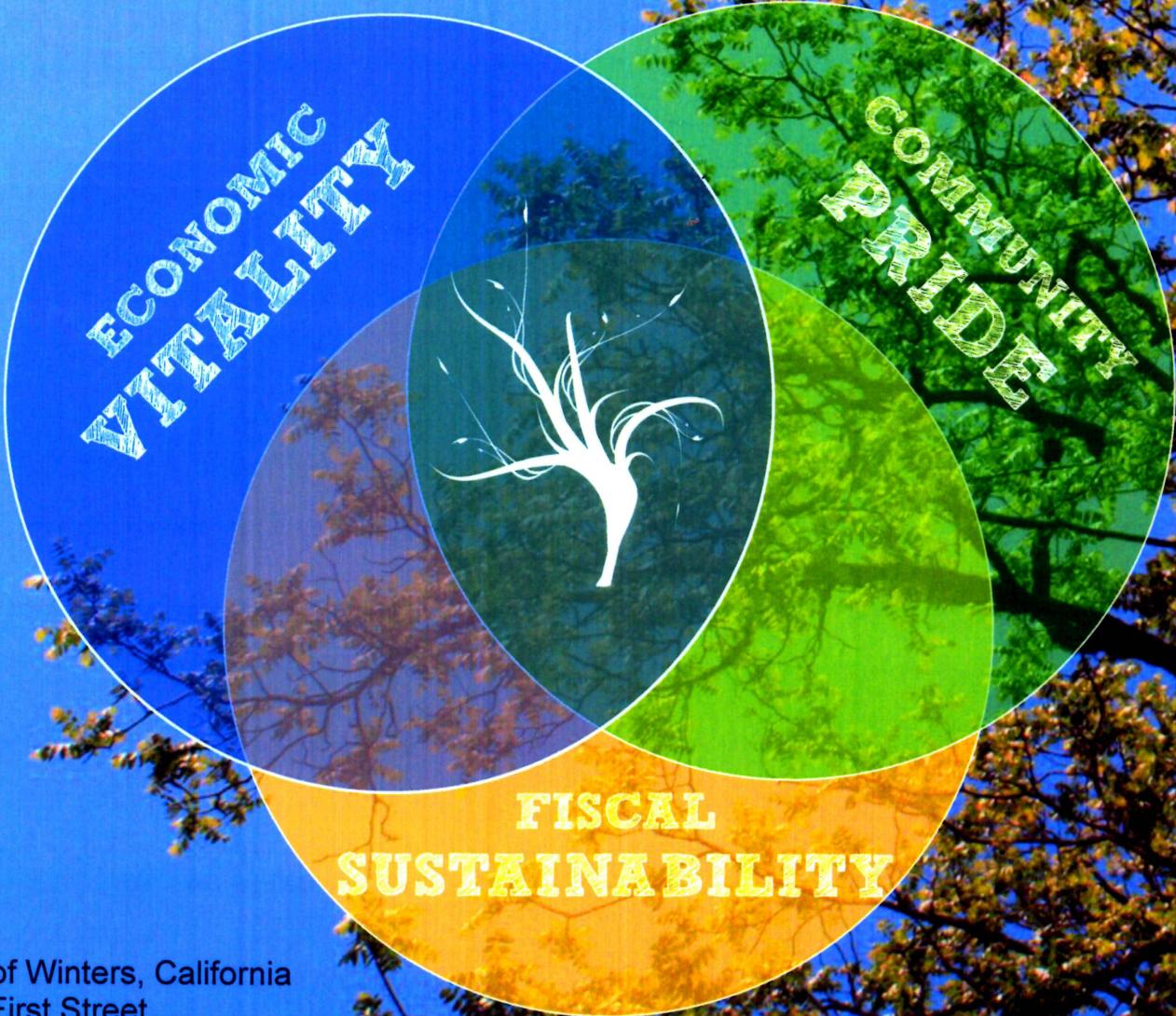


# Comprehensive Annual Financial Report for the Year Ended June 30, 2012



City of Winters, California  
318 First Street  
Winters, CA 95694  
(530) 795-4910 ph.  
[www.cityofwinters.org](http://www.cityofwinters.org)

**CITY OF WINTERS  
CALIFORNIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended  
June 30, 2012**

**CITY OF WINTERS  
Finance Department**

Shelly Gunby  
Director of Financial Management

CITY OF WINTERS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Fiscal Year Ended June 30, 2012

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## INTRODUCTORY SECTION



December 21, 2012

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, 2012 is hereby submitted as mandated by State statutes. These statutes require that all general-purpose governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

The City of Winters financial statements have been audited by Moss, Levy & Hartzhiem, a firm of licensed certified public accountants. The goal of the audit was to provide reasonable assurance that the financial statements of the City of Winters for the fiscal year ended June 30, 2012 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, 2012 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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**COUNCIL**  
**MEMBERS**  
Michael Martin  
Harold Anderson  
Wade Cowan

**MAYOR**  
Cecilia Aquiar-Curry  
**MAYOR PRO TEM**  
Cecilia Aguiar-Curry

**CITY CLERK**  
Nanci Mills  
**TREASURER**  
Michael Sebastian

**CITY MANAGER**  
John W. Donlevy, Jr.

## **Governmental Profile**

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

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

The City of Winters provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; water and sewer services; recreational activities and cultural events. The City of Winters was also responsible for the legally separate Winters Community Development Agency which was dissolved by the State of California on January 31, 2012. Until such time, the Community Development Agency functioned, in essence, as a department of the City of Winters and therefore the results of operations thru January 31, 2012 are included in this report. The Community Development Agency non-housing assets, liabilities and operations were assumed by the City of Winters as Successor Agency to the Dissolved Winters Community Development Agency and are included as a Private Purpose Trust Fund in this report. The Housing assets and operations were assumed by the City of Winters and are included as a Special Revenue Fund in this report.

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

## **Management Approach**

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

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

### **Factors Affecting Financial Condition**

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

With the passage of Proposition 1A, the City has reduced its vulnerability to state raids of city funding sources, but has not eliminated it completely. State legislation has often been directed at local governments to re-direct city revenues to cover the State's fiscal mismanagement. Potential take-away's have presented a real threat to the City's fiscal situation in the past and the Redevelopment Agency was dissolved as of January 31, 2012 based on the Supreme Court's decision on the December 28, 2011.

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 leveled off over this last year and are expected to somewhat start a slow recovery 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 2013-2014 at the earliest.
- The City's Sales Tax has seen a rebound from \$267,204 in 2009-2010 to \$439,060 in the current fiscal year.
- Freeway serving businesses have begun to develop along the Grant Avenue corridor, with the opening of the AM/PM Burger King at the entrance to the City in September 2012.
- Winters proximity to the I-80/I-505 corridor has made the location a logical next step in industrial development. The expansion of Solano County industry has driven developers to the Winters area in search of affordable land. The area in and around Vacaville and I-505 has caused many to look towards Winters as a potential area of industrial expansion.

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

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

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

In order to facilitate this growth and maintain a quality community, Staff has initiated a number of internal programs to assure effective review of projects and implementation of the City's economic

development strategies. Economic expansion will invariably lead to higher revenues, and higher costs, to the City; therefore, balancing these revenues and costs is a key issue.

### **Long-Range Financial Planning**

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

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

### **Relevant Financial Policies**

The recession has impacted the City of Winters significantly with a reduction in assessed values and a resulting reduction in property tax revenues. Measure W, enacted in June 2010 by the voters of the City of Winters, increased the Utility User Tax from 4.75% to 9%, however, the tax did not take effect until October 1, 2010. Although these reductions in revenues were of a larger scale than anticipated at the time the budget for 2010-2012 was prepared, and, the City of Winters was unable to adhere to our General Fund policy that "Operating Revenues must fully cover operating expenditures" in the 2011-2012 fiscal year. Our Policy of having reserves on hand, as well as significant concessions from all levels of staff has enabled the City to continue to provide consistent levels of service even with declining revenues.

### **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(CDA) in March 2004 and the \$11.4 million in tax allocation bonds issued in September 2007. The projects that have been implemented to date include:

- **Downtown Master Planning:** The CDA 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 worked with consultants to create a marketing program to make it easy for prospective developers to consider projects within the City.
- **Affordable Housing Program:** The CDA worked with developers to provide financing to complete construction of a 72 unit affordable housing development.
- **Community Enhancements:** The CDA has built an amphitheatre at the community Center, completed a 110 downtown parking lot, rehabilitated the old railroad bridge to a bicycle and pedestrian trail across Putah Creek into the Community Center park area, installed restrooms at Rotary Park, and completed the installation of a shade structure on the Putah Creek entrance patio area of the Community Center.
- **The Agency completed a \$1.5 million capital improvement to the intersection of Main St. and Railroad Ave. including roadway, pedestrian and street furnishings.**

- First Time Home buyer program: The CDA has, in partnership with the City of Winters, implemented a first time homebuyer program. Approximately 15 first time homebuyers have been assisted through this program since the 04-05 fiscal year.
- The Agency completed construction of a Joint Police and Fire Facility providing a 40,000 square foot facility for both Police and Fire Departments and includes a training facility that also serves as the Emergency Operations Center for the City of Winters, with a generator that will power the facility in case of power failure.
- The Agency completed a \$680,000 capital improvement to the intersection of Main and First Street, along with a Mid-Block crossing.

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

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

The 03-04 Capital Improvement Plan will be reviewed and updated in the 12-13 fiscal year and will coordinate with the master plans for both Water and Sewer Enterprise Functions.

### **Awards and Acknowledgements**

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

The Government Finance Officer Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Winters for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. This is the ninth 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.

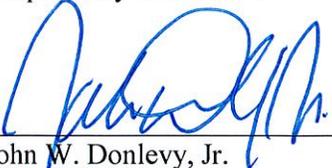
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully Submitted:



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John W. Donlevy, Jr.  
City Manger

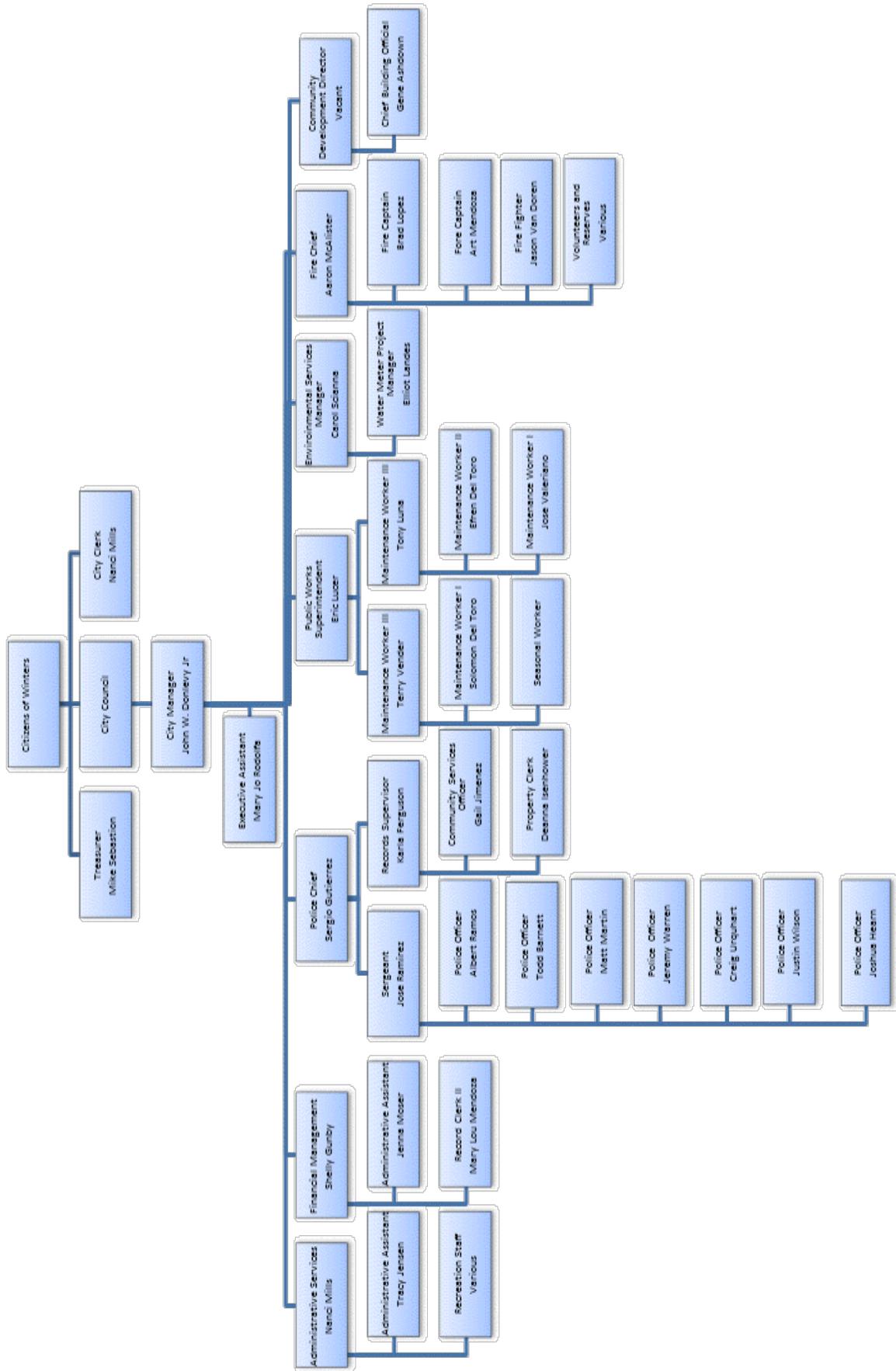


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Shelly A. Gunby  
Director of Financial Management

# CITY OF WINTERS, CALIFORNIA

## ORGANIZATION CHART



# CITY OF WINTERS, CALIFORNIA

## ELECTED AND APPOINTED OFFICIALS



### CITY COUNCIL

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

### APPOINTED OFFICIALS

- *John W. Donlevy, Jr.*.....City Manager
- *Sergio Gutierrez* .....Police Chief
- *Nanci G. Mills*..... Director of Administrative Services
- *Shelly A. Gunby*.....Director of Financial Management
- *Vacant* .....Director of Community Development
- *Dan Maguire*.....Housing & Economic Development Manager
- *Aaron McAlister*.....Fire Chief

# 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, 2011

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.



*Christopher P. Morill*

President

*Jeffrey R. Enos*

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

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**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winters (City), California, as of and for the fiscal year ended June 30, 2012, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winters, California, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable thereof, for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 of the notes to the basic financial statements effective July 1, 2011, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*.

In accordance with the *Government Auditing Standards*, we have also issued a report dated December 21, 2012, on our consideration of the City of Winters' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 20, the Schedule of Funding Progress – Other Postemployment Benefits on page 73, and the Budgetary Comparison Schedules of the General Fund and major special revenue fund on pages 74 and 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim LLP  
Culver City, CA  
December 21, 2012

# CITY OF WINTERS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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### 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, 2012. 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 focus and the modified accrual basis of accounting. The proprietary funds are prepared using the economic resources measurement focus and the modified accrual basis of accounting. The fiduciary funds consist of private-purpose trust and agency funds. 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 \$28,649,219 (net assets). Of this amount, \$8,623,014 is unrestricted net assets. This is a decrease of \$887,360 from the previous fiscal year.
- As of the close of the current fiscal year, the City of Winters governmental funds reported combined ending fund balances of \$8,721,165 a decrease of \$2,742,965 in comparison with the prior fiscal year. Approximately 18.16% or \$1,583,611 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,105,370 or, 56.21% of total general fund expenditures.
- At the end of the current fiscal year, the Housing Set-Aside fund no longer exists; this is due to the State of California dissolving all Redevelopment Agencies within the State on January 31, 2012. The Housing Set Aside Fund was a fund of the Winters Community Development Agency. The Housing function of the dissolved Community Development Agency was assumed by the City of Winters, and is accounted for in the Housing Successor Fund. This fund has a restricted fund balance of \$1,050,155 and the end of the fiscal year. Activity in this fund is restricted to those expenditures approved by the California Department of Finance until a Finding of Completion is received, at which time, the City of Winters will operate the housing functions and expenditures in such a manor to increase and maintain affordable housing units within the City of Winters.

# CITY OF WINTERS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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- At the end of the current fiscal year, the Community Development Fund no longer exists: this is due to the State of California dissolving all Redevelopment Agencies within the State on January 31, 2012. All Assets and Liabilities of the dissolved Winters Community Development Agency were transferred to the Successor Agency Private-Purpose Trust Fund of the Dissolved Winters Community Development Agency on February 1, 2012. Expenditures from this fund may only be made for those activities required to “wind down” the business of the former redevelopment agency. These activities include but are not limited to the payment of debt service related to bonds issued by the community development agency as well as other contractual commitments of the agency. All expenditures must be approved by the California Department of Finance.

### **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.

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.

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, public works, community development, parks and recreation, and streets and highways. 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.

# CITY OF WINTERS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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### **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. Under the modified accrual basis of accounting, revenues are recognized in the period in which they become measurable, while expenses are recorded when incurred with the exception of the principal and the interest on long term debt, which is recorded when due. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between the Governmental Fund Financial Statements and the Government-Wide Financial Statements are explained in a reconciliation following the Government-Wide Financial Statements.

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

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

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

# CITY OF WINTERS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

### 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 \$28,649,219 at the close of the most recent fiscal year.

46.24% 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 are 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 (23.66%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$8,623,014 or 30.10%) may be used to meet the government's ongoing obligations to citizens and creditors.

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

**TABLE 1**  
SUMMARY OF NET ASSETS  
AS OF JUNE 30

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
<b>ASSETS:</b>						
Current and other Assets	\$ 14,227,310	\$ 16,677,142	\$ 5,827,254	\$ 6,208,944	\$ 20,054,564	\$ 22,886,086
Capital Assets, net	9,652,796	21,716,654	8,732,664	6,976,630	18,385,460	28,693,284
<b>TOTAL ASSETS</b>	<u>\$ 23,880,106</u>	<u>\$ 38,393,796</u>	<u>\$ 14,559,918</u>	<u>\$ 13,185,574</u>	<u>\$ 38,440,024</u>	<u>\$ 51,579,370</u>
<b>LIABILITIES</b>						
Liabilities due after one year	\$ 299,330	\$ 16,652,943	\$ 7,967,424	\$ 8,153,444	\$ 8,266,754	\$ 24,806,387
Other Liabilities	908,299	1,241,719	615,752	472,877	1,524,051	1,714,596
<b>TOTAL LIABILITIES</b>	<u>\$ 1,207,629</u>	<u>\$ 17,894,662</u>	<u>\$ 8,583,176</u>	<u>\$ 8,626,321</u>	<u>\$ 9,790,805</u>	<u>\$ 26,520,983</u>
<b>NET ASSETS</b>						
Investment in Capital Assets, net	\$ 9,652,796	\$ 8,699,018	\$ 3,595,646	\$ 1,681,730	\$ 13,248,442	\$ 10,380,748
Restricted	6,777,763	5,167,265	-	-	6,777,763	5,167,265
Unrestricted	6,241,918	6,632,851	2,381,096	2,877,523	8,623,014	9,510,374
<b>TOTAL NET ASSETS</b>	<u>\$ 22,672,477</u>	<u>\$ 20,499,134</u>	<u>\$ 5,976,742</u>	<u>\$ 4,559,253</u>	<u>\$ 28,649,219</u>	<u>\$ 25,058,387</u>

# CITY OF WINTERS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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There was a increase of \$1,610,498 in restricted net assets reported in connection with the City of Winters' Governmental Activities. This increase is mostly due to the decrease in amount restricted for Low and Moderate Income housing project (\$432,984), increase in amount restricted for Capital Projects \$1,883,544, a decrease in the amount restricted for transportation (\$289,428), and an increase in the amount restricted for revolving loans of \$340,293.

The net assets of the City of Winters increased by \$3,590,832 during the fiscal year. The increase in net assets is due to the decrease in the long term liabilities (liabilities due after one year) because of the reclassification of the 2004 and 2007 Tax Allocation bonds to the Private-Purpose Trust Funds due to the dissolution of all redevelopment agencies by the State of California effective 1/31/12, as well as the reclassification of all assets held by the former redevelopment agency to the Private-Purpose Trust Funds. Another source of increase in net assets is the reduction of accounts payable at year end for projects nearing completion.

### **Governmental Activities**

Governmental activities increased the City of Winters net assets by \$2,173,343. This increase was mostly due to the reclassification of the 2004 and 2007 Tax Allocation bonds to the Private-Purpose Trust Funds due to the dissolution of all redevelopment agencies by the State of California effective 1/31/12, along with the reclassification of the assets held by the former redevelopment agency to the Private Purpose Trust Fund.

The Cost of all governmental activities during 2011-2012 was \$7,309,102. Some of the cost of governmental activities was paid by those who directly benefited from the programs in the amount of \$515,590 or by other governmental agencies and organizations that subsidized certain programs with grants and contributions in the amount of \$1,358,326. Overall, the city generated program revenues of \$1,873,916. Previous accumulation of fund balance of \$697,277 paid for some of the expenditures of operations, these include prior year accumulation of Gas Tax Funds, Transportation Development Act Funds and Impact Fee Funds. The balance of the cost of governmental activities of \$4,737,909 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, 2012 and June 30, 2011:

# CITY OF WINTERS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
<b>PROGRAM REVENUES</b>						
Charges for services	\$ 515,590	\$ 446,074	\$ 2,734,944	\$ 2,526,692	\$ 3,250,534	\$ 2,972,766
Operating grants	454,489	1,102,329			454,489	1,102,329
Capital Grants	903,837	1,396,248	1,458,688		2,362,525	1,396,248
<b>GENERAL REVENUES</b>						
Property taxes	2,103,907	2,974,549			2,103,907	2,974,549
Sales and uses taxes	374,975	295,215			374,975	295,215
Motor Vehicle in lieu	3,511	32,026			3,511	32,026
Franchise fees	228,129	224,608			228,129	224,608
Utility Tax	648,593	664,280			648,593	664,280
Municipal services tax	301,120	286,808			301,120	286,808
Transient Occupancy Tax	5,934	6,363			5,934	6,363
Other Taxes and Revenues	907,928	360,286			907,928	360,286
Use Money and property	163,862	144,210	22,880	1,810	186,742	146,020
<b>TOTAL REVENUES</b>	<b>6,611,875</b>	<b>7,932,996</b>	<b>4,216,512</b>	<b>2,528,502</b>	<b>10,828,387</b>	<b>10,461,498</b>
<b>EXPENSES</b>						
Governmental Activities						
General Government	320,983	365,754			320,983	365,754
Public Safety	2,939,539	2,365,123			2,939,539	2,365,123
Public Works	1,496,172	313,127			1,496,172	313,127
Community Development	937,790	1,616,007			937,790	1,616,007
Parks and Rereation	712,628	662,484			712,628	662,484
Streets and Highways	406,860	362,125			406,860	362,125
Interest on Long Term Debt	495,130	778,274			495,130	778,274
Business Taype Activities						
Water			1,191,159	1,752,536	1,191,159	1,752,536
Sewer			1,607,864	1,241,718	1,607,864	1,241,718
<b>TOTAL EXPENSES</b>	<b>7,309,102</b>	<b>6,462,894</b>	<b>2,799,023</b>	<b>2,994,254</b>	<b>10,108,125</b>	<b>9,457,148</b>
<b>EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(697,227)</b>	<b>1,470,102</b>	<b>1,417,489</b>	<b>(465,752)</b>	<b>720,262</b>	<b>1,004,350</b>
<b>Gain on transfer of assets and liabilities to RDA successor trust funds</b>	<b>2,870,570</b>				<b>2,870,570</b>	
<b>TOTAL OTHER FINANCING</b>	<b>2,870,570</b>				<b>2,870,570</b>	
<b>CHANGE IN NET ASSETS</b>	<b>2,173,343</b>	<b>1,470,102</b>	<b>1,417,489</b>	<b>(465,752)</b>	<b>3,590,832</b>	<b>1,004,350</b>
NET ASSETS JULY 1	20,499,134	19,177,866	4,422,879	4,422,879	24,922,013	23,600,745
PRIOR PERIOD ADJUSTMENTS		(148,834)		602,126		453,292
NET ASSETS JULY 1	20,499,134	19,029,032	4,559,253	5,025,005	25,058,387	24,054,037
<b>NET ASSET JUNE 30</b>	<b>\$ 22,672,477</b>	<b>\$ 20,499,134</b>	<b>\$ 5,976,742</b>	<b>\$ 4,559,253</b>	<b>\$ 28,649,219</b>	<b>\$ 25,058,387</b>

# CITY OF WINTERS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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Property taxes decreased by \$870,642 or 29.27%. The major reason for the decrease in property taxes revenue is the dissolution of the Winters Community Development Agency as of 1/31/12. In prior fiscal years, the Winters Community Development Agency was a component unit of the City of Winters and all activity was included in the Governmental activities section of this report, however, effective January 31, 2012, the State of California dissolved all redevelopment agencies in the state, and this report reflects activities for 7 months for the Community Development Agency as a component unit and the final 5 months as a Private-Purpose Trust Fund. The first distribution of property taxes to the Community Development Agency in January 2012 is included in the government wide statements as property tax and the final distribution in June 2012 is in the Private-Purpose Trust Fund.

Operating Contributions and Grants have decreased by \$647,840 in 2011-2012 compared to 2010-2011. This is due to the decrease in grants received for General Government (\$4,220), Public Safety (\$120,097), Public Works (\$253,599), Parks and Recreation (\$143,647) and Streets and Highways (\$127,763) in 2012 compared to 2010-2011. These grants are one time grants for maintaining and updating parks, staffing for the police department, and maintenance of streets and highways throughout the City. Community Development operating contributions and grants increased by \$1,486 during the fiscal year. Grant amounts vary from year to year.

Capital Contributions and Grants have decreased from 2010-2011 amounts by \$492,411. This is due to the one time nature of grants. The City received a final distribution from a grant to for a communication tower sited at the public safety facility in the amount of \$56,256 compared to \$133,182 in 2010-2011. Parks and recreation capital contributions and grants decreased by \$86,989 during the fiscal year. The City also received funding for streets and highways to complete projects in 2011-2012. Public Works utilized all grant funds for projects in 2010-2012 and didn't receive any capital grants for 2011-2012, as compared to \$1,022,640 in 2010-2011. Streets and highways and community development capital contributions and grants increased \$603,426 and \$90,718 during the fiscal year, respectively.

Charges for Services have increased from the 2010-2011 fiscal year by \$69,516. The largest impact on service charges was the charge for service to the Winters Fire Protection District. In January 2011, the City of Winters began operating its own Fire Department, and began providing service to the Winters Fire Protection District, and the District no longer employed staff. This contractual arrangement provided for the payment by the District to the City of Winters for fire service. While all other service charges declined, the contract with the Fire District for service actually provided an increase in overall service charges for the City of Winters.

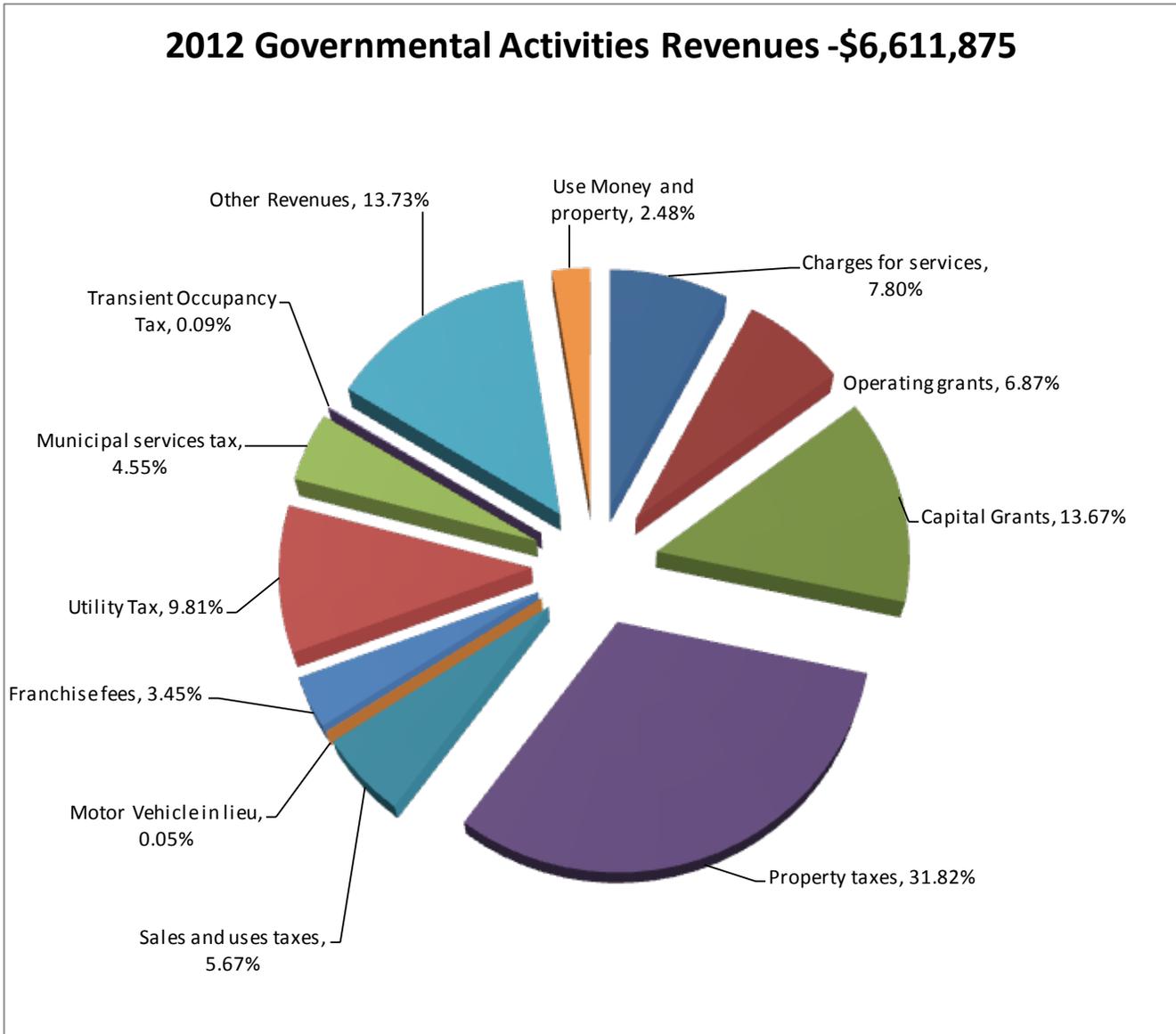
General revenues decreased by \$250,386 from 2010-2011. The decrease in property tax revenue was (\$870,642) reflecting the dissolution of the redevelopment agency by the State of California on 1/31/12 and the implementation of the Private Purpose Trust Fund to account for the activities of the dissolved redevelopment agency after 2/1/12. Sales taxes increased by \$79,760 from 2010-2011, reflecting the increase in spending on consumer goods, in particular in the City of Winters, spending on gasoline as prices have increased. The Motor Vehicle in Lieu tax is less in 2011-2012 than in prior years, (\$28,515), reflecting a change in allocation by the State of California for this revenue source. The Municipal Services Tax received in 2011-2012 is higher than in prior years \$14,312 due to the completion and opening of the Orchard Village Apartment complex in 2011-2012. Additionally there were increases in other taxes and revenues in the amount of \$535,047. These other taxes and revenues include citizen fundraising for the operations of the swimming pool and community center, investment earnings and a

# CITY OF WINTERS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

one-time receipt of funds in lieu of property tax from the developer of the Orchard Village Apartment Complex. Investment income increased \$19,652 from 2010-2011 as well.

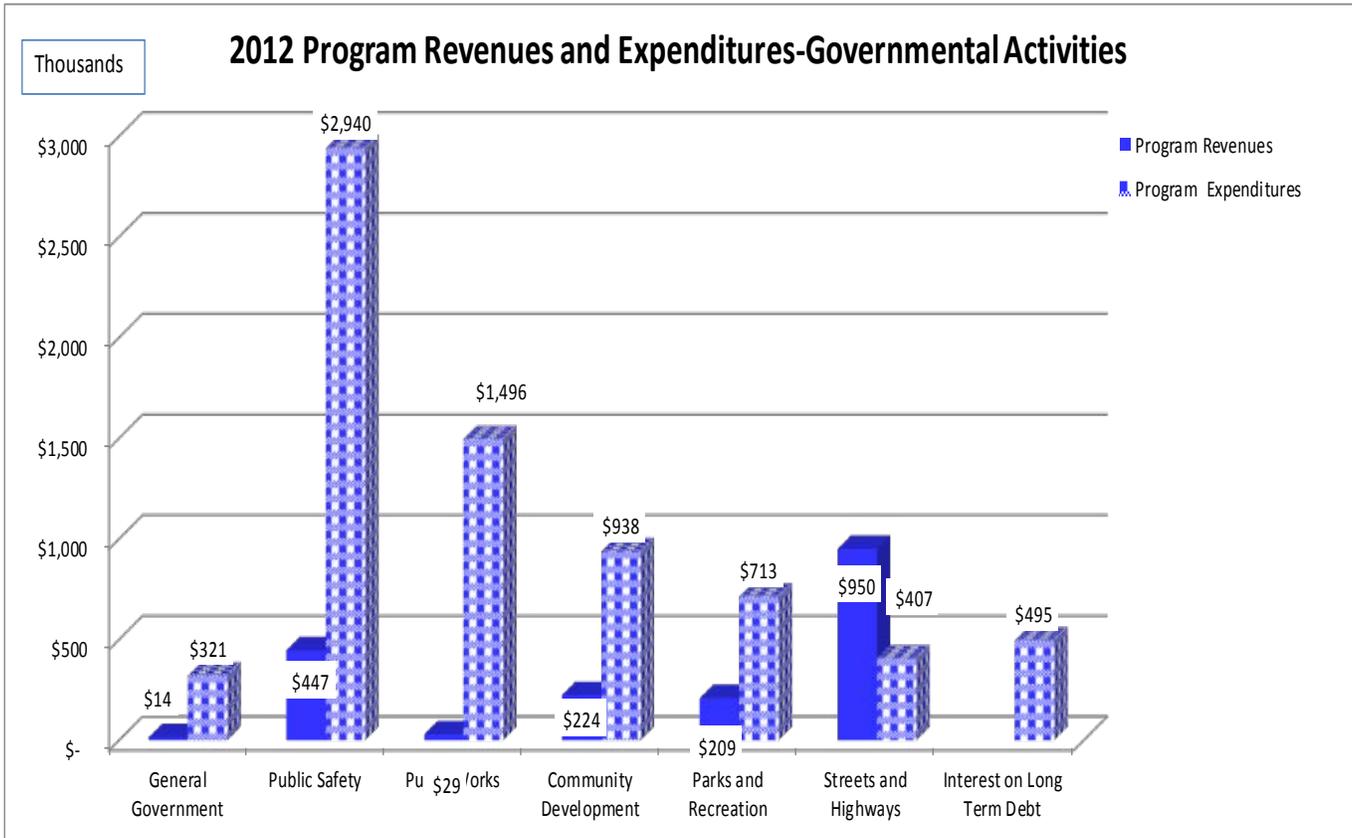
### Revenues by Source-Governmental Activities



# CITY OF WINTERS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

### Program Revenues and Expenses -Governmental Activities



Governmental activity expenses increased by \$846,208 compared to 2010-2011 for the following reasons:

- Decrease in General Government expenditures of \$44,771 due to the reduction of staff through attrition, and the completion of projects that were grant funded in 2010-2011 that did not occur in 2011-2012.
- Increase in Public Safety expenditures \$574,416 due to 2011-2012 being the first full year of operating the City of Winters Fire Department, and with the opening of the newly completed Public Safety Facility, a joint Police, Fire and Emergency Operations Center, the Fire Department implemented 24/7 staffing for the first time, this required the outfitting of approximately 30-35 “reserve firefighters”. The operation of the new Public Safety Facility, a much larger, 24 hour day operation, has increased the costs in the Public Safety operations. Additionally, both the Police and Fire Departments were reorganized and had staffing changes due to the retirement of both the Police Chief and the Fire Chief in November 2011.
- Increase in Public Works expenditures in the amount of \$1,183,045 due to the completion in 2011-2012 of grant projects that were started in 2010-2011 or earlier.
- Increased expenditures of \$50,144 in Parks and Recreation due beginning the process of developing the park adjacent to the Orchard Village Apartments, and work on the North Bank Putah Creek Nature Park. Both are Grant funded activities that will see additional expenditures in 2012-2013.

# CITY OF WINTERS, CALIFORNIA

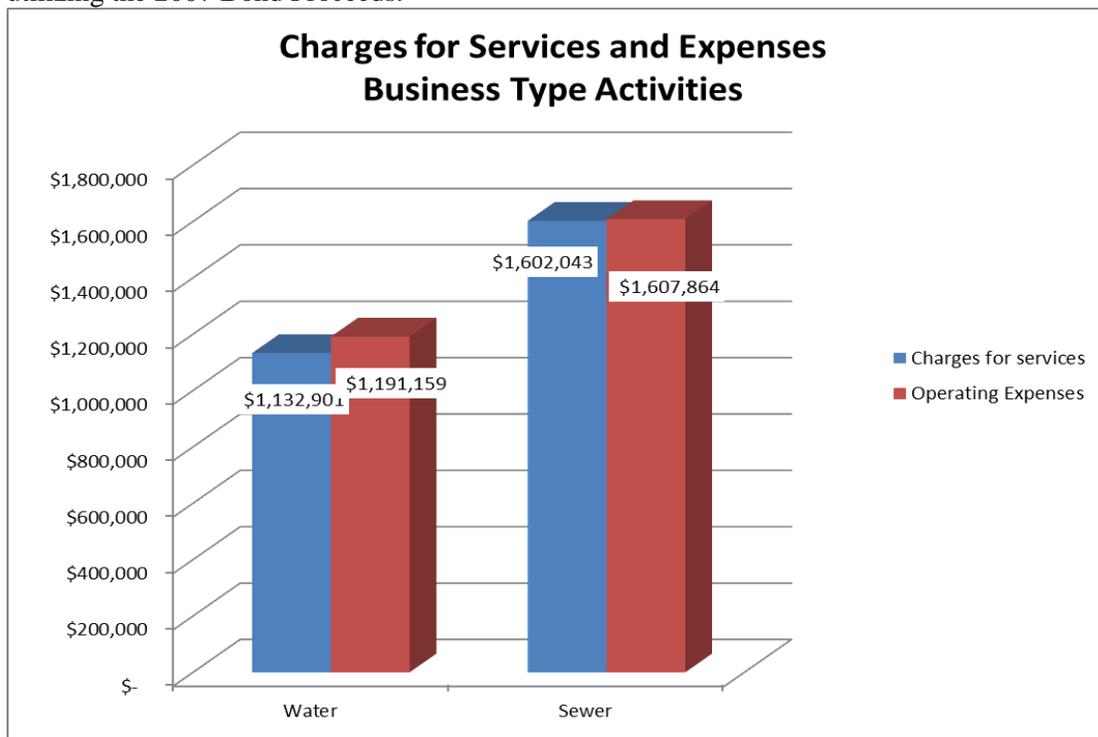
## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

- Decrease in Community Development of \$678,217 due to the dissolution of the redevelopment agency as of 1/31/12.
- Increase in expenditures in Streets and Highways of \$44,735. Street and Highway expenditures are funded by the availability of Gas Tax receipts remitted by the State of California, expenditure of Transportation Development Act, and grants from the State of California. The timing of expenditures depends upon the design of street projects. During 2010-2011 many projects began construction that was completed in 2011-2012. .
- Decrease in Interest on Long Term Debt due to Debt Service on the 2004 and 2007 Tax Allocation Bonds in the amount of \$283,144. Due to the dissolution of the redevelopment agency by the state of California on 1/31/12, only one semi-annual payment is included on in the Governmental activities table, the second payment is included in the Private Purpose Trust Fund since it was payable after the dissolution of the redevelopment agency.

### Business- Type Activities

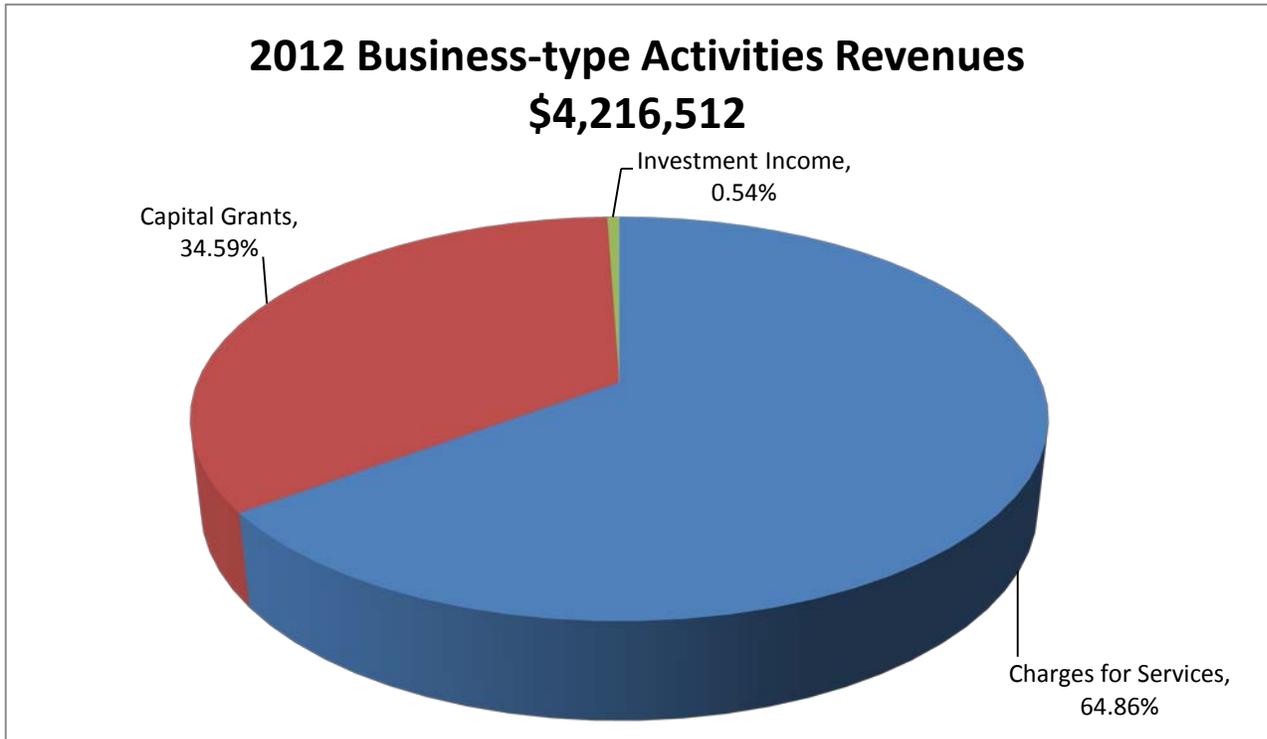
Business-type activities increased the City of Winters net assets by \$1,417,489. Key elements of the increase in the net assets are as follows:

- The Water O & M fund increased net assets by \$1,259,002 for the fiscal year. The increase in net assets is due to Capital Contributions of \$1,306,254. The Capital Contribution is related to the construction of Well#7 utilizing the 2007 Bond Proceeds.
- The Sewer O & M Fund increased net assets of the City of Winters by \$158,487. The increase in net assets is due to Capital Contributions of \$152,434 for the installation of a lift station at I-505 utilizing the 2007 Bond Proceeds.



# CITY OF WINTERS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012



### Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Winters governmental funds reported combined ending fund balances of \$8,721,165 a decrease of \$2,742,965 in comparison with the prior fiscal year. Approximately 18.15% or \$1,583,611 is available for spending at the government's discretion (unassigned fund balance). The remainder of the fund balance is nonspendable or restricted to indicate that it is unavailable for new spending because it is restricted for various purposes (see Note 1F).

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.

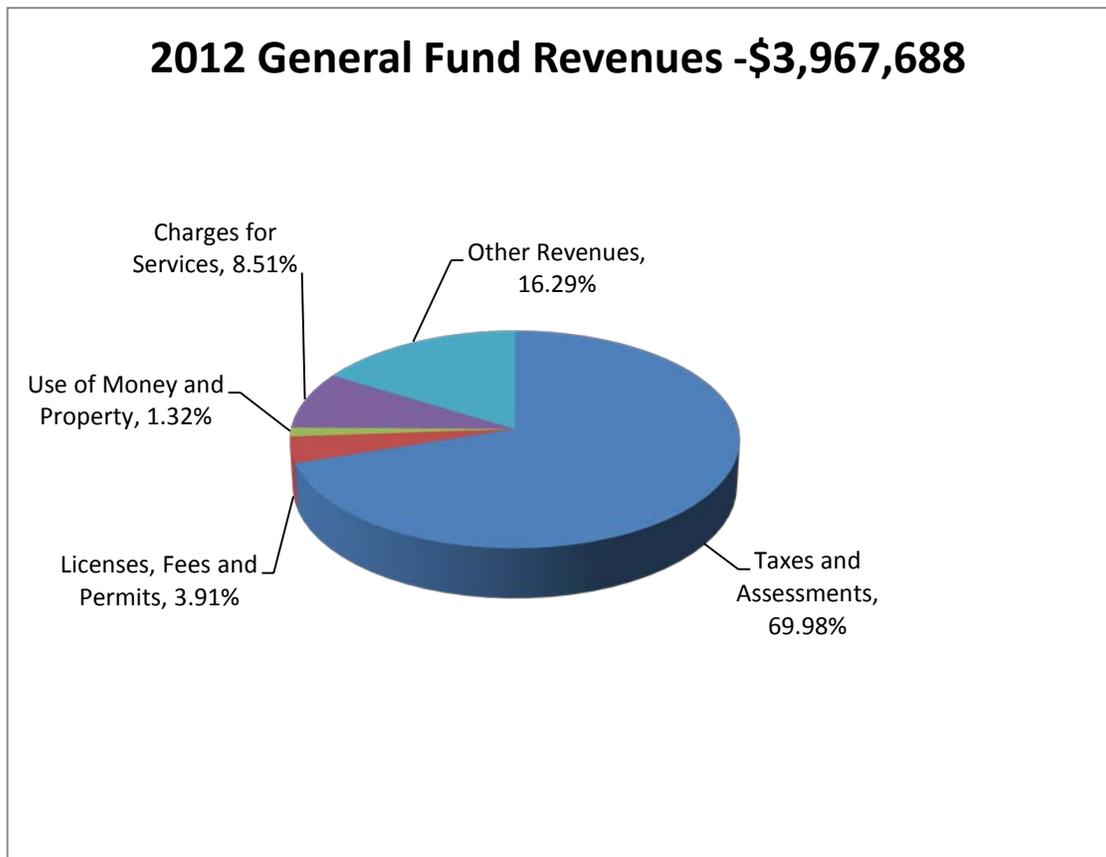
# CITY OF WINTERS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

The General fund ended the fiscal year with a fund balance of \$2,563,191 which is an increase of \$133,855 as compared to the prior fiscal year. The fund balance is composed of 5 components as designated by the City Council these classifications and amounts are:

1. Non-spendable Fund balance- \$457,821. This is a portion of the fund balance that cannot be spent because it is not in a spendable form, such as a long term receivable.
2. Restricted Fund Balance- \$-0-. These are amounts that are restricted by the source of the funds, such as a grant.
3. Committed Fund Balance \$-0-. These are amounts that are restricted due to a formal action of the City Council.
4. Assigned Fund Balance \$-0-. These amounts are funds that are intended for a specific purpose, but for which no formal action has yet to be taken by the City Council.
5. Unassigned fund balance \$ 2,105,370. This portion of the fund balance is that does not fall into one of the other four categories.

General fund revenues for the fiscal year ended June 30, 2012 were \$3,967,688 comprised of the following:

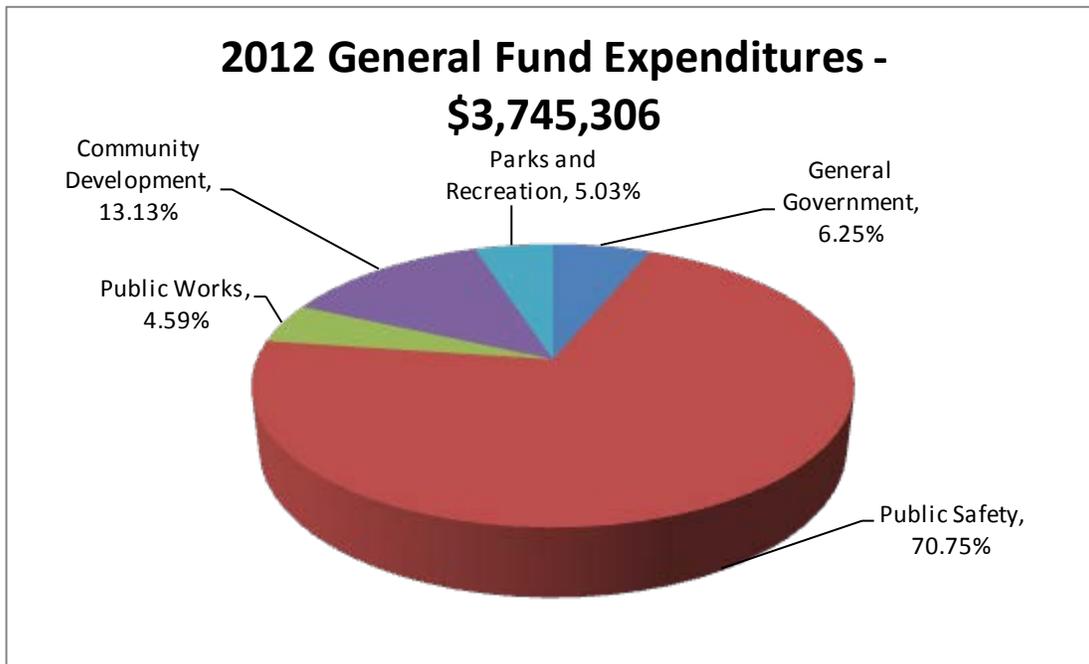


# CITY OF WINTERS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<b>Amount</b>
Taxes and Assessments	\$ 2,776,652
Licenses, Fees and Permits	154,966
Use of Money and Property	52,344
Charges for Services	337,482
Other Revenues	646,244
<b>TOTAL</b>	<b>\$ 3,967,688</b>

General Fund expenditures were \$3,745,306 for the fiscal year ended June 30, 2011 were as follow:



	<b>Amount</b>
General Government	\$ 234,085
Public Safety	2,649,757
Public Works	171,813
Community Development	491,843
Parks and Recreation	188,432
Capital Outlay	9,376
<b>TOTAL</b>	<b>\$ 3,745,306</b>

# CITY OF WINTERS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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### **Other Major Funds**

#### *Housing Set-Aside Special Revenue Fund:*

The Housing Set-Aside Fund was used to account for the production of low and moderate income housing within the City of Winters. The Housing Set-Aside Fund no longer exists; this is due to the State of California dissolving all Redevelopment Agencies within the State on January 31, 2012. The Housing Set Aside Fund was a fund of the Winters Community Development Agency.

The tax increment received by the Housing Set-Aside fund was \$168,835. Total expenditures were \$370,179 compared to \$849,688 in 2010-2011. Current year expenditures are for staffing, community outreach, and for debt service on the tax allocation bonds issued in March 2004 and May 2007.

The housing function of the dissolved Community Development Agency was assumed by the City of Winters, and is accounted for in the Housing Successor Fund. This fund has a restricted fund balance of \$1,050,155 and the end of the fiscal year. Activity in this fund is restricted to those expenditures approved by the California Department of Finance until a Finding of Completion is received, at which time, the City of Winters will operate the housing functions and expenditures in such a manor to increase and maintain affordable housing units within the City of Winters.

#### *Community Development Capital Projects Fund:*

The Community Development Agency Capital Projects Fund was the fund that accounts for all non-housing expenditures of the Winters Community Development Agency. The Community Development Capital Project fund no longer exists; this is due to the State of California dissolving all Redevelopment Agencies within the State on January 31, 2012.

Community Development Capital Projects Fund revenues for the fiscal year ended June 30, 2012 were \$677,714. Revenues were from Tax and Assessments (\$675,341), and Use of Money and Property (\$2,373).

Total expenditures for the year were \$1,830,841 compared to \$6,639,452 in 2010-2011, a change of \$4,808,611. Expenditures are for pass through agreements, agency staff, debt service, and capital projects financed with tax increment or tax allocation bond proceeds and tax increment. Expenditures for major projects include funding for the Joint Police and Fire Station (Public Safety Facility) and the improvements at the intersection of Main and First Streets, as well as a mid-block crossing on Main Street.

All Assets and Liabilities of the dissolved Winters Community Development Agency were transferred to the Successor Agency of the Dissolved Winters Community Development Agency on February 1, 2012. The RDA Successor Agency Fund is a Private Purpose Trust Fund. This fund has unrestricted net assets (\$2,884,769). Expenditures from this fund may only be made for those activities required to "wind down" the business of the former redevelopment agency. These activities include but are not limited to the payment of debt service related to bonds issued by the community development agency as well as other contractual commitments of the agency. All expenditures must be approved by the California Department of Finance

# CITY OF WINTERS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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### **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 \$1,009,808 and \$1,371,288 respectively. Both the Water Fund and the Sewer Fund had an increase in net assets during the fiscal year. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of Winters business-type activities.

### **General fund Budgetary Highlights**

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

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

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.

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

- ❖ Taxes and Assessments
  - Revenues received were less than budgeted by \$40,117 due to the reduction in assessed value of the properties within the City of Winters. The assessed value of homes decreased for the third year in a row, fortunately increases in Sales Tax helped to mitigate the loss in property taxes from the reduction in assessed values.
- ❖ Other Revenues
  - Other revenues were more than budgeted by \$628,287; this increase is due primarily to the payment of funds in lieu of property tax by the developer of the Orchard Village Apartment Complex. This complex was developed and operated by a non-profit to provide affordable housing within the City of Winters. This non-profit does not pay property tax on the property, and an agreement was reached for the City to receive a one-time payment of in fee funds to invest in a service reserve fund to generate investment income to provide funding for ongoing services.
- ❖ Charges for Services
  - Charges for services are higher than budgeted by \$50,784, this is primarily due to a combination of the contract with the Winters Fire Protection District and the decrease in the service charges for the planning and building department. The contract with the Winters Fire Protection District for the City of Winters Fire Department to provide fire protection services to the District in return for a charge for that service has increased the service charge revenue for the year, while the decrease in building and planning activity has reduced the service

# CITY OF WINTERS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

charge revenue for those departments. The balance of the increase is due to small changes in each of several service charge accounts.

- ❖ Use of Money and Property and Licenses, Fees and Permits
  - These were higher than budgeted by \$3,844 and \$18,292 respectively.

Expenditures were higher than budgeted throughout the organization in 2011-2012. Explanations are as follows:

- ❖ General Government
  - General Government actually spent more than budgeted by \$580, which is a nominal amount.
- ❖ Public Safety
  - The Police Department spent less than budgeted by \$5,390.
- ❖ Public Works
  - Expenditures were lower than budgeted due to staff diligence in monitoring the budget.
- ❖ Community Development
  - Community Development expenditures were higher than budgeted due to the need to have plans checked by non-city personnel, the resignation of the Community Development Director and the corresponding expense of leave balances being paid out, and the need to hire a consultant in the interim to provide Planning and Community Development activities until a decision on the direction to take the Community Development Department could be made.
- ❖ Parks and Recreation
  - Parks and Recreation expenditures were higher than budgeted by \$12,215.

### 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, 2012, amounts to \$18,054,745 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, water wells and distribution and sewer plant and collection facilities.

**TABLE 3**  
CAPITAL ASSETS, NET OF DEPRECIATION  
FOR THE FISCAL YEAR ENDED JUNE 30

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Capital Assets not being Depreciated:						
Construction in Progress	\$ 1,347,551	\$ 9,350,610	\$ 460,264	\$ 475,088	\$ 1,807,815	\$ 9,825,698
Land	932,613	1,285,987	2,182,979	2,182,979	3,115,592	3,468,966
Depreciable Capital Assets, net:						
Sewer and Water Plant			4,659,505	2,780,586	4,659,505	2,780,586
Buildings	1,729,423	2,623,723			1,729,423	2,623,723
Machinery and Equipment			736,409	822,794	736,409	822,794
Vehicles and Equipment	235,966	155,448			235,966	155,448
Infrastructure	5,407,243	7,465,104	362,792	371,342	5,770,035	7,836,446
<b>TOTAL</b>	<b>\$ 9,652,796</b>	<b>\$ 20,880,872</b>	<b>\$ 8,401,949</b>	<b>\$ 6,632,789</b>	<b>\$ 18,054,745</b>	<b>\$ 27,513,661</b>

# CITY OF WINTERS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Capital asset additions during 2011-2012 include the following:

- Police/Fire Station
- I-505 Lift Station
- Purchase of Park Land adjacent to the Orchard Village Apartments
- Purchase of one Police Vehicle
- Purchase of one pool Vehicle.
- Gate Opener for Well #7

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

### Long-term Debt

At June 30, 2012, the City of Winters had \$8,521,819 in water revenue bonds, sewer revenue bonds and compensated absences, compared to \$24,806,387 on June 30, 2011.

The following table provides a breakdown of the City's outstanding indebtedness as of June 30, 2012:

**TABLE 4**  
OUTSTANDING DEBT  
FOR THE FISCAL YEAR ENDED JUNE 30

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Tax Allocation Bonds:						
Series 2004	\$ -	\$ 5,860,000		\$ -	\$ -	\$ 5,860,000
Series 2007		10,975,000				10,975,000
Revenue Bonds:						
2007 Water Bonds			3,730,000	3,810,000	3,730,000	3,810,000
2007 Sewer Bonds			4,400,000	4,495,000	4,400,000	4,495,000
Compensated Absences	383,451	363,056	25,858	23,444	409,309	386,500
Post Employment Benefits	11,742		3,031		14,773	
<b>Totals</b>	395,193	17,198,056	8,158,889	8,328,444	8,554,082	25,526,500
Less: due within one year	(95,863)	(545,113)	(191,465)	(175,000)	(287,328)	(720,113)
<b>TOTALS</b>	<u>\$ 299,330</u>	<u>\$ 16,652,943</u>	<u>\$ 7,967,424</u>	<u>\$ 8,153,444</u>	<u>\$ 8,266,754</u>	<u>\$ 24,806,387</u>

The tax allocation bonds were transferred to the Private Purpose trust due to the dissolution of the redevelopment agency by the State of California on 1/31/12. The debt service on the bonds is paid from the receipt of incremental property taxes levied within the City's redevelopment area. These redevelopment project areas are accounted for by the Private Purpose Trust Funds of the Dissolved 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.

# CITY OF WINTERS, CALIFORNIA

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## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

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

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

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

All of the above factors were considered in the preparation of the City of Winters 2012-2013 budget.

The water and sewer fund rates were increased in the 2012-2013 budget. The rate increases were necessary to continue to maintain an aging infrastructure, and to pay debt service on the Water and Sewer Revenue bonds (2007). Since receipt of the bond proceeds, there have been extensive repair and replacement projects included in the budget of the enterprise funds for 2012-2013

### **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, 2012**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Totals</b>
<b>ASSETS:</b>			
<b>CURRENT ASSETS:</b>			
Cash and investment	\$ 6,792,997	\$ 2,071,904	\$ 8,864,901
Receivables:			
Accounts receivable	814,206	341,637	1,155,843
Interest receivable	6,866	1,143	8,009
Notes receivable	4,693,709		4,693,709
Land held for resale	127,299		127,299
Receivable due from successor agency trust fund	1,159,723		1,159,723
Internal balances	(416,557)	416,557	
Restricted cash and investments with fiscal agent	1,049,067	2,996,013	4,045,080
<b>TOTAL CURRENT ASSETS</b>	<b>14,227,310</b>	<b>5,827,254</b>	<b>20,054,564</b>
<b>NONCURRENT ASSETS:</b>			
Nondepreciable capital assets	2,280,164	2,643,243	4,923,407
Depreciable capital assets, net	7,372,632	5,758,706	13,131,338
Deferred charges, net		330,715	330,715
<b>TOTAL NONCURRENT ASSETS</b>	<b>9,652,796</b>	<b>8,732,664</b>	<b>18,385,460</b>
<b>TOTAL ASSETS</b>	<b>23,880,106</b>	<b>14,559,918</b>	<b>38,440,024</b>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	685,771	85,527	771,298
Accrued payroll liabilities	54,897		54,897
Interest payable		118,080	118,080
Deposits payable	71,768	220,680	292,448
Compensated absences, due within one year	95,863	6,465	102,328
Long-term debt, due within one year		185,000	185,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>908,299</b>	<b>615,752</b>	<b>1,524,051</b>
<b>NONCURRENT LIABILITIES:</b>			
Compensated absences, due after one year	287,588	19,393	306,981
Long-term debt, due after one year	11,742	7,948,031	7,959,773
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>299,330</b>	<b>7,967,424</b>	<b>8,266,754</b>
<b>TOTAL LIABILITIES</b>	<b>1,207,629</b>	<b>8,583,176</b>	<b>9,790,805</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	9,652,796	3,595,646	13,248,442
Restricted for capital projects	4,575,002		4,575,002
Restricted for revolving loans	1,320,595		1,320,595
Restricted for other purposes	882,166		882,166
Unrestricted	6,241,918	2,381,096	8,623,014
<b>TOTAL NET ASSETS</b>	<b>\$ 22,672,477</b>	<b>\$ 5,976,742</b>	<b>\$ 28,649,219</b>

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

**CITY OF WINTERS**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2012**

Functions/Programs	Operating Expenses	Charges for Services	Program Revenues	
			Grants and Contributions	
			Operating	Capital
<b>Governmental Activities:</b>				
General government	\$ 320,983	\$ 6,394	\$ 8,040	\$ -
Public safety	2,939,539	318,782	72,198	56,256
Public works	1,496,172	24,540	4,745	
Community development	937,790	101,368	31,832	90,718
Parks and recreation	712,628	64,506	133,381	11,579
Streets and highways	406,860		204,293	745,284
Interest on long-term debt	495,130			
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>7,309,102</b>	<b>515,590</b>	<b>454,489</b>	<b>903,837</b>
<b>Business-type Activities:</b>				
Water	1,191,159	1,132,901		1,306,254
Sewer	1,607,864	1,602,043		152,434
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>2,799,023</b>	<b>2,734,944</b>		<b>1,458,688</b>
<b>TOTAL GOVERNMENT</b>	<b>\$ 10,108,125</b>	<b>\$ 3,250,534</b>	<b>\$ 454,489</b>	<b>\$ 2,362,525</b>

**General Revenues:**

**Taxes:**

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

**TOTAL GENERAL REVENUES**

**CHANGE IN NET ASSETS BEFORE EXTRAORDINARY ITEM**

**Gain on transfer of assets and liabilities  
to RDA successor trust funds**

**CHANGE IN NET ASSETS**

**Net Assets, July 1, 2011**

**Net Assets, June 30, 2012**

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

Net (Expense) Revenue and  
Changes in Net Assets

Governmental Activities	Business-type Activities	Totals
\$ (306,549)	\$ -	\$ (306,549)
(2,492,303)		(2,492,303)
(1,466,887)		(1,466,887)
(713,872)		(713,872)
(503,162)		(503,162)
542,717		542,717
(495,130)		(495,130)
<u>(5,435,186)</u>		<u>(5,435,186)</u>
	1,247,996	1,247,996
	146,613	146,613
	<u>1,394,609</u>	<u>1,394,609</u>
<u>(5,435,186)</u>	<u>1,394,609</u>	<u>(4,040,577)</u>
2,103,907		2,103,907
374,975		374,975
3,511		3,511
228,129		228,129
648,593		648,593
301,120		301,120
5,934		5,934
13,451		13,451
894,477		894,477
163,862	22,880	186,742
<u>4,737,959</u>	<u>22,880</u>	<u>4,760,839</u>
(697,227)	1,417,489	720,262
<u>2,870,570</u>		<u>2,870,570</u>
2,173,343	1,417,489	3,590,832
<u>20,499,134</u>	<u>4,559,253</u>	<u>25,058,387</u>
<u>\$ 22,672,477</u>	<u>\$ 5,976,742</u>	<u>\$ 28,649,219</u>

**CITY OF WINTERS  
Balance Sheet  
Governmental Funds  
June 30, 2012**

	<u>Special Revenue Funds</u>			
	<u>General Fund</u>	<u>Housing Set-Aside Fund</u>	<u>HOME-CHOC Fund</u>	<u>Housing Successor Fund</u>
<b>ASSETS</b>				
Cash and investments	\$ 893,121	\$ -	\$ -	\$ -
Receivables:				
Accounts receivable	535,899			
Interest receivable	805			932
Due from developers	107,043			
Notes receivable	129,980		2,843,180	369,838
Due from other funds	905,565			
Receivable due from successor agency trust fund	457,821			
Advances to other funds				
Land held for resale				127,299
Restricted cash and investments with fiscal agent				1,049,067
<b>TOTAL ASSETS</b>	<u>\$ 3,030,234</u>	<u>\$ -</u>	<u>\$ 2,843,180</u>	<u>\$ 1,547,136</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 219,987	\$ -	\$ -	\$ 82
Accrued payroll liabilities	54,897			
Deposits payable	62,179			
Deferred revenue	129,980		2,843,180	369,838
Due to other funds				127,061
Advances from other funds				
<b>TOTAL LIABILITIES</b>	<u>467,043</u>		<u>2,843,180</u>	<u>496,981</u>
<b>FUND BALANCES</b>				
Nonspendable	457,821			
Restricted				1,050,155
Committed				
Assigned				
Unassigned	2,105,370			
<b>TOTAL FUND BALANCES</b>	<u>2,563,191</u>			<u>1,050,155</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,030,234</u>	<u>\$ -</u>	<u>\$ 2,843,180</u>	<u>\$ 1,547,136</u>

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

<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
<u>Community Development Fund</u>		
\$ -	\$ 5,878,873	\$ 6,771,994
	171,264	707,163
	5,129	6,866
		107,043
	1,350,711	4,693,709
	29,070	934,635
	701,902	1,159,723
	125,000	125,000
		127,299
		1,049,067
<u>\$ -</u>	<u>\$ 8,261,949</u>	<u>\$ 15,682,499</u>
\$ -	\$ 444,699	\$ 664,768
		54,897
	9,589	71,768
	1,350,711	4,693,709
	1,224,131	1,351,192
	125,000	125,000
	<u>3,154,130</u>	<u>6,961,334</u>
		457,821
	4,548,251	5,598,406
	1,025,359	1,025,359
	55,968	55,968
	(521,759)	1,583,611
	<u>5,107,819</u>	<u>8,721,165</u>
<u>\$ -</u>	<u>\$ 8,261,949</u>	<u>\$ 15,682,499</u>

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**CITY OF WINTERS**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Assets**  
**June 30, 2012**

**TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 8,721,165

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

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

Capital assets	\$ 13,493,552	
Less: accumulated depreciation	<u>(3,840,756)</u>	9,652,796

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

Proposition 1A loan	111,396	
Rehabilitation loans	4,177,091	
Developer loan	35,384	
Housing successor agency loans	<u>369,838</u>	4,693,709

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

Postemployment benefits		(11,742)
Compensated absences		<u>(383,451)</u>

Net Assets of Governmental Activities		<u><u>\$ 22,672,477</u></u>
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The accompanying notes are an integral part of these basic financial statements.

**CITY OF WINTERS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Special Revenue Funds</b>			
	<b>General Fund</b>	<b>Housing Set-Aside Fund</b>	<b>HOME-CHOC Fund</b>	<b>Housing Successor Fund</b>
<b>REVENUES:</b>				
Taxes and assessments	\$2,776,652	\$ 168,835	\$ -	\$ -
Fines, forfeitures and penalties				
Licenses, fees and permits	154,966			
Program income				
Use of money and property	52,344	2,183		2,027
Intergovernmental revenues				
Charges for services	337,482			
Other revenue	646,244			
<b>TOTAL REVENUES</b>	<b>3,967,688</b>	<b>171,018</b>		<b>2,027</b>
<b>EXPENDITURES:</b>				
Current:				
General government	234,085			
Public safety	2,649,757			
Public works	171,813			
Community development	491,843	182,585		1,559
Parks and recreation	188,432			
Streets and highways				
Debt service:				
Principal retirement		90,000		
Interest and other charges		97,594		96,300
Capital outlay	9,376			
<b>TOTAL EXPENDITURES</b>	<b>3,745,306</b>	<b>370,179</b>		<b>97,859</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>222,382</b>	<b>(199,161)</b>		<b>(95,832)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	25,791			
Transfers out	(114,318)			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(88,527)</b>			
<b>NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEM</b>	<b>133,855</b>	<b>(199,161)</b>		<b>(95,832)</b>
<b>EXTRAORDINARY ITEM</b>				
Gain (Loss) on transfer of assets and liabilities to RDA successor trust fund		(1,145,987)		1,145,987
<b>NET CHANGE IN FUND BALANCES</b>	<b>133,855</b>	<b>(1,345,148)</b>		<b>1,050,155</b>
<b>FUND BALANCES, JULY 1, 2011</b>	<b>2,429,336</b>	<b>1,345,148</b>		
<b>FUND BALANCES, JUNE 30, 2012</b>	<b>\$2,563,191</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$1,050,155</b>

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

<b>Capital Projects Fund</b>	<b>Community Development Fund</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
\$	675,341	\$ 393,069	\$ 4,013,897
		21,059	21,059
		6,370	161,336
		28,531	28,531
	2,373	59,854	118,781
		1,188,508	1,188,508
			337,482
		305,849	952,093
	<u>677,714</u>	<u>2,003,240</u>	<u>6,821,687</u>
		769	234,854
		121,402	2,771,159
		3,620	175,433
	294,452	92,504	1,062,943
		428,963	617,395
		257,060	257,060
	395,000		485,000
	273,939		467,833
	867,450	2,237,006	3,113,832
	<u>1,830,841</u>	<u>3,141,324</u>	<u>9,185,509</u>
	<u>(1,153,127)</u>	<u>(1,138,084)</u>	<u>(2,363,822)</u>
	31,918	151,430	209,139
		(94,821)	(209,139)
	<u>31,918</u>	<u>56,609</u>	
	(1,121,209)	(1,081,475)	(2,363,822)
	<u>612,653</u>	<u>(991,796)</u>	<u>(379,143)</u>
	(508,556)	(2,073,271)	(2,742,965)
	<u>508,556</u>	<u>7,181,090</u>	<u>11,464,130</u>
<u>\$</u>	<u>-</u>	<u>\$ 5,107,819</u>	<u>\$ 8,721,165</u>

**CITY OF WINTERS**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2012**

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

Net change in fund balances \$ (2,742,965)

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

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

Capital outlay expenditures are therefore added back to fund balances	\$ 3,076,196	
Depreciation expense not reported in governmental funds	(465,343)	
Contribution of capital assets to business-type activities	<u>(1,305,385)</u>	1,305,468

Cost write-off for canceled capital projects: If a planned capital project is canceled and will not be completed, costs previously capitalized as construction in progress must be written off to expense. Costs written off for canceled projects were: (60,653)

Certain receivables are offset by deferred revenue in the governmental funds because they are not available to pay for current period expenditures. This amount represents the amount by which prior year deferred revenue exceeded current year. (9,828)

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

Issuance costs amortized during the period	(32,686)	
Repayment of debt principal	<u>485,000</u>	452,314

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

Interest payable	5,389	
Postemployment benefits	(11,742)	
Compensated absences	<u>(20,395)</u>	(26,748)

Difference in the gain/loss on transfer of assets and liabilities to RDA successor trust funds between the governmental activities \$2,870,570 and the fund financial statements (\$379,143). 3,249,713

The internal service funds are used by management to charge costs of certain activities such as billings and collections to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities. 6,042

Change in net assets of governmental activities \$ 2,173,343

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

## CITY OF WINTERS

### Enterprise Funds and Internal Service Fund

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

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

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

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

**CITY OF WINTERS**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>	<u>Internal Service Fund</u>
<b>ASSETS:</b>				
<b>CURRENT ASSETS:</b>				
Cash and investments	\$ 952,181	\$ 1,119,723	\$ 2,071,904	\$ 21,003
Receivables, net				
Accounts receivable	169,385	172,252	341,637	
Interest receivable	525	618	1,143	
Due from other funds		416,557	416,557	
Restricted cash and investments with fiscal agent	<u>554,204</u>	<u>2,441,809</u>	<u>2,996,013</u>	
<b>TOTAL CURRENT ASSETS</b>	<u>1,676,295</u>	<u>4,150,959</u>	<u>5,827,254</u>	<u>21,003</u>
<b>NONCURRENT ASSETS:</b>				
Non-depreciable capital assets	1,719,445	923,798	2,643,243	
Depreciable capital assets, net	3,326,737	2,431,969	5,758,706	
Deferred charges, net	<u>157,772</u>	<u>172,943</u>	<u>330,715</u>	
<b>TOTAL NONCURRENT ASSETS</b>	<u>5,203,954</u>	<u>3,528,710</u>	<u>8,732,664</u>	
<b>TOTAL ASSETS</b>	<u>6,880,249</u>	<u>7,679,669</u>	<u>14,559,918</u>	<u>21,003</u>
<b>LIABILITIES:</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable	9,909	75,618	85,527	21,003
Interest payable	53,979	64,101	118,080	
Deposits payable	29,396	191,284	220,680	
Compensated absences, due within one year	4,750	1,715	6,465	
Long-term debt, due within one year	<u>85,000</u>	<u>100,000</u>	<u>185,000</u>	
<b>TOTAL CURRENT LIABILITIES</b>	<u>183,034</u>	<u>432,718</u>	<u>615,752</u>	<u>21,003</u>
<b>NONCURRENT LIABILITIES:</b>				
Compensated absences, due after one year	14,249	5,144	19,393	
Long-term debt, due after one year	<u>3,647,079</u>	<u>4,300,952</u>	<u>7,948,031</u>	
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>3,661,328</u>	<u>4,306,096</u>	<u>7,967,424</u>	
<b>TOTAL LIABILITIES</b>	<u>3,844,362</u>	<u>4,738,814</u>	<u>8,583,176</u>	<u>21,003</u>
<b>NET ASSETS:</b>				
Invested in capital assets, net of related debt	2,026,079	1,569,567	3,595,646	
Unrestricted	<u>1,009,808</u>	<u>1,371,288</u>	<u>2,381,096</u>	
<b>TOTAL NET ASSETS</b>	<u>\$ 3,035,887</u>	<u>\$ 2,940,855</u>	<u>\$ 5,976,742</u>	<u>\$ -</u>

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

**CITY OF WINTERS**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended 30, 2012**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>	<u>Activities</u>
	<u>Fund</u>	<u>Fund</u>		<u>Internal</u>
				<u>Service</u>
				<u>Fund</u>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 1,124,769	\$1,599,766	\$2,724,535	\$ 666,052
Refunds and reimbursements		2,277	2,277	
Late fees	8,132		8,132	
<b>TOTAL OPERATING REVENUES</b>	<u>1,132,901</u>	<u>1,602,043</u>	<u>2,734,944</u>	<u>666,052</u>
<b>OPERATING EXPENSES:</b>				
Salaries and benefits	251,619	49,178	300,797	
Materials, supplies, and miscellaneous	34,665	142,152	176,817	54,975
Insurance				98,294
Administration	476,736	266,856	743,592	47,483
Fuels, lubricants, and maintenance	42,110	46,350	88,460	72,062
Contract services	18,936	576,311	595,247	318,901
Utilities	98,708	226,660	325,368	68,295
Depreciation and amortization	99,846	98,594	198,440	
<b>TOTAL OPERATING EXPENSES</b>	<u>1,022,620</u>	<u>1,406,101</u>	<u>2,428,721</u>	<u>660,010</u>
<b>OPERATING INCOME (LOSS)</b>	<u>110,281</u>	<u>195,942</u>	<u>306,223</u>	<u>6,042</u>
<b>NONOPERATING INCOME (EXPENSE):</b>				
Interest expense	(168,539)	(201,763)	(370,302)	
Interest income	11,006	11,874	22,880	
<b>TOTAL NON-OPERATING INCOME (EXPENSE)</b>	<u>(157,533)</u>	<u>(189,889)</u>	<u>(347,422)</u>	
Changes in Net Assets Before Capital Contributions	(47,252)	6,053	(41,199)	6,042
Capital contributions	1,306,254	152,434	1,458,688	
Changes in Net Assets	1,259,002	158,487	1,417,489	6,042
Net Assets (Deficit), July 1, 2011	1,776,885	2,782,368	4,559,253	(6,042)
Net Assets, June 30, 2012	<u>\$ 3,035,887</u>	<u>\$ 2,940,855</u>	<u>\$ 5,976,742</u>	<u>\$ -</u>

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

**CITY OF WINTERS**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Totals</b>	<b>Activities Internal Service Fund</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Cash received from customers and users	\$ 979,197	\$ 1,532,084	\$ 2,511,281	\$ 666,052
Cash paid to suppliers for goods and services	(661,558)	(1,188,441)	(1,849,999)	(658,961)
Cash paid to employees and related benefits	(247,964)	(47,388)	(295,352)	
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>69,675</u>	<u>296,255</u>	<u>365,930</u>	<u>7,091</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>				
Principal paid on debt	(80,000)	(95,000)	(175,000)	
Interest paid on debt	(169,405)	(202,792)	(372,197)	
Capital contributions	153,303		153,303	
Purchase of capital assets	(246,357)	(402,732)	(649,089)	
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<u>(342,459)</u>	<u>(700,524)</u>	<u>(1,042,983)</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	10,884	11,873	22,757	
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>10,884</u>	<u>11,873</u>	<u>22,757</u>	
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(261,900)</u>	<u>(392,396)</u>	<u>(654,296)</u>	<u>7,091</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FISCAL YEAR</b>	<u>1,768,285</u>	<u>3,953,928</u>	<u>5,722,213</u>	<u>13,912</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FISCAL YEAR</b>	<u>\$ 1,506,385</u>	<u>\$ 3,561,532</u>	<u>\$ 5,067,917</u>	<u>\$ 21,003</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS:</b>				
Cash and cash equivalents	\$ 952,181	\$ 1,119,723	\$ 2,071,904	\$ 21,003
Restricted cash and investments with fiscal agent	554,204	2,441,809	2,996,013	
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>\$ 1,506,385</u>	<u>\$ 3,561,532</u>	<u>\$ 5,067,917</u>	<u>\$ 21,003</u>

(Continued)

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

**CITY OF WINTERS**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2012**  
**(Continued)**

	<u>Business type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>	<u>Internal</u>
	<u>Fund</u>	<u>Fund</u>		<u>Service</u>
				<u>Fund</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>				
<b>by Operating Activities:</b>				
Operating income (loss)	\$ 110,281	\$ 195,942	\$ 306,223	\$ 6,042
Adjustments to Reconcile Operating Income (Loss) to Net Cash				
Provided (Used) by Operating Activities:				
Depreciation and amortization	99,846	98,594	198,440	
(Increase) Decrease in Operating Assets:				
Accounts receivable	(157,704)	(141,162)	(298,866)	
Prepaid items		26,383	26,383	
Increase (Decrease) in Operating Liabilities:				
Accounts payable	9,597	43,505	53,102	1,049
Deposits payable	4,000	71,203	75,203	
Postemployment benefits payable	2,079	952	3,031	
Compensated absences	1,576	838	2,414	
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 69,675</u>	<u>\$ 296,255</u>	<u>\$ 365,930</u>	<u>\$ 7,091</u>

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

**CITY OF WINTERS**  
**Statement of Net Assets**  
**Fiduciary Funds**  
**June 30, 2012**

	<b>Private-Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>Assets:</b>		
Cash and investments	\$ 1,715,209	\$ 145,215
Receivables:		
Accounts receivable	744	
Interest receivable	6,774	126
Deferred charges	803,096	
Notes receivable	66,600	
Capital assets, net of accumulated depreciation	12,358,585	
<b>TOTAL ASSETS</b>	14,951,008	\$ 145,341
<b>Liabilities:</b>		
Accounts payable	83,754	4,015
Interest payable	242,300	
Due to other agencies		141,326
Long-term debt, due within one year	500,000	
Long-term debt, due in more than one year	17,009,723	
<b>TOTAL LIABILITIES</b>	17,835,777	\$ 145,341
<b>Net Assets:</b>		
Unrestricted	\$ (2,884,769)	

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

**CITY OF WINTERS**  
**Statement Of Changes in Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Private-Purpose Trust Funds</b>
Additions:	
Investment revenue	\$ 8,686
Taxes and assessments	752,502
Net assets received upon dissolution of redevelopment agency	(2,870,570)
Total additions	(2,109,382)
Deductions:	
Depreciation	114,306
Community development	382,651
Interest expense	278,430
Total deductions	775,387
Change in net assets	(2,884,769)
Net Assets - July 1, 2011	
Net Assets - June 30, 2012	\$ (2,884,769)

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

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

A. Reporting Entity

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

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

As required by accounting principles generally accepted in the United States of America (USGAAP), these basic financial statements present the City of Winters (the primary government) and its component unit. The component unit discussed in Note 1B 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 was governed by the City Council of the City of Winters. Although it was legally separate from the City, the Agency was reported as if it were part of the primary government because the City Council was the governing board, and was able to impose its will on the Agency. The Agency was reported as separate funds in the Capital Projects, Special Revenue, and Debt Service Funds, until its dissolution on February 1, 2012.

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

C. Accounting Policies

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

D. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

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

Fiduciary fund financial statements include a statement of net assets and statement of changes in net assets. Trust funds are accounted for on an *economic resources* measurement focus and full accrual basis of accounting. Agency funds are custodial in nature and do not involve measurement of results of operations, however, they do use the full accrual basis of accounting to recognize receivables and payables.

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

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

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

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

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

The City reports the following major governmental funds:

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

**Housing Set-Aside Special Revenue Fund** – This fund accounted 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).

**Housing Successor Special Revenue Fund** – This fund accounts for the low and moderate income housing assets that were retained by the City when the Redevelopment Agency dissolved in fiscal year 2011/12.

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

The Private-Purpose Trust Funds are used to account for assets held by the City as trustee for the Redevelopment Agency Successor Agency.

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

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

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 four agency funds of the City are for the Library, Swim Team, Festival De La, and Quilt Festival. 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.

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.

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

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

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.

**Property Taxes**

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

**Restricted Assets**

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

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

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

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

**Capital Assets**

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year ended June 30, 2012.

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

The capitalization policy of the City is as follows:

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

**Compensated Absences**

A liability is calculated for all the costs of compensated absences based upon benefits earned by employees in the current period for which there is a probability of payment at termination. The salary and related payroll costs are those in effect at June 30, 2012. 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, 2012. The general fund and water and sewer funds have been typically used to liquidate prior fiscal years' liabilities for compensated absences.

**Short-Term Obligations**

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

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

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

**Long-Term Obligations**

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

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

**Net Assets**

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

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

*Restricted* describes the portion of net assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include capital projects, revolving loan programs, and other various grant programs.

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

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

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

**Net Assets (Continued)**

At June 30, 2012, the City had recorded restricted net assets in the Governmental Activities as follows:

	Governmental Activities
Restricted for:	
Flood control	\$ 3,815
Streets and roads	211,583
First time homebuyers program	84,153
Traffic safety	232,142
Asset forfeiture	14,312
Afterschool program	124,742
Vehicle theft	48,634
Transportation	131,122
Fire prevention	1,057
Public safety	2,229
Beverage recycling	28,377
Revolving loans	1,320,595
Capital projects	4,575,002
Total Restricted	\$ 6,777,763

Included in total restricted net assets at June 30, 2012 are net assets restricted by enabling legislation of \$2,930,265.

**Fund Balance**

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

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

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

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

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

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

**Fund Balance (Continued)**

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

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

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

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

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

**CITY OF WINTERS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2012

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

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

**Fund Balance (Continued)**

The constraints placed on fund balance for the major governmental funds and all other governmental funds at June 30, 2012 are as follows:

Fund Balances	General Fund	Housing Set- Aside Special Revenue Fund	HOME-CHOC Special Revenue Fund	Housing Successor Special Revenue Fund	Community Development Capital Projects Fund	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>							
Long-term receivable from successor agency trust fund	\$ 457,821	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 457,821
<i>Total Nonspendable</i>	457,821						457,821
<b>Restricted for:</b>							
Flood Control						3,815	3,815
Streets and Roads						211,583	211,583
First Time Homebuyers Program						84,153	84,153
Traffic Safety						232,142	232,142
Asset Forfeiture						14,312	14,312
Afterschool Program						124,742	124,742
Vehicle Theft						48,634	48,634
Transportation						131,122	131,122
Fire Prevention						1,057	1,057
Public Safety						2,229	2,229
Beverage Recycling						28,377	28,377
Revolving Loans						527,876	527,876
Capital Projects				1,050,155		3,138,209	4,188,364
<i>Total Restricted</i>				1,050,155		4,548,251	5,598,406
<b>Committed for:</b>							
Capital Projects						1,025,359	1,025,359
<i>Total Committed</i>						1,025,359	1,025,359
<b>Assigned for:</b>							
Capital Projects						55,968	55,968
<i>Total Assigned</i>						55,968	55,968
Unassigned	2,105,370					(521,759)	1,583,611
<i>Total Fund Balances</i>	\$ 2,563,191	\$ -	\$ -	\$ 1,050,155	\$ -	\$ 5,107,819	\$ 8,721,165

G. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

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

H. Allowance for Uncollectible Utility Accounts

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

I. Budgets and Budgetary Accounting

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

- (1) Prior to June 30, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public meetings are conducted to obtain taxpayer comments.
- (3) Prior to July 1, the budget is legally approved by the City Council.
- (4) The City Manager is authorized to transfer budgeted amounts between line items within any department and budget amounts between departments; however, City Council is authorized to transfer budgeted amounts between funds and any revisions which alter total expenditures of the City.
- (5) Formal budgetary integration is employed as a management control device during the year for all funds.
- (6) Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All unexpended appropriations lapse at the end of the fiscal year. There were no budgets prepared for the HOME-CHOC Special Revenue Fund, Housing Successor Special Revenue Fund, First Time Homebuyers Special Revenue Fund, First 5 Grant Special Revenue Fund, Realignment Special Revenue Fund, Prop 84 Park Special Revenue Fund, Dry Slough Special Revenue Fund, EECBG Grant Special Revenue Fund, Community Design Pedestrian Grant Special Revenue Fund, Communication Tower Grant Special Revenue Fund, Homeland Security Grant Special Revenue Fund, Green House Gas Verification Special Revenue Fund, CDBG Park Grant Special Revenue Fund, HOME 98-347 Grant Special Revenue Fund, EDBG 96-405 Grant Special Revenue Fund, HOME Program RLF Special Revenue Fund, First Time Homebuyers RLF Special Revenue Fund, Flood Control Study Capital Projects Fund, General Fund Capital Projects Fund, Parks and Recreation Capital Projects Fund, Flood Control Fees Capital Projects Fund, Raja Storm Drain Capital Projects Fund, Street Impact Fees Capital Projects Fund, Storm Drain Impact Fees Capital Projects Fund, and the Parks and Recreation Impact Fees Capital Projects Fund.

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

J. New Accounting Pronouncements

The City has implemented the requirements of Governmental Accounting Standards Board (GASB) Statement No. 64 during the fiscal year ended June 30, 2012.

GASB Statement No. 64 – Derivative Instruments: Application of Hedge Accounting Termination Provisions

This statement is effective for periods beginning after June 15, 2011. The objective of this statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. Implementation of this statement did not have an impact on the City's financial statements for the fiscal year ended June 30, 2012.

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

**Deficit Fund Balances/Net Assets**

As of June 30, 2012 the following funds had a deficit fund balance:

Nonmajor Special Revenue Funds:	
City Wide Assessment Fund	\$ 2,795
State COPS 1913 Fund	52,760
Prop 84 Park Fund	11,015
Dry Slough Fund	1,446
North Putah Creek Fund	269,335
EECBG Grant Fund	14,302
Community Design Pedestrian Grant Fund	17,067
CDBG Park Grant Fund	261
STBG 96-1043 Grant Fund	29,070
Nonmajor Capital Projects Fund:	
Flood Control Study Fund	123,708

**CITY OF WINTERS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2012

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

Excess of Expenditures Over Appropriations

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

<u>Fund</u>	<u>Excess Expenditures</u>
Major Funds:	
General Fund	
General government	\$ 580
Community development	72,177
Parks and recreation	12,215
Capital outlay	9,376
Community Development Capital Projects Fund	
Capital outlay	134,852
Nonmajor Special Revenue Funds:	
City Wide Assessment Fund	30,062
Gas Tax Fund	11,769
Transportation Development Act Fund	142,634
North Putah Creek Fund	177,361
Small Business RLF Fund	71,080
Nonmajor Debt Service Fund:	
Redevelopment Long-term Debt Fund	2,122
Nonmajor Capital Projects Funds:	
Police Impact Fees Fund	54,160
Fire Impact Fees Fund	15,331
General Facilities Impact Fees Fund	769
Water Impact Fees Fund	148,882

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

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

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

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

Land	\$ 932,613
Construction in progress	1,347,551
Capital Assets not being depreciated	<u>\$ 2,280,164</u>
Buildings and improvements	\$ 3,443,932
Vehicles and equipment	1,816,252
Infrastructure	5,953,204
Less: accumulated depreciation	<u>(3,840,756)</u>
Capital assets, net of accumulated depreciation	<u>\$ 7,372,632</u>

**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)

Notes and loans receivable are not available to pay for current period expenditures and, therefore are offset by deferred revenue in the fund financial statements. The deferred notes and loans receivable are as follows:

Notes and loans receivable	<u>\$ 4,693,709</u>
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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	\$ 3,076,196
Current fiscal year depreciation	(465,343)
Contribution of capital assets to business-type activities	<u>(1,305,385)</u>
	<u>\$ 1,305,468</u>

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

Repayment of bond principal	\$ 485,000
Amortization of deferred charges	(32,686)
Change in accrued interest payable	5,389
Change in compensated absences	<u>(20,395)</u>
	<u>\$ 437,308</u>

**CITY OF WINTERS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2012

**NOTE 4 – Cash and Investments**

Statement of Net Assets:	
Cash and investments	\$ 8,864,901
Restricted cash and investments	4,045,080
Statement of Fiduciary Assets and Liabilities:	
Cash and investments	<u>1,860,424</u>
Total	<u><u>\$ 14,770,405</u></u>

Cash and investments as of June 30, 2012 consist of the following:

Cash on hand	\$ 640
Deposits with financial institutions	1,962,550
Investments	<u>12,807,215</u>
Total	<u><u>\$ 14,770,405</u></u>

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

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

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

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

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

**Investments Authorized by Debt Agreements**

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

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

**Disclosures Relating to Interest Rate Risk**

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

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

Investment Type	Totals	Remaining Maturity (in Months)					
		12 Months Or Less	13 to 24 Months	25-36 Months	37-48 Months	49-60 Months	More Than 60 Months
State Investment Pool	\$ 9,160,567	\$ 9,160,567	\$ -	\$ -	\$ -	\$ -	\$ -
Money Market Funds	5,478	5,478					
Held by bond trustees:							
Money Market Funds	3,131,009	3,131,009					
Investment Contract	510,161	10,161		500,000			
	<u>\$ 12,807,215</u>	<u>\$ 12,307,215</u>	<u>\$ -</u>	<u>\$500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations**

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

**Disclosures Relating to Credit Risk**

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

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
State Investment Pool	\$ 9,160,567	N/A	\$ -	\$ -	\$ -	\$ -	\$ 9,160,567
Money Market Funds	5,478	N/A					5,478
Held by bond trustees:							
Money Market Funds	3,131,009	N/A		2,996,014			134,995
Investment Contract	510,161	N/A		10,161		500,000	
<b>Total</b>	<b>\$ 12,807,215</b>		<b>\$ -</b>	<b>\$ 3,006,175</b>	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ 9,301,040</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 and money market funds) that represent 5% or more of total City investments.

**Custodial Credit Risk**

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

As of June 30, 2012, all of the City’s deposits with financial institutions were held in non-interest bearing transaction accounts, therefore the entire amount of the deposits was covered by FDIC insurance.

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

**Investment in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The LAIF fair value factor of 1.001219643 was used to calculate the fair value of the investment in LAIF as of June 30, 2012.

**NOTE 5 – Notes Receivable**

Notes receivable from mortgage loans for housing and commercial property rehabilitation and construction:	<u>Amount</u>
HOME-CHOC Special Revenue Fund	\$ 2,843,180
Housing Successor Special Revenue Fund	369,838
HOME 98-347 Special Revenue Fund	127,146
EDBG 99-688 Special Revenue Fund	148,657
EDBG 96-405 Special Revenue Fund	265,389
Housing Rehabilitation RLF Special Revenue Fund	94,350
HOME Program RLF Special Revenue Fund	277,043
First Time Homebuyer RLF Special Revenue Fund	351,326
Small Business RLF Special Revenue Fund	<u>70,000</u>
Total housing and property rehabilitation and construction notes receivable	<u>4,546,929</u>
Notes receivable for building permits:	
General Fund	18,584
Park and Recreation Impact Fees Capital Projects Fund	4,159
Police Impact Fees Capital Projects Fund	3,567
Fire Impact Fees Capital Projects Fund	3,567
General Facilities Impact Fees Capital Projects Fund	1,463
General Plan 1992 Capital Projects Fund	<u>4,044</u>
Total building permits notes receivable	<u>35,384</u>
Notes receivable for miscellaneous items:	
General fund (Proposition 1A receivable)	<u>111,396</u>
Total miscellaneous notes receivable	<u>111,396</u>
Total notes receivable	<u>\$ 4,693,709</u>

**CITY OF WINTERS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2012

**NOTE 6 – Interfund Transactions**

**A. Current Interfund Balances**

Current interfund balances arise in the normal course of business, are usually a result of a shortfall of pooled cash, and are expected to be repaid shortly after the end of the fiscal year. The following presents a summary of current interfund balances at June 30, 2012.

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Fund:		Major Fund:	
General Fund	\$ 905,565	Housing Successor Fund	\$ 127,061
Nonmajor Funds:		Nonmajor Funds:	
Housing Rehabilitation RLF Fund	11,643	City Wide Assessment Fund	14
First Time Homebuyers RLF Fund	17,427	State COPS 1913 Fund	52,760
		Prop 84 Park Fund	8,308
Major Enterprise Fund:		Dry Slough Fund	1,446
Sewer Fund	<u>416,557</u>	North Putah Creek Fund	208,980
		EECBG Grant Fund	2,100
Totals	<u>\$ 1,351,192</u>	Community Design Pedestrian Grant Fund	14,492
		CDBG Park Grant Fund	261
		STBG 96-1043 Fund	29,070
		General Plan 92 Fund	490,143
		Sewer Impact Fees Fund	<u>416,557</u>
		Totals	<u>\$ 1,351,192</u>

**B. Long-term Interfund Advances**

At June 30, 2012, the funds below have made/received an advance that was not expected to be repaid within one year. This advance was for a flood solution study for North Winters (\$125,000).

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Funds:		Nonmajor Fund:	
Street Impact Fees Fund	\$ 95,000	Flood Control Study Fund	\$ 125,000
Storm Drain Impact Fees Fund	<u>30,000</u>		
Totals	<u>\$ 125,000</u>	Totals	<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, 2012

**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	\$ 25,791	\$ 114,318
Community Development Capital Projects Fund	31,918	
Nonmajor Funds:		
City Wide Assessment Fund	87,128	
STIP-TE Grant Fund	23,970	
Afterschool Program Fund		4,984
Transportation Development Act Fund		23,970
First 5 Grant Fund	6,232	
Communication Tower Grant Fund	781	
Homeland Security Grant Fund	150	
STBG 96-1043 Fund		5,015
EDBG 99-688 Fund		18,225
EDBG 96-405 Fund		9,930
Housing Rehabilitation RLF Fund	1,550	
Small Business RLF Fund	31,619	
Redevelopment Long-Term Debt Service Fund		31,917
Police Impact Fees Fund		390
Fire Impact Fees Fund		390
	<u>\$ 209,139</u>	<u>\$ 209,139</u>

**NOTE 7 – Capital Assets**

**A. Governmental Activities**

Capital assets governmental activity for the fiscal year ended June 30, 2012, was as follows:

	Balance at July 1, 2011	Additions	Deletions	Transfers	Transfer to Private-Purpose Trust Fund	Balance at June 30, 2012
<b>Capital Assets, not being depreciated:</b>						
Land	\$ 1,285,987	\$ 255,620	\$ -	\$ -	\$ (608,994)	\$ 932,613
Construction in progress	9,350,610	2,783,397	(60,653)	(10,725,803)		1,347,551
Total	<u>10,636,597</u>	<u>3,039,017</u>	<u>(60,653)</u>	<u>(10,725,803)</u>	<u>(608,994)</u>	<u>2,280,164</u>
<b>Capital Assets, being depreciated:</b>						
Buildings and improvements	4,453,396			8,383,011	(9,392,475)	3,443,932
Vehicles and equipment	1,643,717	37,179		140,787	(5,431)	1,816,252
Infrastructure	8,137,870			896,620	(3,081,286)	5,953,204
Total	<u>14,234,983</u>	<u>37,179</u>		<u>9,420,418</u>	<u>(12,479,192)</u>	<u>11,213,388</u>
Less accumulated depreciation for:						
Buildings and improvements	(1,829,673)	(212,882)			328,046	(1,714,509)
Vehicles and equipment	(1,488,269)	(97,448)			5,431	(1,580,286)
Infrastructure	(672,766)	(155,013)			281,818	(545,961)
Total	<u>(3,990,708)</u>	<u>(465,343)</u>			<u>615,295</u>	<u>(3,840,756)</u>
Total, net of accumulated depreciation	<u>10,244,275</u>	<u>(428,164)</u>		<u>9,420,418</u>	<u>(11,863,897)</u>	<u>7,372,632</u>
<b>Total Capital Assets, Net</b>	<u>\$ 20,880,872</u>	<u>\$ 2,610,853</u>	<u>\$ (60,653)</u>	<u>\$ (1,305,385)</u>	<u>\$ (12,472,891)</u>	<u>\$ 9,652,796</u>

**CITY OF WINTERS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2012

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

**A. Governmental Activities (Continued)**

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

General government	\$ 37,694
Public safety	153,084
Public works	15,354
Parks and recreation	95,233
Streets and highways	149,800
Community development	14,178
Total	<u>\$ 465,343</u>

**B. Business-type activities**

Capital assets business-type activity for the fiscal year ended June 30, 2012 was as follows:

	Balance at July 1, 2011	Additions	Transfers	Balance at June 30, 2012
<b>Water Fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,650,000	\$ -	\$ -	\$ 1,650,000
Construction in progress	426,252	246,357	(603,164)	69,445
Total	<u>2,076,252</u>	<u>246,357</u>	<u>(603,164)</u>	<u>1,719,445</u>
Capital assets, being depreciated:				
Water pipes	9,030,048		1,756,115	10,786,163
Machinery and equipment	380,861			380,861
Infrastructure	126,790			126,790
Total	<u>9,537,699</u>		<u>1,756,115</u>	<u>11,293,814</u>
Less accumulated depreciation for:				
Water pipes	(7,658,481)	(60,000)		(7,718,481)
Machinery and equipment	(199,798)	(31,048)		(230,846)
Infrastructure	(15,214)	(2,536)		(17,750)
Total	<u>(7,873,493)</u>	<u>(93,584)</u>		<u>(7,967,077)</u>
Total net of accumulated depreciation	<u>1,664,206</u>	<u>(93,584)</u>	<u>1,756,115</u>	<u>3,326,737</u>
<b>Water Fund Capital Assets, net</b>	<u>\$ 3,740,458</u>	<u>\$ 152,773</u>	<u>\$ 1,152,951</u>	<u>\$ 5,046,182</u>

**CITY OF WINTERS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**B. Business-type activities (Continued)**

	Balance at July 1, 2011	Additions	Transfers	Balance at June 30, 2012
<b>Sewer Fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 532,979	\$ -	\$ -	\$ 532,979
Construction in progress	48,836	341,983		390,819
Total	<u>581,815</u>	<u>341,983</u>		<u>923,798</u>
Capital assets, being depreciated:				
Infrastructure	300,715			300,715
Sewer plant and pipes	7,060,723	60,749	152,434	7,273,906
Machinery and equipment	1,104,071			1,104,071
Total	<u>8,465,509</u>	<u>60,749</u>	<u>152,434</u>	<u>8,678,692</u>
Less accumulated depreciation for:				
Infrastructure	(40,949)	(6,014)		(46,963)
Sewer plant and pipes	(5,651,704)	(30,379)		(5,682,083)
Machinery and equipment	(462,340)	(55,337)		(517,677)
Total	<u>(6,154,993)</u>	<u>(91,730)</u>		<u>(6,246,723)</u>
Total net of accumulated depreciation	<u>2,310,516</u>	<u>(30,981)</u>	<u>152,434</u>	<u>2,431,969</u>
<b>Sewer Fund Capital Assets, net</b>	<u>\$ 2,892,331</u>	<u>\$ 311,002</u>	<u>\$ 152,434</u>	<u>\$ 3,355,767</u>
<b>Total Capital Assets, net</b>	<u>\$ 6,632,789</u>	<u>\$ 463,775</u>	<u>\$ 1,305,385</u>	<u>\$ 8,401,949</u>

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

Business-Type Activities:	
Water	\$ 93,584
Sewer	91,730
Total	<u>\$ 185,314</u>

**NOTE 8 – Long-term Liabilities**

The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2012:

	Balance at July 1, 2011	Additions	Repayments	Transfers	Balance at June 30, 2012	Due Within One Year
<b>Governmental Activities:</b>						
Compensated absences	\$ 363,056	\$ 116,258	\$ (95,863)	\$ -	\$ 383,451	\$ 95,863
Postemployment benefits		18,019	(6,277)		11,742	
Tax allocation bonds payable	16,835,000		(485,000)	(16,350,000)		
Total	<u>\$ 17,198,056</u>	<u>\$ 134,277</u>	<u>\$ (587,140)</u>	<u>\$ (16,350,000)</u>	<u>\$ 395,193</u>	<u>\$ 95,863</u>
<b>Business-type Activities:</b>						
<b>Water Fund:</b>						
Compensated absences	\$ 17,423	\$ 6,326	\$ (4,750)	\$ -	\$ 18,999	\$ 4,750
Water revenue bonds	3,810,000		(80,000)		3,730,000	85,000
Postemployment benefits		3,222	(1,143)		2,079	
<b>Sewer Fund:</b>						
Compensated absences	6,021	2,553	(1,715)		6,859	1,715
Sewer revenue bonds	4,495,000		(95,000)		4,400,000	100,000
Postemployment benefits		1,452	(500)		952	
Total	<u>\$ 8,328,444</u>	<u>\$ 13,553</u>	<u>\$ (183,108)</u>	<u>\$ -</u>	<u>\$ 8,158,889</u>	<u>\$ 191,465</u>

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

**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, 2012, is \$3,730,000.

The scheduled annual minimum debt service requirements at June 30, 2012, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2013	\$ 85,000	\$ 160,534	\$ 245,534
2014	90,000	157,646	247,646
2015	90,000	154,643	244,643
2016	95,000	151,509	246,509
2017	95,000	148,231	243,231
2018-2022	540,000	683,584	1,223,584
2023-2027	655,000	563,570	1,218,570
2028-2032	820,000	399,907	1,219,907
2033-2037	1,025,000	182,280	1,207,280
2038	235,000	5,581	240,581
Totals	<u>\$ 3,730,000</u>	<u>\$ 2,607,485</u>	<u>\$ 6,337,485</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, 2012, is \$4,400,000.

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

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

The scheduled annual minimum debt service requirements at June 30, 2012, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2013	\$ 100,000	\$ 190,653	\$ 290,653
2014	105,000	187,270	292,270
2015	105,000	183,766	288,766
2016	110,000	180,124	290,124
2017	115,000	176,241	291,241
2018-2022	630,000	813,655	1,443,655
2023-2027	775,000	671,920	1,446,920
2028-2032	965,000	473,367	1,438,367
2033-2037	1,215,000	216,245	1,431,245
2038	280,000	6,650	286,650
Totals	<u>\$ 4,400,000</u>	<u>\$ 3,099,891</u>	<u>\$ 7,499,891</u>

**NOTE 9 – Post Retirement Health Insurance Benefits**

Plan Description

The City provides certain health insurance benefits to retired employees in accordance with memoranda of understanding as follows:

For employees who retire from the City and who have reached the age of fifty (50) years old, and who continue health insurance through a City-sponsored health insurance plan, the City will contribute the minimum monthly amount (as required by CalPERS) of the health insurance premium (\$108 and \$112 for the calendar year 2011 and 2012 respectively).

Funding Policy

The City's policy is to contribute an amount sufficient to pay the current year's premium. For fiscal year 2011-12, the City contributed \$7,920, which covered current premiums, but did not include any additional prefunding of benefits. Currently, there are 6 retirees who are receiving benefits.

Annual OPEB and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45's Alternative Measurement Method allowed for employers with less than 100 plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

**CITY OF WINTERS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2012

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**NOTE 9 – Post Retirement Health Insurance Benefits (Continued)**

Annual required contribution	\$ 22,693
Annual OPEB cost (expense)	22,693
Contributions made	<u>(7,920)</u>
Increase in net OPEB obligation	14,773
Net OPEB obligation - beginning of fiscal year	
Net OPEB obligation - end of fiscal year	<u>\$ 14,773</u>

The net OPEB obligation of \$14,773 was allocated \$11,742 to governmental activities and \$3,031 to business-type activities (\$2,079 to water fund and \$952 to sewer fund).

The City 's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2011-12 was as follows:

Fiscal Year <u>Ended</u>	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	OPEB Obligation (Asset)
6/30/2012	\$ 22,693	35%	\$ 14,773

Funded Status and Funding Progress

As of June 30, 2012, the most recent Alternate Measurement Method valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$680,779, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$680,779. The covered payroll (annual payroll of active employees covered by the plan) was \$2,141,140, and the ratio of the UAAL to the covered payroll was 31.8 percent.

The Alternate Measurement Method valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The Alternate Measurement Method valuation (valuation) methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012 actuarial valuation, the actuarial assumptions included a 3.0 percent investment rate of return, a 75 percent continuity rate that retirees will continue to participate in CalPERS health, and an annual healthcare cost trend rate of 2.0 percent. The actuarial value of assets is not applicable (no assets as of the initial valuation date). The UAAL is being amortized as a flat percentage of covered payroll over thirty years. The remaining amortization period at June 30, 2012 was thirty years.

**NOTE 10 – City Employees Retirement Plan (Defined Benefit Pension Plan)**

***Plan Description***

The City of Winters contributes to the California Public Employees Retirement System (PERS), a cost-sharing 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, 2012 was 14.629% 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, 2012, 2011, and 2010, were \$183,248, \$182,113, and \$195,767, 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, 2012 was 24.453% for safety employees. Benefit provisions and all other requirements are established by State statute and City contract with employee bargaining groups. The City's contributions to CalPERS for the safety plan for the fiscal years ending June 30, 2012, 2011, and 2010, were \$246,429, \$200,155, and \$180,530, respectively, and equal 100% of the required contributions for each fiscal year.

**NOTE 11 – Deferred Compensation Plan**

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

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

**NOTE 12 – 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 13 – 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.

**NOTE 13 – Risk Management (Joint Powers Agreement) (Continued)**

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

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, 2011) as audited by other auditors, is presented below:

**Statement of Net Assets**

Total assets	\$ 15,237,327
Total liabilities	12,448,837
Net Assets	\$ 2,788,490

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

Total income	\$ 7,963,093
Total expenses	8,360,666
Increase in Net Assets	\$ (397,573)

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:

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

**NOTE 14 – 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 2011-12 fiscal year, the City incurred monitoring costs of \$7,435, and is expected to maintain the monitoring of the closed landfill in the near future. The future costs of postclosure care are subject to change resulting from inflation/deflation, technology, change in scope of work, or changes in applicable laws or regulations.

**NOTE 15 – Successor Agency Trust for Assets of Former Redevelopment Agency**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Yuba City that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or other unit of local government will agree to serve as the “successor agency” to hold the assets units they are distributed to other units of state and local government. On January 17, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolution number 2012-02.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence as the date of the dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs that State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the state Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

**NOTE 15 – Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss(gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

The difference between the extraordinary gain recognized in the fund financial statements and the extraordinary loss recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary (gain)/loss reported in governmental funds – (decrease)/increase to net assets of the Successor Agency Trust Funds	\$379,143
Capital assets recorded in the government-wide financial statements – increase of net assets of the Successor Agency Trust Funds	12,472,891
Notes receivable recorded in the government-wide financial statements – increase of net assets of the Successor Agency Trust Funds	66,600
Accrued bond interest reported in the government-wide financial statements – decrease to net assets of the Successor Agency Trust Funds	(242,300)
Deferred charges reported in the government-wide financial statements – increase of net assets of the Successor Agency Trust Funds	803,096
Long-term debt reported in the government-wide financial statements – decrease to net assets of the Successor Agency Trust Funds	<u>(16,350,000)</u>
Net decrease to net assets of the Successor Agency Trust Funds as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the City)	<u>\$(2,870,570)</u>

**CITY OF WINTERS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2012

**NOTE 16 – Successor Agency**

A. Notes Receivable of the Successor Agency as of June 30, 2012 consisted of the following:

Note receivable from a mortgage loan for a home purchase:

property rehabilitation and construction:

	Amount
RDA Successor Agency Private-Purpose Trust Fund	\$ 66,600
<b>Total notes receivable</b>	<b>\$ 66,600</b>

B. Capital assets of the Successor Agency as of June 30, 2012 consisted of the following:

	July 1, 2011 Balance	Transfers From RDA	Additions	Deletions	June 30, 2012 Balance
Capital assets, not being depreciated:					
Land	\$ -	\$ 608,994	\$ -	\$ -	\$ 608,994
<b>Total capital assets, not being depreciated</b>		<b>608,994</b>			<b>608,994</b>
Capital assets, being depreciated:					
Buildings and improvements		9,392,475			9,392,475
Vehicles and equipment		5,431			5,431
Infrastructure		3,081,286			3,081,286
<b>Total capital assets, being depreciated</b>		<b>12,479,192</b>			<b>12,479,192</b>
Less accumulated depreciation for:					
Buildings and improvements		(328,046)	(88,629)		(416,675)
Vehicles and equipment		(5,431)			(5,431)
Infrastructure		(281,818)	(25,677)		(307,495)
<b>Total accumulated depreciation, net</b>		<b>(615,295)</b>	<b>(114,306)</b>		<b>(729,601)</b>
<b>Total capital assets, net</b>	<b>\$ -</b>	<b>\$ 12,472,891</b>	<b>\$ (114,306)</b>	<b>\$ -</b>	<b>\$ 12,358,585</b>

C. The following is a summary of changes in the Successor Agency's long-term liabilities for the fiscal year ended June 30, 2012:

	Balance at July 1, 2011	Transfers from RDA	Repayments	Balance at June 30, 2012	Due Within One Year
Tax allocation bonds payable	\$ -	\$ 16,350,000	\$ -	\$ 16,350,000	\$ 500,000
Payable to general fund		457,821		457,821	
Payable to general plan 92 fund		701,902		701,902	
<b>Total</b>	<b>\$ -</b>	<b>\$ 17,509,723</b>	<b>\$ -</b>	<b>\$ 17,509,723</b>	<b>\$ 500,000</b>

**Governmental Activities – Tax Allocation Bonds Payable**

Tax Allocation Bonds – Series 2004

On February 27, 2004, the former Redevelopment 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 provided funds to aid in the financing of redevelopment in the project area. The Bonds are special obligations of the Successor Agency and are payable as to principal, interest and any premiums upon redemption at any time exclusively from the pledged tax revenues of the Successor Agency. The outstanding principal balance of the 2004 Series bonds at June 30, 2012, is \$5,625,000.

**CITY OF WINTERS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2012

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**NOTE 16 – Successor Agency**

- C. The following is a summary of changes in the Successor Agency’s long-term liabilities for the fiscal year ended June 30, 2012: (Continued)

The scheduled annual minimum debt service requirements at June 30, 2012, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2013	\$ 240,000	\$ 238,179	\$ 478,179
2014	245,000	230,720	475,720
2015	155,000	224,265	379,265
2016	165,000	218,782	383,782
2017	170,000	212,749	382,749
2018-2022	955,000	954,495	1,909,495
2023-2027	1,175,000	719,731	1,894,731
2028-2032	1,465,000	419,670	1,884,670
2033-2035	1,055,000	74,891	1,129,891
Totals	<u>\$ 5,625,000</u>	<u>\$ 3,293,482</u>	<u>\$ 8,918,482</u>

Tax Allocation Bonds – Series 2007

On May 31, 2007, the former Redevelopment 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 provided funds to aid in the financing of redevelopment in the project area. The Bonds are special obligations of the Successor Agency and are payable as to principal, interest and any premiums upon redemption at any time exclusively from the pledged tax revenues of the Successor Agency. The outstanding principal balance of the 2007 Series bonds at June 30, 2012, is \$10,725,000.

The scheduled annual minimum debt service requirements at June 30, 2012, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2013	\$ 260,000	\$ 479,890	\$ 739,890
2014	270,000	469,260	739,260
2015	120,000	461,460	581,460
2016	120,000	456,660	576,660
2017	100,000	452,360	552,360
2018-2022	695,000	2,190,348	2,885,348
2023-2027	1,245,000	1,988,162	3,233,162
2028-2032	1,945,000	1,637,725	3,582,725
2033-2037	3,640,000	1,059,267	4,699,267
2038	2,330,000	112,338	2,442,338
Totals	<u>\$ 10,725,000</u>	<u>\$ 9,307,470</u>	<u>\$ 20,032,470</u>

**NOTE 17 – Proposition 1A Borrowing by the State of California**

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

As of June 30, 2012 there is a loan receivable and deferred revenue recognized on the Balance Sheet – Governmental Funds in the General Fund. On the Statement of Net Assets, the tax revenues were recognized in the fiscal year for which they were levied (fiscal year 2009-10), therefore, only the loan receivable is recognized.

**NOTE 18 – Subsequent Events**

In preparing the accompanying financial statements, the City management has reviewed all known events that have occurred after June 30, 2012, and through December 21, 2012, the date when this financial statement was available to be issued, for inclusion in the financial statement and footnotes.

## REQUIRED SUPPLEMENTARY INFORMATION

## **BUDGETARY BASIS OF ACCOUNTING**

The City prepares a budget for each fiscal year on or before June 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the City Council.

From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The legal level of control is the department. The City Council may amend the budget by resolution during the fiscal year.

Formal budgetary integration is employed as a management control device during the fiscal year for the General fund and special revenue funds. These budgets are adopted on a basis consistent with accounting principles generally accepted in the United States (USGAAP) and are consistent with the basis used for financial reporting. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any reconciliation.

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**City of Winters**  
**Required Supplementary Information**  
**June 30, 2012**

Other Postemployment Benefits

Schedule of Funding Progress

Valuation Date	Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Liability (Excess Assets) (a)-(b)	Funded Status (b)/(a)	Annual Covered Payroll (c)	UAAL as a % of Payroll [(a)-(b)]/(c)
6/30/2012	\$ 680,779	\$ -	\$ 680,779	0.0%	\$ 2,141,140	31.8%

**CITY OF WINTERS**  
**Combining Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Budget and Actual - General Fund and Major Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2012**

	<b>General Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budget Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Tax and assessments	\$ 2,816,769	\$ 2,816,769	\$ 2,776,652	\$ (40,117)
Licenses, fees, and permits	136,674	136,674	154,966	18,292
Use of money and property	48,500	48,500	52,344	3,844
Charges for services	286,698	286,698	337,482	50,784
Other revenue	17,957	17,957	646,244	628,287
<b>TOTAL REVENUES</b>	<b>3,306,598</b>	<b>3,306,598</b>	<b>3,967,688</b>	<b>661,090</b>
<b>EXPENDITURES:</b>				
Current:				
General government	249,098	233,505	234,085	(580)
Public safety	2,616,776	2,655,147	2,649,757	5,390
Public works	176,178	179,516	171,813	7,703
Community development	350,574	419,666	491,843	(72,177)
Parks and recreation	163,072	176,217	188,432	(12,215)
Debt service:				
Principal payments				
Interest and other charges				
Capital outlay			9,376	(9,376)
<b>TOTAL EXPENDITURES</b>	<b>3,555,698</b>	<b>3,664,051</b>	<b>3,745,306</b>	<b>(81,255)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(249,100)</b>	<b>(357,453)</b>	<b>222,382</b>	<b>579,835</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	5,000	5,000	25,791	20,791
Transfers out	(41,557)	(50,783)	(114,318)	(63,535)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(36,557)</b>	<b>(45,783)</b>	<b>(88,527)</b>	<b>(42,744)</b>
<b>NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEM</b>	<b>(285,657)</b>	<b>(403,236)</b>	<b>133,855</b>	<b>537,091</b>
<b>EXTRAORDINARY ITEM</b>				
Loss on transfer of assets and liabilities to RDA successor trust fund				
<b>NET CHANGE IN FUND BALANCES</b>	<b>(285,657)</b>	<b>(403,236)</b>	<b>133,855</b>	<b>537,091</b>
<b>FUND BALANCES, JULY 1, 2011</b>	<b>2,429,336</b>	<b>2,429,336</b>	<b>2,429,336</b>	
<b>FUND BALANCES, JUNE 30, 2012</b>	<b>\$ 2,143,679</b>	<b>\$ 2,026,100</b>	<b>\$ 2,563,191</b>	<b>\$ 537,091</b>

**Housing Set-Aside Special Revenue Fund**

<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Original</b>	<b>Final</b>		
\$ 346,234	\$ 346,234	\$ 168,835	\$ (177,399)
4,125	4,125	2,183	(1,942)
<u>350,359</u>	<u>350,359</u>	<u>171,018</u>	<u>(179,341)</u>
544,101	552,901	182,585	370,316
90,000	90,000	90,000	
193,894	193,894	97,594	96,300
<u>827,995</u>	<u>836,795</u>	<u>370,179</u>	<u>466,616</u>
<u>(477,636)</u>	<u>(486,436)</u>	<u>(199,161)</u>	<u>287,275</u>
<u>(477,636)</u>	<u>(486,436)</u>	<u>(199,161)</u>	<u>287,275</u>
		<u>(1,145,987)</u>	<u>(1,145,987)</u>
<u>(477,636)</u>	<u>(486,436)</u>	<u>(1,345,148)</u>	<u>(858,712)</u>
<u>1,345,148</u>	<u>1,345,148</u>	<u>1,345,148</u>	
<u>\$ 867,512</u>	<u>\$ 858,712</u>	<u>\$ -</u>	<u>\$ (858,712)</u>

## OTHER SUPPLEMENTAL INFORMATION

**CITY OF WINTERS**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Major Capital Projects Fund**  
**Community Development Fund**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>			
Tax and assessments	\$ 1,384,937	\$ 675,341	\$ (709,596)
Use of money and property	32,700	2,373	(30,327)
<b>TOTAL REVENUES</b>	<b>1,417,637</b>	<b>677,714</b>	<b>(739,923)</b>
<b>EXPENDITURES:</b>			
Current:			
Community development	439,320	164,468	274,852
Pass-through agreements	344,090	129,984	214,106
Debt service:			
Principal payments	395,000	395,000	
Interest and other charges	554,813	273,939	280,874
Capital outlay	732,598	867,450	(134,852)
<b>TOTAL EXPENDITURES</b>	<b>2,465,821</b>	<b>1,830,841</b>	<b>634,980</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,048,184)</b>	<b>(1,153,127)</b>	<b>(104,943)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	30,663	31,918	1,255
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>30,663</b>	<b>31,918</b>	<b>1,255</b>
<b>NET CHANGES IN FUND BALANCE BEFORE EXTRAORDINARY ITEM</b>	<b>(1,017,521)</b>	<b>(1,121,209)</b>	<b>(103,688)</b>
<b>EXTRAORDINARY ITEM</b>			
Gain on transfer of assets and liabilities to RDA successor trust fund		612,653	612,653
<b>NET CHANGES IN FUND BALANCE</b>	<b>(1,017,521)</b>	<b>(508,556)</b>	<b>508,965</b>
<b>FUND BALANCE, JULY 1, 2011</b>	<b>508,556</b>	<b>508,556</b>	
<b>FUND BALANCE, JUNE 30, 2012</b>	<b>\$ (508,965)</b>	<b>\$ -</b>	<b>\$ 508,965</b>

## 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.

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

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

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

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

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

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

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.

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

#### Special Revenue Funds (Continued)

##### *Grant Related Funds:*

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

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

Realignment Fund – This fund is used to account for AB109 funding.

Prop 84 Park Fund – This fund is used to account for a grant for the development of a park adjacent to Orchard Village Apartment complex.

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.

Dry Slough Fund – This fund is used to account for the replacement of the bridge over Dry Slough Creek.

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

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

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

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

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

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

## CITY OF WINTERS

### NONMAJOR GOVERNMENTAL FUNDS

#### Special Revenue Funds (Continued)

CDBG Park Grant Fund – This fund is used to account for a second grant for the development of a park adjacent to Orchard Village Apartment complex.

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

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

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

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

#### *Revolving Loan Funds:*

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

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

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

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

**CITY OF WINTERS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2012**

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS:</b>				
Cash and investments	\$1,268,135	\$ 55,918	\$ 4,554,820	\$ 5,878,873
Receivables:				
Accounts receivable	171,264			171,264
Interest receivable	1,035	50	4,044	5,129
Notes receivable	1,333,911		16,800	1,350,711
Due from other funds	29,070			29,070
Receivable due from successor agency trust fund			701,902	701,902
Advance to other funds			125,000	125,000
<b>TOTAL ASSETS</b>	<b>\$2,803,415</b>	<b>\$ 55,968</b>	<b>\$ 5,402,566</b>	<b>\$ 8,261,949</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 140,082	\$ -	304,617	\$ 444,699
Deposits payable			9,589	9,589
Deferred revenue	1,333,911		16,800	1,350,711
Due to other funds	317,431		906,700	1,224,131
Advances from other funds			125,000	125,000
<b>TOTAL LIABILITIES</b>	<b>1,791,424</b>	<b></b>	<b>1,362,706</b>	<b>3,154,130</b>
<b>FUND BALANCES:</b>				
Restricted	1,410,042		3,138,209	4,548,251
Committed			1,025,359	1,025,359
Assigned		55,968		55,968
Unassigned	(398,051)		(123,708)	(521,759)
<b>TOTAL FUND BALANCES</b>	<b>1,011,991</b>	<b>55,968</b>	<b>4,039,860</b>	<b>5,107,819</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$2,803,415</b>	<b>\$ 55,968</b>	<b>\$ 5,402,566</b>	<b>\$ 8,261,949</b>

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**CITY OF WINTERS**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES:</b>				
Taxes and assessments	\$ 393,069	\$ -	\$ -	\$ 393,069
Fines and forfeitures	21,059			21,059
Licenses, fees, and permits			6,370	6,370
Program income	27,805		726	28,531
Use of money and property	30,809	10,658	18,387	59,854
Intergovernmental revenue	1,188,508			1,188,508
Other revenue	305,849			305,849
<b>TOTAL REVENUES</b>	<b>1,967,099</b>	<b>10,658</b>	<b>25,483</b>	<b>2,003,240</b>
<b>EXPENDITURES:</b>				
Current:				
General government			769	769
Public safety	100,921		20,481	121,402
Public works	3,620			3,620
Community development	90,382	2,122		92,504
Parks and recreation	419,765		9,198	428,963
Streets and highways	257,060			257,060
Capital outlay	1,269,428		967,578	2,237,006
<b>TOTAL EXPENDITURES</b>	<b>2,141,176</b>	<b>2,122</b>	<b>998,026</b>	<b>3,141,324</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(174,077)</b>	<b>8,536</b>	<b>(972,543)</b>	<b>(1,138,084)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	151,430			151,430
Transfers out	(62,124)	(31,917)	(780)	(94,821)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>89,306</b>	<b>(31,917)</b>	<b>(780)</b>	<b>56,609</b>
<b>NET CHANGES IN FUND BALANCES BEFORE EXTRAORDINARY ITEM</b>	<b>(84,771)</b>	<b>(23,381)</b>	<b>(973,323)</b>	<b>(1,081,475)</b>
<b>EXTRAORDINARY ITEM</b>				
Loss on transfer of assets and liabilities to RDA successor trust fund		(991,796)		(991,796)
<b>NET CHANGES IN FUND BALANCES</b>	<b>(84,771)</b>	<b>(1,015,177)</b>	<b>(973,323)</b>	<b>(2,073,271)</b>
<b>FUND BALANCES, JULY 1, 2011</b>	<b>1,096,762</b>	<b>1,071,145</b>	<b>5,013,183</b>	<b>7,181,090</b>
<b>FUND BALANCES, JUNE 30, 2012</b>	<b>\$ 1,011,991</b>	<b>\$ 55,968</b>	<b>\$ 4,039,860</b>	<b>\$ 5,107,819</b>

**CITY OF WINTERS**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2012**

	<u>City Wide Assessment Fund</u>	<u>Flood Assessment Fund</u>	<u>Gas Tax Fund</u>	<u>First Time Homebuyers Fund</u>
<b>ASSETS:</b>				
Cash and investments	\$ -	\$ 3,812	\$ 189,891	\$ 84,078
Receivables:				
Accounts receivable	9,163		21,566	
Interest receivable		3	126	75
Notes receivable				
Due from other funds				
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<u>\$ 9,163</u>	<u>\$ 3,815</u>	<u>\$ 211,583</u>	<u>\$ 84,153</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 11,944	\$ -	\$ -	\$ -
Deferred revenue				
Due to other funds	14			
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES</b>	<u>11,958</u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCES:</b>				
Restricted		3,815	211,583	84,153
Unassigned	(2,795)			
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>(2,795)</u>	<u>3,815</u>	<u>211,583</u>	<u>84,153</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 9,163</u>	<u>\$ 3,815</u>	<u>\$ 211,583</u>	<u>\$ 84,153</u>

<b>STIP-TE Grant Fund</b>	<b>Traffic Safety Fund</b>	<b>Asset Forfeiture Fund</b>	<b>Afterschool Program Fund</b>	<b>Vehicle Theft Deterrent Fund</b>
\$ -	\$ 223,854	\$ 14,299	\$ 126,220	\$ 48,591
	8,089			
	199	13	2	43
<u>\$ -</u>	<u>\$ 232,142</u>	<u>\$ 14,312</u>	<u>\$ 126,222</u>	<u>\$ 48,634</u>
\$ -	\$ -	\$ -	\$ 1,480	\$ -
			1,480	
	232,142	14,312	124,742	48,634
	<u>232,142</u>	<u>14,312</u>	<u>124,742</u>	<u>48,634</u>
<u>\$ -</u>	<u>\$ 232,142</u>	<u>\$ 14,312</u>	<u>\$ 126,222</u>	<u>\$ 48,634</u>

(Continued)

**CITY OF WINTERS**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2012**  
**(Continued)**

	<b>Transportation Development Act Fund</b>	<b>Fire Prevention Fund</b>	<b>Grant- related Funds</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and investments	\$ 47,495	\$ 1,056	\$ 30,476
Receivables:			
Accounts receivable	118,767		13,679
Interest receivable		1	130
Notes receivable			541,192
Due from other funds			
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<u>\$ 166,262</u>	<u>\$ 1,057</u>	<u>\$ 585,477</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 35,140	\$ -	\$ 91,518
Deferred revenue			541,192
Due to other funds			317,417
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES</b>	<u>35,140</u>	<u>                    </u>	<u>950,127</u>
<b>FUND BALANCES:</b>			
Restricted	131,122	1,057	30,606
Unassigned			(395,256)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>131,122</u>	<u>1,057</u>	<u>(364,650)</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 166,262</u>	<u>\$ 1,057</u>	<u>\$ 585,477</u>

<b>Revolving Loan Funds</b>	<b>Totals</b>
\$ 498,363	\$ 1,268,135
	171,264
443	1,035
792,719	1,333,911
29,070	29,070
<u>\$ 1,320,595</u>	<u>\$ 2,803,415</u>
\$ -	\$ 140,082
792,719	1,333,911
	317,431
<u>792,719</u>	<u>1,791,424</u>
527,876	1,410,042
	(398,051)
<u>527,876</u>	<u>1,011,991</u>
<u>\$ 1,320,595</u>	<u>\$ 2,803,415</u>

**CITY OF WINTERS**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>City Wide Assessment Fund</b>	<b>Flood Assessment Fund</b>	<b>Gas Tax Fund</b>	<b>First Time Homebuyers Fund</b>
<b>REVENUES:</b>				
Taxes and assessments	\$ 188,776	\$ -	\$ 204,293	\$ -
Fines and forfeitures				
Program income				
Use of money and property		14	502	318
Intergovernmental revenues				
Other revenue				
<b>TOTAL REVENUES</b>	<u>188,776</u>	<u>14</u>	<u>204,795</u>	<u>318</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety				
Public works				
Community development				
Parks and recreation	276,862			
Streets and highways			131,104	
Capital outlay				
<b>TOTAL EXPENDITURES</b>	<u>276,862</u>		<u>131,104</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(88,086)</u>	<u>14</u>	<u>73,691</u>	<u>318</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	87,128			
Transfers out				
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>87,128</u>			
<b>NET CHANGE IN FUND BALANCES</b>	(958)	14	73,691	318
<b>FUND BALANCES (DEFICITS), JULY 1, 2011</b>	<u>(1,837)</u>	<u>3,801</u>	<u>137,892</u>	<u>83,835</u>
<b>FUND BALANCES (DEFICITS), JUNE 30, 2012</b>	<u>\$ (2,795)</u>	<u>\$ 3,815</u>	<u>\$ 211,583</u>	<u>\$ 84,153</u>

<b>STIP-TE Grant Fund</b>	<b>Traffic Safety Fund</b>	<b>Asset Forfeiture Fund</b>	<b>Afterschool Program Fund</b>	<b>Vehicle Theft Deterrent Fund</b>
\$ -	\$ - 21,059	\$ -	\$ -	\$ -
451,093	827	53 92	607 149,736 5,849	184
<u>451,093</u>	<u>21,886</u>	<u>145</u>	<u>156,192</u>	<u>184</u>
	8,249			
			139,438	
<u>470,941</u>				
<u>470,941</u>	<u>8,249</u>		<u>139,438</u>	
<u>(19,848)</u>	<u>13,637</u>	<u>145</u>	<u>16,754</u>	<u>184</u>
23,970			(4,984)	
<u>23,970</u>			<u>(4,984)</u>	
4,122	13,637	145	11,770	184
<u>(4,122)</u>	<u>218,505</u>	<u>14,167</u>	<u>112,972</u>	<u>48,450</u>
<u>\$ -</u>	<u>\$ 232,142</u>	<u>\$ 14,312</u>	<u>\$ 124,742</u>	<u>\$ 48,634</u>

(Continued)

**CITY OF WINTERS**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2012**  
**(Continued)**

	<b>Transportation Development Act Fund</b>	<b>Fire Prevention Fund</b>	<b>Grant- related Funds</b>
<b>REVENUES:</b>			
Taxes and assessments	\$ -	\$ -	\$ -
Fines and forfeitures			
Program income			18,605
Use of money and property	283	4	14,813
Intergovernmental revenues	294,191		293,396
Other revenue			
<b>TOTAL REVENUES</b>	<b>294,474</b>	<b>4</b>	<b>326,814</b>
<b>EXPENDITURES:</b>			
Current:			
Public safety		96	92,576
Public works			3,620
Community development			14,302
Parks and recreation			3,465
Streets and highways	124,510		1,446
Capital outlay	435,422		363,065
<b>TOTAL EXPENDITURES</b>	<b>559,932</b>	<b>96</b>	<b>478,474</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(265,458)</b>	<b>(92)</b>	<b>(151,660)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in			7,163
Transfers out	(23,970)		(33,170)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(23,970)</b>		<b>(26,007)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(289,428)</b>	<b>(92)</b>	<b>(177,667)</b>
<b>FUND BALANCES (DEFICITS), JULY 1, 2011</b>	<b>420,550</b>	<b>1,149</b>	<b>(186,983)</b>
<b>FUND BALANCES (DEFICITS), JUNE 30, 2012</b>	<b>\$ 131,122</b>	<b>\$ 1,057</b>	<b>\$ (364,650)</b>

<b>Revolving Loan Funds</b>	<b>Totals</b>
\$ -	\$ 393,069
	21,059
9,200	27,805
13,204	30,809
	1,188,508
<u>300,000</u>	<u>305,849</u>
<u>322,404</u>	<u>1,967,099</u>
	100,921
	3,620
76,080	90,382
	419,765
	257,060
	<u>1,269,428</u>
<u>76,080</u>	<u>2,141,176</u>
<u>246,324</u>	<u>(174,077)</u>
33,169	151,430
	<u>(62,124)</u>
<u>33,169</u>	<u>89,306</u>
279,493	(84,771)
<u>248,383</u>	<u>1,096,762</u>
<u>\$ 527,876</u>	<u>\$ 1,011,991</u>

**CITY OF WINTERS**  
**Combining Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Budget and Actual - Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<u>City Wide Assessment Fund</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Tax and assessments	\$ 195,278	\$ 188,776	\$ (6,502)
Fines and forfeitures			
Program income			
Use of money and property			
Intergovernmental revenues			
Other revenue			
<b>TOTAL REVENUES</b>	195,278	188,776	(6,502)
<b>EXPENDITURES:</b>			
Current:			
Public safety			
Public works			
Community development			
Parks and recreation	246,800	276,862	(30,062)
Streets and highways			
Capital outlay			
<b>TOTAL EXPENDITURES</b>	246,800	276,862	(30,062)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(51,522)	(88,086)	(36,564)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	41,057	87,128	46,071
Transfers out			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	41,057	87,128	46,071
<b>NET CHANGE IN FUND BALANCES</b>	(10,465)	(958)	9,507
<b>FUND BALANCES (DEFICITS), JULY 1, 2011</b>	(1,837)	(1,837)	
<b>FUND BALANCES (DEFICITS), JUNE 30, 2012</b>	\$ (12,302)	\$ (2,795)	\$ 9,507

Flood Assessment Fund			Gas Tax Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ 119,383	\$ 204,293	\$ 84,910
416	14	(402)		502	502
416	14	(402)	119,383	204,795	85,412
			119,335	131,104	(11,769)
			119,335	131,104	(11,769)
416	14	(402)	48	73,691	73,643
416	14	(402)	48	73,691	73,643
3,801	3,801		137,892	137,892	
\$ 4,217	\$ 3,815	\$ (402)	\$ 137,940	\$ 211,583	\$ 73,643

(Continued)

**CITY OF WINTERS**  
**Combining Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Budget and Actual - Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2012**  
**(Continued)**

	<b>STIP-TE Grant Fund</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>			
Tax and assessments	\$ -	\$ -	\$ -
Fines and forfeitures			
Program income			
Use of money and property			
Intergovernmental revenues		451,093	451,093
Other revenue			
<b>TOTAL REVENUES</b>		451,093	451,093
<b>EXPENDITURES:</b>			
Current:			
Public safety			
Public works			
Community development			
Parks and recreation			
Streets and highways			
Capital outlay	495,000	470,941	24,059
<b>TOTAL EXPENDITURES</b>	495,000	470,941	24,059
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(495,000)	(19,848)	475,152
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in		23,970	23,970
Transfers out			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		23,970	23,970
<b>NET CHANGE IN FUND BALANCES</b>	(495,000)	4,122	499,122
<b>FUND BALANCES (DEFICITS), JULY 1, 2011</b>	(4,122)	(4,122)	
<b>FUND BALANCES (DEFICITS), JUNE 30, 2012</b>	\$ (499,122)	\$ -	\$ 499,122

Traffic Safety Fund			Asset Forfeiture Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,000	21,059				
4,500	827	(3,673)	300	53	(247)
				92	92
10,500	21,886	(3,673)	300	145	(155)
	8,249	8,249			
	8,249	8,249			
10,500	13,637	4,576	300	145	(155)
10,500	13,637	4,576	300	145	(155)
218,505	218,505		14,167	14,167	
\$ 229,005	\$ 232,142	\$ 4,576	\$ 14,467	\$ 14,312	\$ (155)

(Continued)

**CITY OF WINTERS**  
**Combining Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Budget and Actual - Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2012**  
**(Continued)**

	<u>Afterschool Program Fund</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Tax and assessments	\$ -	\$ -	\$ -
Fines and forfeitures			
Program income			
Use of money and property		607	607
Intergovernmental revenues		149,736	149,736
Other revenue		5,849	5,849
		<u>156,192</u>	<u>156,192</u>
<b>TOTAL REVENUES</b>		<u>156,192</u>	<u>156,192</u>
<b>EXPENDITURES:</b>			
Current:			
Public safety			
Public works			
Community development			
Parks and recreation	143,751	139,438	4,313
Streets and highways			
Capital outlay			
		<u>143,751</u>	<u>4,313</u>
<b>TOTAL EXPENDITURES</b>	<u>143,751</u>	<u>139,438</u>	<u>4,313</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(143,751)</u>	<u>16,754</u>	<u>160,505</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in			
Transfers out		(4,984)	(4,984)
		<u>(4,984)</u>	<u>(4,984)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<u>(4,984)</u>	<u>(4,984)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(143,751)	11,770	155,521
<b>FUND BALANCES (DEFICITS), JULY 1, 2011</b>	<u>112,972</u>	<u>112,972</u>	
<b>FUND BALANCES (DEFICITS), JUNE 30, 2012</b>	<u>\$ (30,779)</u>	<u>\$ 124,742</u>	<u>\$ 155,521</u>

Vehicle Theft Deterrent Fund			Transportation Development Act Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
250	184	(66)	217,341	294,191	76,850
250	184	(66)	217,341	294,474	77,133
			135,752	124,510	11,242
			292,788	435,422	(142,634)
			428,540	559,932	(131,392)
250	184	(66)	(211,199)	(265,458)	(54,259)
				(23,970)	(23,970)
				(23,970)	(23,970)
250	184	(66)	(211,199)	(289,428)	(78,229)
48,450	48,450		420,550	420,550	
<u>\$ 48,700</u>	<u>\$ 48,634</u>	<u>\$ (66)</u>	<u>\$ 209,351</u>	<u>\$ 131,122</u>	<u>\$ (78,229)</u>

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**CITY OF WINTERS**  
**Combining Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Budget and Actual - Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2012**  
**(Continued)**

	<b>Fire Prevention Fund</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>			
Tax and assessments	\$ -	\$ -	\$ -
Fines and forfeitures			
Program income			
Use of money and property		4	4
Intergovernmental revenues			
Other revenue			
<b>TOTAL REVENUES</b>		4	4
<b>EXPENDITURES:</b>			
Current:			
Public safety	750	96	654
Public works			
Community development			
Parks and recreation			
Streets and highways			
Capital outlay			
<b>TOTAL EXPENDITURES</b>	750	96	654
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(750)	(92)	658
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in			
Transfers out			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			
<b>NET CHANGE IN FUND BALANCES</b>	(750)	(92)	658
<b>FUND BALANCES (DEFICITS), JULY 1, 2011</b>	1,149	1,149	
<b>FUND BALANCES (DEFICITS), JUNE 30, 2012</b>	\$ 399	\$ 1,057	\$ 658

**CITY OF WINTERS**  
**Combining Balance Sheet**  
**Nonmajor Grant-Related Special Revenue Funds**  
**June 30, 2012**

	<b>First 5 Grant Fund</b>	<b>State COPS 1913 Fund</b>	<b>Realignment Fund</b>	<b>Prop 84 Park Fund</b>
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ 2,227	\$ -
Accounts receivable				
Interest receivable			2	
Notes receivable				
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,229</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,707
Deferred revenue				
Due to other funds		52,760		8,308
<b>TOTAL LIABILITIES</b>		<b>52,760</b>		<b>11,015</b>
<b>FUND BALANCES (DEFICIT)</b>				
Restricted			2,229	
Unassigned		(52,760)		(11,015)
<b>TOTAL FUND BALANCES (DEFICITS)</b>		<b>(52,760)</b>	<b>2,229</b>	<b>(11,015)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,229</b>	<b>\$ -</b>

<u>Beverage Recycling Fund</u>	<u>Dry Slough Fund</u>	<u>North Putah Creek Fund</u>	<u>EECBG Grant Fund</u>	<u>Community Design Pedestrian Grant Fund</u>	<u>Communication Tower Grant Fund</u>	<u>Homeland Security Grant Fund</u>
\$ 28,249	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
128		11,579	2,100			
<u>\$ 28,377</u>	<u>\$ -</u>	<u>\$ 11,579</u>	<u>\$ 2,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 71,934	\$ 14,302	\$ 2,575	\$ -	\$ -
	1,446	208,980	2,100	14,492		
	1,446	280,914	16,402	17,067		
28,377	(1,446)	(269,335)	(14,302)	(17,067)		
28,377	(1,446)	(269,335)	(14,302)	(17,067)		
<u>\$ 28,377</u>	<u>\$ -</u>	<u>\$ 11,579</u>	<u>\$ 2,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**CITY OF WINTERS**  
**Combining Balance Sheet**  
**Nonmajor Grant-Related Special Revenue Funds**  
**June 30, 2012**  
**(Continued)**

	<b>Green House Gas Verification Fund</b>	<b>CDBG Park Grant Fund</b>	<b>Block Grants</b>	
			<b>STBG 96-1043 Fund</b>	<b>HOME 98-347 Fund</b>
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Interest receivable				
Notes receivable				127,146
<b>TOTAL ASSETS</b>	\$ -	\$ -	\$ -	\$ 127,146
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue				127,146
Due to other funds		261	29,070	
<b>TOTAL LIABILITIES</b>		261	29,070	127,146
<b>FUND BALANCES (DEFICIT)</b>				
Restricted				
Unassigned		(261)	(29,070)	
<b>TOTAL FUND BALANCES (DEFICITS)</b>		(261)	(29,070)	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$ -	\$ -	\$ -	\$ 127,146

**Block Grants**

<u>EDBG 99-688</u>	<u>EDBG 96-405</u>	<u>Totals</u>
<u>Fund</u>	<u>Fund</u>	
\$ -	\$ -	\$ 30,476
		13,679
		130
<u>148,657</u>	<u>265,389</u>	<u>541,192</u>
<u>\$ 148,657</u>	<u>\$ 265,389</u>	<u>\$ 585,477</u>
\$ -	\$ -	\$ 91,518
148,657	265,389	541,192
		317,417
<u>148,657</u>	<u>265,389</u>	<u>950,127</u>
		30,606
		<u>(395,256)</u>
		<u>(364,650)</u>
<u>\$ 148,657</u>	<u>\$ 265,389</u>	<u>\$ 585,477</u>

**CITY OF WINTERS**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Grant-Related Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>First 5 Grant Fund</b>	<b>State COPS 1913 Fund</b>	<b>Realignment Fund</b>	<b>Prop 84 Park Fund</b>
<b>REVENUES:</b>				
Program income	\$ -	\$ -	\$ -	\$ -
Use of money and property			7	
Intergovernmental revenues		116,819	7,500	
<b>TOTAL REVENUES</b>		<b>116,819</b>	<b>7,507</b>	
<b>EXPENDITURES:</b>				
Current:				
Public safety		87,298	5,278	
Public works				
Community development				
Parks and recreation	285			
Streets and highways				
Capital outlay				11,015
<b>TOTAL EXPENDITURES</b>	<b>285</b>	<b>87,298</b>	<b>5,278</b>	<b>11,015</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(285)</b>	<b>29,521</b>	<b>2,229</b>	<b>(11,015)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	6,232			
Transfers out				
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>6,232</b>			
<b>NET CHANGE IN FUND BALANCES</b>	<b>5,947</b>	<b>29,521</b>	<b>2,229</b>	<b>(11,015)</b>
<b>FUND BALANCES (DEFICIT), JULY 1, 2011</b>	<b>(5,947)</b>	<b>(82,281)</b>		
<b>FUND BALANCES (DEFICIT), JUNE 30, 2012</b>	<b>\$ -</b>	<b>\$ (52,760)</b>	<b>\$ 2,229</b>	<b>\$ (11,015)</b>

Beverage Recycling Fund	Dry Slough Fund	North Putah Creek Fund	EECBG Grant Fund	Community Design Pedestrian Grant Fund	Communication Tower Grant Fund	Homeland Security Grant Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96		145				
10,000		11,579		84,834	49,814	6,350
10,096		11,724		84,834	49,814	6,350
			14,302			
2,919	1,446	254,265		97,785		
2,919	1,446	254,265	14,302	97,785		
7,177	(1,446)	(242,541)	(14,302)	(12,951)	49,814	6,350
					781	150
					781	150
7,177	(1,446)	(242,541)	(14,302)	(12,951)	50,595	6,500
21,200		(26,794)		(4,116)	(50,595)	(6,500)
\$ 28,377	\$ (1,446)	\$ (269,335)	\$ (14,302)	\$ (17,067)	\$ -	\$ -

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**CITY OF WINTERS**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Grant-Related Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2012**  
**(Continued)**

	Green House Gas Verification Fund	CDBG Park Grant Fund	Block Grants				Totals
			STBG 96-1043 Fund	HOME 98-347 Fund	EDBG 99-688 Fund	EDBG 96-405 Fund	
<b>REVENUES:</b>							
Program income	\$ -	\$ -	\$ 4,967	\$ -	\$ 9,684	\$ 3,954	\$ 18,605
Use of money and property			48		8,541	5,976	14,813
Intergovernmental revenues	6,500						293,396
<b>TOTAL REVENUES</b>	<b>6,500</b>		<b>5,015</b>		<b>18,225</b>	<b>9,930</b>	<b>326,814</b>
<b>EXPENDITURES:</b>							
Current:							
Public safety							92,576
Public works	3,620						3,620
Community development							14,302
Parks and recreation		261					3,465
Streets and highways							1,446
Capital outlay							363,065
<b>TOTAL EXPENDITURES</b>	<b>3,620</b>	<b>261</b>					<b>478,474</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,880</b>	<b>(261)</b>	<b>5,015</b>		<b>18,225</b>	<b>9,930</b>	<b>(151,660)</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in							7,163
Transfers out			(5,015)		(18,225)	(9,930)	(33,170)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			<b>(5,015)</b>		<b>(18,225)</b>	<b>(9,930)</b>	<b>(26,007)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,880</b>	<b>(261)</b>					<b>(177,667)</b>
<b>FUND BALANCES (DEFICIT), JULY 1, 2011</b>	<b>(2,880)</b>		<b>(29,070)</b>				<b>(186,983)</b>
<b>FUND BALANCES (DEFICIT), JUNE 30, 2012</b>	<b>\$ -</b>	<b>\$ (261)</b>	<b>\$ (29,070)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (364,650)</b>

**CITY OF WINTERS**  
**Combining Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Budget and Actual - Nonmajor Grants Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>State COPS 1913 Fund</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>			
Program income	\$ -	\$ -	\$ -
Use of money and property			
Intergovernmental revenues	100,000	116,819	16,819
Other revenue			
<b>TOTAL REVENUES</b>	<u>100,000</u>	<u>116,819</u>	<u>16,819</u>
<b>EXPENDITURES:</b>			
Current:			
Public safety	88,909	87,298	1,611
Community development			
Parks and recreation			
Capital outlay			
<b>TOTAL EXPENDITURES</b>	<u>88,909</u>	<u>87,298</u>	<u>1,611</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>11,091</u>	<u>29,521</u>	<u>18,430</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in			
Transfers out			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			
<b>NET CHANGE IN FUND BALANCES</b>	11,091	29,521	18,430
<b>FUND BALANCES (DEFICITS), JULY 1, 2011</b>	<u>(82,281)</u>	<u>(82,281)</u>	
<b>FUND BALANCES (DEFICITS), JUNE 30, 2012</b>	<u>\$ (71,190)</u>	<u>\$ (52,760)</u>	<u>\$ 18,430</u>

<b>Beverage Recycling Fund</b>			<b>North Putah Creek Fund</b>		
<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	96	46		145	145
5,000	10,000	5,000		11,579	11,579
<u>5,050</u>	<u>10,096</u>	<u>5,046</u>		<u>11,724</u>	<u>11,724</u>
5,000	2,919	2,081	76,904	254,265	(177,361)
<u>5,000</u>	<u>2,919</u>	<u>2,081</u>	<u>76,904</u>	<u>254,265</u>	<u>(177,361)</u>
<u>50</u>	<u>7,177</u>	<u>7,127</u>	<u>(76,904)</u>	<u>(242,541)</u>	<u>(165,637)</u>
50	7,177	7,127	(76,904)	(242,541)	(165,637)
<u>21,200</u>	<u>21,200</u>		<u>(26,794)</u>	<u>(26,794)</u>	
<u>\$ 21,250</u>	<u>\$ 28,377</u>	<u>\$ 7,127</u>	<u>\$ (103,698)</u>	<u>\$ (269,335)</u>	<u>\$ (165,637)</u>

(Continued)

**CITY OF WINTERS**  
**Combining Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Budget and Actual - Nonmajor Grants Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2012**  
**(Continued)**

	<b>Block Grant - STBG 96-1043</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>			
Program income	\$ 8,304	\$ 4,967	\$ (3,337)
Use of money and property	420	48	(372)
Intergovernmental revenues			
Other revenue			
	<hr/>	<hr/>	<hr/>
<b>TOTAL REVENUES</b>	<b>8,724</b>	<b>5,015</b>	<b>(3,709)</b>
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES:</b>			
Current:			
Public safety			
Community development			
Parks and recreation			
Capital outlay			
	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENDITURES</b>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>8,724</b>	<b>5,015</b>	<b>(3,709)</b>
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in			
Transfers out	(8,724)	(5,015)	3,709
	<hr/>	<hr/>	<hr/>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(8,724)</b>	<b>(5,015)</b>	<b>3,709</b>
	<hr/>	<hr/>	<hr/>
<b>NET CHANGE IN FUND BALANCES</b>			
<b>FUND BALANCES (DEFICITS), JULY 1, 2011</b>	<b>(29,070)</b>	<b>(29,070)</b>	<b></b>
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES (DEFICITS), JUNE 30, 2012</b>	<b>\$ (29,070)</b>	<b>\$ (29,070)</b>	<b>\$ -</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Block Grant - EDBG 99-688**

<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
\$ 8,234	\$ 9,684	\$ 1,450
7,934	8,541	607
<u>16,168</u>	<u>18,225</u>	<u>2,057</u>
<u>16,168</u>	<u>18,225</u>	<u>2,057</u>
<u>(16,168)</u>	<u>(18,225)</u>	<u>(2,057)</u>
<u>(16,168)</u>	<u>(18,225)</u>	<u>(2,057)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF WINTERS**  
**Combining Balance Sheet**  
**Nonmajor Revolving Loan (RLF) Special Revenue Funds**  
**June 30, 2012**

	<b>Housing Rehabilitation RLF Fund</b>	<b>Home Program RLF Fund</b>	<b>First Time Homebuyers RLF Fund</b>	<b>Small Business RLF Fund</b>	<b>Totals</b>
<b>ASSETS</b>					
Cash and investments	\$ 321,430	\$ 74,730	\$ 46,838	\$ 55,365	\$ 498,363
Receivables:					
Interest receivable	286	66	42	49	443
Notes receivable	94,350	277,043	351,326	70,000	792,719
Due from other funds	11,643		17,427		29,070
	<u>427,709</u>	<u>351,839</u>	<u>415,633</u>	<u>125,414</u>	<u>\$1,320,595</u>
<b>TOTAL ASSETS</b>					
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Deferred revenue	\$ 94,350	\$ 277,043	\$ 351,326	\$ 70,000	\$ 792,719
	<u>94,350</u>	<u>277,043</u>	<u>351,326</u>	<u>70,000</u>	<u>792,719</u>
<b>TOTAL LIABILITIES</b>					
<b>FUND BALANCES:</b>					
Restricted	<u>333,359</u>	<u>74,796</u>	<u>64,307</u>	<u>55,414</u>	<u>527,876</u>
	<u>333,359</u>	<u>74,796</u>	<u>64,307</u>	<u>55,414</u>	<u>527,876</u>
<b>TOTAL FUND BALANCES</b>					
<b>TOTAL LIABILITIES AND FUND BALANCES</b>					
	<u>\$ 427,709</u>	<u>\$ 351,839</u>	<u>\$ 415,633</u>	<u>\$ 125,414</u>	<u>\$1,320,595</u>

**CITY OF WINTERS**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Revolving Loan (RLF) Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Housing Rehabilitation RLF Fund</b>	<b>Home Program RLF Fund</b>	<b>First Time Homebuyers RLF Fund</b>	<b>Small Business RLF Fund</b>	<b>Totals</b>
<b>REVENUES:</b>					
Program income	\$ -	\$ -	\$ 9,200	\$ -	\$ 9,200
Use of money and property	12,548	282	151	223	13,204
Other	300,000				300,000
<b>TOTAL REVENUES</b>	<b>312,548</b>	<b>282</b>	<b>9,351</b>	<b>223</b>	<b>322,404</b>
<b>EXPENDITURES:</b>					
Current:					
Community development				76,080	76,080
<b>TOTAL EXPENDITURES</b>				<b>76,080</b>	<b>76,080</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>312,548</b>	<b>282</b>	<b>9,351</b>	<b>(75,857)</b>	<b>246,324</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	1,550			31,619	33,169
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,550</b>			<b>31,619</b>	<b>33,169</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>314,098</b>	<b>282</b>	<b>9,351</b>	<b>(44,238)</b>	<b>279,493</b>
<b>FUND BALANCES, JULY 1, 2011</b>	<b>19,261</b>	<b>74,514</b>	<b>54,956</b>	<b>99,652</b>	<b>248,383</b>
<b>FUND BALANCES, JUNE 30, 2012</b>	<b>\$ 333,359</b>	<b>\$ 74,796</b>	<b>\$ 64,307</b>	<b>\$ 55,414</b>	<b>\$ 527,876</b>

**CITY OF WINTERS**  
**Combining Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Budget and Actual - Nonmajor Revolving Loan (RLF) Revenue Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Housing Rehabilitation RLF Fund</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>			
Use of money and property	\$ 6,048	\$ 12,548	\$ 6,500
Other		300,000	300,000
<b>TOTAL REVENUES</b>	<b>6,048</b>	<b>312,548</b>	<b>306,500</b>
<b>EXPENDITURES:</b>			
Current:			
General government			
<b>TOTAL EXPENDITURES</b>			
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>6,048</b>	<b>312,548</b>	<b>306,500</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	649	1,550	901
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>649</b>	<b>1,550</b>	<b>901</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>6,697</b>	<b>314,098</b>	<b>307,401</b>
<b>Fund Balances, July 1, 2011</b>	<b>19,261</b>	<b>19,261</b>	
<b>FUND BALANCES, JUNE 30, 2012</b>	<b>\$ 25,958</b>	<b>\$ 333,359</b>	<b>\$ 307,401</b>

<b>Small Business RLF Fund</b>		
<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
\$ 1,838	\$ 223	\$ (1,615)
<u>1,838</u>	<u>223</u>	<u>(1,615)</u>
<u>5,000</u>	<u>76,080</u>	<u>(71,080)</u>
<u>5,000</u>	<u>76,080</u>	<u>(71,080)</u>
<u>(3,162)</u>	<u>(75,857)</u>	<u>(72,695)</u>
	<u>31,619</u>	<u>31,619</u>
	<u>31,619</u>	<u>31,619</u>
(3,162)	(44,238)	(41,076)
<u>99,652</u>	<u>99,652</u>	
<u>\$ 96,490</u>	<u>\$ 55,414</u>	<u>\$ (41,076)</u>

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CITY OF WINTERS

NONMAJOR GOVERNMENTAL FUNDS

**Debt Service Funds**

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

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

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

**CITY OF WINTERS**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**June 30, 2012**

	<u>General Debt Service Fund</u>	<u>Redevelopment Long-term Debt Service Fund</u>	<u>Totals</u>
<b>ASSETS:</b>			
Cash and investments	\$ 55,918	\$ -	\$ 55,918
Receivables:			
Interest receivable	<u>50</u>		<u>50</u>
<b>TOTAL ASSETS</b>	<u>\$ 55,968</u>	<u>\$ -</u>	<u>\$ 55,968</u>
<b>FUND BALANCES:</b>			
Assigned	<u>\$ 55,968</u>	<u>\$ -</u>	<u>\$ 55,968</u>

**CITY OF WINTERS**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>General Debt Service Fund</b>	<b>Redevelopment Long-term Debt Service Fund</b>	<b>Totals</b>
<b>REVENUES:</b>			
Use of money and property	\$ 211	\$ 10,447	\$ 10,658
<b>TOTAL REVENUES</b>	<u>211</u>	<u>10,447</u>	<u>10,658</u>
<b>EXPENDITURES:</b>			
Community development		2,122	2,122
<b>TOTAL EXPENDITURES</b>		<u>2,122</u>	<u>2,122</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>211</u>	<u>8,325</u>	<u>8,536</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out		(31,917)	(31,917)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<u>(31,917)</u>	<u>(31,917)</u>
<b>NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEM</b>	211	(23,592)	(23,381)
<b>EXTRAORDINARY ITEM</b>			
Loss on transfer of assets and liabilities to RDA successor trust fund		(991,796)	(991,796)
<b>NET CHANGE IN FUND BALANCES</b>	211	(1,015,388)	(1,015,177)
<b>FUND BALANCES, JULY 1, 2011</b>	<u>55,757</u>	<u>1,015,388</u>	<u>1,071,145</u>
<b>FUND BALANCES, JUNE 30, 2012</b>	<u>\$ 55,968</u>	<u>\$ -</u>	<u>\$ 55,968</u>

**CITY OF WINTERS**  
**Combining Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Budget and Actual - Nonmajor Debt Service Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<u>General Debt Service Fund</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Use of money and property	\$ 275	\$ 211	\$ (64)
<b>TOTAL REVENUES</b>	<u>275</u>	<u>211</u>	<u>(64)</u>
<b>EXPENDITURES:</b>			
Current:			
Community development			
<b>TOTAL EXPENDITURES</b>			
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>275</u>	<u>211</u>	<u>(64)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			
<b>NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEM</b>	275	211	(64)
<b>EXTRAORDINARY ITEM</b>			
Loss on transfer of assets and liabilities to RDA successor trust fund			
<b>NET CHANGE IN FUND BALANCES</b>	275	211	(64)
<b>FUND BALANCES, JULY 1, 2011</b>	<u>55,757</u>	<u>55,757</u>	
<b>FUND BALANCES, JUNE 30, 2012</b>	<u>\$ 56,032</u>	<u>\$ 55,968</u>	<u>\$ (64)</u>

<b>Redevelopment Long-term Debt Service Fund</b>		
<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
\$ 30,663	\$ 10,447	\$ (20,216)
30,663	10,447	(20,216)
	2,122	(2,122)
	2,122	(2,122)
30,663	8,325	(22,338)
	(31,917)	(31,917)
	(31,917)	(31,917)
30,663	(23,592)	(54,255)
	(991,796)	(991,796)
30,663	(1,015,388)	(1,046,051)
1,015,388	1,015,388	
<u>\$ 1,046,051</u>	<u>\$ -</u>	<u>\$ (1,046,051)</u>

## CITY OF WINTERS

### NONMAJOR CAPITAL PROJECTS FUNDS

## Capital Projects Funds

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

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

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

*Flood Control Study Fund*  
*General Plan 92 Fund*

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

*Capital Asset Replacement Fund*  
*General Fund Capital Fund*  
*Landfill Capital Fund*  
*Parks and Recreation Capital Fund*  
*Flood Control Fees Fund*

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

*Raja Storm Drain Fund*

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

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

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

	<b>SPECIAL CAPITAL FUNDS</b>		<b>OTHER CAPITAL FUNDS</b>	
	<b>Flood Control Study Fund</b>	<b>General Plan 92 Fund</b>	<b>Capital Asset Replacement Fund</b>	<b>General Fund Capital Fund</b>
<b>ASSETS:</b>				
Cash and investments	\$ 1,291	\$ -	\$ 53,996	\$ 549,455
Receivables:				
Interest receivable	1		48	488
Notes receivable		4,044		
Receivable due from successor agency trust fund		701,902		
Advance to other funds				
<b>TOTAL ASSETS</b>	<b>\$ 1,292</b>	<b>\$705,946</b>	<b>\$ 54,044</b>	<b>\$ 549,943</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable				
Deferred revenue		4,044		
Due to other funds		490,143		
Advance from other funds	125,000			
<b>TOTAL LIABILITIES</b>	<b>125,000</b>	<b>494,187</b>		
<b>FUND BALANCES:</b>				
Restricted		211,759		
Committed			54,044	549,943
Unassigned	(123,708)			
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>(123,708)</b>	<b>211,759</b>	<b>54,044</b>	<b>549,943</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,292</b>	<b>\$705,946</b>	<b>\$ 54,044</b>	<b>\$ 549,943</b>

(Continued)

**CITY OF WINTERS**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2012**  
**(Continued)**

	<b>OTHER CAPITAL FUNDS</b>			<b>MISCELLANEOUS FUND</b>
	<b>Landfill Capital Fund</b>	<b>Parks and Recreation Capital Fund</b>	<b>Flood Control Fees Fund</b>	<b>RAJA Storm Drain Fund</b>
<b>ASSETS:</b>				
Cash and investments	\$212,402	\$ 6,696	\$ 173,129	\$ 38,351
Receivables:				
Interest receivable	189	6	154	34
Notes receivable				
Receivable due from successor agency trust fund				
Advance to other funds				
<b>TOTAL ASSETS</b>	<b>\$212,591</b>	<b>\$ 6,702</b>	<b>\$ 173,283</b>	<b>\$ 38,385</b>
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable				9,589
Deferred revenue				
Due to other funds				
Advance from other funds				
<b>TOTAL LIABILITIES</b>				<b>9,589</b>
 <b>FUND BALANCES:</b>				
Restricted				
Committed	212,591	6,702	173,283	28,796
Unassigned				
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>212,591</b>	<b>6,702</b>	<b>173,283</b>	<b>28,796</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$212,591</b>	<b>\$ 6,702</b>	<b>\$ 173,283</b>	<b>\$ 38,385</b>

**IMPACT FEES FUNDS**

<b>Street Fund</b>	<b>Storm Drain Fund</b>	<b>Parks and Recreation Fund</b>	<b>Police Fund</b>	<b>Fire Fund</b>	<b>General Facilities Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Totals</b>
\$ 900,924	\$162,671	\$384,029	\$307,240	\$277,368	\$339,356	\$714,198	\$433,714	\$4,554,820
800	144	341	273	246	301	634	385	4,044
		4,159	3,567	3,567	1,463			16,800
95,000	30,000							701,902
<u>\$ 996,724</u>	<u>\$192,815</u>	<u>\$388,529</u>	<u>\$311,080</u>	<u>\$281,181</u>	<u>\$341,120</u>	<u>\$714,832</u>	<u>\$434,099</u>	<u>\$5,402,566</u>
\$ 236,904	\$ -	\$ -	\$ 250	\$ -	\$ -	\$ 67,463	\$ -	\$ 304,617
		4,159	3,567	3,567	1,463			9,589
							416,557	16,800
								906,700
								125,000
<u>236,904</u>		<u>4,159</u>	<u>3,817</u>	<u>3,567</u>	<u>1,463</u>	<u>67,463</u>	<u>416,557</u>	<u>1,362,706</u>
759,820	192,815	384,370	307,263	277,614	339,657	647,369	17,542	3,138,209
								1,025,359
								(123,708)
<u>759,820</u>	<u>192,815</u>	<u>384,370</u>	<u>307,263</u>	<u>277,614</u>	<u>339,657</u>	<u>647,369</u>	<u>17,542</u>	<u>4,039,860</u>
<u>\$ 996,724</u>	<u>\$192,815</u>	<u>\$388,529</u>	<u>\$311,080</u>	<u>\$281,181</u>	<u>\$341,120</u>	<u>\$714,832</u>	<u>\$434,099</u>	<u>\$5,402,566</u>

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**CITY OF WINTERS**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>SPECIAL CAPITAL FUNDS</b>		<b>OTHER CAPITAL FUNDS</b>	
	<b>Flood Control Study Fund</b>	<b>General Plan 92 Fund</b>	<b>Capital Asset Replacement Fund</b>	<b>General Fund Capital Fund</b>
<b>REVENUES:</b>				
Licenses, fees, and permits	\$ -	\$ -	\$ 6,370	\$ -
Use of money and property	5		143	2,076
Program income				
<b>TOTAL REVENUES</b>	<u>5</u>		<u>6,513</u>	<u>2,076</u>
<b>EXPENDITURES:</b>				
Current:				
General government				
Public safety				
Parks and recreation				
Capital outlay				
<b>TOTAL EXPENDITURES</b>				
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>5</u>		<u>6,513</u>	<u>2,076</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out				
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>				
<b>NET CHANGES IN FUND BALANCE</b>	5		6,513	2,076
<b>FUND BALANCES (DEFICITS), JULY 1, 2011</b>	<u>(123,713)</u>	<u>211,759</u>	<u>47,531</u>	<u>547,867</u>
<b>FUND BALANCES (DEFICITS), JUNE 30, 2012</b>	<u>\$ (123,708)</u>	<u>\$ 211,759</u>	<u>\$ 54,044</u>	<u>\$ 549,943</u>

(Continued)

**CITY OF WINTERS**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2012**  
**(CONTINUED)**

	OTHER CAPITAL FUNDS			MISCELLANEOUS FUND
	Landfill Capital Fund	Parks and Recreation Capital Fund	Flood Control Fees Fund	RAJA Storm Drain Fund
<b>REVENUES:</b>				
Licenses, fees, and permits	\$ -	\$ -	\$ -	\$ -
Use of money and property	810	27	483	196
Program income				
<b>TOTAL REVENUES</b>	<u>810</u>	<u>27</u>	<u>483</u>	<u>196</u>
<b>EXPENDITURES:</b>				
Current:				
General government				
Public safety				
Parks and recreation	7,435	1,763		
Capital outlay				
<b>TOTAL EXPENDITURES</b>	<u>7,435</u>	<u>1,763</u>		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(6,625)</u>	<u>(1,736)</u>	<u>483</u>	<u>196</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out				
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>				
<b>NET CHANGES IN FUND BALANCE</b>	(6,625)	(1,736)	483	196
<b>FUND BALANCES (DEFICITS), JULY 1, 2011</b>	<u>219,216</u>	<u>8,438</u>	<u>172,800</u>	<u>28,600</u>
<b>FUND BALANCES (DEFICITS), JUNE 30, 2012</b>	<u>\$ 212,591</u>	<u>\$ 6,702</u>	<u>\$ 173,283</u>	<u>\$ 28,796</u>

**IMPACT FEES FUNDS**

<b>Street Fund</b>	<b>Storm Drain Fund</b>	<b>Parks and Recreation Fund</b>	<b>Police Fund</b>	<b>Fire Fund</b>	<b>General Facilities Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Totals</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,370
4,190	614	1,681	1,270	1,070	1,284	2,727	1,811	18,387
		236	203	203	84			726
<u>4,190</u>	<u>614</u>	<u>1,917</u>	<u>1,473</u>	<u>1,273</u>	<u>1,368</u>	<u>2,727</u>	<u>1,811</u>	<u>25,483</u>
					769			769
			5,150	15,331				20,481
509,646		255,620	49,010			153,302		9,198
<u>509,646</u>	<u></u>	<u>255,620</u>	<u>54,160</u>	<u>15,331</u>	<u>769</u>	<u>153,302</u>	<u></u>	<u>998,026</u>
(505,456)	614	(253,703)	(52,687)	(14,058)	599	(150,575)	1,811	(972,543)
			(390)	(390)				(780)
			(390)	(390)				(780)
(505,456)	614	(253,703)	(53,077)	(14,448)	599	(150,575)	1,811	(973,323)
<u>1,265,276</u>	<u>192,201</u>	<u>638,073</u>	<u>360,340</u>	<u>292,062</u>	<u>339,058</u>	<u>797,944</u>	<u>15,731</u>	<u>5,013,183</u>
<u>\$ 759,820</u>	<u>\$ 192,815</u>	<u>\$ 384,370</u>	<u>\$ 307,263</u>	<u>\$ 277,614</u>	<u>\$ 339,657</u>	<u>\$ 647,369</u>	<u>\$ 17,542</u>	<u>\$ 4,039,860</u>

**CITY OF WINTERS**  
**Combining Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Budget and Actual - Nonmajor Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>General Plan 92 Fund</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>			
License, fees, and permits	\$ -	\$ -	\$ -
Program income			
Use of money and property			
Other revenue			
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES:</b>			
Current:			
General government			
Public safety			
Parks and recreation			
Capital outlay			
<b>TOTAL EXPENDITURES</b>			
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	34,780		(34,780)
Transfers out			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	34,780		(34,780)
<b>NET CHANGE IN FUND BALANCES</b>	34,780		(34,780)
<b>FUND BALANCES, JULY 1, 2011</b>	211,759	211,759	
<b>FUND BALANCES, JUNE 30, 2012</b>	\$ 246,539	\$ 211,759	\$ (34,780)

<u>Capital Asset Replacement Fund</u>			<u>Landfill Capital Fund</u>		
<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ 300	\$ 6,370	\$ 6,070	\$ -	\$ -	\$ -
	143	143	1,144	810	(334)
<u>300</u>	<u>6,513</u>	<u>6,213</u>	<u>1,144</u>	<u>810</u>	<u>(334)</u>
			17,800	7,435	10,365
			<u>17,800</u>	<u>7,435</u>	<u>10,365</u>
<u>300</u>	<u>6,513</u>	<u>6,213</u>	<u>(16,656)</u>	<u>(6,625)</u>	<u>10,031</u>
<u>300</u>	<u>6,513</u>	<u>6,213</u>	<u>(16,656)</u>	<u>(6,625)</u>	<u>10,031</u>
<u>47,531</u>	<u>47,531</u>		<u>219,216</u>	<u>219,216</u>	
<u>\$47,831</u>	<u>\$54,044</u>	<u>\$ 6,213</u>	<u>\$202,560</u>	<u>\$212,591</u>	<u>\$ 10,031</u>

(Continued)

**CITY OF WINTERS**  
**Combining Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Budget and Actual - Nonmajor Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2012**  
**(Continued)**

	<b>Police Impact Fees Fund</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>			
License, fees, and permits	\$ 27,172	\$ -	\$ (27,172)
Program income		203	203
Use of money and property		1,270	1,270
Other revenue			
<b>TOTAL REVENUES</b>	<u>27,172</u>	<u>1,473</u>	<u>(25,699)</u>
<b>EXPENDITURES:</b>			
Current:			
General government			
Public safety		5,150	(5,150)
Parks and recreation			
Capital outlay		49,010	(49,010)
<b>TOTAL EXPENDITURES</b>		<u>54,160</u>	<u>(54,160)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>27,172</u>	<u>(52,687)</u>	<u>(79,859)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in			
Transfers out		(390)	(390)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<u>(390)</u>	<u>(390)</u>
<b>NET CHANGE IN FUND BALANCES</b>	27,172	(53,077)	(80,249)
<b>FUND BALANCES, JULY 1, 2011</b>	<u>360,340</u>	<u>360,340</u>	
<b>FUND BALANCES, JUNE 30, 2012</b>	<u>\$ 387,512</u>	<u>\$ 307,263</u>	<u>\$ (80,249)</u>

<b>Fire Impact Fees Fund</b>			<b>General Facilities Impact Fees Fund</b>		
<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
\$ 55,974	\$ -	\$ (55,974)	\$ 101,080	\$ -	\$ (101,080)
	203	203		84	84
	1,070	1,070		1,284	1,284
<u>55,974</u>	<u>1,273</u>	<u>(54,701)</u>	<u>101,080</u>	<u>1,368</u>	<u>(99,712)</u>
				769	(769)
	15,331	(15,331)			
	<u>15,331</u>	<u>(15,331)</u>		<u>769</u>	<u>(769)</u>
<u>55,974</u>	<u>(14,058)</u>	<u>(70,032)</u>	<u>101,080</u>	<u>599</u>	<u>(100,481)</u>
	(390)	(390)			
	(390)	(390)			
55,974	(14,448)	(70,422)	101,080	599	(100,481)
<u>292,062</u>	<u>292,062</u>		<u>339,058</u>	<u>339,058</u>	
<u>\$ 348,036</u>	<u>\$ 277,614</u>	<u>\$ (70,422)</u>	<u>\$ 440,138</u>	<u>\$ 339,657</u>	<u>\$ (100,481)</u>

(Continued)

**CITY OF WINTERS**  
**Combining Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Budget and Actual - Nonmajor Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2012**  
**(Continued)**

	<b>Water Impact Fees Fund</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive Positive (Negative)</b>
<b>REVENUES:</b>			
License, fees, and permits	\$ 55,974	\$ -	\$ (55,974)
Program income			
Use of money and property		2,727	2,727
Other revenue			
<b>TOTAL REVENUES</b>	<u>55,974</u>	<u>2,727</u>	<u>(53,247)</u>
<b>EXPENDITURES:</b>			
Current:			
General government			
Public safety			
Parks and recreation			
Capital outlay	4,420	153,302	(148,882)
<b>TOTAL EXPENDITURES</b>	<u>4,420</u>	<u>153,302</u>	<u>(148,882)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>51,554</u>	<u>(150,575)</u>	<u>(202,129)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in			
Transfers out			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			
<b>NET CHANGE IN FUND BALANCES</b>	51,554	(150,575)	(202,129)
<b>FUND BALANCES, JULY 1, 2011</b>	<u>797,944</u>	<u>797,944</u>	
<b>FUND BALANCES, JUNE 30, 2012</b>	<u>\$ 849,498</u>	<u>\$ 647,369</u>	<u>\$ (202,129)</u>

**Sewer Impact Fees Fund**

<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
\$ 108,145	\$ -	\$ (108,145)
	1,811	1,811
<u>108,145</u>	<u>1,811</u>	<u>(106,334)</u>
<u>108,145</u>	<u>1,811</u>	<u>(106,334)</u>
108,145	1,811	(106,334)
<u>15,731</u>	<u>15,731</u>	
<u>\$ 123,876</u>	<u>\$ 17,542</u>	<u>\$ (106,334)</u>

## CITY OF WINTERS

### Private-Purpose Trust Funds

Private-Purpose Trust Funds are used to account for assets and liabilities held by the City of Winters in a trustee capacity.

RDA Low/Mod Successor Agency Fund – This fund is used to account for the long-term debt related to the low and moderate income housing activities of the former Redevelopment Agency of the City of Winters.

RDA Successor Agency Fund – This fund is used to account for all other activities of the former Redevelopment Agency of the City of Winters.

### Agency Funds

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

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

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

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

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

**CITY OF WINTERS**  
**Private-Purpose Trust Funds**  
**Combining Statement of Net Assets**  
**June 30, 2012**

	<b>RDA Low/Mod Successor Agency Fund</b>	<b>RDA Successor Agency Fund</b>	<b>Totals</b>
<b>ASSETS:</b>			
Cash and investments	\$ -	\$ 1,715,209	\$ 1,715,209
Interest receivable		6,774	6,774
Accounts receivable		744	744
Deferred charges	218,246	584,850	803,096
Notes receivable		66,600	66,600
Capital assets, net of accumulated depreciation		12,358,585	12,358,585
<b>TOTAL ASSETS</b>	<b>\$ 218,246</b>	<b>\$ 14,732,762</b>	<b>\$ 14,951,008</b>
<b>LIABILITIES:</b>			
Accounts payable	\$ -	\$ 83,754	\$ 83,754
Interest payable	63,369	178,931	242,300
Long-term debt, due within one year	156,000	344,000	500,000
Long-term debt, due in more than one year	4,189,000	12,820,723	17,009,723
<b>TOTAL LIABILITIES</b>	<b>4,408,369</b>	<b>13,427,408</b>	<b>17,835,777</b>
<b>NET ASSETS</b>			
Unrestricted	(4,190,123)	1,305,354	(2,884,769)
<b>TOTAL NET ASSETS (DEFICITS)</b>	<b>\$ (4,190,123)</b>	<b>\$ 1,305,354</b>	<b>\$ (2,884,769)</b>

**CITY OF WINTERS**  
**Private-Purpose Trust Funds**  
**Combining Statement of Changes in Net Assets**  
**For the Fiscal Year Ended June 30, 2012**

	<b>RDA Low/Mod Successor Agency Fund</b>	<b>RDA Successor Agency Fund</b>	<b>Totals</b>
<b>ADDITIONS:</b>			
Investment revenue	\$ -	\$ 8,686	\$ 8,686
Taxes and assessments		752,502	752,502
Net assets received upon dissolution of redevelopment agency	<u>(4,190,123)</u>	<u>1,319,553</u>	<u>(2,870,570)</u>
<b>TOTAL ADDITIONS</b>	<u>(4,190,123)</u>	<u>2,080,741</u>	<u>(2,109,382)</u>
<b>DEDUCTIONS:</b>			
Depreciation		114,306	114,306
Community development		382,651	382,651
Interest expense		<u>278,430</u>	<u>278,430</u>
<b>TOTAL DEDUCTIONS</b>		<u>775,387</u>	<u>775,387</u>
<b>CHANGE IN NET ASSETS</b>	(4,190,123)	1,305,354	(2,884,769)
<b>NET ASSETS - JULY 1, 2011</b>			
<b>NET ASSETS (DEFICIT) - JUNE 30, 2012</b>	<u>\$ (4,190,123)</u>	<u>\$ 1,305,354</u>	<u>\$ (2,884,769)</u>

**CITY OF WINTERS**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2012**

	<b>Winters Library Fund</b>	<b>Swim Team Fund</b>	<b>Festival De La Fund</b>	<b>Quilt Festival Fund</b>	<b>Totals</b>
<b>ASSETS</b>					
Cash and investments	\$ 53,809	\$ 88,482	\$ 2,403	\$ 521	\$ 145,215
Receivables:					
Interest receivable	47	76	2	1	126
<b>TOTAL ASSETS</b>	<b>\$ 53,856</b>	<b>\$ 88,558</b>	<b>\$ 2,405</b>	<b>\$ 522</b>	<b>\$ 145,341</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 3,927	\$ -	\$ 88	\$ 4,015
Due to other agencies	53,856	84,631	2,405	434	141,326
<b>TOTAL LIABILITIES</b>	<b>\$ 53,856</b>	<b>\$ 88,558</b>	<b>\$ 2,405</b>	<b>\$ 522</b>	<b>\$ 145,341</b>

**CITY OF WINTERS**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Balance at July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2012</u>
<b>WINTERS LIBRARY FUND:</b>				
<b>ASSETS</b>				
Cash and investments	\$ 78,513	\$ 296	\$ (25,000)	\$ 53,809
Receivables:				
Interest receivable	93	47	(93)	47
<b>TOTAL ASSETS</b>	<u>\$ 78,606</u>	<u>\$ 343</u>	<u>\$ (25,093)</u>	<u>\$ 53,856</u>
<b>LIABILITIES</b>				
Due to other agencies	\$ 78,606	\$ 343	\$ (25,093)	\$ 53,856
<b>TOTAL LIABILITIES</b>	<u>\$ 78,606</u>	<u>\$ 343</u>	<u>\$ (25,093)</u>	<u>\$ 53,856</u>
<b>SWIM TEAM FUND:</b>				
<b>ASSETS</b>				
Cash and investments	\$ 75,047	\$ 62,459	\$ (49,024)	\$ 88,482
Receivables:				
Interest receivable	44	76	(44)	76
<b>TOTAL ASSETS</b>	<u>\$ 75,091</u>	<u>\$ 62,535</u>	<u>\$ (49,068)</u>	<u>\$ 88,558</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 3,927	\$ -	\$ 3,927
Due to other agencies	75,091	58,608	(49,068)	84,631
<b>TOTAL LIABILITIES</b>	<u>\$ 75,091</u>	<u>\$ 62,535</u>	<u>\$ (49,068)</u>	<u>\$ 88,558</u>

(Continued)

**CITY OF WINTERS**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2012**  
**(CONTINUED)**

	<u>Balance at July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2012</u>
<b>FESTIVAL DE LA FUND:</b>				
<b>ASSETS</b>				
Cash and investments	\$ 1,320	\$ 8,462	\$ (7,379)	\$ 2,403
Receivables:				
Interest receivable	<u>1</u>	<u>2</u>	<u>(1)</u>	<u>2</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,321</u>	<u>\$ 8,464</u>	<u>\$ (7,380)</u>	<u>\$ 2,405</u>
<b>LIABILITIES</b>				
Due to other agencies	<u>\$ 1,321</u>	<u>\$ 8,464</u>	<u>\$ (7,380)</u>	<u>\$ 2,405</u>
<b>QUILT FESTIVAL:</b>				
<b>ASSETS</b>				
Cash and investments	\$ 808	\$ 90	\$ (377)	\$ 521
Receivables:				
Interest receivable	<u>1</u>	<u>1</u>	<u>(1)</u>	<u>1</u>
<b>TOTAL ASSETS</b>	<u>\$ 809</u>	<u>\$ 91</u>	<u>\$ (378)</u>	<u>\$ 522</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 88	\$ -	\$ 88
Due to other agencies	<u>809</u>	<u>3</u>	<u>(378)</u>	<u>434</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 809</u>	<u>\$ 91</u>	<u>\$ (378)</u>	<u>\$ 522</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 155,688	\$ 71,307	\$ (81,780)	\$ 145,215
Receivables:				
Interest receivable	<u>139</u>	<u>126</u>	<u>(139)</u>	<u>126</u>
<b>TOTAL ASSETS</b>	<u>\$ 155,827</u>	<u>\$ 71,433</u>	<u>\$ (81,919)</u>	<u>\$ 145,341</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 4,015	\$ -	\$ 4,015
Due to other agencies	<u>155,827</u>	<u>67,418</u>	<u>(81,919)</u>	<u>141,326</u>
	<u>\$ 155,827</u>	<u>\$ 71,433</u>	<u>\$ (81,919)</u>	<u>\$ 145,341</u>

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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 City's overall financial health.

## Financial Trends

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

## Revenue Capacity

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

## Debt Capacity

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

## Demographic and Economic Information

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

## Operating Information

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

# CITY OF WINTERS, CALIFORNIA

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

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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 8,936,433	\$ 8,181,857	\$ 8,699,018	\$ 9,652,796
13,677,650	9,367,303	5,167,265	6,777,763
<u>(1,305,148)</u>	<u>1,628,706</u>	<u>6,632,851</u>	<u>6,241,918</u>
<u>21,308,935</u>	<u>19,177,866</u>	<u>20,499,134</u>	<u>22,672,477</u>
1,844,816	1,736,566	1,681,730	3,595,646
5,717,324	4,171,609		
<u>(4,101,359)</u>	<u>(1,485,296)</u>	<u>2,877,523</u>	<u>2,381,096</u>
<u>3,460,781</u>	<u>4,422,879</u>	<u>4,559,253</u>	<u>5,976,742</u>
10,781,249	9,918,423	10,380,748	13,248,442
19,394,974	13,538,912	5,167,265	6,777,763
<u>(5,406,507)</u>	<u>143,410</u>	<u>9,510,374</u>	<u>8,623,014</u>
<u>\$ 24,769,716</u>	<u>\$ 23,600,745</u>	<u>\$ 25,058,387</u>	<u>\$ 28,649,219</u>

# CITY OF WINTERS, CALIFORNIA

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

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

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 1,318,150	\$ 2,677,075	\$ 1,044,194	\$ 365,754	\$ 320,983
215,673	615,937	627,898	313,127	1,496,172
2,376,129	2,370,883	2,404,697	2,365,123	2,939,539
407,454	394,294	316,619	662,484	712,628
717,669	1,322,095	3,102,948	1,616,007	937,790
632,736	635,505	358,626		
368,273	297,171	144,062	362,125	406,860
	360,476	308,024		
665,197	773,758	764,964	778,274	495,130
<u>6,701,281</u>	<u>9,447,194</u>	<u>9,072,032</u>	<u>6,462,894</u>	<u>7,309,102</u>
1,016,474	454,298	521,751	1,752,536	1,191,159
1,382,370	621,766	623,110	1,241,718	1,607,864
<u>2,398,844</u>	<u>1,076,064</u>	<u>1,144,861</u>	<u>2,994,254</u>	<u>2,799,023</u>
<u>9,100,125</u>	<u>10,523,258</u>	<u>10,216,893</u>	<u>9,457,148</u>	<u>10,108,125</u>
80,698	85,881	113,736	111,930	6,394
23,391	115,535	80,441	32,057	24,540
66,761	33,437	17,024	8,802	318,782
77,751	61,780	65,441	87,593	64,506
90,214	4,157	3,061	205,692	101,368
16,766				
732,097	1,189,158	1,048,546	1,102,329	454,489
1,169,132	301,536	998,427	1,396,248	903,837
<u>2,256,810</u>	<u>1,791,484</u>	<u>2,326,676</u>	<u>2,944,651</u>	<u>1,873,916</u>
916,242	941,612	1,017,580	1,196,068	1,132,901
1,011,084	1,048,742	1,209,549	1,330,624	1,602,043
				1,458,688
<u>1,927,326</u>	<u>1,990,354</u>	<u>2,227,129</u>	<u>2,526,692</u>	<u>4,193,632</u>
<u>\$ 4,184,136</u>	<u>\$ 3,781,838</u>	<u>\$ 4,553,805</u>	<u>\$ 5,471,343</u>	<u>\$ 6,067,548</u>
\$ (4,444,471)	\$ (7,655,710)	\$ (6,745,356)	\$ (3,518,243)	\$ (5,435,186)
(471,518)	914,290	1,082,268	(467,562)	1,394,609
<u>\$ (4,915,989)</u>	<u>\$ (6,741,420)</u>	<u>\$ (5,663,088)</u>	<u>\$ (3,985,805)</u>	<u>\$ (4,040,577)</u>

continued

# CITY OF WINTERS, CALIFORNIA

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

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

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 2,996,227	\$ 3,409,220	\$ 3,027,868	\$ 2,974,549	\$ 2,103,907
344,136	288,748	242,257	295,215	374,975
218,521	209,913	203,985	224,608	228,129
721,127	722,778	665,333	1,225,801	969,098
29,750	26,418	21,071	32,026	3,511
1,200,495	615,206	(13,275)	144,210	163,862
98,884	491,144	131,261		
68,360	27,339	335,787	91,936	894,477
<u>5,677,500</u>	<u>5,790,766</u>	<u>4,614,287</u>	<u>4,988,345</u>	<u>4,737,959</u>
120,367	38,991	13,275	1,810	22,880
(98,884)	(491,144)			
		(131,261)		
	41,908	(2,184)		
<u>21,483</u>	<u>(410,245)</u>	<u>(120,170)</u>	<u>1,810</u>	<u>22,880</u>
<u>\$ 5,698,983</u>	<u>\$ 5,380,521</u>	<u>\$ 4,494,117</u>	<u>\$ 4,990,155</u>	<u>\$ 4,760,839</u>
1,233,029	(1,864,944)	(2,131,069)	1,470,102	(697,227)
(450,035)	504,045	962,098	(465,752)	1,417,489
<u>\$ 782,994</u>	<u>\$(1,360,899)</u>	<u>\$(1,168,971)</u>	<u>\$ 1,004,350</u>	<u>\$ 720,262</u>

# CITY OF WINTERS, CALIFORNIA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE  
LAST EIGHT FISCAL YEARS  
(accrual basis of accounting)

<b>Year Ended June 30,</b>	<b>Property Taxes</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Other Taxes</b>	<b>Total</b>
2004	\$ 1,986,828	\$ 311,677	\$ 169,634	\$ 960,625	\$ 3,428,764
2005	2,621,091	295,197	165,242	889,765	3,971,295
2006	3,132,212	315,794	191,511	849,895	4,489,412
2007	3,291,501	276,539	187,939	837,652	4,593,631
2008	2,996,227	344,136	218,521	721,127	4,280,011
2009	3,409,220	288,748	209,913	722,778	4,630,659
2010	3,027,868	242,257	203,985	659,284	4,133,394
2011	2,974,549	295,215	224,608	1,225,801	4,720,173
2012	2,103,907	374,975	228,129	972,609	3,679,620

# CITY OF WINTERS, CALIFORNIA

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

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

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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ -	\$ 36,923	\$ -	\$ -
1,264,559	676,730		
1,810,356	1,606,367		
		781,448	457,821
		81,050	
		1,566,838	2,105,370
<u>\$ 3,074,915</u>	<u>\$ 2,320,020</u>	<u>\$ 2,429,336</u>	<u>\$ 2,563,191</u>
\$ 3,161,275	\$ 7,236,218	\$ -	\$ -
11,361,627	3,521,121		
663,535	886,240		
4,372,336	1,686,609		
		8,348,197	5,598,406
		1,024,452	1,025,359
			55,968
		(337,855)	(521,759)
<u>\$ 19,558,773</u>	<u>\$ 13,330,188</u>	<u>\$ 9,034,794</u>	<u>\$ 6,157,974</u>

# CITY OF WINTERS, CALIFORNIA

GENERAL FUND TAX REVENUES BY SOURCE  
LAST EIGHT FISCAL YEARS  
(modified accrual basis of accounting)

<b>Year Ended June 30,</b>	<b>Property Taxes</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Other Taxes</b>	<b>Total</b>
2004	\$ 750,823	\$ 311,677	\$ 169,634	\$ 628,165	\$ 1,860,299
2005	1,052,780	295,197	165,242	649,263	2,162,482
2006	1,209,345	315,794	191,511	705,020	2,421,670
2007	1,350,914	276,539	187,939	714,618	2,530,010
2008	1,345,630	344,136	218,521	707,685	2,615,972
2009	1,395,538	288,748	209,913	749,196	2,643,395
2010	1,121,922	242,257	203,985	686,404	2,254,568
2011	1,187,176	295,215	224,608	989,477	2,696,475
2012	1,229,698	344,781	228,129	974,044	2,776,652

# CITY OF WINTERS, CALIFORNIA

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

	Fiscal Year Ended June 30,				
	2004	2005	2006	2007	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 and 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>					
Current:					
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 and 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 and 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
Debt service:					
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>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,265,178</b>	<b>(542,895)</b>	<b>(355,778)</b>	<b>(932,403)</b>	<b>(149,363)</b>
<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</b>	<b>7,820,000</b>			<b>11,520,128</b>	<b>98,884</b>
<b>NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEM</b>	<b>10,085,178</b>	<b>(542,895)</b>	<b>(355,778)</b>	<b>10,587,725</b>	<b>(50,479)</b>
<b>EXTRAORDINARY ITEM</b>					
Loss on transfer if assets and liabilities to RDA successor trust fund					
<b>NET CHANGES IN FUND BALANCE</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>					
	<b>11.45%</b>	<b>12.34%</b>	<b>10.82%</b>	<b>12.24%</b>	<b>13.52%</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.

Fiscal Year Ended June 30,			
2009	2010	2011	2012
\$ 4,969,284	\$ 4,470,119	\$ 4,752,199	\$ 4,013,897
219,268	211,459	1,324,932	161,336
30,901	11,423	10,745	21,059
30,496	32,471	44,781	28,531
615,205	250,775	144,210	118,781
1,178,487	1,737,368	831,230	1,188,508
54,122	59,516	43,929	337,482
<u>27,339</u>	<u>85,011</u>	<u>2,325,751</u>	<u>952,093</u>
<u>7,125,102</u>	<u>6,858,142</u>	<u>9,477,777</u>	<u>6,821,687</u>
2,542,986	1,008,391	220,632	234,854
593,672	584,850	270,011	175,433
2,318,611	2,356,584	2,269,423	2,771,159
279,358	202,341	548,057	617,395
612,582	3,215,133	1,688,046	1,062,943
635,508	358,626		
214,566	453,574	225,109	257,060
360,476	308,024		
2,920,330	4,255,546	5,783,033	3,113,832
295,000	460,000	470,000	485,000
775,800	769,814	750,627	467,833
<u>11,548,889</u>	<u>13,972,883</u>	<u>12,224,938</u>	<u>9,185,509</u>
<u>(4,423,787)</u>	<u>(7,114,741)</u>	<u>(2,747,161)</u>	<u>(2,363,822)</u>
1,562,647	1,418,888	2,117,877	209,139
(1,071,503)	(1,287,627)	(2,117,877)	(209,139)
<u>491,144</u>	<u>131,261</u>		
(3,932,643)	(6,983,480)	(2,747,161)	(2,363,822)
			(379,143)
<u>\$ (3,932,643)</u>	<u>\$ (6,983,480)</u>	<u>\$ (2,747,161)</u>	<u>\$ (2,742,965)</u>
<u>12.41%</u>	<u>12.66%</u>	<u>18.95%</u>	<u>15.69%</u>

# CITY OF WINTERS, CALIFORNIA

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST ELEVEN FISCAL YEARS

Year Ended June 30,	City			Taxable Assessed Value	Community Development Agency		Taxable Assessed Value	Total Direct Tax Rate
	Secured	Unsecured	Utility		Secured	Unsecured		
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%
2009	281,161,063	2,708,797	2,800	283,872,660	195,614,967	18,538,689	214,153,656	0.547%
2010	252,232,212	5,284,746	4,200	257,521,158	201,524,009	14,777,955	216,301,964	0.540%
2011	189,223,168	3,700,078	4,200	196,681,644	217,303,685	14,726,066	232,029,751	0.524%
2012	182,230,025	2,830,751	4,200	185,064,976	221,613,542	14,420,507	236,034,049	0.533%

**NOTE:**

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate 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 at the time that it is held 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 shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Yolo County Auditor Controller Office

## CITY OF WINTERS, CALIFORNIA

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

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>CITY DIRECT RATE:</b>										
City basic rate	0.179	0.171	0.148	0.154	0.156	0.148	0.143	0.137	0.154	0.154
Community Development Agency	0.265	0.413	0.409	0.446	0.461	0.377	0.404	0.402	0.291	0.275
<b>TOTAL CITY DIRECT RATE</b>	<b>0.444</b>	<b>0.583</b>	<b>0.557</b>	<b>0.600</b>	<b>0.617</b>	<b>0.525</b>	<b>0.547</b>	<b>0.540</b>	<b>0.445</b>	<b>0.429</b>
<b>OVERLAPPING RATES:</b>										
Yolo County	0.228	0.098	0.156	0.122	0.108	0.119	0.221	0.109	0.111	0.124
Yolo County Library	0.024	0.022	0.021	0.032	0.011	0.029	0.029	0.029	0.030	0.030
Winters Cemetary District	0.022	0.020	0.019	0.003	0.027	0.027	0.027	0.027	0.027	0.028
Sacramento-Yolo Mosquito Vector District	0.007	0.007	0.007	0.010	0.009	0.009	0.009	0.009	0.009	0.009
Yolo County Resources Conservation District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-	-	-
Yolo County Flood Control District	0.007	0.007	0.006	0.009	0.010	0.010	0.010	0.010	0.010	0.010
Solano Community College District	0.033	0.032	0.030	0.046	0.042	0.042	0.042	0.042	0.042	0.043
Yolo County School Services	0.021	0.021	0.018	0.028	0.030	0.030	0.030	0.030	0.030	0.030
Winters Joint Unified School District	0.214	0.210	0.185	0.150	0.147	0.201	0.086	0.205	0.296	0.297
	1.000	1.000	1.000	1.000	1.000	0.991	1.000	1.000	1.000	1.000
City of Winters General Obligation Bonds	0.007	0.007	0.710	0.071	0.074	0.074	0.074	-	-	-
Winters Joint Unified School District Bonds	0.080	0.080	0.080	0.080	0.154	0.266	0.299	0.092	0.092	0.092
Indian Valley Dam Bond	0.000	0.000	0.000	0.000	0.000	0.000	0.373			
<b>TOTAL DIRECT RATE</b>	<b>1.087</b>	<b>1.087</b>	<b>1.790</b>	<b>1.151</b>	<b>1.228</b>	<b>1.331</b>	<b>1.745</b>	<b>1.092</b>	<b>1.092</b>	<b>1.092</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, CALIFORNIA

## PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Fiscal Year Ended June 30, 2012			Fiscal Year Ended June 30, 2003		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Mariani Nut Company	\$ 5,804,628	1	1.41%	\$ 4,412,700	3	1.570%
GBH-Winters Highlands LLC	4,596,566	2	1.11%	5,983,589	1	2.130%
Pavestone Company LP	4,497,532	3	1.09%	5,909,553	2	2.110%
Bruhn Orchards Housing LLP	3,744,434	4	0.91%			
Roman Catholic Bishop of Sacramento	3,640,875	5	0.88%			
Winters Invstors LLC	3,181,215	6	0.77%	1,716,301	6	0.610%
Winters Almondwood LP	2,550,000	7	0.62%			
Winters Apartments	2,219,512	8	0.54%			
Ali Ashraf & Yasmin A	2,168,006	9	0.53%			
Cal Sierra Financial Inc.	2,045,637	10	0.50%			
Ogando, Joseph E and Karen M Trust	1,972,830	11	0.48%			
Corp of the Presiding Bishop LDS Church	1,810,750	12	0.44%			
Evilsizor, Kenneht A Jr., Etal	1,715,239	13	0.42%	1,733,440	5	0.620%
Gateway Investors Club LLC	1,676,003	14	0.41%	1,482,570	7	0.530%
Winters Investment Group	1,554,000	15	0.38%			
Pickerel, John and Melanie B.	1,380,999	16	0.33%			
Schuhart, Thuel V & Vive	1,288,378	17	0.31%			
Conway, Louis W. TR Etal	1,254,642	18	0.30%			
South Market Court PTN LP	1,200,000	19	0.29%			
Lorenzo, Aladdin C. & Lynda R TR	1,197,688	20	0.29%			
Montosa, Donna M. TR	1,167,194	21	0.28%			
Siracusa, John & Elizabeth	1,024,584	22	0.25%			
Corbett Family Trust	1,005,222	23	0.24%			
Cheney, D Rick Tr Etal						
Community Housing Opp Corp				2,008,000	4	0.720%
Deutsche Bank and Trust						
LB/L-DUV II Winters LLC				1,141,290	9	0.410%
Miller Disclaimer Trust						
Miller, Michael & Constance						
Almondwood Developments						
Brugger, Sandra G						
Central Valley Coalition for Affordable Housing						
Federal Home Loan Mortgage Corp						
Greyhawke LLC						
Hisey,Raymond P & Rebecca A				1,000,152	10	0.360%
Lyons, Tom R and Diana E				1,418,800	8	0.510%
Ruiz, Martin and Ofelia						
Russell, Ray and Julie						
Tanski, Charlene						
Winters Pacific Associates LP						
Winters Village East LLC						
	\$ 52,695,934		12.76%	\$ 26,806,395		9.57%

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

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

Source: Yolo County Assessor's Office

# CITY OF WINTERS, CALIFORNIA

## PROPERTY TAX LEVIES AND COLLECTIONS LAST NINE FISCAL YEARS

Fiscal year ended June 30,	Tax levied for the fiscal year	Collected within the Fiscal Year of Levy		Total Collections to Date	
		Amount	Percent of levy	Amount	Percent of levy
2003	\$ 1,210,667	\$ 1,210,667	100%	\$ 1,210,667	100%
2004	1,771,991	1,771,991	100%	1,771,991	100%
2005	1,999,986	1,999,986	100%	1,999,986	100%
2006	1,785,601	1,785,601	100%	1,785,601	100%
2007	2,814,012	2,814,012	100%	2,814,012	100%
2008	2,581,766	2,581,766	100%	2,581,766	100%
2009	2,723,983	2,723,983	100%	2,723,983	100%
2010	2,556,664	2,556,664	100%	2,556,664	100%
2011	2,256,945	2,256,945	100%	2,256,945	100%
2012	2,428,884	2,428,884	100%	2,428,884	100%

**NOTES:**

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

**SOURCE:** Yolo County Auditor Controller's Office

# CITY OF WINTERS, CALIFORNIA

## RATIO OF OUTSTANDING DEBT BY TYPE LAST NINE FISCAL YEARS

Fiscal year ended June 30,	Governmental Activities		Business Type Activities			
	Tax Allocation Bonds	Total Govern- mental Activities	General Obligation Bonds	Loans	Sewer Bonds	Water Bonds
2003	\$ -	\$ -	\$135,000	\$ -	\$ -	\$ -
2004	7,820,000	7,820,000	130,000			
2005	7,410,000	7,410,000	125,000			
2006	7,145,000	7,145,000	120,000			
2007	18,340,000	18,340,000				
2008	18,060,000	18,060,000			4,495,000	3,810,000
2009	17,765,000	17,765,000			4,495,000	3,810,000
2010	17,305,000	17,305,000			4,495,000	3,810,000
2011	16,835,000	16,835,000			4,495,000	3,810,000
2012					4,400,000	3,730,000

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

- ① See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Page 156 for property tax value data
- ② Population Data can be found in the Schedule of Demographic and Economic Statistics on Page 167

<b>Total Business- type Activities</b>	<b>Total Primary Govern- ment</b>	<b>Percentage of Estimated Actual Taxble Value of Property<sup>①</sup></b>	<b>Debt per Capita<sup>②</sup></b>
\$ 135,000	\$ 135,000	0.05%	21.46
130,000	7,950,000	2.62%	1,203.45
125,000	7,535,000	2.10%	1,097.12
120,000	7,265,000	1.82%	1,042.03
	18,340,000	4.02%	2,663.76
8,305,000	26,365,000	5.36%	3,753.02
8,305,000	26,070,000	5.23%	3,696.82
8,305,000	25,610,000	5.40%	3,608.06
8,305,000	25,140,000	5.92%	3,755.60
8,130,000	8,130,000	1.93%	1,188.77

# CITY OF WINTERS, CALIFORNIA

## RATIO OF GENERAL BONDED DEBT OUTSTANDING LAST ELEVEN FISCAL YEARS

Fiscal year ended June 30,	Outstanding General Bonded Debt			Percent of Assessed Value	Debt per Capita
	General Obligation Bonds	Tax Allocation Bonds	Total		
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%	2,570.82
2009		17,765,000	17,765,000	3.57%	2,519.14
2010		17,305,000	17,305,000	3.65%	2,438.01
2011		16,835,000	16,835,000	3.96%	2,371.79
2012				0.00%	

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

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

# CITY OF WINTERS, CALIFORNIA

## DIRECT AND OVERLAPPING DEBT AS OF JUNE 30, 2012

City Assessed Valuation		\$ 185,064,976	
Redevelopment Agency Incremental Valuation		<u>236,034,049</u>	
<b>TOTAL ASSESSED VALUATION</b>		<b><u><u>\$ 421,099,025</u></u></b>	
	<b>Percentage Applicable</b>	<b>Outstanding Debt at</b>	<b>Estimated Share of Overlapping Debt</b>
	①	<b>June 30, 2012</b>	
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Solano County Community College District	0.835%	\$ 108,605,090	\$ 906,853
Winters Joint Unified School District	39.823%	<u>3,875,000</u>	<u>1,543,141</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b><u><u>\$ 112,480,090</u></u></b>	<b><u><u>\$ 2,449,994</u></u></b>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
Yolo County General Fund Obligations	1.481%	\$ 3,465,000	\$ 51,317
Yolo County Office of Education Certificates of Participation	1.481%	7,356,489	108,950
Winters Joint Unified School District Certificates of Participation	39.823%	<u>1,305,000</u>	<u>519,690</u>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b><u><u>\$ 12,126,489</u></u></b>	<b><u><u>679,957</u></u></b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b><u><u>\$ 3,129,951</u></u></b> ②

**NOTE:**

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

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

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

**SOURCE:**

California Municipal Statistics, Inc.

# CITY OF WINTERS, CALIFORNIA

## LEGAL DEBT MARGIN INFORMATION LAST NINE FISCAL YEARS

	Fiscal Year Ended June 30,				
	2003	2004	2005	2006	2007
Assessed valuation	\$ 272,465,106	\$ 303,712,025	\$ 359,018,784	\$ 399,988,122	\$ 455,937,316
Debt limit percentage	15.00%	15.00%	15.00%	15.00%	15.00%
<b>DEBT LIMIT</b>	40,869,766	45,556,804	53,852,818	59,998,218	68,390,597
Total debt applicable to limit General Obligation Bonds	135,000	130,000	125,000	120,000	
<b>LEGAL DEBT MARGIN</b>	<u>\$ 40,734,766</u>	<u>\$ 45,426,804</u>	<u>\$ 53,727,818</u>	<u>\$ 59,878,218</u>	<u>\$ 68,390,597</u>
Total debt applicable to limit as a percentage of debt limit	<u>0.33%</u>	<u>0.29%</u>	<u>0.23%</u>	<u>0.20%</u>	<u>0.00%</u>

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
\$ 492,219,254	\$ 498,026,316	\$ 473,823,122	\$ 424,957,197	\$ 421,099,025
15.00%	15.00%	15.00%	15.00%	15.00%
73,832,888	74,703,947	71,073,468	63,743,580	63,164,854
<u>\$ 73,832,888</u>	<u>\$ 74,703,947</u>	<u>\$ 71,073,468</u>	<u>\$ 63,743,580</u>	<u>\$ 63,164,854</u>
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

# CITY OF WINTERS, CALIFORNIA

## PLEGGED REVENUE COVERAGE LAST TEN FISCAL YEARS

Fiscal year ended June 30,	General Obligation Bonds				Tax Allocation Bonds			
	Debt Service				Tax Incre- ment	Debt Service		
	Taxes	Principal	Interest	Coverage		Principal	Interest	Coverage
2002	\$ 17,734	\$ 5,000	\$ 7,250	1.45	\$ 548,631	\$ -	\$ -	n/a
2003	23,378	5,000	7,000	1.95	722,567			n/a
2004	24,002	5,000	6,750	2.04	1,253,938			n/a
2005	28,775	5,000	6,500	2.50	1,469,479	182,573	118,261	4.88
2006	23,537	5,000	6,250	2.09	1,785,601	265,000	277,827	3.29
2007	23,451	120,000	6,000	0.19	2,100,792	275,000	272,427	3.84
2008				n/a	1,853,339	280,000	634,376	2.03
2009				n/a	2,013,682	295,000	773,758	1.88
2010					1,905,946	460,000	765,462	1.56
2011					1,610,359	470,000	750,626	1.32
2012					1,596,679	485,000	734,953	1.31

# CITY OF WINTERS, CALIFORNIA

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

Calendar Year	Population ①	Median Household Income②	Unemploy- ment Rate ③
2002	6,290	n/a	5.40%
2003	6,606	n/a	5.80%
2004	6,868	n/a	5.30%
2005	6,972	n/a	4.80%
2006	6,885	n/a	5.20%
2007	6,935	n/a	6.80%
2008	7,025	n/a	7.40%
2009	7,052	n/a	n/a
2010	7,098	\$ 59,679	n/a
2011	6,694	n/a	n/a
2012	6,839	n/a	11.10%

**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 2010

③ State of California Employment Development Department

# CITY OF WINTERS, CALIFORNIA

## PRINCIPAL EMPLOYERS CURRENT YEAR AND FOUR YEARS AGO

Employer	2012		2008	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Winters Joint Unified School District	230	7.11%	228	8.36%
Mariani Nut Company	350	10.83%	197	7.22%
Buckhorn Restaruant	120	3.71%	100	3.67%
Pavestone	30	0.93%	66	2.42%
City of Winters	44	1.36%	35	1.28%
Double M Trucking	70	2.17%	15	0.55%
JDS		0.00%	13	0.48%
Woodtech		0.00%	12	0.44%
Town and Country	14	0.43%		0.00%
Vintage Paving	11	0.34%		0.00%
	<u>869</u>	<u>26.88%</u>	<u>666</u>	<u>24.41%</u>

**NOTE:** Data for Period nine years earlier not available.

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

**SOURCE:** Source: City of Winters  
U.S. Census Bureau, Census 2000 FOR 2008

# CITY OF WINTERS, CALIFORNIA

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

Function	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Community Development	3.00	3.19	2.44	3.44	4.00	3.33	2.50	1.50	1.50	1.00
Community Development Agency	0.00	1.00	1.00	1.44	1.44	3.11	1.94	1.94	1.94	0.00
Finance	2.00	2.00	2.44	2.44	2.60	2.44	3.00	3.00	3.00	3.00
General Government	3.00	3.44	3.88	3.88	4.44	4.88	5.00	5.00	4.00	4.00
Police	11.00	11.44	11.44	12.94	13.88	13.21	11.44	12.44	12.44	12.44
Fire Department									4.00	7.00
Public Works	8.00	8.69	8.94	8.44	9.32	8.44	7.32	7.32	7.32	7.32
Recreation	2.42	2.42	3.03	3.03	3.33	12.09	11.81	9.85	9.85	9.85
TOTAL	<u>29.42</u>	<u>32.18</u>	<u>33.17</u>	<u>35.61</u>	<u>39.01</u>	<u>47.50</u>	<u>43.01</u>	<u>41.05</u>	<u>44.05</u>	<u>44.61</u>

SOURCE: City of Winters, California

## CITY OF WINTERS, CALIFORNIA

### OPERATING INDICATORS BY FUNCTION LAST NINE FISCAL YEARS

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police:										
Traffic Citations	\$ 23,409	\$ 24,391	\$ 21,102	\$ 6,242	\$ 24,523	\$ 48,860	\$ 48,860	\$ 11,177	\$ 10,745	\$ 19,569
Parking Citations	1,770	1,005	1,540	805	1,710	1,195	1,195	245		1,490
Water										
New Connections	n/a	n/a	135	80	2	1	3			5
Average Daily Consumption	1.41 mgd	1.32 mgd	1.64 mgd	1.84 mgd	1.60 mgd	1.86 mgd	1.58 mgd	1.28 mgd	1.39 mgd	1.10 mgd
Sewer										
New Connections	n/a	n/a	135	80	2	1				
Average Daily Sewage Treatment	.611 mgd	.623 mgd	.604 mgd	.598 mgd	.598 mgd	.548 mgd	.548 mgd	.567 mgd	.556 mgd	.535 mgd

SOURCE: City of Winters, California

# CITY OF WINTERS, CALIFORNIA

## CAPITAL ASSET STATISTICS BY FUNCTION LAST NINE FISCAL YEARS

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>POLICE:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
<b>FIRE</b>										
Stations	0	0	0	0	0	0	0	0	1	1
<b>PUBLIC WORKS:</b>										
Streets (lane miles)	22	22	22	22	22	22	22	22	22	22
Traffic Signals	1	1	1	1	1	1	1	1	1	2
<b>PARKS AND RECREATION:</b>										
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
<b>WATER:</b>										
Water Mains (miles)	20	20	20	20	20	20	20	20	20	20
Water Wells	5	5	5	5	5	5	5	5	6	6
Storage tanks (non-operational)	2	2	2	2	2	2	2	2	2	2
<b>WASTEWATER:</b>										
Sewer Lines (miles)	23	23	23	23	23	23	23	23	23	23
Pump Stations	2	2	2	2	2	2	2	2	2	2
Sewer Treatment Plant	1	1	1	1	1	1	1	1	1	1

SOURCE: City of Winters, California