



Comprehensive Annual Financial Report

For the Fiscal Year
Ended
June 30, 2014



**CITY OF DIXON
CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**PREPARED BY
FINANCE DEPARTMENT**

CITY OF DIXON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2014

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Introductory Section

MAYOR JACK BATCHELOR, JR.
VICE MAYOR THOM BOGUE
COUNCILMEMBER STEVEN BIRD



COUNCILMEMBER DANE BESNEATTE
COUNCILMEMBER JERRY CASTAÑON, SR.
CITY TREASURER SCOTT PEDERSON

November 24, 2014

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, 2014. 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, 2014.

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, 2014, 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, 2014 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 2014 is 18,449 (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.



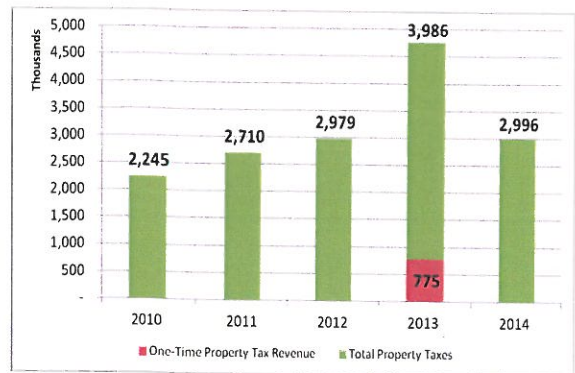
Dixon offers a unique combination of an outstanding location, desirable housing and strong community values. Dixon can be characterized as a progressive city that seeks excellent development, with a desire to maintain and enhance “quality of life” characteristics that are part of its history and agricultural 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, technology, health care, and manufacturing. In fact, the top employment industries in Dixon are educational services, retail trade, and health care & social assistance. Within 25 miles are a skilled and diverse workforce of 200,000 and

Solano County has a population of 418,000. The median household income in Solano County ranges from \$49,354 to \$91,452, with Dixon’s median household income at \$63,437 according to 2012 data recently published in the Solano County Economic Diversification Study.

Solano County's unemployment rate has decreased to 6.8% from the 8.2% reported in June 2013, continuing to decrease from the 10% level reported at June 2012. In Dixon, the unemployment rate ended the fiscal year at a 5.5% rate. This type of improvement bodes well for economic recovery and improved revenue levels. There are approximately 121,000 jobs in the county, down from the peak of 132,000 in 2006. Employed residents within the county are estimated to be 182,000 so many are commuting for work to either the San Francisco or Sacramento areas. Job growth in California has been robust growing 2.1% in the past year.

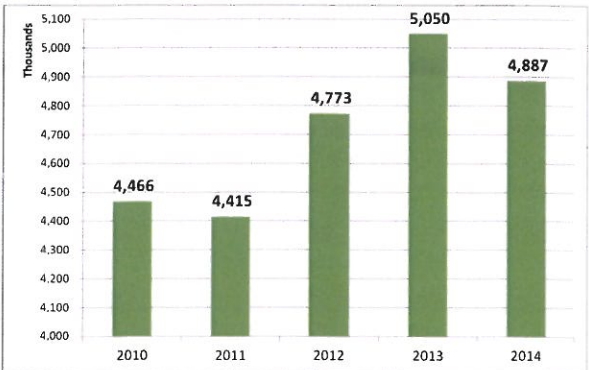
Dixon is one of four cities in the County with a higher cost of living attributable to housing prices. Inflation remains low and housing opportunities with single family residential new construction a bright spot for future economic revival. Home sales throughout the state remain strong with median prices continuing to rise throughout Solano County. The median single family home price in Dixon as of June 2014 increased to \$335,000 from \$252,000 in June 2013, a 33% increase. Within Solano County, the median price increased to \$300,000 from \$248,000 for the same reporting period.

Property tax revenues have gradually increased over the past few years, with the prior fiscal year seeing an inflow of one-time property tax revenue. Revenues have consistently trended upward since the low point of fiscal year 2009-10, resulting in an over 54% increase since 2010. Both the secured and supplemental components of property tax revenue saw increases in 2013-14. This category generates 24.6% in General Fund revenues. The share of distressed home sales has dwindled, and this trend is expected to continue in future years.



One positive factor contributing to this increase, local secured property tax assessment rates increased by 6.77% or \$2.57 billion according to the Solano County Assessor/Recorder. In Dixon, the value increased over \$84 million to \$1.596 billion or a 5.27% increase over the prior year's value. Many properties within California and Solano County have been temporarily subject to the Proposition 8 value. Whenever the market value falls below the factored Proposition 13 value, the market value is temporarily used for property tax purposes. This Proposition 8 legislation amended the California Constitution to allow the assessor to make temporary reductions in assessed value when the market value - what a property would sell for in the open market - falls below the Proposition 13 value.

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. New auto sales in the U.S. hit an eight year high in June, and used auto sales continued to be strong. Fuel prices in California continue to trend higher than the rest of the country, and are more susceptible to wide price fluctuations.



The top 25 Sales Tax producers represent 85.3% of sales tax revenue received. Taxable sales by category have improved in multiple categories of business and industry and building & construction categories. The autos and transportation business category has continued to reflect strong revenue receipts, while some one-time adjustments by the State Board of Equalization have resulted in lower revenue receipts. Dixon's per capita sales continue to be the highest in Solano County. Sales taxes represent 37% of General Fund revenue.

Long-term Financial Planning

Dixon strives 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

Water Operations

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 (DSWA), a Joint Powers Authority (JPA) had begun in the previous fiscal year. The City Council authorized an inter-fund loan from the General Fund Contingency Fund in the amount of \$350,000 to establish the new Water Operations and Maintenance Fund in order to pay for the overlap of operations with a bridge loan for the start-up costs. Transition services began late in fiscal year 2013-14 between the City, Solano Irrigation District and Severn Trent Services, the City's contract operator for the water system. Activity for this new fund is reflected in the proprietary funds in the City's financials, while DSWA continued to have full operations, and a separate financial statement. The California Department of Public Health (CDPH) has mandated that water purveyors not exceed the Maximum Contaminant Level (MCL) for hexavalent chromium (Chrom VI) of 10 parts per billion (ppb). The effective date for this mandate is July 1, 2014.

Wastewater Facility Improvements

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 projects identified are consistent with the 2008 Wastewater Financial Plan. CCTV inspection of all sewer mainlines has been completed.

The City of Dixon submitted a Planning application to the Clean Water State Revolving Fund (SRF) Program in December 2013. The project financing consists of \$28.5 million for project design and construction, with a completion date targeted in December 2016.

Redevelopment Dissolution

A condition of the Dissolution Legislation required the completion of a Long-Range Property Management Plan (LRPMP) to address the disposition and use of real properties held by the Successor Agency. The California Department of Finance approved Dixon's LRPMP on February 21, 2014. Efforts will be undertaken to continue moving forward with the winddown of redevelopment by determining the disposition of Successor Agency properties.

Capital Improvements and City Infrastructure

The City continues to face the challenges of maintaining its infrastructure and aging City buildings. Some minor projects have been funded and completed to address building re-roofing and carpeting

replacement. Efficiencies occurred in two assessment districts with the completion of the LED streetlight project, work continued on Phase 1A of a storm drainage project, the Core Area Drainage Rehabilitation Project, a sidewalk replacement program has been initiated, and the West B Street Undercrossing awarded by the Solano Transportation Authority continued construction.

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

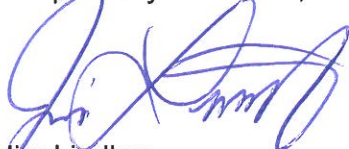
In accordance with the Single Audit Act, the City's grant programs, that utilize federal funds either directly or passed through from State agencies, are subject to the audit requirements prescribed by the Federal Office of Management and Budget (OMB) Circular A-133. This includes tests of compliance 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, 2013. 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.

The preparation of this report would not be possible without the dedicated efforts of the Dixon Finance employees led by Kate Zawadzki, Deputy Finance Director. We appreciate the cooperation of numerous departments within the City that provided assistance with the audit and information contained in this report. We would like to thank the City Council members 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**

Presented to

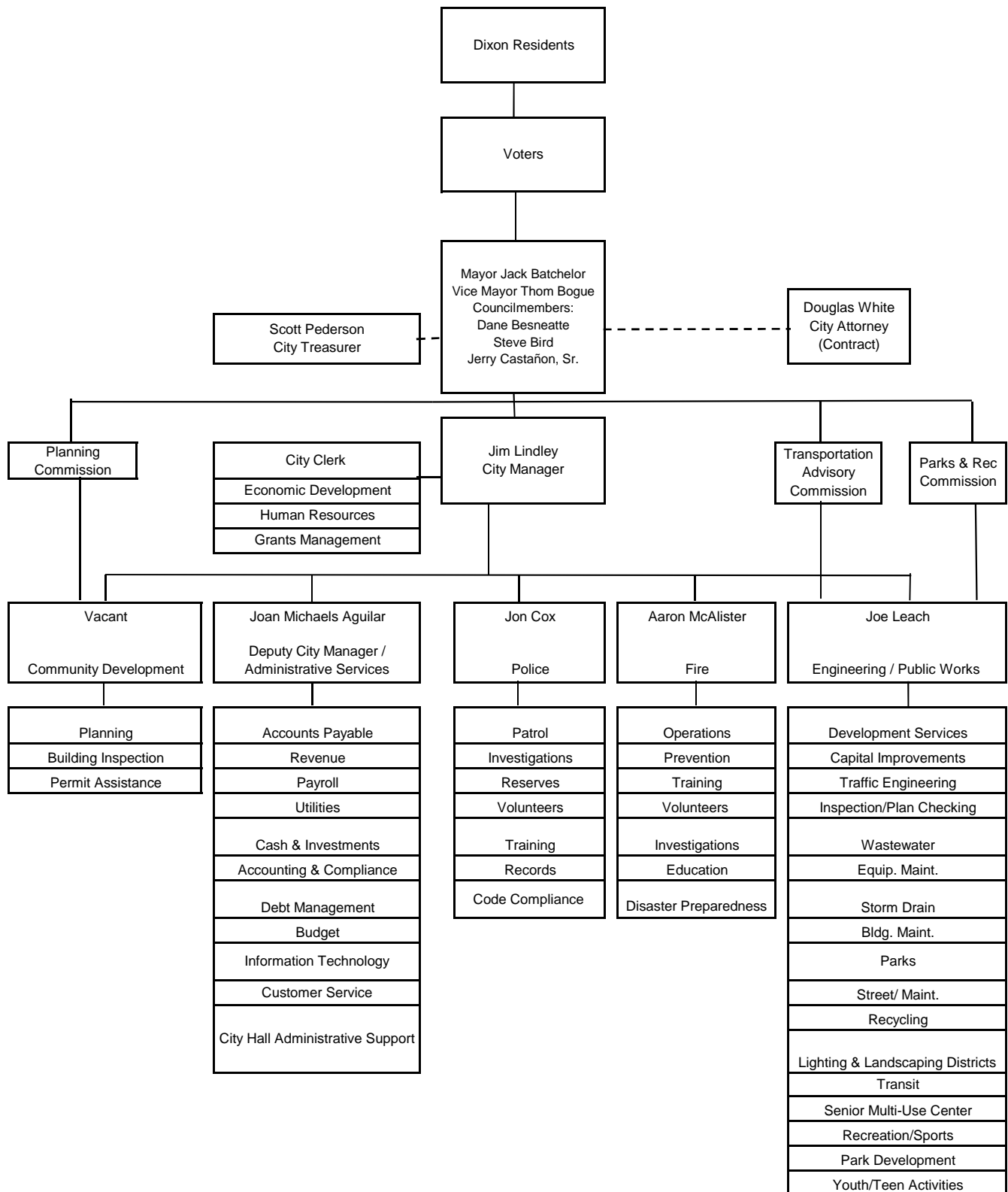
**City of Dixon
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

City of Dixon Organization Chart FY 2013-14 Budget



CITY OF DIXON
ELECTED OFFICIALS
AND
EXECUTIVE STAFF

JUNE 30, 2014

ELECTED OFFICIALS

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

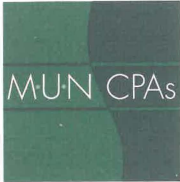
EXECUTIVE STAFF

City Manager	Jim Lindley**
City Attorney	Douglas White**
City Engineer / Director of Public Works and Utilities	Joe Leach
Police Chief	Jon Cox
Fire Chief	Aaron McAlister
Deputy City Manager- Administrative Services	Joan Michaels Aguilar

** Appointed by City Council



Financial Section



MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

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, 2014, 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 opinions 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. 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, 2014, 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 24, 2014, 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 24, 2014

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

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, 2014. 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 \$2.5 million in fiscal year 2014. At June 30, 2014, net position totaled \$189 million.
- Government-wide revenues totaled \$22.5 million, including program revenues of \$10.8 million and general revenues of \$11.4 million, a decrease of \$1.1 million from prior year's \$23.3 million.
- Total government-wide expenses were \$24.7 million, a decrease of \$0.5 million from the prior year's \$25.2 million.
- Net position in governmental activities decreased \$1.8 million, while net position in business-type activities decreased \$0.7 million.
- Governmental program revenues decreased to \$7.8 million from fiscal year 2013's \$8.0 million.
- Governmental program expenses increased to \$21.3 million in fiscal 2014, down \$0.4 million from the prior year's \$21.7 million.
- Program revenues from business-type activities decreased to \$3.1 million in fiscal 2014, down \$.2 million from the prior year's \$3.3 million.
- Expenses of business-type activities decreased \$0.1 million to \$3.4 million in 2014, down from \$3.5 million in fiscal year 2013.

Fund Level:

- Governmental fund balances increased to \$14.2 million in fiscal year 2014 from the prior year's \$13.4 million.
- Governmental fund revenues decreased to \$19.1 million in fiscal 2014, down \$1.6 million from the prior year's \$20.7 million.
- Governmental fund expenditures remained consistent at \$18.7 million for both fiscal years 2014 and 2013.
- General Fund revenues of \$13.0 million represented a decrease of \$0.8 million from fiscal 2013's revenues of \$13.8 million.
- General Fund fund balance increased to \$6.1 million at June 30, 2014 up from fiscal 2013's level of \$4.9 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, 2014

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, water, and the transit system.

The government-wide financial statements include not only the City of Dixon itself (known as the primary government), but also the legally separate Dixon Public Improvement Corporation, 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, the Dixon Public Improvement Corporation, or the Dixon Fire Protection District) 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, 2014

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, 2014, 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 75.

For the governmental funds financial statements, the following funds were reported as major funds in the prior fiscal year and continue to be reported as major funds for FY 2013-14:

- ** 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, water, 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 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 of this report.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

Combining and Individual Fund Statements and Schedules

This final section of the report includes additional detailed information about nonmajor governmental and agency funds and can be found beginning on page 73.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the City's assets, liabilities, and net 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 \$189.0 and \$191.6 million at June 30, 2014 and 2013, respectively. Overall total net position decreased by \$2.6 million in FY 2014 and a current period adjustment for revenue accruals reduced the 2014 net position \$0.1 million.

The Summary of Net Position as of June 30, 2014 and 2013 follows:

Statement of Net Position
As of June 30, 2014 and 2013
(in thousands)

	Governmental Activities			Business-Type Activities			Total Government		
	2014	2013	Net Change	2014	2013	Net Change	2014	2013	Net Change
ASSETS									
Current and other assets	\$ 17,315	\$ 17,444	\$ (129)	\$ 4,267	\$ 4,692	\$ (425)	\$ 21,582	\$ 22,136	\$ (554)
Capital assets	<u>135,111</u>	<u>137,892</u>	<u>(2,781)</u>	<u>40,628</u>	<u>40,962</u>	<u>(334)</u>	<u>175,739</u>	<u>178,854</u>	<u>(3,115)</u>
Total Assets	<u>152,426</u>	<u>155,336</u>	<u>(2,910)</u>	<u>44,895</u>	<u>45,654</u>	<u>(759)</u>	<u>197,321</u>	<u>200,990</u>	<u>(3,669)</u>
LIABILITIES									
Long-term liabilities	2,742	3,401	(659)	1,309	1,201	108	4,051	4,602	(551)
Other liabilities	<u>3,699</u>	<u>4,262</u>	<u>(563)</u>	<u>545</u>	<u>508</u>	<u>37</u>	<u>4,244</u>	<u>4,770</u>	<u>(526)</u>
Total Liabilities	<u>6,441</u>	<u>7,663</u>	<u>(1,222)</u>	<u>1,854</u>	<u>1,709</u>	<u>145</u>	<u>8,295</u>	<u>9,372</u>	<u>(1,077)</u>
NET POSITION									
Invested in capital assets, net of related debt	133,405	135,804	(2,399)	39,561	39,759	(198)	172,966	175,563	(2,597)
Restricted	2,073	1,844	229	-	-	-	2,073	1,844	229
Unrestricted	<u>10,507</u>	<u>10,024</u>	<u>483</u>	<u>3,480</u>	<u>4,186</u>	<u>(706)</u>	<u>13,987</u>	<u>14,210</u>	<u>(223)</u>
Total Net Position	<u>\$145,985</u>	<u>\$147,672</u>	<u>\$ (1,687)</u>	<u>\$ 43,041</u>	<u>\$ 43,945</u>	<u>\$ (904)</u>	<u>\$189,026</u>	<u>\$191,617</u>	<u>\$ (2,591)</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 \$189.0 million in FY 2014 and \$191.6 in FY 2013. The decrease of approximately \$2.6 million for the year ended June 30, 2014 was the result of a prior period adjustment of \$0.1 million resulting from the correction to properly remove prepaid bond issuance costs pursuant to GASB 65 and governmental expenses exceeding revenues by \$1.8 million. The business-type activities also experienced an operating loss of \$0.7 million.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

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:

- ** \$173.0 million and \$175.6 million (92% and 92%) at June 30, 2014 and 2013 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.

- ** \$2.1 million and \$1.8 million (1% for both years) at June 30, 2014 and 2013 in net position represent resources that are subject to external restrictions on how they may be used. Restricted net position at June 30, 2014 is comprised of \$1.8 million in special revenue programs.

- ** The remaining \$14.0 million and \$14.2 million at June 30, 2014 and 2013 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 \$1.8 million in FY 2014. In FY 2013 governmental activities decreased net position \$1.6 million. Total revenue decreased approximately \$.9 million in FY 2014 and increased \$4.5 million in 2013. The majority of this revenue decrease is due to less capital grants and contributions of \$.6 million. Corresponding expenses decreased \$0.4 million as well. Business type activities decreased the City's net position by \$0.6 million during the year ended June 30, 2014, while resulting in a decrease of \$.3 million during 2013. 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, 2014

Statement of Activities
For the Years Ended June 30, 2014 and 2013
(in thousands)

	<u>Governmental Activities</u>			<u>Business-type Activities</u>			<u>Total Government</u>		
	<u>2014</u>	<u>2013</u>	<u>Net Change</u>	<u>2014</u>	<u>2013</u>	<u>Net Change</u>	<u>2014</u>	<u>2013</u>	<u>Net Change</u>
Revenues:									
Program revenues									
Charges for services	\$ 3,113	\$ 2,676	\$ 437	\$ 2,515	\$ 2,785	\$ (270)	\$ 5,628	\$ 5,461	\$ 167
Operating grants and contributions	277	372	(95)	554	540	14	831	912	(81)
Capital grants and contributions	4,384	4,979	(595)	-	18	(18)	4,384	4,997	(613)
General revenues									
Taxes	11,094	11,451	(357)	-	-	-	11,094	11,451	(357)
Interest and investment earnings	134	271	(137)	27	-	27	161	271	(110)
Other revenue	103	215	(112)	-	-	-	103	215	(112)
Total Revenues	<u>19,105</u>	<u>19,964</u>	<u>(859)</u>	<u>3,096</u>	<u>3,343</u>	<u>(247)</u>	<u>22,201</u>	<u>23,307</u>	<u>(1,106)</u>
Expenses:									
Governmental activities									
General government	2,114	2,011	103	-	-	-	2,114	2,011	103
Public safety	7,924	7,569	355	-	-	-	7,924	7,569	355
Parks and recreation	2,093	2,155	(62)	-	-	-	2,093	2,155	(62)
Community development	4,539	5,104	(565)	-	-	-	4,539	5,104	(565)
Public ways and facilities	4,547	4,798	(251)	-	-	-	4,547	4,798	(251)
Interest on long-term liabilities	60	78	(18)	-	-	-	60	78	(18)
Business-type activities									
Sewer	-	-	-	2,714	2,777	(63)	2,714	2,777	(63)
Water	-	-	-	68	-	68	68	-	68
Transit	-	-	-	632	675	(43)	632	675	(43)
Total Expenses	<u>21,277</u>	<u>21,715</u>	<u>(438)</u>	<u>3,414</u>	<u>3,452</u>	<u>(38)</u>	<u>24,691</u>	<u>25,167</u>	<u>(476)</u>
Excess (deficiency) before transfers & special items	<u>(2,172)</u>	<u>(1,751)</u>	<u>(421)</u>	<u>(318)</u>	<u>(109)</u>	<u>(209)</u>	<u>(2,490)</u>	<u>(1,860)</u>	<u>(630)</u>
Transfers & Extraordinary items									
Transfers	339	185	154	(339)	(185)	(154)	-	-	-
Extraordinary items	-	-	-	-	-	-	-	-	-
Change in net position	<u>(1,833)</u>	<u>(1,566)</u>	<u>(267)</u>	<u>(657)</u>	<u>(294)</u>	<u>(363)</u>	<u>(2,490)</u>	<u>(1,860)</u>	<u>(630)</u>
Net position - beginning of year	147,672	149,459	(1,787)	43,945	44,239	(294)	191,617	193,698	(2,081)
Restatement	146	(220)	366	(247)	-	-	(101)	(220)	119
Net position - beginning of year, restated	<u>147,818</u>	<u>149,239</u>	<u>(1,421)</u>	<u>43,698</u>	<u>44,239</u>	<u>(294)</u>	<u>191,516</u>	<u>193,478</u>	<u>(1,962)</u>
Net position - end of year	<u>\$145,985</u>	<u>\$147,673</u>	<u>\$ (1,688)</u>	<u>\$ 43,041</u>	<u>\$ 43,945</u>	<u>\$ (657)</u>	<u>\$189,026</u>	<u>\$191,618</u>	<u>\$ (2,592)</u>

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

Revenues

The City's total revenues were \$22.2 million for the year ended June 30, 2014 as compared to \$23.3 million as of June 30, 2013. Revenue from governmental activities totaled \$19.1 million in 2014 and \$20.0 million in 2013. Revenues from business type activities totaled \$3.1 million in 2014 and \$3.3 million in 2013.

Program revenues included charges for services and grants and contributions. Program revenues were \$10.8 million in 2014 and \$11.4 million in 2013 or 49% and 49%. Revenues did not keep pace with expenses in neither governmental nor business type activities, which caused \$2.0 million of the reduction in net position for the year ending June 30, 2014. During FY 2013, net position decreased by \$1.9 million. In 2013, \$.8 million was the result of dissolution of the Redevelopment Agency. The remaining \$2.0 million reduction in net position in 2013 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 \$11.4 million and \$11.9 million (51% and 51% of the total) for the years ended June 30, 2014 and 2013.

Expenses

Expenses for the City totaled \$24.7 million and \$25.2 million for the years ended June 30, 2014 and 2013, respectively. Governmental activities incurred \$21.3 million and \$21.7 million and business type activities incurred \$3.4 million and \$3.5 million in expenses during the years ended June 30, 2014 and 2013, respectively. As can be seen in the table above, governmental activities expenses were about 37% and 36% funded by program revenues, fees, grants and contributions during the years ended June 30, 2014 and 2013. The remaining 63% and 64% (\$13.5 million and \$13.7 million) of their funding came from general revenues and net position for the years ended June 30, 2014 and 2013. Business type activities expenses exceeded program revenues by \$0.7 million and \$0.3 million in June 30, 2014 and 2013 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. The water operations were in transition from Dixon-Solano Water Authority to the City of Dixon as of June 30, 2014 and all revenues were recorded in Dixon-Solano Water Authority until the date of dissolution in fiscal year 2015.

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, 2014 and 2013 follows:

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

Cost of Services by Program
Governmental Activities
For the Years Ended June 30, 2014 and 2013
(in thousands)

Program	2014		2013	
	Total	Net	Total	Net
General government	\$ 2,114	\$ 1,587	\$ 2,011	\$ 1,491
Public safety	7,924	6,501	7,569	6,319
Parks and recreation	2,093	1,315	2,155	1,374
Development	4,539	155	5,104	10
Public ways and facilities	4,547	3,885	4,798	4,415
Interest on long term liabilities	<u>60</u>	<u>60</u>	<u>78</u>	<u>78</u>
Total Expenses	\$ <u>21,277</u>	\$ <u>13,503</u>	\$ <u>21,715</u>	\$ <u>13,687</u>

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:

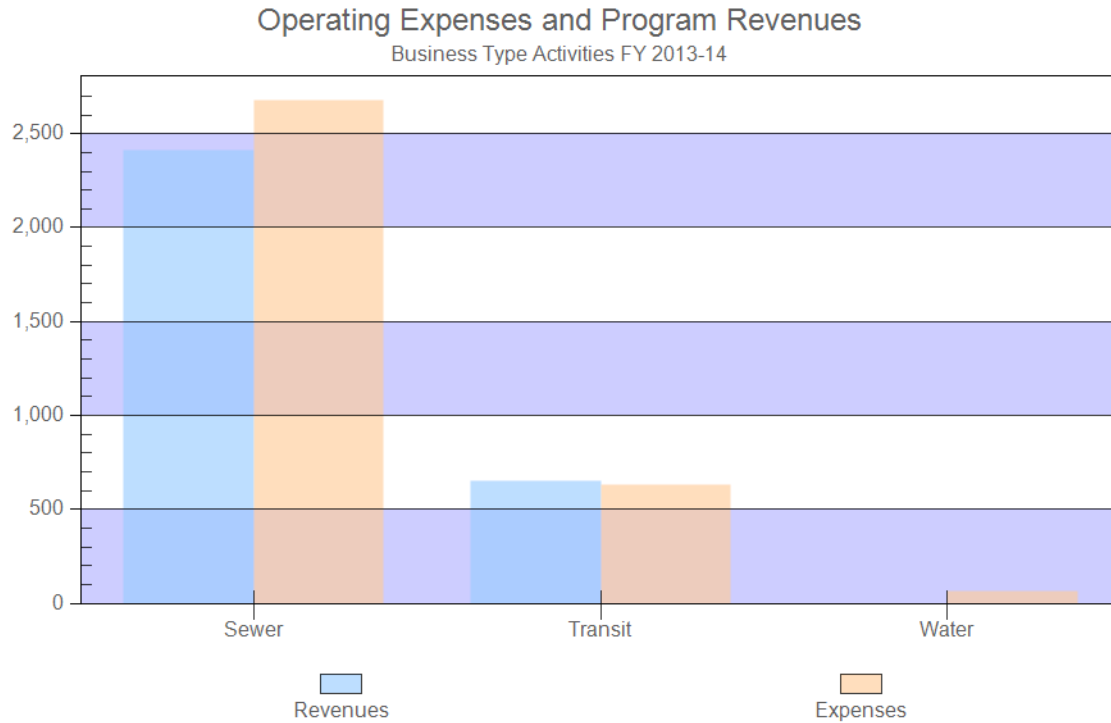
Revenues by Source
Governmental Activities
For the Years Ended June 30, 2014 and 2013
(in thousands)

Revenues:	2014		2013	
	Amount	% of Total	Amount	% of Total
Program revenues				
Charges for services	\$ 3,113	16.0 %	\$ 2,676	13.3 %
Operating grants and contributions	277	1.4 %	372	1.8 %
Capital grants and contributions	4,384	22.5 %	4,979	24.7 %
General revenues				
Sales and use taxes	4,897	25.2 %	5,123	25.4 %
Property taxes	3,476	17.9 %	3,953	19.6 %
Motor vehicle and gas taxes	1,862	9.6 %	1,637	8.1 %
Franchise taxes	552	2.8 %	516	2.6 %
Transient occupancy taxes	306	1.6 %	221	1.1 %
Interest and investment earnings	134	0.7 %	271	1.3 %
Other revenue	103	0.5 %	215	1.1 %
Transfers	<u>339</u>	<u>1.7 %</u>	<u>185</u>	<u>0.9 %</u>
Total Revenues	\$ <u>19,443</u>	<u>100 %</u>	\$ <u>20,148</u>	<u>100 %</u>

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

Business-Type Activities

The net position for the business type activities reflect sewer and transit operations. The net position for these activities decreased by \$0.7 million during FY 2014. 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, 2014 and 2013.



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, 2014 and 2013
(in thousands)

	2014		2013	
	Amount	% of Total	Amount	% of Total
Revenues by Source				
Charges for services	\$ 2,515	81.9 %	\$ 2,785	83.3 %
Grants and contributions	554	18.1 %	558	16.7 %
Other	-	-	-	-
Total Revenues	\$ 3,069	100 %	\$ 3,343	100 %

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

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 2014 the City's governmental funds reported combined fund balances of \$14.2 million, an increase of \$.7 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 \$14.2 million, approximately \$2.4 million is nonspendable, \$2.5 million is restricted, \$1.1 million is committed, \$5.6 million is assigned for various purposes, and \$2.5 is unassigned.

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

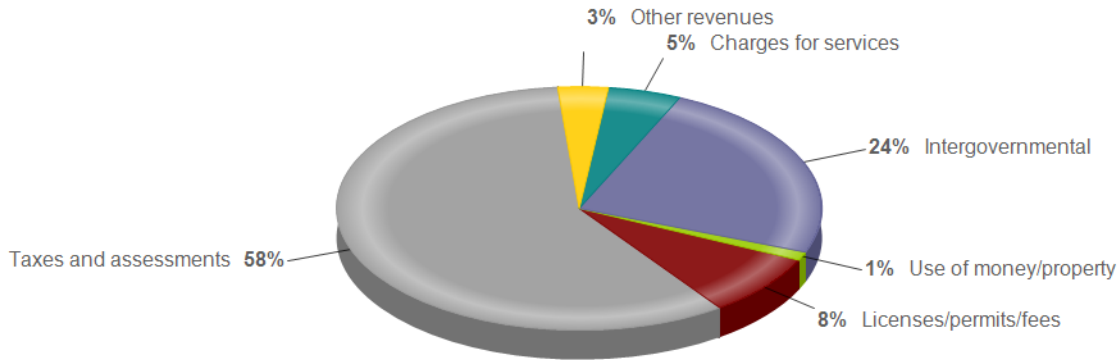
Revenues Classified by Source
Governmental Funds
For the Years Ended June 30, 2014 and 2013
(in thousands)

Revenues by Source	2014		2013	
	Amount	% of Total	Amount	% of Total
Taxes and assessments	\$ 11,094	58.1 %	\$ 11,914	57.6 %
Licenses, permits, and fees	1,538	8.1 %	1,203	5.8 %
Fines and forfeitures	83	0.4 %	38	0.2 %
Use of money and property	224	1.2 %	311	1.5 %
Program income	100	0.5 %	107	0.5 %
Intergovernmental revenues	4,557	23.9 %	5,400	26.1 %
Charges for services	940	4.9 %	771	3.7 %
Developer fees	453	2.4 %	735	3.6 %
Other revenue	111	0.6 %	214	1.0 %
Total Revenue	\$ 19,100	100 %	\$ 20,693	100 %

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

Revenues Classified by Source

Governmental Funds FY 2013-14



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 decreased revenues related to property taxes were a result of one-time revenues in fiscal year 2014 for 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 2014, these revenues decreased to 24% of revenues from 26% FY 2013. The decrease is the result of the completion of a HOME funded capital project and the completion of purchasing for a capital equipment FEMA grant.

Licenses, permits and fees revenues improved as a result of increased development and permitting activity.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

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

Expenditures by Function
Governmental Funds
For the Years Ended June 30, 2014 and 2013
(in thousands)

Expenditures by Function	2014		2013	
	Amount	% of Total	Amount	% of Total
General government	\$ 1,918	10.3 %	\$ 1,825	9.7 %
Public safety	7,352	39.3 %	7,087	37.8 %
Parks and recreation	1,327	7.1 %	1,415	7.6 %
Development	4,589	24.5 %	5,181	27.7 %
Public ways and facilities	1,321	7.1 %	1,455	7.8 %
Debt service				
Principal	381	2.0 %	368	2.0 %
Interest and other charges	63	0.3 %	73	0.4 %
Capital outlay	<u>1,753</u>	<u>9.4 %</u>	<u>1,322</u>	<u>7.1 %</u>
Total Expenditures	\$ 18,704	100 %	\$ 18,726	100 %

Key elements of the changes noted above include:

General government spending increased 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.

Public safety increased as a result of additional staffing in Fire safety operations.

Capital outlay increased 33% from 2013 as a result of the completion Core Area Drainage Construction project.

Major Funds

The General Fund saw a \$1.2 million increase in fund balance, down from an increase of \$1.4 million in fiscal year 2013. Almost all major revenue categories experienced decreases from 2013 to 2014 with a total decrease of \$.9 million. However, this decreased revenue was offset by an reduced transfers out of .4 million. This was a onetime transfer to the Core Area Drainage capital project fund during fiscal year 2013. Capital outlay decreased .7 million from 2013 to 2014 due to the purchase of a fire aparatus in fiscal year 2013.

The Home Loans fund reflects decreased revenues to \$4.3 million and decreased expenditures of \$4.2 million for 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 \$5.1 million in 2013 to \$5.0 million in 2013 due to railroad grade separation and other minor project activity.

Other Governmental Funds aggregated to a \$0.3 million decrease in fund balances as a result of increased capital project activity.

Proprietary Funds

The City's proprietary funds statements provide the same type of information found in the government wide financial

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

statements, but in more detail.

At June 30, 2014 and 2013, respectively, the unrestricted net position was approximately \$3.7 million and \$4.2 million for the Sewer fund. The Transit Fund shows a decrease in net position to \$0.33 million in 2014 from \$0.43 million in 2013 as result of an operating deficit.

The water fund is new to the proprietary funds in fiscal year 2014. The dissolution of Dixon-Solano Water Authority (DSWA) began in August 2012 and will fully transition in August 2014. The transactions shown in fiscal year 2014 are related to the operational transitions from DSWA to the City of Dixon.

Sewer operating revenues decreased 10% due to decreased other revenues. Transit revenues increased 4% due to increases in charges for services and grant revenues. Operating expenses decreased for Transit fund as a result of lower payments for salaries and benefits and reduced repairs and maintenance costs. The sewer fund also had decreased operating expenses due to reduced activity in the salt reduction program.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City Council approved a balanced General Fund budget of \$12.9 million for FY 2013/14. The general fund started the year with reserves of 21%. The fiscal year actual resulted in revenues exceeding expenditures by \$1.2 million, increasing fund balance from \$4.9 million at June 30, 2013 to \$6.1 million at June 30, 2014.

Public safety represents the primary expenditure category for the General Fund at \$7.1 million or 55% of the 2013/14 budget. Public works, community development, and recreation combine for an additional 22% for \$2.9 million in budgeted expenditures. General government includes departments such as the City Council, City Manager, personnel, insurance, and finance, and accounts for 23% or nearly \$2.9 million of the general fund budget for the year.

For the first time in six years, the City budgeted for increased staffing levels. Prior to the recession, the City of Dixon had 129.58 full-time equivalent employees (FTEs). This decreased to 100.59 FTEs in fiscal year 2013 and increased slightly in fiscal year 2014 to 101.005 FTEs.

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, 2014 and 2013, respectively, was \$175.7 million and \$178.9 million (net of accumulated depreciation). This investment in capital assets includes: infrastructure, land, buildings, improvements other than buildings, construction in progress and equipment. The total decrease in the City's investment in capital assets for FY 2014 was \$3.1 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, 2014

Capital Assets (net of depreciation)
As of June 30, 2014 and 2013
(in thousands)

	2014			2013		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Land	\$ 2,379	\$ 773	\$ 3,152	\$ 2,379	\$ 773	\$ 3,152
Construction in progress	5,429	2,793	8,222	4,137	1,667	5,804
Buildings & improvements	7,537	36,609	44,146	7,805	38,004	45,809
Equipment	2,306	453	2,759	2,615	518	3,133
Infrastructure	<u>117,460</u>	<u>-</u>	<u>117,460</u>	<u>120,955</u>	<u>-</u>	<u>120,955</u>
Total Net Capital Assets	<u>\$ 135,111</u>	<u>\$ 40,628</u>	<u>\$ 175,739</u>	<u>\$ 137,891</u>	<u>\$ 40,962</u>	<u>\$ 178,853</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 2014, the City of Dixon had outstanding bonds and other long term liabilities of \$1.7 million for governmental activities and \$1.1 million for business type activities, respectively. Bonds comprised all but about \$1.1 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, 2014:

Bonded Debt - Long Term
Outstanding Balances
As of June 30, 2014
(in thousands)

Bond	Purpose	Amount
Governmental Activities:		
2012 Lease revenue bonds	Refunding lease revenue bonds	\$ <u>1,707</u>
Business-type Activities:		
2012 Refunding revenue bonds	Refunding sewer revenue bonds	\$ <u>1,068</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, 2014 and 2013, a total of \$7.6 and \$18.1 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, 2014

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The fiscal year ended June 30, 2014 saw continued stabilization of general revenues as well as development related revenues. The economic condition of the City of Dixon is slowly improving following the long recession. The California Employment Development Department reports continued improvement in unemployment in Solano County during 2014.

The Solano County Assessor is projecting improved property tax revenues; however, revenues are expected to remain lower than prerecession amounts due to California Proposition 13 (Prop 13). A reserve to offset increasing employee retirement costs was created during fiscal year 2014. PERS rates for 2015 have been released and the City will experience a significant increase in the employer contribution for many city employees.

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, or you may visit our website at www.ci.dixon.ca.us for information.

CITY OF DIXON
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and investments (Note 2)	\$ 13,764,005	\$ 3,867,298	\$ 17,631,303
Accounts receivable	1,001,326	519,549	1,520,875
Interest receivable	16,874	5,180	22,054
Taxes receivable	837,401	-	837,401
Due from other governments	336,637	11,390	348,027
Notes receivable, net of allowance \$11,861,914 (Note 3)	272,227	-	272,227
Internal balances	140,813	(140,813)	-
Prepaid items	667,521	150	667,671
Inventory	1,444	-	1,444
Restricted cash and cash equivalents (Note 2)	276,411	3,974	280,385
Capital assets (Note 5)			
Land and construction in progress	7,807,916	3,566,210	11,374,126
Other capital assets, net of depreciation	<u>127,303,499</u>	<u>37,062,208</u>	<u>164,365,707</u>
Total capital assets	<u>135,111,415</u>	<u>40,628,418</u>	<u>175,739,833</u>
Total Assets	<u>\$ 152,426,074</u>	<u>\$ 44,895,146</u>	<u>\$ 197,321,220</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 1,764,091	\$ 250,814	\$ 2,014,905
Accrued payroll and benefits	371,592	42,943	414,535
Accrued interest payable	13,547	10,808	24,355
Unearned revenue	-	3,974	3,974
Deposits payable	276,411	-	276,411
Accrued compensated absences (Note 6):			
Due within one year	953,800	82,980	1,036,780
Accrued termination benefits (Note 8):			
Due within one year	108,903	15,586	124,489
Due in more than one year	141,020	15,586	156,606
Long-term liabilities (Note 6):			
Due within one year	210,600	137,700	348,300
Due in more than one year	1,496,000	930,000	2,426,000
Other postemployment benefits (Note 10)			
Due in more than one year	<u>1,105,443</u>	<u>363,538</u>	<u>1,468,981</u>
Total Liabilities	<u>6,441,407</u>	<u>1,853,929</u>	<u>8,295,336</u>
<u>NET POSITION</u>			
Net investment in capital assets	133,404,815	39,560,718	172,965,533
Restricted for:			
Debt service	179	-	179
Special revenue programs and grants	2,072,359	-	2,072,359
Unrestricted	<u>10,507,314</u>	<u>3,480,499</u>	<u>13,987,813</u>
Total Net Position	<u>145,984,667</u>	<u>43,041,217</u>	<u>189,025,884</u>
Total Liabilities and Net Position	<u>\$ 152,426,074</u>	<u>\$ 44,895,146</u>	<u>\$ 197,321,220</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities:							
General government	\$ 2,113,960	\$ 500,813	\$ 5,329	\$ 20,378	\$ (1,587,440)	\$ -	\$ (1,587,440)
Public safety	7,923,687	1,058,005	264,801	99,736	(6,501,145)	-	(6,501,145)
Parks and recreation	2,092,763	778,115	-	-	(1,314,648)	-	(1,314,648)
Development	4,539,463	124,382	-	4,260,238	(154,843)	-	(154,843)
Public ways and facilities	4,546,634	651,341	6,873	3,339	(3,885,081)	-	(3,885,081)
Interest and fiscal charges	60,117	-	-	-	(60,117)	-	(60,117)
Total governmental activities	<u>21,276,624</u>	<u>3,112,656</u>	<u>277,003</u>	<u>4,383,691</u>	<u>(13,503,274)</u>	<u>-</u>	<u>(13,503,274)</u>
Business-type activities:							
Sewer	2,713,867	2,415,527	-	-	-	(298,340)	(298,340)
Transit	632,197	99,499	554,329	-	-	21,631	21,631
Water	68,022	-	-	-	-	(68,022)	(68,022)
Total business-type activities	<u>3,414,086</u>	<u>2,515,026</u>	<u>554,329</u>	<u>-</u>	<u>-</u>	<u>(344,731)</u>	<u>(344,731)</u>
Total primary government	<u>\$ 24,690,710</u>	<u>\$ 5,627,682</u>	<u>\$ 831,332</u>	<u>\$ 4,383,691</u>	<u>\$ (13,503,274)</u>	<u>\$ (344,731)</u>	<u>\$ (13,848,005)</u>
General revenues:							
Property taxes					\$ 3,476,430	\$ -	\$ 3,476,430
Sales and use taxes					4,897,474	-	4,897,474
Motor vehicle and gas taxes					1,862,455	-	1,862,455
Franchise taxes					551,637	-	551,637
Transient occupancy taxes					305,922	-	305,922
Interest and investment earnings					134,448	26,893	161,341
Other revenue					102,681	-	102,681
Transfers (Note 4)					339,054	(339,054)	-
Total general revenues and transfers					<u>11,670,101</u>	<u>(312,161)</u>	<u>11,357,940</u>
Change in net position					(1,833,173)	(656,892)	(2,490,065)
Net position - July 1, 2013					147,671,842	43,944,797	191,616,639
Prior period restatement (Note 17)					145,998	(246,688)	(100,690)
Net position - July 1, 2013, restated					<u>147,817,840</u>	<u>43,698,109</u>	<u>191,515,949</u>
Net position - June 30, 2014					<u>\$ 145,984,667</u>	<u>\$ 43,041,217</u>	<u>\$ 189,025,884</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	HOME Loans	Housing Successor Agency	Trans- portation
<u>ASSETS</u>				
Cash and investments	\$ 4,673,055	\$ 591,898	\$ 25,266	\$ 3,260,425
Restricted cash and investments	276,411	-	-	-
Accounts receivable	654,804	320,000	-	-
Interest receivable	5,854	381	32	3,928
Taxes receivable	778,748	-	-	-
Notes receivable	-	9,540,444	2,276,215	-
Due from other funds	26,763	-	-	-
Advances to other funds	100,000	-	-	1,704,422
Due from other governments	336,637	-	-	-
Prepaid items	667,521	-	-	-
Inventory	1,444	-	-	-
Total Assets	\$ 7,521,237	\$ 10,452,723	\$ 2,301,513	\$ 4,968,775
 <u>LIABILITIES</u>				
LIABILITIES				
Accounts payable	\$ 271,135	\$ 879,016	\$ -	\$ 4,596
Accrued payroll and benefits	365,155	-	-	-
Deposits payable	276,411	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	912,701	879,016	-	4,596
 <u>DEFERRED INFLOW OF RESOURCES</u>				
Deferred inflow of resources	474,236	9,540,444	2,276,215	-
 <u>FUND BALANCES (DEFICITS)</u>				
FUND BALANCES (DEFICITS)				
Nonspendable	668,965	-	-	1,704,422
Restricted	980	33,263	25,298	60,534
Committed	152,817	-	-	971,031
Assigned	968,421	-	-	2,228,192
Unassigned	4,343,117	-	-	-
Total Fund Balances (Deficits)	6,134,300	33,263	25,298	4,964,179
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 7,521,237	\$ 10,452,723	\$ 2,301,513	\$ 4,968,775

See accompanying notes to the basic financial statements.

CITY OF DIXON
BALANCE SHEET (continued)
GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>		
Cash and investments	\$ 5,213,361	\$ 13,764,005
Restricted cash and investments	-	276,411
Accounts receivable	26,522	1,001,326
Interest receivable	6,679	16,874
Taxes receivable	58,653	837,401
Notes receivable	317,482	12,134,141
Due from other funds	-	26,763
Advances to other funds	40,813	1,845,235
Due from other governments	-	336,637
Prepaid items	-	667,521
Inventory	-	1,444
	<u> </u>	<u> </u>
Total Assets	<u>\$ 5,663,510</u>	<u>\$ 30,907,758</u>
<u>LIABILITIES</u>		
LIABILITIES		
Accounts payable	\$ 609,344	\$ 1,764,091
Accrued payroll and benefits	6,437	371,592
Deposits payable	-	276,411
Due to other funds	605,184	605,184
Advances from other funds	<u>1,126,001</u>	<u>1,126,001</u>
	<u> </u>	<u> </u>
Total Liabilities	<u>2,346,966</u>	<u>4,143,279</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Deferred inflow of resources	317,482	12,608,377
<u>FUND BALANCES (DEFICITS)</u>		
FUND BALANCES (DEFICITS)		
Nonspendable	40,813	2,414,200
Restricted	2,366,123	2,486,198
Committed	-	1,123,848
Assigned	2,433,261	5,629,874
Unassigned	<u>(1,841,135)</u>	<u>2,501,982</u>
	<u> </u>	<u> </u>
Total Fund Balances (Deficits)	<u>2,999,062</u>	<u>14,156,102</u>
	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 5,663,510</u>	<u>\$ 30,907,758</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, 2014

Total fund balances of governmental funds	\$ 14,156,102
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 \$69,339,043.	135,111,415
Certain notes, loans, and interest receivables are not available to pay for current period expenditures and therefore are offset by deferred inflow of resources in the governmental funds.	
Notes receivable	(11,861,914)
Deferred inflow of resources	12,134,141
Long-term liabilities are not due in the current period and therefore are not reported in the governmental funds.	
Long-term liabilities	(1,706,600)
Compensated absences	(953,800)
Net OPEB obligation	(1,105,443)
Termination benefits	(249,923)
Accrued interest payable from the current portion of interest due on long-term liabilities has not been reported in the governmental funds.	(13,547)
Certain accounts receivables are not available to pay for current period expenditures and therefore are offset by deferred inflows in the governmental funds.	<u>474,236</u>
Net position of governmental activities	<u>\$ 145,984,667</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, 2014

	<u>General Fund</u>	<u>HOME Loans</u>	<u>Housing Successor Agency</u>	<u>Trans- portation</u>
<u>REVENUES</u>				
Taxes and assessments	\$ 10,277,378	\$ -	\$ -	\$ -
License, permits, and fees	1,538,449	-	-	-
Fines and forfeitures	15,504	-	-	-
Use of money and property	172,429	-	62	28,650
Program income	-	1,000	15,232	-
Intergovernmental	163,869	4,260,238	-	3,339
Charges for services	678,015	-	-	-
Developer fees	-	-	-	69,372
Other revenues	<u>111,239</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>12,956,883</u>	<u>4,261,238</u>	<u>15,294</u>	<u>101,361</u>
<u>EXPENDITURES</u>				
Current:				
General administration	1,916,487	-	-	-
Public safety	7,267,244	-	-	-
Parks and recreation	1,326,776	-	-	-
Development	331,898	4,239,841	1,111	-
Public ways and facilities	973,670	-	-	-
Capital outlay	166,183	-	-	254,289
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>11,982,258</u>	<u>4,239,841</u>	<u>1,111</u>	<u>254,289</u>
Excess (Deficiency) of Revenues over Expenditures	<u>974,625</u>	<u>21,397</u>	<u>14,183</u>	<u>(152,928)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	624,470	-	-	-
Transfers out	<u>(410,381)</u>	<u>-</u>	<u>-</u>	<u>(4,828)</u>
Total Other Financing Sources (Uses)	<u>214,089</u>	<u>-</u>	<u>-</u>	<u>(4,828)</u>
Net Change in Fund Balances	1,188,714	21,397	14,183	(157,756)
Fund Balances (Deficits) - July 1, 2013	<u>4,945,586</u>	<u>11,866</u>	<u>11,115</u>	<u>5,121,935</u>
Fund Balances (Deficits) - June 30, 2014	<u>\$ 6,134,300</u>	<u>\$ 33,263</u>	<u>\$ 25,298</u>	<u>\$ 4,964,179</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, 2014

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>		
Taxes and assessments	\$ 816,540	\$ 11,093,918
License, permits, and fees	-	1,538,449
Fines and forfeitures	67,830	83,334
Use of money and property	23,006	224,147
Program income	83,908	100,140
Intergovernmental	129,610	4,557,056
Charges for services	262,276	940,291
Developer fees	384,000	453,372
Other revenues	<u>-</u>	<u>111,239</u>
Total Revenues	<u>1,767,170</u>	<u>19,101,946</u>
<u>EXPENDITURES</u>		
Current:		
General administration	1,101	1,917,588
Public safety	84,497	7,351,741
Parks and recreation	-	1,326,776
Development	15,857	4,588,707
Public ways and facilities	346,903	1,320,573
Capital outlay	1,332,077	1,752,549
Debt service:		
Principal	381,200	381,200
Interest and fiscal charges	<u>62,892</u>	<u>62,892</u>
Total Expenditures	<u>2,224,527</u>	<u>18,702,026</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(457,357)</u>	<u>399,920</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers in	1,042,744	1,667,214
Transfers out	<u>(912,951)</u>	<u>(1,328,160)</u>
Total Other Financing Sources (Uses)	<u>129,793</u>	<u>339,054</u>
Net Change in Fund Balances	(327,564)	738,974
Fund Balances (Deficits) - July 1, 2013	<u>3,326,626</u>	<u>13,417,128</u>
Fund Balances (Deficits) - June 30, 2014	<u>\$ 2,999,062</u>	<u>\$ 14,156,102</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, 2014

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	\$ 738,974
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
Capital asset purchases	1,670,600
Depreciation expense	(4,380,893)
Government funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal.	
	(69,809)
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.	
Bond principal payments	381,200
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.	
	(52,162)
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.	
Loan program receipts	(133,529)
Loans made during the year	3,350,100
Accrued interest payable is interest due on long-term liabilities. This is the net change in accrued interest in the current period.	
	2,774
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Allowance for notes receivable	(3,276,303)
Other postemployment benefits	(263,163)
Termination benefits	108,934
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.	
	324,236
Some revenues reported in the prior year Statement of Activities were recognized in the governmental funds in the current year.	
	<u>(234,132)</u>
Change in net position of governmental activities	<u>\$ (1,833,173)</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

Business-type Activities - Enterprise Funds

	<u>Sewer</u>	<u>Transit</u>	<u>Water</u>	<u>Totals</u>
ASSETS				
Current Assets				
Cash and investments	\$ 3,638,831	\$ 169,299	\$ 59,168	\$ 3,867,298
Restricted cash and investments	-	3,974	-	3,974
Accounts receivable, net	513,299	6,250	-	519,549
Interest receivable	4,806	292	82	5,180
Inventory	-	150	-	150
Due from other governments	11,390	-	-	11,390
Total Current Assets	<u>4,168,326</u>	<u>179,965</u>	<u>59,250</u>	<u>4,407,541</u>
Non Current Assets				
Capital assets, net of accumulated depreciation	40,410,105	218,313	-	40,628,418
Total Non-Current Assets	<u>40,410,105</u>	<u>218,313</u>	<u>-</u>	<u>40,628,418</u>
Total Assets	<u>\$ 44,578,431</u>	<u>\$ 398,278</u>	<u>\$ 59,250</u>	<u>\$ 45,035,959</u>
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 217,321	\$ 6,373	\$ 27,120	\$ 250,814
Accrued salary and benefits	29,083	13,860	-	42,943
Accrued interest payable	10,808	-	-	10,808
Advances from other funds	40,813	-	100,000	140,813
Unearned revenue	-	3,974	-	3,974
Compensated absences - current	63,333	19,647	-	82,980
Termination benefits - current	-	15,586	-	15,586
Bonds payable - current	137,700	-	-	137,700
Total Current Liabilities	<u>499,058</u>	<u>59,440</u>	<u>127,120</u>	<u>685,618</u>
Non-Current Liabilities				
Termination benefits	-	15,586	-	15,586
Bonds payable	930,000	-	-	930,000
Net OPEB obligation	118,821	244,717	-	363,538
Total Non-Current Liabilities	<u>1,048,821</u>	<u>260,303</u>	<u>-</u>	<u>1,309,124</u>
Total Liabilities	<u>1,547,879</u>	<u>319,743</u>	<u>127,120</u>	<u>1,994,742</u>
NET POSITION:				
Net investment in capital assets	39,342,405	218,313	-	39,560,718
Unrestricted	3,688,147	(139,778)	(67,870)	3,480,499
Total Net Position	<u>43,030,552</u>	<u>78,535</u>	<u>(67,870)</u>	<u>43,041,217</u>
Total Liabilities and Net Position	<u>\$ 44,578,431</u>	<u>\$ 398,278</u>	<u>\$ 59,250</u>	<u>\$ 45,035,959</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, 2014

Business-type Activities - Enterprise Funds

	<u>Sewer</u>	<u>Transit</u>	<u>Water</u>	<u>Totals</u>
<u>OPERATING REVENUES</u>				
Charges for services, net of refunds	\$ 2,341,497	\$ 93,249	\$ -	\$ 2,434,746
Operating grants	58,971	554,329	-	613,300
Other revenue	<u>15,059</u>	<u>6,250</u>	-	<u>21,309</u>
Total Operating Revenue	<u>2,415,527</u>	<u>653,828</u>	-	<u>3,069,355</u>
<u>OPERATING EXPENSES</u>				
Salaries and benefits	777,207	410,323	-	1,187,530
Materials, supplies, and operational expenses	16,799	1,452	-	18,251
Repairs and maintenance	205,351	95,428	-	300,779
Power and utilities	72,724	10,913	-	83,637
Contractual services	110,481	3,368	53,225	167,074
Administration	21,148	29,375	14,547	65,070
Miscellaneous	28,480	-	250	28,730
Depreciation and amortization	<u>1,445,988</u>	<u>81,338</u>	-	<u>1,527,326</u>
Total Operating Expenses	<u>2,678,178</u>	<u>632,197</u>	<u>68,022</u>	<u>3,378,397</u>
Operating Income (Loss)	<u>(262,651)</u>	<u>21,631</u>	<u>(68,022)</u>	<u>(309,042)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Interest income	25,635	1,106	152	26,893
Interest expense	<u>(35,689)</u>	-	-	<u>(35,689)</u>
Total Non-Operating Revenues (Expenses)	<u>(10,054)</u>	<u>1,106</u>	<u>152</u>	<u>(8,796)</u>
Income (Loss) Before Transfers	<u>(272,705)</u>	<u>22,737</u>	<u>(67,870)</u>	<u>(317,838)</u>
<u>TRANSFERS</u>				
Transfers out	<u>(270,846)</u>	<u>(68,208)</u>	-	<u>(339,054)</u>
Total Transfers	<u>(270,846)</u>	<u>(68,208)</u>	-	<u>(339,054)</u>
Change in net position	(543,551)	(45,471)	(67,870)	(656,892)
Net Position - July 1, 2013	43,613,266	331,531	-	43,944,797
Prior period adjustment (Note 17)	<u>(39,163)</u>	<u>(207,525)</u>	-	<u>(246,688)</u>
Net Position - July 1, 2013, restated	<u>43,574,103</u>	<u>124,006</u>	-	<u>43,698,109</u>
Net Position - June 30, 2014	<u>\$ 43,030,552</u>	<u>\$ 78,535</u>	<u>\$ (67,870)</u>	<u>\$ 43,041,217</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

Business-type Activities - Enterprise Funds

	<u>Sewer</u>	<u>Transit</u>	<u>Water</u>	<u>Totals</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash received from customers	\$ 2,396,451	\$ 93,426	\$ -	\$ 2,489,877
Cash received from operating grants	-	556,805	-	556,805
Cash paid to suppliers	(474,575)	(137,246)	(40,902)	(652,723)
Cash paid to employees	(732,846)	(388,664)	-	(1,121,510)
Net Cash Provided by Operating Activities	<u>1,189,030</u>	<u>124,321</u>	<u>(40,902)</u>	<u>1,272,449</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>				
Due from other funds	(135,157)	-	100,000	(35,157)
Transfers to other funds	(270,846)	(68,208)	-	(339,054)
Net Cash Used for Non-Capital Financing Activities	<u>(406,003)</u>	<u>(68,208)</u>	<u>100,000</u>	<u>(374,211)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Capital grants	-	(3,041)	-	(3,041)
Acquisition of capital assets	(1,194,045)	-	-	(1,194,045)
Principal paid on capital debt	(135,400)	-	-	(135,400)
Interest paid on capital debt	(37,128)	-	-	(37,128)
Net Cash Used for Capital and Related Financing Activities	<u>(1,366,573)</u>	<u>(3,041)</u>	<u>-</u>	<u>(1,369,614)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest and dividends	25,257	979	70	26,306
Net Cash Provided by Investing Activities	<u>25,257</u>	<u>979</u>	<u>70</u>	<u>26,306</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(558,289)	54,051	59,168	(445,070)
Cash and Cash Equivalents - July 1, 2013	<u>4,197,120</u>	<u>119,222</u>	<u>-</u>	<u>4,316,342</u>
Cash and Cash Equivalents - June 30, 2014	<u>\$ 3,638,831</u>	<u>\$ 173,273</u>	<u>\$ 59,168</u>	<u>\$ 3,871,272</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position				
Cash and investments	\$ 3,638,831	\$ 169,299	\$ 59,168	\$ 3,867,298
Restricted cash and investments	-	3,974	-	3,974
Cash and Cash Equivalents - June 30, 2014	<u>\$ 3,638,831</u>	<u>\$ 173,273</u>	<u>\$ 59,168</u>	<u>\$ 3,871,272</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, 2014

<u>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</u>	<u>Sewer</u>	<u>Transit</u>	<u>Water</u>	<u>Totals</u>
Operating (Loss) Income	\$ (262,651)	\$ 21,631	\$ (68,022)	\$ (309,042)
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:				
Depreciation	1,445,988	81,338	-	1,527,326
Changes in assets and liabilities:				
Increase in accounts receivable	(19,076)	(6,073)	-	(25,149)
Decrease in grants receivable	-	2,476	-	2,476
Increase in inventory	-	(150)	-	(150)
Increase (decrease) in accounts payable	(19,592)	3,440	27,120	(16,152)
Increase (decrease) in accrued wages	1,847	(6,053)	-	(4,206)
Increase in net OPEB obligation	35,031	37,188	-	72,219
Decrease in termination benefits	-	(15,555)	-	(15,555)
Increase in compensated absences	<u>7,483</u>	<u>6,079</u>	<u>-</u>	<u>13,562</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,189,030</u>	<u>\$ 124,321</u>	<u>\$ (40,902)</u>	<u>\$ 1,245,329</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	<u>Private- Purpose Trust Fund</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Cash and investments (Note 2)	\$ -	\$ 3,513,282
Accounts receivable	-	365,216
Interest receivable	1,352	3,826
Prepaid expenses	86	-
Restricted cash and investments (Note 2)	417,982	769,186
Notes receivable, net	952,174	-
Capital assets, non-depreciable	<u>277,307</u>	<u>-</u>
Total Assets	\$ <u>1,648,901</u>	\$ <u>4,651,510</u>
<u>LIABILITIES</u>		
Accounts payable and other liabilities	\$ 150,000	\$ 125,274
Deposits payable	-	769,186
Interest payable	51,369	119,066
Long-term liabilities	2,590,000	-
Funds held in trust	<u>-</u>	<u>3,637,984</u>
Total Liabilities	\$ <u>2,791,369</u>	\$ <u>4,651,510</u>
<u>NET POSITION</u>		
Held in trust for private purposes	\$ <u>(1,142,468)</u>	\$ <u>-</u>

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, 2014

	<u>Private- Purpose Trust Fund</u>
<u>ADDITIONS</u>	
Taxes and assessments	\$ 464,348
Program Income	1,768
Reimbursements	25,000
Interest income	<u>2,661</u>
Total Additions	<u>493,777</u>
<u>DEDUCTIONS</u>	
Operating costs	259,958
Interest costs	<u>156,561</u>
Total Deductions	<u>416,519</u>
Change in Fiduciary Net Position	<u>77,258</u>
Fiduciary Net Position - July 1, 2013	<u>(1,219,726)</u>
Fiduciary Net Position - June 30, 2014	<u>\$ (1,142,468)</u>

See accompanying notes to the basic financial statements.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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 Agricultural Land Mitigation 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, 2014

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 - net investment in capital assets; 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, 2014

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. It accounts for the Successor Agency's loan activity.

Transportation Fund -The transportation fund is a capital projects fund used to account for the revenues 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, Readi-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, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Water Fund - The water fund is used to account for all revenues and expenses for operations, maintenance, and capital improvement funding during the transition of the Dixon Solano Water Authority to the City. Due to the future activity that is expected to occur in this fund, the City has elected to treat this as a major fund.

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

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

principal and interest which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term liabilities and acquisitions under capital leases are reported as other financing sources.

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

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net 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

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

investment pool. As the City places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

Interest income earned on pooled cash and investments is allocated monthly to the various funds based on month-end balances and is adjusted at fiscal year-end. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

The City's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. LAIF determines the fair value of their portfolio quarterly and reports a factor to the City; the City applies that factor to convert its share of LAIF from amortized cost to fair value. This amount is included in cash and cash equivalents in the balance sheet of the governmental funds. Changes in fair value are allocated to each participating fund.

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 recorded as deferred inflows of resources 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 also recorded as deferred inflows of resources 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.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 more than one year are capitalized. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net 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, 2014. 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, 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, except for insurance, are expensed in the period incurred. Amortization of bond premiums or discounts, insurance 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.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflow of Resources

In addition to assets, the statement of financial position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

L. Interfund Transactions

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

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

M. 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. Net investment in capital assets - 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

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

N. 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.

O. 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.

P. 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.

Q. Implementation of Government Accounting Standards Board Statements

Effective July 1, 2013, the City implemented the following accounting and financial reporting standards:

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.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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*.

R. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2014 or later. The City has not determined the effects on the financial statements.

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.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2014 were classified in the accompanying financial statements as follows:

	Cash and Investments	Restricted Cash and Investments	Total
Governmental activities	\$ 13,764,005	\$ 276,411	\$ 14,040,416
Business-type activities	3,867,298	3,974	3,871,272
Total government-wide cash and investments	17,631,303	280,385	17,911,688
Fiduciary activities	3,513,282	1,187,168	4,700,450
Total cash and investments	\$ 21,144,585	\$ 1,467,553	\$ 22,612,138

Certain of the City's cash and investments are restricted for the following purposes:

	Restricted Cash and Investments
Governmental	
Restricted for deposits payable	\$ 276,411
Business-type activities	
Restricted for unearned revenue	3,974
Total government-wide cash and investments	280,385
Fiduciary activities	
Restricted for deposits payable	1,187,168
Total restricted cash and investments	\$ 1,467,553

Cash and investments were carried at fair value as of June 30, 2014 and consisted of the following:

Cash on hand	\$ 1,325
Cash in banks	1,909,394
Total cash	1,910,719
U.S. Treasury obligations	5,287,941
U.S. Agency securities	744,211
Corporate bonds	2,844,270
Certificate of deposits	1,125,185
Municipal bonds	100,228
Money market funds	1,160,099
Commercial Paper	747,358
Local Agency Investment Fund (LAIF)	6,659,208
California Asset Management Program (CAMP)	2,032,919
Total investments	20,701,419
Total cash and investments	\$ 22,612,138

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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.

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

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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, 2014:

	Remaining Maturity		
	12 months or less	1-5 years	Fair Value
Certificate of deposit	\$ 1,125,185	\$ -	\$ 1,125,185
U.S. Treasuries	-	5,287,941	5,287,941
U.S. Agency securities	-	744,211	744,211
Corporate bonds	-	2,844,270	2,844,270
Municipal bonds	50,069	50,159	100,228
Commercial paper	747,358	-	747,358
Money market mutual funds	1,088,374	-	1,088,374
Local Agency Investment Fund	6,659,208	-	6,659,208
California Asset Management Program	2,032,919	-	2,032,919
Held by bond trustee:			
Money market funds	<u>71,725</u>	<u>-</u>	<u>71,725</u>
	<u>\$ 11,774,838</u>	<u>\$ 8,926,581</u>	<u>\$ 20,701,419</u>

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, 2014.

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.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

	Total	Rating as of Fiscal Year End		
		S&P	Moody's	N/A
U.S. Treasuries	\$ 5,287,941	Exempt		Not rated
U.S. Agency Securities	744,211	AA+	Aaa	
Corporate bonds	295,740	A	A3	
Corporate bonds	275,004	A-	A1	
Corporate bonds	245,836	A+	A1	
Corporate bonds	200,732	AA	Aa2	
Corporate bonds	559,801	A	A2	
Corporate bonds	64,941	AA	Aa3	
Corporate bonds	125,388	AA-	A1	
Corporate bonds	275,371	AA+	Aa1	
Corporate bonds	224,764	A-	A2	
Corporate bonds	326,654	A+	A2	
Corporate bonds	250,039	AA-	Aa3	
Commercial Paper	747,358			Not rated
Municipal Bonds	100,228	AA	Aa2	
Certificate of deposit	1,125,185			Not rated
Money market mutual funds	1,160,099			Not rated
Local Agency Investment Fund	6,659,208			Not rated
California Asset Management Program	2,032,919	AAAm		
	<u>\$ 20,701,419</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. There were no investments in any one issuer (other than mutual funds and external investment pools) that represented 5% or more of total City investments.

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, 2014, the carrying amount of the City's deposits was \$1,910,719 and bank balances were \$2,013,782, of which \$250,000 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.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Allocation of Interest Income Among Funds

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

NOTE 3: NOTES AND LOANS RECEIVABLE

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

A summary of notes receivable at June 30, 2014 is as follows:

<u>Government-wide</u>	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Balance June 30, 2014</u>
HOME Loans	\$ 6,237,220	\$ 3,304,225	\$ (1,001)	\$ 9,540,444
Housing Successor Agency	2,291,134	45,875	(60,794)	2,276,215
CDBG Business Loans	<u>389,216</u>	<u>-</u>	<u>(71,734)</u>	<u>317,482</u>
Total Notes Receivable	<u>8,917,570</u>	<u>3,350,100</u>	<u>(133,529)</u>	<u>12,134,141</u>
Less Allowance for Notes Receivable	<u>(8,585,611)</u>	<u>(3,350,100)</u>	<u>73,797</u>	<u>(11,861,914)</u>
Total Notes Receivable, net	<u>\$ 331,959</u>	<u>\$ -</u>	<u>\$ (59,732)</u>	<u>\$ 272,227</u>

The balance of the notes receivable have been offset in the fund financial statements by deferred inflows of resources 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, 2014.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 4: INTERFUND AND INTRA-FUND TRANSACTIONS

Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2014 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>
Transportation	Storm Drain	2008 Pond C project	1,126,001
Transportation	Transit Projects	2012 West B Street Undercrossing	578,421
General Fund	Transit CIP	Overdrawn Cash Balances	26,539
General Fund	Water	Operational Loan	100,000
Capital Improvements	Sewer	South Dixon Sewer Trunk Line	40,813
	CDBG Rehabilitation		
General Fund	Grant	Overdrawn Cash Balance	<u>224</u>
Total Interfund Receivables/Payables			\$ <u>1,871,998</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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

Interfund Transfers to/from Other Funds

Transfers between funds during the fiscal year ended June 30, 2014 were as follows:

<u>Transfer from</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
<u>Major Governmental Funds</u>			
General Fund	Lighting and Landscaping	Funding for L&L activities	\$ 83,309
General Fund	Capital Improvements	Funding for sidewalk project	50,000
General Fund	CFD Pond C	City share of CFD	7,903
General Fund	Lease Financing	Debt Service	222,073
General Fund	CDBG	Reimbursement for excess administrative charges	47,096
Transportation	General Fund	Reimburse allocated costs	<u>4,828</u>
Total Major Governmental Interfund Transfers			<u>415,209</u>
<u>Non-Major Governmental Funds</u>			
Gas Tax	General Fund	Reimburse allocated costs	271,079
Gas Tax	Transit CIP	Interfund loan	74,053
Traffic Safety	General Fund	Reimburse allocated costs	500
Valley Glen Storm Drain	General Fund	Reimburse allocated costs	1,345
DPFA Reassessment Revenue	DPFA Assess District	Debt Refundings	3,290,962
Capital Improvements	Core Area Drainage	Funding for Core Area Drainage Project	232,000
Fire	Lease Financing	Debt service	72,101
Police	Lease Financing	Debt service	31,351
City Facilities	General Fund	Reimburse allocated costs	1,398
City Facilities	Lease Financing	Debt service	122,858
Public Works	General Fund	Reimburse allocated costs	1,997
Storm Drain	General Fund	Reimburse allocated costs	1,850
Storm Drain	Core Area Drainage	Funding for core area drainage project	100,000
Core Area Drainage	General Fund	Reimburse allocated costs	1,166
Transit	General Fund	Reimburse allocated costs	591
CFD Pond	General Fund	Reimburse allocated costs	111
Recreation Improvements	General Fund	Reimburse allocated costs	<u>551</u>
Total Non- Major Governmental Interfund Transfers			<u>4,203,913</u>
<u>Proprietary Funds</u>			
Sewer	General Fund	Reimburse allocated costs	270,846
Transit	General Fund	Reimburse allocated costs	<u>68,208</u>
Total Proprietary Interfund Transfers			<u>339,054</u>
Total Interfund Transfers			<u>\$ 4,958,176</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014:

<u>Transfer from</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
<u>General Fund</u>			
General Fund	Building Reserve	Building reserve	\$ 30,000
General Fund	Infrastructure Reserve	Future infrastructure replace	50,000
General Fund	PERS Stabilization	Future PERS increases	64,518
Recreation	General Fund	Reimburse allocated costs	14,352
Building Reserve	General Fund	Building Repairs	37,561
Equipment Replacement	General Fund	Equipment replacement	<u>39,363</u>
Total General Fund Intra-Fund Transfers			<u>235,794</u>
<u>Sewer Fund</u>			
Sewer O&M	Sewer Debt	Debt service	174,000
Sewer O&M	Sewer Rehab Projects	Funding for capital projects	281,500
Sewer O&M	Sewer Capital Mixed	Funding for capital projects	463,518
Sewer O&M	Sewer Equipment Replacement	Future equipment replacement	50,000
Sewer Equipment Replacement	Sewer O&M	Equipment Replacement	61,649
Sewer Improvements	Sewer Capital Mixed	Funding for capital projects	327,482
Sewer Rehab	Sewer Improvements	CIP transfer	102,602
Sewer Capital Mixed	Sewer Improvements	CIP transfer	<u>1,023,289</u>
Total Sewer Intra-Fund Transfers			<u>2,484,040</u>
Total Intra-fund Transfers			<u>\$ 2,719,834</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 pages 112 - 113 presents both general fund interfund transfers and intra-fund transfers.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5: CAPITAL ASSETS

Governmental activities:

	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2014</u>
Capital assets not being depreciated					
Land	\$ 2,379,262	\$ -	\$ -	\$ -	\$ 2,379,262
Construction-in-progress	<u>4,137,030</u>	<u>1,518,018</u>	<u>(180)</u>	<u>(226,214)</u>	<u>5,428,654</u>
Total capital assets not being depreciated	<u>6,516,292</u>	<u>1,518,018</u>	<u>(180)</u>	<u>(226,214)</u>	<u>7,807,916</u>
Capital assets being depreciated					
Buildings and improvements	12,396,550	50,250	-	-	12,446,800
Equipment	6,984,572	102,332	(261,660)	-	6,825,244
Infrastructure	<u>177,144,284</u>	<u>-</u>	<u>-</u>	<u>226,214</u>	<u>177,370,498</u>
Total capital assets being depreciated	<u>196,525,406</u>	<u>152,582</u>	<u>(261,660)</u>	<u>226,214</u>	<u>196,642,542</u>
Less accumulated depreciation					
Buildings and improvements	(4,591,738)	(317,595)	-	-	(4,909,333)
Equipment	(4,369,236)	(342,321)	192,031	-	(4,519,526)
Infrastructure	<u>(56,189,207)</u>	<u>(3,720,977)</u>	<u>-</u>	<u>-</u>	<u>(59,910,184)</u>
Total accumulated depreciation	<u>(65,150,181)</u>	<u>(4,380,893)</u>	<u>192,031</u>	<u>-</u>	<u>(69,339,043)</u>
Total capital assets, net	<u>\$ 137,891,517</u>	<u>\$ (2,710,293)</u>	<u>\$ (69,809)</u>	<u>\$ -</u>	<u>\$ 135,111,415</u>

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

Governmental Activities:

General administration	\$ 156,451
Public safety	312,666
Parks and recreation	711,913
Community development	1,936
Public ways and facilities	<u>3,197,927</u>

Total governmental activities depreciation expense \$ 4,380,893

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5: CAPITAL ASSETS (CONTINUED)

Business-type activities:

	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2014</u>
Capital assets not being depreciated				
Land	\$ 773,160	\$ -	\$ -	\$ 773,160
Construction-in-progress	<u>1,667,157</u>	<u>1,125,893</u>	<u>-</u>	<u>2,793,050</u>
Total capital assets not being depreciated	<u>2,440,317</u>	<u>1,125,893</u>	<u>-</u>	<u>3,566,210</u>
Capital assets being depreciated				
Structures and improvements	58,272,310	-	-	58,272,310
Equipment	<u>1,726,432</u>	<u>68,154</u>	<u>(104,118)</u>	<u>1,690,468</u>
Total capital assets being depreciated	<u>59,998,742</u>	<u>68,154</u>	<u>(104,118)</u>	<u>59,962,778</u>
Less accumulated depreciation				
Structures and improvements	(20,268,571)	(1,394,785)	-	(21,663,356)
Equipment	<u>(1,208,791)</u>	<u>(132,541)</u>	<u>104,118</u>	<u>(1,237,214)</u>
Total accumulated depreciation	<u>(21,477,362)</u>	<u>(1,527,326)</u>	<u>104,118</u>	<u>(22,900,570)</u>
Total capital assets, net	<u>\$ 40,961,697</u>	<u>\$ (333,279)</u>	<u>\$ -</u>	<u>\$ 40,628,418</u>

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

Sewer	\$ 1,445,988
Transit	<u>81,338</u>
Total business-type activities depreciation expense	<u>\$ 1,527,326</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014:

	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2014</u>	<u>Current Portion</u>
Governmental activities:					
Compensated absences	\$ 901,638	\$ 876,971	\$ (824,809)	\$ 953,800	\$ 953,800
2012 Lease revenue	<u>2,087,800</u>	<u>-</u>	<u>(381,200)</u>	<u>1,706,600</u>	<u>210,600</u>
Total Governmental activities	<u>\$ 2,989,438</u>	<u>\$ 876,971</u>	<u>\$ (1,206,009)</u>	<u>\$ 2,660,400</u>	<u>\$ 1,164,400</u>
	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2014</u>	<u>Current Portion</u>
Business-type activities:					
Compensated absences	\$ 69,418	\$ 176,036	\$ (162,474)	\$ 82,980	\$ 82,980
2012 Refunding bonds	<u>1,203,100</u>	<u>-</u>	<u>(135,400)</u>	<u>1,067,700</u>	<u>137,700</u>
Total Business-type activities	<u>\$ 1,272,518</u>	<u>\$ 176,036</u>	<u>\$ (297,874)</u>	<u>\$ 1,150,680</u>	<u>\$ 220,680</u>

A description of the long-term liabilities related to governmental activities at June 30, 2014 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, 2014 was \$1,706,600.

Governmental Activities Long-Term Liabilities Amortization:

2012 Refunding Lease Revenue			
<u>For the Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	243,700	24,295	267,995
2020 - 2022	<u>573,600</u>	<u>25,244</u>	<u>598,844</u>
Total	<u>\$ 1,706,600</u>	<u>\$ 220,046</u>	<u>\$ 1,926,646</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6: LONG-TERM LIABILITES (CONTINUED)

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, 2014 was \$1,067,700.

Business-Type Long-Term Liabilities Amortization

2012 Sewer Refunding Bonds			
For the Year Ending June 30	Principal	Interest	Total
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	158,400	13,726	172,126
2020 - 2021	328,000	12,610	340,610
Total	\$ 1,067,700	\$ 126,965	\$ 1,194,665

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. Balances of the various assessment district bonds at June 30, 2014 were as follows:

North First Street Assessment District Limited Obligation Improvement Bonds	\$ 3,798,902
2013 Revenue Refunding Bonds	3,798,902
Total Special Assessment Debt	\$ 7,597,804

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

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8: EARLY RETIREMENT INCENTIVE (CONTINUED)

During fiscal year 2012, twenty two City employees met the eligibility criteria. Four general fund and two Transit employees elected to participate. During 2013, 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, 2014 totaled \$281,095, which represents actual future payments to be made. Of this amount, \$249,923 is recorded in governmental activities and \$31,172 is recorded in business-type activities. Expenses related to termination benefits totaled \$92,849 for the year ending June 30, 2014. Future payments as of June 30, are as follows:

	<u>Amount</u>
2015	\$ 124,489
2016	124,489
2017	<u>32,117</u>
Total	<u>\$ 281,095</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014

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, 2014

NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Annual Pension Cost

For the fiscal year ended June 30, 2014, the City's annual pension cost (employer contribution) of \$2,142,194 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
2012	\$ 2,018,696	100%	-
2013	\$ 2,117,639	100%	-
2014	\$ 2,142,194	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, 2014, the City reported 34 retiree employees. The City currently has 103 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, 2014, 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, 2014

NOTE 10: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation

For the year ended June 30, 2014, the City's annual cost for the healthcare plan was \$387,000. The City's annual OPEB cost contributed to the plan and the net OPEB obligation for the year ended June 30, 2014 were as follows:

Annual required contribution		
Service cost at year-end	\$	261,683
30-year amortization of funded liability		<u>168,000</u>
Total annual required contribution		<u>429,683</u>
Interest on net OPEB obligation		48,178
Adjustment to net OPEB obligation		<u>(90,861)</u>
Total annual OPEB cost		<u>387,000</u>
Employer contributions		(51,615)
Net pension obligation, July 1, 2013		<u>1,133,596</u>
Net pension obligation, June 30, 2014	\$	<u>1,468,981</u>

Year Ended	Annual OPEB cost	Actual Employer Contribution	Percentage Contributed	Net Ending OPEB
June 30, 2012	\$ 322,000	\$ 124,494	39 %	\$ 901,299
June 30, 2013	\$ 351,000	\$ 118,703	34 %	\$ 1,133,596
June 30, 2014	\$ 387,000	\$ 51,615	13 %	\$ 1,468,981

As of June 30, 2014, \$1,105,443 of the net pension obligation was recorded in governmental activities and \$363,538 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, 2014, 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)	\$	7,249,000
UAAL as a percentage of covered payroll		29 %

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014

NOTE 11: FUND BALANCE (CONTINUED)

As of June 30, 2014, 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>
Nonspendable:						
Prepays	\$ 668,965	\$ -	\$ -	\$ -	\$ -	\$ 668,965
Advances	-	-	-	1,704,422	40,813	1,745,235
Restricted:						
Housing	-	-	25,298	-	-	25,298
Grants	-	33,263	-	-	502,611	535,874
Taxes & fees	-	-	-	-	1,794,802	1,794,802
Debt service	-	-	-	-	4,470	4,470
Contributions	980	-	-	-	-	980
Mitigation	-	-	-	60,534	64,242	124,776
Committed:						
Encumbrances	152,817	-	-	971,031	-	1,123,848
Assigned:						
Encumbrances	75,594	-	-	-	-	75,594
Traffic safety	-	-	-	-	69,826	69,826
Capital projects	-	-	-	2,228,192	2,358,077	4,586,269
Asset forfeiture	-	-	-	-	5,358	5,358
Equipment replacement	518,461	-	-	-	-	518,461
Building maintenance	158,847	-	-	-	-	158,847
Infrastructure reserve	150,880	-	-	-	-	150,880
PERS Stabilization	64,639	-	-	-	-	64,639
Unassigned	<u>4,343,117</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,841,135)</u>	<u>2,501,982</u>
Total	<u>\$ 6,134,300</u>	<u>\$ 33,263</u>	<u>\$ 25,298</u>	<u>\$ 4,964,179</u>	<u>\$ 2,999,064</u>	<u>\$ 14,156,104</u>

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, 2014

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 \$663,521 is recorded as a prepaid asset in the General Fund. Compiled condensed financial information for the NCCSIF for the fiscal year ended June 30, 2014 was as follows:

Total Assets	\$	46,940,000
Total Liabilities	\$	36,876,067
Net Position	\$	10,063,933
Total Revenues	\$	15,280,868
Total Expenses	\$	12,610,440
Change in Net Position	\$	2,670,428

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, 2014, operating costs associated with the lease totaled \$97,415. 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:

2015	\$	100,856
2016		104,784
2017		108,884
2018		103,392
2019		105,966
Thereafter		<u>17,788</u>
	\$	<u>541,670</u>

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014:

Fund	Excess Expenditures
Parks Improvements	\$ 1,095
Used Oil	1,024
Core Area Drain	158,778
Transit Projects	5,520
Community Development	6
CDBG Rehabilitation	224

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

NOTE 15: DEFICIT FUND BALANCES

As of June 30, 2014, the following funds had a fund deficit:

Fund	Deficit
CDBG Rehabilitation	\$ 224
Storm Drain	1,077,987
Core Area Drainage	156,599
Transit Projects	606,549

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, 2014 totaling \$685,295 for various construction projects that were not complete as of year-end.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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>Enterprise funds</u>		
Sewer	To properly remove prepaid bond issuance costs pursuant to GASB 65	(39,163)
Transit	To record portion of OPEB liability in transit fund	<u>(207,525)</u>
	Total Fund Balance Restatement	<u>\$ (246,688)</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 (DSWA), 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 Solano Irrigation District on August 9, 2012.

As of August 11, 2014, the City of Dixon owns and operates the water system that was previously operated as DSWA. Severn Trent Services serves as the City's contract operator. Transition services began late in fiscal year 2013-14 and the City, Solano Irrigation District and Severn Trent worked in the early part of fiscal year 2014-15 to migrate operations to the City.

Effective July 1, 2014, the California Department of Public Health (CDPH) has mandated that water purveyors not exceed the Maximum Contaminant Level (MCL) for hexavalent chromium (Chrom VI) of 10 parts per billion (ppb). It should be noted that the Drinking Water Program has been transferred from CDPH to the State Water Resources Control Board (SWRCB), under the Division of Drinking Water (DDW). Dixon adopted a Capital Improvement Program that included a Chrom VI Study and on July 8, 2014, the City Council directed staff to issue a Request for Proposal (RFP) to provide engineering services for Chrom VI Management Study.

Wastewater Treatment Facility Bridge Financing

On July 14, 2014, the City Council adopted Resolution 14-100 authorizing an inter-fund loan from the Transportation Capital Improvements projects Fund 460 to the Wastewater Operations and Maintenance Fund 305. The Council also adopted a resolution addressing the City's intent to reimburse certain capital expenditures from proceeds of a tax-exempt obligation that the City was pursuing in the form of a private placement financing. The State Water Resources Control Board (SWRCB) indicated that the City's State Revolving Loan Fund Planning and Construction Loan applications would be scheduled for their August 19, 2014 meeting. In order to keep the project design timetable on track and adhere to the proposed construction schedule, these actions were necessary to secure "bridge" financing to continue the design process to get to the targeted 100% design completion in October 2014.

The City Council and Dixon Public Financing Authority took action at the August 12, 2014 meeting for financing and execution of Installment Sale Financing Documents in order to finance planning and design expenses related to the City's wastewater treatment facility expansion for improvements to be made to the City's municipal sewer system. An Installment Sales Agreement by and between the Dixon Public Financing Authority (DPFA), as seller, and the City as purchaser has been executed. The principal amount issued was \$1.32 million with an interest rate of 2.1% with the obligation to be paid from the net revenues of the Sewer System on a parity as to payment and security as the City's outstanding City of Dixon 2012 Sewer Refunding Revenue Bonds. Interest paid each March beginning in 2015 with principal payments scheduled for March 1, 2016 and March 1, 2017. The debt is callable at any time in the event SRF financing has been secured.

CITY OF DIXON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 18: SUBSEQUENT EVENTS (CONTINUED)

Additional Council action rescinded the previously adopted resolution authorizing an Inter-Fund loan of up to \$500,000 to the procurement of the private placement financing.

State Revolving Fund Loan

The City of Dixon submitted a Planning application to the Clean Water State Revolving Fund (SRF) Program in December 2013 to finance project design costs. The application had not yet been approved by fiscal year end for 2013-14. Both the City of Dixon and the State Water Resources Control Board have executed Installment Sales Agreement (ISA) No. 14-812-550 dated August 19, 2014 for the Dixon Wastewater Treatment Facility Improvements Project No. C-06-8001-120. The project financing consists of Twenty Eight Million Five Hundred Thousand Dollars (\$28,500,000) at an interest rate of 1.9% per annum with a term from August 19, 2014 to December 31, 2036. The estimated Completion of Construction Date has been established as December 31, 2016, with the first payment due December 31, 2017. The finance agreement was fully executed on October 14, 2014.

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, 2014

	2013 - 2014			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual Amounts	
<u>REVENUES</u>				
Taxes and assessments	\$ 9,762,711	\$ 10,159,285	\$ 10,277,378	\$ 118,093
License, permits, and fees	1,367,365	1,199,859	1,538,449	338,590
Fines and forfeitures	14,930	14,930	15,504	574
Use of money and property	201,005	131,005	172,429	41,424
Intergovernmental	134,324	408,644	163,869	(244,775)
Charges for services	552,851	670,120	678,015	7,895
Other revenues	<u>29,000</u>	<u>38,140</u>	<u>111,239</u>	<u>73,099</u>
Total Revenues	<u>12,062,186</u>	<u>12,621,983</u>	<u>12,956,883</u>	<u>334,900</u>
<u>EXPENDITURES</u>				
Current:				
General Administration				
City council	82,371	82,371	74,556	7,815
City manager	317,521	467,362	315,518	151,844
City clerk	151,287	158,881	155,554	3,327
Administrative services	1,072,168	1,371,915	1,046,267	325,648
Personnel	217,650	234,961	269,265	(34,304)
City attorney	140,250	140,250	136,832	3,418
General liability	<u>163,038</u>	<u>193,260</u>	<u>(81,505)</u>	<u>274,765</u>
Total General Administration	<u>2,144,285</u>	<u>2,649,000</u>	<u>1,916,487</u>	<u>732,513</u>
Public Safety				
Police	3,747,766	3,862,494	3,601,851	260,643
Fire	<u>3,292,272</u>	<u>3,660,788</u>	<u>3,665,393</u>	<u>(4,605)</u>
Total Public Safety	<u>7,040,038</u>	<u>7,523,282</u>	<u>7,267,244</u>	<u>256,038</u>
Parks and Recreation				
Park maintenance	959,759	1,037,590	1,005,440	32,150
Recreation	261,077	261,077	239,770	21,307
Senior multi-use center	<u>87,778</u>	<u>87,778</u>	<u>81,566</u>	<u>6,212</u>
Total Parks and Recreation	<u>1,308,614</u>	<u>1,386,445</u>	<u>1,326,776</u>	<u>59,669</u>
Development				
Planning	<u>406,382</u>	<u>428,300</u>	<u>331,898</u>	<u>96,402</u>
Total Development	<u>406,382</u>	<u>428,300</u>	<u>331,898</u>	<u>96,402</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, 2014

	2013 - 2014			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Public Ways and Facilities				
Engineering	\$ 484,421	\$ 496,643	\$ 479,415	\$ 17,228
Street maintenance	<u>499,924</u>	<u>507,863</u>	<u>494,255</u>	<u>13,608</u>
Total Public Ways and Facilities	<u>984,345</u>	<u>1,004,506</u>	<u>973,670</u>	<u>30,836</u>
Capital Outlay	<u>281,200</u>	<u>365,495</u>	<u>166,183</u>	<u>199,312</u>
Total Expenditures	<u>12,164,864</u>	<u>13,357,028</u>	<u>11,982,258</u>	<u>2,550,228</u>
Excess (deficiency) of revenues over expenditures	<u>(102,678)</u>	<u>(735,045)</u>	<u>974,625</u>	<u>(2,215,328)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	618,565	798,931	624,470	(174,461)
Transfers out	<u>(360,759)</u>	<u>(951,213)</u>	<u>(410,381)</u>	<u>540,832</u>
Total Other Financing Sources (Uses)	<u>257,806</u>	<u>(152,282)</u>	<u>214,089</u>	<u>366,371</u>
Net change in fund balance	<u>\$ 155,128</u>	<u>\$ (887,327)</u>	<u>1,188,714</u>	<u>\$ (1,848,957)</u>
Fund balance - July 1, 2013			4,945,586	
Fund balance - June 30, 2014			<u>\$ 6,134,300</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, 2014

	<u>2013 - 2014</u> <u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Program income	\$ 1,500	\$ 1,500	\$ 1,000	\$ (500)
Intergovernmental	<u>6,634,377</u>	<u>10,956,627</u>	<u>4,260,238</u>	<u>(6,696,389)</u>
Total Revenues	<u>6,635,877</u>	<u>10,958,127</u>	<u>4,261,238</u>	<u>(6,696,889)</u>
<u>EXPENDITURES</u>				
Current:				
Development				
CDBG home rehab	<u>6,640,635</u>	<u>10,953,327</u>	<u>4,239,841</u>	<u>6,713,486</u>
Total Expenditures	<u>6,640,635</u>	<u>10,953,327</u>	<u>4,239,841</u>	<u>13,426,972</u>
Net change in fund balance	<u>\$ (4,758)</u>	<u>\$ 4,800</u>	<u>21,397</u>	<u>\$ 16,597</u>
Fund balance - July 1, 2013			<u>11,866</u>	
Fund balance - June 30, 2014			<u>\$ 33,263</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, 2014

	<u>2013 - 2014</u> <u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 62	\$ 62
Program income	<u>1,620</u>	<u>1,620</u>	<u>15,232</u>	<u>13,612</u>
Total Revenues	<u>1,620</u>	<u>1,620</u>	<u>15,294</u>	<u>13,674</u>
<u>EXPENDITURES</u>				
Development				
Administration	<u>1,111</u>	<u>1,111</u>	<u>1,111</u>	<u>-</u>
Total Expenditures	<u>1,111</u>	<u>1,111</u>	<u>1,111</u>	<u>-</u>
Net change in fund balance	<u>\$ 509</u>	<u>\$ 509</u>	<u>14,183</u>	<u>\$ 13,674</u>
Fund balance - July 1, 2013			<u>11,115</u>	
Fund balance - June 30, 2014			<u>\$ 25,298</u>	

**CITY OF DIXON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED JUNE 30, 2014**

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%	\$ 7,249,000	29 %

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, 2014

	2013 - 2014			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ 152,150	\$ 152,150	\$ 28,650	\$ (123,500)
Intergovernmental	120,000	120,000	3,339	(116,661)
Developer fees	<u>64,000</u>	<u>36,557</u>	<u>69,372</u>	<u>32,815</u>
Total Revenues	<u>336,150</u>	<u>308,707</u>	<u>101,361</u>	<u>(207,346)</u>
<u>EXPENDITURES</u>				
Current:				
Capital Outlay				
Administration	15,000	15,000	15,200	(200)
Slurry seal and paving	-	1,943	5,733	(3,790)
Sidewalk replacement	-	-	67	(67)
Street master plan	-	64,721	9,962	54,759
Vaughn Road realignment	-	30,000	-	30,000
Railroad grade separation	<u>33,000</u>	<u>1,267,597</u>	<u>223,327</u>	<u>1,044,270</u>
Total Capital Outlay	<u>48,000</u>	<u>1,379,261</u>	<u>254,289</u>	<u>1,124,972</u>
Total Expenditures	<u>48,000</u>	<u>1,379,261</u>	<u>254,289</u>	<u>1,124,972</u>
Excess (deficiency) of revenues over expenditures	<u>288,150</u>	<u>(1,070,554)</u>	<u>(152,928)</u>	<u>917,626</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	74,681	74,681	-	(74,681)
Transfers out	<u>(4,828)</u>	<u>(4,828)</u>	<u>(4,828)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>69,853</u>	<u>69,853</u>	<u>(4,828)</u>	<u>(74,681)</u>
Net change in fund balance	<u>\$ 358,003</u>	<u>\$ (1,000,701)</u>	<u>(157,756)</u>	<u>\$ 842,945</u>
Fund balance - July 1, 2013			<u>5,121,935</u>	
Fund balance - June 30, 2014			<u>\$ 4,964,179</u>	

NON-MAJOR GOVERNMENTAL FUNDS

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

SPECIAL REVENUE FUNDS

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.

NON-MAJOR GOVERNMENTAL FUNDS

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.

Park Improvement Fund

This fund is used to track impact fees collected specifically for capital improvements to parks.

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, 2014

Special Revenue Funds						
	<u>Gas Tax</u>	<u>Traffic Safety</u>	<u>Used Oil Recycling Block Grant</u>	<u>COPS Block Grant</u>	<u>Asset Forfeiture</u>	<u>CDBG</u>
<u>ASSETS</u>						
Cash and investments	\$ 447,822	\$ 82,417	\$ 3,993	\$ 189,383	\$ 5,351	\$ 309,774
Accounts receivable	-	1,881	-	24,641	-	-
Interest receivable	623	102	7	237	7	381
Taxes receivable	58,653	-	-	-	-	-
Notes receivable	-	-	-	-	-	317,482
Advances to other funds	-	-	-	-	-	-
Total Assets	<u>\$ 507,098</u>	<u>\$ 84,400</u>	<u>\$ 4,000</u>	<u>\$ 214,261</u>	<u>\$ 5,358</u>	<u>\$ 627,637</u>
<u>LIABILITIES</u>						
LIABILITIES:						
Accounts payable	\$ 382	\$ -	\$ 605	\$ 1,149	\$ -	\$ -
Accrued payroll and benefits	-	-	-	411	-	-
Due to other funds	-	-	-	-	-	224
Advances from other funds	-	-	-	-	-	-
Total Liabilities	<u>382</u>	<u>-</u>	<u>605</u>	<u>1,560</u>	<u>-</u>	<u>224</u>
<u>DEFERRED INFLOW OF RESOURCES</u>						
Deferred inflow of resources	-	-	-	-	-	317,482
<u>FUND BALANCES (DEFICITS)</u>						
FUND BALANCES (DEFICITS):						
Nonspendable	-	-	-	-	-	-
Restricted	506,716	84,400	3,395	212,701	5,358	309,931
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	<u>506,716</u>	<u>84,400</u>	<u>3,395</u>	<u>212,701</u>	<u>5,358</u>	<u>309,931</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 507,098</u>	<u>\$ 84,400</u>	<u>\$ 4,000</u>	<u>\$ 214,261</u>	<u>\$ 5,358</u>	<u>\$ 627,637</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2014

	Special Revenue Funds			Capital Project Funds		
	Landscaping and Lighting Assessment Districts	Valley Glen Storm Drain	CFD Pond C	Capital Improvements	Community Development	Fire
ASSETS						
Cash and investments	\$ 151,107	\$ 1,086,244	\$ 17,224	\$ 513,458	\$ 172	\$ -
Accounts receivable	-	-	-	-	-	-
Interest receivable	193	1,359	20	701	-	-
Taxes receivable	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Advances to other funds	-	-	-	40,813	-	-
Total Assets	\$ 151,300	\$ 1,087,603	\$ 17,244	\$ 554,972	\$ 172	\$ -
LIABILITIES						
LIABILITIES:						
Accounts payable	\$ 10,160	\$ 809	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	3,478	2,548	-	-	-	-
Due to other funds	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total Liabilities	13,638	3,357	-	-	-	-
DEFERRED INFLOW OF RESOURCES						
Deferred inflow of resources	-	-	-	-	-	-
FUND BALANCES (DEFICITS)						
FUND BALANCES (DEFICITS):						
Nonspendable	-	-	-	40,813	-	-
Restricted	137,662	1,084,246	17,244	-	-	-
Assigned	-	-	-	514,159	172	-
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	137,662	1,084,246	17,244	554,972	172	-
Total Liabilities and Fund Balances (Deficits)	\$ 151,300	\$ 1,087,603	\$ 17,244	\$ 554,972	\$ 172	\$ -

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2014

Capital Project Funds						
	Police	City Facilities	Public Works	Storm Drain	Core Area Drainage	Transit Projects
ASSETS						
Cash and investments	\$ -	\$ -	\$ 396,454	\$ 47,704	\$ 437,709	\$ -
Accounts receivable	-	-	-	-	-	-
Interest receivable	-	-	500	310	342	-
Taxes receivable	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Total Assets	\$ -	\$ -	\$ 396,954	\$ 48,014	\$ 438,051	\$ -
LIABILITIES						
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 594,650	\$ 1,589
Accrued payroll and benefits	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	604,960
Advances from other funds	-	-	-	1,126,001	-	-
Total Liabilities	-	-	-	1,126,001	594,650	606,549
DEFERRED INFLOW OF RESOURCES						
Deferred inflow of resources	-	-	-	-	-	-
FUND BALANCES (DEFICITS)						
FUND BALANCES (DEFICITS):						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Assigned	-	-	396,954	-	-	-
Unassigned	-	-	-	(1,077,987)	(156,599)	(606,549)
Total Fund Balances (Deficits)	-	-	396,954	(1,077,987)	(156,599)	(606,549)
Total Liabilities and Fund Balances (Deficits)	\$ -	\$ -	\$ 396,954	\$ 48,014	\$ 438,051	\$ -

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2014

	Capital Project Funds			Debt Service	Total Non-major Governmental Funds
	<u>Recreation Improvements</u>	<u>Parks</u>	<u>Agricultural Land Mitigation</u>	<u>Lease Financing</u>	
<u>ASSETS</u>					
Cash and investments	\$ 813,332	\$ 642,585	\$ 64,162	\$ 4,470	\$ 5,213,361
Accounts receivable	-	-	-	-	26,522
Interest receivable	1,015	802	80	-	6,679
Taxes receivable	-	-	-	-	58,653
Notes receivable	-	-	-	-	317,482
Advances to other funds	-	-	-	-	40,813
Total Assets	\$ 814,347	\$ 643,387	\$ 64,242	\$ 4,470	\$ 5,663,510
<u>LIABILITIES</u>					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 609,344
Accrued payroll and benefits	-	-	-	-	6,437
Due to other funds	-	-	-	-	605,184
Advances from other funds	-	-	-	-	1,126,001
Total Liabilities	-	-	-	-	2,346,966
<u>DEFERRED INFLOW OF RESOURCES</u>					
Deferred inflow of resources	-	-	-	-	317,482
<u>FUND BALANCES (DEFICITS)</u>					
FUND BALANCES (DEFICITS):					
Nonspendable	-	-	-	-	40,813
Restricted	-	-	-	4,470	2,366,123
Assigned	814,347	643,387	64,242	-	2,433,261
Unassigned	-	-	-	-	(1,841,135)
Total Fund Balances (Deficits)	814,347	643,387	64,242	4,470	2,999,062
Total Liabilities and Fund Balances (Deficits)	\$ 814,347	\$ 643,387	\$ 64,242	\$ 4,470	\$ 5,663,510

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

Special Revenue Funds						
	<u>Gas Tax</u>	<u>Traffic Safety</u>	<u>Used Oil Recycling Block Grant</u>	<u>COPS Block Grant</u>	<u>Asset Forfeiture</u>	<u>CDBG</u>
<u>REVENUES</u>						
Taxes and assessments	\$ 585,180	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	67,830	-	-	-	-
Use of money and property	1,520	222	15	877	18	990
Program income	-	-	-	-	-	83,908
Intergovernmental	-	-	5,329	99,736	4,167	-
Charges for services	-	-	-	-	-	-
Developer fees	-	-	-	-	-	-
Total Revenues	<u>586,700</u>	<u>68,052</u>	<u>5,344</u>	<u>100,613</u>	<u>4,185</u>	<u>84,898</u>
<u>EXPENDITURES</u>						
Current:						
General administration	-	-	-	-	-	-
Public safety	20,381	-	6,024	58,092	-	-
Development	-	-	-	-	-	15,857
Public ways and facilities	28,090	22,425	-	-	-	-
Capital outlay	22,852	-	-	76,075	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>71,323</u>	<u>22,425</u>	<u>6,024</u>	<u>134,167</u>	<u>-</u>	<u>15,857</u>
Excess (Deficiency) of Revenues over Expenditures	<u>515,377</u>	<u>45,627</u>	<u>(680)</u>	<u>(33,554)</u>	<u>4,185</u>	<u>69,041</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	-	-	-	-	-	47,096
Transfers out	(345,132)	(500)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(345,132)</u>	<u>(500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,096</u>
Net change in fund balances	170,245	45,127	(680)	(33,554)	4,185	116,137
Fund balances (deficits) - July 1, 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>
Fund balances (deficits) - June 30, 2014	<u>\$ 506,716</u>	<u>\$ 84,400</u>	<u>\$ 3,395</u>	<u>\$ 212,701</u>	<u>\$ 5,358</u>	<u>\$ 309,931</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue			Capital Project Funds		
	Landscaping and Lighting Assessment Districts	Valley Glen Storm Drain	CFD Pond C	Capital Improvements	Community Development	Fire
REVENUES						
Taxes and assessments	\$ 142,286	\$ 89,074	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	507	4,616	58	3,799	-	144
Program income	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	2,556	-	-	-
Developer fees	-	-	-	-	-	-
Total Revenues	142,793	93,690	2,614	3,799	-	144
EXPENDITURES						
Current:						
General administration	-	-	-	-	6	-
Public safety	-	-	-	-	-	-
Development	-	-	-	-	-	-
Public ways and facilities	226,056	48,438	5,011	2,535	-	-
Capital outlay	-	-	-	1,324	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	226,056	48,438	5,011	3,859	6	-
Excess (Deficiency) of Revenues over Expenditures	(83,263)	45,252	(2,397)	(60)	(6)	144
OTHER FINANCING SOURCES (USES)						
Transfers in	83,309	-	7,903	50,000	-	-
Transfers out	-	(1,345)	(111)	(232,000)	-	(72,101)
Total Other Financing Sources (Uses)	83,309	(1,345)	7,792	(182,000)	-	(72,101)
Net change in fund balances	46	43,907	5,395	(182,060)	(6)	(71,957)
Fund balances (deficits) - July 1, 2013	137,616	1,040,339	11,849	737,032	178	71,957
Fund balances (deficits) - June 30, 2014	\$ 137,662	\$ 1,084,246	\$ 17,244	\$ 554,972	\$ 172	\$ -

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

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>
REVENUES						
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	61	358	1,774	1,324	2,088	(14)
Program income	-	-	-	-	-	-
Intergovernmental	-	-	20,378	-	-	-
Charges for services	-	-	-	-	-	-
Developer fees	-	-	-	-	-	-
Total Revenues	<u>61</u>	<u>358</u>	<u>22,152</u>	<u>1,324</u>	<u>2,088</u>	<u>(14)</u>
EXPENDITURES						
Current:						
General administration	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Development	-	-	-	-	-	-
Public ways and facilities	-	-	-	9,495	-	4,853
Capital outlay	-	-	9,516	-	1,193,679	28,631
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>9,516</u>	<u>9,495</u>	<u>1,193,679</u>	<u>33,484</u>
Excess (Deficiency) of Revenues over Expenditures	<u>61</u>	<u>358</u>	<u>12,636</u>	<u>(8,171)</u>	<u>(1,191,591)</u>	<u>(33,498)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	332,000	74,053
Transfers out	(31,351)	(124,256)	(1,997)	(101,850)	(1,166)	(591)
Total Other Financing Sources (Uses)	<u>(31,351)</u>	<u>(124,256)</u>	<u>(1,997)</u>	<u>(101,850)</u>	<u>330,834</u>	<u>73,462</u>
Net change in fund balances	(31,290)	(123,898)	10,639	(110,021)	(860,757)	39,964
Fund balances (deficits) - July 1, 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>
Fund balances (deficits) - June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 396,954</u>	<u>\$ (1,077,987)</u>	<u>\$ (156,599)</u>	<u>\$ (606,549)</u>

CITY OF DIXON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

	Capital Project Funds			Debt Service	Total Non-major Governmental Funds
	Recreation Improvements	Parks	Agricultural Land Mitigation	Lease Financing	
REVENUES					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ 816,540
Fines and forfeitures	-	-	-	-	67,830
Use of money and property	3,603	762	284	-	23,006
Program income	-	-	-	-	83,908
Intergovernmental	-	-	-	-	129,610
Charges for services	-	259,720	-	-	262,276
Developer fees	-	384,000	-	-	384,000
Total Revenues	3,603	644,482	284	-	1,767,170
EXPENDITURES					
Current:					
General administration	-	1,095	-	-	1,101
Public safety	-	-	-	-	84,497
Development	-	-	-	-	15,857
Public ways and facilities	-	-	-	-	346,903
Capital outlay	-	-	-	-	1,332,077
Debt service:					
Principal	-	-	-	381,200	381,200
Interest and fiscal charges	-	-	-	62,892	62,892
Total Expenditures	-	1,095	-	444,092	2,224,527
Excess (Deficiency) of Revenues over Expenditures	3,603	643,387	284	(444,092)	(457,357)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	448,383	1,042,744
Transfers out	(551)	-	-	-	(912,951)
Total Other Financing Sources (Uses)	(551)	-	-	448,383	129,793
Net change in fund balances	3,052	643,387	284	4,291	(327,564)
Fund balances (deficits) - July 1, 2013	811,295	-	63,958	179	3,326,626
Fund balances (deficits) - June 30, 2014	\$ 814,347	\$ 643,387	\$ 64,242	\$ 4,470	\$ 2,999,062

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, 2014

	2013 - 2014			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes and assessments	\$ 541,158	\$ 541,158	\$ 585,180	\$ 44,022
Use of money and property	<u>1,000</u>	<u>1,000</u>	<u>1,520</u>	<u>520</u>
Total Revenues	<u>542,158</u>	<u>542,158</u>	<u>586,700</u>	<u>44,542</u>
<u>EXPENDITURES</u>				
Current:				
Public safety	20,000	20,000	20,381	(381)
Public ways and facilities	18,886	41,886	28,090	13,796
Capital outlay	<u>160,000</u>	<u>163,733</u>	<u>22,852</u>	<u>140,881</u>
Total Expenditures	<u>198,886</u>	<u>225,619</u>	<u>71,323</u>	<u>154,296</u>
Excess (deficiency) of revenues over expenditures	<u>343,272</u>	<u>316,539</u>	<u>515,377</u>	<u>198,838</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(345,760)</u>	<u>(345,760)</u>	<u>(345,132)</u>	<u>628</u>
Total Other Financing Sources (Uses)	<u>(345,760)</u>	<u>(345,760)</u>	<u>(345,132)</u>	<u>628</u>
Net change in fund balance	<u>\$ (2,488)</u>	<u>\$ (29,221)</u>	<u>170,245</u>	<u>\$ 199,466</u>
Fund balance - July 1, 2013			336,471	
Fund balance - June 30, 2014			<u>\$ 506,716</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, 2014

	2013 - 2014			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual Amounts	
<u>REVENUES</u>				
Fines and forfeitures	\$ 20,500	\$ 64,580	\$ 67,830	\$ 3,250
Use of money and property	<u>200</u>	<u>200</u>	<u>222</u>	<u>22</u>
Total Revenues	<u>20,700</u>	<u>64,780</u>	<u>68,052</u>	<u>3,272</u>
<u>EXPENDITURES</u>				
Current:				
Public ways and facilities	<u>37,000</u>	<u>37,000</u>	<u>22,425</u>	<u>14,575</u>
Total Expenditures	<u>37,000</u>	<u>37,000</u>	<u>22,425</u>	<u>14,575</u>
Excess (deficiency) of revenues over expenditures	<u>(16,300)</u>	<u>27,780</u>	<u>45,627</u>	<u>17,847</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>-</u>
Net change in fund balance	<u>\$ (16,800)</u>	<u>\$ 27,280</u>	<u>45,127</u>	<u>\$ 17,847</u>
Fund balance - July 1, 2013			<u>39,273</u>	
Fund balance - June 30, 2014			<u>\$ 84,400</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, 2014

	2013 - 2014			
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
			<u>Amounts</u>	<u>with Final</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 15	\$ 15
Intergovernmental	<u>5,000</u>	<u>5,000</u>	<u>5,329</u>	<u>329</u>
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>5,344</u>	<u>344</u>
<u>EXPENDITURES</u>				
Current:				
Public safety	<u>5,000</u>	<u>5,000</u>	<u>6,024</u>	<u>(1,024)</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>6,024</u>	<u>(1,024)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(680)</u>	<u>\$ (680)</u>
Fund balance - July 1, 2013			<u>4,075</u>	
Fund balance - June 30, 2014			<u>\$ 3,395</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, 2014

	2013 - 2014			
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
			<u>Amounts</u>	<u>with Final</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 877	\$ 877
Intergovernmental	<u>100,000</u>	<u>100,000</u>	<u>99,736</u>	<u>(264)</u>
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>100,613</u>	<u>613</u>
<u>EXPENDITURES</u>				
Current:				
Public safety	127,515	134,442	58,092	76,350
Capital outlay	<u>70,000</u>	<u>86,900</u>	<u>76,075</u>	<u>10,825</u>
Total Expenditures	<u>197,515</u>	<u>221,342</u>	<u>134,167</u>	<u>87,175</u>
Net change in fund balance	<u>\$ (97,515)</u>	<u>\$ (121,342)</u>	<u>(33,554)</u>	<u>\$ 87,788</u>
Fund balance - July 1, 2013			<u>246,255</u>	
Fund balance - June 30, 2014			<u>\$ 212,701</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, 2014

	<u>2013 - 2014</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original*</u>	<u>Final*</u>		
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 18	\$ 18
Intergovernmental	<u>-</u>	<u>-</u>	<u>4,167</u>	<u>4,167</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>4,185</u>	<u>4,185</u>
<u>EXPENDITURES</u>				
Current:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>4,185</u>	<u>\$ 4,185</u>
Fund balance - July 1, 2013			<u>1,173</u>	
Fund balance - June 30, 2014			<u>\$ 5,358</u>	

*The City did not adopt a budget for the Asset Forfeiture fund for the year ended June 30, 2014.

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, 2014

	2013 - 2014		Actual Amounts	Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final		
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 990	\$ 990
Program income	79,783	79,783	83,908	4,125
Intergovernmental	<u>-</u>	<u>2,200,000</u>	<u>-</u>	<u>(2,200,000)</u>
Total Revenues	<u>79,783</u>	<u>2,279,783</u>	<u>84,898</u>	<u>(2,194,885)</u>
<u>EXPENDITURES</u>				
Current:				
Development				
Administration	<u>47,500</u>	<u>1,148,500</u>	<u>15,857</u>	<u>1,132,643</u>
Total Development	<u>47,500</u>	<u>1,148,500</u>	<u>15,857</u>	<u>1,132,643</u>
Total Expenditures	<u>47,500</u>	<u>1,148,500</u>	<u>15,857</u>	<u>1,132,643</u>
Excess (deficiency) of revenues over expenditures	<u>32,283</u>	<u>1,131,283</u>	<u>69,041</u>	<u>(1,062,242)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>-</u>	<u>47,096</u>	<u>47,096</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>47,096</u>	<u>47,096</u>	<u>-</u>
Net change in fund balance	<u>\$ 32,283</u>	<u>\$ 1,178,379</u>	<u>116,137</u>	<u>\$ (1,062,242)</u>
Fund balance - July 1, 2013			<u>193,794</u>	
Fund balance - June 30, 2014			<u>\$ 309,931</u>	

CITY OF DIXON
LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	2013 - 2014			
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
			<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>REVENUES</u>				
Taxes and assessments	\$ 142,580	\$ 142,580	\$ 142,286	\$ (294)
Use of money and property	<u>-</u>	<u>-</u>	<u>507</u>	<u>507</u>
Total Revenues	<u>142,580</u>	<u>142,580</u>	<u>142,793</u>	<u>213</u>
<u>EXPENDITURES</u>				
Current:				
Public Ways and Facilities	<u>266,584</u>	<u>305,384</u>	<u>226,056</u>	<u>79,328</u>
Total Expenditures	<u>266,584</u>	<u>305,384</u>	<u>226,056</u>	<u>79,328</u>
Excess (deficiency) of revenues over expenditures	<u>(124,004)</u>	<u>(162,804)</u>	<u>(83,263)</u>	<u>79,541</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>83,309</u>	<u>83,309</u>	<u>83,309</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>83,309</u>	<u>83,309</u>	<u>83,309</u>	<u>-</u>
Net change in fund balance	<u>\$ (40,695)</u>	<u>\$ (79,495)</u>	<u>46</u>	<u>\$ 79,541</u>
Fund balance - July 1, 2013			<u>137,616</u>	
Fund balance - June 30, 2014			<u>\$ 137,662</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, 2014

	<u>2013 - 2014</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes and assessments	\$ 239,654	\$ 239,654	\$ 89,074	\$ (150,580)
Use of money and property	<u>1,750</u>	<u>1,750</u>	<u>4,616</u>	<u>2,866</u>
Total Revenues	<u>241,404</u>	<u>241,404</u>	<u>93,690</u>	<u>(147,714)</u>
<u>EXPENDITURES</u>				
Current:				
Public Ways and Facilities				
Pump station	57,641	57,641	39,530	18,111
Pond A	17,175	17,175	8,811	8,364
Lateral one	<u>6,200</u>	<u>6,200</u>	<u>97</u>	<u>6,103</u>
Total Public Ways and Facilities	<u>81,016</u>	<u>81,016</u>	<u>48,438</u>	<u>32,578</u>
Total Expenditures	<u>81,016</u>	<u>81,016</u>	<u>48,438</u>	<u>32,578</u>
Excess (deficiency) of revenues over expenditures	<u>160,388</u>	<u>160,388</u>	<u>45,252</u>	<u>(115,136)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(1,345)</u>	<u>(1,345)</u>	<u>(1,345)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,345)</u>	<u>(1,345)</u>	<u>(1,345)</u>	<u>-</u>
Net change in fund balance	<u>\$ 159,043</u>	<u>\$ 159,043</u>	<u>43,907</u>	<u>\$ (115,136)</u>
Fund balance - July 1, 2013			<u>1,040,339</u>	
Fund balance - June 30, 2014			<u>\$ 1,084,246</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, 2014

	2013 - 2014			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 58	\$ 58
Intergovernmental	1,500	1,500	-	(1,500)
Charges for services	<u>2,556</u>	<u>2,556</u>	<u>2,556</u>	<u>-</u>
Total Revenues	<u>4,056</u>	<u>4,056</u>	<u>2,614</u>	<u>(1,442)</u>
<u>EXPENDITURES</u>				
Current:				
Public Ways and Facilities				
Pond C	6,300	6,300	2,640	3,660
Lateral two	<u>4,750</u>	<u>4,750</u>	<u>2,371</u>	<u>2,379</u>
Total Public Ways and Facilities	<u>11,050</u>	<u>11,050</u>	<u>5,011</u>	<u>6,039</u>
Total Expenditures	<u>11,050</u>	<u>11,050</u>	<u>5,011</u>	<u>6,039</u>
Excess (deficiency) of revenues over expenditures	<u>(6,994)</u>	<u>(6,994)</u>	<u>(2,397)</u>	<u>4,597</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	7,903	7,903	7,903	-
Transfers out	<u>111</u>	<u>(111)</u>	<u>(111)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>8,014</u>	<u>7,792</u>	<u>7,792</u>	<u>-</u>
Net change in fund balance	<u>\$ 1,020</u>	<u>\$ 798</u>	<u>5,395</u>	<u>\$ 4,597</u>
Fund balance (deficit) - July 1, 2013			<u>11,849</u>	
Fund balance - June 30, 2014			<u>\$ 17,244</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, 2014

	<u>2013 - 2014</u> <u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 3,799	\$ 3,799
Total Revenues	-	-	3,799	3,799
 <u>EXPENDITURES</u>				
Current:				
Public ways and facilities	50,000	100,000	2,535	97,465
Capital outlay	-	10,000	1,324	8,676
Total Expenditures	<u>50,000</u>	<u>110,000</u>	<u>3,859</u>	<u>106,141</u>
Excess (deficiency) of revenues over expenditures	<u>(50,000)</u>	<u>(110,000)</u>	<u>(60)</u>	<u>109,940</u>
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	50,000	50,000	50,000	-
Transfers out	-	(232,000)	(232,000)	-
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>(182,000)</u>	<u>(182,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (292,000)</u>	<u>(182,060)</u>	<u>\$ 109,940</u>
Fund balance - July 1, 2013			<u>737,032</u>	
Fund balance - June 30, 2014			<u>\$ 554,972</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, 2014

	2013 - 2014 Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
<u>REVENUES</u>				
Total Revenues	-	-	-	-
<u>EXPENDITURES</u>				
Current:				
General administration	\$ -	\$ -	\$ 6	\$ (6)
Total Expenditures	-	-	6	(6)
Net change in fund balance	\$ -	\$ -	(6)	\$ (6)
Fund balance - July 1, 2013			178	
Fund balance - June 30, 2014			\$ 172	

*The City did not adopt a budget for the Community Development fund for the year ended June 30, 2014.

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, 2014

	2013 - 2014			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 144	\$ 144
Developer fees	<u>161,700</u>	<u>16,170</u>	<u>-</u>	<u>(16,170)</u>
Total Revenues	<u>161,700</u>	<u>16,170</u>	<u>144</u>	<u>(16,026)</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>161,700</u>	<u>16,170</u>	<u>144</u>	<u>(16,026)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(182,100)</u>	<u>(182,100)</u>	<u>(72,101)</u>	<u>109,999</u>
Total Other Financing Sources (Uses)	<u>(182,100)</u>	<u>(182,100)</u>	<u>(72,101)</u>	<u>109,999</u>
Net change in fund balance	<u>\$ (20,400)</u>	<u>\$ (165,930)</u>	<u>(71,957)</u>	<u>\$ 93,973</u>
Fund balance - July 1, 2013			<u>71,957</u>	
Fund balance - June 30, 2014			<u>\$ -</u>	

CITY OF DIXON
POLICE - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	2013 - 2014		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 61	\$ 61
Developer fees	<u>70,400</u>	<u>7,040</u>	<u>-</u>	<u>(7,040)</u>
Total Revenues	<u>70,400</u>	<u>7,040</u>	<u>61</u>	<u>(6,979)</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>70,400</u>	<u>7,040</u>	<u>61</u>	<u>(6,979)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(79,945)</u>	<u>(79,945)</u>	<u>(31,351)</u>	<u>48,594</u>
Total Other Financing Sources (Uses)	<u>(79,945)</u>	<u>(79,945)</u>	<u>(31,351)</u>	<u>48,594</u>
Net change in fund balance	<u>\$ (9,545)</u>	<u>\$ (72,905)</u>	<u>(31,290)</u>	<u>\$ 41,615</u>
Fund balance - July 1, 2013			<u>31,290</u>	
Fund balance - June 30, 2014			<u>\$ -</u>	

CITY OF DIXON
CITY FACILITIES - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	2013 - 2014			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 358	\$ 358
Developer fees	<u>103,000</u>	<u>10,300</u>	<u>-</u>	<u>(10,300)</u>
Total Revenues	<u>103,000</u>	<u>10,300</u>	<u>358</u>	<u>(9,942)</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>103,000</u>	<u>10,300</u>	<u>358</u>	<u>(9,942)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(183,964)</u>	<u>(183,964)</u>	<u>(124,256)</u>	<u>59,708</u>
Total Other Financing Sources (Uses)	<u>(183,964)</u>	<u>(183,964)</u>	<u>(124,256)</u>	<u>59,708</u>
Net change in fund balance	<u>\$ (80,964)</u>	<u>\$ (173,664)</u>	<u>(123,898)</u>	<u>\$ 49,766</u>
Fund balance - July 1, 2013			<u>123,898</u>	
Fund balance - June 30, 2014			<u>\$ -</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, 2014

	2013 - 2014			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ 800	\$ 800	\$ 1,774	\$ 974
Intergovernmental	25,000	25,000	20,378	(4,622)
Developer fees	<u>27,000</u>	<u>2,700</u>	<u>-</u>	<u>(2,700)</u>
Total Revenues	<u>52,800</u>	<u>28,500</u>	<u>22,152</u>	<u>(6,348)</u>
<u>EXPENDITURES</u>				
Current:				
Capital outlay	<u>25,000</u>	<u>25,000</u>	<u>9,516</u>	<u>15,484</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>9,516</u>	<u>15,484</u>
Excess (deficiency) of revenues over expenditures	<u>27,800</u>	<u>3,500</u>	<u>12,636</u>	<u>9,136</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>-</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>\$ 25,803</u>	<u>\$ 1,503</u>	<u>10,639</u>	<u>\$ 9,136</u>
Fund balance - July 1, 2013			<u>386,315</u>	
Fund balance - June 30, 2014			<u>\$ 396,954</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, 2014

	2013 - 2014			
	<u>Budgeted Amounts</u>			
	<u>Original*</u>	<u>Final*</u>	<u>Actual</u>	<u>Variance</u>
			<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>REVENUES</u>				
Developer fees	\$ _____ -	\$ _____ -	\$ _____ 1,324	\$ _____ 1,324
Total Revenues	_____ -	_____ -	_____ 1,324	_____ 1,324
<u>EXPENDITURES</u>				
Current:				
Public ways and facilities	_____ 152,150	_____ 152,150	_____ 9,495	_____ 142,655
Total Expenditures	_____ 152,150	_____ 152,150	_____ 9,495	_____ 142,655
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	_____ 1,850	_____ (101,850)	_____ (101,850)	_____ -
Total Other Financing Sources (Uses)	_____ 1,850	_____ (101,850)	_____ (101,850)	_____ -
Net change in fund balance (deficit)	\$ _____ (150,300)	\$ _____ (254,000)	_____ (110,021)	\$ _____ 143,979
Fund balance (deficit) - July 1, 2013			_____ (967,966)	
Fund balance (deficit) - June 30, 2014			\$ _____ (1,077,987)	

*The City did not adopt a budget for the Storm Drain fund for the year ended June 30, 2014.

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, 2014

	2013 - 2014			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 2,088	\$ 2,088
Total Revenues	-	-	2,088	2,088
<u>EXPENDITURES</u>				
Current:				
Capital outlay	-	1,034,901	1,193,679	(158,778)
Total Expenditures	-	1,034,901	1,193,679	(158,778)
Excess (deficiency) of revenues over expenditures	-	(1,034,901)	(1,191,591)	(156,690)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	332,000	332,000	-
Transfers out	(1,166)	(1,166)	(1,166)	-
Total Other Financing Sources (Uses)	(1,166)	330,834	330,834	-
Net change in fund balance	\$ (1,166)	\$ (704,067)	(860,757)	\$ (156,690)
Fund balance - July 1, 2013			704,158	
Fund balance (deficit) - June 30, 2014			\$ (156,599)	

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, 2014

	2013 - 2014		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 200	\$ 200	\$ (14)	\$ (214)
Total Revenues	<u>200</u>	<u>200</u>	<u>(14)</u>	<u>(214)</u>
<u>EXPENDITURES</u>				
Current:				
Public ways and facilities	-	-	4,853	(4,853)
Capital outlay	<u>16,000</u>	<u>27,964</u>	<u>28,631</u>	<u>(667)</u>
Total Expenditures	<u>16,000</u>	<u>27,964</u>	<u>33,484</u>	<u>(5,520)</u>
Excess (deficiency) of revenues over expenditures	<u>(15,800)</u>	<u>(27,764)</u>	<u>(33,498)</u>	<u>(5,734)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	74,053	74,053
Transfers out	<u>(591)</u>	<u>(591)</u>	<u>(591)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(591)</u>	<u>(591)</u>	<u>73,462</u>	<u>74,053</u>
Net change in fund balance	<u>\$ (16,391)</u>	<u>\$ (28,355)</u>	<u>39,964</u>	<u>\$ 68,319</u>
Fund balance (deficit) - July 1, 2013			<u>(646,513)</u>	
Fund balance (deficit) - June 30, 2014			<u>\$ (606,549)</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, 2014

	2013 - 2014			
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
			<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 3,603	\$ 3,603
Developer fees	<u>1,221,000</u>	<u>122,100</u>	<u>-</u>	<u>(122,100)</u>
Total Revenues	<u>1,221,000</u>	<u>122,100</u>	<u>3,603</u>	<u>(118,497)</u>
<u>EXPENDITURES</u>				
Current:				
Development	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Excess (deficiency) of revenues over expenditures	<u>1,211,000</u>	<u>112,100</u>	<u>3,603</u>	<u>(108,497)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(551)</u>	<u>(551)</u>	<u>(551)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(551)</u>	<u>(551)</u>	<u>(551)</u>	<u>-</u>
Net change in fund balance	<u>\$ 1,210,449</u>	<u>\$ 111,549</u>	<u>3,052</u>	<u>\$ (108,497)</u>
Fund balance - July 1, 2013			<u>811,295</u>	
Fund balance - June 30, 2014			<u>\$ 814,347</u>	

PARKS IMPROVEMENTS - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	2013 - 2014 Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 762	\$ 762
Intergovernmental	-	384,000	-	(384,000)
Charges for services	-	-	<u>643,720</u>	<u>643,720</u>
Total Revenues	<u>-</u>	<u>384,000</u>	<u>644,482</u>	<u>260,482</u>
<u>EXPENDITURES</u>				
Current:				
General administration	-	-	<u>1,095</u>	<u>(1,095)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,095</u>	<u>(1,095)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 384,000</u>	<u>643,387</u>	<u>\$ 259,387</u>
Fund balance - July 1, 2013			-	
Fund balance - June 30, 2014			<u>\$ 643,387</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, 2014

	<u>2013 - 2014</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original*</u>	<u>Final*</u>		
<u>REVENUES</u>				
Use of money and property	\$ _____ -	\$ _____ -	\$ _____ 284	\$ _____ 284
Total Revenues	\$ _____ -	\$ _____ -	\$ _____ 284	\$ _____ 284
<u>EXPENDITURES</u>				
Current:				
Total Expenditures	_____ -	_____ -	_____ -	_____ -
Net change in fund balance	\$ _____ -	\$ _____ -	_____ 284	\$ _____ 284
Fund balance - July 1, 2013			_____ 63,958	
Fund balance - June 30, 2014			\$ _____ 64,242	

*The City did not adopt a budget for the Agricultural Land Mitigation fund for the year ended June 30, 2014.

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, 2014

	2013 - 2014			
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
			<u>Amounts</u>	<u>with Final</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Current:				
Debt Service				
Principal	381,200	381,200	381,200	-
Interest and fiscal charges	<u>62,945</u>	<u>62,945</u>	<u>62,892</u>	<u>53</u>
Total Expenditures	<u>444,145</u>	<u>444,145</u>	<u>444,092</u>	<u>53</u>
Excess (deficiency) of revenues over expenditures	<u>(444,145)</u>	<u>(444,145)</u>	<u>(444,092)</u>	<u>53</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>444,415</u>	<u>666,218</u>	<u>448,383</u>	<u>(217,835)</u>
Total Other Financing Sources (Uses)	<u>444,415</u>	<u>666,218</u>	<u>448,383</u>	<u>(217,835)</u>
Net change in fund balance	<u>\$ 270</u>	<u>\$ 222,073</u>	<u>4,291</u>	<u>\$ (217,782)</u>
Fund balance - July 1, 2013			<u>179</u>	
Fund balance - June 30, 2014			<u>\$ 4,470</u>	

AGENCY FUNDS

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

West "A" Street Improvement District Fund

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

North First Street Improvement District Fund

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

Flexible Spending Account

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

Dixon Fire Protection District

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

Public Financing Assessment Districts

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

Dixon-Solano Water Authority

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

CITY OF DIXON
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2014

	West "A" Street Improvement District	North First Street Improvement District	Flexible Spending Account	Dixon Fire Protection Agency	Public Financing Assessment Districts	Dixon-Solano Water Authority	Totals
<u>ASSETS</u>							
Cash and investments	\$ -	\$ 1,031,845	\$ 6,419	\$ 636,488	\$ 1,088,374	\$ 750,156	\$ 3,513,282
Accounts receivable	-	-	-	-	-	365,216	365,216
Interest receivable	-	1,314	-	643	-	1,869	3,826
Restricted cash	-	-	-	-	-	769,186	769,186
Total Assets	\$ -	\$ 1,033,159	\$ 6,419	\$ 637,131	\$ 1,088,374	\$ 1,886,427	\$ 4,651,510
<u>LIABILITIES</u>							
Accounts payable	\$ 26,039	\$ -	\$ -	\$ 2,501	\$ -	\$ 96,734	\$ 125,274
Deposits payable	-	-	-	-	-	769,186	769,186
Interest payable	-	76,081	-	-	42,985	-	119,066
Agency obligations	(26,039)	957,078	6,419	634,630	1,045,389	1,020,507	3,637,984
Total Liabilities	\$ -	\$ 1,033,159	\$ 6,419	\$ 637,131	\$ 1,088,374	\$ 1,886,427	\$ 4,651,510

CITY OF DIXON
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<u>West "A" Street Improvement District</u>				
ASSETS				
Cash and investments	\$ 841,766	\$ 28,039	\$ 869,805	\$ -
Interest receivable	<u>847</u>	<u>-</u>	<u>847</u>	<u>-</u>
Total Assets	<u>\$ 842,613</u>	<u>\$ 28,039</u>	<u>\$ 870,652</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 288	\$ 26,039	\$ 288	\$ 26,039
Interest payable	16,211	-	16,211	-
Agency obligations	<u>826,114</u>	<u>28,039</u>	<u>880,192</u>	<u>(26,039)</u>
Total Liabilities	<u>\$ 842,613</u>	<u>\$ 54,078</u>	<u>\$ 896,691</u>	<u>\$ -</u>
<u>North First Street Improvement District</u>				
ASSETS				
Cash and investments	\$ 2,503,273	\$ 1,362,933	\$ 2,834,361	\$ 1,031,845
Interest receivable	<u>2,523</u>	<u>1,314</u>	<u>2,523</u>	<u>1,314</u>
Total Assets	<u>\$ 2,505,796</u>	<u>\$ 1,364,247</u>	<u>\$ 2,836,884</u>	<u>\$ 1,033,159</u>
LIABILITIES				
Accounts payable	\$ 288	\$ 15,117	\$ 15,405	\$ -
Interest payable	175,328	76,082	175,329	76,081
Agency obligations	<u>2,330,180</u>	<u>1,034,659</u>	<u>2,407,761</u>	<u>957,078</u>
Total Liabilities	<u>\$ 2,505,796</u>	<u>\$ 1,125,858</u>	<u>\$ 2,598,495</u>	<u>\$ 1,033,159</u>
<u>Flexible Spending Account</u>				
ASSETS				
Cash and investments	\$ <u>237</u>	\$ <u>49,891</u>	\$ <u>43,709</u>	\$ <u>6,419</u>
Total Assets	<u>\$ 237</u>	<u>\$ 49,891</u>	<u>\$ 43,709</u>	<u>\$ 6,419</u>
LIABILITIES				
Agency obligations	\$ <u>237</u>	\$ <u>49,891</u>	\$ <u>43,709</u>	\$ <u>6,419</u>
Total Liabilities	<u>\$ 237</u>	<u>\$ 49,891</u>	<u>\$ 43,709</u>	<u>\$ 6,419</u>
<u>Dixon Fire Protection Agency</u>				
ASSETS				
Cash and investments	\$ 608,297	\$ 534,198	\$ 506,007	\$ 636,488
Interest receivable	<u>616</u>	<u>643</u>	<u>616</u>	<u>643</u>
Total Assets	<u>\$ 608,913</u>	<u>\$ 534,841</u>	<u>\$ 506,623</u>	<u>\$ 637,131</u>
LIABILITIES				
Accounts payable	\$ 2,203	\$ 10,267	\$ 9,969	\$ 2,501
Agency obligations	<u>606,710</u>	<u>570,365</u>	<u>542,445</u>	<u>634,630</u>
Total Liabilities	<u>\$ 608,913</u>	<u>\$ 580,632</u>	<u>\$ 552,414</u>	<u>\$ 637,131</u>

CITY OF DIXON
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (continued)
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Public Financing Assessment District				
ASSETS				
Cash and investments	\$ 379,913	\$ 6,044,165	\$ 6,424,078	\$ -
Restricted cash and investments	2,643,733	10,225,306	11,780,665	1,088,374
Interest receivable	385	-	385	-
Total Assets	\$ 3,024,031	\$ 16,269,471	\$ 18,205,128	\$ 1,088,374
LIABILITIES				
Accounts payable	\$ -	\$ 14,291	\$ 14,291	\$ -
Interest payable	\$ 158,602	\$ 42,985	\$ 158,602	\$ 42,985
Agency obligations	2,865,429	16,212,195	18,032,235	1,045,389
Total Liabilities	\$ 3,024,031	\$ 16,255,180	\$ 18,190,837	\$ 1,088,374
Dixon Solano Water Authority				
ASSETS				
Cash and investments	\$ 195,306	\$ 2,325,887	\$ 1,771,037	\$ 750,156
Restricted cash and investments	767,336	8,300	6,450	769,186
Accounts receivable	386,552	1,956,413	1,977,750	365,215
Interest receivable	967	1,869	967	1,869
Total Assets	\$ 1,350,161	\$ 4,292,469	\$ 3,756,204	\$ 1,886,426
LIABILITIES				
Accounts payable	\$ 82,953	\$ 1,152,765	\$ 1,138,984	\$ 96,734
Deposits payable	767,336	8,300	6,450	769,186
Agency obligations	499,872	3,134,404	2,610,770	1,023,506
Total Liabilities	\$ 1,350,161	\$ 4,295,469	\$ 3,756,204	\$ 1,889,426
Total Agency Funds				
ASSETS				
Cash and investments	\$ 4,528,792	\$ 10,345,113	\$ 12,448,997	\$ 2,424,908
Restricted cash and investments	3,411,069	10,233,606	11,787,115	1,857,560
Accounts receivable	387,168	1,956,413	1,977,750	365,831
Interest receivable	5,338	3,826	5,338	3,826
Total Assets	\$ 8,332,367	\$ 22,538,958	\$ 26,219,200	\$ 4,652,125
LIABILITIES				
Accounts payable	\$ 85,732	\$ 1,204,188	\$ 1,164,646	\$ 125,274
Deposits payable	767,336	8,300	6,450	769,186
Interest payable	350,141	119,067	350,142	119,066
Agency obligations	7,128,542	21,029,553	24,517,112	3,640,983
Total Liabilities	\$ 8,331,751	\$ 22,361,108	\$ 26,038,350	\$ 4,654,509

GENERAL FUNDS

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

General Fund

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

Contingency Fund

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

Council Discretionary Fund

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

Recreation Fund

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

Planning Agreements Fund

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

Equipment Replacement Fund

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

Building Reserve Fund

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

Infrastructure Reserve

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

PERS Stabilization

This fund was established to provide reserves to offset the employer portion of future PERS retirement cost increases. It is funded by a transfer from the general fund.

CITY OF DIXON
GENERAL FUND
COMBINING BALANCE SHEETS
JUNE 30, 2014

	<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>
ASSETS								
Cash and cash equivalents	\$ 1,767,467	\$ 1,824,440	\$ 185,235	\$ 2,941	\$ 1,449	\$ 517,408	\$ 158,666	\$ 150,810
Restricted cash	228,023	-	-	-	48,388	-	-	-
Accounts receivable	654,769	-	-	35	-	-	-	-
Interest receivable	2,787	2,341	231	8	55	182	180	70
Taxes receivable	778,748	-	-	-	-	-	-	-
Due from other funds	-	26,763	-	-	-	-	-	-
Due from other governments	309,727	26,038	-	-	-	872	-	-
Advances to other funds	-	100,000	-	-	-	-	-	-
Prepaid expenses	667,521	-	-	-	-	-	-	-
Inventory	1,444	-	-	-	-	-	-	-
Total Assets	<u>\$ 4,410,486</u>	<u>\$ 1,979,582</u>	<u>\$ 185,466</u>	<u>\$ 2,984</u>	<u>\$ 49,892</u>	<u>\$ 518,462</u>	<u>\$ 158,846</u>	<u>\$ 150,880</u>
LIABILITIES								
LIABILITIES:								
Accounts payable	\$ 267,772	\$ -	\$ 2,183	\$ 1,110	\$ 70	\$ -	\$ -	\$ -
Accrued payroll and benefits	364,839	-	-	316	-	-	-	-
Deposits payable	<u>228,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,388</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>860,634</u>	<u>-</u>	<u>2,183</u>	<u>1,426</u>	<u>48,458</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES								
Deferred inflow of resources	474,236	-	-	-	-	-	-	-
FUND BALANCES :								
Reserved for:								
Nonspendable	668,965	-	-	-	-	-	-	-
Restricted	980	-	-	-	-	-	-	-
Committed	152,817	-	-	-	-	-	-	-
Assigned	75,594	-	-	-	-	518,462	158,846	150,880
Unassigned	<u>2,177,260</u>	<u>1,979,582</u>	<u>183,283</u>	<u>1,558</u>	<u>1,434</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>3,075,616</u>	<u>1,979,582</u>	<u>183,283</u>	<u>1,558</u>	<u>1,434</u>	<u>518,462</u>	<u>158,846</u>	<u>150,880</u>
Total Deferred Inflow of Resources, Liabilities and Fund Balances	<u>\$ 4,410,486</u>	<u>\$ 1,979,582</u>	<u>\$ 185,466</u>	<u>\$ 2,984</u>	<u>\$ 49,892</u>	<u>\$ 518,462</u>	<u>\$ 158,846</u>	<u>\$ 150,880</u>

CITY OF DIXON
GENERAL FUND
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2014

	<u>PERS</u> <u>Stabilization</u>	<u>Total</u> <u>General</u> <u>Fund</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 64,639	\$ 4,673,055
Restricted cash	-	276,411
Accounts receivable	-	654,804
Interest receivable	-	5,854
Taxes receivable	-	778,748
Due from other funds	-	26,763
Due from other governments	-	336,637
Advances to other funds	-	100,000
Prepaid expenses	-	667,521
Inventory	-	1,444
Total Assets	<u>\$ 64,639</u>	<u>\$ 7,521,237</u>
<u>LIABILITIES</u>		
LIABILITIES:		
Accounts payable	\$ -	\$ 271,135
Accrued payroll and benefits	-	365,155
Deposits payable	-	276,411
Total Liabilities	<u>-</u>	<u>912,701</u>
<u>DEFERRED INFLOW OF</u>		
<u>RESOURCES</u>		
Deferred inflow of resources	-	474,236
FUND BALANCES :		
Reserved for:		
Nonspendable	-	668,965
Restricted	-	980
Committed	-	152,817
Assigned	64,639	968,421
Unassigned	-	4,343,117
Total Fund Balances	<u>64,639</u>	<u>6,134,300</u>
Total Deferred Inflow of Resources, Liabilities and Fund Balances	<u>\$ 64,639</u>	<u>\$ 7,521,237</u>

CITY OF DIXON
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<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>
REVENUES								
Taxes and assessments	\$ 10,277,378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
License, permits, and fees	1,518,044	-	10,303	-	10,102	-	-	-
Fines and forfeitures	15,504	-	-	-	-	-	-	-
Use of money and property	158,504	8,979	813	45	184	2,539	662	582
Intergovernmental	163,869	-	-	-	-	-	-	-
Charges for services	608,153	-	-	45,690	-	24,172	-	-
Other revenues	<u>92,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,056</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>12,833,635</u>	<u>8,979</u>	<u>11,116</u>	<u>45,735</u>	<u>10,286</u>	<u>45,767</u>	<u>662</u>	<u>582</u>
EXPENDITURES								
General administration	1,913,757	-	2,730	-	-	-	-	-
Public safety	7,267,244	-	-	-	-	-	-	-
Parks and recreation	1,296,951	-	-	29,825	-	-	-	-
Development	306,790	-	5,035	-	20,073	-	-	-
Public ways and facilities	972,694	-	-	-	976	-	-	-
Capital outlay	<u>166,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>11,923,619</u>	<u>-</u>	<u>7,765</u>	<u>29,825</u>	<u>21,049</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>910,016</u>	<u>8,979</u>	<u>3,351</u>	<u>15,910</u>	<u>(10,763)</u>	<u>45,767</u>	<u>662</u>	<u>582</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	715,746	-	-	-	-	-	30,000	50,000
Transfers out	<u>(554,899)</u>	<u>-</u>	<u>-</u>	<u>(14,352)</u>	<u>-</u>	<u>(39,363)</u>	<u>(37,561)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>160,847</u>	<u>-</u>	<u>-</u>	<u>(14,352)</u>	<u>-</u>	<u>(39,363)</u>	<u>(7,561)</u>	<u>50,000</u>
Net Change in Fund Balance	1,070,863	8,979	3,351	1,558	(10,763)	6,404	(6,899)	50,582
Fund Balances - July 1, 2013	2,004,753	1,970,603	179,932	-	12,197	512,058	165,745	100,298
Fund Balances - June 30, 2014	<u>\$ 3,075,616</u>	<u>\$ 1,979,582</u>	<u>\$ 183,283</u>	<u>\$ 1,558</u>	<u>\$ 1,434</u>	<u>\$ 518,462</u>	<u>\$ 158,846</u>	<u>\$ 150,880</u>

CITY OF DIXON
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>PERS</u> <u>Stabilization</u>	<u>Total General</u> <u>Fund</u>
<u>REVENUES</u>		
Taxes and assessments	\$ -	\$ 10,277,378
License, permits, and fees	-	1,538,449
Fines and forfeitures	-	15,504
Use of money and property	121	172,429
Intergovernmental	-	163,869
Charges for services	-	678,015
Other revenues	-	<u>111,239</u>
Total Revenues	<u>121</u>	<u>12,956,883</u>
<u>EXPENDITURES</u>		
General administration	-	1,916,487
Public safety	-	7,267,244
Parks and recreation	-	1,326,776
Development	-	331,898
Public ways and facilities	-	973,670
Capital outlay	-	<u>166,183</u>
Total Expenditures	<u>-</u>	<u>11,982,258</u>
Excess (deficiency) of revenues over expenditures	<u>121</u>	<u>974,625</u>
<u>OTHER FINANCING SOURCES</u>		
<u>(USES)</u>		
Transfers in	64,518	860,264
Transfers out	<u>-</u>	<u>(646,175)</u>
Total Other Financing Sources (Uses)	<u>64,518</u>	<u>214,089</u>
Net Change in Fund Balance	64,639	1,188,714
Fund Balances - July 1, 2013	-	4,945,586
Fund Balances - June 30, 2014	<u>\$ 64,639</u>	<u>\$ 6,134,300</u>



Statistical Section

STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	115 - 119
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	120 - 124
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	125 - 129
Economic and Demographic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.	130 - 131
Operating Information	
These schedules contain contextual information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	132 - 134

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

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Invested in capital assets, net of debt	\$ 130,280	\$ 144,002	\$ 145,119	\$ 145,706	\$ 142,637	\$ 139,561	\$ 136,806	\$ 138,640	\$ 135,804	\$ 133,405
Restricted	23,897	20,525	19,400	4,811	2,509	3,396	4,502	1,715	1,843	2,073
Unrestricted	4,355	4,058	4,968	15,476	17,525	13,097	10,970	9,103	10,024	10,507
Total governmental activities net assets	<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>	<u>\$ 145,985</u>
Business-type activities										
Invested in capital assets, net of debt	\$ 51,327	\$ 55,008	\$ 58,496	\$ 55,719	\$ 54,387	\$ 52,792	\$ 41,823	\$ 40,780	\$ 39,759	\$ 39,561
Restricted	531	550	571	373	182	196	195	-	-	-
Unrestricted	1,965	2,478	918	2,743	2,579	2,853	2,967	3,459	4,186	3,480
Total business-type activities net assets	<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>	<u>\$ 43,041</u>
Primary government										
Invested in capital assets, net of debt	\$ 181,607	\$ 199,010	\$ 203,615	\$ 201,425	\$ 197,024	\$ 192,353	\$ 178,629	\$ 179,420	\$ 175,563	\$ 172,966
Restricted	24,428	21,075	19,971	5,184	2,691	3,592	4,697	1,715	1,843	2,073
Unrestricted	6,320	6,536	5,886	18,219	20,104	15,950	13,937	12,562	14,210	13,987
Total primary government net assets	<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>	<u>\$ 189,026</u>

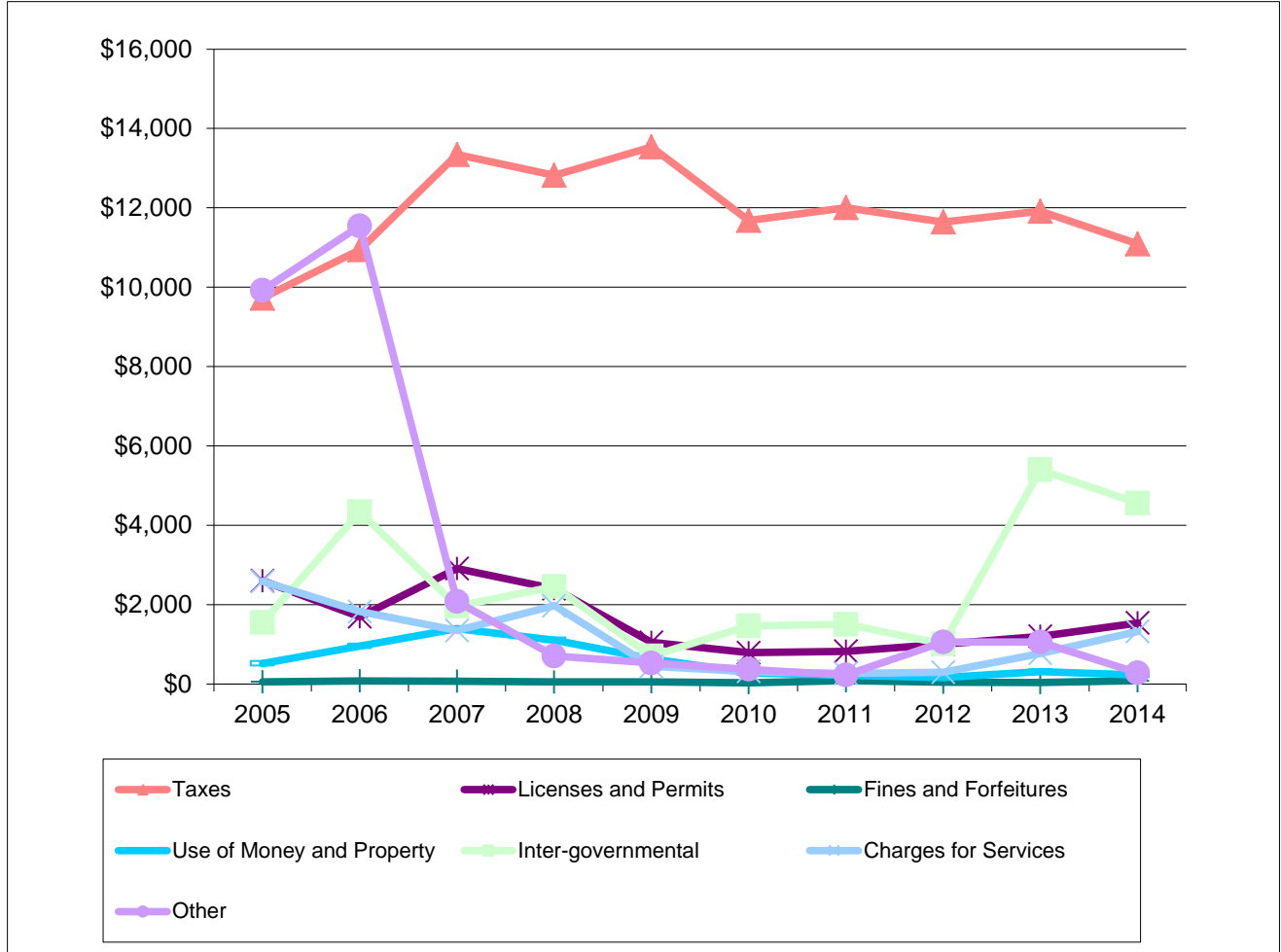
Source: City of Dixon Finance

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities:										
General government	2,160	2,612	3,048	\$ 3,534	\$ 2,323	\$ 3,130	\$ 2,482	\$ 1,741	\$ 2,022	\$ 2,114
Public safety	6,271	6,828	7,425	7,798	7,961	7,832	7,566	7,425	7,569	7,924
Public ways and facilities	1,500	1,963	2,176	2,254	2,394	5,396	4,782	2,188	2,155	4,547
Parks and recreation	2,098	1,799	2,303	2,859	2,426	2,361	2,197	1,203	5,093	2,093
Development	7,013	5,890	5,745	6,455	5,186	3,553	1,649	4,720	4,798	4,539
Interest and fiscal charges	555	535	769	445	428	405	384	401	78	60
Transfers out	-	-	-	-	-	-	-	-	-	-
Total government activity expenses	\$ 19,597	\$ 19,627	\$ 21,466	\$ 23,345	\$ 20,718	\$ 22,677	\$ 19,060	\$ 17,678	\$ 21,715	\$ 21,277
Business-type activities:										
Sewer	\$ 2,761	\$ 2,341	\$ 2,701	\$ 3,150	\$ 3,066	\$ 2,938	\$ 2,904	\$ 3,005	\$ 2,777	\$ 2,714
Water	583	555	711	779	830	882	131	-	-	68
Transit	601	646	642	713	638	569	624	741	675	632
Transfers out	41	28	92	160	305	308	-	-	-	-
Total business-type activities expenses	3,986	3,570	4,146	4,802	4,839	4,697	3,659	3,746	3,452	3,414
Total primary government expenses	\$ 23,583	\$ 23,197	\$ 25,612	\$ 28,147	\$ 25,557	\$ 27,374	\$ 22,719	\$ 21,424	\$ 25,167	\$ 24,691
Program Revenues										
Charges for Services										
General government	\$ 1,334	\$ 1,744	\$ 1,363	\$ 1,884	\$ 155	\$ 226	\$ 288	\$ 204	\$ 488	\$ 501
Public safety	633	696	727	778	707	663	722	940	937	1,058
Parks and recreation	248	139	200	233	333	186	129	584	781	778
Development	91	109	1,322	544	180	175	74	252	243	124
Public ways and facilities	2,196	376	151	475	222	88	94	242	226	651
Operating grants	885	1,122	445	632	505	854	202	201	372	277
Capital grants	10,303	12,718	2,326	2,122	853	1,413	1,202	958	4,979	4,384
Total governmental activities	15,690	16,904	6,534	6,668	2,955	3,605	2,711	3,381	8,026	7,773
Business-type activities:										
Charges for services	1,728	1,817	2,115	2,376	2,358	2,743	2,490	2,681	2,785	2,515
Operating grants and contributions	458	501	558	577	669	544	532	592	540	554
Capital grants and contributions	4,634	3,725	2,974	-	-	57	284	3	18	-
Transfers In	-	-	-	-	-	-	-	-	-	-
Total business-type activities	6,820	6,043	5,647	2,953	3,027	3,344	3,306	3,276	3,343	3,069
Total primary government	\$ 22,510	\$ 22,947	\$ 12,181	\$ 9,621	\$ 5,982	\$ 6,949	\$ 6,017	\$ 6,657	\$ 11,369	\$ 10,842
Net (Expense)/Revenue										
Governmental activities	\$ (3,907)	\$ (2,723)	\$ (14,932)	\$ (16,677)	\$ (17,763)	\$ (19,072)	\$ (16,349)	\$ (14,297)	\$ (13,689)	\$ (13,504)
Business-type activities	2,834	2,473	1,501	(1,849)	(1,812)	(1,353)	(353)	(470)	(109)	(345)
Total primary government	\$ (1,073)	\$ (250)	\$ (13,431)	\$ (18,526)	\$ (19,575)	\$ (20,425)	\$ (16,702)	\$ (14,767)	\$ (13,798)	\$ (13,849)
General Revenues										
Government Activities										
Taxes										
Sales and use taxes	\$ 4,144	\$ 4,742	\$ 6,288	\$ 5,558	\$ 5,236	\$ 4,527	\$ 4,480	\$ 4,840	\$ 5,123	\$ 4,898
Property taxes	4,269	4,888	5,335	5,504	5,363	4,915	5,069	4,374	3,953	3,477
Motor vehicle and gas taxes	1,339	1,432	1,817	1,790	1,847	1,673	1,777	1,759	1,637	1,862
Franchise taxes	405	437	492	472	519	502	506	497	516	552
Transient Occupancy taxes	192	225	266	243	200	157	170	173	221	306
Interest and investment	525	936	1,365	1,072	537	244	216	134	271	134
Rental income	20	43	33	36	-	-	-	-	-	-
Gain on sale of capital assets	1	-	-	-	-	-	-	-	-	-
Other revenue	116	45	148	50	125	80	56	171	215	103
Transfers In	41	28	92	160	305	308	300	317	185	339
Total governmental activities	11,052	12,776	15,836	14,885	14,132	12,406	12,574	12,265	12,121	11,671
Business-type Activities										
Interest and investment	97	170	304	249	91	33	23	16	-	27
Other revenue	3	1,570	144	449	9	22	(10,526)	(317)	(185)	(339)
Total business-type activities	100	1,740	448	698	100	55	(10,503)	(301)	(185)	(312)
Other sources(uses) of money	-	-	-	-	-	-	-	(3,699)	-	-
Total primary government	\$ 11,152	\$ 14,516	\$ 16,284	\$ 15,583	\$ 14,232	\$ 12,461	\$ 2,071	\$ 8,265	\$ 11,936	\$ 11,359
Change in Net Assets										
Governmental activities	\$ 7,145	\$ 10,053	\$ 904	\$ (1,792)	\$ (3,631)	\$ (6,666)	\$ (3,775)	\$ (5,731)	\$ (1,568)	\$ (1,833)
Business-type activities	2,934	4,213	1,949	(1,151)	(1,712)	(1,298)	(10,856)	(771)	(294)	(657)
Total primary government	\$ 10,079	\$ 14,266	\$ 2,853	\$ (2,943)	\$ (5,343)	\$ (7,964)	\$ (14,631)	\$ (6,502)	\$ (1,862)	\$ (2,490)

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>
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
2014	11,094	1,538	83	224	4,557	1,324	281	19,101

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

	Fiscal Year									
	<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>	<u>2014</u>
General Fund										
Reserved	\$ 735	\$ 682	\$ 813	\$ 313	\$ 297	\$ 535	\$ -	\$ -	\$ -	\$ -
Unreserved	4,101	4,111	5,007	5,562	5,122	3,880	-	-	-	-
Nonspendable							296	393	367	669
Restricted							1	1	1	1
Committed							115	7	150	153
Assigned							1,558	1,426	778	968
Unassigned							1,529	2,058	3,648	4,343
Total General Fund	<u>\$ 4,836</u>	<u>\$ 4,793</u>	<u>\$ 5,820</u>	<u>\$ 5,875</u>	<u>\$ 5,419</u>	<u>\$ 4,415</u>	<u>\$ 3,499</u>	<u>\$ 3,885</u>	<u>\$ 4,944</u>	<u>\$ 6,134</u>
All Other Governmental Funds										
Reserved	\$ 12,965	\$ 9,696	\$ 7,064	\$ 7,961	\$ 4,263	\$ 4,273	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:										
Special revenue funds	1,960	2,058	1,868	2,200	2,778	2,442	-	-	-	-
Capital project funds	7,954	6,286	8,383	4,801	7,901	5,509	-	-	-	-
Nonspendable							1,968	2,249	2,080	1,745
Restricted							4,130	1,693	2,064	2,485
Committed							10	-	1,331	971
Assigned							7,009	5,248	4,612	4,661
Unassigned							(957)	(1,588)	(1,614)	(1,841)
Total all other Governmental Funds	<u>\$ 22,879</u>	<u>\$ 18,040</u>	<u>\$ 17,315</u>	<u>\$ 14,962</u>	<u>\$ 14,942</u>	<u>\$ 12,224</u>	<u>\$ 12,160</u>	<u>\$ 7,602</u>	<u>\$ 8,473</u>	<u>\$ 8,021</u>

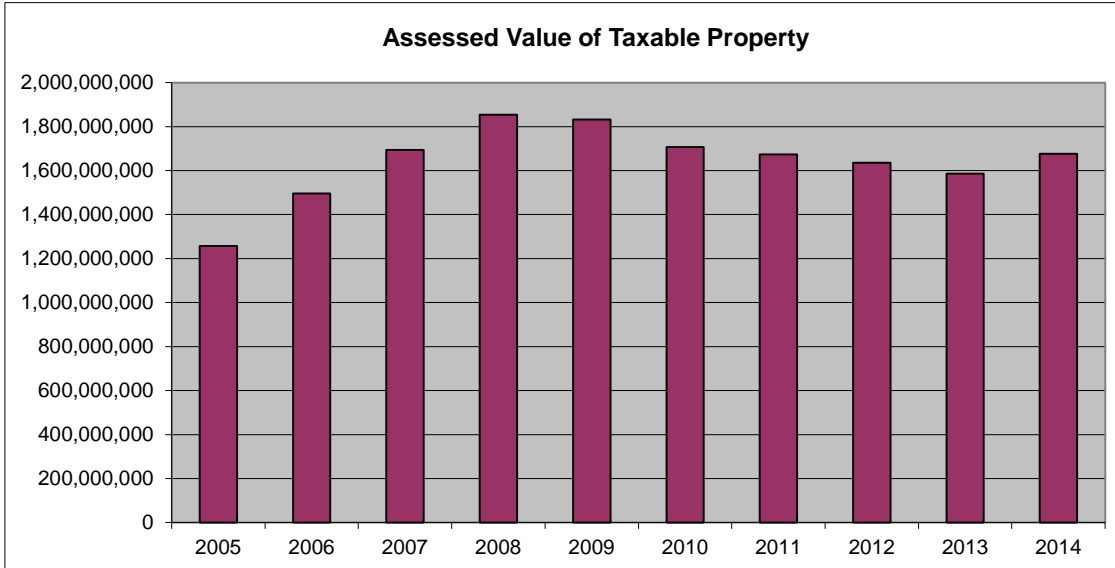
The City of Dixon implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. Therefore comparative information for prior years is not available.

Source: City of Dixon Finance

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

	Fiscal Year									
	<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>	<u>2014</u>
Revenues										
Taxes and assessments	\$ 9,725	\$ 10,946	\$ 13,343	\$ 12,820	\$ 13,536	\$ 11,682	\$ 12,003	\$ 11,643	\$ 11,914	\$ 11,094
Licenses, permits, and fess	2,601	1,696	2,913	2,402	1,052	790	827	1,002	1,203	1,538
Fines and forfeitures	55	77	70	52	54	35	84	46	38	83
Use of money and property	518	957	1,394	1,108	637	286	221	166	311	224
Program income	581	1,594	768	111	112	59	170	86	107	100
Intergovernmental revenues	970	2,748	1,193	2,459	707	1,465	1,506	1,008	5,400	4,557
Charges for service	2,588	1,828	1,349	1,974	446	316	265	294	771	1,324
Contributions	157	9,703	1,142	4	-	-	-	-	-	-
Developer fees	9,508	1,678	601	322	272	38	3	803	735	69
Other revenues	256	165	336	265	146	275	56	171	213	111
Total revenues	26,959	31,392	23,109	21,517	16,962	14,946	15,135	15,219	20,692	19,100
Expenditures										
General government	2,092	2,505	2,939	3,554	1,956	2,917	2,287	1,541	1,837	1,918
Public safety	6,005	6,415	7,114	7,530	7,570	7,296	7,162	7,040	7,087	7,352
Parks and recreation	1,127	1,306	1,481	1,711	1,705	1,542	1,467	1,487	1,415	1,327
Development	2,251	2,686	2,665	2,880	2,930	3,258	1,795	987	5,170	4,973
Public ways and facilities	4,364	2,939	2,667	2,884	1,924	2,273	1,381	1,325	1,455	1,321
Debt service - Principal	456	450	465	375	400	425	445	3,605	368	381
Debt service - Interest	515	491	762	438	419	397	374	396	73	63
Capital outlay	8,633	17,182	4,807	4,602	1,148	917	1,502	2,652	1,322	1,753
Total expenditures	25,443	33,974	22,900	23,974	18,052	19,025	16,413	19,033	18,727	19,088
Excess of revenues over (under) expenditures	1,516	(2,582)	209	(2,457)	(1,090)	(4,079)	(1,278)	(3,814)	1,965	12
Other financing sources (uses)										
Proceeds from borrowing	-	-	-	-	-	-	-	2,786	-	-
Transfers in	2,116	3,383	3,879	3,404	1,888	2,044	3,244	2,600	1,777	1,667
Transfers out	(2,074)	(3,355)	(3,787)	(3,243)	(1,583)	(1,736)	(2,945)	(2,283)	(1,592)	(1,328)
Total other financing sources	42	28	92	161	305	308	299	3,103	185	339
Extraordinary item										
Redevelopment dissolution	-	-	-	-	-	-	-	(3,461)	-	-
Net change in fund balance	\$ 1,558	\$ (2,554)	\$ 301	\$ (2,296)	\$ (785)	\$ (3,771)	\$ (979)	\$ (4,172)	\$ 2,150	\$ 351
Debt service as a % of noncapital expenditures	5.8%	5.6%	6.8%	4.2%	4.8%	4.5%	5.5%	24.4%	2.5%	2.6%

**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>
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	0.28636%	4,542,077
2014	1,095,136,228	172,478,921	264,820,040	144,148,183	1,676,583,372	0.18894%	3,167,737

Notes:

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

Source : HdL, Coren & Cone

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

<u>Fiscal Year</u>	<u>Basic County City School Levy</u>	<u>Dixon Unified School District</u>	<u>Solano County Flood Water Project</u>	<u>Solano Community College</u>	<u>Total Direct and Overlapping Rates</u>	<u>Total Direct Rate</u>
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
2014	1.00	0.05222	0.02	0.03955	1.11177	0.18894

Source: HdL, Coren & Cone

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

Taxpayer	2013/14			2004/05		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Undisclosed ¹	1	\$ 106,245,761	6.34%			
Gymboree Logistics Partnership	2	\$ 39,356,623	2.35%	5	\$ 13,753,071	1.08%
Basalite Concrete Products	3	\$ 31,241,605	1.86%	1	\$ 24,729,784	1.97%
Cardinal Health 200Inc.	4	\$ 22,595,805	1.35%	8	\$ 12,258,246	0.98%
Wal Mart Real Estate Trust	5	\$ 22,088,695	1.32%	6	\$ 13,272,315	1.06%
California Water Service Company	6	\$ 21,290,145	1.27%			
1000 Vaughn Road Assocs LLC	7	\$ 14,517,277	0.87%			
Insulfoam, LLC	8	\$ 13,408,421	0.80%			
Meadowwood Apartments LLC	9	\$ 10,200,000	0.61%			
Robert A. and Suzanne A. Robben Trust	10	\$ 9,548,172	0.59%			
Mililani Group				7	\$ 12,573,507	1.00%
Safeway Stores				9	\$ 8,907,326	0.71%
Premier Industries				3	\$ 16,212,866	1.29%
SWD Land Company				4	\$ 15,239,445	1.21%
SunTrust Banks Inc.						
Richmond American Homes of CA						
MEC Dixon, Inc.				10	\$ 8,883,363	0.71%
Pulte Homes Corp.				2	\$ 20,480,324	1.63%
Top Ten Totals		\$ 290,492,504	17.36%		\$ 146,310,247	11.64%
City Total Taxable Assessed Value		\$ 1,676,583,372			\$ 1,257,067,754	

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

Source: HdI, Coren & Cone

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ¹		Collection in Subsequent Years	Collections to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy
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%
2014	2,569	2,569	100.00%	-	2,569	100.00%

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

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

	<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>
Major Business Groups										
Food Stores	\$ 8,117	\$ 7,815	\$ 7,330	\$ 7,423	\$ 7,384	\$ 7,015	\$ 6,781	\$ 6,908	\$ 6,693	\$ 6,687
Eating and Drinking Places	26,091	27,147	27,543	28,004	26,543	25,288	24,795	25,424	25,559	26,421
Building Materials	10,873	11,459	10,711	11,935	14,127	23,541	15,521	17,939	18,686	18,943
Service Stations	41,562	45,876	48,326	57,753	58,146	43,038	48,255	63,753	62,845	59,796
Other Retail Stores	70,265	73,783	83,227	85,534	86,133	81,665	85,803	89,866	98,396	103,092
All other outlets	259,329	285,574	338,643	391,528	328,379	297,381	259,315	284,642	279,580	274,761
Fiscal Year Totals	<u>\$ 416,237</u>	<u>\$ 451,654</u>	<u>\$ 515,780</u>	<u>\$ 582,177</u>	<u>\$ 520,712</u>	<u>\$ 477,928</u>	<u>\$ 440,470</u>	<u>\$ 488,532</u>	<u>\$ 491,759</u>	<u>\$ 489,700</u>

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

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

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

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percent of Personal Income ¹	Debt per Capita
	Tax Allocation Bonds ²	Lease Revenue Bonds	COPS	Capital Leases	Wastewater COPS	Wastewater Revenue Bonds			
2005	3,780	4,755	295	-	2,120	-	10,950	3.01%	670
2006	3,675	4,515	105	-	2,035	-	10,330	2.59%	605
2007	3,565	4,265	-	-	1,950	-	9,780	2.24%	560
2008	3,450	4,005	-	-	1,865	-	9,320	2.03%	531
2009	3,325	3,730	-	-	1,775	-	8,830	1.91%	505
2010	3,195	3,435	-	-	1,680	-	8,310	1.85%	474
2011	3,055	3,130	-	-	1,580	-	7,765	1.73%	441
2012	-	2,456	-	-	-	1,361	3,817	0.80%	209
2013	-	2,087	-	-	-	1,203	3,290	0.66%	178
2014	-	1,707	-	-	-	1,068	2,775	0.56%	146

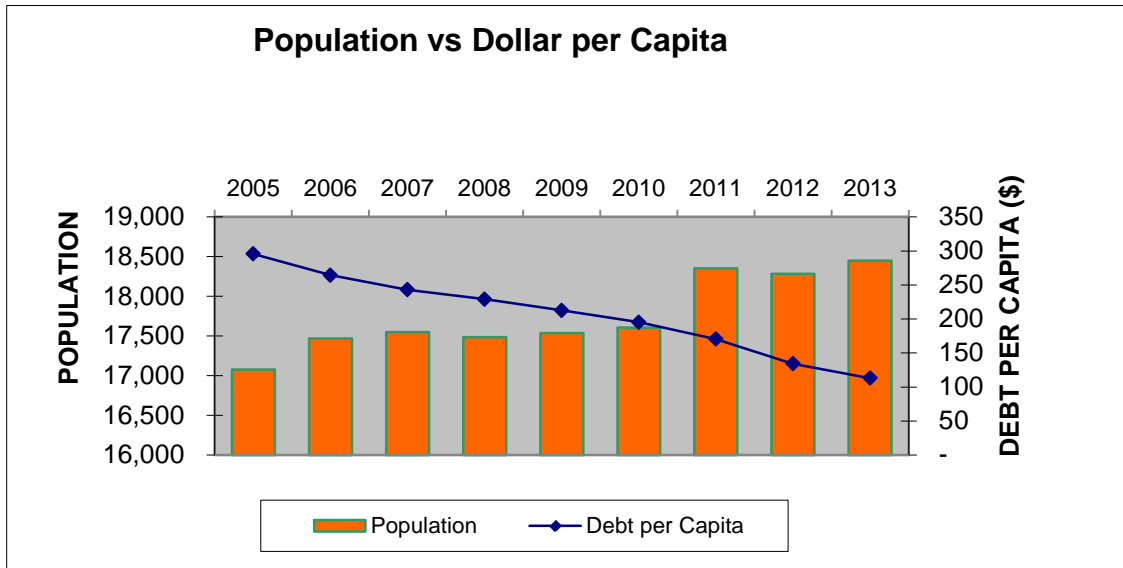
Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

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

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

Source: City of Dixon Finance

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



Fiscal Year	Lease Revenue Bonds	COPS	Total Primary Government	Percent of Assessed Value	Population	Debt per Capita	Assessed Value
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
2014	1,707	-	1,707	0.102%	19,005	90	1,676,583

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, 2014**

2013-14 Assessed Valuation :	\$ 1,676,583,372
Redevelopment Incremental Valuation:	-
Adjusted assessed Valuation:	<u>\$ 1,676,583,372</u>

<u>Direct and Overlapping Tax and Assessment Debt</u>	<u>% Applicable [a]</u>	<u>Total Debt 6/30/2014</u>	<u>City's Share of Debt 6/30/2014</u>
Solano County Community College District	4.290%	\$ 222,151,989	9,530,320
Dixon Unified School District	67.916%	27,403,930	18,611,653
City of Dixon 1915 Act Bonds	100.000%	<u>4,653,276</u>	<u>4,653,276</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		254,209,195	32,795,249
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Solano County Certificates of Participation	4.086%	\$ 106,050,000	4,333,203
Solano County Pension Obligations	4.086%	68,945,000	2,817,093
Solano County Office of Education Certifications of Participation	4.086%	1,665,000	68,032
Dixon Unified School District Certificates of Participation	67.916%	9,630,000	6,540,311
City of Dixon General Fund Obligations	100.000%	<u>1,706,600</u>	<u>1,706,600</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$ 187,996,600	\$ 15,465,238
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</u>	 100.000%	 2,590,000	 2,590,000
 GROSS COMBINED TOTAL DEBT		 \$ 442,205,795	
SUBTOTAL DIRECT DEBT			\$ 1,706,600
SUBTOTAL OVERLAPPING DEBT			\$ 51,733,887
 GRAND TOTAL OF DIRECT AND OVERLAPPING DEBT			 \$ 50,850,487 [b]

<u>Ratios to Adjusted Assessed Valuation:</u>			
Total Direct Debt.....	\$ 1,706,600		0.10%
Combined Total Debt.....			3.03%
 <u>Ratios to Redevelopment Incremental Valuation (\$220,607,903)</u>			
Total Overlapping Tax Increment Debt.....			1.17%

Notes:

[a] The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

[b] Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue 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**

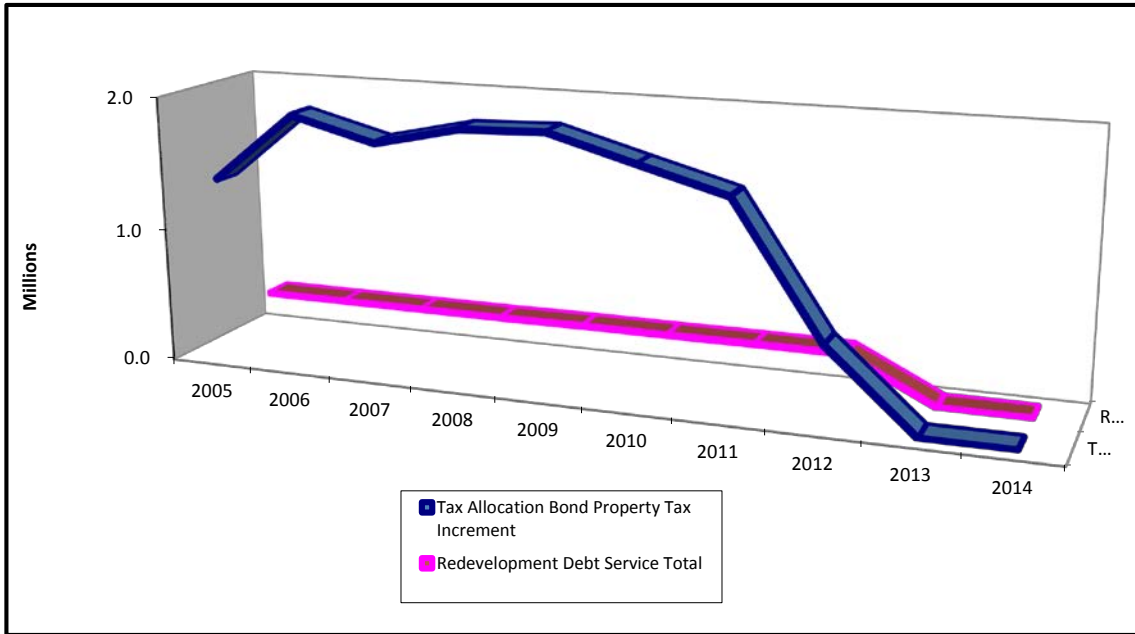
Legal Debt Margin Calculation for Fiscal Year 2013

Assessed Value (in thousands)	\$ 1,676,583
Debt Limit (15%) of total assessed value	251,488
Debt applicable to limit:	
General obligation bonds	0
Less: Amount set aside for repayment of general obligation debt	0
Total net debt applicable to limit	0
Legal debt margin	\$ 251,488

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
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%
2014	1,676,583	251,488	-	251,488	0%

Source: City of Dixon Finance

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

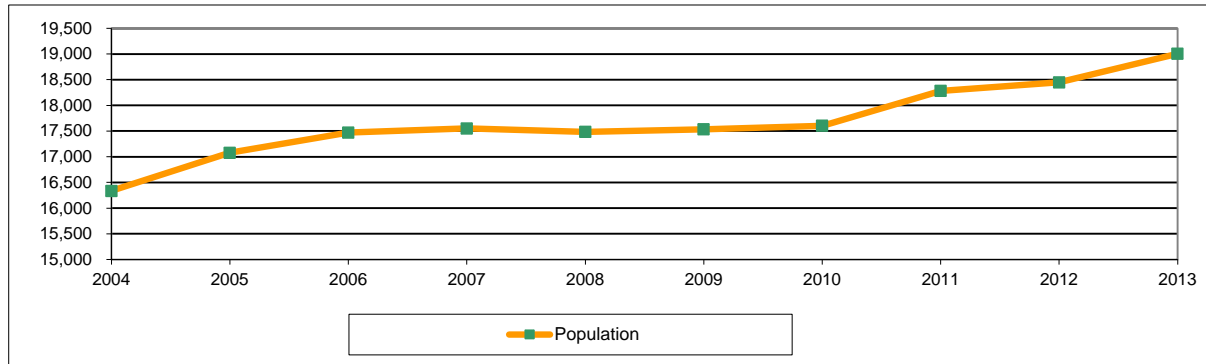


Fiscal Year	Tax Allocation Bond Property Tax Increment				Redevelopment Debt Service			
	Redevelopment Increment	Less: Low and Moderate Income Housing Set- Aside		Net Available Revenue	Principal	Interest	Total	Debt Ratio
2005	1,720		344	1,376	100	225	325	24%
2006	2,280		382	1,898	105	219	324	17%
2007	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	0		0	0	0	0	0	0%
2014	0		0	0	0	0	0	0%

¹ 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	Unemploy- ment Rate	Median Age	School Enrollment	% of pop 25+ w/ H.S. Degree	% of pop 25+ w/ Bachelor's Degree
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%
2013	19,005	499,679	26,292	5.6%	33.70	3,800	81.5%	19.3%

Source: Hdl, Coren & Cone

**CITY OF DIXON
PRINCIPAL EMPLOYERS
CURRENT AND FIVE YEARS PRIOR**

Total City Employment¹ 8500

Total City Employment¹ 8400

FY 2013-14				2008-09			
<u>Employer</u>	<u>Employees²</u>	<u>Rank</u>	<u>% of Total City Employed</u>	<u>Employer</u>	<u>Employees²</u>	<u>Rank</u>	<u>% of Total City Employed</u>
Gymboree, Inc.	355		4.18%	Gymboree, Inc.	419	1	4.99%
Dixon Unified School District	330		3.88%	Kragen Auto Works	400	2	4.76%
Dixon Canning (Campbell's)	280		3.29%	Wal Mart	288	3	3.43%
Wal-Mart	268		3.15%	Cardinal Health	203	4	2.42%
First Northern Bank	203		2.39%	Dixon Canning (Campbell's)	180	5	2.14%
Altec Industries	173		2.04%	Basalite	180	6	2.14%
Basalite	165		1.94%	Superior Packing	140	7	1.67%
Superior Packing	150		1.76%	City of Dixon	123	8	1.46%
Cardinal Health	105		1.24%	First Northern Bank	109	9	1.30%
City of Dixon	101		1.19%	Altec Industries	105	10	1.25%

¹Source: CA EDD Labor Force statistics and Historical Data - www.labormarketinfo.edd.ca.gov

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

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

Function	Fiscal Year									
	<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>	<u>2014</u>
General government										
Management Services	7.35	7.5	7.5	7.5	7.5	7.5	7.75	6.5	4.75	4.75
Finance and IT	6.3	6.3	6.66	7.5	6.84	6.84	4.84	6.33	9.75	9.75
Planning	3	4	4	4	3	2.75	2.75	3	2.4	3.13
Building	2	3	3	3	2	1.25	1.25	0	0	0
Other - Transit	6.34	7.09	7.09	7.68	7.68	6.19	6.78	6.21	6.19	5.75
Police										
Officers	27.5	30	30	31	30.5	28.5	27	28	28	28
Civilians	1	2	2	2	2	2	2	2	2	2
Fire										
Firefighters and officers	19	22	22	21	21	20	20	20	20	20
Civilians	1.75	1.75	1.875	2	2	2	2	1	1	1
Public Works										
Engineering	9	10	10	10	10	6.5	5.5	5.5	5.5	5.45
Maintenance	21.6	21.6	21.6	22.4	19.6	18.5	15.8	15.5	12.5	12.13
Redevelopment	1	1	1	1	1	1	1	1	0	0
Parks and recreation	3	4	4	4	4	4	2.95	2	2	2
Wastewater collection and treatment	5.3	5.3	5.36	6.5	6.67	8.165	8.165	7.17	6.5	7.05
Total	<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>100.59</u>	<u>101.01</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>	Fiscal Year									
	<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>	<u>2014</u>
Police:										
Police Calls for Service	17,191	19,378	19,540	19,202	16,426	17,103	14,937	14,076	13,314	15,049
Law Violations:										
Part I Crimes	726	671	871	872	609	602	536	394	378	448
Physical Arrests (Adult and Juvenile)	602	568	589	567	492	505	370	416	325	402
Parking Violations	360	594	485	498	179	253	183	152	69	123
Fire:										
Number of volunteers	35	12	12	12	12	12	9	12	12	12
Number of calls answered	1,965	1,900	1,923	1,983	2,001	1,997	1,792	1,748	1,916	2,053
Transit service:										
Daily average number of passengers	260	257	254	260	228	177	174	195	203	209
Daily average number of service miles	230	385	382	230	338	290	307	318	319	336
Wastewater										
Service Connections	4,905	5,196	5,196	5,196	5,214	5,214	5,219	5,219	5,219	5,219
Maximum daily capacity of treatment plant (millions gallons per day)	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82
Average Daily Pumping (millions of gallons)	1.48	1.37	1.37	1.37	1.26	1.27	1.29	1.26	1.71	1.16
Water Service - Dixon-Solano Water Agency										
Pumping capacity (million of gallons per day)	8.33	8.33	8.33	11.93	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

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

Source: City of Dixon Departmental Statistical Tables from Annual Reports

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

<u>Function/Program</u>	<u>Fiscal Year</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>	<u>2014</u>
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	17	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	13	13	13	13	13
Public Works										
Miles of Streets	62	62	62	62	62	62	62	62	62	62
Street Lights	1,576	2,020	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