

CITY OF DIXON

CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2010

**CITY OF DIXON
CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**PREPARED BY
FINANCE DEPARTMENT**

CITY OF DIXON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010

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INTRODUCTORY SECTION



MAYOR JACK BATCHELOR, JR.
VICE MAYOR RICK C. FULLER
COUNCILMEMBER DANE BESNEATTE



COUNCILMEMBER KAY FULFS CAYLER
COUNCILMEMBER MICHAEL CEREMELLO, JR.
CITY TREASURER JAMES SLAUGHTER

November 5, 2010

To the City Council and the Citizens of the City of Dixon:

We are pleased to present the Comprehensive Annual Financial Report of the City of Dixon for the fiscal year ended June 30, 2010. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of various funds of the City. The financial statements are presented in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is prepared in accordance with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and includes the report of the independent public accounting firm of Mann Urrutia Nelson CPAs & Associates.

Organization of the financial report follows the guidelines set forth by the Governmental Finance Officers Association of the United States and Canada (GFOA) and the California Society of Municipal Finance Officers (CSMFO). In accordance with the above-mentioned guidelines, the Comprehensive Annual Financial Report is divided into three sections: introductory, financial, and statistical. The introductory section, which is unaudited, includes this letter of transmittal, an organizational chart, and a list of the City's principal elected officials and executive staff. The financial section includes management discussion and analysis, the independent auditor's report on the financial statements, the basic financial statements, required supplementary information, and the combining financial statements for non-major funds. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

The City of Dixon operates under a Council-Manager form of government and provides full municipal services that include Public Safety, Public Works, Utilities (Sewer and Water), Community Development, Recreation and Community Services. This report includes all funds of the City of Dixon as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government.

City of Dixon

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Generally accepted accounting principles (GAAP) require that 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 Dixon's MD&A can be found immediately following the report of the independent auditors.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

The City of Dixon was incorporated March 30, 1878. The current population is 17,577 in a 6.5 square-mile area; Dixon has room for, and has planned for, continued business and residential development. Dixon is graced with a strong agricultural and business base and a well-established residential community. Dixon prides itself on being "in the center of everything".

The Dixon City Council consists of the Mayor and four Council Members, elected to four-year overlapping terms. The Mayor and Council Members must be residents within the City limits. The position of Vice Mayor is required in the Dixon City Code and is chosen from among the Council Members by the Council Members. The Mayor conducts the Council meetings and all members of the City Council represent the City on regional and statewide issues.

The City Council serves as the legislative body of the City and as the policy board for the municipality. The City Council provides policy direction, establishes goals, and sets priorities for the City government. In addition to serving as the policy makers for the community, the City Council is also responsible for numerous land use decisions within its borders, including the General Plan. The City Council appoints the City Manager and City Attorney. The Mayor appoints, and the City Council ratifies, the appointment of all members of advisory Boards and Commissions. The City Manager appoints the Senior Managers (Department Heads) with the City Council providing ratification.

Dixon has a wide economic orientation, with strong business to business activity and significant retail opportunities easily accessible from Interstate 80. The City and the Dixon Redevelopment Agency have worked with the citizens and the businesses of Dixon in support of business, façade improvement programs, and employment targeted loans. The City has one Redevelopment Project Area, and the City Council also serves as the Redevelopment Agency Board.

Dixon is also close to many other commercial centers which provide significant employment opportunities in a variety of fields, including sales, education, technology, professional specialties and manufacturing. As of June 30, 2010, the unemployment rate for the City of Dixon was 12%.

MAJOR INITIATIVES

The City of Dixon is committed to providing high quality services in an economical manner. For FY 2009-10 the City's efforts were focused in several areas:

Facilities and Infrastructure - FY 2009-10 highlights include the completion of the following projects:

- Completion of the SR113/C Street Lighted Pedestrian Crosswalk Project which provides safety improvements for school children crossing the State Highway.
- Completion of three street pavement rehabilitation projects using American Reinvestment and Recovery Act (ARRA) funding; the North Almond Street Rehabilitation Project, the North Jefferson Street Rehabilitation Project, and the Stratford Avenue Rehabilitation Project.
- Completion of the City Council Chambers ADA Improvement Project, providing increased accessibility to the City Council Chambers for the disabled.
- Completed design and significant construction of the Dixon Municipal Services Center Expansion Project, a major upgrade of buildings at the City's corporation yard. Construction completion anticipated December 2010.
- Completion of the Sidewalk Replacement Project, which replaced defective sidewalks in various locations citywide.

The City continues to plan for major improvements to its wastewater treatment plant to meet current regulatory and future growth demands. On September 11, 2008, the City successfully negotiated a revised Cease and Desist Order (CDO) with the California Regional Water Quality Control Board. The new CDO replaced a 2005 CDO which the City and State agreed was no longer applicable to the City's current wastewater situation. The new CDO identified a scope of work and regulatory milestones for the City to investigate water quality in the groundwater adjacent to the City's wastewater treatment plant, and develop technical alternatives to address salinity in the City's wastewater. On November 11, 2008 the City Council approved a Wastewater Finance Plan for the sewer enterprise fund that will fund wastewater programs and projects designed to facilitate the City's compliance with the requirements of the California Regional Water Quality Control Board.

Economic Development

In Fiscal Year 2010, the State of California chose to confiscate funds from all Redevelopment Agencies statewide to help balance its budget. This meant the City's Redevelopment Agency was required to pay \$768,000 to the State. Economic Development activity was severely reduced, as after the confiscation and debt service payments, the Redevelopment Agency only received about \$50,000 in new funds for economic development within the Redevelopment District.

Promoting economic development continues to be one of the City's key operational priorities. The City Manager and other City staff continue to work closely with the development community to ensure the redevelopment and development of key sites. During FY 2009-10, the following major development projects were either started or completed:

- City Council approved a 60 unit senior housing complex
- Les Schwab began construction on their first tire center in the City

Additional growth and development is anticipated in the Northeast Quadrant of the City with work continuing on providing a new well to serve the area. In FY2009-10, the City worked to obtain \$500,000 in Economic Recovery Zone Bonds towards the well project. In addition, staff also worked to submit an application for a \$3.0 million economic development grant from the federal government. Subsequent to year end, in September, the City was notified the application was successful and the City will receive \$3.0 million towards the development of the well in the Northeast Quadrant.

The City also has received \$750,000 in Economic Recovery Zone Bonds for rehabilitation of the storm drainage in the City's core area.

Residential Development

The City saw all residential development cease in 2008 due to the national housing crisis. While some developments that were underway in 2008 have begun the process of clearing zoning to begin building, we did not see any new development in 2010 and anticipate little to no activity in 2011.

Operational Activities

Personnel - During FY 2009-10, the City maintained a one day per month mandatory furlough program for all employees as well as the retirement of five employees as part of an early retirement incentive program. In addition, one department head left the City and the position has been held open and duties assigned elsewhere on a temporary basis for further cost savings. The City worked hard to continue to develop new processes to maintain service levels with the reductions in total staff and staffing hours.

City Services - The City consistently looks at the way it provides services to the citizens of Dixon. Highlights during FY 2009-10 were:

- Information Technology – The City implemented an on-line video streaming program to allow more residents to view City meetings.
- Fire Department - The Dixon Fire Department continued to provide excellent Fire and EMS services to City of Dixon and the surrounding community. Through its partnership with the Dixon Fire District, the Fire Department operated a new Brush Unit, which provides increased maneuverability to tight spaces and off road settings. Also, Fire Administration successfully negotiated a new Public Private

Partnership that runs concurrently with the contract for exclusive Ambulance Service in Solano County which will provide for increased revenues to the City in order to support engine based paramedic services. Mentoring and succession were vital activities during the fiscal year as the department prepared for transition in key leadership positions.

- Police Department – The Dixon Police Department continued to provide efficient and effective community policing for the community. New technology; such as video surveillance on the inside and outside of the Police Headquarters and the introduction of a copy center to allow for more cost effective publication of materials and reduction in the need of multiple printers were introduced in fiscal year 2010. The Police Department was also able to secure a three year grant to fund a police officer position which was to be eliminated due to budget cuts.

Long-term Fiscal Stability

Events in the national and state economy have continued to place fiscal pressure on City operations. While the City has decreased General Fund spending by nearly 20% in the past three years, the delay in economic recovery may necessitate further cost saving measures in the coming year. The City calculates and maintains a rolling five year financial forecast for the General Fund and continues to track key revenues and expenditures in relation to the five year forecast to determine what action needs to be taken to maintain the City's fiscal stability. In the coming year, the City budget reflects a fund reserve well within City guidelines.

FINANCIAL INFORMATION

Management of the City of Dixon is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and local financial assistance, the government is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations related to these programs. These internal controls are subject to periodic evaluation by Management and the Finance staff of the City.

When the City receives and expends more than \$500,000 in Federal Funds, a single audit in compliance with federal law (OMB Circular A-133) is required. This law requires additional testing of internal controls and compliance with the many laws and regulations affecting Federal Fund Assistance. The City's internal controls and compliance with various laws and regulations have met the Federal criteria in the past as evidenced by prior years' single audits and Management is confident that this compliance continues.

The City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities for all funds are included in the annual appropriated budget.

As demonstrated by the statements and schedules included in the financial section of this report, the government continues to meet its responsibility for sound financial management.

Cash Management Policies and Practices

It is the policy of the City Council to invest idle funds (cash not needed for immediate use) in a manner that provides the highest safety, liquidity and yield. Investments are made according to the California government code section 536000 et seq. and the adopted City Investment Policy. As of June 30, 2010, approximately 48% of the City's investments were invested in short term Federal Agency Bonds and Notes, another 38% were invested in the Local Agency Investment Fund (LAIF) and California Asset Management Program (CAMP) with the balance in bond trusts (12%) and the cash accounts (3%) used to maintain the cash flow of the City.

The City's cash management practices include the establishment of contingencies, reserves and designations to: 1) stabilize the City's fiscal base for anticipated fluctuations in revenues and expenditures; 2) provide for nonrecurring, unanticipated expenditures; and 3) provide for innovative opportunities for the betterment of the community. The following contingencies, reserves and designations have been established:

** General Fund Contingency – The purpose of this contingency is to set aside funds for unanticipated, nonrecurring expenditures. An informal policy of the City Council (supported by minute actions and council discussions) has been to maintain a reserve for the General Fund in the range of between 15% and 5% and adopt a balanced budget based upon utilization of the City's reserves.

** Reserve for Encumbrances – Encumbrances are commitments to spend for services and supplies which are ordered or contracted in one year but not fulfilled until the next year. The City determines the balance of its reserve for encumbrance during the process of closing the books on an annual basis.

** Reserve for Low and Moderate Income Housing – State redevelopment law requires that, for cities having redevelopment areas and agencies, 20% of the annual tax increment be set aside and used solely to meet the need for very low, low and moderate income housing for the citizens of the City.

** Designated for Equipment Replacement – Each year, in accordance with an amortization schedule developed for each piece of equipment purchased by the city (meeting a minimum threshold in cost and useful life), funds are set aside and designated for eventual replacement. Beginning in FY 2009, the City has delayed any contribution to equipment replacement due to the severe economic downturn. Likewise, all nonessential capital spending has been stopped for the past three budget cycles.

Risk Management

The City is a member of the Northern California Cities Self Insurance Fund (NCCSIF), a joint powers authority that provides the member municipalities with risk management services. The City pays annually into the fund for liability and worker's compensation coverage. NCCSIF is a shared risk pool and the City is self insured up to \$50,000 for general liabilities and up to \$100,000 for worker's compensation claims. The activity in the risk management pool over the past several years has not exceeded the annual payments made by the City.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The firm Mann Urrutia Nelson CPAs & Associates was selected by the City Council to audit the City's financial records. The auditor's report on the basic financial statements is included in the financial section of this report.

ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the efficient and dedicated service of the entire staff of the Finance Department and the auditing firm of Mann Urrutia Nelson CPAs & Associates. We would like to express appreciation to Ms. Michelle O. Nelson, CPA, Partner at Mann Urrutia Nelson CPAs & Associates and to her staff, especially Erica Pastor, CPA, who has led the audit fieldwork for the past two years. Kate Zawadzki, Accounting Manager, Rebecca Hendrix, Management Aide, Donna Jacobs, Accounting and Payroll Technician, Jodie VanMeerten, Account Clerk I and Diane Peuse, Account Clerk I, of the Finance Department also assisted and contributed to its preparation.

We would also like to thank members of the City Council, and the various departments for their cooperation and support in planning and conducting the financial operations of the City during the fiscal year.

Respectfully submitted,

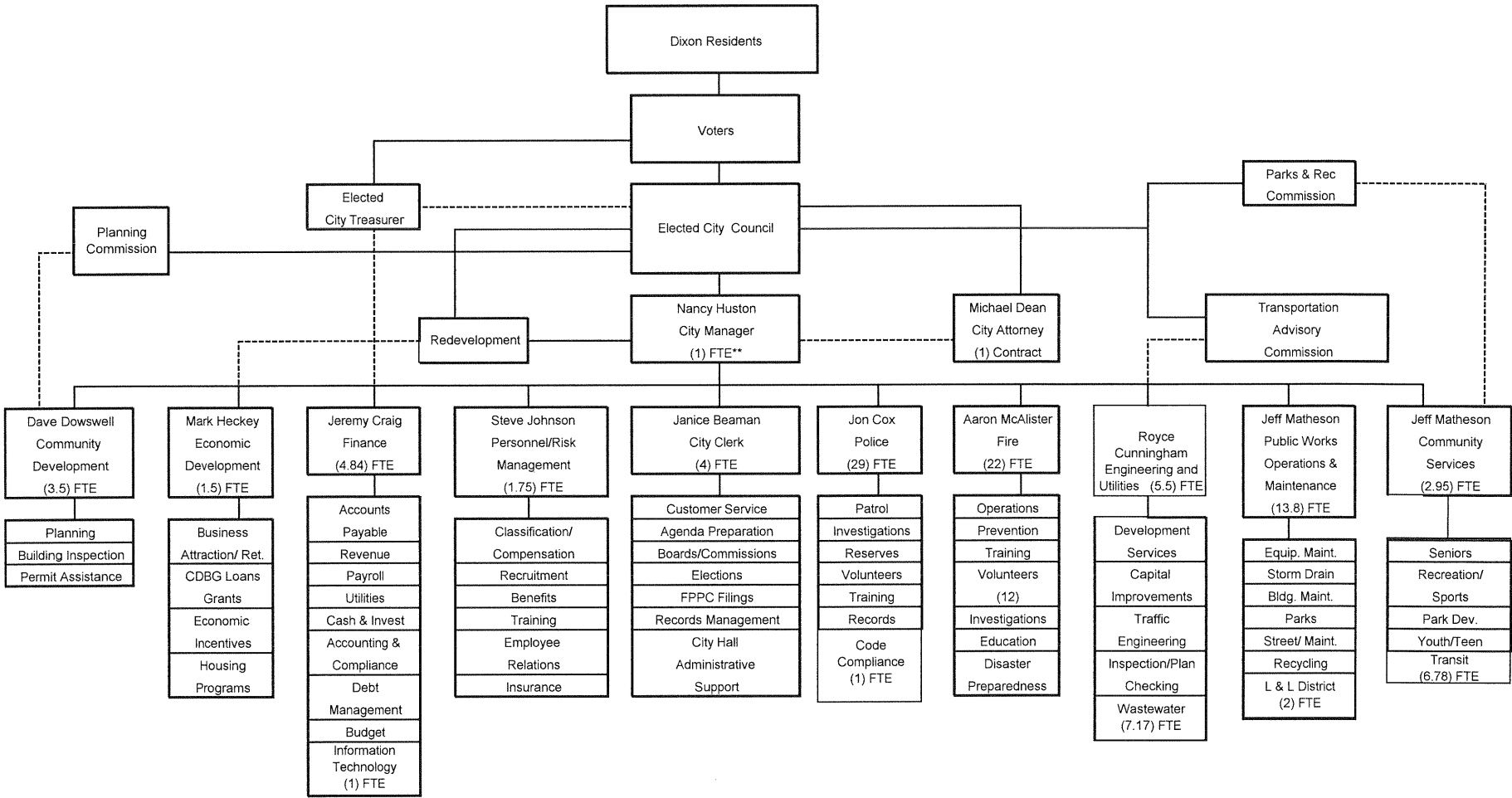


Nancy L. Huston,
City Manager



Jeremy T. Craig
Director of Finance & Technology

City of Dixon Organization Chart



** Full Time Equivalent Position (FTE)

Revised 5/27/10

CITY OF DIXON
ELECTED OFFICIALS
AND
EXECUTIVE STAFF

JUNE 30, 2010

ELECTED OFFICIALS

Mayor	Jack Batchelor, Jr.
Vice Mayor	Rick Fuller
Council Member	Dane Besneatte
Council Member	Kay Cayler
Council Member	Michael Ceremello
City Treasurer	James Slaughter

EXECUTIVE STAFF

City Manager	Nancy L. Huston**
City Attorney	Michael F. Dean**
City Clerk	Janice Beaman
City Engineer	Royce W. Cunningham
Community Development Director	David Dowswell
Economic Development Director	Mark Heckey
Human Resource Director	Steve Johnson
Recreation and Community Services Director	Jeff Matheson
Interim Public Works Director	Jeff Matheson
Police Chief	Jon Cox
Fire Chief	Aaron McAlister
Director of Finance & Information Technology	Jeremy Craig

** Appointed by City Council

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

To the City Council of
 the City of Dixon
 Dixon, 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 Dixon (the "City") as of and for the year ended June 30, 2010, which collectively comprise the City's financial statements as listed in the Table of Contents. These basic financial statements are the responsibility of the City'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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dixon, as of June 30, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2010, on our consideration of the City of Dixon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

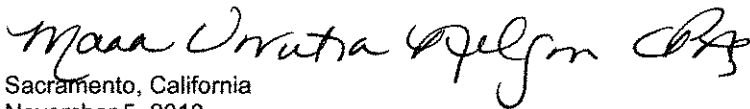
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the 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.

PRINCIPALS

Chris A. Mann, CPA, CFP • John R. Urrutia, CPA • Michelle O. Nelson, CPA, CFE, CVA • Kriss Ann Mann, CPA, CCPS

Christine L. Collins, EA • Justin J. Williams, CPA, CVA • Neil J. Beeman, CPA

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dixon's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the budgetary comparison schedules are the responsibility of management and were derived from and relate 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 the audit of the 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 and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in cursive script, appearing to read "Maria Urutia" followed by a stylized flourish.

Sacramento, California
November 5, 2010

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

This section of the City of Dixon California's Comprehensive Annual Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our transmittal letter and in the City's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government-wide:

- The City's total net assets decreased \$7.9 million in fiscal year 2010. At June 30, 2010, net assets totaled \$211.9 million.
- Government-wide revenues totaled \$19.1 million, including program revenues of \$7.0 million and general revenues of \$12.1 million, a decrease of \$0.8 million from prior year's \$19.9 million.
- Total government-wide expenses were \$27.1 million, an increase of \$1.8 million from the prior year's \$25.3 million.
- Net assets in governmental activities decreased \$6.7 million, while net assets in business-type activities decreased \$1.3 million.
- Governmental program revenues increased to \$3.6 million from fiscal year 2009's \$3.0 million.
- Governmental program expenses increased to \$22.7 million in fiscal 2010, up \$2.0 million from the prior year's \$20.7 million.
- Program revenues from business-type activities increased by \$.3 million from prior year's \$3.0 million to \$3.3 million in fiscal 2010.
- Expenses of business-type activities decreased to \$4.4 million in fiscal 2010, a \$.1 million decrease from the prior year's level of \$4.5 million.

Fund Level:

- Governmental fund balances decreased to \$16.6 million in fiscal 2010 from the prior year's \$20.4 million.
- Governmental fund revenues decreased to \$14.9 million in fiscal 2010, down \$2.1 million from the prior year's \$17.0 million.
- Governmental fund expenditures increased to \$19.0 million in fiscal 2010, up \$1.0 million from fiscal 2009's level of \$18.0 million.
- General Fund revenues of \$10.5 million represented a decrease of \$1.9 million from fiscal 2009's revenues of \$12.4 million.
- General Fund fund balance decreased to \$4.4 million at June 30, 2010 down from fiscal 2009's level of \$5.4 million.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The financial section of this report consists of four parts:

- 1) Independent Auditor's Report;
- 2) Management's Discussion and Analysis (this section);
- 3) Basic Financial Statements which include:
 - Government-Wide Financial Statements;
 - Fund Financial Statements;
 - Notes to the Basic Financial Statements; and
- 4) Combining and Individual Fund Financial Statements and Schedules.

The basic financial statements include two kinds of statements which present different views of the City.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

Government-Wide Financial Statements

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

The Statement of Net Assets (page 18) presents information on all of the City'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 the City's financial improvement or deterioration.

The Statement of Activities (page 19) presents information showing how the government's net assets changed during the past year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (accrual basis of accounting). Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue – "governmental activities" from other functions that are intended to recover all or a significant portion of their costs through users fees and charges – "business-type activities." The governmental activities of the City of Dixon include general government, public protection, parks and recreation, development, and public ways and facilities. The business-type activities of the city include sewer, water and the transit system.

The government-wide financial statements include not only the City of Dixon itself (known as the primary government), but also the legally separate Dixon Public Improvement Corporation, the City of Dixon Redevelopment Agency and the Dixon Public Financing Authority. The City Council serves as the governing body of each of these component units and the City is financially accountable for them, resulting in their financial information being included in the City's Comprehensive Annual Financial Report on a blended basis.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that that have been segregated for specific activities or objectives. The City of Dixon, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Dixon can be divided into three categories:

- ** Governmental funds;
- ** Proprietary funds; and
- ** Fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as "governmental activities" in the government-wide financial statements. However, unlike those statements, the focus in these statements is 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. This information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental fund financial statements 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 government'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 City of Dixon maintains several individual governmental funds organized according to their type (special revenue, debt service, capital projects, etc). The City Council (or agency board for Redevelopment, the Dixon Public Financing Authority or the Dixon Public Improvement Corporation) adopts an annual appropriated budget for each fund within the City.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

The fund financial statements provide detailed information about each of the City's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all non-major funds summarized and presented only in a single column. Subordinate schedules present the detail of these non-major funds. Major funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City's activities. For the fiscal year ending June 30, 2010, the City of Dixon's major funds are as follows:

- ** General Fund
- ** Redevelopment Special Revenue Fund
- ** Low/Moderate Income Housing Fund (Redevelopment) Special Revenue Fund
- ** Transportation Capital Projects Fund
- ** Storm Drain Fund

Data from the remaining nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of "combining statements" starting on page 73.

For the governmental funds financial statements, the following funds were reported as major funds in the 2008-09 fiscal year and continue to be reported as a major funds for FY 2009-10

- ** Redevelopment Special Revenue Fund tracks the activity of the Dixon Redevelopment Agency which operates one economic redevelopment area encompassing most of the first street development area.
- ** The Low/Moderate Income Housing Fund is a special revenue fund which has been established to monitor the use of 20% of the Redevelopment tax increment which must be set aside and used for very low, low and moderate housing programs. The City of Dixon Redevelopment Agency (RDA) makes long-term, low-interest loans to first time home buyers and for homeowner rehabilitation projects for citizens of the City who meet income criteria.
- ** The Transportation Capital Projects Fund tracks grants, fees, and transfers collected to fund streets and transportation infrastructure.
- ** The Storm Drain Fund is a capital improvement project fund established to monitor the use of development impact fees collected to expand drainage facilities in the City of Dixon.

A budgetary comparison statement has been provided in the basic financial statements which reflect both original and final budgets for the general fund and for the major special revenue funds.

Proprietary funds are generally used to account for services for which the City charges customers – either outside customers, or internal departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City has maintained one type of proprietary fund – enterprise funds – as described below:

- ** Enterprise funds are used to report the same functions as presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for sewer, water (one half of the water system) and transit.

Fiduciary funds are used to account for resources held for the benefit of parties outside and within the City. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. The Statement of Fiduciary Net Assets is found on page 30 and includes the West A Assessment District, the North First Street Assessment District, Flexible Spending Account, the Dixon Fire Protection District and Dixon-Solano Municipal Water Service (SID Interest).

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

Notes to the Basic 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 basic financial statements can be found on pages 31 - 61 of this report.

Combining and Individual Fund Statements and Schedules

This final section of the report includes additional detailed information about nonmajor governmental and agency funds and can be found beginning on page 69.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted above, net assets may serve over time as a useful indicator of a government's financial position. For the City of Dixon, restricted and unrestricted net assets were \$211.9 and \$219.8 million at June 30, 2010 and 2009, respectively. Overall total net assets decreased by \$7.9 million in FY 2010.

The Summary of Net Assets as of June 30, 2010 and 2009 follows:

	Statement of Net Assets								
	As of June 30, 2010 and 2009								
	(in thousands)								
	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Total Government</u>		
	<u>2010</u>	<u>2009</u>	<u>Net Change</u>	<u>2010</u>	<u>2009</u>	<u>Net Change</u>	<u>2010</u>	<u>2009</u>	<u>Net Change</u>
ASSETS									
Current and other assets	\$ 19,004	\$ 22,415	\$ (3,411)	\$ 3,705	\$ 3,381	\$ 324	\$ 22,709	\$ 25,796	\$ (3,087)
Capital assets	<u>146,191</u>	<u>149,692</u>	<u>(3,501)</u>	<u>54,472</u>	<u>56,162</u>	<u>(1,690)</u>	<u>200,663</u>	<u>205,854</u>	<u>(5,191)</u>
Total Assets	<u>165,195</u>	<u>172,107</u>	<u>(6,912)</u>	<u>58,177</u>	<u>59,543</u>	<u>(1,366)</u>	<u>223,372</u>	<u>231,650</u>	<u>(8,278)</u>
LIABILITIES									
Long-term liabilities	7,114	7,353	(239)	1,588	1,696	(108)	8,702	9,049	(347)
Other liabilities	<u>2,028</u>	<u>2,083</u>	<u>(55)</u>	<u>747</u>	<u>699</u>	<u>48</u>	<u>2,775</u>	<u>2,782</u>	<u>(7)</u>
Total Liabilities	<u>9,142</u>	<u>9,436</u>	<u>(294)</u>	<u>2,335</u>	<u>2,395</u>	<u>(60)</u>	<u>11,477</u>	<u>11,831</u>	<u>(354)</u>
NET ASSETS									
Invested in capital assets, net of related debt	139,561	142,637	(3,076)	52,792	54,387	(1,595)	192,353	197,024	(4,671)
Restricted	3,395	2,509	886	196	182	14	3,591	2,691	900
Unrestricted	<u>13,097</u>	<u>17,525</u>	<u>(4,428)</u>	<u>2,853</u>	<u>2,579</u>	<u>274</u>	<u>15,950</u>	<u>20,104</u>	<u>(4,154)</u>
Total Net Assets	<u>\$156,053</u>	<u>\$162,671</u>	<u>\$ (6,618)</u>	<u>\$ 55,841</u>	<u>\$ 57,148</u>	<u>\$ (1,307)</u>	<u>\$211,894</u>	<u>\$219,819</u>	<u>\$ (7,925)</u>

Analysis of Net Assets

With the consolidation of government-wide net assets into one statement and other changes such as the exclusion of fiduciary funds, net assets may now serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$211.9 million in FY 2010 and \$219.8 million in FY 2009. The decrease of approximately \$7.9 million for the year ended June 30, 2010 was the result of governmental expenses exceeding revenues by \$6.7 million and an operating loss in business type activities of \$1.3 million. The \$5.0 million decrease in 2009 was the result of governmental expenses exceeding revenues by \$3.3 million and an operating loss of \$1.7 million in business type-activities for the year ended June 30, 2009. The loss in FY 2010 is mainly due to the loss of revenue as result of the decline in development combined with recession impacted property and sales tax revenues.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

The City reported positive balances in all categories of net assets, as well as for its separate governmental and business-type activities. The primary components of the City's net assets include:

- ** \$192.3 million and \$197.0 million (91% and 90%) at June 30, 2010 and 2009 in net capital assets (e.g., infrastructure, land, buildings, other improvements, construction in progress and equipment), less any outstanding related debt used to acquire these assets. The City uses these capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the City's investment 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.

- ** \$3.6 million and \$2.7 million (2% and 1%) at June 30, 2010 and 2009 in net assets represent resources that are subject to external restrictions on how they may be used. Included in restricted net assets are \$ 3.0 million and \$1.9 million for community development for FY 2010 and 2009 and \$0.6 million and \$0.8 million for debt service and retirement at June 30, 2010 and 2009.

- ** The remaining \$15.9 million and \$20.1 million at June 30, 2010 and 2009 are unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

Statement of Activities

Governmental activities decreased the City's net assets by \$6.7 million in FY 2010. In FY 2009 governmental activities decreased net assets \$3.6 million. Total revenue decreased approximately \$1.1 million in FY 2010 and \$4.5 million in 2009, reflecting the continuing decrease in revenues associated with building and permits and recession impacted property and sales taxes. Expenses increased approximately \$1.9 million during FY 2010 and decreased by \$2.6 million during 2009. Business type activities decreased the City's net assets by \$1.3 million during the year ended June 30, 2010, while resulting in a decrease of \$1.7 million during 2009. An analysis of key changes at the governmental funds level is provided below under Financial Analysis of the City's Funds.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

Statement of Activities
For the Years Ended June 30, 2010 and 2009
(in thousands)

	<u>Governmental Activities</u>			<u>Business-type Activities</u>			<u>Total Government</u>		
	<u>2010</u>	<u>2009</u>	<u>Net Change</u>	<u>2010</u>	<u>2009</u>	<u>Net Change</u>	<u>2010</u>	<u>2009</u>	<u>Net Change</u>
REVENUES:									
Program revenues									
Charges for services	\$ 1,338	\$ 1,597	\$ (259)	\$ 2,743	\$ 2,358	\$ 385	\$ 4,081	\$ 3,955	\$ 126
Operating grants and contributions	854	505	349	544	669	(125)	1,398	1,174	224
Capital grants and contributions	1,413	853	560	57	-	57	1,470	853	617
General revenues									
Taxes	11,773	13,165	(1,392)	-	-	-	11,773	13,165	(1,392)
Interest and investment earnings	244	537	(293)	33	91	(58)	277	628	(351)
Other revenue	80	125	(45)	22	9	13	102	134	(32)
Transfers	308	305	3	(308)	(305)	(3)	-	-	-
Total Revenues	<u>16,010</u>	<u>17,087</u>	<u>(1,077)</u>	<u>3,091</u>	<u>2,822</u>	<u>269</u>	<u>19,101</u>	<u>19,909</u>	<u>(808)</u>
EXPENSES:									
Governmental activities									
General government	3,130	2,323	807	-	-	-	3,130	2,323	807
Public safety	7,832	7,961	(129)	-	-	-	7,832	7,961	(129)
Parks and recreation	2,361	2,394	(33)	-	-	-	2,361	2,394	(33)
Community development	3,553	2,426	1,127	-	-	-	3,553	2,426	1,127
Public ways and facilities	5,396	5,186	210	-	-	-	5,396	5,186	210
Interest on long-term liabilities	406	428	(22)	-	-	-	406	428	(22)
Business-type activities									
Sewer	-	-	-	2,938	3,066	(128)	2,938	3,066	(128)
Water	-	-	-	882	830	52	882	830	52
Transit	-	-	-	569	638	(69)	569	638	(69)
Total Expenses	<u>22,678</u>	<u>20,718</u>	<u>1,960</u>	<u>4,389</u>	<u>4,534</u>	<u>(145)</u>	<u>27,067</u>	<u>25,252</u>	<u>1,815</u>
Change in net assets	<u>(6,668)</u>	<u>(3,631)</u>	<u>(3,037)</u>	<u>(1,298)</u>	<u>(1,712)</u>	<u>414</u>	<u>(7,966)</u>	<u>(5,343)</u>	<u>(2,623)</u>
Net assets - beginning of year	162,671	165,993	(3,322)	57,148	58,834	(1,686)	219,819	224,827	(5,008)
Restatement	49	309	(260)	(9)	25	34	40	334	(294)
Net assets - beginning of year, restated	<u>162,720</u>	<u>166,302</u>	<u>(3,582)</u>	<u>57,139</u>	<u>58,859</u>	<u>(1,652)</u>	<u>219,859</u>	<u>225,161</u>	<u>(5,302)</u>
Net assets - end of year	<u>\$156,052</u>	<u>\$162,671</u>	<u>\$ (6,619)</u>	<u>\$ 55,841</u>	<u>\$ 57,147</u>	<u>\$ (1,238)</u>	<u>\$211,893</u>	<u>\$219,818</u>	<u>\$ (7,925)</u>

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

Revenues

The City's total revenues were \$19.1 million for the year ended June 30, 2010 as compared to \$19.9 million as of June 30, 2009. Revenue from governmental activities totaled \$16.0 million in 2010 and \$17.1 million in 2009. Revenues from business type activities totaled \$3.4 million and \$3.1 million for the years ended June 30, 2010 and 2009, respectively.

Program revenues included charges for services and grants and contributions. Program revenues were \$6.9 million in 2010 and \$6.0 million in FY2009 or 36% and 30%. Revenues did not keep pace with expenses in neither governmental nor business type activities, which is reflected in the reduction in net assets of \$7.9 million for the year ending June 30, 2010. During FY 2009, net assets decreased by \$5.3 million.

General revenues include, among other things, taxes and intergovernmental revenues. The majority of general revenues came from property, sales and other taxes. General revenues provided \$12.2 million and \$13.9 million (65% and 70% of the total) for the years ended June 30, 2010 and 2009.

Expenses

Expenses for the City totaled \$27.0 million and \$25.3 million for the years ended June 30, 2010 and 2009, respectively. Governmental activities incurred \$22.7 million and \$20.7 million and business type activities incurred \$4.4 million and \$4.5 million in expenses during the years ended June 30, 2010 and 2009, respectively. As can be seen in the table above, governmental activities expenses were about 15.7% and 14.0% funded by program revenues, fees, grants and contributions during the years ended June 30, 2010 and 2009. The remaining 84.3% and 86% (\$19.1 million and \$17.8 million) of their funding came from general revenues and net assets for the years ended June 30, 2010 and 2009. Business type activities expenses exceeded program revenues by \$1.0 million and \$1.5 million in June 30, 2010 and 2009 respectively. This is not consistent with City financial policies and is due to the inability to raise rates in Water and Sewer activities to counter decreases in use and increasing expenses.

Governmental Activities

As shown above in the summary of the Statement of Activities, the majority of governmental activities and operations rely on general revenues for funding. The following table shows the cost of each of the City's major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City's taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2010 and 2009 follows:

Cost of Services by Program
Governmental Activities
For the Years Ended June 30, 2010 and 2009
(in thousands)

Program	2010		2009	
	Total	Net	Total	Net
General government	\$ 3,130	\$ 2,707	\$ 2,323	\$ 2,137
Public safety	7,832	6,875	7,961	7,014
Parks and recreation	2,361	2,168	2,394	2,060
Development	3,553	3,371	2,426	2,223
Public ways and facilities	5,396	3,545	5,186	3,901
Interest on long term liabilities	<u>406</u>	<u>406</u>	<u>428</u>	<u>428</u>
Total Expenses	\$ <u>22,678</u>	\$ <u>19,072</u>	\$ <u>20,718</u>	\$ <u>17,763</u>

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

General operations throughout the City are subsidized by general revenue. For each year program revenues generated by development related programs show the funds being collected and set aside for infrastructure projects necessary to meet the needs of growth. Fees are collected under California Government Code § 66000, et seq. among other laws to provide for infrastructure to meet the needs of new development. In this program, funds are collected over a number of years to be used for capital projects or debt service directly related to growth. As the projects are completed, the City's infrastructure value grows:

Revenues by Source
Governmental Activities
For the Years Ended June 30, 2010 and 2009
(in thousands)

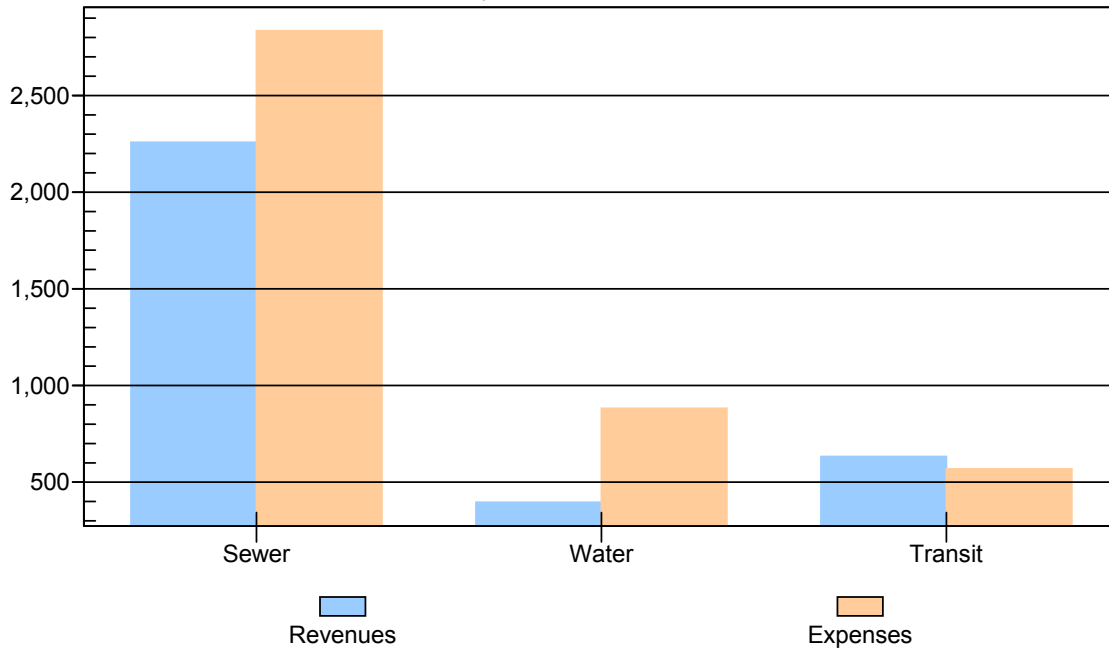
	2010		2009	
	Amount	% of Total	Amount	% of Total
Revenues:				
Program revenues				
Charges for services	\$ 1,338	8.4 %	\$ 1,597	9.3 %
Operating grants and contributions	854	5.3 %	505	3.0 %
Capital grants and contributions	1,413	8.8 %	853	5.0 %
General revenues				
Sales and use taxes	4,527	28.3 %	5,236	30.6 %
Property taxes	4,915	30.7 %	5,363	31.4 %
Motor vehicle and gas taxes	1,673	10.4 %	1,847	10.8 %
Franchise taxes	502	3.1 %	520	3.0 %
Transient occupancy taxes	157	1.0 %	200	1.2 %
Interest and investment earnings	244	1.5 %	537	3.1 %
Other revenue	80	0.5 %	125	0.7 %
Transfers	308	1.9 %	305	1.8 %
Total Revenues	\$ 16,011	100 %	\$ 17,088	100 %

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

Business-Type Activities

The net assets for the business type activities reflect sewer, water and transit operations. The net assets for these activities decreased by \$1.3 million during FY 2010. Business type activities are intended to match program expenses and revenues as well as to collect fees and develop the infrastructure needed to expand and to maintain the respective systems. The collection of fees for expansion and the construction of capital projects do, on occasion, cause the balance between revenue and expense to vary. Following is the comparison of expenses and program revenues by source for the business type activities for the fiscal years ended June 30, 2010 and 2009.

Operating Expenses and Program Revenues
 Business Type Activities FY 2009-10



As stated above, program expenses and revenues are generally equivalent. Expenses in the current year exceeded revenues and net assets were utilized.

Revenues by source in business type activities breakdown as follows:

Revenues by Source
Business-type Activities
For the Years Ended June 30, 2010 and 2009
 (in thousands)

Revenues by Source	2010		2009	
	Amount	% of Total	Amount	% of Total
Charges for services	\$ 2,743	80.7 %	\$ 2,358	75.4 %
Grants and contributions	601	17.7 %	669	21.4 %
Other	55	1.6 %	100	3.2 %
Total Revenues	\$ 3,399	100 %	\$ 3,127	100 %

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

Financial Analysis of the City's Funds

The City of Dixon uses fund accounting to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance.

Governmental Funds

The focus of the City's government funds is to provide information on near term inflows, outflows, and balances of resources that are available to provide services and capital project construction. In particular, unreserved fund balance may serve as a useful measure of a government's net spendable resources.

At the end of FY 2010 the City's governmental funds reported combined fund balances of \$16.6 million, a decrease of \$3.8 million from the prior year. This decrease is the result of the decline in revenues in the past two years due reduced economic activity and the housing crisis. Of the total fund balance of \$16.6 million, approximately \$1.6 million is designated for equipment replacement and approximately \$11.8 million is undesignated. Of the remaining governmental fund balance of \$3.2 million, \$1.1 million is reserved and not available for new spending because it has been committed to pay for prior year commitments and other specific requirements.

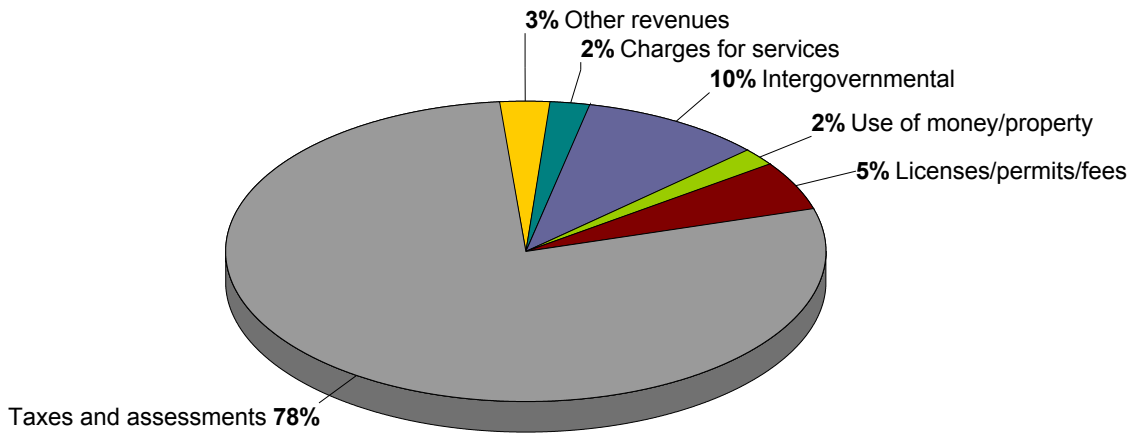
The table below presents the amount of revenues from various sources for the current and prior fiscal year.

Revenues Classified by Source
Governmental Funds
For the Years Ended June 30, 2010 and 2009
(in thousands)

	2010		2009	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>
Revenues by Source				
Taxes and assessments	\$ 11,682	78.2 %	\$ 13,536	79.8 %
Licenses, permits, and fees	790	5.3 %	1,052	6.2 %
Fines and forfeitures	35	0.2 %	54	0.3 %
Use of money and property	285	1.9 %	637	3.8 %
Program income	59	0.4 %	112	0.7 %
Intergovernmental revenues	1,465	9.8 %	707	4.2 %
Charges for services	316	2.1 %	446	2.6 %
Developer fees	38	0.3 %	272	1.6 %
Other revenue	<u>275</u>	<u>1.8 %</u>	<u>146</u>	<u>0.9 %</u>
Total Revenue	<u>\$ 14,945</u>	<u>100 %</u>	<u>\$ 16,962</u>	<u>100 %</u>

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

Revenues Classified by Source
Governmental Funds FY 2009-10



Key elements of the changes noted above include:

Taxes and assessments provide the greatest source of revenues for the City. These sources represent 78% of total revenues. The decline in collections is largely the result of the effect of economic conditions on consumer spending and declining property values due to the national housing crisis

Intergovernmental revenues reflect revenue received from other agencies for capital projects. During FY 2010 these revenues increased by \$8.0 million and represent about 9.8% of revenues, an increase from 4.2% in FY 2009. The increase was related to an increase in federal and state grants received in 2010 versus 2009 for public works and public safety activities.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

The following table presents expenditures by function compared to prior year amounts:

Expenditures by Function
Governmental Funds
For the Years Ended June 30, 2010 and 2009
(in thousands)

Expenditures by Function	2010		2009	
	Amount	% of Total	Amount	% of Total
General government	\$ 2,917	15.3 %	\$ 1,956	10.8 %
Public safety	7,296	38.3 %	7,570	41.9 %
Parks and recreation	1,542	8.1 %	1,706	9.4 %
Development	3,258	17.1 %	2,930	16.2 %
Public ways and facilities	2,273	11.9 %	1,924	10.7 %
Debt service				
Principal	425	2.2 %	400	2.2 %
Interest and other charges	397	2.1 %	419	2.3 %
Capital outlay	<u>917</u>	<u>4.8 %</u>	<u>1,148</u>	<u>6.4 %</u>
Total Expenditures	\$ 19,025	100 %	\$ 18,053	100 %

Key elements of the changes noted above include:

General government spending was increased by 49% from the prior year due to the City's one-time payment of agricultural mitigation fees to a land trust for agricultural conservation.

Capital outlay decreased from 2009 to 2010, due to timing of projects and reduction of activity related to revenue reductions.

Major Funds

The General Fund saw a \$1.0 million decrease in fund balance due partially to the State of California "borrowing" \$0.5 million dollars of property taxes in FY 2010 to balance the State Budget. These funds will be due back to the City in FY 2013. In addition, sales taxes and charges for services decreased sharply in FY 2010 due to continued economic weakness, and represent major components of the General Fund's revenues.

Likewise, the Redevelopment Fund saw a \$0.6 million decrease in fund balance due to the State of California confiscating \$0.8 million from the Redevelopment Agency to balance the State Budget which will never be returned. Low/Moderate Income Housing fund balance decreased \$0.3 million due to continued program expenditures during the economic downturn. The expenditures were part of the program plan.

Other Governmental Funds aggregated to a \$1.4 million decrease in fund balances due to the City completing its one-time payment of agricultural mitigation fees to a land trust for agricultural conservation. This was a planned expenditure and reflects the completion of mitigation planning over the past several years.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

Proprietary Funds

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

At June 30, 2010 and 2009, respectively, the unrestricted net assets were approximately \$0.11 million and \$0.22 million for the Dixon interest in Dixon Solano Municipal Water Service (DSMWS). Unrestricted net assets in the Sewer fund were \$2.7 million at June 30, 2010 and \$2.3 million at June 30, 2009. The Transit Fund shows an increase in net assets to \$0.32 million in 2010 from \$.26 million in 2009 as result of a surplus of \$.05 million.

Operations of proprietary funds showed an increase of 11.5% in operating revenues mainly due to increased sewer fees and a decrease of 2.1% in operating expenses, mainly in the sewer fund also.

GENERAL FUND BUDGETARY HIGHLIGHTS

Starting July 1, 2007, the City began spending more in General Fund expenditures than revenues and used reserves to balance the budget. Despite the use of reserves, the City was fortunate enough to start FY 2009-10 with a projected 15% reserve. The actual ending reserve for the FY 2009-10 turned out to be higher at 19%. The Council approved a General Fund budget of \$13.5 million for FY 2010-11 which required the use of \$0.65 in reserves; with a projected 13% ending reserve balance.

Due to the prolonged economic downturn, the City has continued to restructure operations to lower staffing requirements and operating costs. In FY 2009-10, the City offered an early retirement incentive to tenured workers which resulted in five retirements in the General Fund (or roughly 4% of the staff in the General Fund). During FY 2010-11, the City will continue to review operations given economic conditions are not forecasted to improve throughout California for the next few years.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business type activities as of June 30, 2010 and 2009, respectively, was \$200.1 million and \$205.9 million (net of accumulated depreciation). This investment in capital assets includes: infrastructure, land, buildings, improvements other than buildings, construction in progress and equipment. The total decrease in the City's investment in capital assets for FY 2010 was \$5.2 million and reflects the decline in growth taking place in prior years. In FY 2009 the decrease of \$4.8 million, prior to depreciation, was also a result of declining growth.

For government wide financial statement presentation, all depreciable capital assets are depreciated from the start of the year following acquisition over their useful lives. Governmental fund financial statements record capital asset purchases as expenditures. Capital assets for the governmental and business type activities are presented in the following table to illustrate changes from the prior year.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

Capital Assets (net of depreciation)
As of June 30, 2010 and 2009
(in thousands)

	2010			2009		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Land	\$ 2,737	\$ 785	\$ 3,522	\$ 2,737	\$ 785	\$ 3,522
Construction in progress	2,212	1,180	3,392	1,922	1,187	3,109
Buildings & improvements	7,699	51,968	59,667	7,921	53,669	61,590
Equipment	2,185	539	2,724	4,570	521	5,091
Infrastructure	<u>131,358</u>	<u>-</u>	<u>131,358</u>	<u>132,543</u>	<u>-</u>	<u>132,543</u>
Total Net Capital Assets	<u>\$ 146,191</u>	<u>\$ 54,472</u>	<u>\$ 200,663</u>	<u>\$ 149,693</u>	<u>\$ 56,162</u>	<u>\$ 205,855</u>

Additional information about the City's capital assets can be found in Note 5 in the Notes to the Basic Financial Statements.

DEBT ADMINISTRATION

During FY 2010 and FY 2009 the City issued no new debt. At the end of FY 2010, the City of Dixon had outstanding bonds and other long term liabilities of \$6.6 million for governmental activities and \$1.7 million for business type activities, respectively. Bonds comprised all but about \$1.4 million of the City's long-term liabilities. The bonds are rated from BAA to AAA under the Standard & Poor's rating system. Additional information about the City's long-term obligations can be found in Note 6 in the Notes to Basic Financial Statements. The following table recaps the City's bonds payable as of June 30, 2010:

Bonded Debt - Long Term
Outstanding Balances
As of June 30, 2010
(in thousands)

Bond	Purpose	Amount
Governmental Activities:		
1981 FHA lease revenue bond	City Hall	\$ 480
1995 Tax allocation refunding bonds	Redevelopment	3,195
1996 Refunding lease revenue bonds	Police station	810
1997 Dixon fire station project bonds	Fire station	<u>2,145</u>
Total Governmental Activities		<u>\$ 6,630</u>
Business-type Activities:		
1996 Lease revenue bonds	Sewer system	<u>\$ 1,680</u>

Special Assessment District Debt:

Two special assessment districts and one financing authority in the City have in the past also issued debt to finance infrastructure in their respective districts. The bonds were refinanced and combined in 1998 to take advantage of lower interest rates. As of June 30, 2010 and 2009, a total of \$24.8 and \$27.3 million of this debt was outstanding respectively. This debt is secured by special assessments on the real property in the districts issuing the debt, and is a limited obligation of the City. The City's only responsibilities are to collect assessments from the property owners and take actions to collect delinquent special assessments from property owners in accordance with the City's covenant with the bondholders.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Fiscal year 2010 saw a continued economic downturn nationwide which had negative impacts on the City's financial condition. Those impacts led to large decreases in the City's two major revenue sources; property and sales taxes. The City has met these challenges by reducing expenditures, including offering early retirements to employees, mandating a furlough program for all employees and cutting all nonessential spending. The fiscal year 2011 budget anticipates continued weakness in revenues by maintaining and expanding the cost cutting measures in place. A return of more normal economic activity will result in sales tax revenues rebounding, however, California Proposition 13 dictates the assessed value of real property is set at transfer and cannot increase by more than 2% each year afterwards. Given the current housing crisis generating a large number of transfers of distressed, foreclosed or significantly reduced properties, the City does not expect property tax revenues to return to Fiscal Year 2008 totals for a significant number of years.

The City's proprietary funds face other challenges. A long term financial plan and rate and fee study for the Dixon Solano Municipal Water Services (DSMWS) recommended a 9% increase in water rates for five consecutive years in order to prevent continued financial deterioration and to begin building a prudent rehabilitation reserve. However, the DSMWS board only approved a one-time 9% increase, so another rate study will be undertaken in 2011 to determine what additional action needs to be taken. Likewise, the Sewer Fund is still reviewing the results of its recent rate increases. Unfortunately, the economic downturn has resulted in actual revenues falling below what the Sewer Rate Study projected and will require a new rate study to determine if those reduced revenues will prevent the Sewer Fund from completing necessary rehabilitation and enhancements to the Sewer System as required by State Law.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Dixon'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 Jeremy Craig, Director of Finance and Technology for the City at 600 East A Street, Dixon, CA 95620, phone 707-678-7000, jcraig@ci.dixon.ca.us, or you may visit our website at www.ci.dixon.ca.us for information.

CITY OF DIXON
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and investments (Note 2)	\$ 14,023,970	\$ 2,990,192	\$ 17,014,162
Accounts receivable	631,807	586,116	1,217,923
Interest receivable	78,949	18,911	97,860
Taxes receivable	993,030	-	993,030
Due from other governments	929,712	24,984	954,696
Notes receivable, net of allowance \$4,863,083 (Note 3)	458,055	-	458,055
Internal balances	528,434	(528,434)	-
Prepaid expenses	524,250	375	524,625
Inventory	889	-	889
Restricted cash and cash equivalents (Note 2)	718,976	576,870	1,295,846
Deferred charges, net of accumulated amortization (Note 6)	115,479	35,527	151,006
Capital assets (Note 5)			
Land and construction in progress	4,949,406	1,965,594	6,915,000
Other capital assets, net of depreciation	<u>141,241,498</u>	<u>52,506,759</u>	<u>193,748,257</u>
Total capital assets	<u>146,190,904</u>	<u>54,472,353</u>	<u>200,663,257</u>
Total Assets	<u>\$ 165,194,455</u>	<u>\$ 58,176,894</u>	<u>\$ 223,371,349</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 343,282	\$ 81,761	\$ 425,043
Accrued payroll and benefits	310,892	23,811	334,703
Accrued interest payable	111,027	31,216	142,243
Unearned revenue	5,000	18,613	23,613
Deposits payable	275,829	381,268	657,097
Other postemployment benefits (Note 9)	436,707	37,822	474,529
Accrued compensated absences (Note 6):			
Due within one year	100,000	72,819	172,819
Due in more than one year	928,581	8,200	936,781
Long-term liabilities (Note 6):			
Due within one year	445,000	100,000	545,000
Due in more than one year	<u>6,185,000</u>	<u>1,580,000</u>	<u>7,765,000</u>
Total Liabilities	<u>9,141,318</u>	<u>2,335,510</u>	<u>11,476,828</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	139,560,904	52,792,353	192,353,257
Restricted for:			
Debt service	433,966	195,602	629,568
Housing projects	1,449,780	-	1,449,780
Redevelopment activities	1,511,595	-	1,511,595
Unrestricted	<u>13,096,892</u>	<u>2,853,429</u>	<u>15,950,321</u>
Total Net Assets	<u>156,053,137</u>	<u>55,841,384</u>	<u>211,894,521</u>
Total Liabilities and Net Assets	<u>\$ 165,194,455</u>	<u>\$ 58,176,894</u>	<u>\$ 223,371,349</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities:							
General government	\$ 3,129,706	\$ 225,565	\$ 98,783	\$ 98,022	\$ (2,707,336)	\$ -	\$ (2,707,336)
Public safety	7,832,399	663,288	180,686	113,261	(6,875,164)	-	(6,875,164)
Parks and recreation	2,361,249	185,530	5,000	2,730	(2,167,989)	-	(2,167,989)
Development	3,552,867	174,863	6,720	-	(3,371,284)	-	(3,371,284)
Public ways and facilities	5,395,859	88,471	562,739	1,199,457	(3,545,192)	-	(3,545,192)
Interest and fiscal charges	<u>405,579</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(405,579)</u>	<u>-</u>	<u>(405,579)</u>
Total governmental activities	<u>22,677,659</u>	<u>1,337,717</u>	<u>853,928</u>	<u>1,413,470</u>	<u>(19,072,544)</u>	<u>-</u>	<u>(19,072,544)</u>
Business-type activities:							
Sewer	2,938,034	2,258,054	-	-	-	(679,980)	(679,980)
Water	881,858	395,911	-	12,568	-	(473,379)	(473,379)
Transit	<u>568,920</u>	<u>89,201</u>	<u>544,268</u>	<u>44,387</u>	<u>-</u>	<u>108,936</u>	<u>108,936</u>
Total business-type activities	<u>4,388,812</u>	<u>2,743,166</u>	<u>544,268</u>	<u>56,955</u>	<u>-</u>	<u>(1,044,423)</u>	<u>(1,044,423)</u>
Total primary government	<u>\$ 27,066,471</u>	<u>\$ 4,080,883</u>	<u>\$ 1,398,196</u>	<u>\$ 1,470,425</u>	<u>\$ (19,072,544)</u>	<u>\$ (1,044,423)</u>	<u>\$ (20,116,967)</u>
General revenues:							
Property taxes					\$ 4,914,742	\$ -	\$ 4,914,742
Sales and use taxes					4,527,129	-	4,527,129
Motor vehicle and gas taxes					1,673,211	-	1,673,211
Franchise taxes					501,798	-	501,798
Transient occupancy taxes					156,509	-	156,509
Interest and investment earnings					243,818	32,913	276,731
Other revenue					80,335	21,799	102,134
Transfers (Note 4)					<u>308,221</u>	<u>(308,221)</u>	<u>-</u>
Total general revenues and transfers					<u>12,405,763</u>	<u>(253,509)</u>	<u>12,152,254</u>
Change in net assets					(6,666,781)	(1,297,932)	(7,964,713)
Net assets - July 1, 2009					162,671,044	57,147,846	219,818,890
Prior period restatement (Note 15)					<u>48,874</u>	<u>(8,530)</u>	<u>40,344</u>
Net assets - July 1, 2009, restated					<u>162,719,918</u>	<u>57,139,316</u>	<u>219,859,234</u>
Net assets - June 30, 2010					<u>\$ 156,053,137</u>	<u>\$ 55,841,384</u>	<u>\$ 211,894,521</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>General Fund</u>	<u>Redevelopment</u>	<u>Low/Moderate Income Housing</u>	<u>Trans- portation</u>
<u>ASSETS</u>				
Cash and investments	\$ 3,031,670	\$ 1,221,357	\$ 1,441,856	\$ 3,573,134
Restricted cash and investments	275,829	18	-	-
Accounts receivable	383,806	-	-	2,462
Interest receivable	21,131	6,626	7,925	18,061
Taxes receivable	993,030	-	-	-
Notes receivable	-	986,445	3,731,066	-
Due from other funds	682,170	-	-	-
Advances to other funds	-	283,517	-	1,275,000
Due from other governments	556,913	-	-	372,799
Prepaid expenses	523,270	980	-	-
Inventory	889	-	-	-
	<u>6,468,708</u>	<u>2,498,943</u>	<u>5,180,847</u>	<u>5,241,456</u>
Total Assets	<u>\$ 6,468,708</u>	<u>\$ 2,498,943</u>	<u>\$ 5,180,847</u>	<u>\$ 5,241,456</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>(DEFICITS)</u>				
LIABILITIES				
Accounts payable	\$ 275,573	\$ 904	\$ -	\$ 5,378
Accrued payroll and benefits	310,336	-	-	-
Deferred revenue	561,469	986,444	3,731,067	300,000
Deposits payable	275,829	-	-	-
Due to other funds	630,786	-	-	-
Advances from other funds	-	-	-	-
	<u>2,053,993</u>	<u>987,348</u>	<u>3,731,067</u>	<u>305,378</u>
Total Liabilities	<u>2,053,993</u>	<u>987,348</u>	<u>3,731,067</u>	<u>305,378</u>
FUND BALANCES (DEFICITS)				
Reserved for:				
Encumbrances	11,037	-	-	584,976
Low and moderate housing	-	-	1,449,780	-
Debt service	-	-	-	-
Advances to other funds	-	-	-	1,275,000
Inventory	889	-	-	-
Prepaid expenditures	523,270	980	-	-
Unreserved:				
General fund	3,879,519	-	-	-
Special revenue funds	-	1,510,615	-	-
Capital projects funds	-	-	-	3,076,102
	<u>4,414,715</u>	<u>1,511,595</u>	<u>1,449,780</u>	<u>4,936,078</u>
Total Fund Balances (Deficits)	<u>4,414,715</u>	<u>1,511,595</u>	<u>1,449,780</u>	<u>4,936,078</u>
Total Liabilities and Fund Balances	<u>\$ 6,468,708</u>	<u>\$ 2,498,943</u>	<u>\$ 5,180,847</u>	<u>\$ 5,241,456</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
BALANCE SHEET (continued)
GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>Storm Drain</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 819,679	\$ 3,936,274	\$ 14,023,970
Restricted cash and investments	-	443,129	718,976
Accounts receivable	-	245,539	631,807
Interest receivable	4,105	21,101	78,949
Taxes receivable	-	-	993,030
Notes receivable	-	603,627	5,321,138
Due from other funds	-	-	682,170
Advances to other funds	-	528,434	2,086,951
Due from other governments	-	-	929,712
Prepaid expenses	-	-	524,250
Inventory	-	-	889
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 823,784</u>	<u>\$ 5,778,104</u>	<u>\$ 25,991,842</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>(DEFICITS)</u>			
LIABILITIES			
Accounts payable	\$ -	\$ 61,427	\$ 343,282
Accrued payroll and benefits	-	556	310,892
Deferred revenue	-	603,627	6,182,607
Deposits payable	-	-	275,829
Due to other funds	-	51,384	682,170
Advances from other funds	<u>1,558,517</u>	<u>-</u>	<u>1,558,517</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,558,517</u>	<u>716,994</u>	<u>9,353,297</u>
FUND BALANCES (DEFICITS)			
Reserved for:			
Encumbrances	-	-	596,013
Low and moderate housing	-	-	1,449,780
Debt service	-	433,966	433,966
Advances to other funds	-	528,434	1,803,434
Inventory	-	-	889
Prepaid expenditures	-	-	524,250
Unreserved:			
General fund	-	-	3,879,519
Special revenue funds	-	930,697	2,441,312
Capital projects funds	<u>(734,733)</u>	<u>3,168,013</u>	<u>5,509,382</u>
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances (Deficits)	<u>(734,733)</u>	<u>5,061,110</u>	<u>16,638,545</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 823,784</u>	<u>\$ 5,778,104</u>	<u>\$ 25,991,842</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total fund balances of governmental funds	\$ 16,638,545
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds, net of accumulated depreciation of \$51,900,552.	146,190,904
Certain notes, loans, and interest receivables are not available to pay for current period expenditures and, therefore are offset by deferred revenue in the governmental funds.	
Notes receivable	(4,863,083)
Deferred revenue	6,177,607
Long-term liabilities are not due in the current period and, therefore are not reported in the governmental funds.	
Long-term liabilities	(6,630,000)
Compensated absences	(1,028,581)
Net OPEB obligation	(436,707)
Deferred charges, net of accumulated amortization of \$207,429 for debt issuance costs and discounts on long-term liabilities are expensed when incurred and, therefore are not reported in the governmental funds.	115,479
Accrued interest payable from the current portion of interest due on long-term liabilities has not been reported in the governmental funds.	<u>(111,027)</u>
Net assets of governmental activities	<u>\$ 156,053,137</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>General Fund</u>	<u>Redevelopment</u>	<u>Low/Moderate Income Housing</u>	<u>Trans- portation</u>
<u>REVENUES</u>				
Taxes and assessments	\$ 8,817,160	\$ 1,725,304	\$ 431,326	\$ -
License, permits, and fees	790,442	-	-	-
Fines and forfeitures	4,184	-	-	-
Use of money and property	151,213	15,774	16,685	33,588
Program income	-	4,553	20,659	-
Intergovernmental	313,777	-	-	628,437
Charges for services	316,405	-	-	-
Developer fees	-	-	-	13,347
Other revenues	<u>92,829</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>10,486,010</u>	<u>1,745,631</u>	<u>468,670</u>	<u>675,372</u>
<u>EXPENDITURES</u>				
Current:				
General administration	1,806,831	-	-	-
Public safety	7,227,577	-	-	-
Parks and recreation	1,536,688	-	-	-
Development	658,577	1,900,575	567,582	-
Public ways and facilities	1,144,785	-	-	831,844
Capital outlay	224,277	-	-	280,789
Debt service:				
Principal	-	130,000	-	-
Interest and fiscal charges	<u>-</u>	<u>193,455</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>12,598,735</u>	<u>2,224,030</u>	<u>567,582</u>	<u>1,112,633</u>
Excess (deficiency) of Revenues over Expenditures	<u>(2,112,725)</u>	<u>(478,399)</u>	<u>(98,912)</u>	<u>(437,261)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,142,903	25,000	-	-
Transfers out	<u>(34,607)</u>	<u>(197,707)</u>	<u>(170,690)</u>	<u>(5,300)</u>
Total Other Financing Sources (Uses)	<u>1,108,296</u>	<u>(172,707)</u>	<u>(170,690)</u>	<u>(5,300)</u>
Net Change in Fund Balances	(1,004,429)	(651,106)	(269,602)	(442,561)
Fund Balances (Deficits) - July 1, 2009	5,419,144	2,162,701	1,719,382	5,378,639
Prior period adjustment (Note 15)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2009, restated	<u>5,419,144</u>	<u>2,162,701</u>	<u>1,719,382</u>	<u>5,378,639</u>
Fund Balances (Deficits) - June 30, 2010	<u>\$ 4,414,715</u>	<u>\$ 1,511,595</u>	<u>\$ 1,449,780</u>	<u>\$ 4,936,078</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Storm Drain</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Taxes and assessments	\$ -	\$ 707,908	\$ 11,681,698
License, permits, and fees	-	-	790,442
Fines and forfeitures	-	30,877	35,061
Use of money and property	7,534	60,208	285,002
Program income	-	33,700	58,912
Intergovernmental	-	522,559	1,464,773
Charges for services	-	-	316,405
Developer fees	-	24,480	37,827
Other revenues	-	<u>182,206</u>	<u>275,035</u>
Total Revenues	<u>7,534</u>	<u>1,561,938</u>	<u>14,945,155</u>
<u>EXPENDITURES</u>			
Current:			
General administration	-	1,110,020	2,916,851
Public safety	588	67,968	7,296,133
Parks and recreation	-	5,261	1,541,949
Development	-	130,903	3,257,637
Public ways and facilities	-	296,277	2,272,906
Capital outlay	-	412,371	917,437
Debt service:			
Principal	-	295,000	425,000
Interest and fiscal charges	-	<u>203,537</u>	<u>396,992</u>
Total Expenditures	<u>588</u>	<u>2,521,337</u>	<u>19,024,905</u>
Excess (deficiency) of Revenues over Expenditures	<u>6,946</u>	<u>(959,399)</u>	<u>(4,079,750)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	-	875,846	2,043,749
Transfers out	-	<u>(1,327,224)</u>	<u>(1,735,528)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(451,378)</u>	<u>308,221</u>
Net Change in Fund Balances	6,946	(1,410,777)	(3,771,529)
Fund Balances (Deficits) - July 1, 2009	(741,679)	6,423,013	20,361,200
Prior period adjustment (Note 15)	<u>-</u>	<u>48,874</u>	<u>48,874</u>
Fund Balances (Deficits) - July 1, 2009, restated	<u>(741,679)</u>	<u>6,471,887</u>	<u>20,410,074</u>
Fund Balances (Deficits) - June 30, 2010	<u>\$ (734,733)</u>	<u>\$ 5,061,110</u>	<u>\$ 16,638,545</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
RECONCILIATION OF THE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

Reconciliation of the change in fund balances - total governmental funds to the change in net assets of governmental activities:

Net change in fund balances - total governmental funds	\$ (3,771,529)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
Capital asset purchases	1,123,416
Depreciation expense	(4,532,121)
Government funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal.	
	(91,985)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	
Bond principal payments	425,000
Compensated absence expenditures reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period.	
	(74,415)
Costs associated with the issuance of long-term liabilities is an expenditure in the governmental funds, but increases the assets in the Statement of Net Assets.	
Amortization of bond issuance costs	(14,858)
Receipts of payments and disbursements of funds related to notes and loans receivable are reported as revenue and expenditures, respectively, in governmental funds, but an increase and decrease, respectively, in notes receivable in the Statement of Net Assets.	
Loan program receipts	(98,968)
Loans made during the year	1,120,357
Accrued interest payable is interest due on long-term liabilities. This is the net change in accrued interest in the current period.	
	6,270
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 governmental funds.	
Allowance for notes receivable	(1,389,749)
Other postemployment benefits	(224,669)
Revenue not recognized in the governmental funds were accrued in the Statement of Net Assets as they were earned but not received.	
	<u>856,470</u>
Change in net assets of governmental activities	<u>\$ (6,666,781)</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Business-type Activities - Enterprise Funds			
	Sewer	Dixon-Solano Municipal Water Service (Dixon- Interest)	Transit	Totals
ASSETS				
Current Assets				
Cash and investments	\$ 2,776,957	\$ 91,996	\$ 121,239	\$ 2,990,192
Restricted cash and investments	-	381,268	-	381,268
Accounts receivable, net	506,350	79,592	174	586,116
Interest receivable	15,994	2,456	461	18,911
Inventory	-	-	375	375
Due from other governments	<u>12,528</u>	<u>-</u>	<u>12,456</u>	<u>24,984</u>
Total Current Assets	<u>3,311,829</u>	<u>555,312</u>	<u>134,705</u>	<u>4,001,846</u>
Non Current Assets				
Restricted cash and investments	195,602	-	-	195,602
Deferred issuance costs, net	35,527	-	-	35,527
Capital assets, net of accumulated depreciation	<u>44,133,552</u>	<u>10,088,373</u>	<u>250,428</u>	<u>54,472,353</u>
Total Non-Current Assets	<u>44,364,681</u>	<u>10,088,373</u>	<u>250,428</u>	<u>54,703,482</u>
Total Assets	<u>\$ 47,676,510</u>	<u>\$ 10,643,685</u>	<u>\$ 385,133</u>	<u>\$ 58,705,328</u>
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 14,380	\$ 64,467	\$ 2,914	\$ 81,761
Accrued salary and benefits	14,566	-	9,245	23,811
Accrued interest payable	31,216	-	-	31,216
Deposits payable	-	381,268	-	381,268
Advances from other funds	528,434	-	-	528,434
Deferred revenue	-	-	18,613	18,613
Compensated absences - current	35,597	-	37,222	72,819
Bonds payable - current	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Total Current Liabilities	<u>724,193</u>	<u>445,735</u>	<u>67,994</u>	<u>1,237,922</u>
Non-Current Liabilities				
Compensated absences	8,200	-	-	8,200
Bonds payable	1,580,000	-	-	1,580,000
Net OPEB obligation	<u>37,822</u>	<u>-</u>	<u>-</u>	<u>37,822</u>
Total Non-Current Liabilities	<u>1,626,022</u>	<u>-</u>	<u>-</u>	<u>1,626,022</u>
Total Liabilities	<u>2,350,215</u>	<u>445,735</u>	<u>67,994</u>	<u>2,863,944</u>
NET ASSETS:				
Invested in capital assets, net of related debt	42,453,552	10,088,373	250,428	52,792,353
Restricted for debt service	195,602	-	-	195,602
Unrestricted	<u>2,677,141</u>	<u>109,577</u>	<u>66,711</u>	<u>2,853,429</u>
Total Net Assets	<u>45,326,295</u>	<u>10,197,950</u>	<u>317,139</u>	<u>55,841,384</u>
Total Liabilities and Net Assets	<u>\$ 47,676,510</u>	<u>\$ 10,643,685</u>	<u>\$ 385,133</u>	<u>\$ 58,705,328</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise Funds			
	Sewer	Dixon-Solano Municipal Water Service (Dixon- Interest)	Transit	Totals
<u>OPERATING REVENUES</u>				
Charges for services, net of refunds	\$ 2,199,280	\$ 395,911	\$ 81,326	\$ 2,676,517
Operating grants	-	-	544,268	544,268
Other revenue	<u>58,774</u>	<u>-</u>	<u>7,875</u>	<u>66,649</u>
Total Operating Revenue	<u>2,258,054</u>	<u>395,911</u>	<u>633,469</u>	<u>3,287,434</u>
<u>OPERATING EXPENSES</u>				
Salaries and benefits	715,403	-	424,569	1,139,972
Materials, supplies, and operational expenses	31,801	18,508	1,933	52,242
Repairs and maintenance	333,261	226,802	85,234	645,297
Power and utilities	71,208	121,127	8,466	200,801
Contractual services	76,850	20,503	2,893	100,246
Administration	25,633	107,046	23,587	156,266
Bad debt expense	-	26,000	-	26,000
Miscellaneous	87,491	969	40	88,500
Depreciation and amortization	<u>1,493,157</u>	<u>360,903</u>	<u>22,198</u>	<u>1,876,258</u>
Total Operating Expenses	<u>2,834,804</u>	<u>881,858</u>	<u>568,920</u>	<u>4,285,582</u>
Operating Income (Loss)	<u>(576,750)</u>	<u>(485,947)</u>	<u>64,549</u>	<u>(998,148)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Interest income	27,051	4,868	994	32,913
Interest expense	(103,230)	-	-	(103,230)
Intergovernmental revenues	-	-	44,387	44,387
Settlement revenues	15,315	-	-	15,315
Other revenues	<u>-</u>	<u>6,484</u>	<u>-</u>	<u>6,484</u>
Total Non-Operating Revenues (Expenses)	<u>(60,864)</u>	<u>11,352</u>	<u>45,381</u>	<u>(4,131)</u>
Income (Loss) Before Transfers	<u>(637,614)</u>	<u>(474,595)</u>	<u>109,930</u>	<u>(1,002,279)</u>
<u>TRANSFERS & CONTRIBUTIONS</u>				
Transfers out	(248,523)	-	(59,698)	(308,221)
Capital contributions	<u>-</u>	<u>12,568</u>	<u>-</u>	<u>12,568</u>
Total Transfers and Capital Contributions	<u>(248,523)</u>	<u>12,568</u>	<u>(59,698)</u>	<u>(295,653)</u>
Change in net assets	(886,137)	(462,027)	50,232	(1,297,932)
Net Assets - July 1, 2009	46,220,962	10,659,977	266,907	57,147,846
Prior period adjustment (Note 15)	<u>(8,530)</u>	<u>-</u>	<u>-</u>	<u>(8,530)</u>
Net Assets - July 1, 2009, restated	<u>46,212,432</u>	<u>10,659,977</u>	<u>266,907</u>	<u>57,139,316</u>
Net Assets - June 30, 2010	<u>\$ 45,326,295</u>	<u>\$ 10,197,950</u>	<u>\$ 317,139</u>	<u>\$ 55,841,384</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise Funds			
	Sewer	Dixon-Solano Municipal Water Service (Dixon -Interest)	Transit	Totals
<u>CASH FLOWS FROM OPERATING</u>				
<u>ACTIVITIES</u>				
Cash received from customers	\$ 2,356,258	\$ 434,053	\$ 89,067	\$ 2,879,378
Cash received from operating grants	-	-	727,845	727,845
Cash paid to suppliers	(677,784)	(500,441)	(122,960)	(1,301,185)
Cash paid to employees	(685,224)	-	(415,813)	(1,101,037)
Net Cash Provided (Used) by Operating Activities	<u>993,250</u>	<u>(66,388)</u>	<u>278,139</u>	<u>1,205,001</u>
<u>CASH FLOWS FROM NON-CAPITAL</u>				
<u>FINANCING ACTIVITIES</u>				
Due from other funds	(103,390)	-	-	(103,390)
Transfers to other funds	(248,523)	-	(127,426)	(375,949)
Net Cash Used by Non-Capital Financing Activities	<u>(351,913)</u>	<u>-</u>	<u>(127,426)</u>	<u>(479,339)</u>
<u>CASH FLOWS FROM CAPITAL AND</u>				
<u>RELATED FINANCING ACTIVITIES</u>				
Capital grants	-	-	63,000	63,000
Other revenues	15,315	6,484	-	21,799
Acquisition of capital assets	(77,950)	(65)	(93,010)	(171,025)
Principal paid on capital debt	(95,000)	-	-	(95,000)
Interest paid on capital debt	(104,886)	-	-	(104,886)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(262,521)</u>	<u>6,419</u>	<u>(30,010)</u>	<u>(286,112)</u>
<u>CASH FLOWS FROM INVESTING</u>				
<u>ACTIVITIES</u>				
Interest and dividends	13,468	2,904	536	16,908
Net Increase (Decrease) in Cash and Cash Equivalents	392,284	(57,065)	121,239	456,458
Cash and Cash Equivalents - July 1, 2009	<u>2,580,275</u>	<u>530,329</u>	<u>-</u>	<u>3,110,604</u>
Cash and Cash Equivalents - June 30, 2010	<u>\$ 2,972,559</u>	<u>\$ 473,264</u>	<u>\$ 121,239</u>	<u>\$ 3,567,062</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets				
Cash and investments	\$ 2,776,957	\$ 91,996	\$ 121,239	\$ 2,990,192
Restricted cash and investments	<u>195,602</u>	<u>381,268</u>	<u>-</u>	<u>576,870</u>
Cash and Cash Equivalents - June 30, 2010	<u>\$ 2,972,559</u>	<u>\$ 473,264</u>	<u>\$ 121,239</u>	<u>\$ 3,567,062</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Sewer	Dixon-Solano Municipal Water Service (Dixon -Interest)	Transit	Totals
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>				
Operating Income (Loss)	\$ (576,750)	\$ (485,947)	\$ 64,549	\$ (998,148)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	1,489,987	360,903	22,198	1,873,088
Amortization	3,170	-	-	3,170
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	98,204	36,029	(134)	134,099
Increase in inventory	-	-	(375)	(375)
Decrease in operating grants	-	-	183,577	183,577
Increase (decrease) in accounts payable	(51,540)	20,514	(432)	(31,458)
Decrease in deferred revenue	-	(143,379)	-	(143,379)
Increase in deposits payable	-	145,492	-	145,492
Increase in accrued wages	4,283	-	1,675	5,958
Increase in net OPEB obligation	17,301	-	-	17,301
Increase in compensated absences	<u>8,595</u>	<u>-</u>	<u>7,081</u>	<u>15,676</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 993,250</u>	<u>\$ (66,388)</u>	<u>\$ 278,139</u>	<u>\$ 1,205,001</u>
Supplementary information:				
Capital contributions	<u>\$ -</u>	<u>\$ 12,570</u>	<u>\$ -</u>	<u>\$ 12,570</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

<u>ASSETS</u>	<u>Agency Funds</u>
Cash and investments (Note 2)	\$ 3,101,919
Accounts receivable	116,422
Interest receivable	18,249
Taxes receivable	514
Restricted cash and investments (Note 2)	<u>2,539,744</u>
Total Assets	<u>\$ 5,776,848</u>
<u>LIABILITIES</u>	
Accounts payable and other liabilities	\$ 67,511
Deposits payable	381,267
Interest payable	482,984
Due to special assessment districts	<u>4,845,086</u>
Total Liabilities	<u>\$ 5,776,848</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Dixon (the "City") was incorporated in March 1878 under the laws and regulations of the State of California. The City operates under a City Manager-Council form of government and provides the following services: public safety (police and fire), highways and streets, sanitation, culture-recreation, public improvements, planning and zoning and general administrative services.

A. The Reporting Entity

The accompanying basic financial statements present the financial activity of the City along with the financial activities of its blended component units, which are entities for which the City is financially accountable. Together these entities comprise the primary government for reporting purposes. Although they are separate legal entities, *blended* component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. The City's component units, which are described below, are all blended.

City of Dixon Redevelopment Agency

The City of Dixon Redevelopment Agency (the "Redevelopment Agency") was formed as a separate legal entity under the Community Redevelopment Law. The City Council acts as the governing board of the Redevelopment Agency in concurrent session. The City Manager acts as the Redevelopment Agency's Executive Director. The annual budget is approved by the Redevelopment Agency's Board of Directors. The State's redevelopment process provides communities at a local level with a comprehensive tool for economic development. These tools are the powers of land assembly and site preparation for private development, the ability to finance necessary public improvements, the authority to impose conditions and restrictions for the quality of developments of an area, and the capability to broaden financing capabilities utilizing a variety of public and private sources. The major source of financing to undertake redevelopment is a "tax increment." Tax increment is the additional property taxes that are paid on the value of new development within the redevelopment project area. This increment can then be leveraged for financial investments to fund the identified projects. The redevelopment and low/moderate income housing programs of the Redevelopment Agency are reported as special revenue funds. The Redevelopment Agency has one project area. Audited financial statements for the Redevelopment Agency may be obtained from the City of Dixon, 600 East A Street, Dixon, California, 95620.

Dixon Public Financing Authority

The Dixon Public Financing Authority (the "Authority") was formed as a joint powers authority between the City and the Redevelopment Agency to serve as a financing mechanism of various capital projects. The City Council acts as the governing board in a concurrent session, as necessary. The bond issuance authorizations are approved by the City's Council and the legal ability for the Authority's debt remains with the City. The Authority provides services solely for the benefit of the City and is presented as a debt service fund. No separate financial statements are issued for the Authority.

Dixon Public Improvement Corporation

The Dixon Public Improvement Corporation (the "Corporation") is governed by a board comprised of the City Council. Bond issuance authorizations are approved by the City Council and legal liability for the Corporation's debt remains with the City. The Corporation provides services solely for the benefit of the City and repayment of Corporation debt is accounted for in the City Hall Debt Service Fund. No separate financial statements are issued for the Corporation.

The City also participates in the following organizations that do not meet the definition of component units:

Dixon-Solano Municipal Water Service (DSMWS)

The DSMWS was created in July 1984 under a joint exercise of powers agreement between the City and the Solano Irrigation District to provide water for domestic, industrial, municipal and irrigation purposes in DSMWS's service area. DSMWS is managed by a four-member joint water committee made up of the Dixon City Manager, the Solano Irrigation District Manager, a City Council member, and a member of the Solano Irrigation District Board of Directors. Governing decisions are made jointly by the City Council and the Solano Irrigation District Board of Directors. The City provides record keeping services for DSMWS.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dixon-Solano Municipal Water Service (DSMWS) (continued)

The City's interest is reported as the Dixon-Solano Municipal Water Service (Dixon Interest) as an enterprise fund. The Solano Irrigation District's interest in DSMWS is reported as the Dixon-Solano Municipal Water Service (SID) agency fund. Each participant in DSMWS has a one-half interest in DSMWS's facilities as well as revenues and expenses, other than certain facilities contributed by SID. Upon termination of the agreement, all DSMWS property, other than certain facilities contributed by SID, will be returned equally to the participants. Certain facilities contributed by SID will be returned by SID. Audited financial statements for the Dixon-Solano Municipal Water Service may be obtained from the City of Dixon, 600 East A Street, Dixon, California, 95620.

Vacaville-Dixon Greenbelt Authority (VDG Authority)

The VDG Authority was organized under a joint powers agreement with the City of Vacaville to purchase land to serve as a greenbelt between the cities of Dixon and Vacaville. The VDG Authority is governed by a five-member Board made up of two members appointed by the City Council of each city and an ex-officio member from the Solano County Board of Supervisors. The City of Vacaville provides record keeping services for the VDG Authority. The City of Dixon's one-half interest is reported as the Vacaville/Dixon Greenbelt Authority capital project fund. Upon termination of the agreement, all of VDG Authority's assets will be returned equally to the participants.

Dixon Regional Watershed Joint Powers Authority (the DRWJPA)

The DRWJPA was organized under a joint powers agreement with the Dixon Resource Conservation District, the Maine Prairie Water District and Reclamation District No. 268 (the members) to implement the Dixon Watershed Management Plan using the services of the Solano County Water Agency. The DRWJPA is governed by a nine member Board made up of two members appointed by the governing bodies of each of the members above and an at large member elected by a voting majority of the appointed members. Upon termination of the agreement, all assets will be returned to the members contributing the assets or shall pass to all parties as tenants in common.

Dixon Fire Protection District (the Fire District)

The City entered into a joint powers agreement with the Dixon Fire Protection District to provide fire protection services to the entire territory of the Fire District and provide accounting services, including investing Fire District funds, for 90% of the Fire District's property tax revenues. Audited financial statements for the Dixon Fire Protection District may be obtained from the City of Dixon, 600 East A Street, Dixon, California, 95620.

B. Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These standards require that the financial statements described below be presented.

Government-wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include the activities of the overall City government except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The statements distinguish between governmental and business-type activities of the City. The City's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements:

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories with each major fund displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

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

All remaining governmental funds are aggregated and reported as nonmajor funds in a single column, regardless of their fund type.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund - The General Fund is the general operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Fund - Debt Service Funds are used to account for the accumulation of financial resources for the payment of interest and principal on the general long-term liabilities of the City other than debt service payments made by enterprise funds.

Capital Project Funds - Capital Project Funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by enterprise funds.

Proprietary Funds

Enterprise Funds - Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Fiduciary Funds (not included in government-wide statements)

Agency Funds - Agency Funds are clearing type funds for the collection of taxes or deposits held in trust, on behalf of individuals, private organizations and other governments. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Major Funds

The City reported the following major governmental funds in the accompanying financial statements:

General Fund - This 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 another fund. For the City, the general fund includes such activities such as public safety, public ways and facilities, parks and recreation services, and economic development services.

Redevelopment Fund - This fund is used to account for property tax increment revenues net of the 20% set-aside for low

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

and moderate income housing and expenses for furtherance of project goal areas.

Low/Moderate Income Housing Fund - The low/moderate income housing fund is used to account for the use of 20% of the redevelopment tax increment, which must be used for very low, low and moderate income housing programs.

Transportation Fund -The transportation fund is a capital projects fund used to account for the revenue and expenses budgeted for capital projects relating to transportation.

Storm Drain Fund - The storm drain fund is a capital projects fund used to account for resources budgeted for storm drain projects.

The City reports the following major proprietary funds in the accompanying financial statements:

Sewer Fund - The sewer fund is used to account for all revenues and expenses for operations, maintenance, and capital improvement funding of the Dixon Sewer Plan.

Dixon-Solano Municipal Water Service Fund (Dixon-Interest) - The Dixon-Solano Municipal Water Service fund is used to account for the City's share of revenues and expenses from operation and maintenance of the Dixon-Solano Municipal Water Service, a joint exercise of power with the Solano Irrigation District to provide water for domestic, industrial, municipal

Transit Fund - The transit fund is used to account for the City's transit system, Read-Ride. In addition, the City receives funds as part of the Solano Transportation Authority to be used for public transportation purposes.

The City also reports the following fund type:

Agency Funds - These funds are custodial in nature and do not involve measurement of the results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds account for assets held by the City as an agent for other governmental units or individuals.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and all liabilities (whether current or noncurrent) associated with the operation of these funds are reported. Proprietary fund equity is classified as net assets.
- c. As agency funds report only assets and liabilities, they do not have a measurement focus. However, they use the accrual basis of accounting to recognize receivables and payables.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets are available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

The City follows Statements and Interpretations of the Financial Accounting Standards Board and its predecessors that were issued on or before November 30, 1989, in accounting for its business-type activities, which do not conflict with Government Accounting Standards Board Pronouncements.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. 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 funds's principal operations. The principal operating revenues of the sewer, water, and transit enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Property Taxes

The County of Solano levies, bills, and collects property taxes and special assessments for the City. Property taxes levied are recorded as revenue when received, in the fiscal year or levy, due to the adoption of the "alternate method of property tax distribution", known as the Teeter Plan, by the City and the County of Solano. The Teeter Plan authorizes the Auditor/Controller of the County of Solano to allocate 100% of the secured property taxes billed, but not yet paid. The County of Solano remits tax monies to the City in three installments as follows:

50% remitted in December
45% remitted in April
5% remitted in June

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments; the first is due November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the tax becomes delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payment.

Property valuations are established by the Assessor of the County of Solano for the secured and unsecured property tax rolls. Under the provisions of Article XIII A of the State Constitution, properties are assessed at 100% of purchase price or value in 1978 whichever is later. From this base assessment, subsequent annual increases in valuation are limited to a maximum of 2 percent. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax levy dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property, as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

E. Cash and Investments

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

Interest income earned on pooled cash and investments is allocated monthly 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 and the Solano County Investment Pool determine the fair value of their portfolio quarterly and report a factor to the City; the City applies that factor to convert its share of LAIF and the Solano County Investment Pool from amortized cost to fair value. This amount is included in cash and cash equivalents in the balance sheet of the governmental funds. 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.

F. Accounts and Interest Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines and other fees. Federal and state grants are considered receivable and accrue as revenue when reimbursable costs are incurred. Business-type activities report utilities and interest earnings as their major receivables.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Long-term loans in governmental funds are treated as expenditures in the year advanced and as revenues in the year repayment is measurable and available. Loans receivable are recorded in the fund statements, but are deferred to indicate they do not represent current financial resources. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables.

G. Prepaid Expenses and Inventory

Inventories are stated at cost (average cost per unit) for governmental and proprietary funds. The cost is recorded as an expenditure/expense in the funds at the time individual inventory items are consumed, rather than purchased. Inventories of governmental funds are offset by a reservation of fund balance to indicate they do not constitute resources available for future appropriation.

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

H. Capital Assets

The accounting treatment over property, plant and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, infrastructure with an aggregate cost of \$100,000 or more and equipment with a cost of \$1,000 or more and a useful life of one year are capitalized. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Equipment	5-25 years
Buildings and improvements	5-40 years
Infrastructure	7-100 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of debt financed capital assets of business-type activities is included as part of the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

Compensated absences comprise unused vacation leave and compensatory time off, which are accrued as earned. Employees may accumulate sick leave without limits. The City's liability for compensated absences is recorded in the government-wide Statement of Net Assets for governmental funds and the Statement of Net Assets for proprietary funds as appropriate. 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, 2010. Accumulated unpaid vacation and sick pay are accrued when earned. The general fund and enterprise funds are used to liquidate compensated absences.

J. Long Term Liabilities

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term liabilities, 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. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bond issuance costs, including deferred refunding amounts and underwriters' discounts, 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.

K. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Equity Classifications

Government-wide Statements

Net assets are the excess of all the City's assets over all its liabilities, regardless of fund. Net assets are divided into three categories under GASB Statement 34. These categories apply only to net assets, which is determined at the Government-wide level, and are described below:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints place on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Designations of fund balance represent tentative plans approved by the City Council that are subject to change. Proprietary fund equity is classified the same as in the government-wide statements. The following is a description of the reserves and designations used by the City.

- a. Reserved for encumbrances - Used to segregate that portion of fund balance to indicate that encumbrances do not represent available, spendable resources.
- b. Reserved for advances to other funds - Used to indicate that the advances to other funds do not represent available, spendable resources even though they are components of assets.
- c. Reserved for prepaid costs and other assets - Used to indicate that prepaid costs and other assets do not represent available, spendable resources even though they are components of net assets. A reserve for inventory is included in this category.
- d. Reserved for low and moderate income housing - Used to represent that portion of fund balance reserved for low and moderate income housing projects within the Redevelopment Agency.
- e. Reserved for debt service - Used to represent that portion of fund balance segregated for service of long-term indebtedness.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. General Budget Policies

The City Council establishes budgets for all governmental funds. Budgetary control is legally maintained at the fund level. The City Manager submits a proposed budget to the City Council for the following year beginning July 1. The preliminary budget may or may not be amended by the City Council after public hearings are held and is adopted by City Council resolution prior to July 1 in accordance with the municipal code.

The City Council may amend the budget by motion during the fiscal year. The City Manager is authorized to transfer budgeted amounts within an object or purpose within any department. However, the City Council must approve revisions that alter the total expenditures of any department.

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. All budget amounts presented in the accompanying financial statements and supplementary information have been adjusted for legally authorized revisions of the annual budgets during the year. Amounts represent the original budgeted amounts and all supplemental appropriations.

N. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

O. Reclassifications

Certain accounts in prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2010 were classified in the accompanying financial statements as follows:

	<u>Cash and Investments</u>	<u>Restricted Cash and Investments</u>	<u>Total</u>
Governmental activities	\$ 14,023,970	\$ 718,976	\$ 14,742,946
Business-type activities	<u>2,990,192</u>	<u>576,870</u>	<u>3,567,062</u>
Total government-wide cash and investments	<u>17,014,162</u>	<u>1,295,846</u>	<u>18,310,008</u>
Fiduciary activities	<u>3,101,919</u>	<u>2,539,744</u>	<u>5,641,663</u>
Total cash and investments	<u>\$ 20,116,081</u>	<u>\$ 3,835,590</u>	<u>\$ 23,951,671</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Cash and investments were carried at fair value as of June 30, 2010 and consisted of the following:

Cash on hand	\$	1,129
Cash in banks		<u>586,896</u>
 Total cash		 <u>588,025</u>
 U.S. Agency securities		 9,295,485
U.S. Treasury obligations		2,031,309
Money market funds		2,995,021
Local Agency Investment Fund (LAIF)		4,025,187
California Asset Management Program (CAMP)		<u>5,016,644</u>
 Total investments		 <u>23,363,646</u>
 Total cash and investments	\$	 <u>23,951,671</u>

Authorized Investments of the City

The table below identifies the investment types that are authorized by the City's investment policy. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
Local agency bonds	5 years	None	10%
U.S. Treasury obligations	5 years	None	None
U.S. Agency securities	5 years	None	None
California local agency debt	5 years	None	10%
Banker's Acceptances	180 days	45%	10%
Commercial paper	180 days	25%	10%
Negotiable certificates and time deposits	5 years	30%	10%
Repurchase agreements	1 year	None	10%
Medium term corporate notes	5 years	30%	10%
Money market mutual funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None

The City complies with the provisions of California Government Code (or the City's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The City will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee 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 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
Local agency bonds	5 years	None	None
U.S. Treasury obligations	5 years	None	None
U.S. Agency securities	5 years	None	None
Banker's acceptances	270-360 days	None	None
Commercial paper	180 days	None	None
Negotiable certificates and time deposits	365 days	None	None
Repurchase agreements	30 days	None	None
Investment agreements	None	None	None
Medium term corporate notes	None	None	None
Money market mutual funds	N/A	None	None
Mortgage pass-through securities	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
JPA Pools (other investment pools)	N/A	None	None

Disclosure 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's interest rate risk is mitigated 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 flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2010:

	Remaining Maturity		
	12 months or less	1-5 years	Fair Value
U.S. Treasuries	\$ -	\$ 2,031,309	\$ 2,031,309
U.S. Agency Securities	6,259,845	3,035,640	9,295,485
Money market mutual funds	197,795	-	197,795
Local Agency Investment Fund	4,025,187	-	4,025,187
California Asset Management Program	5,016,644	-	5,016,644
Held by bond trustee:			
Money market funds	<u>2,797,226</u>	<u>-</u>	<u>2,797,226</u>
	<u>\$ 18,296,697</u>	<u>\$ 5,066,949</u>	<u>\$ 23,363,646</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City had no investments (including investments held by bond trustees) that were highly sensitive to interest rate fluctuations as of June 30, 2010.

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 investment policy, or debt agreements, and the actual rating as of the fiscal year for each investment type.

	Total	Rating as of Fiscal Year End		
		S&P	Moody's	N/A
U.S. Treasuries	\$ 2,031,309	Exempt		Not rated
U.S. Agency Securities	9,295,485	AAA	Aaa	
Money market mutual funds	197,795			Not rated
Local Agency Investment Fund	4,025,187			Not rated
California Asset Management Program	5,016,644	AAAm		
Held by bond trustee:				
Money market funds	<u>2,797,226</u>	AAAm	Aaa	
	<u>\$ 23,363,646</u>			

Concentration of Credit Risk

The investment policy of the City limits the amount that can be invested in any one issuer to the lesser of the amount stipulated by the California Government Code or 50% of total investments, with the exception of U.S. Treasury obligations, LAIF, and local investment pools. Investments in any one issuer (other than mutual funds and external investment pools) that represented 5% or more of total City investments were as follows:

<u>Issuers</u>	<u>Investment Type</u>	<u>Amount</u>
Federal Home Loan Bank	U.S. Agency security	\$ 9,295,485

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 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 government unit). The market 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's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2010, the carrying amount of the City's deposits was \$588,025 and bank balances were \$22,062, all of which were insured.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2: 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 the LAIF for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on an amortized cost basis.

Allocation of Interest Income Among Funds

Interest income from pooled investments is allocated to those funds which are required by law or administrative action to receive interest. Interest is allocated monthly based on the ending cash balances of the previous month in each fund receiving interest.

NOTE 3: NOTES AND LOANS RECEIVABLE

The City has made various business loans to qualifying businesses in the redevelopment area and various home loans to qualifying participants within the City under the Federal First Time Homebuyers Loan program (HOME), the 2000 Home Rehabilitation program, the Community Development Block Grant (CDBG) revolving loan program, and the 2005 Community Development Block Grant (CDBG) Housing Rehabilitation program, which are owner occupied housing rehabilitation programs. The loans have varying maturity dates and interest rates, depending on loan agreements. Certain notes receivable payments are deferred with interest being capitalized and recorded in the respective loan balances. A summary of notes receivable at June 30, 2010 is as follows:

<u>Government-wide</u>	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Balance June 30, 2010</u>
Redevelopment	\$ 501,192	\$ 530,157	\$ (44,904)	\$ 986,445
Low/Moderate Income Housing	3,266,527	485,200	(20,661)	3,731,066
CDBG	<u>532,030</u>	<u>105,000</u>	<u>(33,403)</u>	<u>603,627</u>
Total Notes Receivable	<u>4,299,749</u>	<u>1,120,357</u>	<u>(98,968)</u>	<u>5,321,138</u>
Less Allowance for Notes Receivable	<u>(3,473,334)</u>	<u>-</u>	<u>(1,389,749)</u>	<u>(4,863,083)</u>
Total Notes Receivable, net	<u>\$ 826,415</u>	<u>\$ 1,120,357</u>	<u>\$ (1,488,717)</u>	<u>\$ 458,055</u>

The balance of the notes receivable have been offset in the fund financial statements by deferred revenue as they are not deemed measurable and available within 60 days. In the government-wide financial statements, the City has provided 100% allowance for all notes receivable subject to long-term deferral and/or payment from future refinancing as well as notes receivable having subordination provisions except for those accounts that have current payment activity and are not delinquent at June 30, 2010.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4: INTERFUND AND INTRA-FUND TRANSACTIONS

Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2010 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>	
General Fund - Contingency	General Fund	Overdrawn cash balances	\$ 618,490	
	General Fund - Performing Arts	Overdrawn cash balances	12,296	
	CA Used Oil	Overdrawn cash balances	590	
	Police	Overdrawn cash balances	58	
	Core Area Drainage	Overdrawn cash balances	12,376	
	Vacaville Dixon Greenbelt	Overdrawn cash balances	3	
	DPFA	Overdrawn cash balances	12,364	
	DPFA - Fire	Overdrawn cash balances	25,993	
	Transportation	Storm Drain	2008 Pond C Project	1,275,000
	Redevelopment	Storm Drain	2004 Property Purchase	283,517
Capital Improvements	Sewer	South Dixon Sewer Trunk Line	<u>528,434</u>	
Total Interfund Receivables/Payables			\$ <u>2,769,121</u>	

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4: INTERFUND AND INTRA-FUND TRANSACTIONS (CONTINUED)

Interfund Transfers to/from Other Funds

Transfers between funds during the fiscal year ended June 30, 2010 were as follows:

<u>Transfer from</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
<u>Major Governmental Funds</u>			
General Fund	Lighting and Landscaping	Fund operating deficits	\$ 24,499
General Fund	CFD Pond C	Reimburse allocated costs	10,108
Redevelopment	General Fund	Reimburse allocated costs	197,707
Low/Moderate Income Housing	General Fund	Reimburse allocated costs	170,690
Transportation	General Fund	Reimburse allocated costs	<u>5,300</u>
Total Major Governmental Interfund Transfers			<u>408,304</u>
<u>Non-Major Governmental Funds</u>			
Gas Tax	General Fund	Reimburse allocated costs	327,304
Traffic Safety	General Fund	Reimburse allocated costs	6,490
CDBG	General Fund	Reimburse allocated costs	3,071
CDBG	Core Area Drainage	Grant matching funds	17,500
Valley Glen Storm Drain	General Fund	Reimburse allocated costs	11,510
Capital Improvements	General Fund	Reimburse allocated costs	12,865
Industrial Park	General Fund	Debt service	9,303
Community Development	Fire	Debt service	215,000
Partnership	General Fund	Reimburse allocated costs	92,910
Fire	DPFA - Fire	Debt service	226,137
Police	DPFA - Police	Debt service	177,620
City Facilities	DPIC	Debt service	54,800
Public Works	General Fund	Reimburse allocated costs	2,059
Transit Projects	General Fund	Reimburse allocated costs	8,148
Recreation Improvements	General Fund	Reimburse allocated costs	12,325
City Hall Debt Reserve	Police	Debt service	<u>150,182</u>
Total Non- Major Governmental Interfund Transfers			<u>1,327,224</u>
<u>Proprietary Funds</u>			
Sewer	General Fund	Reimburse allocated costs	223,523
Sewer	Redevelopment	Project reimbursement	25,000
Transit	General Fund	Reimburse allocated costs	<u>59,698</u>
Total Proprietary Interfund Transfers			<u>308,221</u>
Total Interfund Transfers			<u>\$ 2,043,749</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4: INTERFUND AND INTRA-FUND TRANSACTIONS (CONTINUED)

Intra-Fund Transfers between Funds

The following table represents intra-fund transfers made during the fiscal year ended June 30, 2010:

<u>Transfer from</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
<u>General Fund</u>			
Recreation Fund	General Fund	Reimburse allocated costs	\$ 5,465
Equipment Replacement	General Fund	Reimburse allocated costs	626,473
Building Reserve	General Fund	Reimburse allocated costs	<u>558</u>
		Total General Fund Intra-Fund Transfers	<u>632,496</u>
<u>Sewer Fund</u>			
Sewer O&M	Sewer Rehab Projects	Reimburse allocated costs	319,561
Sewer Rehab Projects	Sewer O&M	Project Reimbursement	<u>14,568</u>
		Total Sewer Intra-Fund Transfers	<u>334,129</u>
		Total Intra-fund Transfers	<u>\$ 966,625</u>

Intra-fund transfers are not presented on the Statement of Revenues, Expenses, and Changes in Net Assets for the governmental and proprietary funds as they are presented on a net basis. However, the combining Schedule of Revenues, Expenditures, and Changes in Fund Balances for the general fund on page 115 presents both general fund interfund transfers and intra-fund transfers.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5: CAPITAL ASSETS

Governmental activities:

	<u>Balance at July 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2010</u>
Capital assets not being depreciated					
Land	\$ 2,737,266	\$ -	\$ -	\$ -	\$ 2,737,266
Construction-in-progress	<u>1,921,758</u>	<u>593,234</u>	<u>(91,985)</u>	<u>(210,867)</u>	<u>2,212,140</u>
Total capital assets not being depreciated	<u>4,659,024</u>	<u>593,234</u>	<u>(91,985)</u>	<u>(210,867)</u>	<u>4,949,406</u>
Capital assets being depreciated					
Buildings and improvements	11,314,725	-	-	64,076	11,378,801
Equipment	7,275,754	211,218	-	(2,056,733)	5,430,239
Infrastructure	<u>173,810,522</u>	<u>318,964</u>	-	<u>2,203,524</u>	<u>176,333,010</u>
Total capital assets being depreciated	<u>192,401,001</u>	<u>530,182</u>	<u>-</u>	<u>210,867</u>	<u>193,142,050</u>
Less accumulated depreciation					
Buildings and improvements	(3,394,182)	(285,870)	-	-	(3,680,052)
Equipment	(2,706,232)	(539,015)	-	-	(3,245,247)
Infrastructure	<u>(41,268,017)</u>	<u>(3,707,236)</u>	-	-	<u>(44,975,253)</u>
Total accumulated depreciation	<u>(47,368,431)</u>	<u>(4,532,121)</u>	<u>-</u>	<u>-</u>	<u>(51,900,552)</u>
Total capital assets, net	<u>\$ 149,691,594</u>	<u>\$ (3,408,705)</u>	<u>\$ (91,985)</u>	<u>\$ -</u>	<u>\$ 146,190,904</u>

Depreciation was charged to functions based on their usage of the related assets as follows:

Governmental Activities:

General administration	\$ 200,977
Public safety	354,070
Parks and recreation	796,338
Community development	3,444
Public ways and facilities	<u>3,177,292</u>
Total governmental activities depreciation expense	<u>\$ 4,532,121</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5: CAPITAL ASSETS (CONTINUED)

Business-type activities:

	<u>Balance at July 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2010</u>
Capital assets not being depreciated					
Land	\$ 785,163	\$ -	\$ -	\$ -	\$ 785,163
Construction-in-progress	<u>1,187,324</u>	<u>10,852</u>	<u>-</u>	<u>(17,745)</u>	<u>1,180,431</u>
Total capital assets not being depreciated	<u>1,972,487</u>	<u>10,852</u>	<u>-</u>	<u>(17,745)</u>	<u>1,965,594</u>
Capital assets being depreciated					
Structures and improvements	72,324,878	22,610	-	17,745	72,365,233
Equipment	<u>1,457,267</u>	<u>150,133</u>	<u>-</u>	<u>-</u>	<u>1,607,400</u>
Total capital assets being depreciated	<u>73,782,145</u>	<u>172,743</u>	<u>-</u>	<u>17,745</u>	<u>73,972,633</u>
Less accumulated depreciation					
Structures and improvements	(18,656,195)	(1,741,344)	-	-	(20,397,539)
Equipment	<u>(936,591)</u>	<u>(131,744)</u>	<u>-</u>	<u>-</u>	<u>(1,068,335)</u>
Total accumulated depreciation	<u>(19,592,786)</u>	<u>(1,873,088)</u>	<u>-</u>	<u>-</u>	<u>(21,465,874)</u>
Total capital assets, net	<u>\$ 56,161,846</u>	<u>\$ (1,689,493)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,472,353</u>

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

Sewer	\$ 1,489,987
Water	360,903
Transit	<u>22,198</u>
Total business-type activities depreciation expense	<u>\$ 1,873,088</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6: LONG-TERM LIABILITIES

The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2010:

	<u>Balance at July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2010</u>	<u>Current Portion</u>
Governmental activities:					
Compensated absences	\$ 954,166	\$ 97,478	\$ (23,063)	\$ 1,028,581	\$ 100,000
1981 Lease revenue	510,000	-	(30,000)	480,000	30,000
1995 Tax allocation refunding	3,325,000	-	(130,000)	3,195,000	140,000
1996 Refunding lease revenue	950,000	-	(140,000)	810,000	145,000
1997 Lease revenue	<u>2,270,000</u>	<u>-</u>	<u>(125,000)</u>	<u>2,145,000</u>	<u>130,000</u>
Total Governmental activities	<u>\$ 8,009,166</u>	<u>\$ 97,478</u>	<u>\$ (448,063)</u>	<u>\$ 7,658,581</u>	<u>\$ 545,000</u>

	<u>Balance at July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2010</u>	<u>Current Portion</u>
Business-type activities:					
Compensated absences	\$ 56,813	\$ 83,170	\$ (58,964)	\$ 81,019	\$ 72,819
1996 Certificates of participation	<u>1,775,000</u>	<u>-</u>	<u>(95,000)</u>	<u>1,680,000</u>	<u>100,000</u>
Total Business-type activities	<u>\$ 1,831,813</u>	<u>\$ 83,170</u>	<u>\$ (153,964)</u>	<u>\$ 1,761,019</u>	<u>\$ 172,819</u>

A description of the long-term liabilities related to governmental activities at June 30, 2010 follows:

A. Governmental Activities

1981 Lease Revenue Bond

On August 1, 1981, the 1981 Lease Revenue Bonds were issued by the Dixon Public Improvement Corporation in the amount of \$915,000 to fund construction of the Dixon City Hall building. To provide for repayment of the bonds, the City entered into an agreement to lease the Dixon City Hall building from the Dixon Public Improvement Corporation. Interest payments are due semi-annually on August 1 and February 1 through August 2021 at an interest rate of 5.0%. Annual principal payments are due on August 1. The outstanding principal balance of the 1981 bonds at June 30, 2010 was \$480,000.

1995 Tax Allocation Refunding Bonds

On December 1, 1995, the 1995 Tax Allocation Refunding Bonds were issued by the Redevelopment Agency in the amount of \$4,575,000 to refund all of the outstanding 1994 Central Dixon Redevelopment Agency Tax Allocation Bonds. The bonds are secured by the pledge of tax revenues payable to or receivable by the Redevelopment Agency. Interest rates range from 5.6% to 6.0%. Interest payments are payable semi-annually on March 1 and September 1 through September 2024. Annual principal payments are due on September 1. The outstanding principal balance of the 1995 bonds at June 30, 2010 was \$3,195,000.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6: LONG-TERM LIABILITES (CONTINUED)

1996 Refunding Lease Revenue Bonds

On January 22, 1996, the 1996 Refunding Lease Revenue Bonds were issued by the Dixon Public Financing Authority in the amount of \$2,290,000 to refund the Dixon Public Financing Authority Lease Revenue Bonds, Series 1990 A used to construct the police administration building. To provide for repayment of the bonds, the City entered into an agreement to lease the police administration building from the Dixon Public Financing Authority. Interest rates range from 4.75% to 5.3%. Interest payments are due semi-annually on April 1 and October 1 through April 2015. Annual principal payments are due on April 1. The outstanding principal balance of the 1996 refunding lease revenue bonds at June 30, 2010 was \$810,000.

1997 Lease Revenue Bonds

On February 1, 1997, the 1997 Lease Revenue Bonds were issued by the Dixon Public Financing Authority in the amount of \$3,300,000 to fund the acquisition, construction, and equipping of a fire station. To provide for repayment of the bonds, the City entered into an agreement to lease the fire station and equipment from the Dixon Public Financing Authority. Interest rates range from 4.9% to 5.5%. Interest payments are due semi-annually on April 1 and October 1 through April 2022. Annual principal payments are due April 1. The outstanding principal balance of the 1997 bonds at June 30, 2010 was \$2,145,000.

Deferred Charges

Capitalized bond costs related to the above issuances have been recorded as deferred charges, net of accumulated amortization in the amount of \$115,479 in the government-wide financial statements. The balance is amortized using the straight line method over the bond terms which range from 17 to 20 years. Amortization expense for bond costs for the year ended June 30, 2010 was \$14,858.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6: LONG-TERM LIABILITES (CONTINUED)

Governmental Activities Long-Term Liabilities Amortization:

<u>For the Year Ending June 30</u>	<u>1981 Lease Revenue</u>		<u>1995 Tax Allocation Refunding</u>		<u>1996 Refunding Lease Revenue</u>		<u>1997 Lease Revenue</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 30,000	\$ 23,250	\$ 140,000	\$ 185,760	\$ 145,000	\$ 42,320	\$ 130,000	\$ 116,296	\$ 445,000	\$ 367,626
2012	30,000	21,750	145,000	177,601	155,000	34,926	135,000	109,539	465,000	343,816
2013	35,000	20,125	155,000	168,976	160,000	26,866	145,000	102,448	495,000	318,415
2014	35,000	18,375	165,000	159,735	170,000	18,466	155,000	94,762	525,000	291,338
2015	35,000	16,625	175,000	149,809	180,000	9,540	160,000	86,470	550,000	262,444
2016 - 2020	210,000	54,250	1,035,000	576,034	-	-	955,000	290,952	2,200,000	921,236
2021 - 2025	<u>105,000</u>	<u>5,375</u>	<u>1,380,000</u>	<u>216,600</u>	<u>-</u>	<u>-</u>	<u>465,000</u>	<u>38,776</u>	<u>1,950,000</u>	<u>260,751</u>
Total	\$ <u>480,000</u>	\$ <u>159,750</u>	\$ <u>3,195,000</u>	\$ <u>1,634,515</u>	\$ <u>810,000</u>	\$ <u>132,118</u>	\$ <u>2,145,000</u>	\$ <u>839,243</u>	\$ <u>6,630,000</u>	\$ <u>2,765,626</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6: LONG-TERM LIABILITES (CONTINUED)

B. Business-type Activities

1996 Certificates of Participation

On September 1, 1996, the 1996 Certificates of Participation were issued by the Dixon Public Financing Authority in the amount of \$2,635,000 to fund improvements to the City's municipal sewage treatment and disposal system. To provide for repayment of the certificates, the City purchased the related facilities from the Dixon Public Financing Authority under an installment sales agreement. The certificates are secured by a pledge of net sewer system revenues. The City is required to collect charges from the facilities that are sufficient to yield net revenues equal to 115% of the debt service payments on this issuance and future debt issuances payable from the net revenues of the sewer system. Interest rates range from 5.125% to 5.75%. Interest payments are due semi-annually on March 1 and September 1 through September 2021. Annual principal payments are due September 1. The outstanding principal balance of the certificates of participation at June 30, 2010 was \$1,680,000.

Deferred Charges

Capitalized bond costs related to the Business-type long term liabilities have been recorded as deferred issuance costs in the amount of \$35,527 in the government-wide and fund financial statements. The balance is amortized using the straight line method over the debt term. Amortization expense for issuance costs for the year ended June 30, 2010 was \$3,170.

Business-type Long-Term Liabilities Amortization

1996 Certificates of Participation			
For the Year Ending June 30	Principal	Interest	Total
2011	\$ 100,000	\$ 92,238	\$ 192,238
2012	105,000	86,651	191,651
2013	115,000	80,601	195,601
2014	120,000	74,078	194,078
2015	125,000	67,218	192,218
2016 - 2020	755,000	216,549	971,549
2021 - 2025	360,000	20,988	380,988
Total	\$ 1,680,000	\$ 638,323	\$ 2,318,323

NOTE 7: SPECIAL ASSESSMENT DEBT

Special assessment bonds have been issued pursuant to the provisions of the Improvement Bond Acts of 1915. The City is in no way liable for repayment of any bonds of the funds related to the Agency funds, according to bond counsel, but is acting only as an agent for the property owners/bond holders in collecting and forwarding the special assessments. The Dixon Public Financing Authority 1998 Senior Lien and Junior Lien Reassessment Bonds, Series A and B, respectively, were issued solely to refund the Assessment district limited obligation bonds described below. Balances of the various assessment district bonds at June 30, 2010 were as follows:

Dixon-West "A" Street Assessment District Limited Obligation Improvement Bonds	\$ 1,870,000
North First Street Assessment District Limited Obligation Improvement Bonds	10,960,000
Dixon Public Financing Authority:	
1998 Senior Lien Reassessment Bonds, Series A	3,990,000
1998 Junior Lien Reassessment Bonds, Series B	7,980,000
Total Special Assessment Debt	\$ 24,800,000

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 8: DEFINED BENEFIT PENSION PLAN

Plan Description

The City contributes to the California Public Employees Retirement Systems (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. The City participates in the Safety 3.0% at 50 risk pool for its Safety Fire Plan and Safety Police Plan, and also participates in the Miscellaneous 2.5% at 55 risk pool for its Miscellaneous Plan. All permanent and full time City employees working at least 1,000 hours per year are eligible to participate in PERS. Under PERS, benefits vest after five years of service. Upon retirement, participants are entitled to an annual retirement benefit, payable for life, in an amount equal to a benefit factor multiplied by their highest average monthly salary over twelve consecutive months of employment. Benefit provisions and all other requirements are established by state statute. The establishment and amendment of specific benefit provisions of the plan are authorized by resolution of the City Council. Copies of PERS annual financial report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

Funding Policy

Participants are required to contribute 8% (9% for safety employees) of their annual covered salary. The City has a variety of agreements regarding these employee contributions to the PERS retirement program. Members of the Public Employees Union #1 (Local One) and Senior Managers are required to contribute 8% (9% for public safety employees) of their covered salaries. The City pays the employee contribution for members of the Dixon Police Officers Association (DPOA) and 5.2% of the Dixon Professional Firefighters Association (DPFA). The DPFA members also pay 3.8% of their covered salary as the result of negotiations for the 3.0% at 50 Retirement Plan. The City is required to contribute an actuarially determined rates which are 27.972% for safety police employees, 22.268% for safety fire employees, and 15.214% for non-safety employees of annual covered payroll for the fiscal year ended June 30, 2010. The contribution requirement of plan members and the City are established and may be amended by PERS.

Annual Pension Cost

For the fiscal year ended June 30, 2010, the City's annual pension cost (employer contribution) of \$1,607,186 for safety and miscellaneous employees was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2008, actuarial valuation using the entry age normal actuarial cost method.

The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 3.25 percent per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smoothed market value). The PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. PERS has combined the prior service unfunded liability and current service unfunded liability into a single initial unfunded liability.

Three Year Trend Information for PERS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2007	\$ 1,429,230	100%	-
2008	\$ 1,584,760	100%	-
2009	\$ 1,607,186	100%	-

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Schedule of Funding Progress for PERS
(Risk Pool as a Whole)

Safety Plan:

Actuarial Valuation Date	Normal Accrued Liability	Actuarial Value of Assets	Liability (Excess Assets)	Funded Status	Annual Covered Payroll	UAAL* as a % of Covered Payroll
June 30, 2008	\$ 8,700,467,733	\$ 7,464,927,716	\$ 1,235,540,017	85.8%	\$ 914,840,596	135.1%

Miscellaneous Plan:

Actuarial Valuation Date	Normal Accrued Liability	Actuarial Value of Assets	Liability (Excess Assets)	Funded Status	Annual Covered Payroll	UAAL* as a % of Covered Payroll
June 30, 2008	\$ 1,537,909,933	\$ 1,337,707,835	\$ 200,202,098	87.0%	\$ 333,307,600	60.1%

* UAAL - Unfunded actuarial accrued liability

** A new State Law authorized the creation of risk pools by PERS and required mandatory participation of small employers to help reduce large fluctuations in their contribution rates. As an employer with less than 100 active members, the City of Dixon is now required to participate in the risk pool. Under this pooling method, assets and liabilities of the participant employers are aggregated. As such, individual employer's retirement data is no longer available.

The schedule of funding progress, which is presented as required supplementary information immediately following the notes to the financial statements, provides multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 9: OTHER POST EMPLOYMENT BENEFITS

This note includes information required by GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*.

Description of the Plan

The City sponsors and administers a single-employer health care plan for its employees. The plan provides medical, dental, and vision plan coverage. Medical coverage is provided through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA), also referred to as PERS Health. Dependent children are eligible for coverage until age 23. Retired employees who were part of the Public Employees Union #1 (Local One) receive one month's premium at the Kaiser plus one dependent rate for each year of full time service to a maximum of 24 months. In addition, the City provides dental and vision insurance. As the City 's OPEB benefits are administered by City personnel, no separate financial statements are issued.

For the year ended June 30, 2010, the City reported 21 retired employees. The City currently has 120 active participants.

Funding Policy

Employees become eligible to retire under PEMHCA and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by attaining qualifying disability retirement status. The City has selected the unequal contribution method, where it contributes a percent of the amount paid for actives to its eligible retirees. The City contribution is up to 5% of active contribution times years of participation in PEMHCA. All bargaining groups are eligible except for police officers and firefighters. As of June 30, 2010, the City had not established a formal funding policy or trust to maintain future required contributions. The City is currently funding the benefits on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

For the year ended June 30, 2010, the City's annual cost for the healthcare plan was \$1,607,186. The City's annual OPEB cost contributed to the plan and the net OPEB obligation for the year ended June 30, 2010 were as follows:

Annual required contribution		
Service cost at year-end	\$	216,000
30-year amortization of funded liability		<u>57,000</u>
Total annual required contribution		<u>273,000</u>
Employer contributions		(31,030)
Net pension obligation, July 1, 2009		<u>232,559</u>
Net pension obligation, June 30, 2010	\$	<u>474,529</u>

<u>Year Ended</u>	<u>Annual OPEB cost</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net Ending OPEB</u>
June 30, 2009	\$ 254,000	\$ 21,441	8 %	\$ 232,559
June 30, 2010	\$ 273,000	\$ 31,030	11 %	\$ 474,529

As of June 30, 2010, \$436,707 of the net pension obligation was recorded in governmental activities and \$37,822 was recorded in business-type activities on the Statement of Net Assets.

Fiscal year 2009 was the year of implementation of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The City has elected to implement the statement prospectively. Therefore, prior year comparative data is not available. In future years, three-year trend information will be presented.

Funded Status and Funding Progress

The funded status of the plan based on an actuarial study using age-adjusted premiums as of June 30, 2010, was as follows:

Actuarial accrued liability (AAL)		
Active employees	\$	1,290,000
Retired employees		<u>183,000</u>
		<u>1,473,000</u>
Actuarial value of plan assets		<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$	<u>1,473,000</u>
Funded Ratio (actuarial value of plan assets / AAL)		0 %
Covered payroll (active plan members)	\$	7,860,000
UAAL as a percentage of covered payroll		19 %

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on the values which the City's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multi-year trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Because 2009 was the year of implementation of GASB Statement No. 45 and the City elected to apply the statement prospectively, only two years are presented in the schedule at this time. In future years, required trend data will be presented.

Actuarial Methods and Assumptions

Calculations of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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 actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the 2009 actuarial valuation, the entry age normal cost method was used along with the level percent of payroll amortization for 30 years. The asset valuation method was based on the market value of assets. The actuarial assumptions included a 7.75% interest rate if funded, and a 4.25% interest rate if unfunded. Salary increases were assumed to be 3.25% per year. Medical rate increases were based on experience. Part-time employees would terminate before eligible for retirement. Current active and current retire spousal coverage was the same as the current coverage at election.

NOTE 10: RISK MANAGEMENT

The City is a member of the Northern California Cities Self Insurance Fund (NCCCSIF) along with eighteen other northern California cities. The NCCCSIF is a joint powers authority (JPA) organized in accordance with Article 1, Chapter 5, Division 7, Title 1 of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. The NCCCSIF provides claims processing, administrative services, risk management services, and actuarial studies. A member from each city governs the NCCCSIF. The City Council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. The City does not retain the risk of loss. However, ultimate liability for payment of claims and insurance premiums resides with member cities. The NCCCSIF is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If the JPA become insolvent, the City is responsible only to the extent of any deficiency in its equity balance.

The NCCCSIF establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 10: RISK MANAGEMENT (CONTINUED)

The City's insurance coverage and the respective coverage providers are as follows:

Amount	Coverage Provider	Payment
Liability Claims:		
\$0 - \$25,000	Self-insured	Banking layer
\$25,001 - \$500,000	Northern California Cities Self Insurance Fund	Shared risk
\$500,001 - \$40,000,000	California Joint Powers Risk Management Authority	Shared risk
Workers' Compensation		
\$0 - \$100,000	Self-insured	Banking layer
\$100,001 - \$500,000	Northern California Cities Self Insurance Fund	Shared risk
\$500,001 - \$200,000,000	Commercial insurance	

There have been no significant reductions in insurance coverage in the prior fiscal year. Also, settlements have not exceeded the insurance coverage for the past three fiscal years. The City's equity investment in the NCCCSIF of \$523,270 is recorded as a prepaid asset in the General Fund. Audited condensed financial information for the NCCCSIF for the fiscal year ended June 30, 2010 was as follows:

Total Assets	\$	51,245,845
Total Liabilities	\$	30,318,510
Net Assets	\$	20,927,335
Total Revenues	\$	16,641,297
Total Expenses	\$	13,987,494
Change in Net Assets	\$	2,653,803

NOTE 11: EXCESS EXPENDITURES AND TRANSFERS OVER APPROPRIATIONS

The following funds incurred expenditures and/or transfers in excess of appropriations in the following amounts for the year ended June 30, 2010:

Fund	Excess Expenditures
Redevelopment	\$ 290,555
CA Used Oil	392
CDBG	48,724
City Facilities	596
Core Area Drainage	29,849

The excess expenditures were covered by available fund balance in the funds.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 12: DEFICIT FUND BALANCES

As of June 30, 2010, the following funds had a fund deficit:

Fund	Deficit
Storm Drain Fund	\$ 734,733
Vacaville/Dixon Greenbelt Authority	3

These deficits were a result of expenditures incurred in advance of receipt of revenue and will be eliminated through future revenues and expenditure reductions.

NOTE 13: CONTINGENCIES AND COMMITMENTS

Grant Awards

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Litigation

The City is involved in several pending lawsuits of a nature common to many similar jurisdictions. City management estimates that potential claims against the City, not covered by insurance, will not have a material adverse effect on the financial statements of the City.

Construction Commitments

The City had construction commitments as of June 30, 2010 totaling \$1,301,538 for various construction projects that were not complete as of year-end.

NOTE 14: PROPOSITION 1A BORROWING FROM 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 the 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 borrowing pertaining to the City was \$463,770.

The borrowing by the State of California was recognized as a receivable in the accompanying financial statements. Under the modified accrual basis of accounting, the borrowed tax revenues are not permitted to be recognized as revenue in the governmental fund financial statements until the tax revenues are received from the State of California (expected to be in fiscal year 2012-13). In the government-wide financial statements, the tax revenues were recognized in the fiscal year for which they were levied (fiscal year 2009-10).

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 15: PRIOR PERIOD ADJUSTMENTS

The City determined that certain accounts were invalid or inactive and should be adjusted to actual amounts. Accordingly, the balance sheet of the fund financial statements has been adjusted to reflect the following prior period adjustments:

<u>Fund</u>	<u>Description of Restatement</u>	<u>Amount</u>
<u>Governmental funds</u>		
CDBG Grant PTA	Correction of deferred revenue	\$ <u>48,874</u>
	Total Governmental Fund Balance Restatement	\$ <u>48,874</u>
<u>Proprietary funds</u>		
Sewer	Correction of compensated absences balance	\$ <u>(8,530)</u>
	Total Proprietary Fund Balance Restatement	\$ <u>(8,530)</u>

In addition, the Government-wide Statement of Net Assets for governmental activities has been adjusted by \$40,344 to reflect the above misstatements.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 16: SUBSEQUENT EVENTS

Government Accounting Standards Board Statement No. 54

In March 2009, GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The objective to this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Application of this statement is effective for the City's fiscal year ending June 30, 2011.

Redevelopment Agencies

In July 2009, the California Legislature passed ABX4-26 as part of the State's budget package which requires redevelopment agencies to remit approximately \$2.05 billion in redevelopment revenues back to the State. Under ABX4-26, each redevelopment agency must contribute a proportionate share of revenue to the newly created Supplemental Educational Revenue Augmentation Fund (SERAF). The bill authorized redevelopment agencies, from July 1, 2009, to June 30, 2010, to suspend all or part of its required 20% allocation to its Low and Moderate Income Housing Fund in order to make the required payments. The Housing Fund must be repaid by June 30, 2015. If the agency fails to repay the Housing Fund, the required allocation of tax increment to the Housing Fund is increased to 25% for most agencies as long as the project area continues to receive tax increment. This will result in the delay or elimination of many affordable housing projects where redevelopment funding is a key funding component. Payments were to be made in two parts, one in FY 2010 and the other in FY 2011. In October 2009, the California Redevelopment Association and two of its members filed a lawsuit to challenge the constitutionality of the bill. In May 2010, the ruling was upheld and the California Redevelopment Association submitted for another appeal in August 2010. The appeal seeks repayment of the funds paid out in FY 2010 and a prohibition of the funds to be paid in FY 2011. A ruling is expected before May 2011, the date redevelopment agencies must make their FY 2011 payment to the State. The amount paid to the State from the City was \$768,400 in FY 2010 and the amount to be paid in FY 2011 totals \$168,000.

Dixon/Solano Water Authority

On August 31, 2010, the City Council, along with the Board of Directors of the Solano Irrigation District, adopted a resolution to form a joint powers authority between the City and the Solano Irrigation District, referred to as the Dixon/Solano Water Authority (DSWA). The DSWA was established to provide portable water service within the common territory of the two entities. All existing facilities, property, or rights currently jointly owned by the members through the DSMWS will be transferred to the DSWA. The DSMWS will be terminated as of the effective date of the agreement.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DIXON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-2010			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual Amounts	
<u>REVENUES</u>				
Taxes and assessments	\$ 9,529,725	\$ 9,065,237	\$ 8,817,160	\$ (248,077)
License, permits, and fees	917,739	917,739	790,442	(127,297)
Fines and forfeitures	15,000	15,000	4,184	(10,816)
Use of money and property	151,000	151,000	151,213	213
Intergovernmental	138,508	260,779	313,777	52,998
Charges for services	314,788	323,750	316,405	(7,345)
Other revenues	<u>57,922</u>	<u>85,922</u>	<u>92,829</u>	<u>6,907</u>
Total Revenues	<u>11,124,682</u>	<u>10,819,427</u>	<u>10,486,010</u>	<u>(333,417)</u>
<u>EXPENDITURES</u>				
Current:				
General Administration				
City council	72,487	73,487	52,653	20,834
City manager	67,184	67,184	148,349	(81,165)
City clerk	509,125	464,602	424,986	39,616
Finance	416,803	416,803	382,279	34,524
Personnel	268,352	263,352	254,251	9,101
Information technology	128,554	128,554	120,199	8,355
City attorney	200,000	200,000	148,921	51,079
General liability	305,502	305,502	60,133	245,369
Garage	100,950	29,450	44,878	(15,428)
City building maintenance	185,171	183,146	168,139	15,007
RDA administration	-	-	2,043	(2,043)
Total General Administration	<u>2,254,128</u>	<u>2,132,080</u>	<u>1,806,831</u>	<u>325,249</u>
Public Safety				
Police	4,008,553	3,971,446	3,868,402	103,044
Fire	3,189,616	3,199,899	3,308,136	(108,237)
Code compliance	<u>63,065</u>	<u>63,065</u>	<u>51,039</u>	<u>12,026</u>
Total Public Safety	<u>7,261,234</u>	<u>7,234,410</u>	<u>7,227,577</u>	<u>6,833</u>
Parks and Recreation				
Park maintenance	918,212	848,212	860,354	(12,142)
Recreation	613,718	608,718	584,896	23,822
Senior multi-use center	<u>93,398</u>	<u>92,398</u>	<u>91,438</u>	<u>960</u>
Total Parks and Recreation	<u>1,625,328</u>	<u>1,549,328</u>	<u>1,536,688</u>	<u>12,640</u>

CITY OF DIXON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-2010			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Development				
Economic development	\$ 182,991	\$ 179,991	\$ 174,388	\$ 5,603
Planning agreements	332,378	388,353	357,159	31,194
Building inspection	147,814	139,189	127,030	12,159
Building reserve	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total Development	<u>713,183</u>	<u>757,533</u>	<u>658,577</u>	<u>98,956</u>
Public Ways and Facilities				
Engineering	356,414	399,653	307,547	92,106
Operations and maintenance administration	145,287	142,587	125,752	16,835
Street maintenance	530,335	524,335	521,292	3,043
Storm drain maintenance	<u>229,444</u>	<u>222,944</u>	<u>190,194</u>	<u>32,750</u>
Total Public Ways and Facilities	<u>1,261,480</u>	<u>1,289,519</u>	<u>1,144,785</u>	<u>144,734</u>
Capital Outlay	<u>128,200</u>	<u>369,045</u>	<u>224,277</u>	<u>144,768</u>
Total Expenditures	<u>13,243,553</u>	<u>13,331,915</u>	<u>12,598,735</u>	<u>1,321,592</u>
Excess (deficiency) of revenues over expenditures	<u>(2,118,871)</u>	<u>(2,512,488)</u>	<u>(2,112,725)</u>	<u>(1,655,009)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,295,989	1,792,087	1,142,903	(649,184)
Transfers out	<u>(667,103)</u>	<u>(667,103)</u>	<u>(34,607)</u>	<u>632,496</u>
Total Other Financing Sources (Uses)	<u>628,886</u>	<u>1,124,984</u>	<u>1,108,296</u>	<u>(16,688)</u>
Net change in fund balance	<u>(1,489,985)</u>	<u>(1,387,504)</u>	<u>(1,004,429)</u>	<u>(1,671,697)</u>
Fund balance - July 1, 2009			<u>5,419,144</u>	
Fund balance - June 30, 2010			<u>\$ 4,414,715</u>	

CITY OF DIXON
REDEVELOPMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>2009-10</u> <u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes and assessments	\$ 1,680,685	\$ 1,680,685	\$ 1,725,304	\$ 44,619
Use of money and property	15,774	-	15,774	15,774
Program income	4,553	-	4,553	4,553
Other revenues	<u>118,000</u>	<u>118,000</u>	<u>-</u>	<u>(118,000)</u>
Total Revenues	<u>1,819,012</u>	<u>1,798,685</u>	<u>1,745,631</u>	<u>(53,054)</u>
<u>EXPENDITURES</u>				
Current:				
Development				
Administration	1,012,003	1,550,520	1,318,098	232,422
Debt service	2,500	2,500	2,226	274
Program	98,876	55,000	49,162	5,838
Loans	<u>2,000</u>	<u>2,000</u>	<u>531,089</u>	<u>(529,089)</u>
Total Development	<u>1,115,379</u>	<u>1,610,020</u>	<u>1,900,575</u>	<u>(290,555)</u>
Debt service:				
Principal	130,000	130,000	130,000	-
Interest and fiscal charges	<u>193,455</u>	<u>193,455</u>	<u>193,455</u>	<u>-</u>
Total Expenditures	<u>1,438,834</u>	<u>1,933,475</u>	<u>2,224,030</u>	<u>(290,555)</u>
Excess (deficiency) of revenues over expenditures	<u>380,178</u>	<u>(134,790)</u>	<u>(478,399)</u>	<u>(343,609)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	25,000	25,000	25,000	-
Transfers out	<u>(407,707)</u>	<u>(197,707)</u>	<u>(197,707)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(382,707)</u>	<u>(172,707)</u>	<u>(172,707)</u>	<u>-</u>
Net change in fund balance	<u>(2,529)</u>	<u>(307,497)</u>	<u>(651,106)</u>	<u>(343,609)</u>
Fund balance - July 1, 2009			<u>2,162,701</u>	
Fund balance - June 30, 2010			<u>\$ 1,511,595</u>	

CITY OF DIXON
 LOW/MODERATE INCOME HOUSING FUND - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual Amounts	
<u>REVENUES</u>				
Taxes and assessments	\$ 420,171	\$ 420,171	\$ 431,326	\$ 11,155
Use of money and property	100	100	16,685	16,585
Program income	<u>25,000</u>	<u>25,000</u>	<u>20,659</u>	<u>(4,341)</u>
Total Revenues	<u>445,271</u>	<u>445,271</u>	<u>468,670</u>	<u>23,399</u>
<u>EXPENDITURES</u>				
Current:				
Development				
Administration	138,277	138,227	64,438	73,789
Grant programs	265,000	265,000	349,335	(84,335)
Home loan	650,000	650,000	142,200	507,800
CDBG home rehab	<u>32,200</u>	<u>32,200</u>	<u>11,609</u>	<u>20,591</u>
Total Development	<u>1,085,477</u>	<u>1,085,427</u>	<u>567,582</u>	<u>517,845</u>
Total Expenditures	<u>1,085,477</u>	<u>1,085,427</u>	<u>567,582</u>	<u>1,035,690</u>
Excess (deficiency) of revenues over expenditures	<u>(640,206)</u>	<u>(640,156)</u>	<u>(98,912)</u>	<u>541,244</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	-	(170,690)	(170,690)
Total Other Financing Sources (Uses)	-	-	(170,690)	(170,690)
Net change in fund balance	<u>(640,206)</u>	<u>(640,156)</u>	<u>(269,602)</u>	<u>370,554</u>
Fund balance - July 1, 2009			<u>1,719,382</u>	
Fund balance - June 30, 2010			<u>\$ 1,449,780</u>	

**CITY OF DIXON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED JUNE 30, 2010**

The City Council establishes budgets for all governmental funds. Budgetary control is legally maintained at the fund level. The City Manager submits a proposed budget to the City Council for the following year beginning July 1. The preliminary budget may or may not be amended by the City Council after public hearings are held and is adopted by City Council resolution prior to July 1 in accordance with the municipal code.

The City Council may amend the budget by motion during the fiscal year. The City Manager is authorized to transfer budgeted amounts within an object or purpose within any department. However, the City Council must approve revisions that alter the total expenditures of any department.

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. All budget amounts presented in the accompanying financial statements and supplementary information have been adjusted for legally authorized revisions of the annual budgets during the year. Amounts represent the original budgeted amounts and all supplemental appropriations.

**CITY OF DIXON
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF FUNDING PROGRESS FOR CaIPERS PENSIONS PLANS

Required Supplementary Information - Safety Plan**

<u>Valuation Date</u>	<u>(1) Entry Age Actuarial Accrued Liability</u>	<u>(2) Actuarial Value of Assets</u>	<u>(3) Unfunded Liability (Excess Assets) (1) - (2)</u>	<u>(4) Funded Status (2) / (1)</u>	<u>(5) Annual Covered Payroll</u>	<u>(6) Unfunded Actuarial Liability as a percentage of Covered Payroll ((1) - (2)) / (5)</u>
June 30, 2006	\$ 7,278,049,834	\$ 6,102,615,567	\$ 1,175,434,267	83.8 %	\$ 754,730,438	155.7 %
June 30, 2007	\$ 7,986,055,176	\$ 6,826,599,459	\$ 1,159,455,717	85.5 %	\$ 831,607,658	139.4 %
June 30, 2008	\$ 8,700,467,733	\$ 7,464,927,716	\$ 1,235,540,017	85.8 %	\$ 914,840,596	135.1 %

Required Supplementary Information - Miscellaneous Plan**

<u>Valuation Date</u>	<u>(1) Entry Age Actuarial Accrued Liability</u>	<u>(2) Actuarial Value of Assets</u>	<u>(3) Unfunded Liability (Excess Assets) (1) - (2)</u>	<u>(4) Funded Status (2) / (1)</u>	<u>(5) Annual Covered Payroll</u>	<u>(6) Unfunded Actuarial Liability as a percentage of Covered Payroll ((1) - (2)) / (5)</u>
June 30, 2006	\$ 912,988,585	\$ 787,758,909	\$ 125,229,676	86.3 %	\$ 200,320,145	62.5 %
June 30, 2007	\$ 1,315,454,361	\$ 1,149,247,298	\$ 166,207,063	87.4 %	\$ 289,090,187	57.5 %
June 30, 2008	\$ 1,537,909,933	\$ 1,337,707,835	\$ 200,202,098	87.0 %	\$ 333,307,600	60.1 %

**A new State law authorized the creation of risk pools by PERS and required mandatory participation of small employers to help reduce large fluctuations in their contribution rates. As an employer with less than 100 active members, the City is now required to participate in the risk pool. Under this pooling method, assets and liabilities of the participant employers are aggregated. As such, individual employer's retirement data is no longer available.

**CITY OF DIXON
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)

<u>Actuarial Valuation Date</u>	<u>Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Liability (Excess Assets)</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
June 30, 2009	\$ 1,473,000	\$ -	\$ 1,473,000	0%	\$ 7,860,000	19 %

See accompanying notes to the basic financial statements.

COMBINING FINANCIAL SCHEDULES AND OTHER SUPPLEMENTARY INFORMATION

CITY OF DIXON
TRANSPORTATION FUND - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 33,588	\$ 33,588
Intergovernmental	750,000	968,000	628,437	(339,563)
Developer fees	-	-	13,347	13,347
	<u>750,000</u>	<u>968,000</u>	<u>675,372</u>	<u>(292,628)</u>
Total Revenues				
<u>EXPENDITURES</u>				
Current:				
Public Ways and Facilities				
Street maintenance program	-	-	825,214	(825,214)
West A Street rehab project	-	-	180	(180)
Stratford Avenue rehab project	-	-	1,230	(1,230)
Railroad grade separation	-	-	5,220	(5,220)
Total Public Ways and Facilities	<u>-</u>	<u>-</u>	<u>831,844</u>	<u>(831,844)</u>
Capital Outlay				
Sidewalk rehab program	20,500	20,500	5,535	14,965
Sidewalk ramps	51,500	51,500	-	51,500
Sidewalk replacement	148,000	150,000	6,958	143,042
Street master plan	100,000	100,000	9,252	90,748
Vaughn Road Realignment	30,000	30,000	1,001	28,999
Street maintenance program	-	-	96,786	(96,786)
Pedestrian improvements	-	-	57,841	(57,841)
Stratford Avenue rehab project	-	197,666	372	197,294
Railroad grade separation	1,780,000	1,830,000	103,044	1,726,956
Total Capital Outlay	<u>2,130,000</u>	<u>2,379,666</u>	<u>280,789</u>	<u>2,098,877</u>
Total Expenditures	<u>2,130,000</u>	<u>2,379,666</u>	<u>1,112,633</u>	<u>1,267,033</u>
Excess (deficiency) of revenues over expenditures	<u>(1,380,000)</u>	<u>(1,411,666)</u>	<u>(437,261)</u>	<u>974,405</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	232,005	222,005	-	(222,005)
Transfers out	<u>(5,300)</u>	<u>(5,300)</u>	<u>(5,300)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>226,705</u>	<u>216,705</u>	<u>(5,300)</u>	<u>(222,005)</u>
Net change in fund balance	<u>(1,153,295)</u>	<u>(1,194,961)</u>	<u>(442,561)</u>	<u>752,400</u>
Fund balance - July 1, 2009			<u>5,378,639</u>	
Fund balance - June 30, 2010			<u>\$ 4,936,078</u>	

CITY OF DIXON
STORM DRAIN FUND - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 7,534	\$ 7,534
Total Revenues	-	-	7,534	7,534
<u>EXPENDITURES</u>				
Current:				
Public Safety				
Administration	-	-	588	(588)
Core area drainage study	328,000	328,000	-	328,000
Total Public Safety	328,000	328,000	588	327,412
Capital Outlay				
Core area drainage study	328,000	328,000	-	328,000
Total Expenditures	656,000	656,000	588	655,412
Net change in fund balance (deficit)	(656,000)	(656,000)	6,946	662,946
Fund balance (deficit) - July 1, 2009			(741,679)	
Fund balance (deficit) - June 30, 2010			\$ (734,733)	

NON-MAJOR GOVERNMENTAL FUNDS

The following funds are reported in total on the Governmental Fund Financial Statements under the column Other Governmental Funds.

SPECIAL REVENUE FUNDS

Gas Tax Fund

This fund is used to account for receipts and expenditures of monies apportioned for road projects under the Street and Highway Code Section 2105, 2106, 2107, and 2107.5 of the State of California.

Traffic Safety

This fund is used to account for receipts of motor vehicle fines and forfeitures expended for traffic safety projects.

Used Oil Recycling Block Grant Fund

This fund is used to account for receipts and expenditures for the "Community Oriented Public Safety" funds provided by the State of California.

COPS Block Grant

This fund accounts for the receipts and expenditures for the "Community Oriented Public Safety" funds provided by the State of California.

Asset Forfeiture Fund

This fund is used to account for receipts and expenditures related to asset forfeitures.

CDBG Fund

This fund is used to account for the City's participation in the Community Development Block Grant programs, which provides loans to businesses to generate jobs for new employees in the targeted income group (generally low income).

CDBG Grant PTA Fund

This fund is used to account for planning technical assistance which the City received in 2006 to promote economic development.

Landscaping and Lighting Assessment Districts

This fund is used to account for revenues from assessments and expenditures for the landscaping maintenance and lighting operations of 10 zones within the City limits.

Valley Glen Storm Drain

This fund accounts for revenues from assessments and expenditures for the maintenance of the Valley Glen Pump Station and for the Valley Glen housing development proportionate share of cost for the pond A and lateral one storm drainage improvements.

CFD Pond C

This fund accounts for assessments and expenditures for the maintenance of the drainage Pond C. The funding for this maintenance is shared by the Brookfield development and the City.

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

Capital Improvements Fund

This fund is used to account for miscellaneous capital projects and for portions of capital projects which do not have other resources available (i.e., ineligible for development of impact fees).

Industrial Park Fund

This fund is used to account for miscellaneous capital projects and for portions of capital projects which do not have other resources available (i.e., ineligible for development impact fees), and for economic development support.

Community Development Fund

This fund is used to account for miscellaneous capital projects and for portions of capital projects which do not have other resources available (i.e., ineligible for development impact fees), and for economic development support.

Fire Fund

This fund is used to account for revenue and expenditures budgeted for capital projects relating to fire infrastructure.

Police Fund

This fund is used to account for revenue and expenditures budgeted for capital projects relating to police infrastructure.

City Facilities Fund

This fund accounts for revenue and expenditures budgeted for capital projects relating to administrative infrastructure.

Public Works Fund

This fund accounts for revenues and expenditures budgeted for capital projects relating to public works (municipal service center) infrastructure.

Core Area Drainage

This fund is used to track revenues and expenditures related to the Core Area Drainage Project.

Transit Projects Fund

This fund is used to account for grants received to fund transit facilities.

Recreation Improvements Fund

This fund is used to account for development impact fees collected to fund expansion of recreation and park facilities.

Agricultural Land Mitigation Fund

This fund is used to account for development impact fees collected to fund greenbelts.

Vacaville/Dixon Greenbelt Authority

This fund is used to account for resources budgeted for Vacaville/Dixon Greenbelt (VDG) Authority projects, including a greenbelt between the cities of Dixon and Vacaville.

DEBT SERVICE FUNDS

City Hall Debt Reserve Fund

This fund is used to account for funds set aside from the general fund as a reserve for future debt service payments.

Dixon Public Improvement Fund (DPIC)

This fund is used to account for lease revenue and debt service payments for the 1981 Lease Revenue Refunding bonds which were used to construct City Hall.

Dixon Public Financing Authority - Police

This fund is used to account for the 1996 Refunding Lease Revenue bonds which were originally issued by the Dixon Public Financing Authority for the construction of the City of Dixon police station.

Dixon Public Financing Authority - Fire

This fund is used to account for the debt service payments of the 1997 Lease Revenue bonds issued for the construction of the City of Dixon fire station and administrative center.

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2010

Special Revenue Funds					
	<u>Gas Tax</u>	<u>Traffic Safety</u>	<u>Used Oil Recycling Block Grant</u>	<u>COPS Block Grant</u>	<u>Asset Forfeiture</u>
ASSETS					
Cash and investments	\$ 152,882	\$ 24,404	\$ -	\$ 142,106	\$ 3,879
Restricted cash and investments	-	-	-	-	-
Accounts receivable	6,769	-	5,584	15,427	-
Interest receivable	892	118	-	744	20
Notes receivable	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total Assets	\$ 160,543	\$ 24,522	\$ 5,584	\$ 158,277	\$ 3,899
LIABILITIES AND FUND BALANCES					
(DEFICITS)					
LIABILITIES:					
Accounts payable	\$ 473	\$ 5,677	\$ 248	\$ -	\$ -
Accrued payroll and benefits	-	-	-	556	-
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	590	-	-
Total Liabilities	473	5,677	838	556	-
FUND BALANCES (DEFICITS):					
Reserved:					
Debt service	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Special revenue funds	160,070	18,845	4,746	157,721	3,899
Capital project funds	-	-	-	-	-
Total Fund Balances (Deficits)	160,070	18,845	4,746	157,721	3,899
Total Liabilities and Fund Balances (Deficits)	\$ 160,543	\$ 24,522	\$ 5,584	\$ 158,277	\$ 3,899

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2010

	Special Revenue Funds				
	<u>CDBG</u>	<u>CDBG Grant PTA</u>	<u>Landscaping and Lighting Assessment Districts</u>	<u>Valley Glen Storm Drain</u>	<u>CFD Pond C</u>
<u>ASSETS</u>					
Cash and investments	\$ 23,973	\$ 6,834	\$ 76,484	\$ 487,428	\$ 3,089
Restricted cash and investments	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Interest receivable	106	35	709	2,535	10
Notes receivable	603,627	-	-	-	-
Advances to other funds	-	-	-	-	-
Total Assets	\$ 627,706	\$ 6,869	\$ 77,193	\$ 489,963	\$ 3,099
<u>LIABILITIES AND FUND BALANCES</u>					
<u>(DEFICITS)</u>					
LIABILITIES:					
Accounts payable	\$ 606	\$ -	\$ 13,947	\$ 1,234	\$ -
Accrued payroll and benefits	-	-	-	-	-
Deferred revenue	603,627	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	604,233	-	13,947	1,234	-
FUND BALANCES (DEFICITS):					
Reserved:					
Debt service	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Special revenue funds	23,473	6,869	63,246	488,729	3,099
Capital project funds	-	-	-	-	-
Total Fund Balances (Deficits)	23,473	6,869	63,246	488,729	3,099
Total Liabilities and Fund Balances (Deficits)	\$ 627,706	\$ 6,869	\$ 77,193	\$ 489,963	\$ 3,099

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2010

Capital Project Funds

	<u>Capital Improvements</u>	<u>Industrial Park</u>	<u>Community Development</u>	<u>Fire</u>	<u>Police</u>	<u>City Facilities</u>
<u>ASSETS</u>						
Cash and investments	\$ 221,992	\$ -	\$ 1,032,866	\$ -	\$ -	\$ 222,508
Restricted cash and investments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Interest receivable	1,079	-	5,517	-	122	1,196
Notes receivable	-	-	-	-	-	-
Advances to other funds	<u>528,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 751,505</u>	<u>\$ -</u>	<u>\$ 1,038,383</u>	<u>\$ -</u>	<u>\$ 122</u>	<u>\$ 223,704</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>(DEFICITS)</u>						
LIABILITIES:						
Accounts payable	\$ 4,079	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58</u>	<u>-</u>
Total Liabilities	<u>4,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58</u>	<u>-</u>
FUND BALANCES (DEFICITS):						
Reserved:						
Debt service	-	-	-	-	-	-
Advances to other funds	528,434	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-
Capital project funds	<u>218,992</u>	<u>-</u>	<u>1,038,383</u>	<u>-</u>	<u>64</u>	<u>223,704</u>
Total Fund Balances (Deficits)	<u>747,426</u>	<u>-</u>	<u>1,038,383</u>	<u>-</u>	<u>64</u>	<u>223,704</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 751,505</u>	<u>\$ -</u>	<u>\$ 1,038,383</u>	<u>\$ -</u>	<u>\$ 122</u>	<u>\$ 223,704</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2010

Capital Project Funds						
	<u>Public Works</u>	<u>Core Area Drainage</u>	<u>Transit Projects</u>	<u>Recreation Improvements</u>	<u>Agricultural Land Mitigation</u>	<u>Vacaville/Dixon Greenbelt Authority</u>
<u>ASSETS</u>						
Cash and investments	\$ 717,923	\$ -	\$ 426,728	\$ 299,539	\$ 64,548	\$ -
Restricted cash and investments	-	-	-	-	-	-
Accounts receivable	97,683	12,349	107,727	-	-	-
Interest receivable	3,679	82	2,257	1,564	333	-
Notes receivable	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Total Assets	<u>\$ 819,285</u>	<u>\$ 12,431</u>	<u>\$ 536,712</u>	<u>\$ 301,103</u>	<u>\$ 64,881</u>	<u>\$ -</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>(DEFICITS)</u>						
LIABILITIES:						
Accounts payable	\$ 34,039	\$ -	\$ 1,124	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	12,376	-	-	-	3
Total Liabilities	<u>34,039</u>	<u>12,376</u>	<u>1,124</u>	<u>-</u>	<u>-</u>	<u>3</u>
FUND BALANCES (DEFICITS):						
Reserved:						
Debt service	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-
Capital project funds	785,246	55	535,588	301,103	64,881	(3)
Total Fund Balances (Deficits)	<u>785,246</u>	<u>55</u>	<u>535,588</u>	<u>301,103</u>	<u>64,881</u>	<u>(3)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 819,285</u>	<u>\$ 12,431</u>	<u>\$ 536,712</u>	<u>\$ 301,103</u>	<u>\$ 64,881</u>	<u>\$ -</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2010

	Debt Service Funds				Total Non-major Governmental Funds
	City Hall Debt Reserve	Dixon Public Improvement (DPIC)	Dixon Public Financing - Police (DPFA)	Dixon Public Financing - Fire (DPFA)	
ASSETS					
Cash and investments	\$ -	\$ 29,091	\$ -	\$ -	\$ 3,936,274
Restricted cash and investments	-	-	189,927	253,202	443,129
Accounts receivable	-	-	-	-	245,539
Interest receivable	-	103	-	-	21,101
Notes receivable	-	-	-	-	603,627
Advances to other funds	-	-	-	-	528,434
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>528,434</u>
Total Assets	\$ -	\$ 29,194	\$ 189,927	\$ 253,202	\$ 5,778,104
LIABILITIES AND FUND BALANCES					
(DEFICITS)					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 61,427
Accrued payroll and benefits	-	-	-	-	556
Deferred revenue	-	-	-	-	603,627
Due to other funds	-	-	12,364	25,993	51,384
	<u>-</u>	<u>-</u>	<u>12,364</u>	<u>25,993</u>	<u>51,384</u>
Total Liabilities	-	-	12,364	25,993	716,994
FUND BALANCES (DEFICITS):					
Reserved:					
Debt service	-	29,194	177,563	227,209	433,966
Advances to other funds	-	-	-	-	528,434
Special revenue funds	-	-	-	-	930,697
Capital project funds	-	-	-	-	3,168,013
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,168,013</u>
Total Fund Balances (Deficits)	-	29,194	177,563	227,209	5,061,110
Total Liabilities and Fund Balances (Deficits)	\$ -	\$ 29,194	\$ 189,927	\$ 253,202	\$ 5,778,104

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

Special Revenue Funds					
	<u>Gas Tax</u>	<u>Traffic Safety</u>	<u>Used Oil Recycling Block Grant</u>	<u>COPS Block Grant</u>	<u>Asset Forfeiture</u>
<u>REVENUES</u>					
Taxes and assessments	\$ 335,829	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	30,877	-	-	-
Use of money and property	544	205	24	1,109	37
Program income	-	-	-	-	-
Intergovernmental	-	-	6,084	100,000	1,701
Developer fees	-	-	-	-	-
Other revenue	-	-	-	-	-
Total Revenues	<u>336,373</u>	<u>31,082</u>	<u>6,108</u>	<u>101,109</u>	<u>1,738</u>
<u>EXPENDITURES</u>					
Current:					
General administration	-	-	-	-	-
Public safety	5,853	-	5,392	56,723	-
Parks and recreation	-	-	-	-	-
Development	-	-	-	-	-
Public ways and facilities	10,601	24,160	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>16,454</u>	<u>24,160</u>	<u>5,392</u>	<u>56,723</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>319,919</u>	<u>6,922</u>	<u>716</u>	<u>44,386</u>	<u>1,738</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	-	-	-	-	-
Transfers out	<u>(327,304)</u>	<u>(6,490)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(327,304)</u>	<u>(6,490)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(7,385)	432	716	44,386	1,738
Fund balances (deficits) - July 1, 2009	167,455	18,413	4,030	113,335	2,161
Prior period adjustment (Note 15)	-	-	-	-	-
Fund balances - July 1, 2009, restated	<u>167,455</u>	<u>18,413</u>	<u>4,030</u>	<u>113,335</u>	<u>2,161</u>
Fund balances (deficits) - June 30, 2010	<u>\$ 160,070</u>	<u>\$ 18,845</u>	<u>\$ 4,746</u>	<u>\$ 157,721</u>	<u>\$ 3,899</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

	Special Revenue Funds				
	<u>CDBG</u>	<u>CDBG Grant PTA</u>	<u>Landscaping and Lighting Assessment Districts</u>	<u>Valley Glen Storm Drain</u>	<u>CFD Pond C</u>
<u>REVENUES</u>					
Taxes and assessments	\$ -	\$ -	\$ 143,152	\$ 228,927	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	14,284	149	1,079	4,043	43
Program income	33,700	-	-	-	-
Intergovernmental	-	6,720	-	15,000	-
Developer fees	-	-	-	-	-
Other revenue	-	-	174,278	-	1,336
Total Revenues	<u>47,984</u>	<u>6,869</u>	<u>318,509</u>	<u>247,970</u>	<u>1,379</u>
<u>EXPENDITURES</u>					
Current:					
General administration	-	-	-	-	-
Public safety	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Development	130,903	-	-	-	-
Public ways and facilities	-	-	152,152	68,898	10,940
Capital outlay	-	-	-	35,424	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>130,903</u>	<u>-</u>	<u>152,152</u>	<u>104,322</u>	<u>10,940</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(82,919)</u>	<u>6,869</u>	<u>166,357</u>	<u>143,648</u>	<u>(9,561)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	-	-	24,499	-	10,108
Transfers out	<u>(20,571)</u>	<u>-</u>	<u>-</u>	<u>(11,510)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(20,571)</u>	<u>-</u>	<u>24,499</u>	<u>(11,510)</u>	<u>10,108</u>
Net change in fund balances	(103,490)	6,869	190,856	132,138	547
Fund balances (deficits) - July 1, 2009	126,963	(48,874)	(127,610)	356,591	2,552
Prior period adjustment (Note 15)	<u>-</u>	<u>48,874</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - July 1, 2009, restated	<u>126,963</u>	<u>-</u>	<u>(127,610)</u>	<u>356,591</u>	<u>2,552</u>
Fund balances (deficits) - June 30, 2010	<u>\$ 23,473</u>	<u>\$ 6,869</u>	<u>\$ 63,246</u>	<u>\$ 488,729</u>	<u>\$ 3,099</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

Capital Project Funds						
	<u>Capital Improvements</u>	<u>Industrial Park</u>	<u>Community Development</u>	<u>Fire</u>	<u>Police</u>	<u>City Facilities</u>
REVENUES						
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	8,346	30	10,472	19	103	2,264
Program income	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Developer fees	-	-	-	10,563	2,698	6,722
Other revenue	<u>6,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>14,938</u>	<u>30</u>	<u>10,472</u>	<u>10,582</u>	<u>2,801</u>	<u>8,986</u>
EXPENDITURES						
Current:						
General administration	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Development	-	-	-	-	-	-
Public ways and facilities	986	-	-	-	-	-
Capital outlay	50,795	-	-	-	-	596
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>51,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>596</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(36,843)</u>	<u>30</u>	<u>10,472</u>	<u>10,582</u>	<u>2,801</u>	<u>8,390</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	215,000	150,182	-
Transfers out	<u>(12,865)</u>	<u>(9,303)</u>	<u>(215,000)</u>	<u>(226,137)</u>	<u>(177,620)</u>	<u>(54,800)</u>
Total Other Financing Sources (Uses)	<u>(12,865)</u>	<u>(9,303)</u>	<u>(215,000)</u>	<u>(11,137)</u>	<u>(27,438)</u>	<u>(54,800)</u>
Net change in fund balances	(49,708)	(9,273)	(204,528)	(555)	(24,637)	(46,410)
Fund balances (deficits) - July 1, 2009	797,134	9,273	1,242,911	555	24,701	270,114
Prior period adjustment (Note 15)	-	-	-	-	-	-
Fund balances - July 1, 2009, restated	<u>797,134</u>	<u>9,273</u>	<u>1,242,911</u>	<u>555</u>	<u>24,701</u>	<u>270,114</u>
Fund balances (deficits) - June 30, 2010	<u>\$ 747,426</u>	<u>\$ -</u>	<u>\$ 1,038,383</u>	<u>\$ -</u>	<u>\$ 64</u>	<u>\$ 223,704</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

Capital Project Funds						
	<u>Public Works</u>	<u>Core Area Drainage</u>	<u>Transit Projects</u>	<u>Recreation Improvements</u>	<u>Agricultural Land Mitigation</u>	<u>Vacaville/Dixon Greenbelt Authority</u>
<u>REVENUES</u>						
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	7,242	55	4,238	2,854	1,231	306
Program income	-	-	-	-	-	-
Intergovernmental	126,500	12,349	254,205	-	-	-
Developer fees	1,767	-	-	2,730	-	-
Other revenue	-	-	-	-	-	-
Total Revenues	<u>135,509</u>	<u>12,404</u>	<u>258,443</u>	<u>5,584</u>	<u>1,231</u>	<u>306</u>
<u>EXPENDITURES</u>						
Current:						
General administration	-	-	-	-	1,110,000	-
Public safety	-	-	-	-	-	-
Parks and recreation	-	-	-	5,261	-	-
Development	-	-	-	-	-	-
Public ways and facilities	17,862	-	10,678	-	-	-
Capital outlay	175,563	29,849	105,880	14,264	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>193,425</u>	<u>29,849</u>	<u>116,558</u>	<u>19,525</u>	<u>1,110,000</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(57,916)</u>	<u>(17,445)</u>	<u>141,885</u>	<u>(13,941)</u>	<u>(1,108,769)</u>	<u>306</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	-	17,500	-	-	-	-
Transfers out	<u>(2,059)</u>	<u>-</u>	<u>(8,148)</u>	<u>(12,325)</u>	<u>-</u>	<u>(92,910)</u>
Total Other Financing Sources (Uses)	<u>(2,059)</u>	<u>17,500</u>	<u>(8,148)</u>	<u>(12,325)</u>	<u>-</u>	<u>(92,910)</u>
Net change in fund balances	(59,975)	55	133,737	(26,266)	(1,108,769)	(92,604)
Fund balances (deficits) - July 1, 2009	845,221	-	401,851	327,369	1,173,650	92,601
Prior period adjustment (Note 15)	-	-	-	-	-	-
Fund balances - July 1, 2009, restated	<u>845,221</u>	<u>-</u>	<u>401,851</u>	<u>327,369</u>	<u>1,173,650</u>	<u>92,601</u>
Fund balances (deficits) - June 30, 2010	<u>\$ 785,246</u>	<u>\$ 55</u>	<u>\$ 535,588</u>	<u>\$ 301,103</u>	<u>\$ 64,881</u>	<u>\$ (3)</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

	Debt Service Funds				Total Non-major Governmental Funds
	<u>City Hall Debt Reserve</u>	<u>Dixon Public Improvement (DPIC)</u>	<u>Dixon Public Financing - Police (DPFA)</u>	<u>Dixon Public Financing - Fire (DPFA)</u>	
<u>REVENUES</u>					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ 707,908
Fines and forfeitures	-	-	-	-	30,877
Use of money and property	625	97	432	377	60,208
Program income	-	-	-	-	33,700
Intergovernmental	-	-	-	-	522,559
Developer fees	-	-	-	-	24,480
Other revenue	-	-	-	-	182,206
Total Revenues	<u>625</u>	<u>97</u>	<u>432</u>	<u>377</u>	<u>1,561,938</u>
<u>EXPENDITURES</u>					
Current:					
General administration	-	20	-	-	1,110,020
Public safety	-	-	-	-	67,968
Parks and recreation	-	-	-	-	5,261
Development	-	-	-	-	130,903
Public ways and facilities	-	-	-	-	296,277
Capital outlay	-	-	-	-	412,371
Debt service:					
Principal	-	30,000	140,000	125,000	295,000
Interest and fiscal charges	-	24,750	52,818	125,969	203,537
Total Expenditures	<u>-</u>	<u>54,770</u>	<u>192,818</u>	<u>250,969</u>	<u>2,521,337</u>
Excess (Deficiency) of Revenues over Expenditures	<u>625</u>	<u>(54,673)</u>	<u>(192,386)</u>	<u>(250,592)</u>	<u>(959,399)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	-	54,800	177,620	226,137	875,846
Transfers out	<u>(150,182)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,327,224)</u>
Total Other Financing Sources (Uses)	<u>(150,182)</u>	<u>54,800</u>	<u>177,620</u>	<u>226,137</u>	<u>(451,378)</u>
Net change in fund balances	(149,557)	127	(14,766)	(24,455)	(1,410,777)
Fund balances (deficits) - July 1, 2009	149,557	29,067	192,329	251,664	6,423,013
Prior period adjustment (Note 15)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,874</u>
Fund balances - July 1, 2009, restated	<u>149,557</u>	<u>29,067</u>	<u>192,329</u>	<u>251,664</u>	<u>6,471,887</u>
Fund balances (deficits) - June 30, 2010	<u>\$ -</u>	<u>\$ 29,194</u>	<u>\$ 177,563</u>	<u>\$ 227,209</u>	<u>\$ 5,061,110</u>

CITY OF DIXON
GAS TAX - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10			
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
			<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>REVENUES</u>				
Taxes and assessments	\$ 487,362	\$ 487,362	\$ 335,829	\$ (151,533)
Use of money and property	<u>2,600</u>	<u>2,600</u>	<u>544</u>	<u>(2,056)</u>
Total Revenues	<u>489,962</u>	<u>489,962</u>	<u>336,373</u>	<u>(153,589)</u>
<u>EXPENDITURES</u>				
Current:				
Public safety	20,000	20,000	5,853	14,147
Public ways and facilities	<u>12,000</u>	<u>12,000</u>	<u>10,601</u>	<u>1,399</u>
Total Expenditures	<u>32,000</u>	<u>32,000</u>	<u>16,454</u>	<u>15,546</u>
Excess (deficiency) of revenues over expenditures	<u>457,962</u>	<u>457,962</u>	<u>319,919</u>	<u>(138,043)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(549,309)</u>	<u>(549,309)</u>	<u>(327,304)</u>	<u>222,005</u>
Total Other Financing Sources (Uses)	<u>(549,309)</u>	<u>(549,309)</u>	<u>(327,304)</u>	<u>222,005</u>
Net change in fund balance	<u>(91,347)</u>	<u>(91,347)</u>	<u>(7,385)</u>	<u>83,962</u>
Fund balance - July 1, 2009			<u>167,455</u>	
Fund balance - June 30, 2010			<u>\$ 160,070</u>	

CITY OF DIXON
TRAFFIC SAFETY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10			
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
			<u>Amounts</u>	<u>with Final</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>REVENUES</u>				
Fines and forfeitures	\$ 38,000	\$ 38,000	\$ 30,877	\$ (7,123)
Use of money and property	<u>300</u>	<u>300</u>	<u>205</u>	<u>(95)</u>
Total Revenues	<u>38,300</u>	<u>38,300</u>	<u>31,082</u>	<u>(7,218)</u>
<u>EXPENDITURES</u>				
Current:				
Public ways and facilities	<u>43,306</u>	<u>43,306</u>	<u>24,160</u>	<u>19,146</u>
Total Expenditures	<u>43,306</u>	<u>43,306</u>	<u>24,160</u>	<u>19,146</u>
Excess (deficiency) of revenues over expenditures	<u>(5,006)</u>	<u>(5,006)</u>	<u>6,922</u>	<u>11,928</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(6,490)</u>	<u>(6,490)</u>	<u>(6,490)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(6,490)</u>	<u>(6,490)</u>	<u>(6,490)</u>	<u>-</u>
Net change in fund balance	<u>(11,496)</u>	<u>(11,496)</u>	<u>432</u>	<u>11,928</u>
Fund balance - July 1, 2009			<u>18,413</u>	
Fund balance - June 30, 2010			<u>\$ 18,845</u>	

CITY OF DIXON
USED OIL RECYCLING BLOCK GRANT FUND - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>2009-10</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ 10	\$ 10	\$ 24	\$ 14
Intergovernmental	<u>5,000</u>	<u>5,000</u>	<u>6,084</u>	<u>1,084</u>
Total Revenues	<u>5,010</u>	<u>5,010</u>	<u>6,108</u>	<u>1,098</u>
<u>EXPENDITURES</u>				
Current:				
Public safety	<u>5,000</u>	<u>5,000</u>	<u>5,392</u>	<u>(392)</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>5,392</u>	<u>(392)</u>
Net change in fund balance	<u>10</u>	<u>10</u>	<u>716</u>	<u>706</u>
Fund balance - July 1, 2009			<u>4,030</u>	
Fund balance (deficit) - June 30, 2010			<u>\$ 4,746</u>	

CITY OF DIXON
COPS BLOCK GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 2,500	\$ 2,500	\$ 1,109	\$ (1,391)
Intergovernmental	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Revenues	<u>102,500</u>	<u>102,500</u>	<u>101,109</u>	<u>(1,391)</u>
<u>EXPENDITURES</u>				
Public safety	67,677	67,677	56,723	10,954
Public ways and facilities	1,500	1,500	-	1,500
Capital outlay	<u>13,700</u>	<u>13,700</u>	<u>-</u>	<u>13,700</u>
Total Expenditures	<u>82,877</u>	<u>82,877</u>	<u>56,723</u>	<u>26,154</u>
Net change in fund balance	<u>19,623</u>	<u>19,623</u>	<u>44,386</u>	<u>24,763</u>
Fund balance - July 1, 2009			<u>113,335</u>	
Fund balance - June 30, 2010			<u>\$ 157,721</u>	

CITY OF DIXON
ASSET FORFEITURE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 55	\$ 55	\$ 37	\$ (18)
Intergovernmental	<u>-</u>	<u>-</u>	<u>1,701</u>	<u>1,701</u>
Total Revenues	<u>55</u>	<u>55</u>	<u>1,738</u>	<u>1,683</u>
<u>EXPENDITURES</u>				
Current:				
Public safety	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Expenditures	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net change in fund balance	<u>55</u>	<u>(945)</u>	<u>1,738</u>	<u>2,683</u>
Fund balance - July 1, 2009			<u>2,161</u>	
Fund balance - June 30, 2010			<u>\$ 3,899</u>	

CITY OF DIXON
CDBG - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>2009-10</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ 6,000	\$ 6,000	\$ 14,284	\$ 8,284
Program income	<u>50,000</u>	<u>50,000</u>	<u>33,700</u>	<u>(16,300)</u>
Total Revenues	<u>56,000</u>	<u>56,000</u>	<u>47,984</u>	<u>(8,016)</u>
<u>EXPENDITURES</u>				
Current:				
Development				
Administration	21,729	3,729	1,641	2,088
'96 Grant administration	1,200	1,200	23,261	(22,061)
'98 Grant administration	1,000	1,000	1,001	(1)
'98 Grant reuse	<u>50,000</u>	<u>50,000</u>	<u>105,000</u>	<u>(55,000)</u>
Total Development	<u>73,929</u>	<u>55,929</u>	<u>130,903</u>	<u>(74,974)</u>
Total Expenditures	<u>73,929</u>	<u>55,929</u>	<u>130,903</u>	<u>(74,974)</u>
Excess (deficiency) of revenues over expenditures	<u>(17,929)</u>	<u>71</u>	<u>(82,919)</u>	<u>(82,990)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(29,321)</u>	<u>(46,821)</u>	<u>(20,571)</u>	<u>26,250</u>
Total Other Financing Sources (Uses)	<u>(29,321)</u>	<u>(46,821)</u>	<u>(20,571)</u>	<u>26,250</u>
Net change in fund balance	<u>(47,250)</u>	<u>(46,750)</u>	<u>(103,490)</u>	<u>(56,740)</u>
Fund balance - July 1, 2009			<u>126,963</u>	
Fund balance - June 30, 2010			<u>\$ 23,473</u>	

CITY OF DIXON
CDBG GRANT PTA - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Program income	\$ -	\$ -	\$ 149	\$ 149
Intergovernmental	<u>78,750</u>	<u>78,750</u>	<u>6,720</u>	<u>(72,030)</u>
Total Revenues	<u>78,750</u>	<u>78,750</u>	<u>6,869</u>	<u>(71,881)</u>
<u>EXPENDITURES</u>				
Current:				
Development	<u>105,000</u>	<u>105,000</u>	<u>-</u>	<u>105,000</u>
Total Expenditures	<u>105,000</u>	<u>105,000</u>	<u>-</u>	<u>105,000</u>
Excess (deficiency) of revenues over expenditures	<u>(26,250)</u>	<u>(26,250)</u>	<u>6,869</u>	<u>33,119</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>26,250</u>	<u>26,250</u>	<u>-</u>	<u>(26,250)</u>
Total Other Financing Sources (Uses)	<u>26,250</u>	<u>26,250</u>	<u>-</u>	<u>(26,250)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>6,869</u>	<u>6,869</u>
Fund balance - July 1, 2009			(48,874)	
Prior period adjustment			<u>48,874</u>	
Fund balance - July 1, 2009, restated			<u>-</u>	
Fund balance (deficit) - June 30, 2010			<u>\$ 6,869</u>	

CITY OF DIXON
LIGHTING AND LANDSCAPING ASSESSMENT DISTRICT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual Amounts	
<u>REVENUES</u>				
Taxes and assessments	\$ 142,626	\$ 142,626	\$ 143,152	\$ 526
Use of money and property	1,313	1,313	1,079	(234)
Other revenues	<u>204,186</u>	<u>204,186</u>	<u>174,278</u>	<u>(29,908)</u>
Total Revenues	<u>348,125</u>	<u>348,125</u>	<u>318,509</u>	<u>(29,616)</u>
<u>EXPENDITURES</u>				
Current:				
Public Ways and Facilities				
Lighting & Landscaping #1	2,398	2,398	2,351	47
Lighting & Landscaping #2	21,368	21,368	24,301	(2,933)
Lighting & Landscaping #3	4,131	4,131	4,207	(76)
Lighting & Landscaping #4	10,997	10,997	9,916	1,081
Lighting & Landscaping #5	9,604	9,604	10,871	(1,267)
Lighting & Landscaping #6	3,853	3,853	3,539	314
Lighting & Landscaping #7	49,412	49,412	36,417	12,995
Lighting & Landscaping #8	4,723	4,723	1,822	2,901
Lighting & Landscaping #9	18,024	18,024	14,712	3,312
Lighting & Landscaping #10	<u>48,769</u>	<u>48,769</u>	<u>44,016</u>	<u>4,753</u>
Total Public Ways and Facilities	<u>173,279</u>	<u>173,279</u>	<u>152,152</u>	<u>21,127</u>
Capital Outlay	<u>-</u>	<u>7,200</u>	<u>-</u>	<u>7,200</u>
Total Expenditures	<u>173,279</u>	<u>180,479</u>	<u>152,152</u>	<u>28,327</u>
Excess (deficiency) of revenues over expenditures	<u>174,846</u>	<u>167,646</u>	<u>166,357</u>	<u>(1,289)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>24,499</u>	<u>24,499</u>	<u>24,499</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>24,499</u>	<u>24,499</u>	<u>24,499</u>	<u>-</u>
Net change in fund balance	<u>199,345</u>	<u>192,145</u>	<u>190,856</u>	<u>(1,289)</u>
Fund balance (deficit) - July 1, 2009			<u>(127,610)</u>	
Fund balance - June 30, 2010			<u>\$ 63,246</u>	

CITY OF DIXON
VALLEY GLEN STORM DRAIN - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>2009-10</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes and assessments	\$ 228,900	\$ 228,900	\$ 228,927	\$ 27
Use of money and property	6,000	6,000	4,043	(1,957)
Intergovernmental	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Total Revenues	<u>234,900</u>	<u>234,900</u>	<u>247,970</u>	<u>13,070</u>
<u>EXPENDITURES</u>				
Current:				
Public Ways and Facilities				
Pump station	35,700	35,700	23,297	12,403
Pond A	65,100	65,100	44,798	20,302
Lateral one	<u>9,250</u>	<u>9,250</u>	<u>803</u>	<u>8,447</u>
Total Public Ways and Facilities	<u>110,050</u>	<u>110,050</u>	<u>68,898</u>	<u>41,152</u>
Capital Outlay	<u>77,050</u>	<u>77,050</u>	<u>35,424</u>	<u>41,626</u>
Total Expenditures	<u>187,100</u>	<u>187,100</u>	<u>104,322</u>	<u>82,778</u>
Excess (deficiency) of revenues over expenditures	<u>47,800</u>	<u>47,800</u>	<u>143,648</u>	<u>95,848</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(11,510)</u>	<u>(11,510)</u>	<u>(11,510)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(11,510)</u>	<u>(11,510)</u>	<u>(11,510)</u>	<u>-</u>
Net change in fund balance	<u>36,290</u>	<u>36,290</u>	<u>132,138</u>	<u>95,848</u>
Fund balance - July 1, 2009			<u>356,591</u>	
Fund balance - June 30, 2010			<u>\$ 488,729</u>	

CITY OF DIXON
CFD POND C - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>2009-10</u> <u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ 43	\$ -	\$ 43	\$ 43
Other revenues	<u>1,362</u>	<u>1,362</u>	<u>1,336</u>	<u>(26)</u>
Total Revenues	<u>1,405</u>	<u>1,362</u>	<u>1,379</u>	<u>17</u>
<u>EXPENDITURES</u>				
Current:				
Public Ways and Facilities				
Pond C	7,305	7,305	6,699	606
Lateral two	<u>5,805</u>	<u>5,805</u>	<u>4,241</u>	<u>1,564</u>
Total Public Ways and Facilities	<u>13,110</u>	<u>13,110</u>	<u>10,940</u>	<u>2,170</u>
Total Expenditures	<u>13,110</u>	<u>13,110</u>	<u>10,940</u>	<u>2,170</u>
Excess (deficiency) of revenues over expenditures	<u>(11,705)</u>	<u>(11,748)</u>	<u>(9,561)</u>	<u>2,187</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>-</u>	<u>10,108</u>	<u>10,108</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>10,108</u>	<u>10,108</u>	<u>-</u>
Net change in fund balance	<u>(11,705)</u>	<u>(1,640)</u>	<u>547</u>	<u>2,187</u>
Fund balance - July 1, 2009			<u>2,552</u>	
Fund balance - June 30, 2010			<u>\$ 3,099</u>	

CITY OF DIXON
CAPITAL IMPROVEMENTS - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ 26,000	\$ 26,000	\$ 8,346	\$ (17,654)
Other revenues	<u>-</u>	<u>6,592</u>	<u>6,592</u>	<u>-</u>
Total Revenues	<u>26,000</u>	<u>32,592</u>	<u>14,938</u>	<u>(17,654)</u>
<u>EXPENDITURES</u>				
Current:				
Public ways and facilities	-	-	986	(986)
Capital outlay	<u>-</u>	<u>56,592</u>	<u>50,795</u>	<u>5,797</u>
Total Expenditures	<u>-</u>	<u>56,592</u>	<u>51,781</u>	<u>4,811</u>
Excess (deficiency) of revenues over expenditures	<u>26,000</u>	<u>(24,000)</u>	<u>(36,843)</u>	<u>(12,843)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(12,865)</u>	<u>(12,865)</u>	<u>(12,865)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(12,865)</u>	<u>(12,865)</u>	<u>(12,865)</u>	<u>-</u>
Net change in fund balance	<u>13,135</u>	<u>(36,865)</u>	<u>(49,708)</u>	<u>(12,843)</u>
Fund balance - July 1, 2009			<u>797,134</u>	
Fund balance - June 30, 2010			<u>\$ 747,426</u>	

CITY OF DIXON
INDUSTRIAL PARK - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>2009-10</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ <u>300</u>	\$ <u>300</u>	\$ <u>30</u>	\$ <u>(270)</u>
Total Revenues	<u>300</u>	<u>300</u>	<u>30</u>	<u>(270)</u>
<u>EXPENDITURES</u>				
Current:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>300</u>	<u>300</u>	<u>30</u>	<u>(270)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(9,465)</u>	<u>(9,465)</u>	<u>(9,303)</u>	<u>162</u>
Total Other Financing Sources (Uses)	<u>(9,465)</u>	<u>(9,465)</u>	<u>(9,303)</u>	<u>162</u>
Net change in fund balance	<u>(9,165)</u>	<u>(9,165)</u>	<u>(9,273)</u>	<u>(108)</u>
Fund balance - July 1, 2009			<u>9,273</u>	
Fund balance - June 30, 2010			<u>\$ -</u>	

CITY OF DIXON
COMMUNITY DEVELOPMENT - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>2009-10</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ 20,000	\$ 20,000	\$ 10,472	\$ (9,528)
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>10,472</u>	<u>(9,528)</u>
<u>EXPENDITURES</u>				
Current:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>20,000</u>	<u>20,000</u>	<u>10,472</u>	<u>(9,528)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>-</u>	<u>(215,000)</u>	<u>(215,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(215,000)</u>	<u>(215,000)</u>	<u>-</u>
Net change in fund balance	<u>20,000</u>	<u>(195,000)</u>	<u>(204,528)</u>	<u>(9,528)</u>
Fund balance - July 1, 2009			<u>1,242,911</u>	
Fund balance - June 30, 2010			<u>\$ 1,038,383</u>	

CITY OF DIXON
FIRE - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 19	\$ 19
Developer fees	<u>35,000</u>	<u>35,000</u>	<u>10,563</u>	<u>(24,437)</u>
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>10,582</u>	<u>(24,418)</u>
<u>EXPENDITURES</u>				
Current:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>35,000</u>	<u>35,000</u>	<u>10,582</u>	<u>(24,418)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	215,000	215,000	215,000	-
Transfers out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(226,137)</u>	<u>23,863</u>
Total Other Financing Sources (Uses)	<u>(35,000)</u>	<u>(35,000)</u>	<u>(11,137)</u>	<u>23,863</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(555)</u>	<u>(555)</u>
Fund balance - July 1, 2009			<u>555</u>	
Fund balance - June 30, 2010			<u>\$ -</u>	

CITY OF DIXON
POLICE - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 400	\$ 400	\$ 103	\$ (297)
Developer fees	<u>-</u>	<u>15,000</u>	<u>2,698</u>	<u>(12,302)</u>
Total Revenues	<u>400</u>	<u>15,400</u>	<u>2,801</u>	<u>(12,599)</u>
<u>EXPENDITURES</u>				
Current:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>400</u>	<u>15,400</u>	<u>2,801</u>	<u>(12,599)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	153,000	153,000	150,182	(2,818)
Transfers out	<u>(192,000)</u>	<u>(192,000)</u>	<u>(177,620)</u>	<u>14,380</u>
Total Other Financing Sources (Uses)	<u>(39,000)</u>	<u>(39,000)</u>	<u>(27,438)</u>	<u>11,562</u>
Net change in fund balance	<u>(38,600)</u>	<u>(23,600)</u>	<u>(24,637)</u>	<u>(1,037)</u>
Fund balance - July 1, 2009			<u>24,701</u>	
Fund balance - June 30, 2010			<u>\$ 64</u>	

CITY OF DIXON
CITY FACILITIES - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	with Final
				Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 2,264	\$ 2,264
Developer fees	-	-	<u>6,722</u>	<u>6,722</u>
Total Revenues	-	-	<u>8,986</u>	<u>8,986</u>
<u>EXPENDITURES</u>				
Current:				
Capital outlay	-	-	<u>596</u>	<u>(596)</u>
Total Expenditures	-	-	<u>596</u>	<u>(596)</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>8,390</u>	<u>8,390</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(54,800)</u>	<u>(54,800)</u>	<u>(54,800)</u>	-
Total Other Financing Sources (Uses)	<u>(54,800)</u>	<u>(54,800)</u>	<u>(54,800)</u>	-
Net change in fund balance	<u>(54,800)</u>	<u>(54,800)</u>	<u>(46,410)</u>	<u>8,390</u>
Fund balance - July 1, 2009			<u>270,114</u>	
Fund balance - June 30, 2010			<u>\$ 223,704</u>	

CITY OF DIXON
PUBLIC WORKS - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 7,242	\$ 7,242
Intergovernmental	557,000	600,600	126,500	(474,100)
Developer fees	-	-	1,767	1,767
	<u>557,000</u>	<u>600,600</u>	<u>135,509</u>	<u>(465,091)</u>
Total Revenues				
<u>EXPENDITURES</u>				
Current:				
Public ways and facilities	37,000	37,000	17,862	19,138
Capital outlay	<u>1,011,000</u>	<u>1,054,600</u>	<u>175,563</u>	<u>879,037</u>
	<u>1,048,000</u>	<u>1,091,600</u>	<u>193,425</u>	<u>898,175</u>
Total Expenditures				
Excess (deficiency) of revenues over expenditures	<u>(491,000)</u>	<u>(491,000)</u>	<u>(57,916)</u>	<u>433,084</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(2,059)</u>	<u>(2,059)</u>	<u>(2,059)</u>	-
Total Other Financing Sources (Uses)	<u>(2,059)</u>	<u>(2,059)</u>	<u>(2,059)</u>	-
Net change in fund balance	<u>(493,059)</u>	<u>(493,059)</u>	<u>(59,975)</u>	<u>433,084</u>
Fund balance - July 1, 2009			<u>845,221</u>	
Fund balance - June 30, 2010			<u>\$ 785,246</u>	

CITY OF DIXON
CORE AREA DRAINAGE - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 55	\$ 55
Intergovernmental	-	-	<u>12,349</u>	<u>12,349</u>
Total Revenues	-	-	<u>12,404</u>	<u>12,404</u>
<u>EXPENDITURES</u>				
Current:				
Capital outlay	-	-	<u>29,849</u>	<u>(29,849)</u>
Total Expenditures	-	-	<u>29,849</u>	<u>(29,849)</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>(17,445)</u>	<u>(17,445)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	<u>17,500</u>	<u>17,500</u>	-
Total Other Financing Sources (Uses)	-	<u>17,500</u>	<u>17,500</u>	-
Net change in fund balance	-	<u>17,500</u>	<u>55</u>	<u>(17,445)</u>
Fund balance - July 1, 2009			-	
Fund balance - June 30, 2010			<u>\$ 55</u>	

CITY OF DIXON
TRANSIT PROJECTS - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 4,238	\$ 4,238
Intergovernmental	<u>1,295,000</u>	<u>1,295,000</u>	<u>254,205</u>	<u>(1,040,795)</u>
Total Revenues	<u>1,295,000</u>	<u>1,295,000</u>	<u>258,443</u>	<u>(1,036,557)</u>
<u>EXPENDITURES</u>				
Current:				
Public ways and facilities	-	5,000	10,678	(5,678)
Capital outlay	<u>1,295,000</u>	<u>1,295,000</u>	<u>105,880</u>	<u>1,189,120</u>
Total Expenditures	<u>1,295,000</u>	<u>1,300,000</u>	<u>116,558</u>	<u>1,183,442</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(5,000)</u>	<u>141,885</u>	<u>146,885</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(8,148)</u>	<u>(8,148)</u>	<u>(8,148)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(8,148)</u>	<u>(8,148)</u>	<u>(8,148)</u>	<u>-</u>
Net change in fund balance	<u>(8,148)</u>	<u>(13,148)</u>	<u>133,737</u>	<u>146,885</u>
Fund balance - July 1, 2009			<u>401,851</u>	
Fund balance - June 30, 2010			<u>\$ 535,588</u>	

CITY OF DIXON
RECREATION IMPROVEMENTS - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ 10,000	\$ 10,000	\$ 2,854	\$ (7,146)
Developer fees	<u>-</u>	<u>-</u>	<u>2,730</u>	<u>2,730</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>5,584</u>	<u>(4,416)</u>
<u>EXPENDITURES</u>				
Current:				
Parks and recreation	-	6,000	5,261	739
Capital outlay	<u>-</u>	<u>45,000</u>	<u>14,264</u>	<u>30,736</u>
Total Expenditures	<u>-</u>	<u>51,000</u>	<u>19,525</u>	<u>31,475</u>
Excess (deficiency) of revenues over expenditures	<u>10,000</u>	<u>(41,000)</u>	<u>(13,941)</u>	<u>27,059</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(12,325)</u>	<u>(12,325)</u>	<u>(12,325)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(12,325)</u>	<u>(12,325)</u>	<u>(12,325)</u>	<u>-</u>
Net change in fund balance	<u>(2,325)</u>	<u>(53,325)</u>	<u>(26,266)</u>	<u>27,059</u>
Fund balance - July 1, 2009			<u>327,369</u>	
Fund balance - June 30, 2010			<u>\$ 301,103</u>	

CITY OF DIXON
AGRICULTURAL LAND MITIGATION - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ <u>38,000</u>	\$ <u>38,000</u>	\$ <u>1,231</u>	\$ <u>(36,769)</u>
Total Revenues	<u>38,000</u>	<u>38,000</u>	<u>1,231</u>	<u>(36,769)</u>
<u>EXPENDITURES</u>				
Current:				
General administration	<u>1,174,469</u>	<u>1,174,469</u>	<u>1,110,000</u>	<u>64,469</u>
Total Expenditures	<u>1,174,469</u>	<u>1,174,469</u>	<u>1,110,000</u>	<u>64,469</u>
Net change in fund balance	<u>(1,136,469)</u>	<u>(1,136,469)</u>	<u>(1,108,769)</u>	<u>27,700</u>
Fund balance - July 1, 2009			<u>1,173,650</u>	
Fund balance - June 30, 2010			\$ <u>64,881</u>	

CITY OF DIXON
VACAVILLE/DIXON GREENBELT AUTHORITY - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>2009-10</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 306	\$ 306
Total Revenues	-	-	306	306
<u>EXPENDITURES</u>				
Current:				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	306	306
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(93,695)	(93,695)	(92,910)	785
Total other financing sources (uses)	(93,695)	(93,695)	(92,910)	785
Net change in fund balance	(93,695)	(93,695)	(92,604)	1,091
Fund balance - July 1, 2009			92,601	
Fund balance (deficit) - June 30, 2010			\$ (3)	

CITY OF DIXON
CITY HALL DEBT RESERVE - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 1,000	\$ 1,000	\$ 625	\$ (375)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>625</u>	<u>(375)</u>
<u>EXPENDITURES</u>				
Current:				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>1,000</u>	<u>1,000</u>	<u>625</u>	<u>(375)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	(153,000)	(150,182)	2,818
Total Other Financing Sources (Uses)	-	(153,000)	(150,182)	2,818
Net change in fund balance	<u>1,000</u>	<u>(152,000)</u>	<u>(149,557)</u>	<u>2,443</u>
Fund balance - July 1, 2009			<u>149,557</u>	
Fund balance - June 30, 2010			\$ <u>-</u>	

CITY OF DIXON
DIXON PUBLIC IMPROVEMENT (DPIC) - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2009-10 Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 97	\$ 97
Total Revenues	-	-	97	97
<u>EXPENDITURES</u>				
Current:				
General administration	50	50	20	30
Debt Service				
Principal	30,000	30,000	30,000	-
Interest and fiscal charges	<u>24,750</u>	<u>24,750</u>	<u>24,750</u>	-
Total Expenditures	<u>54,800</u>	<u>54,800</u>	<u>54,770</u>	<u>30</u>
Excess (deficiency) of revenues over expenditures	<u>(54,800)</u>	<u>(54,800)</u>	<u>(54,673)</u>	<u>127</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>54,800</u>	<u>54,800</u>	<u>54,800</u>	-
Total Other Financing Sources (Uses)	<u>54,800</u>	<u>54,800</u>	<u>54,800</u>	-
Net change in fund balance	-	-	<u>127</u>	<u>127</u>
Fund balance - July 1, 2009			<u>29,067</u>	
Fund balance - June 30, 2010			<u>\$ 29,194</u>	

CITY OF DIXON
PUBLIC FINANCING - POLICE (DPFA) - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>2009-10</u> <u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ <u>2,000</u>	\$ <u>2,000</u>	\$ <u>432</u>	\$ <u>(1,568)</u>
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>432</u>	<u>(1,568)</u>
<u>EXPENDITURES</u>				
Current:				
Debt Service				
Principal	140,000	140,000	140,000	-
Interest and fiscal charges	<u>53,820</u>	<u>53,820</u>	<u>52,818</u>	<u>1,002</u>
Total Expenditures	<u>193,820</u>	<u>193,820</u>	<u>192,818</u>	<u>1,002</u>
Excess (deficiency) of revenues over expenditures	<u>(191,820)</u>	<u>(191,820)</u>	<u>(192,386)</u>	<u>(566)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>192,000</u>	<u>192,000</u>	<u>177,620</u>	<u>(14,380)</u>
Total Other Financing Sources (Uses)	<u>192,000</u>	<u>192,000</u>	<u>177,620</u>	<u>(14,380)</u>
Net change in fund balance	<u>180</u>	<u>180</u>	<u>(14,766)</u>	<u>(14,946)</u>
Fund balance - July 1, 2009			<u>192,329</u>	
Fund balance - June 30, 2010			\$ <u>177,563</u>	

CITY OF DIXON
PUBLIC FINANCING - FIRE (DPFA) - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>2009-10</u> <u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ <u>2,500</u>	\$ <u>2,500</u>	\$ <u>377</u>	\$ <u>(2,123)</u>
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>377</u>	<u>(2,123)</u>
<u>EXPENDITURES</u>				
Current:				
Debt Service				
Principal	125,000	125,000	125,000	-
Interest and fiscal charges	<u>126,170</u>	<u>126,170</u>	<u>125,969</u>	<u>201</u>
Total Expenditures	<u>251,170</u>	<u>251,170</u>	<u>250,969</u>	<u>201</u>
Excess (deficiency) of revenues over expenditures	<u>(248,670)</u>	<u>(248,670)</u>	<u>(250,592)</u>	<u>(1,922)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>250,000</u>	<u>250,000</u>	<u>226,137</u>	<u>(23,863)</u>
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>250,000</u>	<u>226,137</u>	<u>(23,863)</u>
Net change in fund balance	<u>1,330</u>	<u>1,330</u>	<u>(24,455)</u>	<u>(25,785)</u>
Fund balance - July 1, 2009			<u>251,664</u>	
Fund balance - June 30, 2010			\$ <u><u>227,209</u></u>	

AGENCY FUNDS

Agency funds are fiduciary funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The specific agency funds used by the City are shown below:

West "A" Street Improvement District Fund

This fund is used to account for revenue from special assessments and debt service payments on the Dixon West "A" Street Assessment District limited obligation improvement bonds.

North First Street Improvement District Fund

This fund is used to account for the revenue from assessments and debt service payments on the Dixon-North First Street Assessment District limited obligation improvement bonds.

Flexible Spending Account

This fund is used to account for cash on deposit by employees for the flexible spending program.

Dixon Fire Protection District

This fund is used to account for the operation and maintenance of the Dixon Fire Protection District, a separate legal entity for which the City provides accounting services under a joint exercise of powers agreement.

Public Financing Assessment Districts

This fund is used to account for North First Street Improvement District and West "A" Street Improvement District resources used to make debt service payments on the 1998 Senior Lien Reassessment Revenue bonds, Series A, and the Junior Lien Reassessment bonds, Series B.

Dixon-Solano Municipal Water Service (SID) Interest

This fund is used to account for Solano Irrigation District's share of the Dixon-Solano Municipal Water Service, a water service operated under a joint exercise of power agreement between the City of Dixon and Solano Irrigation District.

CITY OF DIXON
 COMBINING SCHEDULE OF NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2010

	West "A" Street Improvement District	North First Street Improvement District	Flexible Spending Account	Dixon Fire Protection Agency	Public Financing Assessment Districts	Dixon-Solano Municipal Water Service (SID Interest)	Totals
<u>ASSETS</u>							
Cash and investments	\$ 187,702	\$ 1,890,661	\$ 6,245	\$ 528,838	\$ 396,476	\$ 91,997	\$ 3,101,919
Accounts receivable	-	-	-	36,831	-	79,591	116,422
Interest receivable	1,224	11,825	-	2,742	-	2,458	18,249
Taxes receivable	-	-	-	514	-	-	514
Restricted cash	-	-	-	-	2,158,477	381,267	2,539,744
Total Assets	<u>\$ 188,926</u>	<u>\$ 1,902,486</u>	<u>\$ 6,245</u>	<u>\$ 568,925</u>	<u>\$ 2,554,953</u>	<u>\$ 555,313</u>	<u>\$ 5,776,848</u>
<u>LIABILITIES</u>							
Accounts payable	\$ -	\$ -	\$ -	\$ 3,044	\$ -	\$ 64,467	\$ 67,511
Deposits payable	-	-	-	-	-	381,267	381,267
Interest payable	36,697	229,266	-	-	217,021	-	482,984
Agency obligations	152,229	1,673,220	6,245	565,881	2,337,932	109,579	4,845,086
Total Liabilities	<u>\$ 188,926</u>	<u>\$ 1,902,486</u>	<u>\$ 6,245</u>	<u>\$ 568,925</u>	<u>\$ 2,554,953</u>	<u>\$ 555,313</u>	<u>\$ 5,776,848</u>

CITY OF DIXON
SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>West "A" Street Improvement District</u>				
ASSETS				
Cash and investments	\$ 269,530	\$ 544,402	\$ 626,230	\$ 187,702
Interest receivable	<u>252</u>	<u>1,224</u>	<u>252</u>	<u>1,224</u>
Total Assets	<u>\$ 269,782</u>	<u>\$ 545,626</u>	<u>\$ 626,482</u>	<u>\$ 188,926</u>
LIABILITIES				
Interest payable	\$ 53,611	\$ 53,611	\$ 70,525	\$ 36,697
Agency obligations	<u>216,171</u>	<u>608,160</u>	<u>672,102</u>	<u>152,229</u>
Total Liabilities	<u>\$ 269,782</u>	<u>\$ 661,771</u>	<u>\$ 742,627</u>	<u>\$ 188,926</u>
<u>North First Street Improvement District</u>				
ASSETS				
Cash and investments	\$ 1,944,372	\$ 1,625,876	\$ 1,679,587	\$ 1,890,661
Interest receivable	<u>1,818</u>	<u>11,825</u>	<u>1,818</u>	<u>11,825</u>
Total Assets	<u>\$ 1,946,190</u>	<u>\$ 1,637,701</u>	<u>\$ 1,681,405</u>	<u>\$ 1,902,486</u>
LIABILITIES				
Interest payable	\$ 275,112	\$ 229,266	\$ 275,112	\$ 229,266
Agency obligations	<u>1,671,078</u>	<u>1,912,812</u>	<u>1,910,670</u>	<u>1,673,220</u>
Total Liabilities	<u>\$ 1,946,190</u>	<u>\$ 2,142,078</u>	<u>\$ 2,185,782</u>	<u>\$ 1,902,486</u>
<u>Flexible Spending Account</u>				
ASSETS				
Cash and investments	\$ -	\$ 21,349	\$ 15,104	\$ 6,245
Total Assets	<u>\$ -</u>	<u>\$ 21,349</u>	<u>\$ 15,104</u>	<u>\$ 6,245</u>
LIABILITIES				
Agency obligations	\$ -	\$ 21,349	\$ 15,104	\$ 6,245
Total Liabilities	<u>\$ -</u>	<u>\$ 21,349</u>	<u>\$ 15,104</u>	<u>\$ 6,245</u>
<u>Dixon Fire Protection Agency</u>				
ASSETS				
Cash and investments	\$ 480,874	\$ 441,745	\$ 393,781	\$ 528,838
Accounts receivable	-	36,831	-	36,831
Interest receivable	450	2,742	450	2,742
Taxes receivable	<u>7,724</u>	<u>8,238</u>	<u>15,448</u>	<u>514</u>
Total Assets	<u>\$ 489,048</u>	<u>\$ 489,556</u>	<u>\$ 409,679</u>	<u>\$ 568,925</u>
LIABILITIES				
Accounts payable	\$ 96	\$ 3,044	\$ 96	\$ 3,044
Agency obligations	<u>488,952</u>	<u>582,409</u>	<u>505,480</u>	<u>565,881</u>
Total Liabilities	<u>\$ 489,048</u>	<u>\$ 585,453</u>	<u>\$ 505,576</u>	<u>\$ 568,925</u>

CITY OF DIXON
SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS (continued)
AGENCY FUNDS
JUNE 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>Public Financing Assessment District</u>				
ASSETS				
Cash and investments	\$ 401,688	\$ 3,695,658	\$ 3,700,870	\$ 396,476
Restricted cash and investments	1,964,671	5,702,011	5,508,205	2,158,477
Interest receivable	<u>987</u>	<u>-</u>	<u>987</u>	<u>-</u>
Total Assets	<u>\$ 2,367,346</u>	<u>\$ 9,397,669</u>	<u>\$ 9,210,062</u>	<u>\$ 2,554,953</u>
LIABILITIES				
Interest payable	\$ 266,422	\$ 217,021	\$ 266,422	\$ 217,021
Agency obligations	<u>2,100,924</u>	<u>2,804,113</u>	<u>2,567,105</u>	<u>2,337,932</u>
Total Liabilities	<u>\$ 2,367,346</u>	<u>\$ 3,021,134</u>	<u>\$ 2,833,527</u>	<u>\$ 2,554,953</u>
<u>Dixon-Solano Municipal Water Service</u> <u>(SID interest)</u>				
ASSETS				
Cash and investments	\$ 151,174	\$ 423,093	\$ 482,270	\$ 91,997
Restricted cash and investments	379,156	2,487	376	381,267
Accounts receivable	115,622	452,258	488,289	79,591
Interest receivable	<u>494</u>	<u>2,458</u>	<u>494</u>	<u>2,458</u>
Total Assets	<u>\$ 646,446</u>	<u>\$ 880,296</u>	<u>\$ 971,429</u>	<u>\$ 555,313</u>
LIABILITIES				
Accounts payable	\$ 43,953	\$ 390,535	\$ 370,021	\$ 64,467
Deposits payable	379,156	2,487	376	381,267
Agency obligations	<u>223,337</u>	<u>466,336</u>	<u>580,094</u>	<u>109,579</u>
Total Liabilities	<u>\$ 646,446</u>	<u>\$ 859,358</u>	<u>\$ 950,491</u>	<u>\$ 555,313</u>
<u>Total Agency Funds</u>				
ASSETS				
Cash and investments	\$ 3,247,638	\$ 6,752,123	\$ 6,897,842	\$ 3,101,919
Restricted cash and investments	2,343,827	5,704,498	5,508,581	2,539,744
Accounts receivable	115,622	489,089	488,289	116,422
Taxes receivable	7,724	8,238	15,448	514
Interest receivable	<u>4,001</u>	<u>18,249</u>	<u>4,001</u>	<u>18,249</u>
Total Assets	<u>\$ 5,718,812</u>	<u>\$ 12,972,197</u>	<u>\$ 12,914,161</u>	<u>\$ 5,776,848</u>
LIABILITIES				
Accounts payable	\$ 44,049	\$ 393,579	\$ 370,117	\$ 67,511
Deposits payable	379,156	2,487	376	381,267
Interest payable	595,145	499,898	612,059	482,984
Agency obligations	<u>4,700,462</u>	<u>6,395,179</u>	<u>6,250,555</u>	<u>4,845,086</u>
Total Liabilities	<u>\$ 5,718,812</u>	<u>\$ 7,291,143</u>	<u>\$ 7,233,107</u>	<u>\$ 5,776,848</u>

GENERAL FUNDS

The General Fund is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. For the City, the general funds used by the City are shown below:

General Fund

This fund is the primary source for discretionary spending that is not restricted by the source of the funds received. It serves the administration, development services, community facilities, public safety, and non-departmental divisions.

Contingency Fund

The sole purpose of this fund is to separate out a portion of the general fund reserve. Interest earnings are normally the only transaction in this fund. The undesignated fund balance of the general fund and the contingency fund are added together for the general fund balance available to finance budgetary transactions.

Council Discretionary Fund

This fund was established to separate out expenditures which the City Council has set aside for particular purposes. Revenues from the KBI/Select Build sales taxes and other one time revenues are transferred into this fund from the General Fund. Currently, this fund is being used mainly to account for the General Plan activities.

Recreation Fund

This fund is used to account for programs such as classes of general interest, day camp, youth and adult sports leagues, and teen activities.

Performing Arts Fund

This fund is used to account for operations of the Performing Arts Center and is managed by the Recreation and Community Services Department.

Planning Agreements Fund

This fund is used to account for developer deposits to cover the cost of planning services.

Equipment Replacement Fund

This fund is funded by a transfer from the General Fund. Its funds are used to for the replacement of equipment.

Building Reserve Fund

This fund is used to account for expenditures related to building costs. It is funded by transfers made from time to time from the General Fund.

CITY OF DIXON
GENERAL FUND
COMBINING BALANCE SHEETS
JUNE 30, 2010

	<u>General Fund</u>	<u>Contingency</u>	<u>Council Discretionary</u>	<u>Recreation</u>	<u>Performing Arts</u>	<u>Planning Agreements</u>	<u>Equipment Replacement</u>	<u>Building Reserve</u>	<u>Total General Fund</u>
ASSETS									
Cash and cash equivalents	\$ 975	\$ 1,259,319	\$ 138,255	\$ 33,955	\$ -	\$ 60,575	\$ 1,548,061	\$ 266,359	\$ 3,307,499
Accounts receivable	383,000	-	-	806	-	-	-	-	383,806
Interest receivable	-	10,023	710	178	-	313	8,531	1,376	21,131
Taxes receivable	993,030	-	-	-	-	-	-	-	993,030
Due from other funds	-	682,170	-	-	-	-	-	-	682,170
Due from other governments	556,913	-	-	-	-	-	-	-	556,913
Prepaid expenses	523,270	-	-	-	-	-	-	-	523,270
Inventory	889	-	-	-	-	-	-	-	889
Total Assets	<u>\$ 2,458,077</u>	<u>\$ 1,951,512</u>	<u>\$ 138,965</u>	<u>\$ 34,939</u>	<u>\$ -</u>	<u>\$ 60,888</u>	<u>\$ 1,556,592</u>	<u>\$ 267,735</u>	<u>\$ 6,468,708</u>
LIABILITIES AND FUND									
BALANCES									
LIABILITIES:									
Accounts payable	\$ 272,142	\$ -	\$ 675	\$ 2,634	\$ -	\$ 122	\$ -	\$ -	\$ 275,573
Accrued payroll and benefits	308,447	-	-	1,889	-	-	-	-	310,336
Deferred revenue	556,469	-	-	5,000	-	-	-	-	561,469
Deposits payable	227,079	-	-	-	-	48,750	-	-	275,829
Due to other funds	618,490	-	-	-	12,296	-	-	-	630,786
Total Liabilities	<u>1,982,627</u>	<u>-</u>	<u>675</u>	<u>9,523</u>	<u>12,296</u>	<u>48,872</u>	<u>-</u>	<u>-</u>	<u>2,053,993</u>
FUND BALANCES:									
Reserved for:									
Encumbrances	11,037	-	-	-	-	-	-	-	11,037
Prepays and other assets	523,270	-	-	-	-	-	-	-	523,270
Inventory	889	-	-	-	-	-	-	-	889
Unreserved, reported in:									
Designated for senior/multi-use center	980	-	-	-	-	-	-	-	980
Designated for equipment replacement	-	-	-	-	-	-	1,556,592	-	1,556,592
Undesignated	(60,726)	1,951,512	138,290	25,416	(12,296)	12,016	-	267,735	2,321,947
Total Fund Balances	<u>475,450</u>	<u>1,951,512</u>	<u>138,290</u>	<u>25,416</u>	<u>(12,296)</u>	<u>12,016</u>	<u>1,556,592</u>	<u>267,735</u>	<u>4,414,715</u>
Total Liabilities and Fund Balances	<u>\$ 2,458,077</u>	<u>\$ 1,951,512</u>	<u>\$ 138,965</u>	<u>\$ 34,939</u>	<u>\$ -</u>	<u>\$ 60,888</u>	<u>\$ 1,556,592</u>	<u>\$ 267,735</u>	<u>\$ 6,468,708</u>

CITY OF DIXON
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
JUNE 30, 2010

	<u>General Fund</u>	<u>Contingency</u>	<u>Council Discretionary</u>	<u>Recreation Fund</u>	<u>Performing Arts</u>	<u>Planning Agreements</u>	<u>Equipment Replacement</u>	<u>Building Reserve</u>	<u>Total General Fund</u>
REVENUES									
Taxes and assessments	\$ 8,817,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,817,160
Licence, permits, and fees	707,542	-	7,426	39,058	-	36,416	-	-	790,442
Fines and forfeitures	4,184	-	-	-	-	-	-	-	4,184
Use of money and property	112,867	17,328	1,333	391	-	554	16,789	1,951	151,213
Intergovernmental	308,777	-	-	5,000	-	-	-	-	313,777
Charges for services	273,023	-	-	43,382	-	-	-	-	316,405
Other revenues	<u>92,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,829</u>
Total Revenues	<u>10,316,382</u>	<u>17,328</u>	<u>8,759</u>	<u>87,831</u>	<u>-</u>	<u>36,970</u>	<u>16,789</u>	<u>1,951</u>	<u>10,486,010</u>
EXPENDITURES									
General administration	1,804,788	-	2,043	-	-	-	-	-	1,806,831
Public safety	7,227,577	-	-	-	-	-	-	-	7,227,577
Parks and recreation	1,440,628	-	-	96,060	-	-	-	-	1,536,688
Development	614,474	-	20,439	-	-	23,664	-	-	658,577
Public ways and facilities	1,144,785	-	-	-	-	-	-	-	1,144,785
Capital outlay	<u>224,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,277</u>
Total Expenditures	<u>12,456,529</u>	<u>-</u>	<u>22,482</u>	<u>96,060</u>	<u>-</u>	<u>23,664</u>	<u>-</u>	<u>-</u>	<u>12,598,735</u>
Excess (deficiency) of revenues over expenditures	<u>(2,140,147)</u>	<u>17,328</u>	<u>(13,723)</u>	<u>(8,229)</u>	<u>-</u>	<u>13,306</u>	<u>16,789</u>	<u>1,951</u>	<u>(2,112,725)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	1,673,186	-	-	-	-	-	-	102,213	1,775,399
Transfers out	<u>(34,607)</u>	<u>-</u>	<u>-</u>	<u>(5,465)</u>	<u>-</u>	<u>-</u>	<u>(626,473)</u>	<u>(558)</u>	<u>(667,103)</u>
Total Other Financing Sources (Uses)	<u>1,638,579</u>	<u>-</u>	<u>-</u>	<u>(5,465)</u>	<u>-</u>	<u>-</u>	<u>(626,473)</u>	<u>101,655</u>	<u>1,108,296</u>
Net Change in Fund Balance	(501,568)	17,328	(13,723)	(13,694)	-	13,306	(609,684)	103,606	(1,004,429)
Fund Balances - July 1, 2009	<u>977,018</u>	<u>1,934,184</u>	<u>152,013</u>	<u>39,110</u>	<u>(12,296)</u>	<u>(1,290)</u>	<u>2,166,276</u>	<u>164,129</u>	<u>5,419,144</u>
Fund Balances - June 30, 2010	<u>\$ 475,450</u>	<u>\$ 1,951,512</u>	<u>\$ 138,290</u>	<u>\$ 25,416</u>	<u>\$ (12,296)</u>	<u>\$ 12,016</u>	<u>\$ 1,556,592</u>	<u>\$ 267,735</u>	<u>\$ 4,414,715</u>

STATISTICAL SECTION



STATISTICAL SECTION

This part of the City's 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.

<u>Contents</u>	<u>Page</u>
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.	117 - 122
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	123 - 127
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	128 - 132
Demographic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.	133 - 134
Operating Information	
These schedules contain contextual information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	135 - 137

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB. Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF DIXON, CALIFORNIA
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(accrual basis of accounting, in thousands of dollars)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities								
Invested in capital assets, net of debt	\$ 118,166	\$ 124,586	\$ 130,280	\$ 144,002	\$ 145,119	\$ 145,706	\$ 142,637	\$ 139,561
Restricted	26,046	22,702	23,897	20,525	19,400	4,811	2,509	3,396
Unrestricted	6,462	4,098	4,355	4,058	4,968	15,476	17,525	13,097
Total governmental activities net assets	<u>\$ 150,674</u>	<u>\$ 151,386</u>	<u>\$ 158,532</u>	<u>\$ 168,585</u>	<u>\$ 169,487</u>	<u>\$ 165,993</u>	<u>\$ 162,671</u>	<u>\$ 156,054</u>
Business-type activities								
Invested in capital assets, net of debt	\$ 50,529	\$ 50,148	\$ 51,327	\$ 55,008	\$ 58,496	\$ 55,719	\$ 54,387	\$ 52,792
Restricted	\$ 53	\$ 523	\$ 531	\$ 550	\$ 571	\$ 373	\$ 182	\$ 196
Unrestricted	60	218	1,965	2,478	918	2,743	2,579	2,853
Total business-type activities net assets	<u>\$ 50,642</u>	<u>\$ 50,889</u>	<u>\$ 53,823</u>	<u>\$ 58,036</u>	<u>\$ 59,985</u>	<u>\$ 58,835</u>	<u>\$ 57,148</u>	<u>\$ 55,841</u>
Primary government								
Invested in capital assets, net of debt	\$ 168,695	\$ 174,734	\$ 181,607	\$ 199,010	\$ 203,615	\$ 201,425	\$ 197,024	\$ 192,353
Restricted	26,099	23,225	24,428	21,075	19,971	5,184	2,691	3,592
Unrestricted	6,522	4,316	6,320	6,536	5,886	18,219	20,104	15,950
Total primary government net assets	<u>\$ 201,316</u>	<u>\$ 202,275</u>	<u>\$ 212,355</u>	<u>\$ 226,621</u>	<u>\$ 229,472</u>	<u>\$ 224,828</u>	<u>\$ 219,819</u>	<u>\$ 211,895</u>

Note 1: The government-wide reporting requirements related to the implementation of GASB 34 were initiated during fiscal year 2003. Therefore, there are only eight years of data available to report.

Source: City of Dixon Finance Department

CITY OF DIXON, CALIFORNIA
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(accrual basis of accounting, in thousands of dollars)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental Activities:								
General government	\$ 2,592	1,962	2,160	2,612	3,048	\$ 3,534	\$ 2,323	\$ 3,130
Public safety	6,871	5,791	6,271	6,828	7,425	7,798	7,961	7,832
Public services	1,015	1,416	1,500	1,963	2,176	2,254	2,394	5,396
Recreation	706	1,878	2,098	1,799	2,303	2,859	2,426	2,361
Community development	1,745	5,248	7,013	5,890	5,745	6,455	5,186	3,553
Interest and fiscal charges	641	525	555	535	769	445	428	405
Transfers out	1,239	-	-	-	-	-	-	-
Total government activity expenses	\$ 14,809	\$ 16,820	\$ 19,597	\$ 19,627	\$ 21,466	\$ 23,345	\$ 20,718	\$ 22,677
Business-type activities:								
Sewer	\$ 1,777	\$ 2,191	\$ 2,761	\$ 2,341	\$ 2,701	\$ 3,150	\$ 3,066	\$ 2,938
Water	474	583	583	555	711	779	830	882
Transit	397	482	601	646	642	713	638	569
Transfers out	-	-	41	28	92	160	305	308
Total business-type activities expenses	2,648	3,256	3,986	3,570	4,146	4,802	4,839	4,697
Total primary government expenses	\$ 17,457	\$ 20,076	\$ 23,583	\$ 23,197	\$ 25,612	\$ 28,147	\$ 25,557	\$ 27,374
Program Revenues								
Charges for Services								
General government	\$ 247	\$ 1,384	\$ 1,334	\$ 1,744	\$ 1,363	\$ 1,884	\$ 155	\$ 226
Public safety	930	526	633	696	727	778	707	663
Parks and recreation	3,185	342	248	139	200	233	333	186
Development	71	70	91	109	1,322	544	180	175
Public ways and facilities	-	2,184	2,196	376	151	475	222	88
Operating grants	603	586	885	1,122	445	632	505	854
Capital grants	1,147	3,351	10,303	12,718	2,326	2,122	853	1413
Total governmental activities	6,183	8,443	15,690	16,904	6,534	6,668	2,955	3,605
Business-type activities:								
Charges for services	1,893	3,028	1,728	1,817	2,115	2,376	2358	2743
Operating grants and contributions	337	334	458	501	558	577	669	544
Capital grants and contributions	1,924	87	4,634	3,725	2,974	-	0	57
Transfers In	1,239	-	-	-	-	-	0	0
Total business-type activities	\$ 5,393	3,449	6,820	6,043	5,647	2,953	3,027	3,344
Total primary government	\$ 11,576	\$ 11,892	\$ 22,510	\$ 22,947	\$ 12,181	\$ 9,621	\$ 5,982	\$ 6,949
Net (Expense)/Revenue								
Governmental activities	\$ (8,626)	\$ (8,377)	\$ (3,907)	\$ (2,723)	\$ (14,932)	\$ (16,677)	\$ (17,763)	\$ (19,072)
Business-type activities	2,745	193	2,834	2,473	1,501	(1,849)	(1,812)	(1,353)
Total primary government	\$ (5,881)	\$ (8,184)	\$ (1,073)	\$ (250)	\$ (13,431)	\$ (18,526)	\$ (19,575)	\$ (20,425)

CITY OF DIXON, CALIFORNIA
CHANGES IN NET ASSETS (CONTINUED)
LAST EIGHT FISCAL YEARS
(accrual basis of accounting, in thousands of dollars)

General Revenues

Government Activities

Taxes									
Sales and use taxes	\$ 3,686	\$ 3,856	\$ 4,144	\$ 4,742	\$ 6,288	\$ 5,558	\$ 5,236	\$ 4,527	
Property taxes	3,179	3,513	4,269	4,888	5,335	5,504	5,363	4,915	
Motor vehicle and gas taxes	937	1,058	1,339	1,432	1,817	1,790	1,847	1,673	
Franchise taxes	197	407	405	437	492	472	519	502	
Transient Occupancy taxes	179	165	192	225	266	243	200	157	
Interest and investment	827	360	525	936	1,365	1,072	537	244	
Rental income	169	102	20	43	33	36	-	-	
Gain on sale of capital assets	(8)	(60)	1	-	-	-	-	-	
Other revenue	-	18	116	45	148	50	125	80	
Transfers In	-	-	41	28	92	160	305	308	
Total governmental activities	9,166	9,419	11,052	12,776	15,836	14,885	14,132	12,406	

Business-type Activities

Interest and investment	80	54	97	170	304	249	91	33	
Other revenue	(3)	-	3	1,570	144	449	9	22	
Total business-type activities	77	54	100	1,740	448	698	100	55	

Other sources(uses) of money

Total primary government	\$ 9,243	\$ 9,473	\$ 11,152	\$ 14,516	\$ 16,284	\$ 15,583	\$ 14,232	\$ 12,461	
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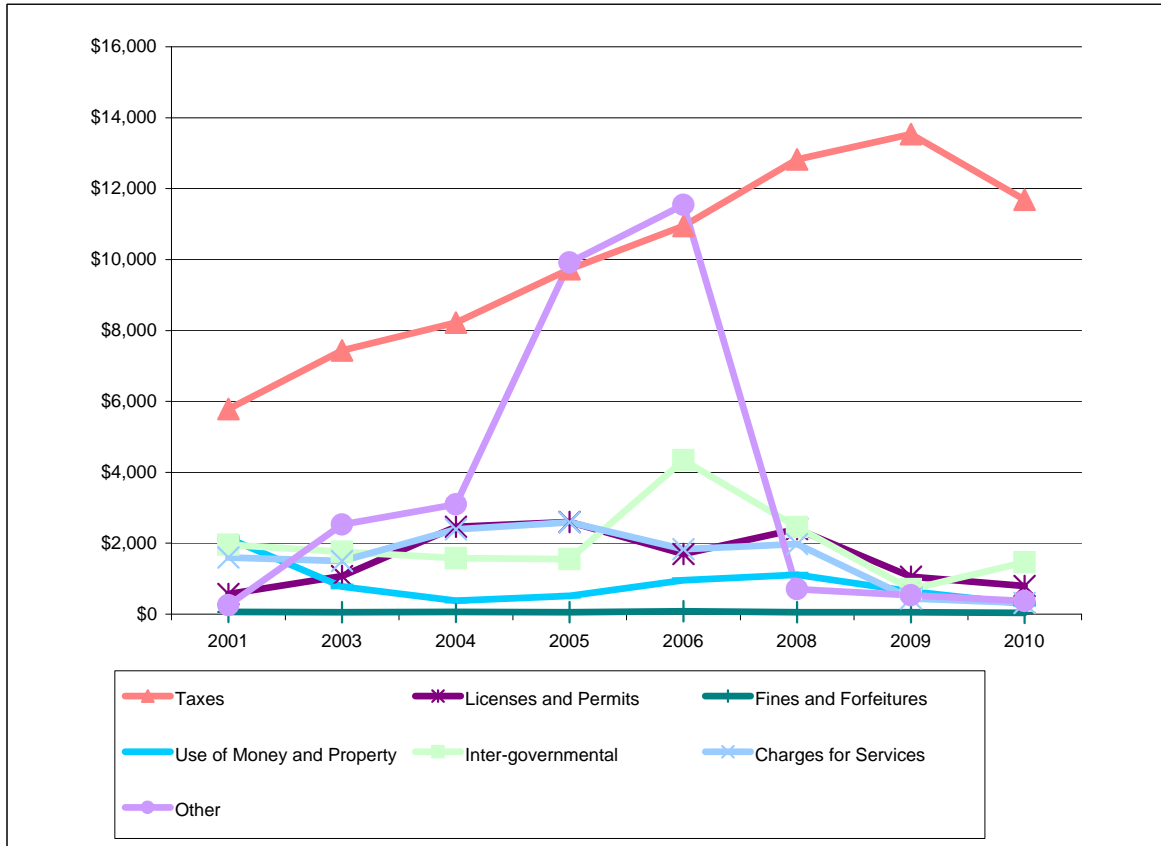
Change in Net Assets

Governmental activities	\$ 540	\$ 1,042	\$ 7,145	\$ 10,053	\$ 904	\$ (1,792)	\$ (3,631)	\$ (6,666)	
Business-type activities	2,822	247	2,934	4,213	1,949	(1,151)	(1,712)	(1,298)	
Total primary government	\$ 3,362	\$ 1,289	\$ 10,079	\$ 14,266	\$ 2,853	\$ (2,943)	\$ (5,343)	\$ (7,964)	

Note 1: The government-wide reporting requirements related to the implementation of GASB 34 were initiated during fiscal year 2003. Therefore, there are only eight years of data available to report.

Source: City of Dixon Finance Department

CITY OF DIXON, CALIFORNIA
GOVERNMENTAL FUNDS REVENUES BY SOURCE
LAST EIGHT FISCAL YEARS
(modified accrual basis of accounting, in thousands of dollars)



<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Fines and Forfeitures</u>	<u>Use of Money and Property</u>	<u>Inter-governmental</u>	<u>Charges for Services</u>	<u>Other</u>	<u>Total</u>
2001	\$ 5,785	\$ 568	\$ 60	\$ 2,142	\$ 1,960	\$ 1,598	\$ 257	\$ 12,370
2003	7,434	1,071	56	776	1,761	1,500	2,524	15,122
2004	8,225	2,467	60	378	1,583	2,395	3,099	18,207
2005	9,725	2,601	55	518	1,551	2,588	9,921	26,959
2006	10,946	1,696	77	958	4,342	1,828	11,546	31,393
2008	12,820	2,402	52	1,108	2,459	1,974	702	21,517
2009	13,536	1,052	54	637	707	446	530	16,962
2010	11,682	790	35	285	1,465	316	372	14,945

Source: City of Dixon Finance Department

CITY OF DIXON, CALIFORNIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(modified accrual basis of accounting, in thousands of dollars)

	Fiscal Year							
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund								
Reserved	\$ 944	\$ 1,617	\$ 735	\$ 682	\$ 813	\$ 313	\$ 297	\$ 535
Unreserved	3,455	3,092	4,101	4,111	5,007	5,562	5,122	3,880
Total General Fund	<u>\$ 4,399</u>	<u>\$ 4,709</u>	<u>\$ 4,836</u>	<u>\$ 4,793</u>	<u>\$ 5,820</u>	<u>\$ 5,875</u>	<u>\$ 5,419</u>	<u>\$ 4,415</u>
All Other Governmental Funds								
Reserved	\$ 19,010	\$ 10,469	\$ 12,965	\$ 9,696	\$ 7,064	\$ 7,961	\$ 4,263	\$ 4,273
Unreserved reported in:								
Special revenue funds	4,471	2,234	1,960	2,058	1,868	2,200	2,778	2,442
Capital project funds	3,803	6,745	7,954	6,286	8,383	4,801	7,901	5,509
Total all other Governmental Funds	<u>\$ 27,284</u>	<u>\$ 19,448</u>	<u>\$ 22,879</u>	<u>\$ 18,040</u>	<u>\$ 17,315</u>	<u>\$ 14,962</u>	<u>\$ 14,942</u>	<u>\$ 12,224</u>

Note 1: The government-wide reporting requirements related to the implementation of GASB 34 were initiated during fiscal year 2003. Therefore, there are only eight years of data available to report.

Source: City of Dixon Finance Department

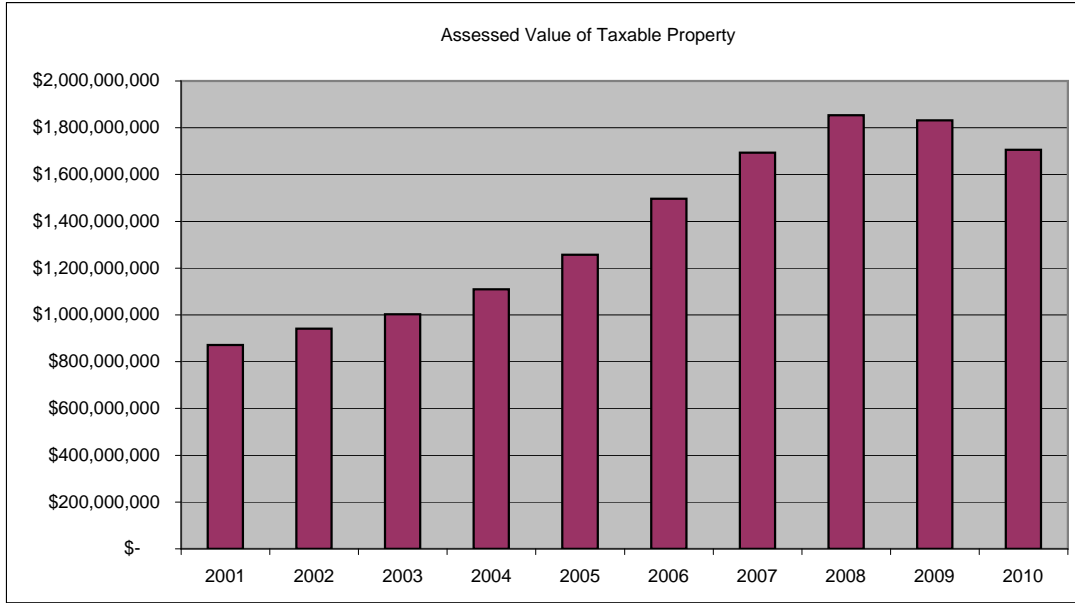
CITY OF DIXON, CALIFORNIA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(modified accrual basis of accounting, in thousands of dollars)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues									
Taxes and assessments	\$ 9,563	\$ 10,191	\$ 8,225	\$ 9,725	\$ 10,946	\$ 13,343	\$ 12,820	\$ 13,536	\$ 11,682
Licenses, permits, and fess	569	1,071	2,467	2,601	1,696	2,913	2,402	1,052	790
Fines and forfeitures	58	56	59	55	77	70	52	54	35
Use of money and property	1,188	819	378	518	957	1,394	1,108	637	286
Program income			399	581	1,594	768	111	112	59
Intergovernmental revenues	1,333	1,761	1,185	970	2,748	1,193	2,459	707	1,465
Charges for service	1,874	3,869	5,261	2,588	1,828	1,349	1,974	446	316
Contributions				157	9,703	1,142	4	-	-
Developer fees				9,508	1,678	601	322	272	38
Other revenues	100	153	233	256	165	336	265	146	275
Total revenues	14,685	17,920	18,207	26,959	31,392	23,109	21,517	16,962	14,946
Expenditures									
General government	3,155	2,955	1,864	2,092	2,505	2,939	3,554	1,956	2,917
Public safety	4,871	5,485	5,421	6,005	6,415	7,114	7,530	7,570	7,296
Parks and recreation	817	822	1,040	1,127	1,306	1,481	1,711	1,705	1,542
Development			2,106	2,251	2,686	2,665	2,880	2,930	3,258
Public ways and facilities	660	957	2,673	4,364	2,939	2,667	2,884	1,924	2,273
Debt service - Principal	3,619	1,303	445	456	450	465	375	400	425
Debt service - Interest		1,967	528	515	491	762	438	419	397
Capital outlay	3,346	4,324	9,224	8,633	17,182	4,807	4,602	1,148	917
Total expenditures	16,468	17,813	23,301	25,443	33,974	22,900	23,974	18,052	19,025
Excess of revenues over (under) expenditures	(1,783)	107	(5,094)	1,516	(2,582)	209	(2,457)	(1,090)	(4,079)
Other financing sources (uses)									
Transfers in	2,397	2,129	3,159	2,116	3,383	3,879	3,404	1,888	2,044
Transfers out	(5,890)	(3,368)	(3,159)	(2,074)	(3,355)	(3,787)	(3,243)	(1,583)	(1,736)
Total other financing sources	(3,493)	(1,239)	-	42	28	92	161	305	308
Net change in fund balance	\$ (5,276)	\$ (1,132)	\$ (5,094)	\$ 1,558	\$ (2,554)	\$ 301	\$ (2,296)	\$ (785)	\$ (3,771)
Debt service as a % of noncapital expenditures	27.6%	24.2%	6.9%	5.8%	5.6%	6.8%	4.2%	4.8%	4.5%

Note 1: The government-wide reporting requirements related to the implementation of GASB 34 were initiated during fiscal year 2003. Therefore, there are only eight years of data available to report.

Source: City of Dixon Finance Department

**CITY OF DIXON, CALIFORNIA
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**



Property Taxes - Primary Own-Source Revenue

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Other [a]</u>	<u>Less: Tax Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>
2001	\$ 640,036,032	\$ 82,427,347	\$ 70,251,509	\$ 78,026,378		\$ 870,741,266	0.29328%	\$ 2,553,710
2002	689,618,186	88,895,109	83,378,765	79,296,776		941,188,836	0.29616%	2,787,425
2003	731,772,955	95,649,233	87,363,344	88,315,379		1,003,100,911	0.29778%	2,987,034
2004	789,235,795	97,562,184	91,000,687	131,398,683		1,109,197,349	0.29585%	3,281,560
2005	902,599,324	117,472,946	109,422,261	127,573,223		1,257,067,754	0.30048%	3,777,237
2006	1,118,505,103	121,514,359	120,636,093	135,819,451		1,496,475,006	0.28997%	4,339,329
2007	1,274,422,301	145,650,411	130,704,860	142,359,638		1,693,137,210	0.28877%	4,889,272
2008	1,379,032,478	165,134,084	158,906,122	150,325,141		1,853,397,825	0.28893%	5,355,022
2009	1,316,898,828	180,793,061	170,707,791	163,217,303		1,831,616,983	0.29231%	5,354,000
2010	1,135,898,725	185,301,156	173,857,213	211,221,330		1,706,278,424	0.29569%	5,045,295

Notes:

- [a] Includes "supplemental roll" tax receipts for property transfer after "lien date" (collections can exceed 100% of levy).
- [b] Taxes received net of administrative collections (SB-2557) charges and redevelopment pass-thrus.

Source : HdL, Coren & Cone

CITY OF DIXON, CALIFORNIA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Per \$100 of Assessed Value)

Fiscal Year	Basic County City School Levy	Dixon Unified School District	Solano County Flood Water Project	Solano Community College	Total Direct and Overlapping Rates
2001	1.00	0.00450	0.02	-	1.02450
2002	1.00	-	0.02	-	1.02000
2003	1.00	-	0.02	-	1.02000
2004	1.00	0.06659	0.02	-	1.08659
2005	1.00	0.04342	0.02	-	1.06342
2006	1.00	0.05985	0.02	-	1.07985
2007	1.00	0.06135	0.02	0.00336	1.08471
2008	1.00	0.05944	0.02	0.00269	1.08213
2009	1.00	0.06197	0.02	-	1.08197
2010	1.00	0.07302	0.02	-	1.09302

Source: HdL, Coren & Cone

**CITY OF DIXON, CALIFORNIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS PRIOR**

Taxpayer	2010			2001		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Undisclosed ¹	1	\$ 59,167,426	3.47%			
Basalite Concrete Products	2	\$ 39,297,683	2.30%			
Gymboree Logistics Partnership	3	\$ 36,737,396	2.15%	1	\$ 22,980,803	2.64%
Cardinal Health 200Inc.	4	\$ 29,054,473	1.70%			
Wal Mart Real Estate Trust	5	\$ 20,885,729	1.22%			
Mililani Group	6	\$ 13,882,168	0.81%	3	\$ 9,850,000	1.13%
Insulfoam, LLC	7	\$ 12,991,204	0.76%			
Ocala Meadows Land, LLC	8	\$ 9,807,950	0.57%			
Milgaard Manufacturing, Inc.	9	\$ 9,070,340	0.53%			
Safeway Stores	10	\$ 9,018,402	0.53%	4	\$ 9,557,311	1.09%
Premier Industries				2	\$ 21,813,331	2.51%
Pacific Coast Building Pro				5	\$ 9,501,710	1.10%
CSK auto Inc.				6	\$ 5,289,235	0.61%
First Northern Bank of Dixon				7	\$ 5,020,577	0.58%
Walnut Ranch Apartments Limited				8	\$ 4,700,000	0.54%
Summerfield Apartments Dixon				9	\$ 3,881,874	0.45%
Altec Industries, Inc.				10	\$ 3,465,514	0.40%
Top Ten Totals		\$ 239,912,771	14.04%		\$ 96,060,355	11.05%
City Total Taxable Assessed Value		\$ 1,706,278,424			\$ 870,741,266	

Notes: ¹Taxpayer name is undisclosed due to non-disclosure agreement with City of Dixon

Source: Hdl, Coren & Cone

CITY OF DIXON, CALIFORNIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(in thousands of dollar)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ¹		Collection in Subsequent Years	Collections to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy
2001	2,587	2,587	100.00%	2	2,589	100.08%
2002	2,839	2,839	100.00%	12	2,851	100.42%
2003	3,262	3,262	100.00%	2	3,264	100.06%
2004	3,517	3,517	100.00%	(4)	3,513	99.89%
2005	3,921	3,921	100.00%	7	3,928	100.18%
2006	4,023	4,023	100.00%	10	4,033	100.25%
2007	4,051	4,051	100.00%	2	4,053	100.05%
2008	4,030	4,030	100.00%	(2)	4,028	99.95%
2009	3,998	3,998	100.00%	9	4,007	100.23%
2010	3,552	3,552	100.00%	3	3,555	100.08%

1 Property tax for the City of Dixon is distributed to the different governmental agencies under the State mandated alternate method of apportioning taxes (commonly referred to as the "Teeter Plan") whereby all local agencies, including cities, receive from the county 100% of their respective shares of the ad valorem taxes levied, without regard to the actual collection of the taxes levied. This method was placed in effect by Solano County in the 1965/66 discontinuance tax year and remains in effect unless the County Board of Supervisors orders its discontinuance.

Source: Hdl, Coren & Cone

CITY OF DIXON, CALIFORNIA
TAXABLE SALES BY CATEGORY
LAST TEN FISCAL YEARS
(amounts in thousands of dollars)

	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Major Business Groups										
Apparel	\$ 459	\$ 1,357	\$ 2,618	\$ 4,891	\$ 6,011	\$ 10,967	\$ 15,131	\$ 20,166	\$ 19,479	\$ 19,972
General Merchandise	145	140	166	6,581	25,778	30,371	40,323	39,596	38,036	39,252
Food Stores	9,345	9,695	9,554	9,749	9,353	9,121	8,530	8,705	8,571	7,606
Eating and Drinking Places	21,249	22,535	23,128	24,097	26,091	27,148	27,461	27,887	26,513	25,038
Building Materials	9,072	9,402	10,777	11,401	10,758	11,357	10,462	11,743	14,006	23,285
Auto Dealers and Supplies	14,509	18,348	19,832	19,395	23,894	23,601	21,751	25,332	29,208	29,123
Service Stations	24,298	26,927	26,054	30,871	39,932	42,394	44,901	54,282	54,842	43,554
Other Retail Stores	13,651	16,485	16,837	18,962	20,164	21,146	22,191	21,614	19,768	13,760
All other outlets	90,840	136,784	225,035	239,893	252,320	276,588	333,368	371,651	297,428	279,877
Fiscal Year Totals	\$ 183,568	\$ 241,673	\$ 334,001	\$ 365,840	\$ 414,301	\$ 452,693	\$ 524,118	\$ 580,976	\$ 507,851	\$ 481,467

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Source: State of California Board of Equalization and Hdl Coren & Coren and Companies

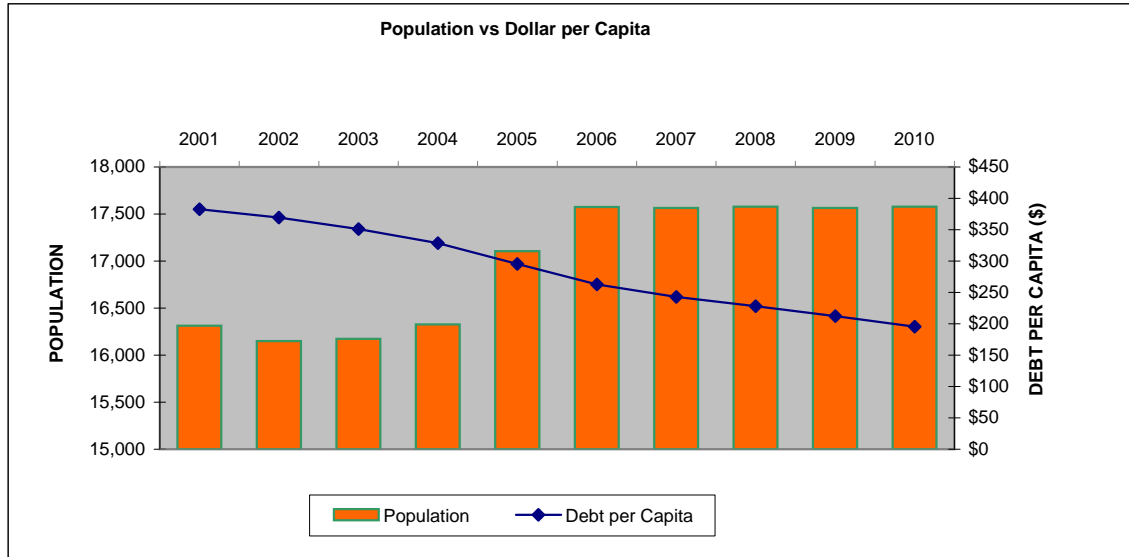
CITY OF DIXON, CALIFORNIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts in thousands of dollars, except per capita amount)

Fiscal Year	Governmental Activities					Business-Type Activities		Total Primary Government	Percent of Personal Income 1	Debt per Capita
	Tax Allocation Bonds	Lease Revenue Bonds	COPS	Compensated Absences	Capital Leases	Wastewater COPS	Compensated Absences			
2001	\$ 4,150	\$ 5,635	\$ 605	\$ 475	\$ 116	\$ 2,460	\$ -	\$ 13,441	4.14%	\$ 824
2002	4,065	5,430	535	530	91	2,375	-	13,026	3.93%	807
2003	3,975	5,215	460	653	61	2,290	-	12,654	3.79%	782
2004	3,880	4,985	380	818	31	2,205	-	12,299	3.59%	753
2005	3,780	4,755	295	663	-	2,120	-	11,613	3.20%	679
2006	3,675	4,515	105	893	-	2,035	-	11,223	2.81%	639
2007	3,565	4,265	-	948	-	1,950	-	10,728	2.45%	611
2008	3,450	4,005	-	912	-	1,865	-	10,232	2.23%	582
2009	3,325	3,730	-	954	-	1,775	57	9,841	2.13%	561
2010	3,195	3,435	-	1,029	-	1,680	116	9,455	2.11%	537

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
1 See the Schedule of Demographic Statistics for personal income and population data.

Source: City of Dixon Finance Department

**CITY OF DIXON, CALIFORNIA
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**



Fiscal Year	Lease Revenue Bonds	COPS	Total Primary Government	Percent of Assessed Value	Population	Debt per Capita
2001	\$ 5,635	\$ 605	\$ 6,240	0.717%	16,313	\$383
2002	5,430	535	5,965	0.634%	16,150	\$369
2003	5,215	460	5,675	0.566%	16,173	\$351
2004	4,985	380	5,365	0.484%	16,325	\$329
2005	4,755	295	5,050	0.402%	17,107	\$295
2006	4,515	105	4,620	0.309%	17,574	\$263
2007	4,265	-	4,265	0.252%	17,563	\$243
2008	4,005	-	4,005	0.216%	17,577	\$228
2009	3,730	-	3,730	0.220%	17,563	\$212
2010	3,435	-	3,435	0.185%	17,577	\$195

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: City of Dixon Finance Department

CITY OF DIXON, CALIFORNIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2010

2009-2010 Assessed Valuation : \$ 1,706,278,424

	<u>% Applicable</u>	<u>Outstanding Debt 6/30/10</u>	<u>Estimated Share Of Overlapping Debt</u>
<u>Direct and Overlapping Tax and Assessment Debt</u>			
Solano County Community College District	4.273%	\$ 113,038,171	4,830,121
Solano Irrigation District	16.406%	330,300	54,189
Dixon Unified School District	69.919%	27,955,528	19,546,226
City of Dixon 1915 Act Bonds	100.000%	-	-
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		141,323,999	24,430,535
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Solano County Certificates of Participation	4.147%	\$ 128,755,000	5,339,470
Solano County Pension Obligations	4.147%	116,640,000	4,837,061
Solano County Office of Education Certifications of Participation	4.147%	2,990,000	123,995
Dixon Unified School District Certificates of Participation	69.217%	6,140,121	4,250,008
City of Dixon Certificates of Participation	100.000%	-	-
DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$ 254,525,121	\$ 14,550,534
GROSS COMBINED TOTAL DEBT		\$ 395,849,120	
NET COMBINED TOTAL DEBT			\$ 38,981,069

Ratios to 2009-10 Assessed Valuation:
Total Overlapping Tax and Assessment Debt..... 8.28%

Ratios to Adjusted Assessed Valuation:
Combined Direct Debt..... 1.43%
Combined Total Debt..... 9.71%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/10: \$-0-

Notes:

- [a] Percentage of overlapping agency's assessed valuation located within boundaries of the city.
- [b] Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
- [c] Overlapping governments are those that coincide 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.

Source: California Municipal Statistics, Inc.

**CITY OF DIXON, CALIFORNIA
LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

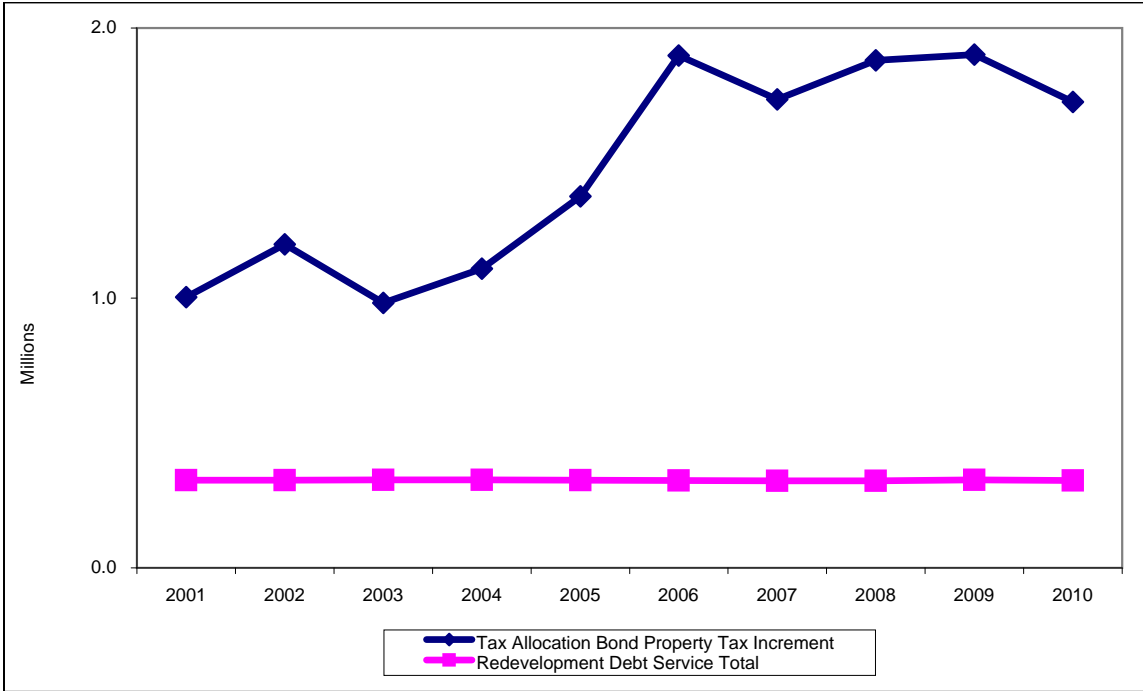
Legal Debt Margin Calculation for Fiscal Year 2010

Assessed Value (in thousands)	\$ 1,706,278
Debt Limit (15%) of total assessed value	255,942
Debt applicable to limit:	
General obligation bonds	0
Less: Amount set aside for repayment of general obligation debt	0
Total net debt applicable to limit	0
Legal debt margin	\$ 255,942

Fiscal Year	Total Taxable Assessed Value (in thousands)	Debt Limit Amount	Total net debt applicable to limit	Legal debt margin	Ratio of net debt applicable to limit to legal debt limit
2001	870,741	130,611	-	130,611	0%
2002	941,188	141,178	-	141,178	0%
2003	1,003,100	150,465	-	150,465	0%
2004	1,109,197	166,380	-	166,380	0%
2005	1,257,067	188,560	-	188,560	0%
2006	1,496,475	224,471	-	224,471	0%
2007	1,693,137	253,971	-	253,971	0%
2008	1,853,397	278,010	-	278,010	0%
2009	1,831,616	274,742	-	274,742	0%
2010	1,706,278	255,942	-	255,942	0%

Source: City of Dixon Finance Department

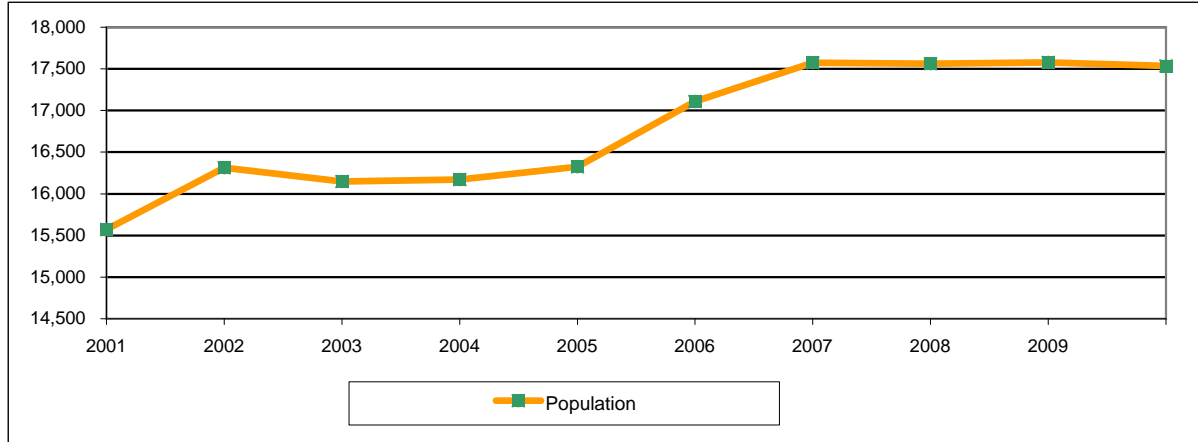
**CITY OF DIXON, CALIFORNIA
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS**
 (amounts in thousands of dollars)



Fiscal Year	Tax Allocation Bond Property Tax Increment			Redevelopment Debt Service			Debt Ratio
	Redevelopment Increment	Less: Low and Moderate Income Housing Set-Aside	Net Available Revenue	Principal	Interest	Total	
2001	\$ 1,204	\$ 201	\$ 1,003	\$ 80	\$ 245	\$ 325	32%
2002	1,444	245	1,199	85	240	325	27%
2003	1,237	255	982	90	236	326	33%
2004	1,400	292	1,108	95	231	326	29%
2005	1,720	344	1,376	100	225	325	24%
2006	2,280	382	1,898	105	219	324	17%
2007	2,169	433	1,736	110	213	323	19%
2008	2,350	470	1,880	115	207	322	17%
2009	2,377	475	1,902	125	201	326	17%
2010	2,157	431	1,726	130	193	323	19%

Source: City of Dixon Finance Department

**CITY OF DIXON, CALIFORNIA
DEMOGRAPHIC AND ECONOMIC INDICATORS
LAST TEN FISCAL YEARS**



Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate	Median Age	School Enrollment	% of pop 25+ w/ H.S. Degree	% of pop 25+ w/ Bachelor's Degree
2000	15,571	\$ 324,638	\$ 20,160	3.6%	31.60	3,646	77.6%	18.6%
2001	16,313	\$ 331,467	\$ 20,448	3.6%		3,857		
2002	16,150	\$ 333,719	\$ 20,531	4.6%		3,873		
2003	16,173	\$ 342,186	\$ 21,087	5.0%		3,997		
2004	16,325	\$ 363,382	\$ 22,246	4.6%		3,933		
2005	17,107	\$ 398,984	\$ 23,362	4.3%		3,929		
2006	17,574	\$ 437,134	\$ 25,022	3.9%		4,050		
2007	17,563	\$ 458,491	\$ 26,125	4.2%		4,088		
2008	17,577	\$ 461,277	\$ 26,380	5.4%		4,127		
2009	17,535	\$ 448,567	\$ 25,581	8.7%	32.00	4,089	79.2%	19.2%

Source: Hdl, Coren & Cone

**CITY OF DIXON, CALIFORNIA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Total City Employment 8100

Total City Employment 8500

FY 2009-10				2000-01			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employed</u>	<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employed</u>
Gymboree, Inc.	419	1	5.17%	Gymboree, Inc.	200	4	2.35%
Kragen Auto Works	400	2	4.94%	Kragen Auto Works	350	1	4.12%
Wal-Mart	288	3	3.56%				
Cardinal Health	203	4	2.51%	Cardinal Health	200	5	2.35%
Dixon Unified School District	197	5	2.43%	Dixon Unified School District	201	3	2.36%
Basalite	180	6	2.22%	Dixon Canning Corporation (sea	300	2	3.53%
Dixon Canning Corporation (seasonal)	180	7	2.22%				
Superior Packing	140	8	1.73%				
City of Dixon	115	9	1.42%	City of Dixon	120	7	1.41%
First Northern Bank	109	10	1.35%	First Northern Bank	151	6	1.78%
				Safeway	75	8	0.88%
				B.C. Stocking Distribution	75	9	0.88%

Source: Hdl, Coren & Cone

**CITY OF DIXON, CALIFORNIA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
Management Services	6.5	7.5	7.5	7.35	7.35	7.5	7.5	7.5	7.5	7.5
Finance	5.25	5.3	5.3	5.3	6.3	6.3	6.66	7.5	6.84	6.84
Planning	2.625	2.625	2.625	2.625	3	4	4	4	3	2.75
Building	2	2	2	2	2	3	3	3	2	1.25
Other - Transit	5.175	5.425	5.875	5.9	6.34	7.09	7.09	7.68	7.68	6.19
Police										
Officers	26	26	26	26	27.5	30	30	31	30.5	28.5
Civilians	1	1	1	1	1	2	2	2	2	2
Fire										
Firefighters and officers	17.5	19	19	19	19	22	22	21	21	20
Civilians	1.5	1.5	1.5	1.75	1.75	1.75	1.875	2	2	2
Public Works										
Engineering	3.5	5	6	9	9	10	10	10	10	6.5
Maintenance	19	22.5	22.5	20.4	21.6	21.6	21.6	22.4	19.6	18.5
Redevelopment	1.25	1.25	1.25	1	1	1	1	1	1	1
Parks and recreation	3	3	3	3	3	4	4	4	4	4
Wastewater collection and treatment	4	4.5	4.5	5	5.3	5.3	5.36	6.5	6.67	8.165
Total	98.3	106.6	108.05	109.325	114.14	125.54	126.085	129.58	123.79	115.195

Source: City of Dixon Annual Budget
Paid employees only (excluding reserves and volunteers)

**CITY OF DIXON, CALIFORNIA
OPERATING INDICATORS BY FUNCTION
LAST SEVEN FISCAL YEARS**

Function	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Public Safety:							
Police:							
Police Calls for Service	17,758	17,191	19,378	19,540	19,202	16,426	17,103
Law Violations:							
Part I Crimes	1,032	726	671	871	872	609	602
Physical Arrests (Adult and Juvenile)	582	602	568	589	567	492	505
Parking Violations	334	360	594	485	498	179	253
Fire:							
Number of volunteers	35	35	12	12	12	12	12
Number of calls answered	1,965	1,965	1,900	1,923	1,983	2,001	1,997
Transit service:							
Daily average number of passengers	260	260	257	254	260	228	177
Daily average number of service miles	230	230	385	382	230	338	290
Wastewater							
Service Connections	4,905	4,905	5,196	5,196	5,196	5,196	5,196
Maximum daily capacity of treatment plant (millions gallons per day)	1.40	1.82	1.82	1.82	1.82	1.82	1.82
Average Daily Pumping (millions of gallons)	1.37	1.48	1.37	1.37	1.37	1.26	1.27
Water Service - Dixon-Solano Water Agency							
Pumping capacity (million of gallons per day)	10.64	10.64	11.93	11.93	11.93	11.93	11.93
Average Consumption (million gallons per day)	1.75	1.75	2.05	2.35	2.32	2.34	2.3

Note: Information was not available for ten years' reporting, but will be accumulated over time as it becomes available.

Source: City of Dixon Departmental Statistical Tables from Annual Reports

**CITY OF DIXON, CALIFORNIA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST SEVEN FISCAL YEARS**

<u>Function/Program</u>	<u>Fiscal Year</u>						
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Public Safety:							
Police Stations	1	1	1	1	1	1	1
Police Patrol Units	14	17	17	17	17	17	17
Fire Stations	1	1	1	1	1	1	1
Fire Vehicles	12	12	12	12	12	12	12
Public Works							
Miles of Streets	61	62	62	62	62	62	62
Street Lights	1,576	1,576	2,020	2,020	2,020	2,020	2,020
Recreation and Community Services:							
City Parks	7	7	7	7	7	7	7
City Parks Acreage	89	89	89	89	89	89	89
Senior Centers	1	1	1	1	1	1	1
Swimming Pools	1	1	1	1	1	1	1
Tennis Courts	6	6	6	6	6	6	6
Baseball/Softball Diamonds	11	11	11	11	11	11	11
Soccer Fields	5	5	5	5	5	5	5
Library	1	1	1	1	1	1	1
Wastewater							
Treatment Plants	1	1	1	1	1	1	1
Sewer Lines (miles)	73	73	73	73	73	73	73
Storm Drain (miles)	43.1	43.1	43.1	43.1	43.1	43.1	43.1

Note: Information was not available for ten years' reporting, but will be accumulated over time as it becomes available.

Source: City of Dixon Departmental Statistical Tables from Annual Reports