



# Comprehensive Annual Financial Report for the Year Ended June 30, 2008



**City of Winters**  
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**Comprehensive Annual Financial Report  
FOR THE YEAR ENDED JUNE 30, 2008**

Prepared by:  
City of Winters Finance Department  
Shelly A. Gunby, Director



CITY OF WINTERS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Fiscal Year Ended June 30, 2008

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## INTRODUCTORY SECTION



**MAYOR:**  
Michael Martin  
**MAYOR PRO TEM:**  
Woody Fridae  
**COUNCIL:**  
Cecilia Aguiar-Curry  
Harold Anderson  
Tom Stone



**MAYOR EMERITUS:**  
J. Robert Chapman  
**TREASURER:**  
Michael Sebastian  
**CITY CLERK:**  
Nanci Mills  
**CITY MANAGER:**  
John W. Donlevy, Jr.

December 29, 2008

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, 2008 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 and Hartzheim, 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, 2008 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, 2008 are fairly presented



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 four (4) 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.

### **Factor 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 2008-2009 as the State of California faces a \$41 billion deficit for 2008-2009 and 2009-2010 beyond.

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 somewhat over this last year due to the foreclosure climate and are expected to decline slightly 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 20011-2012 at the earliest.
- The City's Sales Tax has seen a reduction from \$340,000 in 2005 to an estimated \$270,000 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.

The City is a high demand area for residential expansion and has approved four (4) subdivision applications from residential developers. A key focus of the City Council and Staff is to balance residential infill with industrial job creation.

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.

The external influences have caused the City to begin a review of growth phasing policies to establish benchmarks for the construction of residential growth. Avoidance of becoming a "bedroom community" is a key policy focus for the City Council and residents along with seeking a balance between jobs and housing.

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.

### **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. 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 has worked with developers to complete construction of a 34 unit housing program.
- **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.
- **In 2008, the Agency will implement a \$1.5 million capital improvement to the intersection of Main St. and Railroad Ave. to include 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:** Begin Construction of a Joint Police and Fire Facility
- **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. The Capital Improvement Plan will be reviewed and updated in the 08-09 fiscal year and will coordinate with the Community Development Agency's implementation plan.

### **Cash Management Policies and Practices**

Cash temporarily idle during the year was invested in federally insured money market accounts and the State Treasurer's investment pool. The average yield on investments was 2.89%. Investment income includes appreciation in fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue, nor is it always possible to realize such amounts, especially in the case of temporary changes in fair value of investments that the government intends to hold to maturity.

The City of Winters investment policy is to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming with all Federal, State and Local statutes governing the investment of public funds.

### **Risk Management**

Prior to implementation of the self-insurance program on March 1, 1979, each agency purchased its own insurance. The insurance companies supplied claims and loss recordkeeping as well as loss prevention services. The pooling program substitutes a collective approach to loss funding and servicing for the services previously provided by the individual insurance companies.

The Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) is a joint powers authority created in 1979 through a provision in the Labor, Government and Education codes that oversees a risk sharing and management program for sixteen (16) participating Yolo County Public Entities. Primary insurance programs include liability (Auto, general, errors and omission, and employment practices), workers compensation, property and fidelity. There are a number of other programs that are funded on a pass-through basis, including insurance coverage for marine, underground storage tanks, physical damage, landfill pollution, special events and library volunteers.

The Authority, located in Woodland, is a separate public entity, and has a governing board comprised of six voting governmental entities:

County of Yolo  
City of Woodland  
City of Davis

City of Winters  
City of West Sacramento  
Esparto Joint Unified School District

The ten non-voting members are;

Yolo-Solano Air Quality Management District  
Yolo County Communications Emergency Services District (YCCESA)  
California Superior Courts, Yolo County  
Capay Fire Protection District  
East Davis Fire Protection District  
No Man's Land Fire Protection District  
Yolo County Law Library  
Springlake Fire Protection District  
Yolo County In-Home Supportive Services Public Authority  
Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)

From its members, the Board elects a President and Vice-President. The County of Yolo Treasurer serves as the Authority's treasurer. The board appoints a Chief Executive Officer/Risk Manager to handle the day to day business operations of the Authority and to act as the Board's Secretary. The CEO/Risk Manager is assisted by a staff comprised of a Loss Prevention Analyst, Wellness Nurse, Finance Officer, Administrative Assistant and Secretary. Outside providers are retained by the Authority to adjust claims and conduct annual financial and claims audits and actuarial studies.

Claims administration services are purchased from an outside third party administrator for the adjustment of all liability and worker's compensation losses. Loss recordkeeping services are provided by the third party administrator in the form of computerized loss runs supplied monthly to Yolo County Public Risk Management Insurance Authority.

Under the pooling program, losses are funded in the following manner;

1. Each participating agency assumes a deductible to a level commensurate with its financial size. The minimum deductible is \$1,000.
2. A self-insurance fund is created and funded by all participating agencies.
3. Membership in California Joint Powers Risk Management Authority (CJPRMA) provides a second excess coverage fund for catastrophic liability losses through self-insurance and EPL coverage is purchased subject to pooled retention.
4. Excess insurance is purchased by YCPARMIA for all catastrophic losses under all other coverage lines.

All of the activities of the Authority are classified as "business-type" activities. These activities include the development and operation of public entity risk pools and the purchase of insurance related services for members.

It is the mission of the Authority "to protect the members" resources from the impact of loss through a program of insurance coverage, prevention, education, training, and service. Members are assessed premium/cash contributions for participation in the Authority.

**Pension and other post employment benefits**

The City of Winters provides pension benefits for all employees through the CalPers program. The City of Winters has no obligation in connection with employee benefits offered through this plan beyond its annual contractual payment to CalPers. The City of Winters offers no other post employment benefits to its employees.

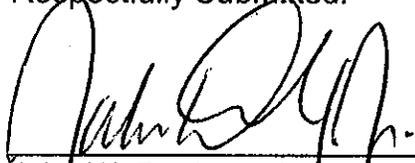
**Awards and Acknowledgements**

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, 2007. This is the fifth 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.

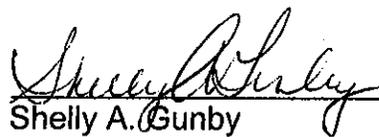
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

This report could not have been prepared without the cooperation of all staff of the City of Winters.

Respectfully Submitted:

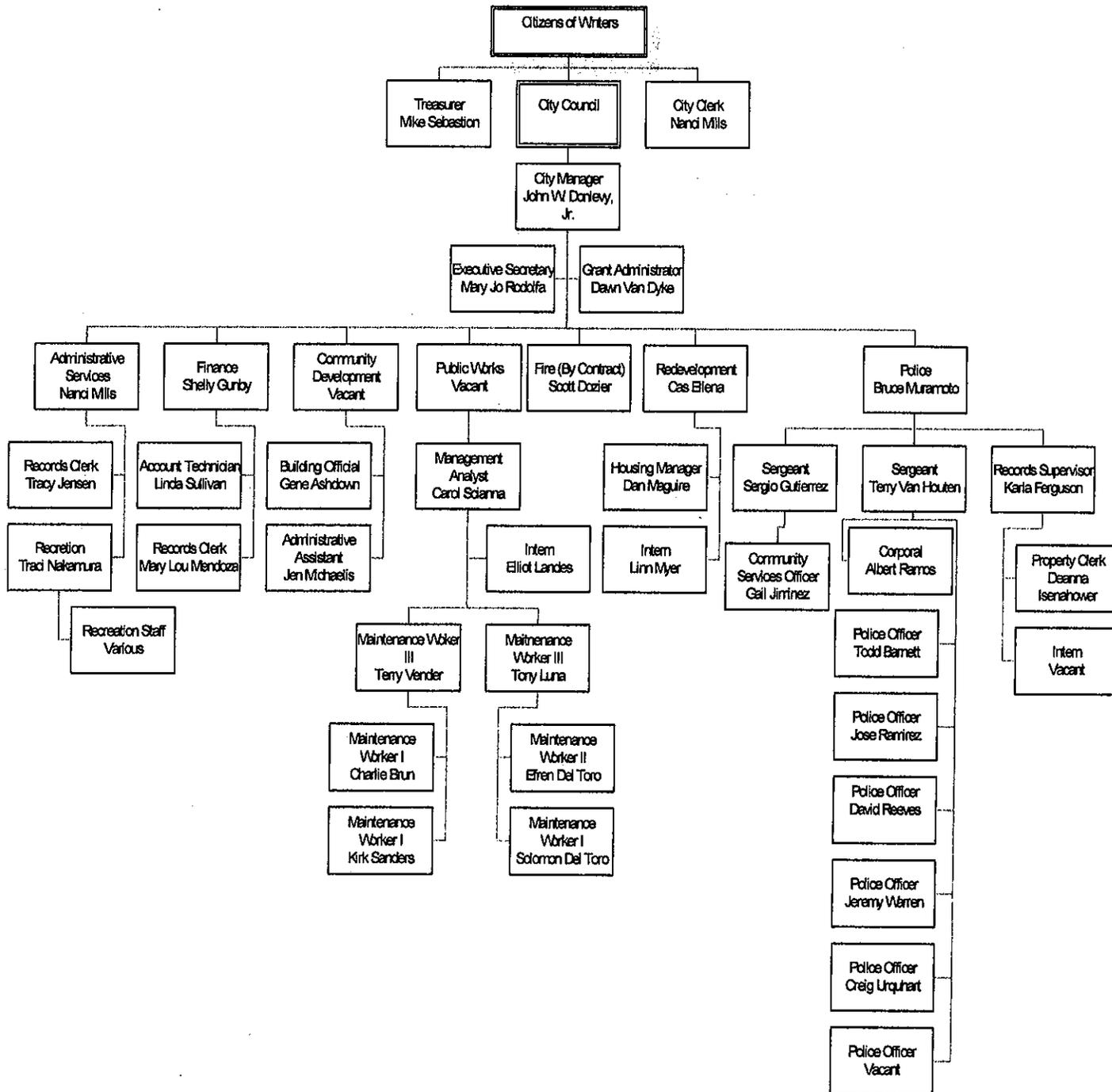


John W. Donlevy, Jr.  
City Manger



Shelly A. Gunby  
Director of Financial Management

## Organizational Chart June 30, 2008





## **List of Elected and Appointed Officials June 30, 2008**

### **Elected Officials**

Mayor  
Mayor Pro Tem  
Council Member  
Council Member  
Council Member

Mike Martin  
Woody Fridae  
Cecilia Aguiar-Curry  
Harold Anderson  
Tom Stone

### **Appointed Officials**

City Manager  
Police Chief  
Director of Administrative Services  
Director of Public Works  
Director of Financial Management  
Director of Community Development  
Housing Manager  
Economic & Redevelopment Manager

John W. Donlevy Jr.  
Bruce Muramoto  
Nanci G. Mills  
Vacant  
Shelly A. Gunby  
Vacant  
Dan Maguire  
Cas Ellena

# 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, 2007

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



President

Executive Director

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## FINANCIAL SECTION





MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

**PARTNERS**

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

9107 WILSHIRE BLVD., SUITE 400  
BEVERLY HILLS, CA 90210  
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FAX: 310.273.1689  
www.mlhcpas.com

**Independent Auditor's Report**

The Honorable 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, California (City) as of and for the fiscal year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winters, California, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable thereof, and the respective budgetary comparison for the General Fund and the Housing Set-Aside Special Revenue Fund 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 basic financial statements effective July 1, 2007, the City adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* and GASB Statement No. 50, *Pension Disclosures – An Amendment of GASB Statements No. 25 and No. 27*.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 22, 2008, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 15 through 30 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund financial statements, major capital project funds budgetary comparison schedules, nonmajor fund budgetary comparison schedules, combining agency funds statements of net assets and changes in net assets, and the statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining nonmajor fund financial statements, major capital project funds budgetary comparison schedules, nonmajor fund budgetary comparison schedules, and combining agency funds statement of net assets and changes in net assets, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken 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  
Beverly Hills, California  
December 22, 2008

## **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, 2008. 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 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 \$26,187,883 (net assets). Of this amount, \$1,995,792 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Winters governmental funds reported combined ending fund balances of \$27,179,919 a decrease of \$50,479 in comparison with the prior year. Approximately 77%, or \$20,806,612 is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$3,150,028 or, 92% of total general fund annual expenditures.

### **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 comprise 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 (governmental fund financial statements), 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.

*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 Fund 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 \$26,187,883 at the close of the most recent fiscal year.

36.54% 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 is reported net of related debt, it

should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be 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 (55.84%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$1,995,792 or 7.62%) 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.

	City of Winters Net Assets					
	Governmental Activities		Business Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and Other Assets	\$ 33,468,774	\$ 33,364,545	\$ 9,074,291	\$ 1,408,539	\$ 42,543,065	\$ 34,773,084
Capital Assets	9,387,440	8,267,739	2,167,356	2,025,841	11,554,796	10,293,580
Total Assets	42,856,214	41,632,284	11,241,647	3,434,380	54,097,861	45,066,664
Long-term Liabilities Outstanding	17,974,527	18,538,815	8,340,697	31,679	26,315,224	18,570,494
Other Liabilities	1,376,712	821,523	218,042	269,760	1,594,754	1,091,283
Total Liabilities	19,351,239	19,360,338	8,558,739	301,439	27,909,978	19,661,777
Net Assets:						
Invested in Capital Assets Net of related Debt	8,809,005	1,211,842	759,408	2,025,843	9,568,413	3,237,685
Restricted	8,109,849	15,081,787	6,513,829		14,623,678	15,081,787
Unrestricted	6,586,121	5,978,317	(4,590,329)	1,107,100	1,995,792	7,085,417
Total Net Assets	\$ 23,504,975	\$ 22,271,946	\$ 2,682,908	\$ 3,132,943	\$ 26,187,883	\$ 25,404,889

There was a decrease of \$6,971,938 in restricted net assets reported in connection with the City of Winters' Governmental Activities. This decrease is due the completion of capital projects throughout the year, which is reflected by the increase in Capital Assets net of related debt of \$6,330,728. Restricted net assets also includes those amounts restricted for debt service, due to the 2007 Tax Allocation bonds issued in May 2007, this amount decreased in total by \$458,109.

The net assets of the City of Winters increased by \$782,994 during the fiscal year. The increase in net assets is due to the investment in capital assets throughout the year. The City invested in equipment and vehicles, purchased a parcel of land for future city use, and rehabilitated 2 streets. Other activities affecting the net assets of the City of Winters include the issuance of Water Revenue Bonds and Sewer Revenue Bonds in September 2007. The effect of the revenue bonds is reflected in the increase in the Long Term Liabilities outstanding in the Business-Type Activities (from \$31,679 in fiscal year 2007 to \$8,340,697 in fiscal year 2008).

## Governmental Activities

Governmental activities increased the City of Winters net assets by \$1,233,029, this increase in net assets include the completion of the traffic signal at the off ramp for Interstate 505 and the rehabilitation of both Jackson and McArthur streets.

The Cost of all governmental activities during fiscal year 2008 was \$6,701,281. Some of the cost of governmental activities was paid by those who directly benefited from the programs in the amount of \$355,581 or by other governmental agencies and organizations that subsidized certain programs with grants and contributions in the amount of \$1,901,229 Overall, the city generated program revenues of \$2,256,810. The balance of the cost of governmental activities of \$4,444,471 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 year ended June 30, 2008 and June 30, 2007:

City of Winters Changes in Net Assets

	Governmental Activities		Business Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues						
Charges for Services	\$ 355,581	\$ 1,347,434	\$ 1,927,326	\$ 1,533,019	\$ 2,282,907	\$ 2,880,453
Operating Grants and Contributions	732,097	3,254,278			732,097	3,254,278
Capital Contributions and Grants	1,169,132	1,717,055			1,169,132	1,717,055
General Revenues						
Property Taxes	2,996,227	3,291,501		23,451	2,996,227	3,314,952
Other Taxes	1,283,784	1,302,130			1,283,784	1,302,130
Other	1,298,605	1,073,293	120,367	22,630	1,418,972	1,095,923
Total Revenues	7,835,426	11,985,691	2,047,693	1,579,100	9,883,119	13,564,791
Expenses:						
General Government	1,318,150	1,270,036			1,318,150	1,270,036
Public Works	215,673	266,764			215,673	266,764
Public Safety	2,376,129	2,264,099			2,376,129	2,264,099
Cultural and Recreation	407,454	253,530			407,454	253,530
Community Development	717,669	1,783,897			717,669	1,783,897
Parks	632,736	459,383			632,736	459,383
Streets and Highways	368,273	101,448			368,273	101,448
Interest on Long Term Debt	665,197	456,876			665,197	456,876
Water			1,016,474	651,194	1,016,474	651,194
Sewer			1,382,370	1,105,717	1,382,370	1,105,717
Total Expenses	6,701,281	6,856,033	2,398,844	1,756,911	9,100,125	8,612,944
Increase in Net Assets before Transfers	1,134,145	5,129,658	(351,151)	(177,811)	782,994	4,951,847
Transfers	98,884	50,128	(98,884)	(50,128)		
Increase in Net Assets	1,233,029	5,179,786	(450,035)	(227,939)	782,994	4,951,847
Net Assets 7/1/07	22,271,946	17,092,160	3,132,943	3,360,882	25,404,889	20,453,042
Net Assets 6/30/08	\$ 23,504,975	\$ 22,271,946	\$ 2,682,908	\$ 3,132,943	\$ 26,187,883	\$ 25,404,889

Property taxes decreased by \$295,274 or 9.0%. The major reasons for the decrease in property taxes are two fold. First, the county made an error on the apportionment of redevelopment property tax increment for fiscal year 2006-2007 that was not reported to the City until January 2008. The county over allocated the redevelopment tax in fiscal year 2006-2007 and reduced the current year amount to compensate. The second reason for the decrease is due to reduced sales taxes, the city currently gets a portion of the sales tax as "property tax in lieu of sales tax". With a reduction in sales taxes, the property tax in lieu of sales tax also reduces. The economy affects the City of Winters sales tax base more rapidly than that of the larger surrounding cities due to our small size.

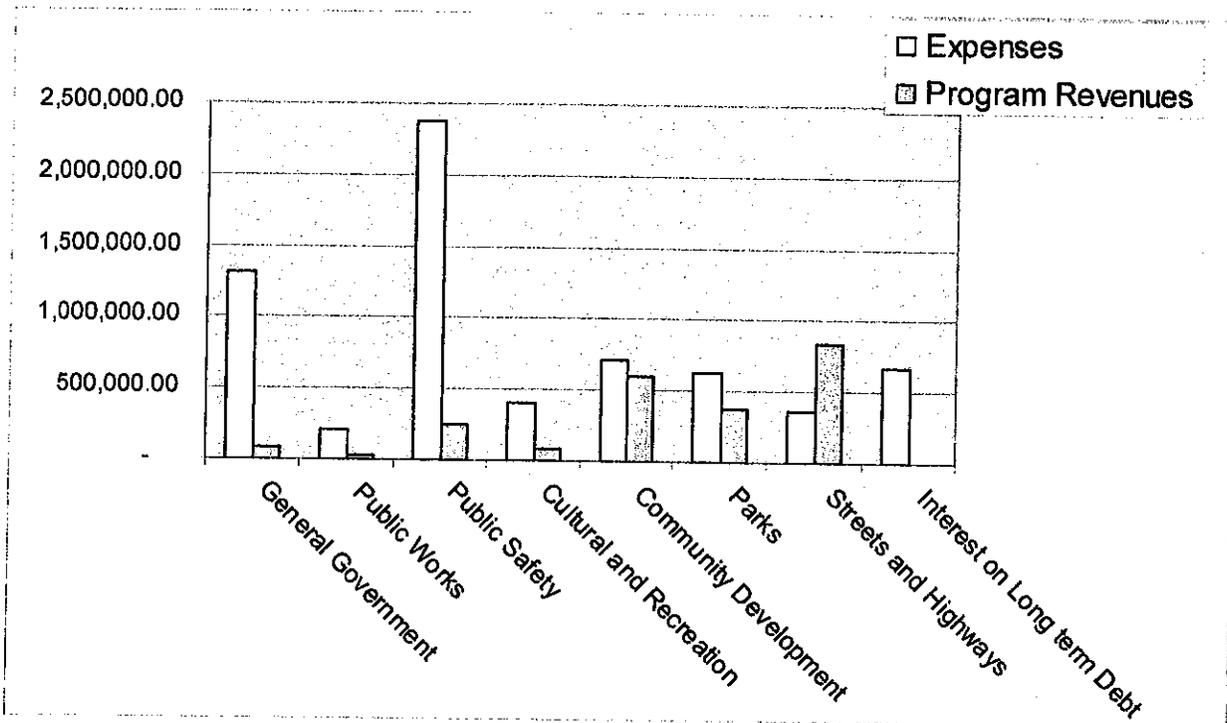
Operating Grants and Contributions have decreased by \$2,522,181 in fiscal year 2007-2008 compared to fiscal year 2006-2007. This is due the one time nature of grants such as the Workforce Housing Grant, the STBG1414 Grant, and the HOME Grant. The HOME Grant in the amount of \$50,000 was the final balance of a grant to provide gap funding for the construction of income restricted apartments. Until fiscal year 2006-2007 the only grants that were consistently funded for multiple years is funding for Police staffing provided by the State of California at a consistent \$100,000,(14% of total grant funding received.) however, in 2006-2007 the City of Winters received funding for After School programs at 2 elementary schools, and these are multiple year grants. In fiscal year 2007-2008 the City also received an After School grant for our middle school, bringing the total operating grant for the After School program to \$347,215, or 48% of the total operating grants for they year. Other one time grants include the Workforce Housing Grant of \$76, 980 (11% of the total grant funding received.) The continued funding of the Police staffing grants depend on the financial status of the State of California and could be discontinued at any time. The balance of grants received were one time operating grants of small amounts.

Capital Contributions and Grants have decreased from fiscal year 2006-2007 amounts by \$547,923. This again, is due to the one time nature of grants. The City received a grant to rehabilitate two streets, Jackson and McArthur in the amount of \$458,376 and also received Prop 1B funding from the State of California in the amount of \$400,000 for additional street rehabilitation. The City also received funding from the Transportation Development Act fund in the amount of \$305,190. The balance of the funding received was various small grants received throughout the fiscal year to add equipment to various parks throughout the city.

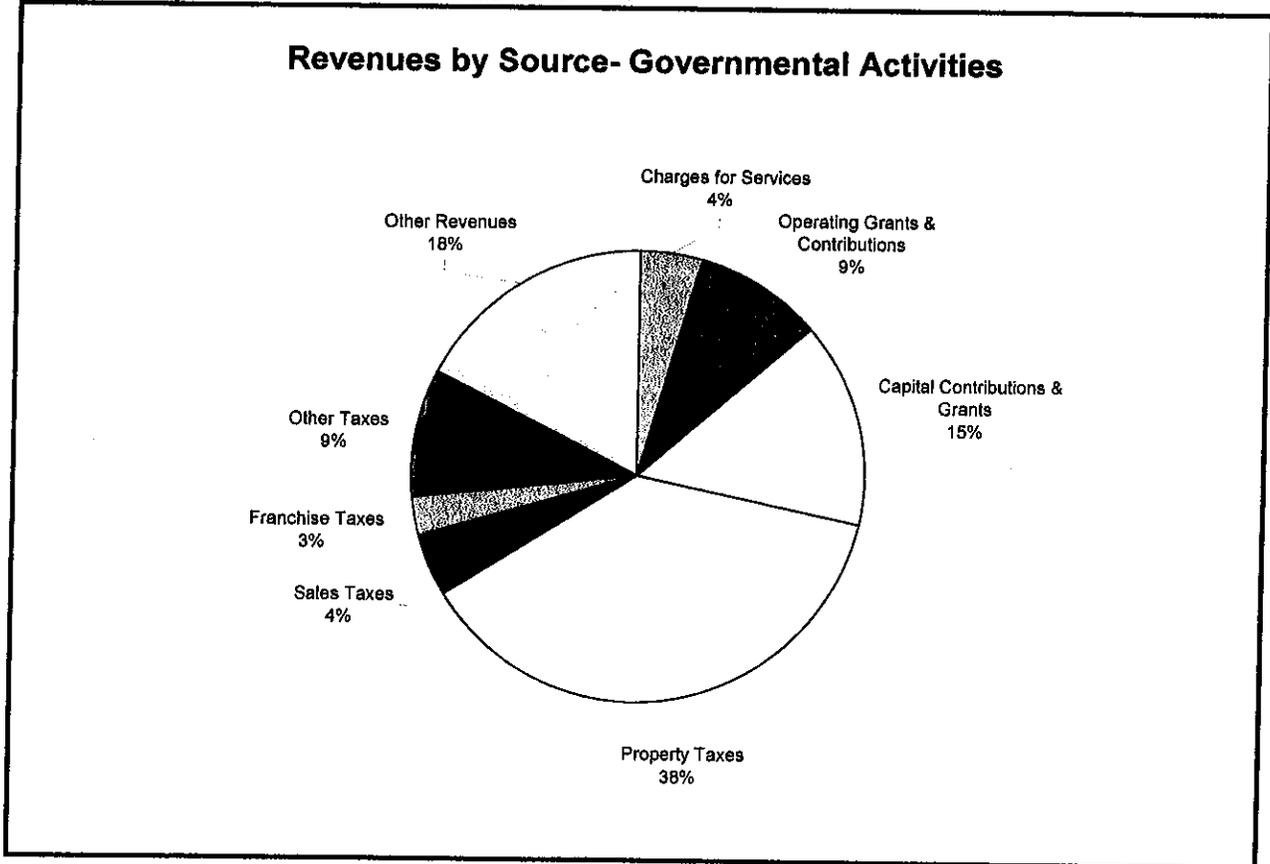
Charges for Services have decreased from the 2006-2007 fiscal year by \$991,853. In fiscal year 2006-2007 a major 35 unit apartment complex had a building permit issued that accounted for most of the charges for services. Building activity within the City during the fiscal year 2007-2008 was nonexistent, therefore, building permit fees, one of the major general fund service charges, were not collected.

Other revenues increased by \$225,312 from fiscal year 2006-2007. The increase in interest revenue from investment of City funds during the fiscal year was \$310,803. Other revenues sources had minor decreases from fiscal year 2006-2007.

## Expenses and Program Revenues-Governmental Activities



## Revenues by Source-Governmental Activities



Governmental activity expenses decreased by \$154,752 from those of fiscal year 2006-2007 for the following reasons:

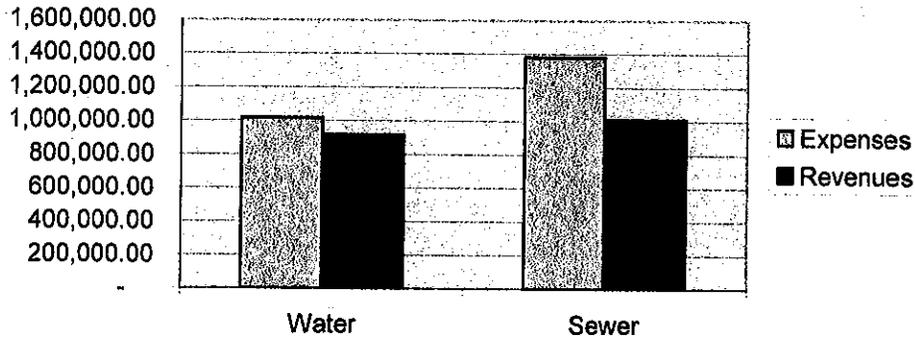
- Decrease in Community Development Expenditures of \$1,066,228 due to the completion of the major portion of a 34 unit income restricted apartment complex. The financing of the unit was complete except for \$50,000 in 2006-2007 and no project of similar size was undertaken in 2007-2008.
- Increase in Public Safety of \$112,030 due to wage and benefit increases agreed to in the memorandum of understanding (MOU) with both Police and Fire.
- Increase in General Government of \$48,114 due to wage and benefit increases agreed to in MOU's.
- Decrease in Public Works expenditures of \$51,091 due to vacancies in the department during the year, most notably, due to the vacancy of the Public Works Director position.
- Increase expenditures of \$153,924 in Recreation due to expanded recreation programs, including the use of the new swimming pool on a year round basis. Prior to the new swimming pool, the pool program was a summer program only.
- Increased expenditures of \$173,353 in Park expenditures. The City completed the renovation of Rotary Park in the heart of our downtown area.
- Increased expenditures in Streets and Highways of \$266,825 due to the rehabilitation of 2 streets and the installation of a traffic signal at the off ramp of Interstate 505.
- Increase in Interest on Long Term Debt due to Debt Service on the 2007 Tax Allocation Bonds in the amount of \$208,321.

#### **Business - Type Activities**

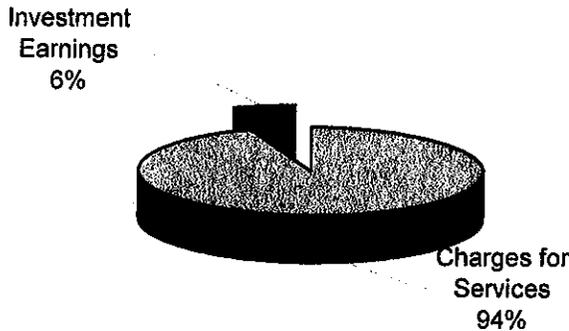
Business-type activities decreased the City of Winters net assets by \$450,035. Key elements of the decrease in the net assets are as follows:

- The Water O & M fund decreased net assets by \$104,040 for the fiscal year. Fee increases effective July 1, 2007 have provided revenues to offset increases in expenses in Administration (due to contract City Engineer because of vacant Public Works Director position) and a new interest expense for debt service on the 2007 Water Revenue Bonds issued September 10, 2007. These bonds will allow the City to implement capital projects to increase and rehabilitate the infrastructure of the water system in coming years.
- The Sewer O & M Fund decreased net assets of the City of Winters by \$345,995. Rates were increased July 1, 2007 for the Sewer O & M Fund. This allowed the City to issue Sewer Revenue Bonds September 10, 2007. Operating expenditures increased \$133,397 over 2006-2007. The increases were small increases in all areas of the operation with no one area increasing significantly more than another during the year. Interest expense increased \$143,000 over 2006-2007 due to debt service payments on the 2007 Sewer Revenue Bonds. These bonds will allow the City to implement capital projects to increase and rehabilitate the infrastructure of the sewer system in the coming years.

### Expenses and Program Revenues-Business Type Activities



### Revenues by Source Business-type Activities



#### 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Winters governmental funds reported combined ending fund balances of \$27,179,919, a decrease of \$50,479 in comparison with the prior year. Approximately 77%, or \$20,806,612 is available for spending at the government's discretion (unreserved 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:

- Advance to other funds-\$125,000
- Capital equipment -\$376,253
- Low and Moderate Income Housing-\$3,542,845
- Debt Service-\$1,900,120
- To liquidate contracts and purchase orders of the prior period-\$429,089

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.

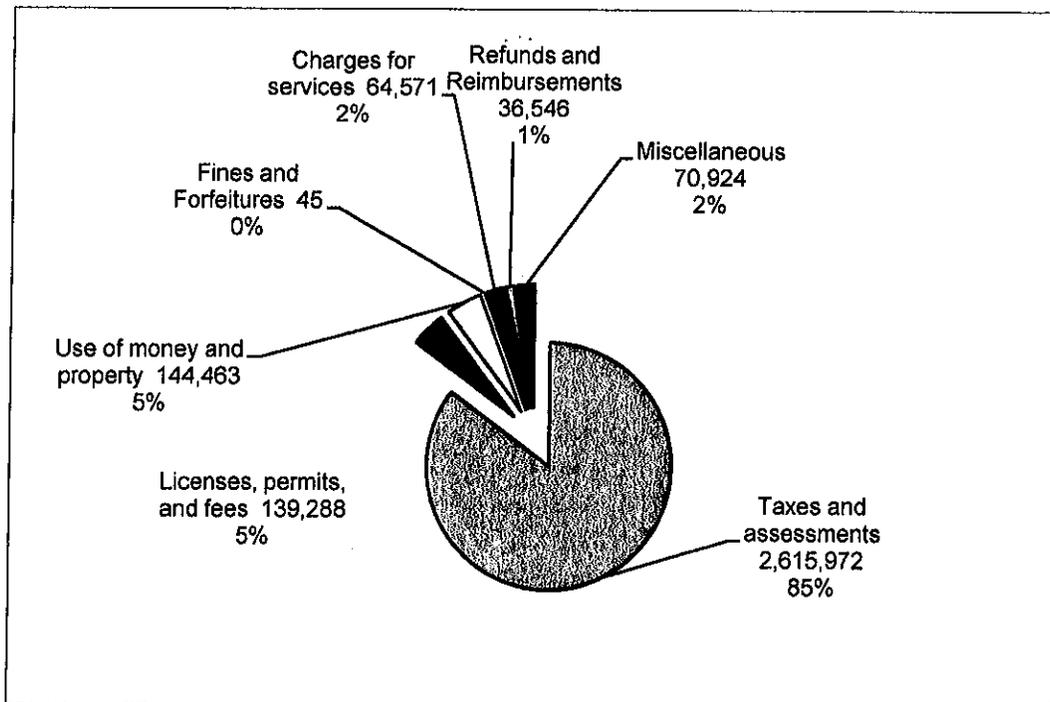
The General fund ended the fiscal year with a fund balance of \$3,526,431, which is a decrease of \$281,283 as compared to the prior fiscal year. The fund balance is composed of two balances, designated for specific purposes by the City Council in the amount of \$376,403 and unreserved, undesignated fund balance available for future operations in the amount of \$3,150,028. The fund balance of the general fund is 103.3% of fiscal year 2007-2008 expenditures, which is well above the 25% of expenditures required by the City Council approved fiscal policies.

General fund revenues for the fiscal year ended June 30, 2008 were \$3,071,809 comprised of the following:

**General Fund Revenues**

Taxes and assessments	\$ 2,615,972
Licenses, permits, and fees	139,288
Use of money and property	144,463
Fines and Forfeitures	45
Charges for services	64,571
Refunds and Reimbursements	36,546
Miscellaneous	70,924
	<u>\$ 3,071,809</u>

**General Fund Revenues by Source**

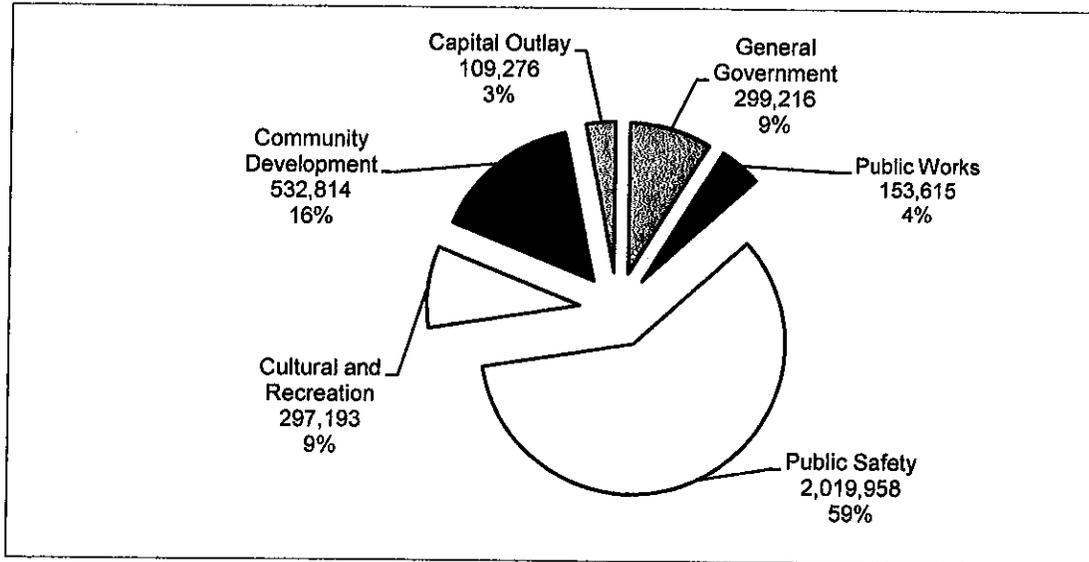


General Fund expenditures were \$3,412,072 for the fiscal year ended June 30, 2008 comprised of the following:

**General Fund Expenditures**

General Government	\$ 299,216
Public Works	153,615
Public Safety	2,019,958
Cultural and Recreation	297,193
Community Development	532,814
Capital Outlay	109,276
	\$ 3,412,072

**General Fund Expenditures by Activity**



**Other Major Funds**

*Community Development Capital Projects Fund:*

The Community Development Agency issued tax allocation bonds on May 31, 2007, of which \$8,850,618 was transferred to the Capital Projects Fund from the Debt Service Fund. Total expenditures for the year were \$1,507,839 compared to \$2,146,027 in fiscal year 2006-2007, a change of \$638,188. Many projects were completed in fiscal year 2006-2007 and new projects are in the design phase and expected to be completed in fiscal year 2008-2009. 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.

*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 tax increment received by this fund was \$370,668. Total expenditures were \$509,866 compared to \$1,664,814 in fiscal year 2006-2007. The City participated in financing for the 34 unit income restricted apartment complex in fiscal year 2006-2007 and has begun working on additional Housing projects for which expenditures are expected in fiscal year 2008-2009 through fiscal year 2009-2010. Current year expenditures are for staffing, community outreach, and for debt service on the tax allocation bonds issued in March 2004 and May 2007.

### *HOME-CHOC Special Revenue Fund:*

Revenues in the fund were from a HOME grant. Revenues for fiscal year 2007-2008 decreased dramatically from fiscal year 2006-2007 due to the City receiving almost all of the grant funds in fiscal year 2006-2007. Expenditures for fiscal year 2007-2008 were only \$7,000 as compared to \$2,843,180 for fiscal year 2006-2007. The decrease is due to the project being completed in fiscal year 2006-2007.

### *Community Development Agency Debt Service Fund:*

Revenues in the fund are from tax increment and investment earnings. Revenues for 2007-2008 are \$1,535,248 compared to \$1,703,884 for 2006-2007. This is due to an allocation error from Yolo County in 2006-2007 in which they allocated extra funds to the Redevelopment Agency, the Agency was notified of the error in January 2008. These over allocations were deducted from the 2007-2008 tax increment payments, causing a decrease in collections in the current year. Expenditures in this fund are for debt service on the non-housing tax allocation bonds issued in March 2004 and May 2007. Expenditures for 2007-2008 are \$662,386 compared to \$935,023 in 2006-2007. The decrease in expenditures is due to the bond issue costs in 2007 for the 2007 Tax Allocation Bonds.

### **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 year amounted to \$(103,307) and \$789,692 respectively. The Water fund had a decrease in net assets during the fiscal year; and, the Sewer fund had a decrease in net assets for 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 USGAAP, 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.

Unexpended appropriations lapse at 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 approved increased expenditures over the original budget in the areas of Public Safety, Community Development, and Capital Outlay during the fiscal year. Public Safety, Community Development and Capital Outlay had approved increase in expenditures for outstanding purchase orders as of June 30, 2007.

Actual Revenues were lower than budget amounts in total, however the sources of revenue is as follows:

- ❖ Taxes and Assessments
  - Revenues received were higher than budgeted by \$47,312 due to increases in assessed values on real property as of January 1, 2008. The City budgeted conservatively for the assessed value increase, and the actual assessed value on which property tax and property tax in lieu of VLF was significantly higher than the amount budgeted for.
- ❖ Licenses and Permits
  - License and Permit fee revenue received was less than the amount budgeted by \$341,373, due to the lack of new construction building permits. No new construction was undertaken in 2007-2008 so building permits were for minor repairs and remodels only.
- ❖ Use of Money and property
  - Interest rates on the Local Agency Investment Fund (LAIF) decreased during the 2007-2008 fiscal year. The City invests funds not immediately needed to pay operating expenses in LAIF. Actual receipts were \$50,812 lower than budgeted.
- ❖ Charges for Services
  - Recreation services fees had revenues higher than budgeted in the 2007-2008 fiscal year, including, Miscellaneous Recreation Fees, Basketball Program, Swim Program, and the Community Center Rental.
- ❖ Refunds and Reimbursements
  - Developer reimbursement for costs related to processing their individual applications was higher than budgeted in 2007-2008

Expenditures were lower than budgeted throughout the organization in 2007-2008. An explanation for lower expenditures follows:

- ❖ General Government
  - The addition of a full time Administrative Secretary to the City Manager and conversion of the part-time Record Clerk in the Finance Department midway through the fiscal year caused expenditures to be higher than budgeted.
- ❖ Police Department
  - Salaries and benefits were less than budgeted due to vacancies in the department throughout the year.
  - Conservative spending by staff resulted in lower expenditures than budgeted.
- ❖ Community Development
  - Salaries and benefits were budgeted at a higher rate than the amount negotiated after the budget was approved.
  - The Community Development Director resigned in February, and the position was not filled until August 2008, which resulted in some savings for this department.
  - Conservative spending by staff resulted in lower expenditures than budgeted.

- ❖ **Public Works**
  - Salaries and benefits were less than budgeted due to vacancies in the department throughout the year.
  - Engineering Consultant services were not required at the budgeted levels; therefore expenditures were less than the budgeted amount.
  - Conservative spending by staff resulted in lower expenditures than budgeted.
- ❖ **Cultural and Recreation**
  - Increased pool operation at the newly constructed public swimming pool caused expenditures to be higher than budgeted for the year.

## 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, 2007, amounts to \$11,554,796 (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.

#### City of Winters Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 1,005,145	\$ 785,185	\$ 682,979	\$ 682,979	\$ 1,688,124	\$ 1,468,164
Buildings	2,713,293	2,747,428			2,713,293	2,747,428
Vehicles & Equipment	423,622	430,718			423,622	430,718
Infrastructure	4,734,475	3,944,201	720,649	405,542	5,455,124	4,349,743
Machinery & Equipment			159,025	191,448	159,025	191,448
Sewer Plant & Pipes			604,703	623,798	604,703	623,798
Construction in Progress	510,905	360,207		122,076	510,905	482,283
<b>Total</b>	<b>\$ 9,387,440</b>	<b>\$ 8,267,739</b>	<b>\$ 2,167,356</b>	<b>\$ 2,025,843</b>	<b>\$ 11,554,796</b>	<b>\$ 10,293,582</b>

Capital asset additions during fiscal year 2007-2008 include the following:

- Abbey Street Property
- 2007 F550 Crane Truck
- 1 Police Car
- Rehab of Jackson and McArthur Streets
- Installation of Traffic Signal at I-505

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

### Long-term Debt

At June 30, 2008, the City of Winters had \$26,637,471 in tax allocation bonds, water revenue bonds, sewer revenue bonds and compensated absences, compared to \$18,570,494 on June 30, 2007.

The following table provides a breakdown of the City's outstanding indebtedness as of June 30, 2008:

**City of Winters Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
2004 Tax Allocation Bonds	\$ 6,590,000	\$ 6,870,000	\$ -	\$ -	\$ 6,590,000	\$ 6,870,000
2007 Tax Allocation Bonds	11,470,000	11,470,000			11,470,000	11,470,000
Compensated Absences	232,808	198,815	39,663	31,679	272,471	230,494
2007 Water Revenue Bonds			3,810,000		3,810,000	
2007 Sewer Revenue Bonds			4,495,000		4,495,000	
	<u>\$ 18,292,808</u>	<u>\$ 18,538,815</u>	<u>\$ 8,344,663</u>	<u>\$ 31,679</u>	<u>\$ 26,637,471</u>	<u>\$ 18,570,494</u>

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 8b of this report.

**Economic Factors and Next Years Budgets and Rates**

- Slow growth rate (both residential and commercial).
- Passage of Proposition 1A protected most revenue sources that could be taken away by the State of California
- Implementation of 3%@55 safety retirement plan.
- Implementation of Water and Sewer capital projects
- Employee Retention programs
- Recession at Federal, State and Local levels

All of the above factors were considered in the preparation of the City of Winters 2008-2009 budget. In prior years, when the retirement system was experiencing favorable growth in revenues, employer rates were reduced. This reduction in employer retirement rates was included in the unreserved, but designated fund balance of the general fund in the amount of \$64,141 for the increase in PERS rates with the implementation of the 3% @55 retirement plan. The balance designated for this increase as of June 30, 2007 was \$214,599. The implementation of the 3%@55 safety retirement plan did cause significant increases in the employer rate for 2007-2008 and \$160,000 of the designated balance was budgeted for the increase in rates, which was used in 2007-2008 per the budget. For 2008-2009 the designated fund balance will be used to offset \$64,141 of the projected increase in employer cost for the retirement system.

The water and sewer fund rates were increased in the 2007-2008 budget. The water rates were increased 33% and the sewer rates were increased 25%. The rate increases are necessary to continue to maintain an aging infrastructure. The water system is of particular concern, the rates charged to customers in the past failed to provide the revenues necessary to maintain an aging system. In 2005-2006 a water rate study was undertaken to provide the City of Winters with the information necessary to make informed decisions on the proper rates needed to provide revenues in sufficient amounts to adequately maintain the water system. The rates that were

recommended by the study were implemented in January 2006; with an additional increase to take effect July 1, 2007 and the budgeted revenues are based on those rates. An additional rate study will be performed in 2008-2009 to determine the proper rates for the next 3-5 years for both the water and sewer fund.

### **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.

**CITY OF WINTERS**  
**STATEMENT OF NET ASSETS**  
June 30, 2008

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 12,986,725	\$ 364,359	\$ 13,351,084
Restricted cash and investments with fiscal agents	14,783,534	7,870,919	22,654,453
Accounts receivable	436,288	35,557	471,845
Interest receivable	204,381	3,676	208,057
Notes receivable	4,538,149		4,538,149
Due from agency fund	2,411		2,411
Internal balances	(416,557)	416,557	
Deferred charges, net of accumulated amortization	933,843	383,223	1,317,066
Capital assets not being depreciated	1,516,050	682,979	2,199,029
Capital assets, net of accumulated depreciation	7,871,390	1,484,377	9,355,767
<b>Total assets</b>	<b>42,856,214</b>	<b>11,241,647</b>	<b>54,097,861</b>
<b>LIABILITIES</b>			
Accounts payable	543,623	64,137	607,760
Accrued expenses	107,026		107,026
Accrued interest payable	259,621	119,975	379,596
Deposits payable	148,161	29,964	178,125
Noncurrent liabilities:			
Due within one year	318,281	3,966	322,247
Due in more than one year	17,974,527	8,340,697	26,315,224
<b>Total liabilities</b>	<b>19,351,239</b>	<b>8,558,739</b>	<b>27,909,978</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	8,809,005	759,408	9,568,413
Restricted for:			
Capital projects	5,344,530		5,344,530
Debt service	1,640,499	6,513,829	8,154,328
Housing	1,124,820		1,124,820
Unrestricted	6,586,121	(4,590,329)	1,995,792
<b>Total net assets</b>	<b>\$ 23,504,975</b>	<b>\$ 2,682,908</b>	<b>\$ 26,187,883</b>

See Notes to Basic Financial Statements

**CITY OF WINTERS**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Governmental Activities:</b>				
General government	\$ 1,318,150	\$ 80,698	\$ 2,664	\$ -
Public works	215,673	23,391		
Public safety	2,376,129	66,761	181,318	566
Cultural and recreation	407,454	77,751		
Community development	717,669	90,214	50,000	463,376
Parks	632,736	16,766	367,070	
Streets and highways	368,273		131,045	705,190
Interest on long-term debt	665,197			
<b>Total governmental activities</b>	<b>6,701,281</b>	<b>355,581</b>	<b>732,097</b>	<b>1,169,132</b>
<b>Business-type Activities:</b>				
Water	1,016,474	916,242		
Sewer	1,382,370	1,011,084		
<b>Total business-type activities</b>	<b>2,398,844</b>	<b>1,927,326</b>		
<b>Total primary government</b>	<b>\$ 9,100,125</b>	<b>\$ 2,282,907</b>	<b>\$ 732,097</b>	<b>\$ 1,169,132</b>

**General Revenues:**

Taxes:

Property taxes

Sales taxes

Franchise taxes

Other taxes

Motor vehicle in lieu, unrestricted

Use of money and property

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets at beginning of fiscal year

Net assets at end of fiscal year

See Notes to Basic Financial Statements

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,234,788)	\$ -	\$ (1,234,788)
(192,282)		(192,282)
(2,127,484)		(2,127,484)
(329,703)		(329,703)
(114,079)		(114,079)
(248,900)		(248,900)
467,962		467,962
(665,197)		(665,197)
<u>(4,444,471)</u>		<u>(4,444,471)</u>
	(100,232)	(100,232)
	<u>(371,286)</u>	<u>(371,286)</u>
	(471,518)	(471,518)
<u>(4,444,471)</u>	<u>(471,518)</u>	<u>(4,915,989)</u>
2,996,227		2,996,227
344,136		344,136
218,521		218,521
721,127		721,127
29,750		29,750
1,200,495	120,367	1,320,862
68,360		68,360
98,884	(98,884)	
<u>5,677,500</u>	<u>21,483</u>	<u>5,698,983</u>
1,233,029	(450,035)	782,994
<u>22,271,946</u>	<u>3,132,943</u>	<u>25,404,889</u>
<u>\$ 23,504,975</u>	<u>\$ 2,682,908</u>	<u>\$ 26,187,883</u>

CITY OF WINTERS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2008

	General Fund	Community Development Capital Projects Fund	Housing Set - Aside Special Revenue Fund	HOME-CHOC Special Revenue Fund
<b>ASSETS</b>				
Cash and investments	\$ 3,049,427	\$ 1,847,068	\$ 765,235	\$ -
Restricted cash and investments with fiscal agents		11,006,032	2,770,845	
Accounts receivable	240,240	85,110	21,277	
Interest receivable	20,152	105,513	25,764	
Notes receivable	23,594		352,820	2,843,180
Due from agency fund	2,411			
Due from other funds	670,140			
Advances to other funds				
<b>Total assets</b>	<b>\$ 4,005,964</b>	<b>\$ 13,043,723</b>	<b>\$ 3,935,941</b>	<b>\$ 2,843,180</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 193,801	\$ 163,558	\$ 40,276	\$ -
Accrued expenditures	107,026			
Deposits payable	138,572			
Due to other funds				
Deferred revenue	40,134		352,820	2,843,180
Advances from other funds				
<b>Total liabilities</b>	<b>479,533</b>	<b>163,558</b>	<b>393,096</b>	<b>2,843,180</b>
<b>Fund balances:</b>				
<b>Reserved:</b>				
Advances to other funds				
Capital equipment	376,253			
Low and moderate income housing			3,542,845	
Debt service				
Encumbrances	150	142,409		
<b>Unreserved reported in:</b>				
General fund	3,150,028			
Special revenue funds				
Capital projects funds		12,737,756		
<b>Total fund balances</b>	<b>3,526,431</b>	<b>12,880,165</b>	<b>3,542,845</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 4,005,964</b>	<b>\$ 13,043,723</b>	<b>\$ 3,935,941</b>	<b>\$ 2,843,180</b>

See Notes to Basic Financial Statements

Community Development Debt Service Fund	General Plan 1992 Capital Projects Fund	Sewer Impact Fees Capital Projects Fund	Other Governmental Funds	Totals
\$ 831,915	\$ -	\$ 220,055	\$ 6,255,565	\$ 12,969,265
1,006,657				14,783,534
7,687		1,708	85,610	432,237
	4,990		43,557	204,381
			1,313,565	4,538,149
				2,411
			29,070	699,210
			125,000	125,000
<u>\$ 1,846,259</u>	<u>\$ 4,990</u>	<u>\$ 221,763</u>	<u>\$ 7,852,367</u>	<u>\$ 33,754,187</u>
\$ -	\$ -	\$ -	\$ 125,990	\$ 523,625
				107,026
	576,411	416,557	9,589	148,161
	4,990		122,799	1,115,767
			1,313,565	4,554,689
			125,000	125,000
	<u>581,401</u>	<u>416,557</u>	<u>1,696,943</u>	<u>6,574,268</u>
			125,000	125,000
				376,253
1,846,259				3,542,845
			53,861	1,900,120
			286,530	429,089
				3,150,028
			1,876,261	1,876,261
	(576,411)	(194,794)	3,813,772	15,780,323
<u>1,846,259</u>	<u>(576,411)</u>	<u>(194,794)</u>	<u>6,155,424</u>	<u>27,179,919</u>
<u>\$ 1,846,259</u>	<u>\$ 4,990</u>	<u>\$ 221,763</u>	<u>\$ 7,852,367</u>	<u>\$ 33,754,187</u>

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**CITY OF WINTERS**  
**GOVERNMENTAL FUNDS**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**June 30, 2008**

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Fund balances of governmental funds	\$ 27,179,919
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets net of accumulated depreciation have not been included as financial resources in governmental funds.	9,387,440
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.	4,554,689
Long-term debt and compensated absences have not been included in the governmental funds.	
Long-term debt	(18,060,000)
Compensated absences	(232,808)
Deferred charges, net of accumulated amortization of \$45,142 for debt issuance costs and discounts on long-term debt, have not been reported in the governmental funds.	933,843
Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.	(259,621)
Internal service funds are used by management to charge the costs of certain activities, such as equipment replacement, to individual funds. The assets and liabilities of the internal service fund must be added to the statement of net assets.	<u>1,513</u>
Net assets of governmental activities	<u>\$ 23,504,975</u>

See Notes to Basic Financial Statements

**CITY OF WINTERS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2008**

	General Fund	Community Development Capital Projects Fund	Housing Set- Aside Special Revenue Fund	HOME-CHOC Special Revenue Fund
<b>REVENUES</b>				
Taxes and assessments	\$ 2,615,972	\$ -	\$ 370,668	\$ -
Licenses, permits, and fees	139,288			
Fines and forfeitures	45			
Program income			2,000	
Use of money and property	144,463	563,755	140,578	
Intergovernmental revenues				50,000
Charges for services	64,571			
Refunds and reimbursements	36,546			
Miscellaneous	70,924			
<b>Total revenues</b>	<b>3,071,809</b>	<b>563,755</b>	<b>513,246</b>	<b>50,000</b>
<b>EXPENDITURES</b>				
Current:				
General government	299,216	474,446	232,468	
Public works	153,615			
Public safety	2,019,958			
Cultural and recreation	297,193			
Community development	532,814	152,859	25,408	7,000
Parks				
Streets and highways				
Pass-through agreements		363,024		
Capital outlay	109,276	517,510		
Debt service:				
Principal			70,000	
Interest			181,990	
<b>Total expenditures</b>	<b>3,412,072</b>	<b>1,507,839</b>	<b>509,866</b>	<b>7,000</b>
Excess of revenues over (under) expenditures	(340,263)	(944,084)	3,380	43,000
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	301,885	131,599	2,763	
Transfers out	(242,905)			(43,000)
<b>Total other financing sources (uses)</b>	<b>58,980</b>	<b>131,599</b>	<b>2,763</b>	<b>(43,000)</b>
<b>Net change in fund balances</b>	<b>(281,283)</b>	<b>(812,485)</b>	<b>6,143</b>	
Fund Balances - July 1, 2007	3,807,714	13,692,650	3,536,702	
Fund Balances - June 30, 2008	<u>\$ 3,526,431</u>	<u>\$ 12,880,165</u>	<u>\$ 3,542,845</u>	<u>\$ -</u>

See Notes to Basic Financial Statements

Community Development Debt Service Fund	General Plan 1992 Capital Projects Fund	Sewer Impact Fees Capital Projects Fund	Other Governmental Funds	Totals
\$ 1,482,671	\$ -	\$ -	\$ 317,979	\$ 4,787,290
		6,883	40,090	186,261
			50,055	50,100
			94,494	96,494
52,577		30,605	268,517	1,200,495
			1,717,520	1,767,520
				64,571
				36,546
	100		18,103	89,127
1,535,248	100	37,488	2,506,758	8,278,404
			60,227	1,066,357
		3,064	26,903	183,582
			274,490	2,294,448
				297,193
			1,131	719,212
			632,736	632,736
			290,665	290,665
				363,024
			1,039,388	1,666,174
210,000				280,000
452,386				634,376
662,386		3,064	2,325,540	8,427,767
872,862	100	34,424	181,218	(149,363)
	3,519		195,528	635,294
(134,362)			(116,143)	(536,410)
(134,362)	3,519		79,385	98,884
738,500	3,619	34,424	260,603	(50,479)
1,107,759	(580,030)	(229,218)	5,894,821	27,230,398
\$ 1,846,259	\$ (576,411)	\$ (194,794)	\$ 6,155,424	\$ 27,179,919

**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, 2008**

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Net change in fund balances - total governmental funds \$ (50,479)

Amounts reported for governmental activities in the statement of activities differ because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period. 1,119,701

Certain notes receivable are reported in the governmental funds as expenditures and then offset by a deferred revenue as they are not available to pay current expenditures. When the note is collected it is reflected in revenue. This amount is the net change between notes receivable collected and issued. (71,912)

Certain accounts receivable that are not considered current available resources are offset by a deferred revenue in the governmental funds. In the statement of activities, however revenues are reported regardless of when financial resources are available. This amount is the change in accounts receivable that was offset by deferred revenue in the governmental funds. 16,540

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Issuance of bond principal is an other financing source and repayment of bond principal is an expenditure in governmental funds, but the issuance increases long-term liabilities and the repayment reduces long-term liabilities in the statement of net assets.

Repayment of bond principal 280,000

Debt issuance costs are expenditures in the governmental funds, but these costs are capitalized on the statement of net assets. This is the amount of amortization of debt issuance costs in the current period. (32,687)

Accrued interest payable is interest due on long-term debt. This is the net change in accrued interest in the current period. 1,866

Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period. (33,993)

Internal service funds are used by management to charge the costs of certain activities, such as equipment replacement, to individual funds. The net revenues (expenses) of the internal service funds is reported under governmental activities. 3,993

Change in net assets of governmental activities \$ 1,233,029

See Notes to Basic Financial Statements

## 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, 2008**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Totals	Internal Service Fund
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ -	\$ 364,359	\$ 364,359	\$ 17,460
Restricted cash and investments with fiscal agents	3,603,766	4,267,153	7,870,919	
Accounts receivable, net	6,670	28,887	35,557	4,051
Interest receivable	572	3,104	3,676	
Due from other funds		434,305	434,305	
<b>Total current assets</b>	<b>3,611,008</b>	<b>5,097,808</b>	<b>8,708,816</b>	<b>21,511</b>
Noncurrent Assets:				
Capital assets not being depreciated	150,000	532,979	682,979	
Capital assets, net of accumulated depreciation	452,617	1,031,760	1,484,377	
Deferred charges, net of accumulated amortization	182,822	200,401	383,223	
<b>Total noncurrent assets</b>	<b>785,439</b>	<b>1,765,140</b>	<b>2,550,579</b>	
<b>Total assets</b>	<b>4,396,447</b>	<b>6,862,948</b>	<b>11,259,395</b>	<b>21,511</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	36,965	27,172	64,137	19,998
Interest payable	54,845	65,130	119,975	
Due to other funds	17,748		17,748	
Deposits payable	29,964		29,964	
<b>Total current liabilities</b>	<b>139,522</b>	<b>92,302</b>	<b>231,824</b>	<b>19,998</b>
Noncurrent liabilities:				
Compensated absences	25,872	13,791	39,663	
Due in more than one year	3,810,000	4,495,000	8,305,000	
<b>Total noncurrent liabilities</b>	<b>3,835,872</b>	<b>4,508,791</b>	<b>8,344,663</b>	
<b>Total liabilities</b>	<b>3,975,394</b>	<b>4,601,093</b>	<b>8,576,487</b>	<b>19,998</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	(41,462)	800,870	759,408	
Restricted for debt service	565,822	671,293	1,237,115	
Unrestricted	(103,307)	789,692	686,385	1,513
<b>Total net assets</b>	<b>\$ 421,053</b>	<b>\$ 2,261,855</b>	<b>\$ 2,682,908</b>	<b>\$ 1,513</b>

See Notes to Basic Financial Statements

**CITY OF WINTERS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2008**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Totals	Internal Service Fund
<b>Operating Revenues:</b>				
Charges for services (net of refunds)	\$ 908,385	\$ 1,011,084	\$ 1,919,469	\$ 375,221
Late fees	7,857		7,857	
<b>Total operating revenues</b>	<b>916,242</b>	<b>1,011,084</b>	<b>1,927,326</b>	<b>375,221</b>
<b>Operating Expenses:</b>				
Cost of sales	186,945	687,480	874,425	227,210
Material, supplies, and miscellaneous	6,547	6,818	13,365	
Insurance				44,905
Administration	445,063	246,151	691,214	3,117
Fuels, lubricants, and maintenance	1,996		1,996	5,274
Contract services	74,336	163,873	238,209	39,125
Utilities	145,543	83,567	229,110	51,597
Depreciation and amortization	30,357	45,225	75,582	
<b>Total operating expenses</b>	<b>890,787</b>	<b>1,233,114</b>	<b>2,123,901</b>	<b>371,228</b>
<b>Operating income (loss)</b>	<b>25,455</b>	<b>(222,030)</b>	<b>(196,575)</b>	<b>3,993</b>
<b>Non-Operating Revenues (Expenses):</b>				
Interest income	55,049	65,318	120,367	
Interest expense	(125,687)	(149,256)	(274,943)	
<b>Total non-operating revenues (expenses)</b>	<b>(70,638)</b>	<b>(83,938)</b>	<b>(154,576)</b>	
<b>Income (Loss) before transfers</b>	<b>(45,183)</b>	<b>(305,968)</b>	<b>(351,151)</b>	<b>3,993</b>
Transfers in	268,652	58,857	327,509	
Transfers out	(327,509)	(98,884)	(426,393)	
<b>Changes in net assets</b>	<b>(104,040)</b>	<b>(345,995)</b>	<b>(450,035)</b>	<b>3,993</b>
<b>Total Net Assets - July 1, 2007</b>	<b>525,093</b>	<b>2,607,850</b>	<b>3,132,943</b>	<b>(2,480)</b>
<b>Total Net Assets - June 30, 2008</b>	<b>\$ 421,053</b>	<b>\$ 2,261,855</b>	<b>\$ 2,682,908</b>	<b>\$ 1,513</b>

See Notes to Basic Financial Statements

**CITY OF WINTERS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2008**

	Business-type Activities -			Governmental Activities
	Enterprise Funds			Internal Service Fund
	Water	Sewer	Totals	
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 918,488	\$ 1,008,814	\$ 1,927,302	\$ 371,170
Cash paid to suppliers for goods and services	(573,581)	(435,480)	(1,009,061)	(371,448)
Cash paid to employees for services	(383,155)	(213,161)	(596,316)	
<b>Net cash provided (used) by operating activities</b>	<b>(38,248)</b>	<b>360,173</b>	<b>321,925</b>	<b>(278)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Transfers in (out)	(58,857)	(40,027)	(98,884)	
<b>Net cash provided (used) by non-capital financing activities</b>	<b>(58,857)</b>	<b>(40,027)</b>	<b>(98,884)</b>	
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Purchase of capital assets	(145,224)	(61,285)	(206,509)	
Proceeds from issuance of debt	3,810,000	4,495,000	8,305,000	
Payment of bond issue costs	(187,873)	(205,936)	(393,809)	
Interest paid on debt	(70,842)	(84,126)	(154,968)	
<b>Net cash provided (used) by capital and related financing activities</b>	<b>3,406,061</b>	<b>4,143,653</b>	<b>7,549,714</b>	
<b>Cash Flows from Investing Activities:</b>				
Interest received	56,582	63,569	120,151	
<b>Net cash provided (used) by investing activities</b>	<b>56,582</b>	<b>63,569</b>	<b>120,151</b>	
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,365,538</b>	<b>4,527,368</b>	<b>7,892,906</b>	<b>(278)</b>
<b>Cash and Cash Equivalents at Beginning of Fiscal Year</b>	<b>238,228</b>	<b>104,144</b>	<b>342,372</b>	<b>17,738</b>
<b>Cash and Cash Equivalents at End of Fiscal Year</b>	<b>\$ 3,603,766</b>	<b>\$ 4,631,512</b>	<b>\$ 8,235,278</b>	<b>\$ 17,460</b>
<b>Reconciliation to Statement of Net Assets:</b>				
Cash and investments	\$ -	\$ 364,359	\$ 364,359	\$ 17,460
Restricted cash and investments with fiscal agents	3,603,766	4,267,153	7,870,919	
	<b>\$ 3,603,766</b>	<b>\$ 4,631,512</b>	<b>\$ 8,235,278</b>	<b>\$ 17,460</b>

(Continued)

See Notes to Basic Financial Statements

**CITY OF WINTERS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2008**

(Continued)

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Totals	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 25,455	\$ (222,030)	\$ (196,575)	\$ 3,993
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	30,357	45,225	75,582	
(Increase) decrease in accounts receivable	12,863	(2,270)	10,593	(4,051)
(Increase) decrease in due from other funds		582,252	582,252	
Increase (decrease) in accounts payable	(119,520)	(45,522)	(165,042)	(220)
Increase (decrease) in compensated absences	5,466	2,518	7,984	
Increase (decrease) in due to other funds	17,748		17,748	
Increase (decrease) in deposits payable	(10,617)		(10,617)	
Total adjustments	(63,703)	582,203	518,500	(4,271)
Net cash provided by (used by) operating activities	\$ (38,248)	\$ 360,173	\$ 321,925	\$ (278)

See Notes to Basic Financial Statements

**CITY OF WINTERS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**June 30, 2008**

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and investments	\$ 550,464
Interest receivable	4,266
Accounts receivable	<u>2,637</u>
Total Assets	<u>557,367</u>
 <b>Liabilities:</b>	
Accounts payable	800
Due to City general fund	2,411
Deposits payable	<u>554,156</u>
Total Liabilities	<u>557,367</u>
 <b>Net Assets:</b>	
Net assets	<u>          </u>
Total Net Assets	<u><u>\$ -</u></u>

See Notes to Basic Financial Statements

## Notes to Basic Financial Statements

**NOTE 1 – Summary of Significant Accounting Policies**

A. Reporting Entity

The City of Winters was 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 is governed by a city council of five members. As required by accounting principles generally accepted in the United States of America, 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.

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.

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

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

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.

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.

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

**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).

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

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

**Community Development Debt Service Fund** – This fund accounts for debt service payments on the Community Development Agency’s long-term debt issue.

**General Plan 1992 Capital Projects Fund** – This fund accounts for the activity related to the 1992 General Plan.

**Sewer Impact Fees Capital Projects Fund** – This fund accounts for the collection and spending of sewer impact fees.

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 three agency funds of the City are for the Library, Master Swim, and Swim Team. These funds are not included in the government-wide financial statements.

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 not 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.

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

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

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.

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.

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

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

**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.

**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, 2008.

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.

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

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

**Capital Assets (Continued)**

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, 2008. 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, 2008. 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.

**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.

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

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

**Net Assets and Fund Equity**

In the government-wide financial statements, proprietary fund financial statements, and fiduciary fund financial statement, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets, and unrestricted net assets. Restricted net assets represent net assets restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. All other net assets are considered unrestricted.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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.

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.

I. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, are employed as an extension of formal budgetary integration in the governmental fund types.

J. 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.

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

**J. Budgets and Budgetary Accounting (Continued)**

- (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, Safe Routes to School Special Revenue Fund, Proposition 1B Special Revenue Fund, Used Oil Grant Special Revenue Fund, HOME 98-347 Grant Special Revenue Fund, EDBG 96-405 Grant Special Revenue Fund, HOME Program RLF Special Revenue Fund, or Fire Prevention Special Revenue Fund.

**K. New Accounting Pronouncements**

The City implemented the requirements of GASB Statements No. 48 and No. 50 during the fiscal year ended June 30, 2008.

**GASB Statement No. 48**

This statement is effective for periods beginning after December 15, 2006 and establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. It also contains provisions that apply to certain situations in which a government does not receive resources but, nevertheless, pledges or commits future cash flows generated by collecting specific future revenues. In addition, this statement establishes accounting and financial reporting standards that apply to all intra-entity transfers of assets and future revenues. Implementation of GASB Statement No. 48 did not have an impact on the City's basic financial statements for the fiscal year ended June 30, 2008.

**GASB Statement No. 50**

For the fiscal year ended June 30, 2008, the City implemented GASB Statement No. 50, "Pension Disclosures – an Amendment of GASB Statements No. 25 and No. 27". The statement is effective for periods beginning after June 15, 2007. This statement establishes and modifies requirements related to financial reporting by pension plans and by employers that provide defined benefit and defined contribution pensions.

**CITY OF WINTERS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

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**NOTE 2 – Stewardship, Compliance, and Accountability**

Deficit Fund Balances/Net Assets

As of June 30, 2008 the following funds had a deficit fund balance or net assets:

Major Funds:

General Plan 1992 Fund	\$ 576,411
Sewer Impact Fees Fund	194,794

Nonmajor Special Revenue Funds:

Safe Routes to School Fund	53,994
Workforce Grant Fund	16,804
Used Oil Grant Fund	3,000
STBG 96-1043 Grant Fund	29,070

Nonmajor Capital Projects Fund:

Flood Control Study Fund	123,757
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Excess of Expenditures Over Appropriations

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

Fund	<u>Excess Expenditures</u>
Major Funds:	
General Fund	
General government	\$ 39,931
Cultural and recreation	10,063
Capital outlay	31,493
Community Development Capital Projects Fund	
General government	65,179
Nonmajor Special Revenue Funds:	
Park Grant Fund	7,978
Traffic Safety Fund	20,519
After School Fund	69,578
05-STBG-1414 Fund	385,866
Nonmajor Capital Projects Funds:	
General Facilities Impact Fees Fund	67,405
Parks and Recreation Capital Fund	17,090

**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:

**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)**

Land	\$ 1,005,145
Construction in progress	<u>510,905</u>
Capital Assets not being depreciated	<u>\$ 1,516,050</u>
Buildings and improvements	\$ 4,124,349
Vehicles and equipment	1,579,845
Infrastructure	4,990,598
Less: accumulated depreciation	<u>(2,823,402)</u>
Capital assets, net of accumulated depreciation	<u>\$ 7,871,390</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>\$ 933,843</u>
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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	\$ (18,060,000)
Compensated absences payable	<u>(232,808)</u>
	<u>\$ (18,292,808)</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	\$ 1,467,179
Current fiscal year depreciation	<u>(347,478)</u>
	<u>\$ 1,119,701</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:

**NOTE 3 - Reconciliation of Government-wide and Governmental Funds Financial Statements  
 (Continued)**

**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 (Continued)**

Repayment of bond principal	\$ 280,000
Amortization of deferred charges	(32,687)
Change in accrued interest payable	1,866
Change in compensated absences	(33,993)
	<u>\$ 215,186</u>

**NOTE 4 – Cash and Investments**

Statement of Net Assets:	
Cash and investments	\$ 13,351,084
Restricted cash and investments	22,654,453
Statement of Fiduciary Net Assets:	
Cash and investments	<u>550,464</u>
Total	<u>\$ 36,556,001</u>

Cash and investments as of June 30, 2008 consist of the following:

Cash on hand	\$ 500
Deposits with financial institutions	1,211,584
Investments	<u>35,343,917</u>
Total	<u>\$ 36,556,001</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.

**CITY OF WINTERS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

**NOTE 4 - Cash and Investments (Continued)**

**Investments Authorized by the California Government Code and the City's Investment Policy (Continued)**

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	\$40 million	\$40 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)	9 months	40%	15%
Commercial Paper	6 months	15%	15%
Negotiable Time Certificates of Deposit	5 years	30%	15%
Medium Term Corporate Notes	5 years	30%	10%
Money Market Funds	N/A	15%	15%

**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.

**Investments Authorized by Debt Agreements (Continued)**

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	270 days	40%	15%
Commercial Paper	180 days	15%	15%
Guaranteed Investment Contracts	N/A	None	None
Money Market Funds	N/A	None	None

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)**

**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	\$ 26,469,637	\$ 26,469,637	\$ -	\$ -	\$ -	\$ -	\$ -
Money Market Funds	4,147	4,147					
Held by bond trustees:							
Money Market Funds	8,327,865	8,327,865					
Investment Contract	542,268						542,268
	<u>\$ 35,343,917</u>	<u>\$ 34,801,649</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 542,268</u>

**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

**NOTE 4 - Cash and Investments (Continued)**

**Disclosures Relating to Credit Risk (Continued)**

(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	\$ 26,469,637	N/A	\$ -	\$ -	\$ -	\$ -	\$ 26,469,637
Money Market Funds	4,147	N/A					4,147
Held by bond trustees:							
Money Market Funds	8,327,865	N/A		8,327,865			
Investment Contract	542,268	N/A				542,268	
<b>Total</b>	<b>\$ 35,343,917</b>		<b>\$ -</b>	<b>\$ 8,327,865</b>	<b>\$ -</b>	<b>\$ 542,268</b>	<b>\$ 26,473,784</b>

**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) 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, 2008, \$1,396,238 of the City's deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts.

**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.

**NOTE 5 – Notes Receivable**

Notes receivable from mortgage loans for housing and commercial property rehabilitation and construction:

	Amount
Housing Set-Aside	\$ 352,820
HOME-CHOC	2,843,180
STBG 700 Housing	9,736
STBG 96-1043	30,190
HOME 98-347	127,146
EDBG 99-688	184,715
EDBG 96-405	222,989
RLF - Housing Rehabilitation	94,350
RLF - HOME Program	277,043
RLF - First Time Homebuyer	<u>351,096</u>
Total housing and property rehabilitation and construction notes receivable	<u>4,493,265</u>

Notes receivable for building permits:

General fund	23,594
Park and recreation impact fees	5,286
Police impact fees	4,561
Fire impact fees	4,561
General facilities impact fees	1,892
General plan 1992	<u>4,990</u>
Total building permits notes receivable	<u>44,884</u>
Total notes receivable	<u>\$ 4,538,149</u>

**NOTE 6 – Interfund Transactions**

**A. Current Interfund Balances**

Current interfund balances arise in the normal course of business 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, 2008.

**CITY OF WINTERS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

**NOTE 6 – Interfund Transactions (Continued)**

**A. Current Interfund Balances (Continued)**

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Fund:		Major Funds:	
General	\$ 670,140	General Plan 1992	\$ 576,411
		Sewer Impact Fees	416,557
Nonmajor Funds:		Nonmajor Funds:	
Housing Rehabilitation RLF	11,643	Gas Tax	22,702
First Time Homebuyer RLF	17,427	Safe Routes to School	51,223
Major Enterprise Fund:		Workforce Grant	16,804
Sewer	<u>434,305</u>	Used Oil Grant	3,000
		STBG 96-1043	29,070
		Major Enterprise Fund:	
		Water	<u>17,748</u>
Totals	<u>\$ 1,133,515</u>		<u>\$ 1,133,515</u>

**B. Long-term Interfund Advances**

At June 30, 2008, the funds below have made/received advances that were not expected to be repaid within one year. These advances were for a flood solution study for North Winters.

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Funds:		Nonmajor Fund:	
Street Impact Fees	\$ 95,000	Flood Control Study	\$ 125,000
Storm Drain Impact Fees	<u>30,000</u>		
Totals	<u>\$ 125,000</u>		<u>\$ 125,000</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, 2008**

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**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	\$ 301,885	\$ (242,905)
Community Development Capital Projects Fund	131,599	
Housing Set-Aside Special Revenue Fund	2,763	
HOME-CHOC Special Revenue Fund		(43,000)
Community Development Debt Service Fund		(134,362)
General Plan 1992 Fund	3,519	
Water Fund	268,652	(327,509)
Sewer Fund	58,857	(98,884)
Nonmajor Funds:		
City Wide Assessment Fund	82,905	
STBG 700 Housing Grant Fund		(59,529)
STBG 96-1043 Grant Fund	727	(9,451)
HOME 98-347 Grant Fund		(25,000)
EDBG 99-688 Grant Fund		(18,644)
EDBG 96-405 Grant Fund		
Housing Rehabilitation RLF Fund	23,811	
HOME Program RLF Fund	25,000	
First Time Homebuyer RLF Fund	35,717	
Small Business RLF Fund	27,368	
Monitoring Fee Fund		(3,104)
Fire Impact Fees Fund		(415)
	<u>\$ 962,803</u>	<u>\$ (962,803)</u>

**CITY OF WINTERS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

**NOTE 7 – Capital Assets**

**A. Governmental Activities**

Capital assets governmental activity for the fiscal year ended June 30, 2008, was as follows:

	Balance at July 1, 2007	Additions	Transfers	Balance at June 30, 2008
<b>Capital Assets, not being depreciated:</b>				
Land	\$ 785,185	\$ 219,960	\$ -	\$ 1,005,145
Construction in progress	360,207	1,036,356	(885,658)	510,905
Total	<u>1,145,392</u>	<u>1,256,316</u>	<u>(885,658)</u>	<u>1,516,050</u>
<b>Capital Assets, being depreciated:</b>				
Buildings and improvements	4,032,043	92,306		4,124,349
Vehicles and equipment	1,461,288	118,557		1,579,845
Infrastructure	4,104,940		885,658	4,990,598
Total	<u>9,598,271</u>	<u>210,863</u>	<u>885,658</u>	<u>10,694,792</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,284,615)	(126,441)		(1,411,056)
Vehicles and equipment	(1,030,570)	(125,653)		(1,156,223)
Infrastructure	(160,739)	(95,384)		(256,123)
Total	<u>(2,475,924)</u>	<u>(347,478)</u>		<u>(2,823,402)</u>
Total, net of accumulated depreciation	<u>7,122,347</u>	<u>(136,615)</u>	<u>885,658</u>	<u>7,871,390</u>
<b>Total Capital Assets, Net</b>	<u>\$ 8,267,739</u>	<u>\$ 1,119,701</u>	<u>\$ -</u>	<u>\$ 9,387,440</u>

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

General government	\$ 48,293
Public safety	56,186
Public works	32,091
Cultural and recreation	110,261
Streets and highways	77,608
Community development	23,039
Total	<u>\$ 347,478</u>

**CITY OF WINTERS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

**NOTE 7 – Capital Assets (Continued)**

**B. Business-type activities**

Capital assets business-type activity for the fiscal year ended June 30, 2008 was as follows:

	Balance at July 1, 2007	Additions	Transfers	Balance at June 30, 2008
<b>Water Fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 150,000	\$ -	\$ -	\$ 150,000
Construction in progress	122,076	145,224	(267,300)	
Total	<u>272,076</u>	<u>145,224</u>	<u>(267,300)</u>	<u>150,000</u>
Capital assets, being depreciated:				
Water pipes	7,597,400			7,597,400
Machinery and equipment	196,135			196,135
Infrastructure	126,791		267,300	394,091
Total	<u>7,920,326</u>		<u>267,300</u>	<u>8,187,626</u>
Less accumulated depreciation for:				
Water pipes	(7,597,400)			(7,597,400)
Machinery and equipment	(107,231)	(18,761)		(125,992)
Infrastructure	(5,072)	(6,545)		(11,617)
Total	<u>(7,709,703)</u>	<u>(25,306)</u>		<u>(7,735,009)</u>
Total net of accumulated depreciation	<u>210,623</u>	<u>(25,306)</u>	<u>267,300</u>	<u>452,617</u>
<b>Water Fund Capital Assets, net</b>	<u>\$ 482,699</u>	<u>\$ 119,918</u>	<u>\$ -</u>	<u>\$ 602,617</u>
<b>Sewer Fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 532,979	\$ -	\$ -	\$ 532,979
Total	<u>532,979</u>			<u>532,979</u>
Capital assets, being depreciated:				
Infrastructure	300,714	61,285		361,999
Sewer plant and pipes	6,496,559			6,496,559
Machinery and equipment	144,921			144,921
Total	<u>6,942,194</u>	<u>61,285</u>		<u>7,003,479</u>
Less accumulated depreciation for:				
Infrastructure	(16,891)	(6,933)		(23,824)
Sewer plant and pipes	(5,872,761)	(19,095)		(5,891,856)
Machinery and equipment	(42,377)	(13,662)		(56,039)
Total	<u>(5,932,029)</u>	<u>(39,690)</u>		<u>(5,971,719)</u>
Total net of accumulated depreciation	<u>1,010,165</u>	<u>21,595</u>		<u>1,031,760</u>
<b>Sewer Fund Capital Assets, net</b>	<u>\$ 1,543,144</u>	<u>\$ 21,595</u>	<u>\$ -</u>	<u>\$ 1,564,739</u>
<b>Total Capital Assets, net</b>	<u>\$ 2,025,843</u>	<u>\$ 141,513</u>	<u>\$ -</u>	<u>\$ 2,167,356</u>

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

Business-Type Activities:	
Water	\$ 25,306
Sewer	39,690
Total	<u>\$ 64,996</u>

**CITY OF WINTERS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

**NOTE 8 – Long-term Liabilities**

- a. **The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2008:**

	Balance at July 1, 2007	Additions	Repayments	Balance at June 30, 2008	Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences	\$ 198,815	\$ 57,386	\$ 23,393	\$ 232,808	\$ 23,281
Tax allocation bonds payable	18,340,000		280,000	18,060,000	295,000
<b>Total</b>	<b>\$18,538,815</b>	<b>\$ 57,386</b>	<b>\$ 303,393</b>	<b>\$ 18,292,808</b>	<b>\$ 318,281</b>
<b>Business-type Activities:</b>					
<b>Water Utility Fund:</b>					
Compensated absences	\$ 20,406	\$ 6,977	\$ 1,511	\$ 25,872	\$ 2,587
Water revenue bonds		3,810,000		3,810,000	
<b>Sewer Fund:</b>					
Compensated absences	11,273	3,404	886	13,791	1,379
Sewer revenue bonds		4,495,000		4,495,000	
<b>Total</b>	<b>\$ 31,679</b>	<b>\$ 8,315,381</b>	<b>\$ 2,397</b>	<b>\$ 8,344,663</b>	<b>\$ 3,966</b>

- b. **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, 2008, is \$6,590,000.

The scheduled annual minimum debt service requirements at June 30, 2008, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2009	\$ 280,000	\$ 261,277	\$ 541,277
2010	220,000	256,002	476,002
2011	230,000	250,767	480,767
2012	235,000	244,893	479,893
2013	240,000	238,179	478,179
2014-2018	910,000	1,092,795	2,002,795
2019-2023	1,000,000	912,820	1,912,820
2024-2028	1,220,000	665,455	1,885,455
2029-2033	1,535,000	350,432	1,885,432
2034-2035	720,000	33,799	753,799
<b>Totals</b>	<b>\$ 6,590,000</b>	<b>\$ 4,306,419</b>	<b>\$ 10,896,419</b>

**NOTE 8 – Long-term Liabilities (Continued)**

**b. Governmental Activities – Tax Allocation Bonds Payable (Continued)**

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, 2008, is \$11,470,000.

The scheduled annual minimum debt service requirements at June 30, 2008, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2009	\$ 15,000	\$ 514,523	\$ 529,523
2010	240,000	509,460	749,460
2011	240,000	499,860	739,860
2012	250,000	490,060	740,060
2013	260,000	479,860	739,860
2014-2018	710,000	2,288,263	2,998,263
2019-2023	790,000	2,160,025	2,950,025
2024-2028	1,380,000	1,930,922	3,310,922
2029-2033	2,105,000	1,546,763	3,651,763
2034-2038	4,280,000	873,100	5,153,100
2039	1,200,000	28,500	1,228,500
<b>Totals</b>	<b>\$ 11,470,000</b>	<b>\$ 11,321,336</b>	<b>\$ 22,791,336</b>

**c. 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, 2008, is \$3,810,000.

The scheduled annual minimum debt service requirements at June 30, 2008, are as follows:

**CITY OF WINTERS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

**NOTE 8 – Long-term Liabilities (Continued)**

**c. Business Type Activities – Revenue Bonds Payable (Continued)**

Fiscal Year Ending June 30,	Principal	Interest	Total
2009	\$ -	\$ 164,536	\$ 164,536
2010		164,536	164,536
2011		164,536	164,536
2012	80,000	163,236	243,236
2013	85,000	160,534	245,534
2014-2018	470,000	756,785	1,226,785
2019-2023	560,000	662,246	1,222,246
2024-2028	685,000	535,107	1,220,107
2029-2033	855,000	360,406	1,215,406
2034-2038	1,075,000	132,406	1,207,406
Totals	<u>\$ 3,810,000</u>	<u>\$ 3,264,328</u>	<u>\$ 7,074,328</u>

**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, 2008, is \$4,495,000.

The scheduled annual minimum debt service requirements at June 30, 2008, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2009	\$ -	\$ 195,390	\$ 195,390
2010		195,390	195,390
2011		195,390	195,390
2012	95,000	193,846	288,846
2013	100,000	190,653	290,653
2014-2018	555,000	899,454	1,454,454
2019-2023	650,000	788,819	1,438,819
2024-2028	810,000	637,066	1,447,066
2029-2033	1,010,000	426,787	1,436,787
2034-2038	1,275,000	157,106	1,432,106
Totals	<u>\$ 4,495,000</u>	<u>\$ 3,879,901</u>	<u>\$ 8,374,901</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, 2008 was 13.674% 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, 2008, 2007, and 2006, were \$166,939, \$139,491, and \$127,259, respectively, and equal 100% of the required contributions for each fiscal year.

**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, 2008 was 22.083% 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, 2008, 2007, and 2006, were \$150,470, \$167,113, and \$162,827, 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.

**CITY OF WINTERS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2008

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**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:

<u>Type of Coverage (Deductible)</u>	<u>Coverage Limits</u>
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

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, 2007) as audited by other auditors, is presented below:

Statement of Net Assets

Total assets	\$ 17,191,511
Total liabilities	11,384,762
Net Assets	<u>\$ 5,806,749</u>

Statement of Revenues, Expenses, and Changes in Net Assets

Total income	\$ 9,309,202
Total expenses	9,120,627
Increase in Net Assets	<u>\$ 188,575</u>

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

**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	<u>                    </u>
Ending balance	<u>\$ 10,000</u>

**NOTE 13 – Net Assets and Fund Balances**

**a. 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. As of June 30, 2008 there were no net assets restricted by enabling legislation.

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

**b. Fund Balances**

Fund Balances consist of reserved and unreserved amounts. Reserved fund balances represent that portion of fund balance which is legally segregated.

**NOTE 14 – Net Assets – Governmental and Business-type Activities**

The government-wide statement of net assets includes three equity categories entitled net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The invested in capital assets, net of related debt category presents the City’s equity interest in capital assets less outstanding principal of related debt. The restricted net assets category is designed to reflect net assets that are subject to restrictions beyond the City’s control (externally imposed or imposed by law). The unrestricted net assets category equals any remaining balance and can be subdivided into designated and undesignated portions. Designations reflect the City’s self-imposed limitations on the use of otherwise available current financial resources. Detail of the three categories is as follows:

**GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES - NET ASSETS**  
 AS OF JUNE 30, 2008

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Totals</b>
<b>Net Assets</b>			
<b>Invested in capital assets, net of related debt:</b>			
Total capital assets, net of accumulated depreciation	\$ 8,809,005	\$ 759,408	\$ 9,568,413
<b>Invested in capital assets, net of related debt</b>	8,809,005	759,408	9,568,413
<b>Restricted for:</b>			
Capital projects	5,344,530		5,344,530
Housing	1,124,820		1,124,820
Debt service	1,640,499	6,513,829	8,154,328
<b>Total Restricted</b>	8,109,849	6,513,829	14,623,678
<b>Unrestricted, designated for:</b>			
Capital projects	376,253		376,253
Future PERS	64,141		64,141
<b>Unrestricted</b>	6,145,727	(4,590,329)	1,555,398
<b>Total unrestricted</b>	6,586,121	(4,590,329)	1,995,792
<b>Total net assets</b>	\$ 23,504,975	\$ 2,682,908	\$ 26,187,883

**NOTE 15 – 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 2007-08 fiscal year, the City incurred monitoring costs of \$13,480, and is expected to maintain the monitoring of the closed landfill in the near future. The City has plans to build sports fields on the former landfill location in the distant future.

**NOTE 16 – Prior Period Adjustments**

A prior period adjustment of (\$63,872) was made in the 05-STBG-1414 Special Revenue fund for an overstatement of cash.

A prior period adjustment of \$63,872 was made in the Transportation Development Act Special Revenue fund for an understatement of cash.

**REQUIRED SUPPLEMENTARY INFORMATION**



## General Fund

The General Fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in another fund.

**CITY OF WINTERS**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes and assessments	\$ 2,568,660	\$ 2,568,660	\$ 2,615,972	\$ 47,312
Licenses, permits, and fees	480,661	480,661	139,288	(341,373)
Fines and forfeitures	750	750	45	(705)
Use of money and property	195,275	195,275	144,463	(50,812)
Charges for services	45,150	45,150	64,571	19,421
Refunds and reimbursements	20,500	20,500	36,546	16,046
Miscellaneous	20,100	20,100	70,924	50,824
<b>Total revenues</b>	<b>3,331,096</b>	<b>3,331,096</b>	<b>3,071,809</b>	<b>(259,287)</b>
<b>EXPENDITURES</b>				
Current:				
General government	259,285	259,285	299,216	(39,931)
Public works	235,643	235,643	153,615	82,028
Public safety	2,151,669	2,153,556	2,019,958	133,598
Cultural and recreation	287,130	287,130	297,193	(10,063)
Community development	476,437	479,466	532,814	(53,348)
Capital outlay	140,605	223,961	109,276	114,685
<b>Total expenditures</b>	<b>3,550,769</b>	<b>3,639,041</b>	<b>3,412,072</b>	<b>226,969</b>
Excess of revenues over (under) expenditures	(219,673)	(307,945)	(340,263)	(32,318)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	268,083	268,083	301,885	33,802
Transfers out	(97,680)	(102,680)	(242,905)	(140,225)
<b>Total other financing sources (uses)</b>	<b>170,403</b>	<b>165,403</b>	<b>58,980</b>	<b>(106,423)</b>
<b>Net change in fund balance</b>	<b>(49,270)</b>	<b>(142,542)</b>	<b>(281,283)</b>	<b>(138,741)</b>
Fund Balance - July 1, 2007	3,807,714	3,807,714	3,807,714	
Fund Balance - June 30, 2008	\$ 3,758,444	\$ 3,665,172	\$ 3,526,431	\$ (138,741)

**CITY OF WINTERS**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**HOUSING SET-ASIDE SPECIAL REVENUE FUND**  
**For the Fiscal Year Ended June 30, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes and assessments	\$ 401,688	\$ 401,688	\$ 370,668	\$ (31,020)
Use of money and property	22,199	22,199	140,578	118,379
Program income			2,000	2,000
<b>Total Revenues</b>	<b>423,887</b>	<b>423,887</b>	<b>513,246</b>	<b>89,359</b>
<b>EXPENDITURES</b>				
Current:				
General government	274,993	274,993	232,468	42,525
Community development	1,687,684	1,687,684	25,408	1,662,276
Debt service:				
Principal	70,000	70,000	70,000	
Interest	181,990	181,990	181,990	
<b>Total Expenditures</b>	<b>2,214,667</b>	<b>2,214,667</b>	<b>509,866</b>	<b>1,704,801</b>
Excess of revenues over (under) expenditures	(1,790,780)	(1,790,780)	3,380	1,794,160
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in			2,763	2,763
<b>Total other financing sources (uses)</b>			<b>2,763</b>	<b>2,763</b>
Net change in fund balance	(1,790,780)	(1,790,780)	6,143	1,796,923
Fund Balance - July 1, 2007	3,536,702	3,536,702	3,536,702	
Fund Balance - June 30, 2008	<u>\$ 1,745,922</u>	<u>\$ 1,745,922</u>	<u>\$ 3,542,845</u>	<u>\$ 1,796,923</u>

**CITY OF WINTERS**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT CAPITAL PROJECTS FUND**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes and assessments	\$ -	\$ -	\$ -
Use of money and property	75,432	563,755	488,323
<b>Total Revenues</b>	<b>75,432</b>	<b>563,755</b>	<b>488,323</b>
<b>EXPENDITURES</b>			
Current:			
General government	409,267	474,446	(65,179)
Community development	413,420	152,859	260,561
Pass through agreements	582,448	363,024	219,424
Capital outlay	8,590,332	517,510	8,072,822
Debt service:			
Principal	210,000		210,000
Interest	135,284		135,284
<b>Total Expenditures</b>	<b>10,340,751</b>	<b>1,507,839</b>	<b>8,832,912</b>
Excess of revenues over (under) expenditures	(10,265,319)	(944,084)	9,321,235
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		131,599	131,599
<b>Total other financing sources (uses)</b>		<b>131,599</b>	<b>131,599</b>
Net change in fund balance	(10,265,319)	(812,485)	9,452,834
Fund Balance - July 1, 2007	13,692,650	13,692,650	
Fund Balance - June 30, 2008	<b>\$ 3,427,331</b>	<b>\$ 12,880,165</b>	<b>\$ 9,452,834</b>

**CITY OF WINTERS****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL****GENERAL PLAN 1992 CAPITAL PROJECTS FUND**

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Miscellaneous	\$ -	\$ 100	\$ 100
Total Revenues		100	100
<b>EXPENDITURES</b>			
Current:			
Parks			
Total Expenditures			
Excess of revenues over (under) expenditures		100	100
<b>Other Financing Sources (Uses):</b>			
Transfer in	83,656	3,519	(80,137)
Total Other Financing Sources (Uses)	83,656	3,519	(80,137)
Net change in fund balance	83,656	3,619	(80,037)
Fund Balance (Deficit) - July 1, 2007	(580,030)	(580,030)	
Fund Balance (Deficit) - June 30, 2008	\$ (496,374)	\$ (576,411)	\$ (80,037)

**CITY OF WINTERS****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL****SEWER IMPACT FEES CAPITAL PROJECTS FUND**

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Licenses and permits	\$ 456,542	\$ 6,883	\$ (449,659)
Use of money and property	31,016	30,605	(411)
Total Revenues	<u>487,558</u>	<u>37,488</u>	<u>(450,070)</u>
<b>EXPENDITURES</b>			
Current:			
Public works	3,064	3,064	
Capital outlay	<u>4,711,631</u>		<u>4,711,631</u>
Total Expenditures	<u>4,714,695</u>	<u>3,064</u>	<u>4,711,631</u>
Net change in fund balance	(4,227,137)	34,424	4,261,561
Fund Balance (Deficit) - July 1, 2007	<u>(229,218)</u>	<u>(229,218)</u>	
Fund Balance (Deficit) - June 30, 2008	<u>\$ (4,456,355)</u>	<u>\$ (194,794)</u>	<u>\$ 4,261,561</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.

Safe Routes to School Grant Fund – This fund is used to account for a grant from the State of California to provide funding for increasing safety along the route that children travel to school, sidewalks and crosswalks.

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.

COPS MORE Grant Fund – This fund is used to account for revenues and expenditures related to the Federal 1996 COPS MORE Grant. These revenues are used by a Joint Venture to provide a new records system throughout the Yolo County area.

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

## CITY OF WINTERS

### NONMAJOR GOVERNMENTAL FUNDS

#### Special Revenue Funds (Continued)

Prop 1B Fund – This fund is used to account for expenditures of \$400,000 received to rehabilitate streets within the city boundaries as a result of funding from a California infrastructure bond issue.

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.

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.

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.

Used Oil Grant Fund – This fund is used to account for grants to inform and encourage citizens to recycle used oil.

05-STBG-1414 Fund – This fund is used to account for the expenditure of funds received from Housing and Urban Development to provide for the rehabilitation of Jackson and McArthur Streets.

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.

STBG – 700 Grant 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.

## CITY OF WINTERS

### NONMAJOR GOVERNMENTAL FUNDS

#### Special Revenue Funds (Continued)

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.

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.

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.

## CITY OF WINTERS

### NONMAJOR GOVERNMENTAL FUNDS

#### Debt Service Fund

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.

#### 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.

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.

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.

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.

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.

CITY OF WINTERS

NONMAJOR GOVERNMENTAL FUNDS

**Capital Projects Funds (Continued)**

The following is a list of the specific Capital Project Funds in order of presentation in the financial statements:

- Monitoring Fee Fund – Special
- Flood Control Study Fund – Special
- RAJA Storm Drain Fund – Miscellaneous
- Street Impact Fees Fund – Impact Fee
- Capital Asset Replacement Fund – Other
- Storm Drain Impact Fees Fund – Impact Fee
- Park and Recreation Impact Fees Fund – Impact Fee
- Police Impact Fees Fund – Impact Fee
- Fire Impact Fees Fund – Impact Fee
- General Facilities Impact Fees – Impact Fee
- Water Impact Fees Fund – Impact Fee
- General Fund Capital Fund – Other
- Landfill Capital Fund – Other
- Parks and Recreation Capital Fund – Other

**CITY OF WINTERS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2008**

	Special Revenue Funds			
	City Wide Assessment	Flood Assessment District	Gas Tax	First Time Homebuyers
<b>ASSETS</b>				
Cash and investments	\$ 57,095	\$ 3,643	\$ -	\$ 80,360
Accounts receivable	20,154		44,398	
Interest receivable		28		624
Notes receivable				
Due from other funds				
Advances to other funds				
<b>Total assets</b>	<b><u>\$ 77,249</u></b>	<b><u>\$ 3,671</u></b>	<b><u>\$ 44,398</u></b>	<b><u>\$ 80,984</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 6,995	\$ -	\$ 219	\$ -
Deposits payable				
Due to other funds			22,702	
Deferred revenue				
Advances from other funds				
<b>Total liabilities</b>	<b><u>6,995</u></b>		<b><u>22,921</u></b>	
<b>Fund balances:</b>				
<b>Reserved:</b>				
Debt service				
Advances to other funds				
Encumbrances				
<b>Unreserved:</b>				
Designated	70,254			
Undesignated		3,671	21,477	80,984
<b>Total fund balances</b>	<b><u>70,254</u></b>	<b><u>3,671</u></b>	<b><u>21,477</u></b>	<b><u>80,984</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 77,249</u></b>	<b><u>\$ 3,671</u></b>	<b><u>\$ 44,398</u></b>	<b><u>\$ 80,984</u></b>

Special Revenue Funds

Safe Routes to School	State COPS 1913	Workforce Grant	COPS More Grant	Traffic Congestion
\$ -	\$ 61,679	\$ -	\$ 1,626	\$ 88,169
	473		13	684
<u>\$ -</u>	<u>\$ 62,152</u>	<u>\$ -</u>	<u>\$ 1,639</u>	<u>\$ 88,853</u>
\$ 2,771	\$ 38	\$ -	\$ -	\$ -
51,223		16,804		
<u>53,994</u>	<u>38</u>	<u>16,804</u>		
<u>(53,994)</u>	<u>62,114</u>	<u>(16,804)</u>	<u>1,639</u>	<u>88,853</u>
<u>(53,994)</u>	<u>62,114</u>	<u>(16,804)</u>	<u>1,639</u>	<u>88,853</u>
<u>\$ -</u>	<u>\$ 62,152</u>	<u>\$ -</u>	<u>\$ 1,639</u>	<u>\$ 88,853</u>

(Continued)

**CITY OF WINTERS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2008**

(Continued)

	Special Revenue Funds			
	Proposition 1B	Park Grant	Traffic Safety	Asset Forfeiture
<b>ASSETS</b>				
Cash and investments	\$ 398,381	\$ 146	\$ 171,395	\$ 12,805
Accounts receivable			10,490	
Interest receivable	1,559		1,253	96
Notes receivable				
Due from other funds				
Advances to other funds				
<b>Total assets</b>	<b><u>\$ 399,940</u></b>	<b><u>\$ 146</u></b>	<b><u>\$ 183,138</u></b>	<b><u>\$ 12,901</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 131	\$ -	\$ 16,074	\$ -
Deposits payable				
Due to other funds				
Deferred revenue				
Advances from other funds				
<b>Total liabilities</b>	<b><u>131</u></b>		<b><u>16,074</u></b>	
<b>Fund balances:</b>				
<b>Reserved:</b>				
Debt service				
Advances to other funds				
Encumbrances				
<b>Unreserved:</b>				
Designated				
Undesignated	399,809	146	167,064	12,901
<b>Total fund balances</b>	<b><u>399,809</u></b>	<b><u>146</u></b>	<b><u>167,064</u></b>	<b><u>12,901</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 399,940</u></b>	<b><u>\$ 146</u></b>	<b><u>\$ 183,138</u></b>	<b><u>\$ 12,901</u></b>

Special Revenue Funds

After School	Vehicle Theft Deterrent	Beverage Recycling Grant	Used Oil Grant	05-STBG-1414
\$ 186,789	\$ 28,704	\$ 15,631	\$ -	\$ -
1,170				
1,448	223	121		
<hr/>				
<u>\$ 189,407</u>	<u>\$ 28,927</u>	<u>\$ 15,752</u>	<u>\$ -</u>	<u>\$ -</u>
<hr/>				
\$ 19,518	\$ -	\$ 756	\$ -	\$ -
			3,000	
<hr/>				
<u>19,518</u>		<u>756</u>	<u>3,000</u>	
<hr/>				
169,889	28,927	14,996	(3,000)	
<u>169,889</u>	<u>28,927</u>	<u>14,996</u>	<u>(3,000)</u>	
<u>\$ 189,407</u>	<u>\$ 28,927</u>	<u>\$ 15,752</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**CITY OF WINTERS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2008**

(Continued)

	Special Revenue Funds			
	Transportation Development Act	STBG 700 Housing Grant	STBG 96-1043	HOME 98-347 Grant
<b>ASSETS</b>				
Cash and investments	\$ 417,339	\$ -	\$ -	\$ -
Accounts receivable	9,398			
Interest receivable	409			
Notes receivable		9,736	30,190	127,146
Due from other funds				
Advances to other funds				
<b>Total assets</b>	<b>\$ 427,146</b>	<b>\$ 9,736</b>	<b>\$ 30,190</b>	<b>\$ 127,146</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 38,451	\$ -	\$ -	\$ -
Deposits payable				
Due to other funds			29,070	
Deferred revenue		9,736	30,190	127,146
Advances from other funds				
<b>Total liabilities</b>	<b>38,451</b>	<b>9,736</b>	<b>59,260</b>	<b>127,146</b>
<b>Fund balances:</b>				
<b>Reserved:</b>				
Debt service				
Advances to other funds				
Encumbrances				
<b>Unreserved:</b>				
Designated				
Undesignated	388,695		(29,070)	
<b>Total fund balances</b>	<b>388,695</b>		<b>(29,070)</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 427,146</b>	<b>\$ 9,736</b>	<b>\$ 30,190</b>	<b>\$ 127,146</b>

Special Revenue Funds

EDBG 99-688 Grant	EDBG 96-405 Grant	Housing Rehabilitation RLF	HOME Program RLF	First Time Homebuyer RLF
\$ -	\$ -	\$ 55,567	\$ 71,952	\$ 95,095
		424	558	673
184,715	222,989	94,350	277,043	351,096
		11,643		17,427
<u>\$ 184,715</u>	<u>\$ 222,989</u>	<u>\$ 161,984</u>	<u>\$ 349,553</u>	<u>\$ 464,291</u>
\$ -	\$ -	\$ -	\$ -	\$ -
184,715	222,989	94,350	277,043	351,096
<u>184,715</u>	<u>222,989</u>	<u>94,350</u>	<u>277,043</u>	<u>351,096</u>
		67,634	72,510	113,195
		67,634	72,510	113,195
<u>\$ 184,715</u>	<u>\$ 222,989</u>	<u>\$ 161,984</u>	<u>\$ 349,553</u>	<u>\$ 464,291</u>

(Continued)

**CITY OF WINTERS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2008**

(Continued)

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund
	Small Business RLF	Fire Prevention	General	Monitoring Fee
<b>ASSETS</b>				
Cash and investments	\$ 210,690	\$ 2,097	\$ 53,731	\$ -
Accounts receivable				
Interest receivable	1,584		130	
Notes receivable				
Due from other funds				
Advances to other funds				
<b>Total assets</b>	<b>\$ 212,274</b>	<b>\$ 2,097</b>	<b>\$ 53,861</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable				
Due to other funds				
Deferred revenue				
Advances from other funds				
<b>Total liabilities</b>				
<b>Fund balances:</b>				
<b>Reserved:</b>				
Debt service			53,861	
Advances to other funds				
Encumbrances				
<b>Unreserved:</b>				
Designated				
Undesignated	212,274	2,097		
<b>Total fund balances</b>	<b>212,274</b>	<b>2,097</b>	<b>53,861</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 212,274</b>	<b>\$ 2,097</b>	<b>\$ 53,861</b>	<b>\$ -</b>

Capital Projects Funds

Flood Control Study	RAJA Storm Drain	Street Impact Fees	Capital Asset Replacement	Storm Drain Impact Fees
\$ 1,233	\$ 36,602	\$ 1,007,515	\$ 63,977	\$ 142,497
10	284	8,171	483	1,106
		95,000		30,000
<u>\$ 1,243</u>	<u>\$ 36,886</u>	<u>\$ 1,110,686</u>	<u>\$ 64,460</u>	<u>\$ 173,603</u>
\$ -	\$ - 9,589	\$ -	\$ -	\$ -
125,000				
125,000	9,589			
		95,000		30,000
(123,757)	27,297	1,015,686	64,460	143,603
(123,757)	27,297	1,110,686	64,460	173,603
<u>\$ 1,243</u>	<u>\$ 36,886</u>	<u>\$ 1,110,686</u>	<u>\$ 64,460</u>	<u>\$ 173,603</u>

(Continued)

**CITY OF WINTERS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2008**

(Continued)

	Capital Projects Funds			
	Park and Recreation Impact Fees	Police Impact Fees	Fire Impact Fees	General Facilities Impact Fees
<b>ASSETS</b>				
Cash and investments	\$ 723,265	\$ 262,470	\$ 183,981	\$ 233,946
Accounts receivable				
Interest receivable	5,613	2,033	1,424	1,816
Notes receivable	5,286	4,561	4,561	1,892
Due from other funds				
Advances to other funds				
<b>Total assets</b>	<b>\$ 734,164</b>	<b>\$ 269,064</b>	<b>\$ 189,966</b>	<b>\$ 237,654</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 18,672	\$ 18,672	\$ -
Deposits payable				
Due to other funds				
Deferred revenue	5,286	4,561	4,561	1,892
Advances from other funds				
<b>Total liabilities</b>	<b>5,286</b>	<b>23,233</b>	<b>23,233</b>	<b>1,892</b>
<b>Fund balances:</b>				
<b>Reserved:</b>				
Debt service				
Advances to other funds				
Encumbrances	2,500	142,015	142,015	
<b>Unreserved:</b>				
Designated				
Undesignated	726,378	103,816	24,718	235,762
<b>Total fund balances</b>	<b>728,878</b>	<b>245,831</b>	<b>166,733</b>	<b>235,762</b>
<b>Total liabilities and fund balances</b>	<b>\$ 734,164</b>	<b>\$ 269,064</b>	<b>\$ 189,966</b>	<b>\$ 237,654</b>

Capital Projects Funds				
Water Impact Fees	General Fund Capital	Landfill Capital	Parks and Recreation Capital	Total Nonmajor Governmental Funds
\$ 553,226	\$ 525,447	\$ 358,467	\$ 150,045	\$ 6,255,565
				85,610
4,293	4,078	2,782	1,164	43,557
				1,313,565
				29,070
				125,000
<u>\$ 557,519</u>	<u>\$ 529,525</u>	<u>\$ 361,249</u>	<u>\$ 151,209</u>	<u>\$ 7,852,367</u>
\$ -	\$ -	\$ 3,693	\$ -	\$ 125,990
				9,589
				122,799
				1,313,565
				125,000
		3,693		1,696,943
				53,861
				125,000
				286,530
				70,254
<u>557,519</u>	<u>529,525</u>	<u>357,556</u>	<u>151,209</u>	<u>5,619,779</u>
<u>557,519</u>	<u>529,525</u>	<u>357,556</u>	<u>151,209</u>	<u>6,155,424</u>
<u>\$ 557,519</u>	<u>\$ 529,525</u>	<u>\$ 361,249</u>	<u>\$ 151,209</u>	<u>\$ 7,852,367</u>

**CITY OF WINTERS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2008**

	Special Revenue Funds			
	City Wide Assessment	Flood Assessment District	Gas Tax	First Time Homebuyers
<b>REVENUES</b>				
Taxes and assessments	\$ 186,934	\$ -	\$ 131,045	\$ -
Fines and forfeitures				
Licenses and permits				
Program income				
Use of money and property		156		3,448
Intergovernmental revenues				
Miscellaneous				
<b>Total revenues</b>	<u>186,934</u>	<u>156</u>	<u>131,045</u>	<u>3,448</u>
<b>EXPENDITURES</b>				
Current:				
General government	17,854		36,602	
Public safety				
Public works				
Community development				
Parks	247,684			
Streets and highways			73,686	
Capital outlay				
<b>Total expenditures</b>	<u>265,538</u>		<u>110,288</u>	
Excess of revenues over (under) expenditures	<u>(78,604)</u>	<u>156</u>	<u>20,757</u>	<u>3,448</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	82,905			
Transfers out				
<b>Total other financing sources (uses)</b>	<u>82,905</u>			
<b>Net change in fund balance</b>	<u>4,301</u>	<u>156</u>	<u>20,757</u>	<u>3,448</u>
Fund Balances (Deficit) - beginning of fiscal year	65,953	3,515	720	77,536
Prior Period Adjustments				
Fund Balances (Deficit) - beginning of fiscal year, restated	<u>65,953</u>	<u>3,515</u>	<u>720</u>	<u>77,536</u>
Fund Balances (Deficit) - end of fiscal year	<u>\$ 70,254</u>	<u>\$ 3,671</u>	<u>\$ 21,477</u>	<u>\$ 80,984</u>

Special Revenue Funds

Safe Routes to School	State COPS 1913	Workforce Grant	COPS More Grant	Traffic Congestion
\$ -	\$ -	\$ -	\$ -	\$ -
	4,010		70	3,782
	101,838	76,980		
		2,052		
	105,848	79,032	70	3,782
		2,771		
	196,166	57,683		
		23,949		
		1,131		
		10,302		
22,509				
22,509	196,166	95,836		
(22,509)	(90,318)	(16,804)	70	3,782
(22,509)	(90,318)	(16,804)	70	3,782
(31,485)	152,432		1,569	85,071
(31,485)	152,432		1,569	85,071
\$ (53,994)	\$ 62,114	\$ (16,804)	\$ 1,639	\$ 88,853

(Continued)

**CITY OF WINTERS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2008**

(Continued)

	Special Revenue Funds			
	Proposition 1B	Park Grant	Traffic Safety	Asset Forfeiture
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures			50,055	
Licenses and permits				
Program income				
Use of money and property	1,559		6,514	873
Intergovernmental revenues	400,000	19,855		566
Miscellaneous				
<b>Total revenues</b>	<b>401,559</b>	<b>19,855</b>	<b>56,569</b>	<b>1,439</b>
<b>EXPENDITURES</b>				
Current:				
General government				
Public safety			20,238	
Public works				
Community development				
Parks		19,178		
Streets and highways	1,750			
Capital outlay			9,281	
<b>Total expenditures</b>	<b>1,750</b>	<b>19,178</b>	<b>29,519</b>	
Excess of revenues over (under) expenditures	399,809	677	27,050	1,439
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
Transfers out				
<b>Total other financing sources (uses)</b>				
<b>Net change in fund balance</b>	<b>399,809</b>	<b>677</b>	<b>27,050</b>	<b>1,439</b>
Fund Balances (Deficit) - beginning of fiscal year		(531)	140,014	11,462
Prior Period Adjustments				
Fund Balances (Deficit) - beginning of fiscal year, restated		(531)	140,014	11,462
Fund Balances (Deficit) - end of fiscal year	<b>\$ 399,809</b>	<b>\$ 146</b>	<b>\$ 167,064</b>	<b>\$ 12,901</b>

Special Revenue Funds

After School	Vehicle Theft Deterrent	Beverage Recycling Grant	Used Oil Grant	05-STBG-1414
\$ -	\$ -	\$ -	\$ -	\$ -
7,090	887	671		
347,215		5,000		458,376
16,051				
<u>370,356</u>	<u>887</u>	<u>5,671</u>		<u>458,376</u>
			3,000	
314,104		3,534		
				393,796
<u>314,104</u>		<u>3,534</u>	<u>3,000</u>	<u>393,796</u>
56,252	887	2,137	(3,000)	64,580
56,252	887	2,137	(3,000)	64,580
113,637	28,040	12,859		(708)
				(63,872)
<u>113,637</u>	<u>28,040</u>	<u>12,859</u>		<u>(64,580)</u>
<u>\$ 169,889</u>	<u>\$ 28,927</u>	<u>\$ 14,996</u>	<u>\$ (3,000)</u>	<u>\$ -</u>

(Continued)

**CITY OF WINTERS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2008**

(Continued)

	Special Revenue Funds			
	Transportation Development Act	STBG 700 Housing Grant	STBG 96-1043 Grant	HOME 98-347 Grant
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures				
Licenses and permits				
Program income		46,703	7,693	25,000
Use of money and property	4,162	14,797	1,031	
Intergovernmental revenues	305,190			
Miscellaneous				
<b>Total revenues</b>	<b>309,352</b>	<b>61,500</b>	<b>8,724</b>	<b>25,000</b>
<b>EXPENDITURES</b>				
Current:				
General government				
Public safety				
Public works				
Community development				
Parks				
Streets and highways	161,487			
Capital outlay	32,737			
<b>Total expenditures</b>	<b>194,224</b>			
Excess of revenues over (under) expenditures	115,128	61,500	8,724	25,000
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in			727	
Transfers out		(59,529)	(9,451)	(25,000)
<b>Total other financing sources (uses)</b>		<b>(59,529)</b>	<b>(8,724)</b>	<b>(25,000)</b>
<b>Net change in fund balance</b>	<b>115,128</b>	<b>1,971</b>		
Fund Balances (Deficit) - beginning of fiscal year	209,695	(1,971)	(29,070)	
Prior Period Adjustments	63,872			
Fund Balances (Deficit) - beginning of fiscal year, restated	273,567	(1,971)	(29,070)	
Fund Balances (Deficit) - end of fiscal year	\$ 388,695	\$ -	\$ (29,070)	\$ -

Special Revenue Funds

EDBG 99-688 Grant	EDBG 96-405 Grant	Housing Rehabilitation RLF	HOME Program RLF	First Time Homebuyer RLF
\$ -	\$ -	\$ -	\$ -	\$ -
7,925				7,000
9,479		2,015	2,439	3,223
<u>17,404</u>		<u>2,015</u>	<u>2,439</u>	<u>10,223</u>
17,404		2,015	2,439	10,223
(18,644)		23,811	25,000	35,717
<u>(18,644)</u>		<u>23,811</u>	<u>25,000</u>	<u>35,717</u>
(1,240)		25,826	27,439	45,940
1,240		41,808	45,071	67,255
<u>1,240</u>		<u>41,808</u>	<u>45,071</u>	<u>67,255</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,634</u>	<u>\$ 72,510</u>	<u>\$ 113,195</u>

(Continued)

**CITY OF WINTERS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2008**

(Continued)

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund
	Small Business RLF	Fire Prevention	General	Monitoring Fee
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures				
Licenses and permits				3,027
Program income				
Use of money and property	8,471		1,673	
Intergovernmental revenues		2,500		
Miscellaneous				
<b>Total revenues</b>	<b>8,471</b>	<b>2,500</b>	<b>1,673</b>	<b>3,027</b>
<b>EXPENDITURES</b>				
Current:				
General government				
Public safety		403		
Public works				
Community development				
Parks				
Streets and highways				
Capital outlay				
<b>Total expenditures</b>		<b>403</b>		
Excess of revenues over (under) expenditures	8,471	2,097	1,673	3,027
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	27,368			
Transfers out				(3,104)
<b>Total other financing sources (uses)</b>	<b>27,368</b>			<b>(3,104)</b>
<b>Net change in fund balance</b>	<b>35,839</b>	<b>2,097</b>	<b>1,673</b>	<b>(77)</b>
Fund Balances (Deficit) - beginning of fiscal year	176,435		52,188	77
Prior Period Adjustments				
Fund Balances (Deficit) - beginning of fiscal year, restated	176,435		52,188	77
Fund Balances (Deficit) - end of fiscal year	\$ 212,274	\$ 2,097	\$ 53,861	\$ -

Capital Projects Funds

Flood Control Study	RAJA Storm Drain	Street Impact Fees	Capital Asset Replacement	Storm Drain Impact Fees
\$ -	\$ -	\$ -	\$ -	\$ -
		7,732	5,071	73
53	1,564	50,449	2,602	6,114
53	1,564	58,181	7,673	6,187
		53,742		
		380,049		
		433,791		
53	1,564	(375,610)	7,673	6,187
53	1,564	(375,610)	7,673	6,187
(123,810)	25,733	1,486,296	56,787	167,416
(123,810)	25,733	1,486,296	56,787	167,416
<u>\$ (123,757)</u>	<u>\$ 27,297</u>	<u>\$ 1,110,686</u>	<u>\$ 64,460</u>	<u>\$ 173,603</u>

(Continued)

**CITY OF WINTERS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2008**

(Continued)

	Capital Projects Funds			
	Park and Recreation Impact Fees	Police Impact Fees	Fire Impact Fees	Facilities Impact Fees
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures				
Licenses and permits	8,132	2,231	3,337	4,811
Program income		100		
Use of money and property	31,069	12,212	8,958	11,972
Intergovernmental revenues				
Miscellaneous				
<b>Total revenues</b>	<b>39,201</b>	<b>14,543</b>	<b>12,295</b>	<b>16,783</b>
<b>EXPENDITURES</b>				
Current:				
General government				
Public safety				
Public works				
Community development				
Parks	7,364			
Streets and highways				
Capital outlay		62,328	62,728	75,960
<b>Total expenditures</b>	<b>7,364</b>	<b>62,328</b>	<b>62,728</b>	<b>75,960</b>
Excess of revenues over (under) expenditures	31,837	(47,785)	(50,433)	(59,177)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
Transfers out			(415)	
<b>Total other financing sources (uses)</b>			<b>(415)</b>	
<b>Net change in fund balance</b>	<b>31,837</b>	<b>(47,785)</b>	<b>(50,848)</b>	<b>(59,177)</b>
Fund Balances (Deficit) - beginning of fiscal year	697,041	293,616	217,581	294,939
Prior Period Adjustments				
Fund Balances (Deficit) - beginning of fiscal year, restated	697,041	293,616	217,581	294,939
Fund Balances (Deficit) - end of fiscal year	\$ 728,878	\$ 245,831	\$ 166,733	\$ 235,762

Capital Projects Funds				
General Water Impact Fees	General Fund Capital	Landfill Capital	Parks and Recreation Capital	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 317,979
				50,055
5,749				40,090
				94,494
23,802	22,542	15,626	5,204	268,517
				1,717,520
				18,103
<u>29,551</u>	<u>22,542</u>	<u>15,626</u>	<u>5,204</u>	<u>2,506,758</u>
				60,227
				274,490
2,954				26,903
				1,131
		13,480	17,090	632,736
				290,665
				1,039,388
<u>2,954</u>		<u>13,480</u>	<u>17,090</u>	<u>2,325,540</u>
<u>26,597</u>	<u>22,542</u>	<u>2,146</u>	<u>(11,886)</u>	<u>181,218</u>
				195,528
				(116,143)
				79,385
<u>26,597</u>	<u>22,542</u>	<u>2,146</u>	<u>(11,886)</u>	<u>260,603</u>
530,922	506,983	355,410	163,095	5,894,821
<u>530,922</u>	<u>506,983</u>	<u>355,410</u>	<u>163,095</u>	<u>5,894,821</u>
<u>\$ 557,519</u>	<u>\$ 529,525</u>	<u>\$ 357,556</u>	<u>\$ 151,209</u>	<u>\$ 6,155,424</u>

**CITY OF WINTERS**  
**CITY WIDE ASSESSMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Taxes and assessments	\$ 187,901	\$ 186,934	\$ (967)
<b>Total Revenues</b>	<b>187,901</b>	<b>186,934</b>	<b>(967)</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	15,530	17,854	(2,324)
Parks	275,053	247,684	27,369
<b>Total Expenditures</b>	<b>290,583</b>	<b>265,538</b>	<b>25,045</b>
Excess of revenues over (under) expenditures	(102,682)	(78,604)	24,078
<b>Other Financing Sources (Uses):</b>			
Transfer in	97,680	82,905	(14,775)
<b>Total Other Financing Sources (Uses)</b>	<b>97,680</b>	<b>82,905</b>	<b>(14,775)</b>
Net change in fund balance	(5,002)	4,301	9,303
<b>Fund Balance - beginning of fiscal year</b>	<b>65,953</b>	<b>65,953</b>	
<b>Fund Balance - end of fiscal year</b>	<b>\$ 60,951</b>	<b>\$ 70,254</b>	<b>\$ 9,303</b>

**CITY OF WINTERS**  
**FLOOD ASSESSMENT DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 137	\$ 156	\$ 19
Total Revenues	137	156	19
Net change in fund balance	137	156	19
<b>Fund Balance - beginning of fiscal year</b>	<b>3,515</b>	<b>3,515</b>	
<b>Fund Balance - end of fiscal year</b>	<b>\$ 3,652</b>	<b>\$ 3,671</b>	<b>\$ 19</b>

**CITY OF WINTERS**  
**GAS TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Taxes and assessments	\$ 130,509	\$ 131,045	\$ 536
Total Revenues	<u>130,509</u>	<u>131,045</u>	<u>536</u>
<b>Expenditures:</b>			
Current:			
General government	30,927	36,602	(5,675)
Streets and highways	<u>88,242</u>	<u>73,686</u>	<u>14,556</u>
Total Expenditures	<u>119,169</u>	<u>110,288</u>	<u>8,881</u>
Net change in fund balance	11,340	20,757	9,417
<b>Fund Balance - beginning of fiscal year</b>	<u>720</u>	<u>720</u>	
<b>Fund Balance - end of fiscal year</b>	<u>\$ 12,060</u>	<u>\$ 21,477</u>	<u>\$ 9,417</u>

**CITY OF WINTERS**

**FIRST TIME HOMEBUYERS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**BUDGET AND ACTUAL**

**For the Fiscal Year Ended June 30, 2008**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Use of money and property	<u>\$ 3,023</u>	<u>\$ 3,448</u>	<u>\$ 425</u>
Total Revenues	<u>3,023</u>	<u>3,448</u>	<u>425</u>
Net change in fund balance	3,023	3,448	425
<b>Fund Balance - beginning of fiscal year</b>	<u>77,536</u>	<u>77,536</u>	
<b>Fund Balance - end of fiscal year</b>	<u>\$ 80,559</u>	<u>\$ 80,984</u>	<u>\$ 425</u>

**CITY OF WINTERS**  
**STATE COPS 1913 FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 7,384	\$ 4,010	\$ (3,374)
Intergovernmental revenues	100,000	101,838	1,838
<b>Total Revenues</b>	<u>107,384</u>	<u>105,848</u>	<u>(1,536)</u>
<b>Expenditures:</b>			
Current:			
Public safety	216,956	196,166	20,790
<b>Total Expenditures</b>	<u>216,956</u>	<u>196,166</u>	<u>20,790</u>
Net change in fund balances	(109,572)	(90,318)	19,254
<b>Fund Balance - beginning of fiscal year</b>	<u>152,432</u>	<u>152,432</u>	
<b>Fund Balance - end of fiscal year</b>	<u>\$ 42,860</u>	<u>\$ 62,114</u>	<u>\$ 19,254</u>

**CITY OF WINTERS****WORKFORCE GRANT FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental revenues	\$ -	\$ 76,980	\$ 76,980
Miscellaneous		2,052	2,052
Total Revenues		79,032	79,032
<b>Expenditures:</b>			
Current:			
General government	2,771	2,771	
Public safety	58,184	57,683	501
Public works	27,000	23,949	3,051
Community development	667	1,131	(464)
Parks	28,925	10,302	18,623
Total Expenditures	117,547	95,836	21,711
Net change in fund balances	(117,547)	(16,804)	100,743
<b>Fund Balance - beginning of fiscal year</b>			
<b>Fund Balance - end of fiscal year</b>	\$ (117,547)	\$ (16,804)	\$ 100,743

**CITY OF WINTERS**  
**COPS MORE GRANT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 61	\$ 70	\$ 9
Total Revenues	61	70	9
Net change in fund balances	61	70	9
<b>Fund Balance - beginning of fiscal year</b>	1,569	1,569	
<b>Fund Balance - end of fiscal year</b>	\$ 1,630	\$ 1,639	\$ 9

**CITY OF WINTERS**  
**TRAFFIC CONGESTION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 3,317	\$ 3,782	\$ 465
<b>Total Revenues</b>	<u>3,317</u>	<u>3,782</u>	<u>465</u>
<b>Expenditures:</b>			
Capital outlay	103,780		103,780
<b>Total Expenditures</b>	<u>103,780</u>		<u>103,780</u>
Net change in fund balances	(100,463)	3,782	104,245
<b>Fund Balance - beginning of fiscal year</b>	<u>85,071</u>	<u>85,071</u>	
<b>Fund Balance - end of fiscal year</b>	<u>\$ (15,392)</u>	<u>\$ 88,853</u>	<u>\$ 104,245</u>

**CITY OF WINTERS**  
**PARK GRANT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental revenues	\$ -	\$ 19,855	\$ 19,855
Total Revenues		19,855	19,855
<b>Expenditures:</b>			
Current:			
Parks	11,200	19,178	(7,978)
Total Expenditures	11,200	19,178	(7,978)
Net change in fund balances	(11,200)	677	11,877
<b>Fund Balance (Deficit) - beginning of fiscal year</b>	(531)	(531)	
<b>Fund Balance (Deficit) - end of fiscal year</b>	\$ (11,731)	\$ 146	\$ 11,877

**CITY OF WINTERS**  
**TRAFFIC SAFETY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Fines and forfeitures	\$ 6,000	\$ 50,055	\$ 44,055
Use of money and property	5,678	6,514	836
 Total Revenues	 11,678	 56,569	 44,891
<b>Expenditures:</b>			
Current:			
Public safety	9,000	20,238	(11,238)
Capital outlay		9,281	(9,281)
 Total Expenditures	 9,000	 29,519	 (20,519)
 Net change in fund balances	 2,678	 27,050	 24,372
 <b>Fund Balance - beginning of fiscal year</b>	 140,014	 140,014	
 <b>Fund Balance - end of fiscal year</b>	 \$ 142,692	 \$ 167,064	 \$ 24,372

**CITY OF WINTERS**  
**ASSET FORFEITURE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 561	\$ 873	\$ 312
Intergovernmental revenues		566	566
Total Revenues	561	1,439	878
Net change in fund balances	561	1,439	878
<b>Fund Balance - beginning of fiscal year</b>	11,462	11,462	
<b>Fund Balance - end of fiscal year</b>	<u>\$ 12,023</u>	<u>\$ 12,901</u>	<u>\$ 878</u>

**CITY OF WINTERS**  
**AFTER SCHOOL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental revenues	\$ -	\$ 347,215	\$ 347,215
Use of money and property		7,090	7,090
Miscellaneous		16,051	16,051
<b>Total Revenues</b>		<b>370,356</b>	<b>370,356</b>
<b>Expenditures:</b>			
Current			
Parks	244,526	314,104	(69,578)
<b>Total Expenditures</b>	<b>244,526</b>	<b>314,104</b>	<b>(69,578)</b>
Net change in fund balances	(244,526)	56,252	300,778
<b>Fund Balance - beginning of fiscal year</b>	<b>113,637</b>	<b>113,637</b>	
<b>Fund Balance - end of fiscal year</b>	<b>\$ (130,889)</b>	<b>\$ 169,889</b>	<b>\$ 300,778</b>

**CITY OF WINTERS**

**VEHICLE THEFT DETERRENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 1,093	\$ 887	\$ (206)
<b>Total Revenues</b>	<u>1,093</u>	<u>887</u>	<u>(206)</u>
Net change in fund balances	1,093	887	(206)
<b>Fund Balance - beginning of fiscal year</b>	<u>28,040</u>	<u>28,040</u>	
<b>Fund Balance - end of fiscal year</b>	<u>\$ 29,133</u>	<u>\$ 28,927</u>	<u>\$ (206)</u>

**CITY OF WINTERS****BEVERAGE RECYCLING GRANT FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 502	\$ 671	\$ 169
Intergovernmental revenues	5,000	5,000	
Total Revenues	5,502	5,671	169
<b>Expenditures:</b>			
Capital outlay	6,000	3,534	2,466
Total Expenditures	6,000	3,534	2,466
Net change in fund balances	(498)	2,137	2,635
<b>Fund Balance - beginning of fiscal year</b>	12,859	12,859	
<b>Fund Balance - end of fiscal year</b>	\$ 12,361	\$ 14,996	\$ 2,635

**CITY OF WINTERS**

05-STBG-1414 FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental revenues	\$ -	\$ 458,376	\$ 458,376
Total Revenues		458,376	458,376
<b>Expenditures:</b>			
Capital outlay	7,930	393,796	(385,866)
Total Expenditures	7,930	393,796	(385,866)
Excess of revenues over (under) expenditures	(7,930)	64,580	72,510
<b>Fund Balance (Deficit) - beginning of fiscal year</b>	(708)	(708)	
Prior Period Adjustment		(63,872)	(63,872)
<b>Fund Balance (Deficit) - beginning of fiscal year, restated</b>	(708)	(64,580)	(63,872)
<b>Fund Balance (Deficit) - end of fiscal year</b>	\$ (8,638)	\$ -	\$ 8,638

**CITY OF WINTERS****TRANSPORTATION DEVELOPMENT ACT FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2008

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 261	\$ 4,162	\$ 3,901
Intergovernmental revenues	284,244	305,190	20,946
Total Revenues	284,505	309,352	24,847
<b>Expenditures:</b>			
Current:			
Streets and highways	185,750	161,487	24,263
Capital outlay	750,000	32,737	717,263
Total Expenditures	935,750	194,224	741,526
Net change in fund balances	(651,245)	115,128	766,373
<b>Fund Balance - beginning of fiscal year</b>	209,695	209,695	
Prior Period Adjustment		63,872	63,872
<b>Fund Balance - beginning of fiscal year, restated</b>	209,695	273,567	63,872
<b>Fund Balance (Deficit) - end of fiscal year</b>	\$ (441,550)	\$ 388,695	\$ 830,245

**CITY OF WINTERS****STBG 700 HOUSING GRANT FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Program income	\$ 5,339	\$ 46,703	\$ 41,364
Use of money and property	426	14,797	14,371
<b>Total Revenues</b>	<b>5,765</b>	<b>61,500</b>	<b>55,735</b>
Excess of revenues over (under) expenditures	5,765	61,500	55,735
<b>Other Financing Sources (Uses):</b>			
Transfers out		(59,529)	(59,529)
<b>Total Other Financing Sources (Uses)</b>		<b>(59,529)</b>	<b>(59,529)</b>
Net change in fund balance	5,765	1,971	(3,794)
<b>Fund Balance (Deficit) - beginning of fiscal year</b>	<b>(1,971)</b>	<b>(1,971)</b>	
<b>Fund Balance - end of fiscal year</b>	<b>\$ 3,794</b>	<b>\$ -</b>	<b>\$ (3,794)</b>

**CITY OF WINTERS**

STBG 96-1043 FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Program income	\$ 6,545	\$ 7,693	\$ 1,148
Use of money and property	1,100	1,031	(69)
Total Revenues	7,645	8,724	1,079
Excess of revenues over (under) expenditures	7,645	8,724	1,079
<b>Other Financing Sources (Uses):</b>			
Transfers in		727	727
Transfers out		(9,451)	(9,451)
Total Other Financing Sources (Uses)		(8,724)	(8,724)
Net change in fund balances	7,645		(7,645)
<b>Fund Balance (Deficit) - beginning of fiscal year</b>	<u>(29,070)</u>	<u>(29,070)</u>	
<b>Fund Balance (Deficit) - end of fiscal year</b>	<u>\$ (21,425)</u>	<u>\$ (29,070)</u>	<u>\$ (7,645)</u>

**CITY OF WINTERS**

EDBG 99-688 GRANT FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Program income	\$ 6,668	\$ 7,925	\$ 1,257
Use of money and property	9,500	9,479	(21)
Total Revenues	16,168	17,404	1,236
<b>Other Financing Sources (Uses):</b>			
Transfers out	(16,168)	(18,644)	(2,476)
Total Other Financing Sources (Uses)	(16,168)	(18,644)	(2,476)
Net change in fund balances		(1,240)	(1,240)
<b>Fund Balance - beginning of fiscal year</b>	1,240	1,240	
<b>Fund Balance - end of fiscal year</b>	\$ 1,240	\$ -	\$ (1,240)

**CITY OF WINTERS**  
**HOUSING REHABILITATION RLF FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 1,029	\$ 2,015	\$ 986
Total Revenues	1,029	2,015	986
Excess of revenues over (under) expenditures	1,029	2,015	986
<b>Other Financing Sources (Uses):</b>			
Transfers in	5,364	23,811	18,447
Total Other Financing Sources (Uses)	5,364	23,811	18,447
Net change in fund balances	6,393	25,826	19,433
<b>Fund Balance - beginning of fiscal year</b>	41,808	41,808	
<b>Fund Balance - end of fiscal year</b>	\$ 48,201	\$ 67,634	\$ 19,433

**CITY OF WINTERS****FIRST TIME HOMEBUYERS RLF FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Program income	\$ -	\$ 7,000	\$ 7,000
Use of money and property	933	3,223	2,290
Total Revenues	933	10,223	9,290
Excess of revenues over (under) expenditures	933	10,223	9,290
<b>Other Financing Sources (Uses):</b>			
Transfers in	8,047	35,717	27,670
Total Other Financing Sources (Uses)	8,047	35,717	27,670
Net change in fund balances	8,980	45,940	36,960
<b>Fund Balance - beginning of fiscal year</b>	<u>67,255</u>	<u>67,255</u>	
<b>Fund Balance - end of fiscal year</b>	<u>\$ 76,235</u>	<u>\$ 113,195</u>	<u>\$ 36,960</u>

**CITY OF WINTERS**  
**SMALL BUSINESS RLF FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental revenues	\$ 6,378	\$ 8,471	\$ 2,093
Total Revenues	6,378	8,471	2,093
<b>Other Financing Sources (Uses):</b>			
Transfers in	16,168	27,368	11,200
Total Expenditures	16,168	27,368	11,200
Net change in fund balances	22,546	35,839	13,293
<b>Fund Balance - beginning of fiscal year</b>	176,435	176,435	
<b>Fund Balance - end of fiscal year</b>	<u>\$ 198,981</u>	<u>\$ 212,274</u>	<u>\$ 13,293</u>

**CITY OF WINTERS**

**GENERAL DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**BUDGET AND ACTUAL**

**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 2,745	\$ 1,673	\$ (1,072)
Total Revenues	<u>2,745</u>	<u>1,673</u>	<u>(1,072)</u>
Net change in fund balances	2,745	1,673	(1,072)
<b>Fund Balance - beginning of fiscal year</b>	<u>52,188</u>	<u>52,188</u>	
<b>Fund Balance - end of fiscal year</b>	<u>\$ 54,933</u>	<u>\$ 53,861</u>	<u>\$ (1,072)</u>

**CITY OF WINTERS**  
**MONITORING FEE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses and permits	\$ 83,656	\$ 3,027	\$ (80,629)
Total Revenues	<u>83,656</u>	<u>3,027</u>	<u>(80,629)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out		<u>(3,104)</u>	<u>(3,104)</u>
Total Other Financing Sources (Uses)		<u>(3,104)</u>	<u>(3,104)</u>
Net change in fund balances	83,656	(77)	(83,733)
<b>Fund Balance - beginning of fiscal year</b>	<u>77</u>	<u>77</u>	
<b>Fund Balance - end of fiscal year</b>	<u>\$ 83,733</u>	<u>\$ -</u>	<u>\$ (83,733)</u>

**CITY OF WINTERS****FLOOD CONTROL STUDY FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 46	\$ 53	\$ 7
Total Revenues	46	53	7
Net change in fund balances	46	53	7
<b>Fund Balance (Deficit) - beginning of fiscal year</b>	<u>(123,810)</u>	<u>(123,810)</u>	
<b>Fund Balance (Deficit) - end of fiscal year</b>	<u>\$ (123,764)</u>	<u>\$ (123,757)</u>	<u>\$ 7</u>

**CITY OF WINTERS**  
**RAJA STORM DRAIN FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 1,374	\$ 1,564	\$ 190
Total Revenues	1,374	1,564	190
Net change in fund balances	1,374	1,564	190
<b>Fund Balance - beginning of fiscal year</b>	<b>25,733</b>	<b>25,733</b>	
<b>Fund Balance - end of fiscal year</b>	<b>\$ 27,107</b>	<b>\$ 27,297</b>	<b>\$ 190</b>

**CITY OF WINTERS****STREET IMPACT FEES FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses and permits	\$ 1,390,239	\$ 7,732	\$ (1,382,507)
Use of money and property	54,294	50,449	(3,845)
Total Revenues	<u>1,444,533</u>	<u>58,181</u>	<u>(1,386,352)</u>
<b>Expenditures:</b>			
Current:			
Streets and highways	8,706	53,742	(45,036)
Capital outlay	<u>1,137,500</u>	<u>380,049</u>	<u>757,451</u>
Total Expenditures	<u>1,146,206</u>	<u>433,791</u>	<u>712,415</u>
Net change in fund balances	298,327	(375,610)	(673,937)
<b>Fund Balance - beginning of fiscal year</b>	<u>1,486,296</u>	<u>1,486,296</u>	
<b>Fund Balance - end of fiscal year</b>	<u>\$ 1,784,623</u>	<u>\$ 1,110,686</u>	<u>\$ (673,937)</u>

**CITY OF WINTERS**  
**CAPITAL ASSET REPLACEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses and permits	\$ 7,050	\$ 5,071	\$ (1,979)
Use of money and property	2,179	2,602	423
<b>Total Revenues</b>	<b>9,229</b>	<b>7,673</b>	<b>(1,556)</b>
<b>Expenditures:</b>			
Current:			
Community development	40,000		40,000
<b>Total Expenditures</b>	<b>40,000</b>		<b>40,000</b>
Net change in fund balances	(30,771)	7,673	38,444
<b>Fund Balance - beginning of fiscal year</b>	<b>56,787</b>	<b>56,787</b>	
<b>Fund Balance - end of fiscal year</b>	<b>\$ 26,016</b>	<b>\$ 64,460</b>	<b>\$ 38,444</b>

**CITY OF WINTERS**  
**STORM DRAIN IMPACT FEES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Program income	\$ 4,562	\$ 73	\$ (4,489)
Use of money and property	5,338	6,114	776
Total Revenues	<u>9,900</u>	<u>6,187</u>	<u>(3,713)</u>
<b>Expenditures:</b>			
Current:			
Public works	150		150
Capital outlay	1,154,612		1,154,612
Total Expenditures	<u>1,154,762</u>		<u>1,154,762</u>
Net change in fund balances	(1,144,862)	6,187	1,151,049
<b>Fund Balance - beginning of fiscal year</b>	<u>167,416</u>	<u>167,416</u>	
<b>Fund Balance (Deficit) - end of fiscal year</b>	<u>\$ (977,446)</u>	<u>\$ 173,603</u>	<u>\$ 1,151,049</u>

**CITY OF WINTERS**  
**PARK AND RECREATION IMPACT FEES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses and permits	\$ 4,540,464	\$ 8,132	\$ (4,532,332)
Use of money and property	3,088	31,069	27,981
<b>Total Revenues</b>	<u>4,543,552</u>	<u>39,201</u>	<u>(4,504,351)</u>
<b>Expenditures:</b>			
Current:			
Parks	16,672	7,364	9,308
<b>Total Expenditures</b>	<u>16,672</u>	<u>7,364</u>	<u>9,308</u>
<b>Net change in fund balances</b>	4,526,880	31,837	(4,495,043)
<b>Fund Balance - beginning of fiscal year</b>	<u>697,041</u>	<u>697,041</u>	
<b>Fund Balance - end of fiscal year</b>	<u>\$ 5,223,921</u>	<u>\$ 728,878</u>	<u>\$ (4,495,043)</u>

**CITY OF WINTERS**  
**POLICE IMPACT FEES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses and permits	\$ 1,018,738	\$ 2,231	\$ (1,016,507)
Program income		100	
Use of money and property	11,463	12,212	749
<b>Total Revenues</b>	<b>1,030,201</b>	<b>14,543</b>	<b>(1,015,758)</b>
<b>Expenditures:</b>			
Current:			
Public safety	34,156		34,156
Capital outlay	435,600	62,328	373,272
<b>Total Expenditures</b>	<b>469,756</b>	<b>62,328</b>	<b>407,428</b>
Net change in fund balances	560,445	(47,785)	(608,330)
<b>Fund Balance - beginning of fiscal year</b>	<b>293,616</b>	<b>293,616</b>	
<b>Fund Balance - end of fiscal year</b>	<b>\$ 854,061</b>	<b>\$ 245,831</b>	<b>\$ (608,330)</b>

**CITY OF WINTERS**  
**FIRE IMPACT FEES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses and permits	\$ 1,061,011	\$ 3,337	\$ (1,057,674)
Use of money and property	8,490	8,958	468
<b>Total Revenues</b>	<u>1,069,501</u>	<u>12,295</u>	<u>(1,057,206)</u>
<b>Expenditures:</b>			
Current:			
Public safety	34,556		34,556
Capital outlay	456,000	62,728	393,272
<b>Total Expenditures</b>	<u>490,556</u>	<u>62,728</u>	<u>427,828</u>
Excess of revenues over (under) expenditures	<u>578,945</u>	<u>(50,433)</u>	<u>(629,378)</u>
<b>Other Financing Sources (Uses):</b>			
Transfer out		(415)	(415)
<b>Total Other Financing Sources (Uses)</b>		<u>(415)</u>	<u>(415)</u>
Net change in fund balances	578,945	(50,848)	(629,793)
<b>Fund Balance - beginning of fiscal year</b>	<u>217,581</u>	<u>217,581</u>	
<b>Fund Balance - end of fiscal year</b>	<u>\$ 796,526</u>	<u>\$ 166,733</u>	<u>\$ (629,793)</u>

**CITY OF WINTERS**  
**GENERAL FACILITIES IMPACT FEES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses and permits	\$ 1,567,819	\$ 4,811	\$ (1,563,008)
Use of money and property	11,499	11,972	473
<b>Total Revenues</b>	<u>1,579,318</u>	<u>16,783</u>	<u>(1,562,535)</u>
<b>Expenditures:</b>			
Capital outlay	8,555	75,960	(67,405)
<b>Total Expenditures</b>	<u>8,555</u>	<u>75,960</u>	<u>(67,405)</u>
Net change in fund balances	1,570,763	(59,177)	(1,629,940)
<b>Fund Balance - beginning of fiscal year</b>	<u>294,939</u>	<u>294,939</u>	
<b>Fund Balance - end of fiscal year</b>	<u>\$ 1,865,702</u>	<u>\$ 235,762</u>	<u>\$ (1,629,940)</u>

**CITY OF WINTERS**  
**WATER IMPACT FEES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses and permits	\$ 337,332	\$ 5,749	\$ (331,583)
Use of money and property	20,707	23,802	3,095
<b>Total Revenues</b>	<u>358,039</u>	<u>29,551</u>	<u>(328,488)</u>
<b>Expenditures:</b>			
Current			
Public works	8,555	2,954	5,601
Capital outlay	2,094,300		2,094,300
<b>Total Expenditures</b>	<u>2,102,855</u>	<u>2,954</u>	<u>2,099,901</u>
Net change in fund balances	(1,744,816)	26,597	1,771,413
<b>Fund Balance - beginning of fiscal year</b>	<u>530,922</u>	<u>530,922</u>	
<b>Fund Balance (Deficit) - end of fiscal year</b>	<u>\$ (1,213,894)</u>	<u>\$ 557,519</u>	<u>\$ 1,771,413</u>

**CITY OF WINTERS****GENERAL FUND CAPITAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 20,633	\$ 22,542	\$ 1,909
Total Revenues	20,633	22,542	1,909
Net change in fund balances	20,633	22,542	1,909
<b>Fund Balance - beginning of fiscal year</b>	506,983	506,983	
<b>Fund Balance - end of fiscal year</b>	\$ 527,616	\$ 529,525	\$ 1,909

**CITY OF WINTERS**  
**LANDFILL CAPITAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 14,155	\$ 15,626	\$ 1,471
<b>Total Revenues</b>	<b>14,155</b>	<b>15,626</b>	<b>1,471</b>
<b>Expenditures:</b>			
Current:			
Parks	17,700	13,480	4,220
Capital outlay	50,000	13,480	36,520
<b>Total Expenditures</b>	<b>67,700</b>	<b>26,960</b>	<b>40,740</b>
Net change in fund balances	(53,545)	(11,334)	42,211
<b>Fund Balance - beginning of fiscal year</b>	<b>355,410</b>	<b>355,410</b>	
<b>Fund Balance - end of fiscal year</b>	<b>\$ 301,865</b>	<b>\$ 344,076</b>	<b>\$ 42,211</b>

**CITY OF WINTERS**  
**PARKS AND RECREATION CAPITAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2008**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses and permits	\$ 1,444,400	\$ -	\$ (1,444,400)
Use of money and property	1,485	5,204	3,719
<b>Total Revenues</b>	<u>1,445,885</u>	<u>5,204</u>	<u>(1,440,681)</u>
<b>Expenditures:</b>			
Current:			
Parks		17,090	(17,090)
<b>Total Expenditures</b>		<u>17,090</u>	<u>(17,090)</u>
Net change in fund balances	1,445,885	(11,886)	(1,457,771)
<b>Fund Balance - beginning of fiscal year</b>	<u>163,095</u>	<u>163,095</u>	
<b>Fund Balance - end of fiscal year</b>	<u>\$ 1,608,980</u>	<u>\$ 151,209</u>	<u>\$ (1,457,771)</u>

## Agency Funds

Agency Funds are used to account for assets held by the City of Winters as an agent for individuals.

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.

Masters Swim Agency Fund – This fund is used to account for

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.

**CITY OF WINTERS**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF NET ASSETS**  
**June 30, 2008**

	<u>Winters Library Agency Fund</u>	<u>Master Swim Agency Fund</u>	<u>Swim Team Agency Fund</u>	<u>Totals</u>
<b>ASSETS</b>				
Cash and investments	\$ 487,918	\$ -	\$ 62,546	\$ 550,464
Interest receivable	3,786		480	4,266
Accounts receivable		2,637		2,637
	<u>491,704</u>	<u>2,637</u>	<u>63,026</u>	<u>557,367</u>
Total Assets	<u>\$ 491,704</u>	<u>\$ 2,637</u>	<u>\$ 63,026</u>	<u>\$ 557,367</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 800	\$ 800
Due to City general fund		2,411		2,411
Deposits payable	491,704	226	62,226	554,156
	<u>491,704</u>	<u>2,637</u>	<u>63,026</u>	<u>557,367</u>
Total Liabilities	<u>\$ 491,704</u>	<u>\$ 2,637</u>	<u>\$ 63,026</u>	<u>\$ 557,367</u>

**CITY OF WINTERS**  
**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**For the Fiscal Year Ended June 30, 2008**

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
<b>WINTERS LIBRARY</b>				
<b>ASSETS</b>				
Cash and investments	\$ 464,724	\$ 23,194	\$ -	\$ 487,918
Interest receivable	6,048		2,262	3,786
Total Assets	<u>\$ 470,772</u>	<u>\$ 23,194</u>	<u>\$ 2,262</u>	<u>\$ 491,704</u>
<b>LIABILITIES</b>				
Deposits payable	\$ 470,772	\$ 23,194	\$ 2,262	\$ 491,704
Total Liabilities	<u>\$ 470,772</u>	<u>\$ 23,194</u>	<u>\$ 2,262</u>	<u>\$ 491,704</u>
<b>MASTER SWIM</b>				
<b>ASSETS</b>				
Accounts receivable	\$ -	\$ 2,637	\$ -	\$ 2,637
Total Assets	<u>\$ -</u>	<u>\$ 2,637</u>	<u>\$ -</u>	<u>\$ 2,637</u>
<b>LIABILITIES</b>				
Due to City general fund	\$ -	\$ 2,411	\$ -	\$ 2,411
Deposits payable		226		226
Total Liabilities	<u>\$ -</u>	<u>\$ 2,637</u>	<u>\$ -</u>	<u>\$ 2,637</u>
<b>SWIM TEAM</b>				
<b>ASSETS</b>				
Cash and investments	\$ 53,792	\$ 9,401	\$ 647	\$ 62,546
Interest receivable	1,067		587	480
Total Assets	<u>\$ 54,859</u>	<u>\$ 9,401</u>	<u>\$ 1,234</u>	<u>\$ 63,026</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,034	\$ -	\$ 1,234	\$ 800
Deposits payable	52,825	9,401		62,226
Total Liabilities	<u>\$ 54,859</u>	<u>\$ 9,401</u>	<u>\$ 1,234</u>	<u>\$ 63,026</u>



**MOSS, LEVY & HARTZHEIM LLP**

CERTIFIED PUBLIC ACCOUNTANTS

**PARTNERS:**

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**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***

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 City of Winters, California (City), as of and for the fiscal year ended June 30, 2008 which collectively comprise the City of Winters' basic financial statements, and have issued our report thereon dated December 22, 2008. 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's 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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 in a separate letter dated November 21, 2008.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 the City Council, management, 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  
Beverly Hills, California  
December 22, 2008

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## Statistical Section



# 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 government's overall financial health.

## Financial Trends

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

## Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

## Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government'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 government's financial activities take place.

## Operating Information

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

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City of Winters  
Net Assets by Component  
Last Five Fiscal Years  
(accrual basis of accounting)

	Fiscal Year				
	2004	2005	2006	2007	2008
<b>Governmental activities</b>					
Invested in capital assets, net of related debt	\$ 3,208,569	\$ -	\$ (997,447)	\$ 2,380,494	\$ 8,809,005
Restricted	4,295,857	3,933,274	3,812,117	5,235,360	8,109,849
Unrestricted	6,594,044	11,205,077	14,277,490	14,656,092	6,586,121
<b>Total Governmental activities net assets</b>	<b>14,098,470</b>	<b>15,138,351</b>	<b>17,092,160</b>	<b>22,271,946</b>	<b>23,504,975</b>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	1,626,987	1,774,986	1,748,464	1,987,463	759,408
Restricted					6,513,829
Unrestricted	1,485,982	1,543,992	1,612,418	1,145,478	(4,590,329)
<b>Total Business-type activities net assets</b>	<b>3,112,969</b>	<b>3,318,978</b>	<b>3,360,882</b>	<b>3,132,941</b>	<b>2,682,908</b>
<b>Primary Government</b>					
Invested in capital assets, net of related debt	4,835,556	1,774,986	751,017	4,367,957	9,568,413
Restricted	4,295,857	3,933,274	3,812,117	5,235,360	14,623,678
Unrestricted	8,080,026	12,749,069	15,889,908	15,801,570	1,995,792
<b>Total Primary government net assets</b>	<b>\$ 17,211,439</b>	<b>\$ 18,457,329</b>	<b>\$ 20,453,042</b>	<b>\$ 25,404,887</b>	<b>\$ 26,187,883</b>

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.

City of Winters  
Changes in Net Assets  
Last Five Fiscal Years  
(accrual basis of accounting)

	Fiscal Year		
	2004	2005	2006
<b>Expenses</b>			
Governmental activities:			
General Government	\$ 819,541	\$ 1,514,288	\$ 1,010,123
Public Works	324,881	622,305	291,343
Public Safety	1,424,898	1,631,247	1,805,197
Cultural and Recreation	197,459	302,299	209,039
Community Development	285,819	439,246	1,177,004
Parks	58,797	73,615	394,202
Streets and Highways	417,247	249,976	95,709
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
Total governmental activities expenses	<u>3,988,678</u>	<u>5,578,947</u>	<u>5,394,136</u>
Business-Type Activities			
Water	582,259	613,920	568,433
Sewer	712,900	783,042	821,800
Total business-type activities expenses	<u>1,295,159</u>	<u>1,396,962</u>	<u>1,390,233</u>
Total primary government expenses	<u>\$ 5,283,837</u>	<u>\$ 6,975,909</u>	<u>\$ 6,784,369</u>
<b>Program Revenues</b>			
Governmental Activities:			
Charges for services			
General Government	\$ 446,063	\$ 246,864	\$ 238,085
Public Works	404,351	261,183	30,890
Public Safety	137,825	79,922	15,389
Cultural and Recreation	212,607	65,817	12,222
Community Development	494,435	446,116	440,539
Parks			
Streets and Highways	318,179		
Operating Contributions & Grants	177,979	137,931	112,674
Capital Contributions & Grants	398,162	209,739	1,142,084
Total Governmental activities program revenues	<u>2,589,601</u>	<u>1,447,572</u>	<u>1,991,883</u>
Business Type Activities			
Charges for services			
Water	507,758	547,467	624,342
Sewer	653,370	709,034	760,127
Total business-type activities program revenues	<u>1,161,128</u>	<u>1,256,501</u>	<u>1,384,469</u>
Total Primary government program revenues	<u>\$ 3,750,729</u>	<u>\$ 2,704,073</u>	<u>\$ 3,376,352</u>
Net (expense)/revenue			
Governmental activities	\$ (1,399,077)	\$ (4,131,375)	\$ (3,402,253)
Business-type activities	(134,031)	(140,461)	(5,764)
Total primary government net expense	<u>\$ (1,533,108)</u>	<u>\$ (4,271,836)</u>	<u>\$ (3,408,017)</u>

Fiscal Year	
2007	2008
\$ 1,270,036	\$ 1,318,150
266,764	215,673
2,264,099	2,376,129
253,530	407,454
1,783,897	717,669
459,383	632,736
101,448	368,273
456,876	665,197
<u>6,856,033</u>	<u>6,701,281</u>
651,194	1,016,474
1,105,717	1,382,370
<u>1,756,911</u>	<u>2,398,844</u>
<u>\$ 8,612,944</u>	<u>\$ 9,100,125</u>

\$ 61,589	\$ 80,698
380,446	23,391
153,388	66,761
163,563	77,751
588,448	90,214
	16,766
3,254,278	732,097
1,717,055	1,169,132
<u>6,318,767</u>	<u>2,256,810</u>

712,125	916,242
820,894	1,011,084
<u>1,533,019</u>	<u>1,927,326</u>
<u>\$ 7,851,786</u>	<u>\$ 4,184,136</u>

\$ (537,266)	\$ (4,444,471)
(223,892)	(471,518)
<u>\$ (761,158)</u>	<u>\$ (4,915,989)</u>

(Continued)

City of Winters  
 Changes in Net Assets  
 Last Five Fiscal Years  
 (accrual basis of accounting)  
 (Continued)

**General Revenues and Other Changes in Net Assets**

	Fiscal Year		
	2004	2005	2006
Governmental activities			
Taxes			
Property Taxes	\$ 1,986,828	\$ 2,621,091	\$ 3,132,212
Sales Taxes	311,677	295,197	315,794
Franchise Taxes	169,634	165,242	191,511
Other Taxes	960,625	889,765	849,895
Motor Vehicle in Lieu, unrestricted	320,234	156,491	22,002
Use of Money and property	156,777	435,019	706,759
Developer Contributions		456,890	
Transfer			
Miscellaneous	179,804	151,561	137,889
Total governmental activities	<u>4,085,579</u>	<u>5,171,256</u>	<u>5,356,062</u>
Business type activities			
Property taxes	24,002	28,775	23,537
Investment earnings	7,118	17,032	24,131
Transfers			
Developer contributions	16,648	300,663	
Total business type activities	<u>47,768</u>	<u>346,470</u>	<u>47,668</u>
Total primary government	<u>\$ 4,133,347</u>	<u>\$ 5,517,726</u>	<u>\$ 5,403,730</u>
Changes in net assets			
Governmental activities	2,686,502	1,039,881	1,953,809
Business type activities	(86,263)	206,009	41,904
Total primary government	<u>\$ 2,600,239</u>	<u>\$ 1,245,890</u>	<u>\$ 1,995,713</u>

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

2007	2008
\$ 3,291,501	\$ 2,996,227
276,539	344,136
187,939	218,521
837,652	721,127
46,898	29,750
889,692	1,200,495
50,128	98,884
136,703	68,360
<u>5,717,052</u>	<u>5,677,500</u>
23,451	
22,628	120,367
(50,128)	(98,884)
<u>(4,049)</u>	<u>21,483</u>
<u>\$ 5,713,003</u>	<u>\$ 5,698,983</u>
5,179,786	1,233,029
(227,941)	(450,035)
<u>\$ 4,951,845</u>	<u>\$ 782,994</u>

City of Winters  
Fund Balances of Governmental Funds  
Last Five Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year				
	2004	2005	2006	2007	2008
General Fund					
Reserved	\$ 30,696	\$ 167,165	\$ 160,002	\$ 406,992	\$ 376,403
Unreserved	3,429,877	3,602,950	3,702,209	3,400,722	3,150,028
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
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
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>

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

City of Winters  
 Changes in Fund Balances of Governmental Funds  
 Last Five Fiscal Years  
 (modified accrual basis of accounting)

	Fiscal Year				
	2004	2005	2006	2007	2008
<b>Revenues</b>					
Taxes	\$ 3,428,764	\$ 3,953,428	\$ 4,511,414	\$ 4,952,001	\$ 4,787,290
Licenses and Permits	1,517,984	636,406	173,495	812,872	186,261
Fines and Forfeitures	25,396	22,641	7,817	27,418	50,100
Program Income	340,187	118,396	35,020	90,026	96,494
Use of Money & Property	160,036	435,019	706,759	889,692	1,200,495
Intergovernmental	890,498	522,028	1,254,758	3,721,333	1,767,520
Charges for Services	48,284	56,055	128,731	96,102	64,571
Refunds and Reimbursement			84,846	28,534	36,546
Development Fees	131,578	114,442			
Contributions	5,877	456,890			
Miscellaneous	179,804	37,119	53,043	1,386,703	89,127
<b>Total Revenues</b>	<b>6,728,408</b>	<b>6,352,424</b>	<b>6,955,883</b>	<b>12,004,681</b>	<b>8,278,404</b>
<b>Expenditures</b>					
<b>Current:</b>					
General Government	487,455	790,650	487,240	733,140	1,066,357
Public Works	300,081	277,510	206,957	210,798	183,582
Public Safety	1,386,454	1,619,616	1,767,983	2,216,696	2,294,448
Cultural & Recreation	160,287	179,474	177,116	209,785	297,193
Community Development	303,249	1,245,417	786,394	4,757,300	719,212
Parks	58,797	73,615	394,202	459,383	632,736
Streets & Highways	417,247	249,976	95,709	37,125	290,665
Public Transportation	102,524	110,276	122,406		
Pass Through Agreements	261,311	342,940	438,180	311,472	363,024
Capital Outlay	587,741	1,317,684	2,292,647	2,840,369	1,666,174
<b>Debt Service</b>					
Bond Issue Costs	398,084			613,589	
Principal		410,000	265,000	275,000	280,000
Interest		278,161	277,827	272,427	634,376
<b>Total Expenditures</b>	<b>4,463,230</b>	<b>6,895,319</b>	<b>7,311,661</b>	<b>12,937,084</b>	<b>8,427,767</b>
Excess (deficiency) of revenues over (under) expenditures	2,265,178	(542,895)	(355,778)	(932,403)	(149,363)
<b>Other Financing Sources (uses):</b>					
Transfers In	7,397,817	614,458	300,488	12,153,448	635,294
Transfers Out	(7,397,817)	(614,458)	(300,488)	(12,103,320)	(536,410)
Issuance of Bonds	7,820,000			11,470,000	
<b>Total other financing Sources (uses)</b>	<b>7,820,000</b>			<b>11,520,128</b>	<b>98,884</b>
<b>Net change in fund balances</b>	<b>\$ 10,085,178</b>	<b>\$ (542,895)</b>	<b>\$ (355,778)</b>	<b>\$ 10,587,725</b>	<b>\$ (50,479)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	11%	14%	12%	5%	13%

City of Winters  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	City				Community Development Agency			Total Direct Tax Rate
	Secured	Unsecured	Utility	Taxable Assessed Value	Secured	Unsecured	Taxable Assessed Value	
1999	158,787,187	9,133,491	17,950	167,938,628	33,776,656	1,980,743	35,757,399	0.356%
2000	167,302,550	7,156,210	17,950	174,476,710	30,555,447	4,461,814	35,017,261	0.391%
2001	178,365,084	7,102,185	2,450	185,469,719	37,974,432	4,065,980	42,040,412	0.407%
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%

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  
 Direct and Overlapping Property Tax Rates  
 (Rate per \$100 of assessed value)  
 Last Ten Fiscal years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>City Direct Rates:</b>										
City basic rate	0.207	0.204	0.197	0.192	0.179	0.171	0.148	0.154	0.1564	0.1480
Community Development Agency	0.150	0.186	0.211	0.224	0.265	0.413	0.409	0.446	0.4608	0.3765
<b>Total City Direct Rate</b>	<b>0.356</b>	<b>0.391</b>	<b>0.407</b>	<b>0.415</b>	<b>0.444</b>	<b>0.583</b>	<b>0.557</b>	<b>0.600</b>	<b>0.6172</b>	<b>0.5245</b>
<b>Overlapping Rates</b>										
Yolo County	0.290	0.231	0.234	0.239	0.228	0.098	0.156	0.1217	0.1079	0.1192
Yolo County Library	0.028	0.018	0.027	0.026	0.024	0.022	0.021	0.0323	0.0111	0.0293
Winters Cemetery District	0.025	0.022	0.025	0.023	0.022	0.020	0.019	0.0030	0.0268	0.0268
Sacramento-Yolo Mosquito Vector District	0.009	0.007	0.009	0.008	0.007	0.007	0.007	0.0100	0.0091	0.0091
Yolo County Resources Conservation District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0000	0.0000	0.0000
Yolo County Flood Control District	0.007	0.006	0.007	0.007	0.007	0.007	0.006	0.0092	0.0098	0.0098
Solano Community College District	0.039	0.034	0.039	0.036	0.033	0.032	0.030	0.0459	0.0416	0.0415
Yolo County School Services	0.022	0.026	0.023	0.022	0.021	0.021	0.018	0.0281	0.0300	0.0299
Winters Joint Unified School District	0.224	0.265	0.229	0.223	0.214	0.210	0.185	0.1498	0.1465	0.2006
City of Winters General Obligation Bonds	0.008	0.008	0.008	0.008	0.007	0.007	0.710	0.0710	0.0740	0.0740
Winters Joint Unified School District Bonds	0.070	0.070	0.070	0.080	0.080	0.080	0.080	0.0800	0.1542	0.2661
Indian Valley Dam Bond	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.0000	0.0000	0.0000
<b>Total Direct Rate</b>	<b>1.078</b>	<b>1.078</b>	<b>1.078</b>	<b>1.088</b>	<b>1.087</b>	<b>1.087</b>	<b>1.790</b>	<b>1.1510</b>	<b>1.2282</b>	<b>1.3308</b>

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  
Principal Property Tax Payers  
Current Year and Five Years Ago

Taxpayer	2008		2003	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
GBH-Winters Highlands LLC	13,917,805	3.02%	5,983,589	2.130%
South Market Court PTN LP	8,160,000	1.77%		
Pavestone Company LP	7,297,214	1.59%	5,909,553	2.110%
Mariani Nut Company	5,402,368	1.17%	4,412,700	1.570%
Winters Invstors LLC	2,404,457	0.52%	1,716,301	0.610%
Ali Ashraf & Yasmin A	2,073,166	0.45%	1,418,800	0.510%
Hisey, Raymond P & Rebecca A	1,980,124	0.43%	1,000,152	0.360%
Greyhawke LLC	1,956,150	0.42%		
Evilsizor, Kenneht A Jr., Etal	1,872,665	0.41%	1,733,440	0.620%
Lilly H Ogden Trust	1,857,484	0.40%		
Siracusa, John & Elizabeth	1,822,635	0.40%		
Village on the Park	1,683,000	0.37%		
Lyons, Tom R and Diana E	1,624,000	0.35%		
Gateway Investors Club LLC	1,602,685	0.36%	1,482,570	0.530%
Cheney, D Rick Tr Etal	1,560,596	0.34%		
Ogando, Joseph E and Karen M Trust	1,557,751	0.35%		
Conway, Louis W. TR Etal	1,199,762	0.26%		
Lorenzo, Aladdin C. & Lynda R TR	1,145,298	0.25%		
Almondwood Developments	1,131,576	0.25%		
Montosa, Donna M. TR	1,116,143	0.24%		
Rodriguez, Roberto and Karen A	1,106,589	0.24%		
Winters Village East LLC	1,010,780	0.22%		
Winters Investment Group				
Alsbury, Peter J & Liza R Trust				
John Lary J Tr Etal				
Community Housing Opp Corp			2,008,000	0.720%
LB/L-DUV II Winters LLC			1,141,290	0.410%
	<u>63,482,248</u>	<u>13.81%</u>	<u>\$ 23,657,105</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  
Property Tax Levies and Collections  
Last Ten Fiscal years

Fiscal Year Ended June 30	Taxes Levied for Fiscal year	Collected within the Fiscal Year of Levy		Total Collections to Date	
		Amount	Percent of Levy	Amount	Percent of Levy
1999	\$ 725,962	\$ 725,962	100%	\$ 725,962	100%
2000	818,077	818,077	100%	818,077	100%
2001	926,992	926,992	100%	926,992	100%
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%

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  
Ratio of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities		Business Type Activities			Total Business Type Activities	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (1)	Debt per Capita (2)
	Tax Allocation Bonds	Total Governmental Activities	General Obligation Bonds	Loans					
1999	\$ -	\$ -	\$ 155,000	\$ 10,509		\$ 165,509	\$ 165,509	0.08%	29
2000			150,000	4,589		154,589	154,589	0.07%	26
2001			145,000			145,000	145,000	0.06%	24
2002			140,000			140,000	140,000	0.06%	23
2003			135,000			135,000	135,000	0.05%	21
2004	7,820,000	7,820,000	130,000			130,000	7,950,000	2.62%	1,203
2005	7,410,000	7,410,000	125,000			125,000	7,535,000	2.10%	1,097
2006	7,145,000	7,145,000	120,000			120,000	7,265,000	1.82%	1,042
2007	18,340,000	18,340,000					18,340,000	4.02%	2,664
2008	18,060,000	18,060,000					18,060,000	3.67%	2,604

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 158 for property tax value data

(2) Population Data can be found in the Schedule of Demographic and Economic Statistics on Page 167

City of Winters  
Ratio of General Bonded Debt Outstanding  
Last Ten Fiscal years

Outstanding General Bonded Debt

Fiscal Year Ended June 30	General Obligations Bonds	Tax Allocation Bonds	Total	Percent of Assessed Value (1)	Per Capita
1999	\$ 155,000	\$ -	\$ 155,000	0.08%	27.19
2000	150,000		150,000	0.07%	25.64
2001	145,000		145,000	0.06%	23.97
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%	2,603.81

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  
Direct and Overlapping Debt  
June 30, 2008

City Assessed Valuation	\$	282,985,853
Redevelopment Agency Incremental Valuation		209,233,401
Total Assessed Valuation		492,219,254

	Percentage Applicable (1)	Outstanding Debt 6/30/06	Estimated Share of Overlapping Debt
<b>Overlapping Tax and Assessment Debt</b>			
Solano County Community College District	7.730%	\$ 119,175	\$ 921,223
Winters Joint Unified School District	46.670%	4,380,000	2,044,146
Total Overlapping Tax and Assessment Debt		\$ 4,499,175	\$ 2,965,369
<b>Direct and Overlapping General Fund Debt</b>			
Yolo County General Fund Obligations	1.69%	3,990,000	67,431
Yolo County Office of Education Certificates of Participation	1.69%	7,698,694	130,108
Winters Join Unified School District Certificates of Participation	46.67%	1,415,000	660,381
Total Direct and Overlapping General Fund Debt		13,103,694	857,920
<b>Total Direct and Overlapping Debt</b>			<b>\$ 3,823,289 (2)</b>

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 government'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  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Assessed Valuation	\$ 203,696,027	\$ 209,493,971	\$ 227,510,131	\$ 245,265,137	\$ 272,465,106	\$ 303,712,025	\$ 359,018,784	\$ 399,988,122	\$ 455,937,316	\$ 492,219,254
Debt Limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt Limit	30,554,404	31,424,096	34,126,520	36,789,771	40,869,768	45,556,804	53,852,818	59,998,218	68,380,597	73,832,888
Total debt applicable to limit General Obligation Bonds	155,000	150,000	145,000	140,000	135,000	130,000	125,000	120,000		
Legal Debt margin	\$ 30,399,404	\$ 31,274,096	\$ 33,981,520	\$ 36,649,771	\$ 40,734,766	\$ 45,426,804	\$ 53,727,818	\$ 59,878,218	\$ 68,380,597	\$ 73,832,888
Total debt applicable to the limit as a percentage of debt limit	0.51%	0.48%	0.42%	0.38%	0.33%	0.29%	0.23%	0.20%	0.00%	0.00%

City of Winters  
Pledged Revenue Coverage  
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds					Tax Allocation Bonds			
	Taxes	Debt Service		Coverage	Tax Increment	Debt Service		Coverage	
		Principal	Interest			Principal	Interest		
1999	\$ 14,002	\$ 5,000	\$ 8,000	1.08	\$ 305,310	\$ -	\$ -	n/a	
2000	15,306	5,000	7,750	1.20	390,639			n/a	
2001	15,949	5,000	7,500	1.28	479,331			n/a	
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					1,853,339	280,000	634,376	2.03	

City of Winters  
Demographic and Economic Statistics  
Last Ten Calendar Years

Calendar Year	Population (1)	Median Household Income (2)	Unemployment Rate (3)
1997	5,625	n/a	n/a
1998	5,700	n/a	n/a
1999	5,850	n/a	n/a
2000	6,050	\$ 46,678	4.5%
2001	6,139	n/a	4.4%
2002	6,290	n/a	5.4%
2003	6,606	n/a	5.8%
2004	6,868	n/a	5.3%
2005	6,972	n/a	4.8%
2006	6,885	n/a	5.2%
2007	6,935	n/a	6.80%

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  
Principal Employers  
Current Year and Prior Year  
2008

Employer	2008		2007	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Winters Joint Unified School District	223	8.2%	228	8.4%
Mariani Nut Company	197	7.2%	197	7.2%
Buckhorn Restaurant	90	3.3%	100	3.7%
Pavestone	66	2.4%	66	2.4%
City of Winters	42	1.5%	35	1.3%
Double M Trucking	15	0.5%	15	0.5%
JDS	13	0.5%	13	0.5%
Woodtech	12	0.4%	12	0.4%

Data for Period nine years earlier not available.

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

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

City of Winters  
 Full-time and part-time City Employees by Function  
 Last Ten Fiscal Years

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Community Development	2.5	2.5	2.5	4	3	3.19	2.44	3.44	4.00	3.33
Community Development Agency	0	0	0	0	0	1	1	1.44	1.44	3.11
Finance	2	2	2	2	2	2	2.44	2.44	2.60	2.44
General Government	3.5	3.5	3	3	3	3.44	3.88	3.88	4.44	4.88
Police	11	11	11	11	11	11.44	11.44	12.94	13.88	13.21
Public Works	7	7	8	9	8	8.69	8.94	8.44	9.32	8.44
Recreation	1.83	1.83	1.92	2.42	2.42	2.42	3.03	3.03	3.33	12.09
<b>Total</b>	<b>27.83</b>	<b>27.83</b>	<b>28.42</b>	<b>31.42</b>	<b>29.42</b>	<b>32.18</b>	<b>33.17</b>	<b>35.61</b>	<b>39.01</b>	<b>47.5</b>

Source: City of Winters

City of Winters  
Operating Indicators  
by Function

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Police:</b>											
Traffic Citations	\$ 2,896	\$ 22,729	\$ 14,641	\$ 4,776	\$ 10,392	\$ 23,409	\$ 24,391	\$ 21,102	\$ 6,242	\$ 24,523	\$ 48,860
Parking Citations	2,035	1,225	1,580	1,465	2,170	1,770	1,005	1,540	805	1,710	1,195
<b>Water</b>											
New Connections	n/a	n/a	n/a	n/a	n/a	n/a	n/a	135	80	2	1
Average Daily Consumption	1.70 mgd	1.39 mgd	1.45 mgd	1.59 mgd	1.7 mgd	1.41 mgd	1.32 mgd	1.64 mgd	1.84 mgd	1.60 mgd	1.86 mgd
<b>Sewer</b>											
New Connections	n/a	n/a	n/a	n/a	n/a	n/a	n/a	135	80	2	1
Average Daily Sewage Treatment	.674 mgd	.651 mgd	.660 mgd	.651 mgd	.597 mgd	.611 mgd	.623 mgd	.604 mgd	.598 mgd	.598 mgd	.548 mgd

Source: City of Winters

City of Winters  
 Capital Asset Statistics  
 by Function  
 Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police:										
Stations	1	1	1	1	1	1	1	1	1	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	5
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

City of Winters  
 Water Sold by Type of Customer  
 Last Ten Fiscal Years  
 In Hundred Cubic Feet

Type of Customer	Fiscal year											
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Commercial I	n/a	n/a	1,930	5,252	4,337	3,801	3,977	267	204	6,976	8,079	8,476
Commercial II	n/a	n/a	3,206	13,497	16,540	13,574	11,480	302	319	11,092	13,604	15,035
Multifamily											23,277	19,886
Schools	n/a	n/a	1,592	15,161	14,924	17,623	14,299	445	380	18,288	15,599	24,796
Total metered Water	0	0	6,728	33,910	35,801	34,998	29,756	1,014	903	36,356	60,559	68,193
Total Direct Rate per Hundred Cubic Feet			\$ 0.21	\$ 0.19	\$ 0.19	\$ 0.20	\$ 0.21	\$ 0.23	\$ 0.25	\$ 0.20	\$ 0.41	

Note: Only Commercial, multifamily 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  
Water Rates  
Last Ten Fiscal Years  
Rate Per 100 cubic Feet

Fiscal year Ended June 30	Residential Rate	Multifamily (per Unit)	Commercial I	Commercial II	1,201-12,000	12,001-25,000	more than 25,000
1998	13.10	11.95	11.95	14.35	0.276	0.159	0.087
1999	13.58	12.39	12.39	14.88	0.286	0.165	0.090
2000	14.02	12.79	12.79	15.36	0.295	0.170	0.093
2001	15.00	13.69	13.69	16.44	0.316	0.182	0.100
2002	16.05	14.64	14.64	17.59	0.338	0.195	0.106
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

City of Winters  
Water Customers  
Current Year and Six Years Ago

Water Customer	2008		2002	
	Water Charges	Percent of Total Water Revenue	Water Charges	Percent of Total Water Revenue
WIN0025 Winters Apartments	3,984.70	0.44%	\$2,216.93	0.55%
WIN0020 Winters Middle School	3,285.74	0.36%	1,818.24	0.45%
WIN0021 Winters High School Ag Site	2,768.22	0.31%	717.41	0.18%
WIN0017 John Claytoon School	2,714.78	0.30%	941.73	0.23%
B T 0001 Round Table	2,014.75	0.22%	1,167.07	0.29%
WIN0024 Winters Community Center	1,746.76	0.19%	721.60	0.18%
LDS0001 LDS Church	1,573.30	0.17%	777.54	0.19%
FEL0003 Keith Cross Trailers	1,465.75	0.16%	752.26	0.19%
WIN0023 Winters Senior Apartments	1,385.28	0.15%	909.28	0.23%
AND0007 Ogando Apartments	1,206.88	0.13%	426.14	0.11%
WIN0031 Winters Laundry	1,143.41	0.13%	665.67	0.17%
WIN0028 Rominger School	1,007.20	0.11%		0.00%
RAM0029 Delores Ramos	999.79	0.11%		
CRO0005 Cross Apartments	990.61	0.11%	360.79	0.09%
FUR0001 Butler/Furrier	800.24	0.09%	538.02	0.13%
THO0014 Thompson Cottages I	771.14	0.09%		0.00%
LYO0003 Grant Ave Apartments	761.29	0.08%	710.69	0.18%
MAR0022 Mariani	727.22	0.08%	464.52	0.12%
VAL0018 Valadez Orchards	724.40	0.08%		0.00%
COD0004 Codys	663.97	0.07%	211.08	0.05%
SIM0004 Winters Self Storage	644.57	0.07%		0.00%
TOM0001 Tomat's Restaurant	640.37	0.07%	362.83	0.09%
N&C0001 N&C Foliage	591.69	0.07%	595.53	0.15%
RAI0001 Railroad Car Wash	572.52	0.06%	336.70	0.08%
TOW0002 Town and Country	569.74	0.06%	920.66	0.23%
TUR0001 Wolfskill Apartments	551.78	0.06%	351.33	0.09%
TRU0002 True Value Hardware	551.15	0.06%	175.68	0.04%
CRA0001 Cradwick Building	549.30	0.06%	229.08	0.06%
THE0001 The Depot	544.44	0.06%	406.11	0.10%
JDS0002 John Siracusa (9 E Main)	532.66	0.06%		0.00%
LYO0002 Thompson Cottages II	496.92	0.06%		0.00%
AND0010 Winters Eye Care	495.15	0.05%		0.00%
SIR0009 John Siracusa (5 E Main)	485.36	0.05%	29.28	0.01%
KOU0001 Kountry Kitchen	473.14	0.05%	464.52	0.12%
BUC0002 Buckhorn Catering	448.06	0.05%	278.69	0.07%
SIR0004 John Siracusa (7 E Main)	430.97	0.05%	929.04	0.23%
PIS0003 Pisani's Service	401.52	0.04%		
SUIR0011 Abbey House Inn.	396.97	0.04%		0.00%
ARC0004 Baldermero Arce	396.90	0.04%		0.00%
OTE0001 OTEL, LLC	388.69	0.04%		
LES0001 Stan Lester	372.58	0.04%		
MAZ0003 Daniel Mazza	367.65	0.04%		
WIN0007 Winters Store	362.72	0.04%	395.04	0.10%
WHI0003 Classic Video	362.10	0.04%	395.04	0.10%
PIC0002 John Pickeral	362.10	0.04%		0.00%
BAL0005 La Tienda Deli	362.10	0.04%	395.04	0.10%
EST0006 Miguel Estrada	362.10	0.04%	395.04	0.10%
VIN0001 Al Graf	362.10	0.04%	362.12	0.09%
PAD0003 Siracusa/Padilla I	362.10	0.04%		0.00%
WIN0019 Winters Winery	362.10	0.04%	395.04	0.10%
HIR0001 Dennis Hiamatsu	362.10	0.04%	175.68	0.04%
CIT0001 Winters Pocket Park	362.10	0.04%		
SIR0014 John Siracusa	362.10	0.04%		
WIN0026 Winters Joint Unified School District Offices	356.66	0.04%	395.04	0.10%
WIN0034 Winters II Apartments	184.80	0.02%		
WIN0005 Kathernine's Bookkeeping	154.00	0.02%		
TOR0006 Mary Tortosa				

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