

# CITY OF DINUBA, CALIFORNIA



**Comprehensive Annual Financial Report**  
For the year ended June 30, 2013





# COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
City of Dinuba, California

Prepared by the Finance Department



CITY OF DINUBA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Fiscal Year Ended June 30, 2013

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Letter of Transmittal.....	1
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	7
Organization Chart .....	8
Principal Officials .....	9

II. FINANCIAL SECTION

A. Independent Auditor's Report.....	11
B. Management's Discussion and Analysis.....	14
C. Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	27
Statement of Activities.....	28
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet .....	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	33
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	35
Proprietary Funds:	
Statement of Net Position.....	36
Statement of Revenues, Expenses, and Changes in Net Position.....	38
Statement of Cash Flows .....	40
Fiduciary Funds:	
Statement of Fiduciary Net Position.....	44
Statement of Changes in Fiduciary Net Position.....	45
Notes to Basic Financial Statements.....	47
D. Required Supplementary Information:	
Postemployment Benefit Plans Other than Pensions Trend Information .....	91
General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual .....	92
HUD Grants Special Revenue Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual .....	94
Public Safety Sales Tax Special Revenue Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual .....	95
Note to Required Supplemental Information.....	96

CITY OF DINUBA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Fiscal Year Ended June 30, 2013

TABLE OF CONTENTS

II. FINANCIAL SECTION (Continued)

E. Other Supplemental Information

Nonmajor Governmental Funds.....	97
Combining Balance Sheet.....	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	104
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Gas Tax Special Revenue Fund.....	108
Parks Reserve Special Revenue Fund .....	109
Transportation Special Revenue Fund.....	110
System Development Charges Special Revenue Fund.....	111
Community Enhancement Grants Special Revenue Fund.....	112
Curb and Gutter Special Revenue Fund .....	113
Assessment Districts Special Revenue Fund.....	114
Fire Impact Fees Special Revenue Fund .....	115
Housing Authority Special Revenue Fund .....	116
Transportation Construction Capital Projects Fund .....	117
General Construction Capital Projects Fund .....	118
Drainage Districts Capital Projects Fund .....	119
Vocational Center Capital Projects Fund .....	120
MTBE Capital Projects Fund .....	121
Public Works Management Capital Projects Fund.....	122
General Debt Service Fund .....	123
Financing Authority Debt Service Fund.....	124
Nonmajor Enterprise Funds .....	125
Combining Statement of Net Position .....	126
Combining Statement of Revenues, Expenses, and Changes in Net Position .....	127
Combining Statement of Cash Flows.....	128
Internal Service Funds .....	129
Combining Statement of Net Position .....	130
Combining Statement of Revenues, Expenses, and Changes in Net Position .....	131
Combining Statement of Cash Flows.....	132
Agency Funds .....	133
Combining Statement of Assets and Liabilities.....	134
Combining Statement of Changes in Assets and Liabilities .....	136

CITY OF DINUBA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Fiscal Year Ended June 30, 2013

TABLE OF CONTENTS

III. STATISTICAL SECTION

Financial Trends Information	
Net Position by Component – Last Ten Fiscal Years .....	139
Changes in Net Position – Last Ten Fiscal Years.....	140
Fund Balances of Governmental Funds – Last Ten Fiscal Years .....	142
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years .....	143
Government-Wide Revenues – Last Ten Fiscal Years .....	144
General Government Revenues by Source – Last Ten Fiscal Years .....	145
Revenue Capacity Information	
Property Ad Valorem Tax Assessed Values – 10 Years.....	146
Debt Capacity Information	
Direct and Overlapping Property Tax Rates – Last Five Fiscal Years .....	147
Principal Property Taxpayers.....	148
Property Tax Levies and Collections – Last Ten Fiscal Years.....	149
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years .....	150
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years.....	151
Statement of Direct and Overlapping Debt – Current Year.....	152
Computation of Legal Debt Margin – Last Ten Fiscal Years.....	153
Pledged-Revenue Coverage – Last Ten Fiscal Years.....	154
General Bonded Indebtedness Maturities by Fiscal Year .....	155
Demographic and Economic Information	
Population and Unemployment Rate – Last Ten Fiscal Years .....	156
Principal Employers.....	157
Employees by Function (Full Time Equivalents) – Last Ten Fiscal Years .....	158
Construction Activity – Last Ten Calendar Years .....	159
Tulare County Crop Statistics.....	160
Operating Information	
Capital Assets Used – Last Ten Fiscal Years .....	161
Demands for City Services – Last Ten Fiscal Years .....	162
General Governmental Expenditures by Function – Last Ten Fiscal Years.....	163
Schedule of Insurance in Force.....	164







City Manager  
559/591-5904

City Attorney  
559/437-1770

Administrative Services  
559/591-5900

Development Services  
559/591-5906

Fire/Ambulance Services  
559/591-5931

Parks & Community Services  
559/591-5940

Police Services  
559/591-5914

Public Works Services  
559/591-5924

December 31, 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, 2013, 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 Moss, Levy, & Hartzheim, LLP of Beverly Hills, California, was retained by the City to perform the audit of financial records for the fiscal year ended June 30, 2013. 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 2013 population of 23,082. 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.

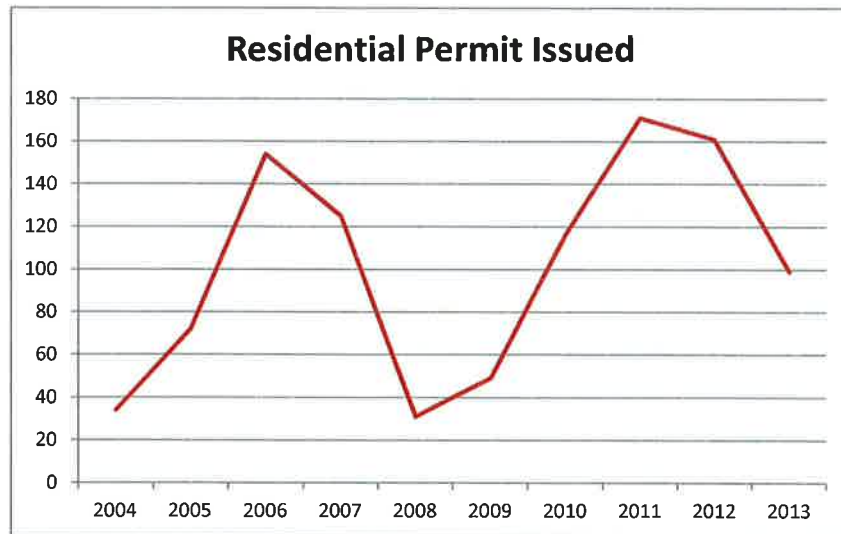
Although agriculture is Dinuba's predominant activity, the community has had a modest commercial and industrial base for many years. Dinuba is home to the headquarters of Ruiz Food Products, Incorporated, which prepares frozen Mexican foods and distributes them worldwide. It is also home to the West Coast Distribution Facility for Best Buy, Inc, Patterson Logistics, Inc. and Odwalla Juice Manufacturing. This concentration of employers attracts more residents which in turn draws additional commercial businesses. This has been evidenced through continued strength of the building sector in Dinuba. 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. With the dissolution of redevelopment agencies by the state, the City Council has assumed the role of the board to the Successor Agency of the City of Dinuba.

### **Local Economy**

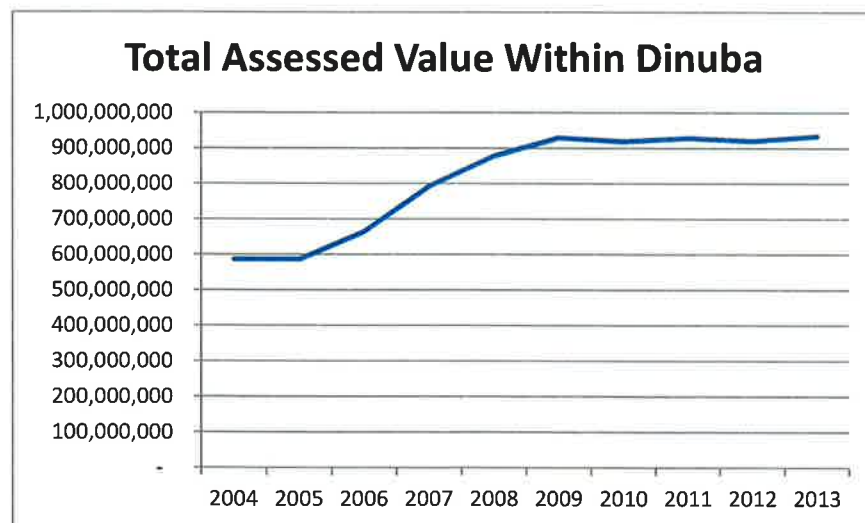
The economic climate in Dinuba continues to improve. In 2013, 430 building permits were issued for residential properties compared to 543 issued during 2012, and 407 issued during 2011. Although there was a dip in residential permits issued in 2013, construction is anticipated to pick up in 2014. The City Council approved a final map and grading has begun on 70 residential lots

at the Parkside Village subdivision in southeast Dinuba. It is also anticipated that work will begin on a residential development surrounding the City's golf course. Currently it is anticipated that the development will include 167 lots. The development will be comprised of higher-end homes with a portion of the development being gated.



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. In addition the City's largest employer, Ruiz Food Products, Inc., is currently expanding their company headquarters with a 28,000 square foot addition. Building permits have also been issued for a new Kaweah Health Clinic and additional commercial complexes along West El Monte.

Even with the strength in building permits and commercial development, Dinuba's property tax assessments continue to remain stubbornly static as a result the automatic downwards reassessment of properties in the City of Dinuba by the Tulare County Assessor.



### *Current Major Initiatives*

Several major projects are underway in the City of Dinuba.

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 acquisition were completed in the summer of 2013 with construction beginning in the first quarter of 2014. Funding for the first Phase will be 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 by TCAG for funding at this time.

In conjunction with the newly constructed senior housing project a pedestrian walkway will connect the housing to a new transit hub. The new Dinuba Transit Center is under construction and will be completed in early 2014, 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. The Transit Center Project is being funded by a combination of Prop 84 Infill Infrastructure Grant, CDBG Program Income and Local Transportation Funds.

The City is taking advantage of Pacific Gas and Electric Company's Renewable Energy Self-Generation Bill Credit Transfer Tariff (RES-BCT Tariff) available through the California Public Utilities Commission (CPUC). This CPUC tariff permits low cost solar power to be distributed to up to 50 City meters through a credits program. The is estimated to realized annual net savings of approximately \$130,000 during the financing term and over \$20 million net savings over the life of the Project. The Project would provide the City with predictable electric costs for major infrastructure for the next 25+ years. The Project will pay for itself with energy savings and dollars which would otherwise be sent to PG&E in the form of higher utility costs. The Project will achieve significant environmental benefits for the residents of Dinuba by removing a minimum of approximately 1,400 metric tons of greenhouse gas emissions which is the equivalent of moving almost 280 cars from our roadways each year.

City Street improvements are projected to be completed in the summer of 2014. During the 2012 City Council Goal Setting, the City Council identified 9 city street projects in need of reconstruction. Approximately \$1,100,000 of transportation funds have been appropriated for the street improvements.

In fiscal year 2014 work will begin on the second phase to the expansion of the City's CNG fueling station. The City's existing CNG facility was completed in 2005 and was subsequently expanded in the summer of 2012. The second expansion includes a third natural gas compressor as well as an additional ten slow fill stations, which will allow all City transit buses to be completely fueled overnight.

The City is expecting the completion of the City's Emergency Operation Center and office expansion in the summer of 2014. The Dinuba Police Department (DPD) Administration Building was completed in 2000 as a joint use facility with the County of Tulare Superior Court, which occupies the north portion of the Building as a Dinuba Division Court. The DPD side of the Building was planned for future expanded use with approximately 4,000 square feet of unimproved "shell" area located in the southwest quadrant of the Building. Funding for the project is coming from a local add-on sales tax restricted to public safety purposes.

In May 2009, the City of Dinuba purchased a warehouse, which contains over 38,000 sq. ft. of useable open space. Council then voted to approve the building to be utilized as a recreation facility. The project will be completed in January of 2014. The funding for the facility is being coming from the Statewide (Proposition 84) Park Program (SSP). The building will include the following uses:

- Indoor batting cages for both softball & baseball
- Baseball & softball pitching cages
- Indoor soccer training
- Indoor Basketball Courts
- Volleyball Courts
- Training rooms
- Meeting rooms
- Party rooms
- Arcade Area
- Concession / Snack bar area

### **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 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, 2012. This was the twentieth 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 Department and the auditing firm of Moss, Levy, & Hartzheim, 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,

A handwritten signature in blue ink, appearing to read 'Cass Cook', with a long horizontal flourish extending to the right.

Cass Cook  
Finance Director



Government Finance Officers Association

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

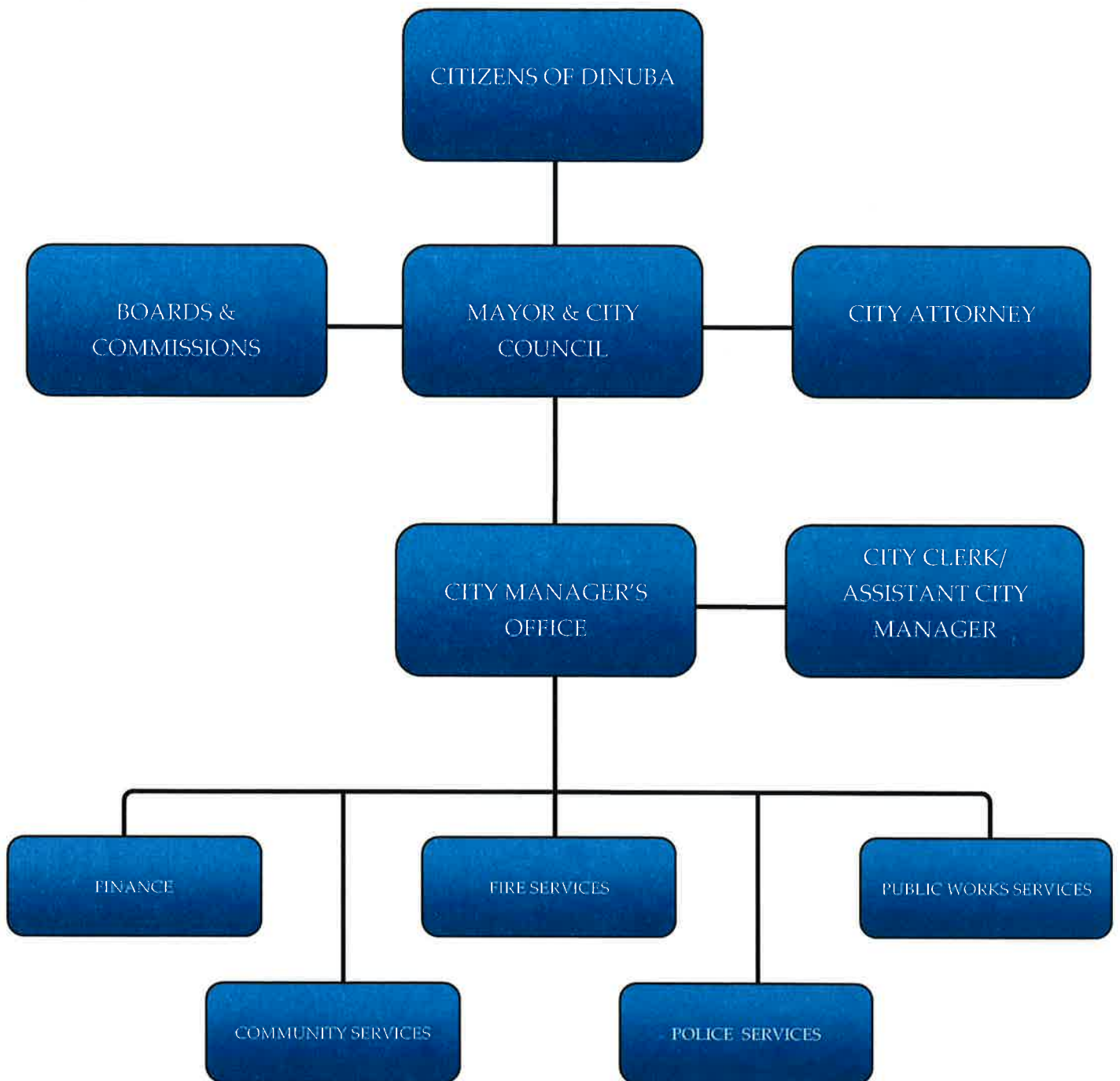
Presented to

**City of Dinuba  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO



CITY OF DINUBA  
LIST OF PRINICIPAL OFFICIALS  
JUNE 30, 2013

TITLE	NAME
Mayor	Janet Hinesly
Vice-Mayor	Emilio Morales
Council Member	Aldo Gonzalez
Council Member	Scott Harness
Council Member	Mike Smith
City Manager	J. Edward Todd
Deputy City Manager	Beth Nunes
Assistant City Manager	Jayne Anderson
City Attorney	Dan McClosky
City Engineer	Dean Uota
Finance Director (AIC)	Cass Cook
Fire Chief	Chad Thompson
Parks and Community Services (AIC)	John Carillo
Police Chief	Devon Popovich
Public Works Director	Blanca Beltran





# **FINANCIAL SECTION**





MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

**PARTNERS**

RONALD A LEVY, CPA  
CRAIG A HARTZHEIM, CPA  
HADLEY Y HUI, CPA

**COMMERCIAL ACCOUNTING & TAX SERVICES**

433 N. CAMDEN DR, SUITE 730  
BEVERLY HILLS, CA 90210  
TEL: 310.273.2745  
FAX: 310.670.1689  
www.mlhcpas.com

**GOVERNMENTAL AUDIT SERVICES**

5800 HANNUM, SUITE E  
CULVER CITY, CA 90230  
TEL: 310.670.2745  
FAX: 310.670.1689  
www.mlhcpas.com

**INDEPENDENT AUDITOR'S REPORT**

To the City Council  
City of Dinuba, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Dinuba, California as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

*Management's Responsibility for the Financial Statements*

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

*Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

## ***Emphasis of Matter***

As discussed in Note 1 of the notes to the basic financial statements, effective July 1, 2012, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, Statement No. 61, *The Financial Reporting Entity: Omnibus*, Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions trend information, and budgetary comparison information on pages 14 through 25, 91, and 92 through 95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dinuba, California's basic financial statements. The introductory section, combining and individual non-major governmental, non-major enterprise, internal service, and agency fund financial statements, and statistical section, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual non-major governmental, non-major enterprise, internal service, and 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major, internal service, and agency fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2013, on our consideration of the City of Dinuba, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Dinuba, California's internal control over financial reporting and compliance.

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
December 16, 2013



***Management's Discussion and Analysis***  
***Fiscal Year Ended June 30, 2013***  
***(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, 2013. 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 Governments" (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 private purpose trust and agency funds. These funds use the economic resources measurement focus and the accrual method of accounting except 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.

**REPORTING THE CITY AS A WHOLE**

**The Statement of Net Position and the Statement of Activities**

The Statement of Net Position 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 position and changes in them. Net position is the difference 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 position 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 Position 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, Parks and 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 Governmental Funds' 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 Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. 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 Position. 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.

## **FINANCIAL HIGHLIGHTS**

Dinuba's population increased by 2.07% this past year. The U.S. City Consumer Price Index for All Urban Consumers increased by 1.70% this past year. The major factors driving the City's financial results this fiscal year include the following:

- Continued growth in residential and commercial construction as evidenced by a total of 430 permits issued in the previous year.
- A decrease in sales tax revenues due to the readjustment of certain Internet sales tax revenues by the Board of Equalization
- Continued construction of capital projects including the acquisition of land for the Avenue 16 widening, the construction on the Sportsplex, and construction on the Transit Center

## **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 position 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 position at June 30, 2013 and 2012 for comparative purposes:

Net Assets:	FY 2013	FY 2012	Change
Governmental Activities:			
Net Investment in capital assets	\$125,796,437	\$125,564,573	\$231,864
Restricted for:			
Community Development	3,369,550	5,753,041	(2,383,491)
Assessment Districts	761,623	0	761,623
Parks	199,489	357,458	(157,969)
Public Safety	1,185,682	597,490	588,192
Streets and Roads	3,082,132	879,442	2,202,690
Housing	24,663,585	23,764,097	899,488
Debt service	371,303	2,163,030	(1,791,727)
Unrestricted	468,534	2,903,128	(2,434,594)
Total Governmental Net Position:	<u>159,898,335</u>	<u>161,982,259</u>	<u>(2,066,159)</u>
Business-type Activities:			
Net Investment in capital assets	49,997,905	45,077,861	4,920,044
Unrestricted	5,179,596	5,348,820	(169,224)
Total Business-type Net Position:	<u>55,177,501</u>	<u>50,426,681</u>	<u>4,750,820</u>
Total Net Position	<u>\$215,075,836</u>	<u>\$212,408,940</u>	<u>\$2,666,896</u>

### Governmental Activities

The following schedule summarizes the financial position of the City's governmental activities at June 30, 2013 and 2012 for comparative purposes:

	FY 2013	FY 2012	Change
Assets:			
Cash & Investments	\$ 9,275,069	\$ 9,380,022	\$ (104,953)
Current & Other Assets	25,676,169	22,958,052	2,613,164
Advances To Other Funds & Internal Balances	10,649,682	10,514,279	135,403
Capital assets, net of accumulated depreciation	143,870,203	141,163,951	2,706,252
Total Assets	<u>\$ 189,471,123</u>	<u>\$ 184,016,304</u>	<u>\$ 5,454,819</u>
Liabilities:			
Current liabilities	\$ 3,175,638	\$ 2,336,924	\$ 838,714
Noncurrent liabilities:			
Due within one year	1,217,027	1,834,456	(617,429)
Due in more than one year	25,180,123	17,862,665	7,317,458
Total Liabilities	<u>\$ 29,572,788</u>	<u>\$ 22,034,045</u>	<u>\$ 7,538,743</u>
Net Position:			
Net Investment in capital assets	125,796,437	125,564,573	231,864
Restricted	33,633,364	33,514,558	118,806
Unrestricted	468,534	2,903,128	(2,434,594)
Total Net Position	<u>\$ 159,898,335</u>	<u>\$ 161,982,259</u>	<u>\$ (2,083,924)</u>

*Current and Other Assets* increased by \$2.6 million primarily due to increase in notes receivable of HOME and CDBG loans.

*Capital Assets, Net of Accumulated Depreciation* totaled \$143.9 million at the end of the fiscal year. This was an increase \$2.7 million as capital projects were constructed or in progress.

*Noncurrent Liabilities, Due in More Than One Year* increased by \$7.3 million. The debt includes lease revenue bonds, OPEB obligations, as well as leases payable. A prior period adjustment of \$2.1 million was recorded in fiscal year 2013 to record a CalPERS side fund obligation.

*Net Position* at the end of Fiscal Year 2013, governmental assets exceeded liabilities by \$159.9 million. The largest portion of net position, \$125.8 million (78.7%) is net investment in capital assets. The remaining portions of the City's net position are: \$33.63 million (21.0%), represents resources that are subject to restrictions, and the remaining \$0.5 million (0.3%) being unrestricted.

During the fiscal year ended June 30, 2013, the City received the following types of tax revenue:

	FY 2013	FY 2012	Change
Source of Taxes:			
Property taxes	\$ 645,437	\$ 3,461,506	(\$2,816,069)
Transient occupancy taxes	171,718	133,920	37,798
Sales taxes	3,677,282	9,843,519	(6,166,237)
Franchise taxes	226,904	230,613	(3,709)
Utility users tax	1,622,049	1,600,423	21,626
Motor vehicle tax	1,553,701	1,565,696	(11,995)
Other	240,387	870,086	(629,699)
Total	<u>\$ 8,137,478</u>	<u>\$ 17,705,763</u>	<u>\$(9,568,285)</u>

The expenses of governmental activities during Fiscal Year 2013 were \$19.1 million. This is an increase of \$0.2 million from the previous year. The change can primarily be attributed to increased personnel costs from an increase in health and retirement costs.

Tax revenues decrease by \$9.6 million in fiscal year 2013. This is primarily due to an adjustment from the State Board of Equalization in the computation of Internet Sales Tax to the City. Property taxes also decreased due to the 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 following table presents the changes in net position for governmental activities for the fiscal years ended June 30, 2013 and 2012.

	FY 2013	FY 2012	Change
<b>Program Revenues:</b>			
Charges for Services	\$ 2,899,821	\$ 3,115,053	(\$ 215,232)
Operating Contribution and Grants	4,462,789	3,279,460	1,183,329
Capital Contributions and Grants	5,669,203	2,436,154	3,233,049
<b>General Revenues:</b>			
Taxes	8,137,478	17,705,763	(9,568,285)
Use of Money and Property	287,977	288,456	(479)
Gain (Loss) on Sale of Capital Assets	400,323	(2,019,092)	2,419,415
Other	1,552,988	946,090	606,898
<b>Total Revenues</b>	<b>23,410,579</b>	<b>25,751,884</b>	<b>(2,341,305)</b>
<b>Expenses:</b>			
General Government	4,339,158	3,439,679	899,479
Public Safety	8,990,013	8,167,990	822,023
Public Works	2,197,625	1,826,602	371,023
Community Development	636,986	1,007,987	(371,001)
Parks and Recreation	1,136,847	1,796,570	(659,723)
Interest on long-term debt	1,020,371	1,720,593	(700,222)
Unallocated depreciation	823,524	953,544	(130,020)
<b>Total Expenses</b>	<b>19,144,524</b>	<b>18,912,965</b>	<b>231,559</b>
<b>Excess of Revenues over Expenses</b>	<b>4,266,055</b>	<b>6,838,919</b>	<b>(2,572,864)</b>
<b>Transfers</b>	<b>(4,065,884)</b>	<b>703,133</b>	<b>(4,769,017)</b>
<b>Extraordinary Items</b>	<b>145,910</b>	<b>51,196,332</b>	<b>(51,050,422)</b>
<b>Changes in Net Position – Governmental Activities</b>	<b>\$ 346,081</b>	<b>\$ 58,738,384</b>	<b>\$(58,392,303)</b>

### **Business Type Activities**

The table on the following page summarizes the financial position of the City's business-type activities at June 30, 2013 and 2012:

	FY 2013	FY 2012	Change
<b>Assets:</b>			
Cash & Investments	\$ 4,204,435	\$ 4,830,572	\$ (626,137)
Current & Other Assets	3,355,773	3,559,398	(203,625)
Advances to Other Funds & Internal Balances	943,982	2,245,019	(1,301,037)
Capital Assets, net of Accumulated Depreciation	66,977,102	67,106,446	(129,344)
<b>Total Assets</b>	<b>\$ 75,481,292</b>	<b>\$ 77,741,435</b>	<b>\$ (2,260,143)</b>

Liabilities:			
Current liabilities	1,035,161	3,386,912	(2,351,751)
Noncurrent liabilities:			
Due within one year	1,030,763	957,202	73,561
Due in more than one year	18,237,867	22,970,640	(4,732,773)
Total liabilities	<u>\$ 20,303,791</u>	<u>\$ 27,314,754</u>	<u>\$ ( 7,010,963)</u>
Net Position:			
Net Investment in capital assets	\$ 48,312,671	\$ 45,077,861	\$ 3,234,810
Unrestricted	6,864,830	5,348,820	1,516,010
Total Net Position	<u>\$ 55,177,501</u>	<u>\$ 50,426,681</u>	<u>\$ 4,750,820</u>

The business-type activities of the City showed a positive current ratio at June 30, 2013: \$7.30 of current assets for every \$1.00 of current liabilities, up from \$2.48 the preceding year. This is due primarily to a decrease in the accounts payable associated with the Sewer and Water funds. Of the total net assets, 87.6% was the net investment in capital assets and 12.4% percent was unrestricted, which was available for future operations.

The following table presents the changes in net position for business-type activities for the fiscal years ended June 30, 2013 and 2012

	FY 2013	FY 2012	Change
Program Revenues:			
Charges for services	\$ 13,032,935	\$ 11,791,237	\$ 1,241,698
Operating contributions and grants	868,397	627,400	240,997
Capital contributions and grants	1,188,785	969,433	219,352
General Revenues:			
Other taxes	45,845	0	45,845
Gain or loss on sale of assets	0	19,536	(19,356)
Other	0	(338,718)	338,718
Total Revenues	<u>\$ 15,135,962</u>	<u>\$ 13,068,888</u>	<u>\$ 2,067,074</u>
Expenses:			
Water	2,963,788	2,159,494	804,294
Sewer	2,459,666	2,427,747	31,919
Disposal	2,922,065	2,109,008	813,057
Ambulance	1,450,622	1,150,496	300,126
Transit	699,102	639,059	60,043
Golf	3,250,394	3,244,707	5,687
Engineering	506,333	0	506,333
Compressed Natural Gas	137,950	120,212	17,738
Total Expenses	<u>\$ 14,389,920</u>	<u>\$ 11,850,723</u>	<u>\$ 2,539,197</u>
Excess (Deficiency) of Revenues over Expenses	746,042	1,218,165	(472,123)
Transfers	4,065,884	(703,133)	4,769,017
Changes in Net Position – Business-Type Activities	<u>\$ 4,811,926</u>	<u>\$ 515,032</u>	<u>\$ 4,296,894</u>

Charges for services comprised 86.1% of the revenues for the fiscal year ended June 30, 2013. Overall revenues increased by \$2.1 million primarily due to an increase in revenues from charges water and sewer charges. Though there were no rate increases in the utility funds growth and development in the City has led to an increase in the customer base.

Expenses for business-type activities for the fiscal year ended June 30, 2013 increased by \$2.5 million over the previous fiscal year. The increase was primarily due to increased costs of salaries, benefits, and allocated costs in the Water and Sewer Funds.

Net position grew \$4.8 million in fiscal year 2013. The increase was primarily due to the transfers into the Sewer Fund from the Financing Authority for the expansion of the Wastewater Treatment Plan.

## 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 decreased by 13.8% to end the fiscal year at a balance of \$4.0 million. The decrease can be attributed to capital expenditures as well as a decline in sales tax revenues. The decline in sales tax is due to an adjustment by the State Board of Equalization to the calculation of Internet Sales due to the City. Unassigned fund balance constituted 30.8% of the total fund balance. The remainder of the fund balance was made up mostly of advances.

	FY 2013	FY 2012	Change
<b>General Fund Revenues:</b>			
Taxes and assessments	\$ 6,363,687	\$ 10,182,465	\$ (3,818,778)
Licenses and permits	533,126	490,803	42,323
Intergovernmental	1,922,452	1,793,036	129,416
Charges for services	452,358	865,059	(412,701)
Fines, forfeitures, and penalties	20,101	51,533	490
Use of money and property	67,491	19,611	15,958
Reimbursements	1,396,614	1,327,051	69,563
Miscellaneous	53,815	11,997	41,818
Sale of Property	336,760	0	336,760
<b>Total Revenues</b>	<b>\$ 11,146,404</b>	<b>\$ 14,741,555</b>	<b>\$ (3,595,151)</b>
<b>General Fund Expenditures:</b>			
General Government	\$ 3,567,574	\$ 3,198,893	\$ 368,121
Public Safety	6,346,851	5,911,609	425,242
Public Works	422,523	609,450	(186,927)
Parks and Community Services	1,108,050	1,021,052	86,998
Transfers	140,562	1,249,844	(1,109,282)
Debt Service	111,546	9,507	102,039
Capital Outlay	83,142	317,227	(234,085)
<b>Total Expenditures</b>	<b>\$ 11,780,248</b>	<b>\$ 12,317,582</b>	<b>\$ (537,334)</b>

## **Other Major Funds**

### ***HUD Grants:***

The fund accounts for the Community Development Block Grants (CDBG) and Home Investment Partnership Program (HOME). The fund's assets include \$20.0 million in notes and loans receivable. The loans are offset by deferred revenue as the loans are not expected to be repaid within the next year. The notes and loans receivable are for housing acquisition assistance and housing rehabilitation.

Revenue for this fund increased from the previous year by over \$1 million. The City actively seeks participants for its Community Development Block Grant funds as evidenced by consistently high usage this fiscal year.

### ***Public Safety Sales Tax:***

Fund balance increased by \$0.5 million to \$0.8 million. The increase is due to the continued growth in the add-on sales tax revenues. The fund balance is being set aside for the completion of the Emergency Operations Center which should be completed in fiscal year 2014.

### ***Other Governmental Funds:***

These funds (referred to as Non-major Funds) are not presented separately in the Basic Financial Statements, but are individually presented in Supplementary Information. Combined they received \$7.3 million in revenue and have a combined Fund Balance at year-end of \$15.6 million.

## **Business-Type Funds**

The business-type 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. Enterprise Funds combined net position totaled \$55.2 million and increase of \$4.8 million over the previous fiscal year. Operating revenues were up \$1.6 million and operating expenses were up \$1.1 million.

### ***Water, Sewer, Disposal:***

Operating revenues in the utility funds increased by \$0.5 million due to population growth and growth in services. There hasn't been a utility rate increase for three years.

### ***Ambulance:***

As a result of an increase in the calls for service, operating revenues also increased. Net position decreased to \$0.5 million as a result of a general increase in the cost of doing business. It is anticipated Intergovernmental Revenues will increase in the future due to an increase in reimbursements under the Ground Emergency Medical Transportation Program.

### ***Golf Course:***

Operating revenues and operating expenses remained fairly constant as compared to the previous fiscal year. The net position of the Golf Course at the end of the fiscal year was \$25.6 million.

## CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounted to \$210.8 million (net of accumulated depreciation), an increase of \$2.6 million from FY2012. The City's capital assets include land, land improvements, buildings, improvements other than buildings, machinery and equipment, and construction in progress.

Major capital asset events during the current fiscal year include the following:

### Governmental

- Hayes Avenue Street Improvements
- Continued acquisition of land for the Avenue 416 widening
- Construction of the Dinuba Sportsplex

### Business-Type

- Completion of Phase 1 for the expansion of the Wastewater Treatment Plant
- Construction of a new Transit facility

For Government-wide Financial Statements, capital asset purchases for governmental activities are capitalized and depreciated. In contrast, in the Fund Financial Statements capital asset purchases for governmental activities are recorded as expenditures. 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

The City's total long-term debt increased by \$3.6 million during the fiscal year. The increase was primarily due to the prior period adjustment to account for the CalPERS side fund obligation of \$2.1 million.

During the fiscal year the City also issued \$11.3 million in Lease Revenue Refunding Bonds and \$8.1 million of Wastewater Revenue Refunding Bonds. These issues refunded \$17,105,000 of existing notes and bonds.

The following table provides a breakdown of the City's outstanding indebtedness as of June 30, 2013:

	FY 2013	FY 2012
Governmental Activities:		
Capital Leases	\$ 701,861	\$ 932,596
Net OPEB obligation	3,836,507	3,029,516
PERS Side Fund Obligation	2,073,235	0
Notes and Loans Payable	23,549	1,247,879
Contracts Payable	146,016	190,471
Revenue Bonds	18,738,799	13,570,000
Total Governmental Activities	\$ 25,519,967	\$ 18,970,462

<b>Business-type Activities</b>		
Capital Leases	\$ 293,875	\$ 7,523
Net OPEB obligations	626,452	497,297
Notes and Loans Payable	7,642,843	12,016,687
Installment Purchase	1,230,000	1,415,000
Revenue Bond	11,030,000	6,840,000
Certificates of Participation	0	3,005,000
Total Business-type Activities	<u>\$ 20,823,170</u>	<u>\$ 23,781,507</u>
<b>Total Government</b>		
Capital Leases	\$ 995,736	\$ 940,119
Net OPEB obligation	4,462,959	3,526,813
PERS Side Fund Obligation	2,073,235	0
Notes and Loans Payables	7,666,392	13,264,566
Installment Purchase	1,230,000	1,415,000
Contracts Payable	146,016	190,471
Revenue Bonds	29,768,799	20,410,000
Certificates of Participation	0	3,005,000
Total Outstanding Indebtedness	<u>\$ 46,343,137</u>	<u>\$ 42,751,969</u>

The 2012 Wastewater Revenue Refunding Bonds as well as the 2012 Financing Authority Lease Revenue Bonds were both rated A- by S&P. 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.

## **ECONOMIC OUTLOOK**

The local economy has slowly picked up traction over the course of the year. In June of 2012 the unemployment rate for Tulare County was 21.2%; in June of 2013 the rate was 18.9%. While it has shown slight improvement, it still remains stubbornly high.

Based upon sales tax revenues, it appears that the local businesses climate continues to improve. Excluding revenues from the Internet Sales Tax, sales tax from the top 5 sources increased by 4.7% from fiscal year 2012 to fiscal year 2013.

Another positive factor of the local economy - is the continued demand in the building sector. There were 171 permits issued for new housing in 2011; in 2012 housing growth remained strong with 161 permits issued. Through the first half of calendar year 2013 99 housing permits have been issued. Over the past three and half years the City has added \$118 million of assessed value from new residential and commercial properties.

## **EXTRAORDINARY ITEMS**

The financial statements for the year ending June 30, 2013 reflect an extraordinary item for a litigation settlement for \$145,910.

## **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:

Finance Director  
405 East El Monte Way  
Dinuba, California 93618  
Phone (559) 591-5900





## **Basic Financial Statements**



**CITY OF DINUBA**  
**STATEMENT OF NET POSITION**  
**June 30, 2013**

	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 8,021,562	\$ 3,120,947	\$ 11,142,509
Restricted assets:			
Cash and investments with fiscal agents	1,253,507	1,083,488	2,336,995
Receivables:			
Accounts	437,951	2,357,994	2,795,945
Intergovernmental	3,422,431	172,701	3,595,132
Notes	19,457,582	171,463	19,629,045
Interest	1,797,907	343	1,798,250
Internal balances	(809,616)	809,616	
Land held for resale	187,251		187,251
Deferred charges, net of accumulated amortization	282,952	447,070	730,022
Inventories		142,641	142,641
Prepaid items	90,095	63,561	153,656
Advances from Successor Agency	11,459,298	134,366	11,593,664
Capital assets not being depreciated	112,079,469	11,589,320	123,668,789
Capital assets, net of accumulated depreciation	31,790,734	55,387,782	87,178,516
<b>Total Assets</b>	<b>189,471,123</b>	<b>75,481,292</b>	<b>264,952,415</b>
<b>Liabilities:</b>			
Accounts payable	1,067,124	474,126	1,541,250
Accrued liabilities	536,834	141,617	678,451
Accrued interest payable	282,228	234,253	516,481
Unearned revenue	1,289,452	128,779	1,418,231
Deposits payable		56,386	56,386
Noncurrent liabilities:			
Due within one year	1,217,001	1,030,763	2,247,764
Due in more than one year	25,180,149	18,237,867	43,418,016
<b>Total Liabilities</b>	<b>29,572,788</b>	<b>20,303,791</b>	<b>49,876,579</b>
<b>Net position:</b>			
Net investment in capital assets	125,796,437	48,312,671	174,109,108
Restricted for:			
Community development	3,369,550		3,369,550
Assessment districts	761,623		761,623
Parks	199,489		199,489
Public safety	1,185,682		1,185,682
Streets and roads	3,082,132		3,082,132
Housing	24,663,585		24,663,585
Debt service	371,303		371,303
Unrestricted	468,534	6,864,830	7,333,364
<b>Total Net position</b>	<b>\$ 159,898,335</b>	<b>\$ 55,177,501</b>	<b>\$ 215,075,836</b>

See Notes to Basic Financial Statements

**CITY OF DINUBA**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2013**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government:				
Governmental Activities:				
General government	\$ (4,339,158)	\$ 4,688	\$ -	\$ -
Public safety	(8,990,013)	423,329	2,889,790	
Public works	(2,197,625)	2,313,306	1,052,605	3,399,203
Community development	(636,986)	11,941	455,507	2,270,000
Parks and recreation	(1,136,847)	146,557	64,887	
Interest on long-term debt	(1,020,371)			
Unallocated depreciation	(823,524)			
Total Governmental Activities	(19,144,524)	2,899,821	4,462,789	5,669,203
Business-type Activities:				
Transit	(699,102)	44,959	708,207	736,973
Engineering	(506,333)	486,415	65,823	
CNG	(137,950)	217,120		
Water	(2,963,788)	2,847,344		451,812
Sewer	(2,459,666)	2,574,505		
Disposal	(2,922,065)	3,324,925		
Ambulance	(1,450,622)	1,281,703	94,367	
Golf course	(3,250,394)	2,255,964		
Total Business-type Activities	(14,389,920)	13,032,935	868,397	1,188,785
Total Primary Government	\$ (33,534,444)	\$ 15,932,756	\$ 5,331,186	\$ 6,857,988

General Revenues:

Taxes:

- Property taxes
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Utility users tax
- Other taxes
- Motor vehicle tax, unrestricted
- Use of money and property
- Other
- Gain on sale of capital assets

Transfers

Total General Revenues and Transfers

Extraordinary Items - litigation settlement

Total General Revenues, Transfers, and Extraordinary Items

Change in Net Position

Net Position at Beginning of Fiscal Year

Prior Period Adjustments

Net Position at Beginning of Fiscal Year, restated

Net Position at End of Fiscal Year

See Notes to Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (4,334,470)	\$ -	\$ (4,334,470)
(5,676,894)		(5,676,894)
4,567,489		4,567,489
2,100,462		2,100,462
(925,403)		(925,403)
(1,020,371)		(1,020,371)
(823,524)		(823,524)
<u>(6,112,711)</u>		<u>(6,112,711)</u>
	791,037	791,037
	45,905	45,905
	79,170	79,170
	335,368	335,368
	114,839	114,839
	402,860	402,860
	(74,552)	(74,552)
	<u>(994,430)</u>	<u>(994,430)</u>
	700,197	700,197
<u>(6,112,711)</u>	<u>700,197</u>	<u>(5,412,514)</u>
645,437		645,437
171,718		171,718
3,677,282		3,677,282
226,904		226,904
1,622,049		1,622,049
240,387	45,845	286,232
1,553,701		1,553,701
287,977		287,977
1,552,988		1,552,988
400,323		400,323
<u>(4,065,884)</u>	<u>4,065,884</u>	
6,312,882	4,111,729	10,424,611
145,910		145,910
<u>6,458,792</u>	<u>4,111,729</u>	<u>10,570,521</u>
346,081	4,811,926	5,158,007
161,982,259	50,426,681	212,408,940
<u>(2,430,005)</u>	<u>(61,106)</u>	<u>(2,491,111)</u>
<u>159,552,254</u>	<u>50,365,575</u>	<u>209,917,829</u>
<u>\$ 159,898,335</u>	<u>\$ 55,177,501</u>	<u>\$ 215,075,836</u>

**CITY OF DINUBA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2013**

		Special Revenue Funds	
	General	HUD Grants	Public Safety Sales Tax
Assets:			
Cash and investments	\$ 1,608,452	\$ 342,728	\$ 482,419
Restricted assets:			
Cash and investments with fiscal agents			
Receivables:			
Accounts	326,722		
Intergovernmental	708,099	151,783	390,600
Notes		18,252,527	
Interest	285	1,728,568	63
Due from other funds	224,811		
Advances to Successor Agency	2,689,955		
Interfund advances receivable			
Prepaid items	52,122		21,120
Land held for resale			
Total Assets	<u>\$ 5,610,446</u>	<u>\$ 20,475,606</u>	<u>\$ 894,202</u>
Liabilities:			
Accounts payable	\$ 151,913	\$ 1,937	\$ 12,028
Accrued liabilities	377,914		95,534
Unearned revenue	20,360	20,078,797	
Due to other funds			
Interfund advances payable	1,101,073		
Total Liabilities	<u>1,651,260</u>	<u>20,080,734</u>	<u>107,562</u>
Fund Balances:			
Nonspendable	2,742,077		21,120
Restricted		394,872	765,520
Assigned			
Unassigned	1,217,109		
Total Fund Balances	<u>3,959,186</u>	<u>394,872</u>	<u>786,640</u>
Total Liabilities and Fund Balances	<u>\$ 5,610,446</u>	<u>\$ 20,475,606</u>	<u>\$ 894,202</u>

See Notes to Basic Financial Statements

Other Governmental Funds	Total Governmental Funds
\$ 5,566,735	\$ 8,000,334
1,253,507	1,253,507
111,229	437,951
2,042,127	3,292,609
1,205,055	19,457,582
69,010	1,797,926
	224,811
8,769,343	11,459,298
1,080,615	1,080,615
50	73,292
187,251	187,251
<u>\$ 20,284,922</u>	<u>\$ 47,265,176</u>

\$ 803,212	\$ 969,090
33,548	506,996
2,530,214	22,629,371
181,364	181,364
1,144,020	2,245,093
<u>4,692,358</u>	<u>26,531,914</u>

50	2,763,247
15,757,063	16,917,455
147,627	147,627
(312,176)	904,933

<u>15,592,564</u>	<u>20,733,262</u>
-------------------	-------------------

<u>\$ 20,284,922</u>	<u>\$ 47,265,176</u>
----------------------	----------------------





**CITY OF DINUBA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2013**

Fund balances of governmental funds	\$ 20,733,262
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.	143,870,203
Certain notes receivable and accrued interest on these notes are not available to pay for current period expenditures and, therefore are offset by unearned revenue in the governmental funds.	21,339,919
Long-term debt has not been included in the governmental funds.	
Long-term debt	(26,397,150)
Deferred charges, net of accumulated amortization for debt issuance costs on long-term debt have not been reported in the governmental funds.	282,952
Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.	(282,228)
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. (Net of capital assets \$29,297 and long-term debt (\$101,894) included above).	351,377
Net position of governmental activities	<u><u>\$ 159,898,335</u></u>

See 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, 2013**

		Special Revenue Funds			
	General	HUD Grants	Public Safety Sales Tax	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes and assessments	\$ 6,363,687	\$ -	\$ 2,845,353	\$ 845,382	\$ 10,054,422
Licenses and permits	533,126				533,126
Intergovernmental	1,922,452	2,625,301		4,292,610	8,840,363
Charges for services	452,358			1,390,593	1,842,951
Use of money and property	67,491			37,538	105,029
Fines and forfeitures	20,101	2,025	1,036	95,531	118,693
Reimbursements	1,396,614			596,702	1,993,316
Miscellaneous	53,815	108,020		21,809	183,644
<b>Total Revenues</b>	<b>10,809,644</b>	<b>2,735,346</b>	<b>2,846,389</b>	<b>7,280,165</b>	<b>23,671,544</b>
<b>Expenditures:</b>					
Current:					
General government	3,567,574				3,567,574
Public safety	6,346,851		2,063,697	101,622	8,512,170
Public works	422,523			1,686,474	2,108,997
Community development		3,000,150		77,122	3,077,272
Parks and recreation	1,108,050				1,108,050
Capital outlay	83,142		90,203	4,897,010	5,070,355
Debt service:					
Principal retirement	102,784		132,723	1,579,013	1,814,520
Interest and fiscal charges	8,762		5,840	801,801	816,403
Cost of issuance				331,022	331,022
<b>Total Expenditures</b>	<b>11,639,686</b>	<b>3,000,150</b>	<b>2,292,463</b>	<b>9,474,064</b>	<b>26,406,363</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(830,042)</b>	<b>(264,804)</b>	<b>553,926</b>	<b>(2,193,899)</b>	<b>(2,734,819)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers in	593,839			1,736,798	2,330,637
Transfers out	(734,401)			(5,765,620)	(6,500,021)
Sales of property	336,760			163,927	500,687
Payment to refunded bond escrow agent				(6,684,833)	(6,684,833)
Issuance of long-term debt				12,770,000	12,770,000
Original issuance discount				(314,360)	(314,360)
<b>Total Other Financing Sources (Uses)</b>	<b>196,198</b>			<b>1,905,912</b>	<b>2,102,110</b>
<b>Net Change in Fund Balances Before Extraordinary Item</b>	<b>(633,844)</b>	<b>(264,804)</b>	<b>553,926</b>	<b>(287,987)</b>	<b>(632,709)</b>
<b>Extraordinary item - litigation settlement</b>				<b>145,910</b>	<b>145,910</b>
<b>Net Change in Fund Balances</b>	<b>(633,844)</b>	<b>(264,804)</b>	<b>553,926</b>	<b>(142,077)</b>	<b>(486,799)</b>
<b>Fund Balances, Beginning of Fiscal Year</b>	<b>4,593,030</b>	<b>659,676</b>	<b>232,714</b>	<b>15,734,641</b>	<b>21,220,061</b>
<b>Fund Balances, End of Fiscal Year</b>	<b>\$ 3,959,186</b>	<b>\$ 394,872</b>	<b>\$ 786,640</b>	<b>\$ 15,592,564</b>	<b>\$ 20,733,262</b>

See Notes to Basic Financial Statements

**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, 2013**

Net change in fund balances - total governmental funds	\$ (486,799)
Amounts reported for governmental activities in the statement of activities differ 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.	2,788,851
Basis of the disposition of capital assets not included in governmental funds.	(100,364)
Certain notes receivable are reported in the governmental funds as expenditures and then offset by a 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. (Collected \$108,020) (Issued plus interest account \$2,632,329).	2,524,309
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 an other 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.	(5,008,516)
Debt issuance costs are expenditures in the governmental funds, but these costs are capitalized on the statement of net assets. This is the amount of costs paid less amortization in the current period.	542,752
Accrued interest is interest due on long-term debt payable. This is the net change in accrued interest for the current period.	51,176
Compensated absence expenditures reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period.	(150,524)
Certain accounts receivable do not meet the measurable or available criteria to be recognized as revenue in the governmental funds using the modified accrued basis. They are however revenue under full accrual accounting. This is the net change for the period.	(133,000)
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 internal service funds is reported with governmental activities. This is net of long-term debt adjustment (change in compensated absences) of \$27,858 which is included above.	318,196
Change in net position of governmental activities	<u>\$ 346,081</u>

See Notes to Basic Financial Statements

**CITY OF DINUBA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
June 30, 2013

	Business-type Activities		
	Enterprise Funds		
	Water	Sewer	Golf Course
<b>ASSETS</b>			
Current Assets:			
Cash and cash investments	\$ 726,621	\$ 1,211,658	\$ 13,263
Cash and investments with fiscal agents			
Restricted cash and investments with fiscal agents	272,234	811,254	
Accounts receivable, net	575,082	462,415	195,591
Interest receivable	91	126	(6)
Inventories			142,641
Due from other agencies			
Prepaid expenses	236		2,606
Total Current Assets	1,574,264	2,485,453	354,095
Noncurrent Assets:			
Deferred charges, net of accumulated amortization		447,070	
Note receivable			171,463
Interfund advances receivable	428,000	1,253,634	
Advances from successor agency	1,300,000		
Capital assets:			
Land	261,806	4,388,142	3,960,467
Depreciable infrastructure, net	12,376,062	14,068,160	5,399,709
Depreciable buildings and improvements, net	4,113,142	746,900	17,031,238
Depreciable equipment, net	384,899	147,337	222,941
Construction in progress		2,079,693	
Total Noncurrent Assets	18,863,909	23,130,936	26,785,818
Total Assets	20,438,173	25,616,389	27,139,913
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	93,792	80,067	165,274
Accrued liabilities	45,194	7,868	37,896
Accrued interest payable	79,218	155,035	
Claims payable			
Unearned revenue			119,774
Deposits payable	56,386		
Due to other funds			
Current portion of long-term obligations	445,824	547,848	1,729
Total Current Liabilities	720,414	790,818	324,673
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Interfund advances payable			1,165,634
Advances to successor agency		1,165,634	
Compensated absences	14,540	7,996	
Net OPEB liability	152,415	147,877	
Capital leases payable	222,586		
Loan payable		454,773	
Notes payable	6,736,215	1,035,000	
Revenue bonds		10,760,000	
Premium (discount)		54,465	
Deferred loss on refunding		(1,741,428)	
Total Noncurrent Liabilities	7,125,756	11,884,317	1,165,634
Total Liabilities	7,846,170	12,675,135	1,490,307
<b>NET POSITION</b>			
Net invested in capital assets	10,007,967	9,893,743	26,614,355
Unrestricted	2,584,036	3,047,511	(964,749)
Total Net Position	\$ 12,592,003	\$ 12,941,254	\$ 25,649,606

See Notes to Basic Financial Statements

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Disposal	Ambulance	Other Nonmajor Enterprise	Totals	
\$ 517,197	\$ 130,762	\$ 521,446	\$ 3,120,947	\$ 21,228
			1,083,488	
499,327	614,389	11,190	2,357,994	
62	15	55	343	(19)
			142,641	
		172,701	172,701	129,822
60,625	94		63,561	16,803
1,077,211	745,260	705,392	6,941,675	167,834
			447,070	
			171,463	
293,616			1,975,250	354,862
			1,300,000	
			8,610,415	
			31,843,931	
		59,922	21,951,202	
279,597	201,174	356,701	1,592,649	29,297
		899,212	2,978,905	
573,213	201,174	1,315,835	70,870,885	384,159
1,650,424	946,434	2,021,227	77,812,560	551,993
88,091	7,704	39,198	474,126	48,034
3,241	36,287	11,131	141,617	29,838
			234,253	
	9,005			50,000
			128,779	
			56,386	
815	34,481	66	1,030,763	43,447
				14,362
92,147	87,477	50,395	2,065,924	185,681
			1,165,634	
			1,165,634	
3,914	56,654	6,700	89,804	87,532
33,709	285,952	6,499	626,452	
			222,586	
			454,773	
			7,771,215	
			10,760,000	
			54,465	
			(1,741,428)	
37,623	342,606	13,199	20,569,135	87,532
129,770	430,083	63,594	22,635,059	273,213
279,597	201,174	1,315,835	48,312,671	29,297
1,241,057	315,177	641,798	6,864,830	249,483
\$ 1,520,654	\$ 516,351	\$ 1,957,633	\$ 55,177,501	\$ 278,780

**CITY OF DINUBA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2013**

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Golf Course
<b>Operating Revenues:</b>			
Sales and service charges	\$ 2,842,955	\$ 2,574,505	\$ 2,255,964
Interdepartmental charges			
Other	4,389		
Total Operating Revenues	2,847,344	2,574,505	2,255,964
<b>Operating Expenses:</b>			
Rents and leases			74,211
Cost of goods sold			433,944
Salaries and benefits	568,154	472,623	1,109,280
Contractual services	76,865	106,306	139,683
Materials and supplies	293,355	97,682	285,204
Repairs and maintenance	125,151	59,762	67,952
Dump fees			
Utilities	420,962	445,460	118,489
Insurance	45,350	51,038	
Allocated overhead	673,679	409,046	
Depreciation	537,412	233,950	1,003,511
Total Operating Expenses	2,740,928	1,875,867	3,232,274
Operating Income (Loss)	106,416	698,638	(976,310)
<b>Nonoperating Revenues (Expenses):</b>			
Loss on disposal of assets	(24,616)	(12)	(1)
Intergovernmental			
Interest revenue	2,192	34,190	6,776
Interest expense	(198,244)	(583,787)	(18,119)
Total Nonoperating Revenues (Expenses)	(220,668)	(549,609)	(11,344)
Income (Loss) Before Contributions and Transfers	(114,252)	149,029	(987,654)
Capital contributions	451,812		
Transfers in	287,080	4,197,702	5,794
Transfers out	(179,580)	(150,000)	
Net Contributions and Transfers	559,312	4,047,702	5,794
Changes in Net Position	445,060	4,196,731	(981,860)
<b>Net Position</b>			
Beginning of fiscal year	12,146,943	8,802,024	26,635,071
Prior year adjustments		(57,501)	(3,605)
Beginning of fiscal year, as restated	12,146,943	8,744,523	26,631,466
End of fiscal year	\$ 12,592,003	\$ 12,941,254	\$ 25,649,606

See Notes to Basic Financial Statements

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Disposal	Ambulance	Other Nonmajor Enterprise	Totals	
\$ 3,031,818	\$ 1,280,167	\$ 748,386	\$ 12,733,795	\$ -
293,107	1,536	108	299,140	4,799,522
3,324,925	1,281,703	748,494	13,032,935	4,799,522
			74,211	
			433,944	
132,796	854,279	428,144	3,565,276	1,127,544
1,060,195		442,326	1,825,375	62,213
21,660	139,016	113,535	950,452	388,293
4,377	36,152	72,655	366,049	
644,321			644,321	
		63,402	1,048,313	
			96,388	2,984,930
892,250	360,524	81,860	2,417,359	43,731
32,688	60,651	141,463	2,009,675	5,287
2,788,287	1,450,622	1,343,385	13,431,363	4,611,998
536,638	(168,919)	(594,891)	(398,428)	187,524
(133,778)			(158,407)	
	94,367	774,030	868,397	
1,415	311	961	45,845	(686)
			(800,150)	
(132,363)	94,678	774,991	(44,315)	(686)
404,275	(74,241)	180,100	(442,743)	186,838
		736,973	1,188,785	
		140	4,490,716	103,500
		(95,252)	(424,832)	
		641,861	5,254,669	103,500
404,275	(74,241)	821,961	4,811,926	290,338
1,116,379	590,592	1,135,672	50,426,681	(11,558)
			(61,106)	
1,116,379	590,592	1,135,672	50,365,575	(11,558)
\$ 1,520,654	\$ 516,351	\$ 1,957,633	\$ 55,177,501	\$ 278,780



**CITY OF DINUBA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2013**

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Golf Course
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 2,859,861	\$ 2,650,764	\$ 2,172,516
Cash paid to suppliers for goods and services	(1,226,084)	(1,442,609)	(1,092,468)
Cash paid to employees for services	(522,469)	(436,815)	(1,104,933)
Cash paid for allocated overhead	(673,679)	(409,046)	
Net Cash Provided (Used) by Operating Activities	437,629	362,294	(24,885)
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash receivable from notes			3,270
Intergovernmental revenue		280,489	
Cash transfers to other funds	(179,580)	(150,000)	
Cash transfers from other funds	287,080	4,197,702	5,794
Due to other funds			
Due from other funds repayments	12,000	111,403	
Net Cash Provided (Used) by Non-Capital Financing Act	119,500	4,439,594	9,064
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Proceeds from issuance of long-term debt	365,242	8,145,000	
Long-term debt costs paid		(1,543,605)	
Purchases of capital assets	(365,242)	(216,321)	
Principal paid on long-term debt	(438,904)	(11,297,504)	(5,794)
Interest paid on long-term debt	(198,683)	(600,350)	(18,159)
Net Cash Provided (Used) by Capital and Related Financ	(637,587)	(5,512,780)	(23,953)
<b>Cash Flows from Investing Activities:</b>			
Interest received	2,633	35,084	6,782
Net Cash Provided (Used) by Investing Activities	2,633	35,084	6,782
Net Increase (Decrease) in Cash and Cash Equivalents	(77,825)	(675,808)	(32,992)
<b>Cash and Cash Equivalents at Beginning of Fiscal Year</b>	<b>1,076,680</b>	<b>2,698,720</b>	<b>46,255</b>
<b>Cash and Cash Equivalents at End of Fiscal Year</b>	<b>\$ 998,855</b>	<b>\$ 2,022,912</b>	<b>\$ 13,263</b>
<b>Reconciliation to Statement of Net Assets:</b>			
Cash and investments	\$ 726,621	\$ 1,211,658	\$ 13,263
Restricted cash and investments with fiscal agents	272,234	811,254	
	<b>\$ 998,855</b>	<b>\$ 2,022,912</b>	<b>\$ 13,263</b>

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Disposal	Ambulance	Other Nonmajor Enterprise	Totals	
\$ 3,116,425	\$ 1,319,297	\$ 744,785	\$ 12,863,648	\$ 4,669,700
(1,746,410)	(174,586)	(1,232,276)	(6,914,433)	(3,577,527)
(126,041)	(870,308)	(80,567)	(3,141,133)	(1,114,366)
(892,250)	(360,524)	(81,860)	(2,417,359)	(43,731)
351,724	(86,121)	(649,918)	390,723	(65,924)
			3,270	
	94,367	635,445	1,010,301	
		(95,252)	(424,832)	
		140	4,490,716	103,500
12,000			135,403	(55,956)
12,000	94,367	540,333	5,214,858	47,544
			8,510,242	
(289,660)		(39,834)	(1,543,605)	(23,052)
			(911,057)	
			(11,742,202)	
			(817,192)	
(289,660)		(39,834)	(6,503,814)	(23,052)
1,629	378	1,467	47,973	(763)
1,629	378	1,467	47,973	(763)
75,693	8,624	(147,952)	(850,260)	(42,195)
441,504	122,138	669,398	5,054,695	63,423
\$ 517,197	\$ 130,762	\$ 521,446	\$ 4,204,435	\$ 21,228
\$ 517,197	\$ 130,762	\$ 521,446	\$ 3,120,947	\$ 21,228
			1,083,488	
\$ 517,197	\$ 130,762	\$ 521,446	\$ 4,204,435	\$ 21,228

(Continued)

See Notes to Basic Financial Statements

**CITY OF DINUBA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2013**  
(Continued)

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Golf Course
<b>Reconciliation of Operating Income (loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 106,416	\$ 698,638	\$ (976,310)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	537,412	233,950	1,003,511
Adjustments:			
Increase (decrease) in unearned revenue			15,767
(Increase) decrease in inventory			(10,581)
(Increase) decrease in prepaid items	(88)		11,429
(Increase) decrease in accounts receivable	8,970	76,259	(99,215)
Increase (decrease) in accounts payable	(264,313)	(682,361)	26,167
Increase (decrease) in accrued liabilities	1,662	(2,542)	4,347
Increase (decrease) in compensated absences	(2,346)	(5,016)	
Increase (decrease) in deposits payable	3,547		
Increase (decrease) in OPEB	46,369	43,366	
Total Adjustments	331,213	(336,344)	951,425
Net Cash Provided (Used) by Operating Activities	\$ 437,629	\$ 362,294	\$ (24,885)
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Amortization of deferred charges	\$ -	\$ 102,481	\$ -
Contributed capital	451,812		

See Notes to Basic Financial Statements

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Disposal	Ambulance	Other Nonmajor Enterprise	Totals	
\$ 536,638	\$ (168,919)	\$ (594,891)	\$ (398,428)	\$ 187,524
32,688	60,651	141,463	2,009,675	5,287
	955		16,722	
			(10,581)	
(625)	(94)		10,622	(1,601)
(208,500)	36,639	(3,709)	(189,556)	(129,822)
(15,232)	676	(211,014)	(1,146,077)	(140,490)
302	(34,962)	10,750	(20,443)	(14,680)
284	(12,644)	5,809	(13,913)	27,858
			3,547	
6,169	31,577	1,674	129,155	
(184,914)	82,798	(55,027)	789,151	(253,448)
\$ 351,724	\$ (86,121)	\$ (649,918)	\$ 390,723	\$ (65,924)
\$ -	\$ -	\$ -	\$ 102,481	\$ -
		736,973	1,188,785	

**CITY OF DINUBA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2013**

	Redevelopment Successor Agency Private-Purpose Trust Fund	Agency Funds
<b>Assets:</b>		
Cash and investments	\$ 1,934,884	\$ 740,750
Restricted cash and investments with fiscal agents	3,956,132	
Accounts receivable	24,724	4,377
Interest receivable	161	
Deferred charges	2,776,484	
Assets held for resale	1,888,463	
Advances to City of Dinuba	1,165,634	
Notes receivable	417,849	
Capital assets (net of accumulated depreciation)	5,136,384	
	<u>17,300,715</u>	<u>\$ 745,127</u>
<b>Liabilities:</b>		
Accounts payable		\$ 527,749
Interest payable	967,824	
Other liabilities	2,727	217,378
Advances from City of Dinuba	12,759,298	
Long-term debt-due within 1 year	1,375,282	
Long-term debt-due in more than 1 year	52,738,750	
	<u>67,843,881</u>	<u>\$ 745,127</u>
<b>Net Position (Deficit)</b>		
Held in trust for the retirement of obligations of the former Dinuba Redevelopment Agency	<u>(50,543,166)</u>	
<b>Total Net Position (Deficit)</b>	<u>\$ (50,543,166)</u>	

See Notes to Basic Financial Statements

**CITY OF DINUBA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Fiscal Year Ended June 30, 2013**

	Redevelopment Successor Agency Private-Purpose Trust Fund
<b>Additions:</b>	
Taxes	\$ 4,172,890
Investment earnings	27,781
Miscellaneous	141,677
Contribution from the City of Dinuba	<u>433,374</u>
Total Additions	<u>4,775,722</u>
<b>Deductions</b>	
Community development	475,000
Depreciation	5,592
Debt service:	
Interest and fiscal charges	<u>2,992,533</u>
Total Deductions	<u>3,473,125</u>
Change in net position	<u>1,302,597</u>
<b>Net Position (Deficit), Beginning of Fiscal Year</b>	(51,854,116)
Prior Period Adjustments	<u>8,353</u>
<b>Net Position (Deficit), Beginning of Fiscal Year, Restated</b>	<u>(51,845,763)</u>
<b>Net Assets, End of Fiscal Year</b>	<u><u>\$ (50,543,166)</u></u>

See Notes to Basic Financial Statements



**Notes to**  
**Basic Financial Statements**





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

**Note 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 (USGAAP) 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 Unit.** 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 for 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 position 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.

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.

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

**Note 1    Summary of Significant Accounting Policies (Continued)**

**b.    Government-wide and Fund Financial Statements (Continued)**

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 private-purpose trust funds use the economic resources measurement focus. The agency funds do not have a measurement focus.

Governmental funds 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.

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 HUD Grant Special Revenue Fund – This fund accounts for certain designated projects paid for the HUD Grant Federal program monies received from the State, along with repayments of 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.

**ITY OF DINUBA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 1     Summary of Significant Accounting Policies (Continued)**

**c.     Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

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

Additionally, the City reports the following fund types:

The Internal Service Funds account 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 Fiduciary 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 no 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.

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

**Note 1    Summary of Significant Accounting Policies (Continued)**

**c.    Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

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.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**d.    Assets, Liabilities, Net Position 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.

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

**Note 1     Summary of Significant Accounting Policies (Continued)**

**d.     Assets, Liabilities, Net Position or Equity (Continued)**

The City's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. LAIF determines the fair value of 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 interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as interfund receivables or interfund payables. 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.

**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.

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

**Note 1    Summary of Significant Accounting Policies (Continued)**

**d.    Assets, Liabilities, Net Position or Equity (Continued)**

**Restricted Assets (Continued)**

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 instance 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, 2013.

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

<b>Assets</b>	<b>Years</b>
Buildings	30
Improvements other than buildings	30
Infrastructure	20 to 40
Utility systems	40 to 75
Vehicles	5 to 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.

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

**Note 1    Summary of Significant Accounting Policies (Continued)**

**d.    Assets, Liabilities, Net Position or Equity (Continued)**

**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 position. Initial-issue bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method (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.

**Net Position and Fund Equity**

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.



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

**Note 1    Summary of Significant Accounting Policies (Continued)**

**d.    Assets, Liabilities, Net Position or Equity (Continued)**

**Net Position and Fund Equity (Continued)**

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 a 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 unrestricted committed, assigned and unassigned resources as they are needed.

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

**Note 1    Summary of Significant Accounting Policies (Continued)**

**e.    New Accounting Pronouncements**

Governmental Accounting Standards Board Statement No. 60

For the fiscal year ended June 30, 2013, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements." This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to improve financial reporting by addressing issues related to Service Concession Arrangements. This Statement improves consistency in reporting and enhances the comparability of the accounting and financial reporting of Service Concession Arrangements among state and local governments. Implementation of GASB Statement No. 60 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 61

For the fiscal year ended June 30, 2013, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus." This Statement is effective for periods beginning after June 15, 2012. The objective of this Statement is to improve financial reporting for component units. The Statement modifies certain requirements for inclusion of component units in the financial reporting entity and clarifies the reporting of equity interests in legally separate organizations. Implementation of GASB Statement No. 61 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 62

For the fiscal year ended June 30, 2013, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements issued on or before November 30, 1989. This Statement specifically identifies and consolidates the accounting and financial reporting provisions that apply to state and local governments. Implementation of GASB Statement No. 62 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 63

For the fiscal year ended June 30, 2013, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to establish guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. This Statement sets forth framework that specifies where deferred outflows of resources and deferred inflows of resources, as well as assets and liabilities should be displayed. Implementation of the Statement and the impact of the City's financial statements are explained in Note 1d: Net Position and Fund Equity.

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

**Note 1    Summary of Significant Accounting Policies (Continued)**

**f.    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.

**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 position:

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 position. One element of that reconciliation explains that “long-term debt and compensated absences have not been included in the governmental fund activity”. The detail of the \$26,397,150 long-term debt difference is as follows:

Long-term debt	
Compensated absences	\$    877,183
Contracts payable	146,016
PERS side fund obligation	2,073,235
Net OPEB obligation	3,836,507
Revenue bonds payable, net	18,738,799
Notes and loans payable	23,549
Capitalized leases payable	<u>701,861</u>
Net adjustment to reduce fund balances of total governmental funds to arrive at net assets of governmental activities	<u><u>\$ 26,397,150</u></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 position 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.”

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

**Note 1      Summary of Significant Accounting Policies (Continued)**

**g.      Reconciliation of Government-wide and Funds Financial Statements (Continued)**

The details of this \$2,806,616 difference are as follows:

Capital outlay	\$      5,070,355
Less amount below threshold	(526,260)
Depreciation expense	<u>(1,737,479)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$      2,806,616</u></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 \$(5,008,516) difference are as follows:

Debt issued or incurred:	
Revenue bonds	\$ (12,770,000)
Net OPEB obligation	(1,123,696)
CalPERS side fund obligation	(152,514)
Principal repayments:	
Revenue bonds - principal	315,000
CalPERS side fund obligation	221,636
OPEB obligation	316,705
Revenue bonds - escrow refunding	6,684,833
Contracts, notes, and loans payable	1,268,784
Capital leases payable	<u>230,736</u>
Net adjustment to decrease net changes in fund balance of total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ (5,008,516)</u></u>

**Note 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 Council 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.

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

**Note 2 Stewardship, Compliance, and Accountability (Continued)**

**a. General Budget Policies (Continued)**

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, and then are 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 type 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, 2013, based on calculations by City staff, proceeds of taxes did not exceed appropriations. Further, Section 5 of Article XIII-B allows the City to designate a portion of fund balance for general contingencies, to be used for any purpose.

**b. Deficit Fund Balances and Net Position**

The General Construction Capital Projects Fund has a deficit fund balance of \$267,833 which should be alleviated when the fund receives additional funding. The Vocational Center Capital Projects Fund has deficit fund balance of \$46,455 which should be alleviated as additional revenues or transfers are received.

The Billing and Collection Internal Service Fund has a deficit net position of \$50,573. This deficit should be alleviated as additional revenues are received by City departments.

**c. Excess Expenditures over Appropriations**

The following are funds in which certain expenditures exceeded appropriations for the fiscal year ended June 30, 2013.

Fund/Function	Final Appropriation	Expenditures	Excess
Nonmajor Fund:			
Transportation Special Revenue Fund	\$ 407,074	\$ 422,245	\$ 15,171

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

**Note 3 Cash and Investments**

Cash and investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

Statement of net position:		
Cash and investments	\$	11,142,509
Restricted cash and investments with Fiscal Agents		2,336,995
Fiduciary funds:		
Cash and investments		2,675,634
Restricted cash and investments with Fiscal Agents		3,956,132
Total cash and investments	\$	20,111,270

Cash and investments as of June 30, 2013 consist of the following:

Cash on hand	\$	7,025
Deposits with financial institutions		1,426,242
Investments		18,678,003
Total cash and investments	\$	20,111,270

**A. Investments 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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (State Pool)	N/A	None	\$50 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	5 years	None	100,000
Money Market Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None
Repurchase agreements	1 year	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. Investments 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, 2013**

**Note 3 Cash and Investments (Continued)**

**B. Investments Authorized by Debt Agreements (Continued)**

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (State Pool)	N/A	None	None
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	None
Certificates of Deposit	N/A	None	None
Bankers Acceptances	1 year	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
of eligible securities permitted under this			

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:

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>	<u>More Than 60 Months</u>
State Investment Pool	\$ 2,316,556	\$ 2,316,556	\$ -	\$ -	\$ -
Money Market	10,068,320	10,068,320			
Held by Bond Trustees:					
Money Market Funds	2,394,154	2,394,154			
Municipal Bonds	1,256,108	463,510	462,950	329,648	
Certificates of Deposit	2,642,865	498,394	1,634,482	509,989	
Totals	<u>\$ 18,678,003</u>	<u>\$ 15,740,934</u>	<u>\$ 2,097,432</u>	<u>\$ 839,637</u>	<u>\$ -</u>

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

**Note 3 Cash and Investments (Continued)**

**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).

**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	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
State Investment Pool	\$ 2,316,556	N/A	\$ -	\$ -	\$ -	\$ -	\$ 2,316,556
Money Market	10,068,320	N/A					10,068,320
Held by Bond Trustee:							
Money Market Func	2,394,154	AAA		2,394,154			
Municipal Bonds	1,256,108	A		462,950	163,560	588,654	40,944 **
Certificates of Depo	2,642,865	N/A					2,642,865 *
Total	\$ 18,678,003		\$ -	\$ 2,857,104	\$ 163,560	\$ 588,654	\$ 15,068,685

\* These certificates of deposit have no rating but are covered under FDIC insurance.

\*\* Neither Moody's nor S&P rate these bonds as reported by the bond trustees which is not in compliance with the bond indenture's permitted investments.

**F. Concentration of Credit Risk**

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

**G. 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 government 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.



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

**Note 3    Cash and Investments (Continued)**

**G.    Custodial Credit Risk (Continued)**

As of June 30, 2013, all of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts. As of June 30, 2013, City investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities:

<u>Investment Type</u>	<u>Amount</u>
Municipal bonds	\$    1,256,108
Money market funds	2,394,154

**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.

**Note 4    Notes Receivable**

Notes receivable as of June 30, 2013, totaled \$19,629,045 and were recorded as follows:

Special Revenue Funds	\$ 19,457,582
Enterprise Funds	<u>171,463</u>
Total Notes Receivable	<u>\$ 19,629,045</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 percent 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.	\$ 11,306,742
---	---------------

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	171,463
--	---------

HOME program funds were used to loan to a developer for the construction of an affordable Senior housing complex.	2,250,000
---	-----------

Promissory notes from 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.	<u>5,900,640</u>
--	------------------

Totals	<u>\$ 19,629,045</u>
--------	----------------------

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

**Note 5    Accounts Receivable**

The following is a list of accounts receivable at June 30, 2013:

	Receivable	Allowance	Net
Governmental Activities -			
Due from other governments	\$ 3,422,431	\$ -	\$ 3,422,431
Accounts	437,951		437,951
	<u>\$ 3,860,382</u>	<u>\$ -</u>	<u>\$ 3,860,382</u>
Business-type Activities -			
Accounts	<u>\$ 3,419,223</u>	<u>\$ 1,061,229</u>	<u>\$ 2,357,994</u>
Fiduciary Funds			
Accounts	<u>\$ 29,101</u>	<u>\$ -</u>	<u>\$ 29,101</u>

**Note 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. These balances normally represent loans to cover temporary shortages of cash in individual funds. The following presents a summary of current interfund balances at June 30, 2013.

Receivable Fund	Amount	Payable Fund	Amount
Major Fund:		Non-Major Governmental Funds	\$ 181,364
General	\$ 224,811	Internal Service Fund - Insurance	43,447
Totals	<u>\$ 224,811</u>		<u>\$ 224,811</u>

**B.    Long-term Interfund Advances**

At June 30, 2013, the funds below have made/received advances that were not expected to be repaid within one year.

Receivable Fund	Amount	Payable Fund	Amount
Major Proprietary Funds:		Major Fund:	
Disposal	\$ 293,616	General	\$ 1,101,073
Water	428,000	Major Proprietary Fund:	
Sewer	1,253,634	Golf Course	1,165,634
Non-major Governmental Funds	1,080,615	Non-major Governmental Funds	1,144,020
Internal Service Funds	354,862		
Totals	<u>\$ 3,410,727</u>		<u>\$ 3,410,727</u>

Advances will be repaid to the advancing fund when revenue in the receiving fund is adequate. These usually occur as impact fees, operating, fees, tax revenues, or sales of property occur.

**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, less often, an equity transfers may be made to open or close a fund.

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

**Note 6 Interfund Transactions (Continued)**

**C. Transfers Between Funds(Continued)**

Transferor Fund	Amount	Transferee Fund	Amount
Major Governmental: General	\$ 734,401	Major Governmental: General	\$ 593,839
Major Proprietary: Water	179,580	Major Proprietary: Water	287,080
Sewer	150,000	Sewer	4,197,702
		Golf Course	5,794
Non-major Governmental:	5,765,620	Non-major Governmental:	1,736,798
Non-major Enterprise Funds	95,252	Non-major Enterprise	140
		Internal Service Funds	103,500
Totals	<u>\$ 6,924,853</u>		<u>\$ 6,924,853</u>

**Note 7 Capital Assets**

**a. Governmental Activities**

Capital asset governmental activity for the fiscal year ended June 30, 2013 was as follows:

	Balance at July 1, 2012	Additions	Deletions	Transfers	Balance at June 30, 2013
<b>Capital Assets, not being depreciated:</b>					
Land	\$ 102,896,793	\$ 721,913	\$ -	\$ -	\$ 103,618,706
Artwork	68,641				68,641
Right of ways/easements		1,180,883		4,517,211	5,698,094
Construction in progress	7,002,710	228,428		(4,537,110)	2,694,028
Total	<u>109,968,144</u>	<u>2,131,224</u>		<u>(19,899)</u>	<u>112,079,469</u>
<b>Capital Assets, being depreciated:</b>					
Buildings	9,275,039				9,275,039
Improvements other than buildings	1,760,567	524,802		19,899	2,305,268
Equipment and machinery	6,815,265	239,269	(268,081)		6,786,453
Infrastructure	40,411,616	1,648,800	(94,379)		41,966,037
Total	<u>58,262,487</u>	<u>2,412,871</u>	<u>(362,460)</u>	<u>19,899</u>	<u>60,332,797</u>
Less accumulated depreciation for:					
Buildings	(2,990,042)	(262,096)			(3,252,138)
Improvements other than buildings	(469,592)	(63,602)			(533,194)
Equipment and machinery	(4,629,489)	(515,090)	167,717		(4,976,862)
Infrastructure	(18,977,557)	(896,691)	94,379		(19,779,869)
Total	<u>(27,066,680)</u>	<u>(1,737,479)</u>	<u>262,096</u>		<u>(28,542,063)</u>
Total, net of accumulated depreciation	<u>31,195,807</u>	<u>675,392</u>	<u>(100,364)</u>	<u>19,899</u>	<u>31,790,734</u>
<b>Total Capital Assets, Net</b>	<u>\$ 141,163,951</u>	<u>\$ 2,806,616</u>	<u>\$ (100,364)</u>	<u>\$ -</u>	<u>\$ 143,870,203</u>

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

**Note 7 Capital Assets (continued)**

**a. Governmental Activities Continued)**

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

General government	\$ 311,760
Public safety	441,172
Public works	137,798
Parks and recreation	28,512
Unallocated	818,237
Total	<u>\$ 1,737,479</u>

**b. Business-type activities**

Capital asset business-type activity for the fiscal year ended June 30, 2013 was as follows:

	Capital Asset Business-type Activity					
	Balance at July 1, 2012	Additions	Disposals	Reclassifications	Prior Period Adjustments	Balance at June 30, 2013
<b>Water Fund:</b>						
Capital assets, not being depreciated:						
Land	\$ 261,806	\$ -	\$ -	\$ -	\$ -	\$ 261,806
Total	<u>261,806</u>					<u>261,806</u>
Capital assets, being depreciated:						
Infrastructure	16,696,818	451,814	(33,512)	(405)		17,114,715
Buildings and improvements	5,750,352					5,750,352
Equipment and machinery	285,288	365,242				650,530
Total	<u>22,732,458</u>	<u>817,056</u>	<u>(33,512)</u>	<u>(405)</u>		<u>23,515,597</u>
Less accumulated depreciation for:						
Infrastructure	(4,438,607)	(309,345)	8,896	403		(4,738,653)
Buildings and improvements	(1,445,958)	(191,252)				(1,637,210)
Equipment and machinery	(228,818)	(36,815)		(403)		(266,036)
Total	<u>(6,113,383)</u>	<u>(537,412)</u>	<u>8,896</u>			<u>(6,641,899)</u>
Total net of accumulated depreciation	<u>16,619,075</u>	<u>279,644</u>	<u>(24,616)</u>	<u>(405)</u>		<u>16,874,103</u>
<b>Water Fund Capital Assets, net</b>	<u>\$ 16,880,881</u>	<u>\$ 279,644</u>	<u>\$ (24,616)</u>	<u>\$ (405)</u>	<u>\$ -</u>	<u>\$ 17,135,909</u>
<b>Sewer Fund:</b>						
Capital assets, not being depreciated:						
Land	\$ 4,388,142	\$ -	\$ -	\$ -	\$ -	\$ 4,388,142
Construction in progress	9,485,494	10,880		(7,416,681)		2,079,693
Total	<u>13,873,636</u>	<u>10,880</u>		<u>(7,416,681)</u>		<u>6,467,835</u>
Capital assets, being depreciated:						
Infrastructure	9,406,130	167,754	(812)	7,015,203		16,588,275
Buildings and improvements	1,942,548			401,478		2,344,026
Equipment and machinery	516,969	37,687				554,656
Total	<u>11,865,647</u>	<u>205,441</u>	<u>(812)</u>	<u>7,416,681</u>		<u>19,486,957</u>
Less accumulated depreciation for:						
Infrastructure	(2,378,872)	(142,043)	800			(2,520,115)
Buildings and improvements	(1,483,389)	(56,236)			(57,501)	(1,597,126)
Equipment and machinery	(371,648)	(35,671)				(407,319)
Total	<u>(4,233,909)</u>	<u>(233,950)</u>	<u>800</u>		<u>(57,501)</u>	<u>(4,524,560)</u>
Total net of accumulated depreciation	<u>7,631,738</u>	<u>(28,509)</u>	<u>(12)</u>	<u>7,416,681</u>	<u>(57,501)</u>	<u>14,962,397</u>
<b>Sewer Fund Capital Assets, net</b>	<u>\$ 21,505,374</u>	<u>\$ (17,629)</u>	<u>\$ (12)</u>	<u>\$ -</u>	<u>\$ (57,501)</u>	<u>\$ 21,430,232</u>
<b>Disposal Fund:</b>						
Capital assets, being depreciated:						
Equipment and machinery	\$ 355,920	\$ 289,660	\$ (319,838)	\$ -	\$ -	\$ 325,742
Less accumulated depreciation for:						
Equipment and machinery	(199,517)	(32,688)	186,060			(46,145)
<b>Disposal Fund Capital Assets, net</b>	<u>\$ 156,403</u>	<u>\$ 256,972</u>	<u>\$ (133,778)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,597</u>

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

**Note 7 Capital Assets (Continued)**

**b. Business-type Activities (Continued)**

	Capital Asset Business-type Activity					
	Balance at July 1, 2012	Additions	Disposals	Reclassifications	Prior Period Adjustments	Balance at June 30, 2013
<b>Transit Fund:</b>						
Capital assets, not being depreciated:						
Construction in progress	\$ 143,345	\$ 755,867	\$ -	\$ -	\$ -	\$ 899,212
Total capital assets not being depreciated	143,345	755,867				899,212
Capital assets, being depreciated:						
Buildings and improvements	88,802					88,802
Equipment and machinery	947,263	20,940	(38,300)			929,903
Total	1,036,065	20,940	(38,300)			1,018,705
Less accumulated depreciation for:						
Buildings and improvements	(25,328)	(3,552)				(28,880)
Equipment and machinery	(473,591)	(137,911)	38,300			(573,202)
Total	(498,919)	(141,463)	38,300			(602,082)
Total capital assets being depreciated, net	537,146	(120,523)				416,623
<b>Transit Fund Capital Assets, net</b>	<b>\$ 680,491</b>	<b>\$ 635,344</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,315,835</b>
<b>Ambulance Fund:</b>						
Capital assets, being depreciated:						
Equipment and machinery	\$ 547,527	\$ -	\$ -	\$ -	\$ -	\$ 547,527
Less accumulated depreciation for:						
Equipment and machinery	(285,702)	(60,651)				(346,353)
<b>Ambulance Fund Capital Assets, net</b>	<b>\$ 261,825</b>	<b>\$ (60,651)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 201,174</b>
<b>Golf Course Fund:</b>						
Capital assets not being depreciated:						
Land	\$ 3,960,467	\$ -	\$ -	\$ -	\$ -	\$ 3,960,467
Total capital assets not being depreciated	3,960,467					3,960,467
Capital assets, being depreciated:						
Infrastructure	6,530,587					6,530,587
Buildings and improvements	20,437,486					20,437,486
Equipment and machinery	732,027		(443)			731,584
Total capital assets being depreciated	27,700,100		(443)			27,699,657
Less accumulated depreciation for:						
Infrastructure	(913,192)	(217,686)				(1,130,878)
Buildings and improvements	(2,721,393)	(681,250)			(3,605)	(3,406,248)
Equipment and machinery	(404,510)	(104,575)	442			(508,643)
Total accumulated depreciation	(4,039,095)	(1,003,511)	442		(3,605)	(5,045,769)
<b>Golf Course Fund Capital Assets, net</b>	<b>\$ 27,621,472</b>	<b>\$ (1,003,511)</b>	<b>\$ (1)</b>	<b>\$ -</b>	<b>\$ (3,605)</b>	<b>\$ 26,614,355</b>

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

**Business-Type Activities:**

Water	\$ 537,412
Sewer	233,950
Disposal	32,688
Transit	141,463
Ambulance	60,651
Golf	1,003,511
Total	<u>\$ 2,009,675</u>

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

**Note 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, 2013:

	Balance at July 1, 2012	Prior Period Adjustments	Additions	Repayments	Balance at June 30, 2013	Due Within One Year
<b>Governmental Activities:</b>						
Capital leases payable	\$ 932,597	\$ -	\$ -	\$ (230,736)	\$ 701,861	\$ 241,364
Compensated absences	726,659		519,779	(369,255)	877,183	198,932
Net OPEB obligation	3,029,516		1,123,696	(316,705)	3,836,507	
CalPERS side fund obligation		2,142,357	152,514	(221,636)	2,073,235	75,543
Notes payable	1,247,878			(1,224,329)	23,549	3,292
Contracts payable	190,471			(44,455)	146,016	46,500
Lease revenue bonds payable	13,570,000		12,770,000	(6,745,000)	19,595,000	700,000
Original issue discount			(314,360)	8,113	(306,247)	(12,169)
Deferred loss and refunds			(574,261)	24,307	(549,954)	(36,461)
<b>Total</b>	<b>\$ 19,697,121</b>	<b>\$ 2,142,357</b>	<b>\$ 13,677,368</b>	<b>\$ (9,119,696)</b>	<b>\$ 26,397,150</b>	<b>\$ 1,217,001</b>
<b>Business-type Activities:</b>						
<b>Water Fund:</b>						
Compensated absences	\$ 21,335	\$ -	\$ 30,037	\$ (32,383)	\$ 18,989	\$ 4,449
Net OPEB obligation	106,046		46,369		152,415	
Water notes payable	7,329,370	144,468		(365,808)	7,108,030	371,815
Capital lease			365,242	(73,096)	292,146	69,560
<b>Sewer Fund:</b>						
Compensated absences	15,819		16,792	(21,808)	10,803	2,808
Net OPEB obligation	104,511		43,366		147,877	
Certificates of participation payable	3,005,000			(3,005,000)		
Revenue bonds and notes	10,665,000		8,145,000	(7,780,000)	11,030,000	270,000
Installment purchase	1,415,000			(185,000)	1,230,000	195,000
Notes payable	250,983			(250,983)		
Loan payable	611,334			(76,521)	534,813	80,040
<b>Disposal Fund:</b>						
Compensated absences	4,445		4,828	(4,544)	4,729	815
Net OPEB obligation	27,540		6,169		33,709	
<b>Ambulance Fund:</b>						
Compensated absences	103,779		49,131	(61,775)	91,135	34,481
Net OPEB obligation	254,375		31,577		285,952	
<b>Compressed Natural Gas Fund:</b>						
Compensated absences	957			(821)	136	66
Net OPEB obligation	4,825		1,674		6,499	
<b>Golf Course:</b>						
Capital leases payable	7,523			(5,794)	1,729	1,729
<b>Totals</b>	<b>\$ 23,927,842</b>	<b>\$ 144,468</b>	<b>\$ 8,740,185</b>	<b>\$ (11,863,533)</b>	<b>\$ 20,948,962</b>	<b>\$ 1,030,763</b>

**b. 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, 2013**

**Note 8    Long-Term Liabilities (Continued)**

**b.    Governmental Activities – Lease Revenue Bonds (Continued)**

**2002 DFA Lease Revenue Bonds Payable. (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, 2013 is \$0.

The City issued, on November 20, 2012, \$11,270,000, of which a portion was used to advance refund the 2002 DFA Lease Revenue Bonds.

**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, 2013 is \$6,825,000.

**2012 DFA Lease Revenue Bonds Payable.** On November 7, 2012, the Dinuba Financing Authority issued \$11,270,000 of 2012 Lease Revenue Refunding Bonds. The proceeds of the bonds were used to refund the 2002 Lease Revenue Bonds in the amount of \$6,430,000, refund the \$3,825,000 remaining balance of the 2010 Lease Revenue Notes issued by the Redevelopment Agency, fund a reserve account, and pay costs of issuance.

Bonds will be repaid through lease payments from the City's general fund, pursuant to a lease agreement between the City and DFA.

The bonds consist of \$5,285,000 of serial bonds with maturity dates from September 1, 2013 through 2024. Interest rates vary between 2.0%-3.0% with semi-annual payments due each March 1 and September 1. There are also \$4,650,000 of term bonds due September 1, 2032 and \$1,335,000 term bonds due September 1, 2038, which carry interest rates of 3.75% and 4.00%, respectively.

The principal balance outstanding on the 2012 bonds as of June 30, 2013 was \$11,270,000.

The refunding of the 2002 bonds resulted in a cash savings over the repayment period of \$690,097 and an economic gain of \$481,729. The refunding of the 2010 bonds resulted in a cash deficit of \$2,361,946 as the 2010 bonds were due in 2016 whereas the 2012 bonds are due through 2038.

On September 20, 2012, the Dinuba Financing Authority issued \$1,500,000 of Lease Revenue Bonds. The proceeds of these bonds are to be used for financing and refinancing the purchase of certain land parcels within the City and pay costs of issuance. The bonds carry interest at 3.0%, interest is paid semi-annually each March 1 and September 1. Principal is due each September 1 through 2022. The outstanding balance of the 2012 Lease Revenue Bonds as of June 30, 2013 was \$1,500,000.

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

**Note 8 Long-Term Liabilities (Continued)**

**c. Governmental Activities – Note 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, 2013 was \$23,549.

**d. 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, 2013 is \$479,391.

During 2012, the City entered into office equipment leases 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. The amount outstanding on the leases as of June 30, 2013 was \$222,470.

At June 30, 2013, the future minimum lease payments required under the capital leases and the net present value of the future lease payments is as follows:

Fiscal Year Ending	Equipment Leases	Justice Facility	Total
2014	\$ 58,156	\$ 209,554	\$ 267,710
2015	58,156	209,554	267,710
2016	58,156	104,778	162,934
2017	48,002		48,002
Total minimum lease payments	222,470	523,886	746,356
Less: Amount representing interest		(44,495)	(44,495)
Present value of future minimum lease payments	\$ 222,470	\$ 479,391	\$ 701,861

**e. 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, 2013 is \$146,016.

Fiscal Year Ended June 30,	Contract Payable - Police Vehicles		
	Principal	Interest	Total
2014	\$ 46,500	\$ 6,717	\$ 53,217
2015	48,639	4,578	53,217
2016	50,877	2,340	53,217
	\$ 146,016	\$ 13,635	\$ 159,651



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

**Note 8 Long-Term Liabilities (Continued)**

**f. Governmental Activities – CalPERS Side Fund**

During the 2005-06 fiscal year, the City was required to participate in the Public Employees Retirement System (PERS) risk pool. As a result, a side fund was created to account for the difference between the funded status of the pool and the funded status of the City's plan, in addition to the existing unfunded liability. The outstanding balance at June 30, 2013 was \$2,073,235. See Note 9 for further details.

**g. Long-Term Debt Amortization Governmental Activities**

The annual requirements to amortize long-term debt outstanding at June 30, 2013 (other than compensated absences) are as follows:

Fiscal Year Ended June 30,	2012 DFA Lease Revenue Refunding Bonds		
	Principal	Interest	Total
2014	\$ 465,000	\$ 351,088	\$ 816,088
2015	390,000	342,538	732,538
2016	405,000	334,587	739,587
2017	410,000	326,436	736,436
2018	420,000	318,136	738,136
2019-2023	2,225,000	1,442,294	3,667,294
2024-2028	2,550,000	1,080,714	3,630,714
2029-2033	3,070,000	563,251	3,633,251
2034-2038	1,090,000	161,400	1,251,400
2039	245,000	4,900	249,900
	<u>\$ 11,270,000</u>	<u>\$ 4,925,344</u>	<u>\$ 16,195,344</u>

Fiscal Year Ended June 30,	2007 Lease Revenue Bonds		
	Principal	Interest	Total
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	160,000	326,888	486,888
2019-2023	920,000	1,507,957	2,427,957
2024-2028	1,185,000	1,237,460	2,422,460
2029-2033	1,530,000	875,319	2,405,319
2034-2038	1,995,000	404,064	2,399,064
2039	465,000	12,497	477,497
	<u>\$ 6,825,000</u>	<u>\$ 5,739,054</u>	<u>\$ 12,564,054</u>

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

**Note 8 Long-Term Liabilities (Continued)**

**g. Long-Term Debt Amortization Governmental Activities (Continued)**

Fiscal Year Ended June 30,	Land Purchases - Notes Payable		
	Principal	Interest	Total
2014	\$ 3,292	\$ 1,649	\$ 4,941
2015	3,523	1,418	4,941
2016	3,769	1,171	4,940
2017	4,033	908	4,941
2018	4,315	625	4,940
2019-2023	4,617	323	4,940
	<u>\$ 23,549</u>	<u>\$ 6,094</u>	<u>\$ 29,643</u>

Fiscal Year Ended June 30,	2012 Lease Revenue Bonds		
	Principal	Interest	Total
2014	\$ 100,000	\$ 87,000	\$ 187,000
2015	100,000	81,000	181,000
2016	125,000	74,250	199,250
2017	125,000	66,750	191,750
2018	150,000	58,500	208,500
2019-2023	900,000	142,500	1,042,500
	<u>\$ 1,500,000</u>	<u>\$ 510,000</u>	<u>\$ 2,010,000</u>

Fiscal Year Ended June 30,	Justice Facility Lease		
	Principal	Interest	Total
2014	\$ 183,208	\$ 26,346	\$ 209,554
2015	194,491	15,063	209,554
2016	101,692	3,085	104,777
	<u>\$ 479,391</u>	<u>\$ 44,494</u>	<u>\$ 523,885</u>

Fiscal Year Ended June 30,	Total Governmental Activities		
	Principal	Interest	Total
2014	\$ 991,156	\$ 825,806	\$ 1,816,962
2015	934,809	791,672	1,726,481
2016	889,494	756,183	1,645,677
2017	737,035	728,132	1,465,167
2018	734,315	704,149	1,438,464
2019-2023	4,049,617	3,093,074	7,142,691
2024-228	3,735,000	2,318,174	6,053,174
2029-2033	4,600,000	1,438,570	6,038,570
2034-2038	3,085,000	565,464	3,650,464
2039	710,000	17,397	727,397
	<u>\$ 20,466,426</u>	<u>\$ 11,238,621</u>	<u>\$ 31,705,047</u>

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

**Note 8 Long-Term Liabilities (Continued)**

**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, 2013 is \$980,504.

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 \$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, 2013 is \$6,127,526.

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, 2013 is \$0 as the notes were paid in full.

**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, and to refund the Authority's \$430,000 1996 Series B Variable Rate Lease Revenue Bonds. The Certificates bear interest rates of 5% and 6.4% respectively. Interest is payable annually. Principal is repaid at a graduated rate beginning August 1, 1999 and maturing August 1, 2028. The principal amount due at June 30, 2013 is \$0 as the balance was refunded through the issue of the 2012 Wastewater Revenue Bonds.

**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 109A 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, 2013 is \$1,230,000.

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.

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

**Note 8 Long-Term Liabilities (Continued)**

**h. Business-Type Activities (Continued)**

**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, 2013 is \$2,885,000.

**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, 2013 is \$0 as the balance was refunded through the issue of the 2012 Lease Revenue Bonds.

**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, 2013 is \$0 as the Notes were refunded through the issue of the 2012 Lease Revenue Bonds.

**2012 Wastewater Revenue Refunding Bonds**

On November 7, 2012, the City issued \$8,145,000 of Series 2012 Wastewater Revenue Refunding Bonds. The bonds were issued to refund \$3,005,000 of outstanding 1998A Refunding Certificates of Participation, \$3,845,000 of outstanding 2008 Lease Revenue Bonds, fund a reserve fund, and pay the costs of issue.

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

**Note 8 Long-Term Liabilities (Continued)**

**h. Business-Type Activities (Continued)**

**2012 Wastewater Revenue Refunding Bonds (Continued)**

These bonds will be payable from and secured by net revenues and certain funds and accounts of the City's wastewater system.

The bonds consist of \$1,880,000 of service bonds at an interest rate of 2% and maturing between 2013 and 2020. The issue also includes \$6,265,000 of term bonds with interest rates ranging from 2.50% to 5.00% and maturing between 2022 and 2038. Interest is payable semi-annually each March 1 and September 1. Principal is due annually each September 1.

The outstanding principal balance of the bonds as of June 30, 2013 was \$8,145,000.

The City advance refunded the 1998A Refunding Certificates of Participation of the 2008 Lease Revenue Bonds to reduce its total debt service over the next 25 years by \$416,788 and \$869,754 respectively. These refundings also provided an economic gain of \$311,941 and \$561,370 respectively.

**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, 2013 is \$534,813.

**Capital Leases**

On September 12, 2012 the City entered into a lease which qualifies as a capital lease for the purchase of a Vac-Con truck. The original value of the equipment was \$365,242. The lease calls for annual payments of \$79,085 with interest at a rate of 3.26%. The maturity date of the lease is March 12, 2017. The present value of minimum lease payments as of June 30, 2013 was \$292,146.

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, 2013 is \$1,729.

Fiscal Year Ending June 30,	1998 Water Loan Payable		
	Principal	Interest	Total
2014	\$ 81,003	\$ 28,411	\$ 109,414
2015	83,414	26,000	109,414
2016	85,900	23,514	109,414
2017	88,454	20,960	109,414
2018	91,088	18,326	109,414
2019-2023	497,767	49,293	547,060
2024	52,878	1,213	54,091
	<u>\$ 980,504</u>	<u>\$ 167,717</u>	<u>\$ 1,148,221</u>

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

**Note 8 Long-Term Liabilities (Continued)**

**i. Enterprise Long-Term Debt Amortization**

The annual requirements to amortize enterprise long-term debt outstanding at June 30, 2013 are as follows:

Fiscal Year Ending June 30,	2005 Water Loan Payable		
	Principal	Interest	Total
2014	\$ 290,812	\$ 157,438	\$ 448,250
2015	298,422	149,828	448,250
2016	306,232	142,018	448,250
2017	314,246	134,004	448,250
2018	322,469	125,781	448,250
2019-2023	1,743,433	497,817	2,241,250
2024-2028	1,983,807	257,443	2,241,250
2029	868,105	28,395	896,500
	<u>\$ 6,127,526</u>	<u>\$ 1,492,724</u>	<u>\$ 7,620,250</u>

Fiscal Year Ending June 30,	California Energy Commission Loan Payable		
	Principal	Interest	Total
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	83,298	1,891	85,189
2019-2022	126,516	1,269	127,785
	<u>\$ 534,813</u>	<u>\$ 18,919</u>	<u>\$ 553,732</u>

Fiscal Year Ending June 30,	Installment Purchase		
	Principal	Interest	Total
2014	\$ 195,000	\$ 34,025	\$ 229,025
2015	195,000	28,175	223,175
2016	200,000	22,200	222,200
2017	205,000	16,125	221,125
2018	215,000	9,825	224,825
2019	220,000	3,300	223,300
	<u>\$ 1,230,000</u>	<u>\$ 113,650</u>	<u>\$ 1,343,650</u>

Fiscal Year Ending June 30,	Capital Leases		
	Principal	Interest	Total
2014	\$ 71,289	\$ 9,524	\$ 80,813
2015	71,828	7,256	79,084
2016	74,170	4,915	79,085
2017	76,588	2,497	79,085
	<u>\$ 293,875</u>	<u>\$ 24,192</u>	<u>\$ 318,067</u>

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

**Note 8 Long-Term Liabilities (Continued)**

**i. Enterprise Long-Term Debt Amortization (Continued)**

Fiscal Year Ending June 30,	2007 Revenue Bonds		
	Principal	Interest	Total
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	70,000	138,153	208,153
2019-2023	390,000	636,750	1,026,750
2024-2028	500,000	522,606	1,022,606
2029-2033	650,000	369,262	1,019,262
2034-2038	840,000	169,850	1,009,850
2039	195,000	5,241	200,241
	<u>\$ 2,885,000</u>	<u>\$ 2,423,274</u>	<u>\$ 5,308,274</u>

Fiscal Year Ending June 30,	2012 Lease Revenue Bonds		
	Principal	Interest	Total
2014	\$ 215,000	\$ 272,388	\$ 487,388
2015	160,000	268,637	428,637
2016	165,000	265,388	430,388
2017	165,000	262,088	427,088
2018	170,000	258,738	428,738
2019-2023	1,875,000	1,198,215	3,073,215
2024-2028	2,420,000	882,755	3,302,755
2029-2033	1,390,000	503,685	1,893,685
2034-2038	1,290,000	240,500	1,530,500
2039	295,000	7,375	302,375
	<u>\$ 8,145,000</u>	<u>\$ 4,159,769</u>	<u>\$ 12,304,769</u>

Fiscal Year Ending June 30,	Total Business-type Activities		
	Principal	Interest	Total
2014	\$ 916,855	\$ 646,667	\$ 1,563,522
2015	877,679	623,762	1,501,441
2016	898,776	600,778	1,499,554
2017	920,172	577,163	1,497,335
2018	951,855	552,714	1,504,569
2019-2023	4,852,716	2,386,644	7,239,360
2024-2028	4,956,685	1,664,017	6,620,702
2029-2033	2,908,105	901,342	3,809,447
2034-2038	2,130,000	410,350	2,540,350
2039	490,000	12,616	502,616
	<u>\$ 19,902,843</u>	<u>\$ 8,376,053</u>	<u>\$ 28,278,896</u>

**k. Compensated Absences**

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

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

**Note 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.

**Funding Policy**

Participants are required to contribute 7% of their annual covered salary. The City makes the contributions required of city employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 10.189% for non-safety employees and 13.367% 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 2013, the City's annual pension cost of \$1,528,481 for PERS was equal to the City's required and actual contributions. 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 16 years for safety and 19 years for nonsafety plans.

**THREE-YEAR TREND INFORMATION FOR PERS**

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Miscellaneous Plan:			
06/30/11	\$ 367,635	100%	\$ -
06/30/12	434,198	100%	-
06/30/13	514,195	100%	-
Safety Plan:			
06/30/11	\$ 554,360	100%	\$ -
06/30/12	755,444	100%	-
06/30/13	1,014,286	100%	-



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

**Note 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 provisions 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 \$184,526 for the fiscal year ended June 30, 2013 to the plan. Typically, the general fund and major enterprise funds have liquidated the OPEB obligation.

**Annual OPEB 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 \$11,740,788. 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 3.25 percent.

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

Actuarial required contribution (ARC) and annual OPEB cost	\$ 1,258,235
Interest on net OPEB obligation	158,707
Adjustment to annual required contribution	(164,091)
Annual OPEB cost (expense)	<u>1,252,851</u>
Less: Employer contribution	(184,526)
Implicit subsidy credit	<u>(132,179)</u>
Increase in net OPEB obligation	936,146
 Net OPEB obligation, beginning of fiscal year	 <u>3,526,813</u>
 Net OPEB obligations, end of fiscal year	 <u><u>\$ 4,462,959</u></u>

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

**Note 10 Post Employment Health Care Benefits (Continued)**

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2013 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>
06/30/11	\$ 1,048,661	14.67%	\$ 2,615,095
06/30/12	1,177,383	22.56%	3,526,813
06/30/13	1,252,851	25.28%	4,462,959

**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 Schedule of Funding Progress presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

**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 assumption 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 26 years.

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

**Note 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.

**Note 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 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 \$1,500,000 and purchases excess reinsurance above \$5,000,000 to the statutory limit.

The CSJVRMA is a consortium of fifty-five (55) 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, which meets three times per year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRM. The financial statements of CSJVRM can be obtained at 1831 K Street, Sacramento, CA 95814.

The financial position and results of operations for the CSJVRMA as of June 30, 2013, are presented below:

Total Assets	<u>\$ 82,190,005</u>
Total Liabilities	\$ 66,304,596
Total Net Position	<u>15,885,409</u>
Total Liabilities and Net Position	<u>\$ 82,190,005</u>
Revenues for Fiscal Year	\$ 31,386,818
Expenses for Fiscal Year	<u>27,784,428</u>
Change in Net Position	<u>\$ 3,602,390</u>

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

**Note 11 Risk Management (Continued)**

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 \$15,000 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, 2013 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. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in health claim liabilities at June 30, 2013 and 2012 were as follows:

	2013	2012
Liability - beginning of fiscal year	\$ 50,000	\$ 50,000
Current year claims and changes in estimates	1,317,509	1,339,164
Claim payments	<u>(1,317,509)</u>	<u>(1,339,164)</u>
Liability - end of fiscal year	<u><u>\$ 50,000</u></u>	<u><u>\$ 50,000</u></u>

**Note 12 Fund Balances**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific Purposes for which amounts in the funds can be spent. As of June 30, 2013, fund balances for governmental funds are made up of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- *Restricted Fund Balance* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally (for example: resolution and ordinance). Ordinance is the highest level of the City Council’s approval.

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

**Note 12 Fund Balances (Continued)**

- *Assigned Fund Balance* – comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. *Intent* is expressed by (1) the City Council or (b) a body (for example: a budget or finance committee) or official to which the City Council has delegated through its fund balance policy the authority to assign amounts to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund, that are not classified as nonspendable, restricted or committed.
- *Unassigned Fund Balance* – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

	General	HUD Grants	Public Safety Sales Tax	Non-major Governmental	Totals
Nonspendable					
Advances	\$ 2,689,955	\$ -	\$ -	\$ -	\$ 2,689,955
Prepaid items	52,122		21,120	50	73,292
Totals	<u>2,742,077</u>		<u>21,120</u>	<u>50</u>	<u>2,763,247</u>
Restricted					
Parks				86,684	86,684
Housing		394,872		4,104,866	4,499,738
Public safety			765,520	399,042	1,164,562
Public works and community development				9,259,433	9,259,433
Debt service				1,907,038	1,907,038
Totals		<u>394,872</u>	<u>765,520</u>	<u>15,757,063</u>	<u>16,917,455</u>
Assigned					
Public works				147,627	147,627
Totals				<u>147,627</u>	<u>147,627</u>
Unassigned	1,217,109			(312,176)	904,933
Totals	<u>\$ 3,959,186</u>	<u>\$ 394,872</u>	<u>\$ 786,640</u>	<u>\$ 15,592,564</u>	<u>\$ 20,733,262</u>

**Note 13 Net Position**

GASB Statements No. 34 and 63 add the concept of Net Position, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

**a. Net Position**

Net position is divided into three captions under GASB Statements No. 34 and 63, and are described below:

*Net investment in Capital Assets* describes the portion of net position 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.

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

**Note 13 Net Position (Continued)**

*Restricted* describes the portion of net position 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 special revenue funding restrictions.

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

The government-wide statement of net position reports \$33,633,364 of restricted net position, of which \$4,226,574 is restricted by enabling legislation.

**GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES - NET ASSETS**  
**AS OF JUNE 30, 2013**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Totals</b>
<b>Net position</b>			
Net investment in capital assets	\$ 125,796,437	\$ 48,312,671	\$ 174,109,108
Restricted for:			
Community development	3,369,550		3,369,550
Assessment districts	761,623		761,623
Parks	199,489		199,489
Public safety	1,185,682		1,185,682
Streets & roads	3,082,132		3,082,132
Housing	24,663,585		24,663,585
Debt service	371,303		371,303
<b>Total Restricted</b>	<u>33,633,364</u>		<u>33,633,364</u>
<b>Unrestricted</b>	<u>468,534</u>	<u>6,864,830</u>	<u>7,333,364</u>
<b>Total net position</b>	<u>\$ 159,898,335</u>	<u>\$ 55,177,501</u>	<u>\$ 215,075,836</u>

**Note 14 Commitments**

The City has open construction contracts-in-progress in the amount of \$14,489,295.

The City is committed to pay the local Chamber of Commerce 60% of the annual business license fees collected for the fiscal year ended June 30, 2013, this amount is approximately \$130,000.

**Note 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 that 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.

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

**Note 16 Subsequent Event**

*Management's review of subsequent events*

In preparing the accompanying financial statements, Management has reviewed all known events that have occurred after June 30, 2013 and through December 16, 2013, the date when this financial statement was available to be issued, for inclusion in the financial statement and footnotes.

**Note 17 Prior Period Adjustments**

A prior period adjustment of \$(2,142,357) was made which affects the government-wide financial statement under governmental activities. In prior years, the City did not record the PERS side fund liability as stated in Note 8.

A prior period adjustment was made in the Water fund to correct a loan payable balance as of July 1, 2012 by \$144,468.

An adjustment was also made in the government-wide Statement of Activities for unreceived accrued interest in the prior year in the amount of (\$287,648).

Prior period adjustments were made in the Sewer fund (\$57,501) and the Golf Course fund (\$3,605) to correct accumulated depreciation from prior years.

Prior period adjustments were made in the Private-purpose trust fund to adjust the July 1, 2012 balance of unearned revenue to zero by \$140,844 as the fund is full accrual accounting and also capital assets by (\$132,491) for corrected value of land.

**Note 18 Successor Agency Trust for Assets of the Former Redevelopment Agency (SADRA)**

On December 29, 2011, the California Supreme Court upheld AB X1 26 that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

AB X1 26 provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. The City Council elected to become the Successor Agency for the former redevelopment agency in accordance with AB X1 26.

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

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

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

**Note 18 Successor Agency Trust for Assets of the Former Redevelopment Agency (SADRA)**  
**(Continued)**

AB X1 26 directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by AB X1 26.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the Low-Moderate Income Housing, Tax Allocation and Redevelopment Agency governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

**A. Capital Assets Held by SADRA**

	Balance July 1, 2012	Additions	Deletions	Prior Period Adjustments	Balance June 30, 2013
Capital assets, not depreciated:					
Land	\$ 5,179,382	\$ -	\$ -	\$ (132,491)	\$ 5,046,891
Total capital assets, not depreciated	5,179,382			(132,491)	5,046,891
Capital assets, depreciated:					
Buildings and structures	167,848				167,848
Total capital assets, depreciated	167,848				167,848
Less accumulated depreciation for:					
Buildings and structures	(72,763)	(5,592)			(78,355)
Total accumulated depreciation	(72,763)	(5,592)			(78,355)
Total capital assets, depreciated, net	95,085	(5,592)			89,493
Total capital assets, net	\$ 5,274,467	\$ (5,592)	\$ -	\$ (132,491)	\$ 5,136,384

Depreciation expense for the fiscal year ended June 30, 2013 was \$5,592.

**B. Summary of SADRA's Long-Term Debt**

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Current Portion
Advances from City of Dinuba	\$ 12,759,298	\$ -	\$ -	\$ 12,759,298	\$ -
Notes payable	747,739		203,707	544,032	245,282
Tax allocation bonds	54,125,000	1,700,000	2,255,000	53,570,000	1,130,000
Total long-term liabilities, net	\$ 67,632,037	\$ 1,700,000	\$ 2,458,707	\$ 66,873,330	\$ 1,375,282

**Notes Payable**

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 June 3, 2013 is \$195,282.



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

**Note 18    Successor Agency Trust for Assets of the Former Redevelopment Agency (SADRA)**  
**(Continued)**

**B.    Summary of SADRA's Long-Term Debt (Continued)**

**Notes Payable (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 June 30, 2013 is \$348,750.

**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 June 30, 2013, were \$9,955,000.

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 with the Agency's project area including 20% benefiting low and moderate income housing. The principal account of 2003 tax allocation bonds outstanding at June 30, 2013 was \$6,575,000.

**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 June 30, 2013, were \$4,740,000.

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

**Note 18 Successor Agency Trust for Assets of the Former Redevelopment Agency (SADRA)**  
**(Continued)**

**B. Summary of SADRA's Long-Term Debt (Continued)**

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 June 30, 2013, were \$15,460,000.

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.

**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 June 30, 2013 is \$0.

These Notes were deferred through the issuance of the 2012 Subordinate to Allocation Refunding Bonds.

**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. Bonds outstanding as of June 30, 2013 were \$10,740,000.

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.

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.

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

**Note 18 Successor Agency Trust for Assets of the Former Redevelopment Agency (SADRA)**  
**(Continued)**

**B. Summary of SADRA's Long-Term Debt (Continued)**

**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). Bonds outstanding as of June 30, 2013 were \$4,400,000.

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 has been removed from the long-term liabilities of the Governmental Activities debt (see previous note for 2011A Tax Allocation Bonds).

**2012 Subordinate Tax Allocation Refunding Bonds.** On December 6, 2012, SADRA issued \$1,700,000 Subordinate Tax Allocation Refunding Bonds bearing interest of 2.0% to 4.25% payable semi-annually on March 1 and September 1 commencing March 1, 2013. The bonds mature annually at various amounts through September 2039. The bonds are payable from and secured by incremental tax revenues. Bonds outstanding as of June 30, 2013 were \$1,700,000.

The Bonds are being issued to refinance the Agency's previously issued \$1,370,000 2009 Tax Allocation Notes. As a result, the 2009 Tax Allocation Notes are considered to be defeased and the liability for those bonds have been removed from the long-term liabilities.

The aggregate debt service payments of the new debt is \$1,406,600 more than the old debt.

The annual requirements to amortize long-term debt outstanding at June 30, 2013 are as follows (excluding notes payable):

Fiscal Year Ended June 30,	Principal	Interest	Total
2014	\$ 1,130,000	\$ 2,764,236	\$ 3,894,236
2015	1,160,000	2,700,321	3,860,321
2016	1,210,000	2,646,708	3,856,708
2017	1,270,000	2,590,196	3,860,196
2018	1,330,000	2,530,814	3,860,814
2019-2023	7,460,000	11,669,966	19,129,966
2024-2028	9,105,000	9,740,610	18,845,610
2029-2033	11,185,000	7,250,174	18,435,174
2034-2038	12,795,000	3,972,231	16,767,231
2039-2040	6,925,000	753,552	7,678,552
	<u>\$ 53,570,000</u>	<u>\$ 46,618,808</u>	<u>\$ 100,188,808</u>

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

**Note 18    Successor Agency Trust for Assets of the Former Redevelopment Agency (SADRA)  
(Continued)**

**C.    Notes Receivable**

The following are notes receivable outstanding as of June 30, 2013.

Note from Zarmig LLC at 1.5% interest secured by a deed of trust.  
Due in monthly installments of \$1,407 starting July 15, 2010.  
A final payment of \$317,208 is due on July 15, 2018. The City  
carried back the note as part of the sale of the Bowling Alley. \$    374,392

Note from Rise Hospitality, Inc. at 3% interest, secured by a deed  
of trust. The note is payable in two annual installments of \$83,819  
plus accrued interest. The first installment is due September 11,  
2011. The note is in connection with the sale of real property. 43,457

Totals \$ 417,849



## **REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF DINUBA  
REQUIRED SUPPLEMENTAL INFORMATION  
JUNE 30, 2013**

**Postemployment Benefit Plans Other than Pensions Trend Information**

RETIREE HEALTH PLAN

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Liability (Excess Assets)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
7/1/2008	\$ 8,023,302	\$ -	\$ 8,023,302	0%	\$ 7,349,408	107.8%
7/1/2011	11,740,788	-	11,740,788	0%	7,012,579	167.4%



**CITY OF DINUBA**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2013**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Taxes and assessments:				
Utility users	\$ 1,624,000	\$ 1,624,000	\$ 1,622,049	\$ (1,951)
Property	568,500	579,468	645,437	65,969
Sales	4,205,000	4,205,000	3,677,282	(527,718)
Transient occupancy	155,000	155,000	171,718	16,718
Other	261,000	261,000	247,201	(13,799)
Licenses and permits	365,140	365,140	533,126	167,986
Intergovernmental	1,741,952	1,741,952	1,922,452	180,500
Charges for services	367,646	384,542	452,358	67,816
Fines, forfeitures, and penalties	13,400	13,400	20,101	6,701
Use of money and property	61,535	61,535	67,491	5,956
Overhead reimbursement	1,393,654	1,393,654	1,396,614	2,960
Miscellaneous	48,054	48,054	53,815	5,761
Total Revenues	10,804,881	10,832,745	10,809,644	(23,101)
Expenditures:				
Current:				
General government:				
City Council	86,076	86,076	81,180	4,896
City Manager	772,530	772,530	783,694	(11,164)
City Attorney	55,000	55,000	61,745	(6,745)
Administrative services	542,981	542,981	546,619	(3,638)
General services	1,287,633	1,949,541	2,094,336	(144,795)
Total general government	2,744,220	3,406,128	3,567,574	(161,446)
Public safety:				
Police services	4,352,075	4,368,575	4,340,249	28,326
Fire control	2,073,865	2,073,865	2,006,602	67,263
Total public safety	6,425,940	6,442,440	6,346,851	95,589
Public works:				
Planning services	440,398	440,398	422,523	17,875
Total public works	440,398	440,398	422,523	17,875
Parks and recreation:				
Parks & community services	1,106,133	1,113,133	1,108,050	5,083
Total parks and recreation	1,106,133	1,113,133	1,108,050	5,083
Debt Service:				
Principal	102,784	102,784	102,784	
Interest	8,762	8,762	8,762	
Total debt service	111,546	111,546	111,546	

(Continued)

See Note to Required Supplementary Information

**CITY OF DINUBA**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2013**  
**(Continued)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive (Negative)
Expenditures:				
Capital outlay	81,800	110,135	83,142	26,993
Total Expenditures	10,910,037	11,623,780	11,639,686	(15,906)
Excess of Revenues Over (Under)				
Expenditures	(105,156)	(791,035)	(830,042)	(39,007)
Other Financing Sources (Uses):				
Sale of property			336,760	336,760
Transfers in	70,000	505,000	593,839	88,839
Transfers out	(698,454)	(987,454)	(734,401)	253,053
Total Other Financing Sources (Uses)	(628,454)	(482,454)	196,198	678,652
Excess of Revenues and Other Financing				
Sources over (Under) Expenditures and				
Other Financing Uses	(733,610)	(1,273,489)	(633,844)	639,645
Fund balance, beginning of fiscal year	4,593,030	4,593,030	4,593,030	
Fund balance, end of fiscal year	\$ 3,859,420	\$ 3,319,541	\$ 3,959,186	\$ 639,645

See Note to Required Supplementary Information

**CITY OF DINUBA**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**HUD GRANT SPECIAL REVENUE FUND**  
**For the Fiscal Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 2,025	\$ 2,025
Miscellaneous	20,000	56,000	108,020	52,020
Intergovernmental	550,760	3,848,760	2,625,301	(1,223,459)
Total Revenues	570,760	3,904,760	2,735,346	(1,169,414)
Expenditures:				
Current:				
Community development	185,729	3,518,729	3,000,150	518,579
Capital outlay	200,475	201,475		201,475
Total Expenditures	386,204	3,720,204	3,000,150	720,054
Excess of Revenues Over (Under)				
Expenditures	184,556	184,556	(264,804)	(449,360)
Net Change in Fund Balance	184,556	184,556	(264,804)	(449,360)
Fund Balance, Beginning of Fiscal Year	659,676	659,676	659,676	
Fund Balance, End of Fiscal Year	\$ 844,232	\$ 844,232	\$ 394,872	\$ (449,360)

See Note to Required Supplementary Information

**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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 1,000	\$ 1,000	\$ 1,036	\$ 36
Taxes and assessments	2,000,000	2,258,000	2,845,353	587,353
Total Revenues	2,001,000	2,259,000	2,846,389	587,389
Expenditures:				
Current:				
Public safety	1,987,547	2,005,197	2,063,697	(58,500)
Capital outlay	53,217	139,217	90,203	49,014
Debt service:				
Principal	132,895	132,895	132,723	172
Interest and fiscal charges	5,847	5,847	5,840	7
Total Expenditures	2,179,506	2,283,156	2,292,463	(9,307)
Excess of Revenues Over (Under) Expenditures	(178,506)	(24,156)	553,926	578,082
Other Financing Sources (Uses):				
Transfers out	(70,000)	(242,000)		242,000
Total Other Financing Sources (Uses)	(70,000)	(242,000)		242,000
Net Change in Fund Balance	(248,506)	(266,156)	553,926	820,082
Fund Balance - Beginning of Fiscal Year	232,714	232,714	232,714	
Fund Balance - End of Fiscal Year	\$ (15,792)	\$ (33,442)	\$ 786,640	\$ 820,082

See Note to Required Supplementary Information

**CITY OF DINUBA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2013**

**Note 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.

## **OTHER SUPPLEMENTAL 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.

**HOUSING AUTHORITY** – This fund is used for 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 financed by proprietary funds and trust funds.

TRANSPORTATION CONSTRUCTION FUND – This fund accounts for major street construction projects.

GENERAL CONSTRUCTION FUND – This fund accounts for other major construction projects.

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 FINANCING AUTHORITY DEBT SERVICE FUND – This fund accounts for the accumulation of resources for, and the retirement of, the Authority's long-term debt issue for capital investments.

**CITY OF DINUBA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2013**

	Special Revenue Funds		
	Gas Tax	Parks Reserve	Transportation
<b>Assets:</b>			
Cash and investments	\$ 1,027,367	\$ 53,575	\$ 1,023,917
Cash and investments with fiscal agents			
Receivables:			
Accounts			
Intergovernmental	269,207		227,890
Notes		110,760	
Interest	110	2,058	114
Prepaid expenses			
Interfund advances receivable			
Advances to successor agency		150,000	
Land held for resale			
<b>Total Assets</b>	<b>\$ 1,296,684</b>	<b>\$ 316,393</b>	<b>\$ 1,251,921</b>
<b>Liabilities and Fund Balances:</b>			
Liabilities:			
Accounts payable	\$ 5,628	\$ -	\$ 4,986
Accrued liabilities	4,832		5,854
Due to other funds			
Interfund advances payable		116,904	
Unearned revenues		112,805	1,241,081
<b>Total Liabilities</b>	<b>10,460</b>	<b>229,709</b>	<b>1,251,921</b>
<b>Fund Balances:</b>			
Nonspendable			
Restricted	1,286,224	86,684	
Assigned			
Unassigned			
<b>Total Fund Balances</b>	<b>1,286,224</b>	<b>86,684</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,296,684</b>	<b>\$ 316,393</b>	<b>\$ 1,251,921</b>

Special Revenue Funds					
System Development Charges	Community Enhancement Grants	Curb and Gutter	Assessment Districts	Fire Impact Fees	Housing Authority
\$ 1,948,196	\$ 269,956	\$ 7,375	\$ 276,223	\$ 95,391	\$ -
16,054	39,336		17,827		85,050
898,485					
59,315	29			10	
150,000					287,542
365,000			104,000		3,769,767
					187,251
<u>\$ 3,437,050</u>	<u>\$ 309,321</u>	<u>\$ 7,375</u>	<u>\$ 398,050</u>	<u>\$ 95,401</u>	<u>\$ 4,329,610</u>
\$ -	\$ -	\$ -	\$ 19,645	\$ -	\$ 4,769
	5,680		3,979		14
					134,911
67,500					
945,205					85,050
<u>1,012,705</u>	<u>5,680</u>		<u>23,624</u>		<u>224,744</u>
2,424,345	303,641		374,426	95,401	4,104,866
		7,375			
<u>2,424,345</u>	<u>303,641</u>	<u>7,375</u>	<u>374,426</u>	<u>95,401</u>	<u>4,104,866</u>
<u>\$ 3,437,050</u>	<u>\$ 309,321</u>	<u>\$ 7,375</u>	<u>\$ 398,050</u>	<u>\$ 95,401</u>	<u>\$ 4,329,610</u>

(Continued)

**CITY OF DINUBA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2013

(Continued)

	Capital Projects Funds		
	Transportation Construction	General Construction	Drainage Districts
<b>Assets:</b>			
Cash and investments	\$ 223,806	\$ 234,985	\$ 267,154
Cash and investments with fiscal agents			
Receivables:			
Accounts			1,952
Intergovernmental	1,184,150	303,717	
Notes			110,760
Interest	34	(2)	7,331
Prepaid expenses			
Interfund advances receivable			
Advances to successor agency	530,576		
Land held for resale			
Total Assets	<u>\$ 1,938,566</u>	<u>\$ 538,700</u>	<u>\$ 387,197</u>
<b>Liabilities and Fund Balances:</b>			
Liabilities:			
Accounts payable	\$ 142,658	\$ 536,917	\$ -
Accrued liabilities			
Due to other funds			
Interfund advances payable		269,616	
Unearned revenues			118,062
Total Liabilities	<u>142,658</u>	<u>806,533</u>	<u>118,062</u>
Fund Balances:			
Nonspendable			
Restricted	1,795,908		269,135
Assigned			
Unassigned		(267,833)	
Total Fund Balances	<u>1,795,908</u>	<u>(267,833)</u>	<u>269,135</u>
Total Liabilities and Fund Balances	<u>\$ 1,938,566</u>	<u>\$ 538,700</u>	<u>\$ 387,197</u>

Capital Projects Funds			Debt Service Funds		Total Nonmajor Governmental Funds
Vocational Center	MTBE	Public Works Management	General	Financing Authority	
\$ -	\$ 12,919	\$ 113,301	\$ 2,112	\$ 10,458 1,253,507	\$ 5,566,735 1,253,507
	93,173	50			111,229
					2,042,127
	(1)	12			1,205,055
		50			69,010
				643,073	50
	3,300,000	50,000		500,000	1,080,615
					8,769,343
					187,251
<u>\$ -</u>	<u>\$ 3,406,091</u>	<u>\$ 163,413</u>	<u>\$ 2,112</u>	<u>\$ 2,407,038</u>	<u>\$ 20,284,922</u>
\$ - 2 46,453	\$ 78,685	\$ 9,924 13,187	\$ -	\$ -	\$ 803,212
	190,000			500,000	33,548
	28,011				181,364
					1,144,020
					2,530,214
<u>46,455</u>	<u>296,696</u>	<u>23,111</u>		<u>500,000</u>	<u>4,692,358</u>
		50			50
	3,109,395			1,907,038	15,757,063
		140,252			147,627
<u>(46,455)</u>			<u>2,112</u>		<u>(312,176)</u>
<u>(46,455)</u>	<u>3,109,395</u>	<u>140,252</u>	<u>2,112</u>	<u>1,907,038</u>	<u>15,592,514</u>
<u>\$ -</u>	<u>\$ 3,406,091</u>	<u>\$ 163,363</u>	<u>\$ 2,112</u>	<u>\$ 2,407,038</u>	<u>\$ 20,284,872</u>

**CITY OF DINUBA**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2013**

	Special Revenue Funds		
	Gas Tax	Parks Reserve	Transportation
Revenues:			
Taxes and assessments	\$ -	\$ -	\$ 375,562
Intergovernmental	732,867		280,009
Charges for services		64,887	
Use of money and property	2,568	763	3,542
Fines and forfeitures			
Reimbursements			
Miscellaneous			10,605
Total Revenues	<u>735,435</u>	<u>65,650</u>	<u>669,718</u>
Expenditures:			
Current:			
Public safety			
Community development			
Public works	328,654		362,177
Capital outlay		69,787	60,068
Debt service:			
Principal retirement			
Interest and fiscal charges			
Debt issue costs			
Total Expenditures	<u>328,654</u>	<u>69,787</u>	<u>422,245</u>
Excess of Revenues Over (Under) Expenditures	<u>406,781</u>	<u>(4,137)</u>	<u>247,473</u>
Other Financing Sources (Uses):			
Original issue discount			
Payment to refunded escrow agent			
Proceeds from debt issuance			
Sale of property			
Transfers in			110,200
Transfers out		(103,233)	(357,672)
Total Other Financing Sources (Uses)		<u>(103,233)</u>	<u>(247,472)</u>
Net Change in Fund Balance Before Extraordinary Item	406,781	(107,370)	1
Extraordinary Item - Litigation Settlement			
Net Change in Fund Balances	<u>406,781</u>	<u>(107,370)</u>	<u>1</u>
Fund Balances (Deficit), Beginning of Fiscal Year	<u>879,443</u>	<u>194,054</u>	<u>(1)</u>
Fund Balances (Deficit), End of Fiscal Year	<u>\$ 1,286,224</u>	<u>\$ 86,684</u>	<u>\$ -</u>

Special Revenue Funds					
System Development Charges	Community Enhancement Grants	Curb and Gutter	Assessment Districts	Fire Impact Fees	Housing Authority
\$ -	\$ -	\$ -	\$ 469,820	\$ -	\$ -
	112,734				
1,226,733				39,246	
6401	736			254	(128)
	95,531				
					1,387
1,233,134	209,001		469,820	39,500	1,259
	101,622				77,122
			452,712		
15,662	12,613				98,638
					3,077
					1,864
15,662	114,235		452,712		180,701
1,217,472	94,766		17,108	39,500	(179,442)
					128,497
(637,065)	(100,000)		(140)		
(637,065)	(100,000)		(140)		128,497
580,407	(5,234)		16,968	39,500	(50,945)
580,407	(5,234)		16,968	39,500	(50,945)
1,843,938	308,875	7,375	357,458	55,901	4,155,811
\$ 2,424,345	\$ 303,641	\$ 7,375	\$ 374,426	\$ 95,401	\$ 4,104,866

(Continued)



**CITY OF DINUBA**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2013**  
**(continued)**

	Capital Projects Funds		
	Transportation Construction	General Construction	Drainage Districts
Revenues:			
Taxes and assessments	\$ -	\$ -	\$ -
Intergovernmental	1,506,283	1,660,717	
Charges for services			59,727
Use of money and property	3,080	(71)	719
Fines and forfeitures			
Reimbursements			
Miscellaneous			6,167
Total Revenues	<u>1,509,363</u>	<u>1,660,646</u>	<u>66,613</u>
Expenditures:			
Current:			
Public safety			
Community development			
Public works	4,080	94,346	
Capital outlay	2,432,975	1,926,400	
Debt service:			
Principal retirement			
Interest and fiscal charges			
Debt issuance costs			
Total Expenditures	<u>2,437,055</u>	<u>2,020,746</u>	
Excess of Revenues Over (Under) Expenditures	<u>(927,692)</u>	<u>(360,100)</u>	<u>66,613</u>
Other Financing Sources (Uses):			
Original issue discount			
Payment to refunded escrow agent			
Proceeds from debt issuance			
Sale of property	35,430		
Transfers in	70,000	427,984	
Transfers out	(13,933)	(30,200)	
Total Other Financing Sources (Uses)	<u>91,497</u>	<u>397,784</u>	
Net Change in Fund Balance Before Extraordinary Item	(836,195)	37,684	66,613
Extraordinary Item - Litigation Settlement			
Net Change in Fund Balances	(836,195)	37,684	66,613
Fund Balances, Beginning of Fiscal Year	<u>2,632,103</u>	<u>(305,517)</u>	<u>202,522</u>
Fund Balances, End of Fiscal Year	<u>\$ 1,795,908</u>	<u>\$ (267,833)</u>	<u>\$ 269,135</u>

Capital Projects Funds			Debt Service Funds		Total Governmental Funds
Vocational Center	MTBE	Public Works Management	General	Financing Authority	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 845,382
					4,292,610
					1,390,593
(7)	(72)	301	20	19,432	37,538
					95,531
	123,486	473,216			596,702
		3,650			21,809
(7)	123,414	477,167	20	19,432	7,280,165
					101,622
					77,122
		444,505			1,686,474
	280,867				4,897,010
			1,260,936	315,000	1,579,013
			155,032	644,905	801,801
			40,575	290,447	331,022
	280,867	444,505	1,456,543	1,250,352	9,474,064
(7)	(157,453)	32,662	(1,456,523)	(1,230,920)	(2,193,899)
				(314,360)	(314,360)
				(6,684,833)	(6,684,833)
			1,500,000	11,270,000	12,770,000
					163,927
			209,554	919,060	1,736,798
(57,455)			(250,983)	(4,214,939)	(5,765,620)
(57,455)			1,458,571	974,928	1,905,912
(57,462)	(157,453)	32,662	2,048	(255,992)	(287,987)
	145,910				145,910
(57,462)	(11,543)	32,662	2,048	(255,992)	(142,077)
11,007	3,120,938	107,640	64	2,163,030	15,734,641
\$ (46,455)	\$ 3,109,395	\$ 140,302	\$ 2,112	\$ 1,907,038	\$ 15,592,564

**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, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 716,825	\$ 732,867	\$ 16,042
Use of money and property	250	2,568	2,318
Total Revenues	<u>717,075</u>	<u>735,435</u>	<u>18,360</u>
Expenditures:			
Current:			
Public works	437,100	328,654	108,446
Total Expenditures	<u>437,100</u>	<u>328,654</u>	<u>108,446</u>
Excess of Revenues Over (Under) Expenditures	<u>279,975</u>	<u>406,781</u>	<u>126,806</u>
Other Financing Sources (Uses):			
Transfers out	<u>(275,000)</u>		275,000
Total Other Financing Sources (Uses)	<u>(275,000)</u>		<u>275,000</u>
Net Change in Fund Balance	4,975	406,781	401,806
Fund Balance, Beginning of Fiscal Year	<u>879,443</u>	<u>879,443</u>	
Fund Balance, End of Fiscal Year	<u>\$ 884,418</u>	<u>\$ 1,286,224</u>	<u>\$ 401,806</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, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 10,000	\$ 64,887	\$ 54,887
Use of money and property	700	763	63
Total Revenues	10,700	65,650	54,950
Expenditures:			
Capital outlay	76,112	69,787	6,325
Total Expenditures	76,112	69,787	6,325
Excess of Revenues Over (Under) Expenditures	(65,412)	(4,137)	61,275
Other Financing Sources (Uses):			
Transfers out	(103,233)	(103,233)	
Total Other Financing Sources (Uses)	(103,233)	(103,233)	
Net Change in Fund Balance	(168,645)	(107,370)	61,275
Fund Balance, Beginning of Fiscal Year	194,054	194,054	
Fund Balance, End of Fiscal Year	\$ 25,409	\$ 86,684	\$ 61,275

**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, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes and assessments	\$ 298,830	\$ 375,562	\$ 76,732
Intergovernmental	369,748	280,009	(89,739)
Use of money and property	500	3,542	3,042
Miscellaneous		10,605	10,605
Total Revenues	<u>669,078</u>	<u>669,718</u>	<u>640</u>
Expenditures:			
Current:			
Public works	407,074	362,177	44,897
Capital outlay		60,068	(60,068)
Total Expenditures	<u>407,074</u>	<u>422,245</u>	<u>(15,171)</u>
Excess of Revenues Over (Under) Expenditures	<u>262,004</u>	<u>247,473</u>	<u>(14,531)</u>
Other Financing Sources (Uses):			
Transfers in	80,000	110,200	30,200
Transfer out	<u>(520,258)</u>	<u>(357,672)</u>	<u>162,586</u>
Total Other Financing Sources (Uses)	<u>(440,258)</u>	<u>(247,472)</u>	<u>192,786</u>
Net Change in Fund Balance	(178,254)	1	178,255
Fund Balance (Deficit), Beginning of Fiscal Year	<u>(1)</u>	<u>(1)</u>	
Fund Balance, End of Fiscal Year	<u>\$ (178,255)</u>	<u>\$ -</u>	<u>\$ 178,255</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, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 505,000	\$ 1,226,733	\$ 721,733
Use of money and property	900	6,401	5,501
Total Revenues	505,900	1,233,134	727,234
Expenditures:			
Capital outlay	35,000	15,662	19,338
Total Expenditures	35,000	15,662	19,338
Excess of Revenues Over (Under) Expenditures	470,900	1,217,472	746,572
Other Financing Sources (Uses):			
Sale of property	4,006		(4,006)
Transfers out	(754,675)	(637,065)	117,610
Total Other Financing Sources (Uses)	(750,669)	(637,065)	113,604
Net Change in Fund Balance	(279,769)	580,407	860,176
Fund Balance, Beginning of Fiscal Year	1,843,938	1,843,938	
Fund Balance, End of Fiscal Year	\$ 1,564,169	\$ 2,424,345	\$ 860,176

**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, 2013**

	Final Budget	Actual Amount	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 117,530	\$ 112,734	\$ (4,796)
Use of money and property	1,500	736	(764)
Fines and forfeitures	109,000	95,531	(13,469)
Total Revenues	228,030	209,001	(19,029)
Expenditures:			
Current:			
Public safety	111,000	101,622	9,378
Capital outlay	12,530	12,613	(83)
Total Expenditures	123,530	114,235	9,295
Excess of Revenues Over (Under) Expenditures	104,500	94,766	(9,734)
Other Financing Sources (Uses):			
Transfers out	(100,000)	(100,000)	
Total Other Financing Sources (Uses)	(100,000)	(100,000)	
Net Change in Fund Balance	4,500	(5,234)	(9,734)
Fund Balance, Beginning of Fiscal Year	308,875	308,875	
Fund Balance, End of Fiscal Year	\$ 313,375	\$ 303,641	\$ (9,734)

**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, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Miscellaneous	\$ 500	\$ -	\$ (500)
Total Revenues	<u>500</u>	<u></u>	<u>(500)</u>
Expenditures:			
Current:			
Public works	<u></u>	<u></u>	<u></u>
Total Expenditures	<u></u>	<u></u>	<u></u>
Excess of Revenues Over (Under) Expenditures	<u>500</u>	<u></u>	<u>(500)</u>
Net Change in Fund Balance	500		(500)
Fund Balance, Beginning of Fiscal Year	<u>7,375</u>	<u>7,375</u>	<u></u>
Fund Balance, End of Fiscal Year	<u><u>\$ 7,875</u></u>	<u><u>\$ 7,375</u></u>	<u><u>\$ (500)</u></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, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes and assessments	\$ 481,900	\$ 469,820	\$ (12,080)
Total Revenues	<u>481,900</u>	<u>469,820</u>	<u>(12,080)</u>
Expenditures:			
Current:			
Public works	<u>452,852</u>	<u>452,712</u>	<u>140</u>
Total Expenditures	<u>452,852</u>	<u>452,712</u>	<u>140</u>
Excess of Revenues Over (Under) Expenditures	<u>29,048</u>	<u>17,108</u>	<u>(11,940)</u>
Other Financing Sources (Uses):			
Transfers out		<u>(140)</u>	<u>(140)</u>
Total Other Financing Sources (Uses)		<u>(140)</u>	<u>(140)</u>
Net Change in Fund Balance	29,048	16,968	(12,080)
Fund Balance, Beginning of Fiscal Year	<u>357,458</u>	<u>357,458</u>	
Fund Balance, End of Fiscal Year	<u>\$ 386,506</u>	<u>\$ 374,426</u>	<u>\$ (12,080)</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, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 51	\$ 254	\$ 203
Charges for services	40,085	39,246	(839)
Total Revenues	40,136	39,500	(636)
Expenditures:			
Capital outlay			
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	40,136	39,500	(636)
Fund Balance, Beginning of Fiscal Year	55,901	55,901	
Fund Balance, End of Fiscal Year	\$ 96,037	\$ 95,401	\$ (636)

**CITY OF DINUBA**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**HOUSING AUTHORITY SPECIAL REVENUE FUND**  
**For the Fiscal Year Ended June 30, 2013**

	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Miscellaneous	\$ -	\$ 1,387	\$ 1,387
Use of money and property		(128)	(128)
Total Revenues		1,259	1,259
Expenditures:			
Current:			
Community development	80,000	77,122	2,878
Capital outlay	105,000	98,638	6,362
Debt service:			
Principal retirement		3,077	(3,077)
Interest and fiscal charges		1,864	(1,864)
Total Expenditures	185,000	180,701	4,299
Excess of Revenues Over (Under) Expenditures	(185,000)	(179,442)	5,558
Other Financing Sources (Uses):			
Sale of property	105,000	128,497	23,497
Total Other Financing Sources (Uses)	105,000	128,497	23,497
Net Change in Fund Balance	(80,000)	(50,945)	29,055
Fund Balance, Beginning of Fiscal Year	4,155,811	4,155,811	
Fund Balance, End of Fiscal Year	\$ 4,075,811	\$ 4,104,866	\$ 29,055

**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, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 1,500	\$ 3,080	\$ 1,580
Intergovernmental	15,664,132	1,506,283	(14,157,849)
Total Revenues	15,665,632	1,509,363	(14,156,269)
Expenditures:			
Current:			
Public works		4,080	(4,080)
Capital outlay	17,789,200	2,432,975	15,356,225
Total Expenditures	17,789,200	2,437,055	15,352,145
Excess of Revenues Over (Under) Expenditures	(2,123,568)	(927,692)	1,195,876
Other Financing Sources (Uses):			
Sales of property		35,430	35,430
Transfers in	516,428	70,000	(446,428)
Transfers out	(73,170)	(13,933)	59,237
Total Other Financing Sources (Uses)	443,258	91,497	(351,761)
Net Change in Fund Balance	(1,680,310)	(836,195)	844,115
Fund Balance, Beginning of Fiscal Year	2,632,103	2,632,103	
Fund Balance, End of Fiscal Year	\$ 951,793	\$ 1,795,908	\$ 844,115

**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, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 4,204,552	\$ -	\$ (4,204,552)
Use of money and property		(71)	(71)
Licenses and permits		1,660,717	1,660,717
Total Revenues	4,204,552	1,660,646	(2,543,906)
Expenditures:			
Current:			
Public works	95,000	94,346	654
Capital outlay	4,513,552	1,926,400	2,587,152
Total Expenditures	4,608,552	2,020,746	2,587,806
Excess of Revenues Over (Under) Expenditures	(404,000)	(360,100)	43,900
Other Financing Sources (Uses):			
Transfers in	449,000	427,984	(21,016)
Transfers out	(30,200)	(30,200)	
Total Other Financing Sources (Uses)	418,800	397,784	(21,016)
Net Change in Fund Balance	14,800	37,684	22,884
Fund Balance (Deficit), Beginning of Fiscal Year	(305,517)	(305,517)	
Fund Balance (Deficit), End of Fiscal Year	\$ (290,717)	\$ (267,833)	\$ 22,884

**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, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Miscellaneous	\$ -	\$ 6,167	\$ 6,167
Charges for services	10,000	59,727	49,727
Use of money and property	500	719	219
Total Revenues	10,500	66,613	56,113
Expenditures:			
Current:			
Public works			
Capital outlay			
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	10,500	66,613	56,113
Fund Balance, Beginning of Fiscal Year	202,522	202,522	
Fund Balance, End of Fiscal Year	\$ 213,022	\$ 269,135	\$ 56,113

**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, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 142,366	\$ (7)	\$ (142,373)
Total Revenues	<u>142,366</u>	<u>(7)</u>	<u>(142,373)</u>
Expenditures:			
Current:			
Community development			
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	<u>142,366</u>	<u>(7)</u>	<u>(142,373)</u>
Other Financing Sources (Uses):			
Transfers in			
Transfers out	<u>(57,455)</u>	<u>(57,455)</u>	
Total Other Financing Sources (Uses)	<u>(57,455)</u>	<u>(57,455)</u>	
Net Change in Fund Balance	84,911	(57,462)	(142,373)
Fund Balance, Beginning of Fiscal Year	<u>11,007</u>	<u>11,007</u>	
Fund Balance (Deficit), End of Fiscal Year	<u>\$ 95,918</u>	<u>\$ (46,455)</u>	<u>\$ (142,373)</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, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Reimbursements	\$ 142,300	\$ 123,486	\$ (18,814)
Use of money and property		(72)	(72)
Total Revenues	<u>142,300</u>	<u>123,414</u>	<u>(18,886)</u>
Expenditures:			
Capital outlay	<u>281,000</u>	<u>280,867</u>	<u>133</u>
Total Expenditures	<u>281,000</u>	<u>280,867</u>	<u>133</u>
Excess of Revenues Over (Under) Expenditures	<u>(138,700)</u>	<u>(157,453)</u>	<u>(18,753)</u>
Net Change in Fund Balance Before Extraordinary Item	(138,700)	(157,453)	(18,753)
Extraordinary Item - Litigation Settlement	<u>118,700</u>	<u>145,910</u>	<u>27,210</u>
Net Change in Fund Balance	(20,000)	(11,543)	8,457
Fund Balance, Beginning of Fiscal Year	<u>3,120,938</u>	<u>3,120,938</u>	
Fund Balance, End of Fiscal Year	<u>\$ 3,100,938</u>	<u>\$ 3,109,395</u>	<u>\$ 8,457</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, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 50	\$ 301	\$ 251
Miscellaneous		3,650	3,650
Reimbursements	473,216	473,216	
Total Revenues	473,266	477,167	3,901
Expenditures:			
Current:			
Public works	473,217	444,505	28,712
Total Expenditures	473,217	444,505	28,712
Excess of Revenues Over (Under) Expenditures	49	32,662	32,613
Net Change in Fund Balance	49	32,662	32,613
Fund Balance, Beginning of Fiscal Year	107,640	107,640	
Fund Balance, End of Fiscal Year	\$ 107,689	\$ 140,302	\$ 32,613

**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, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ 20	\$ 20
Total Revenues	<u>20</u>	<u>20</u>	<u>20</u>
Expenditures:			
Debt Service:			
Principal retirement	1,775,670	1,260,936	514,734
Interest and fiscal charges	36,974	155,032	(118,058)
Debt issuance costs	<u>40,575</u>	<u>40,575</u>	<u>(40,575)</u>
Total Expenditures	<u>1,812,644</u>	<u>1,456,543</u>	<u>356,101</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,812,644)</u>	<u>(1,456,523)</u>	<u>356,121</u>
Other Financing Sources (Uses):			
Proceeds from debt issuance	1,500,000	1,500,000	
Transfers in	209,554	209,554	
Transfers out	<u>(250,983)</u>	<u>(250,983)</u>	<u>(250,983)</u>
Total Other Financing Sources (Uses)	<u>1,709,554</u>	<u>1,458,571</u>	<u>(250,983)</u>
Net Change in Fund Balance	(103,090)	2,048	105,138
Fund Balance, Beginning of Fiscal Year	<u>64</u>	<u>64</u>	
Fund Balance, End of Fiscal Year	<u>\$ (103,026)</u>	<u>\$ 2,112</u>	<u>\$ 105,138</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, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 15,000	\$ 19,432	\$ 4,432
Total Revenues	15,000	19,432	4,432
Expenditures:			
Debt Service:			
Principal retirement	315,000	315,000	
Interest and fiscal charges	809,609	644,905	164,704
Debt issuance costs	166,477	290,447	(123,970)
Total Expenditures	1,291,086	1,250,352	40,734
Excess of Revenues Over (Under) Expenditures	(1,276,086)	(1,230,920)	45,166
Other Financing Sources (Uses):			
Original issue discount		(314,360)	(314,360)
Proceeds from debt issuance	10,582,035	11,270,000	687,965
Payment to refunded debt escrow agent	(6,558,600)	(6,684,833)	(126,233)
Transfers in	1,011,167	919,060	(92,107)
Transfers out	(4,188,561)	(4,214,939)	(26,378)
Total Other Financing Sources (Uses)	846,041	974,928	128,887
Net Change in Fund Balance	(430,045)	(255,992)	174,053
Fund Balance, Beginning of Fiscal Year	2,163,030	2,163,030	
Fund Balance, End of Fiscal Year	\$ 1,732,985	\$ 1,907,038	\$ 174,053

## **City of Dinuba**

### **Nonmajor Enterprise Funds**

Enterprise funds are used to account for the financing of goods or services provided to customers.

**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.

**COMPRESSED NATURAL GAS FUND** – This fund accounts for the sale of compressed natural gas and related costs to outside entities.

**ENGINEERING FUND** – This fund accounts for the receipt of fees to cover the costs of building and engineering.

**CITY OF DINUBA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2013**

	Engineering	Transit	Compressed Natural Gas	Totals
<b>Assets:</b>				
Current Assets:				
Cash and investments	\$ 65,397	\$ 169,384	\$ 286,665	\$ 521,446
Accounts receivable		625	10,565	11,190
Interest receivable	4	22	29	55
Due from other governments		168,436	4,265	172,701
Total Current Assets	65,401	338,467	301,524	705,392
Noncurrent Assets:				
Capital assets:				
Depreciable buildings and improvements, net		59,922		59,922
Depreciable equipment, net		356,701		356,701
Construction in progress		899,212		899,212
Total Noncurrent Assets		1,315,835		1,315,835
Total Assets	65,401	1,654,302	301,524	2,021,227
<b>Liabilities:</b>				
Current Liabilities:				
Accounts payable	2,232	33,641	3,325	39,198
Accrued liabilities	10,647		484	11,131
Compensated absences			66	66
Total Current Liabilities	12,879	33,641	3,875	50,395
Noncurrent Liabilities:				
Noncurrent portion of long-term obligations:				
Compensated absences	6,630		70	6,700
Net OPEB liability			6,499	6,499
Total Noncurrent Liabilities	6,630		6,569	13,199
Total Liabilities	19,509	33,641	10,444	63,594
<b>Net Position:</b>				
Net investment in capital assets		1,315,835		1,315,835
Unrestricted	45,892	304,826	291,080	641,798
Total Net Position	\$ 45,892	\$ 1,620,661	\$ 291,080	\$ 1,957,633

**CITY OF DINUBA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Fiscal Year Ended June 30, 2013**

	Engineering	Transit	Compressed Natural Gas	Totals
Operating Revenues:				
Charges for services	\$ 486,415	\$ 44,851	\$ 217,120	\$ 748,386
Other		108		108
Total Operating Revenues	486,415	44,959	217,120	748,494
Operating Expenses:				
Salaries and benefits	410,118		18,026	428,144
Contractual services	26,939	415,387		442,326
Materials and supplies	31,243	76,846	5,446	113,535
Repairs and maintenance	3,158	45,871	23,626	72,655
Utilities	4,389		59,013	63,402
Allocated overhead	30,486	19,535	31,839	81,860
Depreciation		141,463		141,463
Total Operating Expenses	506,333	699,102	137,950	1,343,385
Operating Income (Loss)	(19,918)	(654,143)	79,170	(594,891)
Nonoperating Revenues:				
Intergovernmental	65,823	708,207		774,030
Interest revenue	(153)	373	741	961
Total Nonoperating Revenues	65,670	708,580	741	774,991
Income (Loss) Before Transfers and Capital Contributions	45,752	54,437	79,911	180,100
Capital contributions		736,973		736,973
Transfers in	140			140
Transfers out		(45,252)	(50,000)	(95,252)
Net Contributions and Transfers	140	691,721	(50,000)	641,861
Changes in Net Position	45,892	746,158	29,911	821,961
Net Position - Beginning of Fiscal Year		874,503	261,169	1,135,672
Net Position - End of Fiscal Year	\$ 45,892	\$ 1,620,661	\$ 291,080	\$ 1,957,633

**CITY OF DINUBA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Fiscal Year Ended June 30, 2013**

	Engineering	Transit	Compressed Natural Gas	Totals
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 486,415	\$ 44,959	\$ 213,411	\$ 744,785
Cash paid to suppliers for goods and services	(392,841)	(748,383)	(91,052)	(1,232,276)
Cash paid to employees for services	(63,497)		(17,070)	(80,567)
Cash paid for allocated overhead	(30,486)	(19,535)	(31,839)	(81,860)
Net Cash Provided (Used) by Operating Activities	(409)	(722,959)	73,450	(649,918)
Cash Flows from Capital and Related Financing Activities:				
Capital Asset Acquisition		(39,834)		(39,834)
Net Cash Provided (Used) by Capital and Related Financing Activities		(39,834)		(39,834)
Cash Flows from Non-Capital Financing Activities:				
Cash transfers from other funds	140			140
Cash transfers to other funds		(45,252)	(50,000)	(95,252)
Intergovernmental revenue	65,823	569,622		635,445
Net Cash Provided (Used) by Non-Capital Financing Activities	65,963	524,370	(50,000)	540,333
Cash Flows from Investing Activities				
Interest received	(157)	732	892	1,467
Net Cash Provided (Used) by Investing Activities	(157)	732	892	1,467
Net Increase (Decrease) in Cash and Cash Equivalents	65,397	(237,691)	24,342	(147,952)
Cash and Cash Equivalents at Beginning of Fiscal Year		407,075	262,323	669,398
Cash and Cash Equivalents at End of Fiscal Year	\$ 65,397	\$ 169,384	\$ 286,665	\$ 521,446
Reconciliation with Statement of Net Assets:				
Cash and investments	\$ 65,397	\$ 169,384	\$ 286,665	\$ 521,446
Cash and Cash Equivalents	\$ 65,397	\$ 169,384	\$ 286,665	\$ 521,446
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (19,918)	\$ (654,143)	\$ 79,170	\$ (594,891)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation		141,463		141,463
(Increase) decrease in accounts receivable			(3,709)	(3,709)
Increase (decrease) in accounts payable	2,232	(210,279)	(2,967)	(211,014)
Increase (decrease) in accrued liabilities	10,647		103	10,750
Increase (decrease) in compensated absences payable	6,630		(821)	5,809
Increase (decrease) in OPEB liability			1,674	1,674
Total Adjustments	19,509	(68,816)	(5,720)	(55,027)
Net Cash Provided (Used) by Operating Activities	\$ (409)	\$ (722,959)	\$ 73,450	\$ (649,918)
Non-Cash Investing, Capital and Non-Capital Financing Activities				
Contributions of Capital Assets	\$ -	\$ 736,973	\$ -	\$ 736,973

## **City of Dinuba**

### **Internal Service Funds**

Enterprise 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 POSITION**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2013**

	Insurance Fund	Billing and Collection Service Fund	Property and Equipment Service Fund	Totals
<b>Assets:</b>				
Current Assets:				
Cash and investments	\$ -	\$ 561	\$ 20,667	\$ 21,228
Interest receivable	(20)		1	(19)
Due from other agencies	129,822			129,822
Prepaid expenses	16,462		341	16,803
Total Current Assets	146,264	561	21,009	167,834
Noncurrent Assets:				
Advances to other funds	354,862			354,862
Depreciable equipment, net of accumulated depreciation			29,297	29,297
Total Noncurrent Assets	354,862		29,297	384,159
Total Assets	501,126	561	50,306	551,993
<b>Liabilities:</b>				
Current Liabilities:				
Accounts payable	27,662	1,382	18,990	48,034
Accrued liabilities	5,931	11,762	12,145	29,838
Claims payable	50,000			50,000
Due to other funds	43,447			43,447
Compensated absences	6,301	5,412	2,649	14,362
Total Current Liabilities	133,341	18,556	33,784	185,681
Noncurrent Liabilities:				
Compensated absences	40,764	32,578	14,190	87,532
Total Noncurrent Liabilities	40,764	32,578	14,190	87,532
Total Liabilities	174,105	51,134	47,974	273,213
<b>Net Position (Deficit):</b>				
Net investment in capital assets			29,297	29,297
Unrestricted	327,021	(50,573)	(26,965)	249,483
Total Net Position (Deficit)	\$ 327,021	\$ (50,573)	\$ 2,332	\$ 278,780

**CITY OF DINUBA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2007**

	Insurance Fund	Billing and Collection Service Fund	Property and Equipment Service Fund	Totals
Operating Revenues:				
Charges for services	\$ 3,469,557	\$ 543,305	\$ 786,660	\$ 4,799,522
Total Operating Revenues	3,469,557	543,305	786,660	4,799,522
Operating Expenses:				
Salaries and benefits	235,255	463,891	428,398	1,127,544
Contractual services	37,515	19,548	5,150	62,213
Materials and supplies	2,709	66,935	318,649	388,293
Insurance	927,729			927,729
Employee health insurance	2,057,201			2,057,201
Allocated costs		20,536	23,195	43,731
Depreciation			5,287	5,287
Total Operating Expenses	3,260,409	570,910	780,679	4,611,998
Operating Income (Loss)	209,148	(27,605)	5,981	187,524
Nonoperating Revenues (Expenses):				
Interest revenue (expense)	(741)	1	54	(686)
Total Nonoperating Revenues (Expenses)	(741)	1	54	(686)
Income (Loss) Before Transfers	208,407	(27,604)	6,035	186,838
Transfers in	100,000	3,500		103,500
Net Transfers	100,000	3,500		103,500
Changes in Net Position	308,407	(24,104)	6,035	290,338
Net Position (Deficit):				
Beginning of Fiscal Year	18,614	(26,469)	(3,703)	(11,558)
End of Fiscal Year	\$ 327,021	\$ (50,573)	\$ 2,332	\$ 278,780

**CITY OF DINUBA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2013**

	Insurance Fund	Billing and Collection Service Fund	Property and Equipment Service Fund	Totals
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 3,339,735	\$ 543,305	\$ 786,660	\$ 4,669,700
Cash paid to suppliers for goods and services	(3,163,603)	(85,457)	(328,467)	(3,577,527)
Cash paid to employees for services	(219,349)	(459,693)	(435,324)	(1,114,366)
Cash paid for allocated overhead		(20,536)	(23,195)	(43,731)
Net Cash Provided (Used) by Operating Activities	(43,217)	(22,381)	(326)	(65,924)
Cash Flows from Capital and Related Financing Activities:				
Capital asset acquisition			(23,052)	(23,052)
Net Cash Used by Non-Capital Financing Activities			(23,052)	(23,052)
Cash Flows from Non-Capital Financing Activities:				
Cash transfers from other funds	100,000	3,500		103,500
Due from other funds repayments	(55,956)			(55,956)
Net Cash Provided (Used) by Non-Capital Financing Activities	44,044	3,500		47,544
Cash Flows from Investing Activities				
Interest received (paid)	(827)	18	46	(763)
Net Cash Provided (Used) by Investing Activities	(827)	18	46	(763)
Net Increase (Decrease) in Cash and Cash Equivalents		(18,863)	(23,332)	(42,195)
Cash and Cash Equivalents at Beginning of Fiscal Year		19,424	43,999	63,423
Cash and Cash Equivalents at End of Fiscal Year	\$ -	\$ 561	\$ 20,667	\$ 21,228
Reconciliation with Statement of Net Assets:				
Cash and investments	\$ -	\$ 561	\$ 20,667	\$ 21,228
Cash and Cash Equivalents	\$ -	\$ 561	\$ 20,667	\$ 21,228
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income	\$ 209,148	\$ (27,605)	\$ 5,981	\$ 187,524
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation			5,287	5,287
(Increase) decrease in prepaid expenses	(1,374)		(227)	(1,601)
(Increase) decrease in accounts receivable	(129,822)			(129,822)
Increase (decrease) in accounts payable	(137,075)	1,026	(4,441)	(140,490)
Increase (decrease) in accrued liabilities	(3,505)	(5,312)	(5,863)	(14,680)
Increase (decrease) in compensated absences payable	19,411	9,510	(1,063)	27,858
Total Adjustments	(252,365)	5,224	(6,307)	(253,448)
Net Cash Provided (Used) by Operating Activities	\$ (43,217)	\$ (22,381)	\$ (326)	\$ (65,924)

## **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 deposits 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 fund 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 themselves and used for youth recreation activities and services.

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

**CITY OF DINUBA**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**June 30, 2013**

	<u>Cash Deposits</u>	<u>Retiree's Insurance</u>	<u>DPOA Trust</u>	<u>Special Community Events</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 576,148	\$ 52,643	\$ 1,474	\$ 15,370
Accounts receivable		5		2,239
Total Assets	<u>576,148</u>	<u>52,648</u>	<u>1,474</u>	<u>17,609</u>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities	\$ 459,180	\$ -	\$ 668	\$ -
Deposits payable	<u>116,968</u>	<u>52,648</u>	<u>806</u>	<u>17,609</u>
Total Liabilities	<u>\$ 576,148</u>	<u>\$ 52,648</u>	<u>\$ 1,474</u>	<u>\$ 17,609</u>

<u>Post Training Revolving</u>	<u>Abandoned Vehicles</u>	<u>Pro-Youth</u>	<u>Police Activities</u>	<u>Totals</u>
\$ 7,334	\$ 48,831 2,133	\$ 20,712	\$ 18,238	\$ 740,750 4,377
<u>7,334</u>	<u>50,964</u>	<u>20,712</u>	<u>18,238</u>	<u>745,127</u>
\$ 7,334	\$ 50,964	\$ 9,603 11,109	\$ - 18,238	\$ 527,749 217,378
<u>\$ 7,334</u>	<u>\$ 50,964</u>	<u>\$ 20,712</u>	<u>\$ 18,238</u>	<u>\$ 745,127</u>

**CITY OF DINUBA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**For the Fiscal Year Ended June 30, 2013**

	July 1, 2012 Balance	Additions	Deductions	June 30, 2013 Balance
<b>Cash Deposits</b>				
Assets				
Cash and investments	\$ 432,437	\$ 459,180	\$ 315,469	\$ 576,148
Total Assets	<u>\$ 432,437</u>	<u>\$ 459,180</u>	<u>\$ 315,469</u>	<u>\$ 576,148</u>
Liabilities				
Accounts Payable	\$ -	\$ 459,180	\$ -	\$ 459,180
Deposits Payable	432,437		315,469	116,968
Total Liabilities	<u>\$ 432,437</u>	<u>\$ 459,180</u>	<u>\$ 315,469</u>	<u>\$ 576,148</u>
<b>Retiree's Insurance</b>				
Assets				
Cash and investments	\$ 63,582	\$ 242,110	\$ 253,049	\$ 52,643
Receivables	49	5	49	5
Total Assets	<u>\$ 63,631</u>	<u>\$ 242,115</u>	<u>\$ 253,098</u>	<u>\$ 52,648</u>
Liabilities				
Accounts Payable	\$ 32,411	\$ -	\$ 32,411	\$ -
Deposits Payable	31,220	242,115	220,687	52,648
Total Liabilities	<u>\$ 63,631</u>	<u>\$ 242,115</u>	<u>\$ 253,098</u>	<u>\$ 52,648</u>
<b>DPOA Trust</b>				
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	806			806
Total Liabilities	<u>\$ 1,474</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,474</u>
<b>Special Community Events</b>				
Assets				
Cash and investments	\$ 14,217	\$ 10,930	\$ 9,777	\$ 15,370
Receivables	2,239			2,239
Total Assets	<u>\$ 16,456</u>	<u>\$ 10,930</u>	<u>\$ 9,777</u>	<u>\$ 17,609</u>
Liabilities				
Deposits Payable	\$ 16,456	\$ 10,930	\$ 9,777	\$ 17,609
Total Liabilities	<u>\$ 16,456</u>	<u>\$ 10,930</u>	<u>\$ 9,777</u>	<u>\$ 17,609</u>

(Continued)

CITY OF DINUBA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
For the Fiscal Year Ended June 30, 2013  
(Continued)

	July 1, 2012 Balance	Additions	Deductions	June 30, 2013 Balance
<b>Post Training Revolving</b>				
Assets				
Cash and investments	\$ 2,114	\$ 19,332	\$ 14,112	\$ 7,334
Total Assets	<u>\$ 2,114</u>	<u>\$ 19,332</u>	<u>\$ 14,112</u>	<u>\$ 7,334</u>
Liabilities				
Accounts Payable	\$ 2,114	\$ 19,332	\$ 14,112	\$ 7,334
Total Liabilities	<u>\$ 2,114</u>	<u>\$ 19,332</u>	<u>\$ 14,112</u>	<u>\$ 7,334</u>
<b>Abandoned Vehicles</b>				
Assets				
Cash and investments	\$ 40,181	\$ 8,650	\$ -	\$ 48,831
Receivables	2,712		579	2,133
Total Assets	<u>\$ 42,893</u>	<u>\$ 8,650</u>	<u>\$ 579</u>	<u>\$ 50,964</u>
Liabilities				
Accounts Payable	\$ 42,893	\$ 8,650	\$ 579	\$ 50,964
Total Liabilities	<u>\$ 42,893</u>	<u>\$ 8,650</u>	<u>\$ 579</u>	<u>\$ 50,964</u>
<b>Pro-Youth</b>				
Assets				
Cash and investments	\$ 18,276	\$ 19,723	\$ 17,287	\$ 20,712
Total Assets	<u>\$ 18,276</u>	<u>\$ 19,723</u>	<u>\$ 17,287</u>	<u>\$ 20,712</u>
Liabilities				
Accounts Payable	\$ 7,167	\$ 19,723	\$ 17,287	\$ 9,603
Deposits Payable	11,109			11,109
Total Liabilities	<u>\$ 18,276</u>	<u>\$ 19,723</u>	<u>\$ 17,287</u>	<u>\$ 20,712</u>
<b>Police Activities</b>				
Assets				
Cash and investments	\$ 18,144	\$ 94	\$ -	\$ 18,238
Total Assets	<u>\$ 18,144</u>	<u>\$ 94</u>	<u>\$ -</u>	<u>\$ 18,238</u>
Liabilities				
Deposits Payable	\$ 18,144	\$ 94	\$ -	\$ 18,238
Total Liabilities	<u>\$ 18,144</u>	<u>\$ 94</u>	<u>\$ -</u>	<u>\$ 18,238</u>
<b>Grand Total All Agency Funds</b>				
Assets				
Cash and investments	\$ 590,425	\$ 760,019	\$ 609,694	\$ 740,750
Receivables	5,000	5	628	4,377
Total Assets	<u>\$ 595,425</u>	<u>\$ 760,024</u>	<u>\$ 610,322</u>	<u>\$ 745,127</u>
Liabilities				
Accounts Payable	\$ 85,253	\$ 506,885	\$ 64,389	\$ 527,749
Deposits Payable	510,172	253,139	545,933	217,378
Total Liabilities	<u>\$ 595,425</u>	<u>\$ 760,024</u>	<u>\$ 610,322</u>	<u>\$ 745,127</u>





## **STATISTICAL SECTION**



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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities</b>										
Investment In Capital Assets	\$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	\$125,814,202
Restricted	10,298,457	7,531,455	7,120,338	12,750,382	19,576,001	17,821,994	26,213,026	28,285,199	33,514,558	33,633,364
Unrestricted	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	468,534
<b>Total Governmental Activities Net Position</b>	<b>34,921,654</b>	<b>29,315,860</b>	<b>29,584,597</b>	<b>39,644,951</b>	<b>85,126,231</b>	<b>91,209,391</b>	<b>96,119,734</b>	<b>103,243,875</b>	<b>161,982,259</b>	<b>159,916,100</b>
<b>Business-Type Activities</b>										
Investment In Capital Assets	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	49,997,905
Restricted	297,289	329,375	300,733	311,596	535,617	3,471,175			5,348,820	5,179,596
Unrestricted	2,463,073	2,888,155	3,440,939	3,337,494	869,644	3,262,807	3,305,499	4,741,445	50,426,681	55,177,501
<b>Total Business-Type Activities Net Position</b>	<b>18,113,839</b>	<b>18,734,115</b>	<b>19,257,807</b>	<b>21,071,610</b>	<b>47,456,235</b>	<b>48,380,735</b>	<b>47,146,253</b>	<b>49,911,649</b>	<b>50,426,681</b>	<b>55,177,501</b>
<b>Primary Government</b>										
Investment In Capital Assets	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	175,812,107
Restricted	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	33,633,364
Unrestricted	6,672,770	8,515,842	4,484,181	11,595,603	(2,701,195)	(1,451,099)	1,752,165	4,339,842	8,251,948	5,648,130
<b>Total Primary Government Net Position</b>	<b>\$53,035,493</b>	<b>\$48,049,975</b>	<b>\$48,842,404</b>	<b>\$60,716,561</b>	<b>\$132,582,466</b>	<b>\$139,590,116</b>	<b>\$143,265,987</b>	<b>\$153,155,524</b>	<b>\$212,408,940</b>	<b>\$215,093,601</b>

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

Page 1 of 2

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$2,126,787	\$2,027,053	\$2,292,263	\$2,251,700	\$2,165,276	\$2,282,755	\$3,131,533	\$4,009,529	\$3,439,679	\$4,339,158
Public Safety	3,807,473	4,256,419	5,055,875	5,819,651	7,004,208	8,287,871	8,171,242	8,107,381	8,167,990	8,990,013
Public Works	3,630,316	6,045,507	4,103,422	5,430,096	3,585,804	4,138,563	2,312,028	3,652,361	1,826,602	2,197,625
Community Development	1,453,561	1,795,199	3,921,714	1,581,737	2,743,293	3,158,746	3,417,402	1,763,309	1,007,987	636,986
Parks and Recreation	1,085,389	954,389	135,086	1,359,109	1,662,008	1,700,474	1,584,698	1,152,007	1,796,570	1,136,847
Interest on Long-Term Debt	1,941,856	2,008,364	2,144,688	3,194,690	4,072,473	4,196,778	4,192,395	4,192,395	1,720,595	1,020,371
Unallocated Depreciation	637,382	\$36,084	794,431	847,061	\$38,674	917,172	987,607	\$79,409	953,544	823,524
<b>Total Governmental Activities Expenses</b>	<b>14,682,774</b>	<b>17,973,415</b>	<b>18,452,959</b>	<b>20,444,044</b>	<b>22,091,736</b>	<b>24,682,344</b>	<b>23,748,855</b>	<b>23,737,091</b>	<b>18,912,965</b>	<b>19,144,524</b>
<b>Business-Type Activities</b>										
Water	2,004,558	2,144,211	2,057,622	2,262,423	1,726,046	1,923,758	2,047,214	2,152,856	2,159,494	2,963,788
Sewer	1,921,329	1,993,150	1,842,089	2,120,095	1,791,855	2,087,637	2,007,892	2,292,341	2,427,747	2,499,666
Disposal	1,856,600	1,875,074	2,083,892	2,189,729	1,875,555	1,865,780	1,988,441	2,030,223	2,109,008	2,922,065
Ambulance	1,099,745	1,079,145	1,282,758	1,438,821	1,082,670	1,011,197	1,069,365	1,185,992	1,150,496	1,450,622
Transit	188,068	221,851	222,278	299,001	374,720	486,482	531,162	575,289	639,059	699,102
Golf Course					2,061,613	3,625,806	3,338,040	2,965,176	3,244,707	3,250,394
Compressed Natural Gas						86,726		115,775	120,212	137,950
Engineering										506,333
<b>Total Business-Type Activities Expenses</b>	<b>7,612,027</b>	<b>7,313,431</b>	<b>7,485,619</b>	<b>8,330,067</b>	<b>8,862,459</b>	<b>11,000,660</b>	<b>11,068,850</b>	<b>11,317,652</b>	<b>11,850,723</b>	<b>14,389,920</b>
<b>Total Primary Government Net Expenses</b>	<b>\$22,294,801</b>	<b>\$25,286,846</b>	<b>\$25,938,578</b>	<b>\$28,814,111</b>	<b>\$30,954,195</b>	<b>\$35,683,004</b>	<b>\$34,817,705</b>	<b>\$35,054,743</b>	<b>\$30,763,688</b>	<b>\$33,534,444</b>
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services	\$2,208,623	\$243,532	\$396,497	\$3,849	\$36,180	\$31,086	\$32,430	\$27,409	\$52,073	\$4,688
General Government	58,577	283,997	330,994	411,777	402,936	664,374	477,189	446,219	519,454	423,329
Public Safety	200,574	1,464,890	4,103,456	3,038,957	2,033,827	1,276,563	2,566,382	2,489,475	2,370,459	2,313,306
Public Works	190,981	64,850	928,648	203,515	394,960	95,741	178,106	178,106	38,410	11,941
Community Development	38,450	210,130	239,924	231,315	164,751	283,008	154,307	117,807	184,657	146,537
Parks and Recreation	2,324,286	2,366,940	4,457,869	6,865,658	1,980,565	2,137,570	1,753,052	1,877,718	3,279,460	4,482,789
Operating Contributions and Grants	1,803,909	316,535	246,552	5,133,176	70,512,208	10,798,269	3,768,170	6,195,826	2,436,154	5,669,203
Capital Contributions and Grants	6,930,400	4,888,084	9,539,642	16,633,360	76,333,982	15,583,830	8,847,271	11,332,560	8,830,667	13,051,813
<b>Total Governmental Activities Program Revenues</b>										
Business-Type Activities										
Charges for Services	1,763,073	1,780,579	1,930,489	2,160,868	2,240,558	2,394,252	2,410,325	2,569,449	2,647,422	2,847,344
Water	1,730,443	1,588,227	1,630,460	1,879,182	2,035,266	2,294,266	2,263,518	2,603,345	2,610,812	2,574,505
Sewer	1,845,715	1,924,135	2,117,388	2,404,251	2,501,989	2,713,404	2,799,914	2,891,914	2,980,135	3,324,925
Disposal	975,350	507,461	1,488,611	1,511,008	1,179,934	1,253,128	1,269,363	1,219,352	1,078,428	1,281,703
Ambulance	34,884	37,068	35,604	27,580	11,313	23,549	31,189	39,601	46,089	44,959
Transit					8,800	2,175,135	1,940,722	1,948,101	2,239,576	2,255,964
Golf Course							172,966	149,916	188,775	217,120
Compressed Natural Gas										486,415
Engineering										868,397
Operating Contributions and Grants	149,905	151,178	225,005	311,574	612,387	635,672	345,078	1,001,190	627,400	868,397
Capital Contributions and Grants	543,099	516,302	\$6,810	1,360,262	2,745,258	1,122,094	1,72,758	2,506,420	969,433	1,188,785
<b>Total Business-Type Activities Program Revenues</b>	<b>7,214,749</b>	<b>6,704,850</b>	<b>7,504,367</b>	<b>9,654,725</b>	<b>11,374,905</b>	<b>12,611,590</b>	<b>11,401,751</b>	<b>14,929,288</b>	<b>13,388,070</b>	<b>15,090,117</b>
<b>Total Primary Government Program Revenues</b>	<b>\$14,145,149</b>	<b>\$11,590,884</b>	<b>\$17,044,009</b>	<b>\$26,288,085</b>	<b>\$27,668,487</b>	<b>\$28,197,330</b>	<b>\$20,249,002</b>	<b>\$26,261,848</b>	<b>\$22,218,737</b>	<b>\$28,121,930</b>

Source: City of Dinuba Financial Services Division

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

Page 2 of 2

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(\$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)	(\$6,112,711)
Business-Type Activities	(397,278)	(608,581)	15,748	1,324,658	2,472,046	1,610,840	332,881	3,611,636	1,537,347	700,197
<b>Total Primary Government Net Expense</b>	<b>(\$8,149,652)</b>	<b>(\$13,645,962)</b>	<b>(\$8,897,569)</b>	<b>(\$2,526,026)</b>	<b>\$56,714,292</b>	<b>(\$7,485,674)</b>	<b>(\$14,568,703)</b>	<b>(\$8,792,895)</b>	<b>(\$8,544,951)</b>	<b>(\$5,412,514)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Taxes										
Property Taxes	\$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	\$645,437
Transient Occupancy Taxes	51,734	57,581	74,466	75,671	69,901	96,622	91,251	144,780	133,920	171,817
Sales Taxes	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	3,677,282
Franchise Taxes	181,658	195,187	203,705	214,886	222,599	248,553	214,722	233,109	230,613	226,904
Utility Users Tax	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	1,622,049
Other Taxes	25,216	148,456	288,003	290,106	608,703	583,716	611,305	784,070	870,086	240,387
Motor Vehicle Tax	745,895	359,368	1,315,245	1,469,382	1,594,918	1,670,198	1,641,929	1,636,167	1,565,696	1,553,701
Use of Money and Property	1,051,820	1,427,153	667,943	831,977	1,022,123	534,225	533,961	360,997	288,456	287,977
Other	169,733	144,258	37,380	121,480	70,248	508,758	335,350	174,494	946,090	1,552,988
Gain (Loss) on Sale of Capital Assets				2,633,030	657,221	259,983	448,216	159,698	(2,019,092)	400,323
Transfers	(3,093,802)	(840,621)	(469,958)	(407,874)	(23,785,145)	733,966	1,581,736	855,678	703,133	(4,065,884)
<b>Total Governmental Activities</b>	<b>4,594,247</b>	<b>7,196,495</b>	<b>8,900,426</b>	<b>13,685,909</b>	<b>(8,760,966)</b>	<b>15,179,664</b>	<b>17,799,482</b>	<b>16,790,977</b>	<b>17,624,350</b>	<b>6,312,981</b>
Business-Type Activities										
Use of Money and Property	48,551	108,513	37,986	81,274	127,434	47,626	14,373	9,438	19,536	45,845
Other									(338,718)	
Transfers	3,093,802	840,621	469,958	407,874	23,785,145	(733,966)	(1,581,736)	(855,678)	(703,133)	4,065,884
<b>Total Business-Type Activities</b>	<b>3,142,353</b>	<b>949,134</b>	<b>507,944</b>	<b>489,148</b>	<b>23,912,579</b>	<b>(686,340)</b>	<b>(1,567,363)</b>	<b>(846,240)</b>	<b>(1,022,315)</b>	<b>4,111,729</b>
Extraordinary Item - Litigation Settlement	3,857,909	235,092	176,647	225,129						
Extraordinary Item - Gain on Foreclosure of Property	2,774,588									
<b>Total Primary Government</b>	<b>\$14,369,097</b>	<b>\$8,380,721</b>	<b>\$9,585,017</b>	<b>\$14,400,186</b>	<b>\$15,151,613</b>	<b>\$14,493,324</b>	<b>\$16,232,119</b>	<b>\$15,944,737</b>	<b>\$16,602,035</b>	<b>\$10,424,710</b>
<b>Change in Net Position</b>										
Governmental Activities	\$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	\$200,270
Business-Type Activities	2,745,075	340,553	523,692	1,813,806	26,384,625	924,500	(1,234,482)	2,765,396	515,032	4,811,926
<b>Total Primary Government</b>	<b>\$6,219,445</b>	<b>(\$5,265,241)</b>	<b>\$687,448</b>	<b>\$11,874,160</b>	<b>\$71,865,905</b>	<b>\$7,007,650</b>	<b>\$1,663,416</b>	<b>\$7,151,842</b>	<b>\$8,057,084</b>	<b>\$5,012,196</b>

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved			\$662,000	\$592,000	\$522,000	\$452,000	\$769,541			
Unreserved			1,914,006	2,644,910	2,762,848	2,105,415	2,321,648			
Nonspendable	\$2,033,694	\$2,352,778						\$2,869,745	\$3,005,321	\$2,742,077
Unassigned								(700,688)	1,587,709	1,217,109
<b>Total General Fund</b>	<b>\$2,033,694</b>	<b>\$2,352,778</b>	<b>\$2,576,006</b>	<b>\$3,236,910</b>	<b>\$5,284,848</b>	<b>\$2,557,415</b>	<b>\$3,091,189</b>	<b>\$2,169,057</b>	<b>\$4,593,030</b>	<b>\$3,959,186</b>
<b>All Other Governmental Funds</b>										
Reserved	\$7,377,102	\$5,557,677	\$8,232,616	\$8,346,973	\$8,863,307	\$11,465,614	\$12,125,161			
Unreserved, Reported In:										
Special Revenue Funds	664,668	1,295,902	(316,156)	3,472,555	1,851,164	420,661	1,165,296			
Debt Service Funds										
Capital Projects Funds										
Nonspendable Funds	3,526,585	836,385	(3,377,781)	2,163,542	137,053	(6,021,033)	(9,673,971)	14,759,706	5,792,649	21,170
Restricted Funds								8,352,350	6,840,553	16,917,455
Assigned Funds								206,798	4,478,409	147,627
Unassigned Funds								(11,089,450)	(484,580)	(312,176)
<b>Total All Other Governmental Funds</b>	<b>\$11,568,355</b>	<b>\$7,687,964</b>	<b>\$4,538,679</b>	<b>\$13,983,070</b>	<b>\$10,851,524</b>	<b>\$5,865,242</b>	<b>\$3,616,486</b>	<b>\$12,729,404</b>	<b>\$16,627,031</b>	<b>\$16,774,076</b>
<b>Total Governmental Funds</b>	<b>\$13,602,049</b>	<b>\$10,040,742</b>	<b>\$7,114,685</b>	<b>\$17,219,980</b>	<b>\$14,136,372</b>	<b>\$8,422,657</b>	<b>\$6,707,675</b>	<b>\$14,898,461</b>	<b>\$21,220,061</b>	<b>\$20,733,262</b>

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes and Assessments	\$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	\$10,054,422
Licenses and Permits	225,692	403,098	389,691	575,979	489,989	473,177	585,481	663,034	490,803	533,126
Intergovernmental	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	8,840,363
Charges for Services	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	1,847,951
Use of Money and Property	333,268	359,368	464,657	1,158,097	1,409,409	557,746	360,312	219,523	615,073	105,029
Fines and Forfeitures	74,754	100,200	85,254	92,020	110,528	180,620	104,321	165,482	393,113	118,693
Reimbursements	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	1,993,316
Miscellaneous	70,103	488,983	98,987	401,232	206,463	774,390	109,001	195,544	280,827	183,644
<b>Total Revenues</b>	<b>15,247,396</b>	<b>15,678,630</b>	<b>18,924,050</b>	<b>24,802,365</b>	<b>22,927,047</b>	<b>23,993,398</b>	<b>26,562,662</b>	<b>28,424,803</b>	<b>28,698,249</b>	<b>23,671,544</b>
<b>Expenditures</b>										
Current										
General Government	1,405,074	1,876,788	2,197,521	1,979,384	1,758,510	1,859,569	2,493,169	3,424,510	3,198,893	3,567,574
Public Safety	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	8,512,170
Public Works <sup>1</sup>	1,856,610	2,757,103	3,942,917	4,115,617	3,702,608	4,390,130	2,110,634	2,047,171	2,305,236	2,108,997
Community development	959,817	815,068	13,351	1,307,141	2,969,141	2,882,010	2,972,937	1,480,571	1,254,396	3,077,272
Parks and Recreation <sup>1</sup>	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	1,108,050
Capital Outlay	7,086,053	7,022,432	9,749,448	21,861,678	6,550,780	4,578,430	3,664,017	5,822,476	5,230,041	5,070,355
Debt Service	726,220	1,030,010	961,771	1,428,581	2,095,025	2,253,167	2,600,226	17,796,703	7,209,513	1,814,520
Principal Retirement	1,443,881	1,922,281	2,053,059	2,441,347	3,566,066	3,870,469	3,806,906	3,947,999	1,967,183	816,403
Interest and Fiscal Charges	456,084		277,421	903,259	591,412	167,679	2,342	734,435		331,022
Debt Issuance Costs										
<b>Total Expenditures</b>	<b>19,214,485</b>	<b>21,074,023</b>	<b>26,214,366</b>	<b>42,706,064</b>	<b>29,307,505</b>	<b>28,793,360</b>	<b>26,310,873</b>	<b>43,026,078</b>	<b>25,383,479</b>	<b>26,406,363</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,967,089)</b>	<b>(5,395,393)</b>	<b>(7,290,316)</b>	<b>(17,903,699)</b>	<b>(6,380,458)</b>	<b>(4,799,962)</b>	<b>251,789</b>	<b>(14,601,275)</b>	<b>3,314,770</b>	<b>(2,734,819)</b>
<b>Other Financing Sources (Uses)</b>										
Transfers In	6,119,609	6,124,329	6,887,126	24,450,021	17,389,125	10,491,067	6,526,562	6,959,476	7,319,087	2,330,637
Transfers Out	(6,671,116)	(6,964,950)	(7,216,484)	(24,763,895)	(28,006,539)	(12,004,060)	(7,373,175)	(8,231,685)	(8,270,637)	(6,500,021)
Sales of Property		1,407,247	13,171	4,060,014	406,461	251,240	309,537		291,150	500,687
Issuance of Long Term Debt	8,169,600	1,032,368	7,845,973	27,927,690	14,950,000	1,370,000		16,312,340		12,770,000
Original issuance discount										(314,360)
Payment to Refunded Bond Escrow Agent	(2,593,508)		(3,337,564)	(3,429,119)						(6,684,833)
<b>Total Other Financing Sources (Uses)</b>	<b>5,024,585</b>	<b>1,598,994</b>	<b>4,192,222</b>	<b>28,244,711</b>	<b>4,739,047</b>	<b>108,247</b>	<b>(537,276)</b>	<b>15,199,829</b>	<b>(660,400)</b>	<b>2,102,110</b>
<b>Net Change in Fund Balances before Extraordinary Item</b>	<b>1,057,496</b>	<b>(3,796,399)</b>	<b>(3,098,094)</b>	<b>10,341,012</b>	<b>(1,641,411)</b>	<b>(4,691,715)</b>	<b>(285,487)</b>	<b>598,554</b>	<b>2,654,370</b>	<b>(632,709)</b>
Extraordinary Item - Litigation Settlement										145,910
Extraordinary Item - Gain on Property Foreclosure										
<b>Net Change in Fund Balances</b>	<b>\$2,645,495</b>	<b>(53,561,307)</b>	<b>(32,921,447)</b>	<b>\$10,566,141</b>	<b>(\$1,641,411)</b>	<b>(\$4,691,715)</b>	<b>(\$285,487)</b>	<b>\$598,554</b>	<b>\$2,654,370</b>	<b>(\$486,799)</b>
<b>Debt Service as a percentage of non-capital expenditure</b>	<b>17.9%</b>	<b>21.0%</b>	<b>18.3%</b>	<b>18.6%</b>	<b>24.9%</b>	<b>25.1%</b>	<b>28.3%</b>	<b>58.4%</b>	<b>20.7%</b>	<b>12.3%</b>

<sup>1</sup> Prior to FY2001, the Parks and Recreation Department Expenditures were combined with General Government.

<sup>2</sup> 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	
2004	\$2,797,205	\$2,324,286	\$1,808,909	\$6,930,400	\$7,688,049
2005	\$2,202,569	\$2,366,940	\$316,525	\$4,886,034	\$8,037,116
2006	\$4,835,721	\$4,457,369	\$246,552	\$9,539,642	\$9,370,384
2007	\$4,634,526	\$6,865,658	\$5,133,176	\$16,633,360	\$11,458,753
2008	\$2,841,209	\$2,980,565	\$70,512,208	\$76,333,982	\$14,366,958
2009	\$2,649,991	\$2,137,570	\$10,798,269	\$15,585,830	\$14,185,715
2010	\$3,326,049	\$1,753,052	\$3,768,170	\$8,847,271	\$15,769,530
2011	\$3,259,016	\$1,877,718	\$6,195,826	\$11,332,560	\$15,775,601
2012	\$3,115,053	\$3,279,460	\$2,436,154	\$8,830,667	\$18,940,309
2013	\$2,899,821	\$4,462,789	\$5,669,203	\$13,031,813	\$10,378,766

Fiscal Year	GENERAL REVENUES					Total General Revenues
	Property Taxes	Sales Taxes	Utility Users Taxes	All Other Taxes	Use Of Money And Property	
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
2013	\$645,437	\$3,677,282	\$1,622,049	\$3,745,698	\$688,300	\$10,378,766

Source: City of Dinuba Financial Services Division

**CITY OF DINUBA**  
**GENERAL GOVERNMENT REVENUES BY SOURCE <sup>1</sup>**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Taxes And Assessments	Licenses And Permits	Intergovernmental	Charges For Services	Use Of Money And Property	Fines And Forfeitures
2004	\$5,200,096	\$225,692	\$6,943,194	\$455,714	\$333,268	\$74,754
2005	\$6,173,903	\$403,098	\$4,221,634	\$1,741,050	\$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	\$1,831,959	\$1,409,409	\$110,528
2009	\$11,142,476	\$473,177	\$6,177,846	\$1,383,468	\$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
2013	\$10,054,422	\$533,126	\$8,840,363	\$1,842,951	\$105,029	\$118,693

Fiscal Year	Reimbursements	Miscellaneous	Total General Government Revenues
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
2013	\$1,993,316	\$183,644	\$23,671,544

<sup>1</sup> Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

Source: City of Dinuba Financial Services Division

**CITY OF DINUBA**  
**PROPERTY AD VALOREM TAX ASSESSED VALUES <sup>1</sup>**  
**LAST TEN FISCAL YEARS**

Year Ended June 30	Assessed Value <sup>2</sup>	County Tax Rate Per \$100	City		
			Portion of Assessed Value	Tax Rate	Tax Levy
2004	\$585,923,176	1.0000	\$319,831,579	0.185%	\$590,737
2005	\$586,462,949	1.0000	\$289,076,917	0.228%	\$660,088
2006	\$664,022,274	1.0000	\$330,657,621	0.200%	\$661,315
2007	\$791,375,057	1.0000	\$356,205,589	0.195%	\$693,407
2008	\$877,827,074	1.0000	\$375,372,209	0.188%	\$713,207
2009	\$929,595,416	1.0000	\$376,872,214	0.175%	\$661,346
2010	\$918,955,107	1.0000	\$381,194,928	0.152%	\$577,530
2011	\$928,720,115	1.0000	\$374,186,358	0.163%	\$608,653
2012	\$921,046,459	1.0000	\$376,464,415	0.174%	\$655,249
2013	\$933,234,251	1.0000	\$383,803,558	0.168%	\$645,437

<sup>1</sup> 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.

<sup>2</sup> Pursuant to chapter 1207 of the statutes of 1978, "Assessed Value" means 100% of full taxable value.

Source: Tulare County Auditor's Office

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

	Fiscal Year				
	2009	2010	2011	2012	2013
City Direct Rates:					
City basic rate	\$0.192	\$0.192	\$0.192	\$0.191	\$0.191
Total City Direct Rate	0.192	0.192	0.192	0.191	0.191
Overlapping Rates:					
Tulare County	0.179	0.180	0.179	0.178	0.177
Library	0.015	0.015	0.015	0.015	0.015
Dinuba School District	0.273	0.273	0.273	0.260	0.273
Community College District	0.046	0.046	0.046	0.016	0.001
Tulare County Schools	0.024	0.024	0.024	0.024	0.024
Alta Cemetery	0.008	0.008	0.008	0.008	0.008
Alta Hospital District	0.018	0.018	0.018	0.018	0.018
Delta Vector Control	0.014	0.014	0.014	0.014	0.014
Dinuba Memorial District	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
Tulare County Flood District	0.002	0.002	0.002	0.002	0.002
Education Revenue Augmentation	0.224	0.223	0.224	0.224	0.226
Dinuba School District Bonds	0.107	0.107	0.110	0.125	0.120
Community College Bonds	0.010	0.010	0.016	0.036	0.036
Total Direct Rate <sup>1</sup>	1.117	1.117	1.126	1.116	1.111

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.

<sup>1</sup> 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**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**AS OF JUNE 30, 2013 AND 2004**

Taxpayer	Type Of Business	Fiscal Year 2013			Fiscal Year 2004		
		Assessed Valuation	Assessed Valuation	Percent Of Total	Assessed Valuation	Assessed Valuation	Rank
Best Buy Stores, Inc.	Distribution Center	\$ 62,941,100		6.74%	\$ 56,483,112	9.64%	1
Ruiz Foods Products Inc.	Frozen Food	59,252,736		6.35%	42,211,164	7.20%	2
Odwalla, Inc.	Fruit Juices	56,295,098		6.03%	16,518,690	2.82%	3
Wal-mart Store Inc	Retail Store	16,885,711		1.81%		0.00%	
Patterson Dental Supply	Wholesaler	14,160,480		1.52%	4,419,561	0.75%	7
Dinuba - Veto LLC	Real Estate Investment	7,854,941		0.84%		0.00%	
Boscacci Group		6,743,876		0.72%		0.00%	
Bloom Energy		6,156,392		0.66%		0.00%	
Kmart Corporation	Retail Store	5,242,859		0.56%	4,517,384	0.77%	6
Red Rock Plaza Center LLC	Real Estate Investment	5,044,165		0.54%		0.00%	
Tejeda Family Partnership	Real Estate				7,395,524	1.26%	4
Apartment Unit Joint Venture	Real Estate				5,242,764	0.89%	5
U S Cold Storage of CA	Packing / Cold Storage				3,649,503	0.62%	8
Surabian & Sons	Produce/Packing				3,574,150	0.61%	9
CP Developers	Produce/Packing				3,484,902	0.59%	10
		<u>\$240,577,358</u>		<u>25.77%</u>	<u>\$147,496,754</u>	<u>25.15%</u>	

Source: Tulare County Auditor's Office

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

<u>Year Ended June 30</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected <sup>1</sup></u>
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
2013 <sup>2</sup>	\$665,948	\$645,437	96.92

<sup>1</sup> 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.

<sup>2</sup> Previously, redevelopment tax increment was shown in this table. With the dissolution of redevelopment, only the City's property is being shown.

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
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	\$63,161,970	\$932,596	\$1,247,879	\$65,342,445	\$3,005,000	\$7,580,353	\$10,585,353
2013	\$11,252,962	\$701,861	\$23,549	\$11,978,372	\$11,030,000	\$7,108,030	\$18,138,030
Fiscal Year	Primary Government				Per Capita <sup>1</sup>		
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	\$75,927,798				\$3,358		
2013	\$30,116,402				\$1,305		

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

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

<sup>2</sup> 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**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Lease Revenue Bonds	Less: Amounts Available		Total General Bonded Debt Outstanding	Percentage of Assessed Value of Property <sup>1</sup>	Per Capita
		in Debt Service Funds				
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 <sup>2</sup>	\$13,455,000	\$2,163,030		\$63,161,970	6.9%	\$2,793
2013	\$13,160,000	\$1,907,038		\$11,252,962	1.2%	\$488

<sup>1</sup> 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.

<sup>2</sup> 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**  
**STATEMENT OF DIRECT AND OVERLAPPING DEBT**  
**As of June 30, 2013**

2012 - 2013 Assessed Valuation:	\$930,503,612		
Redevelopment Incremental Valuation:			
City Adjusted Assessed Valuation	\$930,503,612		
	OUTSTANDING DEBT 6/30/2013	% APPLICABLE (1)	ESTIMATED SHARE OF OUTSTANDING DEBT
<b>OVERLAPPING TAX AND ASSESSMENT DEBT</b>			
State Center Community College District	\$104,370,000	1.4660%	\$1,530,064
Dinuba Joint Unified School District	25,689,941	68.5570%	17,612,253
Kings Canyon Joint Unified School District	58,720,758	0.0210%	12,331
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b>188,780,699</b>		<b>19,154,648</b>
<b>OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>			
Tulare County Certificates of Participation	54,540,000	3.4550%	1,884,357
Dinuba Joint Unified School District Certificates of Participation	7,700,000	68.5570%	5,278,889
City of Dinuba General Fund Obligations	19,595,000	100.0000%	19,595,000
<b>TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>	<b>81,835,000</b>		<b>26,758,246</b>
Overlapping Tax Increment Debt (Successor Agency)	53,570,000	100.0000%	53,570,000
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT <sup>1</sup></b>			<b>\$99,482,894</b>
<b>COMBINED TOTAL DEBT</b>			<b>\$ 99,482,894 (2)</b>

**Debt Ratios:**

Ratios to Adjusted Valuation:

Total Overlapping Tax and Assessment Debt	2.06%
Total Direct Debt (\$19,595,000)	2.11%
Combined Total Debt	10.69%

Ratios to 2012-13 Assessed Valuation:

Total Overlapping Tax Increment Debt	9.67%
--------------------------------------	-------

<sup>1</sup> The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

<sup>2</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy bonds are included based on principal due at maturity.

Source: California Municipal Statistics, Inc.

**CITY OF DINUBA  
COMPUTATION OF LEGAL DEBT MARGIN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Total Assessed Valuation	<u>\$930,503,612</u>
Debt Limit - 15% of Total Assessed Valuation	<u>\$139,575,542</u>
Amount of Debt Applicable to the Limit	<u>78,857,469</u>
Legal Debt Margin	<u>\$60,718,073</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>
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	\$75,927,798	\$62,229,171	55.0%
2013	\$139,985,138	\$30,116,402	\$109,868,736	21.5%

Source: City of Dinuba Financial Services Division

**CITY OF DINUBA**  
**PLEDGED-REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

Year Ended June 30	Certificates of Participation (Sewer Fund)					Total Debt Service	Debt Service Coverage
	Sewer Charges And Other Contributions <sup>1</sup>	Less: Operating Expenses <sup>2</sup>	Net Available Revenue	Principal	Interest		
2004	\$1,858,054	\$1,315,168	\$542,886	\$110,000	\$376,868	\$486,868	1.12
2005	\$2,196,535	\$1,388,747	\$807,788	\$145,000	\$374,455	\$519,455	1.56
2006	\$2,137,887	\$1,376,168	\$761,719	\$150,000	\$371,205	\$521,205	1.46
2007	\$2,231,903	\$1,702,270	\$529,633	\$150,000	\$367,380	\$517,380	1.02
2008	\$2,389,237	\$1,864,897	\$524,340	\$155,000	\$432,879	\$587,879	0.89
2009	\$2,591,374	\$1,945,535	\$645,839	\$215,000	\$578,089	\$793,089	0.81
2010	\$2,882,543	\$1,765,050	\$1,117,493	\$215,000	\$806,161	\$1,021,161	1.09
2011	\$3,545,791	\$1,547,768	\$1,998,023	\$270,000	\$796,668	\$1,066,668	1.87
2012	\$3,293,667	\$1,744,908	\$1,548,759	\$290,000	\$938,250	\$1,228,250	1.26
2013	\$2,945,488	\$1,641,917	\$1,303,571	\$240,000	\$618,372	\$858,372	1.52

<sup>1</sup> Includes transfers from the Water Fund. Bond proceeds from the 2002 Refunding Bond were also used to fund certain Water projects. Therefore, the water fund pays a proportionate share of the debt service.

<sup>2</sup> Depreciation is eliminated for this calculation.

Source: City of Dinuba Financial Services Division

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

<u>Lease Revenue Bonds</u>			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$305,000	\$759,008	\$5,120,827
2015	\$320,000	\$743,260	\$5,418,718
2016	\$340,000	\$726,386	\$5,417,445
2017	\$355,000	\$708,389	\$5,416,228
2018	\$375,000	\$689,289	\$5,421,301
2019	\$390,000	\$669,053	\$5,406,970
2020	\$415,000	\$647,489	\$5,417,146
2021	\$440,000	\$624,304	\$5,436,618
2022	\$455,000	\$599,843	\$5,324,347
2023	\$485,000	\$573,926	\$5,325,375
2024	\$510,000	\$546,208	\$5,324,552
2025	\$545,000	\$516,523	\$5,326,969
2026	\$570,000	\$485,003	\$5,317,716
2027	\$600,000	\$451,886	\$5,311,890
2028	\$635,000	\$416,858	\$5,313,321
2029	\$670,000	\$379,791	\$5,249,991
2030	\$715,000	\$340,116	\$4,879,513
2031	\$755,000	\$297,690	\$4,874,775
2032	\$795,000	\$252,873	\$4,829,123
2033	\$845,000	\$205,336	\$4,834,302
2034	\$370,000	\$168,210	\$4,312,310
2035	\$400,000	\$141,939	\$4,319,345
2036	\$425,000	\$113,765	\$4,086,490
2037	\$450,000	\$83,823	\$4,064,164
2038	\$480,000	\$51,918	\$3,425,021
2039	\$515,000	\$17,721	\$3,427,505
2040	\$0	\$0	\$2,423,503
2041	\$0	\$0	\$2,073,116
2042	\$0	\$0	\$1,218,691
	<u>\$13,160,000</u>	<u>\$11,210,608</u>	<u>\$134,317,269</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 <sup>1</sup></u>	<u>% Change</u>	<u>Tulare County Population</u>	<u>City Population as % of County Population</u>	<u>Unemployment Rate <sup>3</sup></u>
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%	16.1%
2010	21,542	1.42%	447,141	4.82%	22.4%
2011	21,950	1.86%	446,180	4.92%	22.8%
2012	22,614	2.94%	450,840	5.02%	21.2%
2013	23,082	2.03%	455,599	5.07%	18.9%

<sup>1</sup> Source: California Department of Finance

<sup>2</sup> Source: Tulare County Economic Development Corporation

<sup>3</sup> Source: California Employment Development Department

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

**CITY OF DINUBA**  
**PRINCIPAL EMPLOYERS**  
**AS OF JUNE 30, 2013 AND 2004**

Employer	Type of Business	Fiscal Year 2013			Fiscal Year 2004		
		Employees	Percent of Total City Employment	Rank	Employees	Percent of Total City Employment	Rank
Ruiz Foods Products Inc.	Frozen Food	1,458	35%	1	1,300	45%	1
Dinuba Public Schools	Education	744	18%	2	314	11%	2
Family Tree Farms	Produce Packing	600	14%	3			
Wal-Mart	Retail Store	386	9%	4			
Best Buy Stores, Inc.	Distribution Center	350	8%	5	288	10%	3
Odwalla, Inc.	Fruit Juices	192	5%	6	150	5%	5
Giannini Packing	Produce/Packing				200	7%	4
City of Dinuba	Local Government	164	4%	7	106	4%	6
Kmart	Retail store	120	3%	8	80	3%	8
Surabian And Sons	Produce/Packing	100	2%	9	80	3%	8
Patterson Dental	Wholesaler	95	2%	10			
Apito Produce	Produce/Packing				150	5%	5
Sadoian Brothers	Produce/Packing				95	3%	7
Peloian Packing	Agriculture/Packer				60	2%	9
US Cold Storage	Ice & cold storage				55	2%	10
		<u>4,209</u>	<u>100.00%</u>		<u>2,878</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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
General Government	24.3	24.3	24.9	24.7	18.0	18.0	19.0	17.6	17.6	18.0
Public Safety	60.2	63.1	76.1	78.1	78.0	81.0	79.0	81.5	81.5	84.0
Public Works	9.4	10.4	12.5	25.9	26.2	29.3	17.3	14.3	14.0	14.7
Parks and Recreation <sup>1</sup>	24.9	20.5	21.2	20.9	16.0	16.0	12.0	13.7	13.7	13.1
Water	7.0	7.0	7.4	7.6	6.0	2.9	6.2	5.2	5.2	6.2
Sewer	5.4	5.8	5.4	5.6	6.2	5.1	4.3	5.3	5.3	5.3
Disposal	0.6	0.6	0.6	0.6	0.6	1.7	1.2	1.2	1.2	1.2
Total Government-Wide Employees	131.8	131.7	148.1	163.4	151.0	154.0	139.0	138.8	138.5	142.5

<sup>1</sup> In FY2011, the Parks division and Community Services division were combined and moved to the Finance & community Services Department

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
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 <sup>1</sup>	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 <sup>2</sup>	327	\$26,119,325	2	\$1,398,078	116	\$14,622,391	1	\$7,604,520 <sup>4</sup>	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
2013	430	\$20,466,026	4	\$1,488,000	99	\$11,149,388	1	\$2,450,000	0	326	\$5,378,638

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

<sup>1</sup> Activity covering from January 1 to July 31.

<sup>2</sup> Esclid aptment's 2009 permit expired renew in 2010.

Source: City of Dinuba Annual Building Report



# **TULARE COUNTY CROP STATISTICS FOR THE CALENDAR YEAR 2012**

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 2012

<u>PRODUCT</u>	<u>GROSS VALUE</u>
1. Milk	\$1,813,816,000
2. Grapes	\$863,043,000
3. Oranges	\$654,927,000
4. Cattle & Calves	\$577,150,000
5. Corn	\$262,170,000
6. Alfalfa	\$199,883,000
7. Pistachio	\$193,920,000
8. Almonds	\$187,371,000
9. Walnuts	\$185,128,000
10. Peaches	\$146,302,000
 Total Value of the Top Ten Tulare County Crops	 \$5,083,710,000
  Total Value of All Tulare County Crops	  \$6,210,693,000

Source: Tulare County Agricultural Commissioner news release

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Water:</b>										
Number Water Wells	7	7	7	8	8	8	8	8	8	8
Annual Production (Million Gal)	1,502	1,450	1,478	1,653	1,682	1,671	1,671	1,671	1,996	1,570
Service Connections	4,458	4,613	4,725	4,830	4,991	5,030	5,094	5,459	5,581	5,633
<b>Police:</b>										
Stations	2	2	2	2	2	2	2	2	2	2
Sworn Officers	27	28	39	39	40	40	38	35	35	34
Support Personnel	12	9	12	14	14	12	11	10	10	10
Part-Time Support Personnel	2	10	7	5	5	3	3	7	8	3
Police Vehicles	26	23	33	36	35	34	32	34	35	37
Motorcycles	2	2	2	2	2	2	2	2	2	2
<b>Fire:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Firefighters	16	17	17	21	21	24	23	24	24	23
Fire and Rescue Vehicles	5	5	5	5	5	5	5	5	5	5
Ambulances	3	3	3	3	3	3	3	4	4	4
Staff Vehicles	3	3	4	5	5	5	4	4	5	6
<b>Parks and Recreation:</b>										
Parks	10	10	10	13	13	13	13	13	13	13
Acres of Park land	28	28	28	66	66	66	66	66	66	66
Acres of Open Space	48	48	48	56	56	56	56	56	56	56
Recreation Centers	2	2	2	2	2	2	2	2	2	2
<b>Other:</b>										
City Land Area (Square Miles)	3.42	4.82	4.82	4.82	4.90	4.90	4.90	4.90	4.90	4.90
Miles of Water Main	64.0	68.0	71.5	74.0	74.0	74.0	74.0	74.0	74.0	74.0
Miles of Storm Drain	16.0	17.0	17.0	18.0	19.0	19.0	19.0	19.0	19.0	19.0
Miles of Sewer Main	63.0	68.0	70.2	73.0	74.0	74.0	74.0	74.0	74.0	74.0
Miles of City Streets	61.0	61.0	61.0	65.0	65.7	65.7	65.7	65.7	65.7	65.7

Source: City of Dinuba Financial Services Division

**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 <sup>1</sup>	Number of Ambulance Runs	Number of Fire Fighters
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
2013	23,082	5,633	38,550	5,967	34	2013	572	3,594	23

<sup>1</sup> Includes calls for fires, explosions, and hazardous conditions.

<sup>2</sup> 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 <sup>1</sup>**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
General Government	\$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	\$4,339,158
Public Safety	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	8,990,013
Public Works <sup>3</sup>	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	2,197,625
Community Development	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	696,986
Parks and Recreation <sup>2</sup>	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	1,136,847
Debt Service	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	1,020,371
Unallocated Depreciation	637,382	836,084	794,431	847,061	858,674	917,172	987,607	879,409	953,544	823,524
Total Governmental Activities Expenses	\$14,682,774	\$17,923,415	\$18,452,959	\$20,484,044	\$22,091,736	\$24,682,344	\$23,748,855	\$23,757,091	\$18,912,965	\$19,144,524

<sup>1</sup> Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

Source: City of Dinuba Financial Services Division

**CITY OF DINUBA  
SCHEDULE OF INSURANCE IN FORCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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.	\$5,396,855
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.	\$56,648,198
b. Miscellaneous Property Floater	\$489,290
c. Special Equipment.	\$2,843,161
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