
CITY OF DIXON California



Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2012



**CITY OF DIXON
CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**PREPARED BY
FINANCE DEPARTMENT**

CITY OF DIXON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION:	
Transmittal Letter	i - vii
GFOA Award	viii
Organization Chart	ix
Elected Officials and Executive Staff	x
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 Fiduciary Net Assets - Fiduciary Funds	30
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	31
Notes to Basic Financial Statements	32 - 62
Required Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	64 - 65
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - HOME Loans Fund	66
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Housing Successor Agency	67

CITY OF DIXON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

	Page
Required Supplemental Information (continued)	
Notes to Required Supplemental Information	68
Schedule of Funding Progress for Other Post Employment Benefits (OPEB)	69
Combining Financial Schedules and Other Supplemental Information	
Budgetary Comparison Schedule - Storm Drain	71
Budgetary Comparison Schedule - Transportation	72
Non-Major Governmental Funds:	
Description of Non-major Funds	73 - 74
Combining Balance Sheets	75 - 79
Combining Schedules of Revenues, Expenditures and Changes in Fund Balances	80 - 84
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
Redevelopment	85
Low/Moderate Income Housing	86
Gas Tax	87
Traffic Safety	88
Used Oil Recycling Block Grant Fund	89
COPS Block Grant	90
Asset Forfeiture	91
CDBG	92
Lighting and Landscaping Assessment District	93
Valley Glen Storm Drain	94
CFD Pond C	95
Capital Improvements	96
Community Development	97
Fire	98
Police	99
City Facilities	100
Public Works	101
Core Area Drainage	102
Transit Projects	103
Recreation Improvements	104
Agricultural Land Mitigation	105

CITY OF DIXON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

	Page
Combining Financial Schedules and Other Supplemental Information (continued)	
Dixon Public Financing Improvement Fund (DPIC)	106
Dixon Public Financing (DPFA) - Police Fund	107
Dixon Public Financing (DPFA) - Fire Fund	108
Lease Financing	109
Agency Funds	
Description of Agency Funds	110
Combining Statement of Net Assets	111
Statement of Changes in Fiduciary Net Assets	112 - 113
General Fund	
Description of General Funds	114
Combining Balance Sheet	115
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	116
STATISTICAL SECTION:	
Description of Statistical Section	118
Financial Trends	
Net Assets by Component	119
Changes in Net Assets	120
Governmental Funds - Revenues by Source	121
Fund Balance - Governmental Funds	122
Changes in Fund Balance - Governmental Funds	123
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	124
Property Tax Rates - Direct and Overlapping Governments	125
Principal Property Taxpayers	126
Property Tax Levies and Collections	127
Taxable Sales by Category	128
Debt Capacity	
Ratios of Outstanding Debt by Type	129
Ratios of Net General Bonded Debt Outstanding	130
Direct and Overlapping Governmental Debt	131

CITY OF DIXON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

	<u>Page</u>
STATISTICAL SECTION (continued):	
Computation of Legal Debt Margin	132
Pledged Revenue Coverage	133
Economic and Demographic Information	
Demographic and Economic Indicators	134
Principal Employers	135
Operating Information	
Full-time Equivalent City Government Employees by Function/Program	136
Operating Indicators by Function/Program	137
Capital Asset Statistics by Function/Program	138

INTRODUCTORY Section



MAYOR JACK BATCHELOR, JR.
VICE MAYOR DANE BESNEATTE
COUNCILMEMBER MICHAEL C. CEREMELLO



COUNCILMEMBER THOM BOGUE
COUNCILMEMBER RICK C. FULLER
CITY TREASURER JAMES SLAUGHTER

December 4, 2012

The Honorable Mayor, Members of the City Council
and Citizens of the City of Dixon, California

It is my pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. The CAFR has been prepared in conformance with the formal accounting standards established for all state and local governments in the United States and Canada established the Governmental Accounting Standards Board (GASB).

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.

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

City of Dixon

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

law city incorporated in 1878. The City originally developed as the commercial and service center for the surrounding agricultural area. The population as of June 2012 is 18,435 (according to the California Department of Finance) 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 California, including Solano County. A report from Beacon Economics noted that consumers and businesses remained concerned about the fiscal crisis in Europe, and the slowdown in job growth. On the plus side, inflation has remained under control, job growth in California has outpaced the rest of the country and the housing market is perceived as a bright spot. Home sales throughout the state have been robust and outperformed projections. The continued affordability coupled with historically low interest rates has helped entice buyers. Construction has been on the rise, but not at the peak activity levels experienced a few years back.

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. Solano County's unemployment rate has decreased to 10.5% from the 12% level reported for June 2011. In Dixon, the unemployment rate has hovered around the 8% level. This type of improvement bodes well for economic recovery and improved revenue levels.

During the fiscal year, the City saw increased sales in the autos and transportation category and several categories of consumer goods. According to the HdL Companies, consumer spending increased in 2011-12 on items such as apparel, electronics and home furnishings reflecting improved consumer confidence. Dixon's per capita sales rates are the highest in Solano County. The impacts of AB 155, the bill that expanded California's ability to require the collection of tax on out-of-state sales are anticipated to be nominal. This was the compromise bill (with Amazon.com) that included remote sellers who have annual sales in California of at least one million dollars and an in-state affiliate that provides services in connection with the remote seller's sales.

MAJOR INITIATIVES

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:

- ❖ Successfully completed an early retirement program through the Public Agency Retirement System (PARS) resulting in the early retirements of six City employees in an effort toward reducing on-going costs of the City.
- ❖ Hired a financial advisor that worked with staff in evaluating existing debt and embarked on a debt re-financing for four outstanding issues into two outstanding issues with lower interest rates.
- ❖ Embarked on technological improvements by launching a re-designed website, implemented iPads for Council Members to access packets (reduced costs associated with paper packets) and provided a technology plan to the City Council on deferred computer equipment needs.
- ❖ Updated volunteer program that led to six new volunteers at an approximate savings of \$10,000 to the City.
- ❖ Issued 411 building permits during the fiscal year with a total valuation of \$19 million. Permits included the expansion of Altec, Gymboree and the new Heritage Commons Senior Housing Project.
- ❖ Completed the Level of Service Analysis as requested by the Parks and Recreation Commission.
- ❖ The Dixon Police Department reduced Part I crimes for the third year in a row and reduced Part II crimes for a second consecutive year.
- ❖ The Dixon Fire Department contracted to provide access to the three Chief Officers of Dixon to the neighboring City of Winters via a shared services arrangement for fire services which provides revenue to the City of Dixon.
- ❖ Radio systems were replaced in several departments to comply with the FCC narrow-banding requirements.
- ❖ Departments enhanced operations in fiscally tight times through use of grants to purchase items such as replacement breathing apparatus and extrication equipment (Fire) and installing bike racks on busses (Transit).
- ❖ The City's wastewater system continues to serve more than 5,200 customers and complied with state agencies by submitting the Cease and Desist Order required Salinity Source Control Effectiveness Report and companion Groundwater Quality Report to the California Regional Water Quality Control Board (CRWQCB).

Facilities and Infrastructure

Public Works completed these key projects during fiscal year 2011-12:

- Hall Park Well Improvements Project – drilled a new irrigation well and improved the existing well located in Hall Park.
- 2011 Sidewalk Replacement Project
- Substantial work completed on Solar Project at Police, Fire, Pool, and City Hall facilities.



Redevelopment Agency and Successor Agency

The Supreme Court of California upheld legislation enacted by Governor Brown that provides for the dissolution of redevelopment agencies. Effective February 1, 2012, assets of the former redevelopment agency, including properties, leases, contracts, and equipment were transferred to the control of the Successor Agency of the City of Dixon. As successor agency, the City will be responsible for winding down the affairs of the former Dixon Redevelopment Agency pursuant to State Law. The key responsibilities include the preparation of a Recognized Obligation Payment Schedule (ROPS) for each six month period of the fiscal year; the enforcement of all former redevelopment agency rights for the benefit of the taxing entities and to expeditiously dispose of assets and properties of the former redevelopment agency as directed by the Oversight Board.

This seven member Oversight Board has a fiduciary duty to the holders of enforceable obligations, such as bond holders and parties to existing enforceable contracts, to ensure that these obligation are met and the taxing entities that benefit from distribution of property tax are passed through. The tax increment formerly collected by redevelopment agencies will now be held by the County Auditor-Controller for distribution. This will pay off enforceable obligations of the former redevelopment agency and pass-through to special taxing entities such as school districts and the General Fund.

The Oversight Board has set regular meetings to be held semi-annually in February and August to review and approve the ROPS schedule before it is transmitted to the Department of Finance. Special meetings to deal with other dissolution matters may be set by a quorum. A single oversight board for the County will be appointed on, or after July 1, 2016.

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.

During the year, the City adopted new second tier retirement formulas with CalPERS for the Safety-Police Plan and Safety Fire Plan. Instead of the existing 3% at 50 formulas in place, the new tier would be at a 3% @ 55 benefit level. The savings anticipated from adoption of this benefit level for Safety-Police would be 1.4% per year, while annual employer dollar savings amount to 1.7% for Safety-Fire when comparing normal cost.

In April 2012, the CalPERS board adopted a policy to change the discount rate to 7.50 percent. The board had previously considered lowering the rate in 2011, but opted to retain the 7.75% rate and reconsider in 2012. The last change had been ten years ago when the rate had been lowered from an 8.25% level. CalPERS disclosed that the impact would result in employer rate increases of one-two percent of payroll for miscellaneous plans and a two to three percent of payroll increase for most safety plans. CalPERS had previously considered lowering the inflation rate from 3% to 2.75% and

that action was taken by the CalPERS Board which will also impact employer contribution rates in fiscal year 2013-14.

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, 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 impacts to the City of Dixon while retaining a balanced budget. This may include unanticipated expenditures or improvement in certain revenue categories. City staff knows how critical it is to monitor and control all expenditure increases, when revenue trends in recent years have continued to decrease or remain flat.

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

- *Fund 275 Lease Bonds* – created to assist in tracking sewer projects with multiple funding sources.
- *Fund 527 Low and Moderate Income Housing Asset Fund* – created due to redevelopment agency dissolution to account for housing assets
- *Fund 740 RDA Obligation Retirement Fund* – created to comply with requirements due redevelopment agency dissolution.

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 Redevelopment Agency, the Dixon Public Improvement Corporation 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).

Total cash and investments as of June 30, 2012 amounted to \$24,918.238 encompassing governmental and business type activities, including restricted cash and investments. During fiscal year 2011-12, investments consisted primarily of Federal

Agencies (29%), U.S. Treasuries (17%), corporate notes (9%), the Local Agency Investment Fund (LAIF), managed by the State Treasurer (35%), and the California Asset Management Program (CAMP), a joint powers authority and common law trust created to meet local government investments needs (10%). 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 2011-12, the City received a 1.08% total return for the portfolio compared to the prior year 1.48%. This compares very favorably to the LAIF 1-year return which was 0.382% for the fiscal year. This is the third straight year that LAIF's yields have been less than one (1) percent.

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-one member cities 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.

The City Council has appointed Steve Johnson, Human Resources Director, to serve as the Dixon representative on the NCCSIF Board of Directors

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 (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, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

A government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards in order to be awarded the certificate. This report must satisfy both generally accepted accounting principles and applicable legal requirements. This certificate 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

It is my intent for this CAFR to provide financial information that is helpful to our elected officials, residents and others interested in the financial health of Dixon. This report would not have been possible without the dedication of the Finance staff. Their day-to-day hard work helps ensure the financial stability of the organization. Special recognition must be given to Kate Zawadzki, Accounting Manager, for the compilation of this CAFR.

I would like to thank the Dixon City Council, the City Manager, and all City departments for their continued efforts in planning, managing and conducting the financial operations of Dixon in a fiscally responsible manner.

Respectfully submitted,



Joan Michaels Aguilar
Finance & Technology Director

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, 2011

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



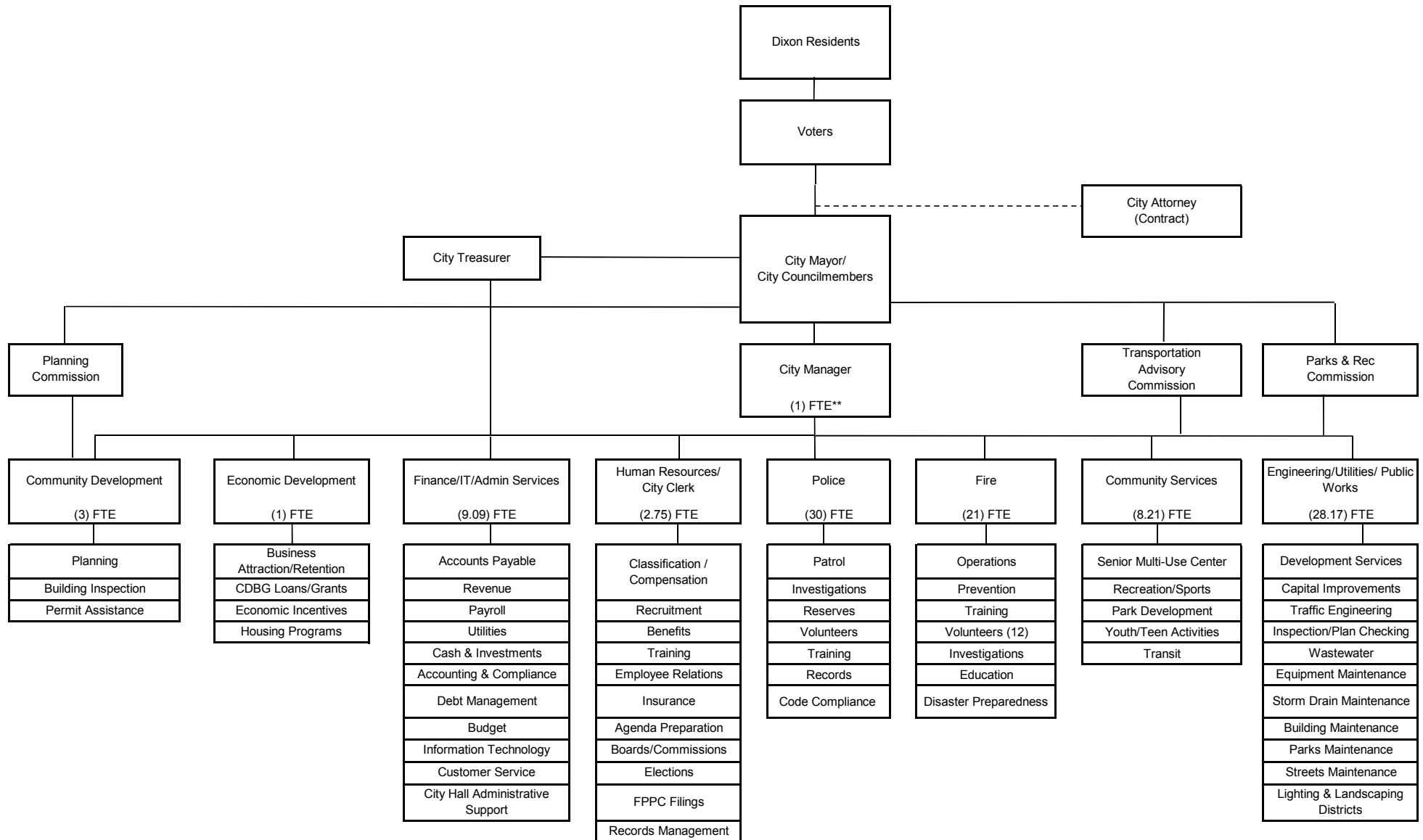
Linda C. Davison

President

Jeffrey R. Enev

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 FY 2012

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

JUNE 30, 2012

ELECTED OFFICIALS

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

EXECUTIVE STAFF

City Manager	Jim Lindley**
City Attorney	Michael F. Dean**
Acting City Clerk	Steve Johnson
Interim City Engineer / Director of Public Works and Utilities	Morris L. Barr
Interim Community Development Director	David Dowswell
Human Resource Director	Steve Johnson
Police Chief	Jon Cox
Fire Chief	Aaron McAlister
Finance & Technology Director	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, 2012, 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, 2012, 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 provides for the dissolution of redevelopment agencies in the State of California. The Redevelopment Agency of the City of Dixon was a major component unit of the City. The effects of this legislation are described in the footnote.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2012, 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.

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 cursive script that reads "Mark Uruba Nelson CA".

Sacramento, California
December 4, 2012

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012

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, 2012. 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 \$3.6 million in fiscal year 2012. At June 30, 2012, net assets totaled \$193.7 million.
- Government-wide revenues totaled \$18.6 million, including program revenues of \$6.7 million and general revenues of \$11.9 million, an increase of \$0.3 million from prior year's \$18.3 million.
- Total government-wide expenses were \$21.4 million, a decrease of \$1.3 million from the prior year's \$22.7 million.
- Net assets in governmental activities decreased \$2.8 million, while net assets in business-type activities decreased \$0.8 million.
- Governmental program revenues increased to \$3.4 million from fiscal year 2011's \$2.7 million.
- Governmental program expenses decreased to \$17.7 million in fiscal 2012, down \$1.4 million from the prior year's \$19.1 million.
- Program revenues from business-type activities remained consistent at \$3.3 million for both fiscal years 2011 and 2012.
- Expenses of business-type activities remained consistent at \$3.7 million for both fiscal year 2011 and 2012.

Fund Level:

- Governmental fund balances decreased to \$11.5 million in fiscal 2012 from the prior year's \$15.7 million.
- Governmental fund revenues increased to \$15.2 million in fiscal 2012, up \$0.1 million from the prior year's \$15.1 million.
- Governmental fund expenditures increased to \$19.0 million in fiscal 2012, up \$2.6 million from fiscal 2011's level of \$16.4 million.
- General Fund revenues of \$12.0 million represented an increase of \$1.1 million from fiscal 2011's revenues of \$10.9 million.
- General Fund fund balance increased to \$3.9 million at June 30, 2012 up from fiscal 2011's level of \$3.5 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, 2012

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 and the transit system.

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

Fund Financial Statements

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

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

Governmental funds are used to account for essentially the same functions reported as "governmental activities" in the government-wide financial statements. However, unlike those statements, the focus in these statements is on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financing requirements.

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

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

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012

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, 2012, the City of Dixon's major funds are as follows:

- ** General Fund
- ** HOME Loan Fund
- ** Housing Successor Agency Fund
- ** Storm Drain Fund
- ** Transportation Capital Projects 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 75.

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:

- ** The HOME Loans Fund is a special revenue fund that accounts for loans under the Community Development Block Grant program
- ** The Housing Successor Agency Fund is a special revenue fund which has been established as a result the State of California passage of AB x126 to dissolve Redevelopment Agencies in California. The City of Dixon elected with resolution 12-018 to retain the former Redevelopment Agency (RDA) non- cash housing assets and functions previously performed by the RDA. This fund will make 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 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.
- ** The Transportation Capital Projects Fund tracks grants, fees, and transfers collected to fund streets and transportation infrastructure.

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 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, Dixon-Solano Water Authority (DSWA), and the Successor Agency of the City of Dixon.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012

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 32 - 62 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 73.

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 \$193.7 and \$197.3 million at June 30, 2012 and 2011, respectively. Overall total net assets decreased by \$3.6 million in FY 2012.

The Summary of Net Assets as of June 30, 2012 and 2011 follows:

	Statement of Net Assets								
	As of June 30, 2012 and 2011								
	(in thousands)								
	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Total Government</u>		
	<u>2012</u>	<u>2011</u>	<u>Net Change</u>	<u>2012</u>	<u>2011</u>	<u>Net Change</u>	<u>2012</u>	<u>2011</u>	<u>Net Change</u>
ASSETS									
Current and other assets	\$ 14,763	\$ 18,102	\$ (3,339)	\$ 3,868	\$ 3,532	\$ 336	\$ 18,631	\$ 21,634	\$ (3,003)
Capital assets	<u>141,096</u>	<u>143,174</u>	<u>(2,078)</u>	<u>42,116</u>	<u>43,403</u>	<u>(1,287)</u>	<u>183,212</u>	<u>186,577</u>	<u>(3,365)</u>
Total Assets	<u>155,859</u>	<u>161,276</u>	<u>(5,417)</u>	<u>45,984</u>	<u>46,935</u>	<u>(951)</u>	<u>201,843</u>	<u>208,211</u>	<u>(6,368)</u>
LIABILITIES									
Long-term liabilities	3,612	7,393	(3,781)	104	1,530	(1,426)	3,716	8,923	(5,207)
Other liabilities	<u>2,788</u>	<u>1,606</u>	<u>1,182</u>	<u>1,641</u>	<u>420</u>	<u>1,221</u>	<u>4,429</u>	<u>2,026</u>	<u>2,403</u>
Total Liabilities	<u>6,400</u>	<u>8,999</u>	<u>(2,599)</u>	<u>1,745</u>	<u>1,950</u>	<u>(205)</u>	<u>8,145</u>	<u>10,949</u>	<u>(2,804)</u>
NET ASSETS									
Invested in capital assets, net of related debt	138,640	136,806	1,834	40,780	41,823	(1,043)	179,420	178,629	791
Restricted	1,715	4,502	(2,787)	-	196	(196)	1,715	4,698	(2,983)
Unrestricted	<u>9,103</u>	<u>10,970</u>	<u>(1,867)</u>	<u>3,459</u>	<u>2,967</u>	<u>492</u>	<u>12,562</u>	<u>13,937</u>	<u>(1,375)</u>
Total Net Assets	<u>\$149,458</u>	<u>\$152,278</u>	<u>\$ (2,820)</u>	<u>\$ 44,239</u>	<u>\$ 44,986</u>	<u>\$ (747)</u>	<u>\$193,697</u>	<u>\$197,264</u>	<u>\$ (3,567)</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 \$193.7 million in FY 2012 and \$197.3 in FY 2011. The decrease of approximately \$3.6 million for the year ended June 30, 2012 was the result of an extraordinary loss of \$0.8 million resulting from the dissolution of the Redevelopment Agency and governmental expenses exceeding revenues by \$2.8 million. The decrease of approximately \$14.6 million in 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.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012

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:

- ** \$179.4 million and \$178.6 million (92% and 91%) at June 30, 2012 and 2011 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.

- ** \$1.7 million and \$4.7 million (1% and 2%) at June 30, 2012 and 2011 in net assets represent resources that are subject to external restrictions on how they may be used. Restricted net assets at June 30, 2012 are comprised of \$1.7 million in special revenue programs.

- ** The remaining \$12.6 million and \$13.9 million at June 30, 2012 and 2011 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 \$2.8 million in FY 2012. In FY 2011 governmental activities decreased net assets \$3.8 million. Total revenue increased approximately \$0.4 million in FY 2012 and decreased \$0.7 million in 2011, reflecting the stabilizing of building and permits and property and sales taxes that declined steadily during the recession. Expenses decreased approximately \$1.4 million during FY 2012 and increased by \$3.6 million during 2011. Business type activities decreased the City's net assets by \$0.8 million during the year ended June 30, 2012, while resulting in a decrease of \$10.9 million during 2011. 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, 2012

Statement of Activities
For the Years Ended June 30, 2012 and 2011
(in thousands)

	<u>Governmental Activities</u>			<u>Business-type Activities</u>			<u>Total Government</u>		
	<u>2012</u>	<u>2011</u>	<u>Net Change</u>	<u>2012</u>	<u>2011</u>	<u>Net Change</u>	<u>2012</u>	<u>2011</u>	<u>Net Change</u>
Revenues:									
Program revenues									
Charges for services	\$ 2,223	\$ 1,306	\$ 917	\$ 2,681	\$ 2,490	\$ 191	\$ 4,904	\$ 3,796	\$ 1,108
Operating grants and contributions	201	202	(1)	592	532	60	793	734	59
Capital grants and contributions	958	1,203	(245)	3	284	(281)	961	1,487	(526)
General revenues									
Taxes	11,643	12,003	(360)	-	-	-	11,643	12,003	(360)
Interest and investment earnings	134	216	(82)	16	23	(7)	150	239	(89)
Other revenue	171	56	115	-	-	-	171	56	115
Total Revenues	<u>15,330</u>	<u>14,986</u>	<u>344</u>	<u>3,292</u>	<u>3,329</u>	<u>(37)</u>	<u>18,622</u>	<u>18,315</u>	<u>307</u>
Expenses:									
Governmental activities									
General government	1,742	2,482	(740)	-	-	-	1,742	2,482	(740)
Public safety	7,425	7,566	(141)	-	-	-	7,425	7,566	(141)
Parks and recreation	2,188	2,197	(9)	-	-	-	2,188	2,197	(9)
Community development	1,203	1,649	(446)	-	-	-	1,203	1,649	(446)
Public ways and facilities	4,720	4,782	(62)	-	-	-	4,720	4,782	(62)
Interest on long-term liabilities	401	384	17	-	-	-	401	384	17
Business-type activities									
Sewer	-	-	-	3,005	2,904	101	3,005	2,904	101
Water	-	-	-	-	131	(131)	-	131	(131)
Transit	-	-	-	741	624	117	741	624	117
Total Expenses	<u>17,679</u>	<u>19,060</u>	<u>(1,381)</u>	<u>3,746</u>	<u>3,659</u>	<u>87</u>	<u>21,425</u>	<u>22,719</u>	<u>(1,294)</u>
Excess (deficiency) before transfers & special items	<u>(2,349)</u>	<u>(4,074)</u>	<u>1,725</u>	<u>(454)</u>	<u>(330)</u>	<u>(124)</u>	<u>(2,803)</u>	<u>(4,404)</u>	<u>1,601</u>
Transfers & Extraordinary items									
Transfers	317	300	17	(317)	(300)	(17)	-	-	-
Extraordinary items	<u>(789)</u>	<u>-</u>	<u>(789)</u>	<u>-</u>	<u>(10,227)</u>	<u>10,227</u>	<u>(789)</u>	<u>(10,227)</u>	<u>9,438</u>
Change in net assets	<u>(2,821)</u>	<u>(3,774)</u>	<u>953</u>	<u>(771)</u>	<u>(10,857)</u>	<u>10,086</u>	<u>(3,592)</u>	<u>(14,631)</u>	<u>11,039</u>
Net assets - beginning of year	152,278	156,053	(3,775)	44,985	55,841	(10,856)	197,263	211,894	(14,631)
Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>(25)</u>	<u>25</u>	<u>-</u>	<u>25</u>
Net assets - beginning of year, restated	<u>152,278</u>	<u>156,053</u>	<u>(3,775)</u>	<u>45,010</u>	<u>55,841</u>	<u>(10,881)</u>	<u>197,288</u>	<u>211,894</u>	<u>(14,606)</u>
Net assets - end of year	<u>\$149,457</u>	<u>\$152,279</u>	<u>\$ (2,822)</u>	<u>\$ 44,239</u>	<u>\$ 44,984</u>	<u>\$ (795)</u>	<u>\$193,696</u>	<u>\$197,263</u>	<u>\$ (3,567)</u>

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012

Revenues

The City's total revenues were \$18.6 million for the year ended June 30, 2012 as compared to \$18.3 million as of June 30, 2011. Revenue from governmental activities totaled \$15.3 million in 2012 and \$15.0 million in 2011. Revenues from business type activities totaled \$3.3 million for both years ended June 30, 2012 and 2011.

Program revenues included charges for services and grants and contributions. Program revenues were \$6.7 million in 2012 and \$6.0 million in 2011 or 35% and 33%. Revenues did not keep pace with expenses in neither governmental nor business type activities, which caused \$2.8 million of the reduction in net assets of \$6.5 million for the year ending June 30, 2012. The remaining \$0.8 million reduction is due to the dissolution of the Redevelopment Agency. During FY 2011, net assets decreased by \$14.6 million. In 2011, \$10.2 million was the result of the transfer of water service from Dixon Solano Municipal Water Service to Dixon-Solano Municipal Water Authority. The remaining \$4.4 million reduction in net assets in 2011 was a result of insufficient revenues in relation to expenditures.

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 \$12.0 million and \$12.3 million (64% and 67% of the total) for the years ended June 30, 2012 and 2011.

Expenses

Expenses for the City totaled \$22.2 million and \$32.9 million for the years ended June 30, 2012 and 2011, respectively. Governmental activities incurred \$18.5 million and \$19.0 million and business type activities incurred \$3.7 million and \$13.9 million in expenses during the years ended June 30, 2012 and 2011, respectively. As can be seen in the table above, governmental activities expenses were about 18% and 14.2% funded by program revenues, fees, grants and contributions during the years ended June 30, 2012 and 2011. The remaining 82% and 85.8% (\$15.4 million and \$16.3 million) of their funding came from general revenues and net assets for the years ended June 30, 2012 and 2011. Business type activities expenses exceeded program revenues by \$0.8 million and \$10.6 million in June 30, 2012 and 2011 respectively. This is not consistent with City financial policies and is due to the inability to raise rates in Sewer activities to counter decreases in use and increasing expenses.

Governmental Activities

As shown above in the summary of the Statement of Activities, the majority of governmental activities and operations rely on general revenues for funding. The following table shows the cost of each of the City's major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City's taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2012 and 2011 follows:

Cost of Services by Program
Governmental Activities
For the Years Ended June 30, 2012 and 2011
(in thousands)

Program	2012		2011	
	Total	Net	Total	Net
General government	\$ 1,742	\$ 1,489	\$ 2,482	\$ 2,006
Public safety	7,425	5,835	7,566	6,500
Parks and recreation	2,188	1,603	2,197	1,914
Development	1,203	938	1,649	1,542
Public ways and facilities	4,720	4,031	4,782	4,002
Interest on long term liabilities	401	401	384	384
Total Expenses	\$ 17,679	\$ 14,297	\$ 19,060	\$ 16,348

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012

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, 2012 and 2011
(in thousands)

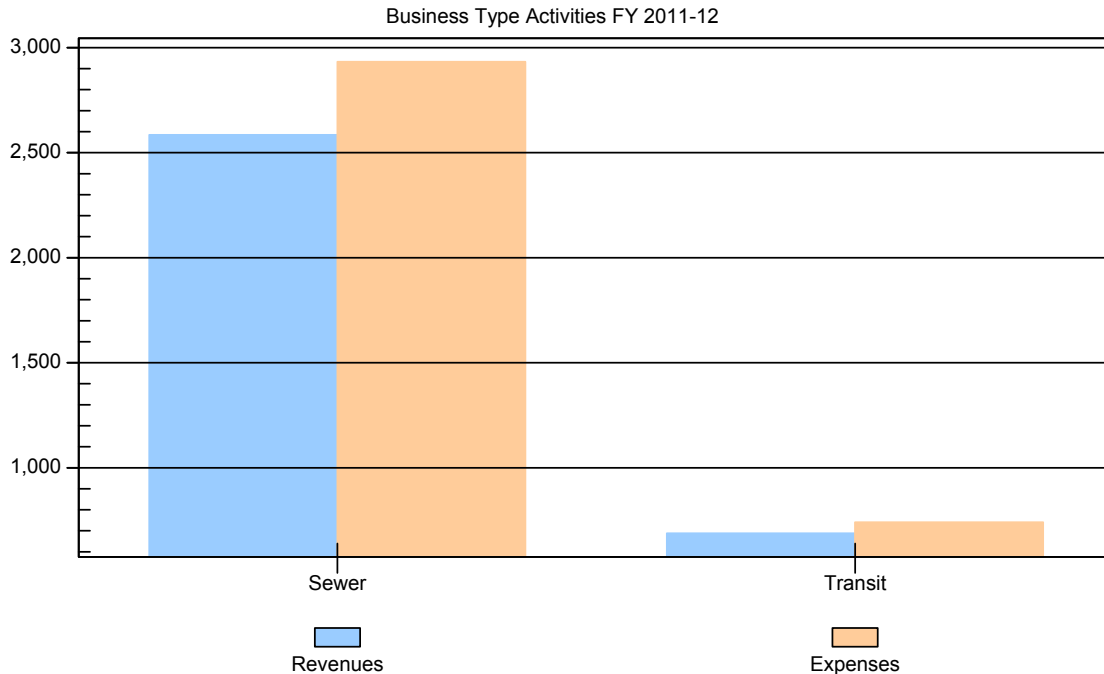
	2012		2011	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>
Revenues:				
Program revenues				
Charges for services	\$ 2,223	14.2 %	\$ 1,306	8.5 %
Operating grants and contributions	201	1.3 %	202	1.3 %
Capital grants and contributions	958	6.1 %	1,203	7.9 %
General revenues				
Sales and use taxes	4,840	30.9 %	4,480	29.3 %
Property taxes	4,374	28.0 %	5,069	33.2 %
Motor vehicle and gas taxes	1,759	11.2 %	1,777	11.6 %
Franchise taxes	497	3.2 %	506	3.3 %
Transient occupancy taxes	173	1.1 %	170	1.1 %
Interest and investment earnings	134	0.9 %	216	1.4 %
Other revenue	171	1.1 %	56	0.4 %
Transfers	317	2.0 %	300	2.0 %
Total Revenues	\$ 15,647	100 %	\$ 15,285	100 %

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012

Business-Type Activities

The net assets for the business type activities reflect sewer and transit operations. The net assets for these activities decreased by \$0.8 million during FY 2012. 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, 2012 and 2011.

Operating Expenses and Program Revenues



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, 2012 and 2011
(in thousands)

Revenues by Source	2012		2011	
	Amount	% of Total	Amount	% of Total
Charges for services	\$ 2,681	81.2 %	\$ 2,490	74.8 %
Grants and contributions	596	18.0 %	816	24.5 %
Other	23	0.7 %	23	0.7 %
Total Revenues	\$ 3,300	898 %	\$ 3,329	100 %

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012

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 2012 the City's governmental funds reported combined fund balances of \$11.5 million, a decrease of \$4.1 million from the prior year. This decrease is largely attributable to the loss of Redevelopment and low and moderate income housing due to the State of California's passage of AB x126. The remaining decline results from decreasing revenues over the past 3 years due to reduced economic activity and the housing crisis. Of the total fund balance of \$11.5 million, approximately \$2.6 million is nonspendable, \$1.7 million is restricted, \$6.7 million is assigned for various purposes, and \$0.5 is unassigned.

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

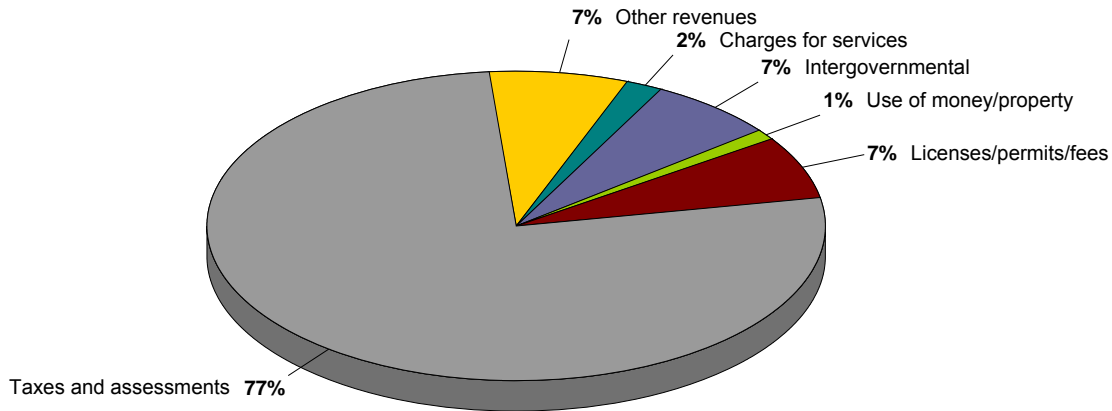
Revenues Classified by Source
Governmental Funds
For the Years Ended June 30, 2012 and 2011
(in thousands)

Revenues by Source	2012		2011	
	Amount	% of Total	Amount	% of Total
Taxes and assessments	\$ 11,643	76.5 %	\$ 12,003	79.3 %
Licenses, permits, and fees	1,001	6.6 %	827	5.5 %
Fines and forfeitures	46	0.3 %	84	0.6 %
Use of money and property	166	1.1 %	221	1.5 %
Program income	86	0.6 %	170	1.1 %
Intergovernmental revenues	1,008	6.6 %	1,506	10.0 %
Charges for services	294	1.9 %	265	1.8 %
Developer fees	803	5.3 %	3	- %
Other revenue	171	1.1 %	56	0.4 %
Total Revenue	\$ 15,218	100 %	\$ 15,135	100 %

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012

Revenues Classified by Source

Governmental Funds FY 2011-12



Key elements of the changes noted above include:

Taxes and assessments provide the greatest source of revenues for the City. These sources represent 77% of total revenues. Modest increases occurred in this category for property taxes and motor vehicle and gas taxes when compared to prior fiscal year. This is not evident with a simple year comparison due to the dissolution of the Redevelopment Agency as a result of AB x126. Consumer confidence improved with sales taxes up 12% from 2010-11. Intergovernmental revenues reflect revenue received from other agencies for capital projects. During FY 2012, these revenues decreased to 7% of revenues, a decrease of 3% from FY 2011. The decrease was related to a decrease in federal and state grants received in 2012 versus 2011 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, 2012

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

Expenditures by Function
Governmental Funds
For the Years Ended June 30, 2012 and 2011
(in thousands)

Expenditures by Function	2012		2011	
	Amount	% of Total	Amount	% of Total
General government	\$ 1,541	8.1 %	\$ 2,287	13.9 %
Public safety	7,040	37.0 %	7,162	43.6 %
Parks and recreation	1,487	7.8 %	1,467	8.9 %
Development	987	5.2 %	1,795	10.9 %
Public ways and facilities	1,325	7.0 %	1,381	8.4 %
Debt service				
Principal	3,605	18.9 %	445	2.7 %
Interest and other charges	396	2.1 %	374	2.3 %
Capital outlay	<u>2,652</u>	<u>13.9 %</u>	<u>1,502</u>	<u>9.2 %</u>
Total Expenditures	\$ <u>19,033</u>	<u>100 %</u>	\$ <u>16,413</u>	<u>100 %</u>

Key elements of the changes noted above include:

General government spending was decreased by 5.8% from the prior year due to vacant and frozen staff positions.

Public safety decreased 6.7% as a result of salary and benefit reductions for safety personnel.

Debt service principal payments increased 16.2% due to the debt service refunding that occurred in 2012.

Capital outlay increased as a result of increased capital project activity and FEMA grant purchases for the Fire Department.

Major Funds

The General Fund saw a \$0.4 million increase in fund balance due to reduced expenditures during the year. This resulted in the slight increase in fund balance. Almost all major revenue categories experienced increases from 2011 to 2012 with a total increase of \$1.1 million. However, this increased revenue was offset by a decrease in transfers in of \$1.3 million.

The Redevelopment and Low and Moderate Income Housing funds are no longer reported as major funds as of FY 2012. The State adopted ABx1 26 to dissolve Redevelopment agencies within the state, which resulted in subsequent activity recorded in a fiduciary fund rather than within the governmental funds. The non-cash assets of the Low and Moderate Income Housing fund were transferred to the City of Dixon as the successor agency. This fund, Housing Successor Agency, is reported as a major fund with minimal activity and fund balance. The majority of the non-cash assets are long-term loans receivables.

Transportation fund balance remained consistent at \$5.2 million. In FY 2012, activity decreased in capital projects and related intergovernmental revenues.

Other Governmental Funds aggregated to a \$4.1 million decrease in fund balances due largely to the loss resulting from the dissolution of Redevelopment. Debt Service Principal and interest increased as a result of the 2012 lease revenue bond refunding and the addition of Redevelopment debt service.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012

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, 2012 and 2011, respectively, the unrestricted net assets were approximately \$3.4 million and \$2.9 million for the Sewer fund. The Transit Fund shows a decrease in net assets to \$0.43 million in 2012 from \$0.53 million in 2011 as result of an operating deficit of \$0.1 million.

Operations of proprietary funds showed an increase of 8% in operating revenues. This is the result of the sewer bond refunding that occurred in FY 2012. Operating expenses increased in the sewer and transit operations as a result of higher labor and depreciation costs.

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 2011-12 with a 9.7% reserve. The Council approved a General Fund budget of \$13.5 million for FY 2011-12 which required the use of \$0.2 million in reserves. The fiscal year actual resulted in revenues exceeding expenditures by \$0.4 million, increasing fund balance from \$3.5 million at June 30, 2011 to \$3.9 million at June 30, 2012.

Public safety represents the primary expenditure category for the General Fund at \$7 million or 57.1% of the 2011-12 expenditures. Public works, community development, and recreation combine for an additional 25.5% of \$3.1 million in expenditures. General government includes departments such as the City Council, City Manager, personnel, insurance, and finance, and accounts for 12.3% or nearly \$1.5 million in expenditures during the year. The remaining 5.1% or \$0.6 million was utilized for capital purchases.

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 3.3% to 104.21 in FY 2011-12 from the prior year's 107.79. This trend continued with the adoption of the FY 2012-13 budget. Total FTE's have been reduced by 22% from the staffing highs in 2008. In addition, reductions in salaries and benefits have been agreed upon and implemented for all bargaining units. During FY 2012-13, the City will continue to adjust operations accordingly for economic conditions.

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, 2012 and 2011, respectively, was \$183.2 million and \$186.6 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 2012 was \$3.4 million and reflects the decline in growth taking place in prior years.

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, 2012

Capital Assets (net of depreciation)
As of June 30, 2012 and 2011
(in thousands)

	2012			2011		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Land	\$ 2,379	\$ 773	\$ 3,152	\$ 2,657	\$ 773	\$ 3,430
Construction in progress	4,251	1,424	5,675	2,450	1,158	3,608
Buildings & improvements	8,090	39,400	47,490	8,405	40,770	49,175
Equipment	2,193	518	2,711	1,906	702	2,608
Infrastructure	<u>124,183</u>	<u>-</u>	<u>124,183</u>	<u>127,757</u>	<u>-</u>	<u>127,757</u>
Total Net Capital Assets	<u>\$ 141,096</u>	<u>\$ 42,115</u>	<u>\$ 183,211</u>	<u>\$ 143,175</u>	<u>\$ 43,403</u>	<u>\$ 186,578</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 2012 and FY 2011 the City issued refunding bonds for both the governmental activities and business-type activities debt. The refunding resulted in a reduction of total debt service payments. At the end of FY 2012, the City of Dixon had outstanding bonds and other long term liabilities of \$2.5 million for governmental activities and \$1.3 million for business type activities, respectively. Bonds comprised all but about \$1 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, 2012:

Bonded Debt - Long Term
Outstanding Balances
As of June 30, 2012
(in thousands)

Bond	Purpose	Amount
Governmental Activities:		
2012 Lease revenue bonds	Refunding lease revenue bonds	\$ <u>2,456</u>
Business-type Activities:		
2012 Refunding revenue bonds	Refunding sewer revenue bonds	\$ <u>1,336</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, 2012 and 2011, a total of \$20.4 and \$22.6 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, 2012

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The fiscal year ended June 30, 2012 saw a hint towards stabilization of general revenues. The foreclosure and credit crisis, the State's budget deficit, and the recession continue to have an effect on Solano County. The City of Dixon is optimistic that revenues will continue to stabilize. The California Employment Development Department reports slight improvement in unemployment in Solano County during 2012.

Consumer confidence continues to be influenced by future uncertainties. The fiscal year 2013 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 increase will be implemented by the Dixon Solano Water Authority (DSWA) to address the financial deterioration currently occurring and address long term capital and reserve requirements. A sewer rate study has concluded and a committee will recommend the course of action to address the significant capital needs of this operation.

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, Finance and Technology Director 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, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments (Note 2)	\$ 10,488,678	\$ 3,575,748	\$ 14,064,426
Accounts receivable	812,413	435,713	1,248,126
Interest receivable	14,682	5,113	19,795
Taxes receivable	1,303,354	-	1,303,354
Due from other governments	769,393	69,806	839,199
Notes receivable, net of allowance \$3,986,414 (Note 3)	335,003	-	335,003
Internal balances	287,262	(287,262)	-
Prepaid items	391,593	-	391,593
Inventory	1,422	-	1,422
Restricted cash and cash equivalents (Note 2)	290,127	24,952	315,079
Deferred charges, net of accumulated amortization (Note 6)	68,767	44,318	113,085
Capital assets (Note 5)			
Land and construction in progress	6,630,138	2,197,561	8,827,699
Other capital assets, net of depreciation	<u>134,465,827</u>	<u>39,918,378</u>	<u>174,384,205</u>
Total capital assets	<u>141,095,965</u>	<u>42,115,939</u>	<u>183,211,904</u>
Total Assets	<u>\$ 155,858,659</u>	<u>\$ 45,984,327</u>	<u>\$ 201,842,986</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 1,187,374	\$ 124,888	\$ 1,312,262
Accrued payroll and benefits	373,371	42,508	415,879
Accrued interest payable	18,722	13,485	32,207
Unearned revenue	29,747	24,952	54,699
Deposits payable	260,380	-	260,380
Accrued compensated absences (Note 6):			
Due within one year	473,614	52,572	526,186
Due in more than one year	461,111	19,670	480,781
Accrued termination benefits (Note 8):			
Due within one year	76,784	15,586	92,370
Due in more than one year	230,350	46,759	277,109
Long-term liabilities (Note 6):			
Due within one year	368,300	132,800	501,100
Due in more than one year	2,087,800	1,203,100	3,290,900
Other postemployment benefits (Note 10)			
Due in more than one year	<u>832,520</u>	<u>68,779</u>	<u>901,299</u>
Total Liabilities	<u>6,400,073</u>	<u>1,745,099</u>	<u>8,145,172</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	138,639,865	40,780,039	179,419,904
Restricted for:			
Debt service	110	-	110
Special revenue programs	1,715,365	-	1,715,365
Unrestricted	<u>9,103,246</u>	<u>3,459,189</u>	<u>12,562,435</u>
Total Net Assets	<u>149,458,586</u>	<u>44,239,228</u>	<u>193,697,814</u>
Total Liabilities and Net Assets	<u>\$ 155,858,659</u>	<u>\$ 45,984,327</u>	<u>\$ 201,842,986</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

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		Total
					Governmental Activities	Business-type Activities	
PRIMARY GOVERNMENT							
Governmental activities:							
General government	\$ 1,741,615	\$ 204,269	\$ 5,406	\$ 43,177	\$ (1,488,763)	\$ -	\$ (1,488,763)
Public safety	7,425,210	939,675	78,868	571,853	(5,834,814)	-	(5,834,814)
Parks and recreation	2,187,551	584,464	-	-	(1,603,087)	-	(1,603,087)
Development	1,202,980	251,778	-	13,676	(937,526)	-	(937,526)
Public ways and facilities	4,720,439	242,493	116,969	329,618	(4,031,359)	-	(4,031,359)
Interest and fiscal charges	<u>400,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(400,596)</u>	<u>-</u>	<u>(400,596)</u>
Total governmental activities	<u>17,678,391</u>	<u>2,222,679</u>	<u>201,243</u>	<u>958,324</u>	<u>(14,296,145)</u>	<u>-</u>	<u>(14,296,145)</u>
Business-type activities:							
Sewer	3,004,940	2,584,760	-	-	-	(420,180)	(420,180)
Transit	<u>741,418</u>	<u>95,863</u>	<u>592,115</u>	<u>3,455</u>	<u>-</u>	<u>(49,985)</u>	<u>(49,985)</u>
Total business-type activities	<u>3,746,358</u>	<u>2,680,623</u>	<u>592,115</u>	<u>3,455</u>	<u>-</u>	<u>(470,165)</u>	<u>(470,165)</u>
Total primary government	<u>\$ 21,424,749</u>	<u>\$ 4,903,302</u>	<u>\$ 793,358</u>	<u>\$ 961,779</u>	<u>\$ (14,296,145)</u>	<u>\$ (470,165)</u>	<u>\$ (14,766,310)</u>
General revenues:							
Property taxes					\$ 4,374,081	\$ -	\$ 4,374,081
Sales and use taxes					4,840,339	-	4,840,339
Motor vehicle and gas taxes					1,759,419	-	1,759,419
Franchise taxes					496,611	-	496,611
Transient occupancy taxes					172,570	-	172,570
Interest and investment earnings					134,386	16,391	150,777
Other revenue					171,340	-	171,340
Transfers (Note 4)					<u>317,083</u>	<u>(317,083)</u>	<u>-</u>
Total general revenues and transfers					<u>12,265,829</u>	<u>(300,692)</u>	<u>11,965,137</u>
Extraordinary item - Redevelopment dissolution (Note 18)					<u>(789,054)</u>	<u>-</u>	<u>(789,054)</u>
Change in net assets					(2,819,370)	(770,857)	(3,590,227)
Net assets - July 1, 2011					152,277,956	44,985,447	197,263,403
Prior period restatement (Note 17)					<u>-</u>	<u>24,638</u>	<u>24,638</u>
Net assets - July 1, 2011, restated					<u>152,277,956</u>	<u>45,010,085</u>	<u>197,288,041</u>
Net assets - June 30, 2012					<u>\$ 149,458,586</u>	<u>\$ 44,239,228</u>	<u>\$ 193,697,814</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>General Fund</u>	<u>HOME Loans</u>	<u>Housing Successor Agency</u>	<u>Storm Drain</u>
<u>ASSETS</u>				
Cash and investments	\$ 2,918,378	\$ -	\$ 3,525	\$ 623,525
Restricted cash and investments	290,127	-	-	-
Accounts receivable	683,196	22,773	-	-
Interest receivable	4,742	-	5	834
Taxes receivable	1,303,354	-	-	-
Notes receivable	-	1,570,465	2,298,207	-
Due from other funds	54,916	-	-	-
Advances to other funds	-	-	-	-
Due from other governments	743,234	-	-	-
Prepaid items	391,593	-	-	-
Inventory	1,422	-	-	-
	<u>6,390,962</u>	<u>1,593,238</u>	<u>2,301,737</u>	<u>624,359</u>
Total Assets	<u>\$ 6,390,962</u>	<u>\$ 1,593,238</u>	<u>\$ 2,301,737</u>	<u>\$ 624,359</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>(DEFICITS)</u>				
LIABILITIES				
Accounts payable	\$ 874,927	\$ 36	\$ -	\$ 283,517
Accrued payroll and benefits	368,634	-	-	-
Deferred revenue	1,001,909	1,593,238	2,298,207	-
Deposits payable	260,380	-	-	-
Due to other funds	-	22,773	-	-
Advances from other funds	-	-	-	1,275,000
	<u>2,505,850</u>	<u>1,616,047</u>	<u>2,298,207</u>	<u>1,558,517</u>
Total Liabilities	<u>2,505,850</u>	<u>1,616,047</u>	<u>2,298,207</u>	<u>1,558,517</u>
FUND BALANCES (DEFICITS)				
Nonspendable	393,015	-	-	-
Restricted	980	-	3,530	-
Committed	6,875	-	-	-
Assigned	1,426,062	-	-	-
Unassigned	2,058,180	(22,809)	-	(934,158)
	<u>3,885,112</u>	<u>(22,809)</u>	<u>3,530</u>	<u>(934,158)</u>
Total Fund Balances (Deficits)	<u>3,885,112</u>	<u>(22,809)</u>	<u>3,530</u>	<u>(934,158)</u>
Total Liabilities and Fund Balances	<u>\$ 6,390,962</u>	<u>\$ 1,593,238</u>	<u>\$ 2,301,737</u>	<u>\$ 624,359</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
BALANCE SHEET (continued)
GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>Trans- portation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 3,283,042	\$ 3,660,208	\$ 10,488,678
Restricted cash and investments	-	-	290,127
Accounts receivable	-	106,444	812,413
Interest receivable	4,349	4,752	14,682
Taxes receivable	-	-	1,303,354
Notes receivable	-	452,745	4,321,417
Due from other funds	-	-	54,916
Advances to other funds	1,961,000	287,262	2,248,262
Due from other governments	26,159	-	769,393
Prepaid items	-	-	391,593
Inventory	-	-	<u>1,422</u>
 Total Assets	 <u>\$ 5,274,550</u>	 <u>\$ 4,511,411</u>	 <u>\$ 20,696,257</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>(DEFICITS)</u>			
LIABILITIES			
Accounts payable	\$ -	\$ 28,894	\$ 1,187,374
Accrued payroll and benefits	-	4,737	373,371
Deferred revenue	26,159	452,745	5,372,258
Deposits payable	-	-	260,380
Due to other funds	-	718,143	740,916
Advances from other funds	-	-	<u>1,275,000</u>
 Total Liabilities	 <u>26,159</u>	 <u>1,204,519</u>	 <u>9,209,299</u>
FUND BALANCES (DEFICITS)			
Nonspendable	1,961,000	287,262	2,641,277
Restricted	30,377	1,659,681	1,694,568
Committed	-	-	6,875
Assigned	3,257,014	1,991,187	6,674,263
Unassigned	<u>-</u>	<u>(631,238)</u>	<u>469,975</u>
 Total Fund Balances (Deficits)	 <u>5,248,391</u>	 <u>3,306,892</u>	 <u>11,486,958</u>
 Total Liabilities and Fund Balances	 <u>\$ 5,274,550</u>	 <u>\$ 4,511,411</u>	 <u>\$ 20,696,257</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, 2012

Total fund balances of governmental funds	\$ 11,486,958
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 \$60,726,838.	141,095,965
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	(3,986,414)
Deferred revenue	4,469,372
Long-term liabilities are not due in the current period and therefore are not reported in the governmental funds.	
Long-term liabilities	(2,456,100)
Compensated absences	(934,725)
Net OPEB obligation	(832,520)
Termination benefits	(307,134)
Deferred charges, net of accumulated amortization of \$3,619 for debt issuance costs and discounts on long-term liabilities are expensed when incurred and therefore are not reported in the governmental funds.	68,767
Accrued interest payable from the current portion of interest due on long-term liabilities has not been reported in the governmental funds.	(18,722)
Certain accounts receivables are not available to pay for current period expenditures and therefore are offset by deferred revenues in the governmental funds.	<u>873,139</u>
Net assets of governmental activities	<u>\$ 149,458,586</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, 2012

	<u>General Fund</u>	<u>HOME Loans</u>	<u>Housing Successor Agency</u>	<u>Storm Drain</u>
<u>REVENUES</u>				
Taxes and assessments	\$ 9,778,878	\$ -	\$ -	\$ -
License, permits, and fees	1,001,463	-	-	-
Fines and forfeitures	18,358	-	-	-
Use of money and property	119,165	-	-	2,757
Program income	-	2,500	751	-
Intergovernmental	660,556	23,985	-	-
Charges for services	291,677	-	-	-
Developer fees	-	-	-	19,264
Other revenues	<u>159,373</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Total Revenues	<u>12,029,470</u>	<u>26,485</u>	<u>1,751</u>	<u>22,021</u>
<u>EXPENDITURES</u>				
Current:				
General administration	1,539,857	-	-	-
Public safety	6,975,438	-	-	-
Parks and recreation	1,487,029	-	-	-
Development	569,913	132,783	4,819	-
Public ways and facilities	1,025,458	-	-	-
Capital outlay	621,260	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>12,218,955</u>	<u>132,783</u>	<u>4,819</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(189,485)</u>	<u>(106,298)</u>	<u>(3,068)</u>	<u>22,021</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from refunding bonds	-	-	-	-
Transfers in	799,596	-	-	-
Transfers out	<u>(224,209)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>575,387</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXTRAORDINARY ITEM</u>				
Redevelopment dissolution (Note 18)	<u>-</u>	<u>-</u>	<u>6,598</u>	<u>-</u>
Net Change in Fund Balances	385,902	(106,298)	3,530	22,021
Fund Balances (Deficits) - July 1, 2011	<u>3,499,210</u>	<u>83,489</u>	<u>-</u>	<u>(956,179)</u>
Fund Balances (Deficits) - June 30, 2012	<u>\$ 3,885,112</u>	<u>\$ (22,809)</u>	<u>\$ 3,530</u>	<u>\$ (934,158)</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, 2012

	<u>Trans- portation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Taxes and assessments	\$ -	\$ 1,864,142	\$ 11,643,020
License, permits, and fees	-	-	1,001,463
Fines and forfeitures	-	27,923	46,281
Use of money and property	14,992	28,832	165,746
Program income	-	82,640	85,891
Intergovernmental	34,166	289,688	1,008,395
Charges for services	-	2,348	294,025
Developer fees	92,915	690,863	803,042
Other revenues	-	<u>10,967</u>	<u>171,340</u>
Total Revenues	<u>142,073</u>	<u>2,997,403</u>	<u>15,219,203</u>
<u>EXPENDITURES</u>			
Current:			
General administration	-	915	1,540,772
Public safety	-	64,284	7,039,722
Parks and recreation	-	-	1,487,029
Development	-	279,476	986,991
Public ways and facilities	-	299,853	1,325,311
Capital outlay	94,406	1,936,563	2,652,229
Debt service:			
Principal	-	3,605,200	3,605,200
Interest and fiscal charges	-	<u>396,333</u>	<u>396,333</u>
Total Expenditures	<u>94,406</u>	<u>6,582,624</u>	<u>19,033,587</u>
Excess (Deficiency) of Revenues over Expenditures	<u>47,667</u>	<u>(3,585,221)</u>	<u>(3,814,384)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Proceeds from refunding bonds	-	2,786,300	2,786,300
Transfers in	-	1,800,042	2,599,638
Transfers out	<u>(5,141)</u>	<u>(2,053,205)</u>	<u>(2,282,555)</u>
Total Other Financing Sources (Uses)	<u>(5,141)</u>	<u>2,533,137</u>	<u>3,103,383</u>
<u>EXTRAORDINARY ITEM</u>			
Redevelopment dissolution (Note 18)	<u>-</u>	<u>(3,468,095)</u>	<u>(3,461,497)</u>
Net Change in Fund Balances	42,526	(4,520,179)	(4,172,498)
Fund Balances (Deficits) - July 1, 2011	<u>5,205,865</u>	<u>7,827,071</u>	<u>15,659,456</u>
Fund Balances (Deficits) - June 30, 2012	<u>\$ 5,248,391</u>	<u>\$ 3,306,892</u>	<u>\$ 11,486,958</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, 2012

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	\$	(4,172,498)
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		2,692,318
Depreciation expense		(4,493,225)
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.		
		(50)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Proceeds from long-term liabilities are reported as other financing sources in the governmental funds, but increase long-term liabilities in the Statement of Net Assets.		
Bond principal payments		3,605,200
Proceeds of long-term liabilities		(2,786,300)
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.		
		112,149
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		(3,619)
Bond issuance costs		72,386
Write-off of bond issuance costs due to refunding		(100,621)
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		(61,054)
Loans made during the year		85,000
Accrued interest payable is interest due on long-term liabilities. This is the net change in accrued interest in the current period.		
		27,591
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		(150,873)
Other postemployment benefits		(183,926)
Termination benefits		(307,134)
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.		
		407,324
Some revenues reported in the prior year Statement of Activities were recognized in the governmental funds in the current year.		
		(234,481)
Due to the dissolution of the Redevelopment Agency of the City of Dixon, certain assets and liabilities were written off. This amount represents the loss associated with the dissolution.		
		<u>2,672,443</u>
Change in net assets of governmental activities	\$	<u>(2,819,370)</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

Business-type Activities - Enterprise Funds

	<u>Sewer</u>	<u>Transit</u>	<u>Totals</u>
<u>ASSETS</u>			
Current Assets			
Cash and investments	\$ 3,478,509	\$ 97,239	\$ 3,575,748
Restricted cash and investments	-	24,952	24,952
Accounts receivable, net	435,713	-	435,713
Interest receivable	4,932	181	5,113
Due from other governments	<u>11,806</u>	<u>58,000</u>	<u>69,806</u>
Total Current Assets	<u>3,930,960</u>	<u>180,372</u>	<u>4,111,332</u>
Non Current Assets			
Deferred issuance costs, net	44,318	-	44,318
Capital assets, net of accumulated depreciation	<u>41,723,011</u>	<u>392,928</u>	<u>42,115,939</u>
Total Non-Current Assets	<u>41,767,329</u>	<u>392,928</u>	<u>42,160,257</u>
Total Assets	<u>\$ 45,698,289</u>	<u>\$ 573,300</u>	<u>\$ 46,271,589</u>
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	\$ 110,151	\$ 14,737	\$ 124,888
Accrued salary and benefits	27,032	15,476	42,508
Accrued interest payable	13,485	-	13,485
Advances from other funds	287,262	-	287,262
Deferred revenue	-	24,952	24,952
Compensated absences - current	35,618	16,954	52,572
Termination benefits - current	-	15,586	15,586
Bonds payable - current	<u>132,800</u>	<u>-</u>	<u>132,800</u>
Total Current Liabilities	<u>606,348</u>	<u>87,705</u>	<u>694,053</u>
Non-Current Liabilities			
Compensated absences	11,530	8,140	19,670
Termination benefits	-	46,759	46,759
Bonds payable	1,203,100	-	1,203,100
Net OPEB obligation	<u>68,779</u>	<u>-</u>	<u>68,779</u>
Total Non-Current Liabilities	<u>1,283,409</u>	<u>54,899</u>	<u>1,338,308</u>
Total Liabilities	<u>1,889,757</u>	<u>142,604</u>	<u>2,032,361</u>
<u>NET ASSETS:</u>			
Invested in capital assets, net of related debt	40,387,111	392,928	40,780,039
Unrestricted	<u>3,421,421</u>	<u>37,768</u>	<u>3,459,189</u>
Total Net Assets	<u>43,808,532</u>	<u>430,696</u>	<u>44,239,228</u>
Total Liabilities and Net Assets	<u>\$ 45,698,289</u>	<u>\$ 573,300</u>	<u>\$ 46,271,589</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, 2012

Business-type Activities - Enterprise Funds

	Sewer	Transit	Totals
<u>OPERATING REVENUES</u>			
Charges for services, net of refunds	\$ 2,148,398	\$ 88,702	\$ 2,237,100
Operating grants	-	592,115	592,115
Other revenue	436,362	7,161	443,523
Total Operating Revenue	2,584,760	687,978	3,272,738
<u>OPERATING EXPENSES</u>			
Salaries and benefits	727,115	518,248	1,245,363
Materials, supplies, and operational expenses	15,763	1,040	16,803
Repairs and maintenance	209,621	89,305	298,926
Power and utilities	62,008	10,305	72,313
Contractual services	128,376	12,295	140,671
Administration	35,324	17,026	52,350
Miscellaneous	221,716	-	221,716
Depreciation and amortization	1,533,451	93,199	1,626,650
Total Operating Expenses	2,933,374	741,418	3,674,792
Operating Income (Loss)	(348,614)	(53,440)	(402,054)
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest income	15,720	671	16,391
Interest expense	(71,566)	-	(71,566)
Total Non-Operating Revenues (Expenses)	(55,846)	671	(55,175)
Income (Loss) Before Transfers and Contributions	(404,460)	(52,769)	(457,229)
<u>TRANSFERS & CONTRIBUTIONS</u>			
Transfers out	(262,500)	(54,583)	(317,083)
Capital contributions	-	3,455	3,455
Total Transfers and Capital Contributions	(262,500)	(51,128)	(313,628)
Change in net assets	(666,960)	(103,897)	(770,857)
Net Assets - July 1, 2011	44,450,854	534,593	44,985,447
Prior period adjustment (Note 17)	24,638	-	24,638
Net Assets - July 1, 2011, restated	44,475,492	534,593	45,010,085
Net Assets - June 30, 2012	\$ 43,808,532	\$ 430,696	\$ 44,239,228

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

Business-type Activities - Enterprise Funds

	<u>Sewer</u>	<u>Transit</u>	<u>Totals</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash received from customers	\$ 2,643,694	\$ 95,863	\$ 2,739,557
Cash received from operating grants	-	841,363	841,363
Cash paid to suppliers	(725,187)	(128,250)	(853,437)
Cash paid to employees	(695,184)	(465,947)	(1,161,131)
Net Cash Provided by Operating Activities	<u>1,223,323</u>	<u>343,029</u>	<u>1,566,352</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Due from other funds	(121,404)	-	(121,404)
Transfers to other funds	(262,500)	(244,115)	(506,615)
Net Cash Used for Non-Capital Financing Activities	<u>(383,904)</u>	<u>(244,115)</u>	<u>(628,019)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Capital grants	-	25,107	25,107
Loss on disposal of capital assets	1,856	-	1,856
Acquisition of capital assets	(279,657)	(2,320)	(281,977)
Deferred bond issuance costs	(46,894)	-	(46,894)
Principal paid on capital debt	(244,100)	-	(244,100)
Interest paid on capital debt	(87,523)	-	(87,523)
Net Cash Used for (Provided by) Capital and Related Financing Activities	<u>(656,318)</u>	<u>22,787</u>	<u>(633,531)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and dividends	16,771	490	17,261
Net Increase in Cash and Cash Equivalents	199,872	122,191	322,063
Cash and Cash Equivalents - July 1, 2011	<u>3,278,637</u>	<u>-</u>	<u>3,278,637</u>
Cash and Cash Equivalents - June 30, 2012	<u>\$ 3,478,509</u>	<u>\$ 122,191</u>	<u>\$ 3,600,700</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets			
Cash and investments	\$ 3,478,509	\$ 97,239	\$ 3,575,748
Restricted cash and investments	<u>-</u>	<u>24,952</u>	<u>24,952</u>
Cash and Cash Equivalents - June 30, 2012	<u>\$ 3,478,509</u>	<u>\$ 122,191</u>	<u>\$ 3,600,700</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, 2012

	<u>Sewer</u>	<u>Transit</u>	<u>Totals</u>
<u>RECONCILIATION OF OPERATING INCOME</u>			
<u>(LOSS) TO NET CASH PROVIDED BY</u>			
<u>OPERATING ACTIVITIES:</u>			
Operating Income (Loss)	\$ (348,614)	\$ (53,440)	\$ (402,054)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	1,498,516	93,199	1,591,715
Amortization	34,935	-	34,935
Changes in assets and liabilities:			
Decrease in accounts receivable	58,934	-	58,934
Decrease in grants receivable	-	249,248	249,248
(Decrease) increase in accounts payable	(52,379)	1,721	(50,658)
Increase in accrued wages	9,003	3,851	12,854
Increase in net OPEB obligation	13,580	-	13,580
Increase in termination benefits	-	62,345	62,345
Increase (decrease) in compensated absences	<u>9,348</u>	<u>(13,895)</u>	<u>(4,547)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,223,323</u>	<u>\$ 343,029</u>	<u>\$ 1,566,352</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	<u>Private- Purpose Trust Fund</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Cash and investments (Note 2)	\$ -	\$ 4,057,585
Accounts receivable	283,517	228,156
Interest receivable	4,339	6,482
Prepaid expenses	86	-
Restricted cash and investments (Note 2)	3,222,757	3,258,391
Notes receivable, net	1,057,015	-
Capital assets, non-depreciable	<u>277,307</u>	<u>-</u>
Total Assets	\$ <u>4,845,021</u>	\$ <u>7,550,614</u>
<u>LIABILITIES</u>		
Accounts payable and other liabilities	\$ 645,620	\$ 135,682
Deposits payable	-	766,036
Interest payable	57,025	389,696
Long-term liabilities	2,910,000	-
Funds held in trust	<u>-</u>	<u>6,259,200</u>
Total Liabilities	\$ <u>3,612,645</u>	\$ <u>7,550,614</u>
<u>NET ASSETS</u>		
Held in trust for private purposes	\$ <u>1,232,376</u>	\$ <u>-</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Private- Purpose Trust Fund
<u>ADDITIONS</u>	
Program Income	\$ 731
Reimbursements	12,500
Interest income	<u>8,631</u>
Total Additions	<u>21,862</u>
<u>DEDUCTIONS</u>	
Pass-through agreements	522,100
Operating costs	82,784
Interest costs	<u>71,478</u>
Total Deductions	<u>676,362</u>
Extraordinary gain due to dissolution of redevelopment agency (Note 18)	<u>1,886,876</u>
Changes in Fiduciary Net Assets	1,232,376
Fiduciary Net Assets - July 1, 2011	<u>-</u>
Fiduciary Net Assets - June 30, 2012	<u>\$ 1,232,376</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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. During the current year, redevelopment agencies in California were dissolved. See footnote 18 for more information. No separate financial statements were issued for the Agency.

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 liability 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 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.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 92.5% 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, 2012

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.

Private-Purpose Trust Funds - Private Purpose Trust Funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

Housing Successor Agency - This fund was created as a result of the dissolution of the Redevelopment Agency of the City of Dixon and the City of Dixon's election to serve as the Housing Successor Agency.

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

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.

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.

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

The City also reports the following fund type:

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

Private-Purpose Trust Fund - This fund was created as a result of the State order to dissolve California Redevelopment Agencies. As the Successor Agency, this fund is used to track the activity by the Oversight Board and the Department of Finance to dissolve the Agency.

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, 2012

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. The "economic resources" measurement focus and the accrual basis of accounting is used for trust funds.

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, 2012

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 funds's principal operations. The principal operating revenues of the sewer 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 determines the fair value of their portfolio quarterly and reports a factor to the City; the City applies that factor to convert its share of LAIF from amortized cost to fair value. 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, 2012

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, 2012

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, 2012. 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, 2012

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 11.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012 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	\$ 10,488,678	\$ 290,127	\$ 10,778,805
Business-type activities	<u>3,575,748</u>	<u>24,952</u>	<u>3,600,700</u>
Total government-wide cash and investments	<u>14,064,426</u>	<u>315,079</u>	<u>14,379,505</u>
Fiduciary activities	<u>4,057,585</u>	<u>6,481,148</u>	<u>10,538,733</u>
Total cash and investments	<u>\$ 18,122,011</u>	<u>\$ 6,796,227</u>	<u>\$ 24,918,238</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Cash and investments were carried at fair value as of June 30, 2012 and consisted of the following:

Cash on hand	\$	1,227
Cash in banks		<u>940,173</u>
 Total cash		 <u>941,400</u>
 U.S. Treasury obligations		 3,647,493
U.S. Agency securities		6,327,756
Corporate bonds		1,909,646
Money market funds		2,515,038
Local Agency Investment Fund (LAIF)		7,548,909
California Asset Management Program (CAMP)		<u>2,027,996</u>
 Total investments		 <u>23,976,838</u>
 Total cash and investments	\$	 <u><u>24,918,238</u></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, 2012

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, 2012:

	Remaining Maturity		
	12 months or less	1-5 years	Fair Value
U.S. Treasuries	\$ 1,420,584	\$ 2,226,909	\$ 3,647,493
U.S. Agency securities	-	6,327,756	6,327,756
Corporate bonds	-	1,909,646	1,909,646
Money market mutual funds	22,683	-	22,683
Local Agency Investment Fund	7,548,909	-	7,548,909
California Asset Management Program	2,027,996	-	2,027,996
Held by bond trustee:			
Money market funds	<u>2,492,355</u>	<u>-</u>	<u>2,492,355</u>
	<u>\$ 13,512,527</u>	<u>\$ 10,464,311</u>	<u>\$ 23,976,838</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012.

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	\$ 3,647,493	Exempt		Not rated
U.S. Agency Securities	6,327,756	AA+	Aaa	
Corporate bonds	997,117	AA+	A2	
Corporate bonds	395,601	AA+	Aa2	
Corporate bonds	516,928	AAA	Aaa	
Money market mutual funds	22,683			Not rated
Local Agency Investment Fund	7,548,909			Not rated
California Asset Management Program	2,027,996	AAAm		
Held by bond trustee:				
Money market funds	<u>2,492,355</u>	AAAm	Aaa	
	<u>\$ 23,976,838</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:

Issuer	Investment Type	Amount
Federal Home Loan Mortgage Corp	U.S. Agency security	\$ 3,496,237
Federal National Mortgage Association	U.S. Agency security	1,533,886
Federal Home Loan Bank	U.S. Agency security	1,234,950

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012, the carrying amount of the City's deposits was \$941,400 and bank balances were \$1,017,770, of which \$258,838 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, 2012

NOTE 3: NOTES AND LOANS RECEIVABLE (CONTINUED)

A summary of notes receivable at June 30, 2012 is as follows:

<u>Government-wide</u>	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Balance June 30, 2012</u>
Redevelopment	\$ 1,059,435	\$ -	\$ (1,059,435)	\$ -
Low/Moderate Income Housing	2,299,351	-	(2,299,351)	-
HOME Loans	1,487,965	85,000	(2,500)	1,570,465
Housing Successor Agency	-	2,298,702	(495)	2,298,207
CDBG Business Loans	<u>510,808</u>	<u>-</u>	<u>(58,063)</u>	<u>452,745</u>
Total Notes Receivable	<u>5,357,559</u>	<u>2,383,702</u>	<u>(3,419,844)</u>	<u>4,321,417</u>
Less Allowance for Notes Receivable	<u>(4,875,612)</u>	<u>(85,000)</u>	<u>974,198</u>	<u>(3,986,414)</u>
Total Notes Receivable, net	<u>\$ 481,947</u>	<u>\$ 2,298,702</u>	<u>\$ (2,445,646)</u>	<u>\$ 335,003</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, 2012.

NOTE 4: INTERFUND AND INTRA-FUND TRANSACTIONS

Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2012 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>
General Fund - Contingency	Transit Projects	Overdrawn cash balances	\$ 28,978
General Fund - Contingency	HOME Loans	Overdrawn cash balances	22,773
General Fund - Contingency	CFD Pond C	Overdrawn cash balances	3,165
Capital Improvements	Sewer	South Dixon Sewer Trunk Line	287,262
Transportation	Storm Drain	2008 Pond C project	1,275,000
Transportation	Transit Projects	2012 West B Street Undercrossing	<u>686,000</u>
Total Interfund Receivables/Payables			\$ <u>2,303,178</u>

Intra-fund Receivables/Payables

The following table represents intra-fund receivables and payables as of June 30, 2012:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>
General Fund - Contingency	General Fund	Overdrawn cash balances	\$ 508,290
General Fund - Contingency	Planning agreements	Overdrawn cash balances	<u>902</u>
Total Intra-fund Receivables/Payables			\$ <u>509,192</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 115 presents both general fund intra-fund and interfund receivables and payables.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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

Interfund Transfers to/from Other Funds

Transfers between funds during the fiscal year ended June 30, 2012 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	\$ 103,209
General Fund	Recreation Improvements	Reimburse allocated costs	121,000
Transportation	General Fund	Reimburse allocated costs	<u>5,141</u>
Total Major Governmental Interfund Transfers			<u>229,350</u>
<u>Non-Major Governmental Funds</u>			
Redevelopment	General Fund	Reimburse allocated costs	111,869
Gas Tax	General Fund	Reimburse allocated costs	317,485
Traffic Safety	General Fund	Reimburse allocated costs	6,297
CDBG	General Fund	Reimburse allocated costs	2,978
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	30,432
Community Development	DPFA - Fire	Debt service	115,886
Community Development	Lease Financing	Debt service	335,835
City Facilities	General Fund	Reimburse allocated costs	5,398
City Facilities	DPIC	Debt service	38,732
City Facilities	Lease Financing	Debt service	10,448
Public Works	General Fund	Reimburse allocated costs	1,997
Transit Projects	General Fund	Reimburse allocated costs	7,904
Core Area Drainage	Redevelopment	Reverse project funding	1,032,000
Recreation Improvements	General Fund	Reimburse allocated costs	<u>11,955</u>
Total Non- Major Governmental Interfund Transfers			<u>2,053,205</u>
<u>Proprietary Funds</u>			
Sewer	General Fund	Reimburse allocated costs	200,000
Sewer	Redevelopment	Project reimbursement	12,500
Sewer	General Fund	Equipment replacement	50,000
Transit	General Fund	Reimburse allocated costs	<u>54,583</u>
Total Proprietary Interfund Transfers			<u>317,083</u>
Total Interfund Transfers			\$ <u>2,599,638</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012:

<u>Transfer from</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
<u>General Fund</u>			
General Fund	Infrastructure Reserve	Future infrastructure replace	\$ 50,000
Recreation Fund	General Fund	Reimburse allocated costs	36,642
Equipment Replacement	General Fund	Equipment replacement	192,762
Building Reserve	General Fund	Fire department door repair	10,000
Building Reserve	General Fund	Solar facilities	<u>178,683</u>
Total General Fund Intra-Fund Transfers			<u>468,087</u>
<u>Sewer Fund</u>			
Sewer O&M	Sewer Debt	Debt service	347,160
Sewer O&M	Sewer Rehab Projects	Water softener removal program	60,000
Sewer O&M	Sewer Capital Mixed	Funding for capital projects	112,633
Sewer Improvements	Sewer Capital Mixed	Funding for capital projects	18,459
Sewer Rehab	Sewer Improvements	CIP transfer	155,911
Sewer Capital Mixed	Sewer Improvements	CIP transfer	<u>110,229</u>
Total Sewer Intra-Fund Transfers			<u>804,392</u>
Total Intra-fund Transfers			\$ <u>1,272,479</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 116 presents both general fund interfund transfers and intra-fund transfers.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5: CAPITAL ASSETS

Governmental activities:

	<u>Balance at July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2012</u>
Capital assets not being depreciated					
Land	\$ 2,656,569	\$ -	\$ (277,307)	\$ -	\$ 2,379,262
Construction-in-progress	<u>2,449,956</u>	<u>1,820,109</u>	<u>-</u>	<u>(19,189)</u>	<u>4,250,876</u>
Total capital assets not being depreciated	<u>5,106,525</u>	<u>1,820,109</u>	<u>(277,307)</u>	<u>(19,189)</u>	<u>6,630,138</u>
Capital assets being depreciated					
Buildings and improvements	12,367,587	-	-	-	12,367,587
Equipment	5,497,301	715,258	(39,770)	19,189	6,191,978
Infrastructure	<u>176,476,149</u>	<u>156,951</u>	<u>-</u>	<u>-</u>	<u>176,633,100</u>
Total capital assets being depreciated	<u>194,341,037</u>	<u>872,209</u>	<u>(39,770)</u>	<u>19,189</u>	<u>195,192,665</u>
Less accumulated depreciation					
Buildings and improvements	(3,962,600)	(314,527)	-	-	(4,277,127)
Equipment	(3,591,195)	(447,773)	39,720	-	(3,999,248)
Infrastructure	<u>(48,719,538)</u>	<u>(3,730,925)</u>	<u>-</u>	<u>-</u>	<u>(52,450,463)</u>
Total accumulated depreciation	<u>(56,273,333)</u>	<u>(4,493,225)</u>	<u>39,720</u>	<u>-</u>	<u>(60,726,838)</u>
Total capital assets, net	<u>\$ 143,174,229</u>	<u>\$ (1,800,907)</u>	<u>\$ (277,357)</u>	<u>\$ -</u>	<u>\$ 141,095,965</u>

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

Governmental Activities:

General administration	\$ 164,890
Public safety	302,389
Parks and recreation	698,536
Community development	5,484
Public ways and facilities	<u>3,321,926</u>

Total governmental activities depreciation expense **\$ 4,493,225**

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5: CAPITAL ASSETS (CONTINUED)

Business-type activities:

	<u>Balance at July 1, 2011</u>	<u>Prior Period Adjustment</u>	<u>Balance at July 1, 2011, Restated</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2012</u>
Capital assets not being depreciated						
Land	\$ 773,160	\$ -	\$ 773,160	\$ -	\$ -	\$ 773,160
Construction-in-progress	<u>1,158,262</u>	<u>-</u>	<u>1,158,262</u>	<u>266,139</u>	<u>-</u>	<u>1,424,401</u>
Total capital assets not being depreciated	<u>1,931,422</u>	<u>-</u>	<u>1,931,422</u>	<u>266,139</u>	<u>-</u>	<u>2,197,561</u>
Capital assets being depreciated						
Structures and improvements	58,268,130	25,140	58,293,270	2,320	(23,280)	58,272,310
Equipment	<u>1,807,902</u>	<u>-</u>	<u>1,807,902</u>	<u>13,518</u>	<u>(290,175)</u>	<u>1,531,245</u>
Total capital assets being depreciated	<u>60,076,032</u>	<u>25,140</u>	<u>60,101,172</u>	<u>15,838</u>	<u>(313,455)</u>	<u>59,803,555</u>
Less accumulated depreciation						
Structures and improvements	(17,498,349)	(502)	(17,498,851)	(1,396,460)	23,280	(18,872,031)
Equipment	<u>(1,106,210)</u>	<u>-</u>	<u>(1,106,210)</u>	<u>(195,255)</u>	<u>288,319</u>	<u>(1,013,146)</u>
Total accumulated depreciation	<u>(18,604,559)</u>	<u>(502)</u>	<u>(18,605,061)</u>	<u>(1,591,715)</u>	<u>311,599</u>	<u>(19,885,177)</u>
Total capital assets, net	<u>\$ 43,402,895</u>	<u>\$ 24,638</u>	<u>\$ 43,427,533</u>	<u>\$ (1,309,738)</u>	<u>\$ (1,856)</u>	<u>\$ 42,115,939</u>

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

Sewer	\$ 1,498,516
Transit	<u>93,199</u>
Total business-type activities depreciation expense	<u>\$ 1,591,715</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012:

	<u>Balance at July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2012</u>	<u>Current Portion</u>
Governmental activities:					
Compensated absences	\$ 1,046,874	\$ 525,165	\$ (637,314)	\$ 934,725	\$ 473,614
1981 Lease revenue	450,000	-	(450,000)	-	-
1995 Tax allocation refunding	3,055,000	-	(3,055,000)	-	-
1996 Refunding lease revenue	665,000	-	(665,000)	-	-
1997 Lease revenue	2,015,000	-	(2,015,000)	-	-
2012 Lease revenue	<u>-</u>	<u>2,786,300</u>	<u>(330,200)</u>	<u>2,456,100</u>	<u>368,300</u>
Total Governmental activities	<u>\$ 7,231,874</u>	<u>\$ 3,311,465</u>	<u>\$ (7,152,514)</u>	<u>\$ 3,390,825</u>	<u>\$ 841,914</u>
	<u>Balance at July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2012</u>	<u>Current Portion</u>
Business-type activities:					
Compensated absences	\$ 76,789	\$ 67,325	\$ (71,872)	\$ 72,242	\$ 52,572
1996 Certificates of participation	1,580,000	-	(1,580,000)	-	-
2012 Refunding bonds	<u>-</u>	<u>1,360,700</u>	<u>(24,800)</u>	<u>1,335,900</u>	<u>132,800</u>
Total Business-type activities	<u>\$ 1,656,789</u>	<u>\$ 1,428,025</u>	<u>\$ (1,676,672)</u>	<u>\$ 1,408,142</u>	<u>\$ 185,372</u>

A description of the long-term liabilities related to governmental activities at June 30, 2012 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 were due semi-annually on August 1 and February 1 through August 2021 at an interest rate of 5.0%. Annual principal payments were due on August 1. These bonds were defeased and refunded through the 2012 Lease Revenue bonds; therefore, these bonds are no longer outstanding as of June 30, 2012.

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. As part of the redevelopment agency dissolution, these bonds were transferred to the Successor Agency, and therefore no outstanding balance exists for the City as of June 30, 2012. See note 18 for further information.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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 were due semi-annually on April 1 and October 1 through April 2015. Annual principal payments were due on April 1. These bonds were defeased and refunded through the 2012 Lease Revenue bonds; therefore, these bonds are no longer outstanding as of June 30, 2012.

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 were due semi-annually on April 1 and October 1 through April 2022. Annual principal payments were due April 1. These bonds were defeased and refunded through the 2012 Lease Revenue bonds; therefore, these bonds are no longer outstanding as of June 30, 2012.

2012 Lease Revenue Bonds

On January 12, 2012, the 2012 Refunding Lease Revenue Bonds were issued by the Dixon Public Financing Authority in the amount of \$2,786,300 to advance refund the 1981 Lease Revenue Bonds, the 1996 Refunding Lease Revenue Bonds, and the 1997 Lease Revenue Bonds. This advance refunding was undertaken to reduce total debt service payments over the next nine years by \$367,197 and resulted in an economic gain of \$312,554. To provide for repayment of the bonds, the City entered into an agreement to lease certain property from the Dixon Public Financing Authority. The bonds are secured by the Dixon Fire Station Building. The lease interest rate is 3.21%. Principal and interest payments are due semi-annually on April 1 and October 1 through October 2021. The outstanding principal balance of the 2012 bonds at June 30, 2012 was \$2,456,100.

Deferred Charges

Capitalized bond costs related to the above issuances have been recorded as deferred charges, net of accumulated amortization in the amount of \$68,767 in the government-wide financial statements. The balance is amortized using the straight line method over the bond term of 9 years. Amortization expense for bond costs for the year ended June 30, 2012 was \$3,619.

Governmental Activities Long-Term Liabilities Amortization:

2012 Refunding Lease Revenue			
For the Year Ending June 30	Principal	Interest	Total
2013	\$ 368,300	\$ 73,527	\$ 441,827
2014	381,200	62,945	444,145
2015	210,600	53,105	263,705
2016	217,100	46,293	263,393
2017	228,100	39,237	267,337
2018 - 2022	<u>1,050,800</u>	<u>81,411</u>	<u>1,132,211</u>
Total	\$ <u>2,456,100</u>	\$ <u>356,518</u>	\$ <u>2,812,618</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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 were due semi-annually on March 1 and September 1 through September 2021. Annual principal payments were due September 1. These bonds were defeased and refunded through the 2012 Sewer Refunding Bonds; therefore, these bonds are no longer outstanding as of June 30, 2012.

2012 Sewer Refunding Bonds

On January 12, 2012, the 2012 Refunding Lease Revenue Bonds were issued by the Dixon Public Financing Authority in the amount of \$1,360,700 to advance refund the 1996 Certificates of Participation. This advance refunding was undertaken to reduce total debt service payments over the next nine years by \$202,901 and resulted in an economic gain of \$186,125. To provide for repayment of the bonds, 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. The interest rate is 3.07%. Principal and interest payments are due semi-annually on April 1 and October 1 through October 2021. The outstanding principal balance of the 2012 bonds at June 30, 2012 was \$1,335,900.

Deferred Charges

Capitalized bond costs related to the Business-type long term liabilities have been recorded as deferred issuance costs in the amount of \$44,318 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, 2012 was \$34,935.

Business-Type Long-Term Liabilities Amortization

2012 Sewer Refunding Bonds			
For the Year Ending June 30	Principal	Interest	Total
2013	\$ 132,800	\$ 40,001	\$ 172,801
2014	135,400	35,904	171,304
2015	137,700	31,730	169,430
2016	144,700	27,449	172,149
2017	146,300	22,994	169,294
2018 - 2022	639,000	44,792	683,792
Total	\$ 1,335,900	\$ 202,870	\$ 1,538,770

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012 were as follows:

Dixon-West "A" Street Assessment District Limited Obligation Improvement Bonds	\$	1,185,000
North First Street Assessment District Limited Obligation Improvement Bonds		9,445,000
Dixon Public Financing Authority:		
1998 Senior Lien Reassessment Bonds, Series A		3,125,000
1998 Junior Lien Reassessment Bonds, Series B		<u>6,715,000</u>
Total Special Assessment Debt	\$	<u>20,470,000</u>

NOTE 8: EARLY RETIREMENT INCENTIVE

During the current year, the City approved an early retirement incentive program through the Public Agency Retirement System (PARS) to eligible City staff. In order to qualify for the early retirement program, an employee needed to meet the following criteria:

- They must be a Miscellaneous member of PERS
- They must be at least 50 years of age or older effective September 30, 2011
- They must be able to retire under the PERS retirement system with at least 5 years of service
- They must have at least 5 years of City of Dixon service effective September 30, 2011
- They must actually retire from PERS no later than September 30, 2011

During the year, 22 City employees met the eligibility criteria. Four general fund and two Transit employees elected to participate. Qualifying employees who participated in the program selected from a number of benefit options, the basic program in which they receive one-twelfth (1/12) of seven percent (7%) of their final pay.

The City records a liability and expense upon election by the employees to participate in the program. The liability at June 30, 2012 totaled \$369,479, which represents actual future payments to be made. Of this amount, \$307,134 is recorded in governmental activities and \$62,345 is recorded in business-type activities. Expenses related to termination benefits totaled \$92,711 for the year ending June 30, 2012. Future payments as of June 30, are as follows:

		<u>Amount</u>
2013	\$	92,370
2014		92,370
2015		92,370
2016		<u>92,369</u>
Total		<u>369,479</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9: 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. The City has also adopted a Safety Police retirement plan 2nd tier of 3% at 55. 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% (10% for Police employees and 11.2% for Fire employees) of their covered salaries. The City pays 4.5% of the employee contribution for members of the Dixon Police Officers Association (DPOA) and the members pay the remaining 4.5%. The Dixon Professional Firefighters Association (DPFA) members pay 15.113% of their covered salary of which 3% is in-lieu of the City furlough program. The City is required to contribute actuarially determined rates which are 33.624% for 1st tier safety police employees, 20.308% for 2nd tier safety police employees, 27.913% for safety fire employees, and 19.134% for non-safety employees of annual covered payroll for the fiscal year ended June 30, 2012. 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, 2012, the City's annual pension cost (employer contribution) of \$2,018,696 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		Net Pension Obligation
		Contributed		
2010	\$ 1,607,186	100%		-
2011	\$ 1,729,705	100%		-
2012	\$ 2,018,696	100%		-

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 10: 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, 2012, the City reported 34 retired employees. The City currently has 102 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, 2012, 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, 2012, the City's annual cost for the healthcare plan was \$322,000. The City's annual OPEB cost contributed to the plan and the net OPEB obligation for the year ended June 30, 2012 were as follows:

Annual required contribution		
Service cost at year-end	\$	214,375
30-year amortization of funded liability		<u>117,000</u>
Total annual required contribution		<u>331,375</u>
Interest on net OPEB obligation		29,911
Adjustment to net OPEB obligation		<u>(39,286)</u>
Total annual OPEB cost		<u>322,000</u>
Employer contributions		(124,494)
Net pension obligation, July 1, 2011		<u>703,793</u>
Net pension obligation, June 30, 2012	\$	<u>901,299</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, 2010	\$ 273,000	\$ 31,030	11 %	\$ 232,559
June 30, 2011	\$ 292,000	\$ 62,736	21 %	\$ 703,793
June 30, 2012	\$ 322,000	\$ 124,494	39 %	\$ 901,299

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 10: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

As of June 30, 2012, \$832,520 of the net pension obligation was recorded in governmental activities and \$68,779 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, 2012, was as follows:

Actuarial accrued liability (AAL)		
Active employees	\$	1,707,000
Retired employees		<u>389,000</u>
		<u>2,096,000</u>
Actuarial value of plan assets		<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$	<u>2,096,000</u>
Funded Ratio (actuarial value of plan assets / AAL)		0 %
Covered payroll (active plan members)	\$	6,800,000
UAAL as a percentage of covered payroll		31 %

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, presents 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 two 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 2011 actuarial valuation, the entry age normal cost method was used along with the level percent of payroll amortization method over a closed 30 years. 27 years are remaining on the initial unfunded liability. The asset valuation method was based on the market value of assets. The actuarial assumptions included a 7.25% 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 retiree spousal coverage was the same as the current coverage at election.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 11: 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, by resolution 12-067, authority to the Finance and Technology Director 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 the 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, 2012, fund balances consisted of the following:

	General Fund	HOME Loans	Housing Successor Agency	Storm Drain	Transpor- tation	Non-Major Funds	Total
Nonspendable:							
Prepays	\$ 391,593	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 391,593
Inventory	1,422	-	-	-	-	-	1,422
Advances	-	-	-	-	1,961,000	287,262	2,248,262
Restricted:							
Housing	-	-	3,530	-	-	-	3,530
Grants	-	-	-	-	-	362,322	362,322
Taxes & fees	-	-	-	-	-	1,297,249	1,297,249
Debt service	-	-	-	-	-	110	110
Contributions	980	-	-	-	-	-	980
Mitigation	-	-	-	-	30,377	-	30,377
Committed:							
Encumbrances	6,875	-	-	-	-	-	6,875
Assigned:							
Encumbrances	76,677	-	-	-	-	-	76,677
Capital projects	-	-	-	-	3,257,014	1,991,187	5,248,201
Equipment replacement	1,282,540	-	-	-	-	-	1,282,540
Building maintenance	16,613	-	-	-	-	-	16,613
Infrastructure reserve	50,232	-	-	-	-	-	50,232
Unassigned	<u>2,058,180</u>	<u>(22,809)</u>	<u>-</u>	<u>(934,158)</u>	<u>-</u>	<u>(631,238)</u>	<u>469,975</u>
Total	<u>\$ 3,885,112</u>	<u>\$ (22,809)</u>	<u>\$ 3,530</u>	<u>\$ (934,158)</u>	<u>\$ 5,248,391</u>	<u>\$ 3,306,892</u>	<u>\$11,486,958</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 12: RISK MANAGEMENT

The City is a member of the Northern California Cities Self Insurance Fund (NCCCSIF) along with twenty 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 - \$50,000	Self-insured	Banking layer
\$50,001 - \$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 \$387,402 is recorded as a prepaid asset in the General Fund. Audited condensed financial information for the NCCCSIF for the fiscal year ended June 30, 2012 was as follows:

Total Assets	\$	49,107,391
Total Liabilities	\$	35,943,448
Net Assets	\$	13,163,943
Total Revenues	\$	9,759,744
Total Expenses	\$	14,546,452
Change in Net Assets	\$	(4,786,708)

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 13: EXCESS EXPENDITURES AND TRANSFERS OVER APPROPRIATIONS

The following funds incurred expenditures and/or transfers (excluding extraordinary losses) in excess of appropriations in the following amounts for the year ended June 30, 2012:

<u>Fund</u>	<u>Excess Expenditures</u>
Redevelopment	\$ 92,603
CA Used Oil	431
DPIC	420,022
Police (DPFA)	500,581
Fire (DPFA)	1,857,740
Lease Financing	421,749

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

NOTE 14: DEFICIT FUND BALANCES

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

<u>Fund</u>	<u>Deficit</u>
HOME Loans	\$ 22,809
Storm Drain Fund	934,158
CFD Pond C	3,165
Transit Projects	628,073

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, 2012 totaling \$389,610 for various construction projects that were not complete as of year-end.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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 capital assets belonging to City were incorrectly recorded as part of DSWA's capital assets. Accordingly, the Sewer Fund's beginning net assets has been adjusted to reflect an adjustment of \$24,638.

NOTE 18: EXTRAORDINARY ITEM: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

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

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government.

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

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

The Bill directs 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 the Bill.

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

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

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 18: EXTRAORDINARY ITEM: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

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

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

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

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

Total extraordinary loss reported in governmental funds – increase to net assets of the Successor Agency Trust Fund	\$ 3,461,497
Capital assets recorded in the government-wide financial statements – increase to net assets of the Successor Agency Trust Fund	277,307
Notes receivable, net of allowance recorded in the government-wide financial statements – increase to net assets of the Successor Agency Trust Fund	20,017
Accrued bond interest reported in the government-wide financial statements – decrease to net assets of the Successor Agency Trust Fund	(59,767)
Long-term debt reported in the government-wide financial statements – decrease to net assets of the Successor Agency Trust Fund	<u>(2,910,000)</u>
Net decrease to net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary loss reported in the government-wide financial statements of the City)	<u>\$ 789,054</u>

NOTE 19: SUBSEQUENT EVENTS

On August 6, 2012, the City Council directed staff members to begin the process for the termination of the Joint Powers Agreement by and between the Solano Irrigation District and the City of Dixon that had formed the Dixon/Solano Water Authority. The DSWA JPA authorizes either party to initiate termination by providing the other party with written notice two years in advance. Upon termination, all assets will become the property of the City of Dixon. If the City of Dixon leases, sells, transfer, or disposes of any assets for 10 years (exclusion period) following the termination, Solano Irrigation District is entitled to receive 50% of the payments, sales prices, or other payments. The City of Dixon is authorized to contract with a third party operator during the exclusion period.

The City of Dixon delivered the termination letter to Solano Irrigation District on August 9, 2012. The delivery of this letter activates the exclusion period and the joint powers agreement will terminate on August 8, 2014. The City Council directed staff at the November 13, 2012 meeting to issue a request for proposal for a consultant to assist in identifying operational options. The City of Dixon does not intend to sell or dispose of the water service.

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, 2012

	2011 - 2012			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<u>REVENUES</u>				
Taxes and assessments	\$ 9,397,882	\$ 9,397,882	\$ 9,778,878	\$ 380,996
License, permits, and fees	815,340	875,340	1,001,463	126,123
Fines and forfeitures	5,500	5,500	18,358	12,858
Use of money and property	125,680	125,680	119,165	(6,515)
Intergovernmental	435,870	654,844	660,556	5,712
Charges for services	254,065	254,065	291,677	37,612
Other revenues	<u>114,000</u>	<u>142,000</u>	<u>159,373</u>	<u>17,373</u>
Total Revenues	<u>11,148,337</u>	<u>11,455,311</u>	<u>12,029,470</u>	<u>574,159</u>
<u>EXPENDITURES</u>				
Current:				
General Administration				
City council	81,175	81,175	59,781	21,394
City manager	232,885	255,285	83,042	172,243
Administrative services	649,201	813,815	815,343	(1,528)
Personnel	432,774	432,774	423,972	8,802
City attorney	135,000	165,500	195,758	(30,258)
General liability	(259,189)	(259,189)	(43,439)	(215,750)
Garage	-	-	5,400	(5,400)
Total General Administration	<u>1,271,846</u>	<u>1,489,360</u>	<u>1,539,857</u>	<u>(50,497)</u>
Public Safety				
Police	4,114,353	3,962,796	3,854,295	108,501
Fire	<u>3,180,994</u>	<u>3,116,312</u>	<u>3,121,143</u>	<u>(4,831)</u>
Total Public Safety	<u>7,295,347</u>	<u>7,079,108</u>	<u>6,975,438</u>	<u>103,670</u>
Parks and Recreation				
Park maintenance	1,104,540	1,113,340	1,055,684	57,656
Recreation	329,396	329,396	338,007	(8,611)
Senior multi-use center	<u>94,509</u>	<u>94,509</u>	<u>93,338</u>	<u>1,171</u>
Total Parks and Recreation	<u>1,528,445</u>	<u>1,537,245</u>	<u>1,487,029</u>	<u>50,216</u>
Development				
Economic development	\$ 63,489	\$ 63,489	\$ 179,805	\$ (116,316)
Planning	<u>373,350</u>	<u>373,350</u>	<u>390,108</u>	<u>(16,758)</u>
Total Development	<u>436,839</u>	<u>436,839</u>	<u>569,913</u>	<u>(133,074)</u>

CITY OF DIXON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
OR THE FISCAL YEAR ENDED JUNE 30, 2012

	2011 - 2012		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
Public Ways and Facilities				
Engineering	418,167	597,850	499,330	98,520
Street maintenance	<u>562,820</u>	<u>562,820</u>	<u>526,128</u>	<u>36,692</u>
Total Public Ways and Facilities	<u>980,987</u>	<u>1,160,670</u>	<u>1,025,458</u>	<u>135,212</u>
Capital Outlay	<u>360,828</u>	<u>724,064</u>	<u>621,260</u>	<u>102,804</u>
Total Expenditures	<u>11,874,292</u>	<u>12,427,286</u>	<u>12,218,955</u>	<u>313,858</u>
Excess (deficiency) of revenues over expenditures	<u>(725,955)</u>	<u>(971,975)</u>	<u>(189,485)</u>	<u>260,301</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,396,363	1,396,363	799,596	(596,767)
Transfers out	<u>(761,999)</u>	<u>(848,250)</u>	<u>(224,209)</u>	<u>624,041</u>
Total Other Financing Sources (Uses)	<u>634,364</u>	<u>548,113</u>	<u>575,387</u>	<u>27,274</u>
Net change in fund balance	<u>\$ (91,591)</u>	<u>\$ (423,862)</u>	<u>385,902</u>	<u>\$ 287,575</u>
Fund balance - July 1, 2011			<u>3,499,210</u>	
Fund balance - June 30, 2012			<u>\$ 3,885,112</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, 2012

	<u>2011 - 2012</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	-	-	2,500	2,500
Intergovernmental	<u>6,100,000</u>	<u>6,100,000</u>	<u>23,985</u>	<u>(6,076,015)</u>
Total Revenues	<u>6,100,000</u>	<u>6,100,000</u>	<u>26,485</u>	<u>(6,073,515)</u>
 <u>EXPENDITURES</u>				
Current:				
Development				
CDBG home rehab	<u>6,100,000</u>	<u>6,100,000</u>	<u>132,783</u>	<u>5,967,217</u>
Total Expenditures	<u>6,100,000</u>	<u>6,100,000</u>	<u>132,783</u>	<u>11,934,434</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(106,298)</u>	<u>\$ (106,298)</u>
Fund balance - July 1, 2011			<u>83,489</u>	
Fund balance (deficit) - June 30, 2012			<u>\$ (22,809)</u>	

CITY OF DIXON
HOUSING SUCCESSOR AGENCY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>2011 - 2012</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ 197,420	\$ -	\$ (197,420)
Use of money and property	-	479	-	(479)
Program income	-	13,047	751	(12,296)
Other revenues	-	-	<u>1,000</u>	<u>1,000</u>
Total Revenues	<u>-</u>	<u>210,946</u>	<u>1,751</u>	<u>(209,195)</u>
 <u>EXPENDITURES</u>				
Current:				
Development				
Administration	<u>-</u>	<u>36,739</u>	<u>4,819</u>	<u>31,920</u>
Total Expenditures	<u>-</u>	<u>36,739</u>	<u>4,819</u>	<u>63,840</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>174,207</u>	<u>(3,068)</u>	<u>(177,275)</u>
 <u>EXTRAORDINARY ITEM</u>				
Redevelopment dissolution	<u>-</u>	<u>-</u>	<u>6,598</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 174,207</u>	<u>3,530</u>	<u>\$ (170,677)</u>
Fund balance - July 1, 2011			<u>-</u>	
Fund balance - June 30, 2012			<u>\$ 3,530</u>	

**CITY OF DIXON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED JUNE 30, 2012**

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 %
June 30, 2011	\$ 2,096,000	\$ -	\$ 2,096,000	0%	\$ 6,800,000	31 %

See accompanying notes to the basic financial statements.

COMBINING FINANCIAL SCHEDULES AND OTHER SUPPLEMENTARY INFORMATION

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, 2012

	<u>2011 - 2012</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	\$ -	\$ -	\$ 2,757	\$ 2,757
Developer fees	<u>-</u>	<u>-</u>	<u>19,264</u>	<u>19,264</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>22,021</u>	<u>22,021</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>22,021</u>	<u>\$ 22,021</u>
Fund balance (deficit) - July 1, 2011			<u>(956,179)</u>	
Fund balance (deficit) - June 30, 2012			<u>\$ (934,158)</u>	

*The City did not adopt a budget for the Storm Drain fund for the year ended June 30, 2012.

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, 2012

	2011 - 2012		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 14,992	\$ 14,992
Intergovernmental	289,500	289,500	34,166	(255,334)
Developer fees	-	-	92,915	92,915
	<u>289,500</u>	<u>289,500</u>	<u>142,073</u>	<u>(147,427)</u>
Total Revenues				
<u>EXPENDITURES</u>				
Current:				
Capital Outlay				
Administration	-	15,000	15,000	-
Slurry seal and paving	210,500	210,500	13,761	196,739
Sidewalk replacement	-	-	506	(506)
Street master plan	100,000	100,000	11,694	88,306
Vaughn Road realignment	30,000	30,000	-	30,000
Bicycle racks program	49,500	49,500	27,286	22,214
Railroad grade separation	355,000	355,000	26,159	328,841
Total Capital Outlay	<u>745,000</u>	<u>760,000</u>	<u>94,406</u>	<u>665,594</u>
Total Expenditures	<u>745,000</u>	<u>760,000</u>	<u>94,406</u>	<u>665,594</u>
Excess (deficiency) of revenues over expenditures	<u>(455,500)</u>	<u>(470,500)</u>	<u>47,667</u>	<u>518,167</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(5,141)</u>	<u>(691,141)</u>	<u>(5,141)</u>	<u>686,000</u>
Total Other Financing Sources (Uses)	<u>(5,141)</u>	<u>(691,141)</u>	<u>(5,141)</u>	<u>686,000</u>
Net change in fund balance	<u>\$ (460,641)</u>	<u>\$ (1,161,641)</u>	<u>42,526</u>	<u>\$ 1,204,167</u>
Fund balance - July 1, 2011			<u>5,205,865</u>	
Fund balance - June 30, 2012			<u>\$ 5,248,391</u>	

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

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.

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.

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).

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.

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.

Lease Financing

This fund is used to account for the debt service payments of the 2012 Lease bonds issued for the refunding of the bonds in funds 240, 250, and 270.

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2012

	Special Revenue Funds				
	<u>Redevelopment</u>	<u>Low/Moderate Income Housing</u>	<u>Gas Tax</u>	<u>Traffic Safety</u>	<u>Used Oil Recycling Block Grant</u>
<u>ASSETS</u>					
Cash and investments	\$ -	\$ -	\$ 262,714	\$ 58,204	\$ 4,862
Accounts receivable	-	-	-	2,163	-
Interest receivable	-	-	372	84	7
Notes receivable	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263,086</u>	<u>\$ 60,451</u>	<u>\$ 4,869</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>(DEFICITS)</u>					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ 9,162	\$ -	\$ 1,580
Accrued payroll and benefits	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>9,162</u>	<u>-</u>	<u>1,580</u>
FUND BALANCES (DEFICITS):					
Nonspendable	-	-	-	-	-
Restricted	-	-	253,924	60,451	3,289
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>-</u>	<u>-</u>	<u>253,924</u>	<u>60,451</u>	<u>3,289</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263,086</u>	<u>\$ 60,451</u>	<u>\$ 4,869</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2012

	Special Revenue Funds				
	COPS Block Grant	Asset Forfeiture	CDBG	Landscaping and Lighting Assessment Districts	Valley Glen Storm Drain
ASSETS					
Cash and investments	\$ 222,372	\$ 1,170	\$ 131,157	\$ 142,429	\$ 854,084
Accounts receivable	7,281	-	-	-	-
Interest receivable	302	2	176	179	1,145
Notes receivable	-	-	452,745	-	-
Advances to other funds	-	-	-	-	-
Total Assets	\$ 229,955	\$ 1,172	\$ 584,078	\$ 142,608	\$ 855,229
LIABILITIES AND FUND BALANCES					
(DEFICITS)					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ 795	\$ 10,216	\$ 2,642
Accrued payroll and benefits	1,460	-	-	3,277	-
Deferred revenue	-	-	452,745	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	1,460	-	453,540	13,493	2,642
FUND BALANCES (DEFICITS):					
Nonspendable	-	-	-	-	-
Restricted	228,495	1,172	130,538	129,115	852,587
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	228,495	1,172	130,538	129,115	852,587
Total Liabilities and Fund Balances (Deficits)	\$ 229,955	\$ 1,172	\$ 584,078	\$ 142,608	\$ 855,229

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2012

	Special Revenue	Capital Project Funds			
	CFD Pond C	Capital Improvements	Community Development	Fire	Police
ASSETS					
Cash and investments	\$ -	\$ 446,855	\$ 155,073	\$ 111,706	\$ 48,600
Accounts receivable	-	-	-	-	-
Interest receivable	-	433	207	149	65
Notes receivable	-	-	-	-	-
Advances to other funds	-	287,262	-	-	-
	<u>-</u>	<u>287,262</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	\$ -	\$ 734,550	\$ 155,280	\$ 111,855	\$ 48,665
LIABILITIES AND FUND BALANCES					
(DEFICITS)					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Due to other funds	3,165	-	-	-	-
	<u>3,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	3,165	-	-	-	-
FUND BALANCES (DEFICITS):					
Nonspendable	-	287,262	-	-	-
Restricted	-	-	-	-	-
Assigned	-	447,288	155,280	111,855	48,665
Unassigned	(3,165)	-	-	-	-
	<u>(3,165)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	(3,165)	734,550	155,280	111,855	48,665
Total Liabilities and Fund Balances (Deficits)	\$ -	\$ 734,550	\$ 155,280	\$ 111,855	\$ 48,665

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2012

Capital Project Funds					
	<u>City Facilities</u>	<u>Public Works</u>	<u>Core Area Drainage</u>	<u>Transit Projects</u>	<u>Recreation Improvements</u>
ASSETS					
Cash and investments	\$ 209,687	\$ 368,177	\$ 161,237	\$ -	\$ 417,870
Accounts receivable	-	10,095	-	86,905	-
Interest receivable	288	499	216	-	543
Notes receivable	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total Assets	<u>\$ 209,975</u>	<u>\$ 378,771</u>	<u>\$ 161,453</u>	<u>\$ 86,905</u>	<u>\$ 418,413</u>
LIABILITIES AND FUND BALANCES					
(DEFICITS)					
LIABILITIES:					
Accounts payable	\$ -	\$ 1,563	\$ -	\$ -	\$ 2,936
Accrued payroll and benefits	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	-	714,978	-
Total Liabilities	<u>-</u>	<u>1,563</u>	<u>-</u>	<u>714,978</u>	<u>2,936</u>
FUND BALANCES (DEFICITS):					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	209,975	377,208	161,453	-	415,477
Unassigned	-	-	-	(628,073)	-
Total Fund Balances (Deficits)	<u>209,975</u>	<u>377,208</u>	<u>161,453</u>	<u>(628,073)</u>	<u>415,477</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 209,975</u>	<u>\$ 378,771</u>	<u>\$ 161,453</u>	<u>\$ 86,905</u>	<u>\$ 418,413</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2012

	Capital Project	Debt Service				Total Non-major Governmental Funds
	<u>Agricultural Land Mitigation</u>	<u>Dixon Public Improvement (DPIC)</u>	<u>Dixon Public Financing - Police (DPFA)</u>	<u>Dixon Public Financing - Fire (DPFA)</u>	<u>Lease Financing</u>	
ASSETS						
Cash and investments	\$ 63,901	\$ -	\$ -	\$ -	\$ 110	\$ 3,660,208
Accounts receivable	-	-	-	-	-	106,444
Interest receivable	85	-	-	-	-	4,752
Notes receivable	-	-	-	-	-	452,745
Advances to other funds	-	-	-	-	-	287,262
Total Assets	\$ 63,986	\$ -	\$ -	\$ -	\$ 110	\$ 4,511,411
LIABILITIES AND FUND BALANCES						
(DEFICITS)						
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,894
Accrued payroll and benefits	-	-	-	-	-	4,737
Deferred revenue	-	-	-	-	-	452,745
Due to other funds	-	-	-	-	-	718,143
Total Liabilities	-	-	-	-	-	1,204,519
FUND BALANCES (DEFICITS):						
Nonspendable	-	-	-	-	-	287,262
Restricted	-	-	-	-	110	1,659,681
Assigned	63,986	-	-	-	-	1,991,187
Unassigned	-	-	-	-	-	(631,238)
Total Fund Balances (Deficits)	63,986	-	-	-	110	3,306,892
Total Liabilities and Fund Balances (Deficits)	\$ 63,986	\$ -	\$ -	\$ -	\$ 110	\$ 4,511,411

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue Funds				
	<u>Redevelopment</u>	<u>Low/Moderate Income Housing</u>	<u>Gas Tax</u>	<u>Traffic Safety</u>	<u>Used Oil Recycling Block Grant</u>
<u>REVENUES</u>					
Taxes and assessments	\$ 778,191	\$ 194,548	\$ 513,100	\$ -	\$ -
Fines and forfeitures	-	-	-	27,923	-
Use of money and property	6,116	5,215	1,050	296	11
Program income	2,556	953	-	-	-
Intergovernmental	-	-	-	-	5,406
Charges for services	-	-	-	-	-
Developer fees	-	-	-	-	-
Other revenue	-	-	5,217	-	-
Total Revenues	<u>786,863</u>	<u>200,716</u>	<u>519,367</u>	<u>28,219</u>	<u>5,417</u>
<u>EXPENDITURES</u>					
Current:					
General administration	-	-	-	-	-
Public safety	-	-	9,162	-	5,431
Development	240,401	5,511	-	-	-
Public ways and facilities	-	-	9,403	27,659	-
Capital outlay	-	-	166,219	-	-
Debt service:					
Principal	145,000	-	-	-	-
Interest and fiscal charges	163,148	-	-	-	-
Total Expenditures	<u>548,549</u>	<u>5,511</u>	<u>184,784</u>	<u>27,659</u>	<u>5,431</u>
Excess (Deficiency) of Revenues over Expenditures	<u>238,314</u>	<u>195,205</u>	<u>334,583</u>	<u>560</u>	<u>(14)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds from refunding bonds	-	-	-	-	-
Transfers in	1,044,500	-	-	-	-
Transfers out	(111,869)	-	(317,485)	(6,297)	-
Total Other Financing Sources (Uses)	<u>932,631</u>	<u>-</u>	<u>(317,485)</u>	<u>(6,297)</u>	<u>-</u>
<u>EXTRAORDINARY ITEM</u>					
Redevelopment dissolution	(1,780,964)	(1,687,131)	-	-	-
Net change in fund balances	(610,019)	(1,491,926)	17,098	(5,737)	(14)
Fund balances (deficits) - July 1, 2011	<u>610,019</u>	<u>1,491,926</u>	<u>236,826</u>	<u>66,188</u>	<u>3,303</u>
Fund balances (deficits) - June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 253,924</u>	<u>\$ 60,451</u>	<u>\$ 3,289</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue Funds				
	<u>COPS Block Grant</u>	<u>Asset Forfeiture</u>	<u>CDBG</u>	<u>Landscaping and Lighting Assessment Districts</u>	<u>Valley Glen Storm Drain</u>
<u>REVENUES</u>					
Taxes and assessments	\$ -	\$ -	\$ -	\$ 139,812	\$ 238,491
Fines and forfeitures	-	-	-	-	-
Use of money and property	1,004	5	635	475	3,781
Program income	-	-	79,131	-	-
Intergovernmental	100,000	-	-	7,134	-
Charges for services	-	-	-	-	-
Developer fees	-	-	-	-	-
Other revenue	-	-	-	2,669	-
Total Revenues	<u>101,004</u>	<u>5</u>	<u>79,766</u>	<u>150,090</u>	<u>242,272</u>
<u>EXPENDITURES</u>					
Current:					
General administration	-	-	-	-	-
Public safety	49,691	-	-	-	-
Development	-	-	33,564	-	-
Public ways and facilities	-	-	-	216,726	41,934
Capital outlay	34,833	-	-	-	7,093
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>84,524</u>	<u>-</u>	<u>33,564</u>	<u>216,726</u>	<u>49,027</u>
Excess (Deficiency) of Revenues over Expenditures	<u>16,480</u>	<u>5</u>	<u>46,202</u>	<u>(66,636)</u>	<u>193,245</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds from refunding bonds	-	-	-	-	-
Transfers in	-	-	-	103,209	-
Transfers out	-	-	(2,978)	-	(11,510)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(2,978)</u>	<u>103,209</u>	<u>(11,510)</u>
<u>EXTRAORDINARY ITEM</u>					
Redevelopment dissolution	-	-	-	-	-
Net change in fund balances	16,480	5	43,224	36,573	181,735
Fund balances (deficits) - July 1, 2011	<u>212,015</u>	<u>1,167</u>	<u>87,314</u>	<u>92,542</u>	<u>670,852</u>
Fund balances (deficits) - June 30, 2012	<u>\$ 228,495</u>	<u>\$ 1,172</u>	<u>\$ 130,538</u>	<u>\$ 129,115</u>	<u>\$ 852,587</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

	Capital Project Funds				
	Special Revenue				
	<u>CFD Pond C</u>	<u>Capital Improvements</u>	<u>Community Development</u>	<u>Fire</u>	<u>Police</u>
REVENUES					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	-	5,337	18	521	225
Program income	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	2,348	-	-	-	-
Developer fees	-	-	-	110,334	48,001
Other revenue	-	-	-	-	-
Total Revenues	<u>2,348</u>	<u>5,337</u>	<u>18</u>	<u>110,855</u>	<u>48,226</u>
EXPENDITURES					
Current:					
General administration	-	-	-	-	-
Public safety	-	-	-	-	-
Development	-	-	-	-	-
Public ways and facilities	4,131	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>4,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,783)</u>	<u>5,337</u>	<u>18</u>	<u>110,855</u>	<u>48,226</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from refunding bonds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	(12,479)	(482,153)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(12,479)</u>	<u>(482,153)</u>	<u>-</u>	<u>-</u>
EXTRAORDINARY ITEM					
Redevelopment dissolution	-	-	-	-	-
Net change in fund balances	(1,783)	(7,142)	(482,135)	110,855	48,226
Fund balances (deficits) - July 1, 2011	<u>(1,382)</u>	<u>741,692</u>	<u>637,415</u>	<u>1,000</u>	<u>439</u>
Fund balances (deficits) - June 30, 2012	<u>\$ (3,165)</u>	<u>\$ 734,550</u>	<u>\$ 155,280</u>	<u>\$ 111,855</u>	<u>\$ 48,665</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

Capital Project Funds					
	<u>City Facilities</u>	<u>Public Works</u>	<u>Core Area Drainage</u>	<u>Transit Projects</u>	<u>Recreation Improvements</u>
REVENUES					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	927	1,444	-	-	1,297
Program income	-	-	-	-	-
Intergovernmental	-	10,095	33,082	133,971	-
Charges for services	-	-	-	-	-
Developer fees	70,277	18,450	-	-	443,801
Other revenue	-	-	-	-	-
Total Revenues	<u>71,204</u>	<u>29,989</u>	<u>33,082</u>	<u>133,971</u>	<u>445,098</u>
EXPENDITURES					
Current:					
General administration	-	-	207	696	-
Public safety	-	-	-	-	-
Development	-	-	-	-	-
Public ways and facilities	-	-	-	-	-
Capital outlay	-	28,844	22,173	1,284,492	392,909
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>28,844</u>	<u>22,380</u>	<u>1,285,188</u>	<u>392,909</u>
Excess (Deficiency) of Revenues over Expenditures	<u>71,204</u>	<u>1,145</u>	<u>10,702</u>	<u>(1,151,217)</u>	<u>52,189</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from refunding bonds	-	-	-	-	-
Transfers in	-	-	-	-	121,000
Transfers out	<u>(54,578)</u>	<u>(1,997)</u>	<u>(1,032,000)</u>	<u>(7,904)</u>	<u>(11,955)</u>
Total Other Financing Sources (Uses)	<u>(54,578)</u>	<u>(1,997)</u>	<u>(1,032,000)</u>	<u>(7,904)</u>	<u>109,045</u>
EXTRAORDINARY ITEM					
Redevelopment dissolution	-	-	-	-	-
Net change in fund balances	16,626	(852)	(1,021,298)	(1,159,121)	161,234
Fund balances (deficits) - July 1, 2011	<u>193,349</u>	<u>378,060</u>	<u>1,182,751</u>	<u>531,048</u>	<u>254,243</u>
Fund balances (deficits) - June 30, 2012	<u>\$ 209,975</u>	<u>\$ 377,208</u>	<u>\$ 161,453</u>	<u>\$ (628,073)</u>	<u>\$ 415,477</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

	Capital Project	Debt Service			Total Non-major Governmental Funds	
	Agricultural Land Mitigation	Dixon Public Improvement (DPIC)	Dixon Public Financing - Police (DPFA)	Dixon Public Financing - Fire (DPFA)		Lease Financing
REVENUES						
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,864,142
Fines and forfeitures	-	-	-	-	-	27,923
Use of money and property	284	-	52	30	109	28,832
Program income	-	-	-	-	-	82,640
Intergovernmental	-	-	-	-	-	289,688
Charges for services	-	-	-	-	-	2,348
Developer fees	-	-	-	-	-	690,863
Other revenue	-	-	-	-	3,081	10,967
Total Revenues	<u>284</u>	<u>-</u>	<u>52</u>	<u>30</u>	<u>3,190</u>	<u>2,997,403</u>
EXPENDITURES						
Current:						
General administration	-	12	-	-	-	915
Public safety	-	-	-	-	-	64,284
Development	-	-	-	-	-	279,476
Public ways and facilities	-	-	-	-	-	299,853
Capital outlay	-	-	-	-	-	1,936,563
Debt service:						
Principal	-	450,000	665,000	2,015,000	330,200	3,605,200
Interest and fiscal charges	-	21,760	29,076	90,800	91,549	396,333
Total Expenditures	<u>-</u>	<u>471,772</u>	<u>694,076</u>	<u>2,105,800</u>	<u>421,749</u>	<u>6,582,624</u>
Excess (Deficiency) of Revenues over Expenditures	<u>284</u>	<u>(471,772)</u>	<u>(694,024)</u>	<u>(2,105,770)</u>	<u>(418,559)</u>	<u>(3,585,221)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from refunding bonds	-	430,500	486,325	1,797,089	72,386	2,786,300
Transfers in	-	38,732	30,432	115,886	346,283	1,800,042
Transfers out	-	-	-	-	-	(2,053,205)
Total Other Financing Sources (Uses)	<u>-</u>	<u>469,232</u>	<u>516,757</u>	<u>1,912,975</u>	<u>418,669</u>	<u>2,533,137</u>
EXTRAORDINARY ITEM						
Redevelopment dissolution	-	-	-	-	-	(3,468,095)
Net change in fund balances	284	(2,540)	(177,267)	(192,795)	110	(4,520,179)
Fund balances (deficits) - July 1, 2011	<u>63,702</u>	<u>2,540</u>	<u>177,267</u>	<u>192,795</u>	<u>-</u>	<u>7,827,071</u>
Fund balances (deficits) - June 30, 2012	<u>\$ 63,986</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 3,306,892</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, 2012

	2011 - 2012		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Taxes and assessments	\$ 1,564,770	\$ 769,090	\$ 778,191	\$ 9,101
Use of money and property	-	-	6,116	6,116
Program income	<u>104,200</u>	<u>1,734</u>	<u>2,556</u>	<u>822</u>
Total Revenues	<u>1,668,970</u>	<u>770,824</u>	<u>786,863</u>	<u>16,039</u>
<u>EXPENDITURES</u>				
Current:				
Development				
Administration	619,593	233,921	238,281	(4,360)
Debt service	<u>2,173</u>	<u>2,120</u>	<u>2,120</u>	<u>-</u>
Total Development	<u>621,766</u>	<u>236,041</u>	<u>240,401</u>	<u>(4,360)</u>
Debt service:				
Principal	145,000	145,000	145,000	-
Interest and fiscal charges	<u>208,000</u>	<u>90,886</u>	<u>163,148</u>	<u>(72,262)</u>
Total Expenditures	<u>974,766</u>	<u>471,927</u>	<u>548,549</u>	<u>(76,622)</u>
Excess (deficiency) of revenues over expenditures	<u>694,204</u>	<u>298,897</u>	<u>238,314</u>	<u>(60,583)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	706,451	706,451	1,044,500	338,049
Transfers out	<u>(191,776)</u>	<u>(95,888)</u>	<u>(111,869)</u>	<u>(15,981)</u>
Total Other Financing Sources (Uses)	<u>514,675</u>	<u>610,563</u>	<u>932,631</u>	<u>322,068</u>
<u>EXTRAORDINARY ITEM</u>				
Redevelopment dissolution	-	-	<u>(1,780,964)</u>	<u>(1,780,964)</u>
Net change in fund balance	<u>\$ 1,208,879</u>	<u>\$ 909,460</u>	<u>(610,019)</u>	<u>\$ (1,519,479)</u>
Fund balance - July 1, 2011			<u>610,019</u>	
Fund balance - June 30, 2012			<u>\$ -</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, 2012

	2011 - 2012			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual Amounts	
<u>REVENUES</u>				
Taxes and assessments	\$ 390,693	\$ 193,273	\$ 194,548	\$ 1,275
Use of money and property	3,500	3,021	5,215	2,194
Program income	<u>14,000</u>	<u>953</u>	<u>953</u>	<u>-</u>
Total Revenues	<u>408,193</u>	<u>197,247</u>	<u>200,716</u>	<u>3,469</u>
<u>EXPENDITURES</u>				
Current:				
Development				
Administration	83,250	46,511	6,511	40,000
Grant programs	612,500	612,500	-	612,500
Home loan	<u>450,000</u>	<u>450,000</u>	<u>(1,000)</u>	<u>451,000</u>
Total Development	<u>1,145,750</u>	<u>1,109,011</u>	<u>5,511</u>	<u>1,103,500</u>
Total Expenditures	<u>1,145,750</u>	<u>1,109,011</u>	<u>5,511</u>	<u>2,207,000</u>
Excess (deficiency) of revenues over expenditures	<u>(737,557)</u>	<u>(911,764)</u>	<u>195,205</u>	<u>1,106,969</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXTRAORDINARY ITEM</u>				
Redevelopment dissolution	<u>-</u>	<u>-</u>	<u>(1,687,131)</u>	<u>(1,687,131)</u>
Net change in fund balance	<u>\$ (737,557)</u>	<u>\$ (911,764)</u>	<u>(1,491,926)</u>	<u>\$ (580,162)</u>
Fund balance - July 1, 2011			<u>1,491,926</u>	
Fund balance - June 30, 2012			<u>\$ -</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, 2012

	<u>2011 - 2012</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	\$ 428,287	\$ 482,287	\$ 513,100	\$ 30,813
Use of money and property	-	-	1,050	1,050
Other revenues	-	-	<u>5,217</u>	<u>5,217</u>
Total Revenues	<u>428,287</u>	<u>482,287</u>	<u>519,367</u>	<u>37,080</u>
<u>EXPENDITURES</u>				
Current:				
Public safety	10,000	10,000	9,162	838
Public ways and facilities	250,000	264,934	9,403	255,531
Capital outlay	<u>119,000</u>	<u>264,012</u>	<u>166,219</u>	<u>97,793</u>
Total Expenditures	<u>379,000</u>	<u>538,946</u>	<u>184,784</u>	<u>354,162</u>
Excess (deficiency) of revenues over expenditures	<u>49,287</u>	<u>(56,659)</u>	<u>334,583</u>	<u>391,242</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(317,485)</u>	<u>(317,485)</u>	<u>(317,485)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(317,485)</u>	<u>(317,485)</u>	<u>(317,485)</u>	<u>-</u>
Net change in fund balance	<u>\$ (268,198)</u>	<u>\$ (374,144)</u>	<u>17,098</u>	<u>\$ 391,242</u>
Fund balance - July 1, 2011			<u>236,826</u>	
Fund balance - June 30, 2012			<u>\$ 253,924</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, 2012

	2011 - 2012			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Fines and forfeitures	\$ 38,000	\$ 38,000	\$ 27,923	\$ (10,077)
Use of money and property	<u>-</u>	<u>-</u>	<u>296</u>	<u>296</u>
Total Revenues	<u>38,000</u>	<u>38,000</u>	<u>28,219</u>	<u>(9,781)</u>
<u>EXPENDITURES</u>				
Current:				
Public ways and facilities	<u>32,000</u>	<u>32,000</u>	<u>27,659</u>	<u>4,341</u>
Total Expenditures	<u>32,000</u>	<u>32,000</u>	<u>27,659</u>	<u>4,341</u>
Excess (deficiency) of revenues over expenditures	<u>6,000</u>	<u>6,000</u>	<u>560</u>	<u>(5,440)</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>\$ (297)</u>	<u>\$ (297)</u>	<u>(5,737)</u>	<u>\$ (5,440)</u>
Fund balance - July 1, 2011			<u>66,188</u>	
Fund balance - June 30, 2012			<u>\$ 60,451</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, 2012

	<u>2011 - 2012</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	\$ -	\$ -	\$ 11	\$ 11
Intergovernmental	<u>5,000</u>	<u>5,000</u>	<u>5,406</u>	<u>406</u>
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>5,417</u>	<u>417</u>
<u>EXPENDITURES</u>				
Current:				
Public safety	<u>5,000</u>	<u>5,000</u>	<u>5,431</u>	<u>(431)</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>5,431</u>	<u>(431)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(14)</u>	<u>\$ (14)</u>
Fund balance - July 1, 2011			<u>3,303</u>	
Fund balance - June 30, 2012			<u>\$ 3,289</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, 2012

	2011 - 2012			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	\$ -	\$ -	\$ 1,004	\$ 1,004
Intergovernmental	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>101,004</u>	<u>101,004</u>
<u>EXPENDITURES</u>				
Public safety	71,409	71,409	49,691	21,718
Public ways and facilities	5,000	5,000	-	5,000
Capital outlay	<u>46,400</u>	<u>53,902</u>	<u>34,833</u>	<u>19,069</u>
Total Expenditures	<u>122,809</u>	<u>130,311</u>	<u>84,524</u>	<u>45,787</u>
Net change in fund balance	<u>\$ (122,809)</u>	<u>\$ (130,311)</u>	<u>16,480</u>	<u>\$ 146,791</u>
Fund balance - July 1, 2011			<u>212,015</u>	
Fund balance - June 30, 2012			<u>\$ 228,495</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, 2012

	<u>2011 - 2012</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	\$ -	\$ -	\$ 5	\$ 5
Total Revenues	-	-	5	5
<u>EXPENDITURES</u>				
Current:				
Total Expenditures	-	-	-	-
Net change in fund balance	\$ -	\$ -	5	\$ 5
Fund balance - July 1, 2011			1,167	
Fund balance - June 30, 2012			\$ 1,172	

*The City did not adopt a budget for the Asset Forfeiture fund for the year ended June 30, 2012.

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, 2012

	2011 - 2012		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 600	\$ 600	\$ 635	\$ 35
Program income	<u>58,150</u>	<u>58,150</u>	<u>79,131</u>	<u>20,981</u>
Total Revenues	<u>58,750</u>	<u>58,750</u>	<u>79,766</u>	<u>21,016</u>
<u>EXPENDITURES</u>				
Current:				
Development				
Administration	79,500	79,500	5,764	73,736
'96 Grant administration	-	-	27,680	(27,680)
'98 Grant administration	-	-	120	(120)
Total Development	<u>79,500</u>	<u>79,500</u>	<u>33,564</u>	<u>45,936</u>
Total Expenditures	<u>79,500</u>	<u>79,500</u>	<u>33,564</u>	<u>45,936</u>
Excess (deficiency) of revenues over expenditures	<u>(20,750)</u>	<u>(20,750)</u>	<u>46,202</u>	<u>66,952</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
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>(2,978)</u>	<u>-</u>
Net change in fund balance	<u>\$ (23,728)</u>	<u>\$ (23,728)</u>	<u>43,224</u>	<u>\$ 66,952</u>
Fund balance - July 1, 2011			<u>87,314</u>	
Fund balance - June 30, 2012			<u>\$ 130,538</u>	

CITY OF DIXON
LIGHTING AND LANDSCAPING ASSESSMENT DISTRICT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>2011 - 2012</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	\$ 136,000	\$ 136,000	\$ 139,812	\$ 3,812
Use of money and property	-	-	475	475
Intergovernmental	-	-	7,134	7,134
Other revenues	-	-	<u>2,669</u>	<u>2,669</u>
Total Revenues	<u>136,000</u>	<u>136,000</u>	<u>150,090</u>	<u>14,090</u>
<u>EXPENDITURES</u>				
Current:				
Public Ways and Facilities	<u>309,810</u>	<u>309,810</u>	<u>216,726</u>	<u>93,084</u>
Total Expenditures	<u>309,810</u>	<u>309,810</u>	<u>216,726</u>	<u>93,084</u>
Excess (deficiency) of revenues over expenditures	<u>(173,810)</u>	<u>(173,810)</u>	<u>(66,636)</u>	<u>107,174</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>154,136</u>	<u>154,136</u>	<u>103,209</u>	<u>(50,927)</u>
Total Other Financing Sources (Uses)	<u>154,136</u>	<u>154,136</u>	<u>103,209</u>	<u>(50,927)</u>
Net change in fund balance	<u>\$ (19,674)</u>	<u>\$ (19,674)</u>	<u>36,573</u>	<u>\$ 56,247</u>
Fund balance - July 1, 2011			<u>92,542</u>	
Fund balance - June 30, 2012			<u>\$ 129,115</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, 2012

	2011 - 2012 Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
<u>REVENUES</u>				
Taxes and assessments	\$ 230,000	\$ 230,000	\$ 238,491	\$ 8,491
Use of money and property	<u>1,500</u>	<u>1,500</u>	<u>3,781</u>	<u>2,281</u>
Total Revenues	<u>231,500</u>	<u>231,500</u>	<u>242,272</u>	<u>10,772</u>
<u>EXPENDITURES</u>				
Current:				
Public Ways and Facilities				
Pump station	29,800	29,800	21,636	8,164
Pond A	48,575	48,575	20,202	28,373
Lateral one	<u>9,200</u>	<u>9,200</u>	<u>96</u>	<u>9,104</u>
Total Public Ways and Facilities	<u>87,575</u>	<u>87,575</u>	<u>41,934</u>	<u>45,641</u>
Capital Outlay	<u>20,000</u>	<u>20,000</u>	<u>7,093</u>	<u>12,907</u>
Total Expenditures	<u>107,575</u>	<u>107,575</u>	<u>49,027</u>	<u>58,548</u>
Excess (deficiency) of revenues over expenditures	<u>123,925</u>	<u>123,925</u>	<u>193,245</u>	<u>69,320</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>112,415</u>	\$ <u>112,415</u>	<u>181,735</u>	\$ <u>69,320</u>
Fund balance - July 1, 2011			<u>670,852</u>	
Fund balance - June 30, 2012			\$ <u>852,587</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, 2012

	<u>2011 - 2012</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>				
Charges for services	\$ -	\$ -	\$ 2,348	\$ 2,348
Other revenues	<u>10,250</u>	<u>10,250</u>	<u>-</u>	<u>(10,250)</u>
Total Revenues	<u>10,250</u>	<u>10,250</u>	<u>2,348</u>	<u>(7,902)</u>
<u>EXPENDITURES</u>				
Current:				
Public Ways and Facilities				
Pond C	5,250	5,250	2,995	2,255
Lateral two	<u>5,000</u>	<u>5,000</u>	<u>1,136</u>	<u>3,864</u>
Total Public Ways and Facilities	<u>2,853</u>	<u>10,250</u>	<u>4,131</u>	<u>6,119</u>
Total Expenditures	<u>2,853</u>	<u>10,250</u>	<u>4,131</u>	<u>6,119</u>
Net change in fund balance	<u>\$ 7,397</u>	<u>\$ -</u>	<u>(1,783)</u>	<u>\$ (1,783)</u>
Fund balance(deficit) - July 1, 2011			<u>(1,382)</u>	
Fund balance (deficit) - June 30, 2012			<u>\$ (3,165)</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, 2012

	<u>2011 - 2012</u> <u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>(Negative)</u>
<u>REVENUES</u>				
Use of money and property	\$ <u>125,000</u>	\$ <u>125,000</u>	\$ <u>5,337</u>	\$ <u>(119,663)</u>
Total Revenues	<u>125,000</u>	<u>125,000</u>	<u>5,337</u>	<u>(119,663)</u>
<u>EXPENDITURES</u>				
Current:				
Capital outlay	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total Expenditures	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Excess (deficiency) of revenues over expenditures	<u>125,000</u>	<u>122,000</u>	<u>5,337</u>	<u>(116,663)</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>112,521</u>	\$ <u>109,521</u>	<u>(7,142)</u>	\$ <u>(116,663)</u>
Fund balance - July 1, 2011			<u>741,692</u>	
Fund balance - June 30, 2012			<u>\$ 734,550</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, 2012

	<u>2011 - 2012</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>1,250</u>	\$ <u>1,250</u>	\$ <u>18</u>	\$ <u>(1,232)</u>
Total Revenues	<u>1,250</u>	<u>1,250</u>	<u>18</u>	<u>(1,232)</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,250</u>	<u>1,250</u>	<u>18</u>	<u>(1,232)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(514,755)</u>	<u>(514,755)</u>	<u>(482,153)</u>	<u>32,602</u>
Total Other Financing Sources (Uses)	<u>(514,755)</u>	<u>(514,755)</u>	<u>(482,153)</u>	<u>32,602</u>
Net change in fund balance	\$ <u>(513,505)</u>	\$ <u>(513,505)</u>	<u>(482,135)</u>	\$ <u>31,370</u>
Fund balance - July 1, 2011			<u>637,415</u>	
Fund balance - June 30, 2012			\$ <u>155,280</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, 2012

	<u>2011 - 2012</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	\$ -	\$ -	\$ 521	\$ 521
Developer fees	<u>-</u>	<u>-</u>	<u>110,334</u>	<u>110,334</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>110,855</u>	<u>110,855</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>110,855</u>	<u>\$ 110,855</u>
Fund balance - July 1, 2011			<u>1,000</u>	
Fund balance - June 30, 2012			<u>\$ 111,855</u>	

*The City did not adopt a budget for the Fire fund as of June 30, 2012.

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, 2012

	2011 - 2012		Actual	Variance
	Budgeted Amounts			
	Original*	Final*		Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 225	\$ 225
Developer fees	<u>-</u>	<u>-</u>	<u>48,001</u>	<u>48,001</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>48,226</u>	<u>48,226</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>48,226</u>	<u>\$ 48,226</u>
Fund balance - July 1, 2011			<u>439</u>	
Fund balance - June 30, 2012			<u>\$ 48,665</u>	

*The City did not adopt a budget for the Police fund as of June 30, 2012.

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, 2012

	<u>2011 - 2012</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	\$ 400	\$ 400	\$ 927	\$ 527
Developer fees	<u>-</u>	<u>-</u>	<u>70,277</u>	<u>70,277</u>
Total Revenues	<u>400</u>	<u>400</u>	<u>71,204</u>	<u>70,804</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>400</u>	<u>400</u>	<u>71,204</u>	<u>70,804</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(54,578)</u>	<u>(54,578)</u>	<u>(54,578)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(54,578)</u>	<u>(54,578)</u>	<u>(54,578)</u>	<u>-</u>
Net change in fund balance	<u>\$ (54,178)</u>	<u>\$ (54,178)</u>	<u>16,626</u>	<u>\$ 70,804</u>
Fund balance - July 1, 2011			<u>193,349</u>	
Fund balance - June 30, 2012			<u>\$ 209,975</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, 2012

	<u>2011 - 2012</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	\$ -	\$ -	\$ 1,444	\$ 1,444
Intergovernmental	51,000	51,000	10,095	(40,905)
Developer fees	<u>-</u>	<u>-</u>	<u>18,450</u>	<u>18,450</u>
Total Revenues	<u>51,000</u>	<u>51,000</u>	<u>29,989</u>	<u>(21,011)</u>
<u>EXPENDITURES</u>				
Current:				
Capital outlay	<u>51,000</u>	<u>51,000</u>	<u>28,844</u>	<u>22,156</u>
Total Expenditures	<u>51,000</u>	<u>51,000</u>	<u>28,844</u>	<u>22,156</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1,145</u>	<u>1,145</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>\$ (1,997)</u>	<u>\$ (1,997)</u>	<u>(852)</u>	<u>\$ 1,145</u>
Fund balance - July 1, 2011			<u>378,060</u>	
Fund balance - June 30, 2012			<u>\$ 377,208</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, 2012

	<u>2011 - 2012</u> <u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ -	\$ 33,082	\$ 33,082
Total Revenues	<u>-</u>	<u>-</u>	<u>33,082</u>	<u>33,082</u>
<u>EXPENDITURES</u>				
Current:				
General administration	-	-	207	(207)
Capital outlay	<u>1,161,261</u>	<u>1,161,261</u>	<u>22,173</u>	<u>1,139,088</u>
Total Expenditures	<u>1,161,261</u>	<u>1,161,261</u>	<u>22,380</u>	<u>1,138,881</u>
Excess (deficiency) of revenues over expenditures	<u>(1,161,261)</u>	<u>(1,161,261)</u>	<u>10,702</u>	<u>1,171,963</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(718,951)</u>	<u>(718,951)</u>	<u>(1,032,000)</u>	<u>(313,049)</u>
Total Other Financing Sources (Uses)	<u>(718,951)</u>	<u>(718,951)</u>	<u>(1,032,000)</u>	<u>(313,049)</u>
Net change in fund balance	<u>\$ (1,880,212)</u>	<u>\$ (1,880,212)</u>	<u>(1,021,298)</u>	<u>\$ 858,914</u>
Fund balance - July 1, 2011			<u>1,182,751</u>	
Fund balance - June 30, 2012			<u>\$ 161,453</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, 2012

	<u>2011 - 2012</u> <u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Intergovernmental	\$ <u>488,000</u>	\$ <u>488,000</u>	\$ <u>133,971</u>	\$ <u>(354,029)</u>
Total Revenues	<u>488,000</u>	<u>488,000</u>	<u>133,971</u>	<u>(354,029)</u>
<u>EXPENDITURES</u>				
Current:				
General administration	-	-	696	(696)
Capital outlay	<u>525,000</u>	<u>1,661,000</u>	<u>1,284,492</u>	<u>376,508</u>
Total Expenditures	<u>525,000</u>	<u>1,661,000</u>	<u>1,285,188</u>	<u>375,812</u>
Excess (deficiency) of revenues over expenditures	<u>(37,000)</u>	<u>(1,173,000)</u>	<u>(1,151,217)</u>	<u>21,783</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	686,000	-	(686,000)
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>678,096</u>	<u>(7,904)</u>	<u>(686,000)</u>
Net change in fund balance	\$ <u>(44,904)</u>	\$ <u>(494,904)</u>	<u>(1,159,121)</u>	\$ <u>(664,217)</u>
Fund balance - July 1, 2011			<u>531,048</u>	
Fund balance (deficit) - June 30, 2012			\$ <u>(628,073)</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, 2012

	2011 - 2012			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 1,297	\$ 1,297
Developer fees	<u>-</u>	<u>-</u>	<u>443,801</u>	<u>443,801</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>445,098</u>	<u>445,098</u>
<u>EXPENDITURES</u>				
Current:				
Capital outlay	<u>348,000</u>	<u>434,251</u>	<u>392,909</u>	<u>41,342</u>
Total Expenditures	<u>348,000</u>	<u>434,251</u>	<u>392,909</u>	<u>41,342</u>
Excess (deficiency) of revenues over expenditures	<u>(348,000)</u>	<u>(434,251)</u>	<u>52,189</u>	<u>486,440</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	121,000	207,251	121,000	(86,251)
Transfers out	<u>(11,955)</u>	<u>(11,955)</u>	<u>(11,955)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>109,045</u>	<u>195,296</u>	<u>109,045</u>	<u>(86,251)</u>
Net change in fund balance	<u>\$ (238,955)</u>	<u>\$ (238,955)</u>	<u>161,234</u>	<u>\$ 400,189</u>
Fund balance - July 1, 2011			<u>254,243</u>	
Fund balance - June 30, 2012			<u>\$ 415,477</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, 2012

	<u>2011 - 2012</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	\$ -	\$ -	\$ 284	\$ 284
Total Revenues	-	-	284	284
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Net change in fund balance	\$ -	\$ -	284	\$ 284
Fund balance - July 1, 2011			63,702	
Fund balance - June 30, 2012			\$ 63,986	

*The City did not adopt a budget for the Agricultural Land Mitigation fund for the year ended June 30, 2012.

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, 2012

	<u>2011 - 2012</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>				
Current:				
General administration	-	-	12	(12)
Debt Service				
Principal	30,000	30,000	450,000	(420,000)
Interest and fiscal charges	<u>21,750</u>	<u>21,750</u>	<u>21,760</u>	<u>(10)</u>
Total Expenditures	<u>51,750</u>	<u>51,750</u>	<u>471,772</u>	<u>(420,022)</u>
Excess (deficiency) of revenues over expenditures	<u>(51,750)</u>	<u>(51,750)</u>	<u>(471,772)</u>	<u>(420,022)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from refunding bonds	-	-	430,500	430,500
Transfers in	<u>49,180</u>	<u>49,180</u>	<u>38,732</u>	<u>(10,448)</u>
Total Other Financing Sources (Uses)	<u>49,180</u>	<u>49,180</u>	<u>469,232</u>	<u>420,052</u>
Net change in fund balance	<u>\$ (2,570)</u>	<u>\$ (2,570)</u>	<u>(2,540)</u>	<u>\$ 30</u>
Fund balance - July 1, 2011			<u>2,540</u>	
Fund balance - June 30, 2012			\$ <u>-</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, 2012

	<u>2011 - 2012</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	\$ -	\$ -	\$ 52	\$ 52
Total Revenues	<u>-</u>	<u>-</u>	<u>52</u>	<u>52</u>
<u>EXPENDITURES</u>				
Current:				
Debt Service				
Principal	155,000	155,000	665,000	(510,000)
Interest and fiscal charges	<u>38,495</u>	<u>38,495</u>	<u>29,076</u>	<u>9,419</u>
Total Expenditures	<u>193,495</u>	<u>193,495</u>	<u>694,076</u>	<u>(500,581)</u>
Excess (deficiency) of revenues over expenditures	<u>(193,495)</u>	<u>(193,495)</u>	<u>(694,024)</u>	<u>(500,529)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from refunding bonds	-	-	486,325	486,325
Transfers in	<u>206,195</u>	<u>206,195</u>	<u>30,432</u>	<u>(175,763)</u>
Total Other Financing Sources (Uses)	<u>206,195</u>	<u>206,195</u>	<u>516,757</u>	<u>310,562</u>
Net change in fund balance	<u>\$ 12,700</u>	<u>\$ 12,700</u>	<u>(177,267)</u>	<u>\$ (189,967)</u>
Fund balance - July 1, 2011			<u>177,267</u>	
Fund balance - June 30, 2012			<u>\$ -</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, 2012

	<u>2011 - 2012</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	\$ -	\$ -	\$ 30	\$ 30
Total Revenues	<u>-</u>	<u>-</u>	<u>30</u>	<u>30</u>
<u>EXPENDITURES</u>				
Current:				
Debt Service				
Principal	135,000	135,000	2,015,000	(1,880,000)
Interest and fiscal charges	<u>113,060</u>	<u>113,060</u>	<u>90,800</u>	<u>22,260</u>
Total Expenditures	<u>248,060</u>	<u>248,060</u>	<u>2,105,800</u>	<u>(1,857,740)</u>
Excess (deficiency) of revenues over expenditures	<u>(248,060)</u>	<u>(248,060)</u>	<u>(2,105,770)</u>	<u>(1,857,710)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from refunding bonds	-	-	1,797,089	1,797,089
Transfers in	<u>308,560</u>	<u>308,560</u>	<u>115,886</u>	<u>(192,674)</u>
Total Other Financing Sources (Uses)	<u>308,560</u>	<u>308,560</u>	<u>1,912,975</u>	<u>1,604,415</u>
Net change in fund balance	<u>\$ 60,500</u>	<u>\$ 60,500</u>	<u>(192,795)</u>	<u>\$ (253,295)</u>
Fund balance - July 1, 2011			<u>192,795</u>	
Fund balance - June 30, 2012			<u>\$ -</u>	

CITY OF DIXON
LEASE FINANCING - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	2011 - 2012		Actual Amounts	Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original*	Final*		
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 109	\$ 109
Other revenues	-	-	<u>3,081</u>	<u>3,081</u>
Total Revenues	-	-	<u>3,190</u>	<u>3,190</u>
<u>EXPENDITURES</u>				
Current:				
Debt Service				
Principal	-	-	330,200	(330,200)
Interest and fiscal charges	-	-	<u>91,549</u>	<u>(91,549)</u>
Total Expenditures	-	-	<u>421,749</u>	<u>(421,749)</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>(418,559)</u>	<u>(418,559)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from refunding bonds	-	-	72,386	72,386
Transfers in	-	-	<u>346,283</u>	<u>346,283</u>
Total Other Financing Sources (Uses)	-	-	<u>418,669</u>	<u>418,669</u>
Net change in fund balance	\$ -	\$ -	<u>110</u>	\$ <u>110</u>
Fund balance - July 1, 2011			-	
Fund balance - June 30, 2012			<u>\$ 110</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, 2012

	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	\$ 611,025	\$ 2,426,137	\$ -	\$ 594,517	\$ 385,934	\$ 39,972	\$ 4,057,585
Accounts receivable	-	-	-	37,986	-	190,170	228,156
Interest receivable	810	3,225	-	795	516	1,136	6,482
Restricted cash	-	-	-	-	<u>2,492,355</u>	<u>766,036</u>	<u>3,258,391</u>
Total Assets	<u>\$ 611,835</u>	<u>\$ 2,429,362</u>	<u>\$ -</u>	<u>\$ 633,298</u>	<u>\$ 2,878,805</u>	<u>\$ 997,314</u>	<u>\$ 7,550,614</u>
<u>LIABILITIES</u>							
Accounts payable	\$ -	\$ -	\$ 923	\$ -	\$ -	\$ 134,759	\$ 135,682
Deposits payable	-	-	-	-	-	766,036	766,036
Interest payable	23,135	189,567	-	-	176,994	-	389,696
Agency obligations	<u>588,700</u>	<u>2,239,795</u>	<u>(923)</u>	<u>633,298</u>	<u>2,701,811</u>	<u>96,519</u>	<u>6,259,200</u>
Total Liabilities	<u>\$ 611,835</u>	<u>\$ 2,429,362</u>	<u>\$ -</u>	<u>\$ 633,298</u>	<u>\$ 2,878,805</u>	<u>\$ 997,314</u>	<u>\$ 7,550,614</u>

CITY OF DIXON
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>West "A" Street Improvement District</u>				
ASSETS				
Cash and investments	\$ 363,615	\$ 696,668	\$ 449,258	\$ 611,025
Interest receivable	<u>601</u>	<u>810</u>	<u>601</u>	<u>810</u>
Total Assets	<u>\$ 364,216</u>	<u>\$ 697,478</u>	<u>\$ 449,859</u>	<u>\$ 611,835</u>
LIABILITIES				
Interest payable	\$ 30,220	\$ 23,135	\$ 30,220	\$ 23,135
Agency obligations	<u>333,996</u>	<u>254,704</u>	<u>-</u>	<u>588,700</u>
Total Liabilities	<u>\$ 364,216</u>	<u>\$ 277,839</u>	<u>\$ 30,220</u>	<u>\$ 611,835</u>
<u>North First Street Improvement District</u>				
ASSETS				
Cash and investments	\$ 2,070,736	\$ 1,762,214	\$ 1,406,813	\$ 2,426,137
Interest receivable	<u>3,449</u>	<u>3,225</u>	<u>3,449</u>	<u>3,225</u>
Total Assets	<u>\$ 2,074,185</u>	<u>\$ 1,765,439</u>	<u>\$ 1,410,262</u>	<u>\$ 2,429,362</u>
LIABILITIES				
Interest payable	\$ 211,630	\$ 189,567	\$ 211,630	\$ 189,567
Agency obligations	<u>1,862,555</u>	<u>377,240</u>	<u>-</u>	<u>2,239,795</u>
Total Liabilities	<u>\$ 2,074,185</u>	<u>\$ 566,807</u>	<u>\$ 211,630</u>	<u>\$ 2,429,362</u>
<u>Flexible Spending Account</u>				
ASSETS				
Cash and investments	\$ <u>1,120</u>	\$ <u>32,117</u>	\$ <u>33,237</u>	\$ <u>-</u>
Total Assets	<u>\$ 1,120</u>	<u>\$ 32,117</u>	<u>\$ 33,237</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ 923	\$ -	\$ 923
Agency obligations	<u>1,120</u>	<u>31,194</u>	<u>33,237</u>	<u>(923)</u>
Total Liabilities	<u>\$ 1,120</u>	<u>\$ 32,117</u>	<u>\$ 33,237</u>	<u>\$ -</u>
<u>Dixon Fire Protection Agency</u>				
ASSETS				
Cash and investments	\$ 569,876	\$ 470,258	\$ 445,617	\$ 594,517
Accounts receivable	36,831	1,155	-	37,986
Interest receivable	955	795	955	795
Taxes receivable	<u>9,922</u>	<u>-</u>	<u>9,922</u>	<u>-</u>
Total Assets	<u>\$ 617,584</u>	<u>\$ 472,208</u>	<u>\$ 456,494</u>	<u>\$ 633,298</u>
LIABILITIES				
Accounts payable	\$ 9,140	\$ 10,762	\$ 19,902	\$ -
Agency obligations	<u>608,444</u>	<u>517,482</u>	<u>492,628</u>	<u>633,298</u>
Total Liabilities	<u>\$ 617,584</u>	<u>\$ 528,244</u>	<u>\$ 512,530</u>	<u>\$ 633,298</u>

CITY OF DIXON
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (continued)
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>Public Financing Assessment District</u>				
ASSETS				
Cash and investments	\$ 391,475	\$ 1,805,789	\$ 1,811,330	\$ 385,934
Restricted cash and investments	2,324,625	2,993,381	2,825,651	2,492,355
Interest receivable	<u>656</u>	<u>516</u>	<u>656</u>	<u>516</u>
Total Assets	<u>\$ 2,716,756</u>	<u>\$ 4,799,686</u>	<u>\$ 4,637,637</u>	<u>\$ 2,878,805</u>
LIABILITIES				
Interest payable	\$ -	\$ 176,994	\$ -	\$ 176,994
Agency obligations	<u>2,716,756</u>	<u>1,791,360</u>	<u>1,806,305</u>	<u>2,701,811</u>
Total Liabilities	<u>\$ 2,716,756</u>	<u>\$ 1,968,354</u>	<u>\$ 1,806,305</u>	<u>\$ 2,878,805</u>
<u>Dixon Solano Water Authority</u>				
ASSETS				
Cash and investments	\$ (18,859)	\$ 931,660	\$ 872,829	\$ 39,972
Restricted cash and investments	762,361	88,800	85,125	766,036
Accounts receivable	184,186	974,905	968,921	190,170
Interest receivable	<u>1,360</u>	<u>1,137</u>	<u>1,361</u>	<u>1,136</u>
Total Assets	<u>\$ 929,048</u>	<u>\$ 1,996,502</u>	<u>\$ 1,928,236</u>	<u>\$ 997,314</u>
LIABILITIES				
Accounts payable	\$ 80,535	\$ 918,868	\$ 864,644	\$ 134,759
Deposits payable	762,361	88,800	85,125	766,036
Agency obligations	<u>86,152</u>	<u>10,367</u>	<u>-</u>	<u>96,519</u>
Total Liabilities	<u>\$ 929,048</u>	<u>\$ 1,018,035</u>	<u>\$ 949,769</u>	<u>\$ 997,314</u>
<u>Total Agency Funds</u>				
ASSETS				
Cash and investments	\$ 3,377,963	\$ 5,698,706	\$ 5,019,084	\$ 4,057,585
Restricted cash and investments	3,086,986	3,082,181	2,910,776	3,258,391
Accounts receivable	221,017	976,060	968,921	228,156
Taxes receivable	9,922	-	9,922	-
Interest receivable	<u>7,021</u>	<u>6,483</u>	<u>7,022</u>	<u>6,482</u>
Total Assets	<u>\$ 6,702,909</u>	<u>\$ 9,763,430</u>	<u>\$ 8,915,725</u>	<u>\$ 7,550,614</u>
LIABILITIES				
Accounts payable	\$ 89,675	\$ 930,553	\$ 884,546	\$ 135,682
Deposits payable	762,361	88,800	85,125	766,036
Interest payable	241,850	389,696	241,850	389,696
Agency obligations	<u>5,609,023</u>	<u>2,982,347</u>	<u>2,332,170</u>	<u>6,259,200</u>
Total Liabilities	<u>\$ 6,702,909</u>	<u>\$ 4,391,396</u>	<u>\$ 3,543,691</u>	<u>\$ 7,550,614</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.

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.

Infrastructure Reserve

This fund was established to provide infrastructure reserves for the City. It is funded by transfers made from time to time from the General Fund.

CITY OF DIXON
GENERAL FUND
COMBINING BALANCE SHEETS
JUNE 30, 2012

	<u>General Fund</u>	<u>Contingency</u>	<u>Council Discretionary</u>	<u>Recreation</u>	<u>Planning Agreements</u>	<u>Equipment Replacement</u>	<u>Building Reserve</u>	<u>Infrastructure Reserve</u>	<u>Total General Fund</u>
ASSETS									
Cash and cash equivalents	\$ 1,075	\$ 1,403,823	\$ 163,920	\$ 2,018	\$ -	\$ 1,280,778	\$ 16,591	\$ 50,173	\$ 2,918,378
Restricted cash	254,336	-	-	-	35,791	-	-	-	290,127
Accounts receivable	534,046	923	-	272	-	-	147,955	-	683,196
Interest receivable	-	2,633	219	-	47	1,762	22	59	4,742
Taxes receivable	1,303,354	-	-	-	-	-	-	-	1,303,354
Due from other funds	-	564,108	-	-	-	-	-	-	564,108
Due from other governments	743,234	-	-	-	-	-	-	-	743,234
Prepaid expenses	391,593	-	-	-	-	-	-	-	391,593
Inventory	1,422	-	-	-	-	-	-	-	1,422
Total Assets	<u>\$ 3,229,060</u>	<u>\$ 1,971,487</u>	<u>\$ 164,139</u>	<u>\$ 2,290</u>	<u>\$ 35,838</u>	<u>\$ 1,282,540</u>	<u>\$ 164,568</u>	<u>\$ 50,232</u>	<u>\$ 6,900,154</u>
LIABILITIES AND FUND BALANCES (DEFICITS)									
LIABILITIES:									
Accounts payable	\$ 872,937	\$ -	\$ -	\$ 1,990	\$ -	\$ -	\$ -	\$ -	\$ 874,927
Accrued payroll and benefits	368,334	-	-	300	-	-	-	-	368,634
Deferred revenue	853,954	-	-	-	-	-	147,955	-	1,001,909
Deposits payable	224,589	-	-	-	35,791	-	-	-	260,380
Due to other funds	508,290	-	-	-	902	-	-	-	509,192
Total Liabilities	<u>2,828,104</u>	<u>-</u>	<u>-</u>	<u>2,290</u>	<u>36,693</u>	<u>-</u>	<u>147,955</u>	<u>-</u>	<u>3,015,042</u>
FUND BALANCES (DEFICITS):									
Reserved for:									
Nonspendable	393,015	-	-	-	-	-	-	-	393,015
Restricted	980	-	-	-	-	-	-	-	980
Committed	6,875	-	-	-	-	-	-	-	6,875
Assigned	76,677	-	-	-	-	1,282,540	16,613	50,232	1,426,062
Unassigned	(76,591)	1,971,487	164,139	-	(855)	-	-	-	2,058,180
Total Fund Balances (Deficits)	<u>400,956</u>	<u>1,971,487</u>	<u>164,139</u>	<u>-</u>	<u>(855)</u>	<u>1,282,540</u>	<u>16,613</u>	<u>50,232</u>	<u>3,885,112</u>
Total Liabilities and Fund Balances	<u>\$ 3,229,060</u>	<u>\$ 1,971,487</u>	<u>\$ 164,139</u>	<u>\$ 2,290</u>	<u>\$ 35,838</u>	<u>\$ 1,282,540</u>	<u>\$ 164,568</u>	<u>\$ 50,232</u>	<u>\$ 6,900,154</u>

CITY OF DIXON
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>General Fund</u>	<u>Contingency</u>	<u>Council Discretionary</u>	<u>Recreation Fund</u>	<u>Planning Agreements</u>	<u>Equipment Replacement</u>	<u>Building Reserve</u>	<u>Infrastructure Reserve</u>	<u>Total General Fund</u>
REVENUES									
Taxes and assessments	\$ 9,778,878	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,778,878
Licence, permits, and fees	931,473	-	19,343	23,667	26,980	-	-	-	1,001,463
Fines and forfeitures	18,358	-	-	-	-	-	-	-	18,358
Use of money and property	105,103	7,475	742	(33)	118	5,648	(120)	232	119,165
Intergovernmental	660,556	-	-	-	-	-	-	-	660,556
Charges for services	251,162	-	-	39,258	1,257	-	-	-	291,677
Other revenues	<u>159,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,373</u>
Total Revenues	<u>11,904,903</u>	<u>7,475</u>	<u>20,085</u>	<u>62,892</u>	<u>28,355</u>	<u>5,648</u>	<u>(120)</u>	<u>232</u>	<u>12,029,470</u>
EXPENDITURES									
General administration	1,527,065	-	-	-	-	12,792	-	-	1,539,857
Public safety	6,975,438	-	-	-	-	-	-	-	6,975,438
Parks and recreation	1,437,880	-	-	49,149	-	-	-	-	1,487,029
Development	528,331	-	-	-	41,582	-	-	-	569,913
Public ways and facilities	1,025,458	-	-	-	-	-	-	-	1,025,458
Capital outlay	<u>621,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>621,260</u>
Total Expenditures	<u>12,115,432</u>	<u>-</u>	<u>-</u>	<u>49,149</u>	<u>41,582</u>	<u>12,792</u>	<u>-</u>	<u>-</u>	<u>12,218,955</u>
Excess (deficiency) of revenues over expenditures	<u>(210,529)</u>	<u>7,475</u>	<u>20,085</u>	<u>13,743</u>	<u>(13,227)</u>	<u>(7,144)</u>	<u>(120)</u>	<u>232</u>	<u>(189,485)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	1,167,683	-	-	-	-	50,000	-	50,000	1,267,683
Transfers out	<u>(153,209)</u>	<u>-</u>	<u>-</u>	<u>(36,642)</u>	<u>-</u>	<u>(313,762)</u>	<u>(188,683)</u>	<u>-</u>	<u>(692,296)</u>
Total Other Financing Sources (Uses)	<u>1,014,474</u>	<u>-</u>	<u>-</u>	<u>(36,642)</u>	<u>-</u>	<u>(263,762)</u>	<u>(188,683)</u>	<u>50,000</u>	<u>575,387</u>
Net Change in Fund Balance	803,945	7,475	20,085	(22,899)	(13,227)	(270,906)	(188,803)	50,232	385,902
Fund Balances - July 1, 2011	<u>(402,989)</u>	<u>1,964,012</u>	<u>144,054</u>	<u>22,899</u>	<u>12,372</u>	<u>1,553,446</u>	<u>205,416</u>	<u>-</u>	<u>3,499,210</u>
Fund Balances - June 30, 2012	<u>\$ 400,956</u>	<u>\$ 1,971,487</u>	<u>\$ 164,139</u>	<u>\$ -</u>	<u>\$ (855)</u>	<u>\$ 1,282,540</u>	<u>\$ 16,613</u>	<u>\$ 50,232</u>	<u>\$ 3,885,112</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.	119 - 123
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.	124 - 128
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.	129 - 133
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.	134 - 135
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.	136 - 138

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 TEN FISCAL YEARS (in thousands of dollars)
(accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 138,640
Restricted	26,046	22,702	23,897	20,525	19,400	4,811	2,509	3,396	4,502	1,715
Unrestricted	6,462	4,098	4,355	4,058	4,968	15,476	17,525	13,097	10,970	9,103
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>	<u>\$ 149,458</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	\$ 40,780
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	3,459
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>	<u>\$ 44,239</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	\$ 179,420
Restricted	26,099	23,225	24,428	21,075	19,971	5,184	2,691	3,592	4,697	1,715
Unrestricted	6,522	4,316	6,320	6,536	5,886	18,219	20,104	15,950	13,937	12,562
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>	<u>\$ 193,697</u>

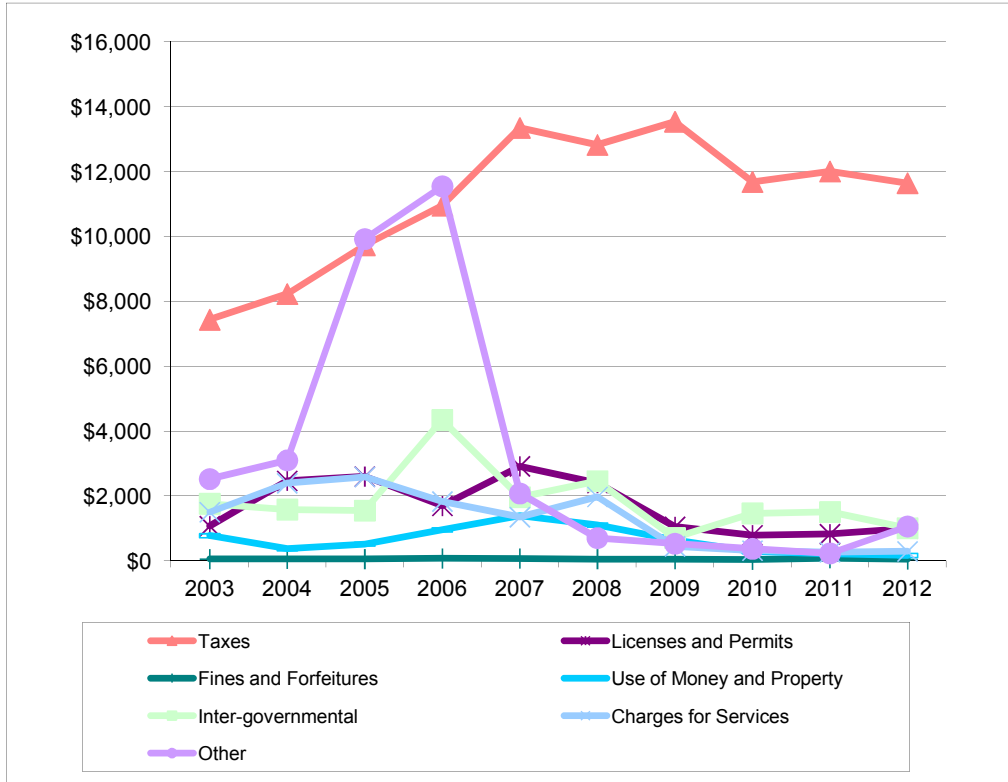
Source: City of Dixon Finance

CITY OF DIXON
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS (in thousands)
(accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities:										
General government	\$ 2,592	1,962	2,160	2,612	3,048	\$ 3,534	\$ 2,323	\$ 3,130	\$ 2,482	\$ 1,741
Public safety	6,871	5,791	6,271	6,828	7,425	7,798	7,961	7,832	7,566	7,425
Public services	1,015	1,416	1,500	1,963	2,176	2,254	2,394	5,396	4,782	2,188
Recreation	706	1,878	2,098	1,799	2,303	2,859	2,426	2,361	2,197	1,203
Community development	1,745	5,248	7,013	5,890	5,745	6,455	5,186	3,553	1,649	4,720
Interest and fiscal charges	641	525	555	535	769	445	428	405	384	401
Transfers out	1,239	-	-	-	-	-	-	-	-	-
Total governmental activity expenses	\$ 14,809	\$ 16,820	\$ 19,597	\$ 19,627	\$ 21,466	\$ 23,345	\$ 20,718	\$ 22,677	\$ 19,060	\$ 17,678
Business-type activities:										
Sewer	\$ 1,777	\$ 2,191	\$ 2,761	\$ 2,341	\$ 2,701	\$ 3,150	\$ 3,066	\$ 2,938	\$ 2,904	\$ 3,005
Water	474	583	583	555	711	779	830	882	131	-
Transit	397	482	601	646	642	713	638	569	624	741
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	3,746
Total primary government expenses	\$ 17,457	\$ 20,076	\$ 23,583	\$ 23,197	\$ 25,612	\$ 28,147	\$ 25,557	\$ 27,374	\$ 22,719	\$ 21,424
Program Revenues										
Charges for Services										
General government	\$ 247	\$ 1,384	\$ 1,334	\$ 1,744	\$ 1,363	\$ 1,884	\$ 155	\$ 226	\$ 288	\$ 204
Public safety	930	526	633	696	727	778	707	663	722	940
Parks and recreation	3,185	342	248	139	200	233	333	186	129	584
Development	71	70	91	109	1,322	544	180	175	74	252
Public ways and facilities	-	2,184	2,196	376	151	475	222	88	94	242
Operating grants	603	586	885	1,122	445	632	505	854	202	201
Capital grants	1,147	3,351	10,303	12,718	2,326	2,122	853	1,413	1,202	958
Total governmental activities	6,183	8,443	15,690	16,904	6,534	6,668	2,955	3,605	2,711	3,381
Business-type activities:										
Charges for services	1,893	3,028	1,728	1,817	2,115	2,376	2,358	2,743	2,490	2,681
Operating grants and contributions	337	334	458	501	558	577	669	544	532	592
Capital grants and contributions	1,924	87	4,634	3,725	2,974	-	-	57	284	3
Transfers in	1,239	-	-	-	-	-	-	-	-	-
Total business-type activities	\$ 5,393	\$ 3,449	\$ 6,820	\$ 6,043	\$ 5,647	\$ 2,953	\$ 3,027	\$ 3,344	\$ 3,306	\$ 3,276
Total primary government	\$ 11,576	\$ 11,892	\$ 22,510	\$ 22,947	\$ 12,181	\$ 9,621	\$ 5,982	\$ 6,949	\$ 6,017	\$ 6,657
Net (Expense)/Revenue										
Governmental activities	\$ (8,626)	\$ (8,377)	\$ (3,907)	\$ (2,723)	\$ (14,932)	\$ (16,677)	\$ (17,763)	\$ (19,072)	\$ (16,349)	\$ (14,297)
Business-type activities	2,745	193	2,834	2,473	1,501	(1,849)	(1,812)	(1,353)	(353)	(470)
Total primary government	\$ (5,881)	\$ (8,184)	\$ (1,073)	\$ (250)	\$ (13,431)	\$ (18,526)	\$ (19,575)	\$ (20,425)	\$ (16,702)	\$ (14,767)
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	\$ 4,840
Property taxes	3,179	3,513	4,269	4,888	5,335	5,504	5,363	4,915	5,069	4,374
Motor vehicle and gas taxes	937	1,058	1,339	1,432	1,817	1,790	1,847	1,673	1,777	1,759
Franchise taxes	197	407	405	437	492	472	519	502	506	497
Transient Occupancy taxes	179	165	192	225	266	243	200	157	170	173
Interest and investment	827	360	525	936	1,365	1,072	537	244	216	134
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	171
Transfers in	-	-	41	28	92	160	305	308	300	317
Total governmental activities	9,166	9,419	11,052	12,776	15,836	14,885	14,132	12,406	12,574	12,265
Business-type Activities										
Interest and investment	80	54	97	170	304	249	91	33	23	16
Other revenue	(3)	-	3	1,570	144	449	9	22	(10,526)	(317)
Total business-type activities	77	54	100	1,740	448	698	100	55	(10,503)	(301)
Other sources(uses) of money	-	-	-	-	-	-	-	-	-	(3,699)
Total primary government	\$ 9,243	\$ 9,473	\$ 11,152	\$ 14,516	\$ 16,284	\$ 15,583	\$ 14,232	\$ 12,461	\$ 2,071	\$ 8,265
Change in Net Assets										
Governmental activities	\$ 540	\$ 1,042	\$ 7,145	\$ 10,053	\$ 904	\$ (1,792)	\$ (3,631)	\$ (6,666)	\$ (3,775)	\$ (5,731)
Business-type activities	2,822	247	2,934	4,213	1,949	(1,151)	(1,712)	(1,298)	(10,856)	(771)
Total primary government	\$ 3,362	\$ 1,289	\$ 10,079	\$ 14,266	\$ 2,853	\$ (2,943)	\$ (5,343)	\$ (7,964)	\$ (14,631)	\$ (6,502)

Source: City of Dixon Finance

CITY OF DIXON
GOVERNMENTAL FUNDS REVENUES BY SOURCE
LAST TEN FISCAL YEARS (in thousands)
(accrual basis of accounting)



<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>
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
2012	11,643	1,001	46	166	1,008	294	1,060	15,218

Source: City of Dixon Finance

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

	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>	<u>2012</u>
General Fund										
Reserved	\$ 944	\$ 1,617	\$ 735	\$ 682	\$ 813	\$ 313	\$ 297	\$ 535	\$ -	\$ -
Unreserved	3,455	3,092	4,101	4,111	5,007	5,562	5,122	3,880	-	-
Nonspendable									296	393
Restricted									1	1
Committed									115	7
Assigned									1,558	1,426
Unassigned									1,529	2,058
Total General Fund	<u>\$ 4,399</u>	<u>\$ 4,709</u>	<u>\$ 4,836</u>	<u>\$ 4,793</u>	<u>\$ 5,820</u>	<u>\$ 5,875</u>	<u>\$ 5,419</u>	<u>\$ 4,415</u>	<u>\$ 3,499</u>	<u>\$ 3,885</u>
All Other Governmental Funds										
Reserved	\$ 19,010	\$ 10,469	\$ 12,965	\$ 9,696	\$ 7,064	\$ 7,961	\$ 4,263	\$ 4,273	\$ -	\$ -
Unreserved reported in:										
Special revenue funds	4,471	2,234	1,960	2,058	1,868	2,200	2,778	2,442	-	-
Capital project funds	3,803	6,745	7,954	6,286	8,383	4,801	7,901	5,509	-	-
Nonspendable									1,968	2,249
Restricted									4,130	1,693
Committed									10	-
Assigned									7,009	5,248
Unassigned									(957)	(1,588)
Total all other Governmental Funds	<u>\$ 27,284</u>	<u>\$ 19,448</u>	<u>\$ 22,879</u>	<u>\$ 18,040</u>	<u>\$ 17,315</u>	<u>\$ 14,962</u>	<u>\$ 14,942</u>	<u>\$ 12,224</u>	<u>\$ 12,160</u>	<u>\$ 7,602</u>

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

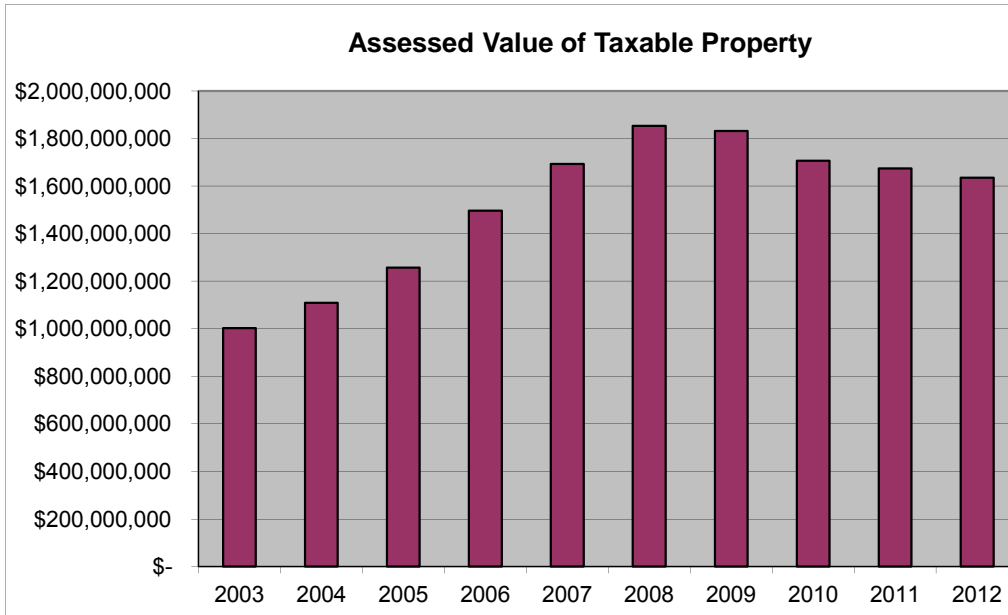
Source: City of Dixon Finance

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes and assessments	\$ 10,191	\$ 8,225	\$ 9,725	\$ 10,946	\$ 13,343	\$ 12,820	\$ 13,536	\$ 11,682	\$ 12,003	\$ 11,643
Licenses, permits, and fess	1,071	2,467	2,601	1,696	2,913	2,402	1,052	790	827	1,002
Fines and forfeitures	56	59	55	77	70	52	54	35	84	46
Use of money and property	819	378	518	957	1,394	1,108	637	286	221	166
Program income		399	581	1,594	768	111	112	59	170	86
Intergovernmental revenues	1,761	1,185	970	2,748	1,193	2,459	707	1,465	1,506	1,008
Charges for service	3,869	5,261	2,588	1,828	1,349	1,974	446	316	265	294
Contributions			157	9,703	1,142	4	-	-	-	-
Developer fees			9,508	1,678	601	322	272	38	3	803
Other revenues	153	233	256	165	336	265	146	275	56	171
Total revenues	17,920	18,207	26,959	31,392	23,109	21,517	16,962	14,946	15,135	15,219
Expenditures										
General government	2,955	1,864	2,092	2,505	2,939	3,554	1,956	2,917	2,287	1,541
Public safety	5,485	5,421	6,005	6,415	7,114	7,530	7,570	7,296	7,162	7,040
Parks and recreation	822	1,040	1,127	1,306	1,481	1,711	1,705	1,542	1,467	1,487
Development		2,106	2,251	2,686	2,665	2,880	2,930	3,258	1,795	987
Public ways and facilities	957	2,673	4,364	2,939	2,667	2,884	1,924	2,273	1,381	1,325
Debt service - Principal	1,303	445	456	450	465	375	400	425	445	3,605
Debt service - Interest	1,967	528	515	491	762	438	419	397	374	396
Capital outlay	4,324	9,224	8,633	17,182	4,807	4,602	1,148	917	1,502	2,652
Total expenditures	17,813	23,301	25,443	33,974	22,900	23,974	18,052	19,025	16,413	19,033
Excess of revenues over (under) expenditures	107	(5,094)	1,516	(2,582)	209	(2,457)	(1,090)	(4,079)	(1,278)	(3,814)
Other financing sources (uses)										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	2,786
Transfers in	2,129	3,159	2,116	3,383	3,879	3,404	1,888	2,044	3,244	2,600
Transfers out	(3,368)	(3,159)	(2,074)	(3,355)	(3,787)	(3,243)	(1,583)	(1,736)	(2,945)	(2,283)
Total other financing sources	(1,239)	-	42	28	92	161	305	308	299	3,103
Extraordinary item										
Redevelopment dissolution	-	-	-	-	-	-	-	-	-	(3,461)
Net change in fund balance	\$ (1,132)	\$ (5,094)	\$ 1,558	\$ (2,554)	\$ 301	\$ (2,296)	\$ (785)	\$ (3,771)	\$ (979)	\$ (4,172)
Debt service as a % of noncapital expenditures	24.2%	6.9%	5.8%	5.6%	6.8%	4.2%	4.8%	4.5%	5.5%	24.4%

Source: City of Dixon Finance

**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</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>
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
2012	1,020,412,005	173,969,716	298,431,146	142,426,419	1,635,239,286	0.28648%	4,684,634

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)

Fiscal Year	Basic County City School Levy	Dixon Unified School District	Solano County Flood Water Project	Solano Community College	Total Direct and Overlapping Rates	Total Direct and Rate
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
2012	1.00	0.06717	0.02	0.02016	1.10732	0.28648

Source: HdL, Coren & Cone

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

Taxpayer	2011/12			2002/03		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Undisclosed ¹	1	\$ 142,410,486	8.71%			
Gymboree Logistics Partnership	2	\$ 42,880,473	1.64%	3	\$ 14,502,035	1.45%
Basalite Concrete Products	3	\$ 26,743,664	2.62%			
Cardinal Health 200Inc.	4	\$ 26,168,548	1.60%			
Wal Mart Real Estate Trust	5	\$ 20,572,501	1.26%			
Milliani Group	6	\$ 13,953,553	0.85%	5	\$ 12,000,000	1.20%
Insulfoam, LLC	7	\$ 12,898,864	0.79%			
California Water Service Company	8	\$ 9,629,795	0.55%			
Robert A. and Suzanne A. Robben Trust	9	\$ 9,029,164	0.50%			
Safeway Stores	10	\$ 8,237,717	0.59%	7	\$ 6,228,229	0.62%
Premier Industries				1	\$ 16,822,502	1.68%
SunTrust Banks Inc.				2	\$ 14,666,804	1.46%
Pacific Coast Building Pro				4	\$ 13,356,298	1.33%
MEC Dixon, Inc.				6	\$ 6,962,055	0.69%
CSK Auto Inc.				10	\$ 4,618,487	0.46%
First Northern Bank of Dixon				8	\$ 5,293,927	0.53%
Walnut Ranch Apartments Limited				9	\$ 5,083,667	0.51%
Top Ten Totals		\$ 312,524,765	19.11%		\$ 85,031,969	9.93%
City Total Taxable Assessed Value		\$ 1,635,239,286			\$ 1,003,100,911	

Notes: ¹ Taxpayer 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)

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
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%
2012	2,681	2,681	100.00%	-	2,681	100.00%

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Major Business Groups										
Apparel	\$ 2,618	\$ 4,891	\$ 6,011	\$ 10,967	\$ 15,281	\$ 20,166	\$ 19,479	\$ 20,004	\$ 22,583	\$ 28,240
General Merchandise	166	6,581	25,778	30,371	40,323	39,596	38,036	39,252	38,057	35,727
Food Stores	9,554	9,749	9,353	9,121	8,530	8,705	8,566	6,970	6,717	6,828
Eating and Drinking Plac	23,127	24,097	26,091	27,148	27,507	27,916	26,543	25,255	24,795	25,392
Building Materials	10,777	11,401	10,759	11,362	10,462	11,760	14,011	23,541	15,456	17,795
Auto Dealers and Suppli	20,265	19,827	24,376	24,156	22,350	26,007	30,027	29,910	34,636	40,843
Service Stations	26,041	30,871	40,295	44,532	47,037	56,422	56,916	43,038	48,255	63,104
Other Retail Stores	16,837	18,962	19,801	19,008	20,054	19,473	17,695	12,030	12,683	12,701
All other outlets	224,602	239,477	251,854	276,033	332,769	370,976	296,616	284,494	236,851	254,802
Fiscal Year Totals	\$ 333,987	\$ 365,856	\$ 414,318	\$ 452,698	\$ 524,313	\$ 581,021	\$ 507,889	\$ 484,494	\$ 440,033	\$ 485,432

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 source 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

(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 ²	Lease Revenue Bonds	COPS	Compensated Absences	Capital Leases	Wastewater COPS	Compensated Absences				
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	
2012	-	2,456	-	934	-	-	72	3,462	0.73%	197	

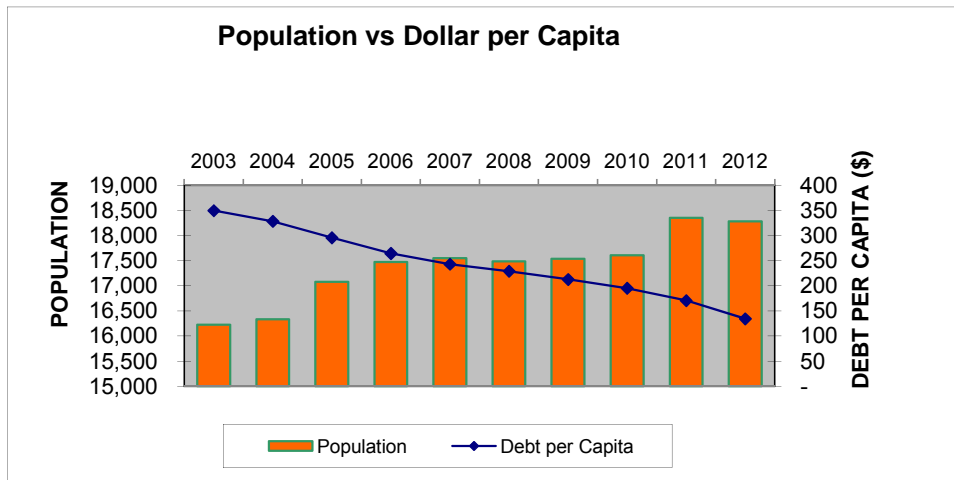
Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Demographic Statistics for personal income and population data.

² As part of the redevelopment agency dissolution, the Tax Allocation Bonds were transferred to the Successor Agency, and therefore, no outstanding balance exists for the City as of June 30, 2012.

Source: City of Dixon Finance

**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	Assessed Value
2002	\$ 5,430	\$ 535	\$ 5,965	0.634%	16,254	\$ 367	941,189
2003	5,215	460	5,675	0.566%	16,227	350	1,003,101
2004	4,985	380	5,365	0.484%	16,335	328	1,109,197
2005	4,755	295	5,050	0.402%	17,078	296	1,257,068
2006	4,515	105	4,620	0.309%	17,470	264	1,496,475
2007	4,265	-	4,265	0.252%	17,550	243	1,693,137
2008	4,005	-	4,005	0.216%	17,486	229	1,853,397
2009	3,730	-	3,730	0.204%	17,535	213	1,831,616
2010	3,435	-	3,435	0.201%	17,605	195	1,706,278
2011	3,130	-	3,130	0.187%	18,351	171	1,673,659
2012	2,456	-	2,456	0.150%	18,282	134	1,635,239

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

Source: City of Dixon Finance and HDL

**CITY OF DIXON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2012**

2011-12 Assessed Valuation :	\$ 1,635,239,286
Redevelopment Incremental Valuation:	200,388,517
Adjusted assessed Valuation:	<u>\$ 1,434,850,769</u>

<u>Direct and Overlapping Tax and Assessment Debt</u>	<u>% Applicable [a]</u>	<u>Total Debt 6/30/2012</u>	<u>City's Share of Debt 6/30/2012</u>
Solano County Community College District	4.929%	\$ 104,445,090	5,148,098
Dixon Unified School District	68.167%	26,529,523	18,084,380
City of Dixon 1915 Act Bonds	100.000%	<u>10,630,000</u>	<u>10,630,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		141,604,613	33,862,478
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Solano County Certificates of Participation	4.697%	\$ 117,170,000	5,503,475
Solano County Pension Obligations	4.697%	78,880,000	3,704,994
Solano County Office of Education Certifications of Participation	4.697%	2,230,000	104,743
Dixon Unified School District Certificates of Participation	68.167%	10,280,000	7,007,568
City of Dixon General Fund Obligations	100.000%	<u>2,456,100</u>	<u>2,456,100</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$ 211,016,100	\$ 18,776,879
GROSS COMBINED TOTAL DEBT		\$ 352,620,713	
SUBTOTAL DIRECT DEBT			\$ 2,456,100
SUBTOTAL OVERLAPPING DEBT			\$ 50,183,257
GRAND TOTAL OF DIRECT AND OVERLAPPING DEBT			\$ 52,639,357 [a]

Ratios to Adjusted Assessed Valuation:

Total Direct Debt.....	\$ 2,456,100	0.17%
Combined Total Debt.....		3.67%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/12: \$-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**

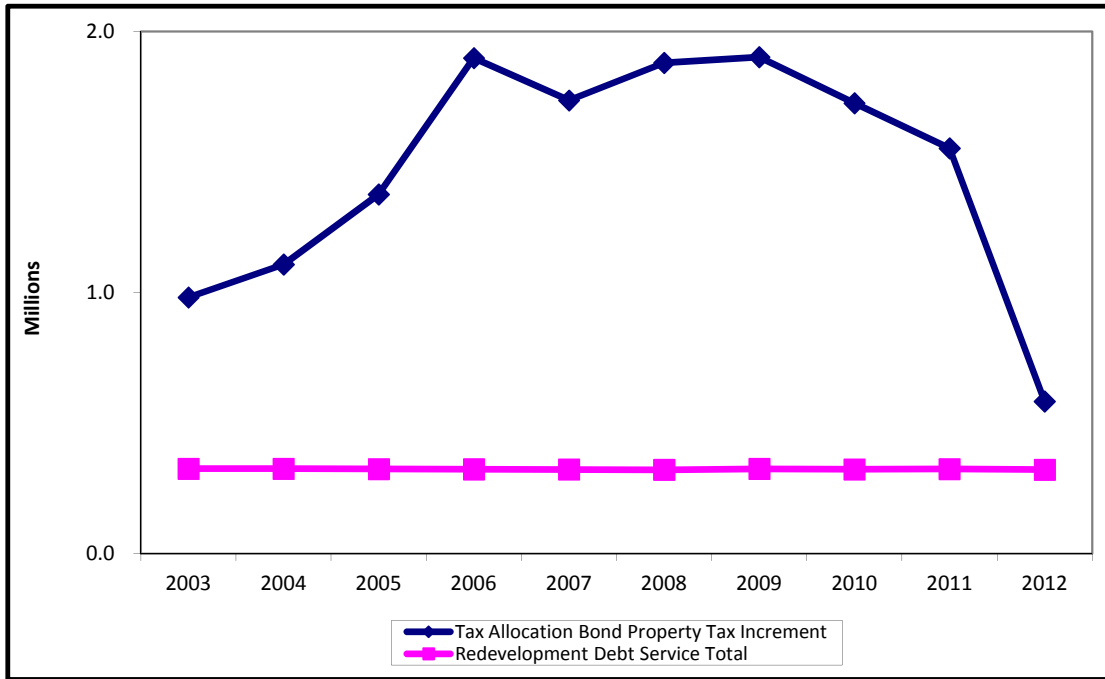
Legal Debt Margin Calculation for Fiscal Year 2012

Assessed Value (in thousands)	\$ 1,635,239
Debt Limit (15%) of total assessed value	245,286
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	\$ 245,286

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
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%
2012	1,635,239	245,286	-	245,286	0%

Source: City of Dixon Finance

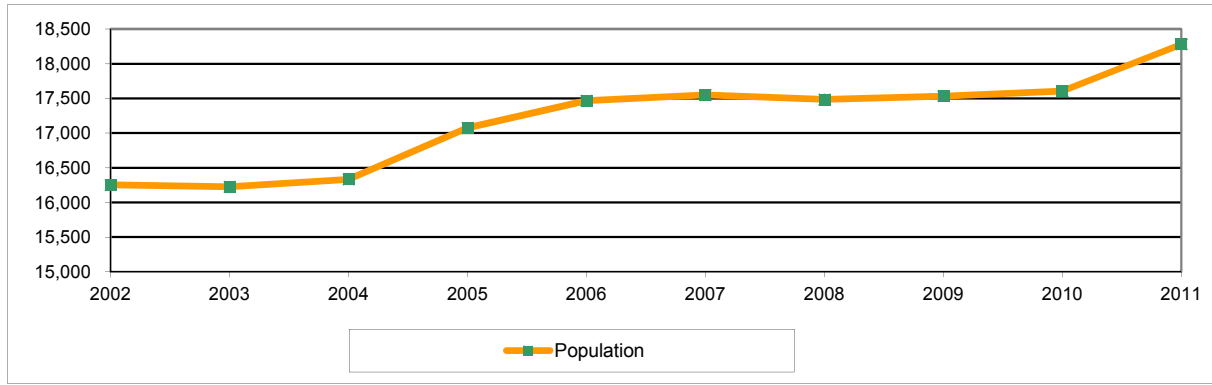
**CITY OF DIXON
PLEGDED REVENUE COVERAGE
LAST TEN FISCAL YEARS (in thousands)**



Fiscal Year	Tax Allocation Bond Property Tax Increment			Redevelopment Debt Service			
	Redevelopment Increment	Less: Low and Moderate Income Housing Set-Aside	Net Available Revenue	Principal	Interest	Total	Debt Ratio
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	1,941	388	1,552	140	185	325	21%
2012	778	194	584	145	178	323	55%

Source: City of Dixon Finance

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



Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate	Median Age	School Enrollment	% of pop 25+ w/ H.S. Degree	% of pop 25+ w/ Bachelor's Degree
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	18,282	476,173	26,046	9.2%	32.30	3,946	82.1%	19.6%

Source: HdI, Coren & Cone

**CITY OF DIXON
PRINCIPAL EMPLOYERS
CURRENT AND FIVE YEARS AGO ¹**

Total City Employment² 8400

Total City Employment² 8300

FY 2011-12

FY 2005-06

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total</u>	<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total</u>
			<u>City</u>				<u>Employed</u>
Gymboree, Inc.	409	1	4.87%	Gymboree, Inc.	225	4	2.71%
Dixon Unified School District ¹	313	2	3.73%				
Wal-Mart	300	3	3.57%	Wal Mart	250	3	3.01%
Altec Industries	182	4	2.17%	Altec Industries	100	10	1.20%
Dixon Canning (Campbell's)	180	5	2.14%	Dixon Canning (Campbell's)	300	2	3.61%
Basalite	157	6	1.87%	Basalite	200	8	2.41%
Superior Packing	150	7	1.79%	Superior Packing	200	7	2.41%
Cardinal Health	125	8	1.49%	Cardinal Health	220	5	2.65%
First Northern Bank	105	9	1.25%	First Northern Bank	263	2	3.17%
City of Dixon	104	10	1.24%	City of Dixon	120	7	1.45%
Dependable Heating and Air Conditioning	53	11	0.63%	Dependable Sheet Metal	140	9	1.69%
				Kragen Auto Works	400	1	4.82%

¹ Data prior to fiscal year 2005-06 is not available.

² Source: Current year information comes directly from the employers; prior year information from the respective years audit statistical sections.

³ Dixon Unified School District information does not include the Dixon Montessori. In prior years, the school district was not included in this demographics.

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

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Management Services	7.5	7.35	7.35	7.5	7.5	7.5	7.5	7.5	7.75	6.5
Finance	5.3	5.3	6.3	6.3	6.66	7.5	6.84	6.84	4.84	6.33
Planning	2.625	2.625	3	4	4	4	3	2.75	2.75	3
Building	2	2	2	3	3	3	2	1.25	1.25	0
Other - Transit	5.875	5.9	6.34	7.09	7.09	7.68	7.68	6.19	6.78	6.21
Police										
Officers	26	26	27.5	30	30	31	30.5	28.5	27	28
Civilians	1	1	1	2	2	2	2	2	2	2
Fire										
Firefighters and officers	19	19	19	22	22	21	21	20	20	20
Civilians	1.5	1.75	1.75	1.75	1.875	2	2	2	2	1
Public Works										
Engineering	6	9	9	10	10	10	10	6.5	5.5	5.5
Maintenance	22.5	20.4	21.6	21.6	21.6	22.4	19.6	18.5	15.8	15.5
Redevelopment	1.25	1	1	1	1	1	1	1	1	1
Parks and recreation	3	3	3	4	4	4	4	4	2.95	2
Wastewater collection and treatment	4.5	5	5.3	5.3	5.36	6.5	6.67	8.165	8.165	7.17
Total	108.05	109.325	114.14	125.54	126.085	129.58	123.79	115.195	107.785	104.21

Source: City of Dixon Annual Budget

Paid employees only (excluding reserves and volunteers)

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

Function	Fiscal Year								
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Police:									
Police Calls for Service	17,758	17,191	19,378	19,540	19,202	16,426	17,103	14,937	14,076
Law Violations:									
Part I Crimes	1,032	726	671	871	872	609	602	536	394
Physical Arrests (Adult and Juvenile)	582	602	568	589	567	492	505	370	416
Parking Violations	334	360	594	485	498	179	253	183	152
Fire:									
Number of volunteers	35	35	12	12	12	12	12	9	12
Number of calls answered	1,965	1,965	1,900	1,923	1,983	2,001	1,997	1,792	1,748
Transit service:									
Daily average number of passengers	260	260	257	254	260	228	177	174	195
Daily average number of service miles	230	230	385	382	230	338	290	307	318
Wastewater									
Service Connections	4,905	4,905	5,196	5,196	5,196	5,196	5,196	5,219	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	1.82
Average Daily Pumping (millions of gallons)	1.37	1.48	1.37	1.37	1.37	1.26	1.27	1.29	1.26
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	11.93
Average Consumption (million gallons per day)	1.95	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 TEN FISCAL YEARS**

Function/Program	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>	<u>2012</u>
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units		14	17	17	17	17	17	17	17	17
Fire Stations	1	1	1	1	1	1	1	1	1	1
Fire Vehicles		12	12	12	12	12	12	13	13	13
Public Works										
Miles of Streets	61	61	62	62	62	62	62	62	62	62
Street Lights	1,576	1,576	1,576	2,020	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	7
City Parks Acreage		89	89	89	89	89	89	89	89	89
Senior Centers	1	1	1	1	1	1	1	1	1	1
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	6	6	6	6	6	6	6	6	6	6
Baseball/Softball Diamonds	11	11	11	11	11	11	11	11	11	11
Soccer Fields	5	5	5	5	5	5	5	5	5	5
Library	1	1	1	1	1	1	1	1	1	1
Wastewater										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Sewer Lines (miles)	73	73	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	43.1	43.1

Source: City of Dixon Departmental Statistical Tables from Annual Reports