in the budget. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, the comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds other than the general fund with appropriated annual budgets this comparison is presented in the governmental fund subsection of this report.

Management Approach

Over the past five (5) years, the primary focus of our management of the City has been fiscal and service sustainability. Simply put, we have worked to identify both needed and desired service levels and the associated costs and determined strategies for maintaining the quality of our municipal operations.

The approach has included a collaboration of all departments, the City Council and the community at large to begin a process of strategic planning for the long-term service, facility, park and open space, and capital equipment needs for the City. A significant amount of time has been spent on research and workshops to begin defining both current and long-term needs.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific economy that affects the City of Winters.

With the passage of Proposition 1A, the City has reduced its vulnerability to state raids of city funding sources, but has not eliminated it completely. State legislation has often been directed at local governments to re-direct city revenues to cover the State's fiscal mismanagement. Potential take-away's have presented a real threat to the City's fiscal situation in the past and could well be a reality in 2011-2012 as the State of California faces a \$15 billion deficit for 2011-2012 and 2012-2013 and beyond. The Redevelopment Agency is still waiting for the Supreme Court's decision on the fate of redevelopment within the State of California. The decision is expected before January 15, 2012.

Economically, Winters, while residing in Yolo County is primarily impacted and influenced by the economies of Solano County and the East San Francisco Bay Area.

- Housing prices have declined significantly over this last year due to the foreclosure climate and are expected to somewhat level out in the coming years.
- Residential construction has come to a stand still in the last fiscal year, and new construction is not expected to occur until 2012-2013 at the earliest.
- The City's Sales Tax has seen a rebound from \$267,204 in 2009-2010 to 341,040 in the current fiscal year.
- Freeway serving uses have become a key target for the City due to an increase in traffic counts from 25,000 cars per day in 2004 to approximately 30,000 in 2007.
- Winters proximity to the I-80/I-505 corridor has made the location a logical next step in industrial development. The expansion of Solano County industry has driven developers to the Winters area in search of affordable land. The area in and around Vacaville and I-505 has caused many to look towards Winters as a potential area of industrial expansion.

A key focus of the City Council and Staff has been capital projects to repair infrastructure and modernize facilities. Our vision is toward the future and a strong capital base.

Due to the collapse of the real estate market and the reduction in residential construction, the City has re-negotiated most of the previously adopted development agreements for the approved subdivisions. Many of these changes have included centered on easing the initial financial demands on developers and the overall reduction of fees.

A key hurdle for development in the Winters industrial area is flood control. Much of the City's northern area is a part of a FEMA Flood Area and is in need of mitigation. The City has developed a Flood Master Plan for this section of the City, which projects the need for almost \$20 million in improvements to mitigate the effects of flooding.

In order to facilitate this growth and maintain a quality community, Staff has initiated a number of internal programs to assure effective review of projects and implementation of the City's economic development strategies. Economic expansion will invariably lead to higher revenues, and higher costs, to the City; therefore, balancing these revenues and costs is a key issue.

Long-Range Financial Planning

The city has developed a long-range financial plan. The goals of developing this long-range plan include the following:

1. Understanding of all the revenue sources used to implement projects and services throughout the community and the impacts to the growth rate of the services.
2. Identifying recurring vs. nonrecurring revenues.
3. Reviewing all services provided by the City and the corresponding costs of those services.
4. Provide service levels consistent with the General Plan.
5. Establish a Service reserve fund from nonrecurring (one-time) revenues.
6. Establish a long term financial strategy and plan.
7. Establish a "living" document that can be updated as identified variables change that will affect the plan.

Relevant Financial Policies

The recession has impacted the City of Winters significantly with a reduction in assessed values and a resulting reduction in property tax revenues. Measure W, enacted in June 2010 by the voters of the City of Winters, increased the Utility User Tax from 4.75% to 9%, however, the tax did not take effect until October 1, 2010. Although these reductions in revenues were of a larger scale than anticipated at the time the budget for 2010-2011 was prepared, and, the City of Winters was able to adhere to our General Fund policy that "Operating Revenues must fully cover operating expenditures" in the 2010-2011 fiscal year.

Capital Projects/Redevelopment

The City of Winters has implemented projects within the community to utilize the \$7.8 million in tax allocation bonds issued by the Winters Community Development Agency in March 2004 and the \$11. The projects that have been implemented to date include:

- **Downtown Master Planning:** The CDA has worked with businesses and property owners within the Main Street and Railroad Avenue corridors to develop an overall strategy and infrastructure plan that will facilitate development within this area.
- **Economic Development:** The CDA has begun working with consultants to create a marketing program to make it easy for prospective developers to consider projects within the City.
- **Affordable Housing Program:** The CDA worked with developers to initiate construction of a 72 unit affordable housing development.
- **Community Enhancements:** The CDA has built an amphitheatre at the community Center, completed a 110 downtown parking lot, rehabilitated the old railroad bridge to a bicycle and pedestrian trail across Putah Creek into the Community Center park area, and completed the installation of a shade structure on the Putah Creek entrance patio area of the Community Center.
- **The Agency completed a \$1.5 million capital improvement to the intersection of Main St. and Railroad Ave. including roadway, pedestrian and street furnishings.**
- **First Time Home buyer program:** The CDA has, in partnership with the City of Winters, implemented a first time homebuyer program. Approximately 15 first time homebuyers have been assisted through this program since the 04-05 fiscal year.

The City of Winters has implemented projects within the community to utilize the \$11.47 million in tax allocation bonds issued by the Winters Community Development Agency in June 2007. The projects that have been implemented to date include:

- Capital Projects: Construction of a Joint Police and Fire Facility is well underway, when complete in 2011-2012 this will provide a 40,000 square foot facility for both Police and Fire Departments and will include a training facility that will also serve as the Emergency Operations Center for the City of Winters, with a generator that will power the facility in case of power failure.
- A \$680,000 capital improvement to the intersection of Main and First Street, along with a Mid Block crossing is underway and will be completed in the first half of 2011-2012.
- Economic Development: Development of a Project Area Master Plan to facilitate economic development within the project area.
- Homeownership programs: Implementation of Senior owned homes rehabilitation program to enable our senior population to remain in their own homes safely.

The City is implementing the Five Year Capital Improvement plan developed in fiscal 03-04 and has prioritized key infrastructure projects within the City. Projects have been implemented utilizing the 2007 Water and Sewer Revenue Bonds.

- Well #7 has been completed. This well was necessary to support economic development throughout the City.
- Water pipes were extended to the area along I-505, the next area of anticipated economic development outside of the downtown core.
- Sewer lines were replaced throughout the oldest part of the City.
- Wells #2 and #4 were rehabilitated to allow them to run more efficiently.
- A SCADA (Supervisory Control and Data Acquisition) system was installed. This allows for computer monitoring of the status of the Water and Sewer Systems at all times.
- Water Meters were installed City Wide and information on water usage began being included on all water bills in May 2011. Beginning January 2012, all water customers will begin being billed based on consumption.

The 03-04 Capital Improvement Plan will be reviewed and updated in the 11-12 fiscal year and will coordinate with the Community Development Agency's implementation plan as well as the master plans for both Water and Sewer Enterprise Functions.

Awards and Acknowledgements

In 2009, the City of Winters was awarded the 2009 SACOG Blueprint Excellence Award for its efforts in planning, engineering and capital project implementation. This award is the highest award given within the five (5) county region in recognition for "smart growth" and the agency's ability to effectively implement capital projects.

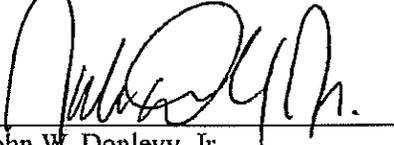
The Government Finance Officer Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Winters for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. This is the eighth year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City of Winters published an easily readable and efficiently organized CAFR. This report satisfied both the GAAP and applicable legal requirements.

To the Honorable Mayor, members of the
City Council and the Citizens of the City of Winters

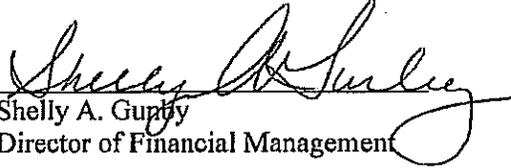
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

This report could not have been prepared without the cooperation of all staff of the City of Winters. Also, we would like to acknowledge the professional work and advice of Moss, Levy & Hartzheim, LLP.

Respectfully Submitted:



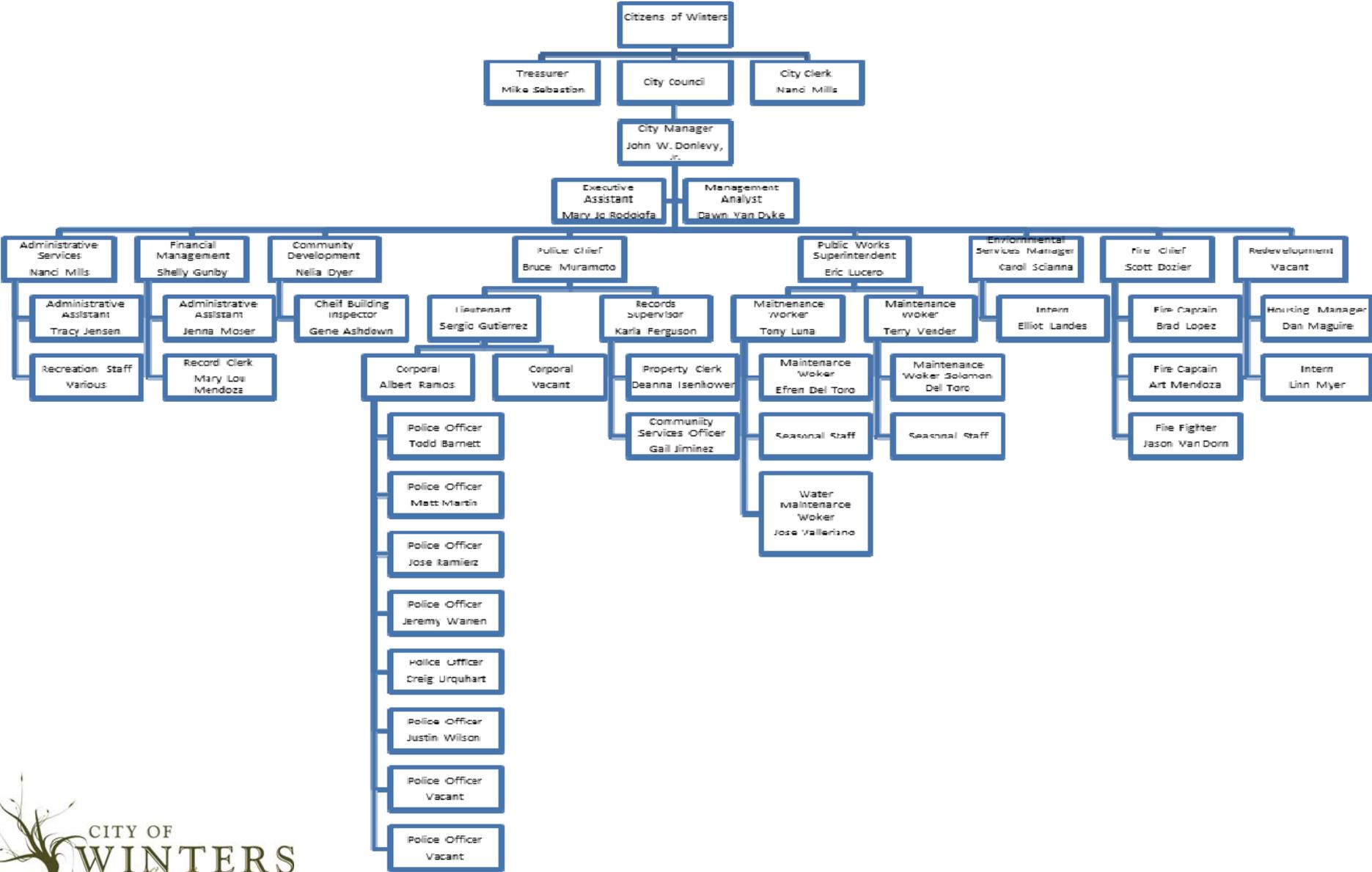
John W. Donlevy, Jr.
City Manger



Shelly A. Gupta
Director of Financial Management

CITY OF WINTERS, CALIFORNIA

ORGANIZATION CHART



xi



CITY OF WINTERS, CALIFORNIA

ELECTED AND APPOINTED OFFICIALS



CITY COUNCIL

- *Woody Fridae*.....Mayor
- *Cecilia Aguiar-Curry*.....Mayor Pro Tem
- *Harold Anderson*.....Council member
- *Michael Martin*.....Council member
- *Tom Stone*..... Council member

APPOINTED OFFICIALS

- *John W. Donlevy, Jr.*..... City Manager
- *Bruce Muramoto*.....Police Chief
- *Nanci G. Mills*.....Director of Administrative Services
- *Shelly A. Gunby*.....Director of Financial Management
- *Nelia Dyer*.....Director of Community Development
- *Dan Maguire*.....Housing Manager
- *Vacant*.....Economic and Redevelopment Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Winters
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



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President

A stylized, handwritten signature in black ink.

Executive Director

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FINANCIAL SECTION

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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERSRONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPACOMMERCIAL ACCOUNTING & TAX SERVICES
9107 WILSHIRE BLVD. SUITE 500
BEVERLY HILLS, CA 90210
TEL: 310.273.2745
FAX: 310.670.1689
www.mlhcpas.comGOVERNMENTAL AUDIT SERVICES
5800 E. HANNUM, SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and Members
of the City Council of the City of Winters
Winters, 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 City of Winters (City), California, as of and for the fiscal year ended June 30, 2011, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We 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* as issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winters, California, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable thereof, for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with the *Government Auditing Standards*, we have also issued a report dated December 21, 2011, on our consideration of the City of Winters' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 19 and the Budgetary Comparison Schedules of the General Fund and major special revenue funds on pages 68 and 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Winters' basic financial statements. The Introductory Section, the Budgetary Comparison Schedules for the Major Capital Projects Fund and Nonmajor Governmental Funds, the Combining Financial Statements for the Nonmajor Governmental Funds, and Agency Funds, and the Statistical Section listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. The Budgetary Comparison Schedules for the Major Capital Projects Fund and Nonmajor Governmental Funds, the Combining Financial Statements for the Nonmajor Governmental Funds, and Agency Funds are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, CA
December 21, 2011

CITY OF WINTERS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Management's Discussion and Analysis

As management of the City of Winters, we offer readers of the City of Winters financial statements this narrative overview and analysis of the financial activities of the City of Winters for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to the basic financial statements.

The financial statements presented herein include all financial activities of the City and its component units in accordance with Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements-and Management's Discussion and Analysis-For State and Local Government" (GASB 34).

The Government-Wide Financial Statements present the financial position of the City using the economic resources measurement focus and the accrual basis of accounting. These statements present governmental activities and business-type activities separately. Also, these statements include all assets of the City, as well as all liabilities, including long-term debt. Additionally, in accordance with GASB 34, certain eliminations have been made related to interfund activity, payables and receivables.

The Fund Financial Statements include governmental, proprietary and fiduciary funds. The governmental funds are prepared using the current financial resources measurement and focus and the modified accrual basis of accounting. The proprietary funds are prepared using the economic resources measurement focus and the modified accrual basis of accounting. The fiduciary funds consist of agency funds, which only report a balance sheet and do not have a measurement focus. A reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach under GASB 34.

Financial Highlights

- The assets of the City of Winters exceeded its liabilities at the close of the most recent fiscal year by \$25,058,387 (net assets). Of this amount, \$9,510,374 is unrestricted net assets. A nominal or negative unrestricted net assets does not mean that the City of Winters is facing financial disaster, but rather, that the City of Winters has invested in projects or long term assets that are not reflected on the Statement of net assets
- As of the close of the current fiscal year, the City of Winters governmental funds reported combined ending fund balances of \$11,464,130 a decrease of \$4,186,078 in comparison with the prior year. Approximately 10.72% or \$1,228,983 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,566,838 or, 51.20% of total general fund expenditures.
- At the end of the current fiscal year, the Housing Set-Aside fund had no unassigned fund balance due to the fact that all funds available are restricted for the maintenance and production of low and moderated income housing. The fund balance decreased from \$1,866,410 in 2009-2010 to \$1,345,148 in 2010-2011.
- At the end of the current fiscal year, the Community Development Fund had a restricted fund balance of \$508,556. These funds are for use on capital projects.

CITY OF WINTERS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Winters basic financial statements. The City of Winters basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund Financial Statements
3. Notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The *Statement of Net Assets* and the *Statement of Activities* report information about the City as a whole and its activities. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. Under the modified accrual basis of accounting, revenues are recognized in the period in which they become measurable, while expenses are recorded when incurred with the exception of the principal and the interest on long term debt, which is recorded when due.

The *Statement of Net Assets* reports the City's net assets and changes in them. Net assets are the differences between assets and liabilities, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows. Thus, revenues are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as uncollected taxes, and earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the City of Winters that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities.) The governmental activities of the City of Winters include; general government, public safety, streets, economic development, and culture and recreation. The business type activities of the City of Winters include the Water and Sewer functions of the City of Winters.

The government-wide financial statements include not only the City of Winters itself, but also a legally separate City of Winters Community Development Agency for which the City of Winters is financially accountable.

Fund Financial Statements

The fund financial statements provide detailed information about the City's major funds, not the City 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. The City of Winters, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City of Winters can be divided into three (3) categories: governmental funds, proprietary funds and fiduciary funds.

CITY OF WINTERS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between the Governmental Fund Financial Statements and the Government-Wide Financial Statements are explained in a reconciliation following the Government-Wide Financial Statements.

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

Proprietary Funds. When the City charges customers for services, whether to outside customers or to programs of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way in that all activities are reported in the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets. The City's enterprise funds are the same as the business-type activities reported in the Government-Wide Financial Statements, but provide more detail and additional information, such as cash flows for each enterprise fund. The City also uses an internal service fund to report activities that provide supplies and services for the City's internal programs and activities.

Fiduciary funds. The City is the trustee, or fiduciary, for certain funds established to account for assets held by the City in a trustee capacity, or as an agent for individuals, private organizations, and other governmental units. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. These activities are excluded from the City's Government-Wide Financial Statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their purposes.

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 financial statements.

Other information

Combining statements are presented following the notes to the financial statements.

Government-wide Financial Analysis

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

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Winters, assets exceeded liabilities by \$25,058,387 at the close of the most recent fiscal year.

41.43% of the City's net assets reflects its investment in capital assets (e.g., land, buildings, and improvements other than buildings, equipment, infrastructure, and construction in progress); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in its capital assets are reported net of related debt, it should be noted that the

CITY OF WINTERS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City reports its sewer and water activities as business type activities and reports these activities in the government-wide statements.

An additional portion of the City of Winters net assets (20.62%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$9,510,374 or 37.95%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Winters is able to report positive balances in all three categories of net assets, governmental activities, business-type activities, as well as total activities.

TABLE 1						
SUMMARY OF NET ASSETS						
AS OF JUNE 30						
	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
ASSETS:						
Current and other Assets	\$ 16,677,142	\$ 21,567,081	\$ 6,208,944	\$ 6,653,835	\$ 22,886,086	\$ 28,220,916
Capital Assets, net	21,716,654	16,663,862	6,976,630	6,390,422	28,693,284	23,054,284
TOTAL ASSETS	\$ 38,393,796	\$ 38,230,943	\$ 13,185,574	\$ 13,044,257	\$ 51,579,370	\$ 51,275,200
LIABILITIES						
Liabilities due after one year	\$ 16,652,943	\$ 17,041,722	\$ 8,153,444	\$ 8,311,581	\$ 24,806,387	\$ 25,353,303
Other Liabilities	1,241,719	2,011,305	472,877	309,797	1,714,596	2,321,102
TOTAL LIABILITIES	17,894,662	19,053,027	8,626,321	8,621,378	26,520,983	27,674,405
NET ASSETS						
Investment in Capital Assets, net	8,699,018	8,181,857	1,681,730	1,736,565	10,380,748	9,918,422
Restricted	5,167,265	9,460,304		4,171,609	5,167,265	13,631,913
Unrestricted	6,632,851	1,535,705	2,877,523	(1,485,295)	9,510,374	50,410
TOTAL NET ASSETS	\$ 20,499,134	\$ 19,177,866	\$ 4,559,253	\$ 4,422,879	\$ 25,058,387	\$ 23,600,745

There was a decrease of \$4,293,039 in restricted net assets reported in connection with the City of Winters' Governmental Activities. This decrease is due to the decrease in amount restricted for Low and Moderate Income housing and a decrease in amount restricted for Capital Projects (which should have its cash with fiscal agent amounts shown in the "invested in capital assets, net of related debt" category.)

The net assets of the City of Winters increased by \$1,457,642 during the fiscal year. The increase in net assets is due to the increase in cash on hand, not using previously acquired assets (cash) to balance the General Fund budget for 2010-2011, and the reduction of accounts payable at year end for projects nearing completion.

Governmental Activities

Governmental activities increased the City of Winters net assets by \$1,321,268. The increase in expenses was less than revenues for the fiscal year, therefore increasing the cash balance in the governmental funds. Deferred revenues from 2009-2010 were received in 2010-2011, therefore increasing the cash balance and net assets. Accumulation of funds received in the Gas Tax Fund and Transportation

CITY OF WINTERS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Development Act Fund also added to the increase in net assets. Due to the amount of funding received, the City of Winters must accumulate the funding for several years before acquiring enough funds to undertake projects. This accumulation of funds increases net assets.

The Cost of all governmental activities during 2010-2011 was \$6,462,894. Some of the cost of governmental activities was paid by those who directly benefited from the programs in the amount of \$446,074 or by other governmental agencies and organizations that subsidized certain programs with grants and contributions in the amount of \$2,498,577. Overall, the City generated program revenues of \$2,944,651. The balance of the cost of governmental activities of \$3,518,243 was paid by the City of Winters sources of general revenues (taxes and general revenues).

The following table presents the changes in net assets for the fiscal year ended June 30, 2011 and June 30, 2010:

TABLE 2						
CHANGE IN NET ASSETS						
FOR THE FISCAL YEAR ENDED JUNE 30						
	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
PROGRAM REVENUES						
Charges for services	\$ 446,074	\$ 279,703	\$ 2,526,692	\$ 2,227,129	\$ 2,972,766	\$ 2,506,832
Operating grants	1,102,329	1,048,546			1,102,329	1,048,546
Capital grants	1,396,248	998,427			1,396,248	998,427
GENERAL REVENUES						
Property taxes	2,974,549	2,719,844			2,974,549	2,719,844
Sales and uses taxes	295,215	242,257			295,215	242,257
Motor Vehicle in lieu	32,026	21,071			32,026	21,071
Franchise fees	224,608	203,985			224,608	203,985
Utility Tax	664,280	373,214			664,280	373,214
Municipal services tax	286,808	286,070			286,808	286,070
Transient Occupancy Tax	6,363	6,049			6,363	6,049
Other Revenues	360,286	204,526		800	360,286	205,326
Use Money and property	144,210	131,261	1,810	20,328	146,020	151,589
TOTAL REVENUES	7,932,996	6,514,953	2,528,502	2,248,257	10,461,498	8,763,210
EXPENSES						
Governmental Activities						
General Government	365,754	1,044,951			365,754	1,044,951
Public Safety	2,365,123	2,404,697			2,365,123	2,404,697
Public Works	313,127	627,898			313,127	627,898
Community Development	1,616,007	3,410,215			1,616,007	3,410,215
Parks and Rereation	662,484	675,245			662,484	675,245
Streets and Highways	362,125	144,062			362,125	144,062
Interest on Long Term Debt	778,274	764,964			778,274	764,964
Business Type Activities						
Water			1,752,536	521,751	1,752,536	521,751
Sewer			1,241,718	623,110	1,241,718	623,110
TOTAL EXPENSES	6,462,894	9,072,032	2,994,254	1,144,861	9,457,148	10,216,893

CITY OF WINTERS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
EXCESS (DEFICIENCY) OF REVENUES						
OVER EXPENSES	1,470,102	(2,249,055)	(465,752)	1,103,396	1,004,350	(1,145,659)
OTHER						
Loss on Disposition of Assets				(23,312)		(23,312)
Capital Asset contributions		(13,275)		13,275		
Transfer in (out)		131,261		(131,261)		
TOTAL OTHER		117,986		(141,298)		(23,312)
CHANGE IN NET ASSETS	1,470,102	(2,131,069)	(465,752)	962,098	1,004,350	(1,168,971)
NET ASSETS JULY 1	19,177,866	21,308,935	4,422,879	3,460,781	23,600,745	24,769,716
PRIOR PERIOD ADJUSTMENTS	(148,834)		602,126		453,292	
NET ASSETS JULY 1, RESTATED	19,029,032	21,308,935	5,025,005	3,460,781	24,054,037	24,769,716
NET ASSET JUNE 30	\$ 20,499,134	\$ 19,177,866	\$ 4,559,253	\$ 4,422,879	\$ 25,058,387	\$ 23,600,745

Property taxes increased by \$254,705 or 9.3%. The major reason for increase in property taxes is due to the passage of Proposition 22, limiting the State of California's ability to "borrow" property tax from local government. This combined with the leveling out of property values throughout both the City of Winters and the Winters Community Development Agency has helped stabilize the property tax revenues for the fiscal year.

Operating Contributions and Grants have increased by \$53,783 in 2010-2011 compared to 2009-2010. This is due to the increase in grants received for Public Works in 2010-2011 compared to 2009-2010. These grants are one time grants for maintaining and updating parks and the amounts of the grants will vary from year to year.

Capital Contributions and Grants have increased from 2009-2010 amounts by \$397,821. This is due to the one time nature of grants. The City received a grant to for a communication tower sited at the public safety facility currently under construction in the amount of \$133,182. The City also received impact fees from the permit issued for the 74 unit apartment complex; these fees are part of the funding mechanism for capital projects and are typically one time revenues.

Charges for Services of Governmental Activities have increased from the 2009-2010 fiscal year by \$166,371. The largest impact on service charges was in the area of community development; during 2010-2011 a 74 unit apartment complex was under construction. The building permit fees from this development alone increased the charges for services significantly.

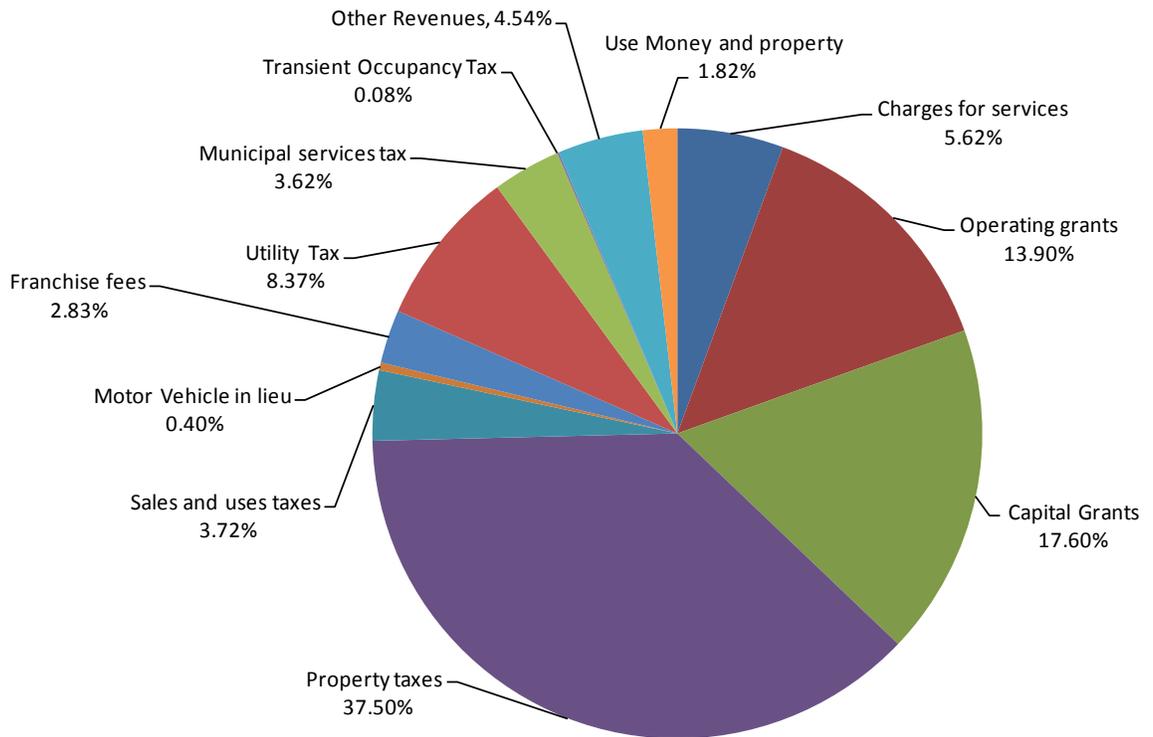
General revenues increased by \$472,726 from 2009-2010. The increase in the utility user rate approved by voters, provided additional revenues of \$291,066. Sales taxes increased by \$52,958 from 2009-2010. Additionally there were increases in other taxes and revenues in the amount of \$128,702. These other taxes and revenues include citizen fundraising for the operations of the swimming pool and community center and the municipal services tax to support police and fire operations.

CITY OF WINTERS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenues by Source-Governmental Activities

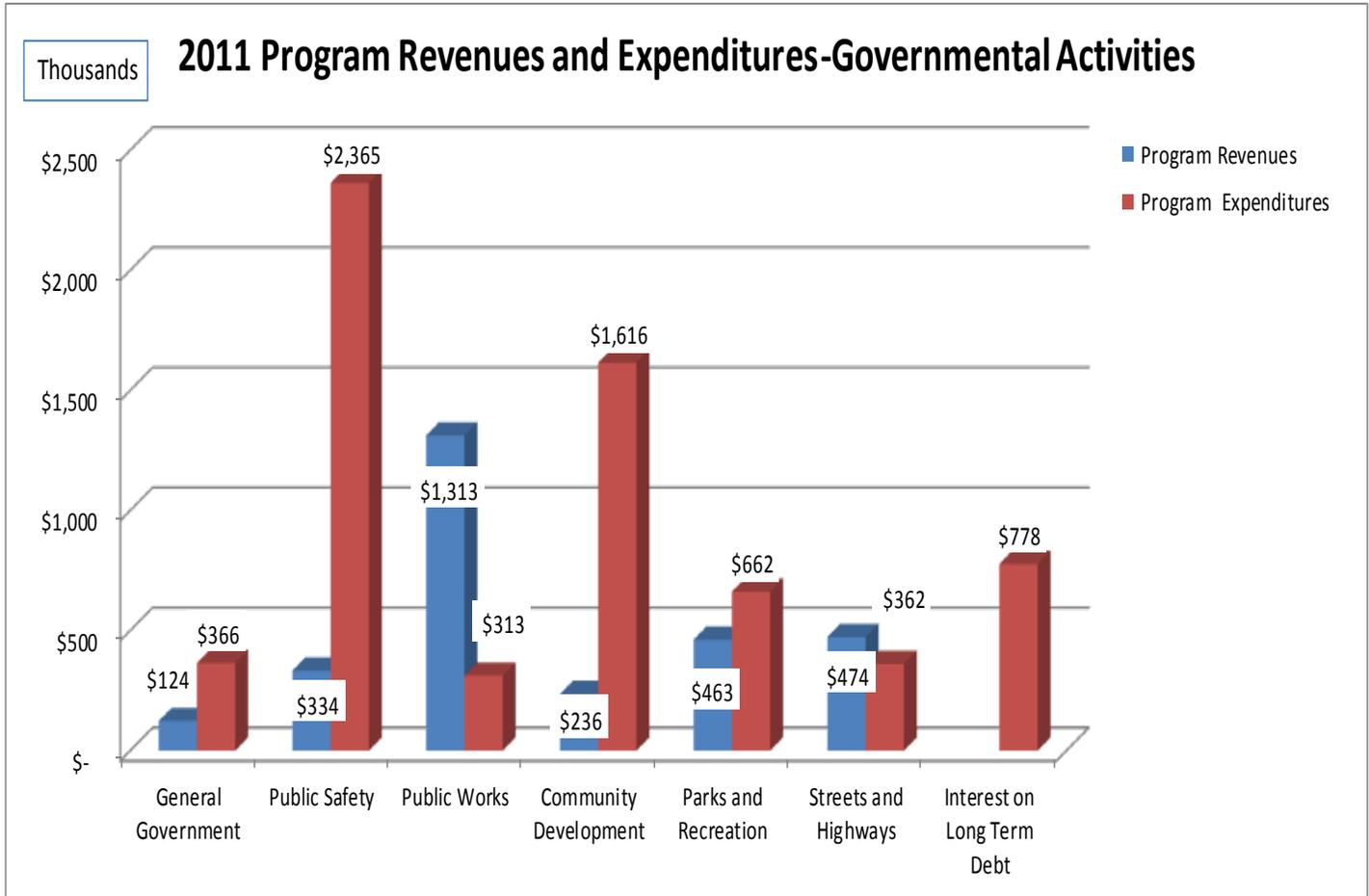
2011 Governmental Activities Revenues - \$7,932,996



CITY OF WINTERS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Program Revenues and Expenses -Governmental Activities



Governmental activity expenses decreased by \$2,609,138 compared to 2009-2010 for the following reasons:

- Decrease in Community Development Expenses of \$1,794,208 due to the grant of \$1,300,000 from the City for the development of a 72 unit income restricted apartment building and a grant of \$300,000 for funding for rehabilitation of an existing 34 unit income restricted apartment complex.in 2009-2010. Those were one time grants of funding from the Community Development Agency and from the CDBG Program Income Accounts.
- Decrease in General Government of \$679,197 due the completion of projects that were grant funded by the City in 2009-2010 that didn't reoccur in 2010-2011.
- Decrease in Public Safety of \$39,574 due to salary savings from the delay in hiring an additional police officer.
- Decrease in Public Works expenditures in the amount of \$314,771 due to the completion in 2009-2010 of grant projects that did not require expenses in 2010-2011.

CITY OF WINTERS, CALIFORNIA

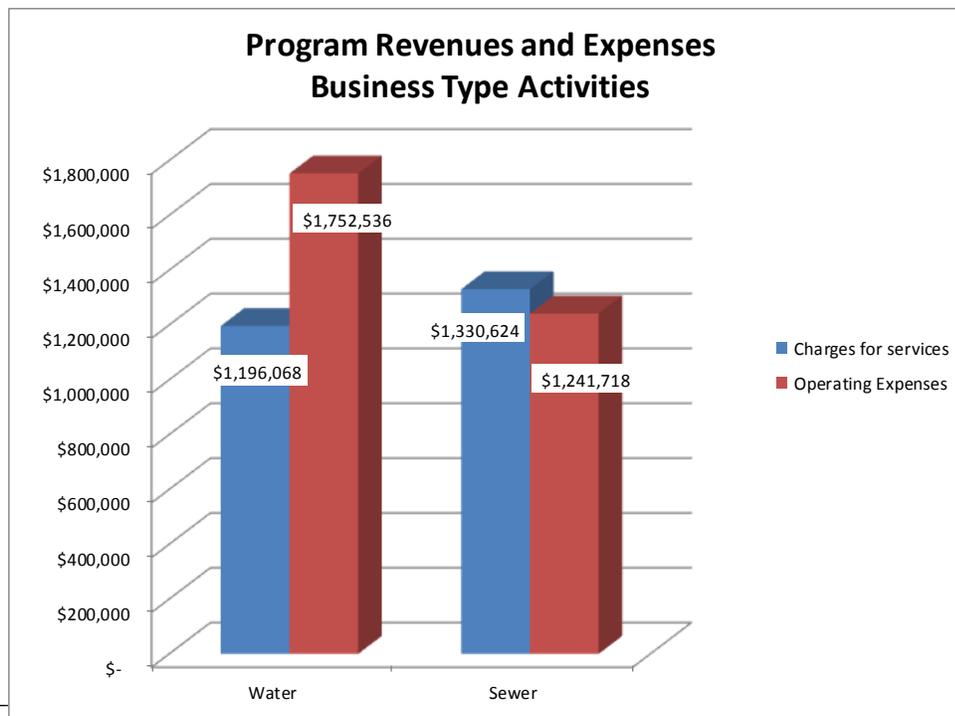
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

- Decreased expenses of \$12,761 in Parks and Recreation due to reorganization of staffing in the parks department.
- Increase in expenses in Streets and Highways of \$218,063. Street and Highway expenses are funded by the availability of Gas Tax receipts remitted by the State of California, expenditure of Transportation Development Act, and grants from the State of California. The timing of expenses depends upon the design of street projects. During 2009-2010 many projects were under design and were then constructed in 2010-2011. The increase in expenses is due to construction and maintenance and repair projects in 2010-2011 that were designed in 2009-2010.
- Increase in Interest on Long Term Debt due to Debt Service on the 2007 Tax Allocation Bonds in the amount of \$13,310.

Business- Type Activities

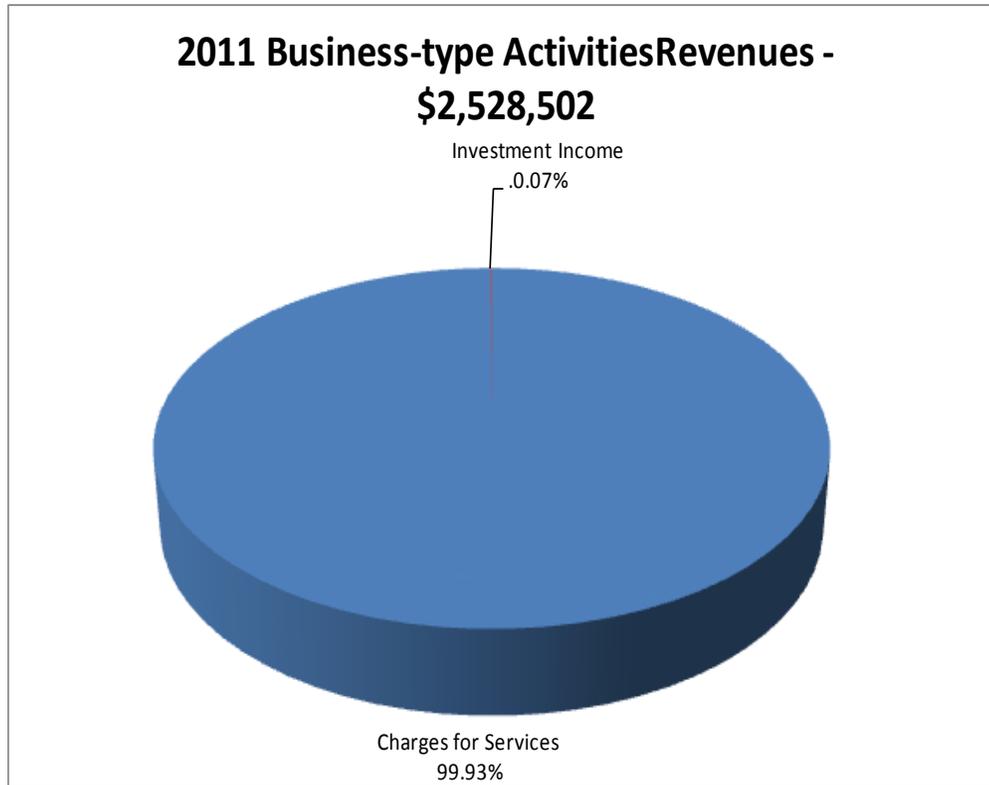
Business-type activities decreased the City of Winters net assets by \$465,752 (before a prior period adjustment of \$602,126). Key elements of the decrease in the net assets are as follows:

- The Water O & M fund decreased net assets by \$555,716 for the fiscal year. Increased costs for 2010-2011 include the addition of a staff person to assist in the water meter program, water meter purchases, and the contract to install the water meters. In 2010-2011 the City installed water meters throughout the city. Water customers began receiving information on their water bills about the impact of being billed on a consumption basis in May 2011. City-wide consumption billing will be effective January 1, 2012.
- The Sewer O & M Fund increased net assets of the City of Winters by \$89,964. Rates were increased July 1, 2010 for the Sewer O & M Fund to provide for meeting our fund reserve requirement and operating expenditures. In addition to the rate increase, the comprehensive sewer line project the 2007 Sewer Revenue bond proceeds has allowed for relatively few sewer line repair issues and the corresponding increase in net assets.



CITY OF WINTERS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011



Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the City of Winters governmental funds is to provide information on near-term inflow, outflows and balances of spendable resources. Such information is useful in assessing the City of Winters financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Winters governmental funds reported combined ending fund balances of \$11,464,130, a decrease of \$4,186,078 (including prior period adjustments of \$1,438,917) in comparison with the prior fiscal year. Approximately 10.72% or \$1,228,983 is available for spending at the government's discretion (unassigned fund balance). The remainder of the fund balance is reserved to indicate that it is unavailable for new spending because it has already been committed to the following:

- Non-spendable (a receivable) - \$781,448
- Low and Moderate Income Housing - \$1,345,148
- Restricted to Community Development Agency Projects - \$508,556
- Restricted to Special Projects - \$6,494,493
- Assigned to completion of a multi-year project - \$81,050
- To liquidate contracts and purchase orders of the prior period - \$1,024,452

CITY OF WINTERS, CALIFORNIA

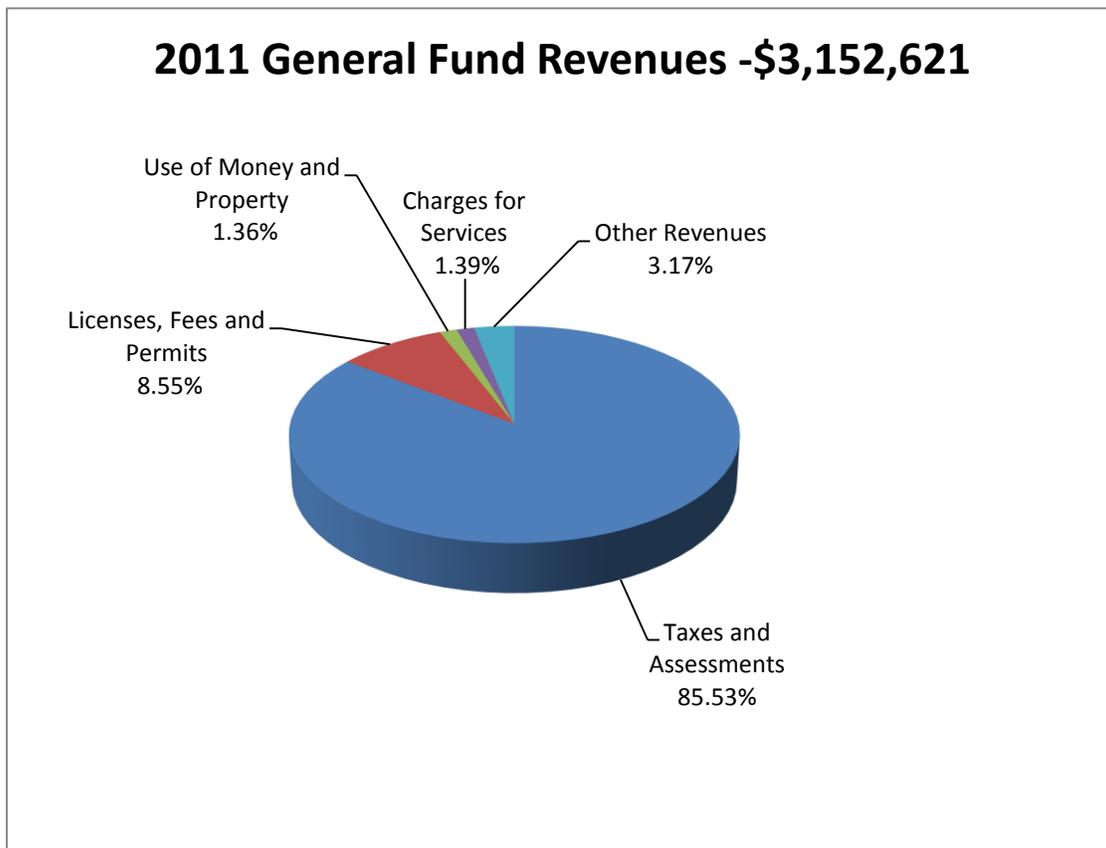
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

The general fund is the chief operating fund of the City of Winters, accounting for all financial resources traditionally associated with government activities that are not legally required to be accounted for in another fund.

The General fund ended the fiscal year with a fund balance of \$2,429,336, which is an increase of \$109,316 as compared to the prior fiscal year. The fund balance is composed of 5 components as designated by the City Council these classifications and amounts are:

1. Non-spendable Fund balance- \$781,448. These are a portion of the fund balance that cannot be spent because it is not in a spendable form, such as a receivable.
2. Restricted Fund Balance- \$0. These are amounts that are restricted by the source of the funds, such as a grant.
3. Committed Fund Balance \$0. These are amounts that are restricted due to a formal action of the City Council.
4. Assigned Fund Balance \$81,050. These amounts are funds that are intended for a specific purpose, but for which no formal action has yet to be taken by the City Council.
5. Unassigned fund balance \$ 1,566,838. This portion of the fund balance is that does not fall into one of the other four categories.

General fund revenues for the fiscal year ended June 30, 2011 were \$3,152,621 comprised of the following:

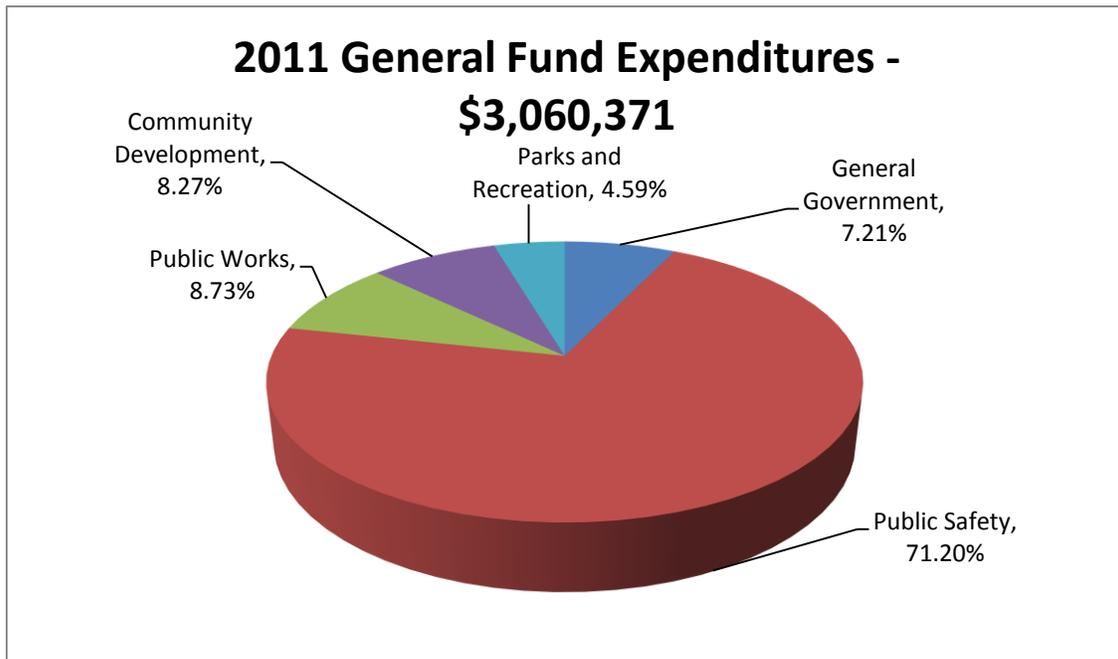


CITY OF WINTERS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Amount
Taxes and Assessments	\$ 2,696,475
Licenses, Fees and Permits	269,556
Use of Money and Property	42,796
Charges for Services	43,929
Other Revenues	99,865
TOTAL	\$ 3,152,621

General Fund expenditures of \$3,060,371 for the fiscal year ended June 30, 2011 were as follow:



	Amount
General Government	\$ 220,632
Public Safety	2,178,913
Public Works	267,131
Community Development	253,061
Parks and Recreation	140,634
TOTAL	\$ 3,060,371

CITY OF WINTERS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Other Major Funds

Housing Set-Aside Special Revenue Fund:

The Housing Set-Aside Fund is used to account for the production of low and moderate income housing within the City of Winters.

The Housing Set-Aside Special Revenue Fund ended the fiscal year with a fund balance of \$1,345,148, which is a decrease of \$521,262 compared to 2009-2010. The fund balance is composed of restricted for Low/moderate income housing in the amount of \$1,345,148.

The tax increment received by this fund was \$322,072. Total expenditures were \$849,688 compared to \$1,730,170 in 2009-2010. Current year expenditures are for staffing, community outreach, a gap financing grant for rehabilitation of the income restricted Almondwood apartment complex, and for debt service on the tax allocation bonds issued in March 2004 and May 2007.

Community Development Capital Projects Fund:

The Community Development Agency Capital Projects Fund is the fund that accounts for all non-housing expenditures of the Winters Community Development Agency.

The Community Development Capital Projects Fund ended the fiscal year with a fund balance of \$508,556 which is a decrease of \$6,485,310 compared to 2009-2010. The fund balance is restricted for use inside the Redevelopment Project area.

Community Development Capital Projects Fund revenues for the fiscal year ended June 30, 2011 were \$2,832,793. Revenues were from Tax and Assessments (\$1,288,287), other revenue (\$1,501,567), and Use of Money and Property (\$42,939).

Total expenditures for the year were \$6,639,452 compared to \$5,295,810 in 2009-2010, a change of \$1,343,642. Expenditures are for pass through agreements, agency staff, debt service, and capital projects financed with tax increment or tax allocation bond proceeds and tax increment. Expenditures for major projects include funding for the Joint Police and Fire Station (Public Safety Facility) and the improvements at the intersection of Main and First Streets, as well as a mid-block crossing on Main Street.

Proprietary Funds

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

Unrestricted net assets of the Water and Sewer funds at the end of the fiscal year amounted to \$1,122,019 and \$1,755,504 respectively. The Water Fund had a decrease in net assets (before prior period adjustments), and Sewer fund had an increase in net assets (before prior period adjustments) during the fiscal year. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of Winters business-type activities.

General fund Budgetary Highlights

The City's annual budget is the legally adopted expenditure control document of the City. Budgets are prepared on a modified accrual basis consistent with GAAP, except that for budgetary purposes:

- Revenues are recorded when received.
- Interfund loans and repayments are recorded as revenues and expenditures.
- Capital expenses are budgeted as an expense.
- Encumbrances are included in budgeted expenditures.

CITY OF WINTERS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Unexpended appropriations lapse at fiscal year-end. The City Council reauthorizes appropriations for continuing projects and activities. The City Council has the legal authority to amend the budget of any fund at any time during the fiscal year. The budget is adopted at the fund and department level. The City Manager is authorized to make transfers between account codes and departments within each fund, except for contingencies. City Council approval is required for transfers between funds, except those inter-fund transfers approved in the budget and must authorize any revisions which alter total expenditures of the City.

There were no approved increased expenditures over the original budget in the area of Community Development during the fiscal year.

General Fund revenues were lower than budget amounts in total, the sources of revenue are as follow:

- ❖ Taxes and Assessments
 - Revenues received were less than budgeted by \$177,518 due to the lag in the Utility User Tax Rate increase being collected. This tax increase was approved by the votes in June 2010, but, the increase was not effective until October 1, 2010. The budget was prepared anticipating the increase being effective July 1, 2010.
- ❖ Other Revenues
 - Other revenues were less than budgeted by \$171,727, due to the delayed implementation of the Winters Fire District/City of Winters Fire Department Agreement. This agreement reversed the relationship of the Fire Departments. In the past, the City contracted with (and therefore paid for services) the Fire District for fire protection services. The budget anticipated the implementation of the City of Winters Fire Department, and the contracting to offer services to the Fire District, and therefore receiving payment for such service beginning July 1, 2010. The actual implementation of the contract began on January 1, 2011 and payment was delayed for that contract until 2011-2012.
- ❖ Charges for Services
 - The Community Center Rental fees were lower than budgeted in the 2010-2011 fiscal year. The economy and increased fees for use of the facility affected the rental revenue received.

Expenditures were lower than budgeted throughout the organization in 2010-2011. Explanations are as follows:

- ❖ General Government
 - General Government actually spent more than budgeted by \$465.
- ❖ Public Safety
 - Both Police and Fire Departments had expenditures less than budgeted for the fiscal year. This was due to the delayed implementation of a City Fire Department, and the delay in hiring an additional police officer. Both of these delays created expenditures lower than budgeted.
- ❖ Public Works
 - Expenditures were lower than budgeted due to staff diligence in monitoring the budget.
- ❖ Community Development
 - Community Development expenditures were higher than budgeted due to the need to have plans checked by non-city personnel.

CITY OF WINTERS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Capital Asset and Debt Administration

Capital Assets

The City of Winters investment for capital assets for its governmental and business-type activities as of June 30, 2011, amounts to \$27,513,661 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, water wells and distribution and sewer plant and collection facilities.

TABLE 3						
CAPITAL ASSETS, NET OF DEPRECIATION						
FOR THE FISCAL YEAR ENDED JUNE 30						
	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Capital Assets not being Depreciated:						
Construction in Progress	\$ 9,350,610	\$ 2,836,061	\$ 475,088	\$ 1,550,538	\$ 9,825,698	\$ 4,386,599
Land	1,285,987	2,785,987	2,182,979	743,386	3,468,966	3,529,373
Depreciable Capital Assets, net:						
Sewer and Water Plant			2,780,586	2,840,767	2,780,586	2,840,767
Buildings	2,623,723	2,526,363			2,623,723	2,526,363
Machinery and Equipment				518,869		518,869
Vehicles and Equipment	155,448	271,041	822,794		978,242	271,041
Infrastructure	7,465,104	7,375,941	371,342	379,892	7,836,446	7,755,833
TOTAL	\$ 20,880,872	\$ 15,795,393	\$ 6,632,789	\$ 6,033,452	\$ 27,513,661	\$ 21,828,845

Capital asset additions during 2010-2011 include the following:

- HVAC Replacement at City Hall
- 201 First Street (Rogers Building)
- Walnut Lane Realignment
- W Main Street Pump Station
- Sewer SCADA System
- Water SCADA System

Additional information on the City of Winters capital assets can be found in Note 7 of this report.

Long-term Debt

At June 30, 2011, the City of Winters had \$24,806,387 (long-term portion) in tax allocation bonds, water revenue bonds, sewer revenue bonds and compensated absences, compared to \$25,448,445 (long-term portion) on June 30, 2010.

The following table provides a breakdown of the City's outstanding indebtedness as of June 30, 2011:

CITY OF WINTERS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

TABLE 4
OUTSTANDING DEBT
FOR THE FISCAL YEAR ENDED JUNE 30

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Tax Allocation Bonds:						
Series 2004	\$ 5,860,000	\$ 6,090,000	\$ -	\$ -	\$ 5,860,000	\$ 6,090,000
Series 2007	10,975,000	11,215,000			10,975,000	11,215,000
Revenue Bonds:						
2007 Water Bonds			3,810,000	3,810,000	3,810,000	3,810,000
2007 Sewer Bonds			4,495,000	4,495,000	4,495,000	4,495,000
Compensated Absences	363,056	299,703	23,444	8,742	386,500	308,445
Totals	17,198,056	17,604,703	8,328,444	8,313,742	25,526,500	25,918,445
Less: due within one year	(545,113)	(470,000)	(175,000)		(720,113)	(470,000)
TOTALS	\$ 16,652,943	\$ 17,134,703	\$ 8,153,444	\$ 8,313,742	\$ 24,806,387	\$ 25,448,445

The tax allocation bonds are paid from the receipt of incremental property taxes levied within the City's redevelopment area. These redevelopment project areas are accounted for by the Winters Community Development Agency. The Agency has issued Tax Allocation Bonds twice. Tax Allocation Bonds Series 2004 were issued February 27, 2004 and Tax Allocations Bonds Series 2007 were issued on May 31, 2007. For more information on the tax allocation bonds please see Note 8 of this report.

The Water Revenue bonds are paid from the service charge received for water service by customers of the Water Enterprise Fund. The Water Enterprise Fund issued bonds in September 2007. For more information on the Water Revenue bonds, please see Note 8 of this report.

The Sewer Revenue bonds are paid from the service charge received for sewer service by the customers of the Sewer Enterprise Fund. The Sewer Enterprise Fund issued bonds in September 2007. For more information on the Sewer Revenue bonds, please see Note 8 of this report.

Economic Factors and Next Years Budgets and Rates

- No growth (both residential and commercial).
- Implementation of a two tier retirement plan public safety employees.
- Wage and Benefit Concessions from employees due to the continuing impacts on the budget as a result of the recession.
- Employee Retention programs
- Slow recover from the recession at Federal, State and Local levels
- Stagnant assessed values of properties throughout the City.

All of the above factors were considered in the preparation of the City of Winters 2011-2012 budget.

CITY OF WINTERS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

The water and sewer fund rates were increased in the 2011-2012 budget. The rate increases were necessary to continue to maintain an aging infrastructure, and to pay debt service on the Water and Sewer Revenue bonds (2007). Since receipt of the bond proceeds, there have been extensive repair and replacement projects included in the budget of the enterprise funds for 2011-2012.

Requests for Information

This management's discussion and analysis is designed to provide the City's residents, taxpayers, customer, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Financial Management, 318 First St., Winters, CA 95694.

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CITY OF WINTERS
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-type Activities	Totals
ASSETS:			
CURRENT ASSETS:			
Cash and investment	\$ 7,506,468	\$ 2,712,113	\$ 10,218,581
Receivables:			
Accounts receivable	934,348	42,771	977,119
Interest receivable	31,789	1,020	32,809
Notes receivable	4,673,761		4,673,761
Deposits	2,670		2,670
Prepaid expenses		26,383	26,383
Land held for resale	127,299		127,299
Internal balances	(416,557)	416,557	
Restricted cash and investments with fiscal agent	3,817,364	3,010,100	6,827,464
TOTAL CURRENT ASSETS	16,677,142	6,208,944	22,886,086
NONCURRENT ASSETS:			
Nondepreciable capital assets	10,636,597	2,658,067	13,294,664
Depreciable capital assets, net	10,244,275	3,974,722	14,218,997
Deferred charges, net	835,782	343,841	1,179,623
TOTAL CURRENT ASSETS	21,716,654	6,976,630	28,693,284
TOTAL ASSETS	\$ 38,393,796	\$ 13,185,574	\$ 51,579,370
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	\$ 261,340	\$ 32,425	\$ 293,765
Accrued payroll liabilities	36,471		36,471
Interest payable	247,689	119,975	367,664
Deposits payable	151,106	145,477	296,583
Compensated absences, due within one year	60,113		60,113
Long-term debt, due within one year	485,000	175,000	660,000
TOTAL CURRENT LIABILITIES	1,241,719	472,877	1,714,596
NONCURRENT LIABILITIES:			
Compensated absences, due after one year	302,943	23,444	326,387
Long-term debt, due after one year	16,350,000	8,130,000	24,480,000
TOTAL NONCURRENT LIABILITIES	16,652,943	8,153,444	24,806,387
TOTAL LIABILITIES	17,894,662	8,626,321	26,520,983
NET ASSETS			
Invested in capital assets, net of related debt	8,699,018	1,681,730	10,380,748
Restricted	5,167,265		5,167,265
Unrestricted	6,632,851	2,877,523	9,510,374
TOTAL NET ASSETS	\$ 20,499,134	\$ 4,559,253	\$ 25,058,387

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

CITY OF WINTERS
Statement of Activities
For the Fiscal Year Ended June 30, 2011

Functions/Programs	Operating Expenses	Charges for Services	Program Revenues	
			Operating	Grants and Contributions Capital
Governmental Activities:				
General government	\$ 365,754	\$ 111,930	\$ 12,260	\$ -
Public safety	2,365,123	8,802	192,295	133,182
Public works	313,127	32,057	258,344	1,022,640
Community development	1,616,007	205,692	30,346	
Parks and recreation	662,484	87,593	277,028	98,568
Streets and highways	362,125		332,056	141,858
Interest on long-term debt	778,274			
TOTAL GOVERNMENTAL ACTIVITIES	6,462,894	446,074	1,102,329	1,396,248
Business-type Activities:				
Water	1,752,536	1,196,068		
Sewer	1,241,718	1,330,624		
TOTAL BUSINESS-TYPE ACTIVITIES	2,994,254	2,526,692		
TOTAL GOVERNMENT	\$ 9,457,148	\$ 2,972,766	\$ 1,102,329	\$ 1,396,248

General Revenues:

Taxes:

- Property taxes
- Sales and use taxes
- Motor vehicle in-lieu
- Franchise fees
- Utility tax
- Municipal service tax
- Transient occupancy tax
- Other taxes
- Other revenues
- Investment income

TOTAL GENERAL REVENUES

CHANGE IN NET ASSETS

Net Assets, July 1, 2010

Prior Period Adjustments

Net Assets, July 1, 2010, restated

NET ASSETS JUNE 30, 2011

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

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Totals
\$ (241,564)	\$ -	\$ (241,564)
(2,030,844)		(2,030,844)
999,914		999,914
(1,379,969)		(1,379,969)
(199,295)		(199,295)
111,789		111,789
(778,274)		(778,274)
<u>(3,518,243)</u>		<u>(3,518,243)</u>
	(556,468)	(556,468)
	88,906	88,906
	<u>(467,562)</u>	<u>(467,562)</u>
<u>(3,518,243)</u>	<u>(467,562)</u>	<u>(3,985,805)</u>
2,974,549		2,974,549
295,215		295,215
32,026		32,026
224,608		224,608
664,280		664,280
286,808		286,808
6,363		6,363
268,350		268,350
91,936		91,936
144,210	1,810	146,020
<u>4,988,345</u>	<u>1,810</u>	<u>4,990,155</u>
<u>1,470,102</u>	<u>(465,752)</u>	<u>1,004,350</u>
19,177,866	4,422,879	23,600,745
<u>(148,834)</u>	<u>602,126</u>	<u>453,292</u>
<u>19,029,032</u>	<u>5,025,005</u>	<u>24,054,037</u>
<u>\$ 20,499,134</u>	<u>\$ 4,559,253</u>	<u>\$ 25,058,387</u>

**CITY OF WINTERS
Balance Sheet
Governmental Funds
June 30, 2011**

	General Fund	Special Revenue Funds		Capital Projects Fund
		Housing Set-Aside Fund	HOME-CHOC Fund	Community Development Fund
ASSETS				
Cash and investments	\$ 711,988	\$ -	\$ -	\$ -
Receivables:				
Accounts receivable	267,606	13,058		52,929
Interest receivable	633	1,269		4,775
Due from developers	142,044			
Notes receivable	131,032	369,838	2,843,180	66,600
Due from other funds	790,190			
Deposits	2,670			
Advances to other funds	781,448			
Land held for resale		127,299		
Restricted cash and investments with fiscal agent		1,282,002		2,013,890
TOTAL ASSETS	\$2,827,611	\$1,793,466	\$ 2,843,180	\$ 2,138,194
LIABILITIES				
Accounts payable	\$ 89,255	\$ -	\$ -	\$ 79,688
Accrued payroll liabilities	36,471			
Deposits payable	141,517			
Deferred revenue	131,032	369,838	2,843,180	66,600
Due to other funds		78,480		
Advances from other funds				1,483,350
TOTAL LIABILITIES	398,275	448,318	2,843,180	1,629,638
FUND BALANCES				
Nonspendable	781,448			
Restricted		1,345,148		508,556
Committed				
Assigned	81,050			
Unassigned	1,566,838			
TOTAL FUND BALANCES	2,429,336	1,345,148		508,556
TOTAL LIABILITIES AND FUND BALANCES	\$2,827,611	\$1,793,466	\$ 2,843,180	\$ 2,138,194

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

Other Governmental Funds	Totals
\$ 6,780,568	\$ 7,492,556
458,711	792,304
25,112	31,789
	142,044
1,263,111	4,673,761
29,070	819,260
	2,670
826,902	1,608,350
	127,299
521,472	3,817,364
<u>\$ 9,904,946</u>	<u>\$ 19,507,397</u>
\$ 72,443	\$ 241,386
	36,471
9,589	151,106
1,359,487	4,770,137
1,157,337	1,235,817
125,000	1,608,350
<u>2,723,856</u>	<u>8,043,267</u>
	781,448
6,494,493	8,348,197
1,024,452	1,024,452
	81,050
(337,855)	1,228,983
<u>7,181,090</u>	<u>11,464,130</u>
<u>\$ 9,904,946</u>	<u>\$ 19,507,397</u>

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CITY OF WINTERS
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2011

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 11,464,130

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

Capital assets used in Governmental Activities are not current resources and, therefore, are not reported in the governmental funds.

Capital assets	\$ 24,871,579	
Less: accumulated depreciation	<u>(3,990,707)</u>	20,880,872

Certain notes receivable and accounts receivable are not available to pay for current period expenditures and, therefore are offset by deferred revenue in the governmental funds

Grants receivable	96,376	
Proposition 1A loan	111,396	
Rehabilitation loans	4,088,543	
Developer loan	37,384	
Redevelopment agency loans	<u>436,438</u>	4,770,137

Long-term assets and liabilities are not due and payable in the current period and therefore are not reported in the governmental funds' balance sheet:

Deferred charges associated with the issuance of bonds	1,011,672	
Less: accumulated amortization	(175,890)	
Bonds payable	(16,835,000)	
Compensated absences	<u>(363,056)</u>	(16,362,274)

Interest payable on long-term debt is not a required current financial resource. Therefore, interest payable is not reported as a liability in the governmental funds.

(247,689)

Internal service funds are used by management to charge costs of certain activities, such as billings and collections, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.

(6,042)

Net Assets of Governmental Activities

\$ 20,499,134

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

CITY OF WINTERS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	Special Revenue Funds		
	General Fund	Housing Set-Aside Fund	HOME-CHOC Fund
REVENUES:			
Taxes and assessments	\$ 2,696,475	\$ 322,072	\$ -
Fines, forfeitures and penalties			
Licenses, fees and permits	269,556		
Program income			
Use of money and property	42,796	5,354	
Intergovernmental revenues			
Charges for services	43,929		
Other revenue	99,865	1,000	
TOTAL REVENUES	3,152,621	328,426	
EXPENDITURES:			
Current:			
General government	220,632		
Public safety	2,178,913		
Public works	267,131		
Community development	253,061	568,400	
Parks and recreation	140,634		
Streets and highways			
Debt service:			
Principal retirement		85,000	
Interest and other charges		196,288	
Capital outlay			
TOTAL EXPENDITURES	3,060,371	849,688	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	92,250	(521,262)	
OTHER FINANCING SOURCES (USES):			
Transfers in	549		
Transfers out	(77,535)		
TOTAL OTHER FINANCING SOURCES (USES)	(76,986)		
NET CHANGE IN FUND BALANCES	15,264	(521,262)	
FUND BALANCES, JULY 1, 2010	2,320,020	1,866,410	
PRIOR PERIOD ADJUSTMENTS	94,052		
FUND BALANCES, JULY 1, 2010, RESTATED	2,414,072	1,866,410	
FUND BALANCES, JUNE 30, 2011	\$ 2,429,336	\$ 1,345,148	\$ -

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

Capital Projects Fund		
Community Development Fund	Other Governmental Funds	Totals
\$ 1,288,287	\$ 445,365	\$ 4,752,199
	10,745	10,745
	1,055,376	1,324,932
	44,781	44,781
42,939	53,121	144,210
	831,230	831,230
		43,929
1,501,567	723,319	2,325,751
<u>2,832,793</u>	<u>3,163,937</u>	<u>9,477,777</u>
		220,632
	90,510	2,269,423
	2,880	270,011
836,556	30,029	1,688,046
	407,423	548,057
	225,109	225,109
385,000		470,000
554,339		750,627
4,863,557	919,476	5,783,033
<u>6,639,452</u>	<u>1,675,427</u>	<u>12,224,938</u>
<u>(3,806,659)</u>	<u>1,488,510</u>	<u>(2,747,161)</u>
1,408,409	708,919	2,117,877
<u>(1,492,158)</u>	<u>(548,184)</u>	<u>(2,117,877)</u>
<u>(83,749)</u>	<u>160,735</u>	
<u>(3,890,408)</u>	<u>1,649,245</u>	<u>(2,747,161)</u>
6,993,866	4,469,912	15,650,208
<u>(2,594,902)</u>	<u>1,061,933</u>	<u>(1,438,917)</u>
<u>4,398,964</u>	<u>5,531,845</u>	<u>14,211,291</u>
<u>\$ 508,556</u>	<u>\$ 7,181,090</u>	<u>\$ 11,464,130</u>

CITY OF WINTERS
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2011

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

Net change in fund balances		\$ (2,747,161)
-----------------------------	--	----------------

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated lives and reported as depreciation expense.

Capital outlay expenditures are therefore added back to fund balances	\$ 5,707,597	
Depreciation expense not reported in governmental funds	(412,201)	
Conveyance of land for repayment of advances	<u>(1,500,000)</u>	3,795,396

Certain receivables are offset by deferred revenue in the governmental funds because they are not available to pay for current period expenditures. This amount represents the amount by which current deferred revenue exceeded prior year.		50,341
--	--	--------

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but in the Statement of Net Assets, the costs are deferred and amortized throughout the period during which the related debt is outstanding. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Assets the repayment reduces long-term liabilities.

Issuance costs amortized during the period	(32,687)	
Repayment of debt principal	<u>470,000</u>	437,313

The amounts below included in the Statement of Activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds (net change):

Interest payable	5,040	
Compensated absences	<u>(63,352)</u>	(58,312)

The internal service funds are used by management to charge costs of certain activities such as, billings and collections, to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities.		<u>(7,475)</u>
--	--	----------------

Change in net assets of governmental activities		<u>\$ 1,470,102</u>
---	--	---------------------

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

CITY OF WINTERS

Enterprise Funds and Internal Service Fund

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the City Council of the City of Winters is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Water Fund – This fund is used to account for the water operations and maintenance activities of the City of Winters.

Sewer Fund – This fund is used to account for the sewer operations and maintenance activities of the City of Winters.

The Internal Service Fund accounts for financial transactions related to the City's billing and collections. These services are provided to other departments of the City on a cost reimbursement basis.

CITY OF WINTERS
Statement of Net Assets
Proprietary Funds
June 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>	<u>Internal</u>
	<u>Fund</u>	<u>Fund</u>		<u>Service</u>
				<u>Fund</u>
ASSETS:				
CURRENT ASSETS:				
Cash and investments	\$ 1,207,911	\$ 1,504,202	\$ 2,712,113	\$ 13,912
Receivables, net				
Accounts receivable	11,681	31,090	42,771	
Interest receivable	403	617	1,020	
Due from other funds		416,557	416,557	
Prepaid costs		26,383	26,383	
Restricted cash and investments with fiscal agent	560,374	2,449,726	3,010,100	
TOTAL CURRENT ASSETS	<u>1,780,369</u>	<u>4,428,575</u>	<u>6,208,944</u>	<u>13,912</u>
NONCURRENT ASSETS:				
Non-depreciable capital assets	2,076,252	581,815	2,658,067	
Depreciable capital assets, net	1,664,206	2,310,516	3,974,722	
Deferred charges, net	164,034	179,807	343,841	
TOTAL NONCURRENT ASSETS	<u>3,904,492</u>	<u>3,072,138</u>	<u>6,976,630</u>	
TOTAL ASSETS	<u>5,684,861</u>	<u>7,500,713</u>	<u>13,185,574</u>	<u>13,912</u>
LIABILITIES:				
CURRENT LIABILITIES:				
Accounts payable	312	32,113	32,425	19,954
Interest payable	54,845	65,130	119,975	
Deposits payable	25,396	120,081	145,477	
Long-term debt, within one year	80,000	95,000	175,000	
TOTAL CURRENT LIABILITIES	<u>160,553</u>	<u>312,324</u>	<u>472,877</u>	<u>19,954</u>
NONCURRENT LIABILITIES:				
Compensated absences	17,423	6,021	23,444	
Long-term debt, due after one year	3,730,000	4,400,000	8,130,000	
TOTAL NONCURRENT LIABILITIES	<u>3,747,423</u>	<u>4,406,021</u>	<u>8,153,444</u>	
TOTAL LIABILITIES	<u>3,907,976</u>	<u>4,718,345</u>	<u>8,626,321</u>	<u>19,954</u>
NET ASSETS:				
Invested in capital assets, net of related debt	654,866	1,026,864	1,681,730	
Unrestricted	1,122,019	1,755,504	2,877,523	(6,042)
TOTAL NET ASSETS (DEFICIT)	<u>\$ 1,776,885</u>	<u>\$ 2,782,368</u>	<u>\$ 4,559,253</u>	<u>\$ (6,042)</u>

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

CITY OF WINTERS
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended 30, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Totals	Internal Service Fund
OPERATING REVENUES:				
Charges for services	\$1,172,577	\$1,330,457	\$ 2,503,034	\$ 573,089
Refunds and reimbursements	14,150	167	14,317	
Late fees	9,341		9,341	
TOTAL OPERATING REVENUES	1,196,068	1,330,624	2,526,692	573,089
OPERATING EXPENSES:				
Salaries and benefits	223,924	64,251	288,175	
Materials, supplies, and miscellaneous	422,711	85,624	508,335	43,341
Insurance				67,454
Administration	421,450	232,015	653,465	57,920
Fuels, lubricants, and maintenance	30,053	2,879	32,932	67,736
Contract services	323,359	377,894	701,253	284,983
Utilities	92,509	194,196	286,705	59,130
Depreciation and amortization	73,994	89,469	163,463	
TOTAL OPERATING EXPENSES	1,588,000	1,046,328	2,634,328	580,564
OPERATING INCOME (LOSS)	(391,932)	284,296	(107,636)	(7,475)
NONOPERATING INCOME (EXPENSE):				
Interest expense	(164,536)	(195,390)	(359,926)	
Interest income	752	1,058	1,810	
TOTAL NON-OPERATING INCOME (EXPENSE)	(163,784)	(194,332)	(358,116)	
Changes in Net Assets	(555,716)	89,964	(465,752)	(7,475)
Net Assets, July 1, 2010	1,387,092	3,035,787	4,422,879	1,433
Prior Period Adjustments	945,509	(343,383)	602,126	
Net Assets, July 1, 2010, Restated	2,332,601	2,692,404	5,025,005	1,433
Net Assets (Deficit), June 30, 2011	<u>\$ 1,776,885</u>	<u>\$ 2,782,368</u>	<u>\$ 4,559,253</u>	<u>\$ (6,042)</u>

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

CITY OF WINTERS
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds			Governmental
	Water Fund	Sewer Fund	Totals	Activities Internal Service Fund
CASH FLOW FROM OPERATING ACTIVITIES:				
Cash received from customers and users	\$ 1,187,252	\$ 1,390,109	\$ 2,577,361	\$ 573,089
Cash paid to suppliers for goods and services	(1,356,837)	(915,820)	(2,272,657)	(581,853)
Cash paid to employees and related benefits	(215,243)	(58,230)	(273,473)	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(384,828)</u>	<u>416,059</u>	<u>31,231</u>	<u>(8,764)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Interest paid on debt	(164,535)	(195,389)	(359,924)	
Purchase of capital assets	(98,712)	(48,836)	(147,548)	
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(263,247)</u>	<u>(244,225)</u>	<u>(507,472)</u>	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Repayment of interfund loan	502,715		502,715	
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>502,715</u>		<u>502,715</u>	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	1,347	1,706	3,053	
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,347</u>	<u>1,706</u>	<u>3,053</u>	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(144,013)</u>	<u>173,540</u>	<u>29,527</u>	<u>(8,764)</u>
Cash and Cash Equivalents at the Beginning of the Fiscal Year	<u>1,912,298</u>	<u>3,780,388</u>	<u>5,692,686</u>	<u>22,676</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FISCAL YEAR	<u>\$ 1,768,285</u>	<u>\$ 3,953,928</u>	<u>\$ 5,722,213</u>	<u>\$ 13,912</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS:				
Cash and cash equivalents	\$ 1,207,911	\$ 1,504,202	\$ 2,712,113	\$ 13,912
Restricted cash and investments with fiscal agent	560,374	2,449,726	3,010,100	
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 1,768,285</u>	<u>\$ 3,953,928</u>	<u>\$ 5,722,213</u>	<u>\$ 13,912</u>

(Continued)

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

CITY OF WINTERS
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2011
(Continued)

	<u>Business type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>	<u>Internal</u>
	<u>Fund</u>	<u>Fund</u>		<u>Service</u>
				<u>Fund</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)				
by Operating Activities:				
Operating income (loss)	\$ (391,932)	\$ 284,296	\$ (107,636)	\$ (7,475)
Adjustments to Reconcile Operating Income (Loss) to Net Cash				
Provided (used) by Operating Activities:				
Depreciation and amortization	73,994	89,469	163,463	
(Increase) Decrease in Operating Assets:				
Accounts receivable	(4,078)	(149)	(4,227)	
Prepaid items	1,070	(26,383)	(25,313)	64,484
Increase (Decrease) in Operating Liabilities:				
Accounts payable	(67,825)	3,171	(64,654)	(65,773)
Deposits payable	(4,738)	59,634	54,896	
Compensated absences	8,681	6,021	14,702	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (384,828)	\$ 416,059	\$ 31,231	\$ (8,764)

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

CITY OF WINTERS
Statement of Assets and Liabilities
Agency Funds
June 30, 2011

Assets:	
Cash and investments	\$ 155,688
Receivables:	
Interest receivable	<u>139</u>
TOTAL ASSETS	<u>\$ 155,827</u>
Liabilities:	
Due to other agencies	<u>\$ 155,827</u>
TOTAL LIABILITIES	<u>\$ 155,827</u>

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

NOTE 1 – Summary of Significant Accounting Policies

A. Reporting Entity

The City of Winters was established in 1875 and incorporated in 1898 under the general laws of the State of California and enjoys all the rights and privileges pertaining to such "General Law" cities.

The City operates under a City Manager – Council form of government and provides the following services: public safety (Police and Fire), highways and streets, water, sewer, parks and recreation, public improvements, planning and zoning, and general administration. The voters of the City of Winters, California, give authority and responsibility for operations to the City Council. The five member City Council has the authority to employ administrative and support personnel to carry out its directives. The primary method used to monitor the performance of the City's management is the financial budget, which is adopted annually by the City Council.

As required by accounting principles generally accepted in the United States of America (USGAAP), these basic financial statements present the City of Winters (the primary government) and its component unit. The component unit discussed in Note B is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

B. Individual Component Unit Disclosures

Blended Component Unit. The Winters Community Development Agency (Agency) was created in 1990 and is governed by the City Council of the City of Winters. Although it is legally separate from the City, the Agency is reported as if it were part of the primary government because the City Council is the governing board, and is able to impose its will on the Agency. The Agency is reported as separate funds in the Capital Projects, Special Revenue, and Debt Service Funds. To receive a copy of the Winters Community Development Agency's financial statement, please contact: Shelly Gunby, City of Winters, 318 First St., Winters, CA, 95694.

Discretely Presented Component Units. There are no entities which meet the Governmental Accounting Standards Board (GASB) Statement No.14 as amended by GASB Statement No.39, criteria for discrete disclosure within these financial statements.

C. Accounting Policies

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants (AICPA).

D. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

D. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the “economic resources” measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. The fiduciary funds financial statements are reported using the accrual basis of accounting but do not have a measurement focus. The “economic resources” measurement focus means that revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds financial statements are reported using the “current financial resources” measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets 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.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

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

The City reports the following major governmental funds:

General Fund – The General Fund is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

Housing Set-Aside Special Revenue Fund – This fund accounts for the portion of City tax increment funds received for redevelopment related purposes and set aside for low-and-moderate-income housing.

HOME-CHOC Special Revenue Fund – This fund accounts for gap financing for the 34 unit income restricted apartment complex developed by CHOC (Community Housing Opportunity Corporation).

Community Development Capital Projects Fund – This fund accounts for redevelopment projects and capital outlays.

The City reports the following major proprietary funds:

The Water Enterprise Fund – This fund accounts for the operation and maintenance of the City’s water distribution system.

The Sewer Enterprise Fund – This fund accounts for the operation and maintenance of the City’s wastewater collection system including operating costs of the wastewater treatment facility.

Additionally, the City reports the following fund types:

The Internal Service Fund accounts for financial transactions related to the City’s billing and collections. These services are provided to other departments of the City on a cost reimbursement basis.

The Agency Funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment, and remittance of fiduciary resources to individuals, and private organizations. The six agency funds of the City are for the Library, Master Swim, Swim Team, Festival De La, Historical Photo, and Quilt Festival. These funds are not included in the government-wide financial statements.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do no conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). For proprietary fund type activities, the City has elected to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board (APB), or any Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they contradict or conflict with GASB pronouncements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 the 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 nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

F. Assets, Liabilities, Net Assets or Equity

Cash and Investments

In order to maximize the flexibility of its investment program and to aid in cash budgeting, the City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund's equity share of the City's cash and investment pool. As the City places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on month-end balances and is adjusted at fiscal year-end. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

F. Assets, Liabilities, Net Assets or Equity (Continued)

The City's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. LAIF determines the fair value of its portfolio quarterly and reports a factor to the City; the City applies that factor to convert its share of LAIF from amortized cost to fair value. Changes in fair value are allocated to each participating fund.

For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be change and petty cash funds, equity in the City's cash and investment pool, and restricted non-pooled investments with initial maturities of three months or less.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as interfund receivables or interfund payables. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

All trade and tax receivables are shown net of an allowance for uncollectible accounts if applicable, and estimated refunds due.

Property Taxes

Assessed values for purposes of property taxes are determined on an annual basis for the period July 1 to June 30 by the Yolo County Assessor as of January 1. Taxes are levied annually on July 1 and become a lien on real property at January 1. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively, at which time applicable penalties and interest are assessed. Unsecured taxes become delinquent if not paid by August 31.

Restricted Assets

Certain proceeds of the City's long-term debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

In the absence of specific statutory provisions governing the issuance of bonds, certificates, or leases, these bond monies may be invested in accordance with the ordinance; resolutions and indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions, and indentures are generally more restrictive than the City's general investment policy. In no instance have additional types of investments been authorized that are not permitted by the City's general investment policy.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

F. Assets, Liabilities, Net Assets or Equity (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, street lights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year ended June 30, 2011.

Buildings and improvements are depreciated using the straight-line method over estimated useful lives of 50 years. Infrastructure is depreciated over 50 years using the straight-line method. Machinery and equipment is depreciated over 10 years, while vehicles are depreciated over 5 years.

The capitalization policy of the City is as follows:

<u>Type</u>	<u>Cost</u>
Infrastructure	\$ 200,000 or more
Utility Systems	\$ 200,000 or more
Vehicles, Equipment, and Machinery	\$ 5,000 or more
Improvements	\$ 5,000 or more
Land and Buildings	\$ 50,000 or more

Compensated Absences

A liability is calculated for all the costs of compensated absences based upon benefits earned by employees in the current period for which there is a probability of payment at termination. The salary and related payroll costs are those in effect at June 30, 2011. Accumulated unpaid vacation and sick pay are accrued when earned. The amounts accrued for financial statement purposes represent 100% of the vacation pay liability and a qualifying amount of the sick pay liability at June 30, 2011. The general fund and water and sewer funds have been typically used to liquidate prior fiscal years' liabilities for compensated absences.

The City offers no post-employment benefits to the employees at this time.

Short-Term Obligations

The City has no short-term debt transactions to report for the fiscal year.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

F. Assets, Liabilities, Net Assets or Equity (Continued)

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Initial-issue bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method (which approximates the effective interest method). Bond issuance costs, including deferred refunding amounts and underwriters' discount, are reported as deferred bond issuance costs. Amortization of bond premiums or discounts, issuance costs, and deferred amounts on refunding is included in interest expense.

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

Net Assets

Net assets are divided into three captions under GASB Statement No. 34. These captions apply to net assets as determined at the government-wide level and the fiduciary funds, and are described below:

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

Restricted describes the portion of net assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include debt service requirements, and redevelopment funds restricted to low and moderate income housing purposes.

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

NOTE 1 – Summary of Significant Accounting Policies (Continued)

F. Assets, Liabilities, Net Assets or Equity (Continued)

Net Assets (Continued)

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

Restricted for:	<u>Governmental Activities</u>
Low/moderate income housing programs	\$ 432,984
Flood control	3,801
Streets and roads	137,892
First time homebuyers program	83,835
Traffic safety	218,505
Asset forfeiture	14,167
Afterschool program	112,972
Vehicle theft	48,450
Transportation	420,550
Fire prevention	1,149
Beverage recycling	21,200
Revolving loans	980,302
Capital projects	2,691,458
Total Restricted	<u>\$ 5,167,265</u>

Included in total restricted net assets at June 30, 2011 are net assets restricted by enabling legislation of \$3,904,486.

Fund Balance

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

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

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

F. Assets, Liabilities, Net Assets or Equity (Continued)

Fund Balance (Continued)

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City ordinance.

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

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

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

CITY OF WINTERS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 – Summary of Significant Accounting Policies (Continued)

F. Assets, Liabilities, Net Assets or Equity (Continued)

Fund Balance (Continued)

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

Fund Balances	General Fund	Housing Set-Aside Special Revenue Fund	HOME-CHOC Special Revenue Fund	Community Development Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:						
Advances	\$ 781,448	\$ -	\$ -	\$ -	\$ -	\$ 781,448
<i>Total Nonspendable</i>	781,448					781,448
Restricted for:						
Flood Control					3,801	3,801
Low and Moderate Income Housing		1,345,148				1,345,148
Streets and Roads					137,892	137,892
First Time Homebuyers Program					83,835	83,835
Traffic Safety					218,505	218,505
Asset Forfeiture					14,167	14,167
Afterschool Program					112,972	112,972
Vehicle Theft					48,450	48,450
Transportation					420,550	420,550
Fire Prevention					1,149	1,149
Beverage Recycling					21,200	21,200
Revolving Loans					248,383	248,383
Debt Service					1,071,145	1,071,145
Capital Projects				508,556	4,112,444	4,621,000
<i>Total Restricted</i>		1,345,148		508,556	6,494,493	8,348,197
Committed for:						
Capital Projects					1,024,452	1,024,452
<i>Total Committed</i>					1,024,452	1,024,452
Assigned for:						
Other Purposes	81,050					81,050
<i>Total Assigned</i>	81,050					81,050
Unassigned	1,566,838				(337,855)	1,228,983
<i>Total Fund Balances</i>	\$ 2,429,336	\$ 1,345,148	\$ -	\$ 508,556	\$ 7,181,090	\$ 11,464,130

G. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

H. Allowance for Uncollectible Utility Accounts

The City has not established a provision for uncollectible accounts receivables, which are recorded in the Enterprise Funds, as all delinquent accounts are submitted to Yolo County for inclusion as additions to the tax rolls and are considered fully collectible. The City exercises an aggressive collection procedure on delinquent accounts throughout the year, prior to any accounts being sent to Yolo County.

I. Budgets and Budgetary Accounting

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

- (1) Prior to June 30, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public meetings are conducted to obtain taxpayer comments.
- (3) Prior to July 1, the budget is legally approved by the City Council.
- (4) The City Manager is authorized to transfer budgeted amounts between line items within any department and budget amounts between departments; however, City Council is authorized to transfer budgeted amounts between funds and any revisions which alter total expenditures of the City.
- (5) Formal budgetary integration is employed as a management control device during the year for all funds.
- (6) Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All unexpended appropriations lapse at the end of the fiscal year. There were no budgets prepared for the HOME-CHOC Special Revenue Fund (a major fund), First Time Homebuyers Special Revenue Fund, STIP-TE Grant Special Revenue Fund, Fire Prevention Special Revenue Fund, First 5 Grant Special Revenue Fund, Park Grant Special Revenue Fund, 07-PTA Grant Special Revenue Fund, EECBG Grant Special Revenue Fund, Community Design Pedestrian Grant Special Revenue Fund, Communication Tower Grant Special Revenue Fund, Homeland Security Grant Special Revenue Fund, Green House Gas Verification Special Revenue Fund, HOME 98-347 Grant Special Revenue Fund, EDBG 96-405 Grant Special Revenue Fund, HOME Program RLF Special Revenue Fund, First Time Homebuyers RLF Special Revenue Fund, Flood Control Study Capital Projects Fund, General Fund Capital Projects Fund, Flood Control Fees Capital Projects Fund, and the Raja Storm Drain Capital Projects Fund.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

J. New Accounting Pronouncements

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

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

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

GASB Statement No. 59 – Financial Instruments Omnibus

For the fiscal year ended June 30, 2011, the City implemented GASB Statement No. 59, “*Financial Instruments Omnibus*”. This Statement is effective for financial statements for periods beginning after June 15, 2010. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The implementation of this Statement did not have an effect on these financial statements.

NOTE 2 – Stewardship, Compliance, and Accountability

Deficit Fund Balances/Net Assets

As of June 30, 2011 the following funds had a deficit fund balance:

Nonmajor Special Revenue Funds:	
City Wide Assessment Fund	\$ 1,837
STIP-TE Grant Fund	4,122
First 5 Grant Fund	5,947
State COPS 1913 Fund	82,281
North Putah Creek Fund	26,794
Community Design Pedestrian Grant Fund	4,116
Communication Tower Grant Fund	50,595
Homeland Security Grant Fund	6,500
Green House Gas Verification Fund	2,880
STBG 96-1043 Grant Fund	29,070
Nonmajor Capital Projects Fund:	
Flood Control Study Fund	123,713

NOTE 2 – Stewardship, Compliance, and Accountability (Continued)

Excess of Expenditures Over Appropriations

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

<u>Fund</u>	<u>Excess Expenditures</u>
Major Funds:	
General Fund	
General government	\$ 465
Community development	7,198
Community Development Capital Projects Fund	
Community development	60,236
Nonmajor Special Revenue Funds:	
City Wide Assessment Fund	49,925
Traffic Congestion Relief Fund	38,489
Traffic Safety Fund	2,286
Transportation Development Act Fund	28,122
Small Business RLF Fund	3,150

NOTE 3 – Reconciliation of Government-wide and Governmental Funds Financial Statements

1. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net assets

The governmental funds balance sheet includes a reconciliation between fund balances-total governmental funds and net assets-governmental activities as reported in the government-wide statement of net assets.

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The capital assets reported in the *Statement of Net Assets* are as follows:

Land	\$ 1,285,987
Construction in progress	<u>9,350,610</u>
Capital Assets not being depreciated	<u>\$ 10,636,597</u>
Buildings and improvements	\$ 4,453,396
Vehicles and equipment	1,643,716
Infrastructure	8,137,870
Less: accumulated depreciation	<u>(3,990,707)</u>
Capital assets, net of accumulated depreciation	<u>\$ 10,244,275</u>

Deferred charges are not available to pay for current-period expenditures and therefore are not reported as governmental fund assets. These deferred charges net of accumulated amortization are as follows:

Deferred issuance costs, net of accumulated amortization of \$77,829	<u>\$ 835,782</u>
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**NOTE 3 – Reconciliation of Government-wide and Governmental Funds Financial Statements
 (Continued)**

1. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net assets (Continued)

Certain liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported in the funds. These liabilities are as follows:

Tax allocation bonds payable	\$ (16,835,000)
Compensated absences payable	(363,056)
	<u>\$ (17,198,056)</u>

2. Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and *changes in net assets* of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that 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. The details of this difference are as follows:

Capital outlay capitalized for fiscal year	\$ 5,707,597
Current fiscal year depreciation	(412,201)
	<u>\$ 5,295,396</u>

Another element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds”. The details of this adjustment are as follows:

Repayment of bond principal	\$ 470,000
Amortization of deferred charges	(32,687)
Change in accrued interest payable	5,040
Change in compensated absences	(63,352)
	<u>\$ 379,001</u>

CITY OF WINTERS
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2011

NOTE 4 – Cash and Investments

Statement of Net Assets:	
Cash and investments	\$ 10,218,581
Restricted cash and investments	6,827,464
Statement of Fiduciary Assets and Liabilities:	
Cash and investments	<u>155,688</u>
Total	<u>\$ 17,201,733</u>

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

Cash on hand	\$ 540
Deposits with financial institutions	3,804,555
Investments	<u>13,396,638</u>
Total	<u>\$ 17,201,733</u>

Investments Authorized by the California Government Code and the City’s Investment Policy

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	\$50 million	\$50 million
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Issues	5 years	None	None
Insured Deposits with Banks and Savings and Loans	N/A	None	15%
Repurchase Agreements	90 days	None	15%
Bankers Acceptance (must be dollar denominated)	6 months	30%	15%
Commercial Paper	6 months	25%	15%
Negotiable Time Certificates of Deposit	5 years	30%	15%
Medium Term Corporate Notes	5 years	30%	15%
Money Market Funds	N/A	15%	15%
Non-negotiable Time Deposits	5 years	25%	15%

Per the City’s investment policy, if special circumstances arise that necessitate the purchase of securities beyond the five year limitation, the requests must be approved by the Council prior to purchase.

NOTE 4 – Cash and Investments (Continued)

Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker’s Acceptances	180 days	30%	30%
Commercial Paper	180 days	15%	None
Money Market Funds	N/A	None	None
Guaranteed Investment Contracts	5 years	None	None
Certificates of Deposit	1 year	30%	None
Medium Term Corporate Notes	5 years	15%	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations.

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

Investment Type	Totals	Remaining Maturity (in Months)					
		12 Months Or Less	13 to 24 Months	25-36 Months	37-48 Months	49-60 Months	More Than 60 Months
State Investment Pool	\$ 9,359,921	\$ 9,359,921	\$ -	\$ -	\$ -	\$ -	\$ -
Money Market Funds	505,145	505,145					
Held by bond trustees:							
Money Market Funds	3,031,572	3,031,572					
Investment Contract	500,000				500,000		
	<u>\$ 13,396,638</u>	<u>\$ 12,896,638</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$500,000</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 4 – Cash and Investments (Continued)

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City’s investments (including investments held by bond trustees) do not include any investments that are highly sensitive to interest rate fluctuations.

Disclosures Relating to Credit Risk

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

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
State Investment Pool	\$ 9,359,921	N/A	\$ -	\$ -	\$ -	\$ -	\$ 9,359,921
Money Market Funds	505,145	N/A					505,145
Held by bond trustees:							
Money Market Funds	3,031,572	N/A		3,031,572			
Investment Contract	500,000	N/A				500,000	
Total	\$ 13,396,638		\$ -	\$ 3,031,572	\$ -	\$ 500,000	\$ 9,865,066

Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. There are no investments (other than the State Investment Pool and money market funds) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2011, all of the City’s deposits with financial institutions were held in non-interest bearing transaction accounts, therefore the entire amount of the deposits was covered by FDIC insurance.

NOTE 4 - Cash and Investments (Continued)

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The LAIF fair value factor of 1.001576470 was used to calculate the fair value of the investment in LAIF as of June 30, 2011.

NOTE 5 – Notes Receivable

Notes receivable from mortgage loans for housing and commercial property rehabilitation and construction:	Amount
Housing Set-Aside Special Revenue Fund	\$ 369,838
HOME-CHOC Special Revenue Fund	2,843,180
Community Development Capital Projects Fund	66,600
STBG 96-1043 Special Revenue Fund	4,967
HOME 98-347 Special Revenue Fund	127,146
EDBG 99-688 Special Revenue Fund	158,342
EDBG 96-405 Special Revenue Fund	222,989
Housing Rehabilitation RLF Special Revenue Fund	94,350
HOME Program RLF Special Revenue Fund	277,043
First Time Homebuyer RLF Special Revenue Fund	360,526
	<hr/>
Total housing and property rehabilitation and construction notes receivable	4,524,981
	<hr/>
Notes receivable for building permits:	
General Fund	19,636
Park and Recreation Impact Fees Capital Projects Fund	4,394
Police Impact Fees Capital Projects Fund	3,770
Fire Impact Fees Capital Projects Fund	3,770
General Facilities Impact Fees Capital Projects Fund	1,548
General Plan 1992 Capital Projects Fund	4,266
	<hr/>
Total building permits notes receivable	37,384
	<hr/>
Notes receivable for miscellaneous items:	
General fund (Proposition 1A receivable)	111,396
	<hr/>
Total miscellaneous notes receivable	111,396
	<hr/>
Total notes receivable	\$ 4,673,761
	<hr/> <hr/>

CITY OF WINTERS
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2011

NOTE 6 – Interfund Transactions

A. Current Interfund Balances

Current interfund balances arise in the normal course of business, are usually a result of a shortfall of pooled cash, and are expected to be repaid shortly after the end of the fiscal year. The following presents a summary of current interfund balances at June 30, 2011.

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Fund:		Major Fund:	
General	\$ 790,190	Housing Set-Aside	\$ 78,480
Nonmajor Funds:		Nonmajor Funds:	
Housing Rehabilitation RLF	11,643	City Wide Assessment	10,610
First Time Homebuyers RLF	17,427	First 5 Grant	5,947
		State COPS 1913	94,402
Major Enterprise Fund:		North Putah Creek	26,642
Sewer	<u>416,557</u>	EECBG Grant	21,000
		Community Design Pedestrian Grant	4,116
Totals	<u>\$ 1,235,817</u>	Communication Tower Grant	50,595
		Homeland Security Grant	6,500
		Green House Gas Verification	1,755
		STBG 96-1043	29,070
		General Plan 92	490,143
		Sewer Impact Fees	416,557
		Totals	<u>\$1,235,817</u>

B. Long-term Interfund Advances

At June 30, 2011, the funds below have made/received advances that were not expected to be repaid within one year. These advances were for the RDA to make the SERAF payment (\$781,448), expenditures paid by the General Plan 92 Fund for RDA related costs (\$701,902), and for a flood solution study for North Winters (\$125,000).

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Fund:		Major Fund:	
General	\$ 781,448	Community Development	\$ 1,483,350
Nonmajor Funds:		Nonmajor Fund:	
General Plan 92	701,902	Flood Control Study	<u>125,000</u>
Street Impact Fees	95,000		
Storm Drain Impact Fees	<u>30,000</u>		<u>\$ 1,608,350</u>
Totals	<u>\$ 1,608,350</u>		

C. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made an expenditure on behalf of another fund, less often, a transfer may be made to open or close a fund.

CITY OF WINTERS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 6 – Interfund Transactions (Continued)

C. Transfers Between Funds (Continued)

<u>Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 549	\$ (77,535)
Community Development Capital Projects Fund	1,408,409	(1,492,158)
Nonmajor Funds:		
City Wide Assessment Fund	77,535	
STBG 96-1043 Grant Fund		(9,419)
EDBG 99-688 Grant Fund		(17,404)
EDBG 96-405 Grant Fund	695	
Housing Rehabilitation RLF Fund		(549)
Small Business RLF Fund	26,128	
Redevelopment Long-term Debt Fund		(42,268)
General Plan 92 Fund	85,544	(393,000)
Monitoring Fee Fund		(85,544)
Police Impact Fees Fund	291,094	
Fire Impact Fees Fund	227,923	
	<u>\$ 2,117,877</u>	<u>\$ (2,117,877)</u>

NOTE 7 – Capital Assets

A. Governmental Activities

Capital assets governmental activity for the fiscal year ended June 30, 20011, was as follows:

	<u>Balance at July 1, 2010</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Prior Period Adjustments</u>	<u>Balance at June 30, 2011</u>
Capital Assets, not being depreciated:						
Land	\$ 2,785,987	\$ -	\$ -	\$ (1,500,000)	\$ -	\$ 1,285,987
Construction in progress	2,836,061	5,476,386	(251,920)		1,290,083	9,350,610
Total	<u>5,622,048</u>	<u>5,476,386</u>	<u>(251,920)</u>	<u>(1,500,000)</u>	<u>1,290,083</u>	<u>10,636,597</u>
Capital Assets, being depreciated:						
Buildings and improvements	4,222,185	231,211				4,453,396
Vehicles and equipment	1,643,717					1,643,717
Infrastructure	7,885,950		251,920			8,137,870
Total	<u>13,751,852</u>	<u>231,211</u>	<u>251,920</u>			<u>14,234,983</u>
Less accumulated depreciation for:						
Buildings and improvements	(1,695,822)	(133,851)				(1,829,673)
Vehicles and equipment	(1,372,676)	(115,593)				(1,488,269)
Infrastructure	(510,009)	(162,757)				(672,766)
Total	<u>(3,578,507)</u>	<u>(412,201)</u>				<u>(3,990,708)</u>
Total, net of accumulated depreciation	<u>10,173,345</u>	<u>(180,990)</u>	<u>251,920</u>			<u>10,244,275</u>
Total Capital Assets, Net	<u>\$ 15,795,393</u>	<u>\$ 5,295,396</u>	<u>\$ -</u>	<u>\$ (1,500,000)</u>	<u>\$ 1,290,083</u>	<u>\$ 20,880,872</u>

CITY OF WINTERS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 7 – Capital Assets (Continued)

A. Governmental Activities (Continued)

Depreciation expense was charged to functions/programs of the City’s governmental activities as follows:

General government	\$ 46,373
Public safety	48,186
Public works	43,116
Parks and recreation	114,427
Streets and highways	137,016
Community development	23,083
Total	<u>\$ 412,201</u>

B. Business-type activities

Capital assets business-type activity for the fiscal year ended June 30, 2011 was as follows:

	Balance at July 1, 2010	Additions	Transfers	Prior Period Adjustments	Balance at June 30, 2011
Water Fund:					
Capital assets, not being depreciated:					
Land	\$ 150,000	\$ 1,500,000	\$ -	\$ -	\$ 1,650,000
Construction in progress	1,088,552	83,712	(156,195)	(589,817)	426,252
Total	<u>1,238,552</u>	<u>1,583,712</u>	<u>(156,195)</u>	<u>(589,817)</u>	<u>2,076,252</u>
Capital assets, being depreciated:					
Water pipes	8,992,075			37,973	9,030,048
Machinery and equipment	209,666	15,000	156,195		380,861
Infrastructure	126,790				126,790
Total	<u>9,328,531</u>	<u>15,000</u>	<u>156,195</u>	<u>37,973</u>	<u>9,537,699</u>
Less accumulated depreciation for:					
Water pipes	(7,625,293)	(30,541)		(2,647)	(7,658,481)
Machinery and equipment	(165,143)	(34,655)			(199,798)
Infrastructure	(12,678)	(2,536)			(15,214)
Total	<u>(7,803,114)</u>	<u>(67,732)</u>		<u>(2,647)</u>	<u>(7,873,493)</u>
Total net of accumulated depreciation	<u>1,525,417</u>	<u>(52,732)</u>	<u>156,195</u>	<u>35,326</u>	<u>1,664,206</u>
Water Fund Capital Assets, net	<u>\$ 2,763,969</u>	<u>\$ 1,530,980</u>	<u>\$ -</u>	<u>\$ (554,491)</u>	<u>\$ 3,740,458</u>

CITY OF WINTERS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 7 – Capital Assets (Continued)

B. Business-type activities (Continued)

	Balance at July 1, 2010	Additions	Transfers	Prior Period Adjustments	Balance at June 30, 2011
Sewer Fund:					
Capital assets, not being depreciated:					
Land	\$ 593,386	\$ -	\$ (60,407)	\$ -	\$ 532,979
Construction in progress	461,986	48,836	(113,568)	(348,418)	48,836
Total	1,055,372	48,836	(173,975)	(348,418)	581,815
Capital assets, being depreciated:					
Infrastructure	300,715				300,715
Sewer plant and pipes	7,096,016			(35,293)	7,060,723
Machinery and equipment	890,570		173,975	39,526	1,104,071
Total	8,287,301		173,975	4,233	8,465,509
Less accumulated depreciation for:					
Infrastructure	(34,935)	(6,014)			(40,949)
Sewer plant and pipes	(5,622,031)	(30,378)		705	(5,651,704)
Machinery and equipment	(416,224)	(46,213)		97	(462,340)
Total	(6,073,190)	(82,605)		802	(6,154,993)
Total net of accumulated depreciation	2,214,111	(82,605)	173,975	5,035	2,310,516
Sewer Fund Capital Assets, net	\$ 3,269,483	\$ (33,769)	\$ -	\$ (343,383)	\$ 2,892,331
Total Capital Assets, net	\$ 6,033,452	\$ 1,497,211	\$ -	\$ (897,874)	\$ 6,632,789

Depreciation expense was charged to functions/programs of the City's business-type activities as follows:

Business-Type Activities:	
Water	\$ 67,732
Sewer	82,605
Total	<u>\$ 150,337</u>

NOTE 8 – Long-term Liabilities

The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2011:

	Balance at July 1, 2010	Additions	Repayments	Balance at June 30, 2011	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 299,704	\$ 156,283	\$ 92,931	\$ 363,056	\$ 60,113
Tax allocation bonds payable	17,305,000		470,000	16,835,000	485,000
Total	<u>\$17,604,704</u>	<u>\$ 156,283</u>	<u>\$ 562,931</u>	<u>\$ 17,198,056</u>	<u>\$ 545,113</u>
Business-type Activities:					
Water Fund:					
Compensated absences	\$ 8,742	\$ 10,842	\$ 2,161	\$ 17,423	\$ -
Water revenue bonds	3,810,000			3,810,000	80,000
Sewer Fund:					
Compensated absences		6,021		6,021	
Sewer revenue bonds	4,495,000			4,495,000	95,000
Total	<u>\$ 8,313,742</u>	<u>\$ 16,863</u>	<u>\$ 2,161</u>	<u>\$ 8,328,444</u>	<u>\$ 175,000</u>

NOTE 8 – Long-term Liabilities (Continued)

Governmental Activities – Tax Allocation Bonds Payable

Tax Allocation Bonds – Series 2004

On February 27, 2004, the Agency issued \$7,820,000 of Tax Allocation Bonds bearing interest between 2.00% and 4.63% and payable semi-annually on March 1 and September 1. These bonds will provide funds to aid in the financing of redevelopment in the project area. The Bonds are special obligations of the Agency and are payable as to principal, interest and any premiums upon redemption at any time exclusively from the pledged tax revenues of the Agency. The outstanding principal balance of the 2004 Series bonds at June 30, 2011, is \$5,860,000.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 235,000	\$ 244,893	\$ 479,893
2013	240,000	238,179	478,179
2014	245,000	230,720	475,720
2015	155,000	224,265	379,265
2016	165,000	218,782	383,782
2017-2021	915,000	992,965	1,907,965
2022-2026	1,130,000	771,721	1,901,721
2027-2031	1,400,000	485,704	1,885,704
2032-2035	1,375,000	131,146	1,506,146
Totals	<u>\$ 5,860,000</u>	<u>\$ 3,538,375</u>	<u>\$ 9,398,375</u>

Tax Allocation Bonds – Series 2007

On May 31, 2007, the Agency issued \$11,470,000 of Tax Allocation Bonds bearing interest between 3.50% and 4.40% and payable semi-annually on March 1 and September 1. These bonds will provide funds to aid in the financing of redevelopment in the project area. The Bonds are special obligations of the Agency and are payable as to principal, interest and any premiums upon redemption at any time exclusively from the pledged tax revenues of the Agency. The outstanding principal balance of the 2007 Series bonds at June 30, 2011, is \$10,975,000.

NOTE 8 – Long-term Liabilities (Continued)

Governmental Activities – Tax Allocation Bonds Payable (Continued)

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 250,000	\$ 490,060	\$ 740,060
2013	260,000	479,890	739,890
2014	270,000	469,260	739,260
2015	120,000	461,460	581,460
2016	120,000	456,660	576,660
2017-2021	620,000	2,216,641	2,836,641
2022-2026	1,120,000	2,039,409	3,159,409
2027-2031	1,795,000	1,721,394	3,516,394
2032-2036	3,030,000	1,214,567	4,244,567
2037-2038	3,390,000	248,189	3,638,189
Totals	<u>\$ 10,975,000</u>	<u>\$ 9,797,530</u>	<u>\$ 20,772,530</u>

Business Type Activities – Revenue Bonds Payable

Water Revenue Bonds – Series 2007

On September 10, 2007, the Public Finance Authority issued \$3,810,000 of Revenue Bonds bearing interest between 3.25% and 4.75% and payable semi-annually on March 1 and September 1. These bonds will provide funds to aid in the financing certain costs relating to capital improvements of the City’s waterworks system, fund capitalized interest on the 2007 Water bonds, fund a debt service reserve account for the 2007 Water bonds, and pay costs of issuance of the 2007 Water bonds. The Bonds are special obligations of the City and are payable as to principal, interest and any premiums upon redemption at any time exclusively from the pledged revenues of the City. The outstanding principal balance of the 2007 Water bonds at June 30, 2011, is \$3,810,000.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 80,000	\$ 163,236	\$ 243,236
2013	85,000	160,534	245,534
2014	90,000	157,646	247,646
2015	90,000	154,643	244,643
2016	95,000	151,509	246,509
2017-2021	520,000	703,636	1,223,636
2022-2026	625,000	590,394	1,215,394
2027-2031	785,000	437,137	1,222,137
2032-2036	980,000	229,899	1,209,899
2037-2038	460,000	22,087	482,087
Totals	<u>\$ 3,810,000</u>	<u>\$ 2,770,721</u>	<u>\$ 6,580,721</u>

NOTE 8 – Long-term Liabilities (Continued)

Business Type Activities – Revenue Bonds Payable (Continued)

Sewer Revenue Bonds – Series 2007

On September 10, 2007, the Public Finance Authority issued \$4,495,000 of Revenue Bonds bearing interest between 3.25% and 4.75% and payable semi-annually on March 1 and September 1. These bonds will provide funds to aid in the financing certain costs relating to capital improvements of the City’s wastewater and sewer system, fund capitalized interest on the 2007 Sewer bonds, fund a debt service reserve account for the 2007 Sewer bonds, and pay costs of issuance of the 2007 Sewer bonds. The Bonds are special obligations of the City and are payable as to principal, interest and any premiums upon redemption at any time exclusively from the pledged revenues of the City. The outstanding principal balance of the 2007 Sewer bonds at June 30, 2011, is \$4,495,000.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 95,000	\$ 193,846	\$ 288,846
2013	100,000	190,653	290,653
2014	105,000	187,270	292,270
2015	105,000	183,766	288,766
2016	110,000	180,124	290,124
2017-2021	610,000	837,107	1,447,107
2022-2026	740,000	704,265	1,444,265
2027-2031	925,000	517,811	1,442,811
2032-2036	1,160,000	272,651	1,432,651
2037-2038	545,000	26,244	571,244
Totals	<u>\$ 4,495,000</u>	<u>\$ 3,293,737</u>	<u>\$ 7,788,737</u>

NOTE 9 – City Employees Retirement Plan (Defined Benefit Pension Plan)

Plan Description

The City of Winters contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension 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. Copies of PERS’ annual financial report may be obtained from its executive office: 400 P Street, Sacramento, California 95814.

Funding Policy - Miscellaneous

Participants are required to contribute 7% of their annual covered salary. The City is required to contribute at an actuarially determined rate calculated as a percentage of covered payroll. The employer contribution rate for the fiscal year ended June 30, 2011 was 13.751% for miscellaneous employees. Benefit provisions and all other requirements are established by State statute and City contract with employee bargaining groups. The City’s contributions to CalPERS for the miscellaneous plan for the fiscal years ending June 30, 2011, 2010, and 2009, were \$182,113, \$195,767, and \$196,031, respectively, and equal 100% of the required contributions for each fiscal year.

NOTE 9 – City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

Funding Policy – Safety

Participants are required to contribute 9% of their annual covered salary. The City is required to contribute at an actuarially determined rate calculated as a percentage of covered payroll. The employer contribution rate for the fiscal year ended June 30, 2011 was 24.453% for safety employees. Benefit provisions and all other requirements are established by State statute and City contract with employee bargaining groups. The City’s contributions to CalPERS for the safety plan for the fiscal years ending June 30, 2011, 2010, and 2009, were \$200,155, \$180,530, and \$177,401, respectively, and equal 100% of the required contributions for each fiscal year.

NOTE 10 – Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property, or rights are (until paid or made available to the employees or other beneficiary) solely the property and rights of the employees. Accordingly, the plan/trust assets have been excluded from the City’s reported assets.

NOTE 11 – Joint Venture (Joint Powers Agreement)

The City participates in a joint venture under a joint powers agreement (JPA). The relationship between the City of Winters and the JPA is such that the JPA is not a component unit of the City for financial reporting purposes.

Winters Fire Protection District – Fire Protection is provided by an intergovernmental agreement between the City of Winters and the Winters Fire Protection District (District). The agreement transferred all fire protection property of the City to the District. The District Board consists of five members – two appointed by City Council, two appointed by County Board of Supervisors, and one appointed by the other 4 members. The District appoints its own management and approves its own budget.

NOTE 12 – Risk Management (Joint Powers Agreement)

A. Yolo County Public Agency Risk Management Insurance Authority

The City is a member of the Yolo County Public Agency Risk Management Insurance Authority, a joint-powers agreement which provides coverage against the following types of loss risks:

Type of Coverage (Deductible)	Coverage Limits
Liability (\$2,000, except for errors & omissions, which is \$15,000 with a limit of \$500,000)	\$ 25,000,000
Auto - Physical damage (\$5,000 for all vehicles)	up to stated value
Worker's compensation (\$1,000)	\$ 5,000,000
All risk fire & property (various up to \$10,000)	replacement costs
Boiler & machinery (\$1,000)	\$ 100,000,000

NOTE 12 – Risk Management (Joint Powers Agreement) (Continued)

A. Yolo County Public Agency Risk Management Insurance Authority (Continued)

The Authority is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of the Authority, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board. The City’s deposits with the Authority are in accordance with formulas established by the Authority. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Financial statements may be obtained from YCPARMIA, 77 W. Lincoln Ave. Woodland, CA 95695. Audit condensed financial information for the Authority for the most recent period available (for the fiscal year ended June 30, 2010) as audited by other auditors, is presented below:

Statement of Net Assets

Total assets	\$ 14,755,721
Total liabilities	12,448,837
Net Assets	\$ 2,306,884

Statement of Revenues, Expenses, and Changes in Net Assets

Total income	\$ 6,639,181
Total expenses	7,790,108
Increase in Net Assets	\$ (1,150,927)

B. Liability for Uninsured Claims – Adoption of GASB Statement No. 10

The Governmental Accounting Standards Board (GASB) is requiring municipalities to record their liability for uninsured claims and to reflect the current portion of this liability as an expenditure in their financial statements. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims. GASB Statement No. 10, “Financial Reporting for Risk Financing and Related Insurance Issues” requires that this amount be separately identified and recorded as a liability instead of a designation of fund balance (shown as accounts payable in the general fund).

The City’s liability for uninsured claims was computed as follows:

<u>General Fund</u>	
Beginning balance	\$ 10,000
Liability for additional uninsured deductible	_____
Ending balance	\$ <u>10,000</u>

NOTE 13 – Contingent Liabilities

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

The City is subject to various lawsuits and claims involving public liability and other actions incidental to the ordinary course of City operations. In the aggregate, those claims seek monetary damages in significant amounts. To the extent the outcome of such litigation may be determined to result in financial loss to the City, in the opinion of City management, any potential liability for these actions is adequately provided for in the basic financial statements. The timing of potential payment of such losses cannot presently be determined.

During 1992 the City closed the landfill that was formerly operated by the City. Since 1992, the City has incurred post closure costs. During the 2010-11 fiscal year, the City incurred monitoring costs of \$6,206, and is expected to maintain the monitoring of the closed landfill in the near future. The future costs of postclosure care are subject to change resulting from inflation/deflation, technology, change in scope of work, or changes in applicable laws or regulations.

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

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

The Agency’s SERAF contribution is \$160,886 for the fiscal year 2010-2011. The Agency made the contribution for fiscal year 2010-2011.

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

NOTE 13 – Contingent Liabilities (Continued)

If the City, as the Agency's sponsoring community, does not elect to continue the Agency under the provisions of the Continuation Act, the Agency will be deemed dissolved effective October 1, 2011. Under the provisions of the Dissolution Act, an "Enforceable Payment Obligation Schedule" (EOPS) will be adopted by the Agency and presented to the County Auditor-Controller for certification. The last official act of the Agency will be to provide a draft "Recognized Obligation Payment Schedule" (ROPS) to a successor agency. The ROPS is subject to an independent audit and a review by an independent oversight board. Once audited and accepted by the oversight board, the County Auditor & Controller is directed to retain an amount of tax increment sufficient to meet the ongoing cost of enforceable obligations, and then distribute the remainder of revenues to the affected taxing agencies.

If the City elects to continue the Agency, the City Council must enact a non-binding resolution of its intent to continue the Agency no later than October 1, 2011, and it must also enact an ordinance agreeing to comply with the Continuation Act no later than November 1, 2011. Pursuant to the Continuation Act, the City must then make an annual payment, which may be reimbursed by the Agency. The required payment, which was calculated by the State Department of Finance and released to the City on August 1, 2011, will be \$520,911 for FY 2011-12. Subsequent remittance payments will be calculated using a statutory ratio that will be applied to the FY 2011-12 payment and adjusted for inflation and other items. The Agency estimates that the payment for FY 2012-13 will be \$161,000.

The City has not recorded any liability related to these Acts in these financial statements. At the close of FY 2010-11 the amount of the required payment was not yet known. The California Redevelopment Association, the League of California Cities, and two cities have sued to prevent enforcement of the Acts. On August 11, 2011, the Supreme Court of California (Supreme Court) agreed to hear the lawsuit and committed to issuing a decision by January 15, 2012. The Supreme Court also issued a stay of many elements of the Acts, including dissolution, County actions required for continuation, and the required payment, until the Supreme Court rules on the merits of the case. The deadlines imposed by the Acts with respect to affirmation of continuation are expected to be re-set by the Supreme Court at that time, depending on its decision. If the Supreme Court upholds these Acts, the realization of any costs related to the Continuation Act is subject to an action by the City Council taken subsequent to the issuance of this report. Should the City Council elect to discontinue the Agency, it would then be dissolved and its rights, obligations and responsibilities would be assigned to a successor agency. If the Supreme Court upholds these Acts, the City Council will consider the ordinance required for continuation of the Agency subsequent to the issuance of this report.

NOTE 14 – Proposition 1A Borrowing by the State of California

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in-lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City was \$111,396.

NOTE 14 – Proposition 1A Borrowing by the State of California (Continued)

As of June 30, 2011 there is a loan receivable and deferred revenue recognized on the Balance Sheet – Governmental Funds in the General Fund. On the Statement of Net Assets, the tax revenues were recognized in the fiscal year for which they were levied (fiscal year 2009-10), therefore, only the loan receivable is recognized.

NOTE 15 – Prior Period Adjustments

A prior period adjustment of (\$148,834) was made in the Statement of Activities – governmental activities for the following: an understatement of construction in progress of \$1,290,083, an overstatement of deferred revenue of \$64,800, an understatement of advances payable of (\$1,500,000), and an overstatement of accounts receivable of (\$3,717) in the prior fiscal year.

A prior period adjustment of \$602,126 was made in the Statement of Activities – business-type activities for the following: an understatement of capital assets of (\$897,874) and understatement of advances payable of \$1,500,000 in the prior fiscal year.

A prior period adjustment of \$94,052 was made in the General fund for an understatement of cash in the prior fiscal year.

A prior period adjustment of (\$2,594,902) was made in the Community Development Capital Projects fund for an understatement of advances payable in the prior fiscal year.

A prior period adjustment of \$945,509 was made in the Water fund for an overstatement of capital assets (\$554,491) and an understatement of advances payable \$1,500,000 in the prior fiscal year.

A prior period adjustment of (\$343,383) was made in the Sewer fund for an overstatement of capital assets in the prior fiscal year.

A prior period adjustment of (\$92,830) was made in the City Wide Assessment Special Revenue fund for an overstatement of cash and investments in the prior fiscal year.

A prior period adjustment of \$47,852 was made in the Vehicle Theft Deterrent Special Revenue fund for an overstatement of deferred revenue in the prior fiscal year.

A prior period adjustment of \$13,084 was made in the Transportation Development Act Special Revenue fund for an understatement of cash and investments \$16,801 and an overstatement of accounts receivable (\$3,717) in the prior fiscal year.

A prior period adjustment of (\$18,023) was made in the Workforce Grant Special Revenue fund for an overstatement of cash and investments in the prior fiscal year.

A prior period adjustment of \$16,948 was made in the Beverage Recycling Special Revenue fund for an overstatement of deferred revenue in the prior fiscal year.

A prior period adjustment of \$1,094,902 was made in the General Plan 92 Capital Projects fund for an understatement of advances receivable 1in the prior fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WINTERS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - General Fund and Major Special Revenue Fund
For the Fiscal Year Ended June 30, 2011

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
REVENUES:				
Tax and assessments	\$ 2,777,640	\$ 2,873,993	\$ 2,696,475	\$ (177,518)
Licenses, fees, and permits	206,456	206,456	269,556	63,100
Use of money and property	46,500	46,500	42,796	(3,704)
Charges for services	96,170	96,170	43,929	(52,241)
Other revenue	271,592	271,592	99,865	(171,727)
TOTAL REVENUES	3,398,358	3,494,711	3,152,621	(342,090)
EXPENDITURES:				
Current:				
General government	315,167	220,167	220,632	(465)
Public safety	2,429,331	2,345,973	2,178,913	167,060
Public works	275,063	275,070	267,131	7,939
Community development	245,863	245,863	253,061	(7,198)
Parks and recreation	162,933	162,814	140,634	22,180
Debt service:				
Principal payments				
Interest and other charges				
TOTAL EXPENDITURES	3,428,357	3,249,887	3,060,371	189,516
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(29,999)	244,824	92,250	(152,574)
OTHER FINANCING SOURCES (USES):				
Transfers in	5,000	5,000	549	(4,451)
Transfers out	(51,000)	(10,433)	(77,535)	(67,102)
TOTAL OTHER FINANCING SOURCES (USES)	(46,000)	(5,433)	(76,986)	(71,553)
NET CHANGE IN FUND BALANCES	(75,999)	239,391	15,264	(224,127)
FUND BALANCES, JULY 1, 2010	2,320,020	2,320,020	2,320,020	
PRIOR PERIOD ADJUSTMENTS			94,052	94,052
FUND BALANCES, JULY 1, 2010, RESTATED	2,320,020	2,320,020	2,414,072	94,052
FUND BALANCES, JUNE 30, 2011	\$ 2,244,021	\$ 2,559,411	\$ 2,429,336	\$ (130,075)

Housing Set-Aside Special Revenue Fund

Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 342,806	\$ 342,806	\$ 322,072	\$ (20,734)
8,250	8,250	5,354	(2,896)
		1,000	1,000
<u>351,056</u>	<u>351,056</u>	<u>328,426</u>	<u>(22,630)</u>
1,639,603	1,639,603	568,400	1,071,203
85,000	85,000	85,000	
<u>196,288</u>	<u>196,288</u>	<u>196,288</u>	
<u>1,920,891</u>	<u>1,920,891</u>	<u>849,688</u>	<u>1,071,203</u>
<u>(1,569,835)</u>	<u>(1,569,835)</u>	<u>(521,262)</u>	<u>1,048,573</u>
<u>(1,569,835)</u>	<u>(1,569,835)</u>	<u>(521,262)</u>	<u>1,048,573</u>
1,866,410	1,866,410	1,866,410	
<u>1,866,410</u>	<u>1,866,410</u>	<u>1,866,410</u>	
<u>\$ 296,575</u>	<u>\$ 296,575</u>	<u>\$ 1,345,148</u>	<u>\$ 1,048,573</u>

CITY OF WINTERS
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Major Capital Projects Fund
Community Development Fund
For the Fiscal Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
Tax and assessments	\$ 1,371,225	\$ 1,288,287	\$ (82,938)
Use of money and property	22,000	42,939	20,939
Other revenue	35,675	1,501,567	1,465,892
TOTAL REVENUES	<u>1,428,900</u>	<u>2,832,793</u>	<u>1,403,893</u>
EXPENDITURES:			
Current:			
Community development	497,907	558,143	(60,236)
Pass-through agreements	346,701	278,413	68,288
Debt service:			
Principal payments	385,000	385,000	
Interest and other charges	562,153	554,339	7,814
Capital outlay	7,563,402	4,863,557	2,699,845
TOTAL EXPENDITURES	<u>9,355,163</u>	<u>6,639,452</u>	<u>2,715,711</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(7,926,263)</u>	<u>(3,806,659)</u>	<u>4,119,604</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	30,663	1,408,409	1,377,746
Transfers out		(1,492,158)	(1,492,158)
TOTAL OTHER FINANCING SOURCES (USES)	<u>30,663</u>	<u>(83,749)</u>	<u>(114,412)</u>
NET CHANGES IN FUND BALANCE	<u>(7,895,600)</u>	<u>(3,890,408)</u>	<u>4,005,192</u>
Fund Balance, July 1, 2010	6,993,866	6,993,866	
Prior Period Adjustments		(2,594,902)	(2,594,902)
Fund Balance, July 1, 2010, Restated	<u>6,993,866</u>	<u>4,398,964</u>	<u>(2,594,902)</u>
FUND BALANCE, JUNE 30, 2011	<u>\$ (901,734)</u>	<u>\$ 508,556</u>	<u>\$ 1,410,290</u>

CITY OF WINTERS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular programs.

City Wide Assessment Fund – This fund is used to account for assessments on property that are specifically restricted to the maintenance of City parks and street lighting.

Flood Assessment District Fund – This fund is used to account for donations used to assess the effects of flooding on the City.

Gas Tax Fund – This fund is used to account for the City’s share of motor fuel tax revenues that are legally restricted to the maintenance of streets and roads within the City’s boundaries.

First Time Homebuyers Fund – This fund is used to account for contributions for first time homebuyer programs donated by developers as a condition of development agreements.

Traffic Congestion Relief Fund – This fund is used to account for Prop 42 funds for the repair of local streets.

Grant Avenue Fund - This fund is used to account for expenditure of Federal Stimulus money for the widening of Grant Avenue, including the installation of sidewalks and gutters.

STIP-TE Grant Fund – This fund is used to account for grant funds used for improvements at the intersection of Main and First Street.

Traffic Safety Fund – This fund is used to account for parking violation revenues and the expenditures that are legally restricted to the enforcement of parking codes.

Asset Forfeiture Fund – This fund is used to account for revenues related to the sale of seized assets from illegal activities. These expenditures are legally restricted for the payment of the City’s share of the YONET organization’s administrative cost.

Afterschool Program Fund – This fund is used to account for the revenues received from the State of California to provide after school programs in 3 schools within the Winters Joint Unified School District. Expenditures are restricted for use only for providing instruction and enrichment activities afterschool for the youth of the School District.

Vehicle Theft Deterrent Fund – This fund is used to account for revenues and expenditures to deter automobile theft throughout Yolo County.

Transportation Development Act Fund – This fund is used to account for the City’s share of revenues and expenditures related to providing public transportation to the citizens of the City of Winters. These funds are received from the Sacramento Area Council of Governments per the Transportation Development Act.

CITY OF WINTERS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

Fire Prevention Grant Fund – This fund is used to account for funding received to educate and prevent fires. These funds are required to be accounted for separately.

Grant Related Funds:

First 5 Grant Fund – This fund is used to account for a grant from First 5 Yolo Children and Families for a Spanish-immersion pre-kindergarten development program. This program provides a pre-kindergarten development program for students that do not have access to preschool services in Winters because of cost or because they are on a waiting list.

State COPS 1913 Fund – This fund is used to account for grant funds received by the State of California to support front line police services. These funds are legally restricted to be used to supplement current public safety funding.

Workforce Grant Fund – This fund is used to account for the one-time grant for capital purchases that included computer equipment for the community development department and fire department, a new dump truck for the public works department and new chairs for the City Council chambers.

Park Grant Fund – This fund is used to account for grant funds from the State of California to construct interpretive nature trails with park amenities along the Putah Creek.

Beverage Recycling Grant Fund – This fund is used to account for funds received from the State of California under the Beverage Container Recycling Act. Revenues may be expended for the purchase of recycling materials.

07-PTA Grant Fund – This fund is used to account for the HCD grant used to pay for feasibility study, market study and adaptive re-use/rehab study to determine the financial and structural requirements of rehabilitating one of three historic buildings in downtown Winters.

North Putah Creek Fund – This fund is used to account for federal funds to be used for the construction of an access trail for elderberry mitigation along a ¾ mile stretch of the north bank of Putah Creek. The multi-use, paved trail is fully ADA accessible and the project budget also includes plantings and maintenance. An add/alternative to the project could include a second pedestrian bridge at the east end of Putah Creek near Interstate 505.

EECBG Grant Fund – This fund is used to account for grant funds used for the HVAC replacement at City Hall.

Community Design Pedestrian Grant Fund – This fund is used to account for grant funds used to design pedestrian access along Grant Avenue.

CITY OF WINTERS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

Communication Tower Grant Fund – This fund is used to account for grant funds used for the installation of a 140' communication tower at the new police and fire station.

Homeland Security Grant Fund – This fund is used to account for grant funds used to purchase equipment for the Police Department.

Green House Gas Verification Fund – This fund is used to account for grant funds used to monitor Green House gas emissions.

STBG 96-1043 Fund – This fund is used to account for funds expended for public works projects and housing rehabilitation loans made available through Block Grant Funds from the State of California. These funds are required to be accounted for separately.

HOME 98-347 Fund – This fund is used to account for the housing rehabilitation loans that the City of Winters made available to the citizens of the City of Winters utilizing Block Grant Funds from the State of California. These funds are required to be accounted for separately.

EDBG 99-688 Fund – This fund is used to account for small business assistance loans made available through Economic Development Block Grant funds for the rehabilitation of the Buckhorn Café. These funds are required to be accounted for separately.

EDBG 96-405 Fund – This fund is used to account for small business assistance loans made available through Economic Development Block Grant funds for the rehabilitation of the empty Cradwick Building for use as business suites. These funds are required to be accounted for separately.

Revolving Loan Funds:

Housing Rehabilitation RLF Fund – This fund is used to account for 40% of loan repayments on the housing rehabilitation grants. These funds are restricted to be spent for first time homebuyer assistance per the Program Income Use Policy of the City of Winters.

HOME Program RLF Fund – This fund is used to account for HOME Program loan repayments. These funds are restricted to be spent for housing rehabilitation per the Program Income Use Policy of the City of Winters.

First Time Homebuyer RLF Fund – This fund is used to account for 60% of loan repayments on the housing rehabilitation grants. These funds are restricted to be spent for first time homebuyer assistance per the Program Income Use Policy of the City of Winters.

Small Business RLF Fund – This fund is used to account for the loan repayments on Economic Development Block Grants. These funds are restricted for the use of small business assistance per the Program Income Use Policy of the City of Winters.

CITY OF WINTERS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS:				
Cash and investments	\$ 1,027,738	\$ 528,136	\$ 5,224,694	\$ 6,780,568
Receivables:				
Accounts receivable	458,711			458,711
Interest receivable	699	21,537	2,876	25,112
Notes receivable	1,245,363		17,748	1,263,111
Due from other funds	29,070			29,070
Advance to other funds			826,902	826,902
Restricted assets:				
Cash and investments with fiscal agent	_____	521,472	_____	521,472
TOTAL ASSETS	\$ 2,761,581	\$ 1,071,145	\$ 6,072,220	\$ 9,904,946
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 72,443	\$ -	\$ -	\$ 72,443
Deposits payable			9,589	9,589
Deferred revenue	1,341,739		17,748	1,359,487
Due to other funds	250,637		906,700	1,157,337
Advances from other funds	_____	_____	125,000	125,000
TOTAL LIABILITIES	1,664,819	_____	1,059,037	2,723,856
FUND BALANCES:				
Restricted	1,310,904	1,071,145	4,112,444	6,494,493
Committed			1,024,452	1,024,452
Unassigned	(214,142)	_____	(123,713)	(337,855)
TOTAL FUND BALANCES	1,096,762	1,071,145	5,013,183	7,181,090
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,761,581	\$ 1,071,145	\$ 6,072,220	\$ 9,904,946

CITY OF WINTERS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2011

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES:				
Taxes and assessments	\$ 445,365	\$ -	\$ -	\$ 445,365
Fines and forfeitures	10,745			10,745
Licenses, fees, and permits			1,055,376	1,055,376
Program income	44,035		746	44,781
Use of money and property	11,727	35,240	6,154	53,121
Intergovernmental revenue	831,230			831,230
Other revenue	23,319		700,000	723,319
TOTAL REVENUES	1,366,421	35,240	1,762,276	3,163,937
EXPENDITURES:				
Current:				
Public safety	90,510			90,510
Public works	2,880			2,880
Community development	30,029			30,029
Parks and recreation	401,217		6,206	407,423
Streets and highways	225,109			225,109
Capital outlay	489,123		430,353	919,476
TOTAL EXPENDITURES	1,238,868		436,559	1,675,427
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	127,553	35,240	1,325,717	1,488,510
OTHER FINANCING SOURCES (USES):				
Transfers in	104,358		604,561	708,919
Transfers out	(27,372)	(42,268)	(478,544)	(548,184)
TOTAL OTHER FINANCING SOURCES (USES)	76,986	(42,268)	126,017	160,735
NET CHANGES IN FUND BALANCES	204,539	(7,028)	1,451,734	1,649,245
FUND BALANCES, JULY 1, 2010	925,192	1,078,173	2,466,547	4,469,912
PRIOR PERIOD ADJUSTMENTS	(32,969)		1,094,902	1,061,933
FUND BALANCES, JULY 1, 2010, RESTATED	892,223	1,078,173	3,561,449	5,531,845
FUND BALANCES, JUNE 30, 2011	\$ 1,096,762	\$ 1,071,145	\$ 5,013,183	\$ 7,181,090

CITY OF WINTERS
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

	City Wide Assessment Fund	Flood Assessment Fund	Gas Tax Fund	First Time Homebuyers Fund
ASSETS:				
Cash and investments	\$ -	\$ 3,796	\$ 115,133	\$ 83,736
Receivables:				
Accounts receivable	9,446		22,759	
Interest receivable		5		99
Notes receivable				
Due from other funds				
TOTAL ASSETS	\$ 9,446	\$ 3,801	\$ 137,892	\$ 83,835
 LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts payable	\$ 673	\$ -	\$ -	\$ -
Deferred revenue				
Due to other funds	10,610			
TOTAL LIABILITIES	11,283			
 FUND BALANCES:				
Restricted		3,801	137,892	83,835
Unassigned	(1,837)			
TOTAL FUND BALANCES (DEFICITS)	(1,837)	3,801	137,892	83,835
 TOTAL LIABILITIES AND FUND BALANCES				
	\$ 9,446	\$ 3,801	\$ 137,892	\$ 83,835

Traffic Congestion Relief Fund	Grant Avenue Fund	STIP-TE Grant Fund	Traffic Safety Fund	Asset Forfeiture Fund	Afterschool Program Fund	Vehicle Theft Deterrent Fund
\$ -	\$ -	\$ -	\$ 214,577	\$ 14,151	\$ 113,713	\$ 48,393
		41,115	3,809 119	16	80	57
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,115</u>	<u>\$ 218,505</u>	<u>\$ 14,167</u>	<u>\$ 113,793</u>	<u>\$ 48,450</u>
\$ -	\$ -	\$ 45,237	\$ -	\$ -	\$ - 821	\$ -
		45,237			821	
		(4,122)	218,505	14,167	112,972	48,450
		(4,122)	218,505	14,167	112,972	48,450
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,115</u>	<u>\$ 218,505</u>	<u>\$ 14,167</u>	<u>\$ 113,793</u>	<u>\$ 48,450</u>

(Continued)

CITY OF WINTERS
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011
(CONTINUED)

	Transportation Development Act Fund	Fire Prevention Fund	Grant- related Funds
ASSETS			
Cash and investments	\$ 192,791	\$ 1,148	\$ 21,179
Receivables:			
Accounts receivable	252,906		128,676
Interest receivable	109	1	21
Notes receivable			513,444
Due from other funds			
TOTAL ASSETS	\$ 445,806	\$ 1,149	\$ 663,320
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 25,256	\$ -	\$ 1,277
Deferred revenue			608,999
Due to other funds			240,027
TOTAL LIABILITIES	25,256		850,303
FUND BALANCES:			
Restricted	420,550	1,149	21,200
Unassigned			(208,183)
TOTAL FUND BALANCES (DEFICITS)	420,550	1,149	(186,983)
TOTAL LIABILITIES AND FUND BALANCES	\$ 445,806	\$ 1,149	\$ 663,320

Revolving Loan Funds	Totals
\$ 219,121	\$ 1,027,738
	458,711
192	699
731,919	1,245,363
29,070	29,070
<u>\$ 980,302</u>	<u>\$ 2,761,581</u>
\$ -	\$ 72,443
731,919	1,341,739
	250,637
<u>731,919</u>	<u>1,664,819</u>
248,383	1,310,904
	(214,142)
<u>248,383</u>	<u>1,096,762</u>
<u>\$ 980,302</u>	<u>\$ 2,761,581</u>

CITY OF WINTERS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2011

	City Wide Assessment Fund	Flood Assessment Fund	Gas Tax Fund	First Time Homebuyer: Fund
REVENUES:				
Taxes and assessments	\$ 188,446	\$ -	\$183,430	\$ -
Fines and forfeitures				
Program income				
Use of money and property		20		425
Intergovernmental revenues				
Other revenue	66			
TOTAL REVENUES	<u>188,512</u>	<u>20</u>	<u>183,430</u>	<u>425</u>
EXPENDITURES:				
Current:				
Public safety				
Public works				
Community development				
Parks and recreation	245,308			
Streets and highways			102,502	
Capital outlay				
TOTAL EXPENDITURES	<u>245,308</u>		<u>102,502</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(56,796)</u>	<u>20</u>	<u>80,928</u>	<u>425</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	77,535			
Transfers out				
TOTAL OTHER FINANCING SOURCES (USES)	<u>77,535</u>			
NET CHANGE IN FUND BALANCES	<u>20,739</u>	<u>20</u>	<u>80,928</u>	<u>425</u>
FUND BALANCES (DEFICITS), JULY 1, 2010	70,254	3,781	56,964	83,410
PRIOR PERIOD ADJUSTMENTS	<u>(92,830)</u>			
FUND BALANCES (DEFICITS), JULY 1, 2010, RESTATED	<u>(22,576)</u>	<u>3,781</u>	<u>56,964</u>	<u>83,410</u>
FUND BALANCES (DEFICITS), JUNE 30, 2011	<u>\$ (1,837)</u>	<u>\$ 3,801</u>	<u>\$137,892</u>	<u>\$ 83,835</u>

	Traffic Congestion Relief Fund	Grant Avenue Fund	STIP-TE Grant Fund	Traffic Safety Fund	Asset Forfeiture Fund	Afterschool Program Fund	Vehicle Theft Deterrent Fund
	\$ 73,489	\$ -	\$ -	\$ - 10,745	\$ -	\$ -	\$ -
		1,204	41,115	68	68	345	245
		4,827			727	233,050	
						16,380	
	<u>73,489</u>	<u>6,031</u>	<u>41,115</u>	<u>10,813</u>	<u>795</u>	<u>249,775</u>	<u>245</u>
				2,286			
						136,803	
	<u>73,489</u>		<u>45,237</u>				
	<u>73,489</u>		<u>45,237</u>	<u>2,286</u>		<u>136,803</u>	
		6,031	(4,122)	8,527	795	112,972	245
		6,031	(4,122)	8,527	795	112,972	245
		(6,031)		209,978	13,372		353
							47,852
		(6,031)		209,978	13,372		48,205
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,122)</u>	<u>\$ 218,505</u>	<u>\$ 14,167</u>	<u>\$ 112,972</u>	<u>\$ 48,450</u>

(Continued)

CITY OF WINTERS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2011
(CONTINUED)

	Transportation Development Act Fund	Fire Prevention Fund	Grant- related Funds
REVENUES:			
Taxes and assessments	\$ -	\$ -	\$ -
Fines and forfeitures			
Program income			17,670
Use of money and property	467	8	9,256
Intergovernmental revenues	289,737		265,397
Other revenue			2,046
TOTAL REVENUES	290,204	8	294,369
EXPENDITURES:			
Current:			
Public safety		643	87,581
Public works			2,880
Community development			26,879
Parks and recreation			19,106
Streets and highways	118,491		4,116
Capital outlay	190,802		179,595
TOTAL EXPENDITURES	309,293	643	320,157
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(19,089)	(635)	(25,788)
OTHER FINANCING SOURCES (USES):			
Transfers in			695
Transfers out			(26,823)
TOTAL OTHER FINANCING SOURCES (USES)			(26,128)
NET CHANGE IN FUND BALANCES	(19,089)	(635)	(51,916)
FUND BALANCES (DEFICITS), JULY 1, 2010	426,555	1,784	(133,992)
PRIOR PERIOD ADJUSTMENTS	13,084		(1,075)
FUND BALANCES (DEFICITS), JULY 1, 2010, RESTATED	439,639	1,784	(135,067)
FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 420,550	\$ 1,149	\$ (186,983)

Revolving Loan Funds	Totals
\$ -	\$ 445,365
	10,745
26,365	44,035
825	11,727
	831,230
	23,319
<u>27,190</u>	<u>1,366,421</u>
	90,510
	2,880
3,150	30,029
	401,217
	225,109
	489,123
<u>3,150</u>	<u>1,238,868</u>
<u>24,040</u>	<u>127,553</u>
26,128	104,358
(549)	(27,372)
<u>25,579</u>	<u>76,986</u>
<u>49,619</u>	<u>204,539</u>
198,764	925,192
	(32,969)
<u>198,764</u>	<u>892,223</u>
<u>\$ 248,383</u>	<u>\$ 1,096,762</u>

CITY OF WINTERS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2011

	<u>City Wide Assessment Fund</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
Tax and assessments	\$ 189,173	\$ 188,446	\$ (727)
Fines and forfeitures			
Program income			
Use of money and property			
Intergovernmental revenues			
Other revenue		66	66
	<u>189,173</u>	<u>188,512</u>	<u>(661)</u>
TOTAL REVENUES			
EXPENDITURES:			
Current:			
Public safety			
Public works			
Community development			
Parks and recreation	195,383	245,308	(49,925)
Streets and highways			
Capital outlay			
	<u>195,383</u>	<u>245,308</u>	<u>(49,925)</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,210)</u>	<u>(56,796)</u>	<u>(50,586)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in		77,535	77,535
Transfers out			
		<u>77,535</u>	<u>77,535</u>
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	<u>(6,210)</u>	<u>20,739</u>	<u>26,949</u>
FUND BALANCES (DEFICITS), JULY 1, 2010	70,254	70,254	
PRIOR PERIOD ADJUSTMENTS		<u>(92,830)</u>	<u>(92,830)</u>
FUND BALANCES (DEFICITS), JULY 1, 2010, RESTATED	<u>70,254</u>	<u>(22,576)</u>	<u>(92,830)</u>
FUND BALANCES (DEFICITS), JUNE 30, 2011	<u>\$ 64,044</u>	<u>\$ (1,837)</u>	<u>\$ (65,881)</u>

Flood Assessment Fund			Gas Tax Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ 119,383	\$ 183,430	\$ 64,047
416	20	(396)			
416	20	(396)	119,383	183,430	64,047
			112,564	102,502	10,062
			112,564	102,502	10,062
416	20	(396)	6,819	80,928	74,109
416	20	(396)	6,819	80,928	74,109
3,781	3,781		56,964	56,964	
3,781	3,781		56,964	56,964	
\$ 4,197	\$ 3,801	\$ (396)	\$ 63,783	\$ 137,892	\$ 74,109

(Continued)

CITY OF WINTERS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2011
(CONTINUED)

	<u>Traffic Congestion Relief Fund</u>		
	<u>Final</u>		<u>Variance with</u>
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
			<u>Positive</u>
			<u>(Negative)</u>
REVENUES:			
Tax and assessments	\$ 70,266	\$ 73,489	\$ 3,223
Fines and forfeitures			
Program income			
Use of money and property			
Intergovernmental revenues			
Other revenue			
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	70,266	73,489	3,223
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Current:			
Public safety			
Public works			
Community development			
Parks and recreation			
Streets and highways			
Capital outlay	35,000	73,489	(38,489)
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	35,000	73,489	(38,489)
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES			
OVER EXPENDITURES	35,266		(35,266)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES):			
Transfers in			
Transfers out			
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)			
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	35,266		(35,266)
	<hr/>	<hr/>	<hr/>
FUND BALANCES (DEFICITS), JULY 1, 2010			
	<hr/>	<hr/>	<hr/>
PRIOR PERIOD ADJUSTMENTS			
	<hr/>	<hr/>	<hr/>
FUND BALANCES (DEFICITS), JULY 1, 2010, RESTATED			
	<hr/>	<hr/>	<hr/>
FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 35,266	\$ -	\$ (35,266)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Grant Avenue Fund			Traffic Safety Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			6,000	10,745	4,745
			4,500	68	(4,432)
	1,204	1,204			
	4,827	4,827			
	6,031	6,031	10,500	10,813	313
				2,286	(2,286)
70,500		70,500			
70,500		70,500		2,286	(2,286)
(70,500)	6,031	76,531	10,500	8,527	(1,973)
(70,500)	6,031	76,531	10,500	8,527	(1,973)
(6,031)	(6,031)		209,978	209,978	
(6,031)	(6,031)		209,978	209,978	
\$ (76,531)	\$ -	\$ 76,531	\$ 220,478	\$ 218,505	\$ (1,973)

(Continued)

CITY OF WINTERS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2011
(CONTINUED)

	Asset Forfeiture Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Tax and assessments	\$ -	\$ -	\$ -
Fines and forfeitures			
Program income			
Use of money and property	300	68	(232)
Intergovernmental revenues		727	727
Other revenue			
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	300	795	495
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Current:			
Public safety			
Public works			
Community development			
Parks and recreation			
Streets and highways			
Capital outlay			
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	300	795	495
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES):			
Transfers in			
Transfers out			
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	300	795	495
	<hr/>	<hr/>	<hr/>
FUND BALANCES (DEFICITS), JULY 1, 2010	13,372	13,372	
	<hr/>	<hr/>	<hr/>
PRIOR PERIOD ADJUSTMENTS			
	<hr/>	<hr/>	<hr/>
FUND BALANCES (DEFICITS), JULY 1, 2010, RESTATED	13,372	13,372	
	<hr/>	<hr/>	<hr/>
FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 13,672	\$ 14,167	\$ 495
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Afterschool Program Fund			Vehicle Theft Deterrent Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	345	345	250	245	(5)
141,670	233,050	91,380			
	16,380	16,380			
141,670	249,775	108,105	250	245	(5)
141,670	136,803	4,867			
141,670	136,803	4,867			
	112,972	112,972	250	245	(5)
	112,972	112,972	250	245	(5)
			353	353	
				47,852	47,852
			353	48,205	47,852
\$ -	\$ 112,972	\$ 112,972	\$ 603	\$ 48,450	\$ 47,847

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CITY OF WINTERS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2011
(CONTINUED)

	Transportation Development Act Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Tax and assessments	\$ -	\$ -	\$ -
Fines and forfeitures			
Program income			
Use of money and property		467	467
Intergovernmental revenues	221,777	289,737	67,960
Other revenue			
	<u>221,777</u>	<u>290,204</u>	<u>68,427</u>
TOTAL REVENUES	<u>221,777</u>	<u>290,204</u>	<u>68,427</u>
EXPENDITURES:			
Current:			
Public safety			
Public works			
Community development			
Parks and recreation			
Streets and highways	124,961	118,491	6,470
Capital outlay	156,210	190,802	(34,592)
	<u>281,171</u>	<u>309,293</u>	<u>(28,122)</u>
TOTAL EXPENDITURES	<u>281,171</u>	<u>309,293</u>	<u>(28,122)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(59,394)</u>	<u>(19,089)</u>	<u>40,305</u>
OTHER FINANCING SOURCES (USES):			
Transfers in			
Transfers out			
	<u> </u>	<u> </u>	<u> </u>
TOTAL OTHER FINANCING SOURCES (USES)	<u> </u>	<u> </u>	<u> </u>
NET CHANGE IN FUND BALANCES	<u>(59,394)</u>	<u>(19,089)</u>	<u>40,305</u>
FUND BALANCES (DEFICITS), JULY 1, 2010	426,555	426,555	
PRIOR PERIOD ADJUSTMENTS		13,084	13,084
FUND BALANCES (DEFICITS), JULY 1, 2010, RESTATED	<u>426,555</u>	<u>439,639</u>	<u>13,084</u>
FUND BALANCES (DEFICITS), JUNE 30, 2011	<u>\$ 367,161</u>	<u>\$ 420,550</u>	<u>\$ 53,389</u>

CITY OF WINTERS
Combining Balance Sheet
Nonmajor Grant-Related Special Revenue Funds
June 30, 2011

	First 5 Grant Fund	State COPS 1913 Fund	Workforce Grant Fund	Park Grant Fund
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accounts receivable	5,947	12,121		
Interest receivable				
Notes receivable				
TOTAL ASSETS	\$ 5,947	\$ 12,121	\$ -	\$ -
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue	5,947			
Due to other funds	5,947	94,402		
TOTAL LIABILITIES	11,894	94,402		
 FUND BALANCES (DEFICIT)				
Restricted				
Unassigned	(5,947)	(82,281)		
TOTAL FUND BALANCES (DEFICITS)	(5,947)	(82,281)		
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,947	\$ 12,121	\$ -	\$ -

Beverage Recycling Fund	07-PTA Grant Fund	North Putah Creek Fund	EECBG Grant Fund	Community Design Pedestrian Grant Fund	Communication Tower Grant Fund	Homeland Security Grant Fund
\$ 21,179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21		26,642	21,000	4,116	50,595	6,500
<u>\$ 21,200</u>	<u>\$ -</u>	<u>\$ 26,642</u>	<u>\$ 21,000</u>	<u>\$ 4,116</u>	<u>\$ 50,595</u>	<u>\$ 6,500</u>
\$ -	\$ -	\$ 152	\$ -	\$ -	\$ -	\$ -
		26,642		4,116	50,595	6,500
		26,642	21,000	4,116	50,595	6,500
		53,436	21,000	8,232	101,190	13,000
21,200		(26,794)		(4,116)	(50,595)	(6,500)
21,200		(26,794)		(4,116)	(50,595)	(6,500)
<u>\$ 21,200</u>	<u>\$ -</u>	<u>\$ 26,642</u>	<u>\$ 21,000</u>	<u>\$ 4,116</u>	<u>\$ 50,595</u>	<u>\$ 6,500</u>

(Continued)

CITY OF WINTERS
Combining Balance Sheet
Nonmajor Grant-Related Special Revenue Funds
June 30, 2011
(CONTINUED)

	Green House Gas Verification Fund	Block Grants	
		STBG 96-1043 Fund	HOME 98-347 Fund
ASSETS			
Cash and investments	\$ -	\$ -	\$ -
Receivables:			
Accounts receivable	1,755		
Interest receivable			
Notes receivable		4,967	127,146
TOTAL ASSETS	\$ 1,755	\$ 4,967	\$ 127,146
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,125	\$ -	\$ -
Deferred revenue	1,755	4,967	127,146
Due to other funds	1,755	29,070	
TOTAL LIABILITIES	4,635	34,037	127,146
 FUND BALANCES (DEFICIT)			
Restricted			
Unassigned	(2,880)	(29,070)	
TOTAL FUND BALANCES (DEFICITS)	(2,880)	(29,070)	
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,755	\$ 4,967	\$ 127,146

Block Grants

<u>EDBG 99-688</u>	<u>EDBG 96-405</u>	<u>Totals</u>
<u>Fund</u>	<u>Fund</u>	
\$ -	\$ -	\$ 21,179
		128,676
		21
<u>158,342</u>	<u>222,989</u>	<u>513,444</u>
<u>\$ 158,342</u>	<u>\$ 222,989</u>	<u>\$ 663,320</u>
\$ -	\$ -	\$ 1,277
158,342	222,989	608,999
		<u>240,027</u>
<u>158,342</u>	<u>222,989</u>	<u>850,303</u>
		21,200
		<u>(208,183)</u>
		<u>(186,983)</u>
<u>\$ 158,342</u>	<u>\$ 222,989</u>	<u>\$ 663,320</u>

CITY OF WINTERS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Grant-Related Special Revenue Funds
For the Fiscal Year Ended June 30, 2011

	First 5 Grant Fund	State COPS 1913 Fund	Workforce Grant Fund	Park Grant Fund
REVENUES:				
Program income	\$ -	\$ -	\$ -	\$ -
Use of money and property		13		
Intergovernmental revenues	10,967	100,881		
Other revenue	2,046			
TOTAL REVENUES	<u>13,013</u>	<u>100,894</u>		
EXPENDITURES:				
Current:				
Public safety		81,081		
Public works				
Community development				
Parks and recreation	18,960			146
Streets and highways				
Capital outlay				
TOTAL EXPENDITURES	<u>18,960</u>	<u>81,081</u>		<u>146</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,947)</u>	<u>19,813</u>		<u>(146)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out				
TOTAL OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCES	<u>(5,947)</u>	<u>19,813</u>		<u>(146)</u>
FUND BALANCES (DEFICIT), JULY 1, 2010		(102,094)	18,023	146
PRIOR PERIOD ADJUSTMENTS			(18,023)	
FUND BALANCES (DEFICIT), JULY 1, 2010, RESTATED		<u>(102,094)</u>		<u>146</u>
FUND BALANCES (DEFICIT), JUNE 30, 2011	<u>\$ (5,947)</u>	<u>\$ (82,281)</u>	<u>\$ -</u>	<u>\$ -</u>

Beverage Recycling Fund	07-PTA Grant Fund	North Putah Creek Fund	EECBG Grant Fund	Community Design Pedestrian Grant Fund	Communication Tower Grant Fund	Homeland Security Grant Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
90						
5,000	4,346	33,011	21,000		90,192	
5,090	4,346	33,011	21,000		90,192	
						6,500
838	4,346		21,000			
		38,808		4,116	140,787	
838	4,346	38,808	21,000	4,116	140,787	6,500
4,252		(5,797)		(4,116)	(50,595)	(6,500)
4,252		(5,797)		(4,116)	(50,595)	(6,500)
		(20,997)				
16,948						
16,948		(20,997)				
\$ 21,200	\$ -	\$ (26,794)	\$ -	\$ (4,116)	\$ (50,595)	\$ (6,500)

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CITY OF WINTERS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Grant-Related Special Revenue Funds
For the Fiscal Year Ended June 30, 2011
(CONTINUED)

	Green House	Block Grants				Totals
	Gas Verification Fund	STBG 96-1043 Fund	HOME 98-347 Fund	EDBG 99-688 Fund	EDBG 96-405 Fund	
REVENUES:						
Program income	\$ -	\$ 8,437	\$ -	\$ 9,233	\$ -	\$ 17,670
Use of money and property		982		8,171		9,256
Intergovernmental revenues						265,397
Other revenue						2,046
TOTAL REVENUES		9,419		17,404		294,369
EXPENDITURES:						
Current:						
Public safety						87,581
Public works	2,880					2,880
Community development					695	26,879
Parks and recreation						19,106
Streets and highways						4,116
Capital outlay						179,595
TOTAL EXPENDITURES	2,880				695	320,157
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,880)	9,419		17,404	(695)	(25,788)
OTHER FINANCING SOURCES (USES):						
Transfers in					695	695
Transfers out		(9,419)		(17,404)		(26,823)
TOTAL OTHER FINANCING SOURCES (USES)		(9,419)		(17,404)	695	(26,128)
NET CHANGE IN FUND BALANCES	(2,880)					(51,916)
FUND BALANCES (DEFICIT), JULY 1, 2010		(29,070)				(133,992)
PRIOR PERIOD ADJUSTMENTS						(1,075)
FUND BALANCES (DEFICIT), JULY 1, 2010, RESTATED		(29,070)				(135,067)
FUND BALANCES (DEFICIT), JUNE 30, 2011	\$ (2,880)	\$ (29,070)	\$ -	\$ -	\$ -	\$ (186,983)

CITY OF WINTERS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Grants Special Revenue Funds
For the Fiscal Year Ended June 30, 2011

	State COPS 1913 Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Program income	\$ -	\$ -	\$ -
Use of money and property		13	13
Intergovernmental revenues	100,000	100,881	881
Other revenue			
TOTAL REVENUES	100,000	100,894	894
EXPENDITURES:			
Current:			
Public safety	86,769	81,081	5,688
Community development			
Parks and recreation			
Capital outlay			
TOTAL EXPENDITURES	86,769	81,081	5,688
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	13,231	19,813	6,582
OTHER FINANCING SOURCES (USES):			
Transfers in			
Transfers out			
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	13,231	19,813	6,582
FUND BALANCES (DEFICITS), JULY 1, 2010	(102,094)	(102,094)	
PRIOR PERIOD ADJUSTMENTS			
FUND BALANCES (DEFICITS), JULY 1, 2010, RESTATED	(102,094)	(102,094)	
FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (88,863)	\$ (82,281)	\$ 6,582

Workforce Grant Fund			Beverage Recycling Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			50	90	40
			5,000	5,000	
			5,050	5,090	40
			3,500	838	2,662
1,670		1,670			
10,286		10,286	1,500		1,500
11,956		11,956	5,000	838	4,162
(11,956)		11,956	50	4,252	4,202
(11,956)		11,956	50	4,252	4,202
18,023	18,023				
	(18,023)	(18,023)		16,948	16,948
18,023		(18,023)		16,948	16,948
\$ 6,067	\$ -	\$ (6,067)	\$ 50	\$ 21,200	\$ 21,150

(Continued)

CITY OF WINTERS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Grants Special Revenue Funds
For the Fiscal Year Ended June 30, 2011
(Continued)

	North Putah Creek Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Program income	\$ -	\$ -	\$ -
Use of money and property			
Intergovernmental revenues		33,011	33,011
Other revenue			
TOTAL REVENUES		33,011	33,011
EXPENDITURES:			
Current:			
Public safety			
Community development			
Parks and recreation			
Capital outlay	1,319,913	38,808	1,281,105
TOTAL EXPENDITURES	1,319,913	38,808	1,281,105
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,319,913)	(5,797)	1,314,116
OTHER FINANCING SOURCES (USES):			
Transfers in			
Transfers out			
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	(1,319,913)	(5,797)	1,314,116
FUND BALANCES (DEFICITS), JULY 1, 2010	(20,997)	(20,997)	
PRIOR PERIOD ADJUSTMENTS			
FUND BALANCES (DEFICITS), JULY 1, 2010, RESTATED	(20,997)	(20,997)	
FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (1,340,910)	\$ (26,794)	\$ 1,314,116

Block Grant - STBG 96-1043			Block Grant - EDBG 99-688		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 8,304	\$ 8,437	\$ 133	\$ 8,233	\$ 9,233	\$ 1,000
420	982	562	7,935	8,171	236
<u>8,724</u>	<u>9,419</u>	<u>695</u>	<u>16,168</u>	<u>17,404</u>	<u>1,236</u>
<u>8,724</u>	<u>9,419</u>	<u>695</u>	<u>16,168</u>	<u>17,404</u>	<u>1,236</u>
<u>(420)</u>	<u>(9,419)</u>	<u>(8,999)</u>	<u>(7,935)</u>	<u>(17,404)</u>	<u>(9,469)</u>
<u>(420)</u>	<u>(9,419)</u>	<u>(8,999)</u>	<u>(7,935)</u>	<u>(17,404)</u>	<u>(9,469)</u>
<u>8,304</u>		<u>(8,304)</u>	<u>8,233</u>		<u>(8,233)</u>
<u>(29,070)</u>	<u>(29,070)</u>				
<u>(29,070)</u>	<u>(29,070)</u>				
<u>\$ (20,766)</u>	<u>\$ (29,070)</u>	<u>\$ (8,304)</u>	<u>\$ 8,233</u>	<u>\$ -</u>	<u>\$ (8,233)</u>

CITY OF WINTERS
Combining Balance Sheet
Nonmajor Revolving Loan (RLF) Special Revenue Funds
June 30, 2011

	<u>Housing Rehabilitation RLF Fund</u>	<u>Home Program RLF Fund</u>	<u>First Time Homebuyers RLF Fund</u>	<u>Small Business RLF Fund</u>	<u>Totals</u>
ASSETS					
Cash and investments	\$ 7,609	\$ 74,426	\$ 37,527	\$ 99,559	\$ 219,121
Receivables:					
Interest receivable	9	88	2	93	192
Notes receivable	94,350	277,043	360,526		731,919
Due from other funds	11,643		17,427		29,070
	<u>113,611</u>	<u>351,557</u>	<u>415,482</u>	<u>99,652</u>	<u>980,302</u>
TOTAL ASSETS					
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Deferred revenue	\$ 94,350	\$ 277,043	\$ 360,526	\$ -	\$ 731,919
	<u>94,350</u>	<u>277,043</u>	<u>360,526</u>		<u>731,919</u>
TOTAL LIABILITIES					
FUND BALANCES:					
Restricted	19,261	74,514	54,956	99,652	248,383
	<u>19,261</u>	<u>74,514</u>	<u>54,956</u>	<u>99,652</u>	<u>248,383</u>
TOTAL FUND BALANCES					
TOTAL LIABILITIES AND FUND BALANCES					
	<u>\$ 113,611</u>	<u>\$ 351,557</u>	<u>\$ 415,482</u>	<u>\$ 99,652</u>	<u>\$ 980,302</u>

CITY OF WINTERS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Revolving Loan (RLF) Special Revenue Funds
For the Fiscal Year Ended June 30, 2011

	Housing Rehabilitation RLF Fund	Home Program RLF Fund	First Time Homebuyers RLF Fund	Small Business RLF Fund	Totals
REVENUES:					
Program income	\$ -	\$ -	\$ 26,365	\$ -	\$ 26,365
Use of money and property	39	381	5	400	825
TOTAL REVENUES	39	381	26,370	400	27,190
EXPENDITURES:					
Current:					
Community development				3,150	3,150
TOTAL EXPENDITURES				3,150	3,150
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	39	381	26,370	(2,750)	24,040
OTHER FINANCING SOURCES (USES):					
Transfers in				26,128	26,128
Transfers out		(549)			(549)
TOTAL OTHER FINANCING SOURCES (USES)		(549)		26,128	25,579
NET CHANGE IN FUND BALANCES	39	(168)	26,370	23,378	49,619
FUND BALANCES, JULY 1, 2010	19,222	74,682	28,586	76,274	198,764
FUND BALANCES, JUNE 30, 2011	\$ 19,261	\$ 74,514	\$ 54,956	\$ 99,652	\$ 248,383

CITY OF WINTERS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Revolving Loan (RLF) Revenue Funds
For the Fiscal Year Ended June 30, 2011

	<u>Housing Rehabilitation RLF Fund</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
Use of money and property	\$ 6,048	\$ 39	\$ (6,009)
TOTAL REVENUES	<u>6,048</u>	<u>39</u>	<u>(6,009)</u>
EXPENDITURES:			
Current:			
General government	_____	_____	_____
TOTAL EXPENDITURES	_____	_____	_____
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,048</u>	<u>39</u>	<u>(6,009)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>649</u>	_____	<u>(649)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>649</u>	_____	<u>(649)</u>
NET CHANGE IN FUND BALANCES	6,697	39	(6,658)
Fund Balances, July 1, 2010	<u>19,222</u>	<u>19,222</u>	_____
FUND BALANCES, JUNE 30, 2011	<u>\$25,919</u>	<u>\$ 19,261</u>	<u>\$ (6,658)</u>

Small Business RLF Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,838	\$ 400	\$ (1,438)
1,838	400	(1,438)
	3,150	(3,150)
	3,150	(3,150)
1,838	(2,750)	(4,588)
	26,128	26,128
	26,128	26,128
1,838	23,378	21,540
76,274	76,274	
<u>\$ 78,112</u>	<u>\$ 99,652</u>	<u>\$ 21,540</u>

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CITY OF WINTERS

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources and payment of general obligation principal and interest from governmental resources.

General Debt Service Fund – This fund is used to account for payments on long-term compensated absences debt.

Redevelopment Long-term Debt Fund – This fund is used to account for debt service payments on the Community Development Agency’s long-term debt issues.

**CITY OF WINTERS
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2011**

	<u>General Debt Service Fund</u>	<u>Redevelopment Long-term Debt Service Fund</u>	<u>Totals</u>
ASSETS:			
Cash and investments	\$ 55,691	\$ 472,445	\$ 528,136
Receivables:			
Interest receivable	66	21,471	21,537
Restricted assets:			
Cash and investments with fiscal agent		521,472	521,472
TOTAL ASSETS	<u>\$ 55,757</u>	<u>\$ 1,015,388</u>	<u>\$ 1,071,145</u>
FUND BALANCES:			
Restricted for debt service	<u>\$ 55,757</u>	<u>\$ 1,015,388</u>	<u>\$ 1,071,145</u>

CITY OF WINTERS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2011

	General Debt Service Fund	Redevelopment Long-term Debt Service Fund	Totals
REVENUES:			
Use of money and property	\$ 283	\$ 34,957	\$ 35,240
TOTAL REVENUES	<u>283</u>	<u>34,957</u>	<u>35,240</u>
OTHER FINANCING SOURCES (USES):			
Transfers out		(42,268)	(42,268)
TOTAL OTHER FINANCING SOURCES (USES)		<u>(42,268)</u>	<u>(42,268)</u>
NET CHANGE IN FUND BALANCES	283	(7,311)	(7,028)
Fund Balances, July 1, 2010	<u>55,474</u>	<u>1,022,699</u>	<u>1,078,173</u>
FUND BALANCES, JUNE 30, 2011	<u>\$ 55,757</u>	<u>\$ 1,015,388</u>	<u>\$ 1,071,145</u>

CITY OF WINTERS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2011

	<u>General Debt Service Fund</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
Use of money and property	\$ 275	\$ 283	\$ 8
TOTAL REVENUES	<u>275</u>	<u>283</u>	<u>8</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>275</u>	<u>283</u>	<u>8</u>
OTHER FINANCING SOURCES (USES):			
Transfers out			
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	275	283	8
Fund Balances, July 1, 2010	<u>55,474</u>	<u>55,474</u>	
FUND BALANCE, JUNE 30, 2011	<u>\$ 55,749</u>	<u>\$ 55,757</u>	<u>\$ 8</u>

Redevelopment Long-term Debt Service Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 30,663	\$ 34,957	\$ 4,294
30,663	34,957	4,294
30,663	34,957	4,294
	(42,268)	(42,268)
	(42,268)	(42,268)
30,663	(7,311)	(37,974)
1,022,699	1,022,699	
<u>\$ 1,053,362</u>	<u>\$ 1,015,388</u>	<u>\$ (37,974)</u>

CITY OF WINTERS

NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The City has four (4) different types of Capital Projects Funds, which are described below.

Special Capital Funds – These funds are used to account for revenues and expenditures for specifically identified programs that are funded from specific revenue streams:

Flood Control Study Fund
General Plan 92 Fund

Other Capital Funds – These funds are used for expenditures for replacement and renovation of existing infrastructure, and renovation and building of new city facilities. The revenues for these funds are generated from operations over expenditures for those operations:

Capital Asset Replacement Fund
General Fund Capital Fund
Landfill Capital Fund
Parks and Recreation Capital Fund

Miscellaneous Capital Funds – These funds are collected for use in the development of oversized facilities by developers, which require eventual reimbursement to the installing developer. As a part of project approvals, some developers may be required to install facilities which will eventually serve other projects, thus creating a reimbursable expense. The City enters into “reimbursement agreements” which are then collected in the form of impact fees to developers whose projects are benefited by the improvement, then dispersed to the installing developer as reimbursements based on the agreements:

Raja Storm Drain Fund
Flood Control Fees Fund
Monitoring Fee Fund

Impact Fee Funds – These funds are used to collect and expend funds pursuant to the City of Winters Capital Facilities Development Study per the AB1600 legislation, as codified by California Government Section 66000 *et seq.*. These funds are collected for development and are expended for expansion of services required due to the development:

Street Impact Fees Fund
Storm Drain Impact Fees Fund
Parks and Recreation Impact Fees Fund
Police Impact Fees Fund
Fire Impact Fees Fund
General Facilities Impact Fees Fund
Water Impact Fees Fund
Sewer Impact Fees Fund

**CITY OF WINTERS
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2011**

	<u>SPECIAL CAPITAL FUNDS</u>		<u>OTHER CAPITAL FUNDS</u>	
	<u>Flood Control Study Fund</u>	<u>General Plan 92 Fund</u>	<u>Capital Asset Replacement Fund</u>	<u>General Fund Capital Fund</u>
ASSETS:				
Cash and investments	\$ 1,285	\$ -	\$ 47,484	\$ 547,270
Receivables:				
Interest receivable	2		47	597
Notes receivable		4,266		
Advance to other funds		701,902		
TOTAL ASSETS	<u>\$ 1,287</u>	<u>\$ 706,168</u>	<u>\$ 47,531</u>	<u>\$ 547,867</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Deposits payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue		4,266		
Due to other funds		490,143		
Advance from other funds	125,000			
TOTAL LIABILITIES	<u>125,000</u>	<u>494,409</u>		
FUND BALANCES:				
Restricted		211,759		
Committed			47,531	547,867
Unassigned	(123,713)			
TOTAL FUND BALANCES (DEFICITS)	<u>(123,713)</u>	<u>211,759</u>	<u>47,531</u>	<u>547,867</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,287</u>	<u>\$ 706,168</u>	<u>\$ 47,531</u>	<u>\$ 547,867</u>

(Continued)

CITY OF WINTERS
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2011
(Continued)

	<u>OTHER CAPITAL FUNDS</u>			<u>MISCELLANEOUS FUNDS</u>	
	<u>Landfill Capital Fund</u>	<u>Parks and Recreation Capital Fund</u>	<u>Flood Control Fees Fund</u>	<u>RAJA Storm Drain Fund</u>	<u>Monitoring Fee Fund</u>
ASSETS:					
Cash and investments	\$ 218,956	\$ 8,428	\$ 172,800	\$ 38,144	\$ -
Receivables:					
Interest receivable	260	10		45	
Notes receivable					
Advance to other funds					
TOTAL ASSETS	<u>\$ 219,216</u>	<u>\$ 8,438</u>	<u>\$ 172,800</u>	<u>\$ 38,189</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Deposits payable	\$ -	\$ -	\$ -	\$ 9,589	\$ -
Deferred revenue					
Due to other funds					
Advance from other funds					
TOTAL LIABILITIES				<u>9,589</u>	
FUND BALANCES:					
Restricted					
Committed	219,216	8,438	172,800	28,600	
Unassigned					
TOTAL FUND BALANCES (DEFICITS)	<u>219,216</u>	<u>8,438</u>	<u>172,800</u>	<u>28,600</u>	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 219,216</u>	<u>\$ 8,438</u>	<u>\$ 172,800</u>	<u>\$ 38,189</u>	<u>\$ -</u>

IMPACT FEES FUNDS

<u>Street Fund</u>	<u>Storm Drain Fund</u>	<u>Parks and Recreation Fund</u>	<u>Police Fund</u>	<u>Fire Fund</u>	<u>General Facilities Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>
\$ 1,169,573	\$ 162,025	\$ 637,431	\$ 360,340	\$ 292,062	\$ 338,885	\$ 797,823	\$ 432,188	\$ 5,224,694
703	176	642			173	121	100	2,876
95,000	30,000	4,394	3,770	3,770	1,548			17,748
<u>\$ 1,265,276</u>	<u>\$ 192,201</u>	<u>\$ 642,467</u>	<u>\$ 364,110</u>	<u>\$ 295,832</u>	<u>\$ 340,606</u>	<u>\$ 797,944</u>	<u>\$ 432,288</u>	<u>\$ 6,072,220</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,589
		4,394	3,770	3,770	1,548			17,748
							416,557	906,700
								125,000
		<u>4,394</u>	<u>3,770</u>	<u>3,770</u>	<u>1,548</u>		<u>416,557</u>	<u>1,059,037</u>
1,265,276	192,201	638,073	360,340	292,062	339,058	797,944	15,731	4,112,444
								1,024,452
								(123,713)
<u>1,265,276</u>	<u>192,201</u>	<u>638,073</u>	<u>360,340</u>	<u>292,062</u>	<u>339,058</u>	<u>797,944</u>	<u>15,731</u>	<u>5,013,183</u>
<u>\$ 1,265,276</u>	<u>\$ 192,201</u>	<u>\$ 642,467</u>	<u>\$ 364,110</u>	<u>\$ 295,832</u>	<u>\$ 340,606</u>	<u>\$ 797,944</u>	<u>\$ 432,288</u>	<u>\$ 6,072,220</u>

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CITY OF WINTERS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2011

	<u>SPECIAL CAPITAL FUNDS</u>		<u>OTHER CAPITAL FUNDS</u>	
	<u>Flood Control Study Fund</u>	<u>General Plan 92 Fund</u>	<u>Capital Asset Replacement Fund</u>	<u>General Fund Capital Fund</u>
REVENUES:				
Licenses, fees, and permits	\$ -	\$ -	\$ 7,766	\$ -
Use of money and property	7		200	1,451
Program income		222		
Other revenue				
TOTAL REVENUES	<u>7</u>	<u>222</u>	<u>7,966</u>	<u>1,451</u>
EXPENDITURES:				
Current:				
Parks and recreation				
Capital outlay				
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>7</u>	<u>222</u>	<u>7,966</u>	<u>1,451</u>
OTHER FINANCING SOURCES (USES):				
Transfers in		85,544		
Transfers out		(393,000)		
TOTAL OTHER FINANCING SOURCES (USES)		<u>(307,456)</u>		
NET CHANGES IN FUND BALANCE	<u>7</u>	<u>(307,234)</u>	<u>7,966</u>	<u>1,451</u>
Fund Balances (Deficits), July 1, 2010	(123,720)	(575,909)	39,565	546,416
Prior Period Adjustment		<u>1,094,902</u>		
Fund Balances (Deficits), July 1, 2010, restated	<u>(123,720)</u>	<u>518,993</u>	<u>39,565</u>	<u>546,416</u>
FUND BALANCES (DEFICITS), JUNE 30, 2011	<u>\$ (123,713)</u>	<u>\$ 211,759</u>	<u>\$ 47,531</u>	<u>\$ 547,867</u>

(Continued)

CITY OF WINTERS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2011
(CONTINUED)

	<u>OTHER CAPITAL FUNDS</u>			<u>MISCELLANEOUS FUNDS</u>	
	<u>Landfill Capital Fund</u>	<u>Parks and Recreation Capital Fund</u>	<u>Flood Control Fees Fund</u>	<u>RAJA Storm Drain Fund</u>	<u>Monitoring Fee Fund</u>
REVENUES:					
Licenses, fees, and permits	\$ -	\$ -	\$ 172,800	\$ -	\$ 85,544
Use of money and property	626	43		194	
Program income					
Other revenue					
TOTAL REVENUES	<u>626</u>	<u>43</u>	<u>172,800</u>	<u>194</u>	<u>85,544</u>
EXPENDITURES:					
Current:					
Parks and recreation	6,206				
Capital outlay					
TOTAL EXPENDITURES	<u>6,206</u>				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,580)</u>	<u>43</u>	<u>172,800</u>	<u>194</u>	<u>85,544</u>
OTHER FINANCING SOURCES (USES):					
Transfers in					
Transfers out					(85,544)
TOTAL OTHER FINANCING SOURCES (USES)					<u>(85,544)</u>
NET CHANGES IN FUND BALANCE	<u>(5,580)</u>	<u>43</u>	<u>172,800</u>	<u>194</u>	
Fund Balances (Deficits), July 1, 2010	224,796	8,395		28,406	
Prior Period Adjustment					
Fund Balances (Deficits), July 1, 2010, restated	224,796	8,395		28,406	
FUND BALANCES (DEFICITS), JUNE 30, 2011	<u>\$ 219,216</u>	<u>\$ 8,438</u>	<u>\$ 172,800</u>	<u>\$ 28,600</u>	<u>\$ -</u>

IMPACT FEES FUNDS

Street Fund	Storm Drain Fund	Parks and Recreation Fund	Police Fund	Fire Fund	General Facilities Fund	Water Fund	Sewer Fund	Totals
\$ 141,858	\$ 13,542	\$ 98,568	\$ 69,043	\$ 64,139	\$ 93,018	\$ 105,302	\$ 203,796	\$ 1,055,376
1,268	754	1,413			199	74	(75)	6,154
		236	203		85			746
						700,000		700,000
<u>143,126</u>	<u>14,296</u>	<u>100,217</u>	<u>69,246</u>	<u>64,139</u>	<u>93,302</u>	<u>805,376</u>	<u>203,721</u>	<u>1,762,276</u>
								6,206
8,231		212,461				209,661		430,353
8,231		212,461				209,661		436,559
<u>134,895</u>	<u>14,296</u>	<u>(112,244)</u>	<u>69,246</u>	<u>64,139</u>	<u>93,302</u>	<u>595,715</u>	<u>203,721</u>	<u>1,325,717</u>
			291,094	227,923				604,561
								(478,544)
			291,094	227,923				126,017
<u>134,895</u>	<u>14,296</u>	<u>(112,244)</u>	<u>360,340</u>	<u>292,062</u>	<u>93,302</u>	<u>595,715</u>	<u>203,721</u>	<u>1,451,734</u>
1,130,381	177,905	750,317			245,756	202,229	(187,990)	2,466,547
								1,094,902
<u>1,130,381</u>	<u>177,905</u>	<u>750,317</u>			<u>245,756</u>	<u>202,229</u>	<u>(187,990)</u>	<u>3,561,449</u>
<u>\$ 1,265,276</u>	<u>\$ 192,201</u>	<u>\$ 638,073</u>	<u>\$ 360,340</u>	<u>\$ 292,062</u>	<u>\$ 339,058</u>	<u>\$ 797,944</u>	<u>\$ 15,731</u>	<u>\$ 5,013,183</u>

CITY OF WINTERS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2011

	<u>General Plan 92 Fund</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
License, fees, and permits	\$ -	\$ -	\$ -
Program income		222	222
Use of money and property			
Other revenue			
TOTAL REVENUES		<u>222</u>	<u>222</u>
EXPENDITURES:			
Current:			
Parks and recreation			
Capital outlay			
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>222</u>	<u>222</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	88,744	85,544	(3,200)
Transfers out		<u>(393,000)</u>	<u>(393,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>88,744</u>	<u>(307,456)</u>	<u>(396,200)</u>
NET CHANGE IN FUND BALANCES	<u>88,744</u>	<u>(307,234)</u>	<u>(395,978)</u>
FUND BALANCES (DEFICITS), JULY 1, 2010	(575,909)	(575,909)	
PRIOR PERIOD ADJUSTMENTS		<u>1,094,902</u>	<u>1,094,902</u>
FUND BALANCES (DEFICITS), JULY 1, 2010, RESTATED	<u>(575,909)</u>	<u>518,993</u>	<u>1,094,902</u>
FUND BALANCES, JUNE 30, 2011	<u>\$ (487,165)</u>	<u>\$ 211,759</u>	<u>\$ 698,924</u>

Capital Asset Replacement Fund			Landfill Capital Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 500	\$ 7,766	\$ 7,266	\$ -	\$ -	\$ -
	200	200	1,144	626	(518)
500	7,966	7,466	1,144	626	(518)
			10,800	6,206	4,594
			10,800	6,206	4,594
500	7,966	7,466	(9,656)	(5,580)	4,076
500	7,966	7,466	(9,656)	(5,580)	4,076
39,565	39,565		224,796	224,796	
39,565	39,565		224,796	224,796	
\$ 40,065	\$ 47,531	\$ 7,466	\$ 215,140	\$ 219,216	\$ 4,076

(Continued)

CITY OF WINTERS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2011
(CONTINUED)

	Parks and Recreation Capital Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
License, fees, and permits	\$ -	\$ -	\$ -
Program income			
Use of money and property	390	43	(347)
Other revenue			
TOTAL REVENUES	390	43	(347)
EXPENDITURES:			
Current:			
Parks and recreation	1,200		1,200
Capital outlay			
TOTAL EXPENDITURES	1,200		1,200
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(810)	43	853
OTHER FINANCING SOURCES (USES):			
Transfers in			
Transfers out			
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	(810)	43	853
FUND BALANCES (DEFICITS), JULY 1, 2010	8,395	8,395	
PRIOR PERIOD ADJUSTMENTS			
FUND BALANCES (DEFICITS), JULY 1, 2010, RESTATED	8,395	8,395	
FUND BALANCES, JUNE 30, 2011	\$ 7,585	\$ 8,438	\$ 853

Monitoring Fee Fund			Street Impact Fees Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 88,744	\$ 85,544	\$ (3,200)	\$ 155,858	\$ 141,858	\$ (14,000)
				1,268	1,268
88,744	85,544	(3,200)	155,858	143,126	(12,732)
			47,192	8,231	38,961
			47,192	8,231	38,961
88,744	85,544	(3,200)	108,666	134,895	26,229
	(85,544)	(85,544)			
	(85,544)	(85,544)			
88,744		(88,744)	108,666	134,895	26,229
			1,130,381	1,130,381	
			1,130,381	1,130,381	
\$ 88,744	\$ -	\$ (88,744)	\$ 1,239,047	\$ 1,265,276	\$ 26,229

(Continued)

CITY OF WINTERS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2011
(CONTINUED)

	Storm Drain Impact Fees Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
License, fees, and permits	\$ 1,728	\$ 13,542	\$ 11,814
Program income			
Use of money and property		754	754
Other revenue			
TOTAL REVENUES	<u>1,728</u>	<u>14,296</u>	<u>12,568</u>
EXPENDITURES:			
Current:			
Parks and recreation			
Capital outlay			
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,728</u>	<u>14,296</u>	<u>12,568</u>
OTHER FINANCING SOURCES (USES):			
Transfers in			
Transfers out			
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	<u>1,728</u>	<u>14,296</u>	<u>12,568</u>
FUND BALANCES (DEFICITS), JULY 1, 2010	177,905	177,905	
PRIOR PERIOD ADJUSTMENTS			
FUND BALANCES (DEFICITS), JULY 1, 2010, RESTATED	<u>177,905</u>	<u>177,905</u>	
FUND BALANCES, JUNE 30, 2011	<u>\$ 179,633</u>	<u>\$ 192,201</u>	<u>\$ 12,568</u>

Parks and Recreation Impact Fees Fund			Police Impact Fees Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 98,568	\$ 98,568	\$ -	\$ 71,542	\$ 69,043	\$ (2,499)
	236	236		203	203
	1,413	1,413			
98,568	100,217	1,649	71,542	69,246	(2,296)
447,228	212,461	234,767			
447,228	212,461	234,767			
(348,660)	(112,244)	236,416	71,542	69,246	(2,296)
				291,094	291,094
				291,094	291,094
(348,660)	(112,244)	236,416	71,542	360,340	288,798
750,317	750,317				
750,317	750,317				
\$ 401,657	\$ 638,073	\$ 236,416	\$ 71,542	\$ 360,340	\$ 288,798

(Continued)

CITY OF WINTERS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2011
(CONTINUED)

	Fire Impact Fees Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
License, fees, and permits	\$ 69,086	\$ 64,139	\$ (4,947)
Program income			
Use of money and property			
Other revenue			
TOTAL REVENUES	<u>69,086</u>	<u>64,139</u>	<u>(4,947)</u>
EXPENDITURES:			
Current:			
Parks and recreation			
Capital outlay			
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>69,086</u>	<u>64,139</u>	<u>(4,947)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in		227,923	227,923
Transfers out			
TOTAL OTHER FINANCING SOURCES (USES)		<u>227,923</u>	<u>227,923</u>
NET CHANGE IN FUND BALANCES	<u>69,086</u>	<u>292,062</u>	<u>222,976</u>
FUND BALANCES (DEFICITS), JULY 1, 2010			
PRIOR PERIOD ADJUSTMENTS			
FUND BALANCES (DEFICITS), JULY 1, 2010, RESTATED			
FUND BALANCES, JUNE 30, 2011	<u>\$ 69,086</u>	<u>\$ 292,062</u>	<u>\$ 222,976</u>

General Facilities Impact Fees Fund			Water Impact Fees Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 102,318	\$ 93,018	\$ (9,300)	\$ 110,452	\$ 105,302	\$ (5,150)
	85	85			
	199	199		74	74
				700,000	700,000
<u>102,318</u>	<u>93,302</u>	<u>(9,016)</u>	<u>110,452</u>	<u>805,376</u>	<u>694,924</u>
			<u>295,422</u>	<u>209,661</u>	<u>85,761</u>
			<u>295,422</u>	<u>209,661</u>	<u>85,761</u>
<u>102,318</u>	<u>93,302</u>	<u>(9,016)</u>	<u>(184,970)</u>	<u>595,715</u>	<u>780,685</u>
<u>102,318</u>	<u>93,302</u>	<u>(9,016)</u>	<u>(184,970)</u>	<u>595,715</u>	<u>780,685</u>
<u>245,756</u>	<u>245,756</u>		<u>202,229</u>	<u>202,229</u>	
<u>245,756</u>	<u>245,756</u>		<u>202,229</u>	<u>202,229</u>	
<u>\$ 348,074</u>	<u>\$ 339,058</u>	<u>\$ (9,016)</u>	<u>\$ 17,259</u>	<u>\$ 797,944</u>	<u>\$ 780,685</u>

(Continued)

CITY OF WINTERS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2011
(CONTINUED)

	<u>Sewer Impact Fees Fund</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
License, fees, and permits	\$ 213,746	\$ 203,796	\$ (9,950)
Program income			
Use of money and property		(75)	(75)
Other revenue			
TOTAL REVENUES	<u>213,746</u>	<u>203,721</u>	<u>(10,025)</u>
EXPENDITURES:			
Current:			
Parks and recreation			
Capital outlay			
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>213,746</u>	<u>203,721</u>	<u>(10,025)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in			
Transfers out			
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	<u>213,746</u>	<u>203,721</u>	<u>(10,025)</u>
FUND BALANCES (DEFICITS), JULY 1, 2010	(187,990)	(187,990)	
PRIOR PERIOD ADJUSTMENTS			
FUND BALANCES (DEFICITS), JULY 1, 2010, RESTATED	<u>(187,990)</u>	<u>(187,990)</u>	
FUND BALANCES, JUNE 30, 2011	<u>\$ 25,756</u>	<u>\$ 15,731</u>	<u>\$ (10,025)</u>

CITY OF WINTERS

Agency Funds

Agency Funds are used to account for assets held by the City of Winters in a purely custodial capacity. Agency Funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Winters Library Agency Fund – This fund is used to account for funds donated by Margaret Parsons for the building of a new library and Arts Center for the City of Winters.

Swim Team Agency Fund – This fund is used to account for the financial transactions of the Winters Swim Team. This organization was included as a City function in July 2003 for the first time.

Master Swim Agency Fund – This fund was used to account for the use of the swimming pool for the Masters Swim Program, and has been discontinued at the end of the 2010 swim season.

Festival De La Agency Fund – This fund is used to account for the Hispanic Advisory Committee expenditures for the Festival held each September.

Historical Photo Agency Fund – This fund is used to account for the care and display of historical photos of the City of Winters.

Quilt Festival Agency Fund – This fund is used to account for the revenues and expenditures of the annual June quilt show sponsored by the City of Winters, the Winters Chamber of Commerce, and the Cloth Carousel.

CITY OF WINTERS
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2011

	<u>Winters Library Fund</u>	<u>Swim Team Fund</u>	<u>Master Swim Fund</u>	<u>Festival De La Fund</u>	<u>Historical Photo Fund</u>	<u>Quilt Festival Fund</u>	<u>Totals</u>
ASSETS							
Cash and investments	\$ 78,513	\$ 75,047	\$ -	\$ 1,320	\$ -	\$ 808	\$ 155,688
Receivables:							
Interest receivable	93	44		1		1	139
TOTAL ASSETS	<u>\$ 78,606</u>	<u>\$ 75,091</u>	<u>\$ -</u>	<u>\$ 1,321</u>	<u>\$ -</u>	<u>\$ 809</u>	<u>\$ 155,827</u>
LIABILITIES							
Due to other agencies	\$ 78,606	\$ 75,091	\$ -	\$ 1,321	\$ -	\$ 809	\$ 155,827
TOTAL LIABILITIES	<u>\$ 78,606</u>	<u>\$ 75,091</u>	<u>\$ -</u>	<u>\$ 1,321</u>	<u>\$ -</u>	<u>\$ 809</u>	<u>\$ 155,827</u>

CITY OF WINTERS
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2011

	<u>Balance at July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2011</u>
WINTERS LIBRARY FUND:				
ASSETS				
Cash and investments	\$ 102,960	\$ -	\$ (24,447)	\$ 78,513
Receivables:				
Interest receivable	181	93	(181)	93
TOTAL ASSETS	<u>\$ 103,141</u>	<u>\$ 93</u>	<u>\$ (24,628)</u>	<u>\$ 78,606</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other agencies	103,141	93	(24,628)	78,606
TOTAL LIABILITIES	<u>\$ 103,141</u>	<u>\$ 93</u>	<u>\$ (24,628)</u>	<u>\$ 78,606</u>
SWIM TEAM FUND:				
ASSETS				
Cash and investments	\$ 77,454	\$ 6,191	\$ (8,598)	\$ 75,047
Receivables:				
Interest receivable	22	44	(22)	44
TOTAL ASSETS	<u>\$ 77,476</u>	<u>\$ 6,235</u>	<u>\$ (8,620)</u>	<u>\$ 75,091</u>
LIABILITIES				
Accounts payable	\$ 8,598	\$ -	\$ (8,598)	\$ -
Due to other agencies	68,878	6,235	(22)	75,091
TOTAL LIABILITIES	<u>\$ 77,476</u>	<u>\$ 6,235</u>	<u>\$ (8,620)</u>	<u>\$ 75,091</u>
MASTER SWIM FUND:				
ASSETS				
Receivables:				
Accounts receivable	\$ 1,123	\$ -	\$ (1,123)	\$ -
Due from other agencies	190		(190)	
TOTAL ASSETS	<u>\$ 1,313</u>	<u>\$ -</u>	<u>\$ (1,313)</u>	<u>\$ -</u>
LIABILITIES				
Due to other agencies	\$ 1,313	\$ -	\$ (1,313)	\$ -
TOTAL LIABILITIES	<u>\$ 1,313</u>	<u>\$ -</u>	<u>\$ (1,313)</u>	<u>\$ -</u>

(Continued)

CITY OF WINTERS
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2011
(CONTINUED)

	<u>Balance at July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2011</u>
FESTIVAL DE LA FUND:				
ASSETS				
Cash and investments	\$ 1,229	\$ 91	\$ -	\$ 1,320
Receivables:				
Interest receivable		1		1
TOTAL ASSETS	<u>\$ 1,229</u>	<u>\$ 92</u>	<u>\$ -</u>	<u>\$ 1,321</u>
LIABILITIES				
Due to other agencies	<u>\$ 1,229</u>	<u>\$ 92</u>	<u>\$ -</u>	<u>\$ 1,321</u>
HISTORICAL PHOTO FUND:				
ASSETS				
Cash and investments	<u>\$ 1,144</u>	<u>\$ -</u>	<u>\$ (1,144)</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 419	\$ -	\$ (419)	\$ -
Due to other agencies	<u>725</u>		<u>(725)</u>	
TOTAL LIABILITIES	<u>\$ 1,144</u>	<u>\$ -</u>	<u>\$ (1,144)</u>	<u>\$ -</u>
QUILT FESTIVAL:				
ASSETS				
Cash and investments	\$ 325	\$ 517	\$ (34)	\$ 808
Receivables:				
Interest receivable		1		1
TOTAL ASSETS	<u>\$ 325</u>	<u>\$ 518</u>	<u>\$ (34)</u>	<u>\$ 809</u>
LIABILITIES				
Accounts payable	\$ 34	\$ -	\$ (34)	\$ -
Due to other agencies	<u>291</u>	<u>518</u>		<u>809</u>
TOTAL LIABILITIES	<u>\$ 325</u>	<u>\$ 518</u>	<u>\$ (34)</u>	<u>\$ 809</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 183,112	\$ 6,799	\$ (34,223)	\$ 155,688
Receivables:				
Accounts receivable	1,123		(1,123)	
Interest receivable	203	139	(203)	139
Due from other agencies	<u>190</u>		<u>(190)</u>	
TOTAL ASSETS	<u>\$ 184,628</u>	<u>\$ 6,938</u>	<u>\$ (35,739)</u>	<u>\$ 155,827</u>
LIABILITIES				
Accounts payable	\$ 9,051	\$ -	\$ (9,051)	\$ -
Due to other agencies	<u>175,577</u>	<u>6,938</u>	<u>(26,688)</u>	<u>155,827</u>
	<u>\$ 184,628</u>	<u>\$ 6,938</u>	<u>\$ (35,739)</u>	<u>\$ 155,827</u>

STATISTICAL SECTION

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Statistical Section

This part of the City of Winters Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader understand the City's most significant local revenue source, property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

CITY OF WINTERS, CALIFORNIA

NET ASSETS BY COMPONENT LAST EIGHT FISCAL YEARS (accrual basis of accounting)

	Fiscal Year Ended June 30,				
	2004	2005	2006	2007	2008
GOVERNMENTAL ACTIVITIES:					
Invested in capital assets, net of related debt	\$ 3,208,569	\$ -	\$ (997,447)	\$ 2,380,494	\$ 7,044,817
Restricted	4,295,857	3,933,274	3,812,117	5,235,360	6,532,953
Unrestricted	6,594,044	11,205,077	14,277,490	14,656,092	9,927,205
TOTAL GOVERNMENTAL ACTIVITIES	14,098,470	15,138,351	17,092,160	22,271,946	23,504,975
BUSINESS-TYPE ACTIVITIES:					
Invested in capital assets, net of related debt	1,626,987	1,774,986	1,748,464	1,987,463	2,116,498
Restricted	-	-	-	-	-
Unrestricted	1,485,982	1,543,992	1,612,418	1,145,478	566,410
TOTAL BUSINESS-TYPE ACTIVITIES	3,112,969	3,318,978	3,360,882	3,132,941	2,682,908
PRIMARY GOVERNMENT:					
Invested in capital assets, net of related debt	4,835,556	1,774,986	751,017	4,367,957	9,161,315
Restricted	4,295,857	3,933,274	3,812,117	5,235,360	6,532,953
Unrestricted	8,080,026	12,749,069	15,889,908	15,801,570	10,493,615
TOTAL PRIMARY GOVERNMENT	\$ 17,211,439	\$ 18,457,329	\$ 20,453,042	\$ 25,404,887	\$ 26,187,883

The City of Winters implemented GASB 34 for the fiscal year ended June 30, 2004.
Information prior to the implementation of GASB 34 is not available.

Fiscal Year Ended June 30,		
2009	2010	2011
\$ 8,936,433	\$ 8,181,857	\$ 8,699,018
13,677,650	9,367,303	5,167,265
<u>(1,305,148)</u>	<u>1,628,706</u>	<u>6,632,851</u>
<u>21,308,935</u>	<u>19,177,866</u>	<u>20,499,134</u>
1,844,816	1,736,566	1,681,730
5,717,324	4,171,609	-
<u>(4,101,359)</u>	<u>(1,485,296)</u>	<u>2,877,523</u>
<u>3,460,781</u>	<u>4,422,879</u>	<u>4,559,253</u>
10,781,249	9,918,423	10,380,748
19,394,974	13,538,912	5,167,265
<u>(5,406,507)</u>	<u>143,410</u>	<u>9,510,374</u>
<u>\$ 24,769,716</u>	<u>\$ 23,600,745</u>	<u>\$ 25,058,387</u>

CITY OF WINTERS, CALIFORNIA

CHANGES IN NET ASSETS LAST EIGHT FISCAL YEARS (accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2004	2005	2006	2007
EXPENSES:				
GOVERNMENTAL ACTIVITIES:				
General government	\$ 819,541	\$ 1,514,288	\$ 1,010,123	\$ 1,270,036
Public works	324,881	622,305	291,343	266,764
Public safety	1,424,898	1,631,247	1,805,197	2,264,099
Cultural and recreation	197,459	302,299	209,039	253,530
Community development	285,819	439,246	1,177,004	1,783,897
Parks	58,797	73,615	394,202	459,383
Streets and highways	417,247	249,976	95,709	101,448
Public transportation	102,424	110,276	122,406	-
Pass through agreements	261,311	342,940	-	-
Interest on long-term debt	96,301	292,755	289,113	456,876
TOTAL GOVERNMENTAL ACTIVITIES	3,988,678	5,578,947	5,394,136	6,856,033
BUSINESS-TYPE ACTIVITIES:				
Water	582,259	613,920	568,433	651,194
Sewer	712,900	783,042	821,800	1,105,717
TOTAL BUSINESS ACTIVITIES	1,295,159	1,396,962	1,390,233	1,756,911
TOTAL PRIMARY GOVERNMENT EXPENSES	5,283,837	6,975,909	6,784,369	8,612,944
PROGRAM REVENUES:				
GOVERNMENTAL ACTIVITIES:				
Charges for services				
General government	446,063	246,864	238,085	61,589
Public works	404,351	261,183	30,890	380,446
Public safety	137,825	79,922	15,389	153,388
Cultural and recreation	212,607	65,817	12,222	163,563
Community development	494,435	446,116	440,539	588,448
Parks	-	-	-	-
Streets and highways	318,179	-	-	-
Operating contributions and grants	177,979	137,931	112,674	3,254,278
Capital contributions and grants	398,162	209,739	1,142,084	1,717,055
TOTAL GOVERNMENTAL ACTIVITIES	2,589,601	1,447,572	1,991,883	6,318,767
BUSINESS-TYPE ACTIVITIES:				
Charges for services				
Water	507,758	547,467	624,342	712,125
Sewer	653,370	709,034	760,127	820,894
TOTAL BUSINESS-TYPE ACTIVITIES	1,161,128	1,256,501	1,384,469	1,533,019
TOTAL PRIMARY GOVERNMENT REVENUES	\$ 3,750,729	\$ 2,704,073	\$ 3,376,352	\$ 7,851,786
NET (EXPENSE) REVENUES:				
Governmental activities	\$(1,399,077)	\$(4,131,375)	\$(3,402,253)	\$ (537,266)
Business-type activities	(134,031)	(140,461)	(5,764)	(223,892)
TOTAL PRIMARY GOVERNMENT NET EXPENSES	\$ (1,533,108)	\$(4,271,836)	\$(3,408,017)	\$ (761,158)

Fiscal Year Ended June 30,

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 1,318,150	\$ 2,677,075	\$ 1,044,194	\$ 365,754
215,673	615,937	627,898	313,127
2,376,129	2,370,883	2,404,697	2,365,123
407,454	394,294	316,619	662,484
717,669	1,322,095	3,102,948	1,616,007
632,736	635,505	358,626	-
368,273	297,171	144,062	362,125
-	-	-	-
-	360,476	308,024	-
665,197	773,758	764,964	778,274
6,701,281	9,447,194	9,072,032	6,462,894
1,016,474	454,298	521,751	1,752,536
1,382,370	621,766	623,110	1,241,718
2,398,844	1,076,064	1,144,861	2,994,254
9,100,125	10,523,258	10,216,893	9,457,148
80,698	85,881	113,736	111,930
23,391	115,535	80,441	32,057
66,761	33,437	17,024	8,802
77,751	61,780	65,441	87,593
90,214	4,157	3,061	205,692
16,766	-	-	-
-	-	-	-
732,097	1,189,158	1,048,546	1,102,329
1,169,132	301,536	998,427	1,396,248
2,256,810	1,791,484	2,326,676	2,944,651
916,242	941,612	1,017,580	1,196,068
1,011,084	1,048,742	1,209,549	1,330,624
1,927,326	1,990,354	2,227,129	2,526,692
\$ 4,184,136	\$ 3,781,838	\$ 4,553,805	\$ 5,471,343
\$ (4,444,471)	\$ (7,655,710)	\$ (6,745,356)	\$ (3,518,243)
(471,518)	914,290	1,082,268	(467,562)
\$ (4,915,989)	\$ (6,741,420)	\$ (5,663,088)	\$ (3,985,805)

(continued)

CITY OF WINTERS, CALIFORNIA

CHANGES IN NET ASSETS LAST EIGHT FISCAL YEARS (accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2004	2005	2006	2007
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:				
GOVERNMENTAL ACTIVITIES:				
Taxes				
Property taxes	\$ 1,986,828	\$ 2,621,091	\$ 3,132,212	\$ 3,291,501
Sales and use taxes	311,677	295,197	315,794	276,539
Franchise fees	169,634	165,242	191,511	187,939
Other taxes	960,625	889,765	849,895	837,652
Motor vehicle in-lieu	320,234	156,491	22,002	46,898
Investment income	156,777	435,019	706,759	889,692
Developer contributions	-	456,890	-	-
Transfers	-	-	-	50,128
Other revenues	179,804	151,561	137,889	136,703
TOTAL GOVERNMENTAL ACTIVITIES	4,085,579	5,171,256	5,356,062	5,717,052
BUSINESS-TYPE ACTIVITIES:				
Property taxes	24,002	28,775	23,537	23,451
Investment income	7,118	17,032	24,131	22,628
Transfers	-	-	-	(50,128)
Developer contributions	16,648	300,663	-	-
Other revenues	-	-	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	47,768	346,470	47,668	(4,049)
TOTAL PRIMARY GOVERNMENT REVENUES	\$ 4,133,347	\$ 5,517,726	\$ 5,403,730	\$ 5,713,003
CHANGES IN NET ASSETS:				
Governmental activities	2,686,502	1,039,881	1,953,809	5,179,786
Business-type activities	(86,263)	206,009	41,904	(227,941)
TOTAL PRIMARY GOVERNMENT	\$ 2,600,239	\$ 1,245,890	\$ 1,995,713	\$ 4,951,845

The City of Winters implemented GASB 34 for the fiscal year ended June 30, 2004.

Information prior to the implementation of GASB 34 is not available.

Fiscal Year Ended June 30,

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 2,996,227	\$ 3,409,220	\$ 3,027,868	\$ 2,974,549
344,136	288,748	242,257	295,215
218,521	209,913	203,985	224,608
721,127	722,778	665,333	1,225,801
29,750	26,418	21,071	32,026
1,200,495	615,206	(13,275)	144,210
-	-	-	-
98,884	491,144	131,261	-
68,360	27,339	335,787	91,936
5,677,500	5,790,766	4,614,287	4,988,345
-	-	-	-
120,367	38,991	13,275	1,810
(98,884)	(491,144)	-	-
-	-	(131,261)	-
-	41,908	(2,184)	-
21,483	(410,245)	(120,170)	1,810
\$ 5,698,983	\$ 5,380,521	\$ 4,494,117	\$ 4,990,155
1,233,029	(1,864,944)	(2,131,069)	1,470,102
(450,035)	504,045	962,098	(465,752)
\$ 782,994	\$ (1,360,899)	\$ (1,168,971)	\$ 1,004,350

CITY OF WINTERS, CALIFORNIA

FUND BALANCES OF GOVERNMENTAL FUNDS LAST EIGHT YEARS (modified accrual basis of accounting)

	Fiscal Year Ended June 30,				
	2004	2005	2006	2007	2008
GENERAL FUND:					
Reserved	\$ 30,696	\$ 167,165	\$ 160,002	\$ 406,992	\$ 376,403
Designated	-	-	-	-	-
Unreserved	3,429,877	3,602,950	3,702,209	3,400,722	3,150,028
Nonspendable					
Assigned					
Unassigned					
TOTAL GENERAL FUND	<u>\$ 3,460,573</u>	<u>\$ 3,770,115</u>	<u>\$ 3,862,211</u>	<u>\$ 3,807,714</u>	<u>\$ 3,526,431</u>
ALL OTHER GOVERNMENTAL FUNDS:					
Reserved ①	\$ 4,587,160	\$ 4,034,391	\$ 4,203,730	\$ 4,955,935	\$ 5,996,904
Designated	-	-	-	-	-
Unreserved reported in:					
Special Revenue Funds	906,820	327,972	783,604	1,160,617	1,876,261
Capital Project Funds	8,586,793	8,865,973	7,793,128	17,306,132	15,780,323
Restricted					
Committed					
Unassigned					
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$14,080,773</u>	<u>\$13,228,336</u>	<u>\$12,780,462</u>	<u>\$23,422,684</u>	<u>\$ 23,653,488</u>

The City of Winters implemented GASB 34 for the fiscal year ended June 30, 2004.

① The Reserved fund balance includes unexpended bond proceeds from the 2004 Tax Allocation Bonds.

Fiscal Year Ended June 30,

<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ -	\$ 36,923	\$ -
1,264,559	676,730	
1,810,356	1,606,367	
		781,448
		81,050
		<u>1,566,838</u>
<u>\$ 3,074,915</u>	<u>\$ 2,320,020</u>	<u>\$ 2,429,336</u>
\$ 3,161,275	\$ 7,236,218	\$ -
11,361,627	3,521,121	
663,535	886,240	
4,372,336	1,686,609	
		8,348,197
		1,024,452
		<u>(337,855)</u>
<u>\$ 19,558,773</u>	<u>\$ 13,330,188</u>	<u>\$ 9,034,794</u>

CITY OF WINTERS, CALIFORNIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST EIGHT FISCAL YEARS (modified accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2004	2005	2006	2007
REVENUES:				
Taxes	\$ 3,428,764	\$ 3,953,428	\$ 4,511,414	\$ 4,952,001
Licenses and permits	1,517,984	636,406	173,495	812,872
Fines and forfeitures	25,396	22,641	7,817	27,418
Program income	340,187	118,396	35,020	90,026
Use of money and property	160,036	435,019	706,759	889,692
Intergovernmental	890,498	522,028	1,254,758	3,721,333
Charges for services	48,284	56,055	128,731	96,102
Refunds and reimbursement			84,846	28,534
Development fees	131,578	114,442	-	
Contributions	5,877	456,890	-	-
Miscellaneous	179,804	37,119	53,043	1,386,703
TOTAL REVENUES	6,728,408	6,352,424	6,955,883	12,004,681
EXPENDITURES:				
Current:				
General government	487,455	790,650	487,240	733,140
Public works	300,081	277,510	206,957	210,798
Public safety	1,386,454	1,619,616	1,767,983	2,216,696
Cultural and recreation	160,287	179,474	177,116	209,785
Community development	303,249	1,245,417	786,394	4,757,300
Parks	58,797	73,615	394,202	459,383
Streets and highways	417,247	249,976	95,709	37,125
Public transportation	102,524	110,276	122,406	-
Pass through agreements	261,311	342,940	438,180	311,472
Capital outlay	587,741	1,317,684	2,292,647	2,840,369
Debt service:				
Bond issue costs	398,084	-	-	613,589
Principal	-	410,000	265,000	275,000
Interest	-	278,161	277,827	272,427
TOTAL EXPENDITURES	4,463,230	6,895,319	7,311,661	12,937,084
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,265,178	(542,895)	(355,778)	(932,403)
OTHER FINANCING SOURCES (USES):				
Transfers in	7,397,817	614,458	300,488	12,153,448
Transfers out	(7,397,817)	(614,458)	(300,488)	(12,103,320)
Issuance of bonds	7,820,000	-	-	11,470,000
TOTAL OTHER FINANCING SOURCES (USES)	7,820,000	-	-	11,520,128
NET CHANGE IN FUND BALANCES	\$ 10,085,178	\$ (542,895)	\$ (355,778)	\$ 10,587,725
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	11.45%	14.07%	12.13%	12.99%

The City of Winters implemented GASB 34 for the fiscal year ended June 30, 2004.

For 2011, the debt service as a % of noncapital expenditures was calculated by excluding the capital outlay expenditure amount from the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

Fiscal Year Ended June 30,

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 4,787,290	\$ 4,969,284	\$ 4,470,119	\$ 4,752,199
186,261	219,268	211,459	1,324,932
50,100	30,901	11,423	10,745
96,494	30,496	32,471	44,781
1,200,495	615,205	250,775	144,210
1,767,520	1,178,487	1,737,368	831,230
64,571	54,122	59,516	43,929
36,546	-	-	-
-	-	-	-
-	-	-	-
89,127	27,339	85,011	2,325,751
<u>8,278,404</u>	<u>7,125,102</u>	<u>6,858,142</u>	<u>9,477,777</u>
1,066,357	2,542,986	1,008,391	220,632
183,582	593,672	584,850	270,011
2,294,448	2,318,611	2,356,584	2,269,423
297,193	279,358	202,341	548,057
719,212	612,582	3,215,133	1,688,046
632,736	635,508	358,626	-
290,665	214,566	453,574	225,109
-	-	-	-
363,024	360,476	308,024	-
1,666,174	2,920,330	4,255,546	5,783,033
-	-	-	-
280,000	295,000	460,000	470,000
634,376	775,800	769,814	750,627
<u>8,427,767</u>	<u>11,548,889</u>	<u>13,972,883</u>	<u>12,224,938</u>
<u>(149,363)</u>	<u>(4,423,787)</u>	<u>(7,114,741)</u>	<u>(2,747,161)</u>
635,294	1,562,647	1,418,888	2,117,877
(536,410)	(1,071,503)	(1,287,627)	(2,117,877)
-	-	-	-
<u>98,884</u>	<u>491,144</u>	<u>131,261</u>	<u>-</u>
<u>\$ (50,479)</u>	<u>\$ (3,932,643)</u>	<u>\$ (6,983,480)</u>	<u>\$ (2,747,161)</u>
<u>15.64%</u>	<u>14.17%</u>	<u>14.49%</u>	<u>23.04%</u>

CITY OF WINTERS, CALIFORNIA

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

Year Ended June 30,	City			Taxable Assessed Value	Community Development Agency		Taxable Assessed Value	Total Direct Tax Rate
	Secured	Unsecured	Utility		Secured	Unsecured		
2002	\$185,895,422	\$ 8,484,272	\$ 2,450	\$ 194,382,144	\$46,721,769	\$4,161,224	\$ 50,882,993	0.415%
2003	195,609,868	8,996,300	2,450	204,608,618	62,856,843	4,999,645	67,856,488	0.444%
2004	211,470,328	7,571,916	2,450	219,044,694	79,225,359	5,441,972	84,667,331	0.583%
2005	227,884,381	7,581,801	2,800	235,468,982	118,105,960	5,443,842	123,549,802	0.557%
2006	241,718,966	7,805,000	2,800	249,526,766	140,461,620	9,999,736	150,461,356	0.446%
2007	272,749,292	7,869,139	2,800	280,621,231	165,656,591	9,659,494	175,316,085	0.617%
2008	280,882,222	2,100,831	2,800	282,985,853	193,204,983	16,028,418	209,233,401	0.525%
2009	281,161,063	2,708,797	2,800	283,872,660	195,614,967	18,538,689	214,153,656	0.547%
2010	252,232,212	5,284,746	4,200	257,521,158	201,524,009	14,777,955	216,301,964	0.540%
2011	178,696,425	2,830,751	4,200	181,531,376	217,303,685	14,420,507	231,724,192	0.544%

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rat of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%.) With few exceptions, property is only reassessed a the time that it is hold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data show above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Yolo County Auditor Controller Office

CITY OF WINTERS, CALIFORNIA

DIRECT AND OVERLAPPING PROPERTY TAX RATES (RATE PER \$100 OF ASSESSED VALUE) LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
CITY DIRECT RATE:										
City basic rate	0.192	0.179	0.171	0.148	0.154	0.156	0.148	0.143	0.137	0.154
Community Development Agency	0.224	0.265	0.413	0.409	0.446	0.461	0.377	0.404	0.402	0.390
TOTAL CITY DIRECT RATE	0.415	0.444	0.583	0.557	0.600	0.617	0.525	0.547	0.540	0.544
OVERLAPPING RATES:										
Yolo County	0.239	0.228	0.098	0.156	0.122	0.108	0.119	0.221	0.109	0.111
Yolo County Library	0.026	0.024	0.022	0.021	0.032	0.011	0.029	0.029	0.029	0.030
Winters Cemetary District	0.023	0.022	0.020	0.019	0.003	0.027	0.027	0.027	0.027	0.027
Sacramento-Yolo Mosquito Vector District	0.008	0.007	0.007	0.007	0.010	0.009	0.009	0.009	0.009	0.009
Yolo County Resources Conservation District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-	-
Yolo County Flood Control District	0.007	0.007	0.007	0.006	0.009	0.010	0.010	0.010	0.010	0.010
Solano Community College District	0.036	0.033	0.032	0.030	0.046	0.042	0.042	0.042	0.042	0.042
Yolo County School Services	0.022	0.021	0.021	0.018	0.028	0.030	0.030	0.030	0.030	0.030
Winters Joint Unified School District	0.223	0.214	0.210	0.185	0.150	0.147	0.201	0.086	0.205	0.296
SUBTOTAL	1.000	1.000	1.000	1.000	1.000	1.000	0.991	1.000	1.000	1.099
City of Winters General Obligation Bonds	0.008	0.007	0.007	0.710	0.071	0.074	0.074	0.074	-	-
Winters Joint Unified School District Bonds	0.080	0.080	0.080	0.080	0.080	0.154	0.266	0.299	0.092	0.092
Indian Valley Dam Bond	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.373	-	-
TOTAL DIRECT RATE	1.088	1.087	1.087	1.790	1.151	1.228	1.331	1.745	1.092	1.191

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for payment of the Winters Joint Unified School District bonds and for City of Winters General Obligation Bonds.

CITY OF WINTERS, CALIFORNIA

PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND SEVEN YEARS AGO

Taxpayer	Fiscal Year Ended June 30, 2011		Fiscal Year Ended June 30, 2004	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
South Market Court PTN LP	\$ 8,489,664	1.79%	\$ -	-
Mariani Nut Company	5,903,663	1.25%	4,412,700	1.570%
Winters Invstors LLC	4,754,944	1.00%	1,716,301	0.610%
GBH-Winters Highlands LLC	4,573,056	0.97%	5,983,589	2.130%
Pavestone Company LP	4,474,525	0.94%	5,909,553	2.110%
Bruhn Orchards Housing LLP	3,725,280	0.79%		
Winters Pacific Associates LP	2,641,800	0.56%		
Ogando, Joseph E and Karen M Trust	2,641,742	0.56%	-	-
Central Valley Coalition for Affordable Housing	2,590,000	0.52%	-	-
Winters Apartments	2,208,159	0.47%		
Ali Ashraf & Yasmin A	2,156,919	0.46%	-	-
Greyhawke LLC	2,035,175	0.43%	-	-
Hisey, Raymond P & Rebecca A	1,974,437	0.40%	1,000,152	0.360%
Siracusa, John & Elizabeth	1,926,429	0.41%	-	-
Evilsizor, Kenneht A Jr., Etal	1,706,465	0.36%	1,733,440	0.620%
Gateway Investors Club LLC	1,667,431	0.35%	1,482,570	0.530%
Lyons, Tom R and Diana E	1,546,283	0.33%	1,418,800	0.510%
Pickerel, John and Melanie B.	1,373,940	0.29%	-	-
Conway, Louis W. TR Etal	1,248,228	0.26%	-	-
Lorenzo, Aladdin C. & Lynda R TR	1,191,564	0.25%	-	-
Montosa, Donna M. TR	1,161,229	0.25%	-	-
Ruiz, Martin and Ofelia	1,159,244	0.24%		
Almondwood Developments	1,114,000	0.24%	-	-
Tanski, Charlene	1,093,142	0.23%		
Federal Home Loan Mortgage Corp	1,058,356	0.22%		
Winters Village East LLC	1,051,606	0.22%	-	-
Russell, Ray and Julie	1,035,382	0.22%		
Brugger, Sandra G	1,030,629	0.22%		
Corbett Family Trust	1,000,081	0.21%		
Cheney, D Rick Tr Etal	-	0.32%	-	-
Community Housing Opp Corp	-	-	2,008,000	0.720%
Deutsche Bank and Trust	-	0.00%	-	-
LB/L-DUV II Winters LLC	-	-	1,141,290	0.410%
Miller Disclaimer Trust	-	0.33%	-	-
Miller, Michael & Constance	-	0.00%	-	-
	<u>\$ 68,533,373</u>	<u>15.09%</u>	<u>\$ 26,806,395</u>	<u>9.560%</u>

The City of Winters implemented GASB 34 for the fiscal year ended June 30, 2004. Information prior to that shown above is not available.

The amounts shown above include assessed value data for both the City and the Community Development Agency.

Source: Yolo County Assessor's Office

CITY OF WINTERS, CALIFORNIA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal year ended June 30,	Tax levied for the fiscal year	Collected within the Fiscal Year of Levy		Total Collections to Date	
		Amount	Percent of levy	Amount	Percent of levy
2002	\$1,018,518	\$ 1,018,518	100%	\$1,018,518	100%
2003	1,210,667	1,210,667	100%	1,210,667	100%
2004	1,771,991	1,771,991	100%	1,771,991	100%
2005	1,999,986	1,999,986	100%	1,999,986	100%
2006	1,785,601	1,785,601	100%	1,785,601	100%
2007	2,814,012	2,814,012	100%	2,814,012	100%
2008	2,581,766	2,581,766	100%	2,581,766	100%
2009	2,723,983	2,723,983	100%	2,723,983	100%
2010	2,556,664	2,556,664	100%	2,556,664	100%
2011	2,256,945	2,256,945	100%	2,256,945	100%

NOTES:

- ① Yolo County has adopted the "Teeter Plan" effective 1993-1994, which means that the City receives full payment for taxes levied each year, while the County retains all penalty, interest and delinquent taxes, when collected
- ② The amounts presented include City property taxes and Community Development Agency tax increment. This schedule also includes amounts collected by the City and the Community Development Agency that were passed-through to other agencies.

SOURCE: Yolo County Auditor Controller's Office

CITY OF WINTERS, CALIFORNIA

RATIO OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal year ended June 30,	Governmental Activities		Business Type Activities				Total Business- type Activities
	Tax Allocation Bonds	Total Govern- mental Activities	General Obligation Bonds	Loans	Sewer Bonds	Water Bonds	
2002	\$ -	\$ -	\$ 140,000	\$ -	\$ -	\$ -	\$ 140,000
2003	-	-	135,000	-	-	-	135,000
2004	7,820,000	7,820,000	130,000	-	-	-	130,000
2005	7,410,000	7,410,000	125,000	-	-	-	125,000
2006	7,145,000	7,145,000	120,000	-	-	-	120,000
2007	18,340,000	18,340,000	-	-	-	-	-
2008	18,060,000	18,060,000	-	-	4,495,000	3,810,000	8,305,000
2009	17,765,000	17,765,000	-	-	4,495,000	3,810,000	8,305,000
2010	17,305,000	17,305,000	-	-	4,495,000	3,810,000	8,305,000
2011	16,835,000	16,835,000	-	-	4,495,000	3,810,000	8,305,000

NOTE: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
Personal Income Data for the City of Winters is not available

- ① See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Page 112 for property tax value data
- ② Population Data can be found in the Schedule of Demographic and Economic Statistics on Page 123

Total Primary Govern- ment	Percentage of Estimated Actual Taxable Value of Property^①	Debt per Capita^②
\$ 140,000	0.06%	\$ 23
135,000	0.05%	21.46
7,950,000	2.62%	1,203.45
7,535,000	2.10%	1,097.12
7,265,000	1.82%	1,042.03
18,340,000	4.02%	2,663.76
26,365,000	5.36%	3,753.02
26,070,000	5.23%	3,696.82
25,610,000	5.40%	3,608.06
25,140,000	5.92%	3,541.84

CITY OF WINTERS, CALIFORNIA

RATIO OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

Fiscal year ended June 30,	Outstanding General Bonded Debt			Percent of Assessed Value	Debt per Capita
	General Obligation Bonds	Tax Allocation Bonds	Total		
2002	\$ 140,000	\$ -	\$ 140,000	0.06%	\$ 22.81
2003	135,000	-	135,000	0.05%	21.46
2004	130,000	7,820,000	7,950,000	2.62%	1,203.45
2005	125,000	7,410,000	7,535,000	2.10%	1,097.12
2006	120,000	7,145,000	7,265,000	1.82%	1,042.03
2007	-	18,340,000	18,340,000	4.02%	2,663.76
2008	-	18,060,000	18,060,000	3.67%	2,570.82
2009	-	17,765,000	17,765,000	3.57%	2,519.14
2010		17,305,000	17,305,000	3.65%	2,438.01
2011		16,835,000	16,835,000	3.96%	2,371.79

NOTE: General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds

① Assessed value has been used because the actual value of taxable property is not readily available in the State of California

CITY OF WINTERS, CALIFORNIA

DIRECT AND OVERLAPPING DEBT AS OF JUNE 30, 2011

City Assessed Valuation		\$245,509,845	
Redevelopment Agency Incremental Valuation		<u>179,447,352</u>	
TOTAL ASSESSED VALUATION		<u><u>\$424,957,197</u></u>	
	Percentage Applicable	Outstanding Debt at	Estimated Share of Overlapping Debt
	①	June 30, 2011	
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Solano County Community College District	0.835%	\$ 108,605,090	\$ 906,853
Winters Joint Unified School District	39.823%	<u>3,875,000</u>	<u>1,543,141</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u><u>\$ 112,480,090</u></u>	<u><u>2,449,994</u></u>
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Yolo County General Fund Obligations	1.481%	\$ 3,465,000	51,317
Yolo County Office of Education Certificates of Participation	1.481%	7,356,489	108,950
Winters Joint Unified School District Certificates of Participation	39.823%	<u>1,305,000</u>	<u>519,690</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		<u><u>\$ 12,126,489</u></u>	<u><u>679,957</u></u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$ 3,129,951</u></u> ②

NOTE:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Winters. This process recognizes that, when considering the governments's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

① Percentage of overlapping agency's assessed valuation located within boundaries of the City of Winters.

② Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

SOURCE:

California Municipal Statistics, Inc.

CITY OF WINTERS, CALIFORNIA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,				
	2002	2003	2004	2005	2006
Assessed valuation	\$245,265,137	\$272,465,106	\$303,712,025	\$359,018,784	\$399,988,122
Debt limit percentage	15.00%	15.00%	15.00%	15.00%	15.00%
DEBT LIMIT	36,789,771	40,869,766	45,556,804	53,852,818	59,998,218
Total debt applicable to limit General Obligation Bonds	140,000	135,000	130,000	125,000	120,000
LEGAL DEBT MARGIN	<u>\$ 36,649,771</u>	<u>\$ 40,734,766</u>	<u>\$ 45,426,804</u>	<u>\$ 53,727,818</u>	<u>\$ 59,878,218</u>
Total debt applicable to limit as a percentage of debt limit	<u>0.38%</u>	<u>0.33%</u>	<u>0.29%</u>	<u>0.23%</u>	<u>0.20%</u>

Fiscal Year Ended June 30,

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 455,937,316	\$492,219,254	\$ 498,026,316	\$473,823,122	\$ 424,957,197
15.00%	15.00%	15.00%	15.00%	15.00%
68,390,597	73,832,888	74,703,947	71,073,468	63,743,580
-	-	-	-	-
<u>\$ 68,390,597</u>	<u>\$ 73,832,888</u>	<u>\$ 74,703,947</u>	<u>\$ 71,073,468</u>	<u>\$ 63,743,580</u>
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

CITY OF WINTERS, CALIFORNIA

PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS

Fiscal year ended June 30,	General Obligation Bonds				Tax Allocation Bonds			
	Debt Service				Tax Incre- ment	Debt Service		
	Taxes	Principal	Interest	Coverage		Principal	Interest	Coverage
2002	17,734	5,000	7,250	1.45	548,631	-	-	n/a
2003	23,378	5,000	7,000	1.95	722,567	-	-	n/a
2004	24,002	5,000	6,750	2.04	1,253,938	-	-	n/a
2005	28,775	5,000	6,500	2.50	1,469,479	182,573	118,261	4.88
2006	23,537	5,000	6,250	2.09	1,785,601	265,000	277,827	3.29
2007	23,451	120,000	6,000	0.19	2,100,792	275,000	272,427	3.84
2008	-	-	-	n/a	1,853,339	280,000	634,376	2.03
2009	-	-	-	n/a	2,013,682	295,000	773,758	1.88
2010	-	-	-	n/a	1,905,946	460,000	765,462	1.56
2011	-	-	-	n/a	1,610,359	470,000	750,626	1.32

CITY OF WINTERS, CALIFORNIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

<u>Calendar Year</u>	<u>Population ①</u>	<u>Median Household Income②</u>	<u>Unemploy- ment Rate ③</u>
2002	6,290	n/a	5.40%
2003	6,606	n/a	5.80%
2004	6,868	n/a	5.30%
2005	6,972	n/a	4.80%
2006	6,885	n/a	5.20%
2007	6,935	n/a	6.80%
2008	7,025	n/a	7.40%
2009	7,052	n/a	n/a
2010	7,098	n/a	n/a
2011	6,694	n/a	n/a

NOTE: Data on Personal Income and Per Capita income for residents in The City of Winters is not available.

① State Department of Finance

② U.S. Census Bureau, Census 2000

③ State of California Employment Development Department

CITY OF WINTERS, CALIFORNIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND THREE YEARS AGO

Employer	2011		2008	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Winters Joint Unified School District	220	8.06%	228	8.36%
Mariani Nut Company	200	7.33%	197	7.22%
Buckhorn Restaruant	100	3.67%	100	3.67%
Pavestone	50	1.83%	66	2.42%
City of Winters	43	1.58%	35	1.28%
Double M Trucking	70	2.57%	15	0.55%
Town and Country	14	0.51%	-	0.00%
JDS	13	0.48%	13	0.48%
Vintage Paving	9	0.33%	-	0.00%
Woodtech	-	0.00%	12	0.44%
	<u>719</u>	<u>26.36%</u>	<u>666</u>	<u>24.41%</u>

NOTE: Data for Period nine years earlier not available.

"Total Employment" based on U.S. Census Bureau, Census 2000

SOURCE: Source: City of Winters
U.S. Census Bureau, Census 2000

CITY OF WINTERS, CALIFORNIA

FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Community Development	4.00	3.00	3.19	2.44	3.44	4.00	3.33	2.50	1.5	1.5
Community Development Agency	0.00	0.00	1.00	1.00	1.44	1.44	3.11	1.94	1.94	1.94
Finance	2.00	2.00	2.00	2.44	2.44	2.60	2.44	3.00	3	3
General Government	3.00	3.00	3.44	3.88	3.88	4.44	4.88	5.00	5	4
Police	11.00	11.00	11.44	11.44	12.94	13.88	13.21	11.44	12.44	12.44
Public Works	9.00	8.00	8.69	8.94	8.44	9.32	8.44	7.32	7.32	7.32
Recreation	2.42	2.42	2.42	3.03	3.03	3.33	12.09	11.81	9.85	9.85
TOTAL	<u>31.42</u>	<u>29.42</u>	<u>32.18</u>	<u>33.17</u>	<u>35.61</u>	<u>39.01</u>	<u>47.50</u>	<u>43.01</u>	<u>41.05</u>	<u>40.05</u>

CITY OF WINTERS, CALIFORNIA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

	Fiscal year ended June 30,						
	2002	2003	2004	2005	2006	2007	2008
Police:							
Traffic Citations	\$ 10,392	\$ 23,409	\$ 24,391	\$ 21,102	\$ 6,242	\$ 24,523	\$ 48,860
Parking Citations	\$ 2,170	\$ 1,770	\$ 1,005	\$ 1,540	\$ 805	\$ 1,710	\$ 1,195
Water							
New Connections	n/a	n/a	n/a	135	80	2	1
Average Daily Consumption	1.7 mgd	1.41 mgd	1.32 mgd	1.64 mgd	1.84 mgd	1.60 mgd	1.86 mgd
Sewer							
New Connections	n/a	n/a	n/a	135	80	2	1
Average Daily Sewage Treatment	.597 mgd	.611 mgd	.623 mgd	.604 mgd	.598 mgd	.598 mgd	.548 mgd

Fiscal year ended June 30,		
2009	2010	2011
\$ 48,860	\$ 11,177	\$ 10,745
\$ 1,195	\$ 245	\$ -
-	-	-
1.58 mgd	1.28 mgd	1.39 mgd
-	-	-
.548 mgd	.567 mgd	.556 mgd

CITY OF WINTERS, CALIFORNIA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
POLICE:										
Stations	1	1	1	1	1	1	1	1	1	1
FIRE										
Stations	0	0	0	0	0	0	0	0	0	1
PUBLIC WORKS:										
Streets (lane miles)	22	22	22	22	22	22	22	22	22	22
Traffic Signals	1	1	1	1	1	1	1	1	1	1
PARKS AND RECREATION:										
Parks	6	6	6	6	6	6	6	6	6	6
Park acreage	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
Community Centers	1	1	1	1	1	1	1	1	1	1
WATER:										
Water Mains (miles)	20	20	20	20	20	20	20	20	20	20
Water Wells	5	5	5	5	5	5	5	5	5	6
Storage tanks (non-operational)	2	2	2	2	2	2	2	2	2	2
WASTEWATER:										
Sewer Lines (miles)	23	23	23	23	23	23	23	23	23	23
Pump Stations	2	2	2	2	2	2	2	2	2	2
Sewer Treatment Plant	1	1	1	1	1	1	1	1	1	1

SOURCE: City of Winters, California

CITY OF WINTERS, CALIFORNIA

WATER SOLD BY TYPE OF CUSTOMER LAST TEN FISCAL YEARS IN HUNDRED CUBIC FEET

	Fiscal Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
TYPE OF CUSTOMER:										
Commerical I	3,801	3,977	267	204	6,976	8,079	8,476	10,360	8742	14372
Commercial II	13,574	11,480	302	319	11,092	13,604	15,035	12,749	16259	17039
Multi-family	-	-	-	-	-	23,277	19,886	62,147	26402	54558
Rental Residential	-	-	-	-	-	-	-	-	-	4366
Industrial	-	-	-	-	-	-	-	-	-	985
Schools	17,623	14,299	445	380	18,288	15,599	24,796	14,508	24416	15269
TOTAL METERED WATER	34,998	29,756	1,014	903	36,356	60,559	68,193	99,764	75,819	106,589
 Total Direct Rate per Hundred Cubic Feet	\$ 0.20	\$ 0.21	\$0.23	\$ 0.25	\$ 0.20	\$ 0.41	\$ 0.68	\$ 0.78	\$ 1.69	\$ 1.82

NOTE: Only Commercial, multi-family, rental residential and School Property are metered by the City of Winters. All other residential property is billed on a flat rate basis, and no meters are read, and therefore usage for residential properties is not available.

CITY OF WINTERS, CALIFORNIA

WATER RATES LAST TEN FISCAL YEARS RATE PER 100 CUBIC FEET

Fiscal year ended June 30,	Residen- tial Rate	Multi- family (per unit)	Commercial I	Commercial II	1,201- 12,000	12,001- 25,000	More than 25,000
2002	\$ 16.05	\$ 14.64	\$ 14.64	\$ 17.59	\$ 0.34	\$ 0.19	\$ 0.11
2003	17.17	15.66	15.66	18.82	0.316	0.182	0.100
2004	18.39	16.77	16.77	20.15	0.338	0.223	0.115
2005	19.68	17.94	17.94	21.56	0.362	0.239	0.123
2006	25.54	23.30	23.30	27.95	0.465	0.307	0.157
2007	33.76	30.80	30.80	36.96	0.616	0.407	0.209
2008	33.76	30.80	30.80	36.96	0.616	0.407	0.209
2009	33.97	17.41	60.64	124.90	0.960	0.960	0.960
2010	35.33	18.11	63.06	129.90	0.990	0.990	0.990
2011	36.74	18.83	65.58	139.09	1.030	1.030	1.030

SOURCE: City of Winters, California

CITY OF WINTERS, CALIFORNIA

WATER CUSTOMERS CURRENT YEAR AND NINE YEARS AGO

Water Customer	Fiscal Year Ended June 30,			
	2011		2002	
	Water Charges	Percent of Total Water Revenue	Water Charges	Percent of Total Water Revenue
Winters II Apartments	\$22,204.75	2.13%	\$ -	0.00%
Winters Apartments	12,732.27	1.22%	2,216.93	0.55%
City of Winters	11,937.95	1.14%		
Winters Community Center	10,880.31	1.04%	721.60	0.18%
Mariani	9,023.41	0.87%		
Winters High School	5,795.42	0.56%		
Rominger School	5,781.99	0.55%	-	0.00%
Almondwood Apartments	5,781.62	0.55%		
Waggoner School	5,641.45	0.54%		
Winters Middle School	5,626.45	0.54%	1,818.24	0.45%
Round Table	4,789.55	0.46%	1,167.07	0.29%
Winters Senior Apartments	4,750.85	0.46%	909.28	0.23%
John Claytoon School	4,446.29	0.43%	941.73	0.23%
Creekside Apartments	4,224.61	0.41%		
LDS Church	3,468.92	0.33%	777.54	0.19%
Winters Laundry	3,095.64	0.30%	665.67	0.17%
Wolfskill Apartments	3,090.80	0.30%	351.33	0.09%
Cross Apartments	3,023.93	0.29%	360.79	0.09%
Mike Sylvestri Apartments	2,747.77	0.26%		
Delores Ramos	2,609.34	0.25%	-	0.00%
Bob Thompson Apartments	2,570.34	0.25%		
TVS Properties	2,399.36	0.23%		
Mariani	1,903.93	0.18%	464.52	0.12%
Town and Country	1,876.12	0.18%	920.66	0.23%
Winters School District Gym and Pool	1,874.80	0.18%		
Lorenzo Apartments	1,826.04	0.18%		
Railroad Car Wash	1,615.53	0.15%	336.70	0.08%
Yolo County Library	1,557.85	0.15%		
Ogando Apartments	1,478.72	0.14%	426.14	0.11%
Keith Cross Trailers	1,442.63	0.14%	752.26	0.19%
Winters High School Ag Site	1,359.06	0.13%	717.41	0.18%
Mike Sylvestri Apartments	1,336.35	0.13%		
Cradwick Building	1,281.17	0.12%	229.08	0.06%
Butler/Furrier	1,197.19	0.11%	538.02	0.13%
Buckhorn	1,089.16	0.10%		
Buckhorn Catering	1,088.42	0.10%	278.69	0.07%
Winters Joint Unified School District Offices	1,069.36	0.10%	395.04	0.10%
Winters Self Storage	1,063.84	0.10%	-	0.00%
Suisun Valley Grower Coop	988.78	0.09%		
N&C Foliage	974.97	0.09%	595.53	0.15%
Codys	968.53	0.09%	211.08	0.05%
Kountry Kitchen	910.27	0.09%	464.52	0.12%
OTEL, LLC	895.22	0.09%	-	0.00%
Double M Trucking	806.69	0.08%		

CITY OF WINTERS, CALIFORNIA

WATER CUSTOMERS CURRENT YEAR AND NINE YEARS AGO

Water Customer	Fiscal Year Ended June 30,			
	2011		2002	
	Water Charges	Percent of Total Water Revenue	Water Charges	Percent of Total Water Revenue
John Siracusa (5 E Main)	800.64	0.08%	29.28	0.01%
Thompson Cottages II	740.90	0.07%	-	0.00%
Winters Eye Care	735.60	0.07%	-	0.00%
Kathernine's Bookkepping	719.12	0.07%	-	0.00%
True Value Hardware	688.22	0.07%	175.68	0.04%
Winters Store	638.42	0.06%	395.04	0.10%
Tomat's Restaruant	623.29	0.06%	362.83	0.09%
Abbey House Inn.	569.70	0.05%	-	0.00%
Pisani's Service	545.83	0.05%	-	0.00%
John Siracusa (9 E Main)	507.09	0.05%	-	0.00%
Baldermero Arce	482.22	0.05%	-	0.00%
Winters Winery	481.34	0.05%	395.04	0.10%
Chris Florist	472.85	0.05%	-	0.00%
Miguel Estrada	464.53	0.04%	395.04	0.10%
Daniel Mazza	444.26	0.04%	-	0.00%
John Siracusa (7 E Main)	430.44	0.04%	929.04	0.23%
Al Graf	406.16	0.04%	362.12	0.09%
Ireland Agency	404.97	0.04%	-	-
Siracusa/Padilla I	391.72	0.04%	-	0.00%
Stan Lester	375.80	0.04%	-	0.00%
The Depot	373.04	0.04%	406.11	0.10%
La Tienda Deli	372.16	0.04%	395.04	0.10%
Biasi Auto Repair	364.62	0.03%	-	0.00%
John Siracusa	360.83	0.03%	-	0.00%
John Pickeral	347.44	0.03%	-	0.00%
Dennis Hiamatsu	280.34	0.03%	175.68	0.04%
Classic Video	235.02	0.02%	395.04	0.10%
Valadez Orchards	72.72	0.01%	-	0.00%
Grant Ave Apartments	-	0.00%	710.69	0.18%

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The City of Winters implemented GASB 34 for the fiscal year ended June 30, 2004. Information prior to the implementation of GASB 34 is not available.



PARTNERS

RONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES
9107 WILSHIRE BLVD. SUITE 500
BEVERLY HILLS, CA 90210
TEL: 310.273.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES
5800 E. HANNUM, SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Members of the City Council of the
City of Winters
Winters, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winters, California, as of and for the fiscal year ended June 30, 2011 which collectively comprise the City of Winters' basic financial statements, and have issued our report thereon dated December 21, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Winters' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Winters' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Winters' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

We noted certain other matters that we reported to management of the City of Winters in a separate letter dated November 28, 2011.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the City of Winters are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the organization, City Council, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, CA
December 21, 2011