

**UNIFIED SCHOOL DISTRICTS AND UNION HIGH SCHOOL
DISTRICTS PUBLIC LIBRARIES**

(Education Code, Title 1, Division 1, Part 11, Chapter 3, Articles 1-16, Sections 18300-18571)

ARTICLE 8. LIBRARY COMMISSION

Sec. 18440. Appointments.

A board of library trustees may appoint, by resolution or other order entered in the minutes of the board of library trustees, a library commission consisting of five members to manage and operate the library or libraries of the district. Before any board of library trustees appoints a library commission as provided herein, the board of library trustees shall hold at least one public hearing on the matter of the creation of a library commission; notice of such hearing shall be given by publication pursuant to Section 6066 of the Government Code, in a newspaper designated by the board of library trustees and circulated throughout the district, and by posting of the notice in three public places in the district at least 15 days prior to the date of the public hearing.

Sec. 18452. Dissolution of commission.

The board of library trustees may dissolve the library commission created under the provisions of this article effective as of the 30th day of June next succeeding. Before taking action to dissolve a library commission, the board of library trustees shall hold at least one public hearing on the matter; notice of such hearing shall be given by publication pursuant to Section 6066 of the Government Code, in a newspaper designated by the board of library trustees and circulated throughout the district, and by posting of the notice in three public places in the district at least 15 days prior to the date of the public hearing.

INTERNAL AUDIT SERVICES

AN AUDIT OF THE
DIXON PUBLIC LIBRARY DISTRICT
OF SOLANO COUNTY



Independent Auditor's Report and Financial Statements
For the fiscal years ended June 30, 2010 and 2009

Auditor-Controller: Simona Padilla-Scholtens, CPA
Audit Manager: Ian Goldberg, CGAP
Auditor: Melinda Ingram, CPA

Dixon Public Library District
of Solano County

For the fiscal years ended June 30, 2010 and 2009

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Dixon Public Library District
of Solano County

For the fiscal years ended June 30, 2010 and 2009

Governing Board of Library Trustees *

John Gabby, President

Herb Cross

Jim Ernst

Irina Okhremtchouk

Gildardo Pinon

Library Commission *

Greta Galindo, President

Susan Ostergard

Marjorie Rothrock

Shane Taber

Olivia Stringer

* As of report issuance date

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ASSISTANT AUDITOR-CONTROLLER

Independent Auditor's Report

Governing Board of Library Trustees
Library Commission
Dixon Public Library District
of Solano County

We have audited the accompanying basic financial statements of the Dixon Public Library District of Solano County, as of and for the fiscal years ended June 30, 2010 and 2009. These financial statements are the responsibility of the Dixon Public Library District's management. Our responsibility is to express an opinion 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 State Controller's *Minimum Audit Requirements for California Special Districts*. 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Dixon Public Library District as of June 30, 2010 and 2009, and the changes in financial position for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 4 through 10, the schedule of funding progress and budgetary comparison information on pages 29 through 33, are not a required part of the financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.


Simona Padilla-Scholtens, CPA
Auditor-Controller

August 1, 2011

Dixon Public Library District

Management's Discussion and Analysis

As management of the Dixon Public Library District of Solano County, California (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2010 and 2009. We encourage readers to consider the information presented here in conjunction with additional information in our financial statements.

Financial Highlights

- The District's net assets totaled \$2,912,665 at June 30, 2010 and \$2,946,056 at June 30, 2009. Of these amounts, \$781,814 and \$900,844 (unrestricted net assets) at June 30, 2010 and 2009, respectively, may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net assets decreased by \$33,391 as a result of the current year's operations and decreased by \$34,554 as a result of fiscal year 2008/09 operations.
- The District's governmental funds reported an ending combined fund balance of \$817,018 at June 30, 2010 and \$977,604 at June 30, 2009, of which \$159,338 and \$160,507, respectively, are available for spending at the District's discretion (unreserved, undesignated fund balance).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

The statement of net assets presents information on the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District'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 change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 11-12 of this report.

Fund financial statements. 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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 13-18 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-27 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparison schedule for the General Fund as well as the major Special Revenue Fund, and the schedule of funding progress for the retirement program. Required supplementary information can be found on pages 29-34 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a District's financial position. In the case of the District, assets exceeded liabilities by \$2,912,665 and \$2,946,056 at June 30, 2010 and 2009, respectively.

Dixon Public Library District
Statement of Net Assets
as of June 30, 2010, 2009 & 2008

	6/30/2010	6/30/2009	6/30/2008
Assets:			
Current assets	\$ 944,370	\$ 1,122,669	\$ 2,729,827
Capital assets, net of accumulated depreciation	2,130,858	1,998,802	365,446
Total assets	\$ 3,075,228	\$ 3,121,471	\$ 3,095,273
Liabilities:			
Current liabilities	\$ 127,352	\$ 145,065	\$ 126,321
Noncurrent liabilities	35,211	30,350	16,798
Total liabilities	162,563	175,415	143,119
Net Assets:			
Invested in capital assets, net	2,130,858	1,998,802	365,446
Restricted for:			
Special projects	(7)	46,410	1,133,716
Unrestricted	781,814	900,844	1,452,992
Total net assets	2,912,665	2,946,056	2,952,154
Total liabilities and net assets	\$ 3,075,228	\$ 3,121,471	\$ 3,095,273

The District's investment in capital assets at June 30, 2010 and June 30, 2009 totaled \$2,130,858 and \$1,998,802, or approximately 73% and 68% of the District's net assets, respectively. The investment in capital assets is composed of land, construction in progress, structures and improvements, and equipment, less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt, if any, must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net assets totaling \$46,410 or approximately 2% for fiscal year 2008/09 represents resources restricted for special projects. The remaining balance of unrestricted net assets of \$781,814 and \$900,844 or approximately 27% and 30% at June 30, 2010 and June 30, 2009, respectively, may be used to meet the District's ongoing obligations to citizens and creditors.

The key elements in the significant changes in current assets and liabilities are as follows:

Current assets: Current assets decreased by \$178,299 from fiscal year 2008/09. The primary reason for the decrease is due to construction costs incurred from development of the new library facility resulting in a decrease to the District's cash balance.

Current liabilities: Current liabilities decreased by \$17,713 from fiscal year 2008/09. The primary reason for the decrease is the reduction of accounts payable, which represents amounts due to vendors for services and supplies purchased by the District.

Governmental activities decreased the District's net assets by \$33,391 during fiscal year 2009/10, which represents a minimal decrease of 1% from fiscal year 2008/09 total net assets.

Dixon Public Library District
Changes in Net Assets
For the fiscal years ended June 30, 2010, 2009 & 2008

	2010	2009	2008
Expenses			
Employee services	\$ 701,116	\$ 749,858	\$ 647,016
Professional & specialized services	162,039	181,275	170,462
Special district expense	76,267	92,851	123,517
Depreciation	28,445	43,109	43,655
Utilities	18,836	17,940	17,961
Maintenance	15,647	28,846	20,158
Supplies	9,775	13,337	9,553
Communication	9,309	7,221	5,793
Memberships	7,945	4,061	3,871
Rents & leases	4,130	6,839	4,116
Insurance	3,419	2,501	2,043
Property tax refunds	2,305	3,531	463
Non-capitalized equipment	687	645	3,613
Transportation & travel	-	2,898	4,248
Loss on disposal of capital assets	-	-	590
Miscellaneous	379	1,182	2,403
Total program expenses	<u>1,040,299</u>	<u>1,156,094</u>	<u>1,059,462</u>
Program revenues			
Operating grants and contributions	536,657	598,029	627,113
Charges for services	34,877	65,793	72,921
Total program revenues	<u>571,534</u>	<u>663,822</u>	<u>700,034</u>
Net program expenses	<u>468,765</u>	<u>492,272</u>	<u>359,428</u>
General revenues			
Property taxes	327,708	335,837	343,906
Intergovernmental revenues	73,492	82,760	88,015
Revenues from the use of money and property	28,855	36,743	111,774
Miscellaneous	5,319	2,378	3,063
Total general revenues	<u>435,374</u>	<u>457,718</u>	<u>546,758</u>
Change in net assets	(33,391)	(34,554)	187,330
Net assets:			
Beginning, as previously reported	2,946,056	2,952,154	2,764,824
Prior period adjustment	-	28,456	-
Beginning as restated	<u>2,946,056</u>	<u>2,980,610</u>	<u>2,764,824</u>
End of the year	<u>\$ 2,912,665</u>	<u>\$ 2,946,056</u>	<u>\$ 2,952,154</u>

The key elements in the changes in net assets are as follows:

Program revenues: Program revenues decreased from prior year due to the following:

- Charges for services decreased by \$30,916 as a result of a decrease in Public Facilities Fees received from the issuance of building permits within the City of Dixon.
- Operating grants and contributions decreased by \$61,372 as a result of the decline in Measure B Library Sales Tax allocated by the State due to the current economy.

General revenues: General revenues decreased from prior year due to the following:

- Interest income decreased by \$25,623 due to the decline in market interest rates.

Program Expenses: Program expenses decreased from prior year due to the following:

- Employee services, which include salaries and benefits, decreased by \$48,742 due to staff reductions and a freeze in all cost of living adjustments (COLA's).
- Professional and specialized services decreased by \$19,236 as a result of the off year for performance of the biennial audit as well as a reduction in general accounting transaction services provided by Solano County.
- Special district expense decreased by \$16,584 due to a reduction in the purchase of new books and other library materials.

Financial Analysis of the District's Governmental Funds

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

Governmental funds. The General Fund is a governmental fund type that is used to account for general government functions of the District. The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Special Revenue Fund is used by the District to account for public facilities fees. The District's Special Revenue Fund is considered a major fund for financial reporting purposes and as such is presented separately in the District's basic financial statements. The Special Revenue Fund reports resources that are legally restricted by Government Code to the extent that proceeds of specific revenue sources are restricted to expenditure for particular purposes.

At June 30, 2010 and 2009, the District's governmental funds reported a combined ending fund balance of \$817,018 and \$977,604, respectively. This resulted in decreases of \$160,586 and \$1,654,357 for the fiscal years ended June 30, 2010 and June 30, 2009, respectively. Of the ending fund balances, \$159,338 and \$160,507 for fiscal years 2009/10 and 2008/09 respectively, constitute unreserved, undesignated fund balance, which is available for spending at the District's discretion.

Governmental revenues totaled \$1,006,908 in fiscal year 2009/10 and \$1,121,540 in fiscal year 2008/09. This represents a 10% decrease from fiscal years 2008/09 to 2009/10 and from fiscal years 2007/08 to 2008/09. The decrease for both fiscal years is due to the current economic conditions that have impacted all significant revenue sources, such as Measure B sales tax, property tax, RDA pass-through, interest income and public facilities fees received from the City of Dixon.

Conversely, expenditures totaled \$1,167,494 in fiscal year 2009/2010 and \$2,775,897 in fiscal year 2008/09. This represents a 58% decrease from fiscal years 2008/2009 to 2009/10 and an increase of 166% from fiscal years 2007/08 to 2008/09. Both the decrease for fiscal year 2009/10 and the increase for fiscal year 2008/09 is primarily due to the purchase of land for the new library. In addition, employee services decreased in fiscal year 2009/10 as a result of staff

reductions and a freeze on COLA's. Conversely, employee services increased in fiscal year 2008/09 as a result of staff expansion and COLA/merit increases.

Budgetary Highlights

The General Fund budget (Original and Final versions) is reflected in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual, as presented on pages 30-31 in the Required Supplementary Information (RSI) section of this report.

There were no changes between the original budget and the final budget of the General Fund in fiscal year 2009/10. Both revenues recognized and expenditures incurred were less than budget by \$21,257 and \$20,088, respectively. This was mainly the result of decreased revenues due to current economic conditions and management's response by cutting expenditures wherever possible, including eliminating transportation and travel.

There were changes between the original budget and the final budget of the General Fund in fiscal year 2008/09. The changes were the result of budget adjustments increasing capital outlay and decreasing special district expense and utilities. For fiscal year 2008/09, both revenues recognized and expenditures incurred were less than budget by \$73,042 and \$29,447, respectively.

The Special Revenue Fund budget (Original and Final versions) is reflected in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual, as presented on pages 32-33 in the Required Supplementary Information (RSI) section of this report.

There were changes between the original budget and the final budget of the Special Revenue Fund in fiscal year 2009/10 and 2008/09. For both fiscal years the changes were the result of budget adjustments increasing capital outlay. For fiscal year 2009/10, revenues recognized and expenditures incurred were less than budget by \$14,734 and \$8,317, respectively. For fiscal year 2008/09, revenues recognized and expenditures incurred were less than budget by \$14,719 and \$1,607, respectively.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets as of June 30, 2010 and 2009 totaled \$2,130,858 and \$1,998,802 (net of accumulated depreciation) respectively. This investment in capital assets includes land, equipment, structures and improvements as well as construction in progress, which is an accumulation of costs associated with the acquisition and construction of a new library facility. The net capital assets increased by \$132,056 and \$1,633,356 at June 30, 2010 and 2009, respectively.

The District's most significant capital expenditures during the fiscal year 2009/10 were the construction costs associated with the development of the new library facility. The District's most significant capital expenditures during the fiscal year 2008/09 were the purchase of four parcels of land and the construction in progress costs associated with the development of the new library facility.

**Dixon Public Library
Capital Assets
(net of depreciation)**

	2010	2009	2008
Land	\$ 1,602,064	\$ 1,602,064	\$ 525
Construction in progress	290,373	142,539	71,140
Structures and improvements	215,675	217,640	231,998
Equipment	22,746	36,559	61,783
Total capital assets	<u>\$ 2,130,858</u>	<u>\$ 1,998,802</u>	<u>\$ 365,446</u>

Additional information on the District's capital assets can be found in Note III. A on pages 24-25 of this report.

Long-term debt. At June 30, 2010 and 2009 the District had \$35,211 and \$30,350, respectively, of long term debt composed of compensated absences and net pension obligation. This amount is entirely backed by the full faith and credit of the District. For more information see Note III B on page 25 of this report.

Economic Factors and Next Year's Operating Activities

The District's management anticipates a continued decline in current economic conditions that will negatively impact all of the significant revenue streams that fund District operations. More specifically, Measure B sales tax, property taxes, public facilities fees, RDA pass-through and interest income. The District plans to offset the overall projected decrease by continuing to reduce operating costs wherever possible. This could include for example, additional staff reductions, a continued freeze on COLA's, decreases to office expenses, programming, library materials and transportation and travel. However the District is dedicated to sustaining and nourishing the core services they provide to the community.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District's Governing Board of Library Trustees, 230 North First Street, Dixon, CA 95620.

Dixon Public Library District
Statement of Net Assets
June 30, 2010 & 2009

	<u>6/30/2010</u>	<u>6/30/2009</u>
ASSETS		
Current assets		
Cash	\$ 942,041	\$ 1,074,962
Accounts receivable	-	45,378
Prepaid expense	2,329	2,329
Total current assets	944,370	1,122,669
Noncurrent assets		
Capital assets, net (Note D)		
Land	1,602,064	1,602,064
Construction in progress	290,373	142,539
Structures and improvements	215,675	217,640
Equipment	22,746	36,559
Total noncurrent assets	2,130,858	1,998,802
Total assets	\$ 3,075,228	\$ 3,121,471
 LIABILITIES		
Current Liabilities		
Accounts payable	\$ 32,729	\$ 133,388
Outstanding warrants	90,055	5,950
Due to other agencies	4,568	5,727
Total current liabilities	127,352	145,065
Noncurrent liabilities		
Compensated absences	17,034	20,113
Net pension obligation	18,177	10,237
Total noncurrent liabilities	35,211	30,350
Total liabilities	162,563	175,415
 Net Assets		
Invested in capital assets, net	2,130,858	1,998,802
Restricted for:		
Special projects	(7)	46,410
Unrestricted	781,814	900,844
Total net assets	2,912,665	2,946,056
Total liabilities and net assets	\$ 3,075,228	\$ 3,121,471

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

Dixon Public Library District
Statement of Activities
For the fiscal years ended June 30, 2010 & 2009

	6/30/2010	6/30/2009
Expenses:		
Employee services	\$ 701,116	\$ 749,858
Professional & specialized services	162,039	181,275
Special district expense	76,267	92,851
Depreciation	28,445	43,109
Utilities	18,836	17,940
Maintenance	15,647	28,846
Supplies	9,775	13,337
Communication	9,309	7,221
Memberships	7,945	4,061
Rents & leases	4,130	6,839
Insurance	3,419	2,501
Property tax refunds	2,305	3,531
Non-capitalized equipment	687	645
Transportation & travel	-	2,898
Miscellaneous	379	1,182
Total program expenses	1,040,299	1,156,994
Program revenues:		
Operating grants and contributions	536,657	598,029
Charges for services	34,877	65,795
Total program revenue	571,534	663,822
Net program expenses	468,765	492,272
General revenues:		
Property taxes	327,708	335,837
Intergovernmental revenues	73,492	82,760
Building rental	17,735	-
Interest income	11,120	36,743
Miscellaneous	5,319	2,773
Total general revenues	435,374	457,113
Change in net assets	(33,391)	(34,554)
Net assets:		
Beginning, as previously reported	2,946,056	2,952,154
Prior period adjustment	-	28,437
Beginning as restated	2,946,056	2,980,610
End of the year	\$ 2,912,665	\$ 2,946,056

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

Dixon Public Library District
Balance Sheet
Governmental Funds
June 30, 2010

	General	Special Revenue	Total Governmental Funds
Assets			
Cash & equivalents	\$ 942,048	\$ (7)	\$ 942,041
Prepaid expense	2,329	-	2,329
Total assets	\$ 944,377	\$ (7)	\$ 944,370
Liabilities			
Accounts payable	\$ 32,729	\$ -	\$ 32,729
Outstanding warrants	90,055	-	90,055
Due to other agencies	4,568	-	4,568
Total liabilities	127,352	-	127,352
Fund Balance			
Reserved for:			
Imprest cash	700	-	700
New library project	-	(7)	(7)
Unreserved, designated for:			
Emergency operations	250,000	-	250,000
Major asset	37,000	-	37,000
Building fund	369,987	-	369,987
Unreserved, undesignated	159,338	-	159,338
Total fund balance	817,025	(7)	817,018
Total liabilities and fund balance	\$ 944,377	\$ (7)	\$ 944,370

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

**Dixon Public Library District
Balance Sheet
Governmental Funds
June 30, 2009**

	<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
Assets			
Cash & equivalents	\$ 1,028,552	\$ 46,410	\$ 1,074,962
Accounts receivable	45,378	-	45,378
Prepaid expense	2,329	-	2,329
Total assets	<u>\$ 1,076,259</u>	<u>\$ 46,410</u>	<u>\$ 1,122,669</u>
Liabilities			
Accounts payable	\$ 133,388	\$ -	\$ 133,388
Outstanding warrants	5,950	-	5,950
Due to other agencies	5,727	-	5,727
Total liabilities	<u>145,065</u>	<u>-</u>	<u>145,065</u>
Fund Balance			
Reserved for:			
Imprest cash	700	-	700
New library project	-	46,410	46,410
Unreserved, designated for:			
Emergency operations	250,000	-	250,000
Major asset	50,000	-	50,000
Building fund	469,987	-	469,987
Unreserved, undesignated	160,507	-	160,507
Total fund balance	<u>931,194</u>	<u>46,410</u>	<u>977,604</u>
Total liabilities and fund balance	<u>\$ 1,076,259</u>	<u>\$ 46,410</u>	<u>\$ 1,122,669</u>

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

Dixon Public Library District
Reconciliation of the Balance Sheet
of the Governmental Funds to the Statement of Net Assets
For the fiscal years ended June 30, 2010 & 2009

	<u>6/30/2010</u>	<u>6/30/2009</u>
Governmental Fund Balances	\$ 817,018	\$ 977,604
 Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds.		
Land	1,602,064	1,602,064
Construction in progress	290,373	142,539
Buildings and improvements, net of \$849,526 and \$834,895 accumulated depreciation 2009/10 and 2008/09 respectively	215,675	217,640
Equipment, net of \$228,722 and \$214,909 accumulated depreciation 2009/10 and 2008/09 respectively	22,746	36,559
 Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds		
Compensated absences	(17,034)	(20,113)
Net pension obligation	<u>(18,177)</u>	<u>(10,237)</u>
 Net assets of governmental activities	 <u>\$ 2,912,665</u>	 <u>\$ 2,946,056</u>

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

Dixon Public Library District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2010

	<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
Revenues:			
Sales & use taxes	\$ 536,657	\$ -	\$ 536,657
Property taxes	327,708	-	327,708
Intergovernmental revenues	73,492	-	73,492
Charges for services	17,861	17,016	34,877
Building rental	17,735	-	17,735
Interest income	10,870	250	11,120
Miscellaneous	5,319	-	5,319
Total revenues	<u>989,642</u>	<u>17,266</u>	<u>1,006,908</u>
Expenditures:			
Employee services	696,255	-	696,255
Professional & specialized services	162,039	-	162,039
Capital outlay	96,826	63,675	160,501
Special district expense	76,267	-	76,267
Utilities	18,836	-	18,836
Maintenance	15,647	-	15,647
Supplies	9,775	-	9,775
Communication	9,309	-	9,309
Memberships	7,945	-	7,945
Rents & leases	4,130	-	4,130
Insurance	3,419	-	3,419
Property tax refunds	2,305	-	2,305
Non-capitalized equipment	687	-	687
Miscellaneous	371	8	379
Total expenditures	<u>1,103,811</u>	<u>63,683</u>	<u>1,167,494</u>
Excess of expenditures over revenues	(114,169)	(46,417)	(160,586)
Fund balance - beginning	931,194	46,410	977,604
Fund balance - ending	<u>\$ 817,025</u>	<u>\$ (7)</u>	<u>\$ 817,018</u>

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

Dixon Public Library District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2009

	<u>General</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Sales & use taxes	\$ 598,029	\$ -	\$ 598,029
Property taxes	335,837	-	335,837
Intergovernmental revenues	82,760	-	82,760
Charges for services	17,133	48,660	65,793
Interest income	26,122	10,621	36,743
Miscellaneous	2,378	-	2,378
Total revenues	<u>1,062,259</u>	<u>59,281</u>	<u>1,121,540</u>
Expenditures:			
Capital outlay	501,422	1,175,043	1,676,465
Employee services	736,305	-	736,305
Professional & specialized services	181,275	-	181,275
Special district expense	92,851	-	92,851
Maintenance	28,846	-	28,846
Utilities	17,940	-	17,940
Supplies	13,337	-	13,337
Communication	7,221	-	7,221
Rents & leases	6,839	-	6,839
Memberships	4,061	-	4,061
Property tax refunds	3,531	-	3,531
Transportation & travel	2,898	-	2,898
Insurance	2,501	-	2,501
Non-capitalized equipment	645	-	645
Miscellaneous	1,182	-	1,182
Total expenditures	<u>1,600,854</u>	<u>1,175,043</u>	<u>2,775,897</u>
Excess of expenditures over revenues	(538,595)	(1,115,762)	(1,654,357)
Fund balance - July 1, beginning	1,469,789	1,133,716	2,603,505
Prior period adjustment	-	28,456	28,456
Fund balance - July 1, beginning restated	<u>1,469,789</u>	<u>1,162,172</u>	<u>2,631,961</u>
Fund balance - ending	<u>\$ 931,194</u>	<u>\$ 46,410</u>	<u>\$ 977,604</u>

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

Dixon Public Library District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the fiscal years ended June 30, 2010 & 2009

	<u>6/30/2010</u>	<u>6/30/2009</u>
Net change in fund balances	\$ (160,586)	\$ (1,654,357)
 Amounts reported for governmental activities in the statement of activities are different because:		
 Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital outlay	160,501	1,676,465
Depreciation expense	(28,445)	(43,109)
 Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.		
Compensated absences	3,079	(3,316)
Net pension obligation	<u>(7,940)</u>	<u>(10,237)</u>
 Change in net assets of governmental activities	 <u>\$ (33,391)</u>	 <u>\$ (34,554)</u>

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

Dixon Public Library District of Solano County
Notes to the Financial Statements
For the fiscal years ended June 30, 2010 and 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Dixon Public Library District of Solano County was established in 1913 to serve as the community's library. As a special district library, the District operates totally independent of any city or county agency's political or financial control. The District operates under Division 1, Part II, Chapter 3, Section 8 of the Education Code, Sections 18440-18452 of the Education Code and the general provisions of Library Code governing the Unified School Districts and Union High School Districts Public Libraries.

The District is governed by a five-member Governing Board of Trustees who is also the elected school board members for the Dixon Unified School District. The Board members serve a four-year term. The Board of Trustees appoints a five-member Board of Library Commissioners who act for the Trustees in reviewing library matters relating to operations and policies. The Library Commission members are appointed to a three-year term.

The Dixon Public Library District and the Dixon Unified School District have a financial and operational relationship that meets the criteria established by the Governmental Accounting Standards Board (GASB) Statement No.14, The Financial Reporting Entity, which defines primary governments and their qualifying component unit entities. The Dixon Public Library District, a component unit of the Dixon Unified School District, determined to have a separate audit of its financial records performed.

B. Government-wide and Fund Financial Statements

The District's financial accounts are maintained in accordance with generally accepted accounting principles (GAAP) and the uniform accounting system for districts prescribed by the State Controller in compliance with the Government Code of the State of California.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when

earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year they are levied.

Governmental fund 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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures are generally recorded when a 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, licenses, grants, 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. All other revenue items are considered to be measurable and available only when the government receives cash.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those that are required to be accounted for in another fund.

The *Special Revenue Fund* accounts for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

The amounts reported as program revenues in the statement of activities include charges to customers for goods and services as well as operating grants. General revenues include taxes (property and redevelopment) as well as interest income.

D. Assets, Liabilities and Net Assets or Equity

1. Cash and Cash Equivalents

The District's cash is comprised of cash on hand, cash in a commercial bank account and cash in the County Treasury. The District uses the commercial bank account for temporary property management of the acquired Miller Property. As of June 30, 2010 and 2009, the carrying amount and the bank balance were \$398 and \$6,409, respectively, which is covered by federal depository insurance up to \$250,000.

The cash maintained in the County Treasury is pooled with the County of Solano. The District is a mandatory depositor, pursuant to the California Education Code Section 18450. The District's ability to withdraw large sums of cash from the County Treasury may be subject to certain restrictions set by the County Treasurer.

The County's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the County Board of Supervisors. The objectives of the policy (in order of priority) are: legality, preservation of capital, liquidity, and yield. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code, and the percentage of the portfolio which may be invested in certain instruments with longer terms of maturity. The County Treasury Oversight Committee annually reviews the investment policy and the portfolio activity. A detailed breakdown of cash and investments and a categorization of risk factors per GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, are presented in the County of Solano Comprehensive Annual Financial Report.

2. Accounts Receivable

Accounts receivable represents Measure B sales tax due from the State at fiscal year end.

3. Prepaid Expense

Prepaid expense represents payments to vendors for costs applicable to future accounting periods.

4. Capital Assets

Capital assets, including land, structures and improvements, equipment and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the District's capitalization policy which uses various threshold amounts and useful lives for the different asset types acquired by purchase or donation. Such assets are recorded at historical cost if purchased or estimated historical cost if constructed. Donated capital assets are valued at their fair market value on the date of donation.

Structures and improvements and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Computer equipment	3-7
Office equipment	3-7
Structures and improvements	10-40

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

In the fund financial statements, fixed assets used in the District's operations are accounted for as capital outlay expenditures of the District's General Fund upon acquisition.

5. Accounts Payable

Accounts payable represents the balance due for goods received and/or services rendered.

6. Outstanding Warrants

Outstanding warrants represent the amount of treasury warrants issued but not yet presented to the Treasurer for payment. When warrants are mailed, expenditures are recorded and an outstanding warrant liability is created, pending payment of the warrant.

7. Due to Other Agencies

Due to other agencies represent amounts owed to governmental entities outside the District.

8. Compensated Absences

It is the District's policy to permit permanent employees to accumulate earned but unused vacation benefits. Accrued vacation is paid at the time of the employee's termination based on established District limitations. Compensated absences leave is accrued when incurred in the government-wide financial statements. In accordance with *GASB Statement 16, Accounting for Compensated Absences*, these amounts are not expected to be liquidated from expendable, available financial resources. A liability is reported in the governmental fund only if unused vacation after limitations is expected to be liquidated (paid out due to an employee separating from service with the District) with expendable available financial resources.

9. Net Pension Obligation

The cumulative difference between the District's annual pension cost, as determined by the annual CalPERS Actuarial Valuation, and the annual pension expense incurred is the net pension obligation.

10. Net Assets/Fund Balance

The government-wide financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets – net of related debt, restricted and unrestricted.

- *Invested in capital assets* – This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt, if any, attributable to the acquisition, construction or improvement of these assets reduces the balance in this category.
- *Restricted* – This category represents net assets of the District that are legally restricted for special projects.
- *Unrestricted* – This category represents net assets of the District, not restricted for any project or other purpose.

In the fund financial statements, reservations or designations of fund balance segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by GAAP and by actions of the Board.

As of June 30, 2010, the District reserved \$700 for imprest cash. In addition, the following designations were made: \$250,000 for emergency operations, \$37,000 for major asset acquisition, and \$369,987 for the new library building.

As of June 30, 2009, the District reserved \$700 for imprest cash and \$46,410 for the new library project. In addition, the following designations were made: \$250,000 for emergency operations, \$50,000 for major asset acquisition, and \$469,987 for the new library building.

11. Prior Period Adjustment

Interest income associated with the District's Special Revenue Fund was recorded in fiscal year 2008/09 for amounts earned in fiscal years 2004/05 through 2007/08.

12. Use of Estimates

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Property Taxes

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

Secured property taxes are apportioned in advance of collection. All other taxes are apportioned after collection.

B. GANN Appropriations Limit

Article XIII B of the California Constitution provides exceptions for some Special Districts for establishing an appropriations limit. As per Article XIII B, the District is not subject to the appropriations limit because the District's tax levy for fiscal year 1977/78 was below 12 ½ cents per \$100 of assessed valuation.

III. DETAILED NOTES

A. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2010 was as follows:

Governmental Activities	Beginning Balance	Additions & Transfers-in	Retirements & Transfers-out	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,602,064	\$ -	\$ -	\$ 1,602,064
Construction in progress	142,540	147,834	-	290,374
Total capital assets, not being depreciated	<u>1,744,604</u>	<u>147,834</u>	<u>-</u>	<u>1,892,438</u>
Capital assets being depreciated:				
Buildings and Improvements	1,052,534	12,667	-	1,065,201
Equipment	251,468	-	-	251,468
Total capital assets, being depreciated	<u>1,304,002</u>	<u>12,667</u>	<u>-</u>	<u>1,316,669</u>
Less accumulated depreciation for:				
Buildings and Improvements	(834,895)	(14,631)	-	(849,526)
Equipment	(214,909)	(13,814)	-	(228,723)
Total accumulated depreciation	<u>(1,049,804)</u>	<u>(28,445)</u>	<u>-</u>	<u>(1,078,249)</u>
Total capital assets, being depreciated, net	<u>254,198</u>	<u>(15,778)</u>	<u>-</u>	<u>238,420</u>
Governmental activities capital assets, net	<u>\$ 1,998,802</u>	<u>\$ 132,056</u>	<u>\$ -</u>	<u>\$ 2,130,858</u>

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

Governmental Activities	Beginning Balance	Additions & Transfers-in	Retirements & Transfers-out	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 525	\$ 1,601,539	\$ -	\$ 1,602,064
Construction in progress	71,140	71,400	-	142,540
Total capital assets, not being depreciated	71,665	1,672,939	-	1,744,604
Capital assets being depreciated:				
Structures and Improvements	1,052,534	-	-	1,052,534
Equipment	253,942	3,526	(6,000)	251,468
Total capital assets, being depreciated	1,306,476	3,526	(6,000)	1,304,002
Less accumulated depreciation for:				
Buildings and Improvements	(820,536)	(14,359)	-	(834,895)
Equipment	(192,159)	(28,750)	6,000	(214,909)
Total accumulated depreciation	((1,012,695))	(43,109)	6,000	(1,049,804)
Total capital assets, being depreciated, net	293,781	(39,583)	-	254,198
Governmental activities capital assets, net	\$ 365,446	\$ 1,633,356	\$ -	\$ 1,998,802

B. Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2010 was as follows:

Governmental Activities:	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Compensated absences	\$ 20,113	\$ -	\$ 3,079	\$ 17,034	\$ -
Net pension obligation	10,237	7,940	-	18,177	-
Total long-term liabilities	\$ 30,350	\$ 7,940	\$ 3,079	\$ 35,211	\$ -

Long-term liability activity for the fiscal year ended June 30, 2009, was as follows:

Governmental Activities:	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Compensated absences	\$ 16,798	\$ 3,315	\$ -	\$ 20,113	\$ -
Net pension obligation	-	10,237	-	10,237	-
Total long-term liabilities	\$ 16,798	\$ 13,552	\$ -	\$ 30,350	\$ -

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District continues to carry commercial insurance for all risks of loss, including general liability, business automobile liability, property, errors and omissions, fraud, workers' compensation and employee health and accident insurance.

B. Employee Pension Plan

1. *Plan Description*

The District contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public employers within the State of California. Benefit provisions and all other requirements are established by state statute and local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

2. *Funding Policy*

Active plan participants are required to contribute 7% of their annual covered salary to the fund. The District makes the required contributions on behalf District employees. In addition, the District is required to contribute the actuarially determined rate. The 2009/10 rate is 13.705% and the 2008/09 rate is 14.162% for miscellaneous employees. The actuarial methods and assumption used are those adopted by the CalPERS Board of Administration. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

3. *Annual Pension Costs*

For fiscal years 2009/10 and 2008/09, the District's annual pension cost was \$96,907 and \$108,384, respectively. The required contributions for fiscal years 2009/10 and 2008/09 were determined as part of the June 30, 2007, and 2006 actuarial valuations using the Entry Age Actuarial Cost Method with the contributions determined as a percent of covered payroll. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases ranging from 3.25% to 14.45 depending on age, service, and type of employment, (c) payroll growth of 3.25% and (d) inflation of 3%. Complete information on assumptions and methods used is provided in the Actuarial Valuation Reports as of June 30, 2007 and 2006 for the Miscellaneous Plan of the Dixon Public Library District.

Since the District's plan had less than 100 active members in at least one valuation since June 30, 2003, it is required to participate in a risk pool. To account for the differences between the funded status of the pool and the funded status of the individual plans, CalPERS created side funds for each employer. The District's side fund amounts total (\$108,632) and (\$113,471) as of the June 30, 2007 and 2006 valuation dates, respectively. The side fund is credited, on an annual basis, with the actual investment return assumption. This assumption is currently set at 7.75%. The side fund will also be subject to amortization on an annual basis. The employer contribution rate for future years will be equal to the risk pool's rate plus the amortization of the individual side fund and an adjustment to phase out the difference between the risk pool's normal cost and the individual employer's normal cost at the time of joining the pool.

Three-Year Trend Information for the Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Overfunded)
6/30/10	\$ 96,907	91.8%	\$ 7,940
6/30/09	\$ 108,384	90.5%	\$ 10,237
6/30/08	\$ 95,655	94.0%	\$ 5,691

REQUIRED SUPPLEMENTARY INFORMATION

Dixon Public Library District of Solano County
Schedule of Funding Progress
For the fiscal years ended June 30, 2010 and 2009
Unaudited

The Schedule of Funding Progress below shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability to payroll.

Plan's Risk Pool History of Funded Status and Funding Progress of the
Miscellaneous Pension Plan

Valuation Date	Accrued Liabilities (AL)	Actuarial Value of Assets (AVA)	Unfunded Liabilities (UL)	Funded Ratio (AVA/AL)	Annual Covered Payroll	UL As a Percentage of Payroll
6/30/05	\$ 2,891,460,651	\$ 2,588,713,000	\$ 302,747,651	89.5%	\$ 755,046,679	40.1%
6/30/06	\$ 2,754,396,608	\$ 2,492,226,176	\$ 262,170,432	90.5%	\$ 699,897,835	37.5%
6/30/07	\$ 2,611,746,790	\$ 2,391,434,447	\$ 220,312,343	91.6%	\$ 665,522,859	33.1%

Dixon Public Library District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the fiscal year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales & use taxes	\$ 557,280	\$ 557,280	\$ 536,657	\$ (20,623)
Property taxes	314,355	314,355	327,708	13,353
Intergovernmental revenues	82,764	82,764	73,492	(9,272)
Charges for services	16,500	16,500	17,861	1,361
Building rental	10,000	10,000	17,735	7,735
Interest income	26,000	26,000	10,870	(15,130)
Miscellaneous	4,000	4,000	5,319	1,319
Total revenues	<u>1,010,899</u>	<u>1,010,899</u>	<u>989,642</u>	<u>(21,257)</u>
Expenditures:				
Employee services	696,006	696,006	696,255	(249)
Professional & specialized services	171,767	171,767	162,039	9,728
Capital outlay	113,000	113,000	96,826	16,174
Special district expense	78,627	78,627	76,267	2,360
Utilities	19,500	19,500	18,836	664
Maintenance	11,500	11,500	15,647	(4,147)
Supplies	9,000	9,000	9,775	(775)
Communication	8,500	8,500	9,309	(809)
Memberships	4,000	4,000	7,945	(3,945)
Rents & leases	3,500	3,500	4,130	(630)
Insurance	3,000	3,000	3,419	(419)
Property tax refunds	4,000	4,000	2,305	1,695
Non-capitalized equipment	1,000	1,000	687	313
Miscellaneous	499	499	371	128
Total expenditures	<u>1,123,899</u>	<u>1,123,899</u>	<u>1,103,811</u>	<u>20,088</u>
Excess of expenditures over revenues	(113,000)	(113,000)	(114,169)	(1,169)
Fund balance - beginning	931,194	931,194	931,194	
Fund balance - ending	<u>\$ 818,194</u>	<u>\$ 818,194</u>	<u>\$ 817,025</u>	<u>\$ (1,169)</u>

The notes to the required supplementary information are an integral part of this statement.

Dixon Public Library District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the fiscal year ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales & use taxes	\$ 649,029	\$ 649,029	\$ 598,029	\$ (51,000)
Property taxes	356,147	356,147	335,837	(20,310)
Intergovernmental revenues	34,500	34,500	82,760	48,260
Interest income	50,531	50,531	26,122	(24,409)
Charges for services	14,170	14,170	17,133	2,963
Miscellaneous	30,924	30,924	2,378	(28,546)
Total revenues	<u>1,135,301</u>	<u>1,135,301</u>	<u>1,062,259</u>	<u>(73,042)</u>
Expenditures:				
Employee services	730,060	730,060	736,305	(6,245)
Capital outlay	18,900	513,900	501,422	12,478
Professional & specialized services	179,967	179,967	181,275	(1,308)
Special district expense	134,675	132,675	92,851	39,824
Maintenance	9,400	9,400	28,846	(19,446)
Utilities	19,500	18,500	17,940	560
Supplies	13,000	13,000	13,337	(337)
Communication	5,500	5,500	7,221	(1,721)
Rents & leases	4,700	4,700	6,839	(2,139)
Memberships	4,000	4,000	4,061	(61)
Property tax refunds	500	3,500	3,531	(31)
Transportation & travel	5,500	5,500	2,898	2,602
Insurance	2,500	2,500	2,501	(1)
Non-capitalized equipment	4,000	4,000	645	3,355
Miscellaneous	3,099	3,099	1,182	1,917
Total expenditures	<u>1,135,301</u>	<u>1,630,301</u>	<u>1,600,854</u>	<u>29,447</u>
Excess of expenditures over revenues	-	(495,000)	(538,595)	(43,595)
Fund balance - beginning	1,469,789	1,469,789	1,469,789	
Fund balance - ending	<u>\$ 1,469,789</u>	<u>\$ 974,789</u>	<u>\$ 931,194</u>	<u>\$ (43,595)</u>

The notes to the required supplementary information are an integral part of this statement.

Dixon Public Library District
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Special Revenue Fund
 For the fiscal year ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 20,000	\$ 20,000	\$ 17,016	\$ (2,984)
Interest income	12,000	12,000	250	(11,750)
Total revenues	<u>32,000</u>	<u>32,000</u>	<u>17,266</u>	<u>(14,734)</u>
Expenditures:				
Capital outlay	31,800	71,800	63,675	8,125
Accounting services	200	200	-	200
Miscellaneous	-	-	8	(8)
Total expenditures	<u>32,000</u>	<u>72,000</u>	<u>63,683</u>	<u>8,317</u>
Excess of expenditures over revenues	-	(40,000)	(46,417)	(6,417)
Fund balance - beginning	46,410	46,410	46,410	
Fund balance - ending	<u>\$ 46,410</u>	<u>\$ 6,410</u>	<u>\$ (7)</u>	<u>\$ (6,417)</u>

The notes to the required supplementary information are an integral part of this statement.

Dixon Public Library District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Special Revenue Fund
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 65,000	\$ 65,000	\$ 48,660	\$ (16,340)
Interest income	9,000	9,000	10,621	1,621
Total revenues	<u>74,000</u>	<u>74,000</u>	<u>59,281</u>	<u>(14,719)</u>
Expenditures:				
Capital outlay	-	1,176,000	1,175,043	957
Accounting services	650	650	-	650
Total expenditures	<u>650</u>	<u>1,176,650</u>	<u>1,175,043</u>	<u>1,607</u>
Excess/(deficiency) of revenues over/(under) expenditures	73,350	(1,102,650)	(1,115,762)	(13,112)
Fund balance - July 1, beginning	1,133,716	1,133,716	1,133,716	
Prior period adjustment	28,456	28,456	28,456	
Fund balance - July 1, beginning restated	<u>1,162,172</u>	<u>1,162,172</u>	<u>1,162,172</u>	
Fund balance - ending	<u>\$ 1,235,522</u>	<u>\$ 59,522</u>	<u>\$ 46,410</u>	<u>\$ (13,112)</u>

The notes to the required supplementary information are an integral part of this statement.

**Dixon Public Library District of Solano County
Notes to Required Supplementary Information
For the fiscal years ended June 30, 2010 and 2009**

Budgetary Information

Pursuant to Education Code §18451, on or before June 1 of each year, the Library Commission shall submit or cause to be submitted to the Governing Board of Library Trustees its proposed budget for operating and maintaining the library for the upcoming fiscal year. Pursuant to Education Code §18480, on or before September 1 of each year, the District Board shall furnish to the County Board of Supervisors an estimate of costs involved in conducting and maintaining the library for the ensuing fiscal year, procuring plans and specifications for erecting a building, and furnishing and equipping the building.

An operating budget prepared on a modified accrual basis is adopted each fiscal year for the General Fund. The final budget shall conform to the accounting and budgeting procedures for Special Districts contained in the California Code of Regulations. The final budget shall establish its appropriations limit pursuant to Division 9 of the Government Code. All annual appropriations lapse at fiscal year end.

TO: GOVERNING BOARD OF LIBRARY TRUSTEES

FROM: GREGG ATKINS, DISTRICT LIBRARIAN

DATE: JANUARY 26, 2012

RE: RECOMMENDATION TO DISAPPROVE ATTORNEY
FEE EXPENDITURES CONTAINED IN THE DISTRICT'S
BUDGET UNLESS WRITTEN PRE-APPROVAL OF
EXPENDITURE AMOUNTS IS OBTAINED FROM THE
LIBRARY BOARD PRESIDENT (ACTING ON THE
BOARD'S BEHALF) PRIOR TO THE EXPENDITURE

This item is presented at the request of Trustee DiPaolo. A copy of his email request and the referenced monthly summary of expenditures are attached.

Hi Irina,

I am requesting that the following three items be noticed and agendized for the the Library Board meeting on January 26, 2012:

ITEM 1. At the conclusion the Public Hearing scheduled for 6:30 PM, that the Board consider whether or not to dissolve the Library Commission pursuant to California Education Code Section 18542.

(DISCUSSION AND ACTION).

NOTE: This Agenda Item should be scheduled to occur after the Public Hearing.

California Education Code Section 18452 provides:

"18452. The board of library trustees may dissolve the library commission created under the provisions of this article effective as of the 30th day of June next succeeding. Before taking action to dissolve a library commission, the board of library trustees shall hold at least one public hearing on the matter; notice of such hearing shall be given by publication pursuant to Section 6066 of the Government Code, in a newspaper designated by the board of library trustees and circulated throughout the district, and by posting of the notice in three public places in the district at least 15 days prior to the date of the public hearing."

ITEM 2. Pursuant to the Board's budgetary powers to review and approve the District's Budget under the California Education Code and Library Policies 5010.3, 8005.1 and 8005.1.3, that the Board consider whether or not to disapprove future attorney's fees expenditures contained in the District's Budget, unless written pre-approval of expenditure amounts is obtained from the Library Board President (acting on the Board's behalf) prior to expenditure.

(DISCUSSION AND ACTION)

Library Policy 5010.3 states:

"The Governing Board of Library Trustees is responsible for the adoption of the annual budget for all funds on or before September 1 each year in compliance with State law."

Library Policy 8005.1 and 8005.1.3 state:

8005.1 The powers and duties of the Governing Board of Library Trustees, as by the provisions of Education Code Section 18400 and as limited by the establishment of the Library Commission as permitted for in Section 18440 of the Code, encompass the following:

8005.1.3 Review and approve the proposed budget presented by recommendation from the Library Commission."

Library Board Policy 8020.8.3 states in part:

"8020.8.3 The President shall preside at all meetings of the Governing Board of Library Trustees, authorize calls for any special meetings, appoint any committees, execute all documents authorized by the Governing Board of Library Trustees..."

A monthly summary of the attorney's fees expenditures made in the past 18 months from figures supplied by the District Librarian is attached.

ITEM 3. That the Library Board designate and appoint a Library Board Member as the Board's representative to the Library Commission.
(DISCUSSION AND ACTION)

Please note that the deadline for Gregg Atkins to timely post the Notice/Agenda expires Monday (1/23/12) by 5 PM.

Moreover, as I have stated in previous email to Gregg Atkins, please remind him that the notice/agenda must also be timely posted on the Library's website per new law which took effect January 1, 2012.

Regards,

Joe D.

(707) 693-0400

DIXON LIBRARY DISTRICT LEGAL BILLS:

July 2011 Through November 2011

Data provided by District Librarian

TOTAL: \$66,571.87
AVERAGE: \$3,915.99 per month

(1) Kronick, Moskovitz, Tiedmann & Girard (KMPG)

2011

November	\$272.00
October	\$1,615.00
September	\$5,583.51
August	\$1,381.38
July	(No Bill Provided)
June	\$2,786.75
May	\$2,414.00
April	\$3,827.00
March	\$3,061.38
February	\$5,030.75
January	\$6,919.50

2010

December	\$10,786.75
November	\$3,476.89
October	\$3,007.14
September	\$6,101.82
August	\$2,023.00
July	\$5,203.75

SUBTOTAL: \$63,490.62

(2) Office of County Counsel

2011

Quarter 10/1/11 - 12/31/11	(No Bill Provided)
Quarter 07/1/11 - 09/30/11	\$688.75
Quarter 04/1/11 - 06/30/11	(No Bill Provided)
Quarter 01/1/11 - 03/31/11	\$1,522.50

2010

Quarter 10/1/10 - 12/31/10	\$108.75
Quarter 07/1/10 - 09/30/11	\$761.25

SUBTOTAL: \$3,081.25

TOTAL: \$66,571.87