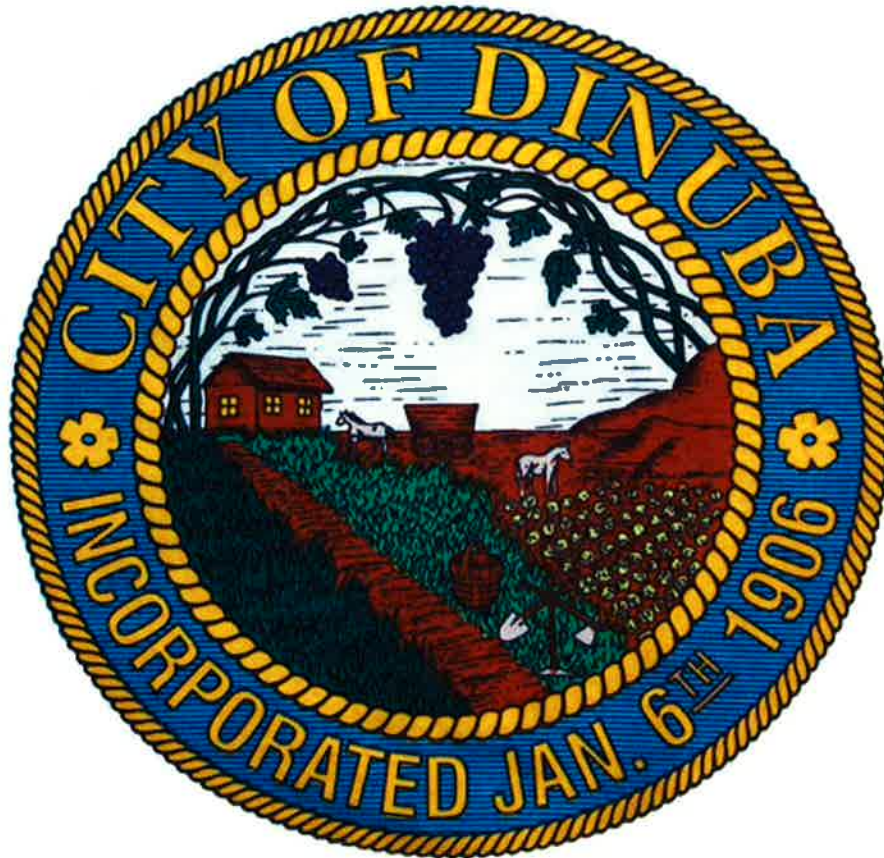


CITY OF DINUBA, CALIFORNIA



Comprehensive Annual Financial Report
For the year ended June 30, 2012

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2012
City of Dinuba, California

Prepared by the Finance Department

CITY OF DINUBA

REPORT ONAUDITED
FINANCIAL STATEMENTS
AND
ADDITIONAL INFORMATION

YEAR ENDED JUNE 30, 2012

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City Manager
559/591-5904

City Attorney
559/437-1770

Administrative Services
559/591-5900

Development Services
559/591-5906

Dinuba Vocational Center
559/596-2170

Fire/Ambulance Services
559/591-5931

Parks & Community Services
559/591-5940

Police Services
559/591-5914

Public Works Services
559/591-5924

January 29, 2013

To the Honorable Mayor, City Council and Citizens of the City of Dinuba:

The comprehensive annual financial report (CAFR) of the City of Dinuba, for the fiscal year ended June 30, 2012, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of Dinuba issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The accounting firm of Sampson, Sampson & Patterson, LLP, Certified Public Accountants, of Clovis, California, was retained by the City to perform the audit of financial records for the fiscal year ended June 30, 2012. The audit was designed to meet the requirements of the federal Single Audit Act of 1984, as amended and related OMB Circular A-133. The auditors report on the fair presentation of the financial statements, the internal controls, and compliance with legal requirements and have issued an unqualified (“clean”) opinion on Dinuba’s financial statements.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City’s activities have been included.

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

Government Profile

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City of Dinuba as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable.

Blended component units, although legally separate entities, are, in substance, part of the primary government’s operations and are included as part of the primary government; the Dinuba Financing Authority qualifies as a blended component unit in this regard. City Council members serve as the governing board of the Authority, and the City Manager also serves as the Executive Director of the Authority.

The City of Dinuba is situated in the northern part of Tulare County, near the Fresno County line. Roughly 180 miles north of Los Angeles and 200 miles south of San Francisco, the City lies in the heart of California’s agriculturally-rich San Joaquin Valley, near the Sierra Nevada Mountain Range. It is the service center for a large farming area that extends into both Tulare and Fresno Counties.

Dinuba was established in 1888 with the coming of the railroad and was incorporated in 1906. Because of Dinuba's rich agricultural area, it grew quickly into a thriving community as people from outlying areas moved closer to the railroad shipping area. Since its founding, Dinuba has had consistent growth, increasing from 970 persons in 1910 to a 2009 population of 21,237. Among the eight incorporated cities of Tulare County, Dinuba ranks fourth in population.

The City, until 1994, operated under the General Laws of the State of California. A City Charter was adopted by the voters on June 4, 1994, and by the Secretary of State on July 7, 1994. The Charter gives the City government greater latitude in carrying out its operations and enables the City to operate more efficiently.

Springtime in Dinuba is filled with the fragrance of blossoms from the surrounding orchards. Dinuba's warm summer days bring forth the abundance of produce that keeps the packing houses and shippers busy during the summer months. Mild temperatures year-round enhance the dairy industry in the surrounding area as well.

The Dinuba area is one of the San Joaquin Valley's most productive agricultural spots. The variety of crops includes cotton, nuts, vegetables, and fruits, such as grapes, raisins, plums, peaches, nectarines, and citrus. Raisins are a major product in the Dinuba area, where 40 percent of the world's raisins are grown and dried, a total of approximately 300,000 tons annually. Table grapes and wine are also major products. The City of Dinuba is in Tulare County; a table in the Statistical Section lists the major crops raised in Tulare County and the gross value of the crops in the previous calendar year.

Although agriculture is Dinuba's predominant activity, the community has had a modest commercial and industrial base for many years. Dinuba is home to Ruiz Food Products, Incorporated, which prepares frozen Mexican foods and distributes them worldwide. It is also home to the West Coast Distribution Facility for Best Buy, Inc, Patterson Logistics, Inc. and Odwalla Juice Manufacturing. Because of its unparalleled agricultural base and its expanding industrial site, Dinuba is a community with a progressive and diverse economy.

The City has a Council-Manager form of government. There are five Council members who serve overlapping terms of four years and the Council in turn elects one of the Council members to serve as the Mayor for a term of two years. The Council engages a City Manager and a City Attorney. The Manager is the chief executive officer of the City, and it is the City Manager's responsibility to hire department managers for each of the City functions. Such person also proposes the annual budgets, coordinates and oversees all activities of the organization, and implements the policies, budgets, and laws adopted by the City Council. The Dinuba Redevelopment Agency was created on June 12, 1984, by an Ordinance of the City Council, pursuant to the California Community Redevelopment Law. The Agency is governed by the Dinuba City Council, which acts as the Agency's board.

Local Economy

At the end of June 2010 the unemployment rate in Tulare County was 15.7%. At that time economists predicted a slow and gradual increase to the economy and job growth. This prediction did not occur as the County economy was basically static over the past year. The unemployment rate for Tulare County as of the end of July 2012 was 15.8%.

While the effects of the Great Recession are still being felt in Dinuba, there are signs of economic improvement within the City. In 2011, 171 building permits were issued for residential properties compared to 116 issued during 2010, and 49 issued during 2009. The 2011 permits were 125% more than the 20 year average residential building permit total. Sales tax continues to rebound and increase as well, due to the addition of the internet sales tax generated by Best Buy, Inc. and Webster Veterinary Supply.

While the City has seen the closure of a handful of businesses, primarily on the eastside of the City, new businesses continue to open in other parts of the City. West El Monte Way continues to be attractive for further commercial development. Les Schwab Tire Center completed construction in November 2012 in the WalMart Shopping Center, Adventist Health Clinic has opened a new urgent care facility in August 2012, and Big 5 Sporting Goods and a new car wash have opened in the same shopping center within the last two years. In addition the City's largest employer, Ruiz Food Products, Inc., is anticipated to expand their company headquarters in 2013.

Even with the increase in building permits and commercial development, Dinuba's property tax assessments continue to fall as a result of the weakened real estate market and the automatic downwards reassessment of properties in the City of Dinuba by the Tulare County Assessor. In addition, on June 28, 2011 the Governor of California signed into law ABX1-26 which eliminated all Redevelopment Agencies within the State in an effort to offset \$1.7 billion of the State of California's \$16.8 billion budget deficit. This ruling was challenged in the California Court System but the California Supreme Court ruled that the dissolution of Redevelopment Agencies across the State of California was constitutional. This new law required all tax increment received by the former Redevelopment Agencies to be classified as property tax revenues and be allocated to meet current contractual obligations for indebtedness of the former Redevelopment Agency with any remaining balances allocated in accordance with applicable and constitutional provisions. In addition, all non-housing properties and non-public use properties owned by the former Redevelopment Agency were required to be sold with the proceeds from the sale to be used first to retire debt of the former Agency and the remaining proceeds to be allocated to the other taxing agencies in the Redevelopment Areas.

The loss of the Dinuba Redevelopment Agency meant the loss of funding for economic development costs including infrastructure projects to facilitate growth, affordable housing programs and the ability to purchase and develop future sites for new industrial and commercial development.

Current Major Initiatives

Several major projects are underway in the City of Dinuba.

The City is working with Chelsea investment Corporation to build a senior housing project in the downtown area. The senior housing complex will include 66 units of affordable housing for seniors. The project is currently under construction and is anticipated to be completed in February, 2013. Funding for the public streetscape improvements along Mariposa, M and Merced Streets is from a Prop 84 Infill and Infrastructure Grant.

In conjunction with the new senior housing a pedestrian walkway will connect the housing to a new transit hub. The City has completed the design of the new Transit Center, which includes the reconstruction of an existing steel shop building to a transit center with public lobby, office spaces for transit operations and future retail space, a public plaza for transit customers and parking lot and alley improvements. Completion of construction is anticipated by the end of 2013. The Transit Center Project will be funded by a combination of Prop 84 Infill Infrastructure Grant, CDBG Program Income and Local Transportation Funds.

The City and the County are moving forward on the widening of El Monte Way/Avenue 416. The widening runs the length of the City and will be completed in two phases. The first Phase will widen El Monte Way/Avenue 416 from Road 56 to Alta Avenue/Road 80; the second Phase will begin east of the intersection of Alta Avenue/Road 80 and continue widening to Road 92. Phase 1 design and rights-of-way is anticipated to be completed in early 2013 with construction beginning in the Spring 2013. Funding for the first Phase will be primarily from Measure R, the County wide add-on sales tax for transportation projects with supplemental State funds from the State and Local Partnership Program (SLPP). The second phase has not been programmed for funding at this time.

Financial Information

It is recognized that City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. This should provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation costs and benefits require estimates and judgments by management.

As a recipient of federal, state, and local financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

The City maintains budgetary controls with the objective of ensuring compliance with legal provision embodied in the annual appropriated budget approved by the City Council. Activities of most funds are included in the annual appropriated budget and both revenues and expenses are categorized into either recurring or one-time. Project-length financial plans are adopted for long-term capital projects in a five-year Capital Improvement Plan. As a component of capital projects, future operating costs are analyzed and projected, and they are then incorporated into future budget forecasts.

Budgets are prepared for the individual departments within specific funds as management control devices, but the level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) remains at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end. However, encumbrances outstanding at the year end are generally reappropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the City of Dinuba continues to meet its responsibility for sound financial management. For further analysis of the City's financial position, please refer to the Management Discussion and Analysis report in the Financial Section.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dinuba for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the nineteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

The preparation, cooperation, and assistance of the Finance and Community Services Department and the auditing firm of Sampson, Sampson & Patterson, LLP is greatly appreciated in the publication of this document. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire finance staff. We also thank the Dinuba City Council for their dedicated service in guiding and directing the management of the City of Dinuba.

Respectfully Submitted,



Beth Nunes
Finance and Community Services Director

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CITY OF DINUBA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2012

TITLE	NAME
Mayor	Mike Smith
Vice-Mayor	Janet Hinesly
Council Member	Aldo Gonzalez
Council Member	Scott Harness
Council Member	Emilio “Joey” Morales
City Manager	J. Edward Todd
Assistant City Manager	Jayne Anderson
City Attorney	Dan McCloskey
City Engineer	Dean Uota
Finance and Community Services Director	Beth Nunes
Fire Chief	Chad Thompson
Police Chief	James Olvera
Public Works Director	Blanca Beltran



CITY OF DINUBA FIRE DEPARTMENT

Financial Section



January 29, 2012

INDEPENDENT AUDITOR'S REPORT

Members of the Governing Board
of the City of Dinuba
Dinuba, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Dinuba, California (City) as of and for the fiscal year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Dinuba, California as of June 30, 2012, and the respective changes in financial position, and where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2012, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

City of Dinuba
January 29 , 2012
Page 2

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 22 and budgetary comparison schedule for the General Fund, the Community Development Block Grant Special Revenue Fund, the Public Safety Sales Tax Special Revenue Fund, and the Schedule of Funding Progress – Public Retirement Systems, be presented to supplement the basic financial statements. Such information, although not a part of basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and the statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements, major debt service and major capital projects budgetary comparison schedules, nonmajor fund budgetary comparison schedules, combining internal service fund financial statements and combining agency fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Sampson, Sampson & Patterson, LLP

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2012

(Unaudited)

This management's discussion and analysis provides an overview of financial activities of the City of Dinuba (City) for the fiscal year ended June 30, 2012. Please read this discussion and analysis in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to the basic financial statements.

The financial statements presented herein include all financial activities of the City and its components units in accordance with Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government" (GASB 34).

The Government-Wide Financial Statements present the financial position of the City using the economic resources measurement focus and the accrual basis of accounting. These statements present governmental activities and business-type activities separately. Also, these statements include all assets of the City, as well as all liabilities, including long-term debt. Additionally, in accordance with GASB 34, certain eliminations have been made related to interfund activity, payables, and receivables.

The Fund Financial Statements include governmental, proprietary, and fiduciary funds. The governmental funds are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary funds are prepared using the economic resources measurement focus and the modified accrual basis of accounting. The fiduciary funds consist of agency funds, which only report a balance sheet and do not have a measurement focus. A reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach under GASB 34.

FINANCIAL HIGHLIGHT

In fiscal year 2011-12 the legislature approved Assembly Bill 1X 26, which called for the dissolution of all the redevelopment agencies in the State. Lawsuits were filed against the state to stop the enactment of AB 1X 26, but on December 29, 2012 the California Supreme Court ruled the bill constitutional. Subsequently, redevelopment agencies were dissolved as of February 1, 2012. The City of Dinuba chose to become the Successor Agency for the former redevelopment agency, thereby agreeing to hold the assets of the former agency until they are ultimately distributed to other taxing entities. The financial statements for the year ending June 30, 2012 reflect the transfer of assets from the former Redevelopment Agency to the Successor Agency. These assets are now reported in a trust fund and no longer considered assets of the City.

At the fiscal year ended June 30, 2012, the City's total net assets increased by \$59.25 million. The increase in net assets is attributable to an extraordinary gain due to the dissolution of the Dinuba Redevelopment Agency.

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the City as a whole and its activities. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. Under the modified accrual basis of accounting, revenues are recognized in the period in which they become measurable, while expenses recorded when incurred with the exception of the principal and the interest on long term debt, which is recorded when due.

These statements report the City's net assets and changes in them. Net assets are the differences between assets and liabilities, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and economic trends, such as expansion and development.

In the Statement of Net Assets and the Statement of Activities, the City's activities have been categorized as follows:

Governmental Activities

Most of the City's basic services are reported in this category including the general government activities, such as Finance, Fire Services, Police Services, Public Works Services, Engineering and Development Services, Community Services, and General Services. Property and sales taxes, user fees, interest income, franchise fees, and other revenues finance these activities.

Business-Type Activities

The City charges a fee to customers to pay for the cost of certain services provided. The City's water system, wastewater system, and solid waste services (sewer and disposal), transit, golf and ambulance are reported in this category.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The Fund Financial Statements provide detailed information about the City's major funds - not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City establishes many other funds to help control and manage money for a particular purpose or to show that the City is meeting legal responsibilities for using certain taxes, grants, and other funds.

Governmental Funds

Most of the City's basic services are reported in governmental funds. These funds focus on reporting the flow of money into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means that it is collectible within the current period or soon enough thereafter to be used. The governmental fund financial statements provide a detailed short-term view of the City's general government operations and the basic services provided. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between the Governmental Fund Financial Statements and the Government-Wide Financial Statements are explained in a reconciliation following the Government-Wide Financial Statements.

Proprietary Funds

When the City charges customers for services - whether to outside customers or to programs of the City - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way in that all activities are reported in the Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Fund Net Assets. The City's enterprise funds are the same as the business-type activities reported in the Government-Wide Financial Statements, but provide more detail and additional information, such as cash flows for each enterprise fund. The City also uses internal service funds to report activities that provide supplies and services for the City's internal program and activities, such as the City's self-insurance.

Fiduciary Funds

The City is the trustee, or fiduciary, for certain funds established to account for assets held by the City in a trustee capacity, or as an agent for individuals, private organizations, and other governmental units. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets. These activities are excluded from the City's Government-Wide Financial Statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their specified purposes.

In fiscal year 2012 a trust fund was created for the assets and liabilities of the Successor Agency to the former Dinuba Redevelopment Agency.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements provide long-term and short-term information about the City of Dinuba's overall financial condition. This analysis addresses the financial statements of the City as a whole.

The largest portion of the City's net assets reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, equipment, infrastructure, and construction in progress); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; 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.

The following schedule summarizes the City's net assets at June 30, 2012 and 2011 for comparative purposes:

Net Assets:	FY 2012	FY 2011	Change
Governmental Activities:			
Invested in capital assets, net of related debt	\$125,564,573	\$75,360,279	\$50,204,294
Restricted for:			
Capital Projects	5,753,041	0	5,753,041
Parks	357,458	299,278	58,180
Public Safety	597,490	601,660	(4,170)
Highway and Streets	879,442	375,710	503,732
Housing	23,764,097	22,363,132	1,400,965
Debt service	2,163,030	4,645,419	(2,482,389)
Unrestricted	2,903,128	(401,603)	3,304,731
Total Governmental Net Assets:	<u>161,982,259</u>	<u>103,243,875</u>	<u>58,738,384</u>
Business-type Activities:			
Invested in capital assets, net of related debt	45,077,861	45,170,204	(92,343)
Unrestricted	5,348,820	4,741,445	607,375
Total Business-type Net Assets:	<u>50,426,681</u>	<u>49,911,649</u>	<u>515,032</u>
Total Net Assets	<u>\$212,408,940</u>	<u>\$153,155,524</u>	<u>\$59,253,416</u>

Governmental Activities

The following schedule summarizes the financial position of the City's governmental activities at June 30, 2012 and 2011 for comparative purposes:

	FY 2012	FY 2011	Change
Assets:			
Current assets	\$ 41,481,010	\$ 28,151,796	\$ 13,329,214
Deferred charges, net of accumulated amortization	341,568	3,287,368	(2,945,800)
Restricted assets:			
Cash and investments with fiscal agents	1,029,775	6,064,407	(5,034,632)
Capital assets not being depreciated	109,968,144	112,360,955	(2,392,811)
Capital assets, net of accumulated depreciation	<u>31,195,807</u>	<u>32,257,425</u>	<u>(1,061,618)</u>
Total Assets	<u>\$ 184,016,304</u>	<u>\$ 182,121,951</u>	<u>\$ 1,894,353</u>
Liabilities:			
Current liabilities	\$ 2,336,924	\$ 3,434,935	\$(1,098,011)
Noncurrent liabilities:			
Due within one year	1,834,456	2,612,370	(777,914)
Due in more than one year	<u>17,862,665</u>	<u>72,830,771</u>	<u>(54,968,106)</u>
Total Liabilities	<u>\$ 22,034,045</u>	<u>\$ 78,878,076</u>	<u>\$(56,844,031)</u>
Net Assets:			
Invested in capital assets, net of related debt	125,564,573	75,360,279	50,204,294
Restricted for:			
Capital Projects	5,753,041	0	5,753,041
Parks	357,458	299,278	58,180
Public Safety	597,490	601,660	(4,170)
Highway and Streets	879,442	375,710	503,732
Housing	23,764,097	22,363,132	1,400,965
Debt service	2,163,030	4,645,419	(2,482,389)
Unrestricted	2,903,128	(401,603)	3,304,731
Total Net Assets	<u>\$ 161,982,259</u>	<u>\$ 103,243,875</u>	<u>\$ 58,738,384</u>

At the end of Fiscal Year 2012, governmental assets exceeded liabilities by \$161.98 million. This was an increase of 57% over the previous fiscal year. The extraordinary growth in governmental net assets can be attributed to the dissolution of the Redevelopment Agency in fiscal year 2012. The assets and liabilities of the former Agency were moved to a trust fund. As a result non-current liabilities decreased by \$55.75 million.

There was a decrease in restricted assets last fiscal year. The cash and investments with fiscal agents related to the former Redevelopment Agency decreased by \$5.03 million as these assets were moved out of the City and into a trust fund.

Current assets made up 22.54% of total governmental assets. In the previous year, current assets comprised 15.46% of total governmental assets. The increase is due the advances of \$11.46 million from the City to the Successor Agency.

The cost of all governmental activities during Fiscal Year 2012 was \$18.91 million. This is a decrease of \$4.82 million from previous year. The change can be attributed to the dissolution of the redevelopment agency and the subsequent transfer of long-term debt expenses out of the City and into a trust fund. The City also recorded an extraordinary gain of \$51.20 million as a result of the dissolution.

Tax revenues increased by 16.18% in fiscal year 2012. This is primarily due to an increase of \$4.04 million in sales tax from a one-time back payment of Internet sales tax owed. Property tax decreased by 31.84% due to dissolution of the Redevelopment Agency. Property taxes distributed to the Successor agency were distributed in the trust fund account effective February 1, 2012 and is no longer a part of the City's tax revenue.

The City's governmental activities include General Government, Public Safety (Police and Fire services), Public Works, Community Development Services, and Parks and Community services.

During the fiscal year ended June 30, 2012, the City received the following types of tax revenue:

	FY 2012	FY 2011	Change
Source of Taxes:			
Property taxes	\$ 3,461,506	\$ 5,078,633	\$(1,617,127)
Transient occupancy taxes	133,920	144,780	(10,860)
Sales taxes	9,843,519	5,803,277	4,040,242
Franchise taxes	230,613	233,109	(2,496)
Utility users tax	1,600,423	1,560,074	40,349
Motor vehicle tax	1,565,696	1,636,167	(70,471)
Other	870,086	784,070	86,016
Total	<u>\$ 17,705,763</u>	<u>\$ 15,240,110</u>	<u>\$ 2,465,653</u>

The following table presents the changes in net assets for governmental activities for the fiscal years ended June 30, 2012 and 2011.

	FY 2012	FY 2011	Change
Program Revenues:			
Charges for Services	\$ 3,115,053	\$ 3,259,016	\$ (143,963)
Operating Contribution and Grants	3,279,460	1,877,718	1,401,742
Capital Contributions and Grants	2,436,154	6,195,826	(3,759,672)
General Revenues:			
Taxes	17,705,763	15,240,110	2,465,653
Use of Money and Property	288,456	360,997	(72,541)
Gain (Loss) on Sale of Capital Assets	(2,019,092)	159,698	(2,178,790)
Other	946,090	174,494	771,596
Total Revenues	<u>25,751,884</u>	<u>27,267,859</u>	<u>(1,515,975)</u>
Expenses:			
General Government	3,439,679	4,009,529	(569,850)
Public Safety	8,167,990	8,107,881	60,109
Public Works	1,826,602	3,632,361	(1,805,759)
Community Development	1,007,987	1,763,309	(755,322)
Parks and Recreation	1,796,570	1,152,007	644,563
Interest on long-term debt	1,720,593	4,192,595	(2,472,002)
Unallocated depreciation	953,544	879,409	74,135
Total Expenses	<u>18,912,965</u>	<u>23,737,091</u>	<u>(4,824,126)</u>
Excess of Revenues over Expenses	6,838,919	3,530,768	3,308,151
Transfers	703,133	855,678	(152,545)
Extraordinary Items	51,196,332	0	51,196,332
Changes in Net Assets – Governmental Activities	<u>\$ 58,738,384</u>	<u>\$ 4,386,446</u>	<u>\$54,351,938</u>

Business Type Activities

The table on the following page summarizes the financial position of the City's business-type activities at June 30, 2012 and 2011:

	FY 2012	FY 2011	Change
Assets:			
Current assets	\$ 8,638,350	\$ 5,967,328	\$ 2,671,022
Deferred charges, net of accumulated depreciation	692,908	788,393	(95,485)
Restricted assets:			
Cash and investments with fiscal agent	1,303,731	2,911,048	(1,607,317)
Capital assets not being Depreciated	18,239,254	15,550,482	2,688,772
Capital assets, net of accumulated depreciation	48,867,192	50,377,647	(1,510,455)
Total Assets	<u>\$ 77,741,435</u>	<u>\$ 75,594,898</u>	<u>\$ 2,146,537</u>

Liabilities:			
Current liabilities	3,386,912	1,555,829	1,831,083
Noncurrent liabilities:			
Due within one year	957,202	1,033,166	(75,964)
Due in more than one year	22,970,640	23,094,254	(123,614)
Total liabilities	<u>\$ 27,314,754</u>	<u>\$ 25,683,249</u>	<u>\$ 1,631,505</u>
Net assets:			
Invested in capital assets, net of related debt	\$ 45,077,861	\$ 45,170,204	\$ (92,343)
Unrestricted	5,348,820	4,741,445	607,375
Total Net Assets	<u>\$ 50,426,681</u>	<u>\$ 49,911,649</u>	<u>\$ 515,032</u>

The business-type activities of the City showed a positive current ratio at June 30, 2012: \$2.55 of current assets for every \$1.00 of current liabilities, down from \$3.83 the preceding year. This is due primarily to an increase in the accounts payable associated with the Sewer, Golf and Ambulance funds. Of the total net assets, 89.39 percent was invested in capital assets net of related debt and 10.61 percent was unrestricted, which was available for future operations.

Charges for services comprised 90.22% of the revenues for the fiscal year ended June 30, 2012. Overall revenues decreased by 12.52%. This decrease can primarily be attributed to significant capital contributions in fiscal year 2011 of water and sewer lines at the Viscaya subdivision. Expenses for business-type activities for the fiscal year ended June 30, 2012 increased 4.71% over the previous fiscal year. Net assets grew at a slower pace than the previous year due to a decrease in capital contributions as previously mentioned. The slowdown was also impacted by a decrease in capital grant contributions as the waste water treatment plant project was nearing completion.

The following table presents the changes in net assets for business-type activities for the fiscal years ended June 30, 2012 and 2011:

	FY 2012	FY 2011	Change
Program Revenues:			
Charges for services	\$ 11,791,237	\$ 11,421,678	\$ 369,559
Operating contributions and grants	627,400	1,001,190	(373,790)
Capital contributions and grants	969,433	2,506,420	(1,536,987)
General Revenues:			
Gain or loss on sale of assets	19,536	9,438	10,098
Other	(338,718)		(338,718)
Total Revenues	<u>\$ 13,068,888</u>	<u>\$ 14,938,726</u>	<u>\$ (1,869,838)</u>
Water	2,159,494	2,152,856	6,638
Sewer	2,427,747	2,292,341	135,406
Disposal	2,109,008	2,030,223	78,785
Ambulance	1,150,496	1,185,992	(35,496)
Transit	639,059	575,289	63,770
Golf	3,244,707	2,965,176	279,531
Compressed Natural Gas	120,212	115,775	4,437
Total Expenses	<u>\$ 11,850,723</u>	<u>\$ 11,317,652</u>	<u>\$ 533,071</u>
Excess (Deficiency) of Revenues over Expenses	1,218,165	3,621,074	(2,402,909)
Transfers	(703,133)	(855,678)	152,545
Changes in Net Assets – Business-Type Activities	<u>\$ 515,032</u>	<u>\$ 2,765,396</u>	<u>\$(2,250,364)</u>

FINANCIAL ANALYSIS OF CITY'S MAJOR FUNDS

General Fund

The General Fund accounts for all financial resources traditionally associated with government activities that are not accounted for reported in another fund.

Fund balance in the General Fund grew 112% in fiscal year 2012. The General Fund ended the fiscal year with a fund balance of \$4,593,030. Unassigned fund balance constituted 35% of the total fund balance. The remainder of the fund balance was made up mostly of advances. The tremendous growth in fund balance can be attributed to continued growth in the Internet sales tax revenue as well as a one-time back payment of Internet sales tax. In 2012 the City recorded \$9.84 million of sales tax. That is an increase of over \$4 million from the previous fiscal year.

	FY 2012	FY 2011	Change
General Fund Revenues:			
Taxes and assessments	\$ 10,182,465	\$ 6,103,888	\$4,078,577
Licenses and permits	490,803	663,034	(172,231)
Intergovernmental	1,793,036	1,636,180	156,856
Charges for services	865,059	579,995	285,064
Fines, forfeitures, and penalties	51,533	39,331	12,202
Use of money and property	19,611	19,229	382
Overhead	1,327,051	1,675,017	(347,966)
Miscellaneous	11,997	29,161	(17,164)
Total Revenues	<u>\$ 14,741,555</u>	<u>\$ 10,745,835</u>	<u>3,995,720</u>
General Fund Expenditures:			
General Government	\$ 3,198,893	\$ 3,424,510	\$ (225,617)
Public Safety	5,911,609	5,445,319	466,290
Public Works	609,450	577,021	32,429
Community Development	0	586	(586)
Parks and Community Services	1,021,052	835,819	185,233
Transfers	1,249,844	375,269	874,575
Debt Service	9,507	8,674	833
Capital Outlays	317,227	20,062	297,165
Total Expenditures	<u>\$ 12,317,582</u>	<u>\$ 10,687,260</u>	<u>\$ 1,630,322</u>

Other Major Funds

Community Development Block Grants Fund:

Grant revenue for this fund totaled \$1,698,201 an increase from the previous year. Expenditures for the fiscal year totaled \$1,406,874. Expenditures for local housing and other federal grants are accounted for in this fund. The City actively seeks participants for its Community Development Block Grant funds as evidenced by consistently high usage this fiscal year. The fund balance at the end of the year totaled \$659,676

Public Safety Sales Tax:

Fund balance in the fund decreased by \$13,174 to \$232,714. The decrease is due to planned use of fund balance for capital costs. Sales tax revenue in this fund increased by 3% over the previous year.

Transportation Construction:

Fund balance in the fund increased by \$398,864. Revenues in the fund were primarily made up of intergovernmental receipts from Tulare County for work done on the Avenue 416 expansion project. Work on the Avenue 416 project comprised 94% of all expenditures in the fund. Transfers from the bond proceeds account made up the other financing sources resulting in the increase in the fund balance.

Financing Authority:

Fund balance in the Financing Authority decreased by \$218,291 as the cash with fiscal agent was drawn down for capital projects related to transportation construction.

Enterprise Funds:

The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, wherein the cost of goods and services to the general public are financed or recovered primarily through user charges. The major enterprise funds include: Water, Sewer, Disposal, Ambulance, Transit, Compressed Natural Gas and Golf. All of the enterprise funds ended the year with positive unrestricted net assets with the exception of the Golf Fund. The Golf Fund ended the year with a deficit unrestricted net asset balance of \$978,878 million. This is an improvement over the previous year by approximately \$170,000. The deficit balance can be attributed to the Interfund long-term advance of \$1.2 million. The long-term nature of this liability does not require current resources. The liability will be reduced as the land surrounding the golf course is sold.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2012, amounted to \$208,270,397 (net of accumulated depreciation), a decrease of \$2,276,112 from \$210,546,509 in FY2011. The decrease can be attributed to \$5.18 million in transfer of land to the Successor Agency. This decrease was offset by additions to the construction in progress of the wastewater treatment plant. The City's capital assets include land, land improvements, buildings, improvements other than buildings, machinery and equipment, and construction in progress.

More information concerning the City's investment in capital assets is available in Note 7 in the Notes to Basic Financial Statements section later in this document.

DEBT ADMINISTRATION

As a result of the dissolution of the Redevelopment Agency, the liabilities of the former Agency were moved to a private-purpose trust fund. Consequently the long-terms liabilities of the City had a dramatic decrease in fiscal year 2012. At June 30, 2012, the City's long-term debt outstanding was \$42,751,969, down from last fiscal year's total of \$98,781,440. That is a 57% fall. These figures do not include amounts due for compensated absences.

The following table provides a breakdown of the City's outstanding indebtedness as of June 30, 2012:

	FY 2012	FY 2011
Governmental Activities:		
Tax Allocation Bonds	\$ 0	\$ 53,605,000
Tax Allocation Notes	0	1,370,000
Revenue Bonds	13,570,000	13,875,000
Capital Leases	932,596	814,538
Net OPEB obligation	3,029,516	2,246,355
Notes and Loans Payable	1,247,879	2,880,931
Contracts Payable	190,471	0
Total Governmental Activities	<u>\$ 18,970,462</u>	<u>\$ 74,791,824</u>
Business-type Activities		
Capital Leases	\$ 7,523	\$ 143,456
Revenue Bonds	6,840,000	6,945,000
Notes and Loans Payable	12,016,687	11,912,419
Installment Purchase	1,415,000	1,615,000
Net OPEB obligation	497,297	368,741
Certificates of Participation	3,005,000	3,005,000
Total Business-type Activities	<u>\$ 23,781,507</u>	<u>\$ 23,989,616</u>
Total Government		
Tax Allocation Bonds	\$ 0	\$ 53,605,000
Tax Allocation Notes	0	1,370,000
Revenue Bonds	20,410,000	20,820,000
Capital Leases	940,119	957,994
Notes and Loans Payable	13,264,566	14,793,350
Contracts Payable	190,471	0
Installment Purchase	1,415,000	1,615,000
Net OPEB obligation	3,526,813	2,615,096
Certificates of Participation	3,005,000	3,005,000
Total Outstanding Indebtedness	<u>\$ 42,751,969</u>	<u>\$ 98,781,440</u>

The tax allocation bonds and notes paid from the receipt of incremental property taxes levied within the City's redevelopment areas. These redevelopment project areas were accounted for in the former Dinuba Redevelopment Agency funds. Therefore, with dissolution the outstanding indebtedness fell from approximately \$55 million to \$0.

Revenue bonds include issues used to finance projects for streets and roads, the Dinuba Vocational facility, sewer and treatment expansion, and the public works facility. Debt service on these issues is paid from the revenues of the appropriate funds.

The General Fund pays debt service on less than one percent of the City's outstanding debt. The remainder is paid from a variety of other funding sources including property tax increment collections, residential growth fee collection, property owner special taxes, water and sewer utility rates, and property tax increments.

More information on the City's outstanding debt may be found in Note 8 in the Notes to Basic Financial Statements section later in this document.

BUDGETING

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison statements are required for the General Fund and all major special revenue funds and may be found immediately following the Government-wide financial statements in this Financial Section of the CAFR. These statements compare the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures for each fund, prepared on a budgetary basis. Budgets are prepared on the modified accrual basis of accounting consistent with GAAP, except that encumbrances are included in budgeted expenditures.

Appropriations lapse at fiscal year-end. The City Council generally reauthorizes appropriations for continuing projects and activities. The City Council has the legal authority to amend the budget of any fund at any time during the fiscal year. The budgetary legal level of control (the level on which expenditures may not legally exceed appropriations) is generally at the fund level. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds (special revenue funds included) are considered a single department. Budgeted expenditures may be reallocated within a division and between divisions within a department without City Council approval.

EXTRAORDINARY ITEMS

In fiscal year 2012, California legislation brought about the dissolution of all redevelopment agencies across the state. The City of Dinuba chose to become the Successor Agency for the former redevelopment agency. As a result the assets and liabilities of the former Agency were moved from the City into a trust fund. The financial statements for the year ending June 30, 2012 reflect an extraordinary gain on the dissolution of the Agency of \$51,196,332.

CONTACT THE CITY'S FINANCIAL MANAGEMENT

This management's discussion and analysis is designed to provide the City's residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about this document, separate reports of the City's component unit, or wish any additional financial information, contact:

Budget/Financial Services Manager
405 East El Monte Way
Dinuba, California 93618
Phone (559) 591-5900



DINUBA VOCATIONAL CENTER

Basic Financial Statements

CITY OF DINUBA
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 8,350,247	\$ 3,526,841	\$ 11,877,088
Restricted assets:			
Cash and investments with fiscal agents	1,029,775	1,303,731	2,333,506
Receivables:			
Accounts	583,693	2,202,554	2,786,247
Intergovernmental	2,432,685	280,489	2,713,174
Notes	17,710,834	174,733	17,885,567
Interest	1,592,119	2,471	1,594,590
Advances to successor agency	11,459,298	1,300,000	12,759,298
Internal balances	(945,019)	945,019	
Inventories		132,060	132,060
Deferred charges – net of accumulated amortization	341,568	692,908	1,034,476
Prepaid items	109,902	74,183	184,085
Assets held for resale	187,251		187,251
Capital assets not being depreciated	109,968,144	18,239,254	128,207,398
Capital assets – net of accumulated depreciation	<u>31,195,807</u>	<u>48,867,192</u>	<u>80,062,999</u>
Total Assets	<u>184,016,304</u>	<u>77,741,435</u>	<u>261,757,739</u>
LIABILITIES			
Accounts payable	748,104	1,620,203	2,368,307
Accrued liabilities	577,911	162,060	739,971
Accrued interest payable	45,869	274,119	319,988
Unearned revenue	915,040	112,057	1,027,097
Deposits and other liabilities	50,000	52,839	102,839
Advances from successor agency		1,165,634	1,165,634
Noncurrent liabilities:			
Due in one year	1,834,456	957,202	2,791,658
Due in more than one year	<u>17,862,665</u>	<u>22,970,640</u>	<u>40,833,305</u>
Total Liabilities	<u>22,034,045</u>	<u>27,314,754</u>	<u>49,348,799</u>
NET ASSETS			
Invested in capital assets, net of related debt	125,564,573	45,077,861	170,642,434
Restricted for:			
Capital projects	5,753,041		5,753,041
Parks	357,458		357,458
Highways and streets	879,442		879,442
Housing	23,764,097		23,764,097
Public safety	597,490		597,490
Debt service	2,163,030		2,163,030
Unrestricted	<u>2,903,128</u>	<u>5,348,820</u>	<u>8,251,948</u>
Total Net Assets	<u>\$161,982,259</u>	<u>\$50,426,681</u>	<u>\$212,408,940</u>

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

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government:				
Governmental Activities:				
General government	\$ (3,439,679)	\$ 52,073	\$ 257	\$
Public safety	(8,167,990)	519,454	560,867	
Public works	(1,826,602)	2,320,459		2,306,923
Community development	(1,007,987)	38,410	2,706,586	
Parks and recreation	(1,796,570)	184,657	11,750	129,231
Interest on long-term debt	(1,720,593)			
Unallocated depreciation	(953,544)			
Total Governmental Activities	<u>(18,912,965)</u>	<u>3,115,053</u>	<u>3,279,460</u>	<u>2,436,154</u>
Business-type Activities:				
Water	(2,159,494)	2,647,422		126,037
Sewer	(2,427,747)	2,610,812		813,424
Disposal	(2,109,008)	2,980,135		
Ambulance	(1,150,496)	1,078,428		29,972
Transit	(639,059)	46,089	627,400	
Golf Course	(3,244,707)	2,239,576		
Compressed natural gas	(120,212)	188,775		
Total Business-type Activities	<u>(11,850,723)</u>	<u>11,791,237</u>	<u>627,400</u>	<u>969,433</u>
Total Primary Government	<u>\$(30,763,688)</u>	<u>\$14,906,290</u>	<u>\$3,906,860</u>	<u>\$3,405,587</u>

General Revenues:

Taxes:

 Property taxes
 Transient occupancy taxes
 Sales taxes
 Franchise tax
 Utility users tax
 Other taxes
 Motor vehicle tax, unrestricted

Use of money and property

Other

Loss on sale of capital assets

Transfers

Total General Revenues and Transfers

Extraordinary Gain on Dissolution of Redevelopment Agency

Change in Net Assets

Net Assets – Beginning of Fiscal Year, restated

Net Assets – End of Fiscal Year

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

<u>Net (Expense) Revenue and Changes in Net Assets</u>		
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (3,387,349)	\$	\$ (3,387,349)
(7,087,669)		(7,087,669)
2,800,780		2,800,780
1,737,009		1,737,009
(1,470,932)		(1,470,932)
(1,720,593)		(1,720,593)
<u>(953,544)</u>	<u></u>	<u>(953,544)</u>
<u>(10,082,298)</u>	<u></u>	<u>(10,082,298)</u>
	613,965	613,965
	996,489	996,489
	871,127	871,127
	(42,096)	(42,096)
	34,430	34,430
	(1,005,131)	(1,005,131)
	<u>68,563</u>	<u>68,563</u>
	<u>1,537,347</u>	<u>1,537,347</u>
<u>\$ (10,082,298)</u>	<u>\$ 1,537,347</u>	<u>\$ (8,544,951)</u>
3,461,506		3,461,506
133,920		133,920
9,843,519		9,843,519
230,613		230,613
1,600,423		1,600,423
870,086		870,086
1,565,696		1,565,696
288,456	19,536	307,992
946,090		946,090
(2,019,092)	(338,718)	(2,357,810)
<u>703,133</u>	<u>(703,133)</u>	<u></u>
17,624,350	(1,022,315)	16,602,035
51,196,332		51,196,332
<u>58,738,384</u>	<u>515,032</u>	<u>59,253,416</u>
<u>103,243,875</u>	<u>49,911,649</u>	<u>153,155,524</u>
<u>\$161,982,259</u>	<u>\$50,426,681</u>	<u>\$212,408,940</u>

CITY OF DINUBA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

		<u>Special Revenue Funds</u>	
	<u>General</u>	<u>Community Development Block Grant</u>	<u>Public Safety Sales Tax</u>
ASSETS			
Cash and investments	\$1,852,813	\$ 67,796	\$250,345
Restricted assets:			
Cash and investments with fiscal agent			
Receivables:			
Accounts	372,831		
Intergovernmental	877,772	659,765	297,100
Notes		16,016,745	
Interest	2,225	1,516,148	169
Prepaid items	73,366		21,120
Due from other funds	173,786		
Advances to successor agency	2,689,955		
Interfund advances receivable	242,000		
Assets held for resale			
Total Assets	<u>\$6,284,748</u>	<u>\$18,260,454</u>	<u>\$568,734</u>
LIABILITIES			
Accounts payable	\$ 151,494	\$ 63,738	\$ 14,018
Accrued liabilities	407,842		80,002
Deferred revenue	31,309	17,537,040	
Due to other funds			
Interfund advances payable	<u>1,101,073</u>		<u>242,000</u>
Total Liabilities	<u>1,691,718</u>	<u>17,600,778</u>	<u>336,020</u>
FUND BALANCES			
Nonspendable:			
Advances	2,931,955		
Prepaid items	73,366		
Restricted for:			
Community development		659,676	
Landscape maintenance			
Capital projects			
Law enforcement			232,714
Debt service			
Assigned for:			
Parks and recreation			
Landscape maintenance			
Community development			
Unassigned	<u>1,587,709</u>		
Total Fund Balances	<u>4,593,030</u>	<u>659,676</u>	<u>232,714</u>
Total Liabilities and Fund Balances	<u>\$6,284,748</u>	<u>\$18,260,454</u>	<u>\$568,734</u>

CITY OF DINUBA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

Capital Projects Funds	Debt Service Funds	Other Governmental Funds	Total Governmental Funds
Transportation Construction	Financing Authority		
\$2,094,763	\$ 35,348	\$ 3,985,759	\$ 8,286,824
	1,029,775		1,029,775
		210,862	583,693
91,999		506,049	2,432,685
45,770	440,000	1,208,319	17,710,834
1,565	14,834	57,161	1,592,102
		214	94,700
			173,786
530,576	500,000	7,738,767	11,459,298
	643,073	437,542	1,322,615
		<u>187,251</u>	<u>187,251</u>
<u>\$2,764,673</u>	<u>\$2,663,030</u>	<u>\$14,331,924</u>	<u>\$44,873,563</u>
\$132,570	\$	\$ 197,648	\$ 559,468
		45,549	533,393
		2,295,301	19,863,650
		173,898	173,898
	500,000	<u>680,020</u>	<u>2,523,093</u>
<u>132,570</u>	<u>500,000</u>	<u>3,392,416</u>	<u>23,653,502</u>
530,576	1,143,073	4,119,000	8,724,604
			73,366
			659,676
		253,458	253,458
2,101,527		2,208,381	4,309,908
		364,776	597,490
	1,019,957	64	1,020,021
		44,054	44,054
		7,375	7,375
		4,426,980	4,426,980
		<u>(484,580)</u>	<u>1,103,129</u>
<u>2,632,103</u>	<u>2,163,030</u>	<u>10,939,508</u>	<u>21,220,061</u>
<u>\$2,764,673</u>	<u>\$2,663,030</u>	<u>\$14,331,924</u>	<u>\$44,873,563</u>



RIDGE CREEK GOLF FOUNTAIN

CITY OF DINUBA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

Fund balances of governmental funds			\$ 21,220,061
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets net of accumulated depreciation have not been included as financial resources in governmental funds			141,152,419
Certain notes receivable are not available to pay for current period expenditures and, therefore are offset by deferred revenue in the governmental funds			18,948,610
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds			
Unfunded OPEB liabilities	\$ (3,029,516)		
Long-term liabilities	(15,940,946)		
Compensated absences	<u>(652,623)</u>	(19,623,085)	
Deferred charges, net of accumulated amortization for debt issuance cost on long-term debt have not been reported in the governmental funds			341,568
Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds			(45,756)
Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service fund must be added to the statement of net assets			<u>(11,558)</u>
Net Assets of Governmental Activities			<u>\$161,982,259</u>

CITY OF DINUBA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

		Special Revenue Funds	
	General	Community Development Block Grant	Public Safety Sales Tax
REVENUES			
Taxes and assessments	\$10,182,465	\$	\$2,021,460
Licenses and permits	490,803		
Intergovernmental	1,793,036	1,698,201	
Charges for services	865,059		
Use of money and property	51,533	3,765	766
Fines and forfeitures	19,611		
Reimbursements	1,327,051		
Miscellaneous	11,997		
Total Revenues	<u>14,741,555</u>	<u>1,701,966</u>	<u>2,022,226</u>
EXPENDITURES			
Current:			
General government	3,198,893		
Public safety	5,911,609		1,710,861
Public works	609,450		
Community development		896,204	
Parks and recreation	1,021,052		
Capital outlay	317,227	510,670	31,203
Debt service:			
Principal retirement	9,507		180,512
Interest and fiscal charges			11,448
Total Expenditures	<u>11,067,738</u>	<u>1,406,874</u>	<u>1,934,024</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,673,817</u>	<u>295,092</u>	<u>88,202</u>
OTHER FINANCING SOURCES (USES):			
Transfers in			
Transfers out	(1,249,844)		(101,349)
Sale of property		95,331	
Total Other Financing Sources (Uses)	<u>(1,249,844)</u>	<u>95,331</u>	<u>(101,349)</u>
NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEM	2,423,973	390,423	(13,147)
EXTRAORDINARY GAIN (LOSS)			
Dissolution of Redevelopment Agency			
TOTAL EXTRAORDINARY GAIN (LOSS)			
NET CHANGE IN FUND BALANCES	<u>2,423,973</u>	<u>390,423</u>	<u>(13,147)</u>
FUND BALANCE, BEGINNING OF FISCAL YEAR	<u>2,169,057</u>	<u>269,253</u>	<u>245,861</u>
FUND BALANCES – END OF FISCAL YEAR	<u>\$ 4,593,030</u>	<u>\$ 659,676</u>	<u>\$ 232,714</u>

See accompanying notes to basic financial statements

CITY OF DINUBA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Capital Projects Funds	Debt Service Funds	Other Governmental Funds	Total Governmental Funds
Transportation Construction	Financing Authority		
\$	\$	\$ 3,559,722	\$15,763,647
			490,803
1,705,260		1,677,412	6,873,909
		1,432,097	2,297,156
9,588	484,420	65,001	615,073
		373,502	393,113
		656,670	1,983,721
		268,830	280,827
<u>1,714,848</u>	<u>484,420</u>	<u>8,033,234</u>	<u>28,698,249</u>
			3,198,893
			7,622,470
	12,525	1,683,261	2,305,236
		445,537	1,341,741
		487,350	1,508,402
2,486,032		1,831,691	5,176,823
	305,000	1,767,712	2,262,731
	702,828	1,252,907	1,967,183
<u>2,486,032</u>	<u>1,020,353</u>	<u>7,468,458</u>	<u>25,383,479</u>
<u>(771,184)</u>	<u>(535,933)</u>	<u>564,776</u>	<u>3,314,770</u>
1,133,976	918,801	5,266,310	7,319,087
(78,000)	(1,101,159)	(5,740,285)	(8,270,637)
114,072		81,747	291,150
<u>1,170,048</u>	<u>(182,358)</u>	<u>(392,228)</u>	<u>(660,400)</u>
398,864	(718,291)	172,548	2,654,370
		4,167,230	4,167,230
		4,167,230	4,167,230
398,864	(718,291)	4,339,778	6,821,600
<u>2,233,239</u>	<u>2,881,321</u>	<u>6,599,730</u>	<u>14,398,461</u>
<u>\$2,632,103</u>	<u>\$2,163,030</u>	<u>\$10,939,508</u>	<u>\$21,220,061</u>



WASHINGTON SCHOOL BAND

CITY OF DINUBA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Net change in fund balances -- total governmental funds \$ 6,821,600

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 capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period. 4,060,980

Certain notes receivable are reported in the governmental funds as expenditures and are then offset by deferred revenue as they are not available to pay current expenditures. Likewise when the note is collected it is reflected in revenue. This is the net change between notes receivable collected and issued. 1,218,433

The net effect of various transactions involving capital assets is to decrease net assets (2,775,051)

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Issuance of bond principal is another financing source and repayment of bond principal is an expenditure in governmental funds, but the issuance increases long-term liabilities and the repayment reduces long-term liabilities in the statement of net assets. Also, governmental funds report the effect of issuance costs when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. 2,637,732

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in government funds.

Change in unfunded OPEB liability	\$(783,161)	
Change in deferred costs of issuance	(160,917)	
Change in accrued interest payable	407,507	
Change in long-term compensated absences	<u>(58,859)</u>	(595,430)

Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. 341,018

Extraordinary gain/(loss) in the Statement of Activities resulted from the increase or decrease of long-term assets and liabilities which were not reported in the governmental funds. This was caused by the dissolution of the Dinuba Redevelopment Agency, see note I for more details. 47,029,102

Change in Net Assets of Governmental Activities \$58,738,384

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

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Disposal
ASSETS			
Current Assets			
Cash and cash investments	\$ 804,452	\$ 1,443,094	\$ 441,504
Restricted cash and investments with fiscal agents	48,105	1,255,626	
Accounts receivable, net	584,052	538,674	290,827
Interest receivable	532	1,020	276
Inventories			
Due from other agencies		280,489	
Prepaid expenses	148		60,000
Deferred charges		692,908	
Due from other funds		99,403	
Total Current Assets	<u>1,437,289</u>	<u>4,311,214</u>	<u>792,607</u>
Noncurrent Assets:			
Note receivable			
Interfund advances receivable	440,000	1,265,634	305,616
Advances from successor agency	1,300,000		
Capital assets:			
Land	261,806	4,388,142	
Depreciable infrastructure, net	12,258,211	7,027,258	
Depreciable buildings and improvements, net	4,304,394	459,159	
Depreciable equipment, net	56,470	145,321	156,403
Construction in progress		9,485,494	
Total Noncurrent Assets	<u>18,620,881</u>	<u>22,771,008</u>	<u>462,019</u>
Total Assets	<u>20,058,170</u>	<u>27,082,222</u>	<u>1,254,626</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	358,105	762,428	103,323
Accrued liabilities	43,532	10,410	2,939
Accrued interest payable		274,079	
Claims payable			
Deferred revenue			
Deposits payable	52,839		
Due to other funds			
Current portion of long-term obligations	<u>380,811</u>	<u>546,525</u>	<u>3,742</u>
Total Current Liabilities	<u>835,287</u>	<u>1,593,442</u>	<u>110,004</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Interfund advances payable		1,165,634	
Advances to successor agency		2,455	703
Compensated absences	6,117		
Net OPEB liability	106,046	104,511	27,540
Capital leases payable			
Loan payable		89,343	
Notes payable	6,963,777	534,813	
Revenue bonds		10,555,000	
Certificate of participation payable		4,235,000	
Total Noncurrent Liabilities	<u>7,075,940</u>	<u>16,686,756</u>	<u>28,243</u>
Total Liabilities	<u>7,911,227</u>	<u>18,280,198</u>	<u>138,247</u>
NET ASSETS			
Invested in capital assets, net of related debt	9,551,510	6,813,683	156,403
Unrestricted	<u>2,595,433</u>	<u>1,988,341</u>	<u>959,976</u>
Total Net Assets	<u>\$12,146,943</u>	<u>\$ 8,802,024</u>	<u>\$1,116,379</u>

See accompanying notes to basic financial statements

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

Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
Ambulance	Transit	Golf Course	Compressed Natural Gas	Totals	
\$ 122,138	\$ 407,075	\$ 46,255	\$262,323	\$ 3,526,841	\$ 63,423
				1,303,731	
651,028	30,476	96,376	11,121	2,202,554	
82	381		180	2,471	17
		132,060		132,060	
		14,035		280,489	
				74,183	15,202
				692,908	
				99,403	
<u>773,248</u>	<u>437,932</u>	<u>288,726</u>	<u>273,624</u>	<u>8,314,640</u>	<u>78,642</u>
		174,733		174,733	
				2,011,250	354,862
				1,300,000	
		3,960,467		8,610,415	
		5,617,395		24,902,864	
	63,474	17,716,093		22,543,120	
261,825	473,672	327,517		1,421,208	11,532
	<u>143,345</u>			<u>9,628,839</u>	
<u>261,825</u>	<u>680,491</u>	<u>27,796,205</u>		<u>70,592,429</u>	<u>366,394</u>
<u>1,035,073</u>	<u>1,118,423</u>	<u>28,084,931</u>	<u>273,624</u>	<u>78,907,069</u>	<u>445,036</u>
7,028	243,920	139,107	6,292	1,620,203	188,524
71,249		33,549	381	162,060	44,518
		40		274,119	113
8,050		104,007		112,057	50,000
				52,839	
<u>21,812</u>		<u>4,312</u>		<u>957,202</u>	<u>99,403</u>
<u>108,139</u>	<u>243,920</u>	<u>281,015</u>	<u>6,673</u>	<u>3,178,480</u>	<u>382,558</u>
		1,165,634		1,165,634	
81,967			957	1,165,634	
254,375			4,825	92,199	74,036
		3,211		497,297	
				3,211	
				89,343	
				7,498,590	
				10,555,000	
				4,235,000	
<u>336,342</u>		<u>1,168,845</u>	<u>5,782</u>	<u>25,301,908</u>	<u>74,036</u>
<u>444,481</u>	<u>243,920</u>	<u>1,449,860</u>	<u>12,455</u>	<u>28,480,388</u>	<u>456,594</u>
261,825	680,491	27,613,949		45,077,861	11,532
<u>328,767</u>	<u>194,012</u>	<u>(978,878)</u>	<u>261,169</u>	<u>5,348,820</u>	<u>(23,090)</u>
<u>\$ 590,592</u>	<u>\$ 874,503</u>	<u>\$26,635,071</u>	<u>\$261,169</u>	<u>\$50,426,681</u>	<u>\$ (11,558)</u>

CITY OF DINUBA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Disposal
OPERATING REVENUES:			
Sales and service charges	\$ 2,612,536	\$2,536,097	\$2,948,109
Other	<u>34,886</u>	<u>74,715</u>	<u>32,026</u>
Total Operating Revenues	<u>2,647,422</u>	<u>2,610,812</u>	<u>2,980,135</u>
OPERATING EXPENSES:			
Cost of goods sold			123,882
Salaries and benefits	477,041	403,524	1,027,344
Contractual services	95,221	154,093	75,400
Materials and supplies	306,843	84,988	15,981
Repairs and maintenance	107,877	39,742	653,162
Dump fees			
Utilities	402,026	485,733	
Rents and leases			
Insurance	42,479	42,593	
Allocated overhead	517,015	534,235	750,478
Depreciation	<u>403,939</u>	<u>202,516</u>	<u>21,424</u>
Total Operating Expenses	<u>2,352,441</u>	<u>1,947,424</u>	<u>2,667,671</u>
Operating Income (loss)	<u>294,981</u>	<u>663,388</u>	<u>312,464</u>
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental			
Loss on disposal of capital assets			
Interest revenue	1,965	13,897	1,226
Interest expense	<u>(201,538)</u>	<u>(827,139)</u>	
Total Nonoperating Revenues (expenses)	<u>(199,573)</u>	<u>(813,242)</u>	<u>1,226</u>
Income (Loss) Before Contributions and Transfers	<u>95,408</u>	<u>(149,854)</u>	<u>313,690</u>
Capital contributions	126,037	813,424	
Transfers in	386,812	682,855	
Transfers out	<u>(129,800)</u>	<u>(237,625)</u>	<u>(21,200)</u>
Net Contributions and Transfers	<u>383,049</u>	<u>1,258,654</u>	<u>(21,200)</u>
Changes in Net Assets	478,457	1,108,800	292,490
Net Assets – Beginning of Fiscal Year	<u>11,668,486</u>	<u>7,693,224</u>	<u>823,889</u>
Net Assets – End of fiscal year	<u>\$12,146,943</u>	<u>\$8,802,024</u>	<u>\$1,116,379</u>

See accompanying notes to basic financial statements

CITY OF DINUBA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Business-Type Activities Enterprise Funds					Governmental Activities Internal Service Funds
Ambulance	Transit	Golf Course	Compressed Natural Gas	Totals	
\$1,076,793	\$ 46,064	\$ 2,108,928	\$188,775	\$11,517,302	\$4,605,218
<u>1,635</u>	<u>25</u>	<u>130,648</u>		<u>273,935</u>	<u>6,109</u>
<u>1,078,428</u>	<u>46,089</u>	<u>2,239,576</u>	<u>188,775</u>	<u>11,791,237</u>	<u>4,611,327</u>
		430,433		430,433	
840,541		1,071,388	18,828	2,935,204	1,050,884
	404,930	173,587		1,855,175	56,155
142,946	89,557	318,373	3,411	1,021,518	341,508
19,462	30,251	40,037	9,643	262,993	
		120,374	57,364	1,065,497	
		88,661		88,661	
35,130				120,202	2,911,411
303,187	18,980		30,966	2,154,861	41,055
<u>45,449</u>	<u>113,841</u>	<u>999,494</u>		<u>1,786,663</u>	<u>2,050</u>
<u>1,386,715</u>	<u>657,559</u>	<u>3,242,347</u>	<u>120,212</u>	<u>12,374,369</u>	<u>4,403,063</u>
<u>(308,287)</u>	<u>(611,470)</u>	<u>(1,002,771)</u>	<u>68,563</u>	<u>(583,132)</u>	<u>208,264</u>
	627,400			627,400	33,965
		(338,718)		(338,718)	
347	1,032	425	644	19,536	57
		<u>(2,360)</u>		<u>(1,031,037)</u>	<u>(1,268)</u>
<u>347</u>	<u>628,432</u>	<u>(340,653)</u>	<u>644</u>	<u>(722,819)</u>	<u>32,754</u>
<u>(307,940)</u>	<u>16,962</u>	<u>(1,343,424)</u>	<u>69,207</u>	<u>(1,305,951)</u>	<u>241,018</u>
29,972				969,433	
101,349		168,656		1,339,672	100,000
		<u>(86,680)</u>	<u>(12,817)</u>	<u>(488,122)</u>	
<u>131,321</u>		<u>81,976</u>	<u>(12,817)</u>	<u>1,820,983</u>	<u>100,000</u>
<u>(176,619)</u>	<u>16,962</u>	<u>(1,261,448)</u>	<u>56,390</u>	<u>515,032</u>	<u>341,018</u>
<u>767,211</u>	<u>857,541</u>	<u>27,896,519</u>	<u>204,779</u>	<u>49,911,649</u>	<u>(352,576)</u>
<u>\$ 590,592</u>	<u>\$ 874,503</u>	<u>\$26,635,071</u>	<u>\$261,169</u>	<u>\$50,426,681</u>	<u>\$ (11,558)</u>

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

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Disposal
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers and users	\$2,574,803	\$ 2,513,365	\$ 2,968,398
Cash paid to suppliers for goods and services	(670,142)	(853,396)	(1,743,323)
Cash paid to employees for services	(447,162)	(374,206)	(120,773)
Cash paid for allocated overhead	<u>(517,015)</u>	<u>(534,235)</u>	<u>(750,478)</u>
Net Cash Provided (Used) by Operating Activities	<u>940,484</u>	<u>751,528</u>	<u>353,824</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Intergovernmental revenue			
Transfers to other funds	(129,800)	(237,625)	(21,200)
Transfers from other funds	386,812	682,855	
Due to (from) other funds	(250,000)	(100,000)	(305,616)
Due from other funds repayments	<u></u>	<u>564,391</u>	<u></u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>7,012</u>	<u>909,621</u>	<u>(326,816)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from issuance of long-term debt		525,584	
Capital contributions		1,028,462	
Purchases of capital assets		(2,719,416)	
Proceeds from sale of capital assets			
Principal paid on long-term debt	(356,126)	(456,362)	
Interest paid on long-term debt	<u>(201,538)</u>	<u>(814,124)</u>	<u></u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(557,664)</u>	<u>(2,435,856)</u>	<u></u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Loans made to others			
Interest received	<u>2,026</u>	<u>14,280</u>	<u>1,433</u>
Net Cash Provided (used) by Investing Activities	<u>2,026</u>	<u>14,280</u>	<u>1,433</u>
Net Increase (Decrease) in Cash and Cash Equivalents	391,858	(760,427)	28,441
CASH AND CASH EQUIVALENTS AT BEGINNING OF FISCAL YEAR	<u>460,699</u>	<u>3,459,147</u>	<u>413,063</u>
CASH AND CASH EQUIVALENTS AT END OF FISCAL YEAR	<u>\$ 852,557</u>	<u>\$ 2,698,720</u>	<u>\$ 441,504</u>
RECONCILIATION TO STATEMENT OF NET ASSETS:			
Cash and investments	\$ 804,452	\$ 1,443,094	\$ 441,504
Restricted cash and investments with fiscal agent	<u>48,105</u>	<u>1,255,626</u>	<u></u>
	<u>\$ 852,557</u>	<u>\$ 2,698,720</u>	<u>\$ 441,504</u>

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

Business-Type Activities Enterprise Funds					Governmental Activities Internal Service Funds
Ambulance	Transit	Golf Course	Compressed Natural Gas	Totals	
\$1,189,522	\$ 46,089	\$ 2,256,573	\$182,627	\$11,731,377	\$ 4,838,772
(153,415)	(313,717)	(1,206,269)	(74,665)	(5,014,927)	(3,272,214)
(767,037)		(1,071,388)	(17,551)	(2,798,117)	(1,037,920)
(303,187)	(18,980)		(30,966)	(2,154,861)	(42,323)
(34,117)	(286,608)	(21,084)	59,445	1,763,472	486,315
	836,986	(920)	(12,817)	836,986	33,965
101,349		168,656		(402,362)	100,000
				1,339,672	(564,391)
				(655,616)	
				564,391	
101,349	836,986	167,736	(12,817)	1,683,071	(430,426)
				525,584	
29,972				1,058,434	
(101,349)	(279,053)	(31,219)		(3,131,037)	(4,022)
		175,000		175,000	
		(135,520)		(948,008)	
		(2,383)		(1,018,045)	
(71,377)	(279,053)	5,878		(3,338,072)	(4,022)
		(174,733)		(174,733)	
419	846	425	740	20,169	(1,069)
419	846	(174,308)	740	(154,564)	(1,069)
(3,726)	272,171	(21,778)	47,368	(46,093)	50,798
125,864	134,904	68,033	214,955	4,876,665	12,625
\$ 122,138	\$ 407,075	\$ 46,255	\$262,323	\$ 4,830,572	\$ 63,423
\$ 122,138	\$ 407,075	\$ 46,255	\$262,323	\$ 3,526,841	\$ 63,423
				1,303,731	
\$ 122,138	\$ 407,075	\$ 46,255	\$262,323	\$ 4,830,572	\$ 63,423

CITY OF DINUBA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Disposal
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	<u>\$294,981</u>	<u>\$663,388</u>	<u>\$312,464</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	403,939	202,516	21,424
Adjustments:			
(Increase) decrease in accounts receivable	(77,359)	(97,447)	(11,737)
(Increase) decrease in inventories			
(Increase) decrease in due from other agencies			
(Increase) decrease in prepaid expenses	(2)		
Increase (decrease) in accounts payable	287,198	(48,334)	27,599
Increase (decrease) in accrued liabilities	(2,892)	2,087	965
Increase (decrease) in compensated absences	2,465	2,300	(4,011)
Increase (decrease) in deferred revenue			
Increase (decrease) in deposits payable	4,740		
Increase (decrease) in OPEB liability	<u>27,414</u>	<u>27,018</u>	<u>7,120</u>
Total Adjustments	<u>645,503</u>	<u>88,140</u>	<u>41,360</u>
Net Cash Provided (Used) by Operating Activities	<u>\$940,484</u>	<u>\$751,528</u>	<u>\$353,824</u>
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Contributions of capital assets from developers	<u>\$126,037</u>	<u>\$ 85,425</u>	<u>\$</u>
Borrowing under capital lease	<u>\$</u>	<u>\$</u>	<u>\$</u>

See accompanying notes to basic financial statements

CITY OF DINUBA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

Business-Type Activities Enterprise Funds					Governmental Activities Internal Service Funds
<u>Ambulance</u>	<u>Transit</u>	<u>Golf Course</u>	<u>Compressed Natural Gas</u>	<u>Totals</u>	
<u>\$(308,287)</u>	<u>\$(611,470)</u>	<u>\$(1,002,771)</u>	<u>\$68,563</u>	<u>\$ (583,132)</u>	<u>\$208,264</u>
45,449	113,841	999,494		1,786,663	2,050
111,194		(22,449)	(6,148)	(103,946)	131,008
		(11,989)		(11,989)	
		1,231		1,231	96,437
87		(10,464)		(10,379)	(7,682)
(2,554)	211,021	12,169	(4,052)	483,047	38,560
46,590		(24,520)	(195)	22,035	4,714
7,746			30	8,530	12,964
(100)		38,215		38,115	
				4,740	
<u>65,758</u>	<u> </u>	<u> </u>	<u>1,247</u>	<u>128,557</u>	<u> </u>
<u>274,170</u>	<u>324,862</u>	<u>981,687</u>	<u>(9,118)</u>	<u>2,346,604</u>	<u>278,051</u>
<u>\$(34,117)</u>	<u>\$(286,608)</u>	<u>\$(21,084)</u>	<u>\$59,445</u>	<u>\$1,763,472</u>	<u>\$486,315</u>
<u>\$ </u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>	<u>\$ 211,462</u>	<u>\$ </u>
<u>\$ </u>	<u>\$ </u>	<u>\$ 7,975</u>	<u>\$ </u>	<u>\$ 7,975</u>	<u>\$ </u>

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

	Redevelopment Successor Agency Private-Purpose Trust Fund	Agency Funds
ASSETS:		
Cash and investments	\$ 1,454,531	\$590,425
Restricted cash with fiscal agents	3,931,457	
Accounts receivable	2,907	2,761
Interest receivable	348	
Deferred charges	2,684,635	
Assets held for resale	1,888,463	
Advances to City of Dinuba	1,165,634	
Notes receivable	553,208	
Capital assets (net of accumulated depreciation)	<u>5,274,467</u>	
Total Assets	<u>\$ 16,955,650</u>	<u>\$593,186</u>
LIABILITIES:		
Accounts payable	\$ 2,540	\$ 83,014
Interest payable	1,007,363	
Other liabilities	187	510,172
Deferred revenue	167,639	
Advances from City of Dinuba	12,759,298	
Long-term debt	<u>54,872,739</u>	
Total Liabilities	<u>68,809,766</u>	<u>\$593,186</u>
NET ASSETS (DEFICIT)		
Held in trust for the retirement of obligations of the former Dinuba Redevelopment Agency	<u>(51,854,116)</u>	
Total Net Assets	<u><u>\$(51,854,116)</u></u>	

CITY OF DINUBA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FIVE MONTHS ENDED JUNE 30, 2012

	Redevelopment Successor Agency Private-Purpose Trust Fund
ADDITIONS:	
Taxes	\$ 1,434,610
Investment earnings	18,958
Miscellaneous	<u>12,727</u>
Total Additions	<u>\$ 1,466,295</u>
DEDUCTIONS:	
Administration	43
Depreciation	2,330
Debt service:	
Interest and fiscal charges	<u>2,121,706</u>
Total Deductions	<u>2,124,079</u>
EXTRAORDINARY GAIN (LOSS)	
Dissolution of redevelopment agency	<u>(51,196,332)</u>
Change in net assets	<u>(51,854,116)</u>
Net Assets, Beginning of Fiscal year	<u> </u>
Net Assets, End of Year	<u><u>\$(51,854,116)</u></u>

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Dinuba (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The City of Dinuba is a political subdivision provided for by the General Law of the State of California and, as such, can exercise the powers specified by the Constitution and laws of the State of California. The City was incorporated in 1906 as a general law city. On June 4, 1994, the voters of the City approved a Charter which gives the City Council greater self-rule, and the Charter was accepted by the Secretary of State on July 7, 1994. The City operates under a council-manager form of government.

The City of Dinuba is a municipal corporation governed by an elected five-member City Council who, in turn, elects one of its members to serve as the Mayor. As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the City. The blended component units have a June 30 fiscal year end to coincide with the City's.

Blended Component Units. The Dinuba Redevelopment Agency (Agency) was created in 1999 to prepare redevelopment project areas and plans for the City of Dinuba. As of February 1, 2012, the Agency was dissolved and the City has elected to become the Successor Agency. The Successor Agency is responsible for winding down the remaining activities of the dissolved Agency. Additional information on the dissolution of the redevelopment agency can be found in the section titled "Successor Agency Trust for Assets of Former Redevelopment Agency."

In addition, in May 1994, the Dinuba Financing Authority (Authority) was formed in order to provide a funding vehicle for necessary street improvements within the City. The governing board of the Dinuba Financing Authority is the City Council, and the City Manager acts as Executive Director. A separate financial report is not being issued by the Dinuba Financing Authority. The activity of the Authority is reported in the Financing Authority Debt Service Fund of the City.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In the Fund Financial Statements, fiduciary funds are presented using the accrual basis of accounting. The fiduciary funds do not have a measurement focus.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

The City reports the following major governmental funds:

The General Fund 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 other funds.

The Community Development Block Grant Special Revenue Fund – This fund accounts for certain designated projects paid for with Community Development Block Grant (CDBG) Federal program monies received from the State, along with repayments of CDBG loans.

Public Safety Sales Tax Special Revenue Fund – This fund accounts for ¾% add-on sales tax approved by voters in November 2005 for enhanced public safety services.

Transportation Construction Capital Projects Fund – This fund accounts for major street construction projects.

The Dinuba Financing Authority Debt Service Fund – This fund accounts for the accumulation of resources for, and the retirement of, the Authority's long-term debt issued for capital improvements.

The City reports the following major proprietary funds:

The Water Enterprise Fund – This fund accounts for the operation and maintenance of the City's water distribution system.

The Sewer Enterprise Fund – This fund accounts for the operation and maintenance of the City's wastewater collection system including operating costs of the wastewater treatment facility.

The Disposal Enterprise Fund – This fund accounts for the collection and disposal of solid waste from industrial, commercial, and residential users throughout the Dinuba area.

The Ambulance Enterprise Fund – This fund accounts for ambulance service fees and all costs associated with providing ambulance service throughout the City.

The Transit Enterprise Fund – This fund accounts for the operation of the City's transit system, which is accomplished by a private contractor. The principal source of funding for this activity is SB325 money.

The Golf Course Fund – This fund accounts for the operation and maintenance of the City's golf course.

The Compressed Natural Gas Fund – This accounts for the sale of compressed natural gas and related costs to outside entities.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

Additionally, the City reports the following fund types:

The Internal Service Fund accounts for financial transactions related to the City's billing and collections, maintenance and repairs, and self-insurance programs. These services are provided to other departments or agencies of the City on a cost reimbursement basis.

The Agency Funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. These funds are not included in the government-wide financial statements. These assets include refundable and expendable cash deposits, and retentions withheld pending satisfactory project completion.

The Private-Purpose Trust Funds are used to account for the assets of the former City of Dinuba Redevelopment Agency during the wind down period.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). For proprietary fund type activities, the City has elected to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board (APB), or any Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they contradict or conflict with GASB pronouncements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 ongoing operations. The principal operating revenues of the Enterprise Funds and of the Internal Service Fund are charges to customers for sales and services. Operating expenses for the Enterprises Funds and the Internal Service 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.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

D. Assets, Liabilities, Net Assets or Equity

Cash and Investments

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

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

In accordance with the State of California Government Code, the City adopts an investment policy annually that, among other things, authorizes types and concentrations of investments and maximum investment terms.

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-ask quotations from SEC-registered securities exchanges or NASDAQ dealers. LAIF determines the fair value of its 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. 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 change and petty cash funds, equity in the City's cash and investment pool, and restricted non-pooled investments with initial maturities of three months or less.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (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.

All trade and tax receivables are shown net of an allowance for uncollectible accounts if applicable, and estimated refunds due.

Inventories

All Inventories are valued at cost using the first-in/first-out (FIFO) method.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

Property Taxes

Assessed values for purposes of property taxes are determined on an annual basis for the period July 1 to June 30 by the Tulare County Assessor as of January 1. Taxes are levied annually on July 1 and become a lien on real property at January 1. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively, at which time applicable penalties and interest are assessed. Unsecured taxes became delinquent if not paid by August 31.

Prepaid Items

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Certain proceeds of the City's long-term debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

In the absence of specific statutory provisions governing the issuance of bonds, certificates, or leases, these bond monies may be invested in accordance with the ordinance; resolutions and indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions, and indentures are generally more restrictive than the City's general investment policy. In no instances have additional types of investments been authorized that are not permitted by the City's general investment policy

Capital Assets

Capital assets, which include property, plant, equipment, fine art, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$2,500 or more and an estimated useful life in excess of one year. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year ended June 30, 2012.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30
Improvements other than buildings	30
Infrastructure	20-40
Utility systems	40-75
Vehicles	5-15
Computer equipment	7
Other equipment and furnishings	7

The City's art collection is not depreciated. Periodic restoration and maintenance costs on particular items are charged to expense as incurred.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation and sick leave benefits are accrued as earned by employees. A portion of unused sick leave benefits, varying by employee bargaining unit, vests and is payable upon retirement. For proprietary funds, a current liability is reported for that portion of the estimated value of vacation and sick leave benefits to be used during the subsequent fiscal year, and the estimated value of vested sick leave benefits of employees approaching or at their respective retirement ages.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Initial-issue bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method (which approximates the effective interest method). The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the life of the refunding debt or remaining life of the refunded debt. Bond issuance costs, including deferred refunding amounts and underwriters' discount, are reported as deferred bond issuance costs. Amortization of bond premiums or discounts, issuance costs, and deferred amounts on refunding is included in interest expense.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

Net Assets and Fund Equity

In the Government-wide financial statements and proprietary fund financial statements, net assets are reported in three categories: Net assets invested in capital assets, net of related debt; restricted net assets, and unrestricted net assets. Restricted net assets represent net assets restricted by parties outside the city (such as creditors, grantors, contributors, laws, and regulations of other governments) and including unspent proceeds of bonds issued to acquire or construct capital assets. The City's other restricted net assets are temporarily restricted (ultimately expendable assets). All other net assets are considered unrestricted.

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of the City Council which includes the City Charter, ordinances and resolutions and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- *Assigned fund balance* – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Such intent should be expressed by the City Council or its designated officials to assign amounts to be used. Constraints imposed on the use of assigned amounts can be removed with no formal Council actions.
- *Unassigned fund balance* – the residual classification for the City's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, followed by the unrestricted committed, assigned and unassigned resources as they are needed.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

E. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

F. Recent Changes in Legislation Affecting California Redevelopment Agencies

On December 29, 2011, the Supreme Court of the State of California (the “Court”) upheld the enforceability of legislation that provides for the dissolution of California redevelopment agencies, but struck down the Assembly Bill X1 27 which would have provided a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program. As a result of the Court ruling, the dissolution of California Redevelopment Agencies was effective as of February 1, 2012.

Assembly Bill X1 26 signed into law as part of the State’s budget package on June 29, 2011, requires each California Redevelopment Agency to suspend nearly all activities except to complete existing contracts, meet already-incurred obligations, preserve its assets, prepare for the impending dissolution of the agency, and transfer all of its assets to a Successor Agency that is governed by an oversight board representing the various taxing jurisdictions of the community.

Assembly Bill X1 26 also required each agency to adopt an Enforceable Obligation Payment Schedule and draft a Recognized Obligations include bonds, loans and payments required by the federal or State government; legally enforceable payments required in connection with Agency employees such as pension payments and unemployment payments, judgments or settlements; legally binding and enforceable agreements or contracts; and contracts or agreements necessary for the continued administration or operation of the agency that are permitted for purposes set forth in Assembly Bill X1 26. Only the amount of tax revenues necessary to fund the payments reflected on the Enforceable Obligation Payment Schedule will be allocated to the Successor Agencies.

Assembly Bill X1 26 directs the Department of Finance 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 as defined in Assembly Bill X1 26.

Management believes 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.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
 (continued)

On February 14, 2012, the City Council of the City of Dinuba adopted Resolution No. 2012-13 electing to retain the housing assets and functions previously performed by the dissolved Dinuba Redevelopment Agency pursuant to Section 34176(a)(1) of the California Health and Safety Code. Accordingly, the City has assumed the responsibility of the housing assets and functions for the Low and Moderate Income Housing Funds and transferred housing assets and liabilities in the amount of \$4,156,588 to the Housing Authority Special Revenue Fund. All remaining assets and liabilities of the Agency under the Redevelopment Agency Debt Service Fund and Capital Projects Fund in the amount of \$51,196,332 were transferred to the Redevelopment Successor Agency Private-Purpose Trust Fund and are reported in the Fiduciary Funds.

The transfer of the assets and liabilities of the former redevelopment agency from and after February 1, 2012, from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary gain for funds with a negative fund balance and an extraordinary loss for funds with a positive fund balance. The receipt of these assets and liabilities as of January 31, 2012, was reported in the Private-Purpose Trust Fund as an extraordinary loss and gain.

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

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

Total extraordinary gain reported in governmental funds - decrease to net assets of the Successor Agency Trust Fund	\$ (4,167,230)
Capital assets recorded in the government-wide financial statements - increase to net assets of the Successor Agency Trust Fund	5,276,797
Accrued bond interest reported in the government-wide financial statements – decrease to net assets of the Successor Agency Trust Fund	(593,043)
Long-term debt (net of issuance costs) reported in the government-wide Financial statements – decrease to net assets of the Successor Agency Trust Fund	<u>(51,712,856)</u>
Net decrease to net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the City)	<u>\$(51,196,332)</u>

G. Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net assets:

The governmental funds balance sheet includes a reconciliation between fund balances – governmental funds and net assets of governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term debt and compensated absences from the general long-term debt account group have not been included in the governmental fund activity.” The detail of the \$19,623,085 long-term debt difference is as follows:

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

Long-term debt	
Lease revenue bonds payable	\$13,570,000
Notes payable	1,247,879
Capital leases payable	932,596
Contracts payable	190,471
Unfunded OPEB liability	3,029,516
Compensated absences	<u>652,623</u>
Net adjustment to reduce fund balances of total governmental funds to arrive at net assets of governmental activities	<u>\$19,623,085</u>

Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

Capital outlay	\$ 5,933,282
Depreciation expense	<u>(1,872,302)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 4,060,980</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.” Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$2,637,732 difference are as follows:

Principal repayments:	
Tax allocations bonds	\$ 850,000
Revenue bonds	305,000
Notes and loans payable	1,256,795
Capital leases payable	172,719
Contracts payable	<u>53,218</u>
Net adjustment to increase net changes in fund balance of total government funds to arrive at changes in net assets of governmental activities	<u>\$2,637,732</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. General Budget Policies

1. The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.
2. The City approves total budgeted appropriations and any amendments to appropriations throughout the fiscal year. All amendments made during the fiscal year are included in the budgetary amounts reported herein. The “appropriated budget” covers all City expenditures, with the exception of debt service on bond issues and capital improvement projects carried forward from prior fiscal years, which expenditures constitute legally authorized “non-appropriated budget.” Actual expenditures may not exceed budgeted appropriations at the fund level, which is the legal level of control.

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

3. Formal budgetary integration is employed as a management control device during the fiscal year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Appropriations which are encumbered lapse at fiscal year-end, are then added to the following fiscal year’s budgeted appropriations.
4. Budgets for the General, Special Revenue, and Debt Service Funds are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America (USGAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items.

Budget comparisons are not presented for the Proprietary Funds, as the City is not legally required to adopt a budget for these types of funds.

5. Capital projects are budgeted through the Capital Projects Funds. Appropriations for capital projects authorized but not constructed or completed during the year are carried forward as continuing appropriations into the following fiscal year’s budget.
6. Under Article XIII-B of the California constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset by a deficit in the following year. For the fiscal year ended June 30, 2012, based on calculations by City staff, proceeds of taxes did not exceed appropriations. Further, Section 45 of Article XIII-B allows the City to designate a portion of fund balance for general contingencies, to be used for any purpose.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

B. Deficit Fund Balances and Net Assets

The following funds had deficit fund balances/net assets at June 30, 2012:

Nonmajor Governmental Fund:	
Transportation	\$ 1
General Construction	\$305,517
Internal Service Funds:	
Billing and Collection Service Fund	\$ 26,469
Property and Equipment Service Fund	\$ 3,703

These deficits will be relieved through future revenues or transfers from other funds.

C. Excess Expenditures over Appropriations

The following are funds in which certain expenditures exceeded appropriations for the fiscal year ended June 30, 2012. Sufficient additional resources were available to fund these expenditures.

Fund/Function	Final Appropriation	Expenditures	Excess
Nonmajor Funds:			
Transportation Special Revenue Fund	\$382,359	\$ 388,446	\$ 6,087
System Development Charges Special Revenue Fund	428,086	1,214,097	786,011
Community Enhancement Grants Special Revenue Fund	342,100	344,945	2,845

3. CASH AND INVESTMENTS

Cash and investments as of June 30, 2012 are classified in the accompanying financial statement as follows:

Statement of net assets:	
Cash and investments	\$13,331,619
Restricted cash and investments with Fiscal Agents	6,264,963
Fiduciary funds:	
Cash and investments	<u>590,425</u>
Total Cash and Investments	<u>\$20,187,007</u>

Cash and investments as of June 30, 2012 consist of the following:

Cash on hand	\$ 7,025
Deposits with financial institutions	3,113,560
Investments	<u>17,066,422</u>
Total Cash and Investments	<u>\$20,187,007</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

A. Investment Authorized by the California Government Code and the City's Investment Policy

The table below identifies the **investment types** that are authorized for the City of Dinuba (City) by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address **interest rate risk**, **credit risk**, and **concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	None	\$40 million
U.S. Treasury Obligations	N/A	None	None
U.S. Government Agency Issues	N/A	None	None
Insured Passbook on Demand Deposits with Banks and Savings and Loans	N/A	None	\$100,000
Certificates of Deposit	1 year	None	\$100,000
Bankers Acceptances	N/A	None	None
Commercial Paper	N/A	None	None
Mutual Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None
Money Market Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None

The investment policy allows for the above investments which have equal safety and liquidity as all other allowed investments. Maturity depends on the cash needs of the City.

B. Investment Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees 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 for investments held 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**.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	None	\$40 million
U.S. Treasury Obligations	N/A	None	None
U.S. Government Agency Issues	N/A	None	None
Insured Passbook on Demand Deposits with Banks and Savings and Loans	N/A	None	\$100,000
Certificates of Deposit	1 year	None	\$100,000
Bankers Acceptances	N/A	None	None
Commercial Paper	N/A	None	None
Mutual Funds (must be comprised of eligible Securities permitted under this policy)	N/A	None	None
Money Market Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None

The investment policy allows for the above investments which have equal safety and liquidity as all other allowed investments. Maturity depends on the cash needs of the City.

C. Disclosures 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 manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Totals	Remaining Maturity (in Months)			
		12 Months or Less	13 - 24 Months	25 - 60 Months	More Than 60 Months
State Investment Pool	\$10,839,458	\$10,839,458	\$	\$	\$
Held by Bond Trustees:					
Money Market Funds	2,753,510	2,753,510			
Negotiable Certificates of Deposits	2,741,884	984,534	1,488,774	268,576	
U.S. Agency Securities	75,140			75,140	
Muni Bonds Taxable	258,275		258,275		
Muni Bonds Nontaxable	398,155	228,587	169,568		
	<u>\$17,066,422</u>	<u>\$14,806,089</u>	<u>\$1,916,617</u>	<u>\$343,716</u>	<u>\$</u>

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

E. 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 City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Ratings as of Fiscal Year End	
			Not Rated	AA
State Investment Pool	\$10,839,458	N/A	\$10,839,458	\$
Held by Bond Trustee:				
Money Market Funds	2,753,510	N/A	2,753,510	
Negotiable Certificates of Deposits	2,741,884		2,741,884	
U.S. Agency Securities	75,140	N/A		75,140
Muni Bonds Taxable	258,275		258,275	
Muni Bonds Nontaxable	398,155		398,155	
	<u>\$17,066,422</u>		<u>\$16,991,282</u>	<u>\$75,140</u>

F. Custodial Credit Risk

Custodial Credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2012, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. In addition, as of June 30, 2012, no investments were held by the same broker dealer (counterparty) that was used by the city of Dinuba to purchase the securities.

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 LAIF for the entire LAIF 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 are recorded on an amortized cost basis.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

4. NOTES RECEIVABLE

Notes receivable as of June 30, 2012 were recorded as follows:

Special Revenue Funds	\$17,114,304
Capital Projects Funds	156,530
Debt Service Funds	440,000
Enterprise Funds	<u>174,733</u>
Total Notes Receivable	<u>\$17,885,567</u>

Notes receivable by type are:

Home Loan Rehabilitation Program loans to assist low income residents to afford safe and sanitary housing, including improvements to the housing; non-interest bearing to 10% interest; principal and interest generally due at maturity or change of home ownership; secured by deeds of trust; proceeds are paid directly to the builder and a receivable is recorded from the home purchaser. \$11,321,159

Note for the purchase of residential property related to the golf course at 4% interest, secured by a deed of trust. Note is payable in monthly installments of \$835.48 until May 4, 2017 at which time the entire unpaid balance will become due and payable. 174,733

Note from S&A Properties dba Dinuba Lumber at 7% interest secured by a deed of trust. Due in monthly installment of \$334 starting February 1, 2007 and maturing January 1, 2017. 15,667

Note from Universal Inc. to purchase the Alta District Hospital facility at 4.5% interest, secured by deed of trust. The note is payable in three annual payments of \$15,000 with a final lump sum payment due no later than January 5, 2015. 440,000

Promissory notes from two developers for the acquisition and development of property for housing projects within the City; interest rates from 3% to 4.81%; terms of the notes are thirty to forty years; notes secured by deeds of trust. 5,888,238

Note for the purchase of land, payable in 23 monthly payments, secured by a deed of trust. The note has no interest and the final payment is scheduled for July 1, 2013. 45,770

Totals \$17,885,567

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

5. ACCOUNTS RECEIVABLE

The following is a list of accounts receivable at June 30, 2012.

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Governmental Funds -			
Due from other governments	\$2,432,685	\$	\$2,432,685
Accounts	<u>583,693</u>	<u> </u>	<u>583,693</u>
	<u>\$3,016,378</u>	<u>\$</u>	<u>\$3,016,378</u>
Proprietary Funds -			
Accounts	<u>\$3,248,767</u>	<u>\$1,046,213</u>	<u>\$2,202,554</u>
Fiduciary Funds -			
Accounts	<u>\$ 5,668</u>	<u>\$</u>	<u>\$ 5,668</u>

6. INTERFUND TRANSACTIONS

A. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The City's current balances represent loans to cover temporary shortages of cash in individual funds. The following presents a summary of current interfund balances at June 30, 2012.

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Fund:		Nonmajor Capital Projects Fund:	
General	\$173,786	MTBE	\$144,930
		Housing Authority	28,856
Enterprise Fund:		Internal Service Funds:	
Sewer	<u>99,403</u>	Insurance	<u>99,403</u>
Totals	<u>\$273,189</u>		<u>\$273,189</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

B. Long-term Interfund Advances

At June 30, 2012, the funds below have made/received advances that were not expected to be repaid within one year.

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Fund:		Major Funds:	
General	\$242,000	General (A)	\$1,101,073
Financing Authority	643,073	Financing Authority (B)	500,000
		Public Safety (C)	242,000
Nonmajor Funds:		Nonmajor Funds:	
System Development Charges	150,000	MTBE (D)	190,000
Housing Authority	287,542	Capital Projects (E)	305,616
		Parks Reserve (F)	116,904
		System Development Charges (G)	67,500
Internal Service Fund:			
Insurance	354,862		
Enterprise Fund:		Enterprise Fund:	
Disposal	305,616	Golf Course (H)	1,165,634
Water	440,000		
Sewer	<u>1,265,634</u>		
Totals	<u>\$3,688,727</u>	Totals	<u>\$3,688,727</u>

The payment plans for each for the above advances are as follows:

- (A) To be repaid from future tax revenue.
- (B) To be repaid from future tax revenue.
- (C) To be repaid from future public safety add-on sales tax.
- (D) To be repaid from sewer fees.
- (E) To be repaid from future tax revenues.
- (F) To be repaid from impact fees.
- (G) To be repaid from impact fees.
- (H) To be repaid from future land sales.

C. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made an expenditure on behalf of another fund. Transfers totaled \$8,758,759 in the fund financial statements.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

Transfers Out	Transportation Construction	Financing Authority	Transfers In Nonmajor Governmental	Proprietary	Totals
General	\$	\$	\$1,121,358	\$ 128,486	\$1,249,844
Public Safety Sales Tax			101,349		101,349
Transportation Construction		78,000			78,000
Financing Authority	1,101,159				1,101,159
Nonmajor Governmental	20,000	754,532	4,018,603	947,150	5,740,285
Proprietary	12,817	86,269	25,000	364,036	488,122
Totals	<u>\$1,133,976</u>	<u>\$918,801</u>	<u>\$5,266,310</u>	<u>\$1,439,672</u>	<u>\$8,758,759</u>

7. CAPITAL ASSETS

A. Governmental Activities

Capital asset governmental activity for the fiscal year ended June 30, 2012 are as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Transfers to Successor Agency	Ending Balance
Capital Assets, not being depreciated:					
Land	\$105,869,058	\$ 3,315,093	\$(1,107,976)	\$(5,179,382)	\$102,896,793
Artwork	84,243		(15,602)		68,641
Construction in progress	6,407,654	2,523,696	(1,928,640)		7,002,710
Total capital assets not being depreciated	<u>112,360,955</u>	<u>5,838,789</u>	<u>(3,052,218)</u>	<u>(5,179,382)</u>	<u>109,968,144</u>
Capital Assets, being depreciated:					
Buildings	12,519,424	305,615	(3,550,000)		9,275,039
Improvements other than buildings	712,031	1,216,384		(167,848)	1,760,567
Machinery and equipment	5,849,807	1,090,617	(125,159)		6,815,265
Infrastructure	39,678,910	732,706			40,411,616
Total capital assets being depreciated	<u>58,760,172</u>	<u>3,345,322</u>	<u>(3,675,159)</u>	<u>(167,848)</u>	<u>58,262,487</u>
Less accumulated depreciation for:					
Buildings	(3,759,612)	(344,457)	1,114,027		(2,990,042)
Improvements other than buildings	(457,770)	(82,255)		70,433	(469,592)
Machinery and equipment	(4,283,788)	(469,610)	123,909		(4,629,489)
Infrastructure	(18,001,577)	(975,980)			(18,977,557)
Total accumulated depreciation	<u>(26,502,747)</u>	<u>(1,872,302)</u>	<u>1,237,936</u>	<u>70,433</u>	<u>(27,066,680)</u>
Total capital assets being depreciated, net	<u>32,257,425</u>	<u>1,473,020</u>	<u>(2,437,223)</u>	<u>(97,415)</u>	<u>31,195,807</u>
Governmental activities capital assets, net	<u>\$144,618,380</u>	<u>\$ 7,311,809</u>	<u>\$(5,489,441)</u>	<u>\$(5,276,797)</u>	<u>\$141,163,951</u>

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

General government	\$ 297,504
Public safety	403,796
Public works	57,739
Parks and recreation	159,719
Unallocated	953,544
Total	<u>\$1,872,302</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

B. Business-type activities

Capital Asset Business-Type Activity

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Water Fund:				
Capital assets not being depreciated:				
Land	\$ 261,806	\$	\$	\$ 261,806
Total capital assets not being depreciated	<u>261,806</u>	<u></u>	<u></u>	<u>261,806</u>
Capital assets being depreciated:				
Infrastructure	14,435,243	126,037	2,135,538	16,696,818
Buildings and improvements	7,885,890		(2,135,538)	5,750,352
Machinery and equipment	285,288			285,288
Total capital assets being depreciated	<u>22,606,421</u>	<u>126,037</u>	<u></u>	<u>22,732,458</u>
Less accumulated depreciation for:				
Infrastructure	(4,030,892)	(307,668)	(100,047)	(4,438,607)
Buildings and improvements	(1,468,287)	(77,718)	100,047	(1,445,958)
Machinery and equipment	(210,265)	(18,553)		(228,818)
Total accumulated depreciation	<u>(5,709,444)</u>	<u>(403,939)</u>	<u></u>	<u>(6,113,383)</u>
Total capital assets being depreciated, net	<u>16,896,977</u>	<u>(277,902)</u>	<u></u>	<u>16,619,075</u>
Water Fund Capital Assets, net	<u>\$17,158,783</u>	<u>\$ (277,902)</u>	<u>\$</u>	<u>\$16,880,881</u>
Sewer Fund:				
Capital assets not being depreciated:				
Land	\$ 4,388,142	\$	\$	\$ 4,388,142
Construction in progress	6,765,067	2,720,427		9,485,494
Total capital assets not being depreciated	<u>11,153,209</u>	<u>2,720,427</u>	<u></u>	<u>13,873,636</u>
Capital assets being depreciated:				
Infrastructure	9,234,945	171,185		9,406,130
Buildings and improvements	1,942,547	1		1,942,548
Machinery and equipment	381,782	135,187		516,969
Total capital assets being depreciated	<u>11,559,274</u>	<u>306,373</u>	<u></u>	<u>11,865,647</u>
Less accumulated depreciation for:				
Infrastructure	(2,235,678)	(143,194)		(2,378,872)
Buildings and improvements	(1,440,293)	(43,096)		(1,483,389)
Machinery and equipment	(355,422)	(16,226)		(371,648)
Total accumulated depreciation	<u>(4,031,393)</u>	<u>(202,516)</u>	<u></u>	<u>(4,233,909)</u>
Total capital assets being depreciated, net	<u>7,527,881</u>	<u>103,857</u>	<u></u>	<u>7,631,738</u>
Sewer Fund Capital Assets, net	<u>\$18,681,090</u>	<u>\$2,824,284</u>	<u>\$</u>	<u>\$21,505,374</u>
Disposal Fund:				
Capital assets being depreciated:				
Machinery and equipment	355,920			355,920
Total capital assets being depreciated	<u>355,920</u>	<u></u>	<u></u>	<u>355,920</u>
Less accumulated depreciation for:				
Machinery and equipment	(178,093)	(21,424)		(199,517)
Total accumulated depreciation	<u>(178,093)</u>	<u>(21,424)</u>	<u></u>	<u>(199,517)</u>
Total capital assets being depreciated, net	<u>177,827</u>	<u>(21,424)</u>	<u></u>	<u>156,403</u>
Disposal Fund Capital Assets, net	<u>\$ 177,827</u>	<u>\$ (21,424)</u>	<u>\$</u>	<u>\$ 156,403</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Ambulance Fund:				
Capital assets being depreciated:				
Machinery and equipment	\$ 446,178	\$ 101,349	\$	\$ 547,527
Total capital assets being depreciated	<u>446,178</u>	<u>101,349</u>		<u>547,527</u>
Less accumulated depreciation for:				
Machinery and equipment	(240,253)	(45,449)		(285,702)
Total accumulated depreciation	<u>(240,253)</u>	<u>(45,449)</u>		<u>(285,702)</u>
Total capital assets being depreciated, net	<u>205,925</u>	<u>55,900</u>		<u>261,825</u>
Ambulance Fund Capital Assets, net	<u>\$ 205,925</u>	<u>\$ 55,900</u>	<u>\$</u>	<u>\$ 261,825</u>
Transit Fund:				
Capital assets not being depreciated:				
Construction in progress	\$	\$ 143,345		\$ 143,345
Total capital assets not being depreciated		<u>143,345</u>		<u>143,345</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 88,802	\$	\$	\$ 88,802
Machinery and equipment	811,555	135,708		947,263
Total capital assets being depreciated	<u>900,357</u>	<u>135,708</u>		<u>1,036,065</u>
Less accumulated depreciation for:				
Buildings and improvements	(21,776)	(3,552)		(25,328)
Machinery and equipment	(363,302)	(110,289)		(473,591)
Total accumulated depreciation	<u>(385,078)</u>	<u>(113,841)</u>		<u>(498,919)</u>
Total capital assets being depreciated, net	<u>515,279</u>	<u>21,867</u>		<u>537,146</u>
Transit Fund Capital Assets, net	<u>\$ 515,279</u>	<u>\$ 165,212</u>	<u>\$</u>	<u>\$ 680,491</u>
Golf Course Fund:				
Capital assets not being depreciated:				
Land	\$ 4,135,467	\$	\$(175,000)	\$ 3,960,467
Total capital assets not being depreciated	<u>4,135,467</u>		<u>(175,000)</u>	<u>3,960,467</u>
Capital assets being depreciated:				
Infrastructure	6,955,065		(424,478)	6,530,587
Buildings and improvements	20,437,486			20,437,486
Machinery and equipment	700,808	31,219		732,027
Total capital assets being depreciated	<u>28,093,359</u>	<u>31,219</u>	<u>(424,478)</u>	<u>27,700,100</u>
Less accumulated depreciation for:				
Infrastructure	(695,506)	(217,686)		(913,192)
Buildings and improvements	(2,043,750)	(677,643)		(2,721,393)
Machinery and equipment	(300,345)	(104,165)		(404,510)
Total accumulated depreciated	<u>(3,039,601)</u>	<u>(999,494)</u>		<u>(4,039,095)</u>
Total capital assets being depreciated-net	<u>25,053,758</u>	<u>(968,275)</u>	<u>(424,478)</u>	<u>23,661,005</u>
Golf Course Fund Capital Assets, net	<u>\$29,189,225</u>	<u>\$ (968,275)</u>	<u>\$(599,478)</u>	<u>\$27,621,472</u>
Total Capital Assets-Business Type, Net	<u>\$65,928,129</u>	<u>\$1,777,795</u>	<u>\$(599,478)</u>	<u>\$67,106,446</u>

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

Water	\$ 403,939
Sewer	202,516
Disposal	21,424
Ambulance	45,449
Transit	113,841
Golf Course	999,494
Total	<u>\$1,786,663</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

8. LONG-TERM LIABILITIES

A. The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2012:

	Balance at July 1, 2011	Additions	Reductions	Transferred to Trust Fund	Balance at June 30, 2012	Due Within One Year
Governmental Activities:						
Capital leases payable	\$ 814,538	\$ 290,777	\$ 172,719	\$	\$ 932,597	\$ 230,735
Compensated absences	651,317	732,794	657,452		726,659	476,316
Net OPEB obligation	2,246,355	783,161			3,029,516	
Notes payable	2,880,931		885,313	747,739	1,247,878	767,950
Tax allocation bonds payable	53,605,000		850,000	52,755,000		
Tax allocation notes payable	1,370,000			1,370,000		
Lease revenue bonds payable	13,875,000		305,000		13,570,000	315,000
Contracts payable		243,689	53,218		190,471	44,455
Total	\$75,443,141	\$2,050,421	\$2,923,702	\$54,872,739	\$19,697,121	\$1,834,456
Business-type Activities:						
Water Fund:						
Compensated absences	\$ 18,869	\$ 23,412	\$ 20,946	\$	\$ 21,335	\$ 15,218
Net OPEB obligation	78,632	27,414			106,046	
Water notes payable	7,685,497		356,127		7,329,370	365,593
Sewer Fund:						
Compensated absences	13,519	20,560	18,260		15,819	13,364
Net OPEB obligation	77,493	27,018			104,511	
Certificates of participation payable	3,005,000				3,005,000	
Revenue bonds and notes	10,770,000		105,000		10,665,000	110,000
Installment purchase	1,615,000		200,000		1,415,000	185,000
Notes payable	401,922		150,939		250,983	161,640
Capital leases payable	413		413			
Loan payable		611,334			611,334	76,521
Disposal Fund:						
Compensated absences	8,456	5,757	9,768		4,445	3,742
Net OPEB obligation	20,421	7,119			27,540	
Ambulance Fund:						
Compensated absences	96,033	33,557	25,811		103,779	21,812
Net OPEB obligation	188,617	65,758			254,375	
Compressed Natural Gas Fund:						
Compensated absences	927	948	918		957	
Net OPEB obligation	3,578	1,247			4,825	
Golf Course:						
Capital leases payable	143,043	7,965	143,485		7,523	4,312
Total	\$24,127,420	\$ 832,089	\$1,031,667	\$	\$23,927,842	\$ 957,202

B. Governmental Activities – Tax Allocation Bonds Payable

2001 RDA Tax Allocation Refunding Bonds. On December 1, 2001, the Redevelopment Agency issued \$13,000,000 of Tax Allocation Refunding Bonds bearing interest of 4.875% and 5.0% payable semi-annually on March 1 and September 1 commencing March 1, 2002. The bonds mature annually at various amounts through September 1, 2031 and are subject to optional redemption prior to maturity, in whole or in part, on September 1, 2011. The bonds are payable from and secured by incremental tax revenues (Pledged Tax Revenues). The proceeds were used to refund the 1989 Tax Allocation Bonds which were due September 1, 2019; the 1999A and 1999B Tax Allocation Refunding Notes which were due on December 1, 2004, the 2000 Tax Allocation Refunding Notes, and the 1999A and 1999B Tax Allocation Refunding Notes which were due on December 1, 2004 and to finance a portion of the costs of the Agency. Bonds outstanding at January 31, 2012 were \$10,270,000 and were transferred to the Successor Agency on February 1, 2012 due to dissolution of the Agency.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

The City advance refunded the 1989 Tax Allocation Bonds, the 1999A and 1999B Tax Allocation Refunding Notes, and the 2000 Tax Allocation Notes to reduce its total debt service over the next thirty years by \$4,868,680 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of 238,985.

2003 Tax Allocation Bonds. On October 23, 2003, the Agency issued \$7,500,000 of Tax Allocation Bonds bearing interest between 2% and 5% and payable semi-annually on March 1 and September 1. The Bonds mature annually at various amounts through September 1, 2033. The bonds are payable from and secured by incremented tax revenues (Pledged Tax Revenues). The Bond proceeds are to be used to finance certain projects within the Agency's project area including 20% benefiting low and moderate income housing. The principal amount of the 2003 tax allocation bonds outstanding at January 31, 2012 were \$6,680,000, and were transferred to the Successor Agency on February 1, 2012 due to dissolution of the Agency.

2005 Tax Allocation Refunding Bonds: On December 1, 2005, the Dinuba Redevelopment Agency issued \$5,670,000 Tax Allocation Refunding Bonds bearing interest of 3.0% and 5.0%, payable semi-annually on March 1 and September 1 commencing March 1, 2006. The bonds mature annually at various amounts through September 1, 2034 and are subject to optional redemption prior to maturity, in whole or in part, on September 1, 2015. The bonds are payable from and secured by incremental tax revenues (Pledged Tax Revenues). The bond proceeds were used to refund the 1997B Tax Allocation Refunding Bonds which were due on September 1, 2027 and the 1997C Tax Allocation Bonds which were due on September 1, 2027, and to finance a portion of the costs of the Agency. Bonds outstanding at January 31, 2012 were \$4,875,000 and were transferred to the Successor Agency on February 1, 2012 due to dissolution of the Agency.

The Agency advance refunded the 1997B and 1999C Tax Allocation Refunding Bonds to reduce its total debt service over the next thirty years by \$465,034 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$399,434.

2006 Tax Allocation Refunding Bonds: On October 5, 2006, the Dinuba Redevelopment Agency issued \$17,270,000 of Tax Allocation Refunding Bonds bearing interest of 3.4% to 5.0%, payable semi-annually on March 1 and September 1 commencing March 1, 2007. The bonds mature annually at various amounts through September 1, 2036 and are subject to operational redemption prior to maturity, in whole or in part, on September 1, 2016. The bonds are payable from and secured by incremental tax revenues (Pledged Tax Revenues). The bond proceeds were used to refund the 1997A Tax Allocation Refunding Bonds which were due on September 1, 2027 and to finance a portion of the costs of the Redevelopment Project. Bonds outstanding at January 31, 2012, were \$15,790,000 and were transferred to the Successor Agency on February 1, 2012 due to the dissolution of the Agency.

The Agency advance refunded the 1997A Tax Allocation Refunding Bonds to reduce its total debt service over the next twenty-one years by \$231,787 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$127,358.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

2009 Tax Allocation Notes: On May 22, 2009, the Dinuba Redevelopment Agency issued \$1,370,000 of 2009 School District Subordinate Tax Allocation Notes. The proceeds from the issue were used to finance a portion of the costs of certain improvements to the Dinuba Unified School District, fund a reserve account and pay costs of issuance of the Notes. The Notes bear interest at an annual rate of 5.60%. The Notes are payable from and secured by the Pledged Revenues. The outstanding principal balance of the Notes as of January 31, 2012 were \$15,790,000 and were transferred to the Successor Agency on February 1, 2012 due to dissolution of the Agency.

2011A Tax Allocation Refunding Bonds: On June 21, 2011, the Dinuba Redevelopment Agency issued \$10,740,000 Tax Allocation Refunding Bonds bearing interest of 5.75% to 6.125% payable semi-annually on March 1 and September 1 commencing March 1, 2012. The bonds mature annually at various amounts through September 1, 2039. The bonds are payable from and secured by incremental tax revenues (Pledged Tax Revenues).

The Bonds are being issued to refinance the Agency's previously issued \$7,000,000, 2006 Tax Allocation Notes and a portion of the Agency's \$7,500,000 2007 Subordinate Tax Allocation Notes. As a result the 2006 and partial 2007 Tax Allocation Notes are considered to be defeased and the liability for those bonds have been removed from the long-term liabilities of the Governmental Activities Debt. Bonds outstanding at January 31, 2012 were \$10,740,000 and were transferred to the Successor Agency on February 1, 2012 due to dissolution of the Agency.

The aggregate debt service payments of the new debts are \$22,997,995 (2011A and 2011B) more than the old debt. The issuance of the new debt and refunding of the old debt resulted in an economic gain (the differences between the present value of the old debt and new debt (payments) of approximate \$503,000).

2011B Tax Allocation Refunding Bonds: On June 21, 2011, the Dinuba Redevelopment Agency issued \$4,400,000 Subordinate Tax Allocation Refunding Bonds bearing interest of 5.00% to 7.75% payable semi-annually on March 1 and September 1 commencing September 1, 2012. The bonds mature annually at various amounts through September 1, 2041. The bonds are payable from and secured by incremental tax revenues (Pledged Tax Revenues).

The Bonds are being issued to refinance a portion of the Agency's previously \$7,500,000 Merged City of Dinuba Redevelopment Project and Dinuba Redevelopment Project No. 2. Subordinate Tax Allocation Notes issued in 2007. As a result, the balance of the 2007 Tax Allocation Notes are considered to be defeased and the liability for the bonds have been removed from the long-term liabilities of the Governmental Activities debt (see previous note for 2011A Tax Allocation Bonds). Bonds outstanding at January 31, 2012 were \$4,400,000 and were transferred to the Successor Agency on February 1, 2012 due to dissolution of the Agency.

C. Governmental Activities – Lease Revenue Bonds

2002 DFA Lease Revenue Bonds Payable. On July 1, 2002, the Dinuba Financing Authority issued \$8,000,000 of Lease Revenue Bonds. The proceeds of the bonds were used to refund the remaining portion of the 1994 Lease Revenue Bonds in the amount of 2,465,000, pay issuance costs, and to provide funds for the acquisition and construction of improvements of public facilities. The lease revenues provided for by an installment agreement with the City is to be used for the payment of the bonds.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

Interest rates vary between 1.75% and 5.10% and are payable semi-annually on August 1 and February 1. Principal is paid annually on August 1 through 2032. Bonds maturing after 2012 are subject to optional redemption. The principal balance outstanding at June 30, 2012 is \$6,615,000.

2007 DFA Lease Revenue Bonds Payable. On September 12, 2007, the Dinuba Financing Authority issued \$7,450,000 of Lease Revenue Bonds. The proceeds of the bonds are being used to finance road improvements in the City, to fund the Reserve Account with respect to the Bonds, and to pay certain costs of issuance. The lease revenues provided for by an installment agreement with the City is to be used for the payment of the bonds.

Interest rates vary between 4.0% and 5.375% and are payable semi-annually on September 1 and March 1. Principal is paid annually on September 1 through 2038. Bonds maturing after 2017 are subject to optional redemption. The principal balance outstanding at June 30, 2012 is \$6,955,000.

D. Governmental Activities – Notes Payable

On August 27, 2003, the City purchased a parcel of real estate. The City issued a note to the seller in the amount of \$45,000. The note is secured by a deed of trust, carries an interest rate of 7%, and is due in annual installments of \$4,941 through 2018. The outstanding principal balance of the note at June 30, 2012 was \$26,626.

In April 2006, the City purchased land with a down payment of \$631,117 and the issuance of a note secured by the real property for \$400,000. The note is secured by a deed of trust and the terms of the note call for annual payments of \$74,225 including interest at 7.00% until April 2013. The balance at June 30, 2012 is \$69,339.

In March 2006, the City purchased land with a down payment of \$123,364 and the issuance of a note secured by the real property for \$822,600. The note is secured by a deed of trust and the terms of the note call for annual payments of \$152,636 including interest at 7.00% until March 2013. The balance at June 30, 2012 is \$142,651.

On December 23, 2005, the City entered into an agreement to purchase a Smeal Fire Truck for \$840,000. The City will make seven annual payments of \$138,742 with accrued interest at 4.40% per annum. The principal amount due at June 30, 2012 is \$132,895.

In July 2006, the Agency purchased land with a down payment of \$267,842 and the issuance of a note secured by the real property for \$1,045,440. The note is secured by a deed of trust and the terms of the note call for annual payments of \$214,731 including interest at 10.00% until July 2013. The balance at January 31, 2012 is \$372,739 and was transferred to the Successor Agency on February 1, 2012 due to dissolution of the Agency.

In October 2006, the City purchased land with a down payment of \$381,200 and the issuance of a note secured by the real property for \$2,612,250. The note is secured by a deed of trust and the terms of the note call for annual payments of \$484,711 including interest at 7.00% until October 2013. The balance at June 30, 2012 is \$876,367.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

In 2010, the Agency purchased land with the issuance of a note secured by the real property for \$375,000. The note is secured by a deed of trust and the terms of the note call for interest only at 7.00% annually beginning January 1, 2010 with principal payable in installments of \$50,000 or more beginning January 21, 2014 and continuing until January 1, 2019. The balance at January 31, 2012 is \$375,000 and was transferred to the Successor Agency on February 1, 2012 due to dissolution of the Agency.

E. Governmental Activities – Leases Payable

In fiscal year 2001-02, the City entered into a 15 year lease with the County of Tulare for the Justice Facility, which also qualifies as a capital lease. Terms of the lease call for semi-annual payments of \$104,777 at 6.07%. The present value of minimum lease payments at June 30, 2012 is \$651,971.

During 2012, the City entered into office equipment lease for several copiers, which qualified as capital leases. Terms of the leases call for monthly payments of various amounts for a total of \$280,626.

At June 30, 2012, the future minimum lease payments required under the capital lease and the net present value of the future lease payments is as follows:

<u>Ending</u>	<u>Office Equipment</u>	<u>Justice Facility</u>	<u>Total</u>
2013	\$ 58,156	\$209,553	\$ 267,709
2014	58,156	209,554	267,710
2015	58,156	209,554	267,710
2016	58,156	104,778	162,934
2017	<u>48,002</u>	<u> </u>	<u>48,002</u>
Total minimum lease payments	280,626	733,439	1,014,065
Less: Amount representing interest	<u> </u>	<u>(81,468)</u>	<u>(81,468)</u>
Present value of future minimum lease payments	<u>\$280,626</u>	<u>\$651,971</u>	<u>\$ 932,597</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

F. Governmental Activities – Contract Payable

On September 13, 2011, the City entered into an agreement with a bank to purchase 5 police vehicles for \$243,649. The City will make five payments of \$53,217 with accrued interest of 4.40% per annum. The principal amount due at June 30, 2012 is \$190,471.

Fiscal Year Ended June 30,	Contract Payable – Police Vehicles		
	Principal	Interest	Total
2013	\$ 44,455	\$ 8,762	\$ 53,217
2014	46,500	6,717	53,217
2015	48,639	4,578	53,217
2016	<u>50,877</u>	<u>2,340</u>	<u>53,217</u>
	<u>\$190,471</u>	<u>\$22,397</u>	<u>\$212,868</u>

G. Long-Term Debt Amortization - Governmental Activities

The annual requirements to amortize long-term debt outstanding at June 30, 2012 (other than compensated absences) are as follows:

Fiscal Year Ended June 30,	2002 Lease Revenue Bonds		
	Principal	Interest	Total
2013	\$ 185,000	\$ 331,630	\$ 516,630
2014	195,000	322,957	517,957
2015	200,000	312,885	512,885
2016	215,000	302,303	517,303
2017	225,000	291,083	516,083
2018-2022	1,300,000	1,267,605	2,567,605
2023-2027	1,665,000	891,353	2,556,353
2028-2032	2,135,000	409,403	2,544,403
2033	<u>495,000</u>	<u>12,623</u>	<u>507,623</u>
	<u>\$6,615,000</u>	<u>\$ 4,141,842</u>	<u>\$10,756,842</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
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 (continued)

Fiscal Year Ended June 30,	2007 Lease Revenue Bonds		
	Principal	Interest	Total
2013	\$ 130,000	\$ 358,605	\$ 488,605
2014	135,000	353,006	488,006
2015	140,000	347,075	487,075
2016	145,000	340,750	485,750
2017	150,000	334,038	484,038
2018-2022	880,000	1,552,128	2,432,128
2023-2027	1,125,000	1,298,728	2,423,728
2028-2032	1,450,000	955,406	2,405,406
2033-2037	1,895,000	508,609	2,403,609
2038-2039	<u>905,000</u>	<u>49,316</u>	<u>954,316</u>
	<u>\$6,955,000</u>	<u>\$6,097,661</u>	<u>\$13,052,661</u>

Fiscal Year Ended June 30,	Land Purchases – Notes Payable		
	Principal	Interest	Total
2013	\$ 638,434	\$ 78,048	\$ 716,482
2014	456,292	33,359	489,651
2015	3,523	1,418	4,941
2016	3,769	1,171	4,940
2017	4,033	908	4,941
2018-2019	<u>8,932</u>	<u>948</u>	<u>9,880</u>
	<u>\$1,114,983</u>	<u>\$ 115,852</u>	<u>\$1,230,835</u>

Fiscal Year Ended June 30,	Notes Payable – Fire Trucks		
	Principal	Interest	Total
2013	\$ 132,895	\$ 5,847	\$ 138,742
	<u>\$ 132,895</u>	<u>\$ 5,847</u>	<u>\$ 138,742</u>

Fiscal Year Ended June 30,	Justice Facility Lease		
	Principal	Interest	Total
2013	\$ 172,579	\$ 36,974	\$ 209,553
2014	183,208	26,346	209,554
2015	194,491	15,063	209,554
2016	<u>101,693</u>	<u>3,085</u>	<u>104,778</u>
	<u>\$ 651,971</u>	<u>\$ 81,468</u>	<u>\$ 733,439</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

Fiscal Year Ended June 30,	Total Governmental Activities		
	Principal	Interest	Total
2013	\$ 1,361,519	\$ 819,866	\$ 2,181,385
2014	1,074,156	742,385	1,816,541
2015	644,809	681,019	1,325,828
2016	574,495	649,649	1,224,144
2017	427,035	626,029	1,053,064
2018-2022	2,188,932	2,820,681	5,009,613
2023-2027	2,790,000	2,190,081	4,980,081
2028-2032	3,585,000	1,364,809	4,949,809
2033-2037	2,390,000	521,232	2,911,232
2038-2042	<u>905,000</u>	<u>49,316</u>	<u>954,316</u>
	<u>\$15,940,946</u>	<u>\$10,465,067</u>	<u>\$26,406,013</u>

H. Business-type Activities

Enterprise Funds – Notes Payable

The State of California Department of Water Resources granted a loan to the Water Fund of the City for construction of water facilities in the amount of \$2,700,000. Of this amount, \$1,924,399 was drawn down from the State. The note calls for semiannual payments of \$54,710 including interest at 2.955% until January 2024. The balance at June 30, 2012 is \$1,059,232.

The State of California Department of Water Resources granted a loan to the Water Fund of the City for construction for water facilities in the amount of \$7,462,450. Of this amount, \$6,956,217 was drawn down from the State. The note calls for semiannual payments of \$224,125 including interest at 2.60% until January 2029. The balance at June 30, 2012 is \$6,270,138.

The City issued two notes for \$1,245,332 in November, 2003 for the purchase of land for the Wastewater Expansion Project. The notes are subject to annual payments of \$177,250 until November, 2013, including interest at 7%. The balance at June 30, 2012 is \$250,983.

Enterprise Funds 1998A and B DFA Refunding Certificates of Participation

On August 1, 1998 the Dinuba Financing Authority issued \$5,500,000 Series A and \$460,000 Series B Refunding Certificates of Participation for a total of \$5,960,000 to finance the construction and acquisition of water capacity storage and transmission facilities in the City and certain other improvements to the municipal water system of the City, to refund the Authority's \$3,655,000 1996 Series A Variable Rate Lease Revenue Bonds, and to refund the Authority's \$430,000 1996 Series B Variable Rate Lease Revenue Bonds. The certificates of Participation were partially refinanced by the Installment Purchase Agreement dated December 1, 2010 of \$1,615,000. The Certificates bear interest rates of 5% and is payable annually. Principal is repaid at a graduated rate beginning August 1, 2019 and maturing August 1, 2028. The principal amount due at June 30, 2012 is \$3,005,000.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

Installment Purchase Agreement

On December 1, 2010, the City of Dinuba entered into a \$1,615,000 Installment Purchase Agreement with the Dinuba Financing Authority, for the purpose of currently refunding a portion of the City's Refunding Certificates of Participation, Series 1098A maturing on August 1, 2018, and to pay for the costs of issuance. The Installment Purchase Payments bear interest at a rate of 3% and is payable semi-annually. Principal is repaid at a graduated rate beginning August 1, 2011 and maturing August 1, 2018. The principal amount due at June 30, 2012 is \$1,415,000.

The obligations are being issued in part for purpose of providing present value debt service savings to the City. The refunding of the currently refunded obligation does not involve a device employed to obtain a material financial advantage.

2007 DFA Wastewater System Revenue Bonds

On September 12, 2007, the Dinuba Financing Authority issued \$3,150,000 of Revenue bonds. The proceeds of the bonds were issued by the purpose of financing wastewater system improvements within the City. The installment purchase payments are secured by a separate pledge, charge and lien upon the net revenues of the wastewater system.

Interest rates vary between 4.0% and 5.375% and are payable semi-annually on September 1 and March 1. Principal is paid annually on September 1 through 2038. Bonds maturing after 2017 are subject to optional redemption. The principal balance outstanding at June 30, 2012 is \$2,940,000.

2008 DFA Lease Revenue Bonds

On December 15, 2008, the Dinuba Financing Authority issued \$4,000,000 of Lease Revenue bonds. The proceeds of the bonds were issued for the purpose of financing wastewater system improvements within the City. The bonds will be payable from lease payments to be made by the City to the Authority as rental for certain assets of the City's water system pursuant to a Lease Agreement between the Authority and the City. The Lease payments are payable from the City's General Fund or, if monies are insufficient, from certain revenues of the City's wastewater system.

Interest rates vary between 4.5% and 8.00% and are payable semi-annually on March 1 and September 1. Principal is paid annually on March 1 through 2038. Bonds maturing after 2017 are subject to optional redemption. The principal balance outstanding at June 30, 2012 is \$3,900,000.

2010 DFA Lease Revenue Notes

On September 17, 2010, the Dinuba Redevelopment Agency issued \$3,825,000 of Lease Revenue Notes. The proceeds of the Notes will be used to finance improvements to the wastewater system. The Notes will be payable from lease payments to be made by the City to the Agency as rental for certain assets of the City's capital assets pursuant to a Lease agreement between the Agency and the City. The Lease payments are payable from the City's General fund or, if monies are insufficient, from any other legally available funds.

The Notes bear interest at an annual rate of 4%. The Notes are payable from and secured by the Pledged Revenues. The outstanding principal balance of the notes as of June 30, 2012 is \$3,825,000.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

Leases Payable

The City has entered into lease agreements for golf course equipment which qualify as capital leases. The City accounts for capital leases in the business-type activities by recording the lease/asset at the present value of the lease obligation \$700,808. The present value of the minimum lease payments at June 30, 2012 is \$7,523.

Loan Payable

In September, 2011, the City received a loan of \$611,334 from the California Energy Commission for various energy conservation measures to their Wastewater System. The loan calls for semiannual payments of \$42,595 including interest at 1.00% until December, 2019. The balance at June 30, 2012 is \$611,334.

I. Enterprise Long-Term Debt Amortization

The annual requirements to amortize enterprise long-term debt outstanding at June 30, 2012 are as follows:

Fiscal Year Ended June 30,	1998 Water Loan Payable		
	Principal	Interest	Total
2013	\$ 78,513	\$ 30,908	\$ 109,421
2014	80,863	28,558	109,421
2015	83,283	26,137	109,420
2016	85,776	23,645	109,421
2017	88,344	21,077	109,421
2018-2022	483,002	64,102	547,104
2023-2024	159,451	3,976	163,427
	<u>\$1,059,232</u>	<u>\$198,403</u>	<u>\$1,257,635</u>

Fiscal Year Ended June 30,	2005 Water Loan Payable		
	Principal	Interest	Total
2013	\$ 287,080	\$ 161,170	\$ 448,250
2014	294,593	153,657	448,250
2015	302,302	145,948	448,250
2016	310,213	138,037	448,250
2017	318,331	129,919	448,250
2018-2022	1,721,058	520,192	2,241,250
2023-2027	1,958,348	282,902	2,241,250
2028-2029	1,078,213	42,412	1,120,625
	<u>\$6,270,138</u>	<u>\$1,574,237</u>	<u>\$7,844,375</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

Fiscal Year Ended June 30,	Notes Payable - Land		
	Principal	Interest	Total
2013	\$161,640	\$ 15,528	\$177,168
2014	<u>89,343</u>	<u>4,735</u>	<u>94,078</u>
	<u>\$250,983</u>	<u>\$ 20,263</u>	<u>\$271,246</u>

Fiscal Year Ended June 30,	California Energy Commission Loan Payable		
	Principal	Interest	Total
2013	\$ 76,521	\$ 8,668	\$ 85,189
2014	80,040	5,149	85,189
2015	80,843	4,347	85,190
2016	81,644	3,545	85,189
2017	82,472	2,718	85,190
2018-2022	<u>209,814</u>	<u>3,160</u>	<u>212,974</u>
	<u>\$611,334</u>	<u>\$27,587</u>	<u>\$638,921</u>

Fiscal Year Ended June 30,	1998 Certificates of Participation		
	Principal	Interest	Total
2013	\$	\$ 150,250	\$ 150,250
2014		150,250	150,250
2015		150,250	150,250
2016		150,250	150,250
2017		150,250	150,250
2018-2022	<u>755,000</u>	<u>714,750</u>	<u>1,469,750</u>
2023-2027	<u>1,525,000</u>	<u>417,500</u>	<u>1,942,500</u>
2028-2031	<u>725,000</u>	<u>54,750</u>	<u>779,750</u>
	<u>\$3,005,000</u>	<u>\$1,938,250</u>	<u>\$4,943,250</u>

Fiscal Year Ended June 30,	Installment Purchase		
	Principal	Interest	Total
2013	\$ 185,000	\$ 42,450	\$ 227,450
2014	195,000	36,900	231,900
2015	195,000	31,050	226,050
2016	200,000	25,200	225,200
2017	205,000	19,200	224,200
2018-2019	<u>435,000</u>	<u>19,650</u>	<u>454,650</u>
	<u>\$1,415,000</u>	<u>\$ 174,450</u>	<u>\$1,589,450</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

Fiscal Year Ended June 30,	2007 Revenue Bonds		
	Principal	Interest	Total
2013	\$ 55,000	\$ 151,580	\$ 206,580
2014	55,000	149,256	204,256
2015	60,000	146,775	206,775
2016	60,000	144,113	204,113
2017	65,000	141,268	206,268
2018-2022	375,000	655,516	1,030,516
2023-2027	475,000	449,468	924,468
2028-2032	615,000	403,259	1,018,259
2033-2037	800,000	213,925	1,013,925
2038-2039	<u>380,000</u>	<u>20,694</u>	<u>400,694</u>
	<u>\$2,940,000</u>	<u>\$2,475,854</u>	<u>\$5,415,854</u>

Fiscal Year Ended June 30,	2008 Lease Revenue Bonds		
	Principal	Interest	Total
2013	\$ 55,000	\$ 289,750	\$ 344,750
2014	55,000	286,794	341,794
2015	60,000	283,600	343,600
2016	65,000	279,971	344,971
2017	65,000	276,039	341,039
2018-2022	400,000	1,306,858	1,706,858
2023-2027	570,000	1,133,725	1,703,725
2028-2032	820,000	874,665	1,694,665
2033-2037	1,195,000	486,525	1,681,525
2038-2039	<u>615,000</u>	<u>48,945</u>	<u>663,945</u>
	<u>\$3,900,000</u>	<u>\$5,266,872</u>	<u>\$9,166,872</u>

Fiscal Year Ended June 30,	2010 Lease Revenue Notes		
	Principal	Interest	Total
2013	\$	\$ 153,000	\$ 153,000
2014		153,000	153,000
2015		153,000	153,000
2016	<u>3,825,000</u>	<u>76,500</u>	<u>3,901,500</u>
	<u>\$3,825,000</u>	<u>\$ 535,500</u>	<u>\$4,360,500</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

Fiscal Year Ended June 30,	Golf Course Capital Leases Payable		
	Principal	Interest	Total
2013	\$ 7,523	\$	\$ 7,523
	<u>\$ 7,523</u>	<u>\$</u>	<u>\$ 7,523</u>

Fiscal Year Ended June 30,	Total Business-Type Activities		
	Principal	Interest	Total
2013	\$ 906,277	\$ 1,003,304	\$ 1,909,581
2014	849,839	968,299	1,818,138
2015	781,428	941,107	1,722,535
2016	4,627,633	841,261	5,468,894
2017	824,147	740,471	1,564,618
2018-2022	4,378,874	3,284,228	7,663,102
2023-2027	4,687,799	2,287,571	6,975,370
2028-2032	3,238,213	1,375,086	4,613,299
2033-2037	1,995,000	700,450	2,695,450
2038-2042	<u>995,000</u>	<u>69,639</u>	<u>1,064,639</u>
	<u>\$23,284,210</u>	<u>\$12,211,416</u>	<u>\$35,495,626</u>

J. Compensated Absences

Compensated absences in governmental activities have been liquidated in the past fiscal year in the general fund, the gas tax, redevelopment agency, transportation, public safety sales tax and community enhancement grant (Special Revenue Funds), and the redevelopment agency, general construction, vocational center, and public works management (Capital Projects funds).

9. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Dinuba contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from its Executive Office, 400 "P" Street, Sacramento, CA 95814.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

Funding Policy

Participants are required to contribute 7% of their annual covered salary. The City makes the contributions required to city employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 11.698% for non-safety employees and 17.690% for safety employees, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost

For 2011 the City's annual pension cost of \$1,189,642 for PERS was equal to the City's required and actual contributions.

Three-Year Trend Information for PERS

<u>Year</u>	<u>Cost (APC)</u>	<u>APC Contributed</u>	<u>Obligation</u>
Miscellaneous Plan:			
6/30/2010	\$450,439	100%	\$ -0-
6/30/2011	\$367,635	100%	\$ -0-
6/30/2012	\$434,198	100%	\$ -0-
Safety Plan:			
6/30/2010	\$546,732	100%	\$ -0-
6/30/2011	\$554,360	100%	\$ -0-
6/30/2012	\$755,444	100%	\$ -0-

The required contribution was determined as part of the most recent actuarial valuation, available to the City, dated June 30, 2010 using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 0.25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the fair market value of investments over a four-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2010 was 17 years for safety and 18 years for non-safety plans.

Funded Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date the plan was 88.5% funded for non-safety employees and 85.4% funded for safety employees. The actuarial accrued liability for benefits was \$3.6 billion for non-safety employees and \$87 million for safety employees and the actuarial value of assets was \$3.2 billion for non-safety employees and \$75 million for safety employees, resulting in an unfunded actuarial accrued liability (UAAL) of \$42 million for non-safety employees and \$12.7 million for safety employees. The covered payroll (annual payroll of active employees covered by the plan) was \$749 million for non-safety members and \$21.9 million for safety members, and the ratio of UAAL to the covered payroll was 54.9% and 58.0% respectively.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

The schedule of funding progress presented as RSI following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

10. POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description

During the fiscal year ended June 30, 2009, the City implemented GASB Statement No. 45, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions. This statement establishes uniform financial reporting standards for employers providing post-employment benefits. The provision of this statement are applied on a prospective basis.

The City provides health insurance benefit plans to eligible retirees and dependents in accordance with various labor agreements and is a single-employer plan. Employees retiring from the City with at least 15 years of continuous full-time service to the City of Dinuba are eligible for retiree health and dental benefits.

Funding Policy

The City's policy is to fund these benefits on a pay-as-you-go basis, and paid approximately \$9,970 per retiree for the fiscal year ended June 30, 2012 (a total of \$159,520) to the plan.

Annual PPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and amount which was determined as part of the July 1, 2011 actuarial valuation in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ARC is subject to change with each actuarial valuation date performed no less than every three years.

The City's OPEB unfunded actuarial accrued liability as of July 1, 2011, the date of the most recent actuarial valuation, was a total of \$1,048,661. The OPEB obligation has been adjusted by an annual inflation percentage of 3.25 percent based on the assumptions of the actuarial valuation and a general salary increase of 3.25percent.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

The City has calculated and recorded the Net OPEB obligation, representing the difference between the ARC, amortization and contributions, as follows:

Annual required contributions (ARC) and annual OPEB cost	\$1,177,539
Interest on net OPEB obligation	117,679
Adjustment to annual required contribution	<u>(117,835)</u>
Annual OPEB cost (expense)	<u>1,177,383</u>
Less: Employer contribution	<u>(159,520)</u>
Implicit subsidy credit	<u>(106,146)</u>
Increase in net OPEB obligation	<u>911,717</u>
 Net OPEB obligations, beginning of year	 <u>2,615,095</u>
 Net OPEB obligations, end of year	 <u>\$3,526,812</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal 2012 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2010	\$ 977,736	8.19%	\$1,749,541
6/30/2011	\$1,048,661	14.67%	\$2,615,095
6/30/2012	\$1,177,383	19.95%	\$3,526,812

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about investment return, future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The funded status of the plan as of June 30, 2012 was as follows:

Actuarial accrued liability	\$10,829,559
Actuarial value of plan assets	<u>0</u>
Unfunded actuarial accrued liability (UAAL)	10,829,559
 Funded ratio (actuarial value of plan assets/AAL)	 0%
Covered payroll (active plan members)	\$ 6,791,842
UAAL as a percentage of covered payroll	159.45%

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the employer and plan members, and include the types of plan benefits provided at the time of the valuation and the historical pattern of sharing benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Projected Unit Credit Cost Method. The actuarial assumptions include a 4.5 percent investment rate of return, covered payroll increases of 3.25 percent per year, an inflation rate of 3.25 percent per year, and a medical increase trend rate starting at 10 percent per year, and decreasing gradually over a 10 year period to an ultimate rate of 4.50 percent per year. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of projected payroll over 30 years with 28 years remaining.

11. DEFERRED COMPENSATION

The City has established a Deferred Compensation Plan and Trust as provided in Section 457 of the Internal Revenue Code of 1986, as amended. The City, acting as trustee of this plan, has agreed to perform its services as trustee in accordance with, and as necessary limited to comply with, applicable law. All amounts of compensation deferred pursuant to the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights shall be held in trust for the exclusive benefit of participants and beneficiaries under the plan.

12. RISK MANAGEMENT/JOINT VENTURE

The City's risk management activities are recorded in the internal service fund. The purpose of the fund is to administer the employee life, health, property and liability, and workers' compensation insurance programs of the City.

The City participates with other public entities in a joint venture under a joint powers agreement which establishes the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

The City is covered for the first \$1,000,000 of each general liability claim and \$500,000 of each worker's compensation claim through the CSJVRMA. The City has the right to receive dividends or the obligation to pay assessments based on a formula which among other expenses, charges the City's account for liability losses under \$50,000 and workers' compensation losses under \$50,000. The CSJVRMA purchases excess liability reinsurance from \$1,000,000 to \$29,000,000. The CSJVRMA participates in an excess pool which provides Workers' Compensation coverage from \$500,000 to \$5,000,000 and purchases excess reinsurance above \$5,000,000 to the statutory limit.

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NOTES TO BASIC FINANCIAL STATEMENTS
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(continued)

The CSJVRMA is a consortium of fifty-eight (58) cities in San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500 et seq. The CSJVRMA is governed by a Board of Directors, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA. The final statements of CSJVRMA can be obtained at 1750 Creekside Oaks Drive, Sacramento, CA 95833.

The financial position and results of operations for the CSJVRMA as of June 30, 2012, are presented below:

Total Assets	<u>\$70,671,479</u>
Total Liabilities	\$58,388,460
Total Net Assets	<u>12,283,019</u>
 Total Liabilities and Net Assets	 <u>\$70,671,479</u>
 Revenues for Fiscal Year	 \$30,698,619
Expenses for Fiscal Year	<u>31,914,578</u>
 Changes in Net Assets	 <u>\$ (1,215,959)</u>

At the termination of the joint powers agreement and after all claims have been settled, any excess or deficit will be divided among the cities in accordance with its governing documents.

The City is self-insured for health insurance for its employees. Each department and division is charged an actuarially determined amount for health insurance expenses based on its employees. All claims are administered by an independent insurance processor; the City is responsible for reimbursing the company for all claims up to \$50,000 per covered individual, with any expenses greater than that being covered by the insurance provider.

The claims liability of \$50,000 for health insurance at June 30, 2012 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liability was estimated from the average amount of claims paid per lag reports provided by the administrator. The outstanding liability at June 30, 2012 is expected to be liquidated within the next twelve months. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in health claim liabilities at June 30, 2012 and 2011 were as follows:

	<u>2012</u>	<u>2011</u>
Liability – beginning of fiscal year	\$ 50,000	\$ 50,000
Current year claims and changes in estimates	1,339,164	1,317,931
Claim payments	<u>(1,339,164)</u>	<u>(1,317,931)</u>
Liability – End of Fiscal Year	<u>\$ 50,000</u>	<u>\$ 50,000</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

13. NET ASSETS – GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

The government-wide statement of net assets includes three equity categories entitled net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The invested in capital assets, net of related debt category presents the City's equity interest in capital assets less outstanding principal of related debt. The restricted net assets category is designed to reflect new assets that are subject to restrictions beyond the City's control (externally imposed or imposed by law). The unrestricted net assets category equals any remaining balance and can be subdivided into designated and undesignated portions. Designations reflect the City's self-imposed limitations on the use of otherwise available current financial resources. Details of the three categories is as follows:

**Governmental and Business-Type Activities – Net Assets
as of June 30, 2012**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Net Assets			
Invested in capital assets net of related debt:			
Total capital assets, net depreciation	\$140,560,452	\$ 67,106,446	\$207,666,898
Total capital related debt, net of cash held by trustee and deferred charges	<u>(15,625,970)</u>	<u>(22,028,585)</u>	<u>(37,654,555)</u>
Invested in capital assets, net of related debt	<u>\$124,934,482</u>	<u>\$ 45,077,861</u>	<u>\$170,012,343</u>
Restricted for:			
Capital projects	5,753,041		5,753,041
Parks	357,458		357,458
Highways and streets	879,442		879,442
Housing	19,608,286		19,608,286
Public safety	597,490		597,490
Debt service	<u>2,163,030</u>		<u>2,163,030</u>
Total Restricted	<u>29,358,747</u>		<u>29,358,747</u>
Unrestricted	<u>2,894,187</u>	<u>5,348,820</u>	<u>8,243,007</u>
Total Net Assets	<u>\$157,187,416</u>	<u>\$ 50,426,681</u>	<u>\$207,614,097</u>

14. NET ASSETS AND FUND BALANCES

GASB Statement No. 34 adds the concept of Net Assets, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

A. Net Assets

Net assets are divided into three captions under GASB Statement No. 34. These captions apply only to net assets as determined at the government-wide level, and are described below:

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

Invested in Capital Assets, net of related debt describes the portion of net assets which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include debt service requirements, and redevelopment funds restricted to low and moderate income housing purposes.

Unrestricted describes the portion of net assets which is not restricted as to use.

15. CONTINGENT LIABILITIES

- Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.
- The City is subject to various lawsuits and claims involving public liability and other actions incidental to the ordinary course of City operations. In the aggregate, those claims seek monetary damages in significant amounts. To the extent the outcome of such litigation may be determined to result in financial loss to the City, in the opinion of City management, any potential liability for these actions is adequately provided for in the basic financial statements. The timing of potential payment of such losses cannot presently be determined.



Required Supplementary Information

CITY OF DINUBA
SCHEDULE OF FUNDING PROGRESS – PUBLIC RETIREMENT SYSTEMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

(Dollar Amounts in Thousands)

Schedule of Funding Progress for PERS – Miscellaneous Plan (Risk Pool)

Actuarial Valuation Date	Normal Accrued Liability (A)	Actuarial Value of Assets (B)	(Excess Assets) (A-B)	Funded Status (B/A)	Annual Covered Payroll (C)	*UAAL as a % of Covered Payroll (A-B/C)
6/30/2009	3,104,798	2,758,511	346,287	88.9%	742,981	46.6%
6/30/2010	3,309,065	2,946,408	362,657	89.0%	748,401	48.5%
6/30/2011	3,619,836	3,203,215	416,621	88.5%	759,264	54.9%

*UAAL – Unfunded actuarial accrued liability

Schedule of Funding Progress for PERS – Safety Plan (Risk Pool)

Actuarial Valuation Date	Entry Age Normal Accrued Liability (A)	Actuarial Value of Assets (B)	Unfunded Liability (Excess Assets) (A-B)	Funded Status (B/A)	Annual Covered Payroll (C)	*UAAL as a % of Covered Payroll (A-B/C)
6/30/2009	73,625	63,095	10,530	85.7%	21,880	48.1%
6/30/2010	80,551	69,069	11,482	85.8%	21,754	52.8%
6/30/2011	87,234	74,508	12,726	85.4%	21,957	58.0%

*UAAL – Unfunded actuarial accrued liability

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u> <u>Budget-Positive</u> <u>(Negative)</u>
REVENUES				
Taxes and assessments:				
Utility users	\$ 1,549,000	\$ 1,549,000	\$ 1,600,423	\$ 51,423
Property	629,300	614,300	655,250	40,950
Sales	5,650,177	5,650,177	7,529,089	1,878,912
Transient occupancy	129,000	129,000	133,920	4,920
Other	247,000	247,000	263,783	16,783
Licenses and permits	276,530	488,530	490,803	2,273
Intergovernmental	1,668,000	1,862,838	1,793,036	(69,802)
Charges for services	552,102	705,777	865,059	159,282
Fines and forfeitures	13,900	13,900	19,611	5,711
Use of money and property	42,778	42,778	51,533	8,755
Reimbursements	1,453,997	1,353,062	1,327,051	(26,011)
Miscellaneous	<u>1,102</u>	<u>1,102</u>	<u>11,997</u>	<u>10,895</u>
Total Revenues	<u>12,212,886</u>	<u>12,657,464</u>	<u>14,741,555</u>	<u>2,084,091</u>
EXPENDITURES				
Current:				
General government:				
City Council	77,586	77,586	71,704	5,882
City Manager	819,660	827,218	879,310	(52,092)
City Attorney	41,965	42,407	57,559	(15,152)
Administrative services	531,312	521,312	526,094	(4,782)
General services	<u>1,698,796</u>	<u>3,147,546</u>	<u>1,664,226</u>	<u>1,483,320</u>
Total General Government	<u>3,169,319</u>	<u>4,616,069</u>	<u>3,198,893</u>	<u>1,417,176</u>
Public safety:				
Police services	3,905,551	3,805,551	3,973,880	(168,329)
Fire control	1,747,655	1,845,485	1,813,368	32,117
Animal control	<u>121,751</u>	<u>121,751</u>	<u>124,361</u>	<u>(2,610)</u>
Total Public Safety	<u>\$ 5,774,957</u>	<u>\$ 5,772,787</u>	<u>\$ 5,911,609</u>	<u>\$ (138,822)</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
EXPENDITURES:				
Current:				
Public works:				
Planning services	\$ 632,946	\$ 537,025	\$ 609,450	\$ (72,425)
Total Public Works	632,946	537,025	609,450	(72,425)
Parks and recreation:				
Parks and community services	1,022,535	1,026,306	1,021,052	5,254
Total Parks and Recreation	1,022,535	1,026,306	1,021,052	5,254
Debt service:				
Principal			9,507	(9,507)
Interest				
Total Debt Service			9,507	(9,507)
Capital outlay		317,750	317,227	523
Total Expenditures	10,599,757	12,269,937	11,067,738	1,202,199
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,613,129	387,527	3,673,817	3,286,290
OTHER FINANCING SOURCES (Uses):				
Transfers in	274,640	853,895		(853,895)
Transfers out	(444,184)	(453,184)	(1,249,844)	(796,660)
Total Other Financing Sources (Uses)	(169,544)	400,711	(1,249,844)	(1,650,555)
NET CHANGE IN FUND BALANCES	1,443,585	788,238	2,423,973	1,635,735
FUND BALANCES – BEGINNING OF FISCAL YEAR	2,169,057	2,169,057	2,169,057	
FUND BALANCE – END OF FISCAL YEAR	\$ 3,612,642	\$ 2,957,295	\$ 4,593,030	\$ 1,635,735

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget- Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$1,529,100	\$2,125,700	\$1,698,201	\$(427,499)
Use of money and property	150	150	3,765	3,615
Miscellaneous	<u>3,000</u>	<u>3,000</u>		<u>(3,000)</u>
Total Revenues	<u>1,532,250</u>	<u>2,128,850</u>	<u>1,701,966</u>	<u>(426,884)</u>
EXPENDITURES:				
Current:				
Community development	57,000	1,153,050	896,204	256,846
Capital outlay		<u>919,100</u>	<u>510,670</u>	<u>408,430</u>
Total Expenditures	<u>57,000</u>	<u>2,072,150</u>	<u>1,406,874</u>	<u>665,276</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,475,250</u>	<u>56,700</u>	<u>295,092</u>	<u>238,392</u>
OTHER FINANCING SOURCES (USES):				
Sale of property			<u>95,331</u>	<u>95,331</u>
Total Other Financing Sources (uses)			<u>95,331</u>	<u>95,331</u>
NET CHANGE IN FUND BALANCE	<u>1,475,250</u>	<u>56,700</u>	390,423	333,723
FUND BALANCE – BEGINNING OF FISCAL YEAR	<u>269,253</u>	<u>269,253</u>	<u>269,253</u>	
FUND BALANCE – END OF FISCAL YEAR	<u>\$1,744,503</u>	<u>\$ 325,953</u>	<u>\$ 659,676</u>	<u>\$ 333,723</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC SAFETY SALES TAX SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Taxes and assessments	\$1,968,877	\$1,968,877	\$2,021,460	\$ 52,583
Use of money and property	<u>2,000</u>	<u>2,000</u>	<u>766</u>	<u>(1,234)</u>
Total Revenues	<u>1,970,877</u>	<u>1,970,877</u>	<u>2,022,226</u>	<u>51,349</u>
EXPENDITURES:				
Current:				
Public safety	1,344,277	1,740,436	1,710,861	29,575
Capital outlay	140,000	250,000	31,203	218,797
Debt service:				
Principal retirement		127,294	180,512	(53,218)
Interest and fiscal charges		<u>11,448</u>	<u>11,448</u>	
Total Expenditures	<u>1,484,277</u>	<u>2,129,178</u>	<u>1,934,024</u>	<u>195,154</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>486,600</u>	<u>(158,301)</u>	<u>88,202</u>	<u>246,503</u>
OTHER FINANCING SOURCES (Uses):				
Transfers out	<u>(70,000)</u>	<u>(70,000)</u>	<u>(101,349)</u>	<u>(31,349)</u>
Total Other Financing Sources (Uses)	<u>(70,000)</u>	<u>(70,000)</u>	<u>(101,349)</u>	<u>(31,349)</u>
NET CHANGE IN FUND BALANCE	416,600	(228,301)	(13,147)	215,154
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>245,861</u>	<u>245,861</u>	<u>245,861</u>	
FUND BALANCES – END OF FISCAL YEAR	<u>\$ 662,461</u>	<u>\$ 17,560</u>	<u>\$ 232,714</u>	<u>\$215,154</u>

CITY OF DINUBA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2012

(1) Budgets and Budgetary Data

The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.

Budgets for the General and Special Revenue Funds are adopted on a basis substantially consistent with the accounting principles generally accepted in the United States of America (US GAAP). Accordingly, actual revenues and expenditures can be compared with the related budgeted amounts without any significant reconciling items.

Additional information concerning the General Budget policies is explained more thoroughly in the Notes to the Basic Financial Statements.

Supplementary Information

CITY OF DINUBA
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenue (other than those for major capital projects) that are restricted legally to expenditures for particular purposes.

GAS TAX FUND – This fund accounts for street projects paid for out of the City's share of the gas tax monies received from the state.

PARKS RESERVE FUND – Monies received from developers for the purpose of acquiring additional parklands are accounted for in this fund.

TRANSPORTATION FUND – This fund accounts for monies received under the Transportation Development Act for street and road projects, and for planning purposes.

SYSTEM DEVELOPMENT CHARGES FUND – This fund accounts for developer deposits for expanding existing water, sewer, and/or transportation systems, and to provide new systems necessary in new real estate developments.

COMMUNITY ENHANCEMENT GRANTS FUND – This fund accounts for various State and Federal grants awards to the City.

CURB AND GUTTER FUND – This fund is for the purpose of accounting for deposits made for future curb and gutter improvements in new areas.

ASSESSMENT DISTRICTS FUND – This fund accounts for the lighting and maintenance district costs of various medians and landscape areas in the City. Funding is provided by assessments charged to property owners within the district.

FIRE IMPACT FEES FUND – This fund accounts for fees collected from developers and saved for future capital outlays for fire equipment.

THE REDEVELOPMENT AGENCY HOUSING FUND – This fund accounts for the capital improvements and operating costs associated with the low and moderate income portion of the Redevelopment Agency.

HOUSING AUTHORITY – This fund is used to account for activities of the former low and moderate income housing fund of the former Dinuba Redevelopment Agency.

CITY OF DINUBA
NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those finance by proprietary funds and trust funds.

THE REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND – this fund accounts for the financing, construction, and administrative activities of the Agency.

GENERAL CONSTRUCTION FUND – This fund accounts for all the capital projects which have been, or will be, established in the City’s drainage districts.

DRAINAGE DISTRICTS FUND – This fund accounts for all the capital projects which have been, or will be established in the City’s drainage districts.

VOCATIONAL CENTER FUND – This fund accounts for the expenditures associated with the operation of the Vocational Center.

MTBE FUND – This fund accounts for the revenue received as part of the MTBE Settlement Litigation. Revenue is received in this fund and allocated-out to the appropriate funds and capital projects that have expenditures associated with MTBE.

PUBLIC WORKS MANAGEMENT FUND – This fund accounts for the management costs of the Public Works Services Department. The source of funding is a charge against the Water, Sewer, Disposal, and Transportation funds as well as reimbursement received from Tulare County for the Road 80 Expansion Project.

DEBT SERVICE FUNDS

Debt Service funds are used to account for the accumulation of resources for, and the retirement of, long-term debt principal and interest.

GENERAL DEBT SERVICE FUND - This fund was set up to account for servicing general long-term debt incurred in Governmental Funds through equipment lease-purchases and/or loans, along with its commitment to fund the long-term portion of employee vacation, sick leave, and compensatory time benefits.

THE DINUBA REDEVELOPMENT AGENCY DEBT SERVICE FUND – This fund accounts for accumulation of resources for, and the retirement of, the Agency’s long-term debt issued for housing and capital improvements.

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION CONSTRUCTION CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Intergovernmental	\$1,964,149	\$4,473,298	\$1,705,260	\$(2,768,038)
Use of money and property	<u>1,500</u>	<u>1,500</u>	<u>9,588</u>	<u>8,088</u>
Total Revenues	<u>1,965,649</u>	<u>4,474,798</u>	<u>1,714,848</u>	<u>(2,759,950)</u>
EXPENDITURES:				
Current:				
Public works		16,810		16,810
Capital outlay	<u>1,275,000</u>	<u>4,967,598</u>	<u>2,486,032</u>	<u>2,481,566</u>
Total Expenditures	<u>1,275,000</u>	<u>4,984,408</u>	<u>2,486,032</u>	<u>2,498,376</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>690,649</u>	<u>(509,610)</u>	<u>(771,184)</u>	<u>(261,574)</u>
OTHER FINANCING SOURCES (Uses):				
Sale of property			114,072	114,072
Transfers in	322,944	562,926	1,133,976	571,050
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(78,000)</u>	<u>22,000</u>
Total Other Financing Sources (Uses)	<u>222,944</u>	<u>462,926</u>	<u>1,170,048</u>	<u>707,122</u>
NET CHANGE IN FUND BALANCE	913,593	(46,684)	398,864	445,548
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>2,233,239</u>	<u>2,233,239</u>	<u>2,233,239</u>	
FUND BALANCES – END OF FISCAL YEAR	<u>\$3,146,832</u>	<u>\$2,186,555</u>	<u>\$2,632,103</u>	<u>\$ 445,548</u>



CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FINANCING AUTHORITY DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget- Positive (Negative)</u>
REVENUES:				
Use of money and property	\$ 19,000	\$ 19,000	\$ 484,420	\$ 465,420
Total Revenues	<u>19,000</u>	<u>19,000</u>	<u>484,420</u>	<u>465,420</u>
EXPENDITURES:				
Current:				
Public works	19,000	19,000	12,525	6,475
Debt service:				
Principal retirement	305,000	305,000	305,000	
Interest and fiscal charges	<u>702,828</u>	<u>702,828</u>	<u>702,828</u>	
Total Expenditures	<u>1,026,828</u>	<u>1,026,828</u>	<u>1,020,353</u>	<u>6,475</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,007,828)</u>	<u>(1,007,828)</u>	<u>(535,933)</u>	<u>471,895</u>
OTHER FINANCING SOURCES (Uses):				
Transfers in	860,661	860,661	918,801	58,140
Transfers out		<u>(1,601,159)</u>	<u>(1,101,159)</u>	<u>500,000</u>
Total Other Financing Sources (Uses)	<u>860,661</u>	<u>(740,498)</u>	<u>(182,358)</u>	<u>558,140</u>
NET CHANGE IN FUND BALANCE	(147,167)	(1,748,326)	(718,291)	1,030,035
FUND BALANCE – BEGINNING OF FISCAL YEAR	<u>2,881,321</u>	<u>2,881,321</u>	<u>2,881,321</u>	
FUND BALANCE – END OF FISCAL YEAR	<u>\$ 2,734,154</u>	<u>\$ 1,132,995</u>	<u>\$ 2,163,030</u>	<u>\$1,030,035</u>

CITY OF DINUBA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>Special Revenue Funds</u>		
	<u>Gas tax</u>	<u>Parks Reserve</u>	<u>Transportation</u>
ASSETS:			
Cash and investments	\$641,747	\$160,846	\$ 915,558
Receivables:			
Intergovernmental	264,815		143,965
Notes		110,760	
Interest	430	2,157	655
Accounts			290
Prepaid items			114
Advances to successor agency		150,000	
Interfund advances receivable			
Assets held for resale			
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$906,992</u>	<u>\$423,763</u>	<u>\$1,060,582</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 25,580	\$	\$ 6,137
Accrued liabilities	1,969		6,406
Interfund advances payable		116,904	
Deferred revenues		112,805	1,048,040
Due to other funds			
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>27,549</u>	<u>229,709</u>	<u>1,060,583</u>
Fund Balances:			
Nonspendable:			
Advances		150,000	
Restricted for:			
Landscape maintenance			
Capital projects	879,443		
Law enforcement			
Debt service			
Assigned for:			
Parks and recreation		44,054	
Landscape maintenance			
Community development			
Unassigned	<u> </u>	<u> </u>	<u>(1)</u>
Total Fund Balances	<u>879,443</u>	<u>194,054</u>	<u>(1)</u>
Total Liabilities and Fund Balances	<u>\$906,992</u>	<u>\$423,763</u>	<u>\$1,060,582</u>

CITY OF DINUBA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

Special Revenue Funds					
<u>System Development Charges</u>	<u>Community Enhancement Grants</u>	<u>Curb and Gutter</u>	<u>Assessment Districts</u>	<u>Fire Impact Fees</u>	<u>Housing Authority</u>
\$1,379,881	\$254,551	\$7,375	\$265,109	\$55,863	\$
	64,820		10,449		85,050
901,749					
47,676	226			38	
365,000			104,000		3,769,767
150,000					287,542
					<u>187,251</u>
<u>\$2,844,306</u>	<u>\$319,597</u>	<u>\$7,375</u>	<u>\$379,558</u>	<u>\$55,901</u>	<u>\$4,329,610</u>
\$	\$	\$	\$ 17,523	\$	\$ 59,893
	10,722		4,577		
67,500					85,050
932,868					<u>28,856</u>
<u>1,000,368</u>	<u>10,722</u>		<u>22,100</u>		<u>173,799</u>
515,000			104,000		
			253,458		
1,328,938	308,875			55,901	
		7,375			4,155,811
<u>1,843,938</u>	<u>308,875</u>	<u>7,375</u>	<u>357,458</u>	<u>55,901</u>	<u>4,155,811</u>
<u>\$2,844,306</u>	<u>\$319,597</u>	<u>\$7,375</u>	<u>\$379,558</u>	<u>\$55,901</u>	<u>\$4,329,610</u>

CITY OF DINUBA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012
(Continued)

	Capital Projects Funds		
	General Construction	Drainage Districts	Vocational Center
ASSETS:			
Cash and investments	\$ 31,579	\$202,392	\$10,999
Receivables:			
Intergovernmental			
Notes		110,760	
Interest	20	5,908	8
Accounts			
Prepaid items			
Advances to successor agency			
Interfund advances receivable			
Assets held for resale			
Total Assets	<u>\$ 31,599</u>	<u>\$319,060</u>	<u>\$11,007</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 31,500	\$	\$
Accrued liabilities			
Interfund advances payable	305,616		
Deferred revenues		116,538	
Due to other funds			
Total Liabilities	<u>337,116</u>	<u>116,538</u>	
Fund Balances:			
Nonspendable:			
Advances			
Restricted for:			
Landscape maintenance			
Capital projects			
Law enforcement			
Debt service			
Assigned for:			
Parks and recreation			
Landscape maintenance			
Community development		202,522	11,007
Unassigned	<u>(305,517)</u>		
Total Fund Balances	<u>(305,517)</u>	<u>202,522</u>	<u>11,007</u>
Total Liabilities and Fund Balances	<u>\$ 31,599</u>	<u>\$319,060</u>	<u>\$11,007</u>

CITY OF DINUBA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012
(Continued)

Capital Projects Funds		Debt Service Fund	Total Nonmajor Governmental Funds
MTBE	Public Works Management	General Debt Service	
\$	\$ 59,795	\$64	\$ 3,985,759
	22,000		506,049
	43		1,208,319
210,572			57,161
	100		210,862
3,300,000	50,000		214
			7,738,767
			437,542
			187,251
<u>\$3,510,572</u>	<u>\$131,938</u>	<u>\$64</u>	<u>\$14,331,924</u>
\$ 54,592	\$ 2,423	\$	\$ 197,648
190,000	21,875		45,549
			680,020
145,042			2,295,301
<u>389,634</u>	<u>24,298</u>		<u>173,898</u>
3,300,000	50,000		4,119,000
			253,458
			2,208,381
			364,776
		64	64
			44,054
			7,375
	57,640		4,426,980
<u>(179,062)</u>			<u>(484,580)</u>
<u>3,120,938</u>	<u>107,640</u>	<u>64</u>	<u>10,939,508</u>
<u>\$3,510,572</u>	<u>\$131,938</u>	<u>\$64</u>	<u>\$14,331,924</u>

CITY OF DINUBA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Special Revenue Funds		
	Gas Tax	Parks Reserve	Transportation
REVENUES:			
Taxes and assessments	\$	\$	\$ 292,969
Intergovernmental	812,268		312,503
Charges for services		48,531	
Use of money and property	1,261	435	2,054
Fines and forfeitures			
Reimbursements			
Miscellaneous			5,119
Total Revenues	<u>813,529</u>	<u>48,966</u>	<u>612,645</u>
EXPENDITURES:			
Current:			
Community development			
Parks and recreation		17,038	
Public works	309,796		388,446
Capital outlay			
Debt service:			
Principal retirement			
Interest and fiscal charges			
Total Expenditures	<u>309,796</u>	<u>17,038</u>	<u>388,446</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>503,733</u>	<u>31,928</u>	<u>224,199</u>
OTHER FINANCING SOURCES (Uses):			
Sale of property			
Transfers in			100,000
Transfers out			(324,200)
Total Other Financing Sources (Uses)			<u>(224,200)</u>
Net Change in Fund Balance Before Extraordinary Item	503,733	31,928	(1)
EXTRAORDINARY GAIN (LOSS)			
Dissolution of Redevelopment Agency			
Total Extraordinary Gain (Loss)			
NET CHANGE IN FUND BALANCES	503,733	31,928	(1)
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>375,710</u>	<u>162,126</u>	
FUND BALANCES – END OF FISCAL YEAR	<u>\$879,443</u>	<u>\$194,054</u>	<u>\$ (1)</u>

CITY OF DINUBA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Special Revenue Funds						
System Development Charges	Community Enhancement Grants	Curb and Gutter	Assessment Districts	Fire Impact Fees	Redevelopment ⁽¹⁾ Agency Housing	Housing ⁽²⁾ Authority
\$	\$	\$	\$460,497	\$	\$	\$
	333,533			129,231		
1,261,221				40,630		
4,790	1,035			171	2,255	
	126,927					
					600	22,443
<u>1,266,011</u>	<u>461,495</u>		<u>460,497</u>	<u>170,032</u>	<u>2,855</u>	<u>22,443</u>
					154,720	87,345
51,914	331,485		402,317	157,605		
	13,460					
<u>51,914</u>	<u>344,945</u>		<u>402,317</u>	<u>157,605</u>	<u>154,720</u>	<u>87,345</u>
<u>1,214,097</u>	<u>116,550</u>		<u>58,180</u>	<u>12,427</u>	<u>(151,865)</u>	<u>(64,902)</u>
25,000					672,989	64,125
(965,532)	(120,000)				(979,661)	
(940,532)	(120,000)				(306,672)	64,125
273,565	(3,450)		58,180	12,427	(458,537)	(777)
					(4,156,588)	4,156,588
					(4,156,588)	4,156,588
273,565	(3,450)		58,180	12,427	(4,615,125)	4,155,811
<u>1,570,373</u>	<u>312,325</u>	<u>7,375</u>	<u>299,278</u>	<u>43,474</u>	<u>4,615,125</u>	
<u>\$1,843,938</u>	<u>\$ 308,875</u>	<u>\$7,375</u>	<u>\$357,458</u>	<u>\$ 55,901</u>	<u>\$</u>	<u>\$4,155,811</u>

⁽¹⁾ Period is for seven months from July 1, 2011 through January 31, 2012.

⁽²⁾ Period is for five months from February 1, 2012 through June 30, 2012.

CITY OF DINUBA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

	Capital Projects Funds		
	Redevelopment ⁽¹⁾ Agency Capital Projects	General Construction	Drainage Districts
REVENUES:			
Taxes and assessments	\$ 2,806,256	\$	\$
Intergovernmental			67,877
Charges for services			78,115
Use of money and property	20,200	92	391
Fines and forfeitures			
Reimbursements			
Miscellaneous	<u>13,278</u>	<u></u>	<u>3</u>
Total Revenues	<u>2,839,734</u>	<u>92</u>	<u>146,386</u>
EXPENDITURES:			
Current:			
Community development	187,287		
Parks and recreation			
Public works			
Capital outlay	1,249,832	358,880	
Debt service:			
Principal retirement			
Interest and fiscal charges	<u></u>	<u></u>	<u></u>
Total Expenditures	<u>1,437,119</u>	<u>358,880</u>	<u></u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>1,402,615</u>	<u>(358,788)</u>	<u>146,386</u>
OTHER FINANCING SOURCES (Uses):			
Sale of property	17,622		
Transfers in	655,819	53,266	
Transfers out	<u>(3,149,341)</u>	<u></u>	<u></u>
Total Other Financing Sources (Uses)	<u>(2,475,900)</u>	<u>53,266</u>	<u></u>
Net Change in Fund Balances Before Extraordinary Item	<u>(1,073,285)</u>	<u>(305,522)</u>	<u>146,386</u>
EXTRAORDINARY GAIN (LOSS)			
Dissolution of Redevelopment Agency	<u>6,852,204</u>	<u></u>	<u></u>
Total Extraordinary Gain (Loss)	<u>6,852,204</u>	<u></u>	<u></u>
NET CHANGE IN FUND BALANCE	<u>5,778,919</u>	<u>(305,522)</u>	<u>146,386</u>
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>(5,778,919)</u>	<u>5</u>	<u>56,136</u>
FUND BALANCES – END OF FISCAL YEAR	<u>\$</u>	<u>\$(305,517)</u>	<u>\$202,522</u>

(1) Period is for seven months from July 1, 2011 through January 31, 2012.

CITY OF DINUBA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

Capital Projects Funds			Debt Service Funds		Total Governmental Funds
Vocational Center	MTBE	Public Works Management	General Debt Service	Redevelopment (1) Agency	
\$	\$	\$	\$	\$	\$ 3,559,722
		22,000			1,677,412
		3,600			1,432,097
20,125		262		11,930	65,001
	246,575				373,502
	134,791	428,001		93,878	656,670
				<u>227,387</u>	<u>268,830</u>
<u>20,125</u>	<u>381,366</u>	<u>453,863</u>		<u>333,195</u>	<u>8,033,234</u>
16,185		470,312			445,537
	251,217				487,350
			756,388	1,011,324	1,767,712
			<u>190,968</u>	<u>1,061,939</u>	<u>1,252,907</u>
<u>16,185</u>	<u>251,217</u>	<u>470,312</u>	<u>947,356</u>	<u>2,073,263</u>	<u>7,468,458</u>
<u>3,940</u>	<u>130,149</u>	<u>(16,449)</u>	<u>(947,356)</u>	<u>(1,740,068)</u>	<u>564,776</u>
			1,098,292	2,660,944	81,747
<u>(50,000)</u>	<u>(612)</u>		<u>(150,939)</u>		<u>5,266,310</u>
<u>(50,000)</u>	<u>(612)</u>		<u>947,353</u>	<u>2,660,944</u>	<u>(5,740,285)</u>
<u>(46,060)</u>	<u>129,537</u>	<u>(16,449)</u>	<u>(3)</u>	<u>920,876</u>	<u>(392,228)</u>
				<u>(2,684,974)</u>	<u>172,548</u>
				<u>(2,684,974)</u>	<u>4,167,230</u>
<u>(46,060)</u>	<u>129,537</u>	<u>(16,449)</u>	<u>(3)</u>	<u>(1,764,098)</u>	<u>4,167,230</u>
<u>57,067</u>	<u>2,991,401</u>	<u>124,089</u>	<u>67</u>	<u>1,764,098</u>	<u>4,339,778</u>
<u>\$ 11,007</u>	<u>\$3,120,938</u>	<u>\$107,640</u>	<u>\$ 64</u>	<u>\$</u>	<u>6,599,730</u>
					<u>\$10,939,508</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GAS TAX SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget- Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$619,199	\$ 846,364	\$812,268	\$ (34,096)
Use of money and property	100	100	1,261	1,161
Miscellaneous	<u>500</u>	<u>500</u>	<u> </u>	<u>(500)</u>
Total Revenues	<u>619,799</u>	<u>846,964</u>	<u>813,529</u>	<u>(33,435)</u>
EXPENDITURES:				
Current:				
Public works	<u>365,354</u>	<u>375,854</u>	<u>309,796</u>	<u>66,058</u>
Total Expenditures	<u>365,354</u>	<u>375,854</u>	<u>309,796</u>	<u>66,058</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>254,445</u>	<u>471,110</u>	<u>503,733</u>	<u>32,623</u>
OTHER FINANCING SOURCES (Uses):				
Transfers out	<u>(275,000)</u>	<u>(502,165)</u>	<u> </u>	<u>502,165</u>
Total Other Financing Sources (Uses)	<u>(275,000)</u>	<u>(502,165)</u>	<u> </u>	<u>502,165</u>
NET CHANGE IN FUND BALANCE	(20,555)	(31,055)	503,733	534,788
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>375,710</u>	<u>375,710</u>	<u>375,710</u>	<u> </u>
FUND BALANCES – END OF FISCAL YEAR	<u>\$ 355,155</u>	<u>\$ 344,655</u>	<u>\$879,443</u>	<u>\$534,788</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
PARKS RESERVE SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Charges for services	\$ 10,000	\$ 10,000	\$ 48,531	\$ 38,531
Use of money and property	<u>700</u>	<u>700</u>	<u>435</u>	<u>(265)</u>
Total Revenues	<u>10,700</u>	<u>10,700</u>	<u>48,966</u>	<u>38,266</u>
EXPENDITURES:				
Current:				
Parks and recreation		17,038	17,038	
Capital outlay	<u>90,000</u>	<u>90,000</u>	<u> </u>	<u>90,000</u>
Total Expenditures	<u>90,000</u>	<u>107,038</u>	<u>17,038</u>	<u>90,000</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(79,300)</u>	<u>(96,338)</u>	<u>31,928</u>	<u>128,266</u>
OTHER FINANCING SOURCES (uses)				
Transfers in	<u>7,900</u>	<u>7,900</u>	<u> </u>	<u>(7,900)</u>
Total other financing sources (uses)	<u>7,900</u>	<u>7,900</u>	<u> </u>	<u>(7,900)</u>
NET CHANGE IN FUND BALANCE	(71,400)	(88,438)	31,928	120,366
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>162,126</u>	<u>162,126</u>	<u>162,126</u>	<u> </u>
FUND BALANCES – END OF FISCAL YEAR	<u>\$ 90,726</u>	<u>\$ 73,688</u>	<u>\$194,054</u>	<u>\$(120,366)</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Taxes and assessments	\$ 284,939	\$ 284,939	\$ 292,969	\$ 8,030
Intergovernmental	274,678	274,678	312,503	37,825
Use of money and property	100	100	2,054	1,954
Miscellaneous			5,119	5,119
Total Revenues	<u>559,717</u>	<u>559,717</u>	<u>612,645</u>	<u>52,928</u>
EXPENDITURES:				
Current:				
Public works	<u>361,449</u>	<u>382,359</u>	<u>388,446</u>	<u>(6,087)</u>
Total Expenditures	<u>361,449</u>	<u>382,359</u>	<u>388,446</u>	<u>(6,087)</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>198,268</u>	<u>177,358</u>	<u>224,199</u>	<u>46,841</u>
OTHER FINANCING SOURCES (Uses):				
Transfers in	50,000	100,000	100,000	
Transfers out	<u>(380,860)</u>	<u>(411,060)</u>	<u>(324,200)</u>	<u>86,860</u>
Total Other Financing Sources (Uses)	<u>(330,860)</u>	<u>(311,060)</u>	<u>(224,200)</u>	<u>86,860</u>
NET CHANGE IN FUND BALANCE	<u>(132,592)</u>	<u>(133,702)</u>	<u>(1)</u>	<u>133,701</u>
FUND BALANCES – BEGINNING OF FISCAL YEAR				
FUND BALANCES – END OF FISCAL YEAR	<u>\$(132,592)</u>	<u>\$(133,702)</u>	<u>\$ (1)</u>	<u>\$133,701</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SYSTEM DEVELOPMENT CHARGES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Charges for services	\$ 505,000	\$ 505,000	\$1,261,221	\$ 756,221
Use of money and property	<u>1,500</u>	<u>1,500</u>	<u>4,790</u>	<u>3,290</u>
Total Revenues	<u>506,500</u>	<u>506,500</u>	<u>1,266,011</u>	<u>759,511</u>
EXPENDITURES:				
Capital outlay	<u>30,000</u>	<u>78,414</u>	<u>51,914</u>	<u>26,500</u>
Total Expenditures	<u>30,000</u>	<u>78,414</u>	<u>51,914</u>	<u>26,500</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>476,500</u>	<u>428,086</u>	<u>1,214,097</u>	<u>786,011</u>
OTHER FINANCING SOURCES (Uses):				
Sale of property	4,006	4,006		(4,006)
Transfers in	44,223	44,223	25,000	(19,223)
Transfers out	<u>(688,532)</u>	<u>(1,262,435)</u>	<u>(965,532)</u>	<u>296,903</u>
Total Other Financing Sources (Uses)	<u>(640,303)</u>	<u>(1,214,206)</u>	<u>(940,532)</u>	<u>273,674</u>
NET CHANGE IN FUND BALANCE	<u>(163,803)</u>	<u>(786,120)</u>	273,565	1,059,685
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>1,570,373</u>	<u>1,570,373</u>	<u>1,570,373</u>	
FUND BALANCES – END OF FISCAL YEAR	<u>\$1,406,570</u>	<u>\$ 784,253</u>	<u>\$1,843,938</u>	<u>\$1,059,685</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
COMMUNITY ENHANCEMENT GRANTS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Intergovernmental	\$ 228,640	\$ 342,100	\$ 333,533	\$ (8,567)
Use of money and property	50	50	1,035	985
Fines and forfeitures	<u>80,000</u>	<u>80,000</u>	<u>126,927</u>	<u>46,927</u>
Total Revenues	<u>308,690</u>	<u>422,150</u>	<u>461,495</u>	<u>39,345</u>
EXPENDITURES:				
Current:				
Public works	228,640	328,640	331,485	(2,845)
Capital outlay	<u> </u>	<u>13,460</u>	<u>13,460</u>	<u> </u>
Total Expenditures	<u>228,640</u>	<u>342,100</u>	<u>344,945</u>	<u>(2,845)</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>80,050</u>	<u>80,050</u>	<u>116,550</u>	<u>36,500</u>
OTHER FINANCING SOURCES (Uses):				
Transfers out	<u>(70,000)</u>	<u>(120,000)</u>	<u>(120,000)</u>	<u> </u>
Total Other Financing Sources (Uses)	<u>(70,000)</u>	<u>(120,000)</u>	<u>(120,000)</u>	<u> </u>
NET CHANGE IN FUND BALANCE	10,050	(39,950)	(3,450)	36,500
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>312,325</u>	<u>312,325</u>	<u>312,325</u>	<u> </u>
FUND BALANCES – END OF FISCAL YEAR	<u>\$ 322,375</u>	<u>\$ 272,375</u>	<u>\$ 308,875</u>	<u>\$36,500</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CURB AND GUTTER SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Miscellaneous	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$</u>	<u>\$(500)</u>
Total Revenues	<u>500</u>	<u>500</u>	<u></u>	<u>(500)</u>
EXPENDITURES:				
Current:				
Public works	<u></u>	<u></u>	<u></u>	<u></u>
Total Expenditures	<u></u>	<u></u>	<u></u>	<u></u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>500</u>	<u>500</u>	<u></u>	<u>(500)</u>
OTHER FINANCING SOURCES				
Transfers in	<u></u>	<u></u>	<u></u>	<u></u>
Total Other Financing Sources	<u></u>	<u></u>	<u></u>	<u></u>
NET CHANGE IN FUND BALANCE	<u>500</u>	<u>500</u>		<u>(500)</u>
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>7,375</u>	<u>7,375</u>	<u>7,375</u>	<u></u>
FUND BALANCES – END OF FISCAL YEAR	<u>\$7,875</u>	<u>\$7,875</u>	<u>\$7,375</u>	<u>\$(500)</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
ASSESSMENT DISTRICTS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Taxes and assessments	<u>\$478,299</u>	<u>\$478,299</u>	<u>\$460,497</u>	<u>\$(17,802)</u>
Total Revenues	<u>478,299</u>	<u>478,299</u>	<u>460,497</u>	<u>(17,802)</u>
EXPENDITURES:				
Current:				
Public works	<u>373,426</u>	<u>402,576</u>	<u>402,317</u>	<u>259</u>
Total Expenditures	<u>373,426</u>	<u>402,576</u>	<u>402,317</u>	<u>259</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>104,873</u>	<u>75,723</u>	<u>58,180</u>	<u>(17,543)</u>
NET CHANGE IN FUND BALANCE	<u>104,873</u>	<u>75,723</u>	<u>58,180</u>	<u>(17,543)</u>
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>299,278</u>	<u>299,278</u>	<u>299,278</u>	<u>—</u>
FUND BALANCES – END OF FISCAL YEAR	<u>\$404,151</u>	<u>\$375,001</u>	<u>\$357,458</u>	<u>\$(17,543)</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FIRE IMPACT FEES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Intergovernmental	\$	\$129,231	\$129,231	\$
Charges for services	50,106	50,106	40,630	(9,476)
Use of money and property	50	50	171	121
Total Revenues	50,156	179,387	170,032	(9,355)
EXPENDITURES:				
Capital outlay		157,605	157,605	
Total Expenditures		157,605	157,605	
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	50,156	21,782	12,427	(9,355)
OTHER FINANCING SOURCES (Uses):				
Transfers out				
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCE	50,156	21,782	12,427	(9,355)
FUND BALANCES – BEGINNING OF FISCAL YEAR	43,474	43,474	43,474	
FUND BALANCES – END OF FISCAL YEAR	\$ 93,630	\$ 65,256	\$ 55,901	\$(9,355)

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (1)	Final Budget - Positive (Negative)
REVENUES:				
Use of money and property	\$ 133,884	\$ 133,884	\$ 2,255	\$ (131,629)
Miscellaneous			600	600
Total Revenues	<u>133,884</u>	<u>133,884</u>	<u>2,855</u>	<u>(131,029)</u>
EXPENDITURES:				
Current:				
Community development	499,673	504,614	154,720	349,894
Debt service:				
Principle retirement	2,194			
Interest and fiscal changes	<u>2,747</u>			
Total Expenditures	<u>504,614</u>	<u>504,614</u>	<u>154,720</u>	<u>349,894</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(370,730)</u>	<u>(370,730)</u>	<u>(151,865)</u>	<u>218,865</u>
OTHER FINANCING SOURCES (Uses):				
Transfers in	647,123	647,123	672,989	25,866
Transfers out	<u>(51,500)</u>	<u>(51,500)</u>	<u>(979,661)</u>	<u>(928,161)</u>
Total Other Financing Sources (Uses)	<u>595,623</u>	<u>595,623</u>	<u>(306,672)</u>	<u>(902,295)</u>
Net Change in Fund Balances Before Extraordinary Item	<u>224,893</u>	<u>224,893</u>	<u>(458,537)</u>	<u>(683,430)</u>
EXTRAORDINARY GAIN (LOSS)				
Dissolution of Redevelopment Agency			<u>(4,156,588)</u>	<u>(4,156,588)</u>
TOTAL EXTRAORDINARY GAIN (LOSS)			<u>(4,156,588)</u>	<u>(4,156,588)</u>
NET CHANGE IN FUND BALANCE	224,893	224,893	<u>(4,615,125)</u>	(4,840,018)
FUND BALANCE – BEGINNING OF FISCAL YEAR	<u>4,615,125</u>	<u>4,615,125</u>	<u>4,615,125</u>	
FUND BALANCE – END OF FISCAL YEAR	<u>\$4,840,018</u>	<u>\$4,840,018</u>	<u>\$</u>	<u>\$(4,840,018)</u>

(1) Period is for the seven months ended January 31, 2012, however, the budget was prepared based on a twelve month period ended June 30, 2012.

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
HOUSING AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Miscellaneous	\$		\$ 22,443	\$ 22,443
Total Revenues			22,443	22,443
EXPENDITURES:				
Current:				
Community development			87,345	(87,345)
Total Expenditures			87,345	(87,345)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			(64,902)	(64,902)
OTHER FINANCING SOURCES (Uses):				
Sale of property			64,125	64,125
Total Other Financing Sources (Uses)			64,125	64,125
Net Change in Fund Balances Before Extraordinary Item			(777)	(777)
EXTRAORDINARY GAIN (LOSS)				
Dissolution of Redevelopment Agency			4,156,588	4,156,588
TOTAL EXTRAORDINARY GAIN (LOSS)			4,156,588	4,156,588
NET CHANGE IN FUND BALANCE			4,155,811	4,155,811
FUND BALANCE -- BEGINNING OF FISCAL YEAR				
FUND BALANCE -- END OF FISCAL YEAR	\$	\$	\$4,155,811	\$4,155,811

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts (1)</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES:				
Taxes and assessments	\$ 4,869,000	\$ 4,869,000	\$ 2,806,256	\$(2,062,744)
Use of money and property	22,600	5,600	20,200	14,600
Miscellaneous	31,717	31,717	13,278	(18,439)
Total Revenues	<u>4,923,317</u>	<u>4,906,317</u>	<u>2,839,734</u>	<u>(2,066,583)</u>
EXPENDITURES:				
Current:				
Community development	395,379	395,379	187,287	208,092
Capital Outlay			1,249,832	(1,249,832)
Total Expenditures	<u>395,379</u>	<u>395,379</u>	<u>1,437,119</u>	<u>(1,041,740)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,527,938</u>	<u>4,510,938</u>	<u>1,402,615</u>	<u>(3,108,323)</u>
OTHER FINANCING SOURCES (Uses):				
Sale of property	13,325	30,325	17,622	(12,703)
Transfers in	297,855	297,855	655,819	357,964
Transfers out	(45,970,219)	(5,554,219)	(3,149,341)	2,404,878
Total Other Financing Sources (Uses)	<u>(45,659,039)</u>	<u>(5,226,039)</u>	<u>(2,475,900)</u>	<u>2,750,139</u>
Net Change in Fund Balances Before Extraordinary Item	<u>(41,131,101)</u>	<u>(715,101)</u>	<u>(1,073,285)</u>	<u>(358,184)</u>
EXTRAORDINARY GAIN (LOSS)				
Dissolution of Redevelopment Agency			6,852,204	(6,852,204)
TOTAL EXTRAORDINARY GAIN (LOSS)			<u>6,852,004</u>	<u>(6,852,204)</u>
NET CHANGE IN FUND BALANCE	(41,131,101)	(715,101)	5,778,919	6,494,020
FUND BALANCE – BEGINNING OF FISCAL YEAR	<u>(5,778,919)</u>	<u>(5,778,919)</u>	<u>(5,778,919)</u>	
FUND BALANCE – END OF FISCAL YEAR	<u>\$(46,910,020)</u>	<u>\$(6,494,020)</u>	<u>\$</u>	<u>\$ 6,494,020</u>

(1) Period is for the seven months ended January 31, 2012, however, the budget was prepared based on a twelve month period ended June 30, 2012.

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL CONSTRUCTION CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Intergovernmental	\$ 500,000	\$ 500,000	\$	\$(500,000)
Use of money and property			92	92
Total Revenues	<u>500,000</u>	<u>500,000</u>	<u>92</u>	<u>(499,908)</u>
EXPENDITURES:				
Capital outlay	<u>900,000</u>	<u>996,816</u>	<u>358,880</u>	<u>637,936</u>
Total Expenditures	<u>900,000</u>	<u>996,816</u>	<u>358,880</u>	<u>637,936</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(400,000)</u>	<u>(496,816)</u>	<u>(358,788)</u>	<u>138,028</u>
OTHER FINANCING SOURCES (Uses)				
Transfers in	<u>300,000</u>	<u>335,816</u>	<u>53,266</u>	<u>(282,550)</u>
Total Other financing Sources (Uses)	300,000	335,816	53,266	(282,550)
NET CHANGE IN FUND BALANCE	(100,000)	(161,000)	(305,522)	(144,522)
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>5</u>	<u>5</u>	<u>5</u>	
FUND BALANCES – END OF FISCAL YEAR	<u>\$ (99,995)</u>	<u>\$ (160,995)</u>	<u>\$ (305,517)</u>	<u>\$ (144,522)</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DRAINAGE DISTRICTS CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Intergovernmental	\$	\$	\$ 67,877	\$ 67,877
Charges for services	10,250	10,250	78,115	67,865
Use of money and property	500	500	391	(109)
Miscellaneous			<u>3</u>	<u>3</u>
Total Revenues	<u>10,750</u>	<u>10,750</u>	<u>146,386</u>	<u>135,636</u>
EXPENDITURES:				
Capital outlay				
Total Expenditures				
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>10,750</u>	<u>10,750</u>	<u>146,386</u>	<u>135,636</u>
OTHER FINANCING SOURCES (Uses)				
Sale of property				
Total Other financing Sources (Uses)				
NET CHANGE IN FUND BALANCE	<u>10,750</u>	<u>10,750</u>	<u>146,386</u>	<u>135,636</u>
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>56,136</u>	<u>56,136</u>	<u>56,136</u>	
FUND BALANCES – END OF FISCAL YEAR	<u>\$66,886</u>	<u>\$66,886</u>	<u>\$202,522</u>	<u>\$135,636</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
VOCATIONAL CENTER CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Use of money and property	<u>\$</u>	<u>\$ 20,000</u>	<u>\$ 20,125</u>	<u>\$ 125</u>
Total Revenues	<u> </u>	<u>20,000</u>	<u>20,125</u>	<u>125</u>
EXPENDITURES:				
Current:				
Community development	<u> </u>	<u>22,100</u>	<u>16,185</u>	<u>5,915</u>
Total Expenditures	<u> </u>	<u>22,100</u>	<u>16,185</u>	<u>5,915</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u> </u>	<u>(2,100)</u>	<u>3,940</u>	<u>6,040</u>
OTHER FINANCING SOURCES (Uses):				
Transfers out	<u> </u>	<u>(50,000)</u>	<u>(50,000)</u>	<u> </u>
Total Other Financing Sources (Uses)	<u> </u>	<u>(50,000)</u>	<u>(50,000)</u>	<u> </u>
NET CHANGE IN FUND BALANCE		<u>(52,100)</u>	<u>(46,060)</u>	<u>6,040</u>
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>57,067</u>	<u>57,067</u>	<u>57,067</u>	<u> </u>
FUND BALANCES -- END OF FISCAL YEAR	<u>\$57,067</u>	<u>\$ 4,967</u>	<u>\$ 11,007</u>	<u>\$6,040</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
MTBE CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Fines and forfeitures	\$ 100,000	\$ 250,000	\$ 246,575	\$(3,425)
Reimbursements		135,000	134,791	(209)
Total Revenues	<u>100,000</u>	<u>385,000</u>	<u>381,366</u>	<u>(3,634)</u>
EXPENDITURES:				
Current:				
Public works	<u>100,000</u>	<u>251,000</u>	<u>251,217</u>	<u>(217)</u>
Total Expenditures	<u>100,000</u>	<u>251,000</u>	<u>251,217</u>	<u>(217)</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES		<u>134,000</u>	<u>130,149</u>	<u>(3,851)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out		(650)	(612)	38
Total Other Financing Sources (Uses)		<u>(650)</u>	<u>(612)</u>	<u>38</u>
NET CHANGE IN FUND BALANCE		133,350	129,537	(3,813)
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>2,991,401</u>	<u>2,991,401</u>	<u>2,991,401</u>	
FUND BALANCES – END OF FISCAL YEAR	<u>\$2,991,401</u>	<u>\$3,124,751</u>	<u>\$3,120,938</u>	<u>\$(3,813)</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
PUBLIC WORKS MANAGEMENT CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Intergovernmental	\$	\$ 22,000	\$ 22,000	\$
Charges for services	2,700	2,700	3,600	900
Use of money and property	50	50	262	212
Reimbursements	<u>428,001</u>	<u>428,001</u>	<u>428,001</u>	<u> </u>
Total Revenues	<u>430,751</u>	<u>452,751</u>	<u>453,863</u>	<u>1,112</u>
EXPENDITURES:				
Current:				
Parks and recreation	<u>428,000</u>	<u>482,000</u>	<u>470,312</u>	<u>11,688</u>
Total Expenditures	<u>428,000</u>	<u>482,000</u>	<u>470,312</u>	<u>11,688</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>2,751</u>	<u>(29,249)</u>	<u>(16,449)</u>	<u>12,800</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources (Uses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET CHANGE IN FUND BALANCE	2,751	(29,249)	(16,449)	12,800
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>124,089</u>	<u>124,089</u>	<u>124,089</u>	<u> </u>
FUND BALANCES – END OF FISCAL YEAR	<u>\$126,840</u>	<u>\$ 94,840</u>	<u>\$107,640</u>	<u>\$12,800</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Use of money and property	\$ _____	\$ _____	\$ _____	\$ _____
Total Revenues	_____	_____	_____	_____
EXPENDITURES:				
Debt Service:				
Principal retirement	209,553	907,325	756,388	150,937
Interest and fiscal charges	_____	190,968	190,968	_____
Total Expenditures	209,553	1,098,293	947,356	150,937
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(209,553)	(1,098,293)	(947,356)	150,937
OTHER FINANCING SOURCES (Uses):				
Transfers in	209,554	1,098,294	1,098,292	(2)
Transfers out	_____	_____	(150,939)	(150,939)
Total Other Financing Sources (Uses)	209,554	1,098,294	947,353	(150,941)
NET CHANGE IN FUND BALANCE	1	1	(3)	(4)
FUND BALANCES – BEGINNING OF FISCAL YEAR	67	67	67	_____
FUND BALANCES – END OF FISCAL YEAR	\$ 68	\$ 68	\$ 64	\$ (4)

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
REDEVELOPMENT AGENCY DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual ⁽¹⁾	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUES:				
Use of money and property	\$ 45,100	\$ 45,100	\$ 11,930	\$ (33,170)
Reimbursements			93,878	93,878
Miscellaneous			227,387	227,387
Total Revenues	45,100	45,100	333,195	288,095
EXPENDITURES:				
Debt service:				
Principal	1,796,165	1,796,165	1,011,324	784,841
Interest and fiscal charges	2,728,335	2,728,335	1,061,939	1,666,396
Total Expenditures	4,524,500	4,524,500	2,073,263	2,451,237
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,479,400)	(4,479,400)	(1,740,068)	2,739,332
OTHER FINANCING SOURCES (Uses):				
Sale of property	86,335	86,335		(86,335)
Transfers in	4,474,888	4,474,888	2,660,944	(1,813,944)
Transfers out	(81,824)	(81,824)		81,824
Total Other Financing Sources (Uses)	4,479,399	4,479,399	2,660,944	(1,818,455)
Net Change in Fund Balances Before Extraordinary Item	(1)	(1)	920,876	920,877
EXTRAORDINARY GAIN (LOSS)				
Dissolution of Redevelopment Agency			(2,684,974)	(2,684,974)
TOTAL EXTRAORDINARY GAIN (LOSS)			(2,684,974)	(2,684,974)
NET CHANGE IN FUND BALANCE	(1)	(1)	(1,764,098)	(1,764,097)
FUND BALANCE – BEGINNING OF FISCAL YEAR	1,764,098	1,764,098	1,764,098	
FUND BALANCE – END OF FISCAL YEAR	\$ 1,764,097	\$ 1,764,097	\$	\$(1,764,097)

(1) Period is for the seven months ended January 31, 2012, however, the budget was prepared based on a twelve month period ended June 30, 2012.



DOWNTOWN DINUBA

CITY OF DINUBA

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided to departments or agencies of the government and to other government units, on a cost reimbursement basis.

INSURANCE FUND – This fund was set up to account for the cost of general liability, property damage, and employee related health insurance costs. The City is involved in a self-insurance program through a joint powers authority with other local municipalities. The source of funding for the City's program is a charge to all operating departments through a budgeting of the estimated costs to be allocated.

BILLING AND COLLECTION SERVICES FUND – This fund was set up to account for the costs and revenue for billing and collections of General, Utility, and Ambulance funds. The source of funding is a charge against the aforementioned funds.

PROPERTY AND EQUIPMENT SERVICE FUND – This fund was set up to account for the costs of maintenance and repairs for both buildings and equipment throughout the City. The source of this funding is a charge against the departments for services rendered.



CITY OF DINUBA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2012

	<u>Insurance Fund</u>	<u>Billing and Collection Service Fund</u>	<u>Property and Equipment Service Fund</u>	<u>Totals</u>
ASSETS:				
Current assets:				
Cash and investments	\$	\$ 19,424	\$ 43,999	\$ 63,423
Interest receivable		17		17
Prepaid expense	<u>15,088</u>	<u> </u>	<u>114</u>	<u>15,202</u>
Total Current Assets	<u>15,088</u>	<u>19,441</u>	<u>44,113</u>	<u>78,642</u>
Noncurrent assets:				
Advances to other funds	354,862			354,862
Depreciable equipment, net	<u> </u>	<u> </u>	<u>11,532</u>	<u>11,532</u>
Total Noncurrent Assets	<u>354,862</u>	<u> </u>	<u>11,532</u>	<u>366,394</u>
TOTAL ASSETS	<u>369,950</u>	<u>19,441</u>	<u>55,645</u>	<u>445,036</u>
LIABILITIES				
Current liabilities:				
Accounts payable	164,737	356	23,431	188,524
Accrued liabilities	9,436	17,074	18,008	44,518
Interest payable	106		7	113
Claims payable	50,000			50,000
Due to other funds	<u>99,403</u>	<u> </u>	<u> </u>	<u>99,403</u>
Total Current Liabilities	<u>323,682</u>	<u>17,430</u>	<u>41,446</u>	<u>382,558</u>
Noncurrent liabilities:				
Compensated absences	<u>27,654</u>	<u>28,480</u>	<u>17,902</u>	<u>74,036</u>
Total Noncurrent Liabilities	<u>27,654</u>	<u>28,480</u>	<u>17,902</u>	<u>74,036</u>
Total Liabilities	<u>351,336</u>	<u>45,910</u>	<u>59,348</u>	<u>456,594</u>
NET ASSETS:				
Invested in capital assets, net of related debt			11,532	11,532
Unrestricted	<u>18,614</u>	<u>(26,469)</u>	<u>(15,235)</u>	<u>(23,090)</u>
TOTAL NET ASSETS	<u>\$ 18,614</u>	<u>\$(26,469)</u>	<u>\$ (3,703)</u>	<u>\$ (11,558)</u>

CITY OF DINUBA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Insurance Fund</u>	<u>Billing and Collection Service Fund</u>	<u>Property and Equipment Service Fund</u>	<u>Totals</u>
OPERATING REVENUES:				
Charges for services	\$3,409,876	\$519,637	\$675,705	\$4,605,218
Other	<u>6,109</u>	<u>6,109</u>	<u>6,109</u>	<u>6,109</u>
Total Operating Revenues	<u>3,409,876</u>	<u>519,637</u>	<u>681,814</u>	<u>4,611,327</u>
OPERATING EXPENSES:				
Salaries and benefits	211,994	417,557	421,333	1,050,884
Contractual services	31,391	21,164	3,600	56,155
Materials and supplies	3,298	60,045	278,165	341,508
Insurance	950,886			950,886
Employee health insurance	1,960,525			1,960,525
Allocated costs		18,944	22,111	41,055
Depreciation	<u>2,050</u>	<u>2,050</u>	<u>2,050</u>	<u>2,050</u>
Total Operating Expenses	<u>3,158,094</u>	<u>517,710</u>	<u>727,259</u>	<u>4,403,063</u>
OPERATING INCOME (LOSS)	<u>251,782</u>	<u>1,927</u>	<u>(45,445)</u>	<u>208,264</u>
NONOPERATING REVENUES:				
Intergovernmental revenue			33,965	33,965
Interest revenue		57		57
Interest expense	<u>(1,268)</u>	<u>(1,268)</u>	<u>(1,268)</u>	<u>(1,268)</u>
Total Nonoperating Revenues	<u>(1,268)</u>	<u>57</u>	<u>33,965</u>	<u>32,754</u>
Income (Loss) Before Transfers	<u>250,514</u>	<u>1,984</u>	<u>(11,480)</u>	<u>241,018</u>
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Net transfers	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Changes in Net Assets	350,514	1,984	(11,480)	341,018
NET ASSETS – BEGINNING OF FISCAL YEAR	<u>(331,900)</u>	<u>(28,453)</u>	<u>7,777</u>	<u>(352,576)</u>
NET ASSETS – END OF FISCAL YEAR	<u>\$ 18,614</u>	<u>\$ (26,469)</u>	<u>\$ (3,703)</u>	<u>\$ (11,558)</u>

CITY OF DINUBA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Insurance Fund</u>	<u>Billing and Collection Service Fund</u>	<u>Property and Equipment Service Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and users	\$ 3,567,506	\$ 519,637	\$ 751,629	\$ 4,838,772
Cash paid to suppliers for goods and services	(2,929,474)	(78,860)	(263,880)	(3,272,214)
Cash paid to employees for services	(210,573)	(415,088)	(412,259)	(1,037,920)
Cash paid for allocated overhead	(1,268)	(18,944)	(22,111)	(42,323)
Net Cash Provided by Operating Activities	<u>426,191</u>	<u>6,745</u>	<u>53,379</u>	<u>486,315</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	100,000			100,000
Intergovernmental			33,965	33,965
Due to (from) other funds	(525,029)		(39,362)	(564,391)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(425,029)</u>		<u>(5,397)</u>	<u>(430,426)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of capital assets			(4,022)	(4,022)
Net Cash Provided (Used) by Capital and Related Financing Activities			<u>(4,022)</u>	<u>(4,022)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	(1,162)	54	39	(1,069)
Net cash provided (used) by investing activities	<u>(1,162)</u>	<u>54</u>	<u>39</u>	<u>(1,069)</u>
Net Increase in Cash and Cash Equivalents		6,799	43,999	50,798
CASH AND CASH EQUIVALENTS AT BEGINNING OF FISCAL YEAR		<u>12,625</u>		<u>12,625</u>
CASH AND CASH EQUIVALENTS AT END OF FISCAL YEAR	<u>\$</u>	<u>\$ 19,424</u>	<u>\$ 43,999</u>	<u>\$ 63,423</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ 251,782	\$ 1,927	\$ (45,445)	\$ 208,264
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation			2,050	2,050
Adjustments:				
(Increase) decrease in accounts receivable	61,193		69,815	131,008
(Increase) decrease in due from other agencies	96,437			96,437
(Increase) decrease in prepaid expenses	(7,682)			(7,682)
Increase (decrease) in accounts payable	26,309	(735)	12,986	38,560
Increase (decrease) in accrued liabilities	(3,269)	3,084	4,899	4,714
Increase (decrease) in compensated absences payable	1,421	2,469	9,074	12,964
Total Adjustments	<u>174,409</u>	<u>4,818</u>	<u>98,824</u>	<u>278,051</u>
Net Cash Provided by Operating Activities	<u>\$ 426,191</u>	<u>\$ 6,745</u>	<u>\$ 53,379</u>	<u>\$ 486,315</u>



CITY OF DINUBA

AGENCY FUNDS

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other agencies, and/or other funds.

CASH DEPOSITS FUND – This fund was set up to be a revolving cash deposit fund. Monies are held here (cleaning deposits, construction bonds, etc.) until they are expended or a refund is authorized by the City when the depositor has met all the necessary requirements.

RETIREE’S INSURANCE FUND – To account for funds set aside and due to retirees for future health insurance benefits.

DPOA TRUST FUND – This fund accumulates donations from several non-profit entities for the repair and maintenance of the Dinuba Police Officers’ Association practice pistol-shooting range.

SPECIAL COMMUNITY EVENTS FUND – Donations to community services (recreation) for special recreation equipment or services are accounted for in this fund.

POST TRAINING REVOLVING FUND – This is a revolving fund set up for specific types of police officer training.

ABANDONED VEHICLES FUND – For the purpose of beautification of the City, donations to this fund are used for the removal of abandoned vehicles from private properties in the City.

PRO-YOUTH FUND – These funds are either donated by local citizens or service organizations, or they are earned by the youth to be used for youth recreation activities and services.

POLICE ACTIVITIES – Donations to the Police Activities funds are used to pay for uniforms and equipment for citizen volunteers of the police department.

CITY OF DINUBA
COMBINING STATEMENT OF NET ASSETS
ALL AGENCY FUNDS
JUNE 30, 2012

	<u>Cash Deposits</u>	<u>Retiree's Insurance</u>	<u>DPOA Trust</u>	<u>Special Community Events</u>
ASSETS				
Cash and investments	\$432,437	\$63,582	\$1,474	\$14,217
Receivables	<u> </u>	<u>49</u>	<u> </u>	<u> </u>
Total Assets	<u>432,437</u>	<u>63,631</u>	<u>1,474</u>	<u>14,217</u>
LIABILITIES				
Accounts payable		32,411	668	(2,239)
Deposits payable	<u>432,437</u>	<u>31,220</u>	<u>806</u>	<u>16,456</u>
Total Liabilities	<u>\$432,437</u>	<u>\$63,631</u>	<u>\$1,474</u>	<u>\$14,217</u>

CITY OF DINUBA
COMBINING STATEMENT OF NET ASSETS
ALL AGENCY FUNDS
JUNE 30, 2012

Post Training Revolving	Abandoned Vehicles	Pro-Youth	Police Activities	Total
\$2,114	\$40,181	\$18,276	\$18,144	\$590,425
	<u>2,712</u>			<u>2,761</u>
<u>2,114</u>	<u>42,893</u>	<u>18,276</u>	<u>18,144</u>	<u>593,186</u>
2,114	42,893	7,167		83,014
		<u>11,109</u>	<u>18,144</u>	<u>510,172</u>
<u>\$2,114</u>	<u>\$42,893</u>	<u>\$18,276</u>	<u>\$18,144</u>	<u>\$593,186</u>

CITY OF DINUBA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Cash Deposits				
Assets				
Cash and investments	<u>\$301,093</u>	<u>\$2,011,555</u>	<u>\$1,880,211</u>	<u>\$432,437</u>
Total Assets	<u>\$301,093</u>	<u>\$2,011,555</u>	<u>\$1,880,211</u>	<u>\$432,437</u>
Liabilities				
Deposits payable	<u>\$301,093</u>	<u>\$2,011,555</u>	<u>\$1,880,211</u>	<u>\$432,437</u>
Total liabilities	<u>\$301,093</u>	<u>\$2,011,555</u>	<u>\$1,880,211</u>	<u>\$432,437</u>
Retiree's Insurance				
Assets				
Cash and investments	\$ 72,547	\$ 312,561	\$ 321,526	\$ 63,582
Receivables	<u>125</u>	<u>49</u>	<u>125</u>	<u>49</u>
Total Assets	<u>\$ 72,672</u>	<u>\$ 312,610</u>	<u>\$ 321,651</u>	<u>\$ 63,631</u>
Liabilities				
Accounts payable	\$ (4,344)	\$ 36,755	\$	\$ 32,411
Deposits payable	<u>77,016</u>		<u>45,796</u>	<u>31,220</u>
Total liabilities	<u>\$ 72,672</u>	<u>\$ 36,755</u>	<u>\$ 45,796</u>	<u>\$ 63,631</u>
DPOA Trust				
Assets				
Cash and investments	\$ 1,474	\$	\$	\$ 1,474
Total Assets	<u>\$ 1,474</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,474</u>
Liabilities				
Accounts payable	\$ 668	\$	\$	\$ 668
Deposits payable	<u>806</u>			<u>806</u>
Total liabilities	<u>\$ 1,474</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,474</u>
Special Community Events				
Assets				
Cash and investments	\$ 18,233	\$ 18,164	\$ 22,180	\$ 14,217
Receivables				
Total Assets	<u>\$ 18,233</u>	<u>\$ 18,164</u>	<u>\$ 22,180</u>	<u>\$ 14,217</u>
Liabilities				
Accounts payable	\$ 1,777	\$ 19,754	\$ 23,770	\$ (2,239)
Deposits payable	<u>16,456</u>			<u>16,456</u>
Total liabilities	<u>\$ 18,233</u>	<u>\$ 19,754</u>	<u>\$ 23,770</u>	<u>\$ 14,217</u>

CITY OF DINUBA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012
(Continued)

	Beginning Balance	Additions	Deductions	Ending Balance
Post Training Revolving				
Assets				
Cash and investments	\$ 662	\$ 12,525	\$ 11,073	\$ 2,114
Total Assets	<u>\$ 662</u>	<u>\$ 12,525</u>	<u>\$ 11,073</u>	<u>\$ 2,114</u>
Liabilities				
Accounts payable	\$ 662	\$ 9,039	\$ 7,587	\$ 2,114
Total liabilities	<u>\$ 662</u>	<u>\$ 9,039</u>	<u>\$ 7,587</u>	<u>\$ 2,114</u>
Abandoned Vehicles				
Assets				
Cash and investments	\$ 5,939	\$ 34,354	\$ 112	\$ 40,181
Receivables	2,030	2,712	2,030	2,712
Total Assets	<u>\$ 7,969</u>	<u>\$ 37,066</u>	<u>\$ 2,142</u>	<u>\$ 42,893</u>
Liabilities				
Accounts payable	\$ 7,969	\$ 34,924	\$	\$ 42,893
Total liabilities	<u>\$ 7,969</u>	<u>\$ 34,924</u>	<u>\$</u>	<u>\$ 42,893</u>
Pro-Youth				
Assets				
Cash and investments	\$ 16,100	\$ 20,015	\$ 17,839	\$ 18,276
Total Assets	<u>\$ 16,100</u>	<u>\$ 20,015</u>	<u>\$ 17,839</u>	<u>\$ 18,276</u>
Liabilities				
Accounts payable	\$ 4,991	\$ 11,848	\$ 9,672	\$ 7,167
Deposits payable	11,109			11,109
Total liabilities	<u>\$ 16,100</u>	<u>\$ 11,848</u>	<u>\$ 9,672</u>	<u>\$ 18,276</u>
Police Activities				
Assets				
Cash and investments	\$ 27,919	\$ 8,251	\$ 18,026	\$ 18,144
Total Assets	<u>\$ 27,919</u>	<u>\$ 8,251</u>	<u>\$ 18,026</u>	<u>\$ 18,144</u>
Liabilities				
Deposits payable	\$ 27,919	\$ 8,251	\$ 18,026	\$ 18,144
Total liabilities	<u>\$ 27,919</u>	<u>\$ 8,251</u>	<u>\$ 18,026</u>	<u>\$ 18,144</u>
Grand Total All Agency Funds				
Assets				
Cash and investments	\$443,967	\$2,417,425	\$2,270,967	\$590,425
Receivables	2,155	2,761	2,155	2,761
Total Assets	<u>\$446,122</u>	<u>\$2,420,186</u>	<u>\$2,273,122</u>	<u>\$593,186</u>
Liabilities				
Accounts payable	\$ 11,723	\$ 112,320	\$ 41,029	\$ 83,014
Deposits payable	434,399	2,019,806	1,944,033	510,172
Total liabilities	<u>\$446,122</u>	<u>\$2,132,126</u>	<u>\$1,985,062</u>	<u>\$593,186</u>



3 FINGER JACK RESTAURANT

STATISTICAL SECTION

This part of the City of Dinuba'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 government's overall financial health.

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These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	132-139
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Debt Capacity	
These schedules present information to help the reader assess the affordability of the governments current levels of outstanding debt and the government's ability to issue additional debt in the future.	143-151
Demographic and economic information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	152-158
Operating information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	159-164

CITY OF DINUBA
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
Invested In Capital Assets, net of related debt	\$23,544,852	\$20,413,500	\$16,156,718	\$21,451,017	\$18,636,460	\$69,121,069	\$78,101,303	\$71,460,042	\$75,360,279	\$125,564,573
Restricted	3,332,750	10,298,457	7,531,455	7,120,338	12,750,382	19,576,301	17,821,984	26,213,026	28,285,199	33,514,558
Unrestricted	4,569,682	4,209,697	5,627,687	1,013,242	8,258,109	(3,570,839)	(4,713,906)	(1,553,334)	(401,603)	2,903,128
Total Governmental Activities Net Assets	31,447,284	34,921,654	29,315,860	29,584,597	39,644,951	85,126,231	91,209,381	96,119,734	103,243,875	161,982,259
Business-Type Activities										
Invested In Capital Assets, net of related debt	12,250,860	15,353,477	15,516,585	15,516,135	17,422,520	46,050,974	41,646,753	43,840,754	45,170,204	45,077,861
Restricted		297,289	329,375	300,733	311,596	535,617	3,471,175			
Unrestricted	3,117,904	2,463,073	2,888,155	3,440,939	3,337,494	869,644	3,262,807	3,305,499	4,741,445	5,318,820
Total Business-Type Activities Net Assets	15,368,764	18,113,839	18,734,115	19,257,807	21,071,610	47,456,235	48,380,735	47,146,253	49,911,649	50,426,681
Primary Government										
Invested In Capital Assets, net of related debt	35,795,712	35,766,977	31,673,303	36,967,152	36,058,980	115,172,043	119,748,056	115,300,796	120,530,483	170,642,434
Restricted	3,332,750	10,595,746	7,860,830	7,421,071	13,061,978	20,111,618	21,293,159	26,213,026	28,285,199	33,514,558
Unrestricted	7,687,586	6,672,770	8,515,842	4,454,181	11,595,603	(2,701,195)	(1,451,099)	1,752,165	4,339,842	8,251,948
Total Primary Government Net Assets	\$46,816,048	\$53,035,493	\$48,049,975	\$48,842,404	\$60,716,561	\$132,582,466	\$139,590,116	\$143,265,987	\$153,155,524	\$212,408,940

Source: City of Dinuba Financial Services Division

CITY OF DINUBA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
 (Annual Basis of Accounting)

Page 1 of 2

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities										
General Government	\$1,383,816	\$2,126,787	\$2,027,053	\$2,292,263	\$2,251,700	\$2,165,276	\$2,282,735	\$3,131,553	\$4,009,529	\$3,459,679
Public Safety	3,397,260	3,807,473	4,256,419	5,055,875	5,819,651	7,004,208	8,287,871	8,171,242	8,107,881	8,167,990
Public Works	2,374,142	3,630,316	6,045,507	4,103,422	5,430,096	3,583,804	4,138,568	2,312,028	3,632,361	1,826,602
Community Development	1,703,542	1,453,561	1,795,199	3,927,714	1,581,737	2,743,293	3,158,746	3,417,402	1,763,309	1,007,987
Parks and Recreation	1,201,821	1,085,389	954,789	1,350,086	1,359,109	1,662,008	1,700,474	1,584,698	1,152,007	1,796,570
Interest on Long-Term Debt	1,801,329	1,941,866	2,008,364	2,144,168	3,194,690	4,072,473	4,196,778	4,144,345	4,192,595	1,720,593
Unallocated Depreciation		637,382	836,084	794,431	847,061	858,674	917,172	987,607	879,409	953,544
Total Governmental Activities Expenses	11,862,310	14,682,774	17,923,415	18,452,959	20,484,044	22,091,736	24,682,344	23,748,855	23,737,091	18,912,965
Business-Type Activities										
Water	1,900,184	2,004,558	2,144,211	2,057,622	2,262,423	1,796,046	1,923,758	2,047,214	2,152,856	2,159,494
Sewer	1,830,467	1,921,329	1,993,150	1,842,089	2,120,093	1,791,855	2,087,637	2,007,892	2,292,341	2,427,747
Disposal	1,751,199	1,856,600	1,875,074	2,083,892	2,189,729	1,873,555	1,865,780	1,988,441	2,030,223	2,103,008
Ambulance	1,128,670	1,099,745	1,079,145	1,282,738	1,458,821	1,082,670	1,011,197	1,069,365	1,185,992	1,150,496
Transit	200,089	188,068	221,851	222,278	299,001	324,720	486,482	531,162	575,289	635,059
Golf Course						2,061,613	3,625,806	3,338,040	2,965,176	3,244,707
Compressed Natural Gas								86,736	115,775	120,212
Total Business-Type Activities Expenses	6,810,609	7,612,027	7,313,431	7,488,619	8,330,067	8,862,459	11,000,660	11,068,850	11,317,652	11,850,723
Total Primary Government Net Expenses	\$18,672,919	\$22,294,801	\$25,236,846	\$25,941,578	\$28,814,111	\$30,954,195	\$35,683,004	\$34,817,705	\$35,054,743	\$30,763,688
Program Revenues										
Governmental Activities										
Charges for Services	\$1,741,746	\$2,308,623	\$243,552	\$96,497	\$3,849	\$36,180	\$31,086	\$32,430	\$27,409	\$52,073
General Government	170,177	58,577	283,997	330,994	411,777	402,936	664,374	477,189	446,219	519,454
Public Safety	503,368	200,574	1,464,890	4,103,456	3,058,937	2,033,827	1,276,565	2,566,382	2,489,475	2,320,459
Public Works	87,277	190,981		64,850	928,648	203,515	394,960	95,741	178,106	38,410
Community Development	55,910	38,450	210,130	239,924	231,515	164,751	283,008	154,507	117,807	184,657
Parks and Recreation	2,340,970	2,324,286	2,366,940	4,457,369	6,865,658	2,980,565	2,137,570	1,753,052	1,877,718	3,279,460
Operating Contributions and Grants	3,553,148	1,808,909	316,525	246,552	5,133,176	70,512,208	10,798,269	3,768,170	6,195,826	2,436,154
Capital Contributions and Grants	8,452,596	6,930,400	4,886,034	9,539,642	16,633,360	76,333,982	15,585,830	8,847,271	11,332,560	8,830,667
Business-Type Activities										
Charges for Services	1,554,229	1,763,073	1,780,579	1,950,489	2,160,868	2,240,558	2,394,252	2,410,323	2,569,449	2,647,422
Water	1,956,788	1,750,443	1,589,227	1,630,460	1,879,182	2,032,266	2,294,266	2,363,518	2,603,345	2,610,812
Sewer	1,822,931	1,845,715	1,924,135	2,117,388	2,404,251	2,301,989	2,713,404	2,799,914	2,891,914	2,580,135
Disposal	1,193,211	975,350	907,461	1,488,611	1,511,008	1,179,934	1,233,128	1,260,263	1,219,352	1,078,428
Ambulance	41,039	38,884	37,068	35,604	27,580	11,313	23,549	31,189	39,601	46,089
Transit						8,800	2,175,135	1,940,722	1,948,101	2,239,576
Golf Course								177,966	149,916	188,775
Compressed Natural Gas	156,703	149,905	151,178	225,005	311,574	613,387	635,672	345,078	1,001,190	627,400
Operating Contributions and Grants	103,363	\$43,099	316,202	\$6,810	1,360,262	2,743,258	1,122,084	172,758	2,506,420	969,433
Capital Contributions and Grants	7,041,638	7,214,749	6,704,850	7,504,367	9,654,725	11,334,305	12,611,500	11,401,731	14,929,288	13,388,070
Total Business-Type Activities Program Revenues	\$15,494,234	\$14,145,149	\$11,590,884	\$17,044,009	\$26,288,085	\$87,668,487	\$28,197,330	\$20,249,002	\$26,261,848	\$22,218,737

Source: City of Dinuba Financial Services Division

CITY OF DINUBA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

Page 2 of 2

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue										
Governmental Activities	(\$3,409,714)	(\$7,752,374)	(\$13,037,381)	(\$8,913,317)	(\$3,850,684)	\$54,242,246	(\$9,096,514)	(\$14,901,584)	(\$12,404,531)	(\$10,082,298)
Business-Type Activities	231,029	(397,278)	(608,581)	15,748	324,658	2,472,046	1,610,840	332,881	3,611,636	1,537,347
Total Primary Government Net Expense	(\$3,178,685)	(\$8,149,652)	(\$13,645,962)	(\$8,897,569)	(\$2,526,026)	\$56,714,292	(\$7,485,674)	(\$14,568,703)	(\$8,792,895)	(\$8,544,951)
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Taxes										
Property Taxes	\$2,378,598	\$2,726,908	\$2,873,337	\$3,304,325	\$4,570,257	\$5,006,706	\$5,438,046	\$5,248,441	\$5,078,633	\$3,461,506
Transient Occupancy Taxes	57,980	51,734	57,581	74,466	75,671	69,901	96,622	91,251	144,780	133,920
Sales Taxes	1,428,741	1,597,023	1,717,142	2,161,939	2,511,355	4,314,561	3,642,808	5,569,620	5,803,277	9,843,519
Franchise Taxes	155,168	181,658	195,187	203,705	214,886	222,599	248,553	214,722	233,109	230,613
Utility Users Tax	1,080,308	1,138,062	1,114,634	1,317,378	1,373,639	1,457,199	1,462,789	1,522,951	1,560,074	1,600,423
Other Taxes	99,672	25,216	148,456	288,003	290,106	608,703	583,716	611,305	784,070	870,086
Motor Vehicle Tax	1,009,416	745,895	359,368	1,315,245	-469,382	1,594,918	1,670,198	1,641,929	1,636,167	1,565,696
Use of Money and Property	218,791	1,051,820	1,427,153	667,943	831,977	1,022,123	534,225	533,961	360,997	288,456
Other	66,976	169,733	144,258	37,380	121,480	70,248	508,758	335,350	174,494	946,090
Gain on Sale of Capital Assets					2,635,030	657,221	259,983	448,216	159,698	(2,019,092)
Transfers	(551,507)	(3,093,802)	(840,621)	(469,958)	(407,874)	(23,785,145)	733,966	1,581,736	855,678	703,133
Total Governmental Activities	5,944,143	4,594,247	7,196,495	8,900,426	13,685,909	(8,760,966)	15,179,664	17,799,482	16,790,977	17,624,350
Business-Type Activities										
Use of Money and Property	37,997	48,551	108,513	37,986	81,274	127,434	47,626	14,373	9,438	19,536
Other	18,000									(338,718)
Transfers	551,507	3,093,802	840,621	469,958	407,874	23,785,145	(733,966)	(1,581,736)	(855,678)	(703,133)
Total Business-Type Activities	607,504	3,142,353	949,134	507,944	489,148	23,912,579	(686,340)	(1,567,363)	(846,240)	(1,022,315)
Extraordinary Item - Litigation Settlement	1,953,206	3,857,909	235,092	176,647	225,129	0				
Extraordinary Item - Gain on Foreclosure of Property		2,774,588								
Total Primary Government	\$8,504,853	\$14,369,097	\$8,380,721	\$9,585,017	\$14,400,186	\$15,151,613	\$14,493,324	\$16,232,119	\$15,944,737	\$16,602,035
Change in Net Assets										
Governmental Activities	\$4,122,428	\$3,474,370	(\$5,605,794)	\$163,756	\$10,060,354	\$45,481,280	\$6,083,150	\$2,897,898	\$4,386,446	\$7,542,052
Business-Type Activities	1,203,740	2,745,075	340,553	\$23,692	1,813,806	26,384,625	924,500	(1,234,482)	2,765,396	\$15,032
Total Primary Government	\$5,326,168	\$6,219,445	(\$5,265,241)	\$687,448	\$11,874,160	\$71,865,905	\$7,007,650	\$1,663,416	\$7,151,842	\$8,057,084

Source: City of Dinuba Financial Services Division

CITY OF DINUBA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved				\$662,000	\$592,000	\$522,000	\$452,000	\$769,541		
Unreserved	\$2,411,350	\$2,033,694	\$2,352,778	1,914,006	2,644,910	2,762,848	2,105,415	2,321,648		
Nonspendable									\$2,869,745	\$3,005,321
Unassigned									(700,688)	1,387,709
Total General Fund	\$2,411,350	\$2,033,694	\$2,352,778	\$2,576,006	\$3,236,910	\$3,284,848	\$2,557,415	\$3,091,189	\$2,169,057	\$4,593,030
All Other Governmental Funds										
Reserved										
Unreserved, Reported In:										
Special Revenue Funds				\$8,232,616	\$8,346,973	\$8,863,307	\$11,465,614	\$12,125,161		
Debt Service Funds	787,290	664,668	1,295,902	(316,156)	3,472,555	1,851,164	420,661	1,165,296		
Capital Projects Funds	3,075,356									
Nonspendable Funds	1,050,478	3,526,585	836,385	(3,377,781)	2,163,542	137,053	(6,021,033)	(9,673,971)		
Restricted Funds									14,759,706	5,792,649
Assigned Funds									8,352,350	6,840,553
Unassigned Funds									206,798	4,478,409
									(11,089,450)	(484,580)
Total All Other Governmental Funds	\$10,181,789	\$11,568,355	\$7,687,964	\$4,538,679	\$13,983,070	\$10,851,524	\$5,865,242	\$3,616,486	\$12,229,404	\$16,627,031
Total Governmental Funds	\$12,593,139	\$13,602,049	\$10,040,742	\$7,114,685	\$17,219,980	\$14,136,372	\$8,422,657	\$6,707,675	\$14,398,461	\$21,220,061

Source: City of Dinuba Financial Services Division

CITY OF DINUBA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes and Assessments	\$5,720,601	\$5,200,096	\$6,173,903	\$7,462,218	\$10,388,696	\$11,271,922	\$11,142,476	\$12,969,873	\$13,333,324	\$15,763,647
Licenses and Permits	222,439	225,692	403,098	589,691	575,979	489,989	473,177	585,481	663,034	490,803
Intergovernmental	4,879,090	6,943,194	4,221,634	5,706,459	6,715,939	4,533,063	6,177,846	7,078,568	9,592,560	6,873,909
Charges for Services	609,153	455,714	1,741,050	2,104,911	2,669,643	1,831,959	1,383,468	2,423,067	2,031,815	2,297,156
Use of Money and Property	1,259,931	333,268	359,368	464,657	1,158,097	1,409,409	557,746	360,312	219,523	615,073
Fines and Forfeitures	58,577	74,754	100,200	85,254	92,020	110,528	180,620	104,321	165,482	393,113
Reimbursements	1,907,036	1,944,575	2,192,384	2,411,873	2,600,759	3,073,714	3,303,675	2,932,039	2,223,521	1,983,721
Miscellaneous	169,733	70,103	486,993	98,987	401,232	206,463	774,390	109,001	195,544	280,827
Total Revenues	14,826,560	15,247,396	15,678,630	18,924,050	24,802,365	22,927,047	23,993,398	26,562,662	28,424,803	28,698,249
Expenditures										
Current										
General Government	1,704,427	1,405,074	1,876,788	2,197,521	1,979,384	1,738,510	1,859,569	2,493,169	3,424,510	3,198,893
Public Safety	3,504,531	3,218,033	3,903,182	4,720,236	5,671,292	6,590,115	7,384,568	7,297,386	6,900,645	7,622,470
Community Development	1,930,728	1,956,610	2,757,103	3,942,917	4,115,617	3,702,608	4,390,130	2,110,634	2,047,171	2,305,236
Parks and Recreation ¹	1,071,142	959,817	815,068	13,351	1,307,141	2,969,141	2,882,010	2,972,937	1,480,571	1,254,396
Public Works ²	1,713,802	1,962,713	1,747,159	2,298,642	2,997,765	1,503,848	1,457,338	1,369,056	871,568	1,595,747
Capital Outlay	12,265,261	7,086,053	7,022,432	9,749,448	21,861,678	6,530,780	4,578,430	3,664,017	5,822,476	5,230,041
Debt Service	1,113,346	726,220	1,030,010	961,771	1,428,581	2,095,025	2,253,167	2,600,226	17,796,703	2,209,513
Principal Retirement	1,708,686	1,443,881	1,922,281	2,053,059	2,441,347	3,566,066	3,820,469	3,800,906	3,947,999	1,967,183
Interest and Fiscal Charges	473,359	456,084		277,421	903,259	591,412	162,679	2,342	734,435	
Debt Issuance Costs										
Total Expenditures	25,505,282	19,214,485	21,074,023	26,214,366	42,706,064	29,307,505	28,793,360	26,310,873	43,036,078	25,383,479
Excess of Revenues Over (Under) Expenditures	(10,678,722)	(3,967,089)	(5,395,393)	(7,290,316)	(17,903,699)	(6,380,458)	(4,799,962)	251,789	(14,601,275)	3,314,770
Other Financing Sources (Uses)										
Transfers In	8,286,066	6,119,609	6,124,329	6,887,126	24,450,021	17,389,125	10,491,067	6,526,362	6,959,476	7,319,087
Transfers Out	(11,379,868)	(6,671,116)	(6,964,950)	(7,216,484)	(24,765,895)	(28,006,539)	(12,004,060)	(7,373,175)	(8,231,685)	(8,270,637)
Sales of Property			1,407,247	13,171	4,060,014	406,461	251,240	309,537	159,698	291,150
Issuance of Long Term Debt	8,148,937	8,169,600	1,032,368	7,845,973	27,927,690	14,950,000	1,370,000		16,312,340	
Payment to Refunded Bond Escrow Agent		(2,593,508)		(3,357,564)	(3,429,119)					
Total Other Financing Sources (Uses)	5,055,135	5,024,585	1,598,994	4,192,222	28,244,711	4,739,047	108,247	(537,276)	15,199,829	(660,400)
Net Change in Fund Balances before Extraordinary Item	(5,623,587)	1,057,496	(3,796,399)	(3,098,094)	10,341,012	(1,641,411)	(4,691,715)	(285,487)	598,554	2,654,370
Extraordinary Item - Litigation Settlement	3,857,909	1,587,999	235,092	176,647	225,129					
Extraordinary Item - Gain on Property Foreclosure	2,774,588									
Net Change In Fund Balances	\$1,008,910	\$2,645,495	(\$3,561,307)	(\$2,921,447)	\$10,566,141	(\$1,641,411)	(\$4,691,715)	(\$285,487)	\$598,554	\$2,654,370
Debt Service as a percentage of non-capital expenditure:	21.3%	17.9%	21.0%	18.3%	18.6%	24.9%	25.1%	28.3%	58.4%	20.7%

¹ Prior to FY2001, the Parks and Recreation Department Expenditures were combined with General Government

² Prior to FY2003, the Public Works Department Expenditures were combined with Community Development.

Source: City of Dinuba Financial Services Division

CITY OF DINUBA
GOVERNMENT-WIDE REVENUES
LAST TEN FISCAL YEARS

Fiscal Year	PROGRAM REVENUES				Total Government- Wide Revenues
	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Total Program Revenues	
2003	\$2,558,478	\$2,340,970	\$3,553,148	\$8,452,596	\$14,948,246
2004	\$2,797,205	\$2,324,286	\$1,808,909	\$6,930,400	\$14,618,449
2005	\$2,202,569	\$2,366,940	\$316,525	\$4,886,034	\$12,923,150
2006	\$4,835,721	\$4,457,369	\$246,552	\$9,539,642	\$18,910,026
2007	\$4,634,526	\$6,865,658	\$5,133,176	\$16,633,360	\$28,092,113
2008	\$2,841,209	\$2,980,565	\$70,512,208	\$76,333,982	\$90,700,940
2009	\$2,649,991	\$2,137,570	\$10,798,269	\$15,585,830	\$29,771,545
2010	\$3,326,049	\$1,753,052	\$3,768,170	\$8,847,271	\$24,616,801
2011	\$3,259,016	\$1,877,718	\$6,195,826	\$11,332,560	\$27,108,161
2012	\$3,115,053	\$3,279,460	\$2,436,154	\$8,830,667	\$27,770,976

Fiscal Year	GENERAL REVENUES					Total General Revenues
	Property Taxes	Sales Taxes	Utility Users Taxes	All Other Taxes	Use Of Money And Property	
2003	\$2,378,598	\$1,428,741	\$1,080,308	\$1,389,212	\$218,791	\$6,495,650
2004	\$2,726,908	\$1,597,023	\$1,138,062	\$1,174,236	\$1,051,820	\$7,688,049
2005	\$2,873,337	\$1,717,142	\$1,114,634	\$904,850	\$1,427,153	\$8,037,116
2006	\$3,304,325	\$2,161,939	\$1,317,378	\$1,918,799	\$667,943	\$9,370,384
2007	\$4,570,257	\$2,511,355	\$1,373,639	\$2,171,525	\$831,977	\$11,458,753
2008	\$5,006,706	\$4,314,561	\$1,457,199	\$2,566,369	\$1,022,123	\$14,366,958
2009	\$5,438,046	\$3,642,808	\$1,462,789	\$3,107,847	\$534,225	\$14,185,715
2010	\$5,248,441	\$5,569,620	\$1,522,951	\$2,894,557	\$533,961	\$15,769,530
2011	\$5,078,633	\$5,803,277	\$1,560,074	\$2,972,620	\$360,997	\$15,775,601
2012	\$3,461,506	\$9,843,519	\$1,600,423	\$3,746,405	\$288,456	\$18,940,309

Source: City of Dinuba Financial Services Division

CITY OF DINUBA
GENERAL GOVERNMENT REVENUES BY SOURCE ¹
LAST TEN FISCAL YEARS

Fiscal Year	Taxes And Assessments	Licenses And Permits	Intergovernmental	Charges For Services	Use Of Money And Property	Fines And Forfeitures
2003	\$5,720,601	\$222,439	\$4,879,090	\$609,153	\$1,259,931	\$58,577
2004	\$5,200,096	\$225,692	\$6,943,194	\$455,714	\$333,268	\$74,754
2005	\$6,173,903	\$403,098	\$4,221,634	\$-,741,050	\$359,368	\$100,200
2006	\$7,462,218	\$589,691	\$5,706,459	\$2,104,911	\$464,657	\$85,254
2007	\$10,588,696	\$575,979	\$6,715,939	\$2,669,643	\$1,158,097	\$92,020
2008	\$11,271,922	\$489,989	\$4,533,063	\$-,831,959	\$1,409,409	\$110,528
2009	\$11,142,476	\$473,177	\$6,177,846	\$-,383,468	\$557,746	\$180,620
2010	\$12,969,873	\$585,481	\$7,078,568	\$2,423,067	\$360,312	\$104,321
2011	\$13,333,324	\$663,034	\$9,592,560	\$2,031,815	\$219,523	\$165,482
2012	\$15,763,647	\$490,803	\$6,873,909	\$2,297,156	\$615,073	\$393,113

Fiscal Year	Reimbursements	Miscellaneous	Total General Government Revenues
2003	\$1,907,036	\$169,733	\$14,826,560
2004	\$1,944,575	\$70,103	\$15,247,396
2005	\$2,192,384	\$486,993	\$15,678,630
2006	\$2,411,873	\$98,987	\$18,924,050
2007	\$2,600,759	\$401,232	\$24,802,365
2008	\$3,073,714	\$206,463	\$22,927,047
2009	\$3,303,675	\$774,390	\$23,993,398
2010	\$2,932,039	\$109,001	\$26,562,662
2011	\$2,223,521	\$195,544	\$28,424,803
2012	\$1,983,721	\$280,827	\$28,698,249

¹ Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

Source: City of Dinuba Financial Services Division

CITY OF DINUBA

Year Ended June 30	Assessed Value ²	County Tax Rate Per \$100	City	
			Portion of Assessed Value	Tax Rate
2003	\$531,048,786	1.0000	\$312,890,058	0.185%
2004	\$585,923,176	1.0000	\$319,831,579	0.185%
2005	\$586,462,949	1.0000	\$289,076,917	0.228%
2006	\$664,022,274	1.0000	\$330,657,621	0.200%
2007	\$791,375,057	1.0000	\$356,205,589	0.195%
2008	\$877,827,074	1.0000	\$375,372,209	0.188%
2009	\$929,595,416	1.0000	\$376,872,214	0.175%
2010	\$918,955,107	1.0000	\$381,194,928	0.152%
2011	\$928,720,115	1.0000	\$374,186,358	0.163%
2012	\$921,046,459	1.0000	\$376,464,415	0.174%

[†] Estimated Actual Value of Taxable Property is not available since passage of Proposition 13 in 1993. Property assessed values may rise only to a maximum of 2% per year unless there is new construction or when the property is sold. Consequently, estimated values are not available.

² Pursuant to chapter 1207 of the statutes of 1978, "Assessed Value" means 100% of full taxable va

³ Under an arrangement with the County, 100% of property taxes billed are forwarded to the City, and County in turn retains any penalties and interest from late payments.

Source: Tulare County Auditor's Office

CITY OF DINUBA
PRINCIPAL PROPERTY TAXPAYERS
AS OF JUNE 30, 2012 AND 2003

Taxpayer	Type Of Business	Fiscal Year 2012			Fiscal Year 2003		
		Assessed Valuation	Percent Of Total Assessed Valuation	Rank	Assessed Valuation	Percent Of Total Assessed Valuation	Rank
Best Buy Stores, Inc.	Distribution Center	\$ 64,356,206	6.93%	1	\$ 39,034,902	7.70%	1
Ruiz Foods Products Inc.	Frozen Food	58,571,952	6.31%	2	35,392,187	6.98%	2
Odwalla, Inc.	Fruit Juices	43,374,060	4.67%	3	16,121,180	3.18%	3
Wal-mart Store Inc	Retail Store	16,554,619	1.78%	4		0.00%	
Patterson Dental Supply	Wholesaler	14,526,860	1.56%	5	5,198,236	1.02%	7
Dinuba - Veto LLC	Real Estate Investment	8,457,067	0.91%	6		0.00%	
Red Rock Plaza Center LLC	Real Estate Investment	7,040,150	0.76%	7		0.00%	
PEPSU Inc		6,989,841	0.75%	8		0.00%	
Boscacci Group		6,611,643	0.71%	9		0.00%	
West Star Construction		6,226,175	0.67%	10		0.00%	
Tejeda Family Partnership	Real Estate				7,249,533	1.43%	4
Apartment Unit Joint Venture	Real Estate				5,313,320	1.05%	5
Kmart Corporation	Retail Store				5,239,377	1.03%	6
U S Cold Storage of CA	Packing / Cold Storage				3,558,233	0.70%	8
Surabian & Sons	Produce/Packing				3,509,202	0.69%	9
CP Developers	Produce/Packing				3,416,570	0.67%	10
		<u>\$232,708,573</u>	<u>29.41%</u>		<u>\$124,032,740</u>	<u>24.45%</u>	

Source: Tulare County Auditor's Office

CITY OF DINUBA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(Rate per \$100 of Assessed Value)
LAST TEN FISCAL YEARS

	Fiscal Year					
	2007	2008	2009	2010	2011	2012
City Direct Rates:						
City basic rate	\$0.189	\$0.190	\$0.192	\$0.192	\$0.192	\$0.191
Total City Direct Rate	0.189	0.190	0.192	0.192	0.192	0.191
Overlapping Rates:						
Tulare County	0.178	0.179	0.179	0.180	0.179	0.178
Library	0.015	0.015	0.015	0.015	0.015	0.015
Dinuba School District	0.273	0.273	0.273	0.273	0.273	0.260
Community College District	0.046	0.046	0.046	0.046	0.046	0.016
Tulare County Schools	0.024	0.024	0.024	0.024	0.024	0.024
Alta Cemetery	0.008	0.008	0.008	0.008	0.008	0.008
Alta Hospital District	0.018	0.018	0.018	0.018	0.018	0.018
Delta Vector Control	0.014	0.014	0.014	0.014	0.014	0.014
Dinuba Memorial District	0.005	0.005	0.005	0.005	0.005	0.005
Tulare County Air Pollution District	0.000	0.000	0.000	0.000	0.000	0.000
Tulare County Flood District	0.002	0.002	0.002	0.002	0.002	0.002
Education Revenue Augmentation	0.228	0.226	0.224	0.223	0.224	0.224
Dinuba School District Bonds	0.057	0.060	0.107	0.107	0.110	0.125
Community College Bonds	0.005	0.016	0.010	0.010	0.016	0.036
Total Direct Rate ¹	1.062	1.076	1.117	1.117	1.126	1.116

NOTE: In 1978, California voters passed Proposition 13, which sets the property tax rate at a 1.000% fixed amount.

This 1.000% is shared by all taxing agencies for which the subject property resides within. In addition to the fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of bonded debt service on the voter-approved School District and Community College bonds.

¹ The City's total direct tax rate varies by tax rate area. The rate provided comes from tax rate area 001-005 and is representative of other tax rate areas within the City.

Source: Tulare County Assessor's Office

CITY OF DINUBA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected ¹
2003	\$2,426,990	\$2,426,990	100.00
2004	\$2,742,874	\$2,742,874	100.00
2005	\$2,983,071	\$2,983,071	100.00
2006	\$3,395,453	\$3,395,453	100.00
2007	\$4,649,177	\$4,649,177	100.00
2008	\$5,063,214	\$5,063,214	100.00
2009	\$5,415,758	\$5,415,758	100.00
2010	\$5,352,804	\$5,248,441	98.05
2011	\$5,368,533	\$5,078,633	94.60
2012	\$3,311,306	\$3,231,844	97.60

¹ Through fiscal year 2009, under an arrangement with the County, 100% of property taxes billed by the County were forwarded to the City. Beginning in fiscal year 2010 the County began remitting to the City only the portion of property tax it collected.

Source: Tulare County Auditor's Office

CITY OF DINUBA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Business-Type Activities		
	General Bonded Debt Outstanding	Capital Leases	Notes Payable	Total Governmental Activities	Certificates Of Participation	Notes Payable	Total Business-Type Activities
2003	\$25,079,798	\$2,112,484	\$969,117	\$28,161,399	\$5,580,000	\$1,709,693	\$7,289,693
2004	\$29,436,236	\$1,925,883	\$1,121,309	\$32,483,428	\$5,475,000	\$2,839,072	\$8,314,072
2005	\$30,169,289	\$1,717,502	\$1,947,048	\$33,833,839	\$5,360,000	\$3,230,119	\$8,590,119
2006	\$32,147,426	\$1,644,355	\$3,662,125	\$37,453,906	\$5,240,000	\$3,654,299	\$8,894,299
2007	\$51,331,981	\$1,490,542	\$6,755,047	\$59,577,570	\$5,115,000	\$4,856,498	\$9,971,498
2008	\$65,132,484	\$1,326,724	\$5,743,840	\$72,203,048	\$4,980,000	\$8,506,172	\$13,486,172
2009	\$62,896,057	\$1,157,783	\$5,089,617	\$69,143,457	\$4,840,000	\$8,912,559	\$13,752,559
2010	\$64,332,754	\$976,254	\$3,360,920	\$68,669,928	\$4,695,000	\$8,575,192	\$13,270,192
2011	\$64,069,581	\$814,538	\$2,880,931	\$67,765,050	\$3,005,000	\$8,087,419	\$11,092,419
2012	\$65,416,970	\$932,596	\$1,247,879	\$67,597,445	\$3,005,000	\$7,580,353	\$10,585,353
Fiscal Year	Primary Government				Per Capita ¹		
2003	\$35,451,092				\$1,930		
2004	\$40,797,500				\$2,193		
2005	\$42,423,958				\$2,198		
2006	\$46,348,205				\$2,367		
2007	\$69,549,068				\$3,477		
2008	\$85,689,220				\$4,064		
2009	\$82,896,016				\$3,903		
2010	\$81,940,120				\$3,804		
2011	\$78,857,469				\$3,593		
2012	\$78,182,798				\$3,457		

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

¹ See the table of Population and Unemployment Rate later in this section for personal income and population data.

Source: City of Dinuba Financial Services Division

CITY OF DINUBA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	Lease Revenue	Less: Amounts Available		Total General Bonded Debt Outstanding	Percentage of Assessed Value of Property ¹	Per Capita
		Bonds	in Debt Service Funds			
2003	\$8,000,000		\$2,260,202	\$25,079,798	4.7%	\$1,365
2004	\$7,890,000		\$4,973,764	\$29,436,236	5.0%	\$1,583
2005	\$7,745,000		\$3,625,711	\$30,169,289	5.1%	\$1,563
2006	\$7,595,000		\$3,652,574	\$32,147,426	4.8%	\$1,642
2007	\$7,445,000		\$4,708,019	\$51,331,981	6.5%	\$2,566
2008	\$14,740,000		\$4,937,516	\$65,132,484	7.4%	\$3,089
2009	\$14,445,000		\$6,118,943	\$62,896,057	6.8%	\$2,962
2010	\$14,165,000		\$4,987,246	\$64,332,754	7.0%	\$2,986
2011	\$13,740,000		\$4,645,419	\$64,069,581	6.9%	\$2,919
2012 ²	\$13,455,000		\$2,163,030	\$65,416,970	7.1%	\$2,893

¹ Estimated Actual Value of Taxable Property is not available since passage of Proposition 13 in 1978. Property assessed values may rise only to a maximum of 2% per year unless there is new construction or when the property is sold. Consequently, estimated values are not available.

² As of February 1, 2012, obligations of the former Redevelopment Agency were transferred to the Successor Agency resulting in a decrease in Government Bonds outstanding Tax Allocation Bonds, notes and loans, and other revenue bonds of the former Agency will be paid as enforceable obligations of the Successor Agency.

Source: City of Dinuba Financial Services Division

CITY OF DINUBA

Certificates of Participation (Sewer Fund)

¹ Includes transfers from the Water Fund. Bond proceeds from the 2002 Refunding Bond were

Depreciation is eliminated for this calculation.

Source: City of Dinuba Financial Services Division

CITY OF DINUBA
PRINCIPAL EMPLOYERS
AS OF JUNE 30, 2012 AND 2003

Employer	Type Of Business	Fiscal Year 2012			Fiscal Year 2003		
		Employees	Percent Of Total City Employment	Rank	Employees	Percent Of Total City Employment	Rank
Ruiz Foods Products Inc.	Frozen Food	1,540	38%	1	1,300	45%	1
Dinuba Public Schools	Education	639	16%	2	314	11%	2
Family Tree Farms	Produce Packing	500	12%	3			
Wal-Mart	Retail Store	400	10%	4	80	3%	8
Best Buy Stores, Inc.	Distribution Center	330	8%	5	288	10%	3
Odwalla, Inc.	Fruit Juices	210	5%	6	150	5%	5
Giannini Packing	Produce/Packing				200	7%	4
City of Dinuba	Local Government	151	4%	7	107	4%	6
Surabian And Sons	Produce/Packing	125	3%	8	80	3%	8
Kmart	Retail Store	98	2%	9			
Patterson Dental	Wholesaler	92	2%	10	60	2%	9
Apio Produce	Produce/Packing				150	5%	5
Sadoian Brothers	Produce/Packing				95	3%	7
Peloian Packing	Agriculture/Packer				60	2%	9
		<u>4,085</u>	<u>100.00%</u>		<u>2,884</u>	<u>100.00%</u>	

Source: City of Dinuba and the U. S. Bureau of the Census

CITY OF DINUBA
EMPLOYEES BY FUNCTION (FULL TIME EQUIVALENTS)
LAST TEN FISCAL YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
General Government	11.8	24.3	24.3	24.9	24.7	18.0	18.0	19.0	17.6	17.6
Public Safety	56.5	60.2	63.1	76.1	78.1	78.0	81.0	79.0	81.5	81.5
Public Works ¹	15.7	9.4	10.4	12.5	25.9	26.2	29.3	17.3	14.3	14.0
Community Development	8.1									
Parks and Recreation ²	24.8	24.9	20.5	21.2	20.9	16.0	16.0	12.0	13.7	13.7
Water	6.7	7.0	7.0	7.4	7.6	6.0	2.9	6.2	5.2	5.2
Sewer	5.4	5.4	5.8	5.4	5.6	6.2	5.1	4.3	5.3	5.3
Disposal	0.6	0.6	0.6	0.6	0.6	0.6	1.7	1.2	1.2	1.2
Total Government-Wide Employees	129.6	131.8	131.7	148.1	163.4	151.0	154.0	139.0	138.8	138.5

¹ Prior to FY2003, the Public Works Department Expenditures were combined within the Community Development line item.

Source: City of Dinuba Financial Services Division

**CITY OF DINUBA
CONSTRUCTION ACTIVITY
LAST TEN CALENDAR YEARS**

Calendar Year	Total Permits	Total Valuation	Commercial and Office			Residential Single			Residential Multi-Units			All Other		
			Number Permits	Valuation		Number Permits	Valuation		Number Permits	Valuation		Number Units	Number Permits	Valuation
2003 ²	407	\$12,885,759	32	\$6,720,215		38	\$3,827,967		1	\$4,495,116		0	336	\$2,634,714
2004	390	\$7,396,488	42	\$3,237,517		34	\$2,541,248		0	\$0		0	314	\$1,617,723
2005	375	\$16,255,190	25	\$1,344,719		72	\$7,393,526		0	\$0		0	278	\$1,966,850
2006	545	\$35,418,648	56	\$7,324,871		154	\$19,823,068		1	\$5,780,000		80	334	\$2,490,709
2007	540	\$22,604,877	43	\$4,101,167		125	\$15,991,615		1	\$212,286		0	309	\$8,500,419
2008 ³	627	\$21,159,049	50	\$859,269		31	\$2,429,216		0	\$0		0	457	\$894,090
2009	267	\$20,117,464	5	\$3,003,030		49	\$5,961,770		1	\$7,604,520		0	212	\$3,548,143
2010	327	\$26,119,325	2	\$1,398,078		116	\$14,622,391		1	\$7,604,520 ⁴		0	208	\$2,494,335
2011	407	\$28,265,284	3	\$2,507,500		171	\$21,658,886		0	\$0		0	233	\$4,098,898
2012	543	\$43,487,055	13	\$9,295,706		161	\$20,246,430		0	\$0		0	382	\$13,944,919

Note: Bank Deposit information is not available as the Industry does not keep records by individual cities.

¹ During these years, permits were issued for the Best Buy West Coast Distribution facility and the subsequent expansion.

² A major apartment complex was begun during this fiscal year.

³ Activity covering from January 1 to July 31.

⁴ Euclid Apartments 2009 permit expired and renew in 2010.

Source: City of Dinuba Annual Building Report

**CITY OF DINUBA
DEMANDS FOR CITY SERVICES
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Number of Utility Customers	Number of Police Calls - Total	Number of 911 Emergency Calls	Number of Sworn Officers	Fiscal Year	Number of Fire Calls ¹	Number of Ambulance Runs	Number of Fire Fighters
2003	18,369	4,389	59,072	10,221	25	2003	144	2,210	16
2004	18,601	4,458	57,219	8,812	27	2004	169	2,358	16
2005	19,297	4,613	56,540	8,440	28	2005	147	2,510	17
2006	19,578	4,830	53,767	8,520	39	2006	158	2,795	17
2007	20,002	4,865	41,192	8,650	39	2007	194	2,966	21
2008	21,087	4,918	31,801	6,338	40	2008	160	2,884	21
2009	21,237	5,107	41,824	5,855	37	2009	137	2,897	24
2010	21,542	5,154	41,256	4,859	37	2010	127	3,123	23
2011	21,950	5,459	40,486	4,713	35	2011	200	3,163	24
2012	22,614	5,581	39,161	4,535	35	2012	460	3,304	24

¹ Includes calls for fires, explosions, and hazardous conditions.

² This information is not available.

Source: City of Dinuba Financial Services Division, Fire Department, and Police Department

**CITY OF DINUBA
GENERAL GOVERNMENTAL
EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS ¹**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
General Government	\$1,383,816	\$2,126,787	\$2,027,053	\$2,292,263	\$2,251,700	\$2,165,276	\$2,282,735	\$3,131,533	\$4,009,529	\$3,439,679
Public Safety	3,397,260	3,807,473	4,256,419	5,055,875	5,819,651	7,004,208	8,287,871	8,171,242	8,107,881	8,167,990
Public Works ³	2,374,142	3,630,316	6,045,507	4,103,422	5,430,096	3,585,804	4,138,568	2,312,028	3,632,361	1,826,602
Community Development	1,703,942	1,453,561	1,795,199	3,927,714	1,581,737	2,743,293	3,158,746	3,417,402	1,763,309	1,007,987
Parks and Recreation ²	1,201,821	1,085,389	954,789	135,086	1,359,109	1,662,008	1,700,474	1,584,698	1,152,007	1,796,570
Debt Service	1,801,329	1,941,866	2,008,364	2,144,168	3,194,690	4,072,473	4,196,778	4,144,345	4,192,595	1,720,593
Capital Outlay										
Unallocated Depreciation		637,382	836,084	794,431	847,061	\$58,674	917,172	987,607	\$79,409	953,544
Total Governmental Activities Expenses	\$11,862,310	\$14,682,774	\$17,923,415	\$18,452,959	\$20,484,044	\$27,091,736	\$24,682,344	\$23,748,855	\$23,737,091	\$18,912,965

¹ Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

Source: City of Dinuba Financial Services Division

CITY OF DINUBA
STATEMENT OF DIRECT AND OVERLAPPING DEBT
As of June 30, 2012

2011 - 2012 Assessed Valuation:	\$938,177,269		
Redevelopment Incremental Valuation:	563,990,911		
	<hr/>		
City Adjusted Assessed Valuation	\$374,186,358		
	OUTSTANDING DEBT		ESTIMATED SHARE OF OUTSTANDING DEBT
	6/30/2012	% APPLICABLE	
<hr/>			
OVERLAPPING TAX AND ASSESSMENT DEBT			
State Center Community College District	\$106,410,000	0.6360%	\$676,768
Dinuba Joint Unified School District	26,159,941	47.0340%	12,304,067
Kings Canyon Joint Unified School District	44,875,758	0.0340%	15,258
	<hr/>		<hr/>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	177,445,699		12,996,093
OVERLAPPING GENERAL FUND OBLIGATION DEBT			
Tulare County Certificates of Participation	59,920	1.5470%	926,962
Dinuba Joint Unified School District Certificates of Participation	8,160,000	47.0340%	3,837,974
City of Dinuba General Fund Obligations	21,295,000	100.0000%	21,295,000
	<hr/>		<hr/>
TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT	29,514,920		26,059,936
			<hr/>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT ¹			\$26,059,936
			<hr/>
COMBINED TOTAL DEBT			\$ 39,056,029 (1)

Debt Ratios:

Ratios to Adjusted Valuation:

Combined Direct Debt (\$21,295,000)	5.69%
Combined Total Debt	10.44%

State School Building Aid Repayable as of 6/30/2012 \$0

¹ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations. Qualified Zone Academy bonds are included based on principal due at maturity.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Dinuba. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Dinuba. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: California Municipal Statistics, Inc.

**CITY OF DINUBA
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Total Assessed Valuation	<u>\$938,177,269</u>
Debt Limit - 15% of Total Assessed Valuation	\$140,726,590
Amount of Debt Applicable to the Limit	<u>78,857,469</u>
Legal Debt Margin	<u>\$61,869,121</u>

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Debt Applicable</u>	<u>Legal Debt Margin</u>	<u>Total Debt Applicable As A Percentage Of Debt Limit</u>
2003	\$79,657,318	\$35,451,092	\$44,206,226	44.5%
2004	\$87,888,476	\$40,797,500	\$47,090,976	46.4%
2005	\$87,969,442	\$42,423,958	\$45,545,484	48.2%
2006	\$99,603,341	\$46,348,205	\$53,255,136	46.5%
2007	\$118,706,259	\$69,549,068	\$49,157,191	58.6%
2008	\$131,674,061	\$85,689,220	\$45,984,841	65.1%
2009	\$139,439,312	\$82,896,016	\$56,543,296	59.4%
2010	\$137,843,266	\$81,940,120	\$55,903,146	59.4%
2011	\$139,308,017	\$78,857,469	\$60,450,548	56.6%
2012	\$138,156,969	\$78,182,798	\$59,974,171	56.6%

Source: City of Dinuba Financial Services Division

**CITY OF DINUBA
GENERAL BONDED INDEBTEDNESS
MATURITIES BY FISCAL YEAR**

<u>Fiscal Year</u>	<u>Redevelopment Agency Tax Allocation Bonds</u>		<u>Lease Revenue Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2013	\$2,255,000	\$2,965,645	\$295,000	\$772,960	\$6,879,935
2014	\$1,070,000	\$2,396,563	\$305,000	\$759,008	\$5,120,827
2015	\$1,120,000	\$2,646,808	\$320,000	\$743,260	\$5,418,718
2016	\$1,170,000	\$2,594,572	\$340,000	\$726,386	\$5,417,445
2017	\$1,225,000	\$2,539,197	\$355,000	\$708,389	\$5,416,228
2018	\$1,285,000	\$2,481,983	\$375,000	\$689,289	\$5,421,301
2019	\$1,340,000	\$2,422,169	\$390,000	\$669,053	\$5,406,970
2020	\$1,405,000	\$2,359,025	\$415,000	\$647,489	\$5,417,146
2021	\$1,490,000	\$2,292,760	\$440,000	\$624,304	\$5,436,618
2022	\$1,460,000	\$2,221,825	\$455,000	\$599,843	\$5,324,347
2023	\$1,530,000	\$2,151,438	\$485,000	\$573,926	\$5,325,375
2024	\$1,605,000	\$2,076,932	\$510,000	\$546,208	\$5,324,552
2025	\$1,680,000	\$1,998,769	\$545,000	\$516,523	\$5,326,969
2026	\$1,760,000	\$1,916,901	\$570,000	\$485,003	\$5,317,716
2027	\$1,845,000	\$1,831,076	\$600,000	\$451,886	\$5,311,890
2028	\$1,935,000	\$1,740,563	\$635,000	\$416,858	\$5,313,321
2029	\$1,975,000	\$1,643,472	\$670,000	\$379,791	\$5,249,991
2030	\$2,075,000	\$1,543,369	\$715,000	\$340,116	\$4,879,513
2031	\$2,180,000	\$1,437,910	\$755,000	\$297,690	\$4,874,775
2032	\$2,245,000	\$1,334,197	\$795,000	\$252,873	\$4,829,123
2033	\$2,365,000	\$1,214,438	\$845,000	\$205,336	\$4,834,302
2034	\$2,485,000	\$1,087,500	\$370,000	\$168,210	\$4,312,310
2035	\$2,620,000	\$954,138	\$400,000	\$141,939	\$4,319,345
2036	\$2,530,000	\$813,325	\$425,000	\$113,765	\$4,086,490
2037	\$2,650,000	\$680,213	\$450,000	\$83,823	\$4,064,164
2038	\$2,095,000	\$597,650	\$480,000	\$51,918	\$3,425,021
2039	\$2,225,000	\$469,331	\$515,000	\$17,721	\$3,427,505
2040	\$1,890,000	\$333,050	\$0	\$0	\$2,423,503
2041	\$1,670,000	\$202,663	\$0	\$0	\$2,073,116
2042	\$945,000	\$73,238	\$0	\$0	\$1,218,691
	<u>\$54,125,000</u>	<u>\$49,020,712</u>	<u>\$13,455,000</u>	<u>\$11,983,568</u>	<u>\$141,197,204</u>

Source: City of Dinuba Financial Services Division

**CITY OF DINUBA
POPULATION AND UNEMPLOYMENT RATE
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>City Population ¹</u>	<u>% Change</u>	<u>Tulare County Population</u>	<u>City Population as % of County Population</u>	<u>Unemployment Rate ³</u>
2003	17,725	1.25%	385,309	4.60%	17.4%
2004	18,601	4.71%	395,926	4.70%	17.8%
2005	19,297	3.61%	409,013	4.72%	16.9%
2006	19,578	1.44%	419,783	4.66%	14.4%
2007	20,002	2.12%	428,212	4.67%	12.9%
2008	21,087	5.15%	434,494	4.85%	14.0%
2009	21,237	0.71%	440,749	4.82%	16.10%
2010	21,542	1.42%	447,141	4.82%	22.40%
2011	21,950	1.86%	446,180	4.92%	22.80%
2012	22,614	2.94%	450,840	5.02%	21.20%

¹ Source: California Department of Finance

² Source: Tulare County Economic Development Corporation

³ Source: California Employment Development Department

Note: Per capita income and total personal income information not available.

TULARE COUNTY CROP STATISTICS FOR THE CALENDAR YEAR 2011

Dinuba lies in the heart of the farming area of Tulare County, California,
which currently ranks second in the nation in agricultural productivity.
The following list comprises the major cash crops in the county from farming and
ranching for 2011

<u>PRODUCT</u>	<u>GROSS VALUE</u>
1. Milk	\$2,056,043,000
2. Oranges	\$575,757,000
3. Cattle	\$547,400,000
4. Grapes	\$532,423,000
5. Corn	\$216,468,000
6. Alfalfa	\$176,486,000
7. Pistachio	\$144,744,000
8. Walnuts	\$140,400,000
9. Almonds	\$136,949,000
10. Tangerines	\$133,722,000
 Total Value of the Top Ten Tulare County Crops	 \$4,660,392,000
 Total Value of All Tulare County Crops	 \$5,629,396,000

Source: Tulare County Agricultural Commissioner news release

**CITY OF DINUBA
CAPITAL ASSETS USED
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Water:										
Number Water Wells	7	7	7	7	8	8	8	8	8	8
Annual Production (Million Gal)	1,523	1,502	1,450	1,478	1,653	1,682	1,671	1,671	1,671	1,996
Service Connections	4,440	4,458	4,613	4,725	4,830	4,991	5,030	5,094	5,459	5,581
Police:										
Stations	1	2	2	2	2	2	2	2	2	2
Sworn Officers	25	27	28	39	39	40	40	38	35	35
Support Personnel	8	12	9	12	14	14	12	11	10	10
Part-Time Support Personnel	3	2	10	7	5	5	3	3	7	8
Police Vehicles	24	26	23	33	36	35	34	32	34	35
Motorcycles	2	2	2	2	2	2	2	2	2	2
Fire:										
Stations	1	1	1	1	1	1	1	1	1	1
Firefighters	16	16	17	17	21	21	24	23	24	24
Fire and Rescue Vehicles	5	5	5	5	5	5	5	5	5	5
Ambulances	4	3	3	3	3	3	3	3	4	4
Staff Vehicles	3	3	3	4	5	5	5	4	4	5
Parks and Recreation:										
Parks	6	10	10	10	13	13	13	13	13	13
Acres of Park land	28	28	28	28	66	66	66	66	66	66
Acres of Open Space	48	48	48	48	56	56	56	56	56	56
Recreation Centers	2	2	2	2	2	2	2	2	2	2
Other:										
City Land Area (Square Miles)	3.42	3.42	4.82	4.82	4.82	4.90	4.90	4.90	4.90	4.90
Miles of Water Main	57.0	64.0	68.0	71.5	74.0	74.0	74.0	74.0	74.0	74.0
Miles of Storm Drain	12.0	16.0	17.0	17.0	18.0	19.0	19.0	19.0	19.0	19.0
Miles of Sewer Main	63.0	63.0	68.0	70.2	73.0	74.0	74.0	74.0	74.0	74.0
Miles of City Streets	61.0	61.0	61.0	61.0	65.0	65.7	65.7	65.7	65.7	65.7

Source: City of Dinuba Financial Services Division

**CITY OF DINUBA
SCHEDULE OF INSURANCE IN FORCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

TYPES AND DETAILS OF COVERAGE	AMOUNT
1. GENERAL LIABILITY	
a. Self-insured retention, \$1,000,000 limit	\$50,000
b. Liability excess coverage	\$19,000,000
2. AUTO PHYSICAL DAMAGE	
a. Comprehensive coverage, fire trucks, dump trucks, and ambulances, 5% of values at time of loss subject to \$1,000 minimum and \$10,000 maximum.	\$6,588,756
b. Comprehensive coverage, low value vehicles under \$25,000, \$500 deductible	\$1,081,214
3. PROPERTY COVERAGE	
a. Covers all owned buildings and contents at replacement cost, including data processing equipment and valuable papers, \$10,000 deductible.	\$52,195,838
b. Miscellaneous Property Floater	\$489,290
c. Special Equipment.	\$1,772,641
d. Extra Expense Associated with Physical Damage or Loss	\$955,140
e. Extra Expense Associated with Floater Equipment	\$10,000
4. WORKERS' COMPENSATION	
a. Self-insured retention \$500,000 limit	\$50,000
b. Workers' compensation excess coverage	\$4,500,000
5. OTHER	
a. Employee's fidelity dishonesty bond (Blanket)	\$250,000
b. Money & Securities	\$10,000
c. Wrongful Discharge, Discrimination, and Sexual Harrassment	\$1,000,000
d. Boiler & Machinery Property Coverage	\$100,000
e. Loss of Earnings/Extra Expense \$2,500 deductible	\$1,582,540

Source: City of Dinuba Risk Manager