



# Comprehensive Annual Financial Report

For the Fiscal Year  
Ended  
June 30, 2013



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**CITY OF DIXON  
CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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**PREPARED BY  
FINANCE DEPARTMENT**

**CITY OF DIXON**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2013**

TABLE OF CONTENTS

	Page
<b>INTRODUCTORY SECTION:</b>	
Transmittal Letter	i - v
GFOA Award	vi
Organization Chart	vii
Elected Officials and Executive Staff	viii
<b>FINANCIAL SECTION:</b>	
<b>Independent Auditor's Report on Basic Financial Statements</b>	1 - 2
<b>Management's Discussion and Analysis</b>	3 - 17
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements	
Statement of Net Position	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 Position	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 Position - Proprietary Funds	26
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	27
Statement of Cash Flows - Proprietary Funds	28 - 29
Statement of Fiduciary Net Position - Fiduciary Funds	30
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	31
Notes to Basic Financial Statements	32 - 64
<b>Required Supplemental Information</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	66 - 67
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - HOME Loans Fund	68
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Housing Successor Agency	69

**CITY OF DIXON**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	<u>Page</u>
<b>Required Supplemental Information (continued)</b>	
Notes to Required Supplemental Information	70
Schedule of Funding Progress for Other Post Employment Benefits (OPEB)	71
<b>Combining Financial Schedules and Other Supplemental Information</b>	
Budgetary Comparison Schedule - Transportation	73
Non-Major Governmental Funds:	
Description of Non-major Funds	74 - 75
Combining Balance Sheets	76 - 79
Combining Schedules of Revenues, Expenditures and Changes in Fund Balances	80 - 83
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
Gas Tax	84
Traffic Safety	85
Used Oil Recycling Block Grant Fund	86
COPS Block Grant	87
Asset Forfeiture	88
CDBG	89
Lighting and Landscaping Assessment District	90
Valley Glen Storm Drain	91
CFD Pond C	92
Capital Improvements	93
Community Development	94
Fire	95
Police	96
City Facilities	97
Public Works	98
Storm Drain	99
Core Area Drainage	100
Transit Projects	101
Recreation Improvements	102
Agricultural Land Mitigation	103

**CITY OF DIXON**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2013**

TABLE OF CONTENTS

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

**CITY OF DIXON**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	<u>Page</u>
<b>STATISTICAL SECTION (continued):</b>	
Computation of Legal Debt Margin	127
Pledged Revenue Coverage	128
Economic and Demographic Information	
Demographic and Economic Indicators	129
Principal Employers	130
Operating Information	
Full-time Equivalent City Government Employees by Function/Program	131
Operating Indicators by Function/Program	132
Capital Asset Statistics by Function/Program	133



# Introductory Section

MAYOR JACK BATCHELOR, JR.  
VICE MAYOR DANE BESNEATTE  
COUNCILMEMBER STEVEN BIRD



COUNCILMEMBER THOM BOGUE  
COUNCILMEMBER JERRY CASTAÑON, SR.  
CITY TREASURER SCOTT PEDERSON

November 22, 2013

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Dixon (City) for the fiscal year ended June 30, 2013. State law requires all general-purpose local governments, within six months of the close of each fiscal year, to publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, the City is pleased to submit its CAFR for the fiscal year ended June 30, 2013.

Responsibility for data accuracy and presentation fairness, including all footnotes and disclosures, rests with the City. To the best of our knowledge, the enclosed data is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and operation results of the various funds of the City. City management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse, and to compile sufficient, reliable information for the financial statement preparation and conformance with GAAP. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Mann Urrutia Nelson CPA's & Associates, the Certified Public Accountant firm selected by the City Council to perform the audit of the financial statements for the fiscal year ended June 30, 2013, has audited the City's financial statements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and evaluating the overall financial statement presentation. The independent auditor has issued an unqualified opinion that the City of Dixon's financial statements for the year ended June 30, 2013 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of the report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction.

## PROFILE OF THE GOVERNMENT

The City of Dixon is located in Northern California in Solano County, 20 miles southwest of Sacramento and 65 miles northeast of San Francisco. The City of Dixon is a general law city incorporated in 1878. The City, originally developed as the commercial and service center for the surrounding agricultural area and was known as "Dicksonville", after a prosperous rancher named Thomas Dickson donated a portion of land to create a railroad depot. When the first consignment of goods arrived by rail, the address

## City of Dixon

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



mistakenly read “Dixon” which ultimately became the City’s name. The population as of June 2013 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 Municipal Code and is chosen by the Council Members from the elected Council Members. The Mayor serves as the City Council's presiding officer. While not a component unit of the City, Council Members do serve as the governing body of the Successor Agency to the Dixon Redevelopment Agency. 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. City Council responsibilities include passing ordinances, adopting the budget, appointing committees, and setting priorities for the City government. In addition to appointing the City Manager, the City Council also appoints the City Attorney. The City Manager has the responsibility to provide support and advice to the City Council, overseeing day-to-day operations of the City, fostering community partnerships and interagency collaboration and appointing 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.

The City Council is required to adopt an annual balanced budget by June 30 each year. The annual budget is adopted by resolution, and serves as the foundation for the City's financial planning and control. Activities of the general fund and all other funds are included in the annual appropriated budget. All departments participate through a series of meetings submitting appropriation requests for consideration, culminating with presentation to the City Council at budget study sessions. These study sessions also provide an opportunity for public input to be heard. Budgetary control is legally maintained at the fund level. The City Council may amend the budget by majority vote, at any time after adoption. Budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the department level within an individual fund.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps better understood when considered from the broader perspective of the economic environment within which the City operates.

Dixon offers a unique combination of an outstanding location, desirable housing and a town with strong community values. Dixon can be characterized as a progressive city that seeks excellent development, with a desire to maintain and enhance “quality of life” characteristics that are part of its history and agricultural heritage. 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. Within 25 miles are a skilled and diverse workforce of 200,000 and a population of 400,000. The median household income for Dixon amounts to \$69,724, higher than Solano County at \$68,204 (both 2010 data) and the State of California at \$66,215 (2012 data).

Solano County’s unemployment rate has decreased to 8.2% from the 10% reported in June 2012, continuing to decrease from the 12% level reported at June 2011. In Dixon, the unemployment rate ended the fiscal year at a 6.6% rate. This type of improvement bodes well for economic recovery and

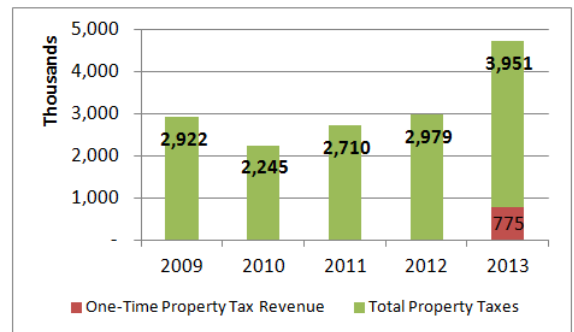
improved revenue levels. This contrasts with the high national unemployment rate that remains a drag on the economy.

Solano County's business climate continues to rebound with increased demand for business loans and housing prices up throughout the county. It is anticipated that Solano County will recover a bit faster than the state of California as a whole. Economic growth in the county has averaged 2.1%, and is not considered high enough to drive significant job growth. On the plus side, inflation remains low and job growth in California has outpaced the rest of the county. The housing market is perceived as a bright spot.

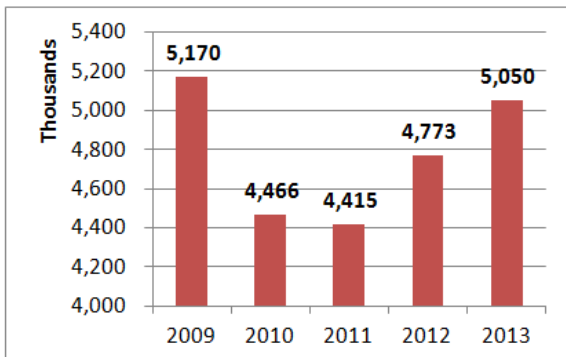
Home sales throughout the state remain strong with median prices continue to rise throughout Solano County. The median single family home price in Dixon increased 26% from \$200,000 to \$252,000 between June 2012 and June 2013. A growth rate between 6 – 8 percent has been forecast for 2014. Dixon anticipates adding over 400 residential units over the next few years with the recent approval of Community Facilities District No. 2013-1 (Parklane).

Dixon has 5,761 parcels with residential properties representing 88.5% of the property use within the City, but 63.5% of the assessed value (AV). When looking historically, 2007-08 saw a peak of \$1.853 billion in net total AV and has decreased each year since then. The current net total AV of \$1.586 billion in fiscal year 2012-13 represents a - 3% change from the prior year.

Property tax revenues have gradually increased over the past few years, with a large portion of 2012-13 revenues attributable to one-time revenues associated with the dissolution of redevelopment. Due diligence audits resulted in Successor Agencies remitting both low and moderate income housing funds, and non-housing funds to Solano County for distribution to the taxing entities, including the City. This revenue category generates 24% in General Fund revenues.



The City continued to see strong sales tax performance in the building/construction and autos/transportation categories, while declines in business/industry and fuel stations offset some of these gains. Many businesses that had started to expand with capital equipment orders and inventories have remained cautious in further purchases, thereby impacting decreased “business-to-business” sales. Increased fuel efficiencies, conversions of fleets to natural gas and changing demographics have contributed to the reduction in gasoline consumption despite population growth. Fuel prices in California trend higher than the rest of the country, and more susceptible to wide price fluctuations. Dixon's per capita sales continue to be the highest in Solano County.



The top 25 Sales Tax producers for fiscal year 2012-13 represent 86.25% of sales tax revenue received. Taxable sales by category have improved modestly, less than one percent, and are far below the peak year of 2007 by a decrease of -15.6%. Some one-time adjustments by the State Board of Equalization have resulted in lower revenue receipts. Sales taxes represent 40% of General Fund revenue.

## **Long-term Financial Planning**

Dixon strives to its commitment to continuing to provide high quality services in an era where resources have been reduced. Providing facilities and activities, and the requisite funding to meet current and future needs remains a focus throughout the organization. Each year as part of the annual budget process, the Five-Year General Fund forecast is prepared to present a model of where the City has been historically, and cash flow projections for the future. The City Council annually adopts a five-year capital improvement program identifying projects and funding sources, or identifies if unfunded, for categories such as wastewater, administrative facilities, transit, storm drainage, transportation and sidewalk/street rehabilitation.

The City has a number of formal fiscal policies that have been adopted by resolution and include the Budget Policy, Investment Policy, Purchasing Policy, and a Fixed Assets Capitalization, Inventory and Control and Replacement Policy. The City follows the fund reserve policy direction set by the Council for the General Fund at a minimum level of ten percent based on audited financial data. With the dramatic changes in the economy, appropriate fund balance reserves help provide for unforeseen expenditures.

## **Major Initiatives**

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, a Joint Powers Authority (JPA). A separate entity would likely be established, the Dixon Water District, and key issues related to district formation involving a Department of Public Health permit transfer, establishing job classifications, identifying the one-time and on-going costs to operate within the City.

A proposed water standard announced by the California Department of Public Health (CDPH) for hexavalent chromium (Chrom-6) could have significant economic consequences to the City. Increased costs would result due to the monitoring and treatment of Chrom-6 for the City's ground water supply. The new standard will be announced in 2014.

Future improvements at the City's Wastewater Treatment Facility (WWTF) remain a key focus as the City has been working with the California Regional Water Quality control Board for several years to resolve issues related to the capacity and effluent water quality. The wastewater program will be seeking improvements of \$28.5 million and wastewater collection system projects. A total of \$37.3 million of sewer capital projects have been identified for the next 10 years. The City does not have the reserves to pay for this level of improvements on a pay-as-you-go basis, and will be undertaking financing with debt and is currently seeking a loan from the State revolving Loan Program.

## **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**

In accordance with the Single Audit Act, the City's grant programs, that utilize federal funds either directly or passed through from State agencies, are subject to the audit requirements prescribed by the Federal Office of Management and Budget (OMB) Circular A-133. This includes tests of compliance with federal laws and regulations. Mann Urrutia Nelson CPA's & Associates prepares a separate Single Audit Report.

### **AWARDS AND ACKNOWLEDGEMENTS**

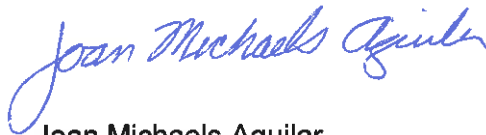
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dixon for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements. A certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not be accomplished without the dedicated services of the Dixon Finance employees. We wish to express our appreciation to all members of the team for their efforts to prepare the CAFR led by Kate Zawadzki, Deputy Finance Director and the Finance staff, Management Analyst II Rebecca Hendrix, Accounting and Payroll Analyst Donna Jacobs, and Account Clerk IIs Diane Peuse and Jodie VanMeerten. Credit must also be given to the departments within the City that provided assistance and contributed to the report. We would like to thank the members of the City Council for their support in planning and conducting the financial operations of Dixon in a prudent and responsible manner.

Respectfully submitted,



Jim Lindley  
City Manager



Joan Michaels Aguilar  
Deputy City Manager-Administrative Services



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

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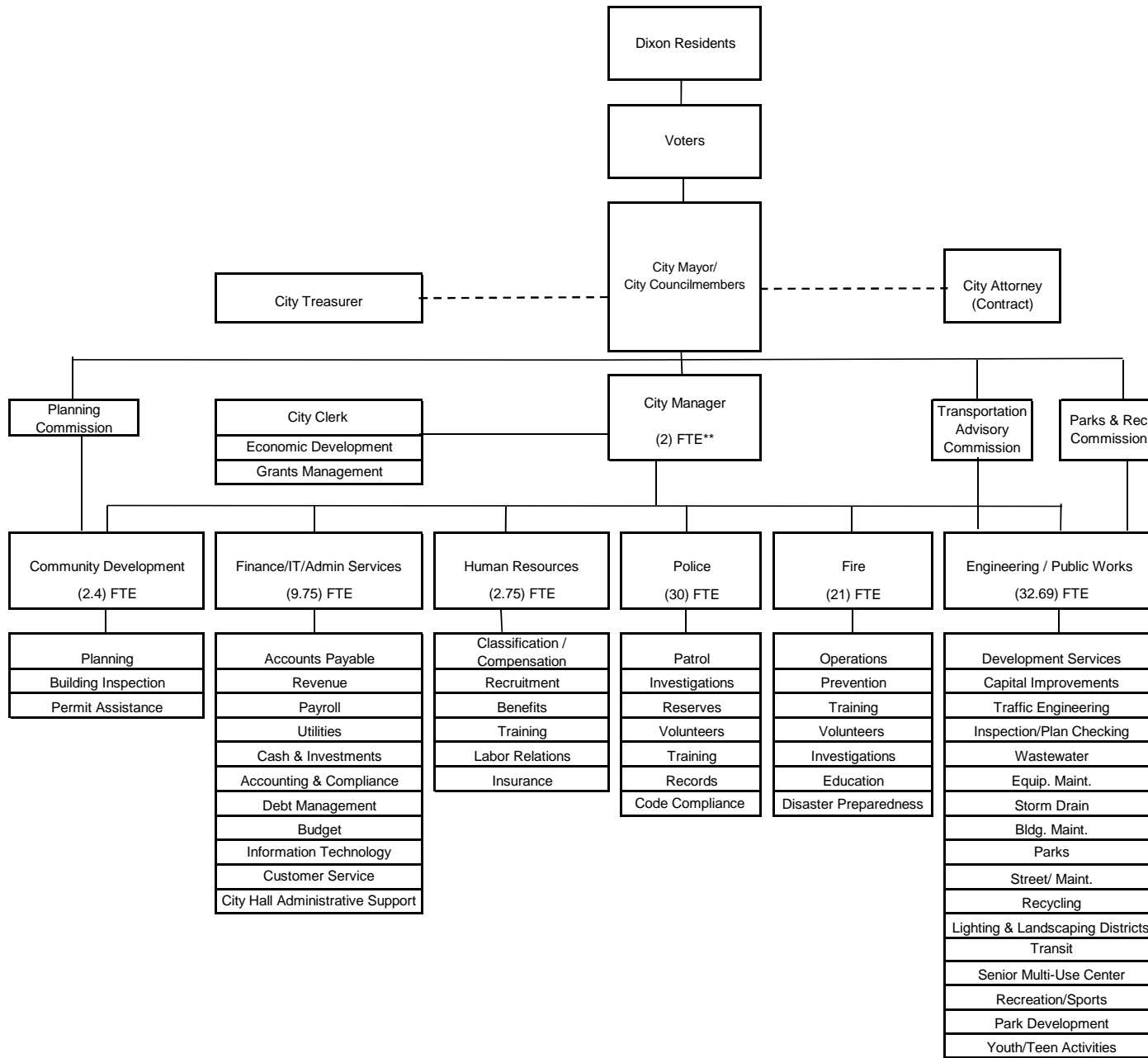
**City of Dixon  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# 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 Postion (FTE) - budgeted personnel as of the adoption of the budget for 2013

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

**JUNE 30, 2013**

**ELECTED OFFICIALS**

Mayor	Jack Batchelor, Jr.
Vice Mayor	Dane Besneatte
Council Member	Steve Bird
Council Member	Thom Bogue
Council Member	Jerry Castanon, Sr.
City Treasurer	Scott Pederson

**EXECUTIVE STAFF**

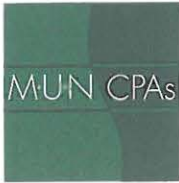
City Manager	Jim Lindley**
City Attorney	Douglas White**
City Engineer / Director of Public Works and Utilities	Joe Leach
Interim Community Development Director	David Dowswell
Human Resource Director	Steve Johnson
Police Chief	Jon Cox
Fire Chief	Aaron McAlister
Deputy City Manager - Administrative Services	Joan Michaels Aguilar

\*\* Appointed by City Council



# Financial Section





## INDEPENDENT AUDITOR'S REPORT

To the City Council of  
the City of Dixon  
Dixon, California

### Report on the Financial Statements

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 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress 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.

## **Other Information**

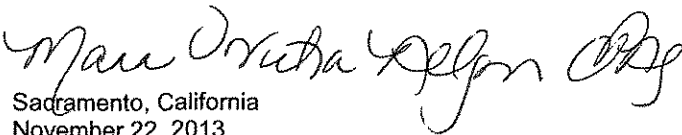
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dixon's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the budgetary comparison schedules are fairly stated in all material respects in relation to the basic 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.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2013, 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* in considering the City of Dixon's internal control over financial reporting and compliance.

  
Sacramento, California  
November 22, 2013

**CITY OF DIXON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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, 2013. 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 position decreased \$1.9 million in fiscal year 2013. At June 30, 2013, net position totaled \$191.6 million.
- Government-wide revenues totaled \$23.3 million, including program revenues of \$11.4 million and general revenues of \$11.9 million, an increase of \$4.7 million from prior year's \$18.6 million.
- Total government-wide expenses were \$25.2 million, an increase of \$3.8 million from the prior year's \$21.4 million.
- Net position in governmental activities decreased \$1.6 million, while net position in business-type activities decreased \$0.3 million.
- Governmental program revenues increased to \$8.0 million from fiscal year 2012's \$3.4 million.
- Governmental program expenses increased to \$21.7 million in fiscal 2013, up \$4.0 million from the prior year's \$17.7 million.
- Program revenues from business-type activities remained consistent at \$3.3 million for both fiscal years 2012 and 2013.
- Expenses of business-type activities decreased \$0.2 million to \$3.5 million in 2013, down from \$3.7 million in fiscal year 2012.

Fund Level:

- Governmental fund balances increased to \$13.4 million in fiscal year 2013 from the prior year's \$11.3 million.
- Governmental fund revenues increased to \$20.7 million in fiscal 2013, up \$5.5 million from the prior year's \$15.2 million.
- Governmental fund expenditures decreased to \$18.7 million in fiscal 2013, down \$0.3 million from fiscal year 2012's level of \$19.0 million.
- General Fund revenues of \$13.8 million represented an increase of \$1.8 million from fiscal 2012's revenues of \$12.0 million.
- General Fund fund balance increased to \$4.9 million at June 30, 2013 up from fiscal 2012's level of \$3.6 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, 2013

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 Position (page 18) presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the past year. All changes in net position 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, 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 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, 2013

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, 2013, the City of Dixon's major funds are as follows:

- \*\* General Fund
- \*\* HOME Loan Fund
- \*\* Housing Successor Agency 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 76.

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 2012-13:

- \*\* 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 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 Position 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.

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 - 64 of this report.

**CITY OF DIXON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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 74.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following table presents a summary of the City's assets, liabilities, and net position 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 position were \$191.6 and \$193.7 million at June 30, 2013 and 2012, respectively. Overall total net position decreased by \$1.9 million in FY 2013 and a prior period adjustment for revenue accruals reduced the 2012 net position \$0.2 million.

The Summary of Net Position as of June 30, 2013 and 2012 follows:

	<b>Governmental Activities</b>			<b>Business-Type Activities</b>			<b>Total Government</b>		
	<b>2013</b>	<b>2012</b>	<b>Net Change</b>	<b>2013</b>	<b>2012</b>	<b>Net Change</b>	<b>2013</b>	<b>2012</b>	<b>Net Change</b>
<b>ASSETS</b>									
Current and other assets	\$ 17,444	\$ 14,763	\$ 2,681	\$ 4,692	\$ 3,868	\$ 824	\$ 22,136	\$ 18,631	\$ 3,505
Capital assets	<u>137,892</u>	<u>141,096</u>	<u>(3,204)</u>	<u>40,962</u>	<u>42,116</u>	<u>(1,154)</u>	<u>178,854</u>	<u>183,212</u>	<u>(4,358)</u>
Total Assets	<u>155,336</u>	<u>155,859</u>	<u>(523)</u>	<u>45,654</u>	<u>45,984</u>	<u>(330)</u>	<u>200,990</u>	<u>201,843</u>	<u>(853)</u>
<b>LIABILITIES</b>									
Long-term liabilities	3,401	3,612	(211)	1,201	407	794	4,602	4,019	583
Other liabilities	<u>4,262</u>	<u>2,788</u>	<u>1,474</u>	<u>508</u>	<u>1,338</u>	<u>(830)</u>	<u>4,770</u>	<u>4,126</u>	<u>644</u>
Total Liabilities	<u>7,663</u>	<u>6,400</u>	<u>1,263</u>	<u>1,709</u>	<u>1,745</u>	<u>(36)</u>	<u>9,372</u>	<u>8,145</u>	<u>1,227</u>
<b>NET POSITION</b>									
Invested in capital assets, net of related debt	135,804	138,640	(2,836)	39,759	40,780	(1,021)	175,563	179,420	(3,857)
Restricted	1,844	1,715	129	-	-	-	1,844	1,715	129
Unrestricted	<u>10,024</u>	<u>9,103</u>	<u>921</u>	<u>4,186</u>	<u>3,459</u>	<u>727</u>	<u>14,210</u>	<u>12,562</u>	<u>1,648</u>
Total Net Position	<u>\$147,672</u>	<u>\$149,458</u>	<u>\$ (1,786)</u>	<u>\$ 43,945</u>	<u>\$ 44,239</u>	<u>\$ (294)</u>	<u>\$191,617</u>	<u>\$193,697</u>	<u>\$ (2,080)</u>

Analysis of Net Position

With the consolidation of government-wide net position into one statement and other changes such as the exclusion of fiduciary funds, net position may now serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$191.6 million in FY 2013 and \$193.7 in FY 2012. The decrease of approximately \$2.1 million for the year ended June 30, 2013 was the result of a prior period adjustment of \$0.2 million resulting from the correction to accrual methods for sales tax and gas tax revenues and governmental expenses exceeding revenues by \$1.6 million. The business-type activities also experienced an operating loss of \$0.3 million.

**CITY OF DIXON**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2013

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

- \*\* \$175.6 million and \$179.4 million (92% and 93%) at June 30, 2013 and 2012 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.
  
- \*\* \$1.8 million and \$1.7 million (1% for both years) at June 30, 2013 and 2012 in net position represent resources that are subject to external restrictions on how they may be used. Restricted net position at June 30, 2013 is comprised of \$1.8 million in special revenue programs.
  
- \*\* The remaining \$14.2 million and \$12.6 million at June 30, 2013 and 2012 are unrestricted net position 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 position by \$1.6 million in FY 2013. In FY 2012 governmental activities decreased net position \$2.8 million. Total revenue increased approximately \$4.5 million in FY 2013 and \$0.4 million in 2012. The majority of this revenue increase is due to more capital grants and contributions of \$4.0 million. Corresponding expenses increased \$4 million as well. Business type activities decreased the City's net position by \$0.3 million during the year ended June 30, 2013, while resulting in a decrease of \$.8 million during 2012. 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, 2013**

**Statement of Activities**  
**For the Years Ended June 30, 2013 and 2012**  
**(in thousands)**

	<u>Governmental Activities</u>			<u>Business-type Activities</u>			<u>Total Government</u>		
	<u>2013</u>	<u>2012</u>	<u>Net Change</u>	<u>2013</u>	<u>2012</u>	<u>Net Change</u>	<u>2013</u>	<u>2012</u>	<u>Net Change</u>
<b>Revenues:</b>									
Program revenues									
Charges for services	\$ 2,676	\$ 2,223	\$ 453	\$ 2,785	\$ 2,681	\$ 104	\$ 5,461	\$ 4,904	\$ 557
Operating grants and contributions	372	201	171	540	592	(52)	912	793	119
Capital grants and contributions	4,979	958	4,021	18	3	15	4,997	961	4,036
General revenues									
Taxes	11,451	11,643	(192)	-	-	-	11,451	11,643	(192)
Interest and investment earnings	271	134	137	-	16	(16)	271	150	121
Other revenue	215	171	44	-	-	-	215	171	44
<b>Total Revenues</b>	<b><u>19,964</u></b>	<b><u>15,330</u></b>	<b><u>4,634</u></b>	<b><u>3,343</u></b>	<b><u>3,292</u></b>	<b><u>51</u></b>	<b><u>23,307</u></b>	<b><u>18,622</u></b>	<b><u>4,685</u></b>
<b>Expenses:</b>									
Governmental activities									
General government	2,011	1,742	269	-	-	-	2,011	1,742	269
Public safety	7,569	7,425	144	-	-	-	7,569	7,425	144
Parks and recreation	2,155	2,188	(33)	-	-	-	2,155	2,188	(33)
Community development	5,104	1,203	3,901	-	-	-	5,104	1,203	3,901
Public ways and facilities	4,798	4,720	78	-	-	-	4,798	4,720	78
Interest on long-term liabilities	78	401	(323)	-	-	-	78	401	(323)
Business-type activities									
Sewer	-	-	-	2,777	3,005	(228)	2,777	3,005	(228)
Water	-	-	-	-	-	-	-	-	-
Transit	-	-	-	675	741	(66)	675	741	(66)
<b>Total Expenses</b>	<b><u>21,715</u></b>	<b><u>17,679</u></b>	<b><u>4,036</u></b>	<b><u>3,452</u></b>	<b><u>3,746</u></b>	<b><u>(294)</u></b>	<b><u>25,167</u></b>	<b><u>21,425</u></b>	<b><u>3,742</u></b>
Excess (deficiency) before transfers & special items	<u>(1,751)</u>	<u>(2,349)</u>	<u>598</u>	<u>(109)</u>	<u>(454)</u>	<u>345</u>	<u>(1,860)</u>	<u>(2,803)</u>	<u>943</u>
<b>Transfers &amp; Extraordinary items</b>									
Transfers	185	317	(132)	(185)	(317)	132	-	-	-
Extraordinary items	-	(789)	789	-	-	-	-	(789)	789
Change in net position	<u>(1,566)</u>	<u>(2,821)</u>	<u>1,255</u>	<u>(294)</u>	<u>(771)</u>	<u>477</u>	<u>(1,860)</u>	<u>(3,592)</u>	<u>1,732</u>
Net position - beginning of year	149,459	152,278	(2,819)	44,239	44,985	(746)	193,698	197,263	(3,565)
Restatement	(220)	-	(220)	-	25	(25)	(220)	25	(245)
Net position - beginning of year, restated	<u>149,239</u>	<u>152,278</u>	<u>(3,039)</u>	<u>44,239</u>	<u>45,010</u>	<u>(771)</u>	<u>193,478</u>	<u>197,288</u>	<u>(3,810)</u>
Net position - end of year	<b><u>\$147,673</u></b>	<b><u>\$149,457</u></b>	<b><u>\$ (1,784)</u></b>	<b><u>\$ 43,945</u></b>	<b><u>\$ 44,239</u></b>	<b><u>\$ (294)</u></b>	<b><u>\$191,618</u></b>	<b><u>\$193,696</u></b>	<b><u>\$ (2,078)</u></b>



**CITY OF DIXON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Revenues

The City's total revenues were \$23.3 million for the year ended June 30, 2013 as compared to \$18.6 million as of June 30, 2012. Revenue from governmental activities totaled \$20.0 million in 2013 and \$15.3 million in 2012. Revenues from business type activities totaled \$3.3 million for both years ended June 30, 2013 and 2012.

Program revenues included charges for services and grants and contributions. Program revenues were \$11.4 million in 2013 and \$6.7 million in 2012 or 49% and 36%. Revenues did not keep pace with expenses in neither governmental nor business type activities, which caused \$1.9 million of the reduction in net position for the year ending June 30, 2013. During FY 2012, net position decreased by \$2.8 million. In 2012, \$.8 million was the result of dissolution of the Redevelopment Agency. The remaining \$2.0 million reduction in net position in 2012 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 \$11.9 million and \$12.0 million (51% and 64% of the total) for the years ended June 30, 2013 and 2012.

Expenses

Expenses for the City totaled \$25.2 million and \$22.2 million for the years ended June 30, 2013 and 2012, respectively. Governmental activities incurred \$21.7 million and \$18.5 million and business type activities incurred \$3.7 million and \$3.5 million in expenses during the years ended June 30, 2013 and 2012, respectively. As can be seen in the table above, governmental activities expenses were about 36% and 18% funded by program revenues, fees, grants and contributions during the years ended June 30, 2013 and 2012. The remaining 64% and 82% (\$13.7 million and \$15.4 million) of their funding came from general revenues and net position for the years ended June 30, 2013 and 2012. Business type activities expenses exceeded program revenues by \$0.3 million and \$0.8 million in June 30, 2013 and 2012 respectively. This is not consistent with City financial policies and the City is working to raise rates in Sewer activities to counter decreases in use and increasing expenses. Transit operations are also under review to improve fiscal sustainability.

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, 2013 and 2012 follows:

**Cost of Services by Program**  
**Governmental Activities**  
**For the Years Ended June 30, 2013 and 2012**  
**(in thousands)**

Program	2013		2012	
	Total	Net	Total	Net
General government	\$ 2,011	\$ 1,491	\$ 1,742	\$ 1,489
Public safety	7,569	6,319	7,425	5,835
Parks and recreation	2,155	1,374	2,188	1,603
Development	5,104	10	1,203	938
Public ways and facilities	4,798	4,415	4,720	4,031
Interest on long term liabilities	78	78	401	401
<b>Total Expenses</b>	<b>\$ 21,715</b>	<b>\$ 13,687</b>	<b>\$ 17,679</b>	<b>\$ 14,297</b>

**CITY OF DIXON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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, 2013 and 2012**  
**(in thousands)**

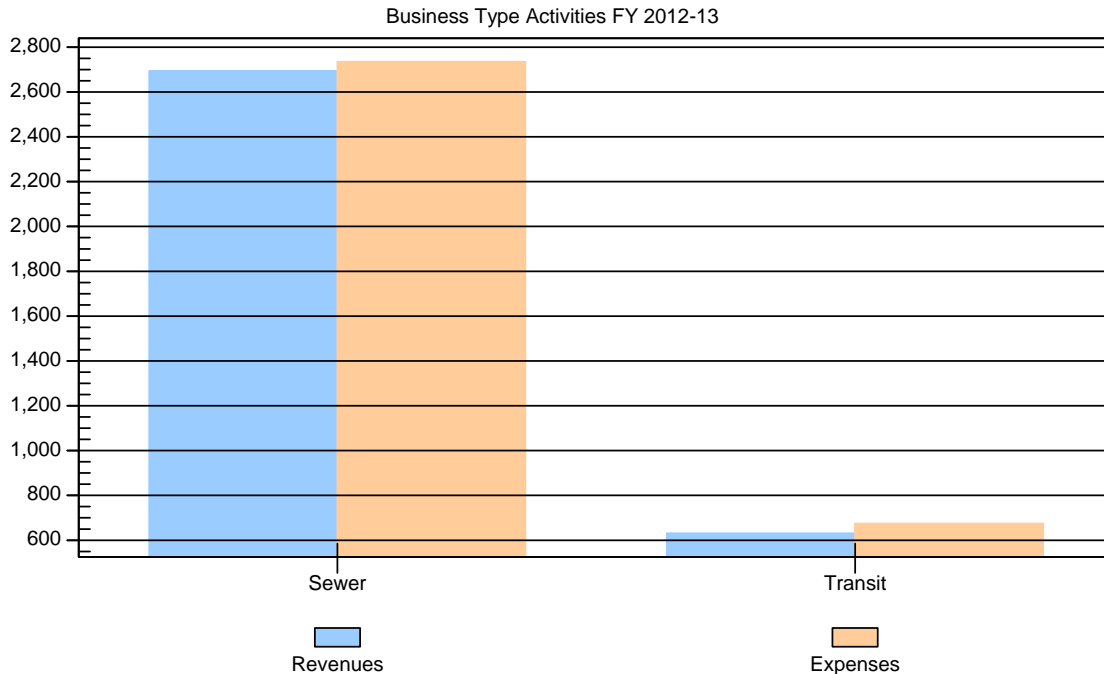
	2013		2012	
	Amount	% of Total	Amount	% of Total
<b>Revenues:</b>				
Program revenues				
Charges for services	\$ 2,676	13.3 %	\$ 2,223	14.2 %
Operating grants and contributions	372	1.8 %	201	1.3 %
Capital grants and contributions	4,979	24.7 %	958	6.1 %
General revenues				
Sales and use taxes	5,123	25.4 %	4,840	30.9 %
Property taxes	3,953	19.6 %	4,374	28.0 %
Motor vehicle and gas taxes	1,637	8.1 %	1,759	11.2 %
Franchise taxes	516	2.6 %	497	3.2 %
Transient occupancy taxes	221	1.1 %	173	1.1 %
Interest and investment earnings	271	1.3 %	134	0.9 %
Other revenue	215	1.1 %	171	1.1 %
Transfers	185	0.9 %	317	2.0 %
<b>Total Revenues</b>	<b>\$ 20,148</b>	<b>100 %</b>	<b>\$ 15,647</b>	<b>100 %</b>

**CITY OF DIXON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Business-Type Activities

The net position for the business type activities reflect sewer and transit operations. The net position for these activities decreased by \$0.3 million during FY 2013. 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, 2013 and 2012.

**Operating Expenses and Program Revenues**



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

Revenues by source in business type activities breakdown as follows:

**Revenues by Source**  
**Business-type Activities**  
**For the Years Ended June 30, 2013 and 2012**  
**(in thousands)**

	<b>2013</b>		<b>2012</b>	
	Amount	% of Total	Amount	% of Total
<b>Revenues by Source</b>				
Charges for services	\$ 2,785	83.3 %	\$ 2,681	81.2 %
Grants and contributions	558	16.7 %	596	18.1 %
Other	-	- %	23	0.7 %
<b>Total Revenues</b>	<b>\$ 3,343</b>	<b>100 %</b>	<b>\$ 3,300</b>	<b>100 %</b>

**CITY OF DIXON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**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 2013 the City's governmental funds reported combined fund balances of \$13.4 million, an increase of \$2.1 million from the prior year. This increase is largely improved revenue streams from taxes and assessments, licenses, permits and fees and charges for services. Of the total fund balance of \$13.4 million, approximately \$2.4 million is nonspendable, \$2.1 million is restricted, \$1.5 million is committed, \$5.4 million is assigned for various purposes, and \$2.0 is unassigned.

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

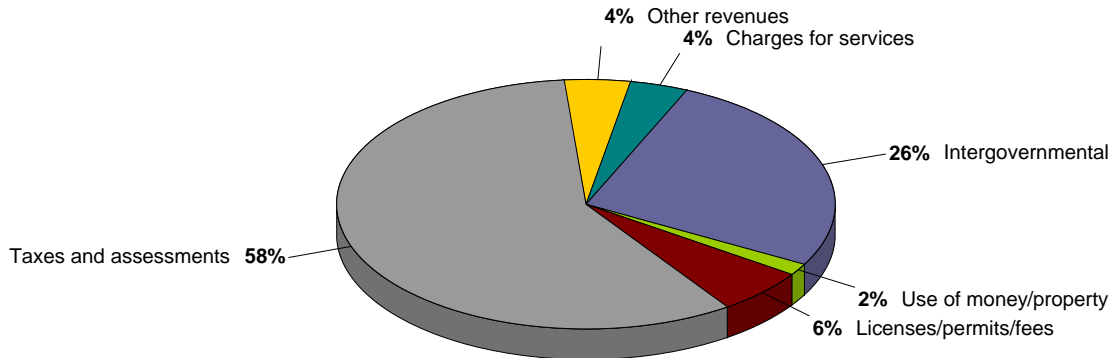
**Revenues Classified by Source**  
**Governmental Funds**  
**For the Years Ended June 30, 2013 and 2012**  
**(in thousands)**

Revenues by Source	2013		2012	
	Amount	% of Total	Amount	% of Total
Taxes and assessments	\$ 11,914	57.6 %	\$ 11,643	76.5 %
Licenses, permits, and fees	1,203	5.8 %	1,002	6.6 %
Fines and forfeitures	38	0.2 %	46	0.3 %
Use of money and property	311	1.5 %	166	1.1 %
Program income	107	0.5 %	86	0.6 %
Intergovernmental revenues	5,400	26.1 %	1,008	6.6 %
Charges for services	771	3.7 %	294	1.9 %
Developer fees	735	3.6 %	803	5.3 %
Other revenue	214	1.0 %	171	1.1 %
<b>Total Revenue</b>	<b>\$ 20,693</b>	<b>100 %</b>	<b>\$ 15,219</b>	<b>100 %</b>

**CITY OF DIXON**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2013

**Revenues Classified by Source**

Governmental Funds FY 2012-13



Key elements of the changes noted above include:

Taxes and assessments provide the greatest source of revenues for the City. These sources represent 58% of total revenues. Modest increases occurred in this category for property taxes and sales taxes when compared to prior fiscal year. The majority of the increased revenues related to property taxes were a result of Redevelopment dissolution distributions, Proposition 1A loan repayments from the State of California, and a Property Tax Administration Fee settlement from Solano County. Intergovernmental revenues reflect revenue received from other agencies for capital projects. During FY 2013, these revenues increased to 26% of revenues from 7% FY 2012. The increase is the result of two large HOME funded construction projects. The projects are being constructed by private enterprises, but the City of Dixon has entered into HOME funded loan agreements.

Investment earnings are also showing increases as a result of Proposition 1A loan repayments and the Property Tax Administration Fee settlement. Interfund loan interest payments also boosted interest and investment earnings.

**CITY OF DIXON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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

**Expenditures by Function**  
**Governmental Funds**  
**For the Years Ended June 30, 2013 and 2012**  
**(in thousands)**

Expenditures by Function	2013		2012	
	Amount	% of Total	Amount	% of Total
General government	\$ 1,825	9.7 %	\$ 1,541	8.1 %
Public safety	7,087	37.8 %	7,040	37.0 %
Parks and recreation	1,415	7.6 %	1,487	7.8 %
Development	5,181	27.7 %	987	5.2 %
Public ways and facilities	1,455	7.8 %	1,325	7.0 %
Debt service				
Principal	368	2.0 %	3,605	18.9 %
Interest and other charges	73	0.4 %	396	2.1 %
Capital outlay	<u>1,322</u>	<u>7.1 %</u>	<u>2,652</u>	<u>13.9 %</u>
<b>Total Expenditures</b>	<b>\$ <u>18,726</u></b>	<b><u>100 %</u></b>	<b>\$ <u>19,033</u></b>	<b><u>100 %</u></b>

Key elements of the changes noted above include:

General government spending increased by 19% from the prior year due to the filling of a vacant position and an internal reorganization that resulted in a decrease in operational expenditures for Development.

Development increased 423% due to two HOME funded housing construction projects.

Capital outlay decreased 50% from 2012 as a result of the completion of two FEMA funded equipment grants.

Major Funds

The General Fund saw a \$1.3 million increase in fund balance due to increased revenues during the year. Almost all major revenue categories experienced increases from 2012 to 2013 with a total increase of \$1.8 million. However, this increased revenue was offset by an increase in transfers out of \$0.5 million. This was a one-time transfer to the Core Area Drainage capital project fund.

The Home Loans fund reflects increased revenues of \$4.9 million and increased expenditures of \$4.7 million for the Heritage Commons project loan and the Valley Glen project loan.

The Housing Successor Agency fund was generated in 2012 as a result of the dissolution of Redevelopment Agencies as ordered by the state. The fund balance increased slightly due to loan repayments.

Transportation fund balance decreased from \$5.2 million in 2012 to \$5.1 million in 2013. Slurry Seal and Paving project activity increased in 2013.

Other Governmental Funds aggregated to a \$0.9 million increase in fund balances as a result of increased taxes and assessments revenue and a decrease in capital expenditures.

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.

**CITY OF DIXON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

At June 30, 2013 and 2012, respectively, the unrestricted net position was approximately \$4.2 million and \$3.4 million for the Sewer fund. The Transit Fund shows a decrease in net position to \$0.33 million in 2013 from \$0.43 million in 2012 as result of an operating deficit.

Sewer operating revenues increased 4% due to increased charges for services. Transit revenues decreased 9% due to reductions in grant revenues. Operating expenses decreased for both the Sewer and Transit funds as a result of lower payments for salaries and benefits and the reduced activity for the water softener removal program.

**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 2012-13 with a 9.7% reserve. The Council approved a General Fund budget of \$12.9 million for FY 2012-13 which does not require the use of any reserves. The fiscal year actual resulted in revenues exceeding expenditures by \$1.3 million, increasing fund balance from \$3.6 million at June 30, 2012 to \$4.9 million at June 30, 2013.

Public safety represents the primary expenditure category for the General Fund at \$7 million or 56.6% of the 2012-13 expenditures. Public works, community development, and recreation combine for an additional 21.5% for \$2.7 million in expenditures. General government includes departments such as the City Council, City Manager, personnel, insurance, and finance, and accounts for 14.9% or nearly \$1.8 million in expenditures during the year. The remaining 7.1% or \$.9 million was utilized for capital purchases.

During the recession, the City restructured operations to reduce staffing requirements and operating costs. The fiscal year 2012-13 budget continued this trend by reducing full time equivalents (FTE's) 3.5% from 104.21 to 100.59. Additional salary and benefit reductions were also implemented during the 2012-13 budget year. The City will continue to monitor for changes in economic conditions and adjust accordingly.

**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, 2013 and 2012, respectively, was \$178.9 million and \$183.2 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 2013 was \$4.4 million which is the net result of the current year capital replacement and additions less the cost of depreciation.

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, 2013**

**Capital Assets (net of depreciation)**  
**As of June 30, 2013 and 2012**  
**(in thousands)**

	<b>2013</b>			<b>2012</b>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$ 2,379	\$ 773	\$ 3,152	\$ 2,379	\$ 773	\$ 3,152
Construction in progress	4,137	1,667	5,804	4,251	1,424	5,675
Buildings & improvements	7,805	38,004	45,809	8,090	39,400	47,490
Equipment	2,615	518	3,133	2,193	518	2,711
Infrastructure	<u>120,955</u>	<u>-</u>	<u>120,955</u>	<u>124,183</u>	<u>-</u>	<u>124,183</u>
Total Net Capital Assets	\$ <u>137,891</u>	\$ <u>40,962</u>	\$ <u>178,853</u>	\$ <u>141,096</u>	\$ <u>42,115</u>	\$ <u>183,211</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**

At the end of FY 2013, the City of Dixon had outstanding bonds and other long term liabilities of \$2.1 million for governmental activities and \$1.2 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, 2013:

**Bonded Debt - Long Term**  
**Outstanding Balances**  
**As of June 30, 2013**  
**(in thousands)**

<u>Bond</u>	<u>Purpose</u>	<u>Amount</u>
Governmental Activities:		
2012 Lease revenue bonds	Refunding lease revenue bonds	\$ <u>2,088</u>
Business-type Activities:		
2012 Refunding revenue bonds	Refunding sewer revenue bonds	\$ <u>1,203</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, 2013 and 2012, a total of \$18.1 and \$20.4 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, 2013

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The fiscal year ended June 30, 2013 saw a hint towards stabilization of general revenues as well as a number of one-time revenues. The City of Dixon continues to stabilize following the long recession. The California Employment Development Department reports continued improvement in unemployment in Solano County during 2013.

Consumer spending patterns have been changed by the long economic downturn. Pent-up demand for durable goods has caused some gains in sales tax revenues. Improved consumer confidence levels will result in increased sales tax revenues. Property tax revenues are expected to remain lower than pre-recession amounts due to California Proposition 13 (Prop 13). The City of Dixon experienced a number of one-time revenues in 2013 and provisions in the fiscal year 2014 budget were made to utilize some of these to create a reserve fund to offset increasing employee retirement costs.

The City continues to monitor revenues and will adjust accordingly for changes in the economic environment.

**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, Deputy City Manager - Administrative Services for the City at 600 East A Street, Dixon, CA 95620, phone 707-678-7000, [jmichaelsaguilar@ci.dixon.ca.us](mailto:jmichaelsaguilar@ci.dixon.ca.us), or you may visit our website at [www.ci.dixon.ca.us](http://www.ci.dixon.ca.us) for information.

**CITY OF DIXON**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Cash and investments (Note 2)	\$ 12,064,434	\$ 4,309,327	\$ 16,373,761
Accounts receivable	3,010,146	483,010	3,493,156
Interest receivable	12,364	4,589	16,953
Taxes receivable	831,348	-	831,348
Due from other governments	301,032	13,866	314,898
Notes receivable, net of allowance \$8,585,611 (Note 3)	331,959	-	331,959
Internal balances	164,580	(164,580)	-
Prepaid items	366,362	-	366,362
Inventory	1,005	-	1,005
Restricted cash and cash equivalents (Note 2)	299,162	7,015	306,177
Deferred charges, net of accumulated amortization (Note 6)	61,528	39,163	100,691
Capital assets (Note 5)			
Land and construction in progress	6,516,292	2,440,317	8,956,609
Other capital assets, net of depreciation	<u>131,375,225</u>	<u>38,521,380</u>	<u>169,896,605</u>
Total capital assets	<u>137,891,517</u>	<u>40,961,697</u>	<u>178,853,214</u>
<b>Total Assets</b>	<b><u>\$ 155,335,437</u></b>	<b><u>\$ 45,654,087</u></b>	<b><u>\$ 200,989,524</u></b>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 2,609,951	\$ 239,846	\$ 2,849,797
Accrued payroll and benefits	340,060	47,149	387,209
Accrued interest payable	16,321	12,245	28,566
Unearned revenue	21,473	7,015	28,488
Deposits payable	277,689	-	277,689
Accrued compensated absences (Note 6):			
Due within one year	506,533	51,154	557,687
Due in more than one year	395,105	18,264	413,369
Accrued termination benefits (Note 8):			
Due within one year	108,903	15,586	124,489
Due in more than one year	249,954	31,141	281,095
Long-term liabilities (Note 6):			
Due within one year	381,200	135,400	516,600
Due in more than one year	1,706,600	1,067,700	2,774,300
Other postemployment benefits (Note 10)			
Due in more than one year	<u>1,049,806</u>	<u>83,790</u>	<u>1,133,596</u>
<b>Total Liabilities</b>	<b><u>7,663,595</u></b>	<b><u>1,709,290</u></b>	<b><u>9,372,885</u></b>
<b><u>NET POSITION</u></b>			
Invested in capital assets, net of related debt	135,803,717	39,758,597	175,562,314
Restricted for:			
Debt service	179	-	179
Special revenue programs	1,843,449	-	1,843,449
Unrestricted	<u>10,024,497</u>	<u>4,186,200</u>	<u>14,210,697</u>
<b>Total Net Position</b>	<b><u>147,671,842</u></b>	<b><u>43,944,797</u></b>	<b><u>191,616,639</u></b>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 155,335,437</u></b>	<b><u>\$ 45,654,087</u></b>	<b><u>\$ 200,989,524</u></b>

See accompanying notes to the basic financial statements.

**CITY OF DIXON**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

<b>Functions/Programs</b>	<b>Program Revenues</b>				<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>PRIMARY GOVERNMENT</b>							
Governmental activities:							
General government	\$ 2,010,809	\$ 488,188	\$ 5,325	\$ 26,124	\$ (1,491,172)	\$ -	\$ (1,491,172)
Public safety	7,568,557	936,776	212,490	100,000	(6,319,291)	-	(6,319,291)
Parks and recreation	2,155,373	781,323	-	-	(1,374,050)	-	(1,374,050)
Development	5,104,128	243,137	-	4,850,892	(10,099)	-	(10,099)
Public ways and facilities	4,797,750	226,216	154,000	2,091	(4,415,443)	-	(4,415,443)
Interest and fiscal charges	78,296	-	-	-	(78,296)	-	(78,296)
Total governmental activities	<u>21,714,913</u>	<u>2,675,640</u>	<u>371,815</u>	<u>4,979,107</u>	<u>(13,688,351)</u>	<u>-</u>	<u>(13,688,351)</u>
Business-type activities:							
Sewer	2,776,833	2,693,822	-	-	-	(83,011)	(83,011)
Transit	675,012	91,264	539,589	17,937	-	(26,222)	(26,222)
Total business-type activities	<u>3,451,845</u>	<u>2,785,086</u>	<u>539,589</u>	<u>17,937</u>	<u>-</u>	<u>(109,233)</u>	<u>(109,233)</u>
Total primary government	<u>\$ 25,166,758</u>	<u>\$ 5,460,726</u>	<u>\$ 911,404</u>	<u>\$ 4,997,044</u>	<u>\$ (13,688,351)</u>	<u>\$ (109,233)</u>	<u>\$ (13,797,584)</u>
General revenues:							
Property taxes					\$ 3,953,316	\$ -	\$ 3,953,316
Sales and use taxes					5,123,180	-	5,123,180
Motor vehicle and gas taxes					1,636,990	-	1,636,990
Franchise taxes					515,958	-	515,958
Transient occupancy taxes					221,107	-	221,107
Interest and investment earnings					270,523	203	270,726
Other revenue					214,896	-	214,896
Transfers (Note 4)					185,401	(185,401)	-
Total general revenues and transfers					<u>12,121,371</u>	<u>(185,198)</u>	<u>11,936,173</u>
Change in net position					(1,566,980)	(294,431)	(1,861,411)
Net position - July 1, 2012					149,458,586	44,239,228	193,697,814
Prior period restatement (Note 17)					(219,764)	-	(219,764)
Net position - July 1, 2012, restated					<u>149,238,822</u>	<u>44,239,228</u>	<u>193,478,050</u>
Net position - June 30, 2013					<u>\$ 147,671,842</u>	<u>\$ 43,944,797</u>	<u>\$ 191,616,639</u>

See accompanying notes to the basic financial statements.

**CITY OF DIXON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2013**

	<u>General Fund</u>	<u>HOME Loans</u>	<u>Housing Successor Agency</u>	<u>Trans- portation</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 3,839,401	\$ -	\$ 11,104	\$ 3,204,164
Restricted cash and investments	299,162	-	-	-
Accounts receivable	619,597	2,342,685	-	-
Interest receivable	3,947	-	11	3,149
Taxes receivable	792,743	-	-	-
Notes receivable	-	6,237,219	2,291,134	-
Due from other funds	5,738	-	-	-
Advances to other funds	-	-	-	1,914,622
Due from other governments	301,032	-	-	-
Prepaid items	366,362	-	-	-
Inventory	<u>1,005</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 6,228,987</u>	<u>\$ 8,579,904</u>	<u>\$ 2,302,249</u>	<u>\$ 5,121,935</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b><u>(DEFICITS)</u></b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 275,616	\$ 2,317,722	\$ -	\$ -
Accrued payroll and benefits	334,379	-	-	-
Deferred revenue	395,717	6,244,578	2,291,134	-
Deposits payable	277,689	-	-	-
Due to other funds	-	5,738	-	-
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,283,401</u>	<u>8,568,038</u>	<u>2,291,134</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	367,367	-	-	1,914,622
Restricted	980	11,866	11,115	30,377
Committed	150,449	-	-	1,331,261
Assigned	778,101	-	-	1,845,675
Unassigned	<u>3,648,689</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>4,945,586</u>	<u>11,866</u>	<u>11,115</u>	<u>5,121,935</u>
Total Liabilities and Fund Balances	<u>\$ 6,228,987</u>	<u>\$ 8,579,904</u>	<u>\$ 2,302,249</u>	<u>\$ 5,121,935</u>

See accompanying notes to the basic financial statements.

**CITY OF DIXON**  
BALANCE SHEET (continued)  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>		
Cash and investments	\$ 5,009,765	\$ 12,064,434
Restricted cash and investments	-	299,162
Accounts receivable	47,864	3,010,146
Interest receivable	5,257	12,364
Taxes receivable	38,605	831,348
Notes receivable	389,217	8,917,570
Due from other funds	-	5,738
Advances to other funds	164,580	2,079,202
Due from other governments	-	301,032
Prepaid items	-	366,362
Inventory	-	<u>1,005</u>
 Total Assets	 <u>\$ 5,655,288</u>	 <u>\$ 27,888,363</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>		
<b><u>(DEFICITS)</u></b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 16,613	\$ 2,609,951
Accrued payroll and benefits	5,681	340,060
Deferred revenue	391,746	9,323,175
Deposits payable	-	277,689
Due to other funds	647,622	653,360
Advances from other funds	<u>1,267,000</u>	<u>1,267,000</u>
 Total Liabilities	 <u>2,328,662</u>	 <u>14,471,235</u>
 <b>FUND BALANCES (DEFICITS)</b>		
Nonspendable	164,580	2,446,569
Restricted	2,011,024	2,065,362
Committed	-	1,481,710
Assigned	2,765,501	5,389,277
Unassigned	<u>(1,614,479)</u>	<u>2,034,210</u>
 Total Fund Balances (Deficits)	 <u>3,326,626</u>	 <u>13,417,128</u>
 Total Liabilities and Fund Balances	 <u>\$ 5,655,288</u>	 <u>\$ 27,888,363</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 POSITION**  
**JUNE 30, 2013**

Total fund balances of governmental funds	\$ 13,417,128
Amounts reported for governmental activities in the Statement of Net Position 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 \$65,150,181.	137,891,517
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	(8,585,611)
Deferred revenue	9,074,929
Long-term liabilities are not due in the current period and therefore are not reported in the governmental funds.	
Long-term liabilities	(2,087,800)
Compensated absences	(901,638)
Net OPEB obligation	(1,049,806)
Termination benefits	(358,857)
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.	61,528
Accrued interest payable from the current portion of interest due on long-term liabilities has not been reported in the governmental funds.	(16,321)
Certain accounts receivables are not available to pay for current period expenditures and therefore are offset by deferred revenues in the governmental funds.	<u>226,773</u>
Net Position of governmental activities	<u>\$ 147,671,842</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, 2013**

	<u>General Fund</u>	<u>HOME Loans</u>	<u>Housing Successor Agency</u>	<u>Trans- portation</u>
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ 11,107,456	\$ -	\$ -	\$ -
License, permits, and fees	1,202,701	-	-	-
Fines and forfeitures	15,615	-	-	-
Use of money and property	152,460	-	12	154,490
Program income	-	22,253	7,573	-
Intergovernmental	374,765	4,873,665	-	28,250
Charges for services	768,776	-	-	-
Developer fees	-	-	-	30,547
Other revenues	<u>213,521</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>13,835,294</u>	<u>4,895,918</u>	<u>7,585</u>	<u>213,287</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General administration	1,825,048	-	-	-
Public safety	7,012,531	-	-	-
Parks and recreation	1,414,772	-	-	-
Development	305,540	4,861,243	-	-
Public ways and facilities	959,164	-	-	-
Capital outlay	869,171	-	-	333,550
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>12,386,226</u>	<u>4,861,243</u>	<u>-</u>	<u>333,550</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,449,068</u>	<u>34,675</u>	<u>7,585</u>	<u>(120,263)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	683,847	-	-	-
Transfers out	<u>(798,441)</u>	<u>-</u>	<u>-</u>	<u>(6,193)</u>
Total Other Financing Sources (Uses)	<u>(114,594)</u>	<u>-</u>	<u>-</u>	<u>(6,193)</u>
Net Change in Fund Balances	<u>1,334,474</u>	<u>34,675</u>	<u>7,585</u>	<u>(126,456)</u>
Fund Balances (Deficits) - July 1, 2012	3,885,112	(22,809)	3,530	5,248,391
Prior Period Adjustment (Note 17)	<u>(274,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2012, restated	<u>3,611,112</u>	<u>(22,809)</u>	<u>3,530</u>	<u>5,248,391</u>
Fund Balances (Deficits) - June 30, 2013	<u>\$ 4,945,586</u>	<u>\$ 11,866</u>	<u>\$ 11,115</u>	<u>\$ 5,121,935</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, 2013**

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>REVENUES</u></b>		
Taxes and assessments	\$ 806,483	\$ 11,913,939
License, permits, and fees	-	1,202,701
Fines and forfeitures	22,363	37,978
Use of money and property	3,646	310,608
Program income	77,363	107,189
Intergovernmental	123,040	5,399,720
Charges for services	2,508	771,284
Developer fees	704,744	735,291
Other revenues	<u>-</u>	<u>213,521</u>
Total Revenues	<u>1,740,147</u>	<u>20,692,231</u>
<b><u>EXPENDITURES</u></b>		
Current:		
General administration	304	1,825,352
Public safety	74,711	7,087,242
Parks and recreation	-	1,414,772
Development	14,138	5,180,921
Public ways and facilities	496,042	1,455,206
Capital outlay	119,726	1,322,447
Debt service:		
Principal	368,300	368,300
Interest and fiscal charges	<u>73,458</u>	<u>73,458</u>
Total Expenditures	<u>1,146,679</u>	<u>18,727,698</u>
Excess (Deficiency) of Revenues over Expenditures	<u>593,468</u>	<u>1,964,533</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>		
Transfers in	1,093,533	1,777,380
Transfers out	<u>(787,345)</u>	<u>(1,591,979)</u>
Total Other Financing Sources (Uses)	<u>306,188</u>	<u>185,401</u>
Net Change in Fund Balances	<u>899,656</u>	<u>2,149,934</u>
Fund Balances (Deficits) - July 1, 2012	2,372,734	11,486,958
Prior Period Adjustment (Note 17)	<u>54,236</u>	<u>(219,764)</u>
Fund Balances (Deficits) - July 1, 2012, restated	<u>2,426,970</u>	<u>11,267,194</u>
Fund Balances (Deficits) - June 30, 2013	<u>\$ 3,326,626</u>	<u>\$ 13,417,128</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, 2013**

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

Net change in fund balances - total governmental funds	\$ 2,149,934
<p>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.</p>	
Capital asset purchases	1,218,895
Depreciation expense	(4,423,343)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 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 Position.</p>	
Bond principal payments	368,300
<p>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.</p>	
	33,087
<p>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 Position.</p>	
Amortization of bond issuance costs	(7,239)
<p>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 Position.</p>	
Loan program receipts	(92,735)
Loans made during the year	4,817,888
<p>Accrued interest payable is interest due on long-term liabilities. This is the net change in accrued interest in the current period.</p>	
	2,401
<p>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.</p>	
Allowance for notes receivable	(4,728,195)
Other postemployment benefits	(217,286)
Termination benefits	(51,723)
<p>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.</p>	
	226,773
<p>Some revenues reported in the prior year Statement of Activities were recognized in the governmental funds in the current year.</p>	
	<u>(863,737)</u>
Change in net position of governmental activities	<u>\$ (1,566,980)</u>

See accompanying notes to the basic financial statements.

**CITY OF DIXON**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2013**

**Business-type Activities - Enterprise Funds**

	<u>Sewer</u>	<u>Transit</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
Current Assets			
Cash and investments	\$ 4,197,120	\$ 112,207	\$ 4,309,327
Restricted cash and investments	-	7,015	7,015
Accounts receivable, net	482,833	177	483,010
Interest receivable	4,428	161	4,589
Due from other governments	<u>11,390</u>	<u>2,476</u>	<u>13,866</u>
<b>Total Current Assets</b>	<u>4,695,771</u>	<u>122,036</u>	<u>4,817,807</u>
Non Current Assets			
Deferred issuance costs, net	39,163	-	39,163
Capital assets, net of accumulated depreciation	<u>40,662,046</u>	<u>299,651</u>	<u>40,961,697</u>
<b>Total Non-Current Assets</b>	<u>40,701,209</u>	<u>299,651</u>	<u>41,000,860</u>
<b>Total Assets</b>	<u>\$ 45,396,980</u>	<u>\$ 421,687</u>	<u>\$ 45,818,667</u>
<b><u>LIABILITIES</u></b>			
Current Liabilities			
Accounts payable	\$ 236,913	\$ 2,933	\$ 239,846
Accrued salary and benefits	27,236	19,913	47,149
Accrued interest payable	12,245	-	12,245
Advances from other funds	164,580	-	164,580
Deferred revenue	-	7,015	7,015
Compensated absences - current	37,586	13,568	51,154
Termination benefits - current	-	15,586	15,586
Bonds payable - current	<u>135,400</u>	<u>-</u>	<u>135,400</u>
<b>Total Current Liabilities</b>	<u>613,960</u>	<u>59,015</u>	<u>672,975</u>
Non-Current Liabilities			
Compensated absences	18,264	-	18,264
Termination benefits	-	31,141	31,141
Bonds payable	1,067,700	-	1,067,700
Net OPEB obligation	<u>83,790</u>	<u>-</u>	<u>83,790</u>
<b>Total Non-Current Liabilities</b>	<u>1,169,754</u>	<u>31,141</u>	<u>1,200,895</u>
<b>Total Liabilities</b>	<u>1,783,714</u>	<u>90,156</u>	<u>1,873,870</u>
<b><u>NET POSITION:</u></b>			
Invested in capital assets, net of related debt	39,458,946	299,651	39,758,597
Unrestricted	<u>4,154,320</u>	<u>31,880</u>	<u>4,186,200</u>
<b>Total Net Position</b>	<u>43,613,266</u>	<u>331,531</u>	<u>43,944,797</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 45,396,980</u>	<u>\$ 421,687</u>	<u>\$ 45,818,667</u>

See accompanying notes to the basic financial statements.

**CITY OF DIXON**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Business-type Activities - Enterprise Funds**

	<b>Sewer</b>	<b>Transit</b>	<b>Totals</b>
<b><u>OPERATING REVENUES</u></b>			
Charges for services, net of refunds	\$ 2,261,512	\$ 91,264	\$ 2,352,776
Operating grants	-	539,589	539,589
Other revenue	432,310	-	432,310
<b>Total Operating Revenue</b>	<b>2,693,822</b>	<b>630,853</b>	<b>3,324,675</b>
<b><u>OPERATING EXPENSES</u></b>			
Salaries and benefits	711,953	427,161	1,139,114
Materials, supplies, and operational expenses	15,938	1,293	17,231
Repairs and maintenance	209,879	105,168	315,047
Power and utilities	63,416	9,624	73,040
Contractual services	114,344	8,878	123,222
Administration	34,949	29,611	64,560
Miscellaneous	80,342	-	80,342
Depreciation and amortization	1,504,063	93,277	1,597,340
<b>Total Operating Expenses</b>	<b>2,734,884</b>	<b>675,012</b>	<b>3,409,896</b>
<b>Operating Income (Loss)</b>	<b>(41,062)</b>	<b>(44,159)</b>	<b>(85,221)</b>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>			
Interest income	-	203	203
Interest expense	(41,949)	-	(41,949)
Intergovernmental revenues	-	17,249	17,249
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(41,949)</b>	<b>17,452</b>	<b>(24,497)</b>
<b>Income (Loss) Before Transfers and Contributions</b>	<b>(83,011)</b>	<b>(26,707)</b>	<b>(109,718)</b>
<b><u>TRANSFERS &amp; CONTRIBUTIONS</u></b>			
Transfers in	166,735	-	166,735
Transfers out	(278,990)	(73,146)	(352,136)
Capital contributions	-	688	688
<b>Total Transfers and Capital Contributions</b>	<b>(112,255)</b>	<b>(72,458)</b>	<b>(184,713)</b>
Change in net position	(195,266)	(99,165)	(294,431)
Net Position - July 1, 2012	43,808,532	430,696	44,239,228
Net Position - June 30, 2013	<b>\$ 43,613,266</b>	<b>\$ 331,531</b>	<b>\$ 43,944,797</b>

See accompanying notes to the basic financial statements.

**CITY OF DIXON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Business-type Activities - Enterprise Funds**

	<u>Sewer</u>	<u>Transit</u>	<u>Totals</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Cash received from customers	\$ 2,647,118	\$ 91,087	\$ 2,738,205
Cash received from operating grants	-	595,113	595,113
Cash paid to suppliers	(392,106)	(449,868)	(841,974)
Cash paid to employees	<u>(688,036)</u>	<u>(166,378)</u>	<u>(854,414)</u>
Net Cash Provided by Operating Activities	<u>1,566,976</u>	<u>69,954</u>	<u>1,636,930</u>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>			
Due from other funds	(122,682)	-	(122,682)
Transfers to other funds	<u>(112,255)</u>	<u>(73,146)</u>	<u>(185,401)</u>
Net Cash Used for Non-Capital Financing Activities	<u>(234,937)</u>	<u>(73,146)</u>	<u>(308,083)</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Acquisition of capital assets	(437,943)	-	(437,943)
Principal paid on capital debt	(132,800)	-	(132,800)
Interest paid on capital debt	<u>(42,311)</u>	<u>-</u>	<u>(42,311)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(613,054)</u>	<u>-</u>	<u>(613,054)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest and dividends	<u>(374)</u>	<u>223</u>	<u>(151)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	718,611	(2,969)	715,642
Cash and Cash Equivalents - July 1, 2012	<u>3,478,509</u>	<u>122,191</u>	<u>3,600,700</u>
Cash and Cash Equivalents - June 30, 2013	<u>\$ 4,197,120</u>	<u>\$ 119,222</u>	<u>\$ 4,316,342</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position			
Cash and investments	\$ 4,197,120	\$ 112,207	\$ 4,309,327
Restricted cash and investments	<u>-</u>	<u>7,015</u>	<u>7,015</u>
Cash and Cash Equivalents - June 30, 2013	<u>\$ 4,197,120</u>	<u>\$ 119,222</u>	<u>\$ 4,316,342</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, 2013

	<u>Sewer</u>	<u>Transit</u>	<u>Totals</u>
<b><u>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u></b>			
Operating Loss	\$ (41,062)	\$ (44,159)	\$ (85,221)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	1,498,908	93,277	1,592,185
Amortization	5,155	-	5,155
Changes in assets and liabilities:			
Increase in accounts receivable	(46,704)	(177)	(46,881)
Decrease in grants receivable	-	55,524	55,524
Increase (decrease) in accounts payable	126,762	(11,804)	114,958
Increase in accrued wages	204	4,437	4,641
Increase in net OPEB obligation	15,011	-	15,011
Decrease in termination benefits	-	(15,618)	(15,618)
Increase (decrease) in compensated absences	<u>8,702</u>	<u>(11,526)</u>	<u>(2,824)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,566,976</u>	<u>\$ 69,954</u>	<u>\$ 1,636,930</u>

See accompanying notes to the basic financial statements.

**CITY OF DIXON**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2013**

	<u>Private- Purpose Trust Fund</u>	<u>Agency Funds</u>
<b><u>ASSETS</u></b>		
Cash and investments (Note 2)	\$ -	\$ 4,528,793
Accounts receivable	-	386,553
Interest receivable	544	5,337
Prepaid expenses	86	-
Restricted cash and investments (Note 2)	507,483	3,411,069
Notes receivable, net	954,505	-
Capital assets, non-depreciable	<u>277,307</u>	<u>-</u>
<b>Total Assets</b>	<b>\$ <u>1,739,925</u></b>	<b>\$ <u>8,331,752</u></b>
<b><u>LIABILITIES</u></b>		
Accounts payable and other liabilities	\$ 150,109	\$ 85,732
Deposits payable	-	767,336
Interest payable	54,542	350,141
Long-term liabilities	2,755,000	-
Funds held in trust	<u>-</u>	<u>7,128,543</u>
<b>Total Liabilities</b>	<b>\$ <u>2,959,651</u></b>	<b>\$ <u>8,331,752</u></b>
<b><u>NET POSITION</u></b>		
Held in trust for private purposes	<b>\$ <u>(1,219,726)</u></b>	<b>\$ <u>-</u></b>

See accompanying notes to the basic financial statements.

**CITY OF DIXON**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u><b>Private- Purpose Trust Fund</b></u>
<b><u>ADDITIONS</u></b>	
Taxes and assessments	\$ 561,338
Program Income	8,376
Reimbursements	25,000
Interest income	<u>1,035</u>
Total Additions	<u>595,749</u>
<b><u>DEDUCTIONS</u></b>	
Pass-through agreements	2,617,764
Operating costs	263,594
Interest costs	<u>166,493</u>
Total Deductions	<u>3,047,851</u>
Changes in Fiduciary Net Position	<u>(2,452,102)</u>
Fiduciary Net Position - July 1, 2012	1,232,376
Fiduciary Net Position - June 30, 2013	<u>\$ (1,219,726)</u>

See accompanying notes to the basic financial statements.

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**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.

Dixon Public Financing Authority

The Dixon Public Financing Authority (the "Authority") was formed as a joint powers authority between the City and the former 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 potable water services within the common territories of the two entities. The City of Dixon provides record keeping services for DSWA. Audited financial statements for the Dixon-Solano Water Authority may be obtained from the City of Dixon, 600 East A Street, Dixon, California, 95620.

Vacaville-Dixon Greenbelt Authority (VDG Authority)

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

Dixon Regional Watershed Joint Powers Authority (the DRWJPA)

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



**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 Position 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 position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position. 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.

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.

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

**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 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.

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.

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The City also reports the following fund types:

**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.

Measurement Focus

On the government-wide Statement of Net Position 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 position (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 position.
- 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 Position 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.

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 position is 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.

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.

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be cash 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 that are 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 \$5,000 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.

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

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

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

Fund Financial Statements

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

**I. Compensated Absences**

Compensated absences are comprised of 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 Position for governmental funds and the Statement of Net Position 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, 2013. 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 position. 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.

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

**L. Equity Classifications**

Government-wide Statements

Net position is the excess of all the City's assets over all its liabilities, regardless of fund. Net position is divided into three categories under GASB Statement 34. These categories apply only to net position, 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 position - Consists of net position with constraints placed 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 position - All other net position 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, 2013

**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.

**P. Implementation of Government Accounting Standards Board Statements**

Effective July 1, 2012, the City implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 60

In November 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The objective of this statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The City has determined that they do not have any service concession arrangements; therefore, this statement is not applicable to them.

Government Accounting Standards Board Statement No. 61

In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. This statement modifies certain requirements for inclusion of component units in the financial reporting entity. This statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances.

Government Accounting Standards Board Statement No. 62

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in certain pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.



**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Government Accounting Standards Board Statement No. 63

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The requirements of this Statement improves financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position.

Government Accounting Standards Board Statement No. 64

In June 2011, GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* - an amendment of GASB Statement No. 53. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The City does not invest in derivative instruments; therefore, this statement is not applicable to them.

**Q. Future Government Accounting Standards Board Statements**

These statements are not effective until July 1, 2013 or later. The City has not determined the effects on the financial statements.

Government Accounting Standards Board Statement No. 65

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2014.

Government Accounting Standards Board Statement No. 66

In March 2012, GASB issued Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Application of this statement is effective for the City's fiscal year ending June 30, 2014.

Government Accounting Standards Board Statement No. 67

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2014.

**CITY OF DIXON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Government Accounting Standards Board Statement No. 68

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2015.

Government Accounting Standards Board Statement No. 69

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2015.

Government Accounting Standards Board Statement No. 70

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2015.

**NOTE 2: CASH AND INVESTMENTS**

Cash and investments as of June 30, 2013 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	\$ 12,064,434	\$ 299,162	\$ 12,363,596
Business-type activities	<u>4,309,327</u>	<u>7,015</u>	<u>4,316,342</u>
<b>Total government-wide cash and investments</b>	<u>16,373,761</u>	<u>306,177</u>	<u>16,679,938</u>
Fiduciary activities	<u>4,528,793</u>	<u>3,918,552</u>	<u>8,447,345</u>
<b>Total cash and investments</b>	<u>\$ 20,902,554</u>	<u>\$ 4,224,729</u>	<u>\$ 25,127,283</u>

**CITY OF DIXON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

Cash and investments were carried at fair value as of June 30, 2013 and consisted of the following:

Cash on hand	\$	1,223
Cash in banks		<u>2,201,705</u>
<b>Total cash</b>		<b><u>2,202,928</u></b>
U.S. Treasury obligations		5,023,430
U.S. Agency securities		4,258,530
Corporate bonds		2,065,371
Money market funds		2,697,360
Local Agency Investment Fund (LAIF)		6,848,111
California Asset Management Program (CAMP)		<u>2,031,553</u>
<b>Total investments</b>		<b><u>22,924,355</u></b>
<b>Total cash and investments</b>	<b>\$</b>	<b><u>25,127,283</u></b>

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, 2013

**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, 2013:

	Remaining Maturity		
	12 months or less	1-5 years	Fair Value
U.S. Treasuries	\$ -	\$ 5,023,430	\$ 5,023,430
U.S. Agency securities	-	4,258,530	4,258,530
Corporate bonds	-	2,065,371	2,065,371
Local Agency Investment Fund	6,848,111	-	6,848,111
California Asset Management Program	2,031,553	-	2,031,553
Held by bond trustee:			
Money market funds	<u>2,697,360</u>	<u>-</u>	<u>2,697,360</u>
	<u>\$ 11,577,024</u>	<u>\$ 11,347,331</u>	<u>\$ 22,924,355</u>

**CITY OF DIXON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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, 2013.

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	\$ 5,023,430	Exempt		Not rated
U.S. Agency Securities	4,258,530	AA+	Aaa	
Corporate bonds	350,208	Aa2	A+/A-1	
Corporate bonds	350,307	Not rated	AA-	
Corporate bonds	499,024	A2	A	
Corporate bonds	513,871	Aaa	AAA	
Corporate bonds	99,233	A-	A1	
Corporate bonds	153,397	A+	Aa3	
Corporate bonds	99,331	AA	Aa2	
Local Agency Investment Fund	6,848,111			Not rated
California Asset Management Program	2,031,553	AAAm		
Held by bond trustee:				
Money market funds	<u>2,697,360</u>	AAAm	Aaa	
	<u>\$ 22,924,355</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 securities	\$ 3,277,568

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**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, 2013, the carrying amount of the City's deposits was \$2,202,928 and bank balances were \$1,604,498, of which \$261,727 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, 2013**

**NOTE 3: NOTES AND LOANS RECEIVABLE (CONTINUED)**

A summary of notes receivable at June 30, 2013 is as follows:

<u>Government-wide</u>	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Balance June 30, 2013</u>
HOME Loans	\$ 1,570,465	\$ 4,817,888	\$ (151,133)	\$ 6,237,220
Housing Successor Agency	2,298,207	-	(7,073)	2,291,134
CDBG Business Loans	<u>452,745</u>	<u>-</u>	<u>(63,529)</u>	<u>389,216</u>
Total Notes Receivable	<u>4,321,417</u>	<u>4,817,888</u>	<u>(221,735)</u>	<u>8,917,570</u>
Less Allowance for Notes Receivable	<u>(3,986,414)</u>	<u>(4,817,888)</u>	<u>218,691</u>	<u>(8,585,611)</u>
Total Notes Receivable, net	<u>\$ 335,003</u>	<u>\$ -</u>	<u>\$ (3,044)</u>	<u>\$ 331,959</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, 2013.

**NOTE 4: INTERFUND AND INTRA-FUND TRANSACTIONS**

**Interfund Receivables/Payables**

The composition of interfund balances as of June 30, 2013 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>
General Fund - Contingency	HOME Loans	Overdrawn cash balances	\$ 5,738
Transportation	Storm Drain	2008 Pond C project	1,267,000
Transportation	Transit Projects	2012 West B Street Undercrossing	647,622
Capital Improvements	Sewer	South Dixon Sewer Trunk Line	<u>164,580</u>
<b>Total Interfund Receivables/Payables</b>			<b>\$ <u>2,084,940</u></b>

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

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

**Interfund Transfers to/from Other Funds**

Transfers between funds during the fiscal year ended June 30, 2013 were as follows:

<u>Transfer from</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
<b><u>Major Governmental Funds</u></b>			
General Fund	Lighting and Landscaping	Reimburse allocated costs	\$ 85,901
General Fund	Core Area Drainage	Core area drainage project	530,000
General Fund	CFD Pond C	City share of CFD	15,805
General Fund	Sewer	Equipment replacement	166,735
Transportation	General Fund	Reimburse allocated costs	<u>6,193</u>
<b>Total Major Governmental Interfund Transfers</b>			<b><u>804,634</u></b>
<b><u>Non-Major Governmental Funds</u></b>			
Gas Tax	General Fund	Reimburse allocated costs	317,485
Gas Tax	Core Area Drainage	Core area drainage project	20,000
Traffic Safety	General Fund	Reimburse allocated costs	665
CFD Pond C	General Fund	Reimburse allocated costs	1,695
Capital Improvements	General Fund	Reimburse allocated costs	10
Community Development	Lease Financing	Debt service	154,826
Fire	Lease Financing	Debt service	110,334
Police	Lease Financing	Debt service	48,000
City Facilities	General Fund	Reimburse allocated costs	2,094
City Facilities	Lease Financing	Debt service	128,667
Public Works	General Fund	Reimburse allocated costs	1,997
Transit Projects	General Fund	Reimburse allocated costs	810
Recreation Improvements	General Fund	Reimburse allocated costs	<u>762</u>
<b>Total Non- Major Governmental Interfund Transfers</b>			<b><u>1,598,172</u></b>
<b><u>Proprietary Funds</u></b>			
Sewer	General Fund	Reimburse allocated costs	278,990
Transit	General Fund	Reimburse allocated costs	<u>73,146</u>
<b>Total Proprietary Interfund Transfers</b>			<b><u>352,136</u></b>
<b>Total Interfund Transfers</b>			<b><u>\$ 2,754,942</u></b>



**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**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, 2013:

<u>Transfer from</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
<b>General Fund</b>			
General Fund	Recreation	Reimburse allocated costs	\$ 1,331
General Fund	Infrastructure Reserve	Future infrastructure replace	50,000
Recreation	General Fund	Reimburse allocated costs	16,388
Equipment Replacement	General Fund	Equipment replacement	<u>645,700</u>
<b>Total General Fund Intra-Fund Transfers</b>			<u>713,419</u>
<b>Sewer Fund</b>			
Sewer O&M	Sewer Debt	Debt service	170,000
Sewer O&M	Sewer Rehab Projects	Funding for capital projects	665,000
Sewer O&M	Sewer Capital Mixed	Funding for capital projects	219,000
Sewer O&M	Sewer Equipment Replacement	Future equipment replacement	50,000
Sewer Equipment Replacement	Sewer O&M	Equipment Replacement	37,700
Sewer Improvements	Sewer Capital Mixed	Funding for capital projects	56,000
Sewer Rehab	Sewer Improvements	CIP transfer	71,211
Sewer Capital Mixed	Sewer Improvements	CIP transfer	<u>171,542</u>
<b>Total Sewer Intra-Fund Transfers</b>			<u>1,440,453</u>
<b>Total Intra-fund Transfers</b>			<u>\$ 2,153,872</u>

Intra-fund transfers are not presented on the Statement of Revenues, Expenses, and Changes in Net Position 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 111 presents both general fund interfund transfers and intra-fund transfers.

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 5: CAPITAL ASSETS**

**Governmental activities:**

	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2013</u>
Capital assets not being depreciated					
Land	\$ 2,379,262	\$ -	\$ -	\$ -	\$ 2,379,262
Construction-in-progress	<u>4,250,876</u>	<u>392,188</u>	<u>-</u>	<u>(506,034)</u>	<u>4,137,030</u>
Total capital assets not being depreciated	<u>6,630,138</u>	<u>392,188</u>	<u>-</u>	<u>(506,034)</u>	<u>6,516,292</u>
Capital assets being depreciated					
Buildings and improvements	12,367,587	28,963	-	-	12,396,550
Equipment	6,191,978	792,594	-	-	6,984,572
Infrastructure	<u>176,633,100</u>	<u>5,150</u>	<u>-</u>	<u>506,034</u>	<u>177,144,284</u>
Total capital assets being depreciated	<u>195,192,665</u>	<u>826,707</u>	<u>-</u>	<u>506,034</u>	<u>196,525,406</u>
Less accumulated depreciation					
Buildings and improvements	(4,277,127)	(314,611)	-	-	(4,591,738)
Equipment	(3,999,248)	(369,988)	-	-	(4,369,236)
Infrastructure	<u>(52,450,463)</u>	<u>(3,738,744)</u>	<u>-</u>	<u>-</u>	<u>(56,189,207)</u>
Total accumulated depreciation	<u>(60,726,838)</u>	<u>(4,423,343)</u>	<u>-</u>	<u>-</u>	<u>(65,150,181)</u>
<b>Total capital assets, net</b>	<u>\$ 141,095,965</u>	<u>\$ (3,204,448)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,891,517</u>

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

Governmental Activities:

General administration	\$ 158,493
Public safety	311,479
Parks and recreation	716,541
Community development	3,799
Public ways and facilities	<u>3,233,031</u>
Total governmental activities depreciation expense	<u>\$ 4,423,343</u>

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 5: CAPITAL ASSETS (CONTINUED)**

**Business-type activities:**

	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2013</u>
Capital assets not being depreciated				
Land	\$ 773,160	\$ -	\$ -	\$ 773,160
Construction-in-progress	<u>1,424,401</u>	<u>242,756</u>	<u>-</u>	<u>1,667,157</u>
Total capital assets not being depreciated	<u>2,197,561</u>	<u>242,756</u>	<u>-</u>	<u>2,440,317</u>
Capital assets being depreciated				
Structures and improvements	58,272,310	-	-	58,272,310
Equipment	<u>1,531,245</u>	<u>195,187</u>	<u>-</u>	<u>1,726,432</u>
Total capital assets being depreciated	<u>59,803,555</u>	<u>195,187</u>	<u>-</u>	<u>59,998,742</u>
Less accumulated depreciation				
Structures and improvements	(18,872,031)	(1,396,540)	-	(20,268,571)
Equipment	<u>(1,013,146)</u>	<u>(195,645)</u>	<u>-</u>	<u>(1,208,791)</u>
Total accumulated depreciation	<u>(19,885,177)</u>	<u>(1,592,185)</u>	<u>-</u>	<u>(21,477,362)</u>
<b>Total capital assets, net</b>	<u>\$ 42,115,939</u>	<u>\$ (1,154,242)</u>	<u>\$ -</u>	<u>\$ 40,961,697</u>

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

Sewer	\$ 1,498,908
Transit	<u>93,277</u>
Total business-type activities depreciation expense	<u>\$ 1,592,185</u>

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**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, 2013:

	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2013</u>	<u>Current Portion</u>
<b>Governmental activities:</b>					
Compensated absences	\$ 934,725	\$ 530,642	\$ (563,729)	\$ 901,638	\$ 506,533
2012 Lease revenue	<u>2,456,100</u>	<u>-</u>	<u>(368,300)</u>	<u>2,087,800</u>	<u>381,200</u>
Total Governmental activities	<u>\$ 3,390,825</u>	<u>\$ 530,642</u>	<u>\$ (932,029)</u>	<u>\$ 2,989,438</u>	<u>\$ 887,733</u>
	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2013</u>	<u>Current Portion</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 72,242	\$ 58,100	\$ (60,924)	\$ 69,418	\$ 51,154
2012 Refunding bonds	<u>1,335,900</u>	<u>-</u>	<u>(132,800)</u>	<u>1,203,100</u>	<u>135,400</u>
Total Business-type activities	<u>\$ 1,408,142</u>	<u>\$ 58,100</u>	<u>\$ (193,724)</u>	<u>\$ 1,272,518</u>	<u>\$ 186,554</u>

A description of the long-term liabilities related to governmental activities at June 30, 2013 follows:

**A. Governmental Activities**

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, 2013 was \$2,087,800.

Deferred Charges

Capitalized bond costs related to the above issuances have been recorded as deferred charges, net of accumulated amortization in the amount of \$61,528 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, 2013 was \$7,239.

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 6: LONG-TERM LIABILITIES (CONTINUED)**

Governmental Activities Long-Term Liabilities Amortization:

<b>2012 Refunding Lease Revenue</b>			
<b>For the Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	233,500	31,872	265,372
2019 - 2022	817,300	49,539	866,839
<b>Total</b>	<b>\$ 2,087,800</b>	<b>\$ 282,991</b>	<b>\$ 2,370,791</b>

**B. Business-type Activities**

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 March 1 and October 1 through March 2021. The outstanding principal balance of the 2012 bonds at June 30, 2013 was \$1,203,100.

Deferred Charges

Capitalized bond costs related to the Business-type long term liabilities have been recorded as deferred issuance costs in the amount of \$39,163 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, 2013 was \$5,155.

Business-Type Long-Term Liabilities Amortization

<b>2012 Sewer Refunding Bonds</b>			
<b>For the Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	152,600	18,456	171,056
2019 - 2022	486,400	26,336	512,736
<b>Total</b>	<b>\$ 1,203,100</b>	<b>\$ 162,869</b>	<b>\$ 1,365,969</b>

**CITY OF DIXON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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, 2013 were as follows:

Dixon-West "A" Street Assessment District Limited Obligation Improvement Bonds	\$	815,000
North First Street Assessment District Limited Obligation Improvement Bonds		8,625,000
Dixon Public Financing Authority:		
1998 Senior Lien Reassessment Bonds, Series A		2,650,000
1998 Junior Lien Reassessment Bonds, Series B		<u>6,045,000</u>
Total Special Assessment Debt	\$	<u>18,135,000</u>

**NOTE 8: EARLY RETIREMENT INCENTIVE**

During fiscal year 2012, the City approved an early retirement incentive program through the Public Agency Retirement System (PARS) for 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 fiscal year 2012, 22 City employees met the eligibility criteria. Four general fund and two Transit employees elected to participate. During the current year, two additional employees joined the program. 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, 2013 totaled \$405,584, which represents actual future payments to be made. Of this amount, \$358,857 is recorded in governmental activities and \$46,727 is recorded in business-type activities. Expenses related to termination benefits totaled \$77,040 for the year ending June 30, 2013. Future payments as of June 30, are as follows:

		<u>Amount</u>
2014	\$	124,489
2015		124,489
2016		124,489
2017		<u>32,117</u>
Total	\$	<u>405,584</u>

**CITY OF DIXON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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 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 has adopted a multi-tiered plan as shown in the chart below. 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, Classic Miscellaneous 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. All other classifications are calculated using the highest average monthly salary over 36 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.

**PERS Risk Pool Classifications**

Tier #	Employee Type	Employees Hired:	Risk Pool
Tier I	Miscellaneous	Before 12/16/2012	2.5% @ 55
Tier I	Police	Before 11/20/2011	3% @ 50
Tier I	Fire	Before 08/12/2012	3% @ 50
Tier II	Miscellaneous	12/16/2012 - 12/31/2012 (and classic members after 1/1/2013)	2% @ 60
Tier II	Police	11/20/2011 - 12/31/2012 (and classic members after 1/1/2013)	3% @ 55
Tier II	Police	08/12/2012 - 12/31/2012 (and classic members after 1/1/2013)	3% @ 55
Tier III	Miscellaneous	On or after 1/1/2013	2% @ 62
Tier III	Police	On or after 1/1/2013	2.7% @ 57
Tier III	Police	On or after 1/1/2013	2.7% @ 57

\*Classic members are defined by PERS as member of PERS as of 12/31/2012 that have not had a permanent separation from a PERS employer of more than 6 months.

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Funding Policy

Employees are required to contribute a portion of their annual covered salary towards their PERS retirement program. PERS establishes the required contributions but the City has a variety of agreements that amend the distribution of the employee and employer contributions. The following chart identifies the required contributions by bargaining unit. The contribution requirement of plan members and the City are established and may be amended by PERS.

**Contribution to PERS Retirement Program**

Tier #	Bargaining Unit	Employee Type	PERS		MOU	
			Employee	Employer	Employee	Employer
Tier I	Local One & Confidential	Miscellaneous	8%	19.814%	10%	17.814%
Tier I	DSMA & Confidential	Miscellaneous	8%	19.814%	8%	19.814%
Tier I	DPFA	Fire	9%	28.623%	11.173%	26.450%
Tier I	Fire Chief	Fire	9%	28.623%	11%	26.623%
Tier I	Fire Division Chief	Fire	9%	28.623%	13.2%	24.423%
Tier I	DPOA (sworn)	Police	9%	34.045%	9%	34.045%
Tier I	DPOA (nonsworn)	Miscellaneous	8%	19.814%	8%	19.814%
Tier I	Police Chief	Police	9%	34.045%	11%	32.045%
Tier I	Police Captain/Lieutenant	Police	9%	34.045%	12%	31.045%
Tier II	Local One & Confidential	Miscellaneous	7%	7.846%	9%	5.846%
Tier II	DSMA & Confidential	Miscellaneous	7%	7.846%	7%	7.846%
Tier II	DPFA	Fire	9%	20.057%	6.55%	22.507%
Tier II	Fire Chief	Fire	9%	20.057%	11%	18.057%
Tier II	Fire Division Chief	Fire	9%	20.057%	13.2%	15.857%
Tier II	DPOA (sworn)	Police	9%	20.057%	9%	20.057%
Tier II	DPOA (nonsworn)	Miscellaneous	7%	7.846%	8%	7.846%
Tier II	Police Chief	Police	9%	20.057%	11%	18.057%
Tier II	Police Captain/Lieutenant	Police	9%	20.057%	12%	17.057%
Tier III	Local One & Confidential	Miscellaneous	6.25%	6.25%	6.25%	6.25%
Tier III	DSMA & Confidential	Miscellaneous	6.25%	6.25%	6.25%	6.25%
Tier III	DPFA	Fire	11.5%	11.5%	11.5%	11.5%
Tier III	Fire Chief	Fire	11.5%	11.5%	11.5%	11.5%
Tier III	Fire Division Chief	Fire	11.5%	11.5%	11.5%	11.5%
Tier III	DPOA (sworn)	Police	11.5%	11.5%	11.5%	11.5%
Tier III	DPOA (nonsworn)	Miscellaneous	6.25%	6.25%	6.25%	6.25%
Tier III	Police Chief	Police	11.5%	11.5%	11.5%	11.5%
Tier III	Police Captain/Lieutenant	Police	11.5%	11.5%	11.5%	11.5%

**Bargaining Unit Key:**

- Local One - Public Employees Union #1
- DPFA - Dixon Professional Firefighters Association
- DPOA - Dixon Police Officers Association
- DSMA - Dixon Senior Managers Association



**CITY OF DIXON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Annual Pension Cost

For the fiscal year ended June 30, 2013, the City's annual pension cost (employer contribution) of \$2,117,639 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, 2011, actuarial valuation using the entry age normal actuarial cost method.

The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases from 3.30% - 14.20% that vary by duration of service, (c) 2.75 inflation component, and (d) 3.00% payroll growth. Individual salary growth is based on a merit scale varying by duration of employment with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smoothed market value). The PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. PERS has combined the prior service unfunded liability and current service unfunded liability into a single initial unfunded liability.

**Three Year Trend Information for PERS**

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 1,729,705	100%	-
2012	\$ 2,018,696	100%	-
2013	\$ 2,117,639	100%	-

**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. Children are eligible for coverage until age 26. 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 offers 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, 2013, the City reported 10 retiree employees. The City currently has 67 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, 2013, 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.

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 10: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

Annual OPEB Cost and Net OPEB Obligation

For the year ended June 30, 2013, the City's annual cost for the healthcare plan was \$351,000. The City's annual OPEB cost contributed to the plan and the net OPEB obligation for the year ended June 30, 2013 were as follows:

Annual required contribution			
Service cost at year-end	\$	233,466	
30-year amortization of funded liability		<u>139,000</u>	
Total annual required contribution		<u>372,466</u>	
Interest on net OPEB obligation		38,305	
Adjustment to net OPEB obligation		<u>(59,771)</u>	
Total annual OPEB cost		<u>351,000</u>	
Employer contributions		(118,703)	
Net pension obligation, July 1, 2012		<u>901,299</u>	
Net pension obligation, June 30, 2013	\$	<u>1,133,596</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, 2011	\$ 292,000	\$ 62,736	21 %	\$ 703,793
June 30, 2012	\$ 322,000	\$ 124,494	39 %	\$ 901,299
June 30, 2013	\$ 351,000	\$ 118,703	34 %	\$ 1,133,596

As of June 30, 2013, \$1,049,806 of the net pension obligation was recorded in governmental activities and \$83,790 was recorded in business-type activities on the Statement of Net Position.

Funded Status and Funding Progress

The funded status of the plan based on an actuarial study using age-adjusted premiums as of June 30, 2013, 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 %	

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 10: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

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

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, 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, with general inflation at 3.00%. 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.

**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 Deputy City Manager - Administrative Services to assign amounts to be used for specific purpose. Assignments are less formal than commitments and can be changed by the Deputy City Manager - Administrative Services. 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.

**CITY OF DIXON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 11: FUND BALANCE (CONTINUED)**

As of June 30, 2013, fund balances consisted of the following:

	<u>General Fund</u>	<u>HOME Loans</u>	<u>Housing Successor Agency</u>	<u>Transportation</u>	<u>Non-Major Funds</u>	<u>Total</u>
<b>Nonspendable:</b>						
Prepays	\$ 366,362	\$ -	\$ -	\$ -	\$ -	\$ 366,362
Inventory	1,005	-	-	-	-	1,005
Advances	-	-	-	1,914,622	164,580	2,079,202
<b>Restricted:</b>						
Housing	-	-	11,115	-	-	11,115
Grants	-	11,866	-	-	444,124	455,990
Taxes & fees	-	-	-	-	1,566,721	1,566,721
Debt service	-	-	-	-	179	179
Contributions	980	-	-	-	-	980
Mitigation	-	-	-	30,377	-	30,377
<b>Committed:</b>						
Encumbrances	150,449	-	-	1,331,261	-	1,481,710
<b>Assigned:</b>						
Capital projects	-	-	-	1,845,675	2,765,501	4,611,176
Equipment replacement	512,058	-	-	-	-	512,058
Building maintenance	165,745	-	-	-	-	165,745
Infrastructure reserve	100,298	-	-	-	-	100,298
Unassigned	<u>3,648,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,614,479)</u>	<u>2,034,210</u>
<b>Total</b>	<b><u>\$ 4,945,586</u></b>	<b><u>\$ 11,866</u></b>	<b><u>\$ 11,115</u></b>	<b><u>\$ 5,121,935</u></b>	<b><u>\$ 3,326,626</u></b>	<b><u>\$ 13,417,128</u></b>

**NOTE 12: RISK MANAGEMENT**

The City is a member of the Northern California Cities Self Insurance Fund (NCCSIF) along with twenty other northern California cities. The NCCSIF 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 NCCSIF provides claims processing, administrative services, risk management services, and actuarial studies. A member from each city governs the NCCSIF. 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 NCCSIF 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 NCCSIF establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 12: RISK MANAGEMENT (CONTINUED)**

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 NCCSIF of \$363,847 is recorded as a prepaid asset in the General Fund. Compiled condensed financial information for the NCCSIF for the fiscal year ended June 30, 2013 was as follows:

Total Assets	\$ 44,618,474
Total Liabilities	\$ 37,224,965
Net Position	\$ 7,393,509
Total Revenues	\$ 8,793,494
Total Expenses	\$ 14,563,924
Change in Net Position	\$ (5,770,430)

**NOTE 13: SOLAR OPERATING LEASE**

In August 2012, the City entered into a solar lease agreement. The City is obligated to lease the equipment for 7 years with the option to extend for 3 years, and another option to extend for 10 years. The cost of the lease increases each year. As of June 30, 2013, operating costs associated with the lease totaled \$86,762. The City does have the option to purchase the equipment at the end of the 20 year period for the greater of the fair market value or \$1,420,014. Future minimum rental payments are as follows:

2014	\$ 97,114
2015	100,856
2016	104,784
2017	108,884
2018	103,392
Thereafter	<u>123,754</u>
	<u>\$ 638,784</u>

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 14: 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, 2013:

Fund	Excess Expenditures
Community Development	\$ 276
Storm Drain	144,362
Transit Projects	4,767
Agriculture Land Mitigation	28

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

**NOTE 15: DEFICIT FUND BALANCES**

As of June 30, 2013, the following funds had a fund deficit:

Fund	Deficit
Storm Drain Fund	\$ 967,966
Transit Projects	646,513

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 16: 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, 2013 totaling \$801,066 for various construction projects that were not complete as of year-end.

**CITY OF DIXON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 17: PRIOR PERIOD ADJUSTMENT**

The City determined that the following amounts were recorded in the incorrect period:

<u>Fund</u>	<u>Description of Restatement</u>	<u>Amount</u>
<u>Governmental funds</u>		
General Fund	To properly accrue sales taxes	\$ 274,000
Gas Tax	To properly accrue gas taxes	<u>(54,236)</u>
	Total Governmental Fund Balance Restatement	<u>\$ 219,764</u>

**NOTE 18: SUBSEQUENT EVENTS**

Dixon Solano Water Authority

During fiscal year 2012-13, 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, a Joint Powers Authority (JPA). As per provisions in the DSWA JPA, written notice must be provided two years in advance, and a termination letter was delivered to the Solano Irrigation District on August 9, 2012. The termination date for the JPA would be August 8, 2014.

Staff received direction from the City Council to circulate an RFP to operate and maintain, and provide engineering, administration and billing services for a water system within the City of Dixon with proposals due to the City on July 22, 2013. While several potential operators took tours of the current DSWA facilities, a total of four responses were received. On August 19, 2013, a special Council meeting took place to hear from each of the four potential operators and offer the Council a chance to ask questions of each potential provider. The City Engineer/Public Works Department presented a review by an independent panel, and a costing comparison between the proposals submitted. There would be several one-time costs associated with assuming the responsibility of the water operation, such as equipment and inventory. Additionally, new job classifications and salary ranges would need to be established for personnel associated with the water enterprise.

On September 24, 2013, the City Council rejected all proposals for operation of the City water system. At this time, staff are working with Solano Irrigation District and legal counsel to develop an implementation and transition plan for the City to operate, maintain and manage the water system.

A water workshop has been scheduled for November 18, 2013 that will outline key issues such as new district formation, the California Department of Public Health (CDPH) transfer that will involve a Technical, Managerial and Financial (TMF) Application process. A separate entity would likely be established, the Dixon Water District, to isolate the liability of the water enterprise operation to the District. The City of Dixon does not intend to sell or otherwise dispose of the water service.

The California Department of Public Health (CDPH) announced a proposed water standard for hexavalent chromium (Chrom-6). If approved, CDPH's proposed standard will establish a Chrom-6 maximum contaminant level of 10 parts per billion in drinking water. The U.S. EPA does not currently have a national standard. Groundwater is the sole supply for the Dixon Solano Water Authority. Geological formations underlying the area in and around Dixon contain elevated levels of naturally occurring chromium. A sampling plan is underway and will be provided to the DSWA Board at a future meeting.

This proposed regulation could have significant economic consequences for the City due to the costs of monitoring and treating Chrom-6 for the City's water supply. A letter formally opposing the proposed regulation was submitted to CDPH, and representatives from the Dixon City Council testified at the CDPH public hearing on October 11, 2013.

**CITY OF DIXON**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 18: SUBSEQUENT EVENTS (CONTINUED)**

Dixon Public Financing Authority Reassessment Revenue Refunding Bonds, Series 2013

In August 2013, the Dixon Public Financing Authority issued the Reassessment Revenue Refunding Bonds, Series 2013 in the amount of \$3,798,902 for the purpose of refunding its West A Street Assessment District Limited Obligation Refunding Improvement Bonds, and the related 1998 Senior and Junior Lien Assessment Bonds. The Series 2013 bonds bear an interest rate of 3.46% per annum, with interest being due semi-annually in March and September, beginning March 2014. Principal payments are due each September and the bonds mature in September 2020. 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.



**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, 2013**

	<b>2012 - 2013</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ 9,776,791	\$ 10,043,670	\$ 11,107,456	\$ 1,063,786
License, permits, and fees	876,049	942,060	1,202,701	260,641
Fines and forfeitures	7,310	16,460	15,615	(845)
Use of money and property	113,492	113,942	152,460	38,518
Intergovernmental	426,870	438,870	374,765	(64,105)
Charges for services	498,157	723,502	768,776	45,274
Other revenues	<u>60,133</u>	<u>185,868</u>	<u>213,521</u>	<u>27,653</u>
Total Revenues	<u>11,758,802</u>	<u>12,464,372</u>	<u>13,835,294</u>	<u>1,370,922</u>
<b><u>EXPENDITURES</u></b>				
Current:				
<b>General Administration</b>				
City council	83,956	84,918	68,159	16,759
City manager	264,081	293,882	230,484	63,398
Administrative services	824,667	991,260	711,682	279,578
Personnel	476,365	501,246	435,729	65,517
City attorney	165,500	185,500	190,543	(5,043)
General liability	<u>266,500</u>	<u>266,500</u>	<u>188,451</u>	<u>78,049</u>
Total General Administration	<u>2,081,069</u>	<u>2,323,306</u>	<u>1,825,048</u>	<u>498,258</u>
<b>Public Safety</b>				
Police	3,881,094	3,944,791	3,653,937	290,854
Fire	<u>3,184,645</u>	<u>3,479,082</u>	<u>3,358,594</u>	<u>120,488</u>
Total Public Safety	<u>7,065,739</u>	<u>7,423,873</u>	<u>7,012,531</u>	<u>411,342</u>
<b>Parks and Recreation</b>				
Park maintenance	972,387	1,005,643	1,002,934	2,709
Recreation	287,705	340,188	326,812	13,376
Senior multi-use center	<u>91,820</u>	<u>92,252</u>	<u>85,026</u>	<u>7,226</u>
Total Parks and Recreation	<u>1,351,912</u>	<u>1,438,083</u>	<u>1,414,772</u>	<u>23,311</u>
<b>Development</b>				
Planning	<u>380,097</u>	<u>387,854</u>	<u>305,540</u>	<u>82,314</u>
Total Development	<u>380,097</u>	<u>387,854</u>	<u>305,540</u>	<u>82,314</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, 2013**

	<b>2012 - 2013</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>			
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual Amounts</u></b>	
<b>Public Ways and Facilities</b>				
Engineering	470,350	467,161	442,710	24,451
Street maintenance	<u>538,892</u>	<u>546,245</u>	<u>516,454</u>	<u>29,791</u>
Total Public Ways and Facilities	<u>1,009,242</u>	<u>1,013,406</u>	<u>959,164</u>	<u>54,242</u>
<b>Capital Outlay</b>	<u>247,000</u>	<u>980,974</u>	<u>869,171</u>	<u>111,803</u>
Total Expenditures	<u>12,135,059</u>	<u>13,567,496</u>	<u>12,386,226</u>	<u>2,250,737</u>
Excess (deficiency) of revenues over expenditures	<u>(376,257)</u>	<u>(1,103,124)</u>	<u>1,449,068</u>	<u>(879,815)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	680,356	684,359	683,847	(512)
Transfers out	<u>(268,441)</u>	<u>(797,163)</u>	<u>(798,441)</u>	<u>(1,278)</u>
Total Other Financing Sources (Uses)	<u>411,915</u>	<u>(112,804)</u>	<u>(114,594)</u>	<u>(1,790)</u>
Net change in fund balance	<u>\$ 35,658</u>	<u>\$ (1,215,928)</u>	<u>1,334,474</u>	<u>\$ (881,605)</u>
Fund balance - July 1, 2012			3,885,112	
Prior period adjustment			<u>(274,000)</u>	
Fund balance - July 1, 2012, restated			<u>3,611,112</u>	
Fund balance - June 30, 2013			<u>\$ 4,945,586</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, 2013

	<u>2012 - 2013</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>		
<b><u>REVENUES</u></b>				
Program income	\$ -	\$ 11,890	\$ 22,253	\$ 10,363
Intergovernmental	<u>6,055,000</u>	<u>9,155,000</u>	<u>4,873,665</u>	<u>(4,281,335)</u>
Total Revenues	<u>6,055,000</u>	<u>9,166,890</u>	<u>4,895,918</u>	<u>(4,270,972)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
<b>Development</b>				
CDBG home rehab	<u>6,100,000</u>	<u>9,200,000</u>	<u>4,861,243</u>	<u>4,338,757</u>
Total Expenditures	<u>6,100,000</u>	<u>9,200,000</u>	<u>4,861,243</u>	<u>8,677,514</u>
Net change in fund balance	<u>\$ (45,000)</u>	<u>\$ (33,110)</u>	<u>34,675</u>	<u>\$ 67,785</u>
Fund balance (deficit) - July 1, 2012			<u>(22,809)</u>	
Fund balance - June 30, 2013			<u>\$ 11,866</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, 2013**

	<b>2012 - 2013</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>			
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual Amounts</u></b>	
<b><u>REVENUES</u></b>				
Use of money and property	\$ 2,500	\$ 2,500	\$ 12	\$ (2,488)
Program income	<u>1,825</u>	<u>1,825</u>	<u>7,573</u>	<u>5,748</u>
Total Revenues	<u>4,325</u>	<u>4,325</u>	<u>7,585</u>	<u>3,260</u>
<b><u>EXPENDITURES</u></b>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>4,325</u>	<u>4,325</u>	<u>7,585</u>	<u>3,260</u>
Net change in fund balance	<u>\$ 4,325</u>	<u>\$ 4,325</u>	<u>7,585</u>	<u>\$ 3,260</u>
Fund balance - July 1, 2012			<u>3,530</u>	
Fund balance - June 30, 2013			<u>\$ 11,115</u>	

**CITY OF DIXON  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY ACCOUNTING AND CONTROL  
FOR THE YEAR ENDED JUNE 30, 2013**

The City Council establishes budgets for all governmental funds 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**  
**TRANSPORTATION FUND - CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>2012 - 2013</u> <u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b><u>REVENUES</u></b>				
Use of money and property	\$ -	\$ -	\$ 154,490	\$ 154,490
Intergovernmental	106,000	106,000	28,250	(77,750)
Developer fees	<u>-</u>	<u>23,490</u>	<u>30,547</u>	<u>7,057</u>
Total Revenues	<u>106,000</u>	<u>129,490</u>	<u>213,287</u>	<u>83,797</u>
<b><u>EXPENDITURES</u></b>				
Current:				
<b>Capital Outlay</b>				
Administration	-	15,000	15,000	-
Slurry seal and paving	200,500	200,500	198,557	1,943
Street master plan	90,000	90,000	15,279	74,721
Vaughn Road realignment	30,000	30,000	-	30,000
Railroad grade separation	<u>1,340,000</u>	<u>1,340,000</u>	<u>104,714</u>	<u>1,235,286</u>
Total Capital Outlay	<u>1,660,500</u>	<u>1,675,500</u>	<u>333,550</u>	<u>1,341,950</u>
Total Expenditures	<u>1,660,500</u>	<u>1,675,500</u>	<u>333,550</u>	<u>1,341,950</u>
Excess (deficiency) of revenues over expenditures	<u>(1,554,500)</u>	<u>(1,546,010)</u>	<u>(120,263)</u>	<u>1,425,747</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(6,193)</u>	<u>(6,193)</u>	<u>(6,193)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(6,193)</u>	<u>(6,193)</u>	<u>(6,193)</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,560,693)</u>	<u>\$ (1,552,203)</u>	<u>(126,456)</u>	<u>\$ 1,425,747</u>
Fund balance - July 1, 2012			<u>5,248,391</u>	
Fund balance - June 30, 2013			<u>\$ 5,121,935</u>	

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## NON-MAJOR GOVERNMENTAL FUNDS

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

### **SPECIAL REVENUE FUNDS**

#### Gas Tax Fund

This fund is used to account for receipts and expenditures of monies apportioned for road projects under the Street and Highway Code Sections 2103, 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 Used Oil Recycling Grant provided by the State of California to reduce the amount of illegally disposed used oil and oil related products.

#### 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 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.

#### 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.

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## NON-MAJOR GOVERNMENTAL FUNDS

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### **CAPITAL PROJECT FUNDS (continued)**

#### Public Works Fund

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

#### Storm Drain Fund

This fund is used to account for resources budgeted for storm drain projects.

#### 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**

#### 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, 2013**

<b>Special Revenue Funds</b>						
	<u>Gas Tax</u>	<u>Traffic Safety</u>	<u>Used Oil Recycling Block Grant</u>	<u>COPS Block Grant</u>	<u>Asset Forfeiture</u>	<u>CDBG</u>
<b><u>ASSETS</u></b>						
Cash and investments	\$ 298,969	\$ 41,747	\$ 4,617	\$ 202,721	\$ 1,172	\$ 193,652
Accounts receivable	-	329	-	45,006	-	-
Interest receivable	337	47	5	208	1	193
Taxes receivable	38,605	-	-	-	-	-
Notes receivable	-	-	-	-	-	389,217
Advances to other funds	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<b><u>\$ 337,911</u></b>	<b><u>\$ 42,123</u></b>	<b><u>\$ 4,622</u></b>	<b><u>\$ 247,935</u></b>	<b><u>\$ 1,173</u></b>	<b><u>\$ 583,062</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
<b><u>(DEFICITS)</u></b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 1,440	\$ 2,850	\$ 547	\$ 1,130	\$ -	\$ 51
Accrued payroll and benefits	-	-	-	550	-	-
Deferred revenue	-	-	-	-	-	389,217
Due to other funds	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<b><u>1,440</u></b>	<b><u>2,850</u></b>	<b><u>547</u></b>	<b><u>1,680</u></b>	<b><u>-</u></b>	<b><u>389,268</u></b>
<b>FUND BALANCES (DEFICITS):</b>						
Nonspendable	-	-	-	-	-	-
Restricted	336,471	39,273	4,075	246,255	1,173	193,794
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Fund Balances (Deficits)</b>	<b><u>336,471</u></b>	<b><u>39,273</u></b>	<b><u>4,075</u></b>	<b><u>246,255</u></b>	<b><u>1,173</u></b>	<b><u>193,794</u></b>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b><u>\$ 337,911</u></b>	<b><u>\$ 42,123</u></b>	<b><u>\$ 4,622</u></b>	<b><u>\$ 247,935</u></b>	<b><u>\$ 1,173</u></b>	<b><u>\$ 583,062</u></b>

**CITY OF DIXON**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2013**

	<b>Special Revenue Funds</b>			<b>Capital Project Funds</b>		
	Landscaping and Lighting Assessment Districts	Valley Glen Storm Drain	CFD Pond C	Capital Improvements	Community Development	Fire
<b>ASSETS</b>						
Cash and investments	\$ 152,099	\$ 1,040,144	\$ 11,838	\$ 571,999	\$ 158	\$ 71,873
Accounts receivable	-	-	-	-	-	-
Interest receivable	163	1,055	11	453	20	84
Taxes receivable	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Advances to other funds	-	-	-	164,580	-	-
<b>Total Assets</b>	<b>\$ 152,262</b>	<b>\$ 1,041,199</b>	<b>\$ 11,849</b>	<b>\$ 737,032</b>	<b>\$ 178</b>	<b>\$ 71,957</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>(DEFICITS)</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 9,515	\$ 860	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	5,131	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>14,646</b>	<b>860</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS):</b>						
Nonspendable	-	-	-	164,580	-	-
Restricted	137,616	1,040,339	11,849	-	-	-
Assigned	-	-	-	572,452	178	71,957
Unassigned	-	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>137,616</b>	<b>1,040,339</b>	<b>11,849</b>	<b>737,032</b>	<b>178</b>	<b>71,957</b>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b>\$ 152,262</b>	<b>\$ 1,041,199</b>	<b>\$ 11,849</b>	<b>\$ 737,032</b>	<b>\$ 178</b>	<b>\$ 71,957</b>

**CITY OF DIXON**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2013**

**Capital Project Funds**

	<u>Police</u>	<u>City Facilities</u>	<u>Public Works</u>	<u>Storm Drain</u>	<u>Core Area Drainage</u>	<u>Transit Projects</u>
<b><u>ASSETS</u></b>						
Cash and investments	\$ 31,253	\$ 123,758	\$ 385,920	\$ 298,580	\$ 703,663	\$ 1,057
Accounts receivable	-	-	2,529	-	-	-
Interest receivable	37	140	395	454	715	52
Taxes receivable	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 31,290</u></b>	<b><u>\$ 123,898</u></b>	<b><u>\$ 388,844</u></b>	<b><u>\$ 299,034</u></b>	<b><u>\$ 704,378</u></b>	<b><u>\$ 1,109</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
<b><u>(DEFICITS)</u></b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 220	\$ -
Accrued payroll and benefits	-	-	-	-	-	-
Deferred revenue	-	-	2,529	-	-	-
Due to other funds	-	-	-	-	-	647,622
Advances from other funds	-	-	-	1,267,000	-	-
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,529</u></b>	<b><u>1,267,000</u></b>	<b><u>220</u></b>	<b><u>647,622</u></b>
<b>FUND BALANCES (DEFICITS):</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Assigned	31,290	123,898	386,315	-	704,158	-
Unassigned	-	-	-	(967,966)	-	(646,513)
<b>Total Fund Balances (Deficits)</b>	<b><u>31,290</u></b>	<b><u>123,898</u></b>	<b><u>386,315</u></b>	<b><u>(967,966)</u></b>	<b><u>704,158</u></b>	<b><u>(646,513)</u></b>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b><u>\$ 31,290</u></b>	<b><u>\$ 123,898</u></b>	<b><u>\$ 388,844</u></b>	<b><u>\$ 299,034</u></b>	<b><u>\$ 704,378</u></b>	<b><u>\$ 1,109</u></b>

**CITY OF DIXON**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2013**

	<b>Capital Project Funds</b>		<b>Debt Service</b>	<b>Total Non-major Governmental Funds</b>
	<b>Recreation Improvements</b>	<b>Agricultural Land Mitigation</b>	<b>Lease Financing</b>	
<b>ASSETS</b>				
Cash and investments	\$ 810,473	\$ 63,893	\$ 179	\$ 5,009,765
Accounts receivable	-	-	-	47,864
Interest receivable	822	65	-	5,257
Taxes receivable	-	-	-	38,605
Notes receivable	-	-	-	389,217
Advances to other funds	-	-	-	164,580
<b>Total Assets</b>	<b>\$ 811,295</b>	<b>\$ 63,958</b>	<b>\$ 179</b>	<b>\$ 5,655,288</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>(DEFICITS)</b>				
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ 16,613
Accrued payroll and benefits	-	-	-	5,681
Deferred revenue	-	-	-	391,746
Due to other funds	-	-	-	647,622
Advances from other funds	-	-	-	1,267,000
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,328,662</b>
FUND BALANCES (DEFICITS):				
Nonspendable	-	-	-	164,580
Restricted	-	-	179	2,011,024
Assigned	811,295	63,958	-	2,765,501
Unassigned	-	-	-	(1,614,479)
<b>Total Fund Balances (Deficits)</b>	<b>811,295</b>	<b>63,958</b>	<b>179</b>	<b>3,326,626</b>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b>\$ 811,295</b>	<b>\$ 63,958</b>	<b>\$ 179</b>	<b>\$ 5,655,288</b>

**CITY OF DIXON**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<b>Special Revenue Funds</b>					
	<u>Gas Tax</u>	<u>Traffic Safety</u>	<u>Used Oil Recycling Block Grant</u>	<u>COPS Block Grant</u>	<u>Asset Forfeiture</u>	<u>CDBG</u>
<b>REVENUES</b>						
Taxes and assessments	\$ 425,508	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	22,363	-	-	-	-
Use of money and property	-	-	-	-	1	31
Program income	-	-	-	-	-	77,363
Intergovernmental	-	-	5,316	99,875	-	-
Charges for services	-	-	-	-	-	-
Developer fees	-	-	-	-	-	-
Total Revenues	<u>425,508</u>	<u>22,363</u>	<u>5,316</u>	<u>99,875</u>	<u>1</u>	<u>77,394</u>
<b>EXPENDITURES</b>						
Current:						
General administration	-	-	-	-	-	-
Public safety	19,777	-	4,530	50,404	-	-
Development	-	-	-	-	-	14,138
Public ways and facilities	38,415	42,876	-	-	-	-
Capital outlay	1,520	-	-	31,711	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>59,712</u>	<u>42,876</u>	<u>4,530</u>	<u>82,115</u>	<u>-</u>	<u>14,138</u>
Excess (Deficiency) of Revenues over Expenditures	<u>365,796</u>	<u>(20,513)</u>	<u>786</u>	<u>17,760</u>	<u>1</u>	<u>63,256</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(337,485)	(665)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(337,485)</u>	<u>(665)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	28,311	(21,178)	786	17,760	1	63,256
Fund balances (deficits) - July 1, 2012	253,924	60,451	3,289	228,495	1,172	130,538
Prior period adjustment (Note 17)	54,236	-	-	-	-	-
Fund balances - July 1, 2012, restated	<u>308,160</u>	<u>60,451</u>	<u>3,289</u>	<u>228,495</u>	<u>1,172</u>	<u>130,538</u>
Fund balances (deficits) - June 30, 2013	<u>\$ 336,471</u>	<u>\$ 39,273</u>	<u>\$ 4,075</u>	<u>\$ 246,255</u>	<u>\$ 1,173</u>	<u>\$ 193,794</u>



**CITY OF DIXON**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<b>Special Revenue</b>			<b>Capital Project Funds</b>		
	Landscaping and Lighting Assessment Districts	Valley Glen Storm Drain	CFD Pond C	Capital Improvements	Community Development	Fire
<b>REVENUES</b>						
Taxes and assessments	\$ 141,525	\$ 239,450	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	-	-	19	2,492	-	-
Program income	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	2,508	-	-	-
Developer fees	-	-	-	-	-	70,436
<b>Total Revenues</b>	<b>141,525</b>	<b>239,450</b>	<b>2,527</b>	<b>2,492</b>	<b>-</b>	<b>70,436</b>
<b>EXPENDITURES</b>						
Current:						
General administration	-	-	-	-	276	-
Public safety	-	-	-	-	-	-
Development	-	-	-	-	-	-
Public ways and facilities	218,925	36,525	3,318	-	-	-
Capital outlay	-	13,478	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>218,925</b>	<b>50,003</b>	<b>3,318</b>	<b>-</b>	<b>276</b>	<b>-</b>
Excess (Deficiency) of Revenues over Expenditures	<u>(77,400)</u>	<u>189,447</u>	<u>(791)</u>	<u>2,492</u>	<u>(276)</u>	<u>70,436</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	85,901	-	15,805	-	-	-
Transfers out	-	(1,695)	-	(10)	(154,826)	(110,334)
<b>Total Other Financing Sources (Uses)</b>	<b>85,901</b>	<b>(1,695)</b>	<b>15,805</b>	<b>(10)</b>	<b>(154,826)</b>	<b>(110,334)</b>
Net change in fund balances	8,501	187,752	15,014	2,482	(155,102)	(39,898)
Fund balances (deficits) - July 1, 2012	129,115	852,587	(3,165)	734,550	155,280	111,855
Prior period adjustment (Note 17)	-	-	-	-	-	-
Fund balances - July 1, 2012, restated	<u>129,115</u>	<u>852,587</u>	<u>(3,165)</u>	<u>734,550</u>	<u>155,280</u>	<u>111,855</u>
Fund balances (deficits) - June 30, 2013	<u>\$ 137,616</u>	<u>\$ 1,040,339</u>	<u>\$ 11,849</u>	<u>\$ 737,032</u>	<u>\$ 178</u>	<u>\$ 71,957</u>

**CITY OF DIXON**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

<b>Capital Project Funds</b>						
	<u>Police</u>	<u>City Facilities</u>	<u>Public Works</u>	<u>Storm Drain</u>	<u>Core Area Drainage</u>	<u>Transit Projects</u>
<b>REVENUES</b>						
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	-	-	-	-	501	137
Program income	-	-	-	-	-	-
Intergovernmental	-	-	17,849	-	-	-
Charges for services	-	-	-	-	-	-
Developer fees	<u>30,625</u>	<u>44,684</u>	<u>13,633</u>	<u>110,554</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>30,625</u>	<u>44,684</u>	<u>31,482</u>	<u>110,554</u>	<u>501</u>	<u>137</u>
<b>EXPENDITURES</b>						
Current:						
General administration	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Development	-	-	-	-	-	-
Public ways and facilities	-	-	-	144,362	-	11,621
Capital outlay	-	-	20,378	-	7,796	6,146
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>20,378</u>	<u>144,362</u>	<u>7,796</u>	<u>17,767</u>
Excess (Deficiency) of Revenues over Expenditures	<u>30,625</u>	<u>44,684</u>	<u>11,104</u>	<u>(33,808)</u>	<u>(7,295)</u>	<u>(17,630)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	550,000	-
Transfers out	<u>(48,000)</u>	<u>(130,761)</u>	<u>(1,997)</u>	<u>-</u>	<u>-</u>	<u>(810)</u>
Total Other Financing Sources (Uses)	<u>(48,000)</u>	<u>(130,761)</u>	<u>(1,997)</u>	<u>-</u>	<u>550,000</u>	<u>(810)</u>
Net change in fund balances	(17,375)	(86,077)	9,107	(33,808)	542,705	(18,440)
Fund balances (deficits) - July 1, 2012	48,665	209,975	377,208	(934,158)	161,453	(628,073)
Prior period adjustment (Note 17)	-	-	-	-	-	-
Fund balances - July 1, 2012, restated	<u>48,665</u>	<u>209,975</u>	<u>377,208</u>	<u>(934,158)</u>	<u>161,453</u>	<u>(628,073)</u>
Fund balances (deficits) - June 30, 2013	<u>\$ 31,290</u>	<u>\$ 123,898</u>	<u>\$ 386,315</u>	<u>\$ (967,966)</u>	<u>\$ 704,158</u>	<u>\$ (646,513)</u>

**CITY OF DIXON**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<b>Capital Project Funds</b>		<b>Debt Service</b>	<b>Total Non-major Governmental Funds</b>
	<b>Recreation Improvements</b>	<b>Agricultural Land Mitigation</b>	<b>Lease Financing</b>	
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 806,483
Fines and forfeitures	-	-	-	22,363
Use of money and property	465	-	-	3,646
Program income	-	-	-	77,363
Intergovernmental	-	-	-	123,040
Charges for services	-	-	-	2,508
Developer fees	434,812	-	-	704,744
Total Revenues	<u>435,277</u>	<u>-</u>	<u>-</u>	<u>1,740,147</u>
<b>EXPENDITURES</b>				
Current:				
General administration	-	28	-	304
Public safety	-	-	-	74,711
Development	-	-	-	14,138
Public ways and facilities	-	-	-	496,042
Capital outlay	38,697	-	-	119,726
Debt service:				
Principal	-	-	368,300	368,300
Interest and fiscal charges	-	-	73,458	73,458
Total Expenditures	<u>38,697</u>	<u>28</u>	<u>441,758</u>	<u>1,146,679</u>
Excess (Deficiency) of Revenues over Expenditures	<u>396,580</u>	<u>(28)</u>	<u>(441,758)</u>	<u>593,468</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	441,827	1,093,533
Transfers out	(762)	-	-	(787,345)
Total Other Financing Sources (Uses)	<u>(762)</u>	<u>-</u>	<u>441,827</u>	<u>306,188</u>
Net change in fund balances	395,818	(28)	69	899,656
Fund balances (deficits) - July 1, 2012	415,477	63,986	110	2,372,734
Prior period adjustment (Note 17)	-	-	-	54,236
Fund balances - July 1, 2012, restated	<u>415,477</u>	<u>63,986</u>	<u>110</u>	<u>2,426,970</u>
Fund balances (deficits) - June 30, 2013	<u>\$ 811,295</u>	<u>\$ 63,958</u>	<u>\$ 179</u>	<u>\$ 3,326,626</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, 2013**

	<b>2012 - 2013</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>			
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual Amounts</u></b>	
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ 465,032	\$ 465,032	\$ 425,508	\$ (39,524)
Use of money and property	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
Total Revenues	<u>465,532</u>	<u>465,532</u>	<u>425,508</u>	<u>(40,024)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public safety	20,000	20,000	19,777	223
Public ways and facilities	175,900	165,900	38,415	127,485
Capital outlay	<u>10,000</u>	<u>20,000</u>	<u>1,520</u>	<u>18,480</u>
Total Expenditures	<u>205,900</u>	<u>205,900</u>	<u>59,712</u>	<u>146,188</u>
Excess (deficiency) of revenues over expenditures	<u>259,632</u>	<u>259,632</u>	<u>365,796</u>	<u>106,164</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(317,485)</u>	<u>(337,485)</u>	<u>(337,485)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(317,485)</u>	<u>(337,485)</u>	<u>(337,485)</u>	<u>-</u>
Net change in fund balance	<u>\$ (57,853)</u>	<u>\$ (77,853)</u>	<u>28,311</u>	<u>\$ 106,164</u>
Fund balance - July 1, 2012			253,924	
Prior period adjustment			<u>54,236</u>	
Fund balance - July 1, 2012, restated			<u>308,160</u>	
Fund balance - June 30, 2013			<u>\$ 336,471</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, 2013**

	<b>2012 - 2013</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>			
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual Amounts</u></b>	
<b><u>REVENUES</u></b>				
Fines and forfeitures	\$ 32,000	\$ 32,000	\$ 22,363	\$ (9,637)
Use of money and property	<u>250</u>	<u>250</u>	<u>-</u>	<u>(250)</u>
Total Revenues	<u>32,250</u>	<u>32,250</u>	<u>22,363</u>	<u>(9,887)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public ways and facilities	<u>37,000</u>	<u>37,000</u>	<u>42,876</u>	<u>(5,876)</u>
Total Expenditures	<u>37,000</u>	<u>37,000</u>	<u>42,876</u>	<u>(5,876)</u>
Excess (deficiency) of revenues over expenditures	<u>(4,750)</u>	<u>(4,750)</u>	<u>(20,513)</u>	<u>(15,763)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(665)</u>	<u>(665)</u>	<u>(665)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(665)</u>	<u>(665)</u>	<u>(665)</u>	<u>-</u>
Net change in fund balance	<u>\$ (5,415)</u>	<u>\$ (5,415)</u>	<u>(21,178)</u>	<u>\$ (15,763)</u>
Fund balance - July 1, 2012			<u>60,451</u>	
Fund balance - June 30, 2013			<u>\$ 39,273</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, 2013**

	<u>2012 - 2013</u> <u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b><u>REVENUES</u></b>				
Intergovernmental	\$ <u>5,000</u>	\$ <u>5,000</u>	\$ <u>5,316</u>	\$ <u>316</u>
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>5,316</u>	<u>316</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public safety	<u>5,000</u>	<u>5,000</u>	<u>4,530</u>	<u>470</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>4,530</u>	<u>470</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	<u>786</u>	\$ <u>786</u>
Fund balance - July 1, 2012			<u>3,289</u>	
Fund balance - June 30, 2013			\$ <u>4,075</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, 2013**

	<b>2012 - 2013</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>			
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual Amounts</u></b>	
<b><u>REVENUES</u></b>				
Intergovernmental	\$ <u>100,000</u>	\$ <u>100,000</u>	\$ <u>99,875</u>	\$ <u>(125)</u>
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>99,875</u>	<u>(125)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public safety	76,409	76,409	50,404	26,005
Capital outlay	<u>45,500</u>	<u>51,842</u>	<u>31,711</u>	<u>20,131</u>
Total Expenditures	<u>121,909</u>	<u>128,251</u>	<u>82,115</u>	<u>46,136</u>
Net change in fund balance	\$ <u>(21,909)</u>	\$ <u>(28,251)</u>	<u>17,760</u>	\$ <u>46,011</u>
Fund balance - July 1, 2012			<u>228,495</u>	
Fund balance - June 30, 2013			\$ <u>246,255</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, 2013**

	<b>2012 - 2013</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original*</b>	<b>Final*</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Use of money and property	\$ _____ -	\$ _____ -	\$ _____ 1	\$ _____ 1
Total Revenues	_____ -	_____ -	_____ 1	_____ 1
 <b><u>EXPENDITURES</u></b>				
Current:				
Total Expenditures	_____ -	_____ -	_____ -	_____ -
Net change in fund balance	\$ _____ -	\$ _____ -	_____ 1	\$ _____ 1
Fund balance - July 1, 2012			1,172	
Fund balance - June 30, 2013			\$ 1,173	

\*The City did not adopt a budget for the Asset Forfeiture fund for the year ended June 30, 2013.



**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, 2013**

	<u>2012 - 2013</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>		
<b><u>REVENUES</u></b>				
Use of money and property	\$ 420	\$ 420	\$ 31	\$ (389)
Program income	<u>63,031</u>	<u>63,031</u>	<u>77,363</u>	<u>14,332</u>
Total Revenues	<u>63,451</u>	<u>63,451</u>	<u>77,394</u>	<u>13,943</u>
<b><u>EXPENDITURES</u></b>				
Current:				
<b>Development</b>				
Administration	69,682	69,682	14,138	55,544
'98 Grant administration	<u>700</u>	<u>700</u>	<u>-</u>	<u>700</u>
Total Development	<u>70,382</u>	<u>70,382</u>	<u>14,138</u>	<u>56,244</u>
Total Expenditures	<u>70,382</u>	<u>70,382</u>	<u>14,138</u>	<u>56,244</u>
Excess (deficiency) of revenues over expenditures	<u>(6,931)</u>	<u>(6,931)</u>	<u>63,256</u>	<u>70,187</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(459)</u>	<u>(459)</u>	<u>-</u>	<u>459</u>
Total Other Financing Sources (Uses)	<u>(459)</u>	<u>(459)</u>	<u>-</u>	<u>459</u>
Net change in fund balance	<u>\$ (7,390)</u>	<u>\$ (7,390)</u>	<u>63,256</u>	<u>\$ 70,646</u>
Fund balance - July 1, 2012			<u>130,538</u>	
Fund balance - June 30, 2013			<u>\$ 193,794</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, 2013**

	<b>2012 - 2013</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>			
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual Amounts</u></b>	
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ 139,810	\$ 139,810	\$ 141,525	\$ 1,715
Use of money and property	<u>275</u>	<u>275</u>	<u>-</u>	<u>(275)</u>
Total Revenues	<u>140,085</u>	<u>140,085</u>	<u>141,525</u>	<u>1,440</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public Ways and Facilities	<u>231,529</u>	<u>230,889</u>	<u>218,925</u>	<u>11,964</u>
Total Expenditures	<u>231,529</u>	<u>230,889</u>	<u>218,925</u>	<u>11,964</u>
Excess (deficiency) of revenues over expenditures	<u>(91,444)</u>	<u>(90,804)</u>	<u>(77,400)</u>	<u>13,404</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	<u>85,901</u>	<u>85,901</u>	<u>85,901</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>85,901</u>	<u>85,901</u>	<u>85,901</u>	<u>-</u>
Net change in fund balance	<u>\$ (5,543)</u>	<u>\$ (4,903)</u>	<u>8,501</u>	<u>\$ 13,404</u>
Fund balance - July 1, 2012			<u>129,115</u>	
Fund balance - June 30, 2013			<u>\$ 137,616</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, 2013**

	<b>2012 - 2013</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>			
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual Amounts</u></b>	
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ 240,000	\$ 240,000	\$ 239,450	\$ (550)
Use of money and property	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Total Revenues	<u>242,000</u>	<u>242,000</u>	<u>239,450</u>	<u>(2,550)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
<b>Public Ways and Facilities</b>				
Pump station	26,800	26,800	27,828	(1,028)
Pond A	47,125	47,125	8,593	38,532
Lateral one	<u>8,700</u>	<u>8,700</u>	<u>104</u>	<u>8,596</u>
Total Public Ways and Facilities	<u>82,625</u>	<u>82,625</u>	<u>36,525</u>	<u>46,100</u>
<b>Capital Outlay</b>	<u>33,000</u>	<u>33,000</u>	<u>13,478</u>	<u>19,522</u>
Total Expenditures	<u>115,625</u>	<u>115,625</u>	<u>50,003</u>	<u>65,622</u>
Excess (deficiency) of revenues over expenditures	<u>126,375</u>	<u>126,375</u>	<u>189,447</u>	<u>63,072</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(1,695)</u>	<u>(1,695)</u>	<u>(1,695)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,695)</u>	<u>(1,695)</u>	<u>(1,695)</u>	<u>-</u>
Net change in fund balance	\$ <u>124,680</u>	\$ <u>124,680</u>	<u>187,752</u>	\$ <u>63,072</u>
Fund balance - July 1, 2012			<u>852,587</u>	
Fund balance - June 30, 2013			<u>\$ 1,040,339</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, 2013**

	<u>2012 - 2013</u> <u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b><u>REVENUES</u></b>				
Use of money and property	\$ -	\$ -	\$ 19	\$ 19
Charges for services	<u>2,348</u>	<u>2,348</u>	<u>2,508</u>	<u>160</u>
Total Revenues	<u>2,348</u>	<u>2,348</u>	<u>2,527</u>	<u>179</u>
<b><u>EXPENDITURES</u></b>				
Current:				
<b>Public Ways and Facilities</b>				
Pond C	6,000	6,000	3,318	2,682
Lateral two	<u>4,950</u>	<u>4,950</u>	<u>-</u>	<u>4,950</u>
Total Public Ways and Facilities	<u>10,950</u>	<u>10,950</u>	<u>3,318</u>	<u>7,632</u>
Total Expenditures	<u>10,950</u>	<u>10,950</u>	<u>3,318</u>	<u>7,632</u>
Excess (deficiency) of revenues over expenditures	<u>(8,602)</u>	<u>(8,602)</u>	<u>(791)</u>	<u>7,811</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	<u>15,805</u>	<u>15,805</u>	<u>15,805</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>15,805</u>	<u>15,805</u>	<u>15,805</u>	<u>-</u>
Net change in fund balance	<u>\$ 7,203</u>	<u>\$ 7,203</u>	<u>15,014</u>	<u>\$ 7,811</u>
Fund balance (deficit) - July 1, 2012			<u>(3,165)</u>	
Fund balance - June 30, 2013			<u>\$ 11,849</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, 2013**

	<u>2012 - 2013</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>		
<b><u>REVENUES</u></b>				
Use of money and property	\$ <u>131,500</u>	\$ <u>131,500</u>	\$ <u>2,492</u>	\$ <u>(129,008)</u>
Total Revenues	<u>131,500</u>	<u>131,500</u>	<u>2,492</u>	<u>(129,008)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public ways and facilities	50,000	50,000	-	50,000
Capital outlay	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>
Total Expenditures	<u>60,000</u>	<u>60,000</u>	-	<u>60,000</u>
Excess (deficiency) of revenues over expenditures	<u>71,500</u>	<u>71,500</u>	<u>2,492</u>	<u>(69,008)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(10)</u>	<u>(10)</u>	<u>(10)</u>	-
Total Other Financing Sources (Uses)	<u>(10)</u>	<u>(10)</u>	<u>(10)</u>	-
Net change in fund balance	\$ <u>71,490</u>	\$ <u>71,490</u>	<u>2,482</u>	\$ <u>(69,008)</u>
Fund balance - July 1, 2012			<u>734,550</u>	
Fund balance - June 30, 2013			\$ <u>737,032</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, 2013

	<u>2012 - 2013</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>		
<b><u>REVENUES</u></b>				
Use of money and property	\$ <u>1,200</u>	\$ <u>1,200</u>	\$ <u>-</u>	\$ <u>(1,200)</u>
Total Revenues	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>(1,200)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General administration	<u>-</u>	<u>-</u>	<u>276</u>	<u>(276)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>276</u>	<u>(276)</u>
Excess (deficiency) of revenues over expenditures	<u>1,200</u>	<u>1,200</u>	<u>(276)</u>	<u>(1,476)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(154,826)</u>	<u>(154,826)</u>	<u>(154,826)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(154,826)</u>	<u>(154,826)</u>	<u>(154,826)</u>	<u>-</u>
Net change in fund balance	\$ <u>(153,626)</u>	\$ <u>(153,626)</u>	<u>(155,102)</u>	\$ <u>(1,476)</u>
Fund balance - July 1, 2012			<u>155,280</u>	
Fund balance - June 30, 2013			\$ <u><u>178</u></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, 2013**

	<u>2012 - 2013</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>		
<b><u>REVENUES</u></b>				
Developer fees	\$ -	\$ 64,985	\$ 70,436	\$ 5,451
Total Revenues	-	64,985	70,436	5,451
<b><u>EXPENDITURES</u></b>				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	64,985	70,436	5,451
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	(110,334)	(110,334)	(110,334)	-
Total Other Financing Sources (Uses)	(110,334)	(110,334)	(110,334)	-
Net change in fund balance	\$ (110,334)	\$ (45,349)	(39,898)	\$ 5,451
Fund balance - July 1, 2012			111,855	
Fund balance - June 30, 2013			\$ 71,957	

**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, 2013**

	<b>2012 - 2013</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Developer fees	\$ -	\$ 28,250	\$ 30,625	\$ 2,375
Total Revenues	-	28,250	30,625	2,375
<b><u>EXPENDITURES</u></b>				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	28,250	30,625	2,375
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	(48,000)	(48,000)	(48,000)	-
Total Other Financing Sources (Uses)	(48,000)	(48,000)	(48,000)	-
Net change in fund balance	\$ (48,000)	\$ (19,750)	(17,375)	\$ 2,375
Fund balance - July 1, 2012			48,665	
Fund balance - June 30, 2013			\$ 31,290	



**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, 2013**

	<u>2012 - 2013</u> <u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>(Negative)</u>
<b><u>REVENUES</u></b>				
Use of money and property	\$ 600	\$ 600	\$ -	\$ (600)
Developer fees	<u>1,000</u>	<u>41,385</u>	<u>44,684</u>	<u>3,299</u>
Total Revenues	<u>1,600</u>	<u>41,985</u>	<u>44,684</u>	<u>2,699</u>
<b><u>EXPENDITURES</u></b>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,600</u>	<u>41,985</u>	<u>44,684</u>	<u>2,699</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(130,761)</u>	<u>(130,761)</u>	<u>(130,761)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(130,761)</u>	<u>(130,761)</u>	<u>(130,761)</u>	<u>-</u>
Net change in fund balance	<u>\$ (129,161)</u>	<u>\$ (88,776)</u>	<u>(86,077)</u>	<u>\$ 2,699</u>
Fund balance - July 1, 2012			<u>209,975</u>	
Fund balance - June 30, 2013			<u>\$ 123,898</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, 2013**

	<b>2012 - 2013</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>			
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual Amounts</u></b>	
<b><u>REVENUES</u></b>				
Use of money and property	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Intergovernmental	10,000	10,000	17,849	7,849
Developer fees	<u>-</u>	<u>10,840</u>	<u>13,633</u>	<u>2,793</u>
Total Revenues	<u>11,000</u>	<u>21,840</u>	<u>31,482</u>	<u>9,642</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Capital outlay	<u>10,000</u>	<u>32,156</u>	<u>20,378</u>	<u>11,778</u>
Total Expenditures	<u>10,000</u>	<u>32,156</u>	<u>20,378</u>	<u>11,778</u>
Excess (deficiency) of revenues over expenditures	<u>1,000</u>	<u>(10,316)</u>	<u>11,104</u>	<u>21,420</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
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>\$ (997)</u>	<u>\$ (12,313)</u>	<u>9,107</u>	<u>\$ 21,420</u>
Fund balance - July 1, 2012			<u>377,208</u>	
Fund balance - June 30, 2013			<u>\$ 386,315</u>	

**CITY OF DIXON**  
**STORM DRAIN FUND - CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<b>2012 - 2013</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original*</b>	<b>Final*</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Developer fees	\$ -	\$ -	\$ 110,554	\$ 110,554
Total Revenues	-	-	110,554	110,554
<b><u>EXPENDITURES</u></b>				
Current:				
Public ways and facilities	-	-	144,362	(144,362)
Total Expenditures	-	-	144,362	-
Net change in fund balance (deficit)	\$ -	\$ -	(33,808)	\$ (33,808)
Fund balance (deficit) - July 1, 2012			(934,158)	
Fund balance (deficit) - June 30, 2013			\$ (967,966)	

\*The City did not adopt a budget for the Storm Drain fund for the year ended June 30, 2013.

**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, 2013**

	<b>2012 - 2013</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Use of money and property	\$ -	\$ -	\$ 501	\$ 501
Total Revenues	-	-	501	501
<b><u>EXPENDITURES</u></b>				
Current:				
Capital outlay	-	711,000	7,796	703,204
Total Expenditures	-	711,000	7,796	703,204
Excess (deficiency) of revenues over expenditures	-	(711,000)	(7,295)	703,705
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	550,000	550,000	-
Total Other Financing Sources (Uses)	-	550,000	550,000	-
Net change in fund balance	\$ -	\$ (161,000)	542,705	\$ 703,705
Fund balance - July 1, 2012			161,453	
Fund balance - June 30, 2013			\$ 704,158	

**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, 2013**

	<u>2012 - 2013</u> <u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b><u>REVENUES</u></b>				
Use of money and property	\$ <u>1,500</u>	\$ <u>1,500</u>	\$ <u>137</u>	\$ <u>(1,363)</u>
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>137</u>	<u>(1,363)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public ways and facilities	-	-	11,621	(11,621)
Capital outlay	<u>13,000</u>	<u>13,000</u>	<u>6,146</u>	<u>6,854</u>
Total Expenditures	<u>13,000</u>	<u>13,000</u>	<u>17,767</u>	<u>(4,767)</u>
Excess (deficiency) of revenues over expenditures	<u>(11,500)</u>	<u>(11,500)</u>	<u>(17,630)</u>	<u>(6,130)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(810)</u>	<u>(810)</u>	<u>(810)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(810)</u>	<u>(810)</u>	<u>(810)</u>	<u>-</u>
Net change in fund balance	<u>\$ (12,310)</u>	<u>\$ (12,310)</u>	<u>(18,440)</u>	<u>\$ (6,130)</u>
Fund balance (deficit) - July 1, 2012			<u>(628,073)</u>	
Fund balance (deficit) - June 30, 2013			<u>\$ (646,513)</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, 2013**

	<b>2012 - 2013</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Use of money and property	\$ 500	\$ 500	\$ 465	\$ (35)
Developer fees	<u>-</u>	<u>434,812</u>	<u>434,812</u>	<u>-</u>
Total Revenues	<u>500</u>	<u>435,312</u>	<u>435,277</u>	<u>(35)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Capital outlay	<u>-</u>	<u>41,342</u>	<u>38,697</u>	<u>2,645</u>
Total Expenditures	<u>-</u>	<u>41,342</u>	<u>38,697</u>	<u>2,645</u>
Excess (deficiency) of revenues over expenditures	<u>500</u>	<u>393,970</u>	<u>396,580</u>	<u>2,610</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(762)</u>	<u>(762)</u>	<u>(762)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(762)</u>	<u>(762)</u>	<u>(762)</u>	<u>-</u>
Net change in fund balance	<u>\$ (262)</u>	<u>\$ 393,208</u>	<u>395,818</u>	<u>\$ 2,610</u>
Fund balance - July 1, 2012			<u>415,477</u>	
Fund balance - June 30, 2013			<u>\$ 811,295</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, 2013**

	<u>2012 - 2013</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>		
<b><u>REVENUES</u></b>				
Total Revenues	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
<b><u>EXPENDITURES</u></b>				
Current:				
General administration	_____ -	_____ -	_____ 28	_____ (28)
Total Expenditures	_____ -	_____ -	_____ 28	_____ (28)
Net change in fund balance	\$ _____ -	\$ _____ -	_____ (28)	\$ _____ (28)
Fund balance - July 1, 2012			_____ 63,986	
Fund balance - June 30, 2013			\$ _____ 63,958	

\*The City did not adopt a budget for the Agricultural Land Mitigation fund for the year ended June 30, 2013.

**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, 2013**

	<u>2012 - 2013</u> <u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b><u>REVENUES</u></b>				
Total Revenues	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
<b><u>EXPENDITURES</u></b>				
Current:				
Debt Service				
Principal	368,300	368,300	368,300	-
Interest and fiscal charges	<u>73,527</u>	<u>73,527</u>	<u>73,458</u>	<u>69</u>
Total Expenditures	<u>441,827</u>	<u>441,827</u>	<u>441,758</u>	<u>69</u>
Excess (deficiency) of revenues over expenditures	<u>(441,827)</u>	<u>(441,827)</u>	<u>(441,758)</u>	<u>69</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	<u>441,827</u>	<u>441,827</u>	<u>441,827</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>441,827</u>	<u>441,827</u>	<u>441,827</u>	<u>-</u>
Net change in fund balance	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>69</u>	<u>\$ 69</u>
Fund balance - July 1, 2012			<u>110</u>	
Fund balance - June 30, 2013			<u>\$ 179</u>	



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## AGENCY FUNDS

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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 FIDUCIARY NET POSITION**  
**AGENCY FUNDS**  
**JUNE 30, 2013**

	<b>West "A" Street Improvement District</b>	<b>North First Street Improvement District</b>	<b>Flexible Spending Account</b>	<b>Dixon Fire Protection Agency</b>	<b>Public Financing Assessment Districts</b>	<b>Dixon-Solano Water Authority</b>	<b>Totals</b>
<b><u>ASSETS</u></b>							
Cash and investments	\$ 841,766	\$ 2,503,273	\$ 237	\$ 608,297	\$ 379,913	\$ 195,307	\$ 4,528,793
Accounts receivable	-	-	-	-	-	386,553	386,553
Interest receivable	847	2,523	-	616	385	966	5,337
Restricted cash	-	-	-	-	<u>2,643,733</u>	<u>767,336</u>	<u>3,411,069</u>
<b>Total Assets</b>	<b><u>\$ 842,613</u></b>	<b><u>\$ 2,505,796</u></b>	<b><u>\$ 237</u></b>	<b><u>\$ 608,913</u></b>	<b><u>\$ 3,024,031</u></b>	<b><u>\$ 1,350,162</u></b>	<b><u>\$ 8,331,752</u></b>
<b><u>LIABILITIES</u></b>							
Accounts payable	\$ 288	\$ 288	\$ -	\$ 2,203	\$ -	\$ 82,953	\$ 85,732
Deposits payable	-	-	-	-	-	767,336	767,336
Interest payable	16,211	175,328	-	-	158,602	-	350,141
Agency obligations	<u>826,114</u>	<u>2,330,180</u>	<u>237</u>	<u>606,710</u>	<u>2,865,429</u>	<u>499,873</u>	<u>7,128,543</u>
<b>Total Liabilities</b>	<b><u>\$ 842,613</u></b>	<b><u>\$ 2,505,796</u></b>	<b><u>\$ 237</u></b>	<b><u>\$ 608,913</u></b>	<b><u>\$ 3,024,031</u></b>	<b><u>\$ 1,350,162</u></b>	<b><u>\$ 8,331,752</u></b>

**CITY OF DIXON**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<u>West "A" Street Improvement District</u>				
<b>ASSETS</b>				
Cash and investments	\$ 611,025	\$ 677,191	\$ 446,450	\$ 841,766
Interest receivable	<u>810</u>	<u>847</u>	<u>810</u>	<u>847</u>
Total Assets	<u>\$ 611,835</u>	<u>\$ 678,038</u>	<u>\$ 447,260</u>	<u>\$ 842,613</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 15,117	\$ 14,829	\$ 288
Interest payable	23,135	16,211	23,135	16,211
Agency obligations	<u>588,700</u>	<u>237,414</u>	<u>-</u>	<u>826,114</u>
Total Liabilities	<u>\$ 611,835</u>	<u>\$ 268,742</u>	<u>\$ 37,964</u>	<u>\$ 842,613</u>
<u>North First Street Improvement District</u>				
<b>ASSETS</b>				
Cash and investments	\$ 2,426,137	\$ 1,473,011	\$ 1,395,875	\$ 2,503,273
Interest receivable	<u>3,225</u>	<u>2,523</u>	<u>3,225</u>	<u>2,523</u>
Total Assets	<u>\$ 2,429,362</u>	<u>\$ 1,475,534</u>	<u>\$ 1,399,100</u>	<u>\$ 2,505,796</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 15,117	\$ 14,829	\$ 288
Interest payable	189,567	175,329	189,568	175,328
Agency obligations	<u>2,239,795</u>	<u>90,385</u>	<u>-</u>	<u>2,330,180</u>
Total Liabilities	<u>\$ 2,429,362</u>	<u>\$ 280,831</u>	<u>\$ 204,397</u>	<u>\$ 2,505,796</u>
<u>Flexible Spending Account</u>				
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 35,197	\$ 34,960	\$ 237
Total Assets	<u>\$ -</u>	<u>\$ 35,197</u>	<u>\$ 34,960</u>	<u>\$ 237</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 923	\$ -	\$ 923	\$ -
Agency obligations	<u>(923)</u>	<u>34,553</u>	<u>33,393</u>	<u>237</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 34,553</u>	<u>\$ 34,316</u>	<u>\$ 237</u>
<u>Dixon Fire Protection Agency</u>				
<b>ASSETS</b>				
Cash and investments	\$ 594,517	\$ 502,139	\$ 488,359	\$ 608,297
Accounts receivable	37,986	-	37,986	-
Interest receivable	<u>795</u>	<u>616</u>	<u>795</u>	<u>616</u>
Total Assets	<u>\$ 633,298</u>	<u>\$ 502,755</u>	<u>\$ 527,140</u>	<u>\$ 608,913</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 25,603	\$ 23,400	\$ 2,203
Agency obligations	<u>633,298</u>	<u>529,855</u>	<u>556,443</u>	<u>606,710</u>
Total Liabilities	<u>\$ 633,298</u>	<u>\$ 555,458</u>	<u>\$ 579,843</u>	<u>\$ 608,913</u>

**CITY OF DIXON**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (continued)**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<u>Public Financing Assessment District</u>				
<b>ASSETS</b>				
Cash and investments	\$ 385,934	\$ 1,805,690	\$ 1,811,711	\$ 379,913
Restricted cash and investments	2,492,355	2,938,003	2,786,625	2,643,733
Interest receivable	<u>516</u>	<u>385</u>	<u>516</u>	<u>385</u>
Total Assets	<u>\$ 2,878,805</u>	<u>\$ 4,744,078</u>	<u>\$ 4,598,852</u>	<u>\$ 3,024,031</u>
<b>LIABILITIES</b>				
Interest payable	\$ 176,994	\$ 158,602	\$ 176,994	\$ 158,602
Agency obligations	<u>2,701,811</u>	<u>1,983,070</u>	<u>1,819,452</u>	<u>2,865,429</u>
Total Liabilities	<u>\$ 2,878,805</u>	<u>\$ 2,141,672</u>	<u>\$ 1,996,446</u>	<u>\$ 3,024,031</u>
<u>Dixon Solano Water Authority</u>				
<b>ASSETS</b>				
Cash and investments	\$ 39,972	\$ 1,321,012	\$ 1,165,677	\$ 195,307
Restricted cash and investments	766,036	6,029	4,729	767,336
Accounts receivable	190,170	1,433,459	1,237,076	386,553
Interest receivable	<u>1,136</u>	<u>966</u>	<u>1,136</u>	<u>966</u>
Total Assets	<u>\$ 997,314</u>	<u>\$ 2,761,466</u>	<u>\$ 2,408,618</u>	<u>\$ 1,350,162</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 134,759	\$ 834,624	\$ 886,430	\$ 82,953
Deposits payable	766,036	6,029	4,729	767,336
Agency obligations	<u>96,519</u>	<u>403,354</u>	<u>-</u>	<u>499,873</u>
Total Liabilities	<u>\$ 997,314</u>	<u>\$ 1,244,007</u>	<u>\$ 891,159</u>	<u>\$ 1,350,162</u>
<u>Total Agency Funds</u>				
<b>ASSETS</b>				
Cash and investments	\$ 4,057,585	\$ 5,814,240	\$ 5,343,032	\$ 4,528,793
Restricted cash and investments	3,258,391	2,944,032	2,791,354	3,411,069
Accounts receivable	228,156	1,433,459	1,275,062	386,553
Interest receivable	<u>6,482</u>	<u>5,337</u>	<u>6,482</u>	<u>5,337</u>
Total Assets	<u>\$ 7,550,614</u>	<u>\$ 10,197,068</u>	<u>\$ 9,415,930</u>	<u>\$ 8,331,752</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 135,682	\$ 890,461	\$ 940,411	\$ 85,732
Deposits payable	766,036	6,029	4,729	767,336
Interest payable	389,696	350,142	389,697	350,141
Agency obligations	<u>6,259,200</u>	<u>3,278,631</u>	<u>2,409,288</u>	<u>7,128,543</u>
Total Liabilities	<u>\$ 7,550,614</u>	<u>\$ 4,525,263</u>	<u>\$ 3,744,125</u>	<u>\$ 8,331,752</u>

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## GENERAL FUNDS

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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, 2013**

	<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>
<b>ASSETS</b>									
Cash and cash equivalents	\$ 898,080	\$ 1,962,868	\$ 179,750	\$ 2,719	\$ 20,561	\$ 509,643	\$ 165,577	\$ 100,203	\$ 3,839,401
Restricted cash	265,716	-	-	-	33,446	-	-	-	299,162
Accounts receivable	619,538	-	-	59	-	-	-	-	619,597
Interest receivable	929	1,997	182	2	50	524	168	95	3,947
Taxes receivable	792,743	-	-	-	-	-	-	-	792,743
Due from other funds	-	5,738	-	-	-	-	-	-	5,738
Due from other governments	299,141	-	-	-	-	1,891	-	-	301,032
Prepaid expenses	366,362	-	-	-	-	-	-	-	366,362
Inventory	1,005	-	-	-	-	-	-	-	1,005
Total Assets	<u>\$ 3,243,514</u>	<u>\$ 1,970,603</u>	<u>\$ 179,932</u>	<u>\$ 2,780</u>	<u>\$ 54,057</u>	<u>\$ 512,058</u>	<u>\$ 165,745</u>	<u>\$ 100,298</u>	<u>\$ 6,228,987</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>									
<b>LIABILITIES:</b>									
Accounts payable	\$ 264,647	\$ -	\$ -	\$ 2,555	\$ 8,414	\$ -	\$ -	\$ -	\$ 275,616
Accrued payroll and benefits	334,154	-	-	225	-	-	-	-	334,379
Deferred revenue	395,717	-	-	-	-	-	-	-	395,717
Deposits payable	244,243	-	-	-	33,446	-	-	-	277,689
Total Liabilities	<u>1,238,761</u>	<u>-</u>	<u>-</u>	<u>2,780</u>	<u>41,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,283,401</u>
<b>FUND BALANCES (DEFICITS):</b>									
Reserved for:									
Nonspendable	367,367	-	-	-	-	-	-	-	367,367
Restricted	980	-	-	-	-	-	-	-	980
Committed	150,449	-	-	-	-	-	-	-	150,449
Assigned	-	-	-	-	-	512,058	165,745	100,298	778,101
Unassigned	1,485,957	1,970,603	179,932	-	12,197	-	-	-	3,648,689
Total Fund Balances (Deficits)	<u>2,004,753</u>	<u>1,970,603</u>	<u>179,932</u>	<u>-</u>	<u>12,197</u>	<u>512,058</u>	<u>165,745</u>	<u>100,298</u>	<u>4,945,586</u>
Total Liabilities and Fund Balances	<u>\$ 3,243,514</u>	<u>\$ 1,970,603</u>	<u>\$ 179,932</u>	<u>\$ 2,780</u>	<u>\$ 54,057</u>	<u>\$ 512,058</u>	<u>\$ 165,745</u>	<u>\$ 100,298</u>	<u>\$ 6,228,987</u>

**CITY OF DIXON**  
**GENERAL FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<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>
<b>REVENUES</b>									
Taxes and assessments	\$ 11,107,456	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,107,456
License, permits, and fees	1,156,465	-	15,843	-	30,393	-	-	-	1,202,701
Fines and forfeitures	15,615	-	-	-	-	-	-	-	15,615
Use of money and property	155,205	(884)	(50)	12	(40)	(2,220)	371	66	152,460
Intergovernmental	374,765	-	-	-	-	-	-	-	374,765
Charges for services	651,566	-	-	59,393	13,644	44,173	-	-	768,776
Other revenues	64,760	-	-	-	-	-	148,761	-	213,521
<b>Total Revenues</b>	<b>13,525,832</b>	<b>(884)</b>	<b>15,793</b>	<b>59,405</b>	<b>43,997</b>	<b>41,953</b>	<b>149,132</b>	<b>66</b>	<b>13,835,294</b>
<b>EXPENDITURES</b>									
General administration	1,825,048	-	-	-	-	-	-	-	1,825,048
Public safety	7,012,531	-	-	-	-	-	-	-	7,012,531
Parks and recreation	1,370,424	-	-	44,348	-	-	-	-	1,414,772
Development	280,591	-	-	-	24,949	-	-	-	305,540
Public ways and facilities	953,168	-	-	-	5,996	-	-	-	959,164
Capital outlay	869,171	-	-	-	-	-	-	-	869,171
<b>Total Expenditures</b>	<b>12,310,933</b>	<b>-</b>	<b>-</b>	<b>44,348</b>	<b>30,945</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,386,226</b>
Excess (deficiency) of revenues over expenditures	1,214,899	(884)	15,793	15,057	13,052	41,953	149,132	66	1,449,068
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	1,345,935	-	-	1,331	-	-	-	50,000	1,397,266
Transfers out	(683,037)	-	-	(16,388)	-	(812,435)	-	-	(1,511,860)
<b>Total Other Financing Sources (Uses)</b>	<b>662,898</b>	<b>-</b>	<b>-</b>	<b>(15,057)</b>	<b>-</b>	<b>(812,435)</b>	<b>-</b>	<b>50,000</b>	<b>(114,594)</b>
Net Change in Fund Balance	1,877,797	(884)	15,793	-	13,052	(770,482)	149,132	50,066	1,334,474
Fund Balances - July 1, 2012	400,956	1,971,487	164,139	-	(855)	1,282,540	16,613	50,232	3,885,112
Prior Period Restatement	(274,000)	-	-	-	-	-	-	-	(274,000)
Fund Balances - July 1, 2012, Restated	126,956	1,971,487	164,139	-	(855)	1,282,540	16,613	50,232	3,611,112
Fund Balances - June 30, 2013	\$ 2,004,753	\$ 1,970,603	\$ 179,932	\$ -	\$ 12,197	\$ 512,058	\$ 165,745	\$ 100,298	\$ 4,945,586



# 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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	114 - 118
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	119 - 123
<b>Debt Capacity</b>	
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.	124 - 128
<b>Economic and Demographic Information</b>	
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.	129 - 130
<b>Operating Information</b>	
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.	131 - 133

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 POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS** (in thousands of dollars)  
*(accrual basis of accounting)*

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Invested in capital assets, net of debt	\$ 124,586	\$ 130,280	\$ 144,002	\$ 145,119	\$ 145,706	\$ 142,637	\$ 139,561	\$ 136,806	\$ 138,640	\$ 135,804
Restricted	22,702	23,897	20,525	19,400	4,811	2,509	3,396	4,502	1,715	1,843
Unrestricted	4,098	4,355	4,058	4,968	15,476	17,525	13,097	10,970	9,103	10,024
Total governmental activities net position	<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>	<u>\$ 147,671</u>
Business-type activities										
Invested in capital assets, net of debt	\$ 50,148	\$ 51,327	\$ 55,008	\$ 58,496	\$ 55,719	\$ 54,387	\$ 52,792	\$ 41,823	\$ 40,780	\$ 39,759
Restricted	523	531	550	571	373	182	196	195	-	-
Unrestricted	218	1,965	2,478	918	2,743	2,579	2,853	2,967	3,459	4,186
Total business-type activities net position	<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>	<u>\$ 43,945</u>
Primary government										
Invested in capital assets, net of debt	\$ 174,734	\$ 181,607	\$ 199,010	\$ 203,615	\$ 201,425	\$ 197,024	\$ 192,353	\$ 178,629	\$ 179,420	\$ 175,563
Restricted	23,225	24,428	21,075	19,971	5,184	2,691	3,592	4,697	1,715	1,843
Unrestricted	4,316	6,320	6,536	5,886	18,219	20,104	15,950	13,937	12,562	14,210
Total primary government net position	<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>	<u>\$ 191,616</u>

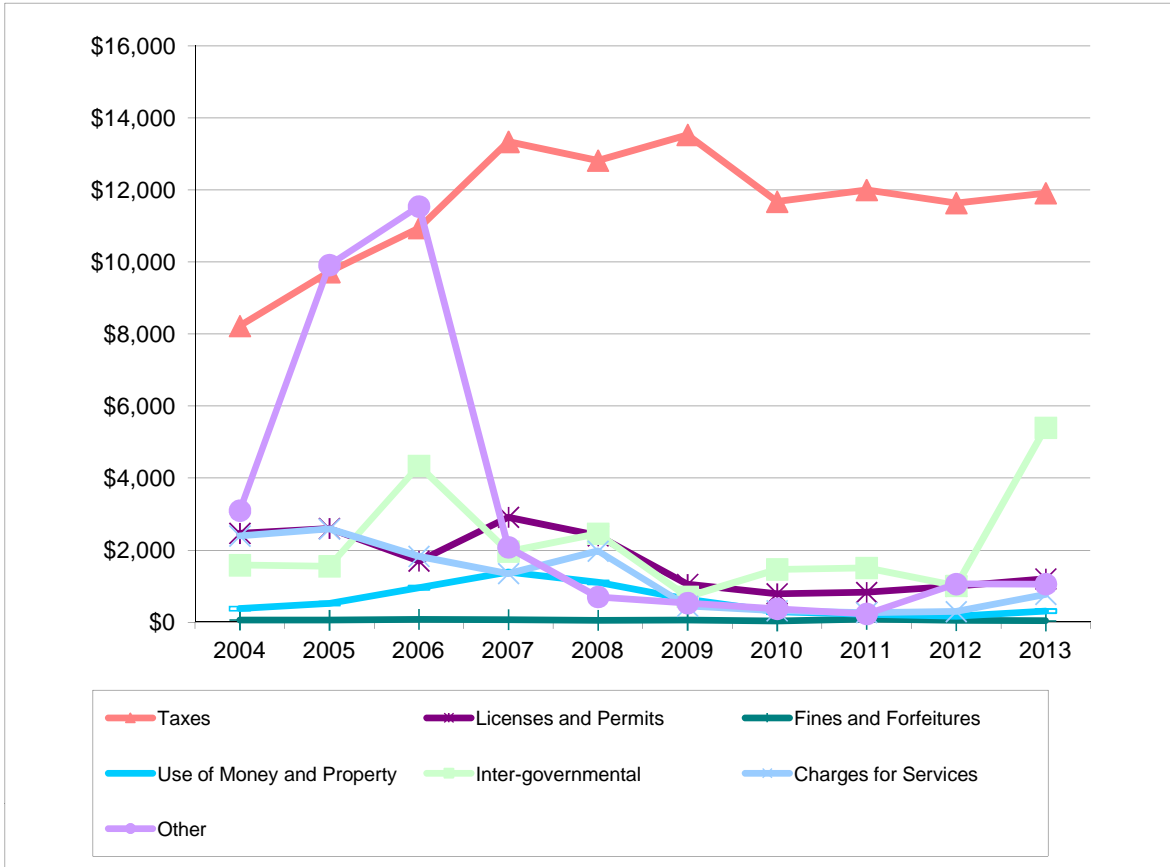
Source: City of Dixon Finance

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental Activities:										
General government	1,962	2,160	2,612	3,048	\$ 3,534	\$ 2,323	\$ 3,130	\$ 2,482	\$ 1,741	\$ 2,011
Public safety	5,791	6,271	6,828	7,425	7,798	7,961	7,832	7,566	7,425	7,569
Public services	1,416	1,500	1,963	2,176	2,254	2,394	5,396	4,782	2,188	2,155
Recreation	1,878	2,098	1,799	2,303	2,859	2,426	2,361	2,197	1,203	5,104
Community development	5,248	7,013	5,890	5,745	6,455	5,186	3,553	1,649	4,720	4,798
Interest and fiscal charges	525	555	535	769	445	428	405	384	401	78
Transfers out	-	-	-	-	-	-	-	-	-	-
Total governmental activity expenses	\$ 16,820	\$ 19,597	\$ 19,627	\$ 21,466	\$ 23,345	\$ 20,718	\$ 22,677	\$ 19,060	\$ 17,678	\$ 21,715
Business-type activities:										
Sewer	\$ 2,191	\$ 2,761	\$ 2,341	\$ 2,701	\$ 3,150	\$ 3,066	\$ 2,938	\$ 2,904	\$ 3,005	\$ 2,777
Water	583	583	555	711	779	830	882	131	-	-
Transit	482	601	646	642	713	638	569	624	741	675
Transfers out	-	41	28	92	160	305	308	-	-	-
Total business-type activities expenses	3,256	3,986	3,570	4,146	4,802	4,839	4,697	3,659	3,746	3,452
Total primary government expenses	\$ 20,076	\$ 23,583	\$ 23,197	\$ 25,612	\$ 28,147	\$ 25,557	\$ 27,374	\$ 22,719	\$ 21,424	\$ 25,167
<b>Program Revenues</b>										
Charges for Services										
General government	\$ 1,384	\$ 1,334	\$ 1,744	\$ 1,363	\$ 1,884	\$ 155	\$ 226	\$ 288	\$ 204	\$ 488
Public safety	526	633	696	727	778	707	663	722	940	937
Parks and recreation	342	248	139	200	233	333	186	129	584	781
Development	70	91	109	1,322	544	180	175	74	252	243
Public ways and facilities	2,184	2,196	376	151	475	222	88	94	242	226
Operating grants	586	885	1,122	445	632	505	854	202	201	372
Capital grants	3,351	10,303	12,718	2,326	2,122	853	1,413	1,202	958	4,979
Total governmental activities	8,443	15,690	16,904	6,534	6,668	2,955	3,605	2,711	3,381	8,026
Business-type activities:										
Charges for services	3,028	1,728	1,817	2,115	2,376	2,358	2,743	2,490	2,681	2,785
Operating grants and contributions	334	458	501	558	577	669	544	532	592	540
Capital grants and contributions	87	4,634	3,725	2,974	-	-	57	284	3	18
Transfers in	-	-	-	-	-	-	-	-	-	-
Total business-type activities	3,449	6,820	6,043	5,647	2,953	3,027	3,344	3,306	3,276	3,343
Total primary government	\$ 11,892	\$ 22,510	\$ 22,947	\$ 12,181	\$ 9,621	\$ 5,982	\$ 6,949	\$ 6,017	\$ 6,657	\$ 11,369
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (8,377)	\$ (3,907)	\$ (2,723)	\$ (14,932)	\$ (16,677)	\$ (17,763)	\$ (19,072)	\$ (16,349)	\$ (14,297)	\$ (13,689)
Business-type activities	193	2,834	2,473	1,501	(1,849)	(1,812)	(1,353)	(353)	(470)	(109)
Total primary government	\$ (8,184)	\$ (1,073)	\$ (250)	\$ (13,431)	\$ (18,526)	\$ (19,575)	\$ (20,425)	\$ (16,702)	\$ (14,767)	\$ (13,798)
<b>General Revenues</b>										
Government Activities										
Taxes										
Sales and use taxes	\$ 3,856	\$ 4,144	\$ 4,742	\$ 6,288	\$ 5,558	\$ 5,236	\$ 4,527	\$ 4,480	\$ 4,840	\$ 5,123
Property taxes	3,513	4,269	4,888	5,335	5,504	5,363	4,915	5,069	4,374	3,953
Motor vehicle and gas taxes	1,058	1,339	1,432	1,817	1,790	1,847	1,673	1,777	1,759	1,637
Franchise taxes	407	405	437	492	472	519	502	506	497	516
Transient Occupancy taxes	165	192	225	266	243	200	157	170	173	221
Interest and investment	360	525	936	1,365	1,072	537	244	216	134	271
Rental income	102	20	43	33	36	-	-	-	-	-
Gain on sale of capital assets	(60)	1	-	-	-	-	-	-	-	-
Other revenue	18	116	45	148	50	125	80	56	171	215
Transfers in	-	41	28	92	160	305	308	300	317	185
Total governmental activities	9,419	11,052	12,776	15,836	14,885	14,132	12,406	12,574	12,265	12,121
Business-type Activities										
Interest and investment	54	97	170	304	249	91	33	23	16	-
Other revenue	-	3	1,570	144	449	9	22	(10,526)	(317)	(185)
Total business-type activities	54	100	1,740	448	698	100	55	(10,503)	(301)	(185)
Extraordinary item- Redevelopment dissolution	-	-	-	-	-	-	-	-	(789)	-
Total primary government	\$ 9,473	\$ 11,152	\$ 14,516	\$ 16,284	\$ 15,583	\$ 14,232	\$ 12,461	\$ 2,071	\$ 11,176	\$ 11,936
<b>Change in Net Position</b>										
Governmental activities	\$ 1,042	\$ 7,145	\$ 10,053	\$ 904	\$ (1,792)	\$ (3,631)	\$ (6,666)	\$ (3,775)	\$ (2,821)	\$ (1,568)
Business-type activities	247	2,934	4,213	1,949	(1,151)	(1,712)	(1,298)	(10,856)	(771)	(294)
Total primary government	\$ 1,289	\$ 10,079	\$ 14,266	\$ 2,853	\$ (2,943)	\$ (5,343)	\$ (7,964)	\$ (14,631)	\$ (3,592)	\$ (1,862)

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>
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
2013	11,914	1,203	38	311	5,400	771	1,056	20,693

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>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>	<u>2013</u>
General Fund										
Reserved	\$ 1,617	\$ 735	\$ 682	\$ 813	\$ 313	\$ 297	\$ 535	\$ -	\$ -	\$ -
Unreserved	3,092	4,101	4,111	5,007	5,562	5,122	3,880	-	-	-
Nonspendable								296	393	367
Restricted								1	1	1
Committed								115	7	150
Assigned								1,558	1,426	778
Unassigned								1,529	2,058	3,648
<b>Total General Fund</b>	<b>\$ 4,709</b>	<b>\$ 4,836</b>	<b>\$ 4,793</b>	<b>\$ 5,820</b>	<b>\$ 5,875</b>	<b>\$ 5,419</b>	<b>\$ 4,415</b>	<b>\$ 3,499</b>	<b>\$ 3,885</b>	<b>\$ 4,944</b>
All Other Governmental Funds										
Reserved	\$ 10,469	\$ 12,965	\$ 9,696	\$ 7,064	\$ 7,961	\$ 4,263	\$ 4,273	\$ -	\$ -	\$ -
Unreserved reported in:										
Special revenue funds	2,234	1,960	2,058	1,868	2,200	2,778	2,442	-	-	-
Capital project funds	6,745	7,954	6,286	8,383	4,801	7,901	5,509	-	-	-
Nonspendable								1,968	2,249	2,080
Restricted								4,130	1,693	2,064
Committed								10	-	1,331
Assigned								7,009	5,248	4,612
Unassigned								(957)	(1,588)	(1,614)
<b>Total all other Governmental Funds</b>	<b>\$ 19,448</b>	<b>\$ 22,879</b>	<b>\$ 18,040</b>	<b>\$ 17,315</b>	<b>\$ 14,962</b>	<b>\$ 14,942</b>	<b>\$ 12,224</b>	<b>\$ 12,160</b>	<b>\$ 7,602</b>	<b>\$ 8,473</b>

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.

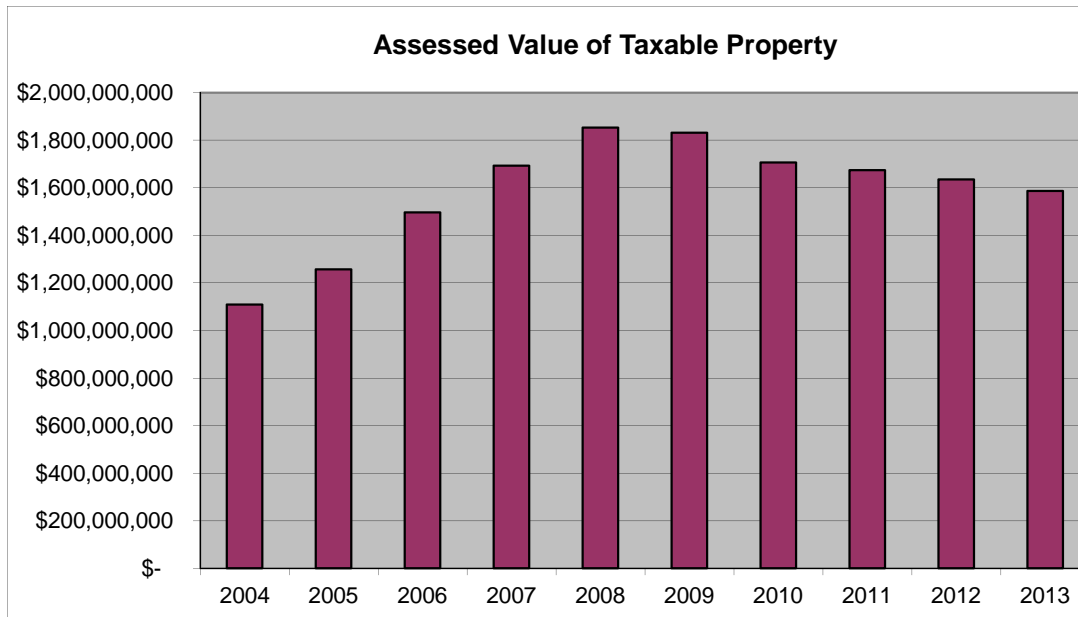
Source: City of Dixon Finance

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

	Fiscal Year									
	<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>	<u>2013</u>
<b>Revenues</b>										
Taxes and assessments	\$ 8,225	\$ 9,725	\$ 10,946	\$ 13,343	\$ 12,820	\$ 13,536	\$ 11,682	\$ 12,003	\$ 11,643	\$ 11,914
Licenses, permits, and fess	2,467	2,601	1,696	2,913	2,402	1,052	790	827	1,002	1,203
Fines and forfeitures	59	55	77	70	52	54	35	84	46	38
Use of money and property	378	518	957	1,394	1,108	637	286	221	166	311
Program income	399	581	1,594	768	111	112	59	170	86	107
Intergovernmental revenues	1,185	970	2,748	1,193	2,459	707	1,465	1,506	1,008	5,400
Charges for service	5,261	2,588	1,828	1,349	1,974	446	316	265	294	771
Contributions		157	9,703	1,142	4	-	-	-	-	-
Developer fees		9,508	1,678	601	322	272	38	3	803	735
Other revenues	233	256	165	336	265	146	275	56	171	213
<b>Total revenues</b>	<b>18,207</b>	<b>26,959</b>	<b>31,392</b>	<b>23,109</b>	<b>21,517</b>	<b>16,962</b>	<b>14,946</b>	<b>15,135</b>	<b>15,219</b>	<b>20,692</b>
<b>Expenditures</b>										
General government	1,864	2,092	2,505	2,939	3,554	1,956	2,917	2,287	1,541	1,837
Public safety	5,421	6,005	6,415	7,114	7,530	7,570	7,296	7,162	7,040	7,087
Parks and recreation	1,040	1,127	1,306	1,481	1,711	1,705	1,542	1,467	1,487	1,415
Development	2,106	2,251	2,686	2,665	2,880	2,930	3,258	1,795	987	5,170
Public ways and facilities	2,673	4,364	2,939	2,667	2,884	1,924	2,273	1,381	1,325	1,455
Debt service - Principal	445	456	450	465	375	400	425	445	3,605	368
Debt service - Interest	528	515	491	762	438	419	397	374	396	73
Capital outlay	9,224	8,633	17,182	4,807	4,602	1,148	917	1,502	2,652	1,322
<b>Total expenditures</b>	<b>23,301</b>	<b>25,443</b>	<b>33,974</b>	<b>22,900</b>	<b>23,974</b>	<b>18,052</b>	<b>19,025</b>	<b>16,413</b>	<b>19,033</b>	<b>18,727</b>
Excess of revenues over (under) expenditures	(5,094)	1,516	(2,582)	209	(2,457)	(1,090)	(4,079)	(1,278)	(3,814)	1,965
<b>Other financing sources (uses)</b>										
Proceeds from borrowing	-	-	-	-	-	-	-	-	2,786	-
Transfers in	3,159	2,116	3,383	3,879	3,404	1,888	2,044	3,244	2,600	1,777
Transfers out	(3,159)	(2,074)	(3,355)	(3,787)	(3,243)	(1,583)	(1,736)	(2,945)	(2,283)	(1,592)
<b>Total other financing sources</b>	<b>-</b>	<b>42</b>	<b>28</b>	<b>92</b>	<b>161</b>	<b>305</b>	<b>308</b>	<b>299</b>	<b>3,103</b>	<b>185</b>
<b>Extraordinary item</b>										
Redevelopment dissolution	-	-	-	-	-	-	-	-	(3,461)	-
<b>Net change in fund balance</b>	<b>\$ (5,094)</b>	<b>\$ 1,558</b>	<b>\$ (2,554)</b>	<b>\$ 301</b>	<b>\$ (2,296)</b>	<b>\$ (785)</b>	<b>\$ (3,771)</b>	<b>\$ (979)</b>	<b>\$ (4,172)</b>	<b>\$ 2,150</b>
Debt service as a % of noncapital expenditures	6.9%	5.8%	5.6%	6.8%	4.2%	4.8%	4.5%	5.5%	24.4%	2.5%

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>
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
2013	993,226,556	167,798,603	291,007,970	134,109,175	1,586,142,304	0.28648%	4,543,980

Notes:

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

Source : HdL, Coren & Cone

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

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<u>Fiscal Year</u>	<u>Basic County City School Levy</u>	<u>Dixon Unified School District</u>	<u>Solano County Flood Water Project</u>	<u>Solano Community College</u>	<u>Total Direct and Overlapping Rates</u>	<u>Total Direct and Rate</u>
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
2013	1.00	0.05487	0.02	0.02060	1.09547	0.28636

Source: HdL, Coren & Cone



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

<u>Taxpayer</u>	<u>2012/13</u>			<u>2003/04</u>		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Undisclosed <sup>1</sup>	1	\$ 136,691,759	8.62%			
Gymboree Logistics Partnership	2	\$ 40,358,858	2.54%	4	\$ 13,674,569	1.23%
Basalite Concrete Products	3	\$ 29,739,877	1.87%	3	\$ 14,306,225	1.29%
Wal Mart Real Estate Trust	4	\$ 21,901,778	1.38%			
Cardinal Health 200Inc.	5	\$ 21,659,239	1.37%	5	\$ 13,003,110	1.17%
Mililani Group	6	\$ 14,232,624	0.90%	6	\$ 12,343,062	1.11%
Insulfoam, LLC	7	\$ 13,916,031	0.88%			
California Water Service Company	8	\$ 10,499,529	0.66%			
Safeway Stores	9	\$ 10,305,386	0.65%	9	\$ 7,408,717	0.67%
Robert A. and Suzanne A. Robben Trust	10	\$ 9,548,172	0.60%			
Premier Industries				1	\$ 16,364,626	1.48%
SWD Land Company				7	\$ 12,000,000	1.08%
SunTrust Banks Inc.				2	\$ 14,960,140	1.35%
Richmond American Homes of CA				10	\$ 6,742,304	0.61%
MEC Dixon, Inc.				8	\$ 8,720,550	0.79%
<b>Top Ten Totals</b>		<b>\$ 308,853,253</b>	<b>19.47%</b>		<b>\$ 119,523,303</b>	<b>10.78%</b>
<b>City Total Taxable Assessed Value</b>		<b>\$ 1,586,142,304</b>			<b>\$ 1,109,197,349</b>	

Notes: <sup>1</sup> 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)**

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Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>1</sup>		Collection in Subsequent Years	Collections to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy
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%
2013	2,512	2,512	100.00%	-	2,512	100.00%

<sup>1</sup> 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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Major Business Groups										
Food Stores	\$ 8,684	\$ 8,117	\$ 7,815	\$ 7,330	\$ 7,423	\$ 7,384	\$ 7,015	\$ 6,781	\$ 6,908	\$ 6,693
Eating and Drinking Places	24,097	26,091	27,147	27,543	28,004	26,543	25,288	24,795	25,424	25,559
Building Materials	14,178	10,873	11,459	10,711	11,935	14,127	23,541	15,521	17,939	18,686
Service Stations	31,972	41,562	45,876	48,326	57,753	58,146	43,038	48,255	63,753	62,845
Other Retail Stores	45,575	70,265	73,783	83,227	85,534	86,133	81,665	85,803	89,866	98,396
All other outlets	240,968	259,329	285,574	338,643	391,528	328,379	297,381	259,315	284,642	279,580
Fiscal Year Totals	\$ 365,474	\$ 416,237	\$ 451,654	\$ 515,780	\$ 582,177	\$ 520,712	\$ 477,928	\$ 440,470	\$ 488,532	\$ 491,759

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 <sup>1</sup>	Debt per Capita
	Tax Allocation Bonds <sup>2</sup>	Lease Revenue Bonds	COPS	Compensated Absences	Capital Leases	Wastewater COPS	Compensated Absences			
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
2013	-	2,087	-	902	-	-	69	3,058	0.61%	174

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

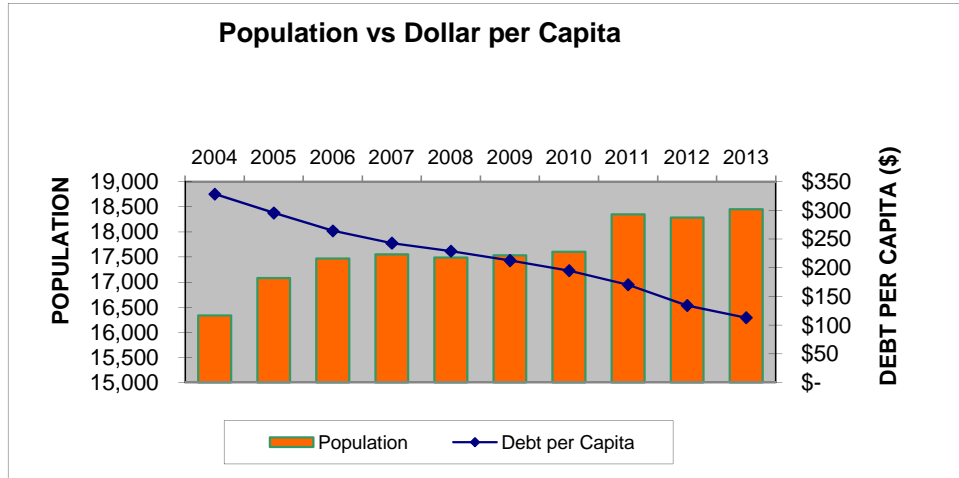
<sup>1</sup> See the Schedule of Demographic Statistics for personal income and population data.

<sup>2</sup> 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**

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Fiscal Year	Lease Revenue Bonds	COPS	Total Primary Government	Percent of Assessed Value	Population	Debt per Capita	Assessed Value
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
2013	2,087	-	2,087	0.132%	18,449	113	1,586,142

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, 2013**

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2011-12 Assessed Valuation :	\$ 1,586,142,304
Redevelopment Incremental Valuation:	-
Adjusted assessed Valuation:	<u>\$ 1,586,142,304</u>

<u>Direct and Overlapping Tax and Assessment Debt</u>	<u>% Applicable [a]</u>	<u>Total Debt 6/30/2013</u>	<u>City's Share of Debt 6/30/2012</u>
Solano County Community College District	4.205%	\$ 219,921,989	9,247,720
Dixon Unified School District	69.050%	27,872,935	19,246,262
City of Dixon 1915 Act Bonds	100.000%	<u>9,440,000</u>	<u>9,440,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		257,234,924	37,933,981
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Solano County Certificates of Participation	4.040%	\$ 111,720,000	4,513,488
Solano County Pension Obligations	4.040%	74,285,000	3,001,114
Solano County Office of Education Certifications of Participation	4.040%	1,955,000	78,982
Dixon Unified School District Certificates of Participation	69.050%	9,960,000	6,877,380
<b>City of Dixon General Fund Obligations</b>	<b>100.000%</b>	<b><u>2,087,800</u></b>	<b><u>2,087,800</u></b>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$ 200,007,800	\$ 16,558,764
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</u>	 100.000%	 2,755,000	 2,755,000
 GROSS COMBINED TOTAL DEBT		 \$ 457,242,724	
<b>SUBTOTAL DIRECT DEBT</b>			<b>\$ 2,087,800</b>
SUBTOTAL OVERLAPPING DEBT			\$ 57,914,945
 GRAND TOTAL OF DIRECT AND OVERLAPPING DEBT			 \$ 57,247,745 [a]

<u>Ratios to Adjusted Assessed Valuation:</u>	
Total Direct Debt..... \$ 2,087,800 .....	0.13%
Combined Total Debt.....	3.61%

<u>Ratios to Redevelopment Incremental Valuation (\$192,874,960)</u>	
Total Overlapping Tax Increment Debt.....	1.43%

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**

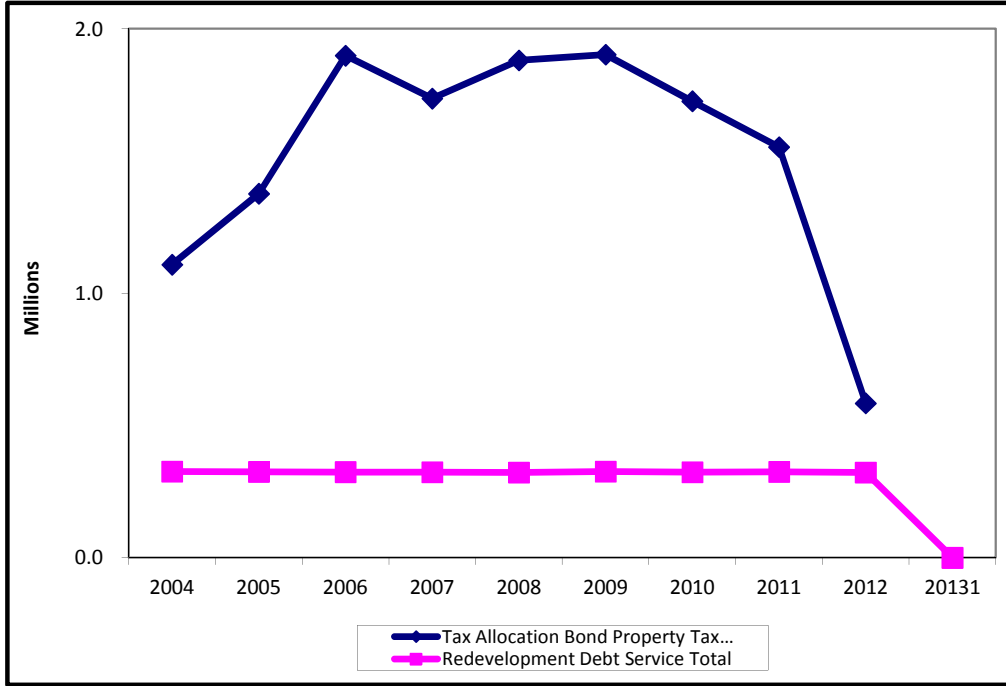
**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed Value (in thousands)	\$	1,586,142
<hr/>		
Debt Limit (15%) of total assessed value		237,921
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	\$	237,921

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
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%
2013	1,586,142	237,921	-	237,921	0%

Source: City of Dixon Finance

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



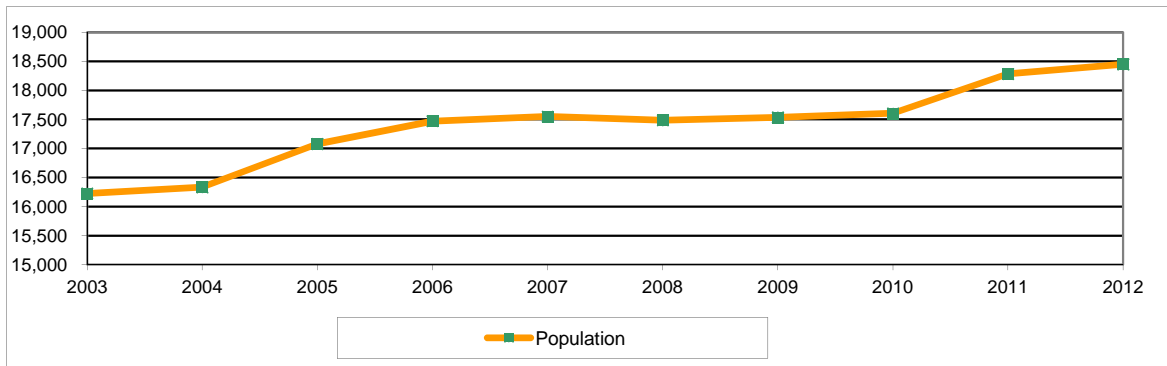
Fiscal Year	Tax Allocation Bond Property Tax Increment			Redevelopment Debt Service			
	Redevelopment Increment	Less: Low and Moderate Income Housing Set-Aside		Principal	Interest	Total	Debt Ratio
		Housing Set-Aside	Net Available Revenue				
2004	\$ 1,400	\$ 292	\$ 1,108	\$ 95	\$ 231	\$ 326	29%
2005	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%
2013 <sup>1</sup>	-	-	-	-	-	-	0%

<sup>1</sup> 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  
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
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%
2012	18,449	501,112	27,162	6.5%	32.50	3,899	83.9%	20.6%

Source: Hdl, Coren & Cone

**CITY OF DIXON  
PRINCIPAL EMPLOYERS  
CURRENT AND SIX YEARS AGO <sup>1</sup>**

Total City Employment<sup>2</sup> 8400

Total City Employment<sup>2</sup> 8300

<b>FY 2012-13</b>				<b>2005-06</b>			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employed</u>	<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employed</u>
Gymboree, Inc.	413	1	4.92%	Gymboree, Inc.	225	4	2.71%
Dixon Unified School District <sup>1</sup>	315	2	3.75%				
Wal-Mart	303	3	3.61%	Wal Mart	250	3	3.01%
Dixon Canning (Campbell's)	230	5	2.74%	Altec Industries	100	10	1.20%
First Northern Bank	225	9	2.68%	Dixon Canning (Campbell's)	300	2	3.61%
Basalite	169	6	2.01%	Basalite	200	8	2.41%
Superior Packing	151	7	1.80%	Superior Packing	200	7	2.41%
Altec Industries	144	4	1.71%	Cardinal Health	220	5	2.65%
Cardinal Health	123	8	1.46%	First Northern Bank	263	2	3.17%
City of Dixon	101	10	1.20%	City of Dixon	120	7	1.45%
				Dependable Sheet Metal	140	9	1.69%
				Kragen Auto Works	400	1	4.82%

<sup>1</sup> Data prior to fiscal year 2005-06 is not available.

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

<sup>3</sup> 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									
	<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>	<u>2013</u>
General government										
Management Services	7.35	7.35	7.5	7.5	7.5	7.5	7.5	7.75	6.5	4.75
Finance	5.3	6.3	6.3	6.66	7.5	6.84	6.84	4.84	6.33	9.75
Planning	2.625	3	4	4	4	3	2.75	2.75	3	3.125
Building	2	2	3	3	3	2	1.25	1.25	0	0
Other - Transit	5.9	6.34	7.09	7.09	7.68	7.68	6.19	6.78	6.21	5.75
Police										
Officers	26	27.5	30	30	31	30.5	28.5	27	28	28
Civilians	1	1	2	2	2	2	2	2	2	2
Fire										
Firefighters and officers	19	19	22	22	21	21	20	20	20	20
Civilians	1.75	1.75	1.75	1.875	2	2	2	2	1	1
Public Works										
Engineering	9	9	10	10	10	10	6.5	5.5	5.5	5.45
Maintenance	20.4	21.6	21.6	21.6	22.4	19.6	18.5	15.8	15.5	12.13
Redevelopment	1	1	1	1	1	1	1	1	1	0
Parks and recreation	3	3	4	4	4	4	4	2.95	2	2
Wastewater collection and treatment	5	5.3	5.3	5.36	6.5	6.67	8.165	8.165	7.17	7.05
Total	<u>109.325</u>	<u>114.14</u>	<u>125.54</u>	<u>126.085</u>	<u>129.58</u>	<u>123.79</u>	<u>115.195</u>	<u>107.785</u>	<u>104.21</u>	<u>101.005</u>

Source: City of Dixon Annual Budget

Paid employees only (excluding reserves and volunteers)

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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Police:</b>										
Police Calls for Service	17,758	17,191	19,378	19,540	19,202	16,426	17,103	14,937	14,076	13,314
Law Violations:										
Part I Crimes	1,032	726	671	871	872	609	602	536	394	378
Physical Arrests (Adult and Juvenile)	582	602	568	589	567	492	505	370	416	325
Parking Violations	334	360	594	485	498	179	253	183	152	69
<b>Fire:</b>										
Number of volunteers	35	35	12	12	12	12	12	9	12	12
Number of calls answered	1,965	1,965	1,900	1,923	1,983	2,001	1,997	1,792	1,748	1,916
<b>Transit service:</b>										
Daily average number of passengers	260	260	257	254	260	228	177	174	195	203
Daily average number of service miles	230	230	385	382	230	338	290	307	318	319
<b>Wastewater</b>										
Service Connections	4,905	4,905	5,196	5,196	5,196	5,214	5,214	5,219	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	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	1.71
<b>Water Service - Dixon-Solano Water Agency</b>										
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	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	1.95

Source: City of Dixon Departmental Statistical Tables from Annual Reports

**CITY OF DIXON  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</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	17
Fire Stations	1	1	1	1	1	1	1	1	1	1
Fire Vehicles	12	12	12	12	12	12	13	13	13	13
Public Works										
Miles of Streets	61	62	62	62	62	62	62	62	62	62
Street Lights	1,576	1,576	2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,020
Recreation and Community Services:										
City Parks	7	7	7	7	7	7	7	7	7	7
City Parks Acreage	89	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