

CITY OF DIXON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

PREPARED BY
ADMINISTRATIVE SERVICES DEPARTMENT

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CITY OF DIXON
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i
GFOA Award	vi
Organization Chart	vii
Elected Officials and Executive Staff	viii
 FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	5
 BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	21
Statement of Activities	22
Fund Financial Statements	
Balance Sheet – Governmental Funds	24
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	27
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	28
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Funds	30
Statement of Net Position – Proprietary Funds	31
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	32
Statement of Cash Flows – Proprietary Funds	33
Statement of Fiduciary Net Position – Fiduciary Funds	34
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	35
Notes to Basic Financial Statements	37

CITY OF DIXON
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

	<u>Page Number</u>
REQUIRED SUPPLEMENTAL INFORMATION	
Budgetary Comparison Schedules – Major Funds:	
General Fund.....	78
Schedule of Proportionate Share of the Net Pension Liability	79
Schedule of Plan Contributions	80
Schedule of Change in the Total OPEB Liability and Related Ratios	81
Notes to Required Supplemental Information	82
COMBINING FINANCIAL SCHEDULES AND OTHER SUPPLEMENTAL INFORMATION	
Non-Major Governmental Funds:	
Description of Non-Major Funds.....	85
Combining Balance Sheets	90
Combining Schedules of Revenues, Expenditures and Changes in Fund Balances	98
Budgetary Comparison Schedules – Special Revenue Funds:	
HOME Loans	106
CDBG	107
Gas Tax	108
Traffic Safety	109
Used Oil Recycling Block Grant Fund	110
COPS Block Grant.....	111
Landscaping and Lighting Assessment Districts	112
Valley Glen Storm Drain	113
CFD Pond C	114
Road Maintenance and Rehabilitation	115
Budgetary Comparison Schedules – Capital Projects Funds:	
Capital Improvements.....	116
Fire.....	117
Police	118
City Facilities	119
Public Works.....	120
Storm Drainage	121
Core Area Drainage.....	122
Transit Projects.....	123
Recreation Improvements	124
Parks	125
Transportation	126
CFD 2013-1 Parklane Construction	127

CITY OF DIXON
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2018

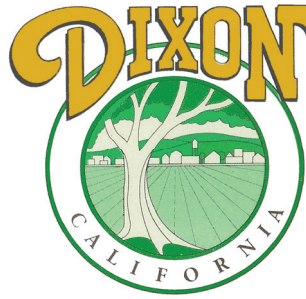
TABLE OF CONTENTS

	<u>Page Number</u>
 COMBINING FINANCIAL SCHEDULES AND OTHER SUPPLEMENTAL INFORMATION (CONTINUED)	
Pardi Market Project.....	128
Parkway Blvd Overcrossing	129
CFD 2015-1 Valley Glen II Construction	130
 Budgetary Comparison Schedules – Debt Service Funds:	
Lease Financing	131
 Agency Funds:	
Description of Agency Funds	133
Combining Statement of Assets and Liabilities	134
Combining Statement of Changes in Assets and Liabilities.....	136
 General Fund:	
Description of General Funds.....	139
Combining Balance Sheet.....	142
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	146
 STATISTICAL SECTION	
Description of Statistical Section.....	151
 Financial Trends:	
Net Position by Component.....	153
Changes in Net Position.....	154
Government Funds – Revenues by Source	155
Fund Balance – Governmental Funds.....	156
Changes in Fund Balance – Governmental Funds	157
 Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property.....	158
Property Tax Rates – Direct and Overlapping Governments.....	159
Principal Property Taxpayers	160
Property Tax Levies and Collections.....	161
Sales Tax Rates – Direct and Overlapping Governments	162
Top Sales Tax Producers.....	163
Taxable Sales by Category	164
 Debt Capacity:	
Ratios of Outstanding Debt by Type	165
Ratios of Net General Bonded Debt Outstanding	166
Direct and Overlapping Governmental Debt	167
Computation of Legal Debt Margin.....	168
Pledged Revenue Coverage	169

CITY OF DIXON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

	<u>Page Number</u>
STATISTICAL SECTION (CONTINUED)	
Economic Demographic Information:	
Demographic and Economic Indicators.....	170
Principal Employers.....	171
Operating Information:	
Full-time Equivalent City Government Employees by Function/Program	172
Operating Indicators by Function/Program	173
Capital Asset Statistics by Function/Program	174



November 26, 2018

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

Financing covenants and 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 conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. This report is published to fulfill this requirement; the City is pleased to submit for the fiscal year ended June 30, 2018.

Management assumes responsibility for the reliability, completeness of data accuracy and presentation fairness, including all footnotes and disclosures. 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.

Lance, Soll & Lunghard, LLP, the Certified Public Accounting firm selected by the City Council to perform the audit of the financial statements for the fiscal year ended June 30, 2018, 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 unmodified opinion that the City of Dixon's financial statements for the year ended June 30, 2018 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. The MD&A compliments 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, was 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 mistakenly read "Dixon" which ultimately became the City's name. The population as of June 2018 is 19,298 in a 7.1 square mile area.

The City operates under a Council-Manager form of government. The City Council consists of the Mayor, elected at-large and four Council members, elected to serve four-year overlapping terms based on districts.

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, and setting priorities for the 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, street and infrastructure maintenance, planning and zoning, recreational activities, and general administrative/support services.

The City Council is required to adopt an annual balanced budget by June 30th 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 a budget study session. This study session provides an opportunity for public input to be heard. Budgetary control is legally maintained at the department 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.

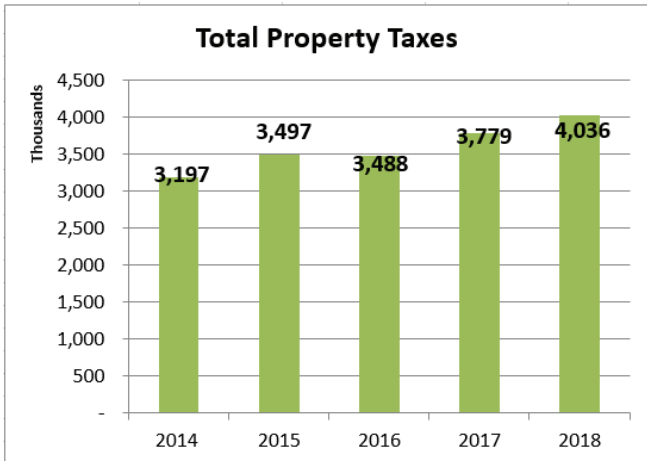
Dixon offers a unique combination of an outstanding location, desirable housing and strong community values. Dixon can be characterized as a progressive city that seeks excellent development with a desire to maintain and enhance "quality of life" characteristics that are part of its history and agricultural heritage. Dixon's proximity to Davis, Sacramento and San Francisco, affords the community with 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. Within 25 miles are a skilled and diverse workforce of 200,000 and there is an



estimated population of 444,458 within Solano County. The median household income in California is \$67,739, with Solano County at \$73,900, while Dixon's median household income is at \$72,383 according to the most current census data available online. The home ownership rate is 68.6% according to DataUSA.

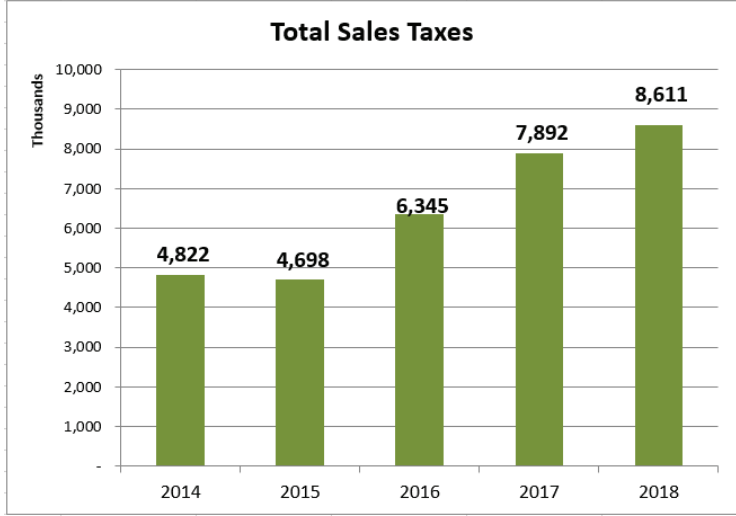
Solano County's unemployment rate has decreased to 4.2% as of June 2018. In Dixon, the unemployment rate ended the fiscal year at a rate of 3.5%. There are approximately 141,600 jobs in the county, with 1.3% farm related and 98.7% non-farm related jobs. Sheep farming, an integral part of the County and Dixon, has seen Solano County as one of the top sheep and lamb producing counties in California. Superior Packing, North America's largest lamb marketer/processor, operates and remains one of the largest employers in Dixon.

Dixon is one of four cities in the County with a higher cost of living attributable to housing prices. Inflation continues to remain low and continued interest by builders of new single-family residential homes has been a bright spot for economic expansion. Home sales throughout the state remain robust with median prices continuing to rise throughout Solano County. The median single family home price in Dixon as of June 2018 rose 3.4% to \$429,000. By comparison, Solano County's single family home price is \$430,000.



Property tax revenues have consistently trended upward in the past four years increasing by 26.3%. The property tax revenue categories showing growth in 17-18 were the secured and supplemental components. This category generates 21.2% in General Fund revenues. Dixon has 6,300 parcels/assessments with residential representing 83.1% of parcels. There has been a decrease in the number of properties on Proposition 8 status – a temporary reduction in property values below their established Proposition 13 base property value. In Dixon, the value increased over \$150 million to \$2.073 billion or a 7.8% increase over the prior year.

Sales tax revenues represent the City's top general fund revenue source. Continued growth in this revenue category has allowed the City to restore positions to the budget previously eliminated in the economic downturn. The chart represents a healthy trend for the past four years, revenues have increased 78.6%. The City's diversified tax base as well as the relocation or expansion of businesses in town has helped improve the revenue receipts. Year over year, Dixon has been outpacing other cities within Solano County, and the share of the county-wide use pool has grown quite a bit. The top 25 sales tax producers represent 89.3% of sales tax revenue received. Dixon's per capita sales remain the highest in Solano County, and outpace both the Bay Area and the State of California.



Long-term Financial Planning

Dixon strives to provide high quality services in an era where resources have been reduced. Providing facilities and activity delivery, along with the requisite funding to meet current and future needs remains a focus throughout the organization. Dixon, as is the case with many public agencies, is under the pressure of increases in total employee compensation from higher worker's compensation rates to pension costs. The economic rebound means there are increased demands for services and expectations from citizens. Capital projects often have higher bid costs than initially anticipated due to increased construction costs. Operating and capital costs will continue to face higher thresholds as aging infrastructure places a strain on limited financial resources.

Each year, as part of the annual budget process, the Five-Year General Fund forecast is prepared, that presents 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, Debt Policy and a Fixed Assets Capitalization, Inventory and Control and Replacement Policy. The City follows the fund reserve policy recommendation set by the Council for the General Fund at a minimum level of 25% operating reserve. Appropriate fund balance reserves help provide for unforeseen economic uncertainties.

Major Initiatives

Capital Improvements and City Infrastructure

The City faces the challenges of maintaining its infrastructure and aging City buildings. In 2017-18, the City accepted several projects as complete including the re-plastered competition pool at the Aquatic Center, the North 4th Street Sewer Main rehabilitation project, SCADA system improvements, irrigation and lighting system improvements in Dixon parks, Safe Routes 2 Schools Infrastructure Improvements, and finalized the design option for the Pardi Market Plaza Project. During the year, the Council awarded the South Jefferson Street Improvement project, Police Department perimeter fence project, and identified the 2018-19 street project list to be funded with Road Maintenance and Rehabilitation Account (RMRA) Fund. The Council annually adopts a 5-year Capital Improvement Program (CIP) in June with forty-two new projects added this past year, many within the water operations arena.

Water Operations

The City Council retained the services of Raftelis to undertake a water rate study since the last rates were effective in 2013. The City has hired two Water Operator II positions that began their employment in June 2018. Since that time, a Water Operator I position has been added and a Water Operations Supervisor has been hired. The City had been utilizing a contractual agreement with CalWater for a temporary Supervisor position.

Cannabis

Late in FY 2018, the first cannabis dispensary opened within the City of Dixon. The Council has negotiated a development agreement with this first business that opened and one of the conditions is to provide a public benefit amount that is remitted to the City monthly. Two other businesses have also negotiated development agreements, and there has been additional interest in this industry from potential businesses. Expectations remain high that there could be a considerable amount of new revenue generated. The adopted FY 2019 budget included \$1 million toward a Council priority street rehabilitation.

Other Post-Employment Benefits (OPEB)

The City has been funding OPEB on a “pay-as-you-go basis”, and has accrued a \$3.625 million unfunded liability based on the most recent actuarial study completed. In 2015-16, the City created a new fund to begin setting aside financial resources toward this liability for the General Fund. As of fiscal year end 2018, \$1.261 million has been accumulated in the OPEB Reserve Fund. In the business-type activities funds, sewer, water and transit have OPEB obligations. In 2016-17, a Sewer OPEB Reserve Fund was created to pay for the then full amount of \$162,816 from this fund. With the new actuarial received, calculations will need to be completed to augment the Sewer OPEB Reserve Fund. The Transit and Water Funds have not yet come up with a funding mechanism to address OPEB obligations.

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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 financial statement preparation, in conformity with GAAP. 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) Uniform Guidance. This includes compliance tests with federal laws and regulations. Lance, Soll & Lunghard, LLP 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, 2017. 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 receive this award, the City published 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 Administrative Services Department takes a great deal of pride in the attention to detail required for the preparation of the CAFR. We appreciate the cooperation of the departments that respond to audit requests for detailed information each year. We would also like to acknowledge the City Council for their support in planning and conducting the financial operations of Dixon in a 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

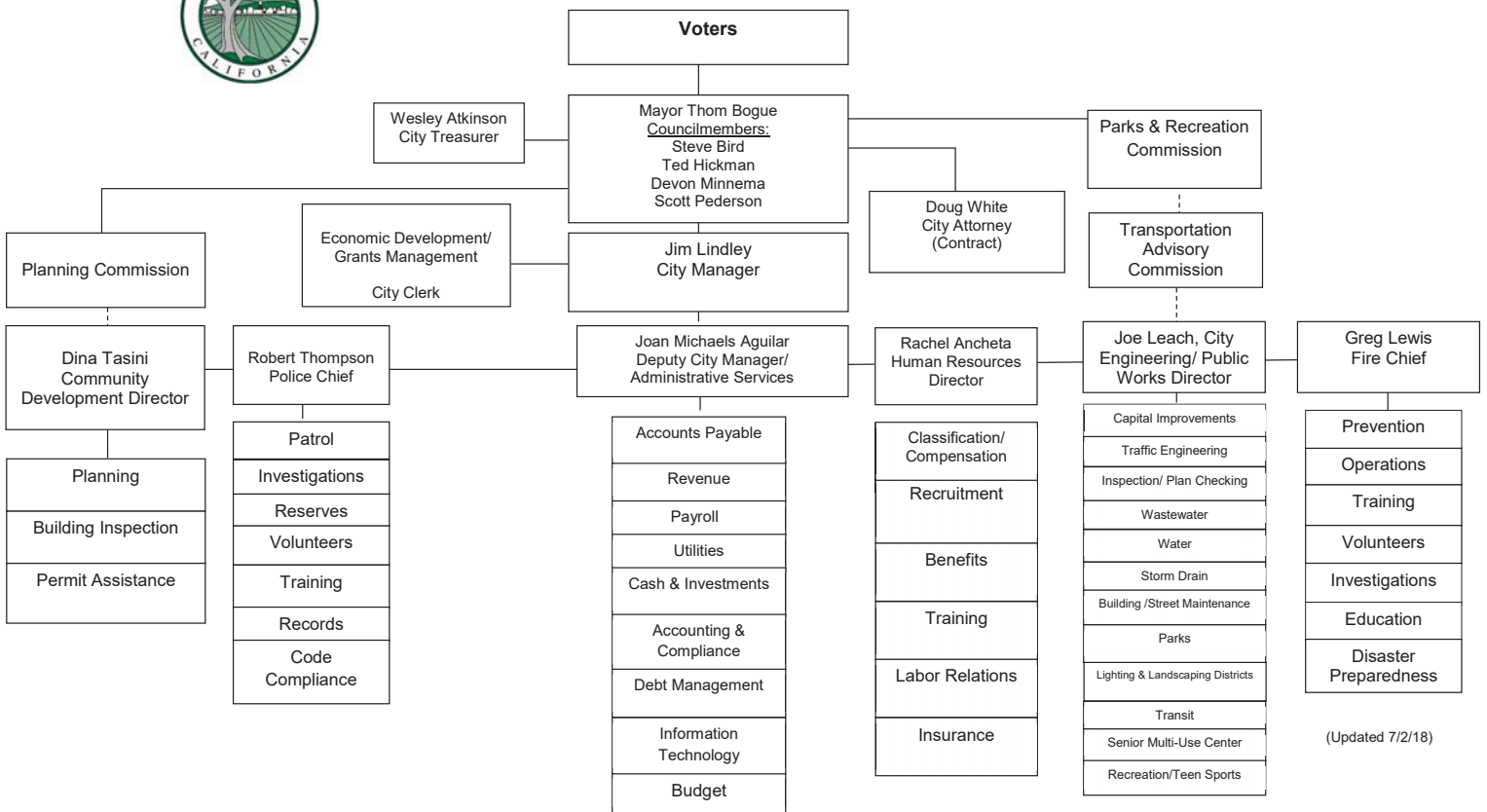
June 30, 2017

Christopher P. Morill

Executive Director/CEO



CITY OF DIXON 2018 ORGANIZATIONAL CHART



(Updated 7/2/18)



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

JUNE 30, 2018

ELECTED OFFICIALS

Mayor	Thom Bogue
Vice-Mayor	Ted Hickman
Councilmember	Steve Bird
Councilmember	Scott Pederson
Councilmember	Devon Minnema
City Treasurer	Wesley Atkinson

EXECUTIVE STAFF

City Manager	Jim Lindley**
City Attorney	Douglas White**
Deputy City Manager/Administrative Services	Joan Michaels Aguilar
City Engineer/Director of Utilities & Public Works	Joe Leach
Community Development Director	Dina Tasini
Human Resources Director	Rachel Ancheta
Fire Chief	Greg Lewis
Police Chief	Robert Thompson

**Appointed by City Council



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of 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 City of Dixon, California, (the City) as of and for the year ended June 30, 2018, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



To the Honorable Mayor and Members of the City Council
City of Dixon, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dixon, California, as of June 30, 2018, 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.

Change in Accounting Principle

As discussed in Note 10 to the financial statements, in 2018 the City adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule for the general fund, the schedule of proportionate share of the net pension liability, the schedule of plan contributions, and the schedule of changes in total OPEB liability and related ratios, 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's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and 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 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. The 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 schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.



To the Honorable Mayor and Members of the City Council
City of Dixon, California

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 26, 2018 on our consideration of the City'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 solely 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 the City's effectiveness of 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's internal control over financial reporting and compliance.

Brea, California
November 26, 2018

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CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

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, 2018. 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 2018. At June 30, 2018, net position totaled \$191.8 million.
- Government-wide revenues totaled \$35.7 million, including program revenues of \$17.7 million and general revenues of \$18.0 million, an increase of \$2.8 million from prior year's \$32.9 million.
- Total government-wide expenses were \$36.8 million, an increase of \$3.7 million from the prior year's \$33.1 million.
- Net position in governmental activities decreased \$1.9 million; \$0.9 million for current year activity and \$1.0 million for prior period adjustments. Net position in business-type activities decreased \$0.6 million; \$0.3 million for current year activity and \$0.3 million for prior period adjustments.
- Governmental program revenues increased to \$10.3 million from fiscal year 2017's \$9.9 million.
- Governmental program expenses increased to \$28.9 million in fiscal year 2018, up \$1.5 million from the prior year's \$27.4 million.
- Program revenues from business-type activities increased to \$7.4 million in fiscal year 2018, up \$1.2 million from the prior year's \$6.2 million.
- Expenses of business-type activities increased \$2.2 million to \$7.9 million in 2018, up from \$5.7 million in fiscal year 2017.

Fund Level:

- Governmental fund balances increased to \$26.7 million in fiscal year 2018 from the prior year's \$24.1 million.
- Governmental fund revenues increased to \$26.7 million in fiscal year 2018, up \$0.4 million from the prior year's \$26.3 million.
- Governmental fund expenditures increased to \$25.3 million, up \$0.4 million from 2017's \$24.9 million.
- General Fund revenues of \$19.5 million represented an increase of \$0.1 million from fiscal year 2017's revenues of \$19.4 million.
- General Fund fund balance increased to \$14.6 million at June 30, 2018 up from fiscal year 2017's level of \$12.1 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, 2018

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 21) 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 (pages 22-23) 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, the Dixon Fire Protection District, or the Successor Agency of the City of Dixon) 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, 2018

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, 2018, the City of Dixon's major funds are as follows:

- ** General Fund
- ** Housing Successor Agency Fund
- ** CFD 2015-1 Valley Glen II Construction Fund

Data from the remaining non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of "combining statements" starting on page 90.

For the governmental funds financial statements, the following fund was reported as a major fund in the prior fiscal year and continues to be reported as a major fund for FY 2017-18:

- ** The Housing Successor Agency Fund is a special revenue fund which has been established as a result of 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.

For the governmental funds financial statements, the following fund was first reported as major fund for FY 2017-18:

- ** The CFD 2015-1 Valley Glen II Construction fund was established to account for the construction funds raised through the sale of bonds for the Valley Glen II Facilities District. The proceeds will be distributed to the developer upon submission of eligible reimbursement requests.

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 pages 34-35 and includes the North First Street Assessment District, Flexible Spending Account, the Dixon Fire Protection District, the CFD 2013-1 Parklane Debt Service, the CFD 2015-1 Valley Glen II Debt Service 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 page 37 of this report.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

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 90.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the City's assets, liabilities, and net position for its governmental and business type activities. As noted earlier, a government's net asset position may serve over time as a useful indicator of its financial position. For the City of Dixon, restricted and unrestricted net position were \$191.8 million and \$194.2 million at June 30, 2018 and 2017. Overall total net position decreased by \$2.5 million in FY 2018.

The Summary of Net Position as of June 30, 2018 and 2017 follows:

Statement of Net Position
As of June 30, 2018 and 2017
(in thousands)

	Governmental Activities			Business Type Activities			Total Government		
	2018	2017	Net Change	2018	2017	Net Change	2018	2017	Net Change
ASSETS									
Current and other assets	\$ 29,151	\$ 26,330	\$ 2,821	\$ 14,108	\$ 13,003	\$ 1,105	\$ 43,259	\$ 39,333	\$ 3,926
Capital Assets	121,410	124,532	(3,122)	78,977	79,989	(1,012)	200,387	204,521	(4,134)
Total Assets	<u>150,561</u>	<u>150,862</u>	<u>(301)</u>	<u>93,085</u>	<u>92,992</u>	<u>93</u>	<u>243,646</u>	<u>243,854</u>	<u>(208)</u>
Deferred Outflow s	6,074	6,355	(281)	661	292	369	6,735	6,647	88
LIABILITIES									
Long-term liabilities	23,779	22,216	1,563	30,783	29,387	1,396	54,562	51,603	2,959
Other Liabilities	1,739	1,680	59	1,164	1,637	(473)	2,903	3,317	(414)
Total Liabilities	<u>25,518</u>	<u>23,896</u>	<u>1,622</u>	<u>31,947</u>	<u>31,024</u>	<u>923</u>	<u>57,465</u>	<u>54,920</u>	<u>2,545</u>
Deferred Inflow s	996	1,336	(340)	166	33	133	1,162	1,369	(207)
NET POSITION									
Net investment in capital assets	120,593	123,481	(2,888)	51,245	51,835	(590)	171,838	175,316	(3,478)
Restricted	12,901	12,948	(47)	752	752	-	13,653	13,700	(47)
Unrestricted	(3,373)	(4,444)	1,071	9,635	9,640	(5)	6,262	5,196	1,066
Total Net Position	<u>\$130,121</u>	<u>\$131,985</u>	<u>\$ (1,864)</u>	<u>\$ 61,632</u>	<u>\$ 62,227</u>	<u>\$ (595)</u>	<u>\$191,753</u>	<u>\$194,212</u>	<u>\$ (2,459)</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 and deferred outflows exceeded liabilities and deferred inflows by \$191.8 million in FY 2018 and \$194.2 million in FY 2017. The City reported positive balances in all categories of net position, with the exception of the unrestricted balance in the governmental activities. The primary components of the City's net position include:

- ** \$171.8 million and \$175.3 million (90% and 93%) at June 30, 2018 and 2017 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.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

- ** \$13.7 million (7% for 2018 and 2017) for both June 30, 2018 and 2017 in net position represent resources that are subject to external restrictions on how they may be used. Restricted net position at June 30, 2018 is comprised of \$12.9 million in special revenue programs.

- ** The remaining net position at June 30, 2018 was a balance of \$6.3 million and a balance of \$5.2 million at June 30, 2017. Generally, the unrestricted net position is used to meet the government's ongoing obligations to citizens and creditors.

Statement of Activities

Governmental activities decreased the City's net position by \$0.8 million in FY 2018 and a prior period adjustment of \$1.0 million further reduced the net position for a total reduction of \$1.8 million in net position. In FY 2017, governmental activities decreased net position \$1.0 million. Total revenue increased approximately \$1.2 million in FY 2018 and increased \$1.8 million in 2017. The majority of this revenue increase is due to increased Capital Grants and Contributions. This increase was offset by decreases in Charges for Services. Total expenditures increased \$1.5 million largely due to increased expenditures in Public Safety and Public Ways and Facilities. This increase was offset by decreased expenditures in Community Development. Business-type activities decreased the City's net position by \$0.3 million during the year ended June 30, 2018 and prior period adjustments reduced net position by \$0.3 million for a total reduction in net position of \$0.6 million. Business-type activities resulted in an increase of \$1.0 million in 2017. The main component of the 2018 decrease was increased sewer expenses. 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, 2018

Statement of Activities
For the Years Ended June 30, 2018 and 2017
(in thousands)

	Governmental Activities			Business-type Activities			Total Government Activities		
	2018	2017	Net change	2018	2017	Net change	2018	2017	Net change
Revenues									
Program revenues									
Charges for Services	\$ 4,755	\$ 8,498	\$ (3,743)	\$ 6,485	\$ 5,570	\$ 915	\$ 11,240	\$ 14,068	\$ (2,828)
Operating grants and contributions	1,154	1,378	(224)	793	617	176	1,947	1,995	(48)
Capital grants and contributions	4,424	41	4,383	145	-	145	4,569	41	4,528
General Revenues									
Taxes	16,179	15,703	476	-	-	-	16,179	15,703	476
Interest and investment earnings	426	290	136	101	53	48	527	343	184
Other revenue	-	2	(2)	1,180	792	388	1,180	794	386
Gain (loss on sale of capital asset)	154	-	154	(77)	-	-	77	-	77
Total Revenues	<u>27,092</u>	<u>25,912</u>	<u>1,180</u>	<u>8,627</u>	<u>7,032</u>	<u>1,672</u>	<u>35,719</u>	<u>32,944</u>	<u>2,775</u>
Expenses:									
Governmental activities									
General government	3,366	2,904	462	-	-	-	3,366	2,904	462
Public safety	10,365	8,057	2,308	-	-	-	10,365	8,057	2,308
Parks and recreation	2,706	2,491	215	-	-	-	2,706	2,491	215
Community development	740	4,170	(3,430)	-	-	-	740	4,170	(3,430)
Public ways and facilities	11,737	9,742	1,995	-	-	-	11,737	9,742	1,995
Interest on long-term liabilities	30	37	(7)	-	-	-	30	37	(7)
Business-type activities									
Sewer	-	-	-	4,646	3,145	1,501	4,646	3,145	1,501
Water	-	-	-	2,052	1,883	169	2,052	1,883	169
Transit	-	-	-	1,184	658	526	1,184	658	526
Total Expenses	<u>28,944</u>	<u>27,401</u>	<u>1,543</u>	<u>7,882</u>	<u>5,686</u>	<u>2,196</u>	<u>36,826</u>	<u>33,087</u>	<u>3,739</u>
Excess (deficiency) before transfers & special items	(1,852)	(1,489)	(363)	745	1,346	(524)	(1,107)	(143)	(964)
Transfers & Special items									
Transfers	997	518	479	(997)	(518)	(479)	-	-	-
Change in net position	(855)	(971)	116	(252)	828	(1,003)	(1,107)	(143)	(964)
Net position - beginning of year	131,986	132,957	(971)	62,226	61,215	1,011	194,212	194,172	40
Restatement	(1,010)	-	(1,010)	(342)	183	(525)	(1,352)	183	(1,535)
Net position - beginning of year, restated	<u>130,976</u>	<u>132,957</u>	<u>(1,981)</u>	<u>61,884</u>	<u>61,398</u>	<u>486</u>	<u>192,860</u>	<u>194,355</u>	<u>(1,495)</u>
Net position - end of year	<u>\$ 130,121</u>	<u>\$ 131,986</u>	<u>\$ (1,865)</u>	<u>\$ 61,632</u>	<u>\$ 62,226</u>	<u>\$ (594)</u>	<u>\$ 191,753</u>	<u>\$ 194,212</u>	<u>\$ (2,459)</u>

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Revenues

The City's total revenues were \$35.7 million for the year ended June 30, 2018 as compared to \$32.9 million as of June 30, 2017. Revenue from governmental activities totaled \$27.1 million in 2018 and \$25.9 million in 2017. Revenues from business type activities totaled \$8.6 million in 2018 and \$7.0 million in 2017.

Program revenues included charges for services and grants and contributions. Program revenues were \$17.8 million in 2018 and \$16.1 million in 2017 or 50% for 2018 and 49% for 2017. Expenses exceeded revenues in governmental activities decreasing net position by \$0.9 million. Expenses exceeded revenues in business-type activities resulting in a decrease in net position of \$0.3 million for the year ending June 30, 2018. During FY 2017, net position increased by \$0.8 million. In 2018, the \$0.3 million decrease in net position was a result of the increased expenses in the Sewer Fund.

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 \$18.0 million and \$16.8 million (50% and 51% of the total) for the years ended June 30, 2018 and 2017.

Expenses

Expenses for the City totaled \$36.8 million and \$33.1 million for the years ended June 30, 2018 and 2017, respectively. Governmental activities incurred \$28.9 million and \$27.4 million and business-type activities incurred \$7.9 million and \$5.7 million in expenses during the years ended June 30, 2018 and 2017, respectively. As can be seen in the table above, governmental activities expenses were about 36% funded by program revenues, fees, grants and contributions during both years ended June 30, 2018 and 2017. The remaining 64% (\$18.6 million and \$17.5 million) of their funding came from general revenues and net position for the years ended June 30, 2018 and 2017. Business-type activities program revenues were exceeded by expenses by \$0.3 million and expenses were exceeded by program revenues by \$0.8 million in 2018 and 2017 respectively. Revenues should exceed expenses to be consistent with City financial policies for enterprise operations to be self-supporting. The deficit in 2018 was a result of increased water expenses that were paid from net position. A multi-year sewer rate increase was implemented to ensure the sustainability of sewer services. Transit fares are under review to ensure fiscal sustainability of transit operations. A rate study is in progress to determine if water rate increases are needed to maintain fiscal sustainability in the water operations.

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, 2018 and 2017 follows:

Cost of Services by Program
Governmental Activities
For the Years Ended June 30, 2018 and 2017
(in thousands)

Program	2018		2017	
	Total	Net	Total	Net
General government	\$ 3,366	\$ 2,770	\$ 2,904	\$ 2,475
Public safety	10,365	8,581	8,057	6,252
Development	740	627	4,170	461
Parks and recreation	2,706	1,487	2,491	1,083
Public ways and facilities	11,737	5,114	9,742	7,176
Interest on long-term liabilities	30	30	37	37
Total Expenses	\$ 28,944	\$ 18,609	\$ 27,401	\$ 17,484

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

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.

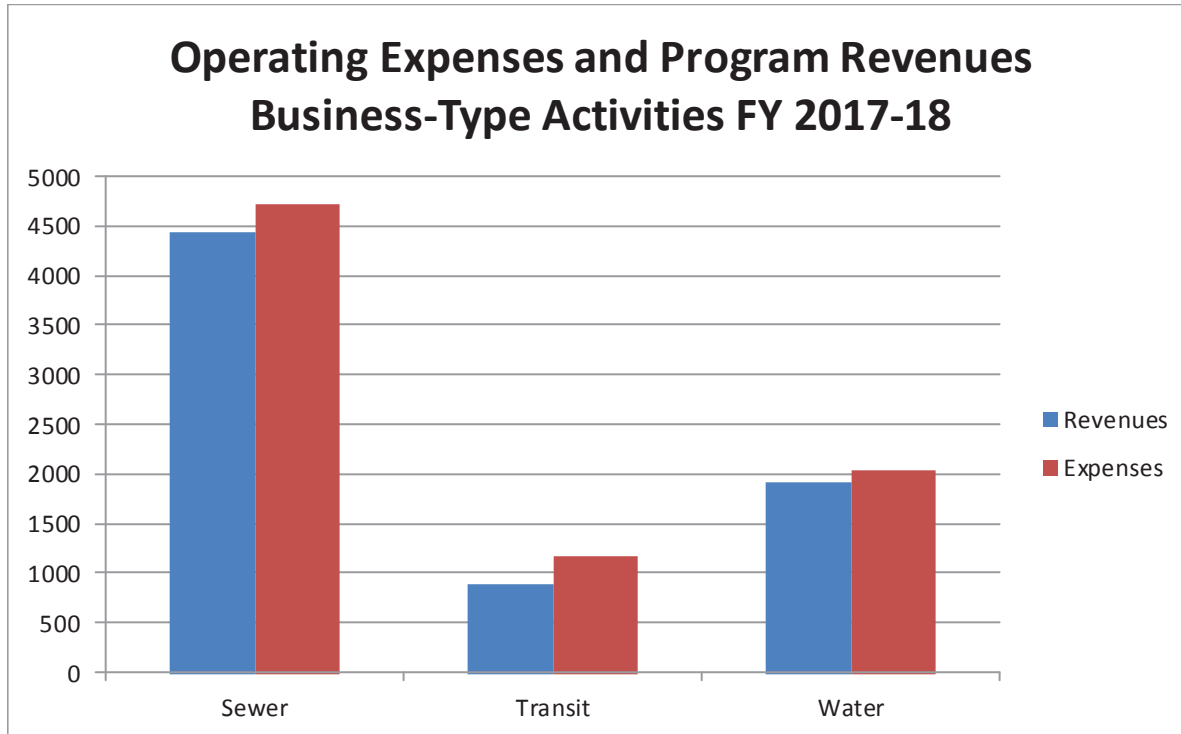
Revenues by Source
Governmental Activities
For the Years Ended June 30, 2018 and 2017
(in thousands)

	2018		2017	
	Amount	% of Total	Amount	% of Total
Revenues:				
Program Revenues:				
Charges for services	\$ 4,755	16.9%	\$ 8,498	32.2%
Operating grants and contributions	1,154	4.1%	1,378	5.2%
Capital contributions and grants	4,424	15.8%	41	0.2%
General Revenues:				
Property taxes	4,149	14.8%	3,891	14.7%
Transient occupancy taxes	575	2.0%	564	2.1%
Sales taxes	8,686	30.9%	8,783	33.2%
Franchise taxes	637	2.3%	594	2.2%
Business licenses taxes	103	0.4%	89	0.3%
Motor vehicle in lieu-unrestricted	2,028	7.2%	1,782	6.7%
Use of money and property	426	1.5%	290	1.1%
Other revenue	-	0.0%	2	0.0%
Gain (loss) on sale of capital asset	154	0.5%	2	0.0%
Transfers	997	3.5%	518	2.0%
Total Revenues	\$ 28,088	100%	\$ 26,432	100%

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Business-Type Activities

The net position for the business-type activities reflect sewer, transit, and water operations decreased \$0.3 million as a result of expenditures exceeding revenues in each of the business-type activities. These 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. The following is the comparison of expenses and program revenues by source for the business-type activities for the fiscal year ended June 30, 2018.



As stated above, program expenses and revenues are generally equivalent. The deficits in the business-type activities will be funded by net position balances.

Revenues by source in business-type activities breakdown as follows:

Revenues by Source
Business-type Activities
For the Years Ended June 30, 2018 and 2017
(in thousands)

	2018		2017	
	Amount	% of total	Amount	% of total
Revenues by source				
Charges for services	\$ 6,485	75.2%	\$ 5,570	79.2%
Grants and contributions	938	10.9%	617	8.8%
Other	<u>1,204</u>	<u>14.0%</u>	<u>845</u>	<u>12.0%</u>
Total Revenues	<u>\$ 8,627</u>	<u>100%</u>	<u>\$ 7,032</u>	<u>100%</u>

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

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, unrestricted fund balance may serve as a useful measure of a government's net spendable resources.

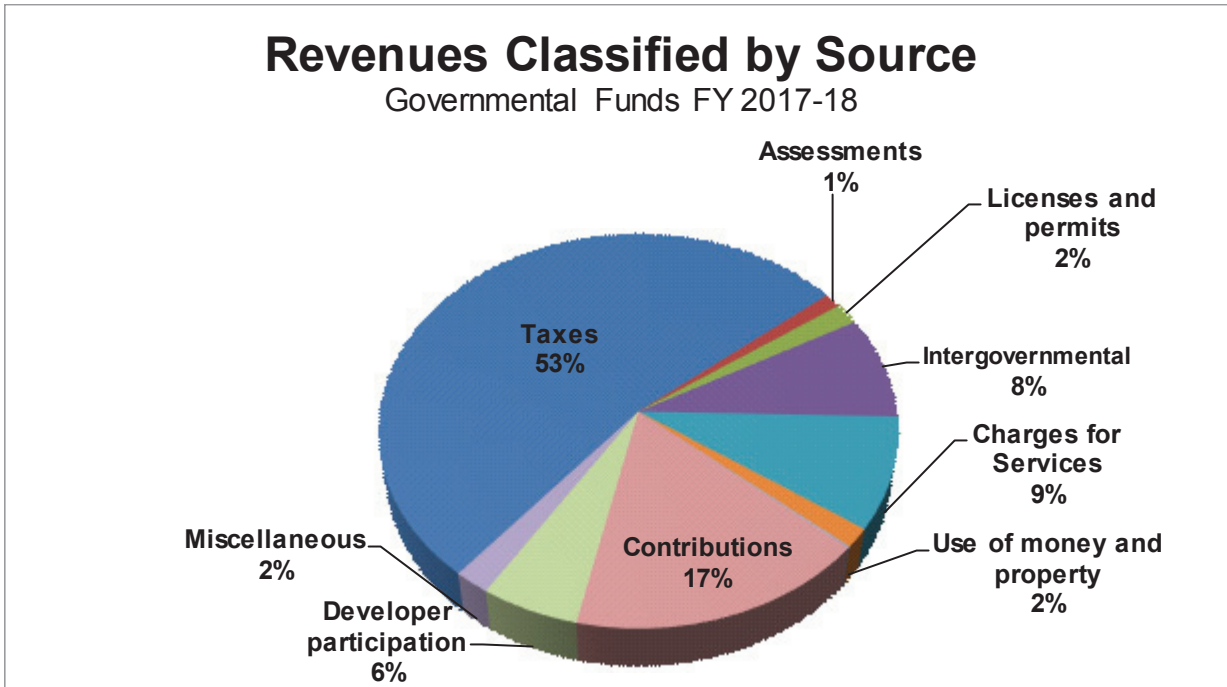
At the end of FY 2018 the City's governmental funds reported combined fund balances of \$26.7 million, an increase of \$2.5 million from the prior year. This increase is largely from increased sales tax revenues. Of the total fund balance of \$26.7 million, approximately \$0.8 million is nonspendable, \$12.9 million is restricted, \$2.7 million is assigned for various purposes, and \$10.3 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, 2018 and 2017
(in thousands)

	2018		2017	
	Amount	% of Total	Amount	% of Total
Revenues by Source				
Taxes	\$ 14,151	53.0%	\$ 13,921	52.9%
Assessments	314	1.2%	245	0.9%
Licenses and permits	466	1.7%	458	1.7%
Intergovernmental	2,240	8.4%	6,121	23.3%
Charges for services	2,458	9.2%	2,582	9.8%
Use of money and property	426	1.6%	290	1.1%
Fines and Forfeitures	32	0.1%	19	0.1%
Contributions	4,583	17.2%	691	2.6%
Developer participation	1,496	5.6%	1,621	6.2%
Miscellaneous	543	2.0%	362	1.4%
Total Revenue	\$ 26,709	100%	\$ 26,310	100%

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018



Key elements of the changes noted above include:

Taxes provide the greatest source of revenues for the City. These sources represent 53% of total revenues. Increases are seen in this category for sales tax.

Intergovernmental revenues reflect revenue received from other agencies for capital projects and operations. During FY 2018, intergovernmental revenues decreased \$3.9 million. The decrease is the result of the completion of the HOME funded Heritage Commons II capital project.

Contributions increased \$3.9 million for the bond proceeds generated for the Valley Glen II Community Facility District Construction.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

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

Expenditures by Function
Governmental Funds
For the Years Ended June 30, 2018 and 2017
(in thousands)

Expenditures by Function	2018		2017	
	Amount	% of Total	Amount	% of Total
General government	\$ 3,463	13.7%	\$ 2,848	11.4%
Public safety	9,170	36.2%	8,148	32.7%
Development	728	2.9%	4,153	16.7%
Parks and recreation	1,997	7.9%	1,811	7.3%
Public ways and facilities	7,322	28.9%	6,358	25.5%
Debt service				
Principal	234	0.9%	228	0.9%
Interest and other charges	32	0.1%	39	0.2%
Capital outlay	<u>2,385</u>	<u>9.4%</u>	<u>1,332</u>	<u>5.3%</u>
Total Expenditures	<u>\$ 25,331</u>	<u>100%</u>	<u>\$ 24,917</u>	<u>100%</u>

Key elements of the changes noted above include:

Development expenditures decreased from \$4.2 million in 2017 to \$0.7 million in 2018 as a result of the completion of the HOME funded Heritage Commons II capital project in 2017.

Public ways and facilities expenditures increased from \$6.4 million in 2017 to \$7.3 million in 2018 as a result of construction activity in the Valley Glen II Community Facilities District.

Major Funds

The General Fund saw a \$2.5 million increase in fund balance, down from an increase of \$4.2 million in fiscal year 2017. Total revenues remained the same and expenditures increased \$1.6 million. Transfers out increased \$0.3 million. All expenditure categories experienced increases during fiscal year 2018, with the exception of Community Development and debt service.

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 a minor amount in 2018 due to interest earnings.

The CFD 2015-1 Valley Glen II Construction fund was created in 2018. It was established to track construction costs for the community facilities district. \$4.7 million in bond proceeds were distributed to the developer for eligible development costs.

Other Governmental Funds ended 2018 with fund balances of \$12 million, an increase of \$2.6 million from 2017's \$9.4 million. This increase is due to development fees received for residential construction projects and increased transfers from other funds.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Proprietary Funds

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

At June 30, 2018 and 2017, respectively, the unrestricted net position was approximately \$9.0 million and \$8.9 million for the Sewer fund. The Transit Fund shows a deficit unrestricted net position as June 30, 2018 in the amount of \$0.3 million as result of Net OPEB obligations and pension liabilities. The water fund shows unrestricted net position of \$0.9 million for both 2017 and 2018.

Sewer operating revenues increased 23% due to a \$0.6 million increase in charges for services as a result of increased rates and \$0.4 million in other revenue from the collection of developer fees. The sewer fund had increased operating expenses due to increases in charges for Salaries and Benefits, Power and Utilities and Contractual Services. Transit revenues increased 48% due to capital grant revenues. Operating expenses increased for the Transit fund as a result of higher Salaries and Benefits expense. Water operating revenues increased 15% due to increased water consumption. Water expenses increased due to higher Salaries and Benefits, Administration and Repairs and Maintenance.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City Council approved a balanced General Fund budget of \$16.9 million for FY 2017-18. The fiscal year activity resulted in revenues exceeding expenditures by \$2.5 million, increasing fund balance from \$12.1 million at June 30, 2017 to \$14.6 million at June 30, 2018.

Public safety represents the primary expenditure category for the General Fund at \$8.5 million or 50% of the 2017-18 adopted budget. Public works, community development, and recreation combine for an additional 25% for \$4.4 million in budgeted expenditures. General government includes departments such as the City Council, City Manager, personnel, insurance, and finance, and accounts for 19% or nearly \$3.2 million of the general fund budget for the year. The remaining \$0.7 million or 6% was budgeted for Capital outlay expenses.

The City budgeted for increased staffing levels for the fifth consecutive year. Prior to the recession, the City of Dixon had 129.58 full-time equivalent employees (FTEs). This decreased steadily to 100.59 FTEs in fiscal year 2013. Increases in staffing raised the count to 110.13 FTEs in 2017 and to 110.93 in 2018.

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, 2018 and 2017, respectively, was \$200.4 million and \$204.5 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 change to the City's investment in capital assets for FY 2018 was a decrease of \$0.4 million which is the net result of the current year capital replacement and additions less dispositions and 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 yet.

CITY OF DIXON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Capital Assets (net of depreciation)
As of June 30, 2018 and 2017
(in thousands)

	2018			2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 2,680	\$ 797	\$ 3,477	\$ 2,683	\$ 797	\$ 3,480
Construction in progress	3,093	816	3,909	2,346	29,729	32,075
Buildings & improvements	7,210	76,343	83,553	7,460	48,931	56,391
Equipment	1,974	1,020	2,994	2,000	532	2,532
Infrastructure	106,454	-	106,454	110,044	-	110,044
Total Net Capital Assets	\$ 121,411	\$ 78,976	\$ 200,387	\$ 124,533	\$ 79,989	\$ 204,522

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 2018, the City of Dixon had outstanding bonds and other long term liabilities of \$1.8 million for governmental activities and \$27.9 million for business-type activities, respectively. Bonds comprised \$1.3 million, compensated absences \$1.1 million, and a state revolving loan \$27.2 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, 2018:

Bonded Debt - Long-term
Outstanding Balances
As of June 30, 2018
(in thousands)

Bond	Purpose	Amount
Governmental Activities:		
2012 Lease revenue bonds	Refunding lease revenue bonds	\$ <u>817</u>
Business-type Activities		
2012 Refunding revenue bonds	Refunding sewer revenue bonds	\$ <u>486</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, 2018 and 2017, a total of \$3.5 and \$4.5 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, 2018

Community Facility District Debt:

In 2016, special tax bonds in the amount of \$7.7 million were issued for the Parklane CFD 2013-1. The bond proceeds will be used to finance infrastructure in the district. The debt is secured by tax assessments on the real property in the district and is a limited obligation of the City. The City's only responsibilities are to collect the tax assessments from the property owners and take actions to collect delinquent assessment from property owners in accordance with the City's covenant with the bondholders.

In 2018, special tax bonds in the amount of \$4.8 million were issued for the Valley Glen II CFD 2015-1. The bond proceeds will be used to finance infrastructure in the district. The debt is secured by tax assessments on the real property in the district and is a limited obligation of the City. The City's only responsibilities are to collect the tax assessments from the property owners and take actions to collect delinquent assessment from property owners in accordance with the City's covenant with the bondholders.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The local economy has been strong with increases in consumer spending as evidenced by robust sales tax revenues and increases in property tax value, in part due to new housing stock. On the development front, Dixon continues to see robust permit activity for single family residential permit activity with 97 new homes added to the property tax rolls. A new developer has purchased multiple properties in the Southwest part of the City and the Homestead development will take place in 2018-19. A Community Facilities District will be formed in early 2019 related to the project. Within the Valley Glen II residential community, another series of bonds are anticipated to be issued in the spring of 2019.

According to the UCLA Anderson Forecast, the national economy is in the 10th year of expansion and there is speculation as whether this growth is sustainable. Recent news has shown that overall home sales in Northern California are the slowest in ten years. Fortunately, Dixon has seen a 7.2% increase in home sales over the past year, largely due to the availability of the new single family residential homes in the Parklane and Valley Glen II developments. Total assessed value for all property grew by 5.9% to \$2.2 billion.

On June 12, 2018, the City Council adopted a balanced budget for 2018-19 with \$39.9 million in revenues and appropriations of \$39.2 million. The General Fund adopted budget included recurring revenues of \$20.0 million and \$19.2 million in recurring appropriations. Several Council priorities had been incorporated into the budget such as staff augmentation within public works and public safety, as well as infrastructure investment. The Council approved 14 positions in the form of new positions, title changes or increase in hours, the most since the recession. A commitment to enhancing technological platforms was demonstrated with multiple departments receiving budgetary authority to invest in these efforts. The higher level General Fund balance has enabled for the investment in new capital equipment such as a crack sealer, a 4-ton roller and new vehicles for newly hired staff.

With the influx of new revenues generated by the cannabis industry, a commitment of \$1.0 million toward street improvements has been made. In the event that cannabis revenues do not reach this level, General Fund balance will be utilized. The water operations within the enterprise fund continues to face fiscal challenges and a consultant has been retained to prepare a water rate study. A series of study sessions will help educate the Council and the public about the capital improvements necessary for the water system operation.

During fiscal year 2018-19, the City will be negotiating with three labor groups with a memorandum of understanding scheduled to expire in June 2019, as well as a compensation plan for confidential mid-management and professional employees expiring in June 2019. Dixon remains under fiscal pressure with increases in total OPEB liability and net pension liability within both governmental and business-type activities. While the City has taken steps to address the OPEB liability, a further infusion of resources are needed to meet these obligations. Dixon has already seen significant increases in pension costs from CalPERS attributable to changes in their actuarial assumptions and their low investment performance in some fiscal years.

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.

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CITY OF DIXON

STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 25,553,966	\$ 12,200,329	\$ 37,754,295
Receivables:			
Accounts	52,572	1,354,951	1,407,523
Taxes	1,739,336	-	1,739,336
Accrued interest	98,186	48,605	146,791
Grants	245,272	504,343	749,615
Prepaid costs	734,281	-	734,281
Due from other governments	530,154	-	530,154
Inventories	1,457	-	1,457
Restricted assets:			
Cash and investments	194,651	-	194,651
Cash with fiscal agent	1,071	-	1,071
Capital assets not being depreciated	5,773,049	1,613,056	7,386,105
Capital assets, net of depreciation	115,637,464	77,363,610	193,001,074
Total Assets	150,561,459	93,084,894	243,646,353
Deferred Outflows of Resources:			
Deferred items related to pension	5,989,463	659,538	6,649,001
Deferred items related to OPEB	84,203	1,570	85,773
Total Deferred Outflows of Resources	6,073,666	661,108	6,734,774
Liabilities:			
Accounts payable	1,162,081	200,371	1,362,452
Accrued liabilities	92,383	29,512	121,895
Accrued interest	6,488	262,336	268,824
Unearned revenue	-	8,603	8,603
Deposits payable	477,980	663,530	1,141,510
Noncurrent liabilities:			
Due within one year	970,139	1,478,136	2,448,275
Due in more than one year	815,746	26,408,488	27,224,234
Total OPEB liability	3,037,162	587,838	3,625,000
Net pension liability	18,956,439	2,308,697	21,265,136
Total Liabilities	25,518,418	31,947,511	57,465,929
Deferred Inflows of Resources:			
Deferred item related to pensions	706,958	110,368	817,326
Deferred item related to OPEB	289,054	55,946	345,000
Total Deferred Inflows of Resources	996,012	166,314	1,162,326
Net Position:			
Net investment in capital assets	120,593,213	51,245,430	171,838,643
Restricted for:			
Community development projects	344,645	-	344,645
Public safety	184,475	-	184,475
Parks and recreation	44,441	-	44,441
Public works	483	-	483
Capital projects	11,478,962	752,011	12,230,973
Contributions	980	-	980
Valley Glen Storm Drainage	846,799	-	846,799
Unrestricted	(3,373,303)	9,634,736	6,261,433
Total Net Position	\$ 130,120,695	\$ 61,632,177	\$ 191,752,872

CITY OF DIXON

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 3,366,290	\$ 455,621	\$ 140,389	\$ -
Public safety	10,365,387	1,248,096	535,957	-
Community development	739,538	14,062	98,179	-
Parks and Recreation	2,705,524	1,218,251	-	-
Public works	11,736,632	1,819,148	379,846	4,424,024
Interest on long-term debt	30,020	-	-	-
Total Governmental Activities	28,943,391	4,755,178	1,154,371	4,424,024
Business-Type Activities:				
Sewer	4,645,919	4,446,226	-	-
Transit	1,184,269	111,074	792,784	145,336
Water	2,051,799	1,927,530	-	-
Total Business-Type Activities	7,881,987	6,484,830	792,784	145,336
Total Primary Government	\$ 36,825,378	\$ 11,240,008	\$ 1,947,155	\$ 4,569,360

General Revenues:

Taxes:

Property taxes, levied for general purpose

Transient occupancy taxes

Sales taxes

Franchise taxes

Business licenses taxes

Motor vehicle in lieu - unrestricted

Use of money and property

Other

Gain (loss) on sale of capital asset

Transfers

**Total General Revenues,
and Transfers**

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at End of Year

**Net (Expenses) Revenues and Changes in Net Position
Primary Government**

Governmental Activities	Business-Type Activities	Total
\$ (2,770,280)	\$ -	\$ (2,770,280)
(8,581,334)	-	(8,581,334)
(627,297)	-	(627,297)
(1,487,273)	-	(1,487,273)
(5,113,614)	-	(5,113,614)
(30,020)	-	(30,020)
(18,609,818)	-	(18,609,818)
-	(199,693)	(199,693)
-	(135,075)	(135,075)
-	(124,269)	(124,269)
-	(459,037)	(459,037)
(18,609,818)	(459,037)	(19,068,855)
4,149,268	-	4,149,268
575,498	-	575,498
8,686,289	-	8,686,289
636,883	-	636,883
102,927	-	102,927
2,027,954	-	2,027,954
425,820	101,411	527,231
183	1,179,507	1,179,690
153,844	(77,151)	76,693
996,891	(996,891)	-
17,755,557	206,876	17,962,433
(854,261)	(252,161)	(1,106,422)
131,985,112	62,226,936	194,212,048
(1,010,156)	(342,598)	(1,352,754)
\$ 130,120,695	\$ 61,632,177	\$ 191,752,872

CITY OF DIXON

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	General	Special Revenue Funds Housing Successor Agency	Capital Projects Funds CFD 2015-1 Valley Glen II Construction
Assets:			
Pooled cash and investments	\$ 13,090,589	\$ 78,268	\$ -
Receivables:			
Accounts	52,414	-	-
Taxes	1,722,555	-	-
Accrued interest	51,001	297	-
Grants	5,117	-	-
Prepaid costs	734,281	-	-
Due from other governments	526,298	-	-
Due from other funds	105	-	-
Advances to other funds	-	-	-
Inventories	1,457	-	-
Restricted assets:			
Cash and investments	194,651	-	-
Cash and investments with fiscal agents	-	-	483
Total Assets	\$ 16,378,468	\$ 78,565	\$ 483
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 780,801	\$ -	\$ -
Accrued liabilities	89,601	-	-
Deposits payable	409,107	-	-
Due to other funds	-	-	-
Advances from other funds	-	-	-
Total Liabilities	1,279,509	-	-
Deferred Inflows of Resources:			
Unavailable revenues	515,255	-	-
Total Deferred Inflows of Resources	515,255	-	-
Fund Balances:			
Nonspendable:			
Inventory	1,457	-	-
Prepaid costs	734,281	-	-
Advances to other funds	22,728	-	-
Restricted for:			
Community development projects	-	78,565	-
Public safety	-	-	-
Parks and recreation	-	-	-
Public works	-	-	-
Capital Projects	-	-	-
Restricted Contributions	980	-	-
Valley Glen Storm Drain	-	-	-
Assigned to:			
Public works	-	-	-
Capital projects	-	-	-
PERS stabilization	142,673	-	-
Building reserve	141,794	-	-
Equipment replacement	455,466	-	-
Infrastructure reserve	222,129	-	-
OPEB reserve	1,261,172	-	-
Community development	-	-	-
Technology Replacement	80,864	-	-
Unassigned	11,520,160	-	483
Total Fund Balances	14,583,704	78,565	483
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,378,468	\$ 78,565	\$ 483

CITY OF DIXON

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Other Governmental Funds	Total Governmental Funds
Assets:		
Pooled cash and investments	\$ 12,385,109	\$ 25,553,966
Receivables:		
Accounts	158	52,572
Taxes	16,781	1,739,336
Accrued interest	46,888	98,186
Grants	240,155	245,272
Prepaid costs	-	734,281
Due from other governments	3,856	530,154
Due from other funds	-	105
Advances to other funds	1,286,623	1,286,623
Inventories	-	1,457
Restricted assets:		
Cash and investments	-	194,651
Cash and investments with fiscal agents	588	1,071
Total Assets	\$ 13,980,158	\$ 30,437,674
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ 381,280	\$ 1,162,081
Accrued liabilities	2,782	92,383
Deposits payable	68,873	477,980
Due to other funds	105	105
Advances from other funds	1,286,623	1,286,623
Total Liabilities	1,739,663	3,019,172
Deferred Inflows of Resources:		
Unavailable revenues	240,155	755,410
Total Deferred Inflows of Resources	240,155	755,410
Fund Balances:		
Nonspendable:		
Inventory	-	1,457
Prepaid costs	-	734,281
Advances to other funds	-	22,728
Restricted for:		
Community development projects	266,080	344,645
Public safety	184,475	184,475
Parks and recreation	44,441	44,441
Public works	483	483
Capital Projects	11,478,962	11,478,962
Restricted Contributions	-	980
Valley Glen Storm Drain	846,799	846,799
Assigned to:		
Public works	320,999	320,999
Capital projects	84,022	84,022
PERS stabilization	-	142,673
Building reserve	-	141,794
Equipment replacement	-	455,466
Infrastructure reserve	-	222,129
OPEB reserve	-	1,261,172
Community development	176	176
Technology Replacement	-	80,864
Unassigned	(1,226,097)	10,294,546
Total Fund Balances	12,000,340	26,663,092
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,980,158	\$ 30,437,674

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CITY OF DIXON

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Fund balances of governmental funds		\$ 26,663,092
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		121,410,513
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Revenue bonds	\$ (817,300)	
Compensated absences and termination benefits	<u>(968,585)</u>	(1,785,885)
Deferred outflows related to contributions made after the measurement date of the total OPEB liability:		
Contributions made subsequent to measurement date		84,203
Deferred inflows related to unrecognized actuarial gains and losses of the total OPEB liability:		
Change in assumptions		(289,054)
Total OPEB Liability		(3,037,162)
Accrued interest payable for the current portion of interest due on Leases has not been reported in the governmental funds.		(6,488)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		755,410
Deferred outflows related to contributions made after the measurement date of the net pension liability:		
Contributions made subsequent to measurement date	1,737,551	
Change in assumptions	2,708,977	
Difference between expected and actual experiences	121,985	
Difference between actual and proportionate share of contributions	118,207	
Net difference between projected and actual earnings on plan investments	599,314	
Adjustment due to difference in proportions	<u>703,429</u>	5,989,463
Deferred inflows related to unrecognized actuarial gains and losses of the net pension liability:		
Change in assumptions	(207,332)	
Difference between expected and actual experiences	(152,466)	
Difference between actual and proportionate share of contributions	(158,462)	
Adjustment due to difference in proportions	<u>(188,698)</u>	(706,958)
Proportionate share of net pension liability		<u>(18,956,439)</u>
Net Position of Governmental Activities		<u>\$ 130,120,695</u>

CITY OF DIXON

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	General	Special Revenue Funds Housing Successor Agency	Capital Projects Funds CFD 2015-1 Valley Glen II Construction
Revenues:			
Taxes	\$ 14,150,865	\$ -	\$ -
Assessments	313,825	-	-
Licenses and permits	466,340	-	-
Intergovernmental	1,534,236	-	-
Charges for services	1,772,048	-	-
Use of money and property	276,661	557	11,005
Fines and forfeitures	-	-	-
Contributions	529,425	-	4,054,102
Developer participation	-	-	-
Miscellaneous	443,519	-	-
Total Revenues	19,486,919	557	4,065,107
Expenditures:			
Current:			
General government	3,463,470	-	-
Public safety	9,023,119	-	-
Community development	702,109	-	-
Parks and recreation	1,996,743	-	-
Public works	1,616,063	-	4,064,624
Capital outlay	536,386	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	17,337,890	-	4,064,624
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,149,029	557	483
Other Financing Sources (Uses):			
Transfers in	853,095	-	-
Transfers out	(652,600)	-	-
Proceeds from sale of capital asset	156,349	-	-
Total Other Financing Sources (Uses)	356,844	-	-
Net Change in Fund Balances	2,505,873	557	483
Fund Balances, Beginning of Year	12,077,831	78,008	-
Fund Balances, End of Year	\$ 14,583,704	\$ 78,565	\$ 483

CITY OF DIXON

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ -	\$ 14,150,865
Assessments	-	313,825
Licenses and permits	-	466,340
Intergovernmental	705,766	2,240,002
Charges for services	685,743	2,457,791
Use of money and property	137,597	425,820
Fines and forfeitures	31,871	31,871
Contributions	-	4,583,527
Developer participation	1,495,533	1,495,533
Miscellaneous	99,679	543,198
Total Revenues	3,156,189	26,708,772
Expenditures:		
Current:		
General government	-	3,463,470
Public safety	146,911	9,170,030
Community development	25,762	727,871
Parks and recreation	-	1,996,743
Public works	1,641,242	7,321,929
Capital outlay	1,848,750	2,385,136
Debt service:		
Principal retirement	233,500	233,500
Interest and fiscal charges	31,873	31,873
Total Expenditures	3,928,038	25,330,552
Excess (Deficiency) of Revenues Over (Under) Expenditures	(771,849)	1,378,220
Other Financing Sources (Uses):		
Transfers in	1,647,549	2,500,644
Transfers out	(851,153)	(1,503,753)
Proceeds from sale of capital asset	-	156,349
Total Other Financing Sources (Uses)	796,396	1,153,240
Net Change in Fund Balances	24,547	2,531,460
Fund Balances, Beginning of Year	11,975,793	24,131,632
Fund Balances, End of Year	\$ 12,000,340	\$ 26,663,092

CITY OF DIXON

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

Net change in fund balances - total governmental funds	\$	2,531,460
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	\$	1,301,548
Depreciation		(4,394,725)
Gain/(loss) on sale of capital assets		<u>(28,364)</u>
		(3,121,541)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repayments		233,500
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		
		1,853
Compensated absences and other benefit 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.		
		(244,222)
OPEB expenses recognized in accordance with GASB 75 not recognized in the governmental fund activity.		
		(211,880)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		
		229,623
Pension expenses recognized in accordance with GASB 68 not recognized in the governmental fund activity.		
		<u>(273,054)</u>
Change in Net Position of Governmental Activities	\$	<u>(854,261)</u>

CITY OF DIXON

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2018

	Business-Type Activities - Enterprise Funds			
	Sewer	Transit	Water	Totals
Assets:				
Current:				
Cash and investments	\$ 9,951,701	\$ 33,567	\$ 2,215,061	\$ 12,200,329
Receivables:				
Accounts	995,244	-	359,707	1,354,951
Accrued interest	38,676	426	9,503	48,605
Grants	-	504,343	-	504,343
Total Current Assets	10,985,621	538,336	2,584,271	14,108,228
Noncurrent:				
Capital assets - net of accumulated depreciation	63,425,722	195,482	15,355,462	78,976,666
Total Noncurrent Assets	63,425,722	195,482	15,355,462	78,976,666
Total Assets	74,411,343	733,818	17,939,733	93,084,894
Deferred Outflows of Resources:				
Deferred item related to pensions	485,626	167,738	6,174	659,538
Deferred item related to OPEB	-	1,570	-	1,570
Total Deferred Outflows of Resources	485,626	169,308	6,174	661,108
Liabilities:				
Current:				
Accounts payable	49,903	22,240	128,228	200,371
Accrued liabilities	17,129	8,318	4,065	29,512
Accrued interest	262,336	-	-	262,336
Unearned revenues	-	8,603	-	8,603
Deposits payable	-	-	663,530	663,530
Accrued compensated absences	83,009	32,641	-	115,650
Bonds, notes, and capital leases	1,362,486	-	-	1,362,486
Total Current Liabilities	1,774,863	71,802	795,823	2,642,488
Noncurrent:				
Accrued compensated absences	27,670	10,880	1,188	39,738
Total OPEB liability	228,604	261,261	97,973	587,838
Net pension liability	1,717,074	591,623	-	2,308,697
Bonds, notes, and capital leases	26,368,750	-	-	26,368,750
Total Noncurrent Liabilities	28,342,098	863,764	99,161	29,305,023
Total Liabilities	30,116,961	935,566	894,984	31,947,511
Deferred Inflows of Resources:				
Deferred items related to pensions	82,089	28,279	-	110,368
Deferred items related to OPEB	21,757	24,865	9,324	55,946
Total Deferred Inflows of Resources	103,846	53,144	9,324	166,314
Net Position:				
Net investment in capital assets	35,694,486	195,482	15,355,462	51,245,430
Restricted for:				
Capital Projects	-	-	752,011	752,011
Unrestricted	8,981,676	(281,066)	934,126	9,634,736
Total Net Position	\$ 44,676,162	\$ (85,584)	\$ 17,041,599	\$ 61,632,177

CITY OF DIXON

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Sewer</u>	<u>Transit</u>	<u>Water</u>	<u>Totals</u>
Operating Revenues:				
Charges for services, net of refunds	\$ 4,446,226	\$ 111,074	\$ 1,927,530	\$ 6,484,830
Other revenue	1,178,232	-	1,275	1,179,507
Total Operating Revenues	5,624,458	111,074	1,928,805	7,664,337
Operating Expenses:				
Salaries and benefits	2,151,805	947,509	107,429	3,206,743
Materials, supplies, and operational expenses	34,093	3,824	21,568	59,485
Repairs and maintenance	155,378	153,492	684,132	993,002
Power and utilities	214,813	6,529	366,680	588,022
Contractual services	388,767	5,757	130,478	525,002
Administration	102,552	33,499	86,455	222,506
Miscellaneous	-	485	-	485
Depreciation expense	1,452,197	33,174	655,057	2,140,428
Total Operating Expenses	4,499,605	1,184,269	2,051,799	7,735,673
Operating Income (Loss)	1,124,853	(1,073,195)	(122,994)	(71,336)
Nonoperating Revenues (Expenses):				
Intergovernmental	-	792,784	-	792,784
Interest income	77,182	816	23,413	101,411
Interest expense	(146,314)	-	-	(146,314)
Gain (loss) on disposal of capital assets	(80,151)	3,000	-	(77,151)
Total Nonoperating Revenues (Expenses)	(149,283)	796,600	23,413	670,730
Income (Loss) Before Contributions and Transfers	975,570	(276,595)	(99,581)	599,394
Intergovernmental capital contributions	-	145,336	-	145,336
Transfers out	(765,567)	(80,872)	(150,452)	(996,891)
Changes in Net Position	210,003	(212,131)	(250,033)	(252,161)
Net Position:				
Beginning of Fiscal Year	44,856,068	(19,764)	17,390,632	62,226,936
Restatements	(389,909)	146,311	(99,000)	(342,598)
Beginning of Fiscal Year, as restated	44,466,159	126,547	17,291,632	61,884,338
End of Fiscal Year	\$ 44,676,162	\$ (85,584)	\$ 17,041,599	\$ 61,632,177

CITY OF DIXON

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2018

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Sewer</u>	<u>Transit</u>	<u>Water</u>	<u>Totals</u>
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 5,542,505	\$ 111,391	\$ 1,784,126	\$ 7,438,022
Cash paid to suppliers for goods and services	(898,621)	(197,447)	(1,273,946)	(2,370,014)
Cash paid to employees for services	(943,663)	(561,371)	(101,231)	(1,606,265)
Net Cash Provided (Used) by Operating Activities	<u>3,700,221</u>	<u>(647,427)</u>	<u>408,949</u>	<u>3,461,743</u>
Cash Flows from Non-Capital Financing Activities:				
Cash transfers out	(765,567)	(80,872)	(150,452)	(996,891)
Repayment to other funds	-	(27,058)	(60,000)	(87,058)
Grant subsidies	-	725,689	-	725,689
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(765,567)</u>	<u>617,759</u>	<u>(210,452)</u>	<u>(358,260)</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from capital debt	934,248	-	-	934,248
Intergovernmental capital contributions	-	145,336	-	145,336
Acquisition and construction of capital assets	(844,101)	(86,719)	(277,659)	(1,208,479)
Principal paid on capital debt	(1,357,246)	-	-	(1,357,246)
Interest paid on capital debt	(891,886)	-	-	(891,886)
Proceeds from sale of capital assets	426	3,000	-	3,426
Net Cash Used by Capital and Related Financing Activities	<u>(2,158,559)</u>	<u>61,617</u>	<u>(277,659)</u>	<u>(2,374,601)</u>
Cash Flows from Investing Activities:				
Interest received	61,629	438	20,242	82,309
Net Cash Provided by Investing Activities	<u>61,629</u>	<u>438</u>	<u>20,242</u>	<u>82,309</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>837,724</u>	<u>32,387</u>	<u>(58,920)</u>	<u>811,191</u>
Cash and Cash Equivalents at Beginning of Year	9,113,977	1,180	2,273,981	11,389,138
Cash and Cash Equivalents at End of Year	<u>\$ 9,951,701</u>	<u>\$ 33,567</u>	<u>\$ 2,215,061</u>	<u>\$ 12,200,329</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 1,124,853	\$ (1,073,195)	\$ (122,994)	\$ (71,336)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	1,452,197	33,174	655,057	2,140,428
(Increase) decrease in accounts receivable	(97,892)	317	(39,598)	(137,173)
(Increase) decrease in due from other governments	15,939	-	-	15,939
Increase (decrease) in accounts payable	(5,435)	4,651	15,367	14,583
Increase (decrease) in deposits payable	-	-	(105,081)	(105,081)
Increase (decrease) in accrued liabilities	2,417	1,488	-	3,905
Increase (decrease) in salaries and benefits payable	1,208,142	386,138	6,198	1,600,478
Total Adjustments	<u>2,575,368</u>	<u>425,768</u>	<u>531,943</u>	<u>3,533,079</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,700,221</u>	<u>\$ (647,427)</u>	<u>\$ 408,949</u>	<u>\$ 3,461,743</u>
Non-Cash Investing, Capital, and Financing Activities:				
Net position restatement	\$ (389,909)	\$ 146,311	\$ (99,000)	\$ (342,598)
Gain/(Loss) on Sale of Property	(80,151)	3,000	-	(77,151)

CITY OF DIXON

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2018

	<u>Agency Funds</u>	<u>Private- Purpose Trust Fund</u> <u>Successor Agency of Former RDA</u>
Assets:		
Pooled cash and investments	\$ 2,623,086	\$ 222,065
Receivables:		
Notes and loans	-	924,856
Accrued interest	9,795	894
Prepaid costs	-	86
Due from other governments	6,559	-
Restricted:		
Cash and investments with fiscal agents	1,954,258	15
Capital assets:		
Capital assets, not being depreciated	-	54,065
Total Assets	<u>\$ 4,593,698</u>	<u>1,201,981</u>
Liabilities:		
Accounts payable	\$ 1,954	83
Accrued liabilities	4,352	-
Accrued interest	-	11,352
Due to the City	-	150,000
Agency obligations	4,587,392	-
Long-term liabilities:		
Due in one year	-	255,000
Due in more than one year	-	1,475,000
Total Liabilities	<u>\$ 4,593,698</u>	<u>1,891,435</u>
Net Position:		
Held in trust for other purposes		<u>(689,454)</u>
Total Net Position		<u>\$ (689,454)</u>

CITY OF DIXON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2018

	Private- Purpose Trust Fund <u>Successor Agency of Former RDA</u>
Additions:	
Contributions:	
Taxes	\$ 379,036
Interest and change in fair value of investments	<u>2,199</u>
Total Additions	<u>381,235</u>
Deductions:	
Administrative expenses	143,169
Contractual services	3,000
Interest expense	<u>41,161</u>
Total Deductions	<u>187,330</u>
Changes in Net Position	193,905
Net Position - Beginning of the Year	<u>(883,359)</u>
Net Position - End of the Year	<u><u>\$ (689,454)</u></u>

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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), water, transit, 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:

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-officer 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 VDG Authority's assets will be returned equally to the participants.

Note 1: Summary of Significant Accounting Policies (Continued)

Dixon Regional Watershed Joint Powers Authority (the DRWJPA)

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

Dixon Fire Protection District (the Fire District)

The City entered 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.

Solano Sub-basin Groundwater Sustainability Agency

The City of Dixon entered into a joint-powers to develop and implement a groundwater sustainability plan for the Solano Sub-basin. This agency is governed by an 11-person Board. Each of the seven municipalities and districts appoint one director to the board, 2 Solano County Board of Supervisors members are assigned based upon their supervisorial districts, and two directors are landowners appointed to represent agriculture. Upon termination or withdrawal, the value of any property assets will be returned to the contributing member.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

CFD 2015-1 Valley Glen II Construction - This fund accounts for assessments and expenditures for the Valley Glen 2 development. The funding for the project was completed through issuance of bonds.

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.

Water Fund - The water fund is used to account for all revenues and expenses for operations, maintenance, and capital improvement funding.

The City also reports the following fund types:

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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, except for sales tax revenues, which are considered available within 90 days. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term liabilities and acquisitions under capital leases are reported as other financing sources.

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

d. Property Taxes

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

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

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

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

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

e. Cash and Investments

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Note 1: Summary of Significant Accounting Policies (Continued)

h. Capital Assets

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

Government-wide Statements

In the government-wide financial statements, infrastructure with an aggregate cost of \$100,000 or more and equipment with a cost of \$5,000 or more and a useful life of 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 or assets received in a service concession arrangement which are recorded at acquisition value. 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, 2018. Accumulated unpaid vacation and sick pay are accrued when earned. The general fund and enterprise funds are used to liquidate compensated absences.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

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. 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 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.

k. Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

l. Other Postemployment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

Note 1: Summary of Significant Accounting Policies (Continued)

m. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City reports deferred outflows relating to the net pension liability as well as total OPEB liability reported in the government-wide statement of net position for governmental and business-type activities.

In addition to liabilities, the statement of net position and governmental 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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in the category. The first item are deferred inflows relating to the net pension liability reported in the government-wide statement of net position for governmental and business-type activities. The second item relates to revenues earned, but not yet available for resources. The third item is deferred inflows relating to the total OPEB liability reported in the government-wide statement of net position for governmental and business-type activities.

n. 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.

Note 1: Summary of Significant Accounting Policies (Continued)

o. Net Position

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 No. 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 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 nor committed.
- e. Unassigned - Amounts representing the residual classification for the general fund and residual negative fund balance of special revenue and capital project funds.

Further detail about the City's fund balance classification is described in Note 11.

CITY OF DIXON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

p. 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.

Note 2: Cash and Investments

Cash and investments as of June 30, 2018, were classified in the accompanying financial statements as follows:

	Cash and Investments	Restricted Cash and Investments	Total
Governmental activities	\$ 25,553,966	\$ 195,722	\$ 25,749,688
Business-type activities	12,200,329	-	12,200,329
Total government-wide cash and investments	<u>37,754,295</u>	<u>195,722</u>	<u>37,950,017</u>
Fiduciary activities	<u>2,845,151</u>	<u>1,954,273</u>	<u>4,799,424</u>
Total cash and investments	<u>\$ 40,599,446</u>	<u>\$ 2,149,995</u>	<u>\$ 42,749,441</u>

Cash and investments were carried at fair value as of June 30, 2018, and consisted of the following:

Cash and cash equivalents:	
Petty cash on hand	\$ 1,375
Demand deposits	768,531
Total Cash and cash equivalents	<u>769,906</u>
Investments:	
Asset-Backed Securities	2,748,995
Capital Asset Management Program	4,313,790
Certificate of Deposit	3,283,970
Commerical Paper	1,344,514
Corporate Bonds	5,565,308
Federal Government Agencies	1,646,200
Local Agency Investment Fund	15,901,660
Money Market Mutual Funds	13,581
Supra-National Agency Bond/Note	474,459
U.S Treasury	4,731,121
Held by fiscal agents:	
Money Market Funds	1,955,937
Total Investments and held by fiscal agents	<u>41,979,535</u>
	<u>\$ 42,749,441</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 2: Cash and Investments (Continued)Deposits

At June 30, 2018, the carrying amount of the City's deposits was \$768,531 and the bank balance was \$917,341. The \$148,810 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

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 or Dollar Amount	Maximum Investment in One Issuer
Banker's Acceptances	180 days	40%	5%
California Asset Management Program	None	\$5,000,000	None
California local agency debt	5 years	30%	5%
Commercial paper	270 days	25%	5%
Federal Government Securities	5 years	None	None
Local agency bonds	5 years	30%	5%
Local Agency Investment Fund (LAIF)	None	\$65,000,000	None
Medium term corporate notes	5 years	30%	5%
Money market mutual funds	None	20%	None
Mortgage-Backed and Asset-Backed Securities	5 years	20%	5%
Negotiable certificates and time deposits	5 years	30%	5%
Non-Negotiable certificates and time deposits	5 years	30%	\$250,000
Supranationals	5 years	30%	None

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 2: Cash and Investments (Continued)

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

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City's interest rate risk is mitigated is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

CITY OF DIXON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 2: Cash and Investments (Continued)

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, 2018:

	Remaining Maturity				Fair Value
	6 Months or Less	6 Months to 1 Year	1 Year to 3 Years	3 Years to 5 Years	
Investments					
Asset-Backed Securities	\$ -	\$ -	\$ 24,124	\$ 2,724,871	\$ 2,748,995
Capital Asset Management Program	4,313,790	-	-	-	4,313,790
Certificate of Deposit	249,347	876,926	2,157,697	-	3,283,970
Commerical Paper	1,344,514	-	-	-	1,344,514
Corporate Bonds	-	534,818	5,030,490	-	5,565,308
Federal Government Agencies					
Federal Home Loan Bank	-	-	646,546	-	646,546
Federal Home Loan Mortgage Corp.	-	-	783,372	-	783,372
Federal National Mortgage Associaiton	-	-	216,282	-	216,282
Local Agency Investment Fund	15,901,660	-	-	-	15,901,660
Money Market Mutual Funds	13,581	-	-	-	13,581
Supra-National Agency Bond/Note	-	-	474,459	-	474,459
U.S Treasury	4,731,121	-	-	-	4,731,121
Held with Fiscal Agent					
Money Market Funds	1,955,937	-	-	-	1,955,937
	<u>\$ 28,509,950</u>	<u>\$ 1,411,744</u>	<u>\$ 9,332,970</u>	<u>\$ 2,724,871</u>	<u>\$ 41,979,535</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, 2018.

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. All securities were investment grade and were legal under State and City law, as of June 30, 2018.

CITY OF DIXON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 2: Cash and Investments (Continued)

Investments	Total	Rating as of Year End		
		S&P	Moody's	N/A
Asset-Backed Securities	\$ 2,748,995	AAA - A-	Aaa	
Capital Asset Management Program	4,313,790			Not Rated
Certificate of Deposit	3,283,970	A-1+	Aa2-Aa3	
Commerical Paper	1,344,514	A-1	P-1	
Corporate Bonds	5,565,308	AAA-BBB+	Aaa-Baa1	
Federal Government Agencies	1,646,200	AA+	Aaa	
Local Agency Investment Fund	15,901,660			Not Rated
Money Market Mutual Funds	13,581			Not Rated
Supra-National Agency Bond/Note	474,459	AAA	Aaa	
U.S Treasury	4,731,121	AA+	Aaa	
<u>Held with Fiscal Agent</u>				
Money Market Funds	1,955,937			Not Rated
	<u>\$ 41,979,535</u>			

Concentration of Credit Risk

The City is in compliance with restrictions imposed by its investment policy, which limits certain types of investments. As of June 30, 2018, in accordance with GASB Statement No. 40, if the City has invested more than 5% of its total investments in any one issuer, it is exposed to credit risk. The following investments are considered exposed to credit risk:

Capital Asset Management Program	10.28%
----------------------------------	--------

Custodial Credit Risk

The 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 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 to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

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. Same day withdrawals from the pool can be made up to \$10,000,000 after which 24 hours advance notice is required.

CITY OF DIXON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

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 upon the average daily cash balances of the previous month in each fund receiving interest.

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2018:

Investments by fair value level	Totals	Level		
		1	2	3
Asset-Backed Securities	\$ 2,748,995	\$ -	\$ 2,748,995	\$ -
Capital Asset Management Program	4,313,790	-	4,313,790	-
Certificate of Deposit	3,283,970	-	3,283,970	-
Commerical Paper	1,344,514	-	1,344,514	-
Corporate Bonds	5,565,308	-	5,565,308	-
Federal Government Agencies				
Federal Home Loan Bank	646,546	-	646,546	-
Federal Home Loan Mortgage Corp.	783,372	-	783,372	-
Federal National Mortgage Associaiton	216,282	-	216,282	-
Local Agency Investment Fund	15,901,660	-	15,901,660	-
Money Market Mutual Funds	13,581	-	13,581	-
Supra-National Agency Bond/Note	474,459	-	474,459	-
U.S Treasury	4,731,121	-	4,731,121	-
Totals	40,023,598	\$ -	\$ 40,023,598	\$ -
<u>Investments measured at amortized cost</u>				
Cash with Fiscal Agents				
Money Market Funds	1,955,937			
Total Investments	\$ 41,979,535			

Deposits and securities classified in Level 2 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Federal Agency Securities classified in Level 2 of the fair value hierarchy are valued using institutional bond quotes.

CITY OF DIXON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

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.

A summary of notes receivable at June 30, 2018, is as follows:

Government-wide	Balance June 30, 2017	Additions	Retirements/ Adjustments	Balance June 30, 2018
HOME Loans	\$ 15,812,705	\$ -	\$ (1,500)	\$ 15,811,205
Housing Successor Agency	2,265,392	-	-	2,265,392
CDBG Business Loans	286,832	-	(98,180)	188,652
Total Notes Receivable	18,364,929	-	(99,680)	18,265,249
Less Allowance for Notes Receivable	(18,364,929)	-	99,680	(18,265,249)
Total Notes Receivable, net	\$ -	\$ -	\$ -	\$ -

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.

Note 4: Inter-fund and Intra-Fund Transactions

Inter-fund Receivables/Payables

The composition of inter-fund balances as of June 30, 2018 was as follows:

Receivable Fund	Payable Fund	Amount
Non-Major Governmental	Non-Major Governmental	\$ 1,286,623
Total Inter-fund Receivables/Payables		\$ 1,286,623

- a) Advance from the non-major governmental funds to the other non-major governmental funds was the result of advancing funding for the 2008 Pond C Project and the 2012 West B Street Undercrossing Project.

CITY OF DIXON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 4: Inter-fund and Intra-Fund Transactions (Continued)

Inter-fund Transfers to/from Other Funds

Transfers between funds during the fiscal year ended June 30, 2018, were as follows:

Transfer from	Transfer to	Amount
Water Fund	General Fund	\$ 150,452
Transit Fund	General Fund	80,872
Sewer Fund	General Fund	376,374
Sewer Fund	Non-Major Governmental	389,193
Non-Major Governmental	General Fund	245,397
General Fund	Non-Major Governmental	652,600
Non-Major Governmental	Non-Major Governmental	605,756
Total Inter-fund Transfers		<u>\$ 2,500,644</u>

- a) Transfers from the general fund to non-major governmental funds included funding for L&L activities of \$80,834, project contributions of \$366,601 and debt service payments in the amount of \$205,165.
- b) Transfers to the general fund from non-major governmental funds were for allocated costs; and also included a transfer of \$204,502 from the Gas Tax fund for street maintenance.
- c) Transfers from non-major governmental funds to other non-major governmental funds included funding for capital projects, debt service and funding for interfund loan payments.
- d) Transfers from the Sewer, Water, and Transit Funds were for allocated costs.

Inter-fund Due to/from Other Funds

Short term loans between funds to cover negative cash balances during the fiscal year ended June 30, 2018, were as follows:

Due From	Due To	Amount
Non-Major Governmental	General Fund	\$ 105
Total Inter-fund Due to/from Other Funds		<u>\$ 105</u>

CITY OF DIXON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 5: Capital Assets

Governmental activities	Balance at June 30, 2017	Additions	Retirements	Balance at June 30, 2018
Capital assets not being depreciated				
Land	\$ 2,682,608	\$ -	\$ 2,505	\$ 2,680,103
Construction-in-progress	2,345,938	747,008	-	3,092,946
Total capital assets not being depreciated	<u>5,028,546</u>	<u>747,008</u>	<u>2,505</u>	<u>5,773,049</u>
Capital assets being depreciated				
Buildings and improvements	13,352,588	100,142	-	13,452,730
Equipment	7,362,528	274,661	304,163	7,333,026
Infrastructure	181,109,774	179,737	85,493	181,204,018
Total capital assets being depreciated	<u>201,824,890</u>	<u>554,540</u>	<u>389,656</u>	<u>201,989,774</u>
Less accumulated depreciation				
Buildings and improvements	5,892,319	350,714	-	6,243,033
Equipment	5,362,964	287,559	291,128	5,359,395
Infrastructure	71,066,099	3,756,452	72,669	74,749,882
Total accumulated depreciation	<u>82,321,382</u>	<u>4,394,725</u>	<u>363,797</u>	<u>86,352,310</u>
Capital assets being depreciated, net	<u>119,503,508</u>	<u>(3,840,185)</u>	<u>25,859</u>	<u>115,637,464</u>
	<u>\$ 124,532,054</u>	<u>\$ (3,093,177)</u>	<u>\$ 28,364</u>	<u>\$ 121,410,513</u>

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

Governmental Activities:

General administration	\$ 86,428
Public safety	303,646
Parks and recreation	706,412
Community development	6,946
Public ways and facilities	<u>3,291,293</u>

Total governmental activities depreciation expense \$ 4,394,725

CITY OF DIXON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 5: Capital Assets (Continued)

Business-type activities	Balance at June 30, 2017	Transfers	Additions	Retirements	Balance at June 30, 2018
Capital assets not being depreciated					
Land	\$ 797,166	\$ -	\$ -	\$ -	\$ 797,166
Construction-in-progress	29,728,940	(29,523,329)	610,279	-	815,890
Total capital assets not being depreciated	30,526,106	(29,523,329)	610,279	-	1,613,056
Capital assets being depreciated					
Structures and improvements	76,778,879	29,523,329	-	235,772	106,066,436
Equipment	2,046,973	-	598,200	237,838	2,407,335
Total capital assets being depreciated	78,825,852	29,523,329	598,200	473,610	108,473,771
Less accumulated depreciation					
Structures and improvements	27,848,271	-	2,030,118	155,195	29,723,194
Equipment	1,514,494	-	110,310	237,837	1,386,967
Total accumulated depreciation	29,362,765	-	2,140,428	393,032	31,110,161
Total capital assets being depreciated, net	49,463,087	29,523,329	(1,542,228)	80,578	77,363,610
Total Capital Assets	\$ 79,989,192	\$ -	\$ (931,949)	\$ 80,578	\$ 78,976,666

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

Sewer	\$ 1,452,197
Water	655,057
Transit	33,174
Total business-type activities depreciation expense	<u>\$ 2,140,428</u>

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, 2018:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Current Portion
Governmental activities:					
Compensated absences	\$ 724,363	\$ 1,059,179	\$ 814,957	\$ 968,585	\$ 726,439
2012 Lease revenue	1,050,800	-	233,500	817,300	243,700
Total Governmental activities	\$ 1,775,163	\$ 1,059,179	\$ 1,048,457	\$ 1,785,885	\$ 970,139
Business-type activities:					
Compensated absences	\$ 71,726	\$ 258,221	\$ 174,559	\$ 155,388	\$ 115,650
2012 Refunding bonds	639,000	-	152,600	486,400	158,400
State Revolving Loan	27,515,234	934,248	1,204,646	27,244,836	1,204,086
Total Business-type activities	\$ 28,225,960	\$ 1,192,469	\$ 1,531,805	\$ 27,886,624	\$ 1,478,136

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018
Note 6: Long-Term Liabilities (Continued)

A description of the long-term liabilities related to governmental activities at June 30, 2018 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, 2018 was \$817,300.

Governmental Activities Long-Term Liabilities Amortization:
2012 Refunding Lease Revenue

For the year Ending June 30,	Principal	Interest	Total
2019	\$ 243,700	\$ 24,295	\$ 267,995
2020	258,200	16,357	274,557
2021	262,300	8,036	270,336
2022	53,100	852	53,952
Total	<u>\$ 817,300</u>	<u>\$ 49,540</u>	<u>\$ 866,840</u>

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 September 1 through March 2021. The outstanding principal balance of the 2012 bonds at June 30, 2018 was \$486,400.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 6: Long-Term Liabilities (Continued)State Revolving Loan

On August 12, 2014, the City entered into an agreement with the California State Water Resources Control Board for construction of the Sewer Capital Improvement project. The City may borrow up to \$28,500,000 or the eligible costs of the project, whichever is less. At June 30, 2018, the California State Water Resources Control Board had disbursed \$28,449,482 to the City. The loan has an interest rate of 1.9% with payments starting in fiscal year 2018 and maturities through 2037, if the City borrows the full \$28,500,000. The outstanding balance at June 30, 2018, is \$27,244,836.

Business-Type Long-Term Liabilities Amortization**2012 Refunding Lease Revenue**

For the year Ending June 30,	Principal	Interest	Total
2019	\$ 158,400	\$ 13,726	\$ 172,126
2020	163,900	8,822	172,722
2021	164,100	3,788	167,888
Total	<u>\$ 486,400</u>	<u>\$ 26,336</u>	<u>\$ 512,736</u>

State Revolving Loan

For the year Ending June 30,	Principal	Interest	Total
2019	\$ 1,204,086	\$ 517,652	\$ 1,721,738
2020	1,226,964	494,774	1,721,738
2021	1,250,276	471,462	1,721,738
2022	1,274,032	447,707	1,721,739
2023	1,298,238	423,500	1,721,738
2024-2028	6,870,696	1,737,995	8,608,691
2029-2033	7,548,692	1,060,000	8,608,692
2034-2037	6,571,852	315,100	6,886,952
Total	<u>\$ 27,244,836</u>	<u>\$ 5,468,190</u>	<u>\$ 32,713,026</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

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 owner's/bond holders in collecting and forwarding the special assessments. Balances of the various assessment district bonds at June 30, 2018, were as follows:

Reassessment Revenue Refunding Bonds, Series 2013	\$ 1,694,368
2015 Special Tax Bonds - Parklane CFD 2013-1	7,630,000
Valley Glen 2 CFD 2015-1 2017 Special Tax Bonds	<u>4,770,000</u>
Total Special Assessment Debt	<u>\$ 14,094,368</u>

Note 8: Early Retirement Incentive

During fiscal year 2012, the City approved an early retirement incentive program through the Public Agency Retirement System (PARS) for eligible City staff. In order to qualify for the early retirement program, an employee needed to meet the following criteria:

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

During fiscal year 2012, 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. There is no liability at June 30, 2018. Expenses related to termination benefits totaled \$0 for the year ending June 30, 2018.

Note 9: Pension Plan

Defined Benefit Rate Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City of Dixon Miscellaneous & Safety cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 9: Pension Plan (Continued)**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous Cost-Sharing Rate Plans		
	Tier 1*	Tier 2*	PEPRA
Hire date	Prior to December 16, 2012	December 16, 2012 to December 31, 2012	On or after January 1, 2013
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.000%	7.000%	6.250%
Required employer contribution rates	32.582%	7.238%	6.542%

*Plan is closed to new entrants

	Safety Police Cost-Sharing Rate Plans		
	Tier 1*	Tier 2*	PEPRA
Hire date	Prior to November 20, 2011	November 20, 2011 to December 31, 2012	On or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 50 yrs
Monthly benefits, as a % of eligible compensation	3.00%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.000%	9.000%	11.500%
Required employer contribution rates	62.385%	16.842%	12.044%

*Plan is closed to new entrants

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 9: Pension Plan (Continued)**Safety Fire Cost-Sharing Rate Plans**

	Tier 1*	Tier 2*	PEPRA
Hire date	Prior to August 12, 2012	August 12, 2012 to December 31, 2012	On or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 50 yrs
Monthly benefits, as a % of eligible compensation	3.00%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.000%	9.000%	11.500%
Required employer contribution rates	26.480%	16.842%	12.078%

*Plan is closed to new entrants

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2018, the employer contributions recognized as a reduction to the net pension liability for the Plan was \$1,772,778.

Pension Liabilities, Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of June 30, 2018, the City reported net pension liabilities for its proportionate shares of the net pension liability of the Plan of \$21,265,136.

	Net Pension Liability
Proportion - June 30, 2016	\$ 18,974,824
Proportion - June 30, 2017	21,265,136
Change - Increase(Decrease)	<u>\$ 2,290,312</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018
Note 9: Pension Plan (Continued)

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017, was as follows:

	<u>Net Pension Liability</u>
Proportion - June 30, 2016	0.45394%
Proportion - June 30, 2017	0.44503%
Change - Increase(Decrease)	<u>-0.00891%</u>

For the year ended June 30, 2018, the City recognized a total pension expense of \$3,665,957 for the plan. At June 30, 2018, the City reported deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Current year contributions that occurred after the measurement date of June 30, 2017	\$ 1,928,676	\$ -
Change of Assumption	3,015,497	230,710
Difference between Expected and Actual Experiences	124,454	187,854
Net Difference between Projected and Actual Earnings on Pension Plan Investments	668,627	-
Adjustment due to differences in proportions	793,540	201,374
Difference in proportionate share	118,207	197,388
Total	\$ 6,649,001	\$ 817,326

The \$1,928,676 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Period ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2018	\$ 1,231,619
2019	1,866,870
2020	1,198,408
2021	(393,898)
	<u>\$ 3,902,999</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 9: Pension Plan (Continued)***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

For the measurement period ended June 30, 2017, the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2016 and the June 30, 2017 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumptions

In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF C). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 9: Pension Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF C) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF C fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	Current Target Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47.0%	4.90%	5.38%
Global Debt Securities	19.0	0.80	2.27
Inflation Assets	6.0	0.60	1.39
Private Equity	12.0	6.60	6.63
Real Estate	11.0	2.80	5.21
Infrastructure and Forestland	3.0	3.90	5.36
Liquidity	2.0	(0.40)	(0.90)

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	Discount Rate - 1%	Current Discount	Discount Rate +1%
	6.15%	7.15%	8.15%
Plan Net Pension Liability	\$ 31,217,082	\$ 21,265,136	\$ 13,081,260

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 10: Other Post-Employment Benefits (OPEB)

Description of the Plan

The City sponsors and administers a single-employer health care plan (HC 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.

The minimum required employer contributions is statutorily set under PEMHCA and is scheduled to increase in the future based on the medical portion of CPI. Minimum required employer contributions for the fiscal years 2017 and 2018 were \$40,401 and \$85,773, respectively.

The City participates in the CalPERS Health Program, a community-rated program for its medical coverage.

Employees Covered

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active	102
Inactive employees or beneficiaries currently receiving benefits	16
Inactive employees entitled to, but not yet receiving benefits	45
	<u>163</u>

Contributions

The HC Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the measurement date ended June 30, 2017, the City's cash contributions were \$40,401, which were recognized as a reduction to the OPEB Liability.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 10: Other Post-Employment Benefits (OPEB) (Continued)

Total OPEB Liability

The City's Total OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2017 that was used to determine the June 30, 2017 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Contribution Policy	No pre-funding.
Discount Rate	3.58% at June 30, 2017 Bond Buyer Index
Inflation	2.75%
Salary Increases	3.00% per annum, in aggregate
	Merit - Calpers 197-2015 Experience Study
Mortality Rate	Mortality Rate projected fully generational with Scale MP-17.
	Mortality, Retirement, Disability, Calpers 1997-2015 Experience Study.
Terminations	
Medical Trend	Pre-Medicare – 7.5% for 2019, decreasing to 4.00% for 2076 and later Medicare – 6.5% for 2019, decreasing to 4.00% for 2076 and later PEMHCA Minimum Increase – 4.25%

Notes:

(1) Pre-retirement mortality information was derived from data collected during 1997 to 2015 CalPERS Experience Study dated December 2017 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

(2) The pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.58 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. The City does not participate in a trust fiduciary fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 10: Other Post-Employment Benefits (OPEB) (Continued)**Changes in the OPEB Liability**

The changes in the Total OPEB liability for the HC Plan are as follows:

	Increase(Decrease)
	Total OPEB Liability
Balance at June 30, 2017 (measurement date 6/30/2016)	\$ 3,663,000
Changes recognized over the measurement period:	
Service Cost	323,000
Interest	112,000
Change of assumptions	(388,000)
Benefit Payments and refunds	(85,000)
Net Changes	(38,000)
Balance at June 30, 2018 (measurement date 06/30/2017)	\$ 3,625,000

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability	\$ 4,174,000	\$ 3,625,000	\$ 3,182,000

Sensitivity of the total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the Total OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 3,091,000	\$ 3,625,000	\$ 4,306,000

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 10: Other Post-Employment Benefits (OPEB) (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of \$392,000. As of fiscal year ended June 30, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date	\$ 85,773	\$ -
Changes of assumptions	-	(345,000)
	<u>\$ 85,773</u>	<u>\$ (345,000)</u>

The \$85,773 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the Total OPEB liability during the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows or deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year ended June 30:	Deferred Outflows/(Inflows) of Resources
2019	\$ (43,000)
2020	(43,000)
2021	(43,000)
2022	(43,000)
2023	(43,000)
Thereafter	(130,000)
	<u>\$ (345,000)</u>

Note 11: Fund Balance

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018
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 power 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.

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

Amount	Coverage Provider	Payment
Liability Claims		
\$0 - \$100,000	Self-insured	Banking layer
\$100,001 - \$400,000	Northern California Cities Self Insurance Fund	Shared risk
\$400,001 - \$40,000,000	California Joint Powers Risk Management Authority	Shared risk
Workers' Compensation		
\$0 - \$100,000	Self-insured	
\$100,001 - \$400,000	Northern California Cities Self Insurance Fund	Banking layer
\$400,001 - \$200,000,000	Commercial insurance	Shared risk

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 \$725,768 is recorded as a prepaid asset in the General Fund. Compiled condensed financial information for the NCCSIF for the fiscal year ended June 30, 2018 was as follows:

Total Assets	\$ 57,315,358
Total Liabilities	41,696,368
Net Position	15,618,990
Total Revenues	15,933,468
Total Expenses	(16,310,562)
Change in Net Position	<u>\$ (377,094)</u>

CITY OF DIXON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 12: Risk Management (Continued)

The City is also a member of California Transit Indemnity Pool (CalTIP). Under CalTIP, the City's Transit Fund contributes to the liability and vehicle physical damage programs. Information on CalTIP can be found online at caltiponline.org.

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, 2018, operating costs associated with the lease totaled \$103,392. 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:

2019	\$	105,966
2020		<u>17,788</u>
Total	\$	<u>123,754</u>

Note 14: Deficit Fund Balances

As of June 30, 2018, the following non-major funds had a fund deficit:

<u>Fund</u>	<u>Deficit</u>
<u>Governmental Funds</u>	
Used Oil Recycling Block Grant	\$ 464
Storm Drainage	924,011
Transit Projects	301,622

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

Note 15: Contingencies and Commitments

Grant Awards

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

Litigation

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

Construction Commitments

The City did not have any significant construction commitments as of June 30, 2018, that were not complete as of year-end.

Note 16: Successor Agency Trust For Assets of Former Redevelopment Agency

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

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 11, 2012, the City elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 12-001.

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

a. Cash and investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments	\$ 222,065
Cash and investments with fiscal agent	15
	<u>\$ 222,080</u>

b. Loans Receivable

The Successor Agency has made various business loans to qualifying businesses in the redevelopment area. The loans have varying maturity dates and interest rates, depending on loan agreements.

A summary of notes receivable at June 30, 2018, is as follows:

Successor Agency	Balance June 30, 2017	Additions	Retirements/ Adjustments	Balance June 30, 2018
Bud's 2007 Loan	\$ 23,893	\$ -	\$ (1,978)	\$ 21,915
Firehouse Rehab Loan	890,000	-	-	890,000
Real Estate Solutions Loans	13,850	-	(1,244)	12,606
Primetime Barbershop Loan	1,005	-	(670)	335
Total Notes Receivable, net	<u>\$ 928,748</u>	<u>\$ -</u>	<u>\$ (3,892)</u>	<u>\$ 924,856</u>

c. Capital Assets

An analysis of capital assets as of June 30, 2018, follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 54,065	\$ -	\$ -	\$ 54,065
Total Capital Assets, Not Being Depreciated	<u>\$ 54,065</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,065</u>

d. Advances due to the City

Notes and loans receivables consist of the following at June 30, 2018:

On March 25, 1986, the Agency entered a reimbursement agreement with the City of Dixon. Under the Agency's redevelopment plan for Central Dixon ("the Project"), the City agreed to advance \$150,000 to the Agency for the costs of developing a senior center to serve the proposed Project. The City agreed to pay all or part of the value of the land and for the costs of the installation and construction of any building, facility, structure, or other improvements which are publicly owned either within or without the project area. Repayment terms were based on the Agency's pledge of and ability to generate sufficient tax allocations from the Project. This reimbursement agreement bears no interest and as of June 30, 2018 the outstanding balance was \$150,000.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

e. Long-Term Debt

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2018, follows:

	Balance June 30, 2017	Additions	Repayments	Balance June 30, 2018	Due Within One Year
Bonds					
Tax Allocation Refunding					
Bonds - 2015 Issue	\$ 1,975,000	\$ -	\$ 245,000	\$ 1,730,000	\$ 255,000
Total Bonds	<u>\$ 1,975,000</u>	<u>\$ -</u>	<u>\$ 245,000</u>	<u>\$ 1,730,000</u>	<u>\$ 255,000</u>

Tax Allocation Bonds

Dixon Redevelopment Successor Agency, Central Dixon Development Project Tax Allocation Refunding Bonds, Series 2015. \$2,355,000. These bonds are dated December 11, 2015 and were issued to refinance the 1995 Tax Allocation Bonds. The Bonds are special obligations of the Successor Agency and this bond and interest are payable from, and are secured by a pledge of, security interest in and lien on the Tax Revenues being moneys deposited from time to time in the Redevelopment Property Tax Trust Fund ("RPTTF") established under the Dissolution Act, but exclude those amounts which were, prior to the Dissolution Act, required to be deposited into the Former Agency's Low and Moderate Income Housing Fund to the extent required to pay debt service on existing Housing Obligations. Interest is payable semi-annually on March 1 and September 1, of each year. The bonds mature in annual installments ranging from \$55,000 to \$140,000 starting March 1, 2016 to September 1, 2024, and bear interest at 1.990%. The balance at June 30, 2018, amounted to \$1,730,000.

The following schedule illustrates the debt service requirements to maturity for the 2015 Tax Allocation Refunding Bonds as of June 30, 2018:

Year Ending June 30	Principal	Interest
2019	\$ 255,000	\$ 33,183
2020	255,000	28,109
2021	260,000	22,985
2022	270,000	17,761
2023	275,000	12,388
2024-2027	415,000	8,308
Total	<u>\$ 1,730,000</u>	<u>\$ 122,734</u>

f. Insurance

The Successor Agency is covered under the City of Dixon's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 12.

CITY OF DIXON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2018

Note 17: Restatement of Prior Year Balances

The various restatements of beginning net position and the reasons for each are as follows:

	Governmental Activities (1)	Sewer Enterprise Fund (1)(2)	Transit Enterprise Fund (1)	Water Enterprise Fund (1)
Beginning Net Position, as previously reported	\$ 131,985,112	\$ 44,856,068	\$ (19,764)	\$ 17,390,632
Restatement	<u>(1,010,156)</u>	<u>(389,909)</u>	<u>146,311</u>	<u>(99,000)</u>
Beginning Net Position, as restated	<u>\$ 130,974,956</u>	<u>\$ 44,466,159</u>	<u>\$ 126,547</u>	<u>\$ 17,291,632</u>

- (1) Beginning net position of Governmental Activities, Sewer, Transit and Water enterprise funds were restated due to the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions – An Amendment of GASB Statement No. 45. Beginning net position of governmental activities on the Statement of Activities has been restated by (\$1,010,156) and beginning net position of the Sewer, Transit and Water enterprise funds have been restated by (\$33,521), \$146,311, and (\$99,000) respectively.
- (2) Beginning net position of the Sewer enterprise fund was restated due to accrued interest related to the City Loan. Accrued interest in the amount of \$356,388 had accumulated throughout the life of the project and was transferred to the principal balance by the California State Water Resources Control Board during FY17/18. As of June 30, 2017, accrued interest was not previously recorded on the general ledger.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 11,215,827	\$ 11,810,782	\$ 14,150,865	\$ 2,340,083
Intergovernmental	264,220	253,455	313,825	60,370
Licenses and permits	377,905	450,815	466,340	15,525
Intergovernmental	1,457,596	1,519,030	1,534,236	15,206
Charges for services	1,969,444	2,506,894	1,772,048	(734,846)
Use of money and property	218,412	218,412	276,661	58,249
Program income	452,655	556,970	529,425	(27,545)
Other revenues	116,108	116,108	443,519	327,411
Total Revenues	16,072,167	17,432,466	19,486,919	2,054,453
Expenditures:				
Current:				
General Administration				
Non-departmental	12,000	51,950	74,021	(22,071)
City council	160,388	171,054	142,517	28,537
City manager	427,953	527,417	489,434	37,983
City clerk	420,573	430,572	414,016	16,556
Administrative services	1,256,298	1,337,464	1,226,007	111,457
Personnel	294,825	298,148	275,173	22,975
City attorney	385,000	694,377	642,411	51,966
General liability	264,600	264,600	199,891	64,709
Total General Administration	3,221,636	3,775,582	3,463,470	312,112
Public Safety				
Police	4,615,485	4,698,965	4,654,972	43,993
Fire	3,924,464	4,193,781	4,368,147	(174,366)
Total Public Safety	8,539,949	8,892,746	9,023,119	(130,373)
Development				
Planning	500,678	549,055	702,109	(153,054)
Total Development	500,678	549,055	702,109	(153,054)
Parks and Recreation				
Park maintenance	1,556,330	1,590,047	1,571,524	18,523
Recreation	336,404	328,720	310,303	18,417
Senior multi-use center	113,738	119,970	114,916	5,054
Total Parks and Recreation	2,006,472	2,038,737	1,996,743	41,994
Public Ways and Facilities				
Engineering	1,218,412	1,645,616	967,637	677,979
Street maintenance	461,734	486,912	489,166	(2,254)
Storm Drain Maintenance	182,254	182,254	159,260	22,994
Total Public Ways and Facilities	1,862,400	2,314,782	1,616,063	698,719
Capital outlay	726,010	1,484,351	536,386	947,965
Total Expenditures	16,857,146	19,055,253	17,337,890	1,717,363
Excess (Deficiency) of Revenues Over (Under) Expenditures	(784,979)	(1,622,787)	2,149,029	3,771,816
Other Financing Sources (Uses):				
Transfers in	1,194,336	2,005,495	853,095	(1,152,400)
Transfers out	(1,340,236)	(3,113,198)	(652,600)	2,460,598
Proceeds from sale of capital asset	-	155,000	156,349	-
Total Other Financing Sources (Uses)	(145,900)	(952,703)	356,844	1,308,198
Net Change in Fund Balances	(930,879)	(2,575,490)	2,505,873	5,080,014
Fund Balances, Beginning of Year	12,077,831	12,077,831	12,077,831	-
Fund Balances, End of Year	\$ 11,146,952	\$ 9,502,341	\$ 14,583,704	\$ 5,080,014

CITY OF DIXON

**COST SHARING MULTIPLE-EMPLOYER PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2018**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Miscellaneous Rate Plan</u>				
Rate Plan's Proportion of the Net Pension Liability	0.10487%	0.11477%	0.10677%	0.10413%
Rate Plan's Proportionate Share of the Net Pension Liability	\$ 6,525,788	\$ 7,877,960	\$ 9,239,271	\$ 10,326,561
Rate Plan's Covered Payroll	\$ 3,214,741	\$ 3,357,544	\$ 3,580,280	\$ 3,869,262
Rate Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	203.00%	234.63%	258.06%	266.89%
<u>Safety Rate Plan</u>				
Rate Plan's Proportion of the Net Pension Liability	0.11719%	0.11681%	0.11251%	0.11030%
Rate Plan's Proportionate Share of the Net Pension Liability	\$ 7,292,394	\$ 8,017,796	\$ 9,735,553	\$ 10,938,575
Rate Plan's Covered Payroll	\$ 3,499,564	\$ 3,287,591	\$ 3,593,122	\$ 3,637,064
Rate Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	208.38%	243.88%	270.95%	300.75%
<u>Total Plan</u>				
Plan Proportion of the Net Pension Liability	0.22207%	0.23158%	0.21928%	0.21443%
Plan Proportionate Share of the Net Pension Liability	\$ 13,818,182	\$ 15,895,756	\$ 18,974,824	\$ 21,265,136
Plan Covered Payroll	\$ 6,714,305	\$ 6,645,135	\$ 7,173,402	\$ 7,506,326
Plan Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	205.80%	239.21%	264.52%	283.30%
The Pension Plan's (PERF-C) Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2016. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only four years are shown.

CITY OF DIXON

**COST SHARING MULTIPLE-EMPLOYER PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, 2018**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Miscellaneous Rate Plan				
Actuarially Determined Contribution	\$ 691,056	\$ 647,143	\$ 719,707	\$ 832,850
Contribution in Relation to the Actuarially Determined Contribution	(691,056)	(647,143)	(719,707)	(832,850)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 3,357,544	\$ 3,580,280	\$ 3,869,262	\$ 4,078,600
Contributions as a Percentage of Covered-Employee Payroll	20.58%	18.08%	18.60%	20.42%
Safety Rate Plan				
Actuarially Determined Contribution	\$ 1,019,312	\$ 1,046,576	\$ 1,003,071	\$ 1,095,826
Contribution in Relation to the Actuarially Determined Contribution	(1,019,312)	(1,046,576)	(1,003,071)	(1,095,826)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 3,287,591	\$ 3,593,122	\$ 3,637,064	\$ 3,684,672
Contributions as a Percentage of Covered-Employee Payroll	31.00%	29.13%	27.58%	29.74%
Total Plan				
Actuarially Determined Contribution	\$ 1,710,368	\$ 1,693,719	\$ 1,722,778	\$ 1,928,676
Contribution in Relation to the Actuarially Determined Contribution	(1,710,368)	(1,693,719)	(1,722,778)	(1,928,676)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 6,645,135	\$ 7,173,402	\$ 7,506,326	\$ 7,763,272
Contributions as a Percentage of Covered-Employee Payroll	25.74%	23.61%	22.95%	24.84%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only four years are shown.

Note to Schedule:

Valuation Date:	June 30, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Assets valuation method	Market Value
Discount Rate	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on Age, Service, and type of employment.
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation of 2.75% and an annual production growth of 0.25%.

CITY OF DIXON

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 323,000
Interest on the total OPEB liability	112,000
Changes in assumptions	(388,000)
Benefit payments	(85,000)
Net change in total OPEB liability	(38,000)
Total OPEB liability - beginning	3,663,000
Total OPEB Liability	\$ 3,625,000
Covered-employee payroll	\$ 5,379,180
Total OPEB liability as a percentage of covered-employee payroll	67.39%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule: None

Changes in assumptions: None

CITY OF DIXON

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2018**

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 department 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 between 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 department 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.

For the fiscal year ending June 30, 2018, the following funds had no adopted annual budgets:

- Housing Successor Agency
- Asset Forfeiture
- Community Development
- Agricultural Land Mitigation

Excess Expenditures and Transfers Over Appropriations

The following departments experienced expenditures in excess of appropriations:

<u>Department/Function</u>	<u>Expenditures</u>
General Administration	
Nondepartmental	\$ 22,071
Public Safety	
Fire	174,366
Development	
Planning	153,054
Public Ways and Facilities	
Street Maintenance	2,254

COMBINING FINANCIAL SCHEDULES AND OTHER SUPPLEMENTARY INFORMATION

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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

HOME Loans

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

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).

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.

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.

Road Maintenance & Rehabilitation (RMRA)

This fund is used to account for receipts of Road Maintenance and Rehabilitation apportionments from the State of California and expenditures for projects

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.

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.

Parks 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.

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.

CFD 2013-1 Parklane Construction Fund

This fund is used to account for capital projects related to the CFD 2013-1 Parklane.

Pardi Market Project Fund

This fund is used to track revenues and expenditures related to the Pardi Market Project.

Parkway Blvd Overcrossing Fund

This fund is used to track revenues and expenditures related to the Parkway Boulevard Overcrossing Project.

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

Special Revenue Funds

	HOME Loans	CDBG	Gas Tax	Traffic Safety
Assets:				
Pooled cash and investments	\$ 45,214	\$ 444,883	\$ 250,128	\$ 24,396
Receivables:				
Accounts	-	158	-	-
Taxes	-	-	-	-
Accrued interest	177	241	2,060	89
Grants	-	-	-	-
Due from other governments	-	-	-	3,856
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 45,391	\$ 445,282	\$ 252,188	\$ 28,341
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 224,593	\$ -	\$ 1,565
Accrued liabilities	-	-	540	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	-	224,593	540	1,565
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	45,391	220,689	-	-
Public safety	-	-	-	26,776
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital Projects	-	-	251,648	-
Valley Glen Storm Drainage	-	-	-	-
Assigned to:				
Public works	-	-	-	-
Capital Projects	-	-	-	-
Community development	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	45,391	220,689	251,648	26,776
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 45,391	\$ 445,282	\$ 252,188	\$ 28,341

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	Used Oil Recycling Block Grant	COPS Block Grant	Asset Forfeiture	Landscaping and Lighting Assessment Districts
Assets:				
Pooled cash and investments	\$ 1,086	\$ 161,683	\$ 3,154	\$ 51,594
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	4	684	12	249
Grants	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,090	\$ 162,367	\$ 3,166	\$ 51,843
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,554	\$ 6,654	\$ -	\$ 7,402
Accrued liabilities	-	1,180	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	1,554	7,834	-	7,402
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	154,533	3,166	-
Parks and recreation	-	-	-	44,441
Public works	-	-	-	-
Capital Projects	-	-	-	-
Valley Glen Storm Drainage	-	-	-	-
Assigned to:				
Public works	-	-	-	-
Capital Projects	-	-	-	-
Community development	-	-	-	-
Unassigned	(464)	-	-	-
Total Fund Balances	(464)	154,533	3,166	44,441
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,090	\$ 162,367	\$ 3,166	\$ 51,843

CITY OF DIXON

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds			Capital Projects Funds
	Valley Glen Storm Drain	CFD Pond C	Road Maintenance & Rehabilitation	Capital Improvements
Assets:				
Pooled cash and investments	\$ 846,708	\$ 142,522	\$ 73,216	\$ 86,412
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	16,781	-
Accrued interest	3,246	538	204	969
Grants	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 849,954	\$ 143,060	\$ 90,201	\$ 87,381
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,093	\$ 1,571	\$ -	\$ 3,359
Accrued liabilities	1,062	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	3,155	1,571	-	3,359
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital Projects	-	141,489	90,201	-
Valley Glen Storm Drainage	846,799	-	-	-
Assigned to:				
Public works	-	-	-	-
Capital Projects	-	-	-	84,022
Community development	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	846,799	141,489	90,201	84,022
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 849,954	\$ 143,060	\$ 90,201	\$ 87,381

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

(CONTINUED)

	<u>Capital Projects Funds</u>			
	<u>Community Development</u>	<u>Fire</u>	<u>Police</u>	<u>City Facilities</u>
Assets:				
Pooled cash and investments	\$ 175	\$ 260,644	\$ 116,324	\$ 165,122
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	1	988	441	627
Grants	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 176</u>	<u>\$ 261,632</u>	<u>\$ 116,765</u>	<u>\$ 165,749</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital Projects	-	261,632	116,765	165,749
Valley Glen Storm Drainage	-	-	-	-
Assigned to:				
Public works	-	-	-	-
Capital Projects	-	-	-	-
Community development	176	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>176</u>	<u>261,632</u>	<u>116,765</u>	<u>165,749</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 176</u>	<u>\$ 261,632</u>	<u>\$ 116,765</u>	<u>\$ 165,749</u>

CITY OF DIXON

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Capital Projects Funds			
	Public Works	Storm Drainage	Core Area Drainage	Transit Projects
Assets:				
Pooled cash and investments	\$ 319,772	\$ 106,062	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	1,227	224	-	-
Grants	-	49,254	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 320,999	\$ 155,540	\$ -	\$ -
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 45,296	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	985,001	-	301,622
Total Liabilities	-	1,030,297	-	301,622
Deferred Inflows of Resources:				
Unavailable revenues	-	49,254	-	-
Total Deferred Inflows of Resources	-	49,254	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital Projects	-	-	-	-
Valley Glen Storm Drainage	-	-	-	-
Assigned to:				
Public works	320,999	-	-	-
Capital Projects	-	-	-	-
Community development	-	-	-	-
Unassigned	-	(924,011)	-	(301,622)
Total Fund Balances	320,999	(924,011)	-	(301,622)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 320,999	\$ 155,540	\$ -	\$ -

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

(CONTINUED)

	Capital Projects Funds			
	Recreation Improvements	Parks	Agricultural Land Mitigation	Transportation
Assets:				
Pooled cash and investments	\$ 3,386,376	\$ 1,532,381	\$ 65,291	\$ 3,998,137
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	12,845	5,807	247	14,963
Grants	-	-	-	190,901
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	1,286,623
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 3,399,221	\$ 1,538,188	\$ 65,538	\$ 5,490,624
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 11,885	\$ 2,489	\$ -	\$ 8,192
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	68,873
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	11,885	2,489	-	77,065
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	190,901
Total Deferred Inflows of Resources	-	-	-	190,901
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital Projects	3,387,336	1,535,699	65,538	5,222,658
Valley Glen Storm Drainage	-	-	-	-
Assigned to:				
Public works	-	-	-	-
Capital Projects	-	-	-	-
Community development	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	3,387,336	1,535,699	65,538	5,222,658
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,399,221	\$ 1,538,188	\$ 65,538	\$ 5,490,624

CITY OF DIXON

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Capital Projects Funds			Debt Service Funds
	CFD 2013-1 Parklane Construction	Pardi Market Project	Parkway Blvd Overcrossing	Lease Financing
Assets:				
Pooled cash and investments	\$ -	\$ 26,976	\$ 276,853	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	-	-	1,045	-
Grants	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	588	-	-	-
Total Assets	\$ 588	\$ 26,976	\$ 277,898	\$ -
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 26,976	\$ 37,651	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	105	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	105	26,976	37,651	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	483	-	-	-
Capital Projects	-	-	240,247	-
Valley Glen Storm Drainage	-	-	-	-
Assigned to:				
Public works	-	-	-	-
Capital Projects	-	-	-	-
Community development	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	483	-	240,247	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 588	\$ 26,976	\$ 277,898	\$ -

CITY OF DIXON

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>Total Governmental</u>
Assets:	
Pooled cash and investments	\$ 12,385,109
Receivables:	
Accounts	158
Taxes	16,781
Accrued interest	46,888
Grants	240,155
Due from other governments	3,856
Advances to other funds	1,286,623
Restricted assets:	
Cash and investments with fiscal agents	588
Total Assets	<u>\$ 13,980,158</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:	
Liabilities:	
Accounts payable	\$ 381,280
Accrued liabilities	2,782
Deposits payable	68,873
Due to other funds	105
Advances from other funds	1,286,623
Total Liabilities	<u>1,739,663</u>
Deferred Inflows of Resources:	
Unavailable revenues	240,155
Total Deferred Inflows of Resources	<u>240,155</u>
Fund Balances:	
Restricted for:	
Community development projects	266,080
Public safety	184,475
Parks and recreation	44,441
Public works	483
Capital Projects	11,478,962
Valley Glen Storm Drainage	846,799
Assigned to:	
Public works	320,999
Capital Projects	84,022
Community development	176
Unassigned	<u>(1,226,097)</u>
Total Fund Balances	<u>12,000,340</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,980,158</u>

CITY OF DIXON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	<u>Special Revenue Funds</u>			
	<u>HOME Loans</u>	<u>CDBG</u>	<u>Gas Tax</u>	<u>Traffic Safety</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 417,310	\$ -
Charges for services	-	-	-	-
Use of money and property	368	31,289	3,426	140
Fines and forfeitures	-	-	-	31,871
Developer participation	-	-	-	-
Miscellaneous	1,500	98,179	-	-
Total Revenues	1,868	129,468	420,736	32,011
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	6,174	19,588	-	-
Public works	-	-	166,203	25,375
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	6,174	19,588	166,203	25,375
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,306)	109,880	254,533	6,636
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(211,975)	(481,905)	(1,277)
Total Other Financing Sources (Uses)	-	(211,975)	(481,905)	(1,277)
Net Change in Fund Balances	(4,306)	(102,095)	(227,372)	5,359
Fund Balances, Beginning of Year	49,697	322,784	479,020	21,417
Fund Balances, End of Year	\$ 45,391	\$ 220,689	\$ 251,648	\$ 26,776

CITY OF DIXON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	Used Oil Recycling Block Grant	COPS Block Grant	Asset Forfeiture	Landscaping and Lighting Assessment Districts
Revenues:				
Intergovernmental	\$ 5,358	\$ 139,416	\$ -	\$ -
Charges for services	-	-	-	164,248
Use of money and property	4	1,500	22	510
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	5,362	140,916	22	164,758
Expenditures:				
Current:				
Public safety	-	146,911	-	-
Community development	-	-	-	-
Public works	4,522	-	-	288,352
Capital outlay	-	61,454	-	6,070
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	4,522	208,365	-	294,422
Excess (Deficiency) of Revenues Over (Under) Expenditures	840	(67,449)	22	(129,664)
Other Financing Sources (Uses):				
Transfers in	-	-	-	80,834
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	80,834
Net Change in Fund Balances	840	(67,449)	22	(48,830)
Fund Balances, Beginning of Year	(1,304)	221,982	3,144	93,271
Fund Balances, End of Year	\$ (464)	\$ 154,533	\$ 3,166	\$ 44,441

CITY OF DIXON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			Capital Projects Funds
	Valley Glen Storm Drain	CFD Pond C	Road Maintenance & Rehabilitation	Capital Improvements
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 88,957	\$ -
Charges for services	89,970	70,859	-	-
Use of money and property	6,518	963	(2)	1,717
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	96,488	71,822	88,955	1,717
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	138,755	11,040	-	13,739
Capital outlay	86,971	10,860	-	1,060,426
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	225,726	21,900	-	1,074,165
Excess (Deficiency) of Revenues Over (Under) Expenditures	(129,238)	49,922	88,955	(1,072,448)
Other Financing Sources (Uses):				
Transfers in	-	-	1,246	1,059,729
Transfers out	(4,131)	(886)	-	(56,170)
Total Other Financing Sources (Uses)	(4,131)	(886)	1,246	1,003,559
Net Change in Fund Balances	(133,369)	49,036	90,201	(68,889)
Fund Balances, Beginning of Year	980,168	92,453	-	152,911
Fund Balances, End of Year	\$ 846,799	\$ 141,489	\$ 90,201	\$ 84,022

CITY OF DIXON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

(CONTINUED)

	Capital Projects Funds			
	Community Development	Fire	Police	City Facilities
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	-	177,079	74,470	109,117
Use of money and property	2	1,236	559	790
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	2	178,315	75,029	109,907
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2	178,315	75,029	109,907
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(29,063)	(12,634)	(20,140)
Total Other Financing Sources (Uses)	-	(29,063)	(12,634)	(20,140)
Net Change in Fund Balances	2	149,252	62,395	89,767
Fund Balances, Beginning of Year	174	112,380	54,370	75,982
Fund Balances, End of Year	\$ 176	\$ 261,632	\$ 116,765	\$ 165,749

CITY OF DIXON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Capital Projects Funds			
	Public Works	Storm Drainage	Core Area Drainage	Transit Projects
Revenues:				
Intergovernmental	\$ -	\$ 35,620	\$ -	\$ -
Charges for services	-	-	-	-
Use of money and property	2,263	21	-	-
Fines and forfeitures	-	-	-	-
Developer participation	28,717	56,652	-	-
Miscellaneous	-	-	-	-
Total Revenues	30,980	92,293	-	-
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	6,958
Capital outlay	4,712	84,874	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	4,712	84,874	-	6,958
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,268	7,419	-	(6,958)
Other Financing Sources (Uses):				
Transfers in	-	55,000	1,125	76,202
Transfers out	(16,503)	(2,502)	-	-
Total Other Financing Sources (Uses)	(16,503)	52,498	1,125	76,202
Net Change in Fund Balances	9,765	59,917	1,125	69,244
Fund Balances, Beginning of Year	311,234	(983,928)	(1,125)	(370,866)
Fund Balances, End of Year	\$ 320,999	\$ (924,011)	\$ -	\$ (301,622)

CITY OF DIXON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

(CONTINUED)

	Capital Projects Funds			
	Recreation Improvements	Parks	Agricultural Land Mitigation	Transportation
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 19,105
Charges for services	-	-	-	-
Use of money and property	19,975	11,453	464	47,592
Fines and forfeitures	-	-	-	-
Developer participation	999,219	41,296	-	63,271
Miscellaneous	-	-	-	-
Total Revenues	1,019,194	52,749	464	129,968
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	32,849	358	-	1,246
Capital outlay	157,845	113	-	182,429
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	190,694	471	-	183,675
Excess (Deficiency) of Revenues Over (Under) Expenditures	828,500	52,278	464	(53,707)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(1,303)	-	-	(12,664)
Total Other Financing Sources (Uses)	(1,303)	-	-	(12,664)
Net Change in Fund Balances	827,197	52,278	464	(66,371)
Fund Balances, Beginning of Year	2,560,139	1,483,421	65,074	5,289,029
Fund Balances, End of Year	\$ 3,387,336	\$ 1,535,699	\$ 65,538	\$ 5,222,658

CITY OF DIXON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Capital Projects Funds			Debt Service Funds
	CFD 2013-1 Parklane Construction	Pardi Market Project	Parkway Blvd Overcrossing	Lease Financing
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Use of money and property	4,587	-	2,200	-
Fines and forfeitures	-	-	-	-
Developer participation	-	-	306,378	-
Miscellaneous	-	-	-	-
Total Revenues	4,587	-	308,578	-
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	951,845	-	-	-
Capital outlay	-	108,040	84,956	-
Debt service:				
Principal retirement	-	-	-	233,500
Interest and fiscal charges	-	-	-	31,873
Total Expenditures	951,845	108,040	84,956	265,373
Excess (Deficiency) of Revenues Over (Under) Expenditures	(947,258)	(108,040)	223,622	(265,373)
Other Financing Sources (Uses):				
Transfers in	-	108,040	-	265,373
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	108,040	-	265,373
Net Change in Fund Balances	(947,258)	-	223,622	-
Fund Balances, Beginning of Year	947,741	-	16,625	-
Fund Balances, End of Year	\$ 483	\$ -	\$ 240,247	\$ -

CITY OF DIXON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Total Governmental Funds
Revenues:	
Intergovernmental	\$ 705,766
Charges for services	685,743
Use of money and property	137,597
Fines and forfeitures	31,871
Developer participation	1,495,533
Miscellaneous	99,679
	<hr/>
Total Revenues	3,156,189
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Expenditures:	
Current:	
Public safety	146,911
Community development	25,762
Public works	1,641,242
Capital outlay	1,848,750
Debt service:	
Principal retirement	233,500
Interest and fiscal charges	31,873
	<hr/>
Total Expenditures	3,928,038
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<hr/> (771,849)
	<hr/>
Other Financing Sources (Uses):	
Transfers in	1,647,549
Transfers out	(851,153)
	<hr/>
Total Other Financing Sources (Uses)	796,396
	<hr/>
Net Change in Fund Balances	24,547
	<hr/>
Fund Balances, Beginning of Year	11,975,793
	<hr/>
Fund Balances, End of Year	\$ 12,000,340
	<hr/> <hr/>

CITY OF DIXON

BUDGETARY COMPARISON SCHEDULE
HOME LOANS
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 368	\$ 368
Other revenues	2,000	2,000	1,500	(500)
Total Revenues	2,000	2,000	1,868	(132)
Expenditures:				
Current:				
Community development	-	60,142	6,174	53,968
Total Expenditures	-	60,142	6,174	53,968
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,000	(58,142)	(4,306)	53,836
Net Change in Fund Balances	2,000	(58,142)	(4,306)	53,836
Fund Balances, Beginning of Year	49,697	49,697	49,697	-
Fund Balances, End of Year	\$ 51,697	\$ (8,445)	\$ 45,391	\$ 53,836

CITY OF DIXON

BUDGETARY COMPARISON SCHEDULE
 CDBG
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 6,508	\$ 6,508	\$ 31,289	\$ 24,781
Other revenues	32,815	32,815	98,179	65,364
Total Revenues	39,323	39,323	129,468	90,145
Expenditures:				
Current:				
Community development	3,000	110,555	19,588	90,967
Capital outlay	-	1,306,441	-	1,306,441
Total Expenditures	3,000	1,416,996	19,588	1,397,408
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,323	(1,377,673)	109,880	1,487,553
Other Financing Sources (Uses):				
Transfers in	-	1,187,549	-	(1,187,549)
Transfers out	-	-	(211,975)	(211,975)
Total Other Financing Sources (Uses)	-	1,187,549	(211,975)	(1,399,524)
Net Change in Fund Balances	36,323	(190,124)	(102,095)	88,029
Fund Balances, Beginning of Year	322,784	322,784	322,784	-
Fund Balances, End of Year	\$ 359,107	\$ 132,660	\$ 220,689	\$ 88,029

CITY OF DIXON

BUDGETARY COMPARISON SCHEDULE
 GAS TAX
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 426,800	\$ 426,800	\$ 417,310	\$ (9,490)
Use of money and property	-	-	3,426	3,426
Total Revenues	426,800	426,800	420,736	(6,064)
Expenditures:				
Current:				
Public works	143,320	179,319	166,203	13,116
Total Expenditures	143,320	179,319	166,203	13,116
Excess (Deficiency) of Revenues Over (Under) Expenditures	283,480	247,481	254,533	7,052
Other Financing Sources (Uses):				
Transfers out	(477,162)	(677,162)	(481,905)	195,257
Total Other Financing Sources (Uses)	(477,162)	(677,162)	(481,905)	195,257
Net Change in Fund Balances	(193,682)	(429,681)	(227,372)	202,309
Fund Balances, Beginning of Year	479,020	479,020	479,020	-
Fund Balances, End of Year	\$ 285,338	\$ 49,339	\$ 251,648	\$ 202,309

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC SAFETY
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 140	\$ 140
Fines and forfeitures	15,000	15,000	31,871	16,871
Total Revenues	15,000	15,000	32,011	17,011
Expenditures:				
Current:				
Public works	43,000	43,000	25,375	17,625
Total Expenditures	43,000	43,000	25,375	17,625
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,000)	(28,000)	6,636	34,636
Other Financing Sources (Uses):				
Transfers in	30,000	30,000	-	(30,000)
Transfers out	(1,277)	(1,277)	(1,277)	-
Total Other Financing Sources (Uses)	28,723	28,723	(1,277)	(30,000)
Fund Balances, Beginning of Year	21,417	21,417	21,417	-
Fund Balances, End of Year	\$ 22,140	\$ 22,140	\$ 26,776	\$ 4,636

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
USED OIL RECYCLING BLOCK GRANT
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 5,358	\$ 5,358
Use of money and property	-	-	4	4
Total Revenues	-	-	5,362	5,362
Expenditures:				
Current:				
Public works	4,281	4,281	4,522	(241)
Total Expenditures	4,281	4,281	4,522	(241)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,281)	(4,281)	840	5,121
Net Change in Fund Balances	(4,281)	(4,281)	840	5,121
Fund Balances, Beginning of Year	(1,304)	(1,304)	(1,304)	-
Fund Balances, End of Year	\$ (5,585)	\$ (5,585)	\$ (464)	\$ 5,121

CITY OF DIXON

BUDGETARY COMPARISON SCHEDULE
 COPS BLOCK GRANT
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 114,175	\$ 114,175	\$ 139,416	\$ 25,241
Use of money and property	-	-	1,500	1,500
Total Revenues	114,175	114,175	140,916	26,741
Expenditures:				
Public safety	184,241	190,242	146,911	43,331
Capital outlay	40,000	62,495	61,454	1,041
Total Expenditures	224,241	252,737	208,365	44,372
Excess (Deficiency) of Revenues Over (Under) Expenditures	(110,066)	(138,562)	(67,449)	71,113
Fund Balances, Beginning of Year	221,982	221,982	221,982	-
Fund Balances, End of Year	\$ 111,916	\$ 83,420	\$ 154,533	\$ 71,113

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
LANDSCAPING AND LIGHTING ASSESSMENT DISTRICTS
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 164,272	\$ 164,272	\$ 164,248	\$ (24)
Use of money and property	-	-	510	510
Total Revenues	164,272	164,272	164,758	486
Expenditures:				
Current:				
Public works	227,452	337,852	288,352	49,500
Capital outlay	-	8,000	6,070	1,930
Total Expenditures	227,452	345,852	294,422	51,430
Excess (Deficiency) of Revenues Over (Under) Expenditures	(63,180)	(181,580)	(129,664)	51,916
Other Financing Sources (Uses):				
Transfers in	63,180	88,180	80,834	(7,346)
Total Other Financing Sources (Uses)	63,180	88,180	80,834	(7,346)
Fund Balances, Beginning of Year	93,271	93,271	93,271	-
Fund Balances, End of Year	\$ 93,271	\$ (129)	\$ 44,441	\$ 44,570

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
VALLEY GLEN STORM DRAIN
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 89,965	\$ 89,965	\$ 89,970	\$ 5
Use of money and property	-	-	6,518	6,518
Total Revenues	89,965	89,965	96,488	6,523
Expenditures:				
Current:				
Public works	177,160	177,158	138,755	38,403
Capital outlay	95,000	95,000	86,971	8,029
Total Expenditures	272,160	272,158	225,726	46,432
Excess (Deficiency) of Revenues Over (Under) Expenditures	(182,195)	(182,193)	(129,238)	52,955
Other Financing Sources (Uses):				
Transfers out	(4,131)	(4,131)	(4,131)	-
Total Other Financing Sources (Uses)	(4,131)	(4,131)	(4,131)	-
Fund Balances, Beginning of Year	980,168	980,168	980,168	-
Fund Balances, End of Year	\$ 793,842	\$ 793,844	\$ 846,799	\$ 52,955

CITY OF DIXON

BUDGETARY COMPARISON SCHEDULE
CFD POND C
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 78,400	\$ 78,400	\$ 70,859	\$ (7,541)
Use of money and property	-	-	963	963
Total Revenues	78,400	78,400	71,822	(6,578)
Expenditures:				
Current:				
Public works	123,250	123,250	11,040	112,210
Capital outlay	11,875	11,875	10,860	1,015
Total Expenditures	135,125	135,125	21,900	113,225
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,725)	(56,725)	49,922	106,647
Other Financing Sources (Uses):				
Transfers out	(886)	(886)	(886)	-
Total Other Financing Sources (Uses)	(886)	(886)	(886)	-
Net Change in Fund Balances	(57,611)	(57,611)	49,036	106,647
Fund Balances, Beginning of Year	92,453	92,453	92,453	-
Fund Balances, End of Year	\$ 34,842	\$ 34,842	\$ 141,489	\$ 106,647

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
ROAD MAINTENANCE & REHABILITATION
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 109,762	\$ 88,957	\$ (20,805)
Use of money and property	-	-	(2)	(2)
Total Revenues	-	109,762	88,955	(20,807)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	109,762	88,955	(20,807)
Other Financing Sources (Uses):				
Transfers in	-	200,000	1,246	(198,754)
Total Other Financing Sources (Uses)	-	200,000	1,246	(198,754)
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ 309,762	\$ 90,201	\$ (219,561)

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 1,717	\$ 1,717
Total Revenues	-	-	1,717	1,717
Expenditures:				
Current:				
Public works	-	63,311	13,739	49,572
Capital outlay	75,000	-	1,060,426	(1,060,426)
Total Expenditures	75,000	63,311	1,074,165	(1,010,854)
Excess (Deficiency) of Revenues	(75,000)	(63,311)	(1,072,448)	(1,009,137)
Other Financing Sources (Uses):				
Transfers in	650,651	-	1,059,729	1,059,729
Transfers out	(55,000)	(56,170)	(56,170)	-
Total Other Financing Sources (Uses)	595,651	(56,170)	1,003,559	1,059,729
Net Change in Fund Balances	520,651	(119,481)	(68,889)	50,592
Fund Balances, Beginning of Year	152,911	152,911	152,911	-
Fund Balances, End of Year	\$ 673,562	\$ 33,430	\$ 84,022	\$ 50,592

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
FIRE
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 41,229	\$ 100,000	\$ 177,079	\$ 77,079
Use of money and property	-	-	1,236	1,236
Total Revenues	41,229	100,000	178,315	78,315
Excess (Deficiency) of Revenues Over (Under) Expenditures	41,229	100,000	178,315	78,315
Other Financing Sources (Uses):				
Transfers out	(29,063)	(29,063)	(29,063)	-
Total Other Financing Sources (Uses)	(29,063)	(29,063)	(29,063)	-
Net Change in Fund Balances	12,166	70,937	149,252	78,315
Fund Balances, Beginning of Year	112,380	112,380	112,380	-
Fund Balances, End of Year	\$ 124,546	\$ 183,317	\$ 261,632	\$ 78,315

CITY OF DIXON

BUDGETARY COMPARISON SCHEDULE
 POLICE
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 17,924	\$ 50,000	\$ 74,470	\$ 24,470
Use of money and property	-	-	559	559
Total Revenues	17,924	50,000	75,029	25,029
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,924	50,000	75,029	25,029
Other Financing Sources (Uses):				
Transfers out	(12,634)	(12,634)	(12,634)	-
Total Other Financing Sources (Uses)	(12,634)	(12,634)	(12,634)	-
Net Change in Fund Balances	5,290	37,366	62,395	25,029
Fund Balances, Beginning of Year	54,370	54,370	54,370	-
Fund Balances, End of Year	\$ 59,660	\$ 91,736	\$ 116,765	\$ 25,029

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
CITY FACILITIES
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 26,262	\$ 60,000	\$ 109,117	\$ 49,117
Use of money and property	-	-	790	790
Total Revenues	26,262	60,000	109,907	49,907
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,262	60,000	109,907	49,907
Other Financing Sources (Uses):				
Transfers out	(20,140)	(20,140)	(20,140)	-
Total Other Financing Sources (Uses)	(20,140)	(20,140)	(20,140)	-
Net Change in Fund Balances	6,122	39,860	89,767	49,907
Fund Balances, Beginning of Year	75,982	75,982	75,982	-
Fund Balances, End of Year	\$ 82,104	\$ 115,842	\$ 165,749	\$ 49,907

CITY OF DIXON

BUDGETARY COMPARISON SCHEDULE
 PUBLIC WORKS
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 2,263	\$ 2,263
Developer participation	6,913	20,288	28,717	8,429
Total Revenues	6,913	20,288	30,980	10,692
Expenditures:				
Capital outlay	90,000	90,000	4,712	85,288
Total Expenditures	90,000	90,000	4,712	85,288
Excess (Deficiency) of Revenues Over (Under) Expenditures	(83,087)	(69,712)	26,268	95,980
Other Financing Sources (Uses):				
Transfers out	(16,503)	(16,503)	(16,503)	-
Total Other Financing Sources (Uses)	(16,503)	(16,503)	(16,503)	-
Net Change in Fund Balances	(99,590)	(86,215)	9,765	95,980
Fund Balances, Beginning of Year	311,234	311,234	311,234	-
Fund Balances, End of Year	\$ 211,644	\$ 225,019	\$ 320,999	\$ 95,980

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
STORM DRAINAGE
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 525,404	\$ 35,620	\$ (489,784)
Use of money and property	-	-	21	21
Developer participation	15,000	10,000	56,652	46,652
Total Revenues	15,000	535,404	92,293	(443,111)
Expenditures:				
Current:				
Public works	55,000	55,000	-	55,000
Capital outlay	-	525,404	84,874	440,530
Total Expenditures	55,000	580,404	84,874	495,530
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,000)	(45,000)	7,419	52,419
Other Financing Sources (Uses):				
Transfers in	55,000	55,000	55,000	-
Transfers out	(2,502)	(2,502)	(2,502)	-
Total Other Financing Sources (Uses)	52,498	52,498	52,498	-
Net Change in Fund Balances	12,498	7,498	59,917	52,419
Fund Balances, Beginning of Year	(983,928)	(983,928)	(983,928)	-
Fund Balances, End of Year	\$ (971,430)	\$ (976,430)	\$ (924,011)	\$ 52,419

CITY OF DIXON

BUDGETARY COMPARISON SCHEDULE
 CORE AREA DRAINAGE
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Transfers in	\$ -	\$ 1,125	\$ 1,125	\$ -
Total Other Financing Sources (Uses)	-	1,125	1,125	-
Net Change in Fund Balances	-	1,125	1,125	-
Fund Balances, Beginning of Year	(1,125)	(1,125)	(1,125)	-
Fund Balances, End of Year	\$ (1,125)	\$ -	\$ -	\$ -

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
TRANSIT PROJECTS
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Public works	\$ 72,658	\$ 72,658	\$ 6,958	\$ 65,700
Total Expenditures	72,658	72,658	6,958	65,700
Excess (Deficiency) of Revenues Over (Under) Expenditures	(72,658)	(72,658)	(6,958)	65,700
Other Financing Sources (Uses):				
Transfers in	72,658	72,703	76,202	3,499
Total Other Financing Sources (Uses)	72,658	72,703	76,202	3,499
Net Change in Fund Balances	-	45	69,244	69,199
Fund Balances, Beginning of Year	(370,866)	(370,866)	(370,866)	-
Fund Balances, End of Year	\$ (370,866)	\$ (370,821)	\$ (301,622)	\$ 69,199

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
RECREATION IMPROVEMENTS
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 19,975	\$ 19,975
Developer participation	227,490	471,155	999,219	528,064
Total Revenues	227,490	471,155	1,019,194	548,039
Expenditures:				
Current:				
Public works	-	34,000	32,849	1,151
Capital outlay	327,000	437,000	157,845	279,155
Total Expenditures	327,000	471,000	190,694	280,306
Excess (Deficiency) of Revenues Over (Under) Expenditures	(99,510)	155	828,500	828,345
Other Financing Sources (Uses):				
Transfers out	(1,303)	(1,303)	(1,303)	-
Total Other Financing Sources (Uses)	(1,303)	(1,303)	(1,303)	-
Net Change in Fund Balances	(100,813)	(1,148)	827,197	828,345
Fund Balances, Beginning of Year	2,560,139	2,560,139	2,560,139	-
Fund Balances, End of Year	\$ 2,459,326	\$ 2,558,991	\$ 3,387,336	\$ 828,345

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
PARKS
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 11,453	\$ 11,453
Developer participation	69,000	169,865	41,296	(128,569)
Total Revenues	69,000	169,865	52,749	(117,116)
Expenditures:				
Current:				
Public works	-	-	358	(358)
Capital outlay	-	-	113	(113)
Total Expenditures	-	-	471	(471)
Excess (Deficiency) of Revenues Over (Under) Expenditures	69,000	169,865	52,278	(117,587)
Net Change in Fund Balances	69,000	169,865	52,278	(117,587)
Fund Balances, Beginning of Year	1,483,421	1,483,421	1,483,421	-
Fund Balances, End of Year	\$ 1,552,421	\$ 1,653,286	\$ 1,535,699	\$ (117,587)

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
 TRANSPORTATION
 YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 340,448	\$ 19,105	\$ (321,343)
Use of money and property	84,658	84,658	47,592	(37,066)
Developer participation	94,823	95,023	63,271	(31,752)
Total Revenues	179,481	520,129	129,968	(390,161)
Expenditures:				
Current:				
Public works	315,000	329,279	1,246	328,033
Capital outlay	110,000	618,084	182,429	435,655
Total Expenditures	425,000	947,363	183,675	763,688
Excess (Deficiency) of Revenues Over (Under) Expenditures	(245,519)	(427,234)	(53,707)	373,527
Other Financing Sources (Uses):				
Transfers in	200,000	-	-	-
Transfers out	(12,664)	(12,664)	(12,664)	-
Total Other Financing Sources (Uses)	187,336	(12,664)	(12,664)	-
Net Change in Fund Balances	(58,183)	(439,898)	(66,371)	373,527
Fund Balances, Beginning of Year	5,289,029	5,289,029	5,289,029	-
Fund Balances, End of Year	\$ 5,230,846	\$ 4,849,131	\$ 5,222,658	\$ 373,527

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
CFD 2013-1 PARKLANE CONSTRUCTION
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 4,587	\$ 4,587
Total Revenues	-	-	4,587	4,587
Expenditures:				
Current:				
Public works	-	914,766	951,845	(37,079)
Total Expenditures	-	914,766	951,845	(37,079)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(914,766)	(947,258)	(32,492)
Net Change in Fund Balances	-	(914,766)	(947,258)	(32,492)
Fund Balances, Beginning of Year	947,741	947,741	947,741	-
Fund Balances, End of Year	\$ 947,741	\$ 32,975	\$ 483	\$ (32,492)

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
PARDI MARKET PROJECT
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General government	\$ -	\$ 550,551	\$ -	\$ 550,551
Capital outlay	-	175,670	108,040	67,630
Total Expenditures	-	726,221	108,040	618,181
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(726,221)	(108,040)	618,181
Other Financing Sources (Uses):				
Transfers in	-	776,221	108,040	(668,181)
Total Other Financing Sources (Uses)	-	776,221	108,040	(668,181)
Net Change in Fund Balances	-	50,000	-	(50,000)
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ 50,000	\$ -	\$ (50,000)

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
 PARKWAY BLVD OVERCROSSING
 YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 2,200	\$ 2,200
Developer participation	-	160,000	306,378	146,378
Total Revenues	-	160,000	308,578	148,578
Expenditures:				
Capital outlay	-	968,633	84,956	883,677
Total Expenditures	-	968,633	84,956	883,677
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(808,633)	223,622	1,032,255
Net Change in Fund Balances	-	(808,633)	223,622	1,032,255
Fund Balances, Beginning of Year	16,625	16,625	16,625	-
Fund Balances, End of Year	\$ 16,625	\$ (792,008)	\$ 240,247	\$ 1,032,255

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
CFD 2015-1 VALLEY GLEN II CONSTRUCTION
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 11,005	\$ 11,005
Developer participation	-	4,054,095	4,054,102	7
Total Revenues	-	4,054,095	4,065,107	11,012
Expenditures:				
Current:				
Public works	-	4,054,095	4,064,624	(10,529)
Total Expenditures	-	4,054,095	4,064,624	(10,529)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	483	483
Net Change in Fund Balances	-	-	483	483
Fund Balances, End of Year	\$ -	\$ -	\$ 483	\$ 483

CITY OF DIXON

**BUDGETARY COMPARISON SCHEDULE
LEASE FINANCING
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Debt service:				
Principal retirement	\$ 233,500	\$ 233,500	\$ 233,500	\$ -
Interest and fiscal charges	31,873	31,873	31,873	-
Total Expenditures	265,373	265,373	265,373	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(265,373)	(265,373)	(265,373)	-
Other Financing Sources (Uses):				
Transfers in	265,373	265,373	265,373	-
Total Other Financing Sources (Uses)	265,373	265,373	265,373	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

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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:

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.

CFD 2013-1 Parklane Debt Service

This fund is used to account for the activities of the 2013-1 Parklane Community Facilities District.

CFD 2015-1 Valley Glen II Debt

This fund is used to account for the activities of the 2015-1 Valley Glen Community Facilities District

CITY OF DIXON

COMBINING STATEMENT OF ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 JUNE 30, 2018

	North First Street Improvement District	Flexible Spending Account	Dixon Fire Protection Agency
Assets:			
Pooled cash and investments	\$ 1,185,370	\$ 4,352	\$ 706,793
Receivables:			
Accrued interest	4,451	-	2,633
Due from other governments	-	-	6,559
Cash and investments with fiscal agents	-	-	-
Total Assets	\$ 1,189,821	\$ 4,352	\$ 715,985
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 1,954
Accrued liabilities	-	4,352	-
Agency obligations	1,189,821	-	714,031
Total Liabilities	\$ 1,189,821	\$ 4,352	\$ 715,985

CITY OF DIXON

COMBINING STATEMENT OF ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 JUNE 30, 2018

	Public Financing Assessment District	CFD 2013-1 Parklane Debt Service	CFD 2015-1 Valley Glen II Debt	Totals
Assets:				
Pooled cash and investments	\$ 400,372	\$ 239,362	\$ 86,837	\$ 2,623,086
Receivables:				
Accrued interest	1,510	877	324	9,795
Due from other governments	-	-	-	6,559
Cash and investments with fiscal agents	916,336	661,731	376,191	1,954,258
Total Assets	\$ 1,318,218	\$ 901,970	\$ 463,352	\$ 4,593,698
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,954
Accrued liabilities	-	-	-	4,352
Agency obligations	1,318,218	901,970	463,352	4,587,392
Total Liabilities	\$ 1,318,218	\$ 901,970	\$ 463,352	\$ 4,593,698

CITY OF DIXON

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<u>North First Street Improvement District</u>				
Assets:				
Pooled cash and investments	\$ 1,181,511	\$ 769,415	\$ 765,556	\$ 1,185,370
Receivables:				
Accrued interest	2,989	4,451	2,989	4,451
Total Assets	<u>\$ 1,184,500</u>	<u>\$ 773,866</u>	<u>\$ 768,545</u>	<u>\$ 1,189,821</u>
Liabilities:				
Accounts payable	\$ 21,395	\$ -	\$ 21,395	\$ -
Due to external parties/other agencies	1,163,105	773,866	747,150	1,189,821
Total Liabilities	<u>\$ 1,184,500</u>	<u>\$ 773,866</u>	<u>\$ 768,545</u>	<u>\$ 1,189,821</u>
<u>Flexible Spending Account</u>				
Assets:				
Pooled cash and investments	\$ 2,402	\$ 49,502	\$ 47,552	\$ 4,352
Total Assets	<u>\$ 2,402</u>	<u>\$ 49,502</u>	<u>\$ 47,552</u>	<u>\$ 4,352</u>
Liabilities:				
Accrued liabilities	\$ 2,402	\$ 49,502	\$ 47,552	\$ 4,352
Total Liabilities	<u>\$ 2,402</u>	<u>\$ 49,502</u>	<u>\$ 47,552</u>	<u>\$ 4,352</u>
<u>Dixon Fire Protection Agency</u>				
Assets:				
Pooled cash and investments	\$ 732,302	\$ 891,852	\$ 917,361	\$ 706,793
Receivables:				
Accrued interest	1,820	2,629	1,816	2,633
Due from other governments	-	6,693	134	6,559
Total Assets	<u>\$ 734,122</u>	<u>\$ 901,174</u>	<u>\$ 919,311</u>	<u>\$ 715,985</u>
Liabilities:				
Accounts payable	\$ -	\$ 36,618	\$ 34,664	\$ 1,954
Due to external parties/other agencies	734,122	-	20,091	714,031
Total Liabilities	<u>\$ 734,122</u>	<u>\$ 36,618</u>	<u>\$ 54,755</u>	<u>\$ 715,985</u>

CITY OF DIXON

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<u>Public Financing Assessment District</u>				
Assets:				
Pooled cash and investments	\$ 200	\$ 666,892	\$ 266,720	\$ 400,372
Receivables:				
Accrued interest	-	1,510	-	1,510
Restricted assets:				
Cash and investments with fiscal agents	1,251,746	265,443	600,853	916,336
Total Assets	\$ 1,251,946	\$ 933,845	\$ 867,573	\$ 1,318,218
Liabilities:				
Accounts payable	\$ 200	\$ 9,753	\$ 9,953	\$ -
Due to external parties/other agencies	1,251,746	924,092	857,620	1,318,218
Total Liabilities	\$ 1,251,946	\$ 933,845	\$ 867,573	\$ 1,318,218
<u>CFD 2013-1 Parklane Debt Service</u>				
Assets:				
Pooled cash and investments	\$ 220,767	\$ 421,295	\$ 402,700	\$ 239,362
Receivables:				
Accrued interest	528	877	528	877
Restricted assets:				
Cash and investments with fiscal agents	655,254	394,428	387,951	661,731
Total Assets	\$ 876,549	\$ 816,600	\$ 791,179	\$ 901,970
Liabilities:				
Accounts payable	\$ 700	\$ 9,725	\$ 10,425	\$ -
Due to external parties/other agencies	875,849	806,875	780,754	901,970
Total Liabilities	\$ 876,549	\$ 816,600	\$ 791,179	\$ 901,970
<u>CFD 2015-1 Valley Glen II Debt</u>				
Assets:				
Pooled cash and investments	\$ -	\$ 94,598	\$ 7,761	\$ 86,837
Receivables:				
Accrued interest	-	324	-	324
Restricted assets:				
Cash and investments with fiscal agents	-	4,657,616	4,281,425	376,191
Total Assets	\$ -	\$ 4,752,538	\$ 4,289,186	\$ 463,352
Liabilities:				
Accounts payable	\$ -	\$ 7,293	\$ 7,293	\$ -
Accrued liabilities	-	4,745,245	4,281,893	463,352
Due to external parties/other agencies	-	-	-	-
Total Liabilities	\$ -	\$ 9,505,076	\$ 8,578,372	\$ 926,704

CITY OF DIXON

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 2,137,182	\$ 2,893,554	\$ 2,407,650	\$ 2,623,086
Receivables:				
Accrued interest	5,337	9,791	5,333	9,795
Due from other governments	-	6,693	134	6,559
Restricted assets:				
Cash and investments with fiscal agents	1,907,000	5,317,487	5,270,229	1,954,258
Total Assets	<u>\$ 4,049,519</u>	<u>\$ 8,227,525</u>	<u>\$ 7,683,346</u>	<u>\$ 4,593,698</u>
Liabilities:				
Accounts payable	\$ 22,295	\$ 56,096	\$ 76,437	\$ 1,954
Accrued liabilities	2,402	56,795	54,845	4,352
Due to external parties/other agencies	4,024,822	7,250,078	6,687,508	4,587,392
Total Liabilities	<u>\$ 4,049,519</u>	<u>\$ 7,362,969</u>	<u>\$ 6,818,790</u>	<u>\$ 4,593,698</u>

GENERAL FUNDS

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

General Fund

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

Contingency Fund

This fund is used 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. Building Standards Administration fees and other onetime 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 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.

Technology Replacement Fund

This fund was established to provide technology replacement reserves. 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.

Community Support

This fund was established to reserve funds available for community support. It is funded by 10% of the monthly lease revenues from the electronic sign.

OPEB Reserve Fund

This fund was established to provide reserves to offset future other post-employment costs. It is funded by a transfer from the general fund.

GENERAL FUNDS (CONTINUED)

User Technology Fee

This fund is used to account for user fees collected from building permit customers. The purpose of the fee is to fund a permit tracking system.

Public Benefit

This fund is used to account for revenues and enforcement expenses related to cannabis business and expenses identified as a public benefit.

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CITY OF DIXON

COMBINING BALANCE SHEET
 GENERAL FUNDS
 JUNE 30, 2018

	General	Contingency	Council Discretion	Recreation
Assets:				
Pooled cash and investments	\$ 8,870,809	\$ 1,602,765	\$ 240,534	\$ 3,086
Receivables:				
Accounts	39,647	-	-	205
Taxes	1,722,555	-	-	-
Accrued interest	33,742	6,620	859	11
Grants	5,117	-	-	-
Prepaid costs	734,281	-	-	-
Due from other governments	526,298	-	-	-
Due from other funds	-	106,465	-	-
Advances to other funds	22,728	-	-	-
Inventories	1,457	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Total Assets	\$ 11,956,634	\$ 1,715,850	\$ 241,393	\$ 3,302
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 735,588	\$ -	\$ 15,705	\$ 3,302
Accrued liabilities	89,601	-	-	-
Deposits payable	246,638	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	1,071,827	-	15,705	3,302
Deferred Inflows of Resources:				
Unavailable revenues	515,255	-	-	-
Total Deferred Inflows of Resources	515,255	-	-	-
Fund Balances:				
Nonspendable:				
Inventory	1,457	-	-	-
Prepaid costs	734,281	-	-	-
Advances to other funds	22,728	-	-	-
Restricted for:				
Restricted contributions	980	-	-	-
Assigned to:				
PERS stabilization	-	-	-	-
Building reserve	-	-	-	-
Equipment replacement	-	-	-	-
Infrastructure reserve	-	-	-	-
OPEB reserve	-	-	-	-
Technology Replacement	-	-	-	-
Unassigned	9,610,106	1,715,850	225,688	-
Total Fund Balances	10,369,552	1,715,850	225,688	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,956,634	\$ 1,715,850	\$ 241,393	\$ 3,302

CITY OF DIXON

COMBINING BALANCE SHEET
GENERAL FUNDS
JUNE 30, 2018

(CONTINUED)

	Planning Agreements	Equipment Replacement	Building Reserve	Infrastructure Reserve
Assets:				
Pooled cash and investments	\$ 1,476	\$ 453,646	\$ 141,304	\$ 221,290
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	718	1,820	490	839
Grants	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Inventories	-	-	-	-
Restricted assets:				
Cash and investments	194,651	-	-	-
Total Assets	\$ 196,845	\$ 455,466	\$ 141,794	\$ 222,129
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 18,125	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	162,469	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	180,594	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Inventory	-	-	-	-
Prepaid costs	-	-	-	-
Advances to other funds	-	-	-	-
Restricted for:				
Restricted contributions	-	-	-	-
Assigned to:				
PERS stabilization	-	-	-	-
Building reserve	-	-	141,794	-
Equipment replacement	-	455,466	-	-
Infrastructure reserve	-	-	-	222,129
OPEB reserve	-	-	-	-
Technology Replacement	-	-	-	-
Unassigned	16,251	-	-	-
Total Fund Balances	16,251	455,466	141,794	222,129
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 196,845	\$ 455,466	\$ 141,794	\$ 222,129

CITY OF DIXON

COMBINING BALANCE SHEET
GENERAL FUNDS
JUNE 30, 2018

	Technology Replacement	PERS Stabilization Fund	Community Support	OPEB Reserve
Assets:				
Pooled cash and investments	\$ 80,596	\$ 142,134	\$ 19,748	\$ 1,256,411
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	268	539	75	4,761
Grants	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Inventories	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Total Assets	\$ 80,864	\$ 142,673	\$ 19,823	\$ 1,261,172
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Inventory	-	-	-	-
Prepaid costs	-	-	-	-
Advances to other funds	-	-	-	-
Restricted for:				
Restricted contributions	-	-	-	-
Assigned to:				
PERS stabilization	-	142,673	-	-
Building reserve	-	-	-	-
Equipment replacement	-	-	-	-
Infrastructure reserve	-	-	-	-
OPEB reserve	-	-	-	1,261,172
Technology Replacement	80,864	-	-	-
Unassigned	-	-	19,823	-
Total Fund Balances	80,864	142,673	19,823	1,261,172
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 80,864	\$ 142,673	\$ 19,823	\$ 1,261,172

CITY OF DIXON

COMBINING BALANCE SHEET
 GENERAL FUNDS
 JUNE 30, 2018

	Public Benefit	User Technology Fee	Total General Funds
Assets:			
Pooled cash and investments	\$ -	\$ 56,790	\$ 13,090,589
Receivables:			
Accounts	12,562	-	52,414
Taxes	-	-	1,722,555
Accrued interest	-	259	51,001
Grants	-	-	5,117
Prepaid costs	-	-	734,281
Due from other governments	-	-	526,298
Due from other funds	-	-	106,465
Advances to other funds	-	-	22,728
Inventories	-	-	1,457
Restricted assets:			
Cash and investments	-	-	194,651
Total Assets	\$ 12,562	\$ 57,049	\$ 16,507,556
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 7,581	\$ 500	\$ 780,801
Accrued liabilities	-	-	89,601
Deposits payable	-	-	409,107
Due to other funds	106,360	-	106,360
Advances from other funds	-	22,728	22,728
Total Liabilities	113,941	23,228	1,408,597
Deferred Inflows of Resources:			
Unavailable revenues	-	-	515,255
Total Deferred Inflows of Resources	-	-	515,255
Fund Balances:			
Nonspendable:			
Inventory	-	-	1,457
Prepaid costs	-	-	734,281
Advances to other funds	-	-	22,728
Restricted for:			
Restricted contributions	-	-	980
Assigned to:			
PERS stabilization	-	-	142,673
Building reserve	-	-	141,794
Equipment replacement	-	-	455,466
Infrastructure reserve	-	-	222,129
OPEB reserve	-	-	1,261,172
Technology Replacement	-	-	80,864
Unassigned	(101,379)	33,821	11,520,160
Total Fund Balances	(101,379)	33,821	14,583,704
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,562	\$ 57,049	\$ 16,507,556

CITY OF DIXON

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUNDS
YEAR ENDED JUNE 30, 2018

	General	Contingency	Council Discretion	Recreation
Revenues:				
Taxes	\$ 14,150,865	\$ -	\$ -	\$ -
Assessments	313,825	-	-	-
Licenses and permits	364,451	-	70,619	-
Intergovernmental	1,534,236	-	-	-
Charges for services	1,709,077	-	-	50,409
Use of money and property	233,396	12,614	1,772	62
Contributions	524,721	-	-	-
Miscellaneous	284,867	-	-	500
Total Revenues	19,115,438	12,614	72,391	50,971
Expenditures:				
Current:				
General government	3,391,381	-	-	-
Public safety	8,970,767	-	-	-
Community development	483,151	-	-	-
Parks and recreation	1,957,796	-	-	38,947
Public works	1,616,063	-	-	-
Capital outlay	425,810	-	110,576	-
Total Expenditures	16,844,968	-	110,576	38,947
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,270,470	12,614	(38,185)	12,024
Other Financing Sources (Uses):				
Transfers in	932,846	-	39,956	5,099
Transfers out	(1,014,351)	(39,956)	-	(17,189)
Proceeds from sale of capital asset	156,349	-	-	-
Total Other Financing Sources (Uses)	74,844	(39,956)	39,956	(12,090)
Net Change in Fund Balances	2,345,314	(27,342)	1,771	(66)
Fund Balances, Beginning of Year	8,024,238	1,743,192	223,917	66
Fund Balances, End of Year	\$ 10,369,552	\$ 1,715,850	\$ 225,688	\$ -

CITY OF DIXON

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUNDS
YEAR ENDED JUNE 30, 2018

(CONTINUED)

	Planning Agreements	Equipment Replacement	Building Reserve	Infrastructure Reserve
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	991	3,353	909	1,589
Contributions	-	4,704	-	-
Miscellaneous	152,289	5,863	-	-
Total Revenues	153,280	13,920	909	1,589
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	201,636	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	201,636	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,356)	13,920	909	1,589
Other Financing Sources (Uses):				
Transfers in	16,652	-	50,000	-
Transfers out	-	(28,679)	(20,047)	(13,836)
Proceeds from sale of capital asset	-	-	-	-
Total Other Financing Sources (Uses)	16,652	(28,679)	29,953	(13,836)
Net Change in Fund Balances	(31,704)	(14,759)	30,862	(12,247)
Fund Balances, Beginning of Year	47,955	470,225	110,932	234,376
Fund Balances, End of Year	\$ 16,251	\$ 455,466	\$ 141,794	\$ 222,129

CITY OF DIXON

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUNDS
YEAR ENDED JUNE 30, 2018

	Technology Replacement	PERS Stabilization Fund	Community Support	OPEB Reserve
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	699	1,011	12,114	7,726
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	699	1,011	12,114	7,726
Expenditures:				
Current:				
General government	-	-	10,500	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	10,500	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	699	1,011	1,614	7,726
Other Financing Sources (Uses):				
Transfers in	40,000	-	-	250,000
Transfers out	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total Other Financing Sources (Uses)	40,000	-	-	250,000
Net Change in Fund Balances	40,699	1,011	1,614	257,726
Fund Balances, Beginning of Year	40,165	141,662	18,209	1,003,446
Fund Balances, End of Year	\$ 80,864	\$ 142,673	\$ 19,823	\$ 1,261,172

CITY OF DIXON

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUNDS
YEAR ENDED JUNE 30, 2018

	<u>Public Benefit</u>	<u>User Technology Fee</u>	<u>Total General Funds</u>
Revenues:			
Taxes	\$ -	\$ -	\$ 14,150,865
Assessments	-	-	313,825
Licenses and permits	-	31,270	466,340
Intergovernmental	-	-	1,534,236
Charges for services	12,562	-	1,772,048
Use of money and property	-	425	276,661
Contributions	-	-	529,425
Miscellaneous	-	-	443,519
Total Revenues	12,562	31,695	19,486,919
Expenditures:			
Current:			
General government	61,589	-	3,463,470
Public safety	52,352	-	9,023,119
Community development	-	17,322	702,109
Parks and recreation	-	-	1,996,743
Public works	-	-	1,616,063
Capital outlay	-	-	536,386
Total Expenditures	113,941	17,322	17,337,890
Excess (Deficiency) of Revenues Over (Under) Expenditures	(101,379)	14,373	2,149,029
Other Financing Sources (Uses):			
Transfers in	-	-	1,334,553
Transfers out	-	-	(1,134,058)
Proceeds from sale of capital asset	-	-	156,349
Total Other Financing Sources (Uses)	-	-	356,844
Net Change in Fund Balances	(101,379)	14,373	2,505,873
Fund Balances, Beginning of Year	-	19,448	12,077,831
Fund Balances, End of Year	\$ (101,379)	\$ 33,821	\$ 14,583,704

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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.

Contents	Pages
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.	151-155
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.	156-162
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.	163-167
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.	168-169
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.	170-172

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	Fiscal Year		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
					<u>2013</u>	<u>2014</u>				
Governmental activities										
Net Invested in Capital Assets	\$ 142,637	\$ 139,561	\$ 136,806	\$ 138,640	\$ 135,804	\$ 133,405	\$ 130,072	\$ 126,419	\$ 123,481	\$ 120,593
Restricted	2,509	3,396	4,502	1,715	1,843	2,073	9,024	15,217	12,948	12,901
Unrestricted	17,525	13,097	10,970	9,103	10,024	10,507	(9,007)	(8,679)	(4,444)	(3,373)
Total Governmental Activities Net Position	<u>\$ 162,671</u>	<u>\$ 156,054</u>	<u>\$ 152,278</u>	<u>\$ 149,458</u>	<u>\$ 147,671</u>	<u>\$ 145,985</u>	<u>130,089</u>	<u>132,957</u>	<u>131,985</u>	<u>130,121</u>
Business-type activities										
Net Invested in Capital Assets	\$ 54,387	\$ 52,792	\$ 41,823	\$ 40,780	\$ 39,759	\$ 39,561	\$ 55,385	\$ 53,344	\$ 51,835	\$ 51,245
Restricted	182	196	195	-	-	-	752	752	752	752
Unrestricted	2,579	2,853	2,967	3,459	4,186	3,480	4,930	7,119	9,640	9,635
Total Business-Type Activities Net Position	<u>\$ 57,148</u>	<u>\$ 55,841</u>	<u>\$ 44,985</u>	<u>\$ 44,239</u>	<u>\$ 43,945</u>	<u>\$ 43,041</u>	<u>\$ 61,067</u>	<u>\$ 61,215</u>	<u>\$ 62,227</u>	<u>\$ 61,632</u>
Primary government										
Net Invested in Capital Assets	\$ 197,024	\$ 192,353	\$ 178,629	\$ 179,420	\$ 175,563	\$ 172,966	\$ 185,457	\$ 179,763	\$ 175,316	\$ 171,839
Restricted	2,691	3,592	4,697	1,715	1,843	2,073	9,776	15,969	13,700	13,653
Unrestricted	20,104	15,950	13,937	12,562	14,210	13,987	(4,077)	(1,560)	5,196	6,261
Total Primary Government Net Position	<u>\$ 219,819</u>	<u>\$ 211,895</u>	<u>\$ 197,263</u>	<u>\$ 193,697</u>	<u>\$ 191,616</u>	<u>\$ 189,026</u>	<u>\$ 191,156</u>	<u>\$ 194,172</u>	<u>\$ 194,212</u>	<u>\$ 191,753</u>

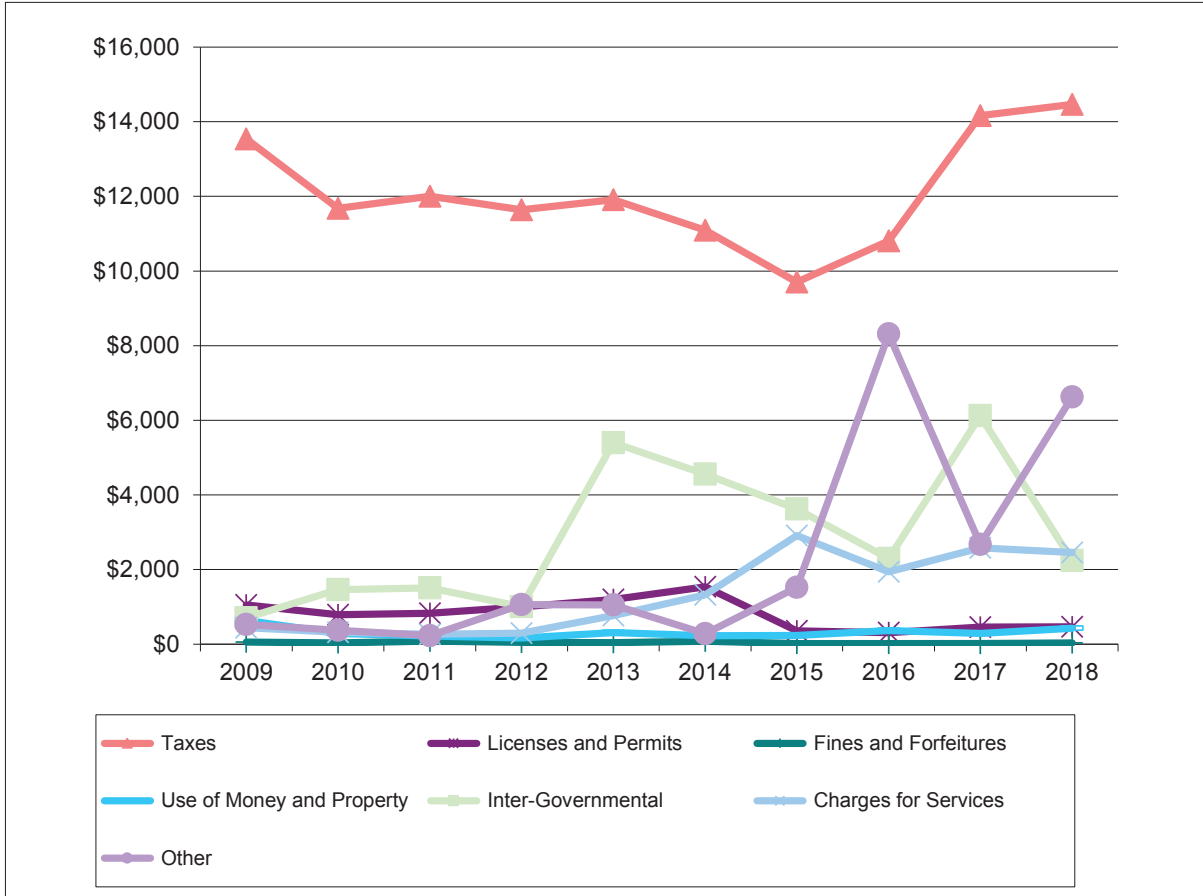
Source: City of Dixon Finance

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General government	\$ 2,323	\$ 3,130	\$ 2,482	\$ 1,741	\$ 2,022	\$ 2,114	\$ 2,902	2,941	2,904	3,366
Public safety	7,961	7,832	7,566	7,425	7,569	7,924	7,997	8,033	8,057	10,365
Public ways and facilities	2,394	5,396	4,782	2,188	2,155	4,547	4,790	7,393	9,742	11,737
Parks and recreation	2,426	2,361	2,197	1,203	5,093	2,093	2,120	2,350	2,491	2,706
Development	5,186	3,553	1,649	4,720	4,798	4,539	4,331	988	4,170	740
Interest and fiscal charges	428	405	384	401	78	60	51	45	37	30
Transfers out	-	-	-	-	-	-	-	-	-	-
Total government activity expenses	\$ 20,718	\$ 22,677	\$ 19,060	\$ 17,678	\$ 21,715	\$ 21,277	\$ 22,191	\$ 21,750	\$ 27,401	\$ 28,944
Business-type activities:										
Sewer	\$ 3,066	\$ 2,938	\$ 2,904	\$ 3,005	\$ 2,777	\$ 2,714	\$ 3,217	2,937	3,145	4,646
Water	830	882	131	-	-	68	2,088	1,711	1,883	2,052
Transit	638	569	624	741	675	632	688	692	658	1,184
Transfers out	305	308	-	-	-	-	-	-	-	-
Total business-type activities expenses	4,839	4,697	3,659	3,746	3,452	3,414	5,993	5,340	5,685	7,882
Total primary government expenses	\$ 25,557	\$ 27,374	\$ 22,719	\$ 21,424	\$ 25,167	\$ 24,691	\$ 28,184	\$ 27,090	\$ 33,087	\$ 36,826
Program Revenues										
Charges for Services										
General government	\$ 155	\$ 226	\$ 288	\$ 204	\$ 488	\$ 501	\$ 299	213	289	456
Public safety	707	663	722	940	937	1,058	1,089	989	1,007	1,248
Parks and recreation	333	186	129	584	781	778	1,338	471	1,408	1,218
Development	180	175	74	252	243	124	1,540	414	3,680	14
Public ways and facilities	222	88	94	242	226	651	1,134	987	2,114	1,819
Operating grants	505	854	202	201	372	277	3,903	1,237	1,378	1,154
Capital grants	853	1,413	1,202	958	4,979	4,384	71	7,070	41	4,424
Total governmental activities	2,955	3,605	2,711	3,381	8,026	7,773	9,374	11,381	9,917	10,333
Business-type activities:										
Charges for services	2,358	2,743	2,490	2,681	2,785	2,515	4,336	4,827	5,570	6,485
Operating grants and contributions	669	544	532	592	540	554	539	-	-	793
Capital grants and contributions	-	57	284	3	18	-	189	654	617	145
Transfers In	-	-	-	-	-	-	-	-	-	-
Total business-type activities	3,027	3,344	3,306	3,276	3,343	3,069	5,064	5,481	6,188	7,423
Total primary government	\$ 5,982	\$ 6,949	\$ 6,017	\$ 6,657	\$ 11,369	\$ 10,842	\$ 14,438	\$ 16,862	\$ 16,105	\$ 17,756
Net (Expense)/Revenue										
Governmental activities	\$ (17,763)	\$ (19,072)	\$ (16,349)	\$ (14,297)	\$ (13,689)	\$ (13,504)	\$ (12,817)	\$ (10,369)	\$ (17,484)	\$ (18,610)
Business-type activities	(1,812)	(1,353)	(353)	(470)	(109)	(345)	(929)	141	502	(459)
Total primary government	\$ (19,575)	\$ (20,425)	\$ (16,702)	\$ (14,767)	\$ (13,798)	\$ (13,849)	\$ (13,746)	\$ (10,228)	\$ (16,982)	\$ (19,069)
General Revenues										
Government Activities										
Taxes										
Sales and use taxes	\$ 5,236	\$ 4,527	\$ 4,480	\$ 4,840	\$ 5,123	\$ 4,898	\$ 4,778	5,825	8,783	8,686
Property taxes	5,363	4,915	5,069	4,374	3,953	3,477	3,580	3,572	3,891	4,149
Motor vehicle and gas taxes	1,847	1,673	1,777	1,759	1,637	1,862	1,902	1,766	1,782	2,028
Franchise taxes	519	502	506	497	516	552	555	589	594	637
Transient Occupancy taxes	200	157	170	173	221	306	345	505	564	575
Interest and investment	537	244	216	134	271	134	149	342	141	426
Rental income	-	-	-	-	-	-	88	26	150	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	154
Other revenue	125	80	56	171	215	103	84	91	92	103
Transfers In	305	308	300	317	185	339	430	520	518	997
Total governmental activities	14,132	12,406	12,574	12,265	12,121	11,671	11,911	13,236	16,513	17,756
Business-type Activities										
Interest and investment	91	33	23	16	-	27	19	70	46	95
Other revenue	9	22	(10,526)	(317)	(185)	(339)	19,821	(63)	280	112
Total business-type activities	100	55	(10,503)	(301)	(185)	(312)	19,840	7	326	207
Other sources(uses) of money	-	-	-	(3,699)	-	-	-	-	-	-
Total primary government	\$ 14,232	\$ 12,461	\$ 2,071	\$ 8,265	\$ 11,936	\$ 11,359	\$ 31,751	\$ 13,243	\$ 16,839	\$ 17,963
Change in Net Position										
Governmental activities	\$ (3,631)	\$ (6,666)	\$ (3,775)	\$ (5,731)	\$ (1,568)	\$ (1,833)	\$ (906)	\$ 2,867	\$ (971)	\$ (855)
Business-type activities	(1,712)	(1,298)	(10,856)	(771)	(294)	(657)	18,911	148	828	(252)
Total primary government	\$ (5,343)	\$ (7,964)	\$ (14,631)	\$ (6,502)	\$ (1,862)	\$ (2,490)	\$ 18,006	\$ 3,015	\$ (143)	\$ (1,107)

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>
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
2015	9,703	356	17	237	3,625	2,912	1,522	18,372
2016	10,805	309	17	368	2,299	1,942	8,312	24,052
2017	14,166	458	19	290	6,121	2,582	2,674	26,310
2018	14,465	466	32	426	2,240	2,458	6,622	26,709

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 297	\$ 535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	5,122	3,880	-	-	-	-	-	-	-	-
Nonspendable	-	-	296	393	367	669	600	596	785	758
Restricted	-	-	1	1	1	1	1	1	1	1
Committed	-	-	115	7	150	153	298	-	-	-
Assigned	-	-	1,558	1,426	778	968	583	1,401	1,961	2,304
Unassigned	-	-	1,529	2,058	3,648	4,343	5,239	5,906	9,332	11,520
Total General Fund	<u>\$ 5,419</u>	<u>\$ 4,415</u>	<u>\$ 3,499</u>	<u>\$ 3,885</u>	<u>\$ 4,944</u>	<u>\$ 6,134</u>	<u>\$ 6,721</u>	<u>\$ 7,904</u>	<u>\$ 12,079</u>	<u>\$ 14,583</u>
All Other Governmental Funds										
Reserved	\$ 4,263	\$ 4,273	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:										
Special revenue funds	2,778	2,442	-	-	-	-	-	-	-	-
Capital project funds	7,901	5,509	-	-	-	-	-	-	-	-
Nonspendable	-	-	1,968	2,249	2,080	1,745	-	-	-	-
Restricted	-	-	4,130	1,693	2,064	2,485	9,023	15,216	12,947	12,900
Committed	-	-	10	-	1,331	971	1,557	-	-	-
Assigned	-	-	7,009	5,248	4,612	4,661	530	594	464	405
Unassigned	-	-	(957)	(1,588)	(1,614)	(1,841)	(1,566)	(1,492)	(1,357)	(1,226)
Total all other Governmental Funds	<u>\$ 14,942</u>	<u>\$ 12,224</u>	<u>\$ 12,160</u>	<u>\$ 7,602</u>	<u>\$ 8,473</u>	<u>\$ 8,021</u>	<u>\$ 9,544</u>	<u>\$ 14,318</u>	<u>\$ 12,054</u>	<u>\$ 12,079</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues										
Taxes and assessments	\$ 13,536	\$ 11,682	\$ 12,003	\$ 11,643	\$ 11,914	\$ 11,035	\$ 9,703	\$ 10,805	\$ 14,166	\$ 14,465
Licenses, permits, and fess	1,052	790	827	1,002	1,203	1,538	356	310	458	466
Fines and forfeitures	54	35	84	46	38	83	17	17	19	32
Use of money and property	637	286	221	166	311	224	237	368	290	426
Program income	112	59	170	86	107	100	184	83	39	105
Intergovernmental revenues	707	1,465	1,506	1,008	5,400	4,557	3,625	2,299	6,121	2,240
Charges for service	446	316	265	294	771	1,324	2,912	1,942	2,582	2,458
Contributions	-	-	-	-	-	-	1,026	7,752	691	4,584
Developer fees	272	38	3	803	735	69	129	343	1,621	1,496
Other revenues	146	275	56	171	213	111	183	134	323	438
Total revenues	16,962	14,946	15,135	15,219	20,692	19,041	18,372	24,053	26,310	26,710
Expenditures										
General government	1,956	2,917	2,287	1,541	1,837	1,918	2,747	3,088	2,848	3,463
Public safety	7,570	7,296	7,162	7,040	7,087	7,352	7,709	8,013	8,148	9,170
Parks and recreation	1,705	1,542	1,467	1,487	1,415	1,327	1,399	1,635	1,811	1,997
Development	2,930	3,258	1,795	987	5,170	4,973	1,970	977	4,153	728
Public ways and facilities	1,924	2,273	1,381	1,325	1,455	1,321	1,653	3,973	6,358	7,322
Debt service - Principal	400	425	445	3,605	368	381	211	217	228	234
Debt service - Interest	419	397	374	396	73	63	53	46	39	32
Capital outlay	1,148	917	1,502	2,652	1,322	1,753	894	668	1,332	2,385
Total expenditures	18,052	19,025	16,413	19,033	18,727	19,088	16,636	18,617	24,917	25,331
Excess of revenues over (under) expenditures	(1,090)	(4,079)	(1,278)	(3,814)	1,965	(47)	1,736	5,436	1,393	1,379
Other financing sources (uses)										
Proceeds from borrowing	-	-	-	2,786	-	-	-	-	-	-
Transfers in	1,888	2,044	3,244	2,600	1,777	1,667	1,457	1,142	1,332	2,501
Transfers out	(1,583)	(1,736)	(2,945)	(2,283)	(1,592)	(1,328)	(1,027)	(622)	(813)	(1,504)
Proceeds from sale of capital asset	-	-	-	-	-	-	-	-	-	156
Total other financing sources	305	308	299	3,103	185	339	430	520	519	1,153
Extraordinary item										
Redevelopment dissolution	-	-	-	(3,461)	-	-	-	-	-	-
Net change in fund balance	\$ (785)	\$ (3,771)	\$ (979)	\$ (4,172)	\$ 2,150	\$ 292	\$ 2,166	\$ 5,956	\$ 1,912	\$ 2,533
Debt service as a % of noncapital expenditures	4.8%	4.5%	5.5%	24.4%	2.5%	2.6%	1.7%	1.5%	1.1%	1.2%

**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>
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
2015	1,200,380,745	173,832,941	250,198,317	147,671,154	1,772,083,157	0.18784%	3,328,681
2016	1,261,073,709	180,976,833	248,802,965	138,455,906	1,829,309,413	0.18780%	3,435,443
2017	1,346,879,135	187,276,629	248,882,804	138,770,795	1,921,809,363	0.18672%	3,588,402
2018	1,464,920,871	194,356,154	251,565,411	161,662,048	2,072,504,484	0.18521%	3,838,486

Notes:

[a] Includes "supplemental roll" tax receipts for property transfer after "lien date" (collections can exceed 100% of levy).

[b] Taxes received net of administrative collections (SB-2557) charges and redevelopment pass-thrus.

Source : HdL, Coren & Cone

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

<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>
2009	1.00	0.04699	0.02	0.01498	1.08197	0.29274
2010	1.00	0.05456	0.02	0.01846	1.09302	0.29234
2011	1.00	0.05170	0.02	0.01945	1.09115	0.28773
2012	1.00	0.06717	0.02	0.02016	1.10732	0.28321
2013	1.00	0.05487	0.02	0.02060	1.09547	0.27830
2014	1.00	0.05222	0.02	0.03955	1.11177	0.13754
2015	1.00	0.05691	0.02	0.03672	1.11363	0.18784
2016	1.00	0.04833	0.02	0.03492	1.10325	0.18780
2017	1.00	0.05713	0.02	0.03504	1.11217	0.18672
2018	1.00	0.09224	0.002	0.02442	1.11866	0.18521

Source: HdL, Coren & Cone

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

<u>Taxpayer</u>	2017/18			2008/09		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Undisclosed ¹	1	\$ 82,923,055	4.00%			
Basalite Concrete Products, LLC	2	\$ 32,438,383	1.57%	1	\$ 38,281,350	2.09%
Dixon Vaughn Holdings LLC	3	\$ 27,701,093	1.34%			
Cardinal Health Inc.	4	\$ 26,948,030	1.30%	2	\$ 30,636,995	1.67%
WalMart Real Estate Business Trust	5	\$ 22,468,998	1.08%	4	\$ 20,743,382	1.13%
Avanath Lincoln Creek LP	6	\$ 21,793,437	1.05%			
California Water Service Company	7	\$ 19,979,732	0.96%			
Insulfoam, LLC	8	\$ 13,314,870	0.64%	6	\$ 12,722,775	7.02%
Gymboree Retail Stores, Inc.	9	\$ 12,067,745	0.58%	3	\$ 23,742,037	1.30%
Gold Star Foods Inc	10	\$ 11,976,601	0.58%			
Mililani Group Inc.				5	\$ 13,609,969	0.74%
Bank of Sacramento				7	\$ 12,240,000	0.67%
Safeway Stores				8	\$ 10,404,408	0.57%
MEC Dixon, Inc.				9	\$ 9,615,636	0.52%
Milgard Manufacturing Inc				10	\$ 9,112,316	0.50%
Top Ten Totals		\$ 271,611,944	13.11%		\$ 181,108,868	16.22%
City Total Taxable Assessed Value		\$ 2,072,504,484			\$ 1,831,616,983	

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

Source: Hdl, Coren & Cone

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ¹		Collection in Subsequent Years	Collections to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy
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%
2015	3,005	3,005	100.00%	-	3,005	100.00%
2016	3,097	3,097	100.00%	-	3,097	100.00%
2017	3,227	3,227	100.00%	-	3,227	100.00%
2018	3,457	3,457	100.00%	-	3,457	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
SALES TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Per \$1 of Taxable Sale)

Fiscal Year	State Sales & Use Tax	Basic County Sales & Use Tax	Solano County Public Library Transaction & Use Tax	Total Sales & Use Tax Rate
2009	7.25	1.00	0.125	8.375
2010	7.25	1.00	0.125	8.375
2011	7.25	1.00	0.125	8.375
2012	6.25	1.00	0.125	7.375
2013	6.50	1.00	0.125	7.625
2014	6.50	1.00	0.125	7.625
2015	6.50	1.00	0.125	7.625
2016	6.50	1.00	0.125	7.625
2017	6.00	1.25	0.125	7.375
2018	6.00	1.25	0.125	7.375

Source: California Board of Equalization

CITY OF DIXON
Top 25 Sales Tax Producers
Fiscal Year 2018 and 2009
(In Alphabetical Order)

FY 2017/18		FY 2008/09	
<u>Business Name</u>	<u>Business Category</u>	<u>Business Name</u>	<u>Business Category</u>
7 Eleven	Service Stations	Altec Industries	Heavy Industrial
Air Perfection	Contractors	Basalite Concrete Products	Contractors
Altec Industries	Heavy Industrial	Baxter Healthcare	Medical/Biotech
Arco AM PM	Service Stations	Cardinal Healthcare	Medical/Biotech
Basalite Concrete Products	Contractors	Cattlemens	Casual Dining
Cardinal Health 200	Medical/Biotech	Chevron	Service Stations
Cattlemens	Casual Dining	Chevron	Service Stations
Chevron	Service Stations	Design Space Modular Buildings	Warehse/Farm/Const. Equip.
Chevron	Service Stations	Dixon Chevron	Service Stations
Design Space Modular Buildings	Warehse/Farm/Const. Equip.	Dixon Hardware	Hardware Stores
Dorset Valero	Service Stations	Dorset Valero	Service Stations
Gone Fishin' Marine	Boats/Motorcycles	Global Rental	Repair Shop/ Equip. Rentals
Gymboree	Fulfillment Centers	Gone Fishin' Marine	Boats/Motorcycles
JJ Kane Auctioneers	Auctioneers	Gymboree	Fulfillment Centers
KUIU	Sporting Goods/Bike Stores	John Taylor Fertilizers	Garden/Agricultural Supplies
Powerscreen	Heavy Industrial	McDonalds	Quick-Service Restaurants
Ramos Oil	Petroleum Prod/Equipment	Ramos Oil	Petroleum Prod/Equipment
Ron Du Pratt Ford	New Motor Vehicle Dealers	Ron Du Pratt Ford	New Motor Vehicle Dealers
Safeway	Grocery Stores	Safeway	Grocery Stores Liquor
Safeway Fuel	Service Stations	Safeway Fuel	Service Stations
SEC Auto Solutions	Trailers/Auto Parts	Thrifty Car Sales	Used Automotive Dealers
Texaco	Service Stations	Tractor Supply	Garden/Agricultural Supplies
Tractor Supply	Garden/Agricultural Supplies	Valero	Service Stations
Walmart Supercenter	Discount Dept Stores	Valley Truck & Tractor	Warehouse/Farm/Const. Equip
Wilbur Ellis Company	Garden/Agricultural Supplies	Walmart Supercenter	Discount Dept Stores

Percent of Fiscal Year Total Paid by Top 25 Accounts = 88.42%

Percent of Fiscal Year Total Paid by Top 25 Accounts = 87.85%

Source: Hdl, Coren & Cone

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Major Business Groups										
Food Stores*	\$ 7,384	\$ 7,015	\$ 6,781	\$ 6,908	\$ 6,693	\$ 6,687	\$ 6,922	\$ 7,214	\$ -	\$ -
Eating and Drinking Places	26,592	25,491	24,943	25,645	26,260	27,496	28,421	30,332	31,852	31,431
Building Materials	20,341	19,213	20,311	22,258	21,416	22,540	25,764	31,814	31,169	35,453
Service Stations	58,879	44,139	49,093	64,290	63,731	60,537	56,080	46,324	42,846	47,401
Other Retail Stores	90,190	88,846	93,321	99,088	109,433	115,018	112,583	124,032	151,471	163,682
All other outlets	315,270	292,510	246,493	268,520	252,373	259,211	273,040	277,831	447,057	606,806
Fiscal Year Totals	<u>\$ 518,656</u>	<u>\$ 477,214</u>	<u>\$ 440,942</u>	<u>\$ 486,709</u>	<u>\$ 479,906</u>	<u>\$ 491,489</u>	<u>\$ 502,810</u>	<u>\$ 517,547</u>	<u>\$ 704,395</u>	<u>\$ 884,773</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.

*Beginning in 2016 the "Food Stores" group is included in "All other outlets" to maintain confidentiality in an oligopoly environment.

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	Population	Debt per Capita	Assessed Value	Personal Income (thousands of dollars)
	Tax Allocation Bonds ²	Lease Revenue Bonds	Wastewater COPS	Wastewater Revenue Bonds	State Revolving Loan						
2009	3,325	3,730	1,775	-	-	8,830	1.91%	17,486	505	1,831,617	\$ 461,277
2010	3,195	3,435	1,680	-	-	8,310	1.85%	17,535	474	1,706,278	\$ 448,567
2011	3,055	3,130	1,580	-	-	7,765	1.73%	17,605	441	1,673,659	\$ 448,135
2012	-	2,456	-	1,361	-	3,817	0.80%	18,282	209	1,635,239	\$ 476,173
2013	-	2,087	-	1,203	-	3,290	0.66%	18,449	178	1,586,142	\$ 501,112
2014	-	1,707	-	1,068	-	2,775	0.56%	19,005	146	1,676,583	\$ 499,679
2015	-	1,496	-	930	1,847	4,273	0.83%	19,029	225	1,772,083	\$ 512,166
2016	-	1,279	-	785	21,301	23,365	4.71%	19,018	1,229	1,829,309	\$ 496,039
2017	-	1,051	-	639	27,510	29,200	5.85%	19,298	1,513	1,921,809	\$ 498,802
2018	-	817	-	486	26,888	28,192	5.74%	19,298	1,461	2,072,504	\$ 490,855

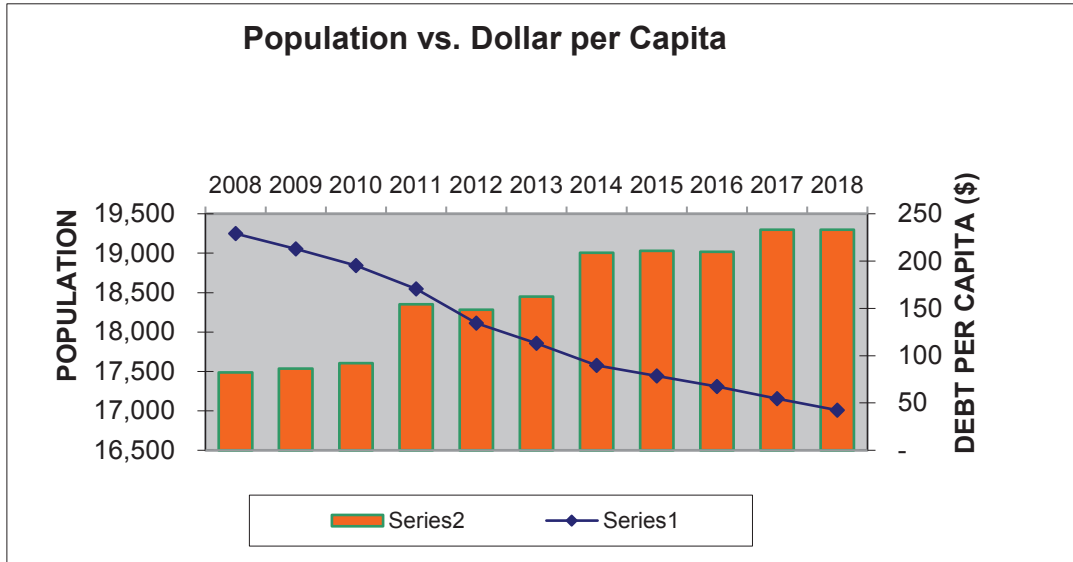
Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

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	Total Primary Government	Percent of Assessed Value	Population	Debt per Capita	Assessed Value
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
2015	1,496	1,496	0.084%	19,029	79	1,772,083
2016	1,279	1,279	0.070%	19,018	67	1,829,309
2017	1,051	1,051	0.055%	19,298	54	1,921,809
2018	817	817	0.039%	19,298	42	2,072,504

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, 2018**

2017-18 Assessed Valuation :	\$ 2,072,504,484
Redevelopment Incremental Valuation:	-
Adjusted assessed Valuation:	<u>\$ 2,072,504,484</u>

<u>Overlapping Tax and Assessment Debt</u>	<u>% Applicable [1]</u>	<u>Total Debt 6/30/2018</u>	<u>City's Share of Debt 6/30/2017</u>
Solano County Community College District	4.122%	\$ 287,589,164	11,854,425
Dixon Unified School District	68.462%	49,496,999	33,886,635
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		337,086,163	45,741,060
 <u>OVERLAPPING GENERAL FUND DEBT</u>			
Solano County Certificates of Participation	3.972%	\$ 73,795,000	2,931,137
Solano County Pension Obligations	3.972%	26,085,000	1,036,096
Solano County Office of Education Certifications of Participation	3.972%	365,000	14,498
Solano County Community College District General Fund Obligations	4.122%	9,141,724	376,822
Dixon Unified School District Certificates of Participation	68.462%	9,425,000	6,452,544
TOTAL OVERLAPPING GENERAL FUND DEBT		\$ 118,811,724	\$ 10,811,097
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</u>	 100.000%	 1,730,000	 1,730,000
 <u>DIRECT GENERAL FUND DEBT</u>			
City of Dixon General Fund Obligations	100.000%	817,300	817,300
TOTAL DIRECT GENERAL FUND DEBT		\$ 817,300	\$ 817,300
 SUBTOTAL DIRECT DEBT			 \$ 817,300
SUBTOTAL OVERLAPPING DEBT			\$ 58,282,157
 GRAND TOTAL OF DIRECT AND OVERLAPPING DEBT			 <u>\$ 59,099,457 [2]</u>

<u>Ratios to Adjusted Assessed Valuation:</u>			
Total Direct Debt.....	\$ 817,300		0.04%
Combined Total Debt.....			3.53%

<u>Ratios to Redevelopment Incremental Valuation (\$274,673,263)</u>			
Total Overlapping Tax Increment Debt.....			0.63%

Notes:

[1] 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.

[2] Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

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

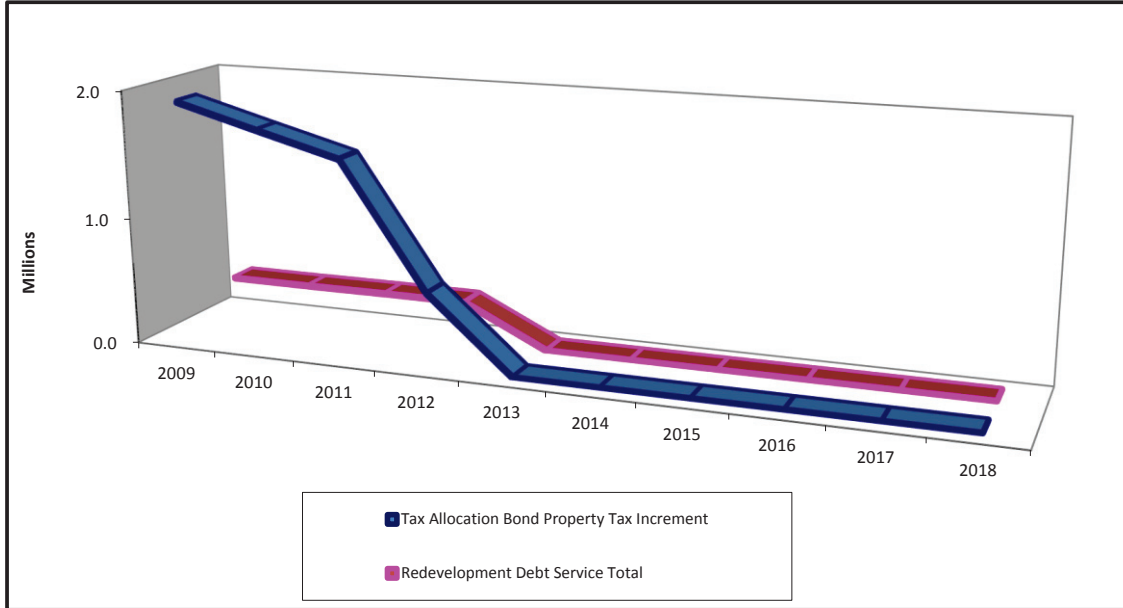
Legal Debt Margin Calculation for Fiscal Year 2018

Assessed Value (in thousands)	\$	<u>2,072,504</u>
Debt Limit (15%) of total assessed value		310,876
Debt applicable to limit:		
General obligation bonds		0
Less: Amount set aside for repayment of general obligation debt		<u>0</u>
Total net debt applicable to limit		0
Legal debt margin	\$	<u><u>310,876</u></u>

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
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	251,487	-	251,487	0%
2015	1,772,083	265,812	-	265,812	0%
2016	1,829,309	274,396	-	274,396	0%
2017	1,921,809	288,271	-	288,271	0%
2018	2,072,504	310,876	-	310,876	0%

Source: City of Dixon Finance

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

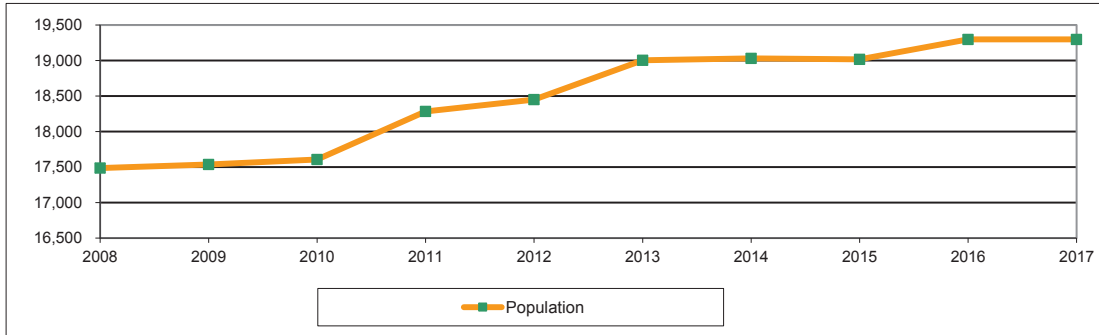


Fiscal Year	Tax Allocation Bond Property Tax Increment			Redevelopment Debt Service				Debt Ratio
	Redevelopment Increment	Less: Low and Moderate Income Housing Set- Aside		Net Available Revenue	Principal	Interest	Total	
2009	2,377	475	1,902	125	201	326	17%	
2010	2,157	431	1,726	130	193	323	19%	
2011	1,941	388	1,553	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%	
2015	0	0	0	0	0	0	0%	
2016	0	0	0	0	0	0	0%	
2017	0	0	0	0	0	0	0%	
2018	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	Unemployment Rate	Median Age	School Enrollment	% of pop 25+ w/ H.S. Degree	% of pop 25+ w/ Bachelor's Degree
2008	17,486	461,277	26,380	5.4%	32.00	4,127		
2009	17,535	448,567	25,581	8.7%	32.70	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%
2014	19,029	512,166	26,915	6.3%	34.10	3,808	80.8%	22.1%
2015	19,018	496,039	26,082	5.2%	31.70	3,746	82.0%	20.9%
2016	19,298	498,802	25,847	4.7%	34.10	3,663	78.1%	21.8%
2017	19,298	490,855	25,436	4.1%	34.00	3,652	78.9%	20.6%

Source: HdI, Coren & Cone

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

Total City Employment¹

9,000

Total City Employment¹

8,400

FY 2017-18				2012-13			
<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>
Dixon Unified School District	410	1	4.56%	Gymboree, Inc.	413	1	4.59%
Gymboree, Inc.	407	2	4.52%	Dixon Unified School District	315	2	3.50%
Altec Industries	298	3	3.31%	Wal-Mart	303	3	3.37%
Wal-Mart	280	4	3.11%	Altec Industries	144	4	1.60%
Cardinal Health	235	5	2.61%	Dixon Canning (Campbell's)	230	5	2.56%
Dixon Canning (Campbell's)	201	6	2.23%	Basalite	169	6	1.88%
Basalite	189	7	2.10%	Superior Packing	151	7	1.68%
Superior Packing	160	8	1.78%	Cardinal Health	123	8	1.37%
City of Dixon	115	9	1.28%	First Northern Bank	225	9	2.50%
Gold Star Foods	100	10	1.11%	City of Dixon	101	10	1.12%

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General government										
Management Services	7.5	7.5	7.75	6.5	4.75	4.75	4.75	4.75	4.75	7.63
Finance and IT	6.84	6.84	4.84	6.33	9.75	9.75	9.75	9.88	9.88	7
Planning	3	2.75	2.75	3	2.4	3.13	2.98	3	4	4
Building	2	1.25	1.25	0	0	0	0	0	0	0
Other - Transit	7.68	6.19	6.78	6.21	6.19	5.75	5.75	5.75	6.5	7.5
Police										
Officers	30.5	28.5	27	28	28	28	28	28	29	29
Civilians	2	2	2	2	2	2	2	2	2	2
Fire										
Firefighters and officers	21	20	20	20	20	20	23	24	24	22
Civilians	2	2	2	1	1	1	1	1	1	1
Public Works										
Engineering	10	6.5	5.5	5.5	5.5	5.45	5.65	6.2	4.63	4.625
Maintenance	19.6	18.5	15.8	15.5	12.5	12.13	12.65	14	15.05	16.25
Redevelopment	1	1	1	1	0	0	0	0	0	0
Parks and recreation	4	4	2.95	2	2	2	2	2	2	2
Wastewater collection and treatment	6.67	8.165	8.165	7.17	6.5	7.05	6.7	6.8	7.32	7.92
Total	<u>123.79</u>	<u>115.195</u>	<u>107.785</u>	<u>104.21</u>	<u>100.59</u>	<u>101.01</u>	<u>104.23</u>	<u>107.38</u>	<u>110.13</u>	<u>110.93</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Police:										
Police Calls for Service	16,426	17,103	14,937	14,076	13,314	15,049	16,785	15,757	16,154	17,364
Law Violations:										
Part I Crimes	609	602	536	394	378	448	484	511	445	431
Physical Arrests (Adult and Juvenile)	492	505	370	416	325	402	523	497	429	472
Parking Violations	179	253	183	152	69	123	68	59	167	321
Fire:										
Number of volunteers	12	12	9	12	12	12	11	12	15	11
Number of calls answered	2,001	1,997	1,792	1,748	1,916	2,053	2,021	2,186	2,205	2,538
Transit service:										
Daily average number of passengers	228	177	174	195	203	209	227	226	243	247
Daily average number of service miles	338	290	307	318	319	336	371	389	394	397
Wastewater										
Service Connections	5,214	5,214	5,219	5,219	5,219	5,219	5,321	5,341	5,392	5,422
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	1.90	2.00
Average Daily Pumping (millions of gallons)	1.26	1.27	1.29	1.26	1.71	1.16	1.10	1.20	1.20	1.19
Water Service - Dixon-Solano Water Agency										
Pumping capacity (million of gallons per day)	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	-	-	-	-
Water Service - City of Dixon										
Pumping capacity (millions of gallons per day)	-	-	-	-	-	-	12.2	12.2	12.2	12.2
Average Consumption (millions gallons per day)	-	-	-	-	-	-	2.24	1.42	1.5	2.24

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	17	17	17	17	17	17	15	15	16	16
Fire Stations	1	1	1	1	1	1	1	1	1	1
Fire Vehicles	12	13	13	13	13	13	13	14	14	14
Public Works										
Miles of Streets	62	62	62	62	62	62	62	62.38	62.38	62.38
Street Lights	2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,037	2,037	2,037
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	73.39	73.39	73.39
Storm Drain (miles)	43.1	43.1	43.1	43.1	43.1	43.1	43.1	43.33	43.33	43.33
Water										
Wells	-	-	-	-	-	-	5	5	5	5
Water Main (miles)	-	-	-	-	-	-	44	44.18	44.18	44.18

Source: City of Dixon Departmental Statistical Tables from Annual Reports