
CITY OF DIXON

California



Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2011

**CITY OF DIXON
CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**PREPARED BY
FINANCE DEPARTMENT**

CITY OF DIXON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION:	
Transmittal Letter	i - vi
GFOA Award	vii
Organization Chart	viii
Elected Officials and Executive Staff	ix
FINANCIAL SECTION:	
Independent Auditor's Report on Basic Financial Statements	1 - 2
Management's Discussion and Analysis	3 - 17
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Assets	18
Statement of Activities	19
Fund Financial Statements	
Balance Sheet - Governmental Funds	20 - 21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	22
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	23 - 24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Funds	25
Statement of Net Assets - Proprietary Funds	26
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds	27
Statement of Cash Flows - Proprietary Funds	28 - 29
Statement of Net Assets - Fiduciary Funds	30
Notes to Basic Financial Statements	31 - 61
Required Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	62 - 63
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Redevelopment Fund	64
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Low/Moderate Income Housing Fund	65
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - HOME Loans Fund	66

CITY OF DIXON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS

	Page
Required Supplemental Information (continued)	
Notes to Required Supplemental Information	67
Schedule of Funding Progress for Other Post Employment Benefits (OPEB)	68
Combining Financial Schedules and Other Supplemental Information	
Budgetary Comparison Schedule - Transportation Fund	69
Budgetary Comparison Schedule - Storm Drain Fund	70
Non-Major Governmental Funds:	
Description of Non-major Funds	71 - 72
Combining Balance Sheets	73 - 77
Combining Schedules of Revenues, Expenditures and Changes in Fund Balances	78 - 82
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
Gas Tax Fund	83
Traffic Safety Fund	84
Used Oil Recycling Block Grant Fund	85
COPS Block Grant Fund	86
Asset Forfeiture Fund	87
CDBG Fund	88
CDBG Grant PTA	89
Lighting and Landscaping Assessment District Fund	90
Valley Glen Storm Drain Fund	91
CFD Pond C	92
Capital Improvements Fund	93
Community Development Fund	94
Fire Fund	95
Police Fund	96
City Facilities Fund	97
Public Works Fund	98
Core Area Drainage	99
Transit Projects Fund	100
Recreation Improvements Fund	101
Agricultural Land Mitigation Fund	102
Vacaville/Dixon Greenbelt Authority Fund	103

CITY OF DIXON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS

	Page
Combining Financial Schedules and Other Supplemental Information (continued)	
Dixon Public Financing Improvement Fund (DPIC)	104
Dixon Public Financing (DPFA) - Police Fund	105
Dixon Public Financing (DPFA) - Fire Fund	106
Agency Funds	
Description of Agency Funds	107
Combining Statement of Net Assets	108
Statement of Changes in Fiduciary Net Assets	109 - 110
General Fund	
Description of General Funds	111
Combining Balance Sheet	112
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	113
STATISTICAL SECTION:	
Description of Statistical Section	114
Financial Trends	
Net Assets by Component	115
Changes in Net Assets	116 -117
Governmental Funds - Revenues by Source	118
Fund Balance - Governmental Funds	119
Changes in Fund Balance - Governmental Funds	120
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	121
Property Tax Rates - Direct and Overlapping Governments	122
Principal Property Taxpayers	123
Property Tax Levies and Collections	124
Taxable Sales by Category	125
Debt Capacity	
Ratios of Outstanding Debt by Type	126
Ratios of Net General Bonded Debt Outstanding	127
Direct and Overlapping Governmental Debt	128

CITY OF DIXON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS

STATISTICAL SECTION (continued):

Computation of Legal Debt Margin	129
Pledged Revenue Coverage	130
Economic and Demographic Information	
Demographic and Economic Indicators	131
Principal Employers	132
Operating Information	
Full-time Equivalent City Government Employees by Function/Program	133
Operating Indicators by Function/Program	134
Capital Asset Statistics by Function/Program	135

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 28, 2011

Honorable Mayor
Members of the City Council and
Citizens of the City of Dixon

It is with great pleasure that we present to you the City of Dixon's Comprehensive Annual Financial Report (CAFR) for the 2010-11 fiscal year. California state law requires that the City publish a financial statement presented in conformance with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants.

The Governmental Accounting Standards Board (GASB) establishes the formal accounting standards for all state and local governments in the United States and Canada. GASB requires that financial transactions follow GAAP. GAAP requires 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's MD&A can be found immediately following the report of the independent auditors.

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 information is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the City. All disclosures necessary to enable an understanding of the City's financial activities have been included.

This report is divided into three sections:

- The **Introductory Section** includes this letter of transmittal, an organizational overview of the City government and prior awards received.
- The **Financial Section** consists of the independent auditors' report, Management's Discussion and Analysis, Basic Financial Statements (which include the Government-Wide Financial Statements, Fund Financial Statements, Notes to the Financial Statements and Required Supplementary Information) and a Supplementary Section containing the Combining and Individual Fund Financial Statements and Schedules.
- The **Statistical Section** includes a number of tables of unaudited data depicting the financial history of the City, demographics and other selected information about the City on a multi-year basis.

i
City of Dixon

600 East A Street • Dixon, California • 95620-3697
(707) 678-7000 • FAX (707) 678-0960 • TTY (707) 678-1489

GOVERNMENT PROFILE

The City of Dixon is located on Interstate 80 in Solano County, 20 miles southwest of Sacramento and 65 miles northwest of San Francisco. The City of Dixon is a general law city incorporated in 1878. The City originally developed as the commercial and service center for the surrounding agricultural area. The current population is 18,351 in a 6.5 square mile area.

The City operates under a Council-Manager form of government. The City Council consists of the Mayor and four Council members, elected to serve four-year overlapping terms. The position of Vice Mayor is required in the Dixon City Code and is chosen by the Council Members from the elected Council Members. The Mayor serves as the City Council's presiding officer. The City Treasurer is also elected to serve a four-year term.

The City Council serves as the legislative body of the City 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 appointing the City Manager, the City Council also appoints the City Attorney. The City Manager appoints Department Heads with ratification by the City Council. Dixon provides municipal services that include police and fire protection, sewer and water services, maintenance of streets and infrastructure, planning and zoning, recreational activities, and general administrative/support services

ECONOMIC CONDITION & FINANCIAL INFORMATION

The foreclosure and credit crisis, the State's budget deficit, and the recession have all had a remarkable effect on Solano County. The number of housing foreclosures has reached new highs in many communities. While economists are cautiously optimistic that the United State will emerge from the economic downturn, there will likely be a delay for the effects to trickle down to the local level. Consumers have responded to all of the negative economic and financial news by reducing spending patterns.

Dixon's proximity to Sacramento, Davis and San Francisco, affords the community with a wide array of employment opportunities in areas such as government, education, technology, health care, and manufacturing. While Dixon has a diverse economic orientation, the unemployment rate remains high at 9.8% as of June 2011. As a comparison, Solano County's unemployment rate is at 12%. High unemployment affects General Fund revenue sources such as sales and property taxes.

MAJOR INITIATIVES

On March 22, 2011 – the City Council adopted goals for the upcoming fiscal year via Resolution 11-035. Previous goals had been adopted in 2009. The core goals identified were *(1) Protect and Maintain Fiscal Sustainability, (2) Provide Public Services at a High Level and (3) Promote Economic Development for Dixon.*

Some of the components associated with these goals include pursuing shared services with other agencies, continued work on issues related to the disabled community and seniors and as part of the economic development activities to develop a partnership with U.C. Davis.

The City of Dixon is committed to continuing to provide high quality services in an era where resources have been reduced. The City's efforts focused on:

Facilities and Infrastructure

Public Works completed these key projects during fiscal year 2010-11:

- Stratford Avenue Rehabilitation (paving)-Construction completed in 2010
- Municipal Service Center Expansion project-accepted by Council in April 2011
- Wastewater Treatment Plant laboratory building – installed in 2011

Economic Development

The Governor and the Legislature have continued to find ways to raid local coffers. Recent takeaways for 2009-10 and 2010-11 State Budgets include the takeaway of \$2.05 billion in Redevelopment Agency funds. New challenges exist for redevelopment agencies with Governor Brown signing Assembly Bills X1 26 and 27 on June 29, 2011. (See Note 18 – Subsequent Events in Notes to Basic Financial Statements for additional details.)

City staff continues to work closely with the development community and provide outreach at many events throughout the geographic area. The City's website contains detailed information in the *Dixon Marketplace* newsletter updated regularly by the Economic Development Director highlighting new business to Dixon and key economic development activities. Housing data and information on grant programs are key areas that are managed within Economic Development.

In September 2010, the City received notification of a federal grant award for a well and tank in the Northeast Quadrant. While construction had been anticipated to begin in the fall of 2011, an extension has been given by the federal granting agency for one year.

Personnel

The economic conditions necessitated the continuance of a one-day per month mandatory furlough program for employees. In order to encourage employee attrition through retirement, the City looked into a supplemental early retirement program, PARS. In early FY 2011-12, six employees accepted the offer to retire under the PARS program. Several positions have not been filled due to employee retirements, promotion or separation from the City. In order to maintain cost savings, some key positions have been temporarily filled with interim personnel working on a part-time basis.

The City's anticipates the annual pension cost to increase for the next several years. The investment losses CalPERS experienced back in FY 2008-09 had a significant impact on rates. CalPERS investment returns have been positive the past two years. In February 2011, the CalPERS Board considered changing the investment rate of return assumption from the existing 7.75% to 7.5 OR 7.25%. CalPERS received testimony from many public agencies as to the increased impact this would have on future rates, and opted to retain the 7.75% assumed rate of return. The issue will be presented again to the CalPERS Board in February 2012, along with consideration of lowering the inflation rate from 3% to 2.75%. While this may be more reflective of the current economy, this change would also have an increased impact on PERS rates.

The City has received the most recent actuarial report with rates increasing less than one percent for each group for FY 2012-13. The new rate for Public Safety-Fire will be 28.623% (an increase of .710%), 34.045% for Public Safety-Police, up from the current rate of 33.624%, and Miscellaneous rate will be 19.814% (an increase of .680% from the 19.134% rate in 2011-12). One step the City has undertaken to address rising benefit costs has been to begin the process to implement a second tier for both Police and Fire new hires. The new rate in these plans would be 3% at 55.

FINANCIAL INFORMATION

Budget Process and Long-Term Financial Planning

The City prepares a budget for each fiscal year on or before June 30. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund and all other funds are included in the annual appropriated budget. Budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the department level within an individual fund. The City includes a five-year financial forecast for the General Fund within the budget document.

Each year, based on economic changes Finance presents a mid-year report on the status of revenues and expenditures. In February, the City Council can make any necessary adjustments to reflect the economic slowdown that continues throughout the State, while retaining a balanced budget. It is important for the City to monitor and control all expenditure increases, as revenue trends continue to decrease or remain flat.

Two new funds were created during the fiscal year to more accurately track capital projects:

- *Fund 316 Sewer Mixed Capital* – created to assist in tracking sewer projects with multiple funding sources.
- *Fund 451 Core Area Drainage Project* - created to track a large capital project for improving stormwater drainage in the City's Core Area.

This report includes all of the funds of the City. This report also includes the financial activities considered to be part of, controlled by, and/or dependent on the City. Accordingly, this financial report incorporates financial data for *component units* of the City including the Dixon Redevelopment Agency, with one project area and the Dixon Public Financing Authority. Component units are legally separate entities for which the City is financially accountable.

Cash Management & Investments

The City invests temporarily idle funds in accordance with the Government Code and the Investment Policy approved by the City Council. The City pools all cash funds not held by fiscal agents in order to maximize investment opportunities and increase flexibility. Investments are conservatively managed with the three primary objectives of safety of principal, liquidity to meet disbursement requirements, and investment yield (pursued in that order).

During fiscal year 2010-11, investments consisted primarily of U.S. Treasuries (22%), Federal Agencies (27%), corporate notes (9%), the Local Agency Investment Fund (LAIF), which is managed by the State Treasurer (28%), and the California Asset Management Program (CAMP), a joint powers authority and common law trust created to meet local government investments needs (15%). Additional information regarding cash and investments is provided in Note 2 to the Basic Financial Statements.

The City's portfolio is managed by PFM Asset Management LLC. Regular meetings occur with the Investment Committee to receive updates on portfolio performance and review quarterly activities. For fiscal year 2010-11, the City received a 1.48% total return for the portfolio. This compares very favorably to the LAIF 1-year return which was 0.49% for the fiscal year.

Internal Controls

The management of the City is responsible for establishing and maintaining an internal control structure to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled for the preparation of financial statements, in conformity with generally accepted accounting principles. The internal control structure is 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 structure 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 document compliance with applicable laws and regulations associated with these programs. These internal controls are subject to periodic evaluation by Management and the Finance staff of the City.

SINGLE AUDIT REPORT

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the rules prescribed by federal law (OMB Circular A-133). When the City receives and expends more than \$500,000 in federal funds, a single audit is required. The standards governing Single Audit engagements require the independent auditor to report not only on fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on the administration of federal awards. A separate Single Audit Report has been issued and the City has met the federal criteria with no auditor findings.

Risk Management

The City is a member of the Northern California Cities Self Insurance Fund (NCCSIF), a Joint Powers Authority first formed in early 1979. NCCSIF provides the twenty City members with risk management services and is one of the oldest pooled municipal insurance programs in California. The City of Dixon joined the workers compensation program in 1983 and added the liability insurance component in 1988. NCCSIF is a shared risk pool with the City 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

The City requires an annual audit by independent certified public accountants. The accounting firm of Mann Urrutia Nelson CPA's & Associates conducted this year's audit. The auditor's report on the basic financial statements, which include the government-wide and fund financial statements, is located in the financial section of this report.

Financial Reporting Recognition

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dixon for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

The preparation of this comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for their contribution in the preparation of this report. A special commendation should be attributed to Ms. Kate Zawadzki, Accounting Manager, for the compilation of this CAFR. She has my utmost respect as a financial professional.

In closing, I wish to thank the Dixon City Council, the City Manager, and various department personnel, for their interest and support in conducting the financial management of the City in a fiscally responsible manner.

Respectfully submitted,



Joan Michaels Aguilar
Interim Director of Finance & Technology

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dixon
California

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

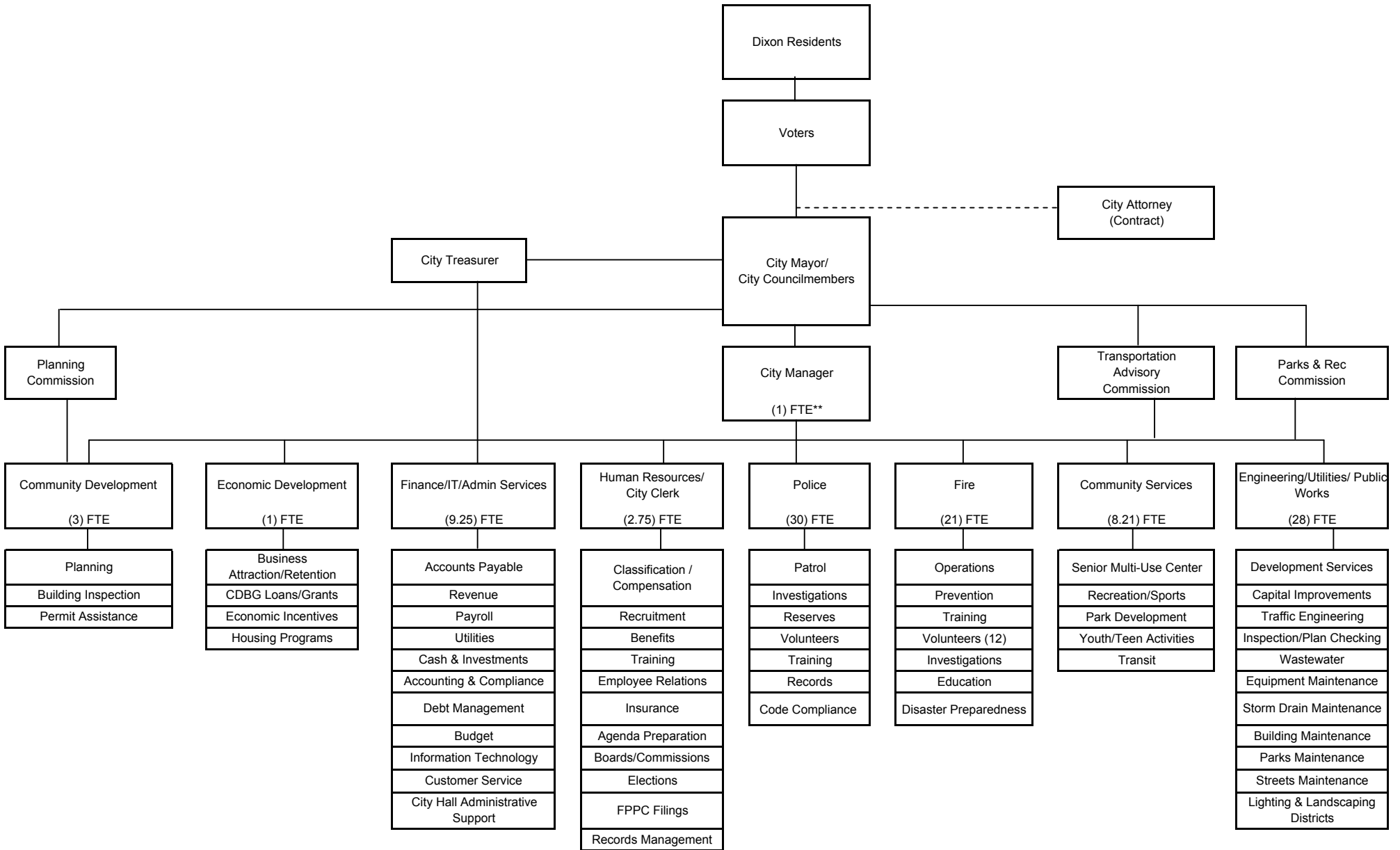
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

City of Dixon Organization Chart



*Note: This organization chart has been created for the purpose of this CAFR as a general reference of the organizational structure at the time of production.

** Full Time Equivalent Position (FTE) - budgeted personnel as of the adoption of the budget for FY2011

**CITY OF DIXON
ELECTED OFFICIALS
AND
EXECUTIVE STAFF**

JUNE 30, 2011

ELECTED OFFICIALS

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

EXECUTIVE STAFF

Acting City Manager	Jon Cox**
City Attorney	Michael F. Dean**
Interim City Engineer / Director of Public Works and Utilities	Morris L. Barr
Community Development Director	David Dowswell
Economic Development Director	Mark Heckey
Human Resource Director	Steve Johnson
Acting Recreation and Community Services Director	Aaron McAlister
Police Chief	Jon Cox
Fire Chief	Aaron McAlister
Interim Director of Finance & Information Technology	Joan Michaels Aguilar

** 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, 2011, 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 opinion.

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, 2011, 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.

As explained further in note 18, the California State Legislature has enacted legislation that is intended to provide for the dissolution of redevelopment agencies in the State of California. The Redevelopment Agency of the City of Dixon is a major component unit of the City. The effects of this legislation are uncertain pending the results of certain lawsuits that have been initiated to challenge the constitutionality of this legislation.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2011, 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.

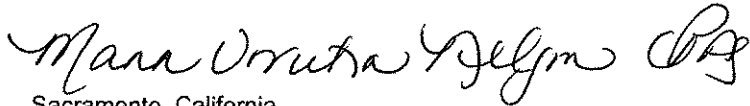
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the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

Justin J. Williams, CPA, CVA ♦ Neil J. Beeman, CPA ♦ Kriss Ann Mann, CPA, CCPS ♦ Christine L. Collins, EA

Our audit was conducted for the purpose of forming an opinion 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 them.

A handwritten signature in black ink, reading "Maria Urrutia Delgado" followed by a stylized monogram or initials.

Sacramento, California
November 28, 2011

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

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, 2011. 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 \$14.6 million in fiscal year 2011. At June 30, 2011, net assets totaled \$197.3 million.
- Government-wide revenues totaled \$18.3 million, including program revenues of \$6.0 million and general revenues of \$12.3 million, a decrease of \$0.8 million from prior year's \$19.1 million.
- Total government-wide expenses were \$22.7 million, an decrease of \$4.4 million from the prior year's \$27.1 million.
- Net assets in governmental activities decreased \$3.8 million, while net assets in business-type activities decreased \$10.9 million.
- Governmental program revenues decreased to \$2.7 million from fiscal year 2010's \$3.6 million.
- Governmental program expenses decreased to \$19.1 million in fiscal 2011, down \$3.6 million from the prior year's \$22.7 million.
- Program revenues from business-type activities remained consistent from prior year's \$3.3 million to \$3.3 million in fiscal 2011.
- Expenses of business-type activities decreased to \$3.7 million in fiscal year 2011, a \$0.7 million decrease from the 2009-10 level of \$4.4 million.

Fund Level:

- Governmental fund balances decreased to \$15.7 million in fiscal 2011 from the prior year's \$16.6 million.
- Governmental fund revenues increased to \$15.1 million in fiscal 2011, up \$0.2 million from the prior year's \$14.9 million.
- Governmental fund expenditures decreased to \$16.4 million in fiscal 2011, down \$2.6 million from fiscal 2010's level of \$19.0 million.
- General Fund revenues of \$10.9 million represented an increase of \$0.4 million from fiscal 2010's revenues of \$10.5 million.
- General Fund fund balance decreased to \$3.5 million at June 30, 2011 down from fiscal 2010's level of \$4.4 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, 2011

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 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, 2011

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, 2011, 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
- ** HOME Loan 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 prior fiscal year and continue to be reported as a major funds for FY 2010-11:

- ** 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 HOME Loans Fund is a special revenue fund that accounts for loans under the Community Development Block Grant program.
- ** 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 Water Authority (DSWA).

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

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

The following table presents a summary of the City's assets, liabilities, and net assets for its governmental and business type activities. As noted earlier, a government's net asset position may serve over time as a useful indicator of its financial position. For the City of Dixon, restricted and unrestricted net assets were \$197.3 and \$211.9 million at June 30, 2011 and 2010, respectively. Overall total net assets decreased by \$14.6 million in FY 2011.

The Summary of Net Assets as of June 30, 2011 and 2010 follows:

	Statement of Net Assets								
	As of June 30, 2011 and 2010								
	(in thousands)								
	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Total Government</u>		
	<u>2011</u>	<u>2010</u>	<u>Net Change</u>	<u>2011</u>	<u>2010</u>	<u>Net Change</u>	<u>2011</u>	<u>2010</u>	<u>Net Change</u>
ASSETS									
Current and other assets	\$ 18,102	\$ 19,004	\$ (902)	\$ 3,532	\$ 3,705	\$ (173)	\$ 21,634	\$ 22,709	\$ (1,075)
Capital assets	<u>143,174</u>	<u>146,191</u>	<u>(3,017)</u>	<u>43,403</u>	<u>54,472</u>	<u>(11,069)</u>	<u>186,577</u>	<u>200,663</u>	<u>(14,086)</u>
Total Assets	<u>161,276</u>	<u>165,195</u>	<u>(3,919)</u>	<u>46,935</u>	<u>58,177</u>	<u>(11,242)</u>	<u>208,211</u>	<u>223,372</u>	<u>(15,161)</u>
LIABILITIES									
Long-term liabilities	7,393	7,550	(157)	1,530	1,626	(96)	8,923	9,176	(253)
Other liabilities	<u>1,606</u>	<u>1,592</u>	<u>14</u>	<u>420</u>	<u>709</u>	<u>(289)</u>	<u>2,026</u>	<u>2,301</u>	<u>(275)</u>
Total Liabilities	<u>8,999</u>	<u>9,142</u>	<u>(143)</u>	<u>1,950</u>	<u>2,335</u>	<u>(385)</u>	<u>10,949</u>	<u>11,477</u>	<u>(528)</u>
NET ASSETS									
Invested in capital assets, net of related debt	136,806	139,561	(2,755)	41,823	52,792	(10,969)	178,629	192,353	(13,724)
Restricted	4,502	3,395	1,107	196	196	-	4,698	3,591	1,107
Unrestricted	<u>10,970</u>	<u>13,097</u>	<u>(2,127)</u>	<u>2,967</u>	<u>2,853</u>	<u>114</u>	<u>13,937</u>	<u>15,950</u>	<u>(2,013)</u>
Total Net Assets	<u>\$152,278</u>	<u>\$156,053</u>	<u>\$ (3,775)</u>	<u>\$ 44,986</u>	<u>\$ 55,841</u>	<u>\$ (10,855)</u>	<u>\$197,264</u>	<u>\$211,894</u>	<u>\$ (14,630)</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 \$197.3 million in FY 2011 and \$211.9 million in FY 2010. The decrease of approximately \$14.6 million for the year ended June 30, 2011 was the result of governmental expenses exceeding revenues by \$3.8 million and an operating loss in business type activities of \$10.8 million as a result of the transfer of assets from DSMWS to DSWA. The \$7.9 million decrease in 2010 was the result of governmental expenses exceeding revenues by \$6.7 million and an operating loss of \$1.3 million in business type-activities for the year ended June 30, 2010. The loss in FY 2011 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, 2011

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:

- ** \$178.6 million and \$192.3 million (91% and 91%) at June 30, 2011 and 2010 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.
- ** \$4.7 million and \$3.6 million (2% and 2%) at June 30, 2011 and 2010 in net assets represent resources that are subject to external restrictions on how they may be used. Included in restricted net assets are \$0.6 million in debt service, \$2.1 million in special revenue programs, \$1.6 million in housing projects, and \$0.4 million in redevelopment activities for FY 2011.
- ** The remaining \$13.9 million and \$15.9 million at June 30, 2011 and 2010 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 \$3.8 million in FY 2011. In FY 2010 governmental activities decreased net assets \$6.7 million. Total revenue decreased approximately \$0.7 million in FY 2011 and \$1.1 million in 2010, reflecting the continuing decrease in revenues associated with building and permits and recession impacted property and sales taxes. Expenses increased approximately \$3.6 million during FY 2011 and decreased by \$1.9 million during 2010. Business type activities decreased the City's net assets by \$10.9 million during the year ended June 30, 2011, while resulting in a decrease of \$1.3 million during 2010. 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, 2011

Statement of Activities
For the Years Ended June 30, 2011 and 2010
(in thousands)

	<u>Governmental Activities</u>			<u>Business-type Activities</u>			<u>Total Government</u>		
	<u>2011</u>	<u>2010</u>	<u>Net Change</u>	<u>2011</u>	<u>2010</u>	<u>Net Change</u>	<u>2011</u>	<u>2010</u>	<u>Net Change</u>
Revenues:									
Program revenues									
Charges for services	\$ 1,306	\$ 1,338	\$ (32)	\$ 2,490	\$ 2,743	\$ (253)	\$ 3,796	\$ 4,081	\$ (285)
Operating grants and contributions	202	482	(280)	532	544	(12)	734	1,026	(292)
Capital grants and contributions	1,203	1,413	(210)	284	57	227	1,487	1,470	17
General revenues									
Taxes	12,003	12,145	(142)	-	-	-	12,003	12,145	(142)
Interest and investment earnings	216	244	(28)	23	33	(10)	239	277	(38)
Other revenue	56	80	(24)	-	22	(22)	56	102	(46)
Total Revenues	<u>14,986</u>	<u>15,702</u>	<u>(716)</u>	<u>3,329</u>	<u>3,399</u>	<u>(70)</u>	<u>18,315</u>	<u>19,101</u>	<u>(786)</u>
Expenses:									
Governmental activities									
General government	2,482	3,130	(648)	-	-	-	2,482	3,130	(648)
Public safety	7,566	7,832	(266)	-	-	-	7,566	7,832	(266)
Parks and recreation	2,197	2,361	(164)	-	-	-	2,197	2,361	(164)
Community development	1,649	3,553	(1,904)	-	-	-	1,649	3,553	(1,904)
Public ways and facilities	4,782	5,396	(614)	-	-	-	4,782	5,396	(614)
Interest on long-term liabilities	384	406	(22)	-	-	-	384	406	(22)
Business-type activities									
Sewer	-	-	-	2,904	2,938	(34)	2,904	2,938	(34)
Water	-	-	-	131	882	(751)	131	882	(751)
Transit	-	-	-	624	569	55	624	569	55
Total Expenses	<u>19,060</u>	<u>22,678</u>	<u>(3,618)</u>	<u>3,659</u>	<u>4,389</u>	<u>(730)</u>	<u>22,719</u>	<u>27,067</u>	<u>(4,348)</u>
Excess (deficiency) before transfers & special items	<u>(4,074)</u>	<u>(6,976)</u>	<u>2,902</u>	<u>(330)</u>	<u>(990)</u>	<u>660</u>	<u>(4,404)</u>	<u>(7,966)</u>	<u>3,562</u>
Transfers & Special items									
Transfers	300	308	(8)	(300)	(308)	8	-	-	-
Special items	-	-	-	(10,227)	-	(10,227)	(10,227)	-	(10,227)
Change in net assets	<u>(3,774)</u>	<u>(6,668)</u>	<u>2,894</u>	<u>(10,857)</u>	<u>(1,298)</u>	<u>(9,559)</u>	<u>(14,631)</u>	<u>(7,966)</u>	<u>(6,665)</u>
Net assets - beginning of year	156,053	162,671	(6,618)	55,841	57,148	(1,307)	211,894	219,819	(7,925)
Restatement	-	49	(49)	-	(9)	(9)	-	40	(40)
Net assets - beginning of year, restated	<u>156,053</u>	<u>162,720</u>	<u>(6,667)</u>	<u>55,841</u>	<u>57,139</u>	<u>(1,316)</u>	<u>211,894</u>	<u>219,859</u>	<u>(7,965)</u>
Net assets - end of year	<u>\$152,279</u>	<u>\$156,052</u>	<u>\$ (3,773)</u>	<u>\$ 44,984</u>	<u>\$ 55,841</u>	<u>\$ (10,875)</u>	<u>\$197,263</u>	<u>\$211,893</u>	<u>\$ (14,630)</u>

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

Revenues

The City's total revenues were \$18.3 million for the year ended June 30, 2011 as compared to \$19.1 million as of June 30, 2010. Revenue from governmental activities totaled \$15.0 million in 2011 and \$16.0 million in 2010. Revenues from business type activities totaled \$3.3 million and \$3.4 million for the years ended June 30, 2011 and 2010, respectively.

Program revenues included charges for services and grants and contributions. Program revenues were \$6.0 million in 2011 and \$6.9 million in 2010 or 33% and 36%. Revenues did not keep pace with expenses in neither governmental nor business type activities, which is reflected in the reduction in net assets of \$10.9 million for the year ending June 30, 2011. During FY 2010, net assets decreased by \$7.9 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 \$12.3 million and \$12.2 million (67% and 65% of the total) for the years ended June 30, 2011 and 2010.

Expenses

Expenses for the City totaled \$32.9 million and \$27.0 million for the years ended June 30, 2011 and 2010, respectively. Governmental activities incurred \$19.0 million and \$22.7 million and business type activities incurred \$13.9 million and \$4.4 million in expenses during the years ended June 30, 2011 and 2010, respectively. As can be seen in the table above, governmental activities expenses were about 14.2% and 15.7% funded by program revenues, fees, grants and contributions during the years ended June 30, 2011 and 2010. The remaining 85.8% and 84.3% (\$16.3 million and \$19.1 million) of their funding came from general revenues and net assets for the years ended June 30, 2011 and 2010. Business type activities expenses exceeded program revenues by \$10.6 million and \$1.0 million in June 30, 2011 and 2010 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. The majority of the excess can be attributed to a transfer of \$10.2 million to the newly created joint powers authority body DSWA (See Note 1).

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, 2011 and 2010 follows:

Cost of Services by Program
Governmental Activities
For the Years Ended June 30, 2011 and 2010
(in thousands)

Program	2011		2010	
	Total	Net	Total	Net
General government	\$ 2,482	\$ 2,006	\$ 3,130	\$ 2,707
Public safety	7,566	6,500	7,832	6,875
Parks and recreation	2,197	1,914	2,361	2,168
Development	1,649	1,542	3,553	3,371
Public ways and facilities	4,782	4,002	5,396	3,545
Interest on long term liabilities	384	384	406	406
Total Expenses	\$ 19,060	\$ 16,348	\$ 22,678	\$ 19,072

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

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, 2011 and 2010
(in thousands)

	2011		2010	
	Amount	% of Total	Amount	% of Total
Revenues:				
Program revenues				
Charges for services	\$ 1,306	8.5 %	\$ 1,338	8.4 %
Operating grants and contributions	202	1.3 %	854	5.3 %
Capital grants and contributions	1,203	7.9 %	1,413	8.8 %
General revenues				
Sales and use taxes	4,480	29.3 %	4,527	28.3 %
Property taxes	5,069	33.2 %	4,915	30.7 %
Motor vehicle and gas taxes	1,777	11.6 %	1,673	10.4 %
Franchise taxes	506	3.3 %	502	3.1 %
Transient occupancy taxes	170	1.1 %	157	1.0 %
Interest and investment earnings	216	1.4 %	244	1.5 %
Other revenue	56	0.4 %	80	0.5 %
Transfers	300	2.0 %	308	1.9 %
Total Revenues	\$ 15,285	100 %	\$ 16,011	100 %

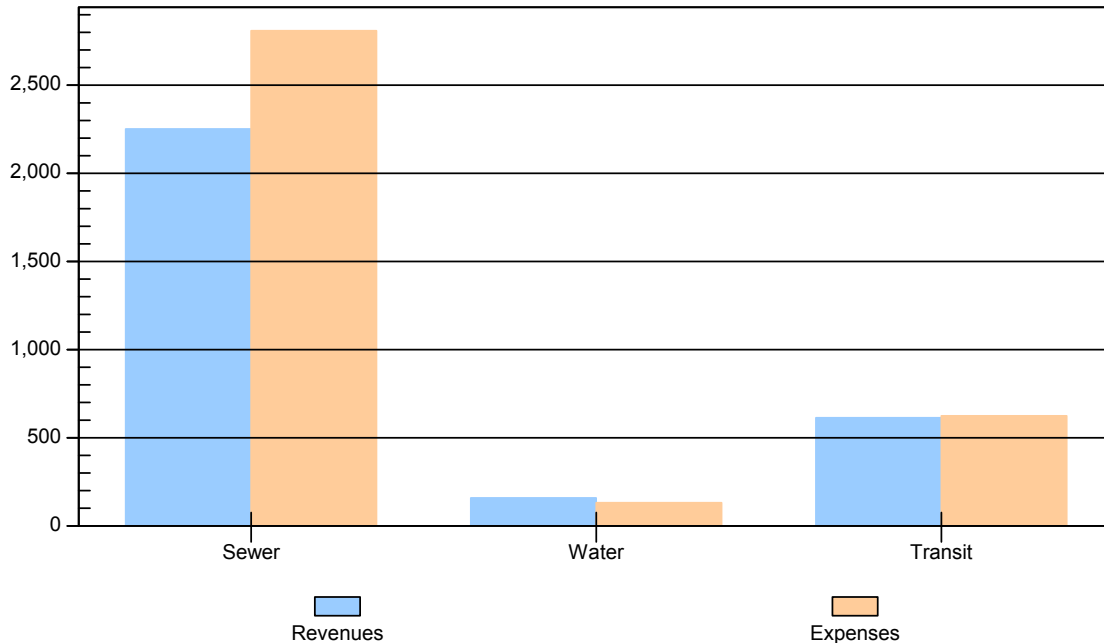
CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

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 \$10.8 million during FY 2011. 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, 2011 and 2010.

Operating Expenses and Program Revenues

Business Type Activities FY 2010-11



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, 2011 and 2010
(in thousands)

Revenues by Source	2011		2010	
	Amount	% of Total	Amount	% of Total
Charges for services	\$ 2,490	74.8 %	\$ 2,743	80.7 %
Grants and contributions	816	24.5 %	601	17.7 %
Other	23	0.7 %	55	1.6 %
Total Revenues	\$ 3,329	100 %	\$ 3,399	100 %

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

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 2011 the City's governmental funds reported combined fund balances of \$15.6 million, a decrease of \$1.0 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 \$15.6 million, approximately \$2.3 million is nonspendable, \$4.1million is restricted, \$0.1 million is committed for purposes designated by Council, \$8.5 million is assigned for various purposes, and \$0.6 is unassigned.

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

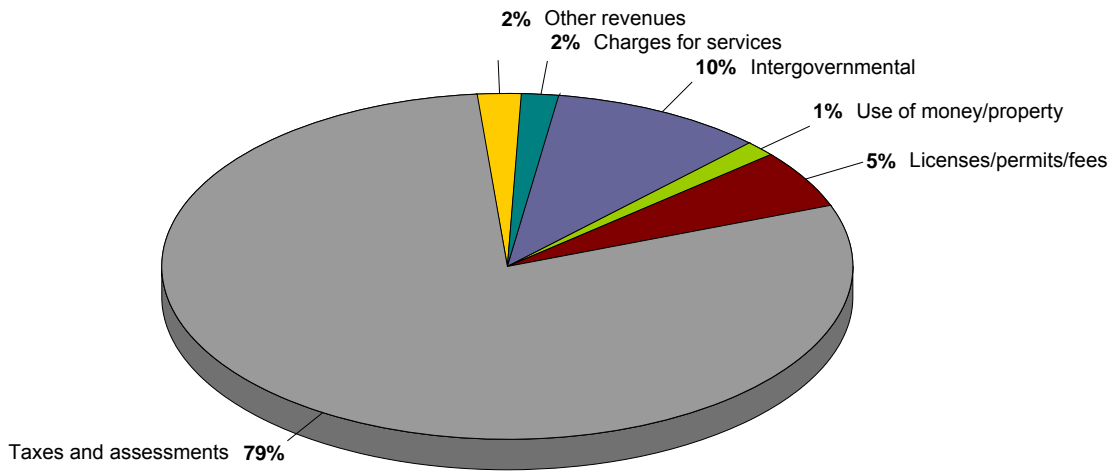
Revenues Classified by Source
Governmental Funds
For the Years Ended June 30, 2011 and 2010
(in thousands)

Revenues by Source	2011		2010	
	Amount	% of Total	Amount	% of Total
Taxes and assessments	\$ 12,003	79.3 %	\$ 11,682	78.2 %
Licenses, permits, and fees	827	5.5 %	790	5.3 %
Fines and forfeitures	84	0.6 %	35	0.2 %
Use of money and property	221	1.5 %	285	1.9 %
Program income	170	1.1 %	59	0.4 %
Intergovernmental revenues	1,506	10.0 %	1,465	9.8 %
Charges for services	265	1.8 %	316	2.1 %
Developer fees	3	- %	38	0.3 %
Other revenue	56	0.4 %	275	1.8 %
Total Revenue	\$ 15,135	100 %	\$ 14,945	100 %

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

Revenues Classified by Source

Governmental Funds FY 2010-11



Key elements of the changes noted above include:

Taxes and assessments provide the greatest source of revenues for the City. These sources represent 79% of total revenues. Modest increases occurred in this category for property taxes and motor vehicle and gas taxes when compared to prior fiscal year. Consumer spending remained cautious with sales taxes down one percent from 2009-10. Intergovernmental revenues reflect revenue received from other agencies for capital projects. During FY 2011 these revenues remained fairly consistent and represent about 10% of revenues, an increase from 0.2% in FY 2010. The increase was related to an increase in federal and state grants received in 2011 versus 2010 for public works and public safety activities.

Investment earnings received during the fiscal year decreased due to continued interest rate drops, lower revenues, and higher expenses.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

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

Expenditures by Function
Governmental Funds
For the Years Ended June 30, 2011 and 2010
(in thousands)

Expenditures by Function	2011		2010	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>
General government	\$ 2,287	13.9 %	\$ 2,917	15.3 %
Public safety	7,162	43.6 %	7,296	38.3 %
Parks and recreation	1,467	8.9 %	1,542	8.1 %
Development	1,795	10.9 %	3,258	17.1 %
Public ways and facilities	1,381	8.4 %	2,273	11.9 %
Debt service				
Principal	445	2.7 %	425	2.2 %
Interest and other charges	374	2.3 %	397	2.1 %
Capital outlay	<u>1,502</u>	<u>9.2 %</u>	<u>917</u>	<u>4.8 %</u>
Total Expenditures	\$ 16,413	100 %	\$ 19,025	100 %

Key elements of the changes noted above include:

General government spending was decreased by 1.4% 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 increased in 2011 due to timing of projects and reduction of activity related to revenue reductions.

Major Funds

The General Fund saw a \$0.9 million decrease in fund balance due partially to expenditures at a higher level than the revenues received during the year. This resulted in use of fund balance. In addition, sales taxes and charges for services decreased sharply in FY 2011 due to continued economic weakness, and represent major components of the General Fund's revenues.

Likewise, the Redevelopment Fund saw a \$0.9 million decrease in fund balance. While the State "takeaway" amounted to \$158,200, transfers to the General Fund to complete various improvement projects represent the primary decrease in fund balance.

Low/Moderate Income Housing fund balance remained consistent at \$1.4 million due to continued program expenditures during the economic downturn. The expenditures were part of the program plan.

Other Governmental Funds aggregated to a \$0.6 million decrease in fund balances due to increased capital outlay activity within Public Works with the Corporation Yard Office Building remodel. Revenues for this category saw an 8% increase attributable to grants received by Public Works and the increased highway users taxes revenue received in the Gas Tax Fund.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

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, 2011 and 2010, respectively, the unrestricted net assets were approximately \$- million and \$0.11 million for the Dixon interest in Dixon Solano Municipal Water Service (DSMWS). Unrestricted net assets in the Sewer fund were \$2.9 million at June 30, 2011 and \$2.7 million at June 30, 2010. The Transit Fund shows an increase in net assets to \$0.53 million in 2011 from \$0.32 million in 2010 as result of a surplus of \$0.21 million.

Operations of proprietary funds showed a decrease of 8% in operating revenues. While sewer fees increased, customers are more conscious of water conservation, resulting in decreased revenues. Operating expenses decreased in the sewer operation as a result of lower expenditures associated with repairs and maintenance.

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. The fiscal year actual resulted in a deficiency of revenues over expenditures with fund balance decreasing from \$4.4 million to \$3.5 million at June 30, 2011.

Public safety represents the primary expenditure category for the General Fund at \$7.1 million or 43.6% of the 2010-11 expenditures. Public works, community development, and recreation combine for an additional 28.2% of \$4.6 million in expenditures. General government includes departments such as the City Council, City Manager, personnel, insurance, and finance, and accounts for 13.9% or nearly \$2.3 million in expenditures during the year.

Due to the prolonged economic downturn, the City has continued to restructure operations to lower staffing requirements and operating costs. The City's full-time equivalents (FTE's) were reduced by 6% to 107.79 from the prior year's 115.195. This trend continued with the adoption of the 2011-12 budget. Total FTE's have been reduced by 17% from the staffing highs in 2008. During FY 2011-12, 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, 2011 and 2010, respectively, was \$186.6 million and \$200.1 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 2011 was \$13.5 million and reflects the decline in growth taking place in prior years. In FY 2010 the decrease of \$5.2 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, 2011

Capital Assets (net of depreciation)
As of June 30, 2011 and 2010
(in thousands)

	2011			2010		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Land	\$ 2,657	\$ 773	\$ 3,430	\$ 2,737	\$ 785	\$ 3,522
Construction in progress	2,450	1,158	3,608	2,212	1,180	3,392
Buildings & improvements	8,405	40,770	49,175	7,699	51,968	59,667
Equipment	1,906	702	2,608	2,185	539	2,724
Infrastructure	<u>127,757</u>	<u>-</u>	<u>127,757</u>	<u>131,358</u>	<u>-</u>	<u>131,358</u>
Total Net Capital Assets	\$ <u>143,175</u>	\$ <u>43,403</u>	\$ <u>186,578</u>	\$ <u>146,191</u>	\$ <u>54,472</u>	\$ <u>200,663</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 2011 and FY 2010 the City issued no new debt. At the end of FY 2011, the City of Dixon had outstanding bonds and other long term liabilities of \$6.2 million for governmental activities and \$1.6 million for business type activities, respectively. Bonds comprised all but about \$1.8 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, 2011:

Bonded Debt - Long Term
Outstanding Balances
As of June 30, 2011
(in thousands)

Bond	Purpose	Amount
Governmental Activities:		
1981 FHA lease revenue bond	City Hall	\$ 450
1995 Tax allocation refunding bonds	Redevelopment	3,055
1996 Refunding lease revenue bonds	Police station	665
1997 Dixon fire station project bonds	Fire station	<u>2,015</u>
Total Governmental Activities		\$ <u>6,185</u>
Business-type Activities:		
1996 Lease revenue bonds	Sewer system	<u>\$ 1,580</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, 2011 and 2010, a total of \$22.6 and \$24.8 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, 2011

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The fiscal year ended June 30, 2011 saw a continued economic downturn nationwide which resulted in negative impacts on the City's financial condition. The foreclosure and credit crisis, the State's budget deficit, and the recession have all had a remarkable effect on Solano County. The number of housing foreclosures has reached new highs in many communities. While economists are cautiously optimistic that the United States will emerge from the economic downturn, there will likely be a delay for the effects to trickle down to the local level. In a survey of economic performance throughout the state conducted by the California Employment Development Department, Solano County showed a negative annual growth rate in June 2011. Inland areas such as Solano County, the Sacramento Region, and Fresno are struggling with job losses and steady unemployment.

Consumers have responded to the negative economic and financial news by reducing spending patterns. As a result, sales tax revenues have decreased within the General Fund. The City has met these challenges by reducing expenditures, including offering early retirements to employees, continuing a mandatory furlough program for all employees, and cutting all non-essential 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 be increased 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 levels any time soon.

The City's proprietary funds face other challenges. A water rate study has been undertaken by the Dixon Solano Water Authority (DSWA) to address the financial deterioration currently occurring and address long-term capital and reserve requirements. A consultant has been hired to review the Sewer fund rates and long-term capital needs with a preliminary study available in the spring of 2012.

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 Joan Michaels Aguilar, Interim Director of Finance and Technology for the City at 600 East A Street, Dixon, CA 95620, phone 707-678-7000, jmichaelsaguilar@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, 2011

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and investments (Note 2)	\$ 13,589,611	\$ 3,083,035	\$ 16,672,646
Accounts receivable	612,644	493,924	1,106,568
Interest receivable	25,872	5,983	31,855
Taxes receivable	974,067	-	974,067
Due from other governments	708,807	319,777	1,028,584
Notes receivable, net of allowance \$4,875,612 (Note 3)	481,947	-	481,947
Internal balances	598,198	(598,198)	-
Prepaid items	293,984	-	293,984
Inventory	1,849	-	1,849
Restricted cash and cash equivalents (Note 2)	714,695	195,602	910,297
Deferred charges, net of accumulated amortization (Note 6)	100,621	32,358	132,979
Capital assets (Note 5)			
Land and construction in progress	5,106,525	1,931,422	7,037,947
Other capital assets, net of depreciation	<u>138,067,704</u>	<u>41,471,473</u>	<u>179,539,177</u>
Total capital assets	<u>143,174,229</u>	<u>43,402,895</u>	<u>186,577,124</u>
Total Assets	<u>\$ 161,276,524</u>	<u>\$ 46,935,376</u>	<u>\$ 208,211,900</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 373,399	\$ 175,546	\$ 548,945
Accrued payroll and benefits	367,058	29,654	396,712
Accrued interest payable	106,080	29,441	135,521
Unearned revenue	-	3,300	3,300
Deposits payable	271,563	-	271,563
Accrued compensated absences (Note 6):			
Due within one year	22,439	76,789	99,228
Due in more than one year	1,024,435	-	1,024,435
Long-term liabilities (Note 6):			
Due within one year	465,000	105,000	570,000
Due in more than one year	5,720,000	1,475,000	7,195,000
Other postemployment benefits (Note 9)			
Due in more than one year	<u>648,594</u>	<u>55,199</u>	<u>703,793</u>
Total Liabilities	<u>8,998,568</u>	<u>1,949,929</u>	<u>10,948,497</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	136,805,635	41,822,895	178,628,530
Restricted for:			
Debt service	372,602	195,602	568,204
Special revenue programs	2,155,446	-	2,155,446
Housing projects	1,584,659	-	1,584,659
Redevelopment activities	389,309	-	389,309
Unrestricted	<u>10,970,305</u>	<u>2,966,950</u>	<u>13,937,255</u>
Total Net Assets	<u>152,277,956</u>	<u>44,985,447</u>	<u>197,263,403</u>
Total Liabilities and Net Assets	<u>\$ 161,276,524</u>	<u>\$ 46,935,376</u>	<u>\$ 208,211,900</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities:							
General government	\$ 2,482,408	\$ 288,243	\$ 5,000	\$ 182,718	\$ (2,006,447)	\$ -	\$ (2,006,447)
Public safety	7,565,566	721,846	89,468	253,757	(6,500,495)	-	(6,500,495)
Parks and recreation	2,197,466	128,781	5,000	150,000	(1,913,685)	-	(1,913,685)
Development	1,649,201	73,729	-	33,082	(1,542,390)	-	(1,542,390)
Public ways and facilities	4,781,623	93,630	102,561	583,104	(4,002,328)	-	(4,002,328)
Interest and fiscal charges	<u>384,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(384,127)</u>	<u>-</u>	<u>(384,127)</u>
Total governmental activities	<u>19,060,391</u>	<u>1,306,229</u>	<u>202,029</u>	<u>1,202,661</u>	<u>(16,349,472)</u>	<u>-</u>	<u>(16,349,472)</u>
Business-type activities:							
Sewer	2,904,237	2,251,653	-	-	-	(652,584)	(652,584)
Water	130,576	158,425	-	-	-	27,849	27,849
Transit	<u>624,361</u>	<u>80,170</u>	<u>532,421</u>	<u>283,709</u>	<u>-</u>	<u>271,939</u>	<u>271,939</u>
Total business-type activities	<u>3,659,174</u>	<u>2,490,248</u>	<u>532,421</u>	<u>283,709</u>	<u>-</u>	<u>(352,796)</u>	<u>(352,796)</u>
Total primary government	<u>\$ 22,719,565</u>	<u>\$ 3,796,477</u>	<u>\$ 734,450</u>	<u>\$ 1,486,370</u>	<u>\$ (16,349,472)</u>	<u>\$ (352,796)</u>	<u>\$ (16,702,268)</u>
General revenues:							
Property taxes					\$ 5,069,370	\$ -	\$ 5,069,370
Sales and use taxes					4,480,350	-	4,480,350
Motor vehicle and gas taxes					1,777,355	-	1,777,355
Franchise taxes					505,876	-	505,876
Transient occupancy taxes					170,327	-	170,327
Interest and investment earnings					215,545	22,971	238,516
Other revenue					55,885	-	55,885
Special items (Note 12)					-	(10,226,529)	(10,226,529)
Transfers (Note 4)					<u>299,583</u>	<u>(299,583)</u>	<u>-</u>
Total general revenues and transfers					<u>12,574,291</u>	<u>(10,503,141)</u>	<u>2,071,150</u>
Change in net assets					(3,775,181)	(10,855,937)	(14,631,118)
Net assets - July 1, 2010					<u>156,053,137</u>	<u>55,841,384</u>	<u>211,894,521</u>
Net assets - June 30, 2011					<u>\$ 152,277,956</u>	<u>\$ 44,985,447</u>	<u>\$ 197,263,403</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	<u>General Fund</u>	<u>Redevelopment</u>	<u>Low/Moderate Income Housing</u>	<u>HOME Loans</u>
<u>ASSETS</u>				
Cash and investments	\$ 2,132,551	\$ 498,425	\$ 1,489,837	\$ 83,349
Restricted cash and investments	271,563	-	-	-
Accounts receivable	447,036	-	-	-
Interest receivable	6,635	781	2,492	140
Taxes receivable	974,067	-	-	-
Notes receivable	-	1,059,435	2,299,351	1,487,965
Due from other funds	413,986	-	-	-
Advances to other funds	-	283,517	-	-
Due from other governments	694,645	-	-	-
Prepaid items	293,898	86	-	-
Inventory	<u>1,849</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 5,236,230</u>	<u>\$ 1,842,244</u>	<u>\$ 3,791,680</u>	<u>\$ 1,571,454</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>(DEFICITS)</u>				
LIABILITIES				
Accounts payable	\$ 301,305	\$ 22,790	\$ 403	\$ -
Accrued payroll and benefits	361,616	-	-	-
Deferred revenue	802,536	1,059,435	2,299,351	1,487,965
Deposits payable	271,563	-	-	-
Due to other funds	-	150,000	-	-
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,737,020</u>	<u>1,232,225</u>	<u>2,299,754</u>	<u>1,487,965</u>
FUND BALANCES (DEFICITS)				
Nonspendable	295,747	283,603	-	-
Restricted	980	-	1,491,926	83,489
Committed	115,197	10,099	-	-
Assigned	1,557,646	316,317	-	-
Unassigned	<u>1,529,640</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>3,499,210</u>	<u>610,019</u>	<u>1,491,926</u>	<u>83,489</u>
Total Liabilities and Fund Balances	<u>\$ 5,236,230</u>	<u>\$ 1,842,244</u>	<u>\$ 3,791,680</u>	<u>\$ 1,571,454</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
BALANCE SHEET (continued)
GOVERNMENTAL FUNDS
JUNE 30, 2011

	Trans- portation	Storm Drain	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 3,933,593	\$ 601,330	\$ 4,850,526	\$ 13,589,611
Restricted cash and investments	-	-	443,132	714,695
Accounts receivable	-	-	165,608	612,644
Interest receivable	6,475	1,008	8,341	25,872
Taxes receivable	-	-	-	974,067
Notes receivable	-	-	510,808	5,357,559
Due from other funds	-	-	-	413,986
Advances to other funds	1,275,000	-	408,666	1,967,183
Due from other governments	14,162	-	-	708,807
Prepaid items	-	-	-	293,984
Inventory	-	-	-	1,849
	<u>\$ 5,229,230</u>	<u>\$ 602,338</u>	<u>\$ 6,387,081</u>	<u>\$ 24,660,257</u>
Total Assets				
<u>LIABILITIES AND FUND BALANCES</u>				
<u>(DEFICITS)</u>				
LIABILITIES				
Accounts payable	\$ 10,732	\$ -	\$ 38,169	\$ 373,399
Accrued payroll and benefits	-	-	5,442	367,058
Deferred revenue	12,633	-	543,890	6,205,810
Deposits payable	-	-	-	271,563
Due to other funds	-	283,517	74,454	507,971
Advances from other funds	-	1,275,000	-	1,275,000
	<u>23,365</u>	<u>1,558,517</u>	<u>661,955</u>	<u>9,000,801</u>
Total Liabilities				
FUND BALANCES (DEFICITS)				
Nonspendable	1,275,000	-	408,666	2,263,016
Restricted	30,377	-	2,524,447	4,131,219
Committed	-	-	-	125,296
Assigned	3,900,488	-	2,793,395	8,567,846
Unassigned	-	(956,179)	(1,382)	572,079
	<u>5,205,865</u>	<u>(956,179)</u>	<u>5,725,126</u>	<u>15,659,456</u>
Total Fund Balances (Deficits)				
Total Liabilities and Fund Balances	<u>\$ 5,229,230</u>	<u>\$ 602,338</u>	<u>\$ 6,387,081</u>	<u>\$ 24,660,257</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, 2011

Total fund balances of governmental funds	\$ 15,659,456
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 \$56,273,333.	143,174,229
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	(4,875,612)
Deferred revenue	5,357,559
Long-term liabilities are not due in the current period and therefore are not reported in the governmental funds.	
Long-term liabilities	(6,185,000)
Compensated absences	(1,046,874)
Net OPEB obligation	(648,594)
Deferred charges, net of accumulated amortization of \$222,287 for debt issuance costs and discounts on long-term liabilities are expensed when incurred and therefore are not reported in the governmental funds.	100,621
Accrued interest payable from the current portion of interest due on long-term liabilities has not been reported in the governmental funds.	(106,080)
Certain accounts receivables are not available to pay for current period expenditures and therefore are offset by deferred revenues in the governmental funds.	<u>848,251</u>
Net assets of governmental activities	<u>\$ 152,277,956</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, 2011

	<u>General Fund</u>	<u>Redevelopment</u>	<u>Low/Moderate Income Housing</u>	<u>HOME Loans</u>
<u>REVENUES</u>				
Taxes and assessments	\$ 9,257,914	\$ 1,552,411	\$ 388,103	\$ -
License, permits, and fees	827,137	-	-	-
Fines and forfeitures	5,384	-	-	-
Use of money and property	138,632	3,448	8,850	11,529
Program income	-	30,287	12,514	36,484
Intergovernmental	349,349	-	-	-
Charges for services	262,812	2,121	-	-
Developer fees	-	-	-	-
Other revenues	<u>54,540</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>10,895,768</u>	<u>1,588,267</u>	<u>409,467</u>	<u>48,013</u>
<u>EXPENDITURES</u>				
Current:				
General administration	2,286,804	-	-	-
Public safety	7,099,438	-	-	-
Parks and recreation	1,467,129	-	-	-
Development	649,120	948,386	162,054	4,220
Public ways and facilities	988,156	-	-	-
Capital outlay	146,111	16,921	-	-
Debt service:				
Principal	-	140,000	-	-
Interest and fiscal charges	<u>-</u>	<u>185,760</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>12,636,758</u>	<u>1,291,067</u>	<u>162,054</u>	<u>4,220</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,740,990)</u>	<u>297,200</u>	<u>247,413</u>	<u>43,793</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,015,074	25,000	-	-
Transfers out	<u>(189,589)</u>	<u>(1,223,776)</u>	<u>(165,571)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>825,485</u>	<u>(1,198,776)</u>	<u>(165,571)</u>	<u>-</u>
Net Change in Fund Balances	(915,505)	(901,576)	81,842	43,793
Fund Balances (Deficits) - July 1, 2010	4,414,715	1,511,595	1,449,780	-
Prior Period Adjustment (Note 17)	<u>-</u>	<u>-</u>	<u>(39,696)</u>	<u>39,696</u>
Fund Balances (Deficits) - July 1, 2010, restated	<u>4,414,715</u>	<u>1,511,595</u>	<u>1,410,084</u>	<u>39,696</u>
Fund Balances (Deficits) - June 30, 2011	<u>\$ 3,499,210</u>	<u>\$ 610,019</u>	<u>\$ 1,491,926</u>	<u>\$ 83,489</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, 2011

	<u>Trans- portation</u>	<u>Storm Drain</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ -	\$ 804,850	\$ 12,003,278
License, permits, and fees	-	-	-	827,137
Fines and forfeitures	-	-	78,343	83,727
Use of money and property	22,455	3,554	32,910	221,378
Program income	-	-	90,338	169,623
Intergovernmental	474,286	-	682,130	1,505,765
Charges for services	-	-	-	264,933
Developer fees	969	-	2,242	3,211
Other revenues	-	-	1,363	55,903
	<u>497,710</u>	<u>3,554</u>	<u>1,692,176</u>	<u>15,134,955</u>
<u>EXPENDITURES</u>				
Current:				
General administration	-	-	105	2,286,909
Public safety	-	-	62,537	7,161,975
Parks and recreation	-	-	-	1,467,129
Development	-	-	31,030	1,794,810
Public ways and facilities	-	-	393,303	1,381,459
Capital outlay	223,787	-	1,115,310	1,502,129
Debt service:				
Principal	-	-	305,000	445,000
Interest and fiscal charges	-	-	188,456	374,216
	<u>223,787</u>	<u>-</u>	<u>2,095,741</u>	<u>16,413,627</u>
Excess (Deficiency) of Revenues over Expenditures	<u>273,923</u>	<u>3,554</u>	<u>(403,565)</u>	<u>(1,278,672)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	160,000	-	2,044,154	3,244,228
Transfers out	(164,136)	(225,000)	(976,573)	(2,944,645)
	<u>(4,136)</u>	<u>(225,000)</u>	<u>1,067,581</u>	<u>299,583</u>
Net Change in Fund Balances	269,787	(221,446)	664,016	(979,089)
Fund Balances (Deficits) - July 1, 2010	4,936,078	(734,733)	5,061,110	16,638,545
Prior Period Adjustment (Note 17)	-	-	-	-
Fund Balances (Deficits) - July 1, 2010, restated	<u>4,936,078</u>	<u>(734,733)</u>	<u>5,061,110</u>	<u>16,638,545</u>
Fund Balances (Deficits) - June 30, 2011	<u>\$ 5,205,865</u>	<u>\$ (956,179)</u>	<u>\$ 5,725,126</u>	<u>\$ 15,659,456</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, 2011

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	\$ (979,089)
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	1,436,803
Depreciation expense	(4,372,781)
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.	
	(80,697)
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	445,000
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.	
	(18,293)
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	(141,109)
Loans made during the year	177,530
Accrued interest payable is interest due on long-term liabilities. This is the net change in accrued interest in the current period.	
	4,948
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	(12,529)
Other postemployment benefits	(211,887)
Some revenues reported in the Statement of Activities will not be collected for several months after year-end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.	
	384,480
Some revenues reported in the prior year Statement of Activities were recognized in the governmental funds in the current year.	
	<u>(392,699)</u>
Change in net assets of governmental activities	<u>\$ (3,775,181)</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Business-type Activities - Enterprise Funds			
	Sewer	Dixon-Solano Municipal Water Service (Dixon- Interest)	Transit	Totals
ASSETS				
Current Assets				
Cash and investments	\$ 3,083,035	\$ -	\$ -	\$ 3,083,035
Accounts receivable, net	493,924	-	-	493,924
Interest receivable	5,983	-	-	5,983
Due from other governments	<u>12,529</u>	-	<u>307,248</u>	<u>319,777</u>
Total Current Assets	<u>3,595,471</u>	-	<u>307,248</u>	<u>3,902,719</u>
Non Current Assets				
Restricted cash and investments	195,602	-	-	195,602
Deferred issuance costs, net	32,358	-	-	32,358
Capital assets, net of accumulated depreciation	<u>42,919,088</u>	-	<u>483,807</u>	<u>43,402,895</u>
Total Non-Current Assets	<u>43,147,048</u>	-	<u>483,807</u>	<u>43,630,855</u>
Total Assets	<u>\$ 46,742,519</u>	<u>\$ -</u>	<u>\$ 791,055</u>	<u>\$ 47,533,574</u>
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 162,530	\$ -	\$ 13,016	\$ 175,546
Accrued salary and benefits	18,029	-	11,625	29,654
Accrued interest payable	29,441	-	-	29,441
Due to other funds	-	-	189,532	189,532
Advances from other funds	408,666	-	-	408,666
Deferred revenue	-	-	3,300	3,300
Compensated absences - current	37,800	-	38,989	76,789
Bonds payable - current	<u>105,000</u>	-	-	<u>105,000</u>
Total Current Liabilities	<u>761,466</u>	-	<u>256,462</u>	<u>1,017,928</u>
Non-Current Liabilities				
Compensated absences	-	-	-	-
Bonds payable	1,475,000	-	-	1,475,000
Net OPEB obligation	<u>55,199</u>	-	-	<u>55,199</u>
Total Non-Current Liabilities	<u>1,530,199</u>	-	-	<u>1,530,199</u>
Total Liabilities	<u>2,291,665</u>	-	<u>256,462</u>	<u>2,548,127</u>
NET ASSETS:				
Invested in capital assets, net of related debt	41,339,088	-	483,807	41,822,895
Restricted for debt service	195,602	-	-	195,602
Unrestricted	<u>2,916,164</u>	-	<u>50,786</u>	<u>2,966,950</u>
Total Net Assets	<u>44,450,854</u>	-	<u>534,593</u>	<u>44,985,447</u>
Total Liabilities and Net Assets	<u>\$ 46,742,519</u>	<u>\$ -</u>	<u>\$ 791,055</u>	<u>\$ 47,533,574</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, 2011

	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	\$ 2,250,315	\$ 158,425	\$ 78,869	\$ 2,487,609
Operating grants	-	-	532,421	532,421
Other revenue	1,338	-	1,301	2,639
Total Operating Revenue	<u>2,251,653</u>	<u>158,425</u>	<u>612,591</u>	<u>3,022,669</u>
<u>OPERATING EXPENSES</u>				
Salaries and benefits	691,628	-	428,030	1,119,658
Materials, supplies, and operational expenses	31,356	1,961	1,143	34,460
Repairs and maintenance	164,136	38,119	99,102	301,357
Power and utilities	76,708	28,405	8,876	113,989
Contractual services	104,638	2,528	19,820	126,986
Administration	27,091	4,667	9,427	41,185
Miscellaneous	216,879	-	-	216,879
Depreciation and amortization	1,496,107	54,896	57,963	1,608,966
Total Operating Expenses	<u>2,808,543</u>	<u>130,576</u>	<u>624,361</u>	<u>3,563,480</u>
Operating Income (Loss)	<u>(556,890)</u>	<u>27,849</u>	<u>(11,770)</u>	<u>(540,811)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Interest income	22,143	730	98	22,971
Interest expense	(95,694)	-	-	(95,694)
Intergovernmental revenues	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>(73,551)</u>	<u>730</u>	<u>98</u>	<u>(72,723)</u>
Income (Loss) Before Transfers and Contributions	<u>(630,441)</u>	<u>28,579</u>	<u>(11,672)</u>	<u>(613,534)</u>
<u>TRANSFERS & CONTRIBUTIONS</u>				
Transfers out	(245,000)	-	(54,583)	(299,583)
Capital contributions	-	(10,226,529)	283,709	(9,942,820)
Total Transfers and Capital Contributions	<u>(245,000)</u>	<u>(10,226,529)</u>	<u>229,126</u>	<u>(10,242,403)</u>
Change in net assets	(875,441)	(10,197,950)	217,454	(10,855,937)
Net Assets - July 1, 2010	<u>45,326,295</u>	<u>10,197,950</u>	<u>317,139</u>	<u>55,841,384</u>
Net Assets - June 30, 2011	<u>\$ 44,450,854</u>	<u>\$ -</u>	<u>\$ 534,593</u>	<u>\$ 44,985,447</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	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	\$ 2,264,078	\$ 79,171	\$ 80,344	\$ 2,423,593
Cash received from operating grants	-	-	237,629	237,629
Cash paid to suppliers	(472,658)	(121,924)	(127,891)	(722,473)
Cash paid to employees	(676,785)	-	(423,883)	(1,100,668)
Net Cash Provided (Used) by Operating Activities	<u>1,114,635</u>	<u>(42,753)</u>	<u>(233,801)</u>	<u>838,081</u>
<u>CASH FLOWS FROM NON-CAPITAL</u>				
<u>FINANCING ACTIVITIES</u>				
Due from other funds	(119,768)	-	-	(119,768)
Transfers to other funds	(245,000)	-	119,636	(125,364)
Net Cash (Used for) Provided by Non-Capital Financing Activities	<u>(364,768)</u>	<u>-</u>	<u>119,636</u>	<u>(245,132)</u>
<u>CASH FLOWS FROM CAPITAL AND</u>				
<u>RELATED FINANCING ACTIVITIES</u>				
Capital contributions	-	(433,265)	-	(433,265)
Capital grants	-	-	283,709	283,709
Acquisition of capital assets	(278,471)	-	(291,342)	(569,813)
Principal paid on capital debt	(100,000)	-	-	(100,000)
Interest paid on capital debt	(97,472)	-	-	(97,472)
Net Cash Used for Capital and Related Financing Activities	<u>(475,943)</u>	<u>(433,265)</u>	<u>(7,633)</u>	<u>(916,841)</u>
<u>CASH FLOWS FROM INVESTING</u>				
<u>ACTIVITIES</u>				
Interest and dividends	32,154	2,754	559	35,467
Net Increase (Decrease) in Cash and Cash Equivalents	306,078	(473,264)	(121,239)	(288,425)
Cash and Cash Equivalents - July 1, 2010	<u>2,972,559</u>	<u>473,264</u>	<u>121,239</u>	<u>3,567,062</u>
Cash and Cash Equivalents - June 30, 2011	<u>\$ 3,278,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,278,637</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets				
Cash and investments	\$ 3,083,035	\$ -	\$ -	\$ 3,083,035
Restricted cash and investments	<u>195,602</u>	<u>-</u>	<u>-</u>	<u>195,602</u>
Cash and Cash Equivalents - June 30, 2011	<u>\$ 3,278,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,278,637</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, 2011

	<u>Sewer</u>	<u>Dixon-Solano Municipal Water Service (Dixon -Interest)</u>	<u>Transit</u>	<u>Totals</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>				
Operating Income (Loss)	\$ (556,890)	\$ 27,849	\$ (11,770)	\$ (540,811)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,492,937	54,896	57,963	1,605,796
Amortization	3,170	-	-	3,170
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	12,425	(98,512)	174	(85,913)
(Increase) decrease in inventory and other assets	-	(1,450)	375	(1,075)
Increase in grants receivable	-	-	(294,792)	(294,792)
Increase (decrease) in accounts payable	148,150	(26,584)	10,102	131,668
Increase in deposits payable	-	1,048	-	1,048
Increase in accrued wages	3,463	-	2,380	5,843
Increase in net OPEB obligation	17,377	-	-	17,377
(Decrease) increase in compensated absences	<u>(5,997)</u>	<u>-</u>	<u>1,767</u>	<u>(4,230)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,114,635</u>	<u>\$ (42,753)</u>	<u>\$ (233,801)</u>	<u>\$ 838,081</u>
Supplementary information:				
Capital contributions	<u>\$ -</u>	<u>\$ (10,226,529)</u>	<u>\$ -</u>	<u>\$ (10,226,529)</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

<u>ASSETS</u>	<u>Agency Funds</u>
Cash and investments (Note 2)	\$ 4,140,324
Accounts receivable	221,017
Interest receivable	7,021
Taxes receivable	9,922
Restricted cash and investments (Note 2)	<u>2,324,625</u>
Total Assets	\$ <u>6,702,909</u>
<u>LIABILITIES</u>	
Accounts payable and other liabilities	\$ 89,675
Deposits payable	762,361
Interest payable	241,850
Funds held in trust	<u>5,609,023</u>
Total Liabilities	\$ <u>6,702,909</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

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 activities 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. 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. The City provided record keeping services for DSMWS. On August 31, 2010, the DSMWS agreement was terminated and all existing facilities, property, and rights currently jointly owned by the members were transferred to the Dixon-Solano Water Authority. The City's interest for the two-month period (July and August 2010) is reported as the Dixon-Solano Municipal Water Service (Dixon Interest) as a proprietary fund. This proprietary fund was closed on August 31, 2010 and all assets, liabilities and fund balances were transferred to DSWA, an agency fund.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dixon-Solano Water Authority

On August 31, 2010, the Dixon 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 is administered by a ten-member Board of Directors, comprised of the five-members of the Dixon City Council and the five-members of the Solano Irrigation District Board of Directors. The DSWA was established to provide portable water services within the common territories of the two entities. The City of Dixon provides record keeping services for DSWA. Audited financial statements for the Dixon-Solano Water Authority 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, 2011

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 restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Fund - Debt Service Funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Project Funds - Capital Project Funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

HOME Loans - This fund is used to account for HOME loans provided through the Community Development Block Grant program.

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 and irrigation purposes.

Transit Fund - The transit fund is used to account for the City's transit system, Readi-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.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. In addition, all fiduciary funds use 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 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.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 fund'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

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.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 nonspendable fund balance to indicate they do not constitute resources available for future appropriation.

Prepaid items are also recognized under the consumption method. 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

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2011. 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, 2011

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

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.
- d. Assigned - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed.
- e. Unassigned - Amounts representing the residual classification for the general fund and residual negative fund balance of special revenue and capital project funds.

Further detail about the City's fund balance classification is described in Note 10.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011 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	\$ 13,589,611	\$ 714,695	\$ 14,304,306
Business-type activities	<u>3,083,035</u>	<u>195,602</u>	<u>3,278,637</u>
Total government-wide cash and investments	<u>16,672,646</u>	<u>910,297</u>	<u>17,582,943</u>
Fiduciary activities	<u>4,140,324</u>	<u>2,324,625</u>	<u>6,464,949</u>
Total cash and investments	<u>\$ 20,812,970</u>	<u>\$ 3,234,922</u>	<u>\$ 24,047,892</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Cash and investments were carried at fair value as of June 30, 2011 and consisted of the following:

Cash on hand	\$	1,228
Cash in banks		<u>643,339</u>
Total cash		<u>644,567</u>
U.S. Treasury obligations		4,446,499
U.S. Agency securities		5,404,548
Corporate bonds		1,904,516
Money market funds		2,986,697
Local Agency Investment Fund (LAIF)		5,637,350
California Asset Management Program (CAMP)		<u>3,023,715</u>
Total investments		<u>23,403,325</u>
Total cash and investments	\$	<u>24,047,892</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, 2011

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, 2011:

	Remaining Maturity		
	12 months or less	1-5 years	Fair Value
U.S. Treasuries	\$ 45,218	\$ 4,401,281	\$ 4,446,499
U.S. Agency securities	-	5,404,548	5,404,548
Corporate bonds	-	1,904,516	1,904,516
Money market mutual funds	16,445	-	16,445
Local Agency Investment Fund	5,637,350	-	5,637,350
California Asset Management Program	3,023,715	-	3,023,715
Held by bond trustee:			
Money market funds	<u>2,970,252</u>	<u>-</u>	<u>2,970,252</u>
	<u>\$ 11,692,980</u>	<u>\$ 11,710,345</u>	<u>\$ 23,403,325</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011.

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	\$ 4,446,499	Exempt		Not rated
U.S. Agency Securities	5,404,548	AAA	Aaa	
Corporate bonds	505,330	A+	Aa3	
Corporate bonds	494,194	A	A2	
Corporate bonds	393,467	AA+	Aa2	
Corporate bonds	511,525	AAA	Aaa	
Money market mutual funds	16,445			Not rated
Local Agency Investment Fund	5,637,350			Note rated
California Asset Management Program	3,023,715	AAAm		
Held by bond trustee:				
Money market funds	<u>2,970,252</u>	AAAm	Aaa	
	<u>\$ 23,403,325</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>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
Federal Home Loan Bank	U.S. Agency security	\$ 5,404,548

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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, 2011, the carrying amount of the City's deposits was \$644,567 and bank balances were \$750,274, of which \$257,113 was insured.

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.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 3: NOTES AND LOANS RECEIVABLE (CONTINUED)

A summary of notes receivable at June 30, 2011 is as follows:

<u>Government-wide</u>	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Balance June 30, 2011</u>
Redevelopment	\$ 986,445	\$ 75,130	\$ (2,140)	\$ 1,059,435
Low/Moderate Income Housing	2,206,617	102,400	(9,666)	2,299,351
HOME Loans	1,524,449	-	(36,484)	1,487,965
CDBG Business Loans	<u>603,627</u>	<u>-</u>	<u>(92,819)</u>	<u>510,808</u>
Total Notes Receivable	<u>5,321,138</u>	<u>177,530</u>	<u>(141,109)</u>	<u>5,357,559</u>
Less Allowance for Notes Receivable	<u>(4,863,083)</u>	<u>(186,904)</u>	<u>174,375</u>	<u>(4,875,612)</u>
Total Notes Receivable, net	<u>\$ 458,055</u>	<u>\$ (9,374)</u>	<u>\$ 33,266</u>	<u>\$ 481,947</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, 2011.

NOTE 4: INTERFUND AND INTRA-FUND TRANSACTIONS

Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2011 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>
General Fund	Redevelopment	1986 reimbursement agreement	\$ 150,000
General Fund - Contingency	CFD Pond C	Overdrawn cash balances	1,382
General Fund - Contingency	DPFA	Overdrawn cash balances	12,661
General Fund - Contingency	DPFA Fire	Overdrawn cash balances	60,411
General Fund - Contingency	Transit	Overdrawn cash balances	189,532
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>408,666</u>
Total Interfund Receivables/Payables			\$ <u>2,381,169</u>

Intra-fund Receivables/Payables

The following table represents intra-fund receivables and payables as of June 30, 2011:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>
General Fund - Contingency	General Fund	Overdrawn cash balances	<u>\$ 1,280,774</u>
Total Intra-fund Receivables/Payables			\$ <u>1,280,774</u>

Intra-fund receivables and payables are not presented on the governmental funds Balance Sheet as they are presented on a net basis. However, the combining Balance Sheet for the general fund on page 112 presents both general fund intra-fund and interfund receivables and payables.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

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

Interfund Transfers to/from Other Funds

Transfers between funds during the fiscal year ended June 30, 2011 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	Reimburse allocated costs	\$ 174,586
General Fund	Core Area Drainage	Core area drainage funding	15,000
General Fund	Vacaville/Dixon Greenbelt	To close fund	3
Redevelopment	General Fund	Reimburse allocated costs	191,776
Redevelopment	Core Area Drainage	Core area drainage funding	1,032,000
Low/Moderate Income Housing	General Fund	Reimburse allocated costs	165,571
Transportation	General Fund	Reimburse allocated costs	5,141
Transportation	Gas Tax	Correct cash receipts	158,995
Storm Drain	Core Area Drainage	To establish fund	<u>225,000</u>
Total Major Governmental Interfund Transfers			<u>1,968,072</u>
<u>Non-Major Governmental Funds</u>			
Gas Tax	General Fund	Reimburse allocated costs	317,485
Gas Tax	Transportation	Funding for capital projects	160,000
Traffic Safety	General Fund	Reimburse allocated costs	6,297
CDBG	General Fund	Reimburse allocated costs	2,978
CDBG Grant PTA	CDBG	To close fund	6,880
Valley Glen Storm Drain	General Fund	Reimburse allocated costs	11,510
Capital Improvements	General Fund	Reimburse allocated costs	12,479
Community Development	DPFA - Police	Debt service	190,000
Community Development	DPFA - Fire	Debt service	215,000
Police	DPFA - Police	To close fund	64
City Facilities	General Fund	Reimburse allocated costs	5,398
City Facilities	DPIC	Debt service	26,626
Public Works	General Fund	Reimburse allocated costs	1,997
Recreation Improvements	General Fund	Reimburse allocated costs	11,955
Transit CIP	General Fund	Reimburse allocated costs	<u>7,904</u>
Total Non- Major Governmental Interfund Transfers			<u>976,573</u>
<u>Proprietary Funds</u>			
Sewer	General Fund	Reimburse allocated costs	170,000
Sewer	General Fund	Equipment replacement	50,000
Sewer	Redevelopment	Project reimbursement	25,000
Transit	General Fund	Reimburse allocated costs	<u>54,583</u>
Total Proprietary Interfund Transfers			<u>299,583</u>
Total Interfund Transfers			<u>\$ 3,244,228</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011:

<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	\$ 5,301
Recreation Fund	Performing Arts	To close out fund	12,296
Equipment Replacement	General Fund	Equipment funding	54,410
Building Reserve	General Fund	Project costs	<u>60,000</u>
Total General Fund Intra-Fund Transfers			<u>132,007</u>
<u>Sewer Fund</u>			
Sewer O&M	Sewer Rehab Projects	Funding for rehab projects	490,000
Sewer O&M	Sewer Capital Mixed	Funding for capital projects	65,608
Sewer Improvements	Sewer Capital Mixed	Funding for capital projects	7,862
Sewer Rehab	Sewer Improvements	CIP transfer	141,359
Sewer Capital Mixed	Sewer Improvements	CIP transfer	<u>77,910</u>
Total Sewer Intra-Fund Transfers			<u>782,739</u>
Total Intra-fund Transfers			<u>\$ 914,746</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 113 presents both general fund interfund transfers and intra-fund transfers.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5: CAPITAL ASSETS

Governmental activities:

	<u>Balance at July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2011</u>
Capital assets not being depreciated					
Land	\$ 2,737,266	\$ -	\$ (80,697)	\$ -	\$ 2,656,569
Construction-in-progress	<u>2,212,140</u>	<u>1,320,855</u>	<u>-</u>	<u>(1,083,039)</u>	<u>2,449,956</u>
Total capital assets not being depreciated	<u>4,949,406</u>	<u>1,320,855</u>	<u>(80,697)</u>	<u>(1,083,039)</u>	<u>5,106,525</u>
Capital assets being depreciated					
Buildings and improvements	11,378,801	48,886	-	939,900	12,367,587
Equipment	5,430,239	67,062	-	-	5,497,301
Infrastructure	<u>176,333,010</u>	<u>-</u>	<u>-</u>	<u>143,139</u>	<u>176,476,149</u>
Total capital assets being depreciated	<u>193,142,050</u>	<u>115,948</u>	<u>-</u>	<u>1,083,039</u>	<u>194,341,037</u>
Less accumulated depreciation					
Buildings and improvements	(3,680,052)	(282,548)	-	-	(3,962,600)
Equipment	(3,245,247)	(345,948)	-	-	(3,591,195)
Infrastructure	<u>(44,975,253)</u>	<u>(3,744,285)</u>	<u>-</u>	<u>-</u>	<u>(48,719,538)</u>
Total accumulated depreciation	<u>(51,900,552)</u>	<u>(4,372,781)</u>	<u>-</u>	<u>-</u>	<u>(56,273,333)</u>
Total capital assets, net	<u>\$ 146,190,904</u>	<u>\$ (2,935,978)</u>	<u>\$ (80,697)</u>	<u>\$ -</u>	<u>\$ 143,174,229</u>

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

Governmental Activities:

General administration	\$ 166,890
Public safety	287,108
Parks and recreation	702,825
Community development	3,380
Public ways and facilities	<u>3,212,578</u>
Total governmental activities depreciation expense	<u>\$ 4,372,781</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5: CAPITAL ASSETS (CONTINUED)

Business-type activities:

	<u>Balance at July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2011</u>
Capital assets not being depreciated				
Land	\$ 785,163	\$ -	\$ (12,003)	\$ 773,160
Construction-in-progress	<u>1,180,431</u>	<u>220,690</u>	<u>(242,859)</u>	<u>1,158,262</u>
Total capital assets not being depreciated	<u>1,965,594</u>	<u>220,690</u>	<u>(254,862)</u>	<u>1,931,422</u>
Capital assets being depreciated				
Structures and improvements	72,365,233	24,627	(14,121,730)	58,268,130
Equipment	<u>1,607,400</u>	<u>324,496</u>	<u>(935)</u>	<u>1,930,961</u>
Total capital assets being depreciated	<u>73,972,633</u>	<u>349,123</u>	<u>(14,122,665)</u>	<u>60,199,091</u>
Less accumulated depreciation				
Structures and improvements	(20,397,539)	(1,443,927)	4,343,117	(17,498,349)
Equipment	<u>(1,068,335)</u>	<u>(161,869)</u>	<u>935</u>	<u>(1,229,269)</u>
Total accumulated depreciation	<u>(21,465,874)</u>	<u>(1,605,796)</u>	<u>4,344,052</u>	<u>(18,727,618)</u>
Total capital assets, net	<u>\$ 54,472,353</u>	<u>\$ (1,035,983)</u>	<u>\$ (10,033,475)</u>	<u>\$ 43,402,895</u>

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

Sewer	\$ 1,492,937
Water	54,896
Transit	<u>57,963</u>
Total business-type activities depreciation expense	<u>\$ 1,605,796</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011:

	<u>Balance at July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2011</u>	<u>Current Portion</u>
Governmental activities:					
Compensated absences	\$ 1,028,581	\$ 771,929	\$ (753,636)	\$ 1,046,874	\$ 22,439
1981 Lease revenue	480,000	-	(30,000)	450,000	30,000
1995 Tax allocation refunding	3,195,000	-	(140,000)	3,055,000	145,000
1996 Refunding lease revenue	810,000	-	(145,000)	665,000	155,000
1997 Lease revenue	<u>2,145,000</u>	<u>-</u>	<u>(130,000)</u>	<u>2,015,000</u>	<u>135,000</u>
Total Governmental activities	<u>\$ 7,658,581</u>	<u>\$ 771,929</u>	<u>\$ (1,198,636)</u>	<u>\$ 7,231,874</u>	<u>\$ 487,439</u>

	<u>Balance at July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2011</u>	<u>Current Portion</u>
Business-type activities:					
Compensated absences	\$ 81,019	\$ 55,434	\$ (59,664)	\$ 76,789	\$ 76,789
1996 Certificates of participation	<u>1,680,000</u>	<u>-</u>	<u>(100,000)</u>	<u>1,580,000</u>	<u>105,000</u>
Total Business-type activities	<u>\$ 1,761,019</u>	<u>\$ 55,434</u>	<u>\$ (159,664)</u>	<u>\$ 1,656,789</u>	<u>\$ 181,789</u>

A description of the long-term liabilities related to governmental activities at June 30, 2011 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, 2011 was \$450,000.

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, 2011 was \$3,055,000.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011 was \$665,000.

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, 2011 was \$2,015,000.

Deferred Charges

Capitalized bond costs related to the above issuances have been recorded as deferred charges, net of accumulated amortization in the amount of \$100,621 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, 2011 was \$14,858.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

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>
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	35,000	14,875	185,000	139,234	-	-	170,000	77,830	390,000	231,939
2017 - 2021	225,000	43,375	1,095,000	512,250	-	-	1,010,000	238,698	2,330,000	794,323
2022 - 2026	<u>55,000</u>	<u>1,375</u>	<u>1,135,000</u>	<u>141,150</u>	<u>-</u>	<u>-</u>	<u>240,000</u>	<u>13,200</u>	<u>1,430,000</u>	<u>155,725</u>
Total	\$ <u>450,000</u>	\$ <u>136,500</u>	\$ <u>3,055,000</u>	\$ <u>1,448,755</u>	\$ <u>665,000</u>	\$ <u>89,798</u>	\$ <u>2,015,000</u>	\$ <u>722,947</u>	\$ <u>6,185,000</u>	\$ <u>2,398,000</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011 was \$1,580,000.

Deferred Charges

Capitalized bond costs related to the Business-type long term liabilities have been recorded as deferred issuance costs in the amount of \$32,358 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, 2011 was \$3,170.

Business-Type Long-Term Liabilities Amortization

1996 Certificates of Participation			
For the Year Ending June 30	Principal	Interest	Total
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	135,000	59,922	194,922
2017 - 2021	795,000	172,296	967,296
2022 - 2026	185,000	5,319	190,319
Total	\$ 1,580,000	\$ 546,085	\$ 2,126,085

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, 2011 were as follows:

Dixon-West "A" Street Assessment District Limited Obligation Improvement Bonds	\$ 1,535,000
North First Street Assessment District Limited Obligation Improvement Bonds	10,210,000
Dixon Public Financing Authority:	
1998 Senior Lien Reassessment Bonds, Series A	3,570,000
1998 Junior Lien Reassessment Bonds, Series B	7,340,000
Total Special Assessment Debt	\$ 22,655,000

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

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 28.143% for safety police employees, 22.667% for safety fire employees, and 15.523% for non-safety employees of annual covered payroll for the fiscal year ended June 30, 2011. 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, 2011, the City's annual pension cost (employer contribution) of \$1,729,705 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, 2009, 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
2009	\$ 1,584,760	100%	-
2010	\$ 1,607,186	100%	-
2011	\$ 1,729,705	100%	-

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (OPEB)

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, 2011, 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, 2011, 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

For the year ended June 30, 2011, the City's annual cost for the healthcare plan was \$292,000. The City's annual OPEB cost contributed to the plan and the net OPEB obligation for the year ended June 30, 2011 were as follows:

Annual required contribution		
Service cost at year-end	\$	233,195
30-year amortization of funded liability		<u>57,000</u>
Total annual required contribution		<u>290,195</u>
Interest on net OPEB obligation		20,168
Adjustment to net OPEB obligation		<u>(18,363)</u>
Total annual OPEB cost		<u>292,000</u>
Employer contributions		(62,736)
Net pension obligation, July 1, 2010		<u>474,529</u>
Net pension obligation, June 30, 2011	\$	<u>703,793</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
June 30, 2011	\$ 292,000	\$ 62,736	21 %	\$ 703,793

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

As of June 30, 2011, \$648,594 of the net pension obligation was recorded in governmental activities and \$55,199 was recorded in business-type activities on the Statement of Net Assets.

Funded Status and Funding Progress

The funded status of the plan based on an actuarial study using age-adjusted premiums as of June 30, 2011, 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 %

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 the most recent actuarial plan data is presented. 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.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 10: FUND BALANCE

Beginning with fiscal year 2011, the City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The City of Dixon has established the following fund balance policies:

Committed Fund Balance: Only the City Council may have the authority to create or change a fund balance commitment. Committing fund balance is accomplished by approval of a resolution by the City Council.

Assigned Fund Balance: The City Council delegates authority to the Director of Finance and Technology to assign amounts to be used for specific purpose. Assignments are less formal than commitments and can be changed by the Director of Finance and Technology. An example of an assignment would be the encumbrance of funds for purchase orders approved but not fulfilled by the end of a fiscal year.

The accounting policies of the City consider restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts, and unassigned amounts.

As of June 30, 2011, fund balances consisted of the following:

	General Fund	Redevelop- ment	Low/Moderate Income Housing	HOME Loans	Transpor- tation	Storm Drain	Non-Major Funds	Total
Nonspendable:								
Prepays	\$ 293,898	\$ 86	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 293,984
Inventory	1,849	-	-	-	-	-	-	1,849
Advances	-	283,517	-	-	1,275,000	-	408,666	1,967,183
Restricted:								
Redevelopment	-	-	1,491,926	-	-	-	-	1,491,926
Grants	-	-	-	83,489	-	-	833,680	917,169
Taxes & fees	-	-	-	-	-	-	1,318,165	1,318,165
Debt service	-	-	-	-	-	-	372,602	372,602
Contributions	980	-	-	-	-	-	-	980
Mitigation	-	-	-	-	30,377	-	-	30,377
Committed:								
Encumbrances	115,197	10,099	-	-	-	-	-	125,296
Assigned:								
Encumbrances	4,200	-	-	-	-	-	-	4,200
Bond reserve	-	316,317	-	-	-	-	-	316,317
Traffic safety	-	-	-	-	-	-	66,188	66,188
Capital projects	-	-	-	-	3,900,488	-	2,726,040	6,626,528
Asset forfeiture	-	-	-	-	-	-	1,167	1,167
Equipment replacement	1,553,446	-	-	-	-	-	-	1,553,446
Unassigned	<u>1,529,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(956,179)</u>	<u>(1,382)</u>	<u>572,079</u>
Total	<u>\$ 3,499,210</u>	<u>\$ 610,019</u>	<u>\$ 1,491,926</u>	<u>\$ 83,489</u>	<u>\$ 5,205,865</u>	<u>\$ (956,179)</u>	<u>\$ 5,725,126</u>	<u>\$15,659,456</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 11: 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.

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 \$293,898 is recorded as a prepaid asset in the General Fund. Audited condensed financial information for the NCCCSIF for the fiscal year ended June 30, 2011 was as follows:

Total Assets	\$ 50,442,565
Total Liabilities	\$ 32,491,917
Net Assets	\$ 17,950,648
Total Revenues	\$ 8,107,922
Total Expenses	\$ 11,084,609
Change in Net Assets	\$ (2,976,687)

NOTE 12: SPECIAL ITEMS

As noted in Note 1, the City's share of the Dixon-Solano Municipal Water Service (DSMWS) was terminated on August 31, 2010 with the formation of the Dixon-Solano Water Authority (DSWA). In addition to the City's interest in DSMWS, all existing facilities, property, or rights thereto currently jointly owned by the members through the DSMWS were transferred to the DSWA. The \$10.2 million contribution element of this non-monetary transaction is reported as a special item, following general revenues, in the government-wide Statement of Activities.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 13: 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, 2011:

Fund	Excess Expenditures
CA Used Oil	\$ 1,474
Asset Forfeiture	1,743
CDBG PTA	6,880
Capital Improvements	45
Police	64
Agricultural Land Mitigation	1,562
City Facilities	89
DPIC	105

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

NOTE 14: DEFICIT FUND BALANCES

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

Fund	Deficit
Storm Drain Fund	\$ 956,179
CFD Pond C	1,382

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 15: 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, 2011 totaling \$987,173 for various construction projects that were not complete as of year-end.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 16: 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).

NOTE 17: PRIOR PERIOD ADJUSTMENT

The City determined that certain loans were recorded in the incorrect fund. Accordingly, the beginning fund balance on the balance sheets of the Low/Moderate Income Housing fund and the HOME Loans fund has been adjusted to reflect an adjustment of \$39,696.

NOTE 18: SUBSEQUENT EVENTS

Recent Changes in Legislation Affecting California Redevelopment Agencies

On June 29, 2011, the Governor of the State of California signed Assembly Bills X1 26 and 27 as part of the State's budget package. Assembly Bill X1 26 requires each California redevelopment agency to suspend nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for the impending dissolution of the agency. Assembly Bill X1 27 provides a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program. Under this program, each city would adopt an ordinance agreeing to make certain payments to the County Auditor Controller in fiscal year 2011-12 and annual payments each fiscal year thereafter. Assembly Bill X1 26 indicates that the city "may use any available funds not otherwise obligated for other uses" to make this payment. The City of Dixon intends to use available monies of its redevelopment agency for this purpose and the City and Agency have approved a reimbursement agreement to accomplish that objective. Consistent with the Health and Safety Code Section 34194.3, the Agency determined the necessity to reduce the allocation to the Low and Moderate Income Housing Fund by the sum of \$390,693. The amounts to be paid after fiscal year 2012-13 have yet to be determined by the state legislature.

Assembly Bill X1 26 directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by Assembly Bill X1 26.

In the event that Assembly Bill X1 26 is upheld, the interagency receivable recognized by funds of the City that had previously loaned or advanced funds to the redevelopment agency may become uncollectible resulting in a loss recognized by such funds. The City might additionally be impacted if reimbursements previously paid by the redevelopment agency to the City for shared administrative services are reduced or eliminated.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 18: SUBSEQUENT EVENTS (CONTINUED)

The League of California Cities and the California Redevelopment Association (CRA) filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn Assembly Bills X1 26 and 27 on the grounds that these bills violate the California Constitution. On August 11, 2011, the California Supreme Court issued a stay of all of Assembly Bill X1 27 and most of Assembly Bill X1 26. The California Supreme Court stated in its order that "the briefing schedule is designed to facilitate oral argument as early as possible in 2011, and a decision before January 15, 2012." A second order issued by the California Supreme Court on August 17, 2011 indicated that certain provisions of Assembly Bills X1 26 and 27 were still in effect and not affected by its previous stay, including requirements to file an appeal of the determination of the community remittance payment by August 15, the requirement to adopt an Enforceable Obligations Payment Schedule ("EOPS") by August 29, 2011, and the requirement to prepare a preliminary draft of the initial Recognized Obligation Payment Schedule ("ROPS") by September 30, 2011.

Because the stay provided by Assembly Bill X1 26 only affects enforcement, each agency must adopt an Enforceable Obligation Payment Schedule and draft Recognized Obligation Payment Schedule prior to September 30, as required by the statute. Enforceable obligations include bonds, loans and payments required by the Federal or State government; legally enforceable payments required in connection with agency employees such as pension payments and unemployment payments, judgments or settlements; legally binding and enforceable agreements or contracts; and contracts or agreements necessary for the continued administration or operation of the agency that are permitted for purposes set forth in AB1X 26.

On August 10, 2011, a City Ordinance was introduced to adopt provisions of AB1X 26 and ABX1 27 agreeing to a "Voluntary Alternative Redevelopment Program" and authorizing payment of voluntary contributions to the State of California to permit the continued existence of the agency, in the event Assembly Bills X1 26 and/or 27 are upheld as constitutional. Due to the stay issued by the State Supreme Court on August 11, 2011, the City of Dixon did not move forward with the second reading of the ordinance on the advice of the City Attorney. Thus, the ordinance was not formally adopted.

The initial payment by the City is estimated to be \$865,000 with one half due on January 15, 2012 and the other half due May 15, 2012. Thereafter, an estimated \$240,000 will be due annually. The amounts to be paid after fiscal year 2012-13 have yet to be determined by the State Legislature. The semi-annual payments will be due on January 15 and May 15 of each year and would increase or decrease with changes in tax increment. Additionally, an increased amount would be due to schools if any "new debt" is incurred. Assembly Bill X1 27 allows a one-year reprieve on the agency's obligation to contribute 20% of tax increment to the low-and-moderate-income housing fund so as to permit the Agency to assemble sufficient funds to make its initial payments. Failure to make these payments would require agencies to be terminated under the provisions of ABX1 26.

Management believes that the Agency will have sufficient funds to pay its obligations as they become due during the fiscal year ending June 30, 2012. The nature and extent of the operation of redevelopment agencies in the State of California beyond that time frame are dependent upon the outcome of litigation surrounding the actions of the state.

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, 2011

	2010 - 2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual Amounts	
<u>REVENUES</u>				
Taxes and assessments	\$ 9,639,606	\$ 9,639,606	\$ 9,257,914	\$ (381,692)
License, permits, and fees	876,300	876,300	827,137	(49,163)
Fines and forfeitures	10,000	10,000	5,384	(4,616)
Use of money and property	139,230	139,230	138,632	(598)
Intergovernmental	203,194	307,838	349,349	41,511
Charges for services	208,065	208,065	262,812	54,747
Other revenues	<u>25,000</u>	<u>25,000</u>	<u>54,540</u>	<u>29,540</u>
Total Revenues	<u>11,101,395</u>	<u>11,206,039</u>	<u>10,895,768</u>	<u>(310,271)</u>
<u>EXPENDITURES</u>				
Current:				
General Administration				
City council	85,821	93,821	71,553	22,268
City manager	108,959	108,959	200,890	(91,931)
City clerk	478,927	478,927	436,225	42,702
Finance	349,153	349,153	446,727	(97,574)
Personnel	255,302	255,302	250,103	5,199
Information technology	284,068	284,068	133,939	150,129
City attorney	150,000	150,000	138,078	11,922
General liability	245,449	248,244	470,671	(222,427)
Garage	12,500	12,500	5,905	6,595
City building maintenance	<u>194,449</u>	<u>194,449</u>	<u>132,713</u>	<u>61,736</u>
Total General Administration	<u>2,164,628</u>	<u>2,175,423</u>	<u>2,286,804</u>	<u>(111,381)</u>
Public Safety				
Police	3,968,217	3,968,217	3,844,479	123,738
Fire	3,292,847	3,324,222	3,187,075	137,147
Code compliance	<u>73,516</u>	<u>73,516</u>	<u>67,884</u>	<u>5,632</u>
Total Public Safety	<u>7,334,580</u>	<u>7,365,955</u>	<u>7,099,438</u>	<u>266,517</u>
Parks and Recreation				
Park maintenance	970,633	970,633	977,119	(6,486)
Recreation	547,323	547,323	395,412	151,911
Senior multi-use center	<u>95,904</u>	<u>95,904</u>	<u>94,598</u>	<u>1,306</u>
Total Parks and Recreation	<u>1,613,860</u>	<u>1,613,860</u>	<u>1,467,129</u>	<u>146,731</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, 2011

	2010 - 2011			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Development				
Economic development	\$ 178,213	\$ 178,213	\$ 176,875	\$ 1,338
Planning agreements	324,197	324,197	324,025	172
Building inspection	<u>129,504</u>	<u>129,504</u>	<u>148,220</u>	<u>(18,716)</u>
Total Development	<u>631,914</u>	<u>631,914</u>	<u>649,120</u>	<u>(17,206)</u>
Public Ways and Facilities				
Engineering	308,459	308,459	371,214	(62,755)
Operations and maintenance administration	172,605	172,605	122,499	50,106
Street maintenance	372,004	372,004	358,326	13,678
Storm drain maintenance	<u>143,054</u>	<u>143,054</u>	<u>136,117</u>	<u>6,937</u>
Total Public Ways and Facilities	<u>996,122</u>	<u>996,122</u>	<u>988,156</u>	<u>7,966</u>
Capital Outlay	<u>169,388</u>	<u>169,388</u>	<u>146,111</u>	<u>23,277</u>
Total Expenditures	<u>12,910,492</u>	<u>12,952,662</u>	<u>12,636,758</u>	<u>608,531</u>
Excess (deficiency) of revenues over expenditures	<u>(1,809,097)</u>	<u>(1,746,623)</u>	<u>(1,740,990)</u>	<u>(918,802)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,107,670	1,162,048	1,015,074	(146,974)
Transfers out	<u>(324,267)</u>	<u>(336,563)</u>	<u>(189,589)</u>	<u>146,974</u>
Total Other Financing Sources (Uses)	<u>783,403</u>	<u>825,485</u>	<u>825,485</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,025,694)</u>	<u>\$ (921,138)</u>	<u>(915,505)</u>	<u>\$ (918,802)</u>
Fund balance - July 1, 2010			<u>4,414,715</u>	
Fund balance - June 30, 2011			<u>\$ 3,499,210</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, 2011

	<u>2010 - 2011</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	\$ 1,646,127	\$ 1,646,127	\$ 1,552,411	\$ (93,716)
Use of money and property	-	-	3,448	3,448
Program income	26,500	26,500	30,287	3,787
Charges for services	<u>103,200</u>	<u>103,200</u>	<u>2,121</u>	<u>(101,079)</u>
Total Revenues	<u>1,775,827</u>	<u>1,775,827</u>	<u>1,588,267</u>	<u>(187,560)</u>
<u>EXPENDITURES</u>				
Current:				
Development				
Administration	937,750	937,750	851,260	86,490
Debt service	2,500	2,500	2,173	327
Program	65,000	65,000	18,683	46,317
Loans	<u>2,000</u>	<u>2,000</u>	<u>76,270</u>	<u>(74,270)</u>
Total Development	<u>1,007,250</u>	<u>1,007,250</u>	<u>948,386</u>	<u>58,864</u>
Capital outlay	<u>310,000</u>	<u>310,000</u>	<u>16,921</u>	<u>293,079</u>
Debt service:				
Principal	130,000	140,000	140,000	-
Interest and fiscal charges	<u>193,455</u>	<u>208,260</u>	<u>185,760</u>	<u>(22,500)</u>
Total Expenditures	<u>1,640,705</u>	<u>1,665,510</u>	<u>1,291,067</u>	<u>329,443</u>
Excess (deficiency) of revenues over expenditures	<u>135,122</u>	<u>110,317</u>	<u>297,200</u>	<u>186,883</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	25,000	25,000	25,000	-
Transfers out	<u>(191,776)</u>	<u>(1,223,776)</u>	<u>(1,223,776)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(166,776)</u>	<u>(1,198,776)</u>	<u>(1,198,776)</u>	<u>-</u>
Net change in fund balance	<u>\$ (31,654)</u>	<u>\$ (1,088,459)</u>	<u>(901,576)</u>	<u>\$ 186,883</u>
Fund balance - July 1, 2010			<u>1,511,595</u>	
Fund balance - June 30, 2011			<u>\$ 610,019</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, 2011

	<u>2010 - 2011</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	\$ 411,532	\$ 411,532	\$ 388,103	\$ (23,429)
Use of money and property	12,500	12,500	8,850	(3,650)
Program income	<u>3,100</u>	<u>3,100</u>	<u>12,514</u>	<u>9,414</u>
Total Revenues	<u>427,132</u>	<u>427,132</u>	<u>409,467</u>	<u>(17,665)</u>
 <u>EXPENDITURES</u>				
Current:				
Development				
Administration	83,250	83,250	44,890	38,360
Grant programs	612,500	612,500	11,164	601,336
Home loan	<u>450,000</u>	<u>450,000</u>	<u>106,000</u>	<u>344,000</u>
Total Development	<u>1,145,750</u>	<u>1,145,750</u>	<u>162,054</u>	<u>983,696</u>
Total Expenditures	<u>1,145,750</u>	<u>1,145,750</u>	<u>162,054</u>	<u>1,967,392</u>
Excess (deficiency) of revenues over expenditures	<u>(718,618)</u>	<u>(718,618)</u>	<u>247,413</u>	<u>966,031</u>
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(165,571)</u>	<u>(165,571)</u>	<u>(165,571)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(165,571)</u>	<u>(165,571)</u>	<u>(165,571)</u>	<u>-</u>
Net change in fund balance	<u>\$ (884,189)</u>	<u>\$ (884,189)</u>	<u>81,842</u>	<u>\$ 966,031</u>
Fund balance - July 1, 2010			1,449,780	
Prior period adjustment			<u>(39,696)</u>	
Fund balance - July 1, 2010, restated			<u>1,410,084</u>	
Fund balance - June 30, 2011			<u>\$ 1,491,926</u>	

CITY OF DIXON
HOME LOANS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	2010 - 2011		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	200	200	11,529	11,329
Program income	<u>25,000</u>	<u>25,000</u>	<u>36,484</u>	<u>11,484</u>
Total Revenues	<u>25,200</u>	<u>25,200</u>	<u>48,013</u>	<u>22,813</u>
<u>EXPENDITURES</u>				
Current:				
Development				
CDBG home rehab	<u>42,000</u>	<u>42,000</u>	<u>4,220</u>	<u>37,780</u>
Total Expenditures	<u>42,000</u>	<u>42,000</u>	<u>4,220</u>	<u>75,560</u>
Excess (deficiency) of revenues over expenditures	<u>(16,800)</u>	<u>(16,800)</u>	<u>43,793</u>	<u>60,593</u>
Net change in fund balance	<u>\$ (16,800)</u>	<u>\$ (16,800)</u>	<u>43,793</u>	<u>\$ 60,593</u>
Fund balance - July 1, 2010			-	
Prior period adjustment			<u>39,696</u>	
Fund balance - July 1, 2010, restated			<u>39,696</u>	
Fund balance - June 30, 2011			<u>\$ 83,489</u>	

**CITY OF DIXON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED JUNE 30, 2011**

The City Council establishes budgets for all governmental funds based on a basis consistent with Generally Accepted Accounting Principles, with the exception of capital projects which are budgeted on a project length basis. 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 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, 2011

	2010 - 2011		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 10,000	\$ 10,000	\$ 22,455	\$ 12,455
Intergovernmental	1,156,000	1,210,000	474,286	(735,714)
Developer fees	-	-	969	969
	<u>1,166,000</u>	<u>1,220,000</u>	<u>497,710</u>	<u>(722,290)</u>
Total Revenues				
<u>EXPENDITURES</u>				
Current:				
Capital Outlay				
West A Interchange	-	-	1,392	(1,392)
Slurry seal and paving	230,000	230,000	8,162	221,838
Sidewalk replacement	9,543	9,543	9,591	(48)
Street master plan	22,667	22,667	9,360	13,307
Vaughn Road realignment	30,000	30,000	-	30,000
Street maintenance program	-	-	89	(89)
Bicycle racks program	-	54,000	8,704	45,296
Stratford Avenue rehab project	202,666	202,666	141,536	61,130
Railroad grade separation	1,490,000	1,861,099	44,953	1,816,146
Total Capital Outlay	<u>1,984,876</u>	<u>2,409,975</u>	<u>223,787</u>	<u>2,186,188</u>
Total Expenditures	<u>1,984,876</u>	<u>2,409,975</u>	<u>223,787</u>	<u>2,186,188</u>
Excess (deficiency) of revenues over expenditures	<u>(818,876)</u>	<u>(1,189,975)</u>	<u>273,923</u>	<u>1,463,898</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	160,000	160,000	160,000	-
Transfers out	<u>(5,141)</u>	<u>(5,141)</u>	<u>(164,136)</u>	<u>(158,995)</u>
Total Other Financing Sources (Uses)	<u>154,859</u>	<u>154,859</u>	<u>(4,136)</u>	<u>(158,995)</u>
Net change in fund balance	<u>\$ (664,017)</u>	<u>\$ (1,035,116)</u>	<u>269,787</u>	<u>\$ 1,304,903</u>
Fund balance - July 1, 2010			<u>4,936,078</u>	
Fund balance - June 30, 2011			<u>\$ 5,205,865</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, 2011

	<u>2010 - 2011</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	\$ -	\$ -	\$ 3,554	\$ 3,554
Total Revenues	-	-	3,554	3,554
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	3,554	3,554
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	(225,000)	(225,000)	-
Total Other Financing Sources (Uses)	-	(225,000)	(225,000)	-
Net change in fund balance (deficit)	\$ -	\$ (225,000)	(221,446)	\$ 3,554
Fund balance (deficit) - July 1, 2010			(734,733)	
Fund balance (deficit) - June 30, 2011			\$ (956,179)	

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.

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).

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.

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS (continued)

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

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, 2011

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	\$ 224,975	\$ 64,705	\$ 3,295	\$ 196,112	\$ 1,165
Restricted cash and investments	-	-	-	-	-
Accounts receivable	11,441	11,882	-	16,645	-
Interest receivable	410	101	8	331	2
Notes receivable	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total Assets	<u>\$ 236,826</u>	<u>\$ 76,688</u>	<u>\$ 3,303</u>	<u>\$ 213,088</u>	<u>\$ 1,167</u>
LIABILITIES AND FUND BALANCES					
(DEFICITS)					
LIABILITIES:					
Accounts payable	\$ -	\$ 10,500	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	1,073	-
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>10,500</u>	<u>-</u>	<u>1,073</u>	<u>-</u>
FUND BALANCES (DEFICITS):					
Nonspendable	-	-	-	-	-
Restricted	236,826	-	3,303	212,015	-
Assigned	-	66,188	-	-	1,167
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>236,826</u>	<u>66,188</u>	<u>3,303</u>	<u>212,015</u>	<u>1,167</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 236,826</u>	<u>\$ 76,688</u>	<u>\$ 3,303</u>	<u>\$ 213,088</u>	<u>\$ 1,167</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2011

	Special Revenue Funds				
	CDBG	CDBG Grant PTA	Landscaping and Lighting Assessment Districts	Valley Glen Storm Drain	CFD Pond C
ASSETS					
Cash and investments	\$ 89,014	\$ -	\$ 117,739	\$ 671,813	\$ -
Restricted cash and investments	-	-	-	-	-
Accounts receivable	-	-	978	-	-
Interest receivable	147	-	180	1,128	-
Notes receivable	510,808	-	-	-	-
Advances to other funds	-	-	-	-	-
	-	-	-	-	-
Total Assets	\$ 599,969	\$ -	\$ 118,897	\$ 672,941	\$ -
LIABILITIES AND FUND BALANCES					
(DEFICITS)					
LIABILITIES:					
Accounts payable	\$ 1,847	\$ -	\$ 21,986	\$ 2,089	\$ -
Accrued payroll and benefits	-	-	4,369	-	-
Deferred revenue	510,808	-	-	-	-
Due to other funds	-	-	-	-	1,382
	-	-	-	-	1,382
Total Liabilities	512,655	-	26,355	2,089	1,382
FUND BALANCES (DEFICITS):					
Nonspendable	-	-	-	-	-
Restricted	87,314	-	92,542	670,852	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(1,382)
	-	-	-	-	(1,382)
Total Fund Balances (Deficits)	87,314	-	92,542	670,852	(1,382)
Total Liabilities and Fund Balances (Deficits)	\$ 599,969	\$ -	\$ 118,897	\$ 672,941	\$ -

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2011

Capital Project Funds

	Capital Improvements	Community Development	Fire	Police	City Facilities
ASSETS					
Cash and investments	\$ 332,571	\$ 636,264	\$ 1,000	\$ 438	\$ 193,024
Restricted cash and investments	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Interest receivable	455	1,151	-	1	325
Notes receivable	-	-	-	-	-
Advances to other funds	408,666	-	-	-	-
	408,666	-	-	-	-
Total Assets	\$ 741,692	\$ 637,415	\$ 1,000	\$ 439	\$ 193,349
LIABILITIES AND FUND BALANCES					
(DEFICITS)					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
	-	-	-	-	-
Total Liabilities	-	-	-	-	-
FUND BALANCES (DEFICITS):					
Nonspendable	408,666	-	-	-	-
Restricted	-	-	-	-	-
Assigned	333,026	637,415	1,000	439	193,349
Unassigned	-	-	-	-	-
	-	-	-	-	-
Total Fund Balances (Deficits)	741,692	637,415	1,000	439	193,349
Total Liabilities and Fund Balances (Deficits)	\$ 741,692	\$ 637,415	\$ 1,000	\$ 439	\$ 193,349

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2011

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>ASSETS</u>					
Cash and investments	\$ 285,845	\$ 1,181,618	\$ 531,002	\$ 253,814	\$ 63,596
Restricted cash and investments	-	-	-	-	-
Accounts receivable	91,580	33,082	-	-	-
Interest receivable	675	1,990	896	429	106
Notes receivable	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total Assets	<u>\$ 378,100</u>	<u>\$ 1,216,690</u>	<u>\$ 531,898</u>	<u>\$ 254,243</u>	<u>\$ 63,702</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>(DEFICITS)</u>					
LIABILITIES:					
Accounts payable	\$ 40	\$ 857	\$ 850	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-
Deferred revenue	-	33,082	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	<u>40</u>	<u>33,939</u>	<u>850</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS):					
Nonspendable	-	-	-	-	-
Restricted	-	-	531,048	254,243	63,702
Assigned	378,060	1,182,751	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>378,060</u>	<u>1,182,751</u>	<u>531,048</u>	<u>254,243</u>	<u>63,702</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 378,100</u>	<u>\$ 1,216,690</u>	<u>\$ 531,898</u>	<u>\$ 254,243</u>	<u>\$ 63,702</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2011

	Capital Projects	Debt Service Funds			Total Non-major Governmental Funds
	Vacaville/Dixon Greenbelt Authority	Dixon Public Improvement (DPIC)	Dixon Public Financing - Police (DPFA)	Dixon Public Financing - Fire (DPFA)	
ASSETS					
Cash and investments	\$ -	\$ 2,536	\$ -	\$ -	\$ 4,850,526
Restricted cash and investments	-	-	189,928	253,204	443,132
Accounts receivable	-	-	-	-	165,608
Interest receivable	-	4	-	2	8,341
Notes receivable	-	-	-	-	510,808
Advances to other funds	-	-	-	-	408,666
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>408,666</u>
Total Assets	\$ -	\$ 2,540	\$ 189,928	\$ 253,206	\$ 6,387,081
LIABILITIES AND FUND BALANCES					
(DEFICITS)					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 38,169
Accrued payroll and benefits	-	-	-	-	5,442
Deferred revenue	-	-	-	-	543,890
Due to other funds	-	-	12,661	60,411	74,454
	<u>-</u>	<u>-</u>	<u>12,661</u>	<u>60,411</u>	<u>74,454</u>
Total Liabilities	-	-	12,661	60,411	661,955
FUND BALANCES (DEFICITS):					
Nonspendable	-	-	-	-	408,666
Restricted	-	2,540	177,267	192,795	2,524,447
Assigned	-	-	-	-	2,793,395
Unassigned	-	-	-	-	(1,382)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,382)</u>
Total Fund Balances (Deficits)	-	2,540	177,267	192,795	5,725,126
Total Liabilities and Fund Balances (Deficits)	\$ -	\$ 2,540	\$ 189,928	\$ 253,206	\$ 6,387,081

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011

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	\$ 430,141	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	78,343	-	-	-
Use of money and property	1,397	413	31	1,195	11
Program income	-	-	-	-	-
Intergovernmental	-	-	5,000	100,000	-
Developer fees	-	-	-	-	-
Other revenue	-	-	-	-	-
Total Revenues	<u>431,538</u>	<u>78,756</u>	<u>5,031</u>	<u>101,195</u>	<u>11</u>
<u>EXPENDITURES</u>					
Current:					
General administration	-	-	-	-	-
Public safety	11,077	-	6,474	44,986	-
Development	-	-	-	-	-
Public ways and facilities	21,324	25,116	-	-	-
Capital outlay	3,891	-	-	1,915	2,743
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>36,292</u>	<u>25,116</u>	<u>6,474</u>	<u>46,901</u>	<u>2,743</u>
Excess (Deficiency) of Revenues over Expenditures	<u>395,246</u>	<u>53,640</u>	<u>(1,443)</u>	<u>54,294</u>	<u>(2,732)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	158,995	-	-	-	-
Transfers out	(477,485)	(6,297)	-	-	-
Total Other Financing Sources (Uses)	<u>(318,490)</u>	<u>(6,297)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	76,756	47,343	(1,443)	54,294	(2,732)
Fund balances (deficits) - July 1, 2010	<u>160,070</u>	<u>18,845</u>	<u>4,746</u>	<u>157,721</u>	<u>3,899</u>
Fund balances (deficits) - June 30, 2011	<u>\$ 236,826</u>	<u>\$ 66,188</u>	<u>\$ 3,303</u>	<u>\$ 212,015</u>	<u>\$ 1,167</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011

	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>
REVENUES					
Taxes and assessments	\$ -	\$ -	\$ 139,798	\$ 234,911	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	631	11	331	3,992	7
Program income	90,338	-	-	-	-
Intergovernmental	-	-	-	-	-
Developer fees	-	-	-	-	-
Other revenue	-	-	-	-	1,363
Total Revenues	<u>90,969</u>	<u>11</u>	<u>140,129</u>	<u>238,903</u>	<u>1,370</u>
EXPENDITURES					
Current:					
General administration	-	-	-	-	-
Public safety	-	-	-	-	-
Development	31,030	-	-	-	-
Public ways and facilities	-	-	285,419	38,991	5,851
Capital outlay	-	-	-	6,279	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>31,030</u>	<u>-</u>	<u>285,419</u>	<u>45,270</u>	<u>5,851</u>
Excess (Deficiency) of Revenues over Expenditures	<u>59,939</u>	<u>11</u>	<u>(145,290)</u>	<u>193,633</u>	<u>(4,481)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	6,880	-	174,586	-	-
Transfers out	<u>(2,978)</u>	<u>(6,880)</u>	<u>-</u>	<u>(11,510)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>3,902</u>	<u>(6,880)</u>	<u>174,586</u>	<u>(11,510)</u>	<u>-</u>
Net change in fund balances	63,841	(6,869)	29,296	182,123	(4,481)
Fund balances (deficits) - July 1, 2010	<u>23,473</u>	<u>6,869</u>	<u>63,246</u>	<u>488,729</u>	<u>3,099</u>
Fund balances (deficits) - June 30, 2011	<u>\$ 87,314</u>	<u>\$ -</u>	<u>\$ 92,542</u>	<u>\$ 670,852</u>	<u>\$ (1,382)</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011

	Capital Project Funds				
	<u>Capital Improvements</u>	<u>Community Development</u>	<u>Fire</u>	<u>Police</u>	<u>City Facilities</u>
<u>REVENUES</u>					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	6,790	4,032	-	2	1,120
Program income	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Developer fees	-	-	1,000	437	638
Other revenue	-	-	-	-	-
Total Revenues	<u>6,790</u>	<u>4,032</u>	<u>1,000</u>	<u>439</u>	<u>1,758</u>
<u>EXPENDITURES</u>					
Current:					
General administration	-	-	-	-	-
Public safety	-	-	-	-	-
Development	-	-	-	-	-
Public ways and facilities	-	-	-	-	-
Capital outlay	45	-	-	-	89
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>45</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89</u>
Excess (Deficiency) of Revenues over Expenditures	<u>6,745</u>	<u>4,032</u>	<u>1,000</u>	<u>439</u>	<u>1,669</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	-	-	-	-	-
Transfers out	<u>(12,479)</u>	<u>(405,000)</u>	<u>-</u>	<u>(64)</u>	<u>(32,024)</u>
Total Other Financing Sources (Uses)	<u>(12,479)</u>	<u>(405,000)</u>	<u>-</u>	<u>(64)</u>	<u>(32,024)</u>
Net change in fund balances	(5,734)	(400,968)	1,000	375	(30,355)
Fund balances (deficits) - July 1, 2010	<u>747,426</u>	<u>1,038,383</u>	<u>-</u>	<u>64</u>	<u>223,704</u>
Fund balances (deficits) - June 30, 2011	<u>\$ 741,692</u>	<u>\$ 637,415</u>	<u>\$ 1,000</u>	<u>\$ 439</u>	<u>\$ 193,349</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011

	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>REVENUES</u>					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	1,263	5,937	3,323	1,534	383
Program income	-	-	-	-	-
Intergovernmental	515,381	24,569	37,180	-	-
Developer fees	167	-	-	-	-
Other revenue	-	-	-	-	-
Total Revenues	<u>516,811</u>	<u>30,506</u>	<u>40,503</u>	<u>1,534</u>	<u>383</u>
<u>EXPENDITURES</u>					
Current:					
General administration	-	-	-	-	-
Public safety	-	-	-	-	-
Development	-	-	-	-	-
Public ways and facilities	40	-	15,000	-	1,562
Capital outlay	921,960	119,810	22,139	36,439	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>922,000</u>	<u>119,810</u>	<u>37,139</u>	<u>36,439</u>	<u>1,562</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(405,189)</u>	<u>(89,304)</u>	<u>3,364</u>	<u>(34,905)</u>	<u>(1,179)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	-	1,272,000	-	-	-
Transfers out	<u>(1,997)</u>	<u>-</u>	<u>(7,904)</u>	<u>(11,955)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,997)</u>	<u>1,272,000</u>	<u>(7,904)</u>	<u>(11,955)</u>	<u>-</u>
Net change in fund balances	(407,186)	1,182,696	(4,540)	(46,860)	(1,179)
Fund balances (deficits) - July 1, 2010	<u>785,246</u>	<u>55</u>	<u>535,588</u>	<u>301,103</u>	<u>64,881</u>
Fund balances (deficits) - June 30, 2011	<u>\$ 378,060</u>	<u>\$ 1,182,751</u>	<u>\$ 531,048</u>	<u>\$ 254,243</u>	<u>\$ 63,702</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011

	Capital Projects	Debt Service Funds			Total Non-major Governmental Funds
	Vacaville/Dixon Greenbelt Authority	Dixon Public Improvement (DPIC)	Dixon Public Financing - Police (DPFA)	Dixon Public Financing - Fire (DPFA)	
REVENUES					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ 804,850
Fines and forfeitures	-	-	-	-	78,343
Use of money and property	-	75	273	159	32,910
Program income	-	-	-	-	90,338
Intergovernmental	-	-	-	-	682,130
Developer fees	-	-	-	-	2,242
Other revenue	-	-	-	-	1,363
Total Revenues	<u>-</u>	<u>75</u>	<u>273</u>	<u>159</u>	<u>1,692,176</u>
EXPENDITURES					
Current:					
General administration	-	105	-	-	105
Public safety	-	-	-	-	62,537
Development	-	-	-	-	31,030
Public ways and facilities	-	-	-	-	393,303
Capital outlay	-	-	-	-	1,115,310
Debt service:					
Principal	-	30,000	145,000	130,000	305,000
Interest and fiscal charges	-	23,250	45,633	119,573	188,456
Total Expenditures	<u>-</u>	<u>53,355</u>	<u>190,633</u>	<u>249,573</u>	<u>2,095,741</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(53,280)</u>	<u>(190,360)</u>	<u>(249,414)</u>	<u>(403,565)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	3	26,626	190,064	215,000	2,044,154
Transfers out	-	-	-	-	(976,573)
Total Other Financing Sources (Uses)	<u>3</u>	<u>26,626</u>	<u>190,064</u>	<u>215,000</u>	<u>1,067,581</u>
Net change in fund balances	3	(26,654)	(296)	(34,414)	664,016
Fund balances (deficits) - July 1, 2010	<u>(3)</u>	<u>29,194</u>	<u>177,563</u>	<u>227,209</u>	<u>5,061,110</u>
Fund balances (deficits) - June 30, 2011	<u>\$ -</u>	<u>\$ 2,540</u>	<u>\$ 177,267</u>	<u>\$ 192,795</u>	<u>\$ 5,725,126</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, 2011

	2010 - 2011			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes and assessments	\$ 464,762	\$ 464,762	\$ 430,141	\$ (34,621)
Use of money and property	<u>-</u>	<u>-</u>	<u>1,397</u>	<u>1,397</u>
Total Revenues	<u>464,762</u>	<u>464,762</u>	<u>431,538</u>	<u>(33,224)</u>
<u>EXPENDITURES</u>				
Current:				
Public safety	10,000	10,000	11,077	(1,077)
Public ways and facilities	16,808	16,808	21,324	(4,516)
Capital outlay	<u>-</u>	<u>129,000</u>	<u>3,891</u>	<u>125,109</u>
Total Expenditures	<u>26,808</u>	<u>155,808</u>	<u>36,292</u>	<u>119,516</u>
Excess (deficiency) of revenues over expenditures	<u>437,954</u>	<u>308,954</u>	<u>395,246</u>	<u>86,292</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	158,995	158,995
Transfers out	<u>(477,485)</u>	<u>(477,485)</u>	<u>(477,485)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(477,485)</u>	<u>(477,485)</u>	<u>(318,490)</u>	<u>158,995</u>
Net change in fund balance	<u>\$ (39,531)</u>	<u>\$ (168,531)</u>	<u>76,756</u>	<u>\$ 245,287</u>
Fund balance - July 1, 2010			<u>160,070</u>	
Fund balance - June 30, 2011			<u>\$ 236,826</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, 2011

	2010 - 2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<u>REVENUES</u>				
Fines and forfeitures	\$ 36,000	\$ 36,000	\$ 78,343	\$ 42,343
Use of money and property	-	-	413	413
Total Revenues	<u>36,000</u>	<u>36,000</u>	<u>78,756</u>	<u>42,756</u>
<u>EXPENDITURES</u>				
Current:				
Public ways and facilities	<u>39,000</u>	<u>39,000</u>	<u>25,116</u>	<u>13,884</u>
Total Expenditures	<u>39,000</u>	<u>39,000</u>	<u>25,116</u>	<u>13,884</u>
Excess (deficiency) of revenues over expenditures	<u>(3,000)</u>	<u>(3,000)</u>	<u>53,640</u>	<u>56,640</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(6,297)</u>	<u>(6,297)</u>	<u>(6,297)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(6,297)</u>	<u>(6,297)</u>	<u>(6,297)</u>	<u>-</u>
Net change in fund balance	<u>\$ (9,297)</u>	<u>\$ (9,297)</u>	<u>47,343</u>	<u>\$ 56,640</u>
Fund balance - July 1, 2010			<u>18,845</u>	
Fund balance - June 30, 2011			<u>\$ 66,188</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, 2011

	2010 - 2011 Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 10	\$ 10	\$ 31	\$ 21
Intergovernmental	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Revenues	<u>5,010</u>	<u>5,010</u>	<u>5,031</u>	<u>21</u>
<u>EXPENDITURES</u>				
Current:				
Public safety	<u>5,000</u>	<u>5,000</u>	<u>6,474</u>	<u>(1,474)</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>6,474</u>	<u>(1,474)</u>
Net change in fund balance	<u>\$ 10</u>	<u>\$ 10</u>	<u>(1,443)</u>	<u>\$ (1,453)</u>
Fund balance - July 1, 2010			<u>4,746</u>	
Fund balance (deficit) - June 30, 2011			<u>\$ 3,303</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, 2011

	2010 - 2011			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	\$ 800	\$ 800	\$ 1,195	\$ 395
Intergovernmental	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Revenues	<u>100,800</u>	<u>100,800</u>	<u>101,195</u>	<u>395</u>
<u>EXPENDITURES</u>				
Public safety	72,242	72,242	44,986	27,256
Public ways and facilities	3,000	3,000	-	3,000
Capital outlay	<u>9,900</u>	<u>9,900</u>	<u>1,915</u>	<u>7,985</u>
Total Expenditures	<u>85,142</u>	<u>85,142</u>	<u>46,901</u>	<u>38,241</u>
Net change in fund balance	<u>\$ 15,658</u>	<u>\$ 15,658</u>	<u>54,294</u>	<u>\$ 38,636</u>
Fund balance - July 1, 2010			<u>157,721</u>	
Fund balance - June 30, 2011			<u>\$ 212,015</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, 2011

	<u>2010 - 2011</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>50</u>	\$ <u>50</u>	\$ <u>11</u>	\$ <u>(39)</u>
Total Revenues	<u>50</u>	<u>50</u>	<u>11</u>	<u>(39)</u>
<u>EXPENDITURES</u>				
Current:				
Public safety	1,000	1,000	-	1,000
Capital outlay	<u>-</u>	<u>-</u>	<u>2,743</u>	<u>(2,743)</u>
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>2,743</u>	<u>(1,743)</u>
Net change in fund balance	<u>\$ (950)</u>	<u>\$ (950)</u>	<u>(2,732)</u>	<u>\$ (1,782)</u>
Fund balance - July 1, 2010			<u>3,899</u>	
Fund balance - June 30, 2011			<u>\$ 1,167</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, 2011

	<u>2010 - 2011</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	\$ 500	\$ 500	\$ 631	\$ 131
Program income	<u>44,000</u>	<u>44,000</u>	<u>90,338</u>	<u>46,338</u>
Total Revenues	<u>44,500</u>	<u>44,500</u>	<u>90,969</u>	<u>46,469</u>
<u>EXPENDITURES</u>				
Current:				
Development				
Administration	4,000	4,000	2,265	1,735
'96 Grant administration	500	500	24,314	(23,814)
'98 Grant administration	5,000	5,000	4,451	549
'98 Grant reuse	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total Development	<u>39,500</u>	<u>39,500</u>	<u>31,030</u>	<u>8,470</u>
Total Expenditures	<u>39,500</u>	<u>39,500</u>	<u>31,030</u>	<u>8,470</u>
Excess (deficiency) of revenues over expenditures	<u>5,000</u>	<u>5,000</u>	<u>59,939</u>	<u>54,939</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	6,880	6,880
Transfers out	<u>(2,978)</u>	<u>(2,978)</u>	<u>(2,978)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,978)</u>	<u>(2,978)</u>	<u>3,902</u>	<u>6,880</u>
Net change in fund balance	<u>\$ 2,022</u>	<u>\$ 2,022</u>	<u>63,841</u>	<u>\$ 61,819</u>
Fund balance - July 1, 2010			<u>23,473</u>	
Fund balance - June 30, 2011			<u>\$ 87,314</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, 2011

	<u>2010 - 2011</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>				
Program income	\$ -	\$ -	\$ 11	\$ 11
Total Revenues	-	-	11	11
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	11	11
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	-	(6,880)	(6,880)
Total Other Financing Sources (Uses)	-	-	(6,880)	(6,880)
Net change in fund balance	\$ -	\$ -	(6,869)	\$ (6,869)
Fund balance - July 1, 2010			6,869	
Fund balance - June 30, 2011			\$ -	

*The City did not adopt a budget for the CDBG PTA fund for the year ended June 30, 2011.

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, 2011

	<u>2010 - 2011</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	\$ 143,174	\$ 143,174	\$ 139,798	\$ (3,376)
Use of money and property	<u>1,000</u>	<u>1,000</u>	<u>331</u>	<u>(669)</u>
Total Revenues	<u>144,174</u>	<u>144,174</u>	<u>140,129</u>	<u>(4,045)</u>
<u>EXPENDITURES</u>				
Current:				
Public Ways and Facilities	<u>317,762</u>	<u>317,762</u>	<u>285,419</u>	<u>32,343</u>
Total Expenditures	<u>317,762</u>	<u>317,762</u>	<u>285,419</u>	<u>32,343</u>
Excess (deficiency) of revenues over expenditures	<u>(173,588)</u>	<u>(173,588)</u>	<u>(145,290)</u>	<u>28,298</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>174,586</u>	<u>174,586</u>	<u>174,586</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>174,586</u>	<u>174,586</u>	<u>174,586</u>	<u>-</u>
Net change in fund balance	<u>\$ 998</u>	<u>\$ 998</u>	<u>29,296</u>	<u>\$ 28,298</u>
Fund balance - July 1, 2010			<u>63,246</u>	
Fund balance - June 30, 2011			<u>\$ 92,542</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, 2011

	2010 - 2011			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes and assessments	\$ 228,900	\$ 228,900	\$ 234,911	\$ 6,011
Use of money and property	<u>5,000</u>	<u>5,000</u>	<u>3,992</u>	<u>(1,008)</u>
Total Revenues	<u>233,900</u>	<u>233,900</u>	<u>238,903</u>	<u>5,003</u>
<u>EXPENDITURES</u>				
Current:				
Public Ways and Facilities				
Pump station	32,300	32,300	19,924	12,376
Pond A	69,100	69,100	18,956	50,144
Lateral one	<u>9,250</u>	<u>9,250</u>	<u>111</u>	<u>9,139</u>
Total Public Ways and Facilities	<u>110,650</u>	<u>110,650</u>	<u>38,991</u>	<u>71,659</u>
Capital Outlay	<u>21,140</u>	<u>21,140</u>	<u>6,279</u>	<u>14,861</u>
Total Expenditures	<u>131,790</u>	<u>131,790</u>	<u>45,270</u>	<u>86,520</u>
Excess (deficiency) of revenues over expenditures	<u>102,110</u>	<u>102,110</u>	<u>193,633</u>	<u>91,523</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>90,600</u>	\$ <u>90,600</u>	<u>182,123</u>	\$ <u>91,523</u>
Fund balance - July 1, 2010			<u>488,729</u>	
Fund balance - June 30, 2011			\$ <u>670,852</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, 2011

	<u>2010 - 2011</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	\$ -	\$ -	\$ 7	\$ 7
Other revenues	<u>1,336</u>	<u>1,336</u>	<u>1,363</u>	<u>27</u>
Total Revenues	<u>1,336</u>	<u>1,336</u>	<u>1,370</u>	<u>34</u>
<u>EXPENDITURES</u>				
Current:				
Public Ways and Facilities				
Pond C	3,100	3,100	3,693	(593)
Lateral two	<u>5,805</u>	<u>2,853</u>	<u>2,158</u>	<u>695</u>
Total Public Ways and Facilities	<u>2,853</u>	<u>5,953</u>	<u>5,851</u>	<u>102</u>
Total Expenditures	<u>2,853</u>	<u>5,953</u>	<u>5,851</u>	<u>102</u>
Net change in fund balance	<u>\$ (1,517)</u>	<u>\$ (4,617)</u>	<u>(4,481)</u>	<u>\$ 136</u>
Fund balance - July 1, 2010			<u>3,099</u>	
Fund balance (deficit) - June 30, 2011			<u>\$ (1,382)</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, 2011

	<u>2010 - 2011</u> <u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
Use of money and property	\$ <u>127,000</u>	\$ <u>127,000</u>	\$ <u>6,790</u>	\$ <u>(120,210)</u>
Total Revenues	<u>127,000</u>	<u>127,000</u>	<u>6,790</u>	<u>(120,210)</u>
<u>EXPENDITURES</u>				
Current:				
Capital outlay	<u>-</u>	<u>-</u>	<u>45</u>	<u>(45)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>45</u>	<u>(45)</u>
Excess (deficiency) of revenues over expenditures	<u>127,000</u>	<u>127,000</u>	<u>6,745</u>	<u>(120,255)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(12,479)</u>	<u>(12,479)</u>	<u>(12,479)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(12,479)</u>	<u>(12,479)</u>	<u>(12,479)</u>	<u>-</u>
Net change in fund balance	\$ <u>114,521</u>	\$ <u>114,521</u>	<u>(5,734)</u>	\$ <u>(120,255)</u>
Fund balance - July 1, 2010			<u>747,426</u>	
Fund balance - June 30, 2011			<u>\$ 741,692</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, 2011

	<u>2010 - 2011</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>12,000</u>	\$ <u>12,000</u>	\$ <u>4,032</u>	\$ <u>(7,968)</u>
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>4,032</u>	<u>(7,968)</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>12,000</u>	<u>12,000</u>	<u>4,032</u>	<u>(7,968)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(405,000)</u>	<u>(405,000)</u>	<u>(405,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(405,000)</u>	<u>(405,000)</u>	<u>(405,000)</u>	<u>-</u>
Net change in fund balance	\$ <u>(393,000)</u>	\$ <u>(393,000)</u>	<u>(400,968)</u>	\$ <u>(7,968)</u>
Fund balance - July 1, 2010			<u>1,038,383</u>	
Fund balance - June 30, 2011			\$ <u>637,415</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, 2011

	<u>2010 - 2011</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>				
Developer fees	\$ -	\$ -	\$ 1,000	\$ 1,000
Total Revenues	-	-	1,000	1,000
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	1,000	1,000
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (Uses)	-	-	-	-
Net change in fund balance	\$ -	\$ -	1,000	\$ 1,000
Fund balance - July 1, 2010			-	
Fund balance - June 30, 2011			\$ 1,000	

*The City did not adopt a budget for the Fire fund as of June 30, 2011.

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, 2011

	<u>2010 - 2011</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	\$ -	\$ -	\$ 2	\$ 2
Developer fees	-	-	<u>437</u>	<u>437</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>439</u>	<u>439</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>439</u>	<u>439</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>(64)</u>	<u>(64)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(64)</u>	<u>(64)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>375</u>	<u>\$ 375</u>
Fund balance - July 1, 2010			<u>64</u>	
Fund balance - June 30, 2011			<u>\$ 439</u>	

*The City did not adopt a budget for the Police fund as of June 30, 2011.

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, 2011

	<u>2010 - 2011</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	\$ 1,500	\$ 1,500	\$ 1,120	\$ (380)
Developer fees	<u>-</u>	<u>-</u>	<u>638</u>	<u>638</u>
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>1,758</u>	<u>258</u>
<u>EXPENDITURES</u>				
Current:				
Capital outlay	<u>-</u>	<u>-</u>	<u>89</u>	<u>(89)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>89</u>	<u>(89)</u>
Excess (deficiency) of revenues over expenditures	<u>1,500</u>	<u>1,500</u>	<u>1,669</u>	<u>169</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(58,648)</u>	<u>(58,648)</u>	<u>(32,024)</u>	<u>26,624</u>
Total Other Financing Sources (Uses)	<u>(58,648)</u>	<u>(58,648)</u>	<u>(32,024)</u>	<u>26,624</u>
Net change in fund balance	<u>\$ (57,148)</u>	<u>\$ (57,148)</u>	<u>(30,355)</u>	<u>\$ 26,793</u>
Fund balance - July 1, 2010			<u>223,704</u>	
Fund balance - June 30, 2011			<u>\$ 193,349</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, 2011

	<u>2010 - 2011</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	\$ -	\$ -	\$ 1,263	\$ 1,263
Intergovernmental	432,000	432,000	515,381	83,381
Developer fees	<u>-</u>	<u>-</u>	<u>167</u>	<u>167</u>
Total Revenues	<u>432,000</u>	<u>432,000</u>	<u>516,811</u>	<u>84,811</u>
<u>EXPENDITURES</u>				
Current:				
Public ways and facilities	-	-	40	(40)
Capital outlay	<u>1,365,650</u>	<u>1,365,650</u>	<u>921,960</u>	<u>443,690</u>
Total Expenditures	<u>1,365,650</u>	<u>1,365,650</u>	<u>922,000</u>	<u>443,650</u>
Excess (deficiency) of revenues over expenditures	<u>(933,650)</u>	<u>(933,650)</u>	<u>(405,189)</u>	<u>528,461</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(1,997)</u>	<u>(1,997)</u>	<u>(1,997)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,997)</u>	<u>(1,997)</u>	<u>(1,997)</u>	<u>-</u>
Net change in fund balance	<u>\$ (935,647)</u>	<u>\$ (935,647)</u>	<u>(407,186)</u>	<u>\$ 528,461</u>
Fund balance - July 1, 2010			<u>785,246</u>	
Fund balance - June 30, 2011			<u>\$ 378,060</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, 2011

	2010 - 2011			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	\$ -	\$ -	\$ 5,937	\$ 5,937
Intergovernmental	42,500	42,500	24,569	(17,931)
Other revenues	<u>750,000</u>	<u>750,000</u>	<u>-</u>	<u>(750,000)</u>
Total Revenues	<u>792,500</u>	<u>792,500</u>	<u>30,506</u>	<u>(761,994)</u>
<u>EXPENDITURES</u>				
Current:				
Capital outlay	<u>975,550</u>	<u>975,550</u>	<u>119,810</u>	<u>855,740</u>
Total Expenditures	<u>975,550</u>	<u>975,550</u>	<u>119,810</u>	<u>855,740</u>
Excess (deficiency) of revenues over expenditures	<u>(183,050)</u>	<u>(183,050)</u>	<u>(89,304)</u>	<u>93,746</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>1,272,000</u>	<u>1,272,000</u>	<u>1,272,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,272,000</u>	<u>1,272,000</u>	<u>1,272,000</u>	<u>-</u>
Net change in fund balance	<u>\$ 1,088,950</u>	<u>\$ 1,088,950</u>	<u>1,182,696</u>	<u>\$ 93,746</u>
Fund balance - July 1, 2010			<u>55</u>	
Fund balance - June 30, 2011			<u>\$ 1,182,751</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, 2011

	<u>2010 - 2011</u> <u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 3,323	\$ 3,323
Intergovernmental	<u>1,301,000</u>	<u>1,301,000</u>	<u>37,180</u>	<u>(1,263,820)</u>
Total Revenues	<u>1,301,000</u>	<u>1,301,000</u>	<u>40,503</u>	<u>(1,260,497)</u>
<u>EXPENDITURES</u>				
Current:				
Public ways and facilities	-	-	15,000	(15,000)
Capital outlay	<u>1,295,000</u>	<u>1,295,500</u>	<u>22,139</u>	<u>1,273,361</u>
Total Expenditures	<u>1,295,000</u>	<u>1,295,500</u>	<u>37,139</u>	<u>1,258,361</u>
Excess (deficiency) of revenues over expenditures	<u>6,000</u>	<u>5,500</u>	<u>3,364</u>	<u>(2,136)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(7,904)</u>	<u>(7,904)</u>	<u>(7,904)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(7,904)</u>	<u>(7,904)</u>	<u>(7,904)</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,904)</u>	<u>\$ (2,404)</u>	<u>(4,540)</u>	<u>\$ (2,136)</u>
Fund balance - July 1, 2010			<u>535,588</u>	
Fund balance - June 30, 2011			<u>\$ 531,048</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, 2011

	2010 - 2011			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>5,000</u>	\$ <u>5,000</u>	\$ <u>1,534</u>	\$ <u>(3,466)</u>
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>1,534</u>	<u>(3,466)</u>
<u>EXPENDITURES</u>				
Current:				
Capital outlay	<u>298,045</u>	<u>298,045</u>	<u>36,439</u>	<u>261,606</u>
Total Expenditures	<u>298,045</u>	<u>298,045</u>	<u>36,439</u>	<u>261,606</u>
Excess (deficiency) of revenues over expenditures	<u>(293,045)</u>	<u>(293,045)</u>	<u>(34,905)</u>	<u>258,140</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(11,955)</u>	<u>(11,955)</u>	<u>(11,955)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(11,955)</u>	<u>(11,955)</u>	<u>(11,955)</u>	<u>-</u>
Net change in fund balance	\$ <u>(305,000)</u>	\$ <u>(305,000)</u>	<u>(46,860)</u>	\$ <u>258,140</u>
Fund balance - July 1, 2010			<u>301,103</u>	
Fund balance - June 30, 2011			<u>\$ <u>254,243</u></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, 2011

	<u>2010 - 2011</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>500</u>	\$ <u>500</u>	\$ <u>383</u>	\$ <u>(117)</u>
Total Revenues	<u>500</u>	<u>500</u>	<u>383</u>	<u>(117)</u>
<u>EXPENDITURES</u>				
Current:				
Public ways and facilities	<u>-</u>	<u>-</u>	<u>1,562</u>	<u>(1,562)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,562</u>	<u>(1,562)</u>
Net change in fund balance	<u>\$ 500</u>	<u>\$ 500</u>	<u>(1,179)</u>	<u>\$ (1,679)</u>
Fund balance - July 1, 2010			<u>64,881</u>	
Fund balance - June 30, 2011			<u>\$ 63,702</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, 2011

	<u>2010 - 2011</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>				
Total Revenues	-	-	-	-
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	3	3
Total other financing sources (uses)	-	-	3	3
Net change in fund balance	\$ -	\$ -	3	\$ 3
Fund balance - July 1, 2010			(3)	
Fund balance - June 30, 2011			\$ -	

*The City did not adopt a budget for the Vacaville/Dixon Greenbelt Authority fund as of June 30, 2011.

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, 2011

	<u>2010 - 2011</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>75</u>	\$ <u>75</u>	\$ <u>75</u>	\$ <u>-</u>
Total Revenues	<u>75</u>	<u>75</u>	<u>75</u>	<u>-</u>
<u>EXPENDITURES</u>				
Current:				
General administration	-	-	105	(105)
Debt Service				
Principal	30,000	30,000	30,000	-
Interest and fiscal charges	<u>23,250</u>	<u>23,250</u>	<u>23,250</u>	<u>-</u>
Total Expenditures	<u>53,250</u>	<u>53,250</u>	<u>53,355</u>	<u>(105)</u>
Excess (deficiency) of revenues over expenditures	<u>(53,175)</u>	<u>(53,175)</u>	<u>(53,280)</u>	<u>(105)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>53,250</u>	<u>53,250</u>	<u>26,626</u>	<u>(26,624)</u>
Total Other Financing Sources (Uses)	<u>53,250</u>	<u>53,250</u>	<u>26,626</u>	<u>(26,624)</u>
Net change in fund balance	\$ <u>75</u>	\$ <u>75</u>	<u>(26,654)</u>	\$ <u>(26,729)</u>
Fund balance - July 1, 2010			<u>29,194</u>	
Fund balance - June 30, 2011			\$ <u>2,540</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, 2011

	<u>2010 - 2011</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>950</u>	\$ <u>950</u>	\$ <u>273</u>	\$ <u>(677)</u>
Total Revenues	<u>950</u>	<u>950</u>	<u>273</u>	<u>(677)</u>
<u>EXPENDITURES</u>				
Current:				
Debt Service				
Principal	145,000	145,000	145,000	-
Interest and fiscal charges	<u>45,870</u>	<u>45,870</u>	<u>45,633</u>	<u>237</u>
Total Expenditures	<u>190,870</u>	<u>190,870</u>	<u>190,633</u>	<u>237</u>
Excess (deficiency) of revenues over expenditures	<u>(189,920)</u>	<u>(189,920)</u>	<u>(190,360)</u>	<u>(440)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>190,000</u>	<u>190,000</u>	<u>190,064</u>	<u>64</u>
Total Other Financing Sources (Uses)	<u>190,000</u>	<u>190,000</u>	<u>190,064</u>	<u>64</u>
Net change in fund balance	\$ <u>80</u>	\$ <u>80</u>	<u>(296)</u>	\$ <u>(376)</u>
Fund balance - July 1, 2010			<u>177,563</u>	
Fund balance - June 30, 2011			\$ <u>177,267</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, 2011

	<u>2010 - 2011</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>1,250</u>	\$ <u>1,250</u>	\$ <u>159</u>	\$ <u>(1,091)</u>
Total Revenues	<u>1,250</u>	<u>1,250</u>	<u>159</u>	<u>(1,091)</u>
<u>EXPENDITURES</u>				
Current:				
Debt Service				
Principal	130,000	130,000	130,000	-
Interest and fiscal charges	<u>119,795</u>	<u>119,795</u>	<u>119,573</u>	<u>222</u>
Total Expenditures	<u>249,795</u>	<u>249,795</u>	<u>249,573</u>	<u>222</u>
Excess (deficiency) of revenues over expenditures	<u>(248,545)</u>	<u>(248,545)</u>	<u>(249,414)</u>	<u>(869)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>215,000</u>	<u>215,000</u>	<u>215,000</u>	-
Total Other Financing Sources (Uses)	<u>215,000</u>	<u>215,000</u>	<u>215,000</u>	-
Net change in fund balance	\$ <u>(33,545)</u>	\$ <u>(33,545)</u>	<u>(34,414)</u>	\$ <u>(869)</u>
Fund balance - July 1, 2010			<u>227,209</u>	
Fund balance - June 30, 2011			\$ <u>192,795</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 Water Authority

This fund is used to account for the activities of the joint powers authority, Dixon-Solano Water Authority, a water service operated under a joint exercise of power agreement between the City of Dixon and Solano Irrigation District.

CITY OF DIXON
COMBINING STATEMENT OF NET ASSETS
AGENCY FUNDS
JUNE 30, 2011

	West "A" Street Improvement District	North First Street Improvement District	Flexible Spending Account	Dixon Fire Protection Agency	Public Financing Assessment Districts	Dixon-Solano Water Authority	Totals
<u>ASSETS</u>							
Cash and investments	\$ 363,615	\$ 2,070,736	\$ 1,120	\$ 569,876	\$ 391,475	\$ 743,502	\$ 4,140,324
Accounts receivable	-	-	-	36,831	-	184,186	221,017
Interest receivable	601	3,449	-	955	656	1,360	7,021
Taxes receivable	-	-	-	9,922	-	-	9,922
Restricted cash	-	-	-	-	<u>2,324,625</u>	-	<u>2,324,625</u>
Total Assets	<u>\$ 364,216</u>	<u>\$ 2,074,185</u>	<u>\$ 1,120</u>	<u>\$ 617,584</u>	<u>\$ 2,716,756</u>	<u>\$ 929,048</u>	<u>\$ 6,702,909</u>
<u>LIABILITIES</u>							
Accounts payable	\$ -	\$ -	\$ -	\$ 9,140	\$ -	\$ 80,535	\$ 89,675
Deposits payable	-	-	-	-	-	762,361	762,361
Interest payable	30,220	211,630	-	-	-	-	241,850
Agency obligations	<u>333,996</u>	<u>1,862,555</u>	<u>1,120</u>	<u>608,444</u>	<u>2,716,756</u>	<u>86,152</u>	<u>5,609,023</u>
Total Liabilities	<u>\$ 364,216</u>	<u>\$ 2,074,185</u>	<u>\$ 1,120</u>	<u>\$ 617,584</u>	<u>\$ 2,716,756</u>	<u>\$ 929,048</u>	<u>\$ 6,702,909</u>

CITY OF DIXON
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>West "A" Street Improvement District</u>				
ASSETS				
Cash and investments	\$ 187,702	\$ 629,583	\$ 453,670	\$ 363,615
Interest receivable	<u>1,224</u>	<u>601</u>	<u>1,224</u>	<u>601</u>
Total Assets	<u>\$ 188,926</u>	<u>\$ 630,184</u>	<u>\$ 454,894</u>	<u>\$ 364,216</u>
LIABILITIES				
Interest payable	\$ 36,697	\$ 30,220	\$ 36,697	\$ 30,220
Agency obligations	<u>152,229</u>	<u>666,881</u>	<u>485,114</u>	<u>333,996</u>
Total Liabilities	<u>\$ 188,926</u>	<u>\$ 697,101</u>	<u>\$ 521,811</u>	<u>\$ 364,216</u>
<u>North First Street Improvement District</u>				
ASSETS				
Cash and investments	\$ 1,890,661	\$ 1,621,483	\$ 1,441,408	\$ 2,070,736
Interest receivable	<u>11,825</u>	<u>3,449</u>	<u>11,825</u>	<u>3,449</u>
Total Assets	<u>\$ 1,902,486</u>	<u>\$ 1,624,932</u>	<u>\$ 1,453,233</u>	<u>\$ 2,074,185</u>
LIABILITIES				
Interest payable	\$ 229,266	\$ 211,630	\$ 229,266	\$ 211,630
Agency obligations	<u>1,673,220</u>	<u>1,854,198</u>	<u>1,664,863</u>	<u>1,862,555</u>
Total Liabilities	<u>\$ 1,902,486</u>	<u>\$ 2,065,828</u>	<u>\$ 1,894,129</u>	<u>\$ 2,074,185</u>
<u>Flexible Spending Account</u>				
ASSETS				
Cash and investments	\$ <u>6,245</u>	\$ <u>58,097</u>	\$ <u>63,222</u>	\$ <u>1,120</u>
Total Assets	<u>\$ 6,245</u>	<u>\$ 58,097</u>	<u>\$ 63,222</u>	<u>\$ 1,120</u>
LIABILITIES				
Agency obligations	\$ <u>6,245</u>	\$ <u>47,641</u>	\$ <u>52,766</u>	\$ <u>1,120</u>
Total Liabilities	<u>\$ 6,245</u>	<u>\$ 47,641</u>	<u>\$ 52,766</u>	<u>\$ 1,120</u>
<u>Dixon Fire Protection Agency</u>				
ASSETS				
Cash and investments	\$ 528,838	\$ 448,221	\$ 407,183	\$ 569,876
Accounts receivable	36,831	-	-	36,831
Interest receivable	2,742	955	2,742	955
Taxes receivable	<u>514</u>	<u>9,922</u>	<u>514</u>	<u>9,922</u>
Total Assets	<u>\$ 568,925</u>	<u>\$ 459,098</u>	<u>\$ 410,439</u>	<u>\$ 617,584</u>
LIABILITIES				
Accounts payable	\$ 3,044	\$ 13,075	\$ 6,979	\$ 9,140
Agency obligations	<u>565,881</u>	<u>500,169</u>	<u>457,606</u>	<u>608,444</u>
Total Liabilities	<u>\$ 568,925</u>	<u>\$ 513,244</u>	<u>\$ 464,585</u>	<u>\$ 617,584</u>

CITY OF DIXON
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (continued)
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>Public Financing Assessment District</u>				
ASSETS				
Cash and investments	\$ 396,476	\$ 365,251	\$ 370,252	\$ 391,475
Restricted cash and investments	2,158,477	3,084,263	2,918,115	2,324,625
Interest receivable	<u>-</u>	<u>656</u>	<u>-</u>	<u>656</u>
Total Assets	<u>\$ 2,554,953</u>	<u>\$ 3,450,170</u>	<u>\$ 3,288,367</u>	<u>\$ 2,716,756</u>
LIABILITIES				
Interest payable	\$ 217,021	\$ -	\$ 217,021	\$ -
Agency obligations	<u>2,337,932</u>	<u>2,066,893</u>	<u>1,688,069</u>	<u>2,716,756</u>
Total Liabilities	<u>\$ 2,554,953</u>	<u>\$ 2,066,893</u>	<u>\$ 1,905,090</u>	<u>\$ 2,716,756</u>
<u>Dixon Solano Water Authority</u>				
ASSETS				
Cash and investments	\$ -	\$ 1,823,413	\$ 1,079,911	\$ 743,502
Accounts receivable	-	1,211,458	1,027,272	184,186
Interest receivable	<u>-</u>	<u>6,274</u>	<u>4,914</u>	<u>1,360</u>
Total Assets	<u>\$ -</u>	<u>\$ 3,041,145</u>	<u>\$ 2,112,097</u>	<u>\$ 929,048</u>
LIABILITIES				
Accounts payable	\$ -	\$ 909,485	\$ 828,950	\$ 80,535
Deposits payable	-	762,361	-	762,361
Agency obligations	<u>-</u>	<u>1,252,177</u>	<u>1,166,025</u>	<u>86,152</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 2,924,023</u>	<u>\$ 1,994,975</u>	<u>\$ 929,048</u>
<u>Total Agency Funds</u>				
ASSETS				
Cash and investments	\$ 3,009,922	\$ 4,946,048	\$ 3,815,646	\$ 4,140,324
Restricted cash and investments	2,158,477	3,084,263	2,918,115	2,324,625
Accounts receivable	36,831	1,211,458	1,027,272	221,017
Taxes receivable	514	9,922	514	9,922
Interest receivable	<u>15,791</u>	<u>11,935</u>	<u>20,705</u>	<u>7,021</u>
Total Assets	<u>\$ 5,221,535</u>	<u>\$ 9,263,626</u>	<u>\$ 7,782,252</u>	<u>\$ 6,702,909</u>
LIABILITIES				
Accounts payable	\$ 3,044	\$ 922,560	\$ 835,929	\$ 89,675
Deposits payable	-	762,361	-	762,361
Interest payable	482,984	241,850	482,984	241,850
Agency obligations	<u>4,735,507</u>	<u>6,387,959</u>	<u>5,514,443</u>	<u>5,609,023</u>
Total Liabilities	<u>\$ 5,221,535</u>	<u>\$ 8,314,730</u>	<u>\$ 6,833,356</u>	<u>\$ 6,702,909</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, 2011

	<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	\$ -	\$ 415,966	\$ 143,814	\$ 27,342	\$ -	\$ 61,092	\$ 1,550,840	\$ 205,060	\$ 2,404,114
Accounts receivable	446,795	-	-	241	-	-	-	-	447,036
Interest receivable	-	3,286	240	45	-	102	2,606	356	6,635
Taxes receivable	974,067	-	-	-	-	-	-	-	974,067
Due from other funds	150,000	1,544,760	-	-	-	-	-	-	1,694,760
Due from other governments	694,645	-	-	-	-	-	-	-	694,645
Prepaid expenses	293,898	-	-	-	-	-	-	-	293,898
Inventory	1,849	-	-	-	-	-	-	-	1,849
Total Assets	<u>\$ 2,561,254</u>	<u>\$ 1,964,012</u>	<u>\$ 144,054</u>	<u>\$ 27,628</u>	<u>\$ -</u>	<u>\$ 61,194</u>	<u>\$ 1,553,446</u>	<u>\$ 205,416</u>	<u>\$ 6,517,004</u>
LIABILITIES AND FUND BALANCES (DEFICITS)									
LIABILITIES:									
Accounts payable	\$ 296,503	\$ -	\$ -	\$ 4,729	\$ -	\$ 73	\$ -	\$ -	\$ 301,305
Accrued payroll and benefits	361,616	-	-	-	-	-	-	-	361,616
Deferred revenue	802,536	-	-	-	-	-	-	-	802,536
Deposits payable	222,814	-	-	-	-	48,749	-	-	271,563
Due to other funds	1,280,774	-	-	-	-	-	-	-	1,280,774
Total Liabilities	<u>2,964,243</u>	<u>-</u>	<u>-</u>	<u>4,729</u>	<u>-</u>	<u>48,822</u>	<u>-</u>	<u>-</u>	<u>3,017,794</u>
FUND BALANCES (DEFICITS):									
Reserved for:									
Nonspendable	295,747	-	-	-	-	-	-	-	295,747
Restricted	980	-	-	-	-	-	-	-	980
Committed	115,197	-	-	-	-	-	-	-	115,197
Assigned	4,200	-	-	-	-	-	1,553,446	-	1,557,646
Unassigned	(819,113)	1,964,012	144,054	22,899	-	12,372	-	205,416	1,529,640
Total Fund Balances (Deficits)	<u>(402,989)</u>	<u>1,964,012</u>	<u>144,054</u>	<u>22,899</u>	<u>-</u>	<u>12,372</u>	<u>1,553,446</u>	<u>205,416</u>	<u>3,499,210</u>
Total Liabilities and Fund Balances	<u>\$ 2,561,254</u>	<u>\$ 1,964,012</u>	<u>\$ 144,054</u>	<u>\$ 27,628</u>	<u>\$ -</u>	<u>\$ 61,194</u>	<u>\$ 1,553,446</u>	<u>\$ 205,416</u>	<u>\$ 6,517,004</u>

CITY OF DIXON
GENERAL FUND
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 JUNE 30, 2011

	<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	\$ 9,257,914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,257,914
Licence, permits, and fees	789,716	-	8,019	24,402	-	5,000	-	-	827,137
Fines and forfeitures	5,384	-	-	-	-	-	-	-	5,384
Use of money and property	114,117	12,500	878	187	-	374	9,290	1,286	138,632
Intergovernmental	344,349	-	-	5,000	-	-	-	-	349,349
Charges for services	223,759	-	-	39,053	-	-	-	-	262,812
Other revenues	<u>54,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,540</u>
Total Revenues	<u>10,789,779</u>	<u>12,500</u>	<u>8,897</u>	<u>68,642</u>	<u>-</u>	<u>5,374</u>	<u>9,290</u>	<u>1,286</u>	<u>10,895,768</u>
EXPENDITURES									
General administration	2,274,573	-	600	-	-	-	8,026	3,605	2,286,804
Public safety	7,099,438	-	-	-	-	-	-	-	7,099,438
Parks and recreation	1,413,567	-	-	53,562	-	-	-	-	1,467,129
Development	641,569	-	2,533	-	-	5,018	-	-	649,120
Public ways and facilities	988,156	-	-	-	-	-	-	-	988,156
Capital outlay	<u>146,111</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,111</u>
Total Expenditures	<u>12,563,414</u>	<u>-</u>	<u>3,133</u>	<u>53,562</u>	<u>-</u>	<u>5,018</u>	<u>8,026</u>	<u>3,605</u>	<u>12,636,758</u>
Excess (deficiency) of revenues over expenditures	<u>(1,773,635)</u>	<u>12,500</u>	<u>5,764</u>	<u>15,080</u>	<u>-</u>	<u>356</u>	<u>1,264</u>	<u>(2,319)</u>	<u>(1,740,990)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	1,084,785	-	-	-	12,296	-	50,000	-	1,147,081
Transfers out	<u>(189,589)</u>	<u>-</u>	<u>-</u>	<u>(17,597)</u>	<u>-</u>	<u>-</u>	<u>(54,410)</u>	<u>(60,000)</u>	<u>(321,596)</u>
Total Other Financing Sources (Uses)	<u>895,196</u>	<u>-</u>	<u>-</u>	<u>(17,597)</u>	<u>12,296</u>	<u>-</u>	<u>(4,410)</u>	<u>(60,000)</u>	<u>825,485</u>
Net Change in Fund Balance	(878,439)	12,500	5,764	(2,517)	12,296	356	(3,146)	(62,319)	(915,505)
Fund Balances - July 1, 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>
Fund Balances - June 30, 2011	<u>\$ (402,989)</u>	<u>\$ 1,964,012</u>	<u>\$ 144,054</u>	<u>\$ 22,899</u>	<u>\$ -</u>	<u>\$ 12,372</u>	<u>\$ 1,553,446</u>	<u>\$ 205,416</u>	<u>\$ 3,499,210</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.	115 - 120
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.	121 - 125
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.	126 - 130
Economic and 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.	131 - 132
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.	133 - 135

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
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(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>	<u>2011</u>
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	\$ 136,806
Restricted	26,046	22,702	23,897	20,525	19,400	4,811	2,509	3,396	4,502
Unrestricted	6,462	4,098	4,355	4,058	4,968	15,476	17,525	13,097	10,970
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>	<u>\$ 152,278</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	\$ 41,823
Restricted	53	523	531	550	571	373	182	196	195
Unrestricted	60	218	1,965	2,478	918	2,743	2,579	2,853	2,967
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>	<u>\$ 44,985</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	\$ 178,629
Restricted	26,099	23,225	24,428	21,075	19,971	5,184	2,691	3,592	4,697
Unrestricted	6,522	4,316	6,320	6,536	5,886	18,219	20,104	15,950	13,937
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>	<u>\$ 197,263</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 nine years of data available to report.

Source: City of Dixon Finance Department

CITY OF DIXON
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS

(accrual basis of accounting, in thousands of dollars)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental Activities:									
General government	\$ 2,592	\$ 1,962	\$ 2,160	\$ 2,612	\$ 3,048	\$ 3,534	\$ 2,323	\$ 3,130	\$ 2,482
Public safety	6,871	5,791	6,271	6,828	7,425	7,798	7,961	7,832	7,566
Public services	1,015	1,416	1,500	1,963	2,176	2,254	2,394	5,396	4,782
Recreation	706	1,878	2,098	1,799	2,303	2,859	2,426	2,361	2,197
Community development	1,745	5,248	7,013	5,890	5,745	6,455	5,186	3,553	1,649
Interest and fiscal charges	641	525	555	535	769	445	428	405	384
Transfers out	1,239	-	-	-	-	-	-	-	-
Total government activity expenses	\$ 14,809	\$ 16,820	\$ 19,597	\$ 19,627	\$ 21,466	\$ 23,345	\$ 20,718	\$ 22,677	\$ 19,060
Business-type activities:									
Sewer	\$ 1,777	\$ 2,191	\$ 2,761	\$ 2,341	\$ 2,701	\$ 3,150	\$ 3,066	\$ 2,938	\$ 2,904
Water	474	583	583	555	711	779	830	882	131
Transit	397	482	601	646	642	713	638	569	624
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	3,659
Total primary government expenses	\$ 17,457	\$ 20,076	\$ 23,583	\$ 23,197	\$ 25,612	\$ 28,147	\$ 25,557	\$ 27,374	\$ 22,719
Program Revenues									
Charges for Services									
General government	\$ 247	\$ 1,384	\$ 1,334	\$ 1,744	\$ 1,363	\$ 1,884	\$ 155	\$ 226	\$ 288
Public safety	930	526	633	696	727	778	707	663	722
Parks and recreation	3,185	342	248	139	200	233	333	186	129
Development	71	70	91	109	1,322	544	180	175	74
Public ways and facilities	-	2,184	2,196	376	151	475	222	88	94
Operating grants	603	586	885	1,122	445	632	505	854	202
Capital grants	1,147	3,351	10,303	12,718	2,326	2,122	853	1413	1,202
Total governmental activities	6,183	8,443	15,690	16,904	6,534	6,668	2,955	3,605	2,711
Business-type activities:									
Charges for services	1,893	3,028	1,728	1,817	2,115	2,376	2358	2743	2490
Operating grants and contributions	337	334	458	501	558	577	669	544	532
Capital grants and contributions	1,924	87	4,634	3,725	2,974	-	0	57	284
Transfers In	1,239	-	-	-	-	-	0	0	0
Total business-type activities	5,393	3,449	6,820	6,043	5,647	2,953	3,027	3,344	3,306
Total primary government	\$ 11,576	\$ 11,892	\$ 22,510	\$ 22,947	\$ 12,181	\$ 9,621	\$ 5,982	\$ 6,949	\$ 6,017
Net (Expense)/Revenue									
Governmental activities	\$ (8,626)	\$ (8,377)	\$ (3,907)	\$ (2,723)	\$ (14,932)	\$ (16,677)	\$ (17,763)	\$ (19,072)	\$ (16,349)
Business-type activities	2,745	193	2,834	2,473	1,501	(1,849)	(1,812)	(1,353)	(353)
Total primary government	\$ (5,881)	\$ (8,184)	\$ (1,073)	\$ (250)	\$ (13,431)	\$ (18,526)	\$ (19,575)	\$ (20,425)	\$ (16,702)

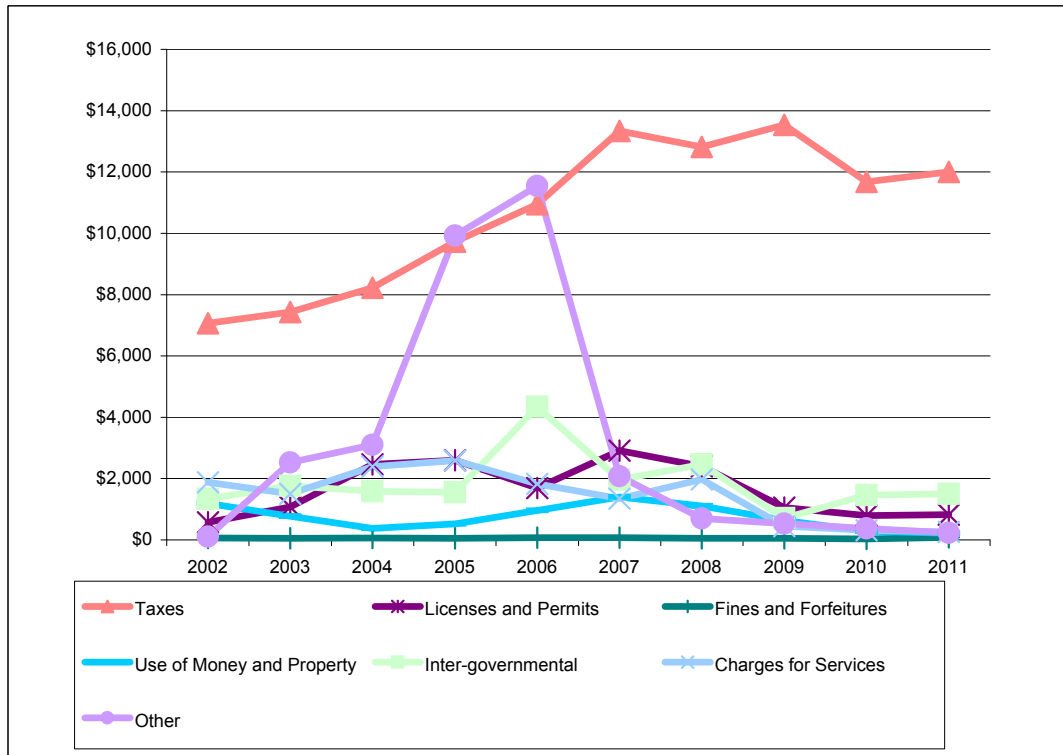
CITY OF DIXON
CHANGES IN NET ASSETS (continued)
LAST NINE FISCAL YEARS
(accrual basis of accounting, in thousands of dollars)

	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>	<u>2011</u>
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	\$ 4,480
Property taxes	3,179	3,513	4,269	4,888	5,335	5,504	5,363	4,915	5,069
Motor vehicle and gas taxes	937	1,058	1,339	1,432	1,817	1,790	1,847	1,673	1,777
Franchise taxes	197	407	405	437	492	472	519	502	506
Transient Occupancy taxes	179	165	192	225	266	243	200	157	170
Interest and investment	827	360	525	936	1,365	1,072	537	244	216
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	56
Transfers In	-	-	41	28	92	160	305	308	300
Total governmental activities	\$ 9,166	\$ 9,419	\$ 11,052	\$ 12,776	\$ 15,836	\$ 14,885	\$ 14,132	\$ 12,406	\$ 12,574
Business-type Activities									
Interest and investment	\$ 80	\$ 54	\$ 97	\$ 170	\$ 304	\$ 249	\$ 91	\$ 33	\$ 23
Other revenue	(3)	-	3	1,570	144	449	9	22	-
Special items	-	-	-	-	-	-	-	-	(10,526)
Total business-type activities	77	54	100	1,740	448	698	100	55	(10,503)
Other sources (uses) of money									
Total primary government	\$ 9,243	\$ 9,473	\$ 11,152	\$ 14,516	\$ 16,284	\$ 15,583	\$ 14,232	\$ 12,461	\$ 2,071
Change in Net Assets									
Governmental activities	\$ 540	\$ 1,042	\$ 7,145	\$ 10,053	\$ 904	\$ (1,792)	\$ (3,631)	\$ (6,666)	\$ (3,775)
Business-type activities	2,822	247	2,934	4,213	1,949	(1,151)	(1,712)	(1,298)	(10,856)
Total primary government	\$ 3,362	\$ 1,289	\$ 10,079	\$ 14,266	\$ 2,853	\$ (2,943)	\$ (5,343)	\$ (7,964)	\$ (14,631)

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

Source: City of Dixon Finance Department

CITY OF DIXON
GOVERNMENTAL FUNDS REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(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>
2002 \$	7,069	\$ 569	\$ 58	\$ 1,188	\$ 1,333	\$ 1,874	\$ 100	\$ 12,191
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
2007	13,343	2,913	70	1,394	1,961	1,349	2,079	23,109
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
2011	12,003	827	84	221	1,506	265	229	15,135

Source: City of Dixon Finance Department

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	
Nonspendable									296
Restricted									1
Committed									115
Assinged									1,558
Unassigned									1,529
Total General Fund	\$ 4,399	\$ 4,709	\$ 4,836	\$ 4,793	\$ 5,820	\$ 5,875	\$ 5,419	\$ 4,415	\$ 3,499
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	
Nonspendable									1,968
Restricted									4,130
Committed									10
Assinged									7,009
Unassigned									(957)
Total all other Governmental Funds	\$ 27,284	\$ 19,448	\$ 22,879	\$ 18,040	\$ 17,315	\$ 14,962	\$ 14,942	\$ 12,224	\$ 12,160

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

Note 2: The City implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. Therefore, comparative information for prior years is not available.

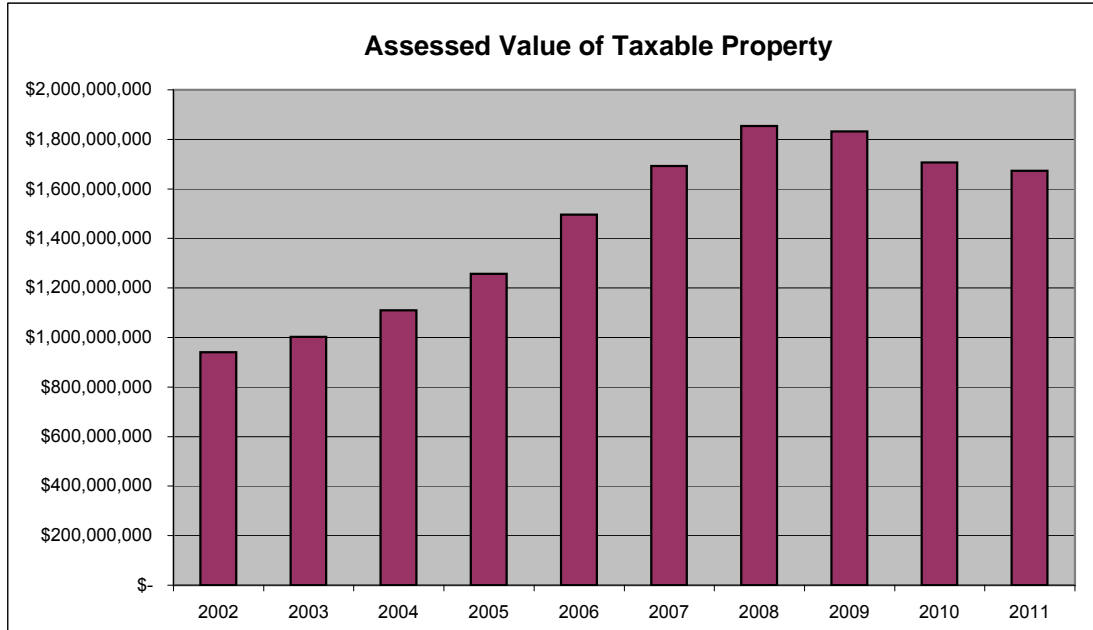
Source: City of Dixon Finance Department

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes and assessments	\$ 9,563	\$ 10,191	\$ 8,225	\$ 9,725	\$ 10,946	\$ 13,343	\$ 12,820	\$ 13,536	\$ 11,682	\$ 12,003
Licenses, permits, and fess	569	1,071	2,467	2,601	1,696	2,913	2,402	1,052	790	827
Fines and forfeitures	58	56	59	55	77	70	52	54	35	84
Use of money and property	1,188	819	378	518	957	1,394	1,108	637	286	221
Program income			399	581	1,594	768	111	112	59	170
Intergovernmental revenues	1,333	1,761	1,185	970	2,748	1,193	2,459	707	1,465	1,506
Charges for service	1,874	3,869	5,261	2,588	1,828	1,349	1,974	446	316	265
Contributions				157	9,703	1,142	4	-	-	-
Developer fees				9,508	1,678	601	322	272	38	3
Other revenues	100	153	233	256	165	336	265	146	275	56
Total revenues	14,685	17,920	18,207	26,959	31,392	23,109	21,517	16,962	14,946	15,135
Expenditures										
General government	3,155	2,955	1,864	2,092	2,505	2,939	3,554	1,956	2,917	2,287
Public safety	4,871	5,485	5,421	6,005	6,415	7,114	7,530	7,570	7,296	7,162
Parks and recreation	817	822	1,040	1,127	1,306	1,481	1,711	1,705	1,542	1,467
Development			2,106	2,251	2,686	2,665	2,880	2,930	3,258	1,795
Public ways and facilities	660	957	2,673	4,364	2,939	2,667	2,884	1,924	2,273	1,381
Debt service - Principal	3,619	1,303	445	456	450	465	375	400	425	445
Debt service - Interest		1,967	528	515	491	762	438	419	397	374
Capital outlay	3,346	4,324	9,224	8,633	17,182	4,807	4,602	1,148	917	1,502
Total expenditures	16,468	17,813	23,301	25,443	33,974	22,900	23,974	18,052	19,025	16,413
Excess of revenues over (under) expenditures	(1,783)	107	(5,094)	1,516	(2,582)	209	(2,457)	(1,090)	(4,079)	(1,278)
Other financing sources (uses)										
Transfers in	2,397	2,129	3,159	2,116	3,383	3,879	3,404	1,888	2,044	3,244
Transfers out	(5,890)	(3,368)	(3,159)	(2,074)	(3,355)	(3,787)	(3,243)	(1,583)	(1,736)	(2,945)
Total other financing sources	(3,493)	(1,239)	-	42	28	92	161	305	308	299
Net change in fund balance	\$ (5,276)	\$ (1,132)	\$ (5,094)	\$ 1,558	\$ (2,554)	\$ 301	\$ (2,296)	\$ (785)	\$ (3,771)	\$ (979)
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%	5.5%

Source: City of Dixon Finance Department

**CITY OF DIXON
 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 (1)</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>
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
2011	1,068,035,906	182,283,193	285,003,298	138,336,899	1,673,659,296	0.29395%	4,919,722

Notes:

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

Source : HdL, Coren & Cone

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

<u>Fiscal Year</u>	<u>Basic County City School Levy</u>	<u>Dixon Unified School District</u>	<u>Solano County Flood Water Project</u>	<u>Solano Community College</u>	<u>Total Direct and Overlapping Rates</u>	<u>Total Direct Rates</u>
2002	1.00	-	0.02	-	1.02000	0.29616
2003	1.00	-	0.02	-	1.02000	0.29778
2004	1.00	0.05227	0.02	0.01432	1.08659	0.29585
2005	1.00	0.04387	0.02	0.01532	1.07919	0.30048
2006	1.00	0.04342	0.02	0.01643	1.07985	0.28997
2007	1.00	0.04923	0.02	0.01547	1.08470	0.28877
2008	1.00	0.04664	0.02	0.01458	1.08122	0.28893
2009	1.00	0.04699	0.02	0.01498	1.08197	0.29231
2010	1.00	0.05456	0.02	0.01846	1.09302	0.29569
2011	1.00	0.05170	0.02	0.01945	1.09115	0.29395

Source: HdL, Coren & Cone

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

<u>Taxpayer</u>	<u>2010/11</u>			<u>2001/02</u>		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Undisclosed ¹	1	\$ 115,657,104	6.91%			
Basalite Concrete Products	2	\$ 38,188,390	2.28%			
Gymboree Logistics Partnership	3	\$ 37,585,809	2.25%	1	\$ 23,364,749	2.48%
Cardinal Health 200Inc.	4	\$ 27,177,781	1.62%			
Wal Mart Real Estate Trust	5	\$ 20,674,922	1.24%			
Mililani Group	6	\$ 13,849,268	0.83%	4	\$ 10,900,000	1.16%
Insulfoam, LLC	7	\$ 12,931,942	0.77%			
Safeway Stores	8	\$ 8,802,320	0.53%	5	\$ 6,448,668	0.69%
California Water Service Company	9	\$ 8,535,606	0.51%			
Milgard Manufacturing, Inc.	10	\$ 8,500,086	0.51%			
Premier Industries				2	\$ 17,017,261	1.81%
Pacific Coast Building Pro				3	\$ 13,629,607	1.45%
CSK auto Inc.				7	\$ 5,062,787	0.54%
First Northern Bank of Dixon				6	\$ 5,208,737	0.55%
Walnut Ranch Apartments Limited				8	\$ 4,983,988	0.53%
Bhupendra B. and S B. Patel				9	\$ 4,366,163	0.46%
B and T LLC				10	\$ 4,124,392	0.44%
Top Ten Totals		\$ 291,903,228	17.45%		\$ 95,106,352	10.11%
City Total Taxable Assessed Value		\$ 1,673,659,296			\$ 941,188,836	

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

Source: Hdl, Coren & Cone

**CITY OF DIXON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(in thousands of dollars)**

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
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%
2011	2,587	2,587	100.00%	-	2,587	100.00%

¹Property 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 tax year and remains in effect unless the County Board of Supervisors orders its discontinuance.

Source: Hdl, Coren & Cone

CITY OF DIXON
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS
(amounts expressed in thousands)

	<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	\$ 1,357	\$ 2,618	\$ 4,891	\$ 6,011	\$ 10,967	\$ 15,281	\$ 20,166	\$ 19,479	\$ 19,975	\$ 22,578
General Merchandise	140	166	6,581	25,778	30,371	40,323	39,596	38,036	39,252	38,057
Food Stores	9,695	9,554	9,749	9,353	9,121	8,530	8,705	8,566	7,611	7,563
Eating and Drinking Places	22,535	23,127	24,097	26,091	27,148	27,507	27,916	26,543	25,250	24,746
Building Materials	9,402	10,777	11,401	10,759	11,362	10,462	11,760	14,011	23,320	15,568
Auto Dealers and Supplies	18,695	20,265	19,827	24,376	24,156	22,350	26,007	30,027	29,946	34,185
Service Stations	26,899	26,041	30,871	40,295	44,532	47,037	56,422	56,916	42,396	47,253
Other Retail Stores	16,485	16,837	18,962	19,801	19,008	20,054	19,473	17,695	12,030	12,779
All other outlets	136,437	224,602	239,477	251,854	276,033	332,769	370,976	296,616	283,712	236,112
Fiscal Year Totals	\$ 241,645	\$ 333,987	\$ 365,856	\$ 414,318	\$ 452,698	\$ 524,313	\$ 581,021	\$ 507,889	\$ 483,492	\$ 438,841

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

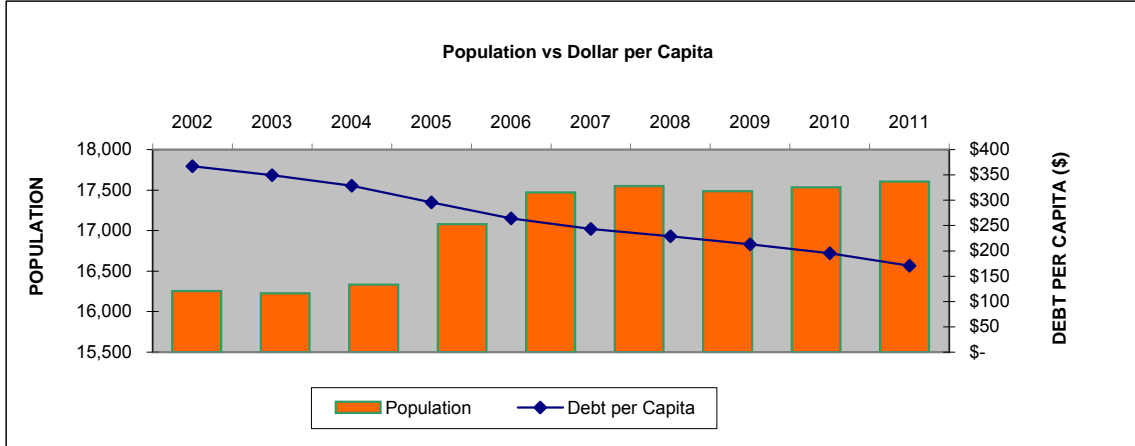
CITY OF DIXON
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS YEARS
(amounts expressed in thousands, except per capita amount)

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			
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
2011	3,055	3,130	-	1,047	-	1,580	77	8,889	1.98%	505

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
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS YEARS**



Fiscal Year	Lease Revenue Bonds	COPS	Total Primary Government	Percent of Assessed Value	Population	Debt per Capita
2002	\$ 5,430	\$ 535	\$ 5,965	0.634%	16,254	\$ 367
2003	5,215	460	5,675	0.566%	16,227	350
2004	4,985	380	5,365	0.484%	16,335	328
2005	4,755	295	5,050	0.402%	17,078	296
2006	4,515	105	4,620	0.309%	17,470	264
2007	4,265	-	4,265	0.252%	17,550	243
2008	4,005	-	4,005	0.216%	17,486	229
2009	3,730	-	3,730	0.220%	17,535	213
2010	3,435	-	3,435	0.185%	17,605	195
2011	3,130	-	3,130	0.169%	18,351	171

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

Source: City Finance Department

**CITY OF DIXON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2011**

2010-11 Assessed Valuation :	\$ 1,673,659,296
Redevelopment Incremental Valuation:	<u>212,665,284</u>
Adjusted assessed Valuation:	\$ 1,460,994,012

<u>Direct and Overlapping Tax and Assessment Debt</u>	<u>% Applicable [a]</u>	<u>Total Debt 6/30/2011</u>	<u>City's Share of Debt 6/30/2011</u>
Solano County Community College District	4.966%	\$ 108,605,090	\$ 5,393,329
Dixon Unified School District	68.945%	27,061,151	18,657,311
City of Dixon 1915 Act Bonds	100.000%	<u>11,745,000</u>	<u>11,745,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		147,411,241	35,795,639
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Solano County Certificates of Participation	4.723%	\$ 122,375,000	5,779,771
Solano County Pension Obligations	4.723%	82,805,000	3,910,880
Solano County Office of Education Certifications of Participation	4.723%	2,495,000	117,839
Dixon Unified School District Certificates of Participation	68.945%	11,230,000	7,742,524
City of Dixon General Fund Obligations	100.000%	<u>3,130,000</u>	<u>3,130,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$ 222,035,000	\$ 20,681,014
 GROSS COMBINED TOTAL DEBT		 \$ 369,446,241	
TOTAL DIRECT DEBT			\$ 3,130,000
NET COMBINED TOTAL DEBT			\$ 56,476,653 [a]

<u>Ratios to Adjusted Assessed Valuation:</u>	
Combined Direct Debt.....	0.21%
Combined Total Debt.....	3.87%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/11: \$-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 of Dixon.

Source: California Municipal Statistics, Inc.

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

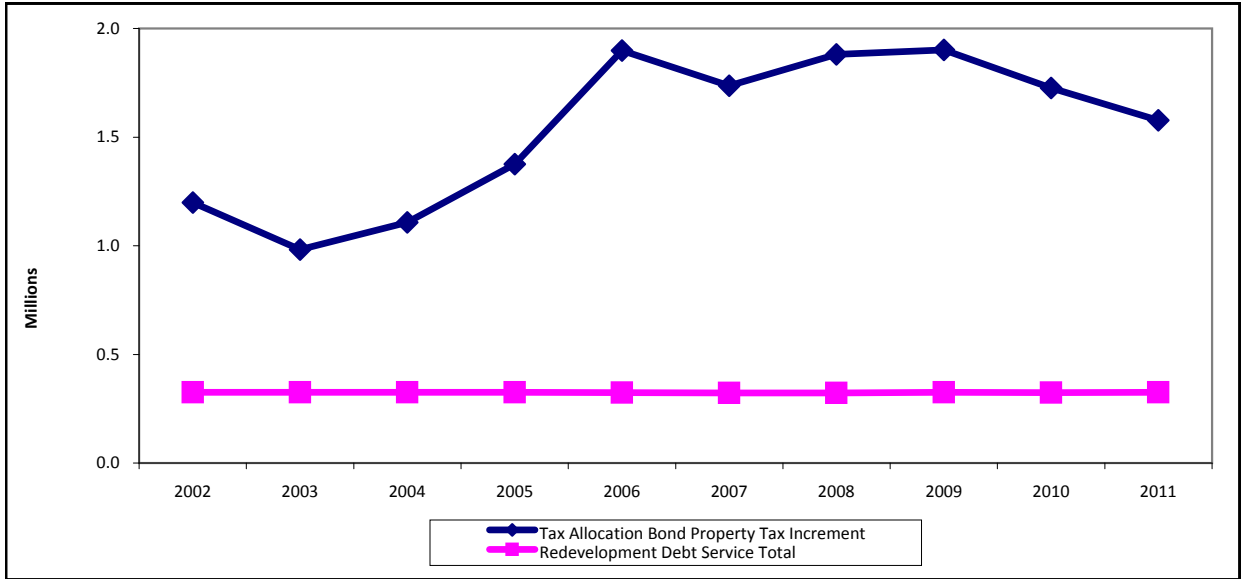
Legal Debt Margin Calculation for Fiscal Year 2011

Assessed Value (in thousands)	\$ 1,673,659
Debt Limit (15%) of total assessed value	251,049
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	\$ 251,049

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
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%
2011	1,673,659	251,049	-	251,049	0%

Source: City of Dixon Finance Department

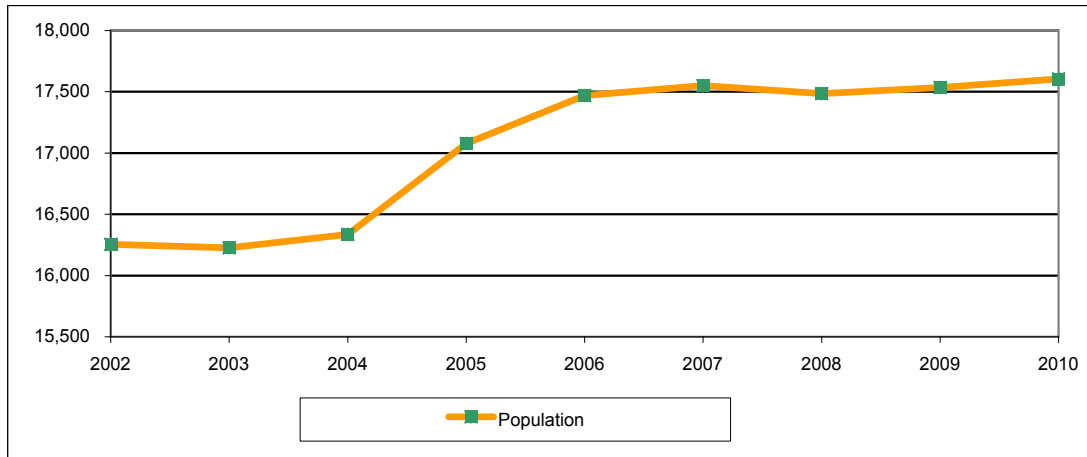
**CITY OF DIXON
PLEGDED REVENUE COVERAGE
LAST TEN FISCAL YEARS**
(amounts expressed in thousands of dollars)



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	
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%	
2011	1,972	394	1,578	140	185	325	21%	

Source: City of Dixon Finance Department

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



<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>% of pop 25+ w/ H.S. Degree</u>	<u>% of pop 25+ w/ Bachelor's Degree</u>
2002	16,254	\$ 333,719	\$ 20,531	4.6%		3,873		
2003	16,227	\$ 342,186	\$ 21,087	5.0%		3,997		
2004	16,335	\$ 363,382	\$ 22,246	4.6%		3,933		
2005	17,078	\$ 398,984	\$ 23,362	4.3%		3,929		
2006	17,470	\$ 437,134	\$ 25,022	3.9%		4,050		
2007	17,550	\$ 458,491	\$ 26,125	4.2%		4,088		
2008	17,486	\$ 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%
2010	17,605	\$ 448,135	\$ 25,455	9.7%	32.70	4,166	78.7%	19.4%
2011	18,351	not available	not available	8.9%	33.30	3,946	84.6%	27.5%

Source: Hdl, Coren & Cone

**CITY OF DIXON
PRINCIPAL EMPLOYERS
CURRENT AND TEN YEARS AGO**

Total City Employment 8100

Total City Employment 8500

FY 2010-11

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.	400	1	4.94%	Gymboree, Inc.	200	4	2.35%
Wal-Mart	317	2	3.91%				
First Northern Bank	233	3	2.88%	First Northern Bank	151	6	1.78%
Dixon Canning (Campbell's)	180	4	2.22%	Dixon Canning (Campbell's)	300	2	3.53%
Cardinal Health	153	5	1.89%	Cardinal Health	200	5	2.35%
Superior Packing	140	6	1.73%				
Basalite	139	7	1.72%				
Altec Industries	127	8	1.57%				
City of Dixon	104	9	1.28%	City of Dixon	120	7	1.41%
Dependable Heating and Air Conditioning	90	10	1.11%				
				Safeway	75	8	0.88%
				B.C. Stocking Distribution	75	9	0.88%
				Kragen Auto Works	350	1	4.12%
				Dixon Unified School District	201	3	2.36%

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

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government										
Management Services	7.5	7.5	7.35	7.35	7.5	7.5	7.5	7.5	7.5	7.75
Finance	5.3	5.3	5.3	6.3	6.3	6.66	7.5	6.84	6.84	4.84
Planning	2.625	2.625	2.625	3	4	4	4	3	2.75	2.75
Building	2	2	2	2	3	3	3	2	1.25	1.25
Other - Transit	5.425	5.875	5.9	6.34	7.09	7.09	7.68	7.68	6.19	6.78
Police										
Officers	26	26	26	27.5	30	30	31	30.5	28.5	27
Civilians	1	1	1	1	2	2	2	2	2	2
Fire										
Firefighters and officers	19	19	19	19	22	22	21	21	20	20
Civilians	1.5	1.5	1.75	1.75	1.75	1.875	2	2	2	2
Public Works										
Engineering	5	6	9	9	10	10	10	10	6.5	5.5
Maintenance	22.5	22.5	20.4	21.6	21.6	21.6	22.4	19.6	18.5	15.8
Redevelopment	1.25	1.25	1	1	1	1	1	1	1	1
Parks and recreation	3	3	3	3	4	4	4	4	4	2.95
Wastewater collection and treatment	4.5	4.5	5	5.3	5.3	5.36	6.5	6.67	8.165	8.165
Total	106.6	108.05	109.325	114.14	125.54	126.085	129.58	123.79	115.195	107.785

Source: City of Dixon Annual Budget

Paid employees only (excluding reserves and volunteers)

**CITY OF DIXON
OPERATING INDICATORS BY FUNCTION
LAST EIGHT FISCAL YEARS**

<u>Function</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>	<u>2011</u>
Public Safety:								
Police:								
Police Calls for Service	17,758	17,191	19,378	19,540	19,202	16,426	17,103	14,937
Law Violations:								
Part I Crimes	1,032	726	671	871	872	609	602	536
Physical Arrests (Adult and Juvenile)	582	602	568	589	567	492	505	370
Parking Violations	334	360	594	485	498	179	253	183
Fire:								
Number of volunteers	35	35	12	12	12	12	12	9
Number of calls answered	1,965	1,965	1,900	1,923	1,983	2,001	1,997	1,792
Transit service:								
Daily average number of passengers	260	260	257	254	260	228	177	174
Daily average number of service miles	230	230	385	382	230	338	290	307
Wastewater								
Service Connections	4,905	4,905	5,196	5,196	5,196	5,196	5,196	5,219
Maximum daily capacity of treatment plant (millions gallons per day)	1.40	1.82	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	1.29
Water Service - Dixon-Solano Water Agency								
Pumping capacity (million of gallons per day)	8.33	8.33	8.33	8.33	11.93	11.93	11.93	11.93
Average Consumption (million gallons per day)	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95

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
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST EIGHT 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>	<u>2011</u>
Public Safety:								
Police Stations	1	1	1	1	1	1	1	1
Police Patrol Units	14	17	17	17	17	17	17	17
Fire Stations	1	1	1	1	1	1	1	1
Fire Vehicles	12	12	12	12	12	12	13	13
Public Works								
Miles of Streets	61	62	62	62	62	62	62	62
Street Lights	1,576	1,576	2,020	2,020	2,020	2,020	2,020	2,020
Recreation and Community Services:								
City Parks	7	7	7	7	7	7	7	7
City Parks Acreage	89	89	89	89	89	89	89	89
Senior Centers	1	1	1	1	1	1	1	1
Swimming Pools	1	1	1	1	1	1	1	1
Tennis Courts	6	6	6	6	6	6	6	6
Baseball/Softball Diamonds	11	11	11	11	11	11	11	11
Soccer Fields	5	5	5	5	5	5	5	5
Library	1	1	1	1	1	1	1	1
Wastewater								
Treatment Plants	1	1	1	1	1	1	1	1
Sewer Lines (miles)	73	73	73	73	73	73	73	73
Storm Drain (miles)	43.1	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