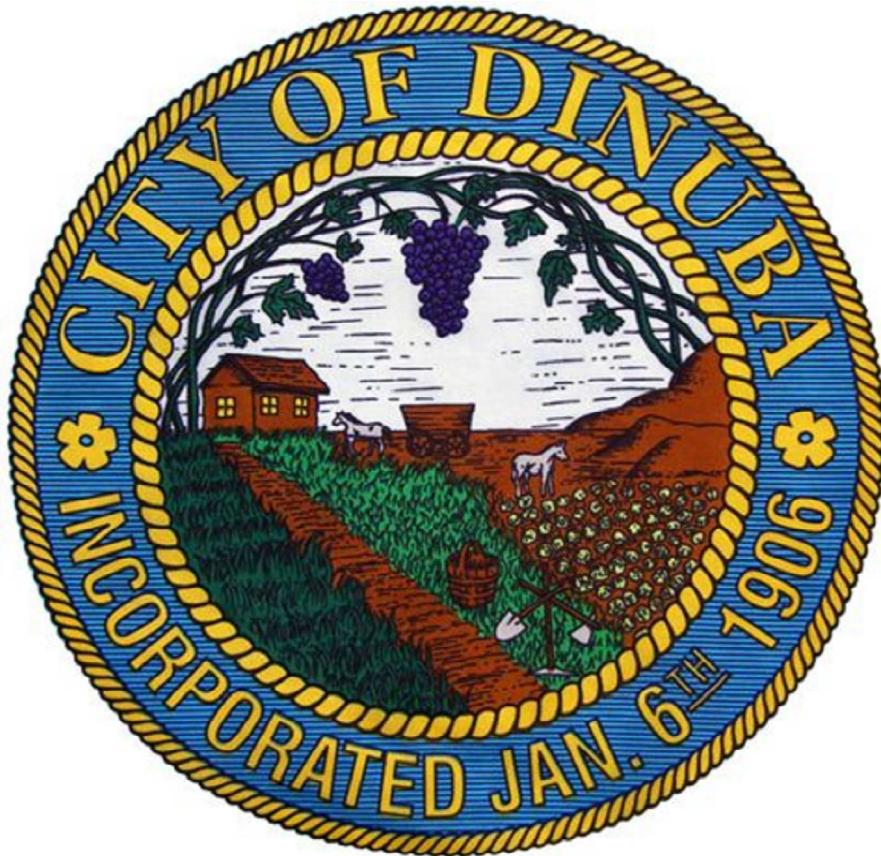


CITY OF DINUBA, CALIFORNIA



Comprehensive Annual Financial Report
For the year ended June 30, 2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2015
City of Dinuba, California

Prepared by the Finance Department

CITY OF DINUBA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2015

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Introductory Section





City Manager's Office
559/591-5904

Development Services
559/591-5906

Parks & Community Services
559/591-5940

City Attorney
559/437-1770

Public Works Services
559/591-5924

Fire/Ambulance Services
559/591-5931

Administrative Services
559/591-5900

Engineering Services
559/591-5924

Police Services
559/591-5914

December 20, 2015

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, 2015, 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, 2015. 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 2014 population of 23,666. 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.

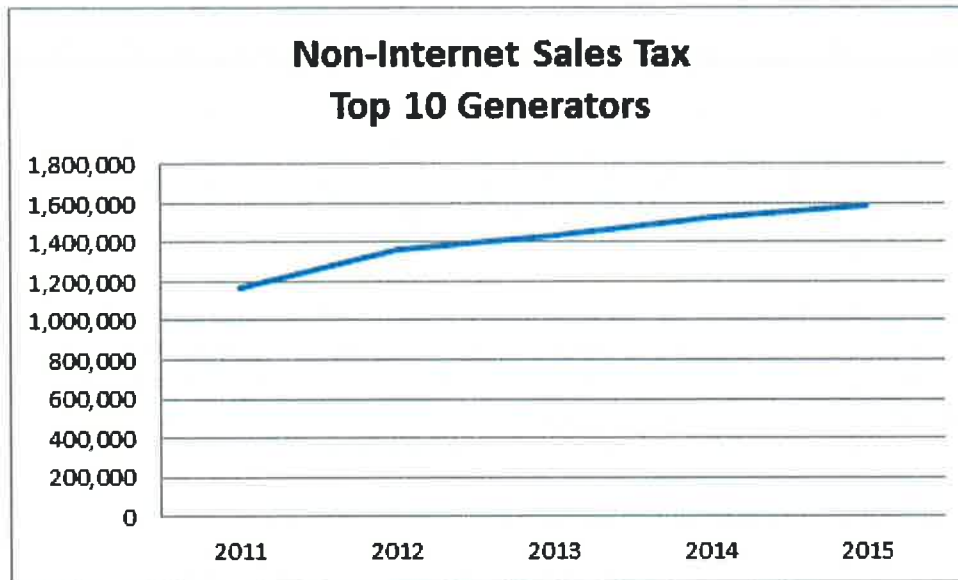
Although agriculture is Dinuba's predominant activity, the community has had a modest commercial and industrial base for many years. Dinuba is home to the headquarters of Ruiz Food Products, Incorporated, which prepares frozen Mexican foods and distributes them worldwide. It is also home to the West 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

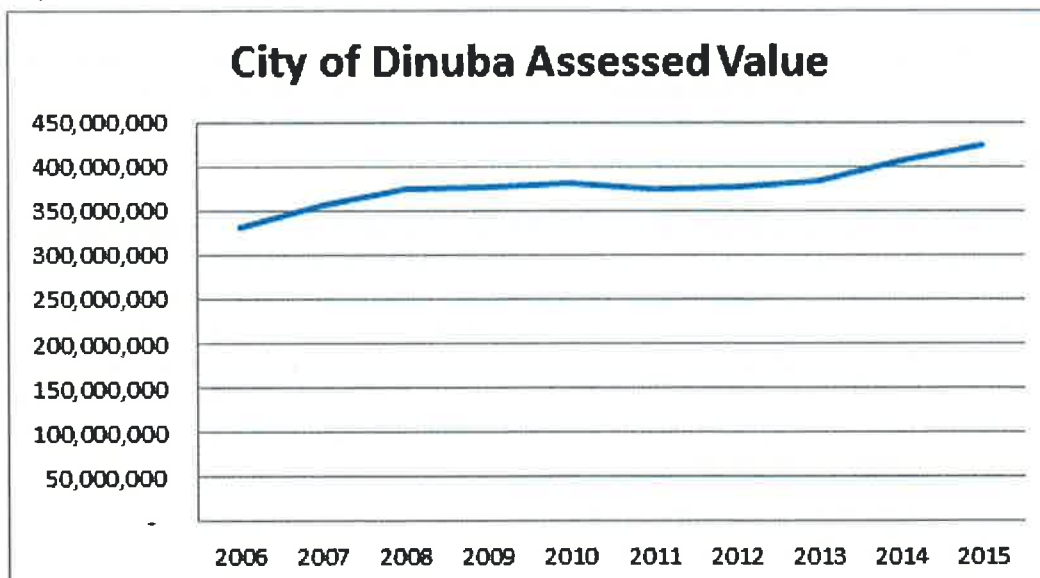
The economic climate in Dinuba continues to improve. Over the past 5 years sales tax from the top 10 non-Internet businesses grew from approximately \$1,200,000 to approximately \$1,600,000. During the past year non-Internet sales tax from the same sources grew by 3.75%.

In 2015, 552 building permits were issued compared to 437 issued in 2014. While commercial permits were down, residential permits increased over the previous year. Over total permit evaluations decreased from \$16.7 million to \$14.6 million in 2015. It is anticipated that work will begin on a residential development surrounding the City's golf course. Currently it is anticipated that the development will include over 100 lots. The development will be gated and comprised of higher-end homes.



West El Monte Way continues to be attractive for further commercial development. In fiscal year 2015 Sonic Drive-In, Valley View Diner and Pro-PT Physical Therapy opened up. Construction has begun on the Farm Credit West building.

After years of stagnant growth in assessed values, property values saw an uptick in fiscal year 2015. The continued growth in new residential and commercial permits is finally impacting the assessed values. Traditionally, it has taken a couple of years for new development to affect the property tax rolls.



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 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) and local funds. The second Phase has not been programmed by TCAG for funding at this time. The City is exploring the possibility of introducing two Roundabouts into the second Phase which could reduce rights-of-way impacts/costs and be financed with CMAQ funds.

In fiscal year 2014 work began on the second phase to the expansion of the City's CNG fueling station, which will be completed in the of Spring 2016. 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.

In fiscal year 2015 work began to update the WWRF 2007 Preliminary Design Report (PDR), which will be completed in early 2016. The PDR will provide final recommendations and estimated costs for the expansion of the WWRF from its current capacity of 3 MGD to 4 MGD. This planned expansion will require a new Waste Discharge Permit (which has been anticipated regardless of an expansion project due to the 1995 issuance date of the current Permit) from the State. The City will apply for a low-interest loan from the State, including a request for consideration for partial principal waiver (grant) based upon possible Disadvantaged Community (DAC) status.

In fiscal year 2015 design work will begin for the Alta Ave./El Mont Way Signal Synchronization Project, including all signalized intersections on Alta Ave. from Kamm Ave. to Nebraska Ave. and El Monte Way from Englehart Ave. to Alta Ave.

In fiscal year 2014, the design of Fire Station No. 2 will begin with completion expected in the later part of fiscal year 2015. Construction is anticipated to begin in fiscal year 2016.

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, 2014. This was the twenty-second 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 dark ink, appearing to read 'Cass Cook', written in a cursive style.

Cass Cook
Finance Director



Government Finance Officers Association

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

Presented to

**City of Dinuba
California**

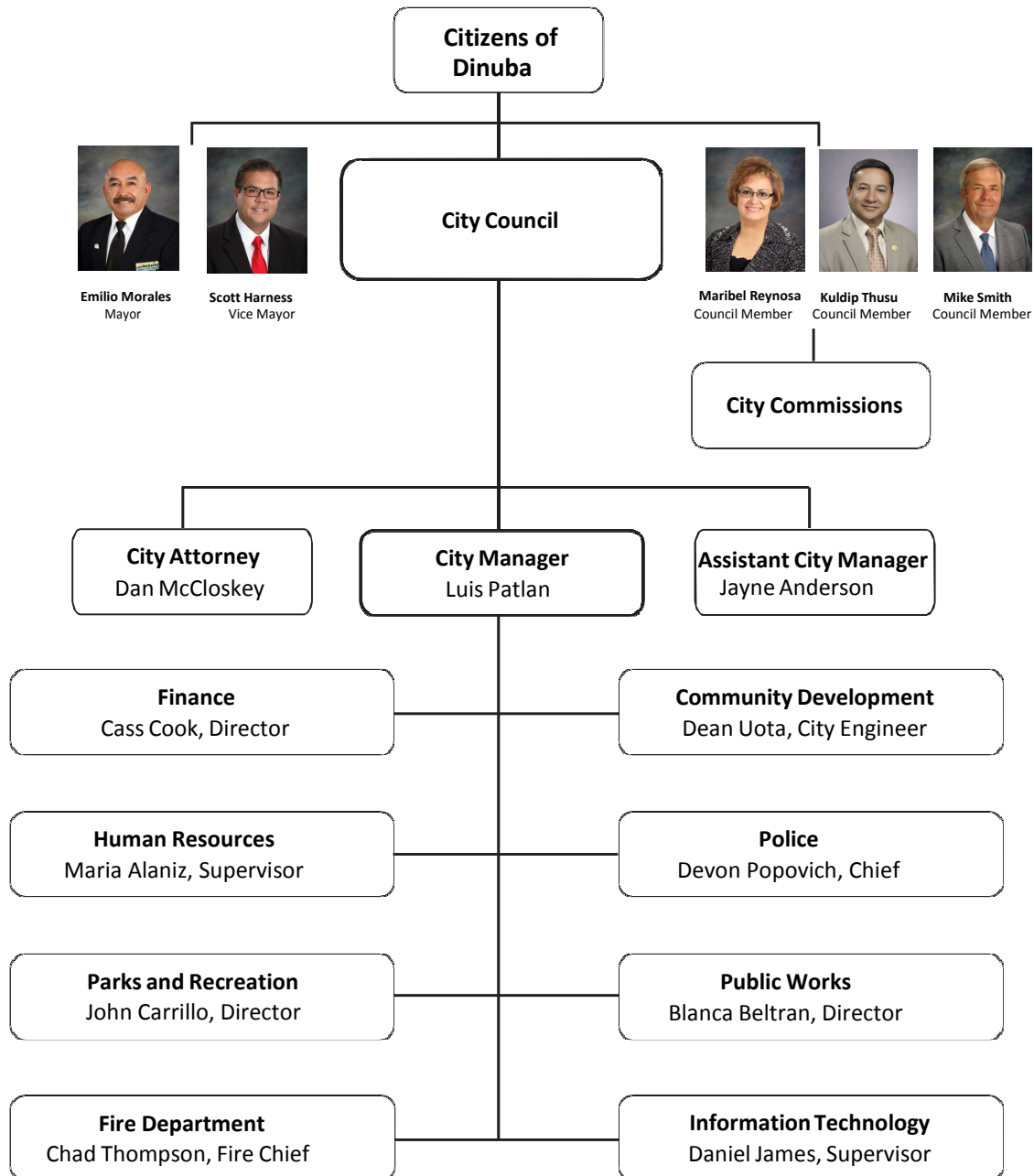
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is fluid and cursive.

Executive Director/CEO

Organizational Chart and Principal Officials



Financial Section





MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

RONALD A. LEVY, CPA
CRAIG A. HARTZHEIM, CPA
HADLEY Y. HUI, CPA
ALEXANDER C. HOM, CPA
ADAM V. GUISE, CPA
TRAVIS J. HOLE, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

433 N. CAMDEN DRIVE, 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 Members of 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, 2015, 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, 2015, 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

Change in Accounting Principles

As discussed in note 1 to the basic financial statements effective July 1, 2014, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, Statement No. 69, *Government Combinations and Disposals of Government Operations*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. 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 Management's Discussion and Analysis, budgetary comparison schedules for the General and major special revenue funds, Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Pension Contributions, and Schedule of Funding Progress for Retiree Health Plan on pages 13 through 26 and 97 through 104 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's basic financial statements. The introductory section, governmental and enterprise combining and individual non-major fund information, internal service, major capital project fund budgetary comparison schedule, major debt service fund budgetary comparison schedule and fiduciary fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The governmental and enterprise combining and individual non-major fund information, internal service, major capital project fund budgetary comparison schedule, major debt service fund budgetary comparison schedule and fiduciary fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 governmental and enterprise combining and individual non-major fund information, internal service, major capital project fund budgetary comparison schedule, major debt service fund budgetary comparison schedule and fiduciary fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
December 21, 2015

Management's Discussion and Analysis ***Fiscal Year Ended June 30, 2015***

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, 2015. 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.

FINANCIAL HIGHLIGHTS

City-Wide

- City total assets were virtually flat at \$299.7 million, of which \$228.5 million represented governmental assets and \$71.2 million represented business-type assets.
- City total liabilities increased by \$7.0 million to \$72.3 million, of which \$49.7 million were governmental liabilities and \$22.6 million were business-type liabilities.
- The City's total net position decreased by \$7.8 million to \$228.6 million.
- City-wide revenues were \$47.4 million, of which \$32.3 million were generated by governmental activities and \$15.1 were generated by business-type activities.
- City-wide expenses were \$45.1 million, of which \$29.1 million were incurred by governmental activities and \$16.0 were incurred by business-type activities.

Fund Level

- Governmental Fund balances decreased \$4.6 million to \$24.2 million. Of this amount \$1.6 million was unassigned fund balance and available for spending at the City's discretion.
- Governmental Fund revenues were \$29.4 million, an increase of \$0.4 million from the previous fiscal year.
- Governmental Fund expenditures increased by \$2.0 million to \$34.2 million in fiscal year 2015.
- Enterprise net position decreased by \$3.4 million to \$50.1 million. Of this amount, \$2.5 million was unrestricted net position and available for spending at the City's discretion.
- Enterprise Fund operating revenues remained at \$13.1 million compared to the previous fiscal year.
- Enterprise Fund operating expenses were \$15.2 million in fiscal year 2015, an increase from \$14.9 million in the previous fiscal year.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report is composed of the following:

1. Introductory section, including the Transmittal Letter
2. Management's Discussion and Analysis
3. Basic Financial Statements, which include the Government-wide and the Fund financial statements
4. Notes to the financial statements

5. Combining statements for Non-Major Governmental, Internal Service and Fiduciary Funds
6. Statistical information

Basic Financial Statements

The Basic Financial Statements consist of the City-wide Financial Statements and the Fund Financial Statements. These two sets of financial statements provide a short-term view as well as a long-term view.

The City-wide Financial Statements are designed to provide a broad overview of all of the City's finances taken as a whole, using a long-term view, in a manner similar to private-sector businesses. The City-wide Financial Statements consist of the Statement of Net Position and the Statement of Activities.

The **Statement of Net Position** provides information about the financial position of the City as a whole, including all of its capital assets, liabilities and long-term liabilities with the difference between the two reported as net position. The full accrual basis of accounting is used, thus the flow of all economic resources are measured.

The **Statement of Activities** presents financial information reporting how the City's net position changed during the fiscal year by listing the revenues and expenses of each of the City's major activities. The full accrual basis of accounting is also used, thereby all changes to net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus revenues and expenses are reported in this statement for some items that will result in cash flows in a future fiscal period.

The fund financial statements report the City's operations in more detail than the City-wide statement and focus primarily on the short-term activities of the City's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures, current assets, liabilities and fund balances; they exclude capital assets, long-term debt, and other long-term amounts.

City-wide Financial Statements

All of the City's activities are grouped into either Governmental Activities or into Business-type Activities. Governmental Activities are those functions that are principally supported by taxes or by specific governmental program revenues such as developer fees. Business Activities are those services supported by charges paid by direct users of the service such as Disposal collection.

City-wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the City as a whole.

Fund Financial Statements

The fund financial statements are designed to report information about related accounts that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The Fund Financial Statements provide detailed information about each of the City's most significant funds called Major Funds. Major Funds account for the major financial activities of

the City and are presented individually, while the activities of the Non-major funds are presented in summary as Other Governmental Funds. Subordinate schedules of the Non-major funds present detailed financial information of the City's smaller 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 fiscal 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.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement can be found following the fund financial statements in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The net position and changes in net position of the City's Governmental Activities (Tables 1 and 2) and Business-Type Activities (Tables 3 and 4) are presented in the City-wide Statement of Net Position and Statement of Activities.

Governmental Activities

Table 1			
Governmental Net Position at June 30, 2015 and 2014			
(in Thousands)			
	<u>FY 2015</u>	<u>FY 2014</u>	<u>Change</u>
Current and other assets	50,140	58,500	(8,360)
Capital Assets	<u>178,327</u>	<u>167,497</u>	<u>10,830</u>
Total Assets	228,467	225,997	2,470
Deferred outflows	<u>2,487</u>	<u>513</u>	<u>1,974</u>
Total deferred outflow	2,487	513	1,974
Current and other liabilities	4,156	4,870	(714)
Long-term obligations outstanding	<u>45,549</u>	<u>38,666</u>	<u>6,884</u>
Total liabilities	49,705	43,536	6,169
Deferred inflows	<u>2,665</u>	<u>-</u>	<u>2,665</u>
Total deferred inflow	2,665	-	2,665
Net Position			
Net investment in capital assets	145,009	148,080	(3,071)
Restricted	34,836	41,313	(6,477)
Unrestricted	<u>(1,260)</u>	<u>(6,419)</u>	<u>5,159</u>
Total net position	178,585	182,974	(4,389)

Comparative data is not available for fiscal year 2014 related to deferred outflows, deferred inflows and net pension liability due to pension accounting changes required by GASB No. 68 and 71.

Net Position

As shown in Table 1, the City's governmental Total Net Position is \$178.5 million. During fiscal year 2015, the overall net position decreased by \$4.4 million, or 2.4%. During fiscal year 2015, the City implemented GASB 68 & 71, which required the recording of net pension liability and pension related deferred inflows and outflows. The decrease in Total Net Position is due primarily to the required recordation of the long-term pension obligation.

The largest portion of the City's net position, approximately \$145.0 million, 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 rarely are used to liquidate these liabilities.

Resources that are subject to restriction that may only be used to construct specified capital projects, debt service or other special revenue programs represent 19.5% of the City's Governmental Net Position. These are external restrictions and cannot be changed by the City.

Unrestricted net position can be used to finance day-to-day operation without constraints. Due to the restrictions mentioned about and the implementation GASB 68 and 71, the unrestricted net position was (\$1.2) million at fiscal year end.

Changes in Net Position

The Statement of Activities provides information regarding the entirety of the City's governmental revenues and expenses. The Statement describes in detail the changes in net position from the previous fiscal year.

The City's Governmental Net Position increased by \$3.6 million in fiscal year 2015. Revenues decreased \$13.5 million while expenses increased by \$7.7 million. The decrease in revenues is primarily due to a drop off in capital contributions from fiscal year 2014. In fiscal year 2014 capital contributions exceeded \$14.1 million due to the completion of the Road 80 widening.

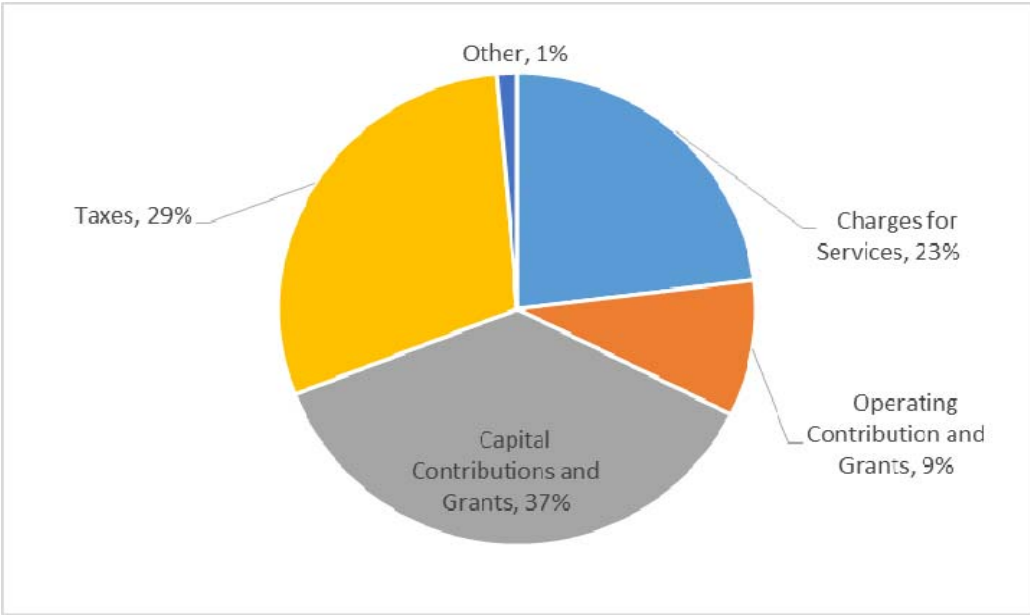
While total revenues decreased from the previous fiscal year, tax revenues increased by \$2.0 million. Sales tax growth made up \$1.8 million of the increase while property tax revenue comprised \$0.1 million. The growth in sales tax can be attributed to strong growth in Internet sales. The increase in property tax revenues is due to continued building within the City as well as the winding down of the redevelopment obligations.

The rise in Governmental expenses was primarily focused in the public safety functions of the City. In 2014-15 personnel costs increased due to three firefighter/paramedics being hired, one police officer added to the Police Department and significant growth in healthcare costs for City Employees. Additionally capital expenses included costs of a fire engine and an ambulance.

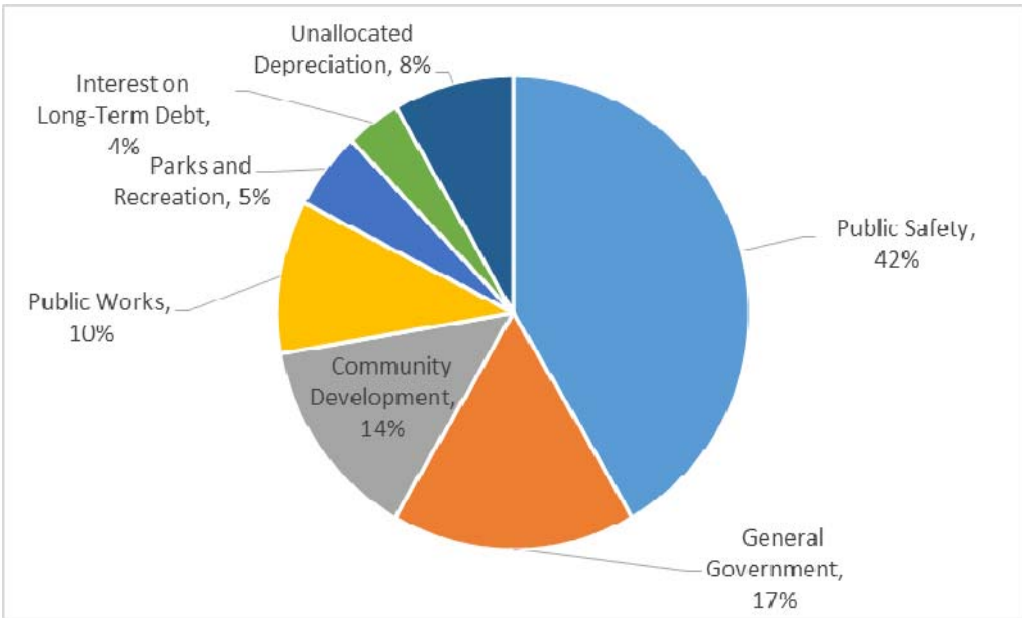
Table 2			
Changes in Governmental Net Position			
(in Thousands)			
	<u>FY 2015</u>	<u>FY 2014</u>	<u>Change</u>
Revenues			
Program Revenues			
Charges for services	8,082	5,245	2,837
Operating contribution and grants	3,274	6,249	(2,975)
Capital contributions and grants	10,114	25,474	(15,360)
General Revenues			
Taxes			
Sales Tax	5,462	3,700	1,761
Motor Vehicle in Lieu	1,633	1,571	62
Utility Users Tax	1,631	1,613	18
Property Tax	846	742	104
Other	776	678	99
Investment Earnings	113	262	(149)
Miscellaneous	371	285	87
Total Revenues	<u>32,304</u>	<u>45,819</u>	<u>(13,516)</u>
Expenses			
Public Safety	13,275	9,591	3,684
General Government	5,345	4,704	642
Community Development	1,642	548	1,093
Public Works	3,335	2,762	573
Parks and Recreation	1,682	1,224	458
Interest on Long-Term Debt	1,205	1,522	(317)
Unallocated Depreciation	2,635	1,018	1,617
Total Expenses	<u>29,120</u>	<u>21,369</u>	<u>7,751</u>
Transfers & Special Items	<u>392</u>	<u>301</u>	<u>91</u>
Total Transfers & Special Items	392	301	91
Change in Net Position	3,576	24,751	(21,175)
Net Position- Beginning, Restated	175,009	158,223	16,786
Net Position- Ending	178,585	182,974	(4,389)

The following charts display the City's governmental activities for fiscal year 2015, highlighting the makeup of the governmental revenues and expenses.

**Revenues by Source
Governmental Activities**



**Expenses by Function
Governmental Activities**



Business Type Activities

The statement of Business-Type Net Position (Table 3) and statement of Business-Type Activities (Table 4) are presented below.

Net Position

The business-type activities of the City showed a decrease \$2.4 million in total assets. The decrease was due primarily to depreciation costs of \$2.2 million. Of the total net position, 95.0% was net investment in capital assets and 5.0% percent was unrestricted, which was available for future operations.

Table 3			
Business-Type Net Position at June 30, 2015 and 2014			
(in Thousands)			
	<u>FY 2015</u>	<u>FY 2014</u>	<u>Change</u>
Current and other assets	6,878	7,978	(1,101)
Capital Assets	<u>64,356</u>	<u>65,677</u>	<u>(1,320)</u>
Total Assets	71,234	73,655	(2,421)
Deferred outflows	<u>1,854</u>	<u>1,628</u>	<u>226</u>
Total deferred outflow	1,854	1,628	226
Current and other liabilities	1,219	1,626	(407)
Long-term obligations outstanding	<u>21,368</u>	<u>20,065</u>	<u>1,303</u>
Total liabilities	22,587	21,691	897
Deferred inflows	<u>450</u>	<u>-</u>	<u>450</u>
Total deferred inflow	450	-	450
Net Position			
Net investment in capital assets	47,536	47,546	(9)
Restricted	-	-	-
Unrestricted	<u>2,514</u>	<u>6,047</u>	<u>(3,532)</u>
Total net position	50,051	53,592	(3,542)

Comparative data is not available for fiscal year 2014 related to deferred outflows, deferred inflows and net pension liability due to pension accounting changes required by GASB No. 68 and 71.

Changes in Net Position

As shown in Table 4, net revenues for business-type activities were \$15.1 million in fiscal year 2015, an increase of \$0.3 million over the prior fiscal year. The increase was primarily attributable to growth in operating grants in the Transit Fund.

Expenses for business-type activities was virtually flat compared to the previous fiscal year. The primary growth in expenses came from costs associated with the maintenance and depreciation of the transit fleet.

Table 4			
Business-Type Activities			
(in Thousands)			
	<u>FY 2015</u>	<u>FY 2014</u>	<u>Change</u>
Revenues			
Program Revenues			
Charges for services	12,875	13,054	(179)
Operating contribution and grants	1,705	886	820
Capital contributions and grants	450	715	(265)
General Revenues			
Investment Earnings	19	37	(19)
Miscellaneous	-	93	(93)
Total Revenues	<u>15,049</u>	<u>14,785</u>	<u>263</u>
Expenses			
Disposal	3,337	3,321	16
Golf Course	3,336	3,423	(87)
Sewer	3,182	2,915	267
Water	2,932	2,970	(38)
Ambulance	1,377	1,386	(9)
Transit	1,044	875	169
Engineering	659	663	(4)
Compressed Natural Gas	165	175	(9)
Total Expenses	<u>16,032</u>	<u>15,727</u>	<u>314</u>
Transfers	<u>(392)</u>	<u>(196)</u>	<u>(196)</u>
Total Transfers	(392)	(196)	(196)
Change in Net Position	(1,375)	(1,138)	(238)
Net Position- Beginning, Restated	51,426	54,730	(3,304)
Net Position- Ending	50,051	53,592	(3,542)

FINANCIAL ANALYSIS OF CITY'S MAJOR FUNDS

Table 5 summarizes the Governmental balances at the fund level.

Table 5			
Financial Highlights at Fund Level at June 30, 2015 and 2014			
(in Thousands)			
	<u>FY 2015</u>	<u>FY 2014</u>	<u>Change</u>
Total Assets	52,692	60,264	(7,573)
Total Liabilities	5,317	5,456	(139)
Total Fund Balances	24,236	28,841	(4,605)
Total Revenues	29,383	29,033	350
Total Expenditures	34,205	32,198	2,006
Total Other Financing Sources (Uses)	60	9,926	(9,866)

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 increased by 7.0% to end the fiscal year at a balance of \$5.0 million. The increase can be attributed to the growth in Internet sales tax revenues as well as regular sales tax revenues. Additionally, the sales of \$0.3 million in property contributed to the increase in fund balance.

The final budget amount for General Fund expenditures totaled \$12.8 million excluding transfers out. In comparison, actual expenditures excluding transfers out totaled \$11.7 million. The variance in expenditures can be attributed to savings in personnel costs of vacant positions left open as well as the delay of projects in the General Services division. Total revenues were budgeted at \$12.5 million; actual revenues in the General Fund were \$13.5 million. The variance was due to an increase in sales tax collected as well as the sale of City land.

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 \$22.2 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 fiscal year. The notes and loans receivable are for housing acquisition assistance and housing rehabilitation.

Activity on housing decreased from the previous fiscal year as evidenced by the decline in expenditures from the previous fiscal year by \$1.0 million.

Public Safety Sales Tax

Fund balance increased by \$0.3 million in the 2015 fiscal year. The increase was due to growth in Internet sales tax revenues. Costs associated with the completion of the Emergency

Operations Center resulted in an increase in capital outlay expenditures as compared with the previous fiscal year.

Transportation Construction:

Revenue in the Transportation Construction fund came to nearly \$7.4 million. The revenue is primarily composed of intergovernmental revenues originating with the Tulare County Association of Governments for the purpose of expanding the road widening project along Avenue 416.

Financing Authority:

Fund Balance in the Financing Authority fund decreased to \$1.3 million. The decrease came as a result of transfer debt proceeds from the Financing Authority fund to the Construction Fund for the completion of the solar project.

General Construction:

The construction of the solar project and the transit building comprised most of the expenditures in the General Construction fund. Grant revenues paid for most of the work on the transit building while the solar project was funded through debt proceeds.

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 \$3.7 million in revenue and have a combined Fund Balance at fiscal year-end of \$13.0 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. Prior year adjustments including pension liabilities totaled \$2.2 million in the enterprise funds. Other than the Golf Fund which is managed by an outside contractor the remaining major enterprise funds were affected by the adjustment.

Water

The net position in the water fund decreased by \$0.2 million to \$12.0 million. The unrestricted portion of the net position totaled \$2.2 million. Water conservation efforts resulted in a slight decrease in service charges. Operating expenses were held to prior year levels and the fund was able to cover depreciation costs.

Sewer

The sewer fund ended the fiscal year with a net position of \$11.4 million of which \$1.1 million was unrestricted. Operating revenues exceeded operating expenses by \$0.5 million. After accounting for interest expense on long-term debt, the fund's net position decreased by \$0.3 million.

Disposal

Operating revenues and expenses were virtually flat when compared to the previous fiscal year. The City received grant revenue of \$0.2 million for the implementation of a three can disposal system. The fund ended the fiscal year with a net position of \$1.0 million of which \$0.8 million was unrestricted.

Ambulance

With the addition of the pension liability as a result of GASB 68 and 71, there was a prior year adjustment to the fund balance of (\$0.9) million. Although the net position increased by \$0.1 million the pension adjustment caused a net position of (\$0.1) million at June 30, 2015.

Golf Course

Operating revenues and operating expenses remained fairly constant as compared to the previous fiscal year. Operating expenses decreased by \$0.1 million from the prior fiscal year. The revenues in the Golf Fund are sufficient to cover ongoing operating expenses outside of depreciation. However, the fund is not currently able to set aside funds for capital replacement. The net position of the Golf Course at the end of the fiscal year was \$23.6 million.

CAPITAL ASSETS

A summary of the City's capital assets is shown below in Table 6. More detail regarding the assets can be found in Note 7 of the financial statements.

Table 6			
Capital Assets Net of Accumulated Depreciation at June 30			
(in Thousands)			
	FY 2015	FY 2014	Change
Governmental Activities			
Land	109,504	109,413	91
Artwork	69	69	-
Construction in Progress	13,336	10,984	2,352
Buildings	7,172	6,999	173
Improvements	10,482	1,964	8,518
Equipment and Machinery	1,958	2,273	(315)
Infrastructure	35,806	35,795	11
Total	178,327	167,497	10,830
Business-Type Activities			
Land	8,610	8,610	-
Construction in Progress	2,080	3,516	(1,436)
Buildings and Improvements	21,715	21,019	697
Equipment and Machinery	1,421	1,266	155
Infrastructure	30,530	31,265	(735)
Total	64,356	65,677	(1,320)

The net increase of \$10.8 million for governmental activity assets is comprised of the completion of an \$8.2 million solar project. The project included 6,000 solar panels producing 1.8 MW of power. Construction in Progress increased as well as work continued on the expansion of Avenue 416.

The net decrease of \$1.3 million for business-type activity assets is made up of accumulated depreciation offset by the addition of \$1.6 million worth of assets attributable to the completion of the Transit Center.

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

Each of the debt is discussed in more detail in Note 8 to the financial statements. The City's total long-term debt increased by \$8.2 million during the fiscal year. The increase was primarily due to the recordation of pension obligations which previously were not required to be recorded. During fiscal year 2015, the City implemented GASB 68 & 71, which required the recording of net pension liability and pension related deferred inflows and outflows. More information regarding the pension obligation can be found in Note 9 of the financial statements.

Additionally, because the City is on a pay-as-you-go basis, the retiree health obligation increased by \$1.3 million.

The following table provides a breakdown of the City's outstanding indebtedness as of June 30, 2015:

Table 7			
Outstanding Debt (in Thousands)			
	FY 2015	FY 2014	Change
Governmental Activity Debt			
Revenue Bonds Payable	17,983	18,577	(594)
Notes and Capital Leases Payable	9,081	9,562	(481)
Retiree Health Obligation	5,918	4,778	1,140
Pension Obligation	11,478	4,612	6,866
Compensated Absences	1,089	1,112	(23)
Total	45,549	38,641	6,908
Business-Type Debt			
Revenue Bonds Payable	10,540	10,760	(220)
Notes and Capital Leases Payable	6,505	6,959	(454)
Installment Purchase & Loans Payable	1,214	1,490	(276)
Retiree Health Obligation	956	654	302
Pension Obligation	1,936	-	1,936
Compensated Absences	167	144	23
Total	21,318	20,007	1,311
Total Long-Term Obligations	66,867	58,648	8,219

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

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 3.85% from fiscal year 2014 to fiscal year 2015.

The local economy has slowly picked up traction over the course of the year. In June of 2014 the unemployment rate for Tulare County was 17.3%; in June of 2015 the rate was 10.9%.

Another positive factor of the local economy - is the continued demand in the building sector. There were a 41 permits issued in 2014 for single family residential homes. In 2015, 78 permits were issued for single family residential homes.

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, 2015

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	\$ 8,874,976	\$ 2,691,253	\$ 11,566,229
Restricted assets:			
Cash and investments with fiscal agents		854,307	854,307
Receivables:			
Accounts	694,555	2,191,787	2,886,342
Intergovernmental	5,801,855	393,185	6,195,040
Notes	21,085,265	164,518	21,249,783
Interest	2,236,044	670	2,236,714
Internal balances	(235,569)	235,569	
Land held for resale	187,251		187,251
Inventories		150,144	150,144
Prepaid items	36,718	61,766	98,484
Advances to Successor Agency	11,459,297	134,366	11,593,663
Capital assets not being depreciated	122,909,029	10,690,108	133,599,137
Capital assets, net of accumulated depreciation	55,418,033	53,666,341	109,084,374
Total Assets	228,467,454	71,234,014	299,701,468
Deferred Outflows of Resources:			
City's pension contributions subsequent to the measurement date	2,010,320	339,150	2,349,470
Deferred loss on debt refunding	477,032	1,514,962	1,991,994
Total Deferred Outflows of Resources:	2,487,352	1,854,112	4,341,464
Liabilities:			
Accounts payable	3,123,044	471,109	3,594,153
Accrued liabilities	733,676	87,763	821,439
Accrued interest payable	284,133	219,165	503,298
Unearned revenue		242,035	242,035
Deposits payable	14,900	199,357	214,257
Noncurrent liabilities:			
Due within one year	1,153,523	1,018,293	2,171,816
Due in more than one year	44,395,843	20,350,068	64,745,911
Total Liabilities	49,705,119	22,587,790	72,292,909
Deferred Inflows of Resources			
Differences between projected and actual earnings on pension plan investments	2,664,599	449,532	3,114,131
Total Deferred Inflows of Resources	2,664,599	449,532	3,114,131
Net position:			
Net investment in capital assets	145,008,916	47,536,365	192,545,281
Restricted for:			
Community development	22,475,900		22,475,900
Assessment districts	396,725		396,725
Parks	31,125		31,125
Public safety	473,739		473,739
Streets and roads	7,348,972		7,348,972
Housing	4,109,812		4,109,812
Unrestricted	(1,260,101)	2,514,439	1,254,338
Total Net Position	\$ 178,585,088	\$ 50,050,804	\$ 228,635,892

See Notes to Basic Financial Statements

CITY OF DINUBA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government:				
Governmental Activities:				
General government	\$ (5,345,434)	\$ 3,055,054	\$ -	\$ -
Public safety	(13,275,052)	898,323	1,232,042	100,000
Public works	(3,334,975)	3,824,832	548,884	10,014,120
Community development	(1,641,605)	120,322	1,392,842	
Parks and recreation	(1,682,401)	183,922	100,326	
Interest on long-term debt	(1,204,781)			
Unallocated depreciation	(2,635,342)			
Total Governmental Activities	(29,119,590)	8,082,453	3,274,094	10,114,120
Business-type Activities:				
Transit	(1,044,207)	61,929	923,363	399,743
Engineering	(658,837)	493,851	152,301	
CNG	(165,208)	262,922	7,132	
Water	(2,931,923)	2,604,665	137,223	
Sewer	(3,182,025)	2,751,349	74,765	50,076
Disposal	(3,336,842)	3,081,958	180,510	
Ambulance	(1,377,304)	1,271,302	230,167	
Golf course	(3,335,866)	2,346,921		
Total Business-type Activities	(16,032,212)	12,874,897	1,705,461	449,819
Total Primary Government	\$ (45,151,802)	\$ 20,957,350	\$ 4,979,555	\$ 10,563,939

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

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

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (2,290,380)	\$ -	\$ (2,290,380)
(11,044,687)		(11,044,687)
11,052,861		11,052,861
(128,441)		(128,441)
(1,398,153)		(1,398,153)
(1,204,781)		(1,204,781)
(2,635,342)		(2,635,342)
<u>(7,648,923)</u>		<u>(7,648,923)</u>
	340,828	340,828
	(12,685)	(12,685)
	104,846	104,846
	(190,035)	(190,035)
	(305,835)	(305,835)
	(74,374)	(74,374)
	124,165	124,165
	<u>(988,945)</u>	<u>(988,945)</u>
	<u>(1,002,035)</u>	<u>(1,002,035)</u>
<u>(7,648,923)</u>	<u>(1,002,035)</u>	<u>(8,650,958)</u>
846,306		846,306
226,817		226,817
5,461,810		5,461,810
256,883		256,883
1,630,654		1,630,654
292,650		292,650
1,633,128		1,633,128
113,494	18,524	132,018
109,931		109,931
261,425		261,425
391,944	<u>(391,944)</u>	
<u>11,225,042</u>	<u>(373,420)</u>	<u>10,851,622</u>
<u>3,576,119</u>	<u>(1,375,455)</u>	<u>2,200,664</u>
182,974,293	53,592,471	236,566,764
<u>(7,965,324)</u>	<u>(2,166,212)</u>	<u>(10,131,536)</u>
<u>175,008,969</u>	<u>51,426,259</u>	<u>226,435,228</u>
<u>\$ 178,585,088</u>	<u>\$ 50,050,804</u>	<u>\$ 228,635,892</u>

**CITY OF DINUBA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015**

	Special Revenue Funds			Capital Projects Funds	
	General	HUD Grants	Public Safety Sales Tax	General Construction	Transportation Construction
Assets:					
Cash and investments	\$ 763,781	\$ -	\$ 227,477	\$ 44,674	\$ 3,281,169
Receivables:					
Accounts	340,469			256,286	
Intergovernmental	631,127	420,828	592,200		1,825,243
Notes		19,625,469			33,273
Interest	847	2,152,257	133	(22)	1,756
Due from other funds	1,224,405				1,141,946
Advances to Successor Agency	2,689,954				530,576
Interfund advances receivable					
Prepaid items	9,485				
Land held for resale					
Total Assets	\$ 5,660,068	\$ 22,198,554	\$ 819,810	\$ 300,938	\$ 6,813,963
Liabilities:					
Accounts payable	\$ 257,216	\$ 56,647	\$ 198,289	\$ 38,217	\$ 2,415,358
Accrued liabilities	355,261		147,782	69,370	
Due to other funds		339,452			
Interfund advances payable	7,877			197,616	
Total Liabilities	620,354	396,099	346,071	305,203	2,415,358
Deferred Inflows of Resources:					
Deferred revenue - Notes and Loans		21,777,714			
Deferred revenue - unavailable revenue	84,950				
Total Deferred Inflows of Revenues	84,950	21,777,714			
Fund Balances:					
Nonspendable	2,699,439				530,576
Restricted		24,741	473,739		3,868,029
Assigned					
Unassigned	2,255,325			(4,265)	
Total Fund Balances (Deficits)	4,954,764	24,741	473,739	(4,265)	4,398,605
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 5,660,068	\$ 22,198,554	\$ 819,810	\$ 300,938	\$ 6,813,963

See Notes to Basic Financial Statements

<u>Debt Service</u>		
<u>Financing Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 4,510,518	\$ 8,827,619
	97,800	694,555
1,249,324	983,899	5,702,621
	1,426,523	21,085,265
(84)	81,610	2,236,497
		2,366,351
500,000	7,738,767	11,459,297
	121,781	121,781
	855	10,340
	187,251	187,251
<u>\$ 1,749,240</u>	<u>\$ 15,149,004</u>	<u>\$ 52,691,577</u>
\$ -	\$ 123,230	\$ 3,088,957
	71,056	643,469
29,081	543,825	912,358
350,000	116,904	672,397
<u>379,081</u>	<u>855,015</u>	<u>5,317,181</u>
	1,275,763	23,053,477
		84,950
	<u>1,275,763</u>	<u>23,138,427</u>
500,000	7,926,873	11,656,888
870,159	5,602,007	10,838,675
	103,142	103,142
	(613,796)	1,637,264
<u>1,370,159</u>	<u>13,018,226</u>	<u>24,235,969</u>
<u>\$ 1,749,240</u>	<u>\$ 15,149,004</u>	<u>\$ 52,691,577</u>

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CITY OF DINUBA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2015

Fund balances of governmental funds	\$ 24,235,969
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets net of accumulated depreciation have not been included as financial resources in governmental funds.	178,327,062
Certain notes receivable and accrued interest on these notes are not available to pay for current period expenditures and, therefore are offset by deferred revenue in the governmental funds.	23,053,477
Certain accounts receivable and due from other governments are deferred inflows in the governmental funds due to their lack of collectability within 60 days after fiscal year end. These are considered revenue in the government-wide statements and are not deferred.	84,950
Long-term debt has not been included in the governmental funds.	
Long-term debt	(45,549,366)
Deferred loss on refunding, net of accumulated amortization on long-term debt have not been reported in the governmental funds.	477,032
Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.	(284,133)
Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.	
City's pension contributions subsequent to the measurement date	2,010,320
Differences between projected and actual earnings on pension plan investments	(2,664,599)
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 position. (Net of capital assets \$28,801, long-term debt (\$69,458), deferred inflow \$136,932, deferred outflow (\$181,497), and net pension liability (\$781,830) included above).	(1,105,624)
Net position of governmental activities	<u>\$ 178,585,088</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, 2015

		Special Revenue Funds		Capital Projects Funds	
			Public Safety		
	General	HUD Grants	Sales Tax	General Construction	Transportation Construction
Revenues:					
Taxes and assessments	\$ 10,091,365	\$ -	\$ 3,742,065	\$ -	\$ -
Licenses and permits	825,421				
Intergovernmental	158,229	804,110		256,286	7,412,487
Charges for services	60,565				
Use of money and property	37,086	28,646	399	(776)	12,781
Fines and forfeitures	10,269				
Reimbursements	2,258,197				
Miscellaneous	10,786				
Total Revenues	<u>13,451,918</u>	<u>832,756</u>	<u>3,742,464</u>	<u>255,510</u>	<u>7,425,268</u>
Expenditures:					
Current:					
General government	3,221,524				
Public safety	6,621,528		2,841,184		
Public works	449,397				3,805
Community development		929,012			
Parks and recreation	1,227,269				
Capital outlay	182,717		474,222	5,500,262	7,876,827
Debt service:					
Principal retirement			102,891		
Interest and fiscal charges			4,579		
Total Expenditures	<u>11,702,435</u>	<u>929,012</u>	<u>3,422,876</u>	<u>5,500,262</u>	<u>7,880,632</u>
Excess of Revenues Over (Under) Expenditures	<u>1,749,483</u>	<u>(96,256)</u>	<u>319,588</u>	<u>(5,244,752)</u>	<u>(455,364)</u>
Other Financing Sources (Uses):					
Transfers in	130,300	7,825		6,138,796	1,653,433
Transfers out	(1,828,467)	(15,410)	(155,304)		(50,000)
Sales of property	272,262				96,262
Total Other Financing Sources (Uses)	<u>(1,425,905)</u>	<u>(7,585)</u>	<u>(155,304)</u>	<u>6,138,796</u>	<u>1,699,695</u>
Net Change in Fund Balances	<u>323,578</u>	<u>(103,841)</u>	<u>164,284</u>	<u>894,044</u>	<u>1,244,331</u>
Fund Balances (Deficits), Beginning of Fiscal Year	4,631,186	(27,926)	309,455	(898,309)	3,154,274
Prior Period Adjustments		156,508			
Fund Balance (Deficits), Beginning of Fiscal Year (F	<u>4,631,186</u>	<u>128,582</u>	<u>309,455</u>	<u>(898,309)</u>	<u>3,154,274</u>
Fund Balances (Deficits), End of Fiscal Year	<u>\$ 4,954,764</u>	<u>\$ 24,741</u>	<u>\$ 473,739</u>	<u>\$ (4,265)</u>	<u>\$ 4,398,605</u>

See Notes to Basic Financial Statements

<u>Debt Service Fund</u>		
<u>Financing Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 839,611	\$ 14,673,041
		825,421
	1,623,742	10,254,854
	528,410	588,975
10,953	26,957	116,046
	73,076	83,345
	556,634	2,814,831
	15,800	26,586
<u>10,953</u>	<u>3,664,230</u>	<u>29,383,099</u>
		3,221,524
	110,486	9,573,198
	1,908,576	2,361,778
	276,303	1,205,315
	8,000	1,235,269
	394,905	14,428,933
530,000	372,697	1,005,588
1,053,607	114,920	1,173,106
<u>1,583,607</u>	<u>3,185,887</u>	<u>34,204,711</u>
<u>(1,572,654)</u>	<u>478,343</u>	<u>(4,821,612)</u>
1,688,290	580,299	10,198,943
(5,683,560)	(2,774,258)	(10,506,999)
		368,524
<u>(3,995,270)</u>	<u>(2,193,959)</u>	<u>60,468</u>
<u>(5,567,924)</u>	<u>(1,715,616)</u>	<u>(4,761,144)</u>
6,938,083	14,733,842	28,840,605
		156,508
<u>6,938,083</u>	<u>14,733,842</u>	<u>28,997,113</u>
<u>\$ 1,370,159</u>	<u>\$ 13,018,226</u>	<u>\$ 24,235,969</u>

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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, 2015

Net change in fund balances - total governmental funds	\$ (4,761,144)
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 exceeded depreciation in the current period.	10,944,974
Basis of the disposition of capital assets not included in governmental funds.	(107,099)
Certain receivables 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 receivable is collected it is reflected in revenue. This is the net change between receivables collected and issued.	(2,790,802)
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 position.	(146,957)
Debt/loss on refunding are expenditures in the governmental funds, but these costs are capitalized on the statement of net position. This is the amount of costs paid less amortization in the current period.	(36,461)
Accrued interest is interest due on long-term debt payable. This is the net change in accrued interest for the current period.	16,955
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.	16,622
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This fiscal year, the difference between accrual-basis pension costs and actual employer contributions was:	659,630
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.	(219,599)
Change in net position of governmental activities	<u>\$ 3,576,119</u>

See Notes to Basic Financial Statements

CITY OF DINUBA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Golf Course
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets:			
Cash and cash investments	\$ 1,061,740	\$ 534,252	\$ -
Restricted cash and investments with fiscal agents	48,119	806,188	
Accounts receivable, net	464,043	443,492	315,608
Interest receivable	367	134	(11)
Inventories			150,144
Due from other agencies			
Prepaid expenses	123	14	1,265
Total Current Assets	1,574,392	1,784,080	467,006
Noncurrent Assets:			
Note receivable			164,518
Interfund advances receivable	214,000	1,229,634	
Advances to successor agency	1,300,000		
Capital assets:			
Land	261,806	4,388,142	3,960,467
Depreciable infrastructure, net	12,065,331	13,478,687	4,966,853
Depreciable buildings and improvements, net	3,729,059	634,076	15,671,095
Depreciable equipment, net	305,420	114,060	13,686
Construction in progress		2,079,693	
Total Noncurrent Assets	17,875,616	21,924,292	24,776,619
Deferred Outflows of Resources:			
City's pension contributions subsequent to the measurement date	53,197	43,747	
Deferred loss on debt refunding		1,514,962	
Total Deferred Outflows of Resources	53,197	1,558,709	
Total Assets and Deferred Outflows of Resources	19,503,205	25,267,081	25,243,625
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current Liabilities:			
Accounts payable	70,052	56,925	171,640
Accrued liabilities	23,900	13,294	5,684
Accrued interest payable	73,076	146,089	
Claims payable			
Unearned revenue			241,810
Deposits payable	199,357		
Due to other funds			62,120
Current portion of long-term obligations	471,820	514,210	
Total Current Liabilities	838,205	730,518	481,254
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Interfund advances payable			1,165,634
Advances from successor agency		1,165,634	
Compensated absences	22,236	19,842	
Net OPEB liability	220,017	306,576	
Net pension liability	303,735	249,779	
Capital leases payable	76,588		
Loan payable		292,286	
Notes payable	5,962,194	640,000	
Revenue bonds		10,315,000	
Premium (discount)		50,137	
Total Noncurrent Liabilities	6,584,770	13,039,254	1,165,634
Deferred Inflows of Resources:			
Differences between projected and actual earnings on pension plan investments	70,510	57,985	
Total Deferred Inflows of Resources	70,510	57,985	
Total Liabilities and Deferred Inflows of Resources	7,493,485	13,827,757	1,646,888
NET POSITION			
Net investment in capital assets	9,856,532	10,379,658	24,612,101
Unrestricted	2,153,188	1,059,666	(1,015,364)
Total Net Position (Deficits)	\$ 12,009,720	\$ 11,439,324	\$ 23,596,737

See Notes to Basic Financial Statements

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Disposal	Ambulance	Other Nonmajor Enterprise	Totals	
\$ 491,511	\$ 298,481	\$ 305,269	\$ 2,691,253	\$ 47,357
298,090	635,408	35,146	854,307	
155		25	2,191,787	(453)
			670	
		393,185	150,144	99,234
60,028		336	393,185	26,378
			61,766	
849,784	933,889	733,961	6,343,112	172,516
			164,518	
269,616			1,713,250	3,000
			1,300,000	
			8,610,415	
		1,685,613	30,510,871	
259,084	262,764	480,613	21,719,843	28,801
			1,435,627	
			2,079,693	
528,700	262,764	2,166,226	67,534,217	31,801
23,626	144,141	74,439	339,150	136,932
			1,514,962	
23,626	144,141	74,439	1,854,112	136,932
1,402,110	1,340,794	2,974,626	75,731,441	341,249
94,926	8,120	69,446	471,109	34,087
6,900	17,651	20,334	87,763	40,207
			219,165	50,000
	225		242,035	
		249,927	199,357	1,141,946
4,617	26,016	1,630	312,047	14,900
			1,018,293	
106,443	52,012	341,337	2,549,769	1,281,140
			1,165,634	
27,760	46,809	4,888	1,165,634	69,458
57,852	363,703	7,764	121,535	
134,895	822,989	425,018	955,912	781,830
			1,936,416	
			76,588	
			292,286	
			6,602,194	
			10,315,000	
			50,137	
220,507	1,233,501	437,670	22,681,336	851,288
31,316	191,053	98,668	449,532	181,497
31,316	191,053	98,668	449,532	181,497
358,266	1,476,566	877,675	25,680,637	2,313,925
259,084	262,764	2,166,226	47,536,365	28,801
784,760	(398,536)	(69,275)	2,514,439	(2,001,477)
\$ 1,043,844	\$ (135,772)	\$ 2,096,951	\$ 50,050,804	\$ (1,972,676)

CITY OF DINUBA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Golf Course
Operating Revenues:			
Sales and service charges	\$ 2,604,665	\$ 2,751,349	\$ 2,346,921
Interdepartmental charges			
Other	137,223	74,765	
Total Operating Revenues	2,741,888	2,826,114	2,346,921
Operating Expenses:			
Rents and leases			104,277
Cost of goods sold			247,944
Salaries and benefits	602,668	595,277	1,238,628
Contractual services	92,156	199,926	278,243
Materials and supplies	140,806	103,650	247,531
Repairs and maintenance	14,803	50,613	46,667
Dump fees			
Utilities	382,611	503,416	149,192
Insurance			
Allocated overhead	933,576	715,627	
Depreciation	548,711	430,702	998,743
Total Operating Expenses	2,715,331	2,599,211	3,311,225
Operating Income (Loss)	26,557	226,903	(964,304)
Nonoperating Revenues (Expenses):			
Intergovernmental			
Interest revenue	2,320	7,789	6,583
Interest expense	(216,592)	(582,814)	(24,641)
Total Nonoperating Revenues (Expenses)	(214,272)	(575,025)	(18,058)
Income (Loss) Before Contributions and Transfers	(187,715)	(348,122)	(982,362)
Capital contributions		50,076	
Transfers in	678,410	1,089,570	
Transfers out	(696,189)	(1,261,879)	
Net Contributions and Transfers	(17,779)	(122,233)	
Changes in Net Position	(205,494)	(470,355)	(982,362)
Net Position (Deficit)			
Beginning of fiscal year	12,554,993	12,189,099	24,579,099
Prior year adjustments	(339,779)	(279,420)	
Beginning of fiscal year, restated	12,215,214	11,909,679	24,579,099
End of fiscal year	\$ 12,009,720	\$ 11,439,324	\$ 23,596,737

See Notes to Basic Financial Statements

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Disposal	Ambulance	Other Nonmajor Enterprise	Totals	
\$ 3,081,958	\$ 1,271,302	\$ 818,702	\$ 12,874,897	\$ -
		29,024	241,012	5,452,595
3,081,958	1,271,302	847,726	13,115,909	5,452,595
			104,277	
			247,944	
213,470	715,258	557,415	3,922,716	1,255,854
1,409,243	86,766	577,739	2,644,073	73,244
32,831	94,574	98,702	718,094	383,796
	5,874	85,890	203,847	
633,963			633,963	
2,156		99,108	1,136,483	
				4,604,623
1,025,988	428,972	287,673	3,391,836	44,460
19,191	45,860	161,725	2,204,932	7,665
3,336,842	1,377,304	1,868,252	15,208,165	6,369,642
(254,884)	(106,002)	(1,020,526)	(2,092,256)	(917,047)
180,510	230,167	1,053,772	1,464,449	
944	431	457	18,524	(2,552)
			(824,047)	
181,454	230,598	1,054,229	658,926	(2,552)
(73,430)	124,596	33,703	(1,433,330)	(919,599)
		399,743	449,819	
		31,588	1,799,568	700,000
(20,524)		(212,920)	(2,191,512)	
(20,524)		218,411	57,875	700,000
(93,954)	124,596	252,114	(1,375,455)	(219,599)
1,288,701	660,286	2,320,293	53,592,471	(878,468)
(150,903)	(920,654)	(475,456)	(2,166,212)	(874,609)
1,137,798	(260,368)	1,844,837	51,426,259	(1,753,077)
\$ 1,043,844	\$ (135,772)	\$ 2,096,951	\$ 50,050,804	\$ (1,972,676)

CITY OF DINUBA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Golf Course
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 2,969,774	\$ 2,876,852	\$ 2,269,704
Cash paid to suppliers for goods and services	(687,644)	(854,256)	(1,151,714)
Cash paid to employees for services	(579,621)	(424,816)	(1,238,628)
Cash paid for allocated overhead	(933,576)	(715,627)	
Net Cash Provided (Used) by Operating Activities	768,933	882,153	(120,638)
Cash Flows from Non-Capital Financing Activities:			
Cash received from notes			3,538
Intergovernmental revenue			
Cash transfers to other funds	(696,189)	(1,261,879)	
Cash transfers from other funds	678,410	1,089,570	
Due to other funds			62,120
Advances/due from other funds repayments	(12,000)	(12,000)	
Net Cash Provided (Used) by Non-Capital Financing Activities	(29,779)	(184,309)	65,658
Cash Flows from Capital and Related Financing Activities:			
Purchases of capital assets	(63,399)	(16,798)	
Principal paid on long-term debt	(453,690)	(495,843)	
Interest paid on long-term debt	(194,134)	(451,762)	(24,641)
Net Cash Provided (Used) by Capital and Related Financing Activities	(711,223)	(964,403)	(24,641)
Cash Flows from Investing Activities:			
Interest received	2,033	7,717	6,594
Net Cash Provided (Used) by Investing Activities	2,033	7,717	6,594
Net Increase (Decrease) in Cash and Cash Equivalents	29,964	(258,842)	(73,027)
Cash and Cash Equivalents at Beginning of Fiscal Year	1,079,895	1,599,282	73,027
Cash and Cash Equivalents at End of Fiscal Year	<u>\$ 1,109,859</u>	<u>\$ 1,340,440</u>	<u>\$ -</u>
Reconciliation to Statement of Net Position:			
Cash and investments	\$ 1,061,740	\$ 534,252	\$ -
Restricted cash and investments with fiscal agents	48,119	806,188	
	<u>\$ 1,109,859</u>	<u>\$ 1,340,440</u>	<u>\$ -</u>

See Notes to Basic Financial Statements

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Disposal	Ambulance	Other Nonmajor Enterprise	Totals	
\$ 3,081,477	\$ 1,329,786	\$ 841,193	\$ 13,368,786	\$ 5,495,277
(2,477,934)	(203,489)	(855,556)	(6,230,593)	(5,254,363)
(194,213)	(700,634)	(582,227)	(3,720,139)	(1,295,546)
(1,025,988)	(428,972)	(287,673)	(3,391,836)	(44,460)
(616,658)	(3,309)	(884,263)	26,218	(1,099,092)
			3,538	
180,510	265,909	693,800	1,140,219	
(20,524)		68,595	(1,909,997)	
			1,767,980	700,000
			62,120	
(12,000)			(36,000)	400,438
147,986	265,909	762,395	1,027,860	1,100,438
	(168,101)	(167,513)	(415,811)	
			(949,533)	
			(670,537)	
	(168,101)	(167,513)	(2,035,881)	
868	502	484	18,198	(2,099)
868	502	484	18,198	(2,099)
(467,804)	95,001	(288,897)	(963,605)	(753)
959,315	203,480	594,166	4,509,165	48,110
\$ 491,511	\$ 298,481	\$ 305,269	\$ 3,545,560	\$ 47,357
\$ 491,511	\$ 298,481	\$ 305,269	\$ 2,691,253	\$ 47,357
			854,307	
\$ 491,511	\$ 298,481	\$ 305,269	\$ 3,545,560	\$ 47,357

(Continued)

CITY OF DINUBA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015
(Continued)

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Golf Course
Reconciliation of Operating Income (loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 26,557	\$ 226,903	\$ (964,304)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	548,711	430,702	998,743
Adjustments:			
Increase (decrease) in unearned revenue			19,092
(Increase) decrease in inventory			(6,932)
(Increase) decrease in prepaid expenses	794	(14)	20,631
(Increase) decrease in accounts receivable	87,135	50,738	(96,309)
Increase (decrease) in accounts payable	(5,032)	(956)	(60,069)
Increase (decrease) in accrued liabilities	(53,030)	4,319	(31,490)
Increase (decrease) in compensated absences	1,017	4,584	
Increase (decrease) in deposits payable	140,751		
Increase (decrease) in net pension liability	(18,731)	(15,403)	
Increase (decrease) in OPEB	40,761	181,280	
Total Adjustments	742,376	655,250	843,666
Net Cash Provided (Used) by Operating Activities	\$ 768,933	\$ 882,153	\$ (120,638)
Non-Cash Investing, Capital, and Financing Activities:			
Amortization of bond charges	\$ -	\$ 113,233	\$ -
Contributed capital		50,076	

See Notes to Basic Financial Statements

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Disposal	Ambulance	Other Nonmajor Enterprise	Totals	
\$ (254,884)	\$ (106,002)	\$ (1,020,526)	\$ (2,092,256)	\$ (917,047)
19,191	45,860	161,725	2,204,932	7,665
	(3,190)		15,902	
			(6,932)	
(28)		(45)	21,338	(1,378)
(481)	61,674	(6,533)	96,224	42,682
(401,984)	(8,271)	2,381	(473,931)	(191,447)
2,271	(8,004)	3,140	(82,794)	125
16,857	(2,003)	366	20,821	8,522
			140,751	
(8,318)	(50,753)	(26,209)	(119,414)	(48,214)
10,718	67,380	1,438	301,577	
(361,774)	102,693	136,263	2,118,474	(182,045)
\$ (616,658)	\$ (3,309)	\$ (884,263)	\$ 26,218	\$ (1,099,092)
\$ -	\$ -	\$ -	\$ 110,069	\$ -
		399,743	715,188	

CITY OF DINUBA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2015

	Redevelopment Successor Agency Private-Purpose Trust Fund	Agency Funds
Assets:		
Cash and investments	\$ 1,899,085	\$ 673,983
Restricted cash and investments with fiscal agents	2,583,099	
Accounts receivable		2,410
Interest receivable	451	
Land held for resale	1,888,463	
Notes receivable	351,559	
Capital assets (net of accumulated depreciation)	5,125,233	
	<hr/>	<hr/>
Total Assets	11,847,890	\$ 676,393
	<hr/>	<hr/>
Deferred Outflows of Resources:		
Deferred loss on bond refunding	934,075	
	<hr/>	
Total Deferred Outflows of Resources	934,075	
	<hr/>	
Total Assets and Deferred Outflows of Resources	12,781,965	
	<hr/>	
Liabilities:		
Accounts payable	1,250	\$ 62,082
Interest payable	712,796	
Other liabilities	4,730	614,311
Advances from City of Dinuba	11,593,663	
Long-term debt-due within 1 year	1,289,552	
Long-term debt-due in more than 1 year	49,799,752	
	<hr/>	<hr/>
Total Liabilities	63,401,743	\$ 676,393
	<hr/>	<hr/>
Net Position (Deficit)		
Held in trust for the retirement of obligations of the former Dinuba Redevelopment Agency	(50,619,778)	
	<hr/>	
Total Net Position (Deficit)	\$ (50,619,778)	
	<hr/>	

See Notes to Basic Financial Statements

CITY OF DINUBA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2015

	Redevelopment Successor Agency Private-Purpose Trust Fund
Additions:	
Taxes	\$ 3,917,479
Investment earnings	61,093
Total Additions	<u>3,978,572</u>
Deductions	
Community development	280,332
Depreciation	5,559
Debt service:	
Interest and fiscal charges	<u>2,463,279</u>
Total Deductions	<u>2,749,170</u>
Change in net position	1,229,402
Net Position (Deficit), Beginning of Fiscal Year	<u>(51,849,180)</u>
Net Position (Deficit), End of Fiscal Year	<u><u>\$ (50,619,778)</u></u>

See Notes to Basic Financial Statements

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Notes to Basic Financial Statements

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015

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 $\frac{3}{4}\%$ add-on sales tax approved by voters in November 2005 for enhanced public safety services.

General Construction Fund – This fund accounts for other major construction projects.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

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

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

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

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. Please see page 141 for description of activities for each Agency Fund. 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, 2015

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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, 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, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, 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, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, 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, 2015.

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

<u>Assets</u>	<u>Years</u>
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.

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 68 and 71, the City recognizes deferred outflows and inflows of resources. Deferred outflow and inflow of resources are defined as a consumption or resource of net position by the government that is applicable to a future reporting period.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, 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 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. Amortization of bond premiums or discounts, 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, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, 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 or other formal action. 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, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

e. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 68

For the fiscal year ended June 30, 2015, City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers as well as the requirements of Statement No. 50, Pension Disclosures. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pensions. Implementation of GASB Statement No. 68 did have an impact on the City's financial statements for the fiscal year ended June 30, 2015, see Notes 9 and 18.

Governmental Accounting Standards Board Statement No. 69

For the fiscal year ended June 30, 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 69, Government Combinations and Disposals of Government Operations. This Statement is effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. Implementation of the GASB Statement No. 69 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2015.

Governmental Accounting Standards Board Statement No. 71

For the fiscal year ended June 30, 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to address an issue regarding application of the transition of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement will eliminate the source of potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual-basis financial statements of employers and non-employer contributing entities. Implementation of the GASB Statement No. 71 did have an impact on the City's financial statements for the fiscal year ended June 30, 2015, see Notes 9 and 18.

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.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

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 positions 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 \$45,549,366 long-term debt difference is as follows:

Long-term debt	
Compensated absences	\$ 1,089,194
Contracts payable	50,877
Net OPEB obligation	5,918,412
Net pension liability	11,478,145
Revenue bonds payable, net	17,983,091
Notes payable	16,734
Capitalized leases payable	<u> 9,012,913</u>
 Net adjustment to reduce fund balances of total governmental funds to arrive at net position of governmental activities	 <u><u> \$ 45,549,366</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.”

The details of this \$10,944,974 difference are as follows:

Capital outlay	\$ 13,580,316
Depreciation expense	<u> (2,635,342)</u>
 Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	 <u><u> \$ 10,944,974</u></u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

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

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 \$(146,957) difference are as follows:

Debt issued or incurred:	
Net OPEB obligation	\$ (1,140,376)
Principal repayments:	
Revenue bonds - principal	630,000
Amortization of discount	(12,169)
Contracts, notes, and loans payable	52,162
Capital leases payable	<u>323,426</u>
Net adjustment to decrease net changes in fund balance of total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (146,957)</u></u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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.

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 fiscal 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, 2015, 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.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2 Stewardship, Compliance, and Accountability (Continued)

b. Deficit Fund Balances and Net Position

The General Construction Capital Projects Fund has a deficit fund balance of \$4,265 which should be alleviated when the fund receives additional funding. The Vocational Center Capital Projects Fund has deficit fund balance of \$471,503 which should be alleviated as additional revenues or transfers are received.

The Insurance, Billing and Collection, and Property and Equipment Internal Service Funds have deficit net positions of \$1,304,261, \$381,723, and \$286,692, respectively. These deficits 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, 2015.

Fund/Function	Final Appropriation	Expenditures	Excess
Nonmajor Funds:			
Gas Tax Special Revenue	\$ 572,230	\$ 583,696	\$ 11,466
Fire Impact Fees Special Revenue		9,917	9,917
Housing Authority Special Revenue	62,256	81,173	18,917
Drainage Districts Special Revenue	121,500	235,824	114,324
Vocational Center Special Revenue	60,700	182,154	121,454
General Debt Service	390,554	482,676	92,122
Major Funds:			
General Construction	469,569	5,500,262	5,030,693
Public Safety Sales Tax	2,638,381	3,422,876	784,495
Financing Authority	1,232,567	1,583,607	351,040

Note 3 Cash and Investments

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 11,566,229
Restricted cash and investments with Fiscal Agents	854,307
Fiduciary funds:	
Cash and investments	2,573,068
Restricted cash and investments with Fiscal Agents	2,583,099
Total cash and investments	<u>\$ 17,576,703</u>

Cash and investments as of June 30, 2015 consist of the following:

Cash on hand	\$ 7,135
Deposits with financial institutions	1,893,465
Investments	15,676,103
Total cash and investments	<u>\$ 17,576,703</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 3 Cash and Investments (Continued)

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.

<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
Municipal Bonds (rated highest 2 categories)	N/A	None	None
Investment Agreements	N/A	None	None
Repurchase Agreements	N/A	None	None

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 3 Cash and Investments (Continued)

B. Investments Authorized by Debt Agreements (Continued)

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	\$ 6,373,413	\$ 6,373,413	\$ -	\$ -	\$ -
Money Market	5,005,761	5,005,761			
Held by Bond Trustees:					
Federal Agency Securities	2,492,802			2,492,802	
Municipal Bonds	356,929		356,929		
Certificates of Deposit	1,447,198	100,457	1,346,741		
Totals	<u>\$ 15,676,103</u>	<u>\$ 11,479,631</u>	<u>\$ 1,703,670</u>	<u>\$ 2,492,802</u>	<u>\$ -</u>

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

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

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.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 3 Cash and Investments (Continued)

E. Disclosures Relating to Credit Risk (Continued)

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
State Investment Pool	\$ 6,373,413	N/A	\$ -	\$ -	\$ -	\$ -	\$ 6,373,413
Money Market	5,005,761	N/A					5,005,761
Held by Bond Trustee:							
Federal Agencies	2,492,802	AAA		2,492,802			
Municipal Bonds	356,929	A			201,627	155,302	
Certificates of Deposit	1,447,198	N/A					1,447,198 *
Total	\$ 15,676,103		\$ -	\$ 2,492,802	\$ 201,627	\$ 155,302	\$ 12,826,372

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

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. 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.

As of June 30, 2015, 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, 2015, 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:

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 3 Cash and Investments (Continued)

G. Custodial Credit Risk (Continued)

<u>Investment Type</u>	<u>Reported Amount</u>
Certificates of deposit	\$ 1,447,198
Money market funds	5,005,761
Federal Agency Securities	2,492,802

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, 2015, totaled \$21,249,783 and were recorded as follows:

Capital Projects Funds	\$ 144,033
Special Revenue Funds	20,941,232
Enterprise Funds	<u>164,518</u>
Total Notes Receivable	\$ <u>21,249,783</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. \$ 11,607,581

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 164,518

HOME program funds were used to loan to a developer for the construction of an affordable Senior housing complex. 3,000,000

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. 6,477,684

Totals \$ 21,249,783

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 5 Accounts Receivable

The following is a list of accounts receivable at June 30, 2015:

	Receivable	Allowance	Net
Governmental Activities -			
Due from other governments	\$ 5,801,855	\$ -	\$ 5,801,855
Accounts	694,555		694,555
	<u>\$ 6,496,410</u>	<u>\$ -</u>	<u>\$ 6,496,410</u>
Business-type Activities -			
Due from other governments	\$ 393,185	\$ -	\$ 393,185
Accounts	3,298,825	1,107,038	2,191,787
	<u>\$ 3,692,010</u>	<u>\$ 1,107,038</u>	<u>\$ 2,584,972</u>
Fiduciary Funds			
Accounts	\$ 2,410	\$ -	\$ 2,410
	<u>\$ 2,410</u>	<u>\$ -</u>	<u>\$ 2,410</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, 2015.

Receivable Fund	Amount	Payable Fund	Amount
Major Funds:		Non-Major Governmental Funds	\$ 543,825
General	\$ 1,224,405	Internal Service Fund - Insurance	1,141,946
Transportation Construction	1,141,946	HUD Grant Major Special Revenue	339,452
		Financing Authority Major Debt Service	29,081
		Golf Major Enterprise	62,120
Totals	<u>\$ 2,366,351</u>	Non-Major Enterprise Funds	249,927
			<u>\$ 2,366,351</u>

Long-term Interfund Advances

At June 30, 2015, 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 Funds:	
Disposal	\$ 269,616	General Construction	\$ 197,616
Water	214,000	General	7,877
Sewer	1,229,634	Financing Authority	350,000
		Major Proprietary Fund:	
		Golf Course	1,165,634
Non-major Governmental Funds	121,781	Non-major Governmental Funds	116,904
Internal Service Funds	3,000		
	<u>\$ 1,838,031</u>		<u>\$ 1,838,031</u>
Totals	<u>\$ 1,838,031</u>		<u>\$ 1,838,031</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.

The City has loaned funds to the Successor Agency to the Redevelopment Agency in the amount of \$11,593,663. These are scheduled to be repaid with future tax increment dollars received by SADRA.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 6 Interfund Transactions (Continued)

B. 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.

Transfer in	Amount	Transfer out	Amount
Major Governmental:		Major Governmental:	
General	\$ 130,300	General	\$ 1,828,467
HUD Grants	7,825	HUD Grants	15,410
General Construction	6,138,796	Transportation Construction	50,000
Transportation Construction	1,653,433	Financing Authority	5,683,560
Financing Authority	1,688,290	Public Safety Sales Tax	155,304
Major Proprietary:		Major Proprietary:	
Water	678,410	Water	696,189
Sewer	1,089,570	Sewer	1,261,879
		Disposal	20,524
Non-major Governmental:	580,299	Non-major Governmental:	2,774,258
Non-major Enterprise Funds	31,588	Non-major Enterprise Funds	212,920
Internal Service Funds	700,000		
Totals	<u>\$ 12,698,511</u>		<u>\$ 12,698,511</u>

Note 7 Capital Assets

a. Governmental Activities

Capital asset governmental activity for the fiscal year ended June 30, 2015 was as follows:

	Balance at July 1, 2014	Additions	Deletions	Transfers	Balance at June 30, 2015
Capital Assets, not being depreciated:					
Land	\$ 103,618,706	\$ 90,832	\$ -	\$ -	\$ 103,709,538
Artwork	68,641				68,641
Right of ways/easements	5,794,425				5,794,425
Construction in progress	10,984,177	13,272,083	(90,778)	(10,829,057)	13,336,425
Total	<u>120,465,949</u>	<u>13,362,915</u>	<u>(90,778)</u>	<u>(10,829,057)</u>	<u>122,909,029</u>
Capital Assets, being depreciated:					
Buildings	10,513,106			479,414	10,992,520
Improvements other than buildings	2,591,394			8,823,886	11,415,280
Equipment and machinery	7,662,053	308,179			7,970,232
Infrastructure	55,905,948		(213,372)	1,525,757	57,218,333
Total	<u>76,672,501</u>	<u>308,179</u>	<u>(213,372)</u>	<u>10,829,057</u>	<u>87,596,365</u>
Less accumulated depreciation for:					
Buildings	(3,514,233)	(306,201)			(3,820,434)
Improvements other than buildings	(627,377)	(306,017)			(933,394)
Equipment and machinery	(5,388,627)	(623,325)			(6,011,952)
Infrastructure	(20,111,361)	(1,407,464)	106,273		(21,412,552)
Total	<u>(29,641,598)</u>	<u>(2,643,007)</u>	<u>106,273</u>		<u>(32,178,332)</u>
Total, net of accumulated depreciation	<u>47,030,903</u>	<u>(2,334,828)</u>	<u>(107,099)</u>	<u>10,829,057</u>	<u>55,418,033</u>
Total Capital Assets, Net	<u>\$ 167,496,852</u>	<u>\$ 11,028,087</u>	<u>\$ (197,877)</u>	<u>\$ -</u>	<u>\$ 178,327,062</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 7 Capital Assets (Continued)

a. Governmental Activities (Continued)

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

Unallocated	\$ 2,643,007
Total	<u>\$ 2,643,007</u>

b. Business-type activities

Capital asset business-type activity for the fiscal year ended June 30, 2015 was as follows:

Capital Asset Business-type Activities

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
Water Fund:				
Capital assets, not being depreciated:				
Land	\$ 261,806	\$ -	\$ -	\$ 261,806
Total capital assets not being depreciated	<u>261,806</u>			<u>261,806</u>
Capital assets, being depreciated:				
Infrastructure	17,341,187	63,399		17,404,586
Buildings and improvements	5,750,352			5,750,352
Equipment and machinery	650,530			650,530
Total capital assets being depreciated	<u>23,742,069</u>	<u>63,399</u>		<u>23,805,468</u>
Less accumulated depreciation for:				
Infrastructure	(5,020,737)	(318,518)		(5,339,255)
Buildings and improvements	(1,828,462)	(192,831)		(2,021,293)
Equipment and machinery	(307,748)	(37,362)		(345,110)
Total accumulated depreciation	<u>(7,156,947)</u>	<u>(548,711)</u>		<u>(7,705,658)</u>
Total capital assets being depreciated, net	<u>16,585,122</u>	<u>(485,312)</u>		<u>16,099,810</u>
Water Fund Capital Assets, net	<u>\$ 16,846,928</u>	<u>\$ (485,312)</u>	<u>\$ -</u>	<u>\$ 16,361,616</u>
Sewer Fund:				
Capital assets, not being depreciated:				
Land	\$ 4,388,142	\$ -	\$ -	\$ 4,388,142
Construction in progress	2,079,693			2,079,693
Total capital assets not being depreciated	<u>6,467,835</u>			<u>6,467,835</u>
Capital assets, being depreciated:				
Infrastructure	16,598,236	50,076		16,648,312
Buildings and improvements	2,344,026			2,344,026
Equipment and machinery	585,316	16,798		602,114
Total capital assets being depreciated	<u>19,527,578</u>	<u>66,874</u>		<u>19,594,452</u>
Less accumulated depreciation for:				
Infrastructure	(2,835,483)	(334,142)		(3,169,625)
Buildings and improvements	(1,653,604)	(56,346)		(1,709,950)
Equipment and machinery	(447,840)	(40,214)		(488,054)
Total accumulated depreciation	<u>(4,936,927)</u>	<u>(430,702)</u>		<u>(5,367,629)</u>
Total capital assets being depreciated, net	<u>14,590,651</u>	<u>(363,828)</u>		<u>14,226,823</u>
Sewer Fund Capital Assets, net	<u>\$ 21,058,486</u>	<u>\$ (363,828)</u>	<u>\$ -</u>	<u>\$ 20,694,658</u>
Disposal Fund:				
Capital assets, being depreciated:				
Equipment and machinery	\$ 325,742	\$ -	\$ -	\$ 325,742
Less accumulated depreciation for:				
Equipment and machinery	(47,467)	(19,191)		(66,658)
Disposal Fund Capital Assets, net	<u>\$ 278,275</u>	<u>\$ (19,191)</u>	<u>\$ -</u>	<u>\$ 259,084</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 7 Capital Assets (Continued)

b. Business-type Activities (Continued)

Capital Asset Business-type Activities

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
Transit Fund:				
Capital assets, not being depreciated:				
Construction in progress	\$ 1,436,210	\$ 196,566	\$(1,632,776)	\$ -
Total capital assets not being depreciated	<u>1,436,210</u>	<u>196,566</u>	<u>(1,632,776)</u>	
Capital assets, being depreciated:				
Buildings and improvements	88,802	1,632,776		1,721,578
Equipment and machinery	951,162	370,690		1,321,852
Total capital assets being depreciated	<u>1,039,964</u>	<u>2,003,466</u>		<u>3,043,430</u>
Less accumulated depreciation for:				
Buildings and improvements	(32,432)	(8,068)		(40,500)
Equipment and machinery	(683,047)	(153,657)		(836,704)
Total accumulated depreciation	<u>(715,479)</u>	<u>(161,725)</u>		<u>(877,204)</u>
Total capital assets being depreciated, net	<u>324,485</u>	<u>1,841,741</u>		<u>2,166,226</u>
Transit Fund Capital Assets, net	<u>\$ 1,760,695</u>	<u>\$ 2,038,307</u>	<u>\$(1,632,776)</u>	<u>\$ 2,166,226</u>
Ambulance Fund:				
Capital assets, being depreciated:				
Equipment and machinery	\$ 547,527	\$ 168,101	\$ -	\$ 715,628
Less accumulated depreciation for:				
Equipment and machinery	(407,004)	(45,860)		(452,864)
Ambulance Fund Capital Assets, net	<u>\$ 140,523</u>	<u>\$ 122,241</u>	<u>\$ -</u>	<u>\$ 262,764</u>
Golf Course Fund:				
Capital assets not being depreciated:				
Land	\$ 3,960,467	\$ -	\$ -	\$ 3,960,467
Total capital assets not being depreciated	<u>3,960,467</u>			<u>3,960,467</u>
Capital assets, being depreciated:				
Infrastructure	6,530,587			6,530,587
Buildings and improvements	20,437,486			20,437,486
Equipment and machinery	731,584			731,584
Total capital assets being depreciated	<u>27,699,657</u>			<u>27,699,657</u>
Less accumulated depreciation for:				
Infrastructure	(1,348,564)	(215,170)		(1,563,734)
Buildings and improvements	(4,087,498)	(678,893)		(4,766,391)
Equipment and machinery	(613,218)	(104,680)		(717,898)
Total accumulated depreciation	<u>(6,049,280)</u>	<u>(998,743)</u>		<u>(7,048,023)</u>
Total capital assets being depreciated, net	<u>21,650,377</u>	<u>(998,743)</u>		<u>20,651,634</u>
Golf Course Fund Capital Assets, net	<u>\$ 25,610,844</u>	<u>\$ (998,743)</u>	<u>\$ -</u>	<u>\$24,612,101</u>

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

Business-Type Activities:	
Water	\$ 548,711
Sewer	430,702
Disposal	19,191
Transit	161,725
Ambulance	45,860
Golf	998,743
Total	<u>\$ 2,204,932</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015:

	Balance at July 1, 2014	Prior Period Adjustments	Additions	Repayments	Balance at June 30, 2015	Due Within One Year
Governmental Activities:						
Capital leases payable	\$ 9,442,497	\$ (106,158)	\$ -	\$ (323,426)	\$ 9,012,913	\$ 198,529
Compensated absences	1,112,194		797,696	(820,696)	1,089,194	237,517
Net OPEB obligation	4,778,036		1,446,227	(305,851)	5,918,412	
CalPERS side fund obligation	4,612,278	(4,612,278)				
Net pension liability		13,768,124	2,006,790	(4,296,769)	11,478,145	
Notes payable	20,257			(3,523)	16,734	3,769
Contracts payable	99,516			(48,639)	50,877	50,877
Lease revenue bonds payable	18,895,000			(630,000)	18,265,000	675,000
Original issue discount	(294,078)			12,169	(281,909)	(12,169)
Total	\$ 38,665,700	\$ 9,049,688	\$ 4,250,713	\$ (6,416,735)	\$ 45,549,366	\$ 1,153,523
Business-type Activities:						
Water Fund:						
Compensated absences	\$ 25,870	\$ -	\$ 37,084	\$ (35,200)	\$ 27,754	\$ 5,518
Net OPEB obligation	179,256		51,693	(10,932)	220,017	
Water notes payable	6,736,215			(381,889)	6,354,326	392,132
Capital lease	222,586			(71,828)	150,758	74,170
Net pension liability		364,331	53,104	(113,700)	303,735	
Sewer Fund:						
Compensated absences	22,462		19,853	(14,907)	27,408	7,566
Net OPEB obligation	125,296		229,900	(48,620)	306,576	
Revenue bonds and notes	10,760,000			(220,000)	10,540,000	225,000
Installment purchase	1,035,000			(195,000)	840,000	200,000
Loan payable	454,773			(80,843)	373,930	81,644
Net pension liability		299,611	43,670	(93,502)	249,779	
Disposal Fund:						
Compensated absences	20,329		22,245	(10,197)	32,377	4,617
Net OPEB obligation	47,134		13,593	(2,875)	57,852	
Net pension liability		161,808	23,585	(50,498)	134,895	
Ambulance Fund:						
Compensated absences	74,771		66,708	(68,654)	72,825	26,016
Net OPEB obligation	296,323		85,452	(18,072)	363,703	
Net pension liability		987,182	143,888	(308,081)	822,989	
Compressed Natural Gas Fund:						
Compensated absences	244			(244)		
Net OPEB obligation	6,326		1,824	(386)	7,764	
Net pension liability		8,486	1,237	(2,649)	7,074	
Engineering Fund:						
Compensated absences			7,721	(1,203)	6,518	1,630
Net pension liability		449,735	65,552	(140,354)	374,933	
Transit Fund:						
Net pension liability		51,591	7,520	(16,100)	43,011	
Totals	\$ 20,006,585	\$ 2,322,744	\$ 874,629	\$ (1,885,734)	\$ 21,318,224	\$ 1,018,293

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 8 Long-Term Liabilities (Continued)

b. Governmental Activities – 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, 2015 is \$6,550,000.

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.

The bonds consist of \$5,285,000 of serial bonds with maturity dates from September 1, 2014 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, 2015 was \$10,415,000.

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, 2015 was \$1,300,000.

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, 2015 was \$16,734.

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, 2015 is \$101,692.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 8 Long-Term Liabilities (Continued)

d. Governmental Activities – Leases Payable (Continued)

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, 2015 was \$ 106,158.

On October 15, 2013 the City entered into a Master Equipment Lease Purchase Agreement with Pinnacle Public Finance Inc. (Lessor) for the purpose of financing the purchase of Logos, net Software in the amount of \$548,623. The annual payments begin October 15, 2014 with a final maturity date of October 15, 2020. The interest rate is 3.38% and the annual payments are \$89,323. The outstanding balance of the lease obligation as of June 30, 2015 was \$477,844.

On December 1, 2013 the City entered into a lease purchase agreement with the Dinuba Financing Authority and Western Alliance Bank in the amount of \$8,433,377. The lease was executed to finance the costs associated with the acquisition, construction, and installation of solar energy improvements to City facilities. The funds are to be deposited into a project fund (\$8,146,742), a capitalized interest fund (\$176,785) and a delivery costs fund (\$109,850). Lease payments are made semi-annually on June 12 and December 12. Interest is 4.1925%. The lease term matures on December 12, 2033. The City has the right to prepay the lease at any time.

As of June 30, 2014, the City paid costs of delivery in the amount of (\$106,924), paid first installment of interest on June 12, 2014 (\$176,785), and paid project costs of \$2,462,682. Amount remaining in the project fund is \$5,684,060. The outstanding balance as of June 30, 2015 is \$8,433,377.

At June 30, 2015, the future minimum lease payments required under the equipment capital lease and the net present value of the future lease payments is as follows:

Fiscal Year Ending	Equipment Leases
2016	\$ 58,156
2017	48,002
Total minimum lease payments	106,158
Less: Amount representing interest	
Present value of future minimum lease payments	<u>\$ 106,158</u>

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, 2015 is \$50,877.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 8 Long-Term Liabilities (Continued)

e. Governmental Activities – Contract Payable (Continued)

Fiscal Year Ended June 30,	Contract Payable - Police Vehicles		
	Principal	Interest	Total
2016	\$ 50,877	\$ 2,340	\$ 53,217
	<u>\$ 50,877</u>	<u>\$ 2,340</u>	<u>\$ 53,217</u>

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. This liability has been combined as part of implementation of GASB Statement No.68 as part of the City's Net Pension Liability as of June 30, 2015. See Note 18 for prior period adjustment.

g. Long-Term Debt Amortization Governmental Activities

The annual requirements to amortize long-term debt outstanding at June 30, 2015 (other than compensated absences) are as follows:

Fiscal Year Ended June 30,	2012 DFA Lease Revenue Refunding Bonds		
	Principal	Interest	Total
2016	\$ 405,000	\$ 334,587	\$ 739,587
2017	410,000	326,436	736,436
2018	420,000	318,136	738,136
2019	420,000	309,737	729,737
2020	435,000	300,644	735,644
2021-2025	2,340,000	1,316,864	3,656,864
2026-2030	2,740,000	889,689	3,629,689
2031-2035	2,320,000	359,925	2,679,925
2036-2039	925,000	75,700	1,000,700
	<u>\$ 10,415,000</u>	<u>\$ 4,231,718</u>	<u>\$ 14,646,718</u>

Fiscal Year Ended June 30,	2007 Lease Revenue Bonds		
	Principal	Interest	Total
2016	\$ 145,000	\$ 340,750	\$ 485,750
2017	150,000	334,038	484,038
2018	160,000	326,888	486,888
2019	165,000	319,269	484,269
2020	175,000	311,084	486,084
2021-2025	1,020,000	1,410,266	2,430,266
2026-2030	1,310,000	1,103,758	2,413,758
2031-2035	1,700,000	701,704	2,401,704
2036-2039	1,725,000	191,216	1,916,216
	<u>\$ 6,550,000</u>	<u>\$ 5,038,973</u>	<u>\$ 11,588,973</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 8 Long-Term Liabilities (Continued)

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

Fiscal Year Ended June 30,	Lease Purchase - Software		
	Principal	Interest	Total
2016	\$ 73,172	\$ 16,151	\$ 89,323
2017	75,645	13,678	89,323
2018	78,202	11,121	89,323
2019	80,845	8,478	89,323
2020	83,578	5,745	89,323
2021	86,402	2,921	89,323
	<u>\$ 477,844</u>	<u>\$ 58,094</u>	<u>\$ 535,938</u>

Fiscal Year Ended June 30,	Lease Purchase - Solar		
	Principal	Interest	Total
2016	\$ 23,665	\$ 353,324	\$ 376,989
2017	51,074	352,048	403,122
2018	80,984	349,596	430,580
2019	113,567	345,862	459,429
2020	173,126	340,484	513,610
2021-2025	1,544,050	1,550,375	3,094,425
2026-2030	3,053,858	1,093,974	4,147,832
2031-2034	3,393,053	298,919	3,691,972
	<u>\$ 8,433,377</u>	<u>\$ 4,684,582</u>	<u>\$ 13,117,959</u>

Fiscal Year Ended June 30,	Land Purchases - Notes Payable		
	Principal	Interest	Total
2016	\$ 3,769	\$ 1,171	\$ 4,940
2017	4,033	908	4,941
2018	4,315	625	4,940
2019	4,617	323	4,940
	<u>\$ 16,734</u>	<u>\$ 3,027</u>	<u>\$ 19,761</u>

Fiscal Year Ended June 30,	2012 Lease Revenue Bonds		
	Principal	Interest	Total
2016	\$ 125,000	\$ 74,250	\$ 199,250
2017	125,000	66,750	191,750
2018	150,000	58,500	208,500
2019	150,000	49,500	199,500
2020	175,000	39,750	214,750
2021-2023	575,000	53,250	628,250
	<u>\$ 1,300,000</u>	<u>\$ 342,000</u>	<u>\$ 1,642,000</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 8 Long-Term Liabilities (Continued)

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

Fiscal Year Ended June 30,	Justice Facility Lease		
	Principal	Interest	Total
2016	\$ 101,692	\$ 3,085	\$ 104,777
	<u>\$ 101,692</u>	<u>\$ 3,085</u>	<u>\$ 104,777</u>

Fiscal Year Ended June 30,	Total Governmental Activities		
	Principal	Interest	Total
2016	\$ 928,175	\$ 1,123,318	\$ 2,051,493
2017	815,752	1,093,858	1,909,610
2018	893,501	1,064,866	1,958,367
2019	934,029	1,033,169	1,967,198
2020	1,041,704	997,707	2,039,411
2021-2025	5,565,452	4,333,676	9,899,128
2026-2030	7,103,858	3,087,421	10,191,279
2031-2035	7,413,053	1,360,548	8,773,601
2036-2039	2,650,000	266,916	2,916,916
	<u>\$ 27,345,524</u>	<u>\$ 14,361,479</u>	<u>\$ 41,707,003</u>

h. Business-Type Activities

Enterprise Funds – Notes Payable.

The State of California Department of Water Resources granted a loan to the Water Fund of the City for construction of water facilities in the amount of \$2,700,000. Of this amount, \$1,924,399 was drawn down from the State. The note calls for semiannual payments of \$54,710 including interest at 2.955% until January 2024. The balance at June 30, 2015 is \$816,034.

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, 2015 is \$5,538,292.

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, 2015 is \$840,000.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 8 Long-Term Liabilities (Continued)

h. Business-Type Activities (Continued)

Installment Purchase Agreement (Continued)

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

2007 DFA Wastewater System Revenue Bonds

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

Interest rates vary between 4.0% and 5.375% and are payable semi-annually on September 1 and March 1. Principal is paid annually on September 1 through 2038. Bonds maturing after 2017 are subject to optional redemption. The principal balance outstanding at June 30, 2015 is \$2,770,000.

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 issuance.

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 2014 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, 2015 was \$7,770,000.

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, 2015 is \$373,930.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 8 Long-Term Liabilities (Continued)

h. Business-Type Activities (Continued)

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, 2015 was \$150,758.

i. Enterprise Long-Term Debt Amortization

The annual requirements to amortize enterprise long-term debt outstanding at June 30, 2015 are as follows:

Fiscal Year Ending June 30,	1998 Water Note Payable		
	Principal	Interest	Total
2016	\$ 85,900	\$ 23,514	\$ 109,414
2017	88,454	20,960	109,414
2018	91,088	18,326	109,414
2019	93,800	15,614	109,414
2020	96,592	12,822	109,414
2021-2024	360,201	77,455	437,656
	<u>\$ 816,035</u>	<u>\$ 168,691</u>	<u>\$ 984,726</u>

Fiscal Year Ending June 30,	2005 Water Note Payable		
	Principal	Interest	Total
2016	\$ 306,232	\$ 142,018	\$ 448,250
2017	314,246	134,004	448,250
2018	322,469	125,781	448,250
2019	330,909	117,341	448,250
2020	339,568	108,683	448,251
2021-2025	1,835,873	405,376	2,241,249
2026-2029	2,088,995	152,255	2,241,250
	<u>\$ 5,538,292</u>	<u>\$ 1,185,458</u>	<u>\$ 6,723,750</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 8 Long-Term Liabilities (Continued)

i. Enterprise Long-Term Debt Amortization (Continued)

The annual requirements to amortize enterprise long-term debt outstanding at June 30, 2015 are as follows:

Fiscal Year Ending June 30,	California Energy Commission Loan Payable		
	Principal	Interest	Total
2016	\$ 81,644	\$ 3,545	\$ 85,189
2017	82,472	2,718	85,190
2018	83,298	1,891	85,189
2019	84,134	1,056	85,190
2020	42,382	212	42,594
	<u>\$ 373,930</u>	<u>\$ 9,422</u>	<u>\$ 383,352</u>

Fiscal Year Ending June 30,	Installment Purchase		
	Principal	Interest	Total
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>\$ 840,000</u>	<u>\$ 51,450</u>	<u>\$ 891,450</u>

Fiscal Year Ending June 30,	Capital Leases		
	Principal	Interest	Total
2016	\$ 74,170	\$ 4,915	\$ 79,085
2017	76,588	2,497	79,085
	<u>\$ 150,758</u>	<u>\$ 7,412</u>	<u>\$ 158,170</u>

Fiscal Year Ending June 30,	2007 Revenue Bonds		
	Principal	Interest	Total
2016	\$ 60,000	\$ 144,113	\$ 204,113
2017	65,000	141,268	206,268
2018	70,000	138,153	208,153
2019	70,000	134,873	204,873
2020	75,000	131,382	206,382
2021-2025	430,000	595,460	1,025,460
2026-2030	555,000	466,148	1,021,148
2031-2035	720,000	295,625	1,015,625
2036-2039	725,000	80,221	805,221
	<u>\$ 2,770,000</u>	<u>\$ 2,127,243</u>	<u>\$ 4,897,243</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 8 Long-Term Liabilities (Continued)

i. Enterprise Long-Term Debt Amortization (Continued)

The annual requirements to amortize enterprise long-term debt outstanding at June 30, 2015 are as follows:

Fiscal Year Ending June 30,	2012 Lease Revenue Bonds		
	Principal	Interest	Total
2016	\$ 165,000	\$ 265,388	\$ 430,388
2017	165,000	262,088	427,088
2018	170,000	258,738	428,738
2019	170,000	255,338	425,338
2020	415,000	249,488	664,488
2021-2025	2,215,000	1,096,240	3,311,240
2026-2030	2,235,000	708,715	2,943,715
2031-2035	1,135,000	409,499	1,544,499
2036-2039	1,100,000	113,250	1,213,250
	<u>\$ 7,770,000</u>	<u>\$ 3,618,744</u>	<u>\$ 11,388,744</u>

Fiscal Year Ending June 30,	Total Business-type Activities		
	Principal	Interest	Total
2016	\$ 972,946	\$ 582,178	\$ 1,555,124
2017	996,760	558,701	1,555,461
2018	951,855	534,388	1,486,243
2019	968,843	511,909	1,480,752
2020	968,542	489,765	1,458,307
2021-2025	4,841,074	2,097,076	6,938,150
2026-2030	4,878,995	1,327,118	6,206,113
2031-2035	1,855,000	705,124	2,560,124
2036-2039	1,825,000	193,471	2,018,471
	<u>\$ 18,259,015</u>	<u>\$ 6,999,730</u>	<u>\$ 25,258,745</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).

Note 9 Pension Plan

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 9 Pension Plan (Continued)

A. General Information about the Pension Plan

Plan Descriptions – All qualified employees are eligible to participate in the City’s separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

The Plans’ provisions and benefits in effect at June 30, 2015, are summarized as follows:

City Miscellaneous Plan

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	4%	6.25%
Required employer contribution rates	14.514%	6.25%

City Safety Plan

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	4.5%	11.50%
Required employer contribution rates	27.541%	11.50%

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 9 Pension Plan (Continued)

A. General Information about the Pension Plan (Continued)

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the City reported net pension liabilities for its proportionate share of the net position liability of the Plan as follows:

Proportionate Share of Net Pension Liability	
Misc. Plan	Safety Plan
\$ 5,615,605	\$ 7,798,956

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2013 and 2014 was as follows:

City Miscellaneous Plan

Proportion - June 30, 2013	0.21547%
Proportion - June 30, 2014	0.22722%
Change - Increase (Decrease)	0.01175%

City Safety Plan

Proportion - June 30, 2013	0.18875%
Proportion - June 30, 2014	0.20792%
Change - Increase (Decrease)	0.01917%

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 9 Pension Plan (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the fiscal year ended June 30, 2015, the Local Government recognized pension expense of \$1,522,213. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,349,470	\$ -
Net differences between projected and actual earnings on pension plan investments		(2,697,840)
Adjustment due to differences in proportions		(416,290)
Total	<u>\$ 2,349,470</u>	<u>\$ (3,114,130)</u>

\$2,349,470 reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	
2016	\$ (823,135)
2017	(823,135)
2018	(793,400)
2019	(674,460)
Total	<u>\$ (3,114,130)</u>

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 9 Pension Plan (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Payrol Growth	3.00%	3.00%
Projected Salary Increase	3.30%-14.20% (1)	3.30%-14.20% (1)
Investment Rate of Return	7.50% (2)	7.50% (2)
Mortality	Derived using CalPERS' Membership Data for all Funds	

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 9 Pension Plan (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Year 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

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

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate –The following presents the net pension liability of the Local Government for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Miscellaneous	Safety
1% Decrease	6.50%	6.50%
Net Pension Liability	\$ 9,064,355	\$ 11,366,600
Current Discount Rate	7.50%	7.50%
Net Pension Liability	\$ 5,615,605	\$ 7,798,956
1% Increase	8.50%	8.50%
Net Pension Liability	\$ 2,753,469	\$ 4,859,370

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 10 Post Employment Health Care Benefits

Plan Description

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 \$281,909 for the fiscal year ended June 30, 2015 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, 2014 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, 2014, the date of the most recent actuarial valuation, was a total of \$16,582,381. 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	\$ 1,862,159
Interest on net OPEB obligation	244,457
Adjustment to annual required contribution	<u>(277,927)</u>
Annual OPEB cost (expense)	1,828,689
Less: Employer contribution	(281,909)
Implicit subsidy credit	<u>(104,827)</u>
Increase in net OPEB obligation	1,441,953
 Net OPEB obligation, beginning of fiscal year	 <u>5,432,371</u>
 Net OPEB obligations, end of fiscal year	 <u><u>\$ 6,874,324</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 and the two preceding fiscal years were as follows:

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 10 Post Employment Health Care Benefits (Continued)

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2013	\$ 1,252,851	25.28%	\$ 4,462,959
6/30/2014	1,330,538	24.30%	5,432,371
6/30/2015	1,828,689	21.14%	6,874,324

Funded Status and Funding Progress

<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>
07/1/2014	\$ 16,582,381	\$ -	\$ 16,582,381	0%	\$ 8,140,364	203.7%

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 (on a closed basis) as a level percentage of projected payroll over 26 years.

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.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015, are presented below:

Total Assets	<u>\$ 80,694,798</u>
Total Liabilities	\$ 65,440,947
Total Net Position	<u>15,253,851</u>
Total Liabilities and Net Position	<u>\$ 80,694,798</u>
Revenues for Fiscal Year	\$ 32,108,146
Expenses for Fiscal Year	<u>32,739,704</u>
Change in Net Position	<u>\$ (631,558)</u>

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

The City is self-insured for health insurance for its employees. Each department and division is charged an actuarially determined amount for health insurance expenses based on its employees. All claims are administered by an independent insurance processor; the City is responsible for reimbursing the company for all claims up to \$15,000 per covered individual, with any expenses greater than that being covered by the insurance provider.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 12 Risk Management/Joint Venture (Continued)

The claims liability of \$50,000 for health insurance at June 30, 2015 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, 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Liability - beginning of fiscal year	\$ 50,000	\$ 50,000
Current year claims and changes in estimates	2,458,755	2,375,332
Claim payments	<u>(2,458,755)</u>	<u>(2,375,332)</u>
Liability - end of fiscal year	<u>\$ 50,000</u>	<u>\$ 50,000</u>

Note 13 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, 2015, 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.
- *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.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 13 Fund Balances (Continued)

- *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 Construction	General	HUD Grants	Public Safety Sales Tax	Transporation Construction	Financing Authority	Non-major Governmental	Totals
Nonspendable								
Advances/Notes	\$ -	\$ 2,689,954	\$ -	\$ -	\$ -	\$ -	\$ 7,738,767	\$ 10,428,721
Prepaid items		9,485					855	10,340
Land held for resale							187,251	187,251
Totals		2,699,439					7,926,873	10,439,061
Restricted								
Housing							152,794	152,794
Public safety				473,739			67,019	540,758
Public works and community development			24,741		4,398,605	1,370,159	5,382,194	11,175,699
Totals			24,741	473,739	4,398,605	1,370,159	5,602,007	11,869,251
Assigned								
Debt service							2,952	2,952
Public works							100,190	100,190
Totals							103,142	103,142
Unassigned	(4,265)	2,255,325					(613,796)	1,637,264
Totals	\$ (4,265)	\$ 4,954,764	\$ 24,741	\$ 473,739	\$ 4,398,605	\$ 1,370,159	\$ 13,018,226	\$ 24,048,718

Note 14 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.

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 \$34,836,273 of restricted net position.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 14 Net Position (Continued)

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES - NET POSITION
AS OF JUNE 30, 2015

	Governmental Activities	Business-type Activities	Totals
Net position			
Net investment in capital assets	\$ 150,882,646	\$ 47,536,362	\$ 198,419,008
Restricted for:			
Community development	22,475,900		22,475,900
Assessment districts	396,725		396,725
Parks	31,125		31,125
Police	473,739		473,739
Streets & roads	7,348,972		7,348,972
Housing	4,109,812		4,109,812
Total Restricted	<u>34,836,273</u>		<u>34,836,273</u>
Unrestricted	<u>(7,232,436)</u>	<u>2,638,925</u>	<u>(4,593,511)</u>
Total net position	<u>\$ 178,486,483</u>	<u>\$ 50,175,287</u>	<u>\$ 228,661,770</u>

Note 15 Commitments

The City has open construction contracts-in-progress in the amount of \$14,416,118.

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, 2015 this amount is approximately \$82,273. The budgeted amount for fiscal year June 30, 2016 is \$82,400.

Note 16 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, 2015

Note 18 Prior Period Adjustments

A prior period adjustment of \$4,612,278 was made which affects the government-wide financial statement under governmental activities due to the CalPERS side fund liability being combined with the Net Pension Liability as part of the implement of The City implemented GASB Statement No. 68 and 70.

The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, during fiscal year 2015. The cumulative effect of applying GASB No. 68 and 71 has resulted in a decrease to the net position at July 1, 2014 as follows:

Major Enterprise Funds	Net Pension Liability	Deferred Outflow of Resources
Water	\$ (364,331)	\$ 24,552
Sewer	(299,611)	20,191
Disposal	(161,808)	10,905
Ambulance	(987,182)	66,528
<u>Non-Major Enterprise Funds</u>		
Engineering	(449,735)	30,308
Transit	(51,591)	3,476
CNG	(8,486)	572
<u>Internal Service Funds (part of governmental activities in total)</u>		
Insurance	(195,723)	13,190
Billing and Collection	(389,631)	26,258
Property and Equipment	(352,456)	23,753
Governmental Activities	(12,830,315)	864,656

An adjustment was made in HUD Grants Special Revenue for an overstatement of prior year deferred revenue of \$156,508.

An adjustment was made in government-wide statement for an overstatement of prior year capital lease payable of \$106,158.

Note 19 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, 2015

Note 19 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, 2014	Additions	Deletions	Balance June 30, 2015
Capital assets, not depreciated:				
Land	\$ 5,046,891	\$ -	\$ -	\$ 5,046,891
Total capital assets, not depreciated	<u>5,046,891</u>			<u>5,046,891</u>
Capital assets, depreciated:				
Buildings and structures	167,848			167,848
Total capital assets, depreciated	<u>167,848</u>			<u>167,848</u>
Less accumulated depreciation for:				
Buildings and structures	(83,947)	(5,559)		(89,506)
Total accumulated depreciation	<u>(83,947)</u>	<u>(5,559)</u>		<u>(89,506)</u>
Total capital assets, depreciated, net	83,901	(5,559)		78,342
Total capital assets, net	<u>\$ 5,130,792</u>	<u>\$ (5,559)</u>	<u>\$ -</u>	<u>\$ 5,125,233</u>

Depreciation expense for the fiscal year ended June 30, 2015 was \$5,559.

B. Summary of SADRA's Long-Term Debt

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Current Portion
Advances from City of Dinuba	\$ 11,593,664	\$ -	\$ (1)	\$ 11,593,663	\$ -
Notes payable	325,000		(50,000)	275,000	50,000
Tax allocation bonds	50,995,000		(1,220,000)	49,775,000	1,180,000
Original issue premium	1,141,413		(59,552)	1,081,861	59,552
Original issue discount	<u>(44,317)</u>		<u>1,760</u>	<u>(42,557)</u>	<u>(1,760)</u>
Total long-term liabilities, net	<u>\$ 64,010,760</u>	<u>\$ -</u>	<u>\$ (1,327,793)</u>	<u>\$ 62,682,967</u>	<u>\$ 1,287,792</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 19 Successor Agency Trust for Assets of the Former Redevelopment Agency (SADRA)
(Continued)

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

Notes Payable

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, 2015 is \$275,000.

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, 2015, were \$0 as these were refunded by the 2014 Tax Allocation Refunding Bonds.

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, 2015 was \$0 as these were refunded by the 2014 Tax Allocation Refunding Bonds.

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, 2015, were \$4,440,000.

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.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 19 Successor Agency Trust for Assets of the Former Redevelopment Agency (SADRA)
(Continued)

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

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, 2015, were \$14,750,000.

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.

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, 2015 were \$10,500,000.

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.

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, 2015 were \$4,350,000.

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).

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 19 Successor Agency Trust for Assets of the Former Redevelopment Agency (SADRA)
(Continued)

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

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, 2014. 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, 2015 were \$1,600,000.

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.

After using funds remaining from the 2001 and 2003 issues, recognizing an original issue premium, paying costs of issuance, and paying an escrow agent for the refunding, the SADRA recognized a deferred loss on refunding in the amount of \$495,141.

2014 Tax Allocation Refunding Bonds. On May 14, 2014, the Successor Agency to the Dinuba Redevelopment Agency issued \$14,650,000 Tax Allocation Refunding Bonds bearing interest of 3% payable semi-annually on March 1 and September 1 commencing September 1, 2014. The bonds mature annually at various amounts through September 1, 2033. The bonds are payable from and secured by incremental tax revenues. Bonds outstanding as of June 30, 2015 were \$14,135,000.

The Bonds are being issued to refinance the outstanding amount (\$9,630,000) of the Agency's previously issued 2001 Tax Allocation Bonds and outstanding amount (\$6,465,000) of the Agency's 2003 Tax Allocation Bonds. As a result, the 2001 and 2003 Tax Allocation Bonds are considered to be defeased and the liability for those bonds have been removed from the long-term liabilities of the Private Purpose Trust Fund.

The annual requirements to amortize long-term debt outstanding at June 30, 2015 are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,230,000	\$ 2,568,780	\$ 3,798,780
2017	1,280,000	2,518,318	3,798,318
2018	1,330,000	2,463,858	3,793,858
2019	1,380,000	2,405,496	3,785,496
2020	1,510,000	2,344,009	3,854,009
2021-2025	7,590,000	10,687,040	18,277,040
2026-2030	9,375,000	8,681,150	18,056,150
2031-2035	11,945,000	6,003,973	17,948,973
2036-2040	11,845,000	2,530,829	14,375,829
2041-2044	2,565,000	174,570	2,739,570
	<u>\$ 50,050,000</u>	<u>\$ 40,378,023</u>	<u>\$ 90,428,023</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 19 Successor Agency Trust for Assets of the Former Redevelopment Agency (SADRA)
(Continued)

C. Notes Receivable

The following is the note receivable outstanding as of June 30, 2015.

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.

\$ 351,559

Required Supplementary Information



**CITY OF DINUBA
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2015**

Postemployment Benefit Plans Other than Pensions Trend Information

RETIREE HEALTH PLAN

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
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%
7/1/2014	16,582,381	-	16,582,381	0%	8,140,364	203.7%

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Taxes and assessments:				
Utility users	\$ 1,748,650	\$ 1,748,650	\$ 1,630,654	\$ (117,996)
Property	718,615	718,615	846,306	127,691
Sales	6,434,515	6,434,515	7,094,938	660,423
Transient occupancy	184,500	184,500	226,817	42,317
Other	255,000	255,000	292,650	37,650
Licenses and permits	230,000	230,000	825,421	595,421
Intergovernmental			158,229	158,229
Charges for services	500,068	500,068	60,565	(439,503)
Fines, forfeitures, and penalties			10,269	10,269
Use of money and property	78,000	78,000	37,086	(40,914)
Overhead reimbursement	2,042,849	2,042,849	2,258,197	215,348
Miscellaneous	355,329	355,329	10,786	(344,543)
Total Revenues	12,547,526	12,547,526	13,451,918	904,392
Expenditures:				
Current:				
General government:				
City Council	86,805	86,805	93,197	(6,392)
City Manager	838,386	838,386	767,344	71,042
City Attorney	56,035	56,035	56,035	
Administrative services	574,051	574,051	465,870	108,181
General services	2,371,085	2,371,085	1,839,078	532,007
Total general government	3,926,362	3,926,362	3,221,524	704,838
Public safety:				
Police services	4,761,766	4,761,766	4,664,853	96,913
Fire control	2,019,562	2,019,562	1,956,675	62,887
Total public safety	6,781,328	6,781,328	6,621,528	159,800
Public works:				
Planning services	484,177	484,177	449,397	34,780
Total public works	484,177	484,177	449,397	34,780
Parks and recreation:				
Parks & community services	1,582,165	1,582,165	1,227,269	354,896
Total parks and recreation	1,582,165	1,582,165	1,227,269	354,896

(Continued)

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2015
(Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive (Negative)
Expenditures:				
Capital outlay	\$ -	\$ -	\$ 182,717	\$ (182,717)
Total Expenditures	12,774,032	12,774,032	11,702,435	1,071,597
Excess of Revenues Over (Under)				
Expenditures	(226,506)	(226,506)	1,749,483	1,975,989
Other Financing Sources (Uses):				
Sale of property			272,262	272,262
Transfers in	69,000	69,000	130,300	61,300
Transfers out	(848,231)	(848,231)	(1,828,467)	(980,236)
Total Other Financing Sources (Uses)	(779,231)	(779,231)	(1,425,905)	(646,674)
Net Change in Fund Balance	(1,005,737)	(1,005,737)	323,578	1,329,315
Fund balance, beginning of fiscal year	4,631,186	4,631,186	4,631,186	
Fund balance, end of fiscal year	<u>\$ 3,625,449</u>	<u>\$ 3,625,449</u>	<u>\$ 4,954,764</u>	<u>\$ 1,329,315</u>

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, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive (Negative)
Revenues:				
Use of money and property	\$ 30,000	\$ 30,000	\$ 28,646	\$ (1,354)
Intergovernmental	1,190,541	1,190,541	804,110	(386,431)
Total Revenues	1,220,541	1,220,541	832,756	(387,785)
Expenditures:				
Current:				
Community development	793,541	793,541	929,012	(135,471)
Capital outlay	150,000	150,000		150,000
Total Expenditures	943,541	943,541	929,012	14,529
Excess of Revenues Over (Under)				
Expenditures	277,000	277,000	(96,256)	(373,256)
Other Financing Sources (Uses):				
Transfers in			7,825	7,825
Transfers out			(15,410)	(15,410)
Total Other Financing Sources (Uses)			(7,585)	(7,585)
Net Change in Fund Balance	277,000	277,000	(103,841)	(380,841)
Fund Balance (Deficit), Beginning of Fiscal Year	(27,926)	(27,926)	(27,926)	
Prior Period Adjustments			156,508	156,508
Fund Balance - Beginning of Fiscal Year (restated)	(27,926)	(27,926)	128,582	156,508
Fund Balance, End of Fiscal Year	\$ 249,074	\$ 249,074	\$ 24,741	\$ (224,333)

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, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive (Negative)
Revenues:				
Use of money and property	\$ 4,000	\$ 4,000	\$ 399	\$ (3,601)
Taxes and assessments	3,016,986	3,016,986	3,742,065	725,079
Total Revenues	3,020,986	3,020,986	3,742,464	721,478
Expenditures:				
Current:				
Public safety	2,335,164	2,335,164	2,841,184	(506,020)
Capital outlay	303,217	303,217	474,222	(171,005)
Debt service:				
Principal			102,891	(102,891)
Interest and fiscal charges			4,579	(4,579)
Total Expenditures	2,638,381	2,638,381	3,422,876	(784,495)
Excess of Revenues Over (Under)				
Expenditures	382,605	382,605	319,588	(63,017)
Other Financing Sources (Uses):				
Transfers out	(70,000)	(70,000)	(155,304)	(85,304)
Total Other Financing Sources (Uses)	(70,000)	(70,000)	(155,304)	(85,304)
Net Change in Fund Balance	312,605	312,605	164,284	(148,321)
Fund Balance - Beginning of Fiscal Year	309,455	309,455	309,455	
Fund Balance - End of Fiscal Year	\$ 622,060	\$ 622,060	\$ 473,739	\$ (148,321)

See Note to Required Supplementary Information

**CITY OF DINUBA
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2015**

Cost Sharing Defined Benefit Pension Plans

Schedule of the City's Proportionate Share of the Net Pension Liability – Last 10 Years*

	June 30, 2015	
	Miscellaneous Plan	Safety Plan
Proportion of the net pension liability	0.22722%	0.20792%
Proportionate share of the net pension liability	\$ 5,615,605	\$ 7,798,956
Covered employee payroll	\$ 4,183,424	\$ 4,509,006
Proportionate Share of the net pension liability as a percentage of covered employee payroll	134.23%	172.96%
Plan's fiduciary net position	\$ 20,380,774	\$ 18,835,690
Plan's total pension liability	\$ 25,996,379	\$ 26,634,646
Plan fiduciary net position as a percentage of total pension liability	78.40%	70.72%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Change in Assumptions: None

*Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**CITY OF DINUBA
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2015**

Cost Sharing Defined Benefit Pension Plans

Schedule of Contributions – Last 10 Years*

	June 30, 2015	
	Miscellaneous Plan	Safety Plan
Contractual required contribution (actuarially determined)	\$ 558,710	\$ 1,170,656
Contributions in relation to the actuarially determined contributions	(558,710)	(1,170,656)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 4,183,424	\$ 4,509,006
Contributions as a percentage of covered employee payroll	13.36%	25.96%

Notes to Schedule

Valuation Date: June 30, 2013

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Inflation	2.75%
Salary Increases	3.30% to 14.20% depending on age, service, and type of employment
Investment Rate of Return	7.50%, net of pension plan investment and administrative Expenses; includes Inflation
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' Membership Data for all Funds

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

*Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CITY OF DINUBA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2015

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
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION CONSTRUCTION CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 1,500	\$ 12,781	\$ 11,281
Intergovernmental	15,648,649	7,412,487	(8,236,162)
Total Revenues	15,650,149	7,425,268	(8,224,881)
Expenditures:			
Current:			
Public works		3,805	(3,805)
Capital outlay	17,225,642	7,876,827	9,348,815
Total Expenditures	17,225,642	7,880,632	9,345,010
Excess of Revenues Over (Under)			
Expenditures	(1,575,493)	(455,364)	1,120,129
Other Financing Sources (Uses):			
Sales of property		96,262	96,262
Transfers in	774,212	1,653,433	879,221
Transfers out	(50,000)	(50,000)	
Total Other Financing Sources (Uses)	724,212	1,699,695	975,483
Net Change in Fund Balance	(851,281)	1,244,331	2,095,612
Fund Balance - Beginning of Fiscal Year	3,154,274	3,154,274	
Fund Balance - End of Fiscal Year	\$ 2,302,993	\$ 4,398,605	\$ 2,095,612

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, 2015

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 179,090	\$ 256,286	\$ 77,196
Use of money and property		(776)	(776)
Total Revenues	<u>179,090</u>	<u>255,510</u>	<u>76,420</u>
Expenditures:			
Capital outlay	<u>469,569</u>	<u>5,500,262</u>	<u>(5,030,693)</u>
Total Expenditures	<u>469,569</u>	<u>5,500,262</u>	<u>(5,030,693)</u>
Excess of Revenues Over (Under) Expenditures	<u>(290,479)</u>	<u>(5,244,752)</u>	<u>(4,954,273)</u>
Other Financing Sources (Uses):			
Transfers in	274,941	6,138,796	5,863,855
Transfers out	<u>45,000</u>		<u>(45,000)</u>
Total Other Financing Sources (Uses)	<u>319,941</u>	<u>6,138,796</u>	<u>5,818,855</u>
Net Change in Fund Balance	29,462	894,044	864,582
Fund Balance (deficit), Beginning of Fiscal Year	<u>(898,309)</u>	<u>(898,309)</u>	
Fund Balance (Deficit), End of Fiscal Year	<u><u>\$ (868,847)</u></u>	<u><u>\$ (4,265)</u></u>	<u><u>\$ 864,582</u></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, 2015

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 18,000	\$ 10,953	\$ (7,047)
Total Revenues	<u>18,000</u>	<u>10,953</u>	<u>(7,047)</u>
Expenditures:			
Debt Service:			
Principal retirement	530,000	530,000	
Interest and fiscal charges	702,567	1,053,607	(351,040)
Total Expenditures	<u>1,232,567</u>	<u>1,583,607</u>	<u>(351,040)</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,214,567)</u>	<u>(1,572,654)</u>	<u>(358,087)</u>
Other Financing Sources (Uses):			
Transfers in	1,269,612	1,688,290	418,678
Transfers out	(50,000)	(5,683,560)	(5,633,560)
Total Other Financing Sources (Uses)	<u>1,219,612</u>	<u>(3,995,270)</u>	<u>(5,214,882)</u>
Net Change in Fund Balance	5,045	(5,567,924)	(5,572,969)
Fund Balance, Beginning of Fiscal Year	<u>6,938,083</u>	<u>6,938,083</u>	
Fund Balance, End of Fiscal Year	<u>\$ 6,943,128</u>	<u>\$ 1,370,159</u>	<u>\$ (5,572,969)</u>

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 FUND – 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.

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 Fund

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.

CITY OF DINUBA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

	Special Revenue Funds		
	Gas Tax	Parks Reserve	Transportation
Assets:			
Cash and investments	\$ 1,216,797	\$ -	\$ 657,074
Receivables:			
Accounts			
Intergovernmental	304,387		663,397
Notes		113,343	
Interest	439		258
Prepaid expenses	31		20
Interfund advances receivable			
Advances to successor agency		150,000	
Land held for resale			
Total Assets	<u>\$ 1,521,654</u>	<u>\$ 263,343</u>	<u>\$ 1,320,749</u>
Liabilities, Deferred Inflows, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 26,016	\$ -	\$ 4,969
Accrued liabilities	6,494		5,049
Due to other funds		1,971	
Interfund advances payable		116,904	
Total Liabilities	<u>32,510</u>	<u>118,875</u>	<u>10,018</u>
Deferred Inflows of Revenues:			
Deferred revenues		113,343	
Total Deferred Inflows		<u>113,343</u>	
Total Liabilities and Deferred Inflows	<u>32,510</u>	<u>232,218</u>	<u>10,018</u>
Fund Balances:			
Nonspendable	31	150,000	20
Restricted	1,489,113		1,310,711
Assigned			
Unassigned		(118,875)	
Total Fund Balances	<u>1,489,144</u>	<u>31,125</u>	<u>1,310,731</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,521,654</u>	<u>\$ 263,343</u>	<u>\$ 1,320,749</u>

Special Revenue Funds					
System Development Charges	Community Enhancement Grants	Curb and Gutter	Assessment Districts	Fire Impact Fees	Housing Authority
\$ 1,576,728	\$ 233,846	\$ 7,375	\$ 322,152	\$ 66,998	\$ 37,843
	9,758		6,357		85,050
1,117,370					
72,029	60			21	2
					121,781
365,000			104,000		3,769,767
					187,251
<u>\$ 3,131,127</u>	<u>\$ 243,664</u>	<u>\$ 7,375</u>	<u>\$ 432,509</u>	<u>\$ 67,019</u>	<u>\$ 4,201,694</u>
\$ 481	\$ - 7,519	\$ -	\$ 4,700 31,084	\$ -	\$ 4,534 2,298
<u>481</u>	<u>7,519</u>		<u>35,784</u>		<u>6,832</u>
<u>957,700</u>					<u>85,050</u>
<u>957,700</u>					<u>85,050</u>
<u>958,181</u>	<u>7,519</u>		<u>35,784</u>		<u>91,882</u>
365,000			104,000		3,957,018
1,807,946	236,145		292,725	67,019	152,794
		7,375			
<u>2,172,946</u>	<u>236,145</u>	<u>7,375</u>	<u>396,725</u>	<u>67,019</u>	<u>4,109,812</u>
<u>\$ 3,131,127</u>	<u>\$ 243,664</u>	<u>\$ 7,375</u>	<u>\$ 432,509</u>	<u>\$ 67,019</u>	<u>\$ 4,201,694</u>

(Continued)

CITY OF DINUBA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015
(Continued)

	Capital Projects Funds			
	Drainage Districts	Vocational Center	MTBE	Public Works Management
Assets:				
Cash and investments	\$ 274,123	\$ -	\$ -	\$ 114,630
Receivables:				
Accounts		1,311	96,489	
Intergovernmental				
Notes	110,760			
Interest	8,910	(135)	(21)	47
Prepaid expenses		502		302
Interfund advances receivable				
Advances to successor agency			3,300,000	50,000
Land held for resale				
Total Assets	\$ 393,793	\$ 1,678	\$ 3,396,468	\$ 164,979
Liabilities, Deferred Inflows, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 28,569	\$ 12,105	\$ 38,606	\$ 3,250
Accrued liabilities				18,612
Due to other funds		461,076	80,778	
Interfund advances payable				
Total Liabilities	28,569	473,181	119,384	21,862
Deferred Inflows of Revenues:				
Deferred revenues	119,670			
Total Deferred Inflows	119,670			
Total Liabilities and Deferred Inflows	148,239	473,181	119,384	21,862
Fund Balances:				
Nonspendable		502	3,300,000	50,302
Restricted	245,554			
Assigned				92,815
Unassigned		(472,005)	(22,916)	
Total Fund Balances	245,554	(471,503)	3,277,084	143,117
Total Liabilities, Deferred Inflows and Fund Balances	\$ 393,793	\$ 1,678	\$ 3,396,468	\$ 164,979

<u>Debt Service Fund</u>		Total Nonmajor Governmental Funds	
<u>General</u>			
\$	2,952	\$	4,510,518
			97,800
			983,899
			1,426,523
			81,610
			855
			121,781
			7,738,767
			187,251
<u>\$</u>	<u>2,952</u>	<u>\$</u>	<u>15,149,004</u>
\$	-	\$	123,230
			71,056
			543,825
			116,904
			855,015
			1,275,763
			1,275,763
			2,130,778
			7,926,873
			5,602,007
	2,952		103,142
			(613,796)
<u>2,952</u>		<u>13,018,226</u>	
<u>\$</u>	<u>2,952</u>	<u>\$</u>	<u>15,149,004</u>

CITY OF DINUBA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015

	Special Revenue Funds		
	Gas Tax	Parks Reserve	Transportation
Revenues:			
Taxes and assessments	\$ -	\$ -	\$ 369,766
Intergovernmental	893,055		589,323
Charges for services		3,565	
Use of money and property	3,154	105	2,185
Fines and forfeitures			
Reimbursements			
Miscellaneous			12,200
Total Revenues	<u>896,209</u>	<u>3,670</u>	<u>973,474</u>
Expenditures:			
Current:			
Public safety			
Community development			
Parks and recreation		8,000	
Public works	583,696		422,863
Capital outlay			
Debt service:			
Principal retirement			
Interest and fiscal charges			
Total Expenditures	<u>583,696</u>	<u>8,000</u>	<u>422,863</u>
Excess of Revenues Over (Under) Expenditures	<u>312,513</u>	<u>(4,330)</u>	<u>550,611</u>
Other Financing Sources (Uses):			
Transfers in			80,000
Transfers out	<u>(567,738)</u>	<u>(83,512)</u>	<u>(790,693)</u>
Total Other Financing Sources (Uses)	<u>(567,738)</u>	<u>(83,512)</u>	<u>(710,693)</u>
Net Change in Fund Balances	<u>(255,225)</u>	<u>(87,842)</u>	<u>(160,082)</u>
Fund Balances (Deficit), Beginning of Fiscal Year	<u>1,744,369</u>	<u>118,967</u>	<u>1,470,813</u>
Fund Balances (Deficit), End of Fiscal Year	<u>\$ 1,489,144</u>	<u>\$ 31,125</u>	<u>\$ 1,310,731</u>

Special Revenue Funds					
System Development Charges	Community Enhancement Grants	Curb and Gutter	Assessment Districts	Fire Impact Fees	Housing Authority
\$ -	\$ -	\$ -	\$ 469,845	\$ -	\$ -
	109,840				
505,156				5,323	
6,319	430			138	13
	73,076				
511,475	183,346		469,845	5,461	13
	110,486				
				9,917	76,232
27,980			442,194		
					3,523
					1,418
27,980	110,486		442,194	9,917	81,173
483,495	72,860		27,651	(4,456)	(81,160)
					15,410
(1,221,708)	(100,000)				
(1,221,708)	(100,000)				15,410
(738,213)	(27,140)		27,651	(4,456)	(65,750)
2,911,159	263,285	7,375	369,074	71,475	4,175,562
\$ 2,172,946	\$ 236,145	\$ 7,375	\$ 396,725	\$ 67,019	\$ 4,109,812

(Continued)

CITY OF DINUBA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015
(Continued)

	Capital Projects Funds			
	Drainage Districts	Vocational Center	MTBE	Public Works Management
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental				31,524
Charges for services	14,366			
Use of money and property	2,724	11,594	(101)	396
Fines and forfeitures				
Reimbursements			193,829	362,805
Miscellaneous				3,600
Total Revenues	<u>17,090</u>	<u>11,594</u>	<u>193,728</u>	<u>398,325</u>
Expenditures:				
Current:				
Public safety				
Community development	8,000	182,154		
Parks and recreation				
Public works				431,843
Capital outlay	227,824		167,081	
Debt service:				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>235,824</u>	<u>182,154</u>	<u>167,081</u>	<u>431,843</u>
Excess of Revenues Over (Under) Expenditures	<u>(218,734)</u>	<u>(170,560)</u>	<u>26,647</u>	<u>(33,518)</u>
Other Financing Sources (Uses):				
Transfers in				
Transfers out		(10,607)		
Total Other Financing Sources (Uses)		<u>(10,607)</u>		
Net Change in Fund Balances	(218,734)	(181,167)	26,647	(33,518)
Fund Balances (Deficit), Beginning of Fiscal Year	<u>464,288</u>	<u>(290,336)</u>	<u>3,250,437</u>	<u>176,635</u>
Fund Balances (Deficit), End of Fiscal Year	<u>\$ 245,554</u>	<u>\$ (471,503)</u>	<u>\$ 3,277,084</u>	<u>\$ 143,117</u>

<u>Debt Service Fund</u>	
<u>General</u>	<u>Total Governmental Funds</u>
\$ -	\$ 839,611
	1,623,742
	528,410
	26,957
	73,076
	556,634
	15,800
	<u>3,664,230</u>
	110,486
	276,303
	8,000
	1,908,576
	394,905
369,174	372,697
<u>113,502</u>	<u>114,920</u>
482,676	3,185,887
<u>(482,676)</u>	<u>478,343</u>
484,889	580,299
	<u>(2,774,258)</u>
<u>484,889</u>	<u>(2,193,959)</u>
2,213	(1,715,616)
<u>739</u>	<u>14,733,842</u>
<u>\$ 2,952</u>	<u>\$ 13,018,226</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAS TAX SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 762,878	\$ 893,055	\$ 130,177
Use of money and property	1,000	3,154	2,154
Total Revenues	<u>763,878</u>	<u>896,209</u>	<u>132,331</u>
Expenditures:			
Current:			
Public works	<u>572,230</u>	<u>583,696</u>	<u>(11,466)</u>
Total Expenditures	<u>572,230</u>	<u>583,696</u>	<u>(11,466)</u>
Excess of Revenues Over (Under) Expenditures	<u>191,648</u>	<u>312,513</u>	<u>120,865</u>
Other Financing Sources (Uses):			
Transfers out	<u>(272,214)</u>	<u>(567,738)</u>	<u>(295,524)</u>
Total Other Financing Sources (Uses)	<u>(272,214)</u>	<u>(567,738)</u>	<u>(295,524)</u>
Net Change in Fund Balance	(80,566)	(255,225)	(174,659)
Fund Balance, Beginning of Fiscal Year	<u>1,744,369</u>	<u>1,744,369</u>	
Fund Balance, End of Fiscal Year	<u>\$ 1,663,803</u>	<u>\$ 1,489,144</u>	<u>\$ (174,659)</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, 2015

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 163,860	\$ 3,565	\$ (160,295)
Use of money and property	700	105	(595)
Total Revenues	<u>164,560</u>	<u>3,670</u>	<u>(160,890)</u>
Expenditures:			
Current:			
Parks and recreation	<u>100,000</u>	<u>8,000</u>	<u>92,000</u>
Total Expenditures	<u>100,000</u>	<u>8,000</u>	<u>92,000</u>
Excess of Revenues Over (Under) Expenditures	<u>64,560</u>	<u>(4,330)</u>	<u>(68,890)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(60,000)</u>	<u>(83,512)</u>	<u>(23,512)</u>
Total Other Financing Sources (Uses)	<u>(60,000)</u>	<u>(83,512)</u>	<u>(23,512)</u>
Net Change in Fund Balance	4,560	(87,842)	(92,402)
Fund Balance, Beginning of Fiscal Year	<u>118,967</u>	<u>118,967</u>	
Fund Balance, End of Fiscal Year	<u><u>\$ 123,527</u></u>	<u><u>\$ 31,125</u></u>	<u><u>\$ (92,402)</u></u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes and assessments	\$ 364,861	\$ 369,766	\$ 4,905
Intergovernmental	169,751	589,323	419,572
Use of money and property	2,000	2,185	185
Miscellaneous	4,800	12,200	7,400
Total Revenues	<u>541,412</u>	<u>973,474</u>	<u>432,062</u>
Expenditures:			
Current:			
Public works	391,064	422,863	(31,799)
Capital outlay	35,000		35,000
Total Expenditures	<u>426,064</u>	<u>422,863</u>	<u>3,201</u>
Excess of Revenues Over (Under) Expenditures	<u>115,348</u>	<u>550,611</u>	<u>435,263</u>
Other Financing Sources (Uses):			
Transfers in	80,000	80,000	
Transfer out	(824,952)	(790,693)	34,259
Total Other Financing Sources (Uses)	<u>(744,952)</u>	<u>(710,693)</u>	<u>34,259</u>
Net Change in Fund Balance	(629,604)	(160,082)	469,522
Fund Balance, Beginning of Fiscal Year	<u>1,470,813</u>	<u>1,470,813</u>	
Fund Balance, End of Fiscal Year	<u>\$ 841,209</u>	<u>\$ 1,310,731</u>	<u>\$ 469,522</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, 2015

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 1,705,531	\$ 505,156	\$ (1,200,375)
Use of money and property	4,906	6,319	1,413
Total Revenues	<u>1,710,437</u>	<u>511,475</u>	<u>(1,198,962)</u>
Expenditures:			
Current:			
Public works		27,980	(27,980)
Capital outlay	1,116,435		1,116,435
Total Expenditures	<u>1,116,435</u>	<u>27,980</u>	<u>1,088,455</u>
Excess of Revenues Over (Under) Expenditures	<u>594,002</u>	<u>483,495</u>	<u>(110,507)</u>
Other Financing Sources (Uses):			
Transfers out	(641,708)	(1,221,708)	(580,000)
Total Other Financing Sources (Uses)	<u>(641,708)</u>	<u>(1,221,708)</u>	<u>(580,000)</u>
Net Change in Fund Balance	(47,706)	(738,213)	(690,507)
Fund Balance, Beginning of Fiscal Year	<u>2,911,159</u>	<u>2,911,159</u>	
Fund Balance, End of Fiscal Year	<u>\$ 2,863,453</u>	<u>\$ 2,172,946</u>	<u>\$ (690,507)</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY ENHANCEMENT GRANTS SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 113,300	\$ 109,840	\$ (3,460)
Use of money and property	1,500	430	(1,070)
Fines and forfeitures	113,000	73,076	(39,924)
Total Revenues	227,800	183,346	(44,454)
Expenditures:			
Current:			
Public safety	101,000	110,486	(9,486)
Capital outlay	13,300		13,300
Total Expenditures	114,300	110,486	3,814
Excess of Revenues Over (Under) Expenditures	113,500	72,860	(40,640)
Other Financing Sources (Uses):			
Transfers out	(100,000)	(100,000)	
Total Other Financing Sources (Uses)	(100,000)	(100,000)	
Net Change in Fund Balance	13,500	(27,140)	(40,640)
Fund Balance, Beginning of Fiscal Year	263,285	263,285	
Fund Balance, End of Fiscal Year	\$ 276,785	\$ 236,145	\$ (40,640)

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, 2015

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Miscellaneous	\$ -	\$ -	\$ -
Total Revenues			
Expenditures:			
Current:			
Public works	20,000		20,000
Total Expenditures	20,000		20,000
Excess of Revenues Over (Under) Expenditures	(20,000)		20,000
Other Financing Sources (Uses):			
Transfers in	50,000		(50,000)
Total Other Financing Sources (Uses)	50,000		(50,000)
Net Change in Fund Balance	30,000		(30,000)
Fund Balance, Beginning of Fiscal Year	7,375	7,375	
Fund Balance, End of Fiscal Year	<u>\$ 37,375</u>	<u>\$ 7,375</u>	<u>\$ (30,000)</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, 2015

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes and assessments	\$ 471,050	\$ 469,845	\$ (1,205)
Total Revenues	<u>471,050</u>	<u>469,845</u>	<u>(1,205)</u>
Expenditures:			
Current:			
Public works	<u>477,245</u>	<u>442,194</u>	<u>35,051</u>
Total Expenditures	<u>477,245</u>	<u>442,194</u>	<u>35,051</u>
Excess of Revenues Over (Under) Expenditures	<u>(6,195)</u>	<u>27,651</u>	<u>33,846</u>
Net Change in Fund Balance	(6,195)	27,651	33,846
Fund Balance, Beginning of Fiscal Year	<u>369,074</u>	<u>369,074</u>	
Fund Balance, End of Fiscal Year	<u><u>\$ 362,879</u></u>	<u><u>\$ 396,725</u></u>	<u><u>\$ 33,846</u></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, 2015

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 66	\$ 138	\$ 72
Charges for services	96,754	5,323	(91,431)
Total Revenues	96,820	5,461	(91,359)
Expenditures:			
Current:			
Community development		9,917	(9,917)
Total Expenditures		9,917	(9,917)
Excess of Revenues Over (Under) Expenditures	96,820	(4,456)	(101,276)
Net Change in Fund Balance	96,820	(4,456)	(101,276)
Fund Balance, Beginning of Fiscal Year	71,475	71,475	
Fund Balance, End of Fiscal Year	\$ 168,295	\$ 67,019	\$ (101,276)

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, 2015

	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ 13	\$ 13
Total Revenues		13	13
Expenditures:			
Current:			
Community development	62,256	76,232	(13,976)
Debt service:			
Principal retirement		3,523	(3,523)
Interest and fiscal charges		1,418	(1,418)
Total Expenditures	62,256	81,173	(18,917)
Excess of Revenues Over (Under) Expenditures	(62,256)	(81,160)	(18,904)
Other Financing Sources (Uses):			
Transfers in	33,283	15,410	(17,873)
Total Other Financing Sources (Uses)	33,283	15,410	(17,873)
Net Change in Fund Balance	(28,973)	(65,750)	(36,777)
Fund Balance, Beginning of Fiscal Year	4,175,562	4,175,562	
Fund Balance, End of Fiscal Year	\$ 4,146,589	\$ 4,109,812	\$ (36,777)

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, 2015

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Miscellaneous	\$ 2,500	\$ -	\$ (2,500)
Charges for services	13,623	14,366	743
Use of money and property	500	2,724	2,224
Total Revenues	<u>16,623</u>	<u>17,090</u>	<u>467</u>
Expenditures:			
Current:			
Community development	21,500	8,000	13,500
Capital outlay	100,000	227,824	(127,824)
Total Expenditures	<u>121,500</u>	<u>235,824</u>	<u>(114,324)</u>
Excess of Revenues Over (Under) Expenditures	<u>(104,877)</u>	<u>(218,734)</u>	<u>(113,857)</u>
Net Change in Fund Balance	(104,877)	(218,734)	(113,857)
Fund Balance, Beginning of Fiscal Year	<u>464,288</u>	<u>464,288</u>	
Fund Balance, End of Fiscal Year	<u>\$ 359,411</u>	<u>\$ 245,554</u>	<u>\$ (113,857)</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VOCATIONAL CENTER CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 24,200	\$ 11,594	\$ (12,606)
Total Revenues	<u>24,200</u>	<u>11,594</u>	<u>(12,606)</u>
Expenditures:			
Current:			
Community development	<u>60,700</u>	<u>182,154</u>	<u>(121,454)</u>
Total Expenditures	<u>60,700</u>	<u>182,154</u>	<u>(121,454)</u>
Excess of Revenues Over (Under) Expenditures	<u>(36,500)</u>	<u>(170,560)</u>	<u>(134,060)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(46,802)</u>	<u>(10,607)</u>	<u>36,195</u>
Total Other Financing Sources (Uses)	<u>(46,802)</u>	<u>(10,607)</u>	<u>36,195</u>
Net Change in Fund Balance	(83,302)	(181,167)	(97,865)
Fund Balance (Deficit), Beginning of Fiscal Year	<u>(290,336)</u>	<u>(290,336)</u>	
Fund Balance (Deficit), End of Fiscal Year	<u><u>\$ (373,638)</u></u>	<u><u>\$ (471,503)</u></u>	<u><u>\$ (97,865)</u></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, 2015

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Reimbursements	\$ 100,000	\$ 193,829	\$ 93,829
Use of money and property		(101)	(101)
Total Revenues	<u>100,000</u>	<u>193,728</u>	<u>93,728</u>
Expenditures:			
Capital outlay	<u>170,000</u>	<u>167,081</u>	<u>2,919</u>
Total Expenditures	<u>170,000</u>	<u>167,081</u>	<u>2,919</u>
Excess of Revenues Over (Under) Expenditures	<u>(70,000)</u>	<u>26,647</u>	<u>96,647</u>
Net Change in Fund Balance	(70,000)	26,647	96,647
Fund Balance, Beginning of Fiscal Year	<u>3,250,437</u>	<u>3,250,437</u>	
Fund Balance, End of Fiscal Year	<u><u>\$ 3,180,437</u></u>	<u><u>\$ 3,277,084</u></u>	<u><u>\$ 96,647</u></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, 2015

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ 396	\$ 396
Intergovernmental		31,524	31,524
Miscellaneous	200	3,600	3,400
Reimbursements	415,000	362,805	(52,195)
Total Revenues	415,200	398,325	(16,875)
Expenditures:			
Current:			
Public works	484,177	431,843	52,334
Total Expenditures	484,177	431,843	52,334
Excess of Revenues Over (Under) Expenditures	(68,977)	(33,518)	35,459
Net Change in Fund Balance	(68,977)	(33,518)	35,459
Fund Balance, Beginning of Fiscal Year	176,635	176,635	
Fund Balance, End of Fiscal Year	\$ 107,658	\$ 143,117	\$ 35,459

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, 2015

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Expenditures:			
Debt Service:			
Principal retirement	\$ 294,491	\$ 369,174	\$ (74,683)
Interest and fiscal charges	96,063	113,502	(17,439)
Total Expenditures	390,554	482,676	(92,122)
Excess of Revenues Over (Under) Expenditures	(390,554)	(482,676)	(92,122)
Other Financing Sources (Uses):			
Transfers in	390,554	484,889	
Total Other Financing Sources (Uses)	390,554	484,889	
Net Change in Fund Balance		2,213	2,213
Fund Balance, Beginning of Fiscal Year	739	739	
Fund Balance, End of Fiscal Year	\$ 739	\$ 2,952	\$ 2,213

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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, 2015

	Engineering	Transit	Compressed Natural Gas	Totals
Assets:				
Current Assets:				
Cash and investments	\$ 91,008	\$ -	\$ 214,261	\$ 305,269
Accounts receivable		125	35,021	35,146
Interest receivable	28	(97)	94	25
Due from other governments		393,185		393,185
Prepaid expenses	43	291	2	336
Total Current Assets	91,079	393,504	249,378	733,961
Noncurrent Assets:				
Capital assets:				
Depreciable buildings and improvements, net		1,685,613		1,685,613
Depreciable equipment, net		480,613		480,613
Total Noncurrent Assets		2,166,226		2,166,226
Deferred Outflows of Resources:				
City's pension contributions subsequent to the measurement date	65,667	7,533	1,239	74,439
Total Deferred Outflows of Resources	65,667	7,533	1,239	74,439
Total Assets and Deferred Outflows of Resources	156,746	2,567,263	250,617	2,974,626
Liabilities:				
Current Liabilities:				
Accounts payable	4,835	50,262	14,349	69,446
Accrued liabilities	17,473	2,368	493	20,334
Due to other funds		249,927		249,927
Compensated absences	1,630			1,630
Total Current Liabilities	23,938	302,557	14,842	341,337
Noncurrent Liabilities:				
Noncurrent portion of long-term obligations:				
Compensated absences	4,888			4,888
Net pension liability	374,933	43,011	7,074	425,018
Net OPEB liability			7,764	7,764
Total Noncurrent Liabilities	379,821	43,011	14,838	437,670
Deferred Inflows of Resources:				
Differences between projected and actual earnings on pension plan investments	87,040	9,985	1,643	98,668
Total Deferred Inflows of Resources	87,040	9,985	1,643	98,668
Total Liabilities and Deferred Inflows of Resources	490,799	355,553	31,323	877,675
Net Position:				
Net investment in capital assets		2,166,226		2,166,226
Unrestricted	(334,053)	45,484	219,294	(69,275)
Total Net Position (Deficit)	\$ (334,053)	\$ 2,211,710	\$ 219,294	\$ 2,096,951

CITY OF DINUBA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2015

	Engineering	Transit	Compressed Natural Gas	Totals
Operating Revenues:				
Charges for services	\$ 493,851	\$ 61,929	\$ 262,922	\$ 818,702
Other	1,340	20,552	7,132	29,024
Total Operating Revenues	495,191	82,481	270,054	847,726
Operating Expenses:				
Salaries and benefits	483,548	57,186	16,681	557,415
Contractual services	72,885	496,757	8,097	577,739
Materials and supplies	8,031	90,650	21	98,702
Repairs and maintenance	3,049	78,371	4,470	85,890
Utilities	6,427	11,171	81,510	99,108
Allocated overhead	84,897	148,347	54,429	287,673
Depreciation		161,725		161,725
Total Operating Expenses	658,837	1,044,207	165,208	1,868,252
Operating Income (Loss)	(163,646)	(961,726)	104,846	(1,020,526)
Nonoperating Revenues:				
Intergovernmental	150,961	902,811		1,053,772
Interest revenue	113	(334)	678	457
Total Nonoperating Revenues	151,074	902,477	678	1,054,229
Income (Loss) Before Transfers and Capital Contributions	(12,572)	(59,249)	105,524	33,703
Capital contributions		399,743		399,743
Transfers in		31,588		31,588
Transfers out		(3,191)	(209,729)	(212,920)
Net Contributions and Transfers		428,140	(209,729)	218,411
Changes in Net Position	(12,572)	368,891	(104,205)	252,114
Net Position - Beginning of Fiscal Year	97,946	1,890,934	331,413	2,320,293
Prior Period Adjustments	(419,427)	(48,115)	(7,914)	(475,456)
Net Position (Deficit) - Beginning of Fiscal Year, Restated	(321,481)	1,842,819	323,499	1,844,837
Net Position (Deficit) - End of Fiscal Year	\$ (334,053)	\$ 2,211,710	\$ 219,294	\$ 2,096,951

CITY OF DINUBA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2015

	Engineering	Transit	Compressed Natural Gas	Totals
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 495,191	\$ 82,356	\$ 263,646	\$ 841,193
Cash paid to suppliers for goods and services	(90,449)	(670,579)	(94,528)	(855,556)
Cash paid to employees for services	(506,466)	(59,838)	(15,923)	(582,227)
Cash paid for allocated overhead	(84,897)	(148,347)	(54,429)	(287,673)
Net Cash Provided (Used) by Operating Activities	(186,621)	(796,408)	98,766	(884,263)
Cash Flows from Capital and Related Financing Activities:				
Capital Asset Acquisition		(167,513)		(167,513)
Net Cash Provided (Used) by Capital and Related Financing Activities		(167,513)		(167,513)
Cash Flows from Non-Capital Financing Activities:				
Cash transfers from (to) other funds		278,324	(209,729)	68,595
Intergovernmental revenue	151,286	542,514		693,800
Net Cash Provided (Used) by Non-Capital Financing Activities	151,286	820,838	(209,729)	762,395
Cash Flows from Investing Activities				
Interest received	85	(213)	612	484
Net Cash Provided (Used) by Investing Activities	85	(213)	612	484
Net Increase (Decrease) in Cash and Cash Equivalents	(35,250)	(143,296)	(110,351)	(288,897)
Cash and Cash Equivalents at Beginning of Fiscal Year	126,258	143,296	324,612	594,166
Cash and Cash Equivalents at End of Fiscal Year	\$ 91,008	\$ -	\$ 214,261	\$ 305,269
Reconciliation with Statement of Net Position:				
Cash and investments	\$ 91,008	\$ -	\$ 214,261	\$ 305,269
Cash and Cash Equivalents	\$ 91,008	\$ -	\$ 214,261	\$ 305,269
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (163,646)	\$ (961,726)	\$ 104,846	\$ (1,020,526)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation		161,725		161,725
(Increase) decrease in prepaid expenses	(43)		(2)	(45)
(Increase) decrease in accounts receivable		(125)	(6,408)	(6,533)
Increase (decrease) in accounts payable	(1,801)	4,644	(462)	2,381
Increase (decrease) in accrued liabilities	1,380	1,726	34	3,140
Increase (decrease) in compensated absences payable	610		(244)	366
Increase (decrease) in Net pension liability	(23,121)	(2,652)	(436)	(26,209)
Increase (decrease) in OPEB liability			1,438	1,438
Total Adjustments	(22,975)	165,318	(6,080)	136,263
Net Cash Provided (Used) by Operating Activities	\$ (186,621)	\$ (796,408)	\$ 98,766	\$ (884,263)
Non-Cash Investing, Capital and Non-Capital Financing Activities				
Contributions of Capital Assets	\$ -	\$ 399,743	\$ -	\$ 399,743

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, 2015

	Insurance Fund	Billing and Collection Service Fund	Property and Equipment Service Fund	Totals
Assets:				
Current Assets:				
Cash and investments	\$ -	\$ 13,852	\$ 33,505	\$ 47,357
Interest receivable	(464)		11	(453)
Due from other agencies	99,234			99,234
Prepaid expenses	26,343		35	26,378
Total Current Assets	125,113	13,852	33,551	172,516
Noncurrent Assets:				
Advances to other funds	3,000			3,000
Depreciable equipment, net of accumulated depreciation			28,801	28,801
Total Noncurrent Assets	3,000		28,801	31,801
Deferred Outflows of Resources:				
City's pension contributions subsequent to the measurement date	28,578	56,891	51,463	136,932
Total Deferred Outflows of Resources	28,578	56,891	51,463	136,932
Total Assets and Deferred Outflows of Resources	156,691	70,743	113,815	341,249
Liabilities:				
Current Liabilities:				
Accounts payable	18,502	1,167	14,418	34,087
Accrued liabilities	7,901	14,356	17,950	40,207
Claims payable	50,000			50,000
Due to other funds	1,141,946			1,141,946
Compensated absences	5,713	4,852	4,335	14,900
Total Current Liabilities	1,224,062	20,375	36,703	1,281,140
Noncurrent Liabilities:				
Compensated absences	35,841	31,859	1,758	69,458
Net pension liability	163,170	324,826	293,834	781,830
Total Noncurrent Liabilities	199,011	356,685	295,592	851,288
Deferred Inflows of Resources:				
Differences between projected and actual earnings on pension plan investments	37,879	75,406	68,212	181,497
Total Deferred Inflows of Resources	37,879	75,406	68,212	181,497
Total Liabilities and Deferred Inflows of Resources	1,460,952	452,466	400,507	2,313,925
Net Position (Deficit):				
Net investment in capital assets			28,801	28,801
Unrestricted	(1,304,261)	(381,723)	(315,493)	(2,001,477)
Total Net Position (Deficit)	\$ (1,304,261)	\$ (381,723)	\$ (286,692)	\$ (1,972,676)

CITY OF DINUBA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2015

	Insurance Fund	Billing and Collection Service Fund	Property and Equipment Service Fund	Totals
Operating Revenues:				
Charges for services	\$ 3,919,834	\$ 589,795	\$ 942,966	\$ 5,452,595
Total Operating Revenues	3,919,834	589,795	942,966	5,452,595
Operating Expenses:				
Salaries and benefits	236,511	450,139	569,204	1,255,854
Contractual services	33,502	32,362	7,380	73,244
Materials and supplies	1,268	60,175	322,353	383,796
Insurance	707,220			707,220
Employee health insurance	3,897,403			3,897,403
Allocated costs		17,557	26,903	44,460
Depreciation			7,665	7,665
Total Operating Expenses	4,875,904	560,233	933,505	6,369,642
Operating Income (Loss)	(956,070)	29,562	9,461	(917,047)
Nonoperating Revenues (Expenses):				
Interest revenue (expense)	(2,566)	(6)	20	(2,552)
Total Nonoperating Revenues (Expenses)	(2,566)	(6)	20	(2,552)
Income (Loss) Before Transfers	(958,636)	29,556	9,481	(919,599)
Transfers in	700,000			700,000
Net Transfers	700,000			700,000
Changes in Net Position	(258,636)	29,556	9,481	(219,599)
Net Position (Deficit):				
Beginning of Fiscal Year	(863,092)	(47,906)	32,530	(878,468)
Prior period adjustments	(182,533)	(363,373)	(328,703)	(874,609)
Beginning of Fiscal Year, Restated	(1,045,625)	(411,279)	(296,173)	(1,753,077)
End of Fiscal Year	\$ (1,304,261)	\$ (381,723)	\$ (286,692)	\$ (1,972,676)

CITY OF DINUBA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2015

	Insurance Fund	Billing and Collection Service Fund	Property and Equipment Service Fund	Totals
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 3,962,516	\$ 589,795	\$ 942,966	\$ 5,495,277
Cash paid to suppliers for goods and services	(4,819,273)	(92,012)	(343,078)	(5,254,363)
Cash paid to employees for services	(241,579)	(470,267)	(583,700)	(1,295,546)
Cash paid for allocated overhead		(17,557)	(26,903)	(44,460)
Net Cash Provided (Used) by Operating Activities	(1,098,336)	9,959	(10,715)	(1,099,092)
Cash Flows from Non-Capital Financing Activities:				
Cash transfers from other funds	700,000			700,000
Advances/due from other funds repayments	400,438			400,438
Net Cash Provided (Used) by Non-Capital Financing Activities	1,100,438			1,100,438
Cash Flows from Investing Activities:				
Interest received (paid)	(2,102)	(6)	9	(2,099)
Net Cash Provided (Used) by Investing Activities	(2,102)	(6)	9	(2,099)
Net Increase (Decrease) in Cash and Cash Equivalents		9,953	(10,706)	(753)
Cash and Cash Equivalents at Beginning of Fiscal Year		3,899	44,211	48,110
Cash and Cash Equivalents at End of Fiscal Year	\$ -	\$ 13,852	\$ 33,505	\$ 47,357
Reconciliation with Statement of Net Position:				
Cash and investments	\$ -	\$ 13,852	\$ 33,505	\$ 47,357
Cash and Cash Equivalents	\$ -	\$ 13,852	\$ 33,505	\$ 47,357
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (Loss)	\$ (956,070)	\$ 29,562	\$ 9,461	\$ (917,047)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation			7,665	7,665
(Increase) decrease in prepaid expenses	(1,740)	59	303	(1,378)
(Increase) decrease in accounts receivable	42,682			42,682
Increase (decrease) in accounts payable	(179,323)	(343)	(11,781)	(191,447)
Increase (decrease) in accrued liabilities	1,183	809	(1,867)	125
Increase (decrease) in net pension liability	(10,062)	(20,032)	(18,120)	(48,214)
Increase (decrease) in compensated absences payable	4,994	(96)	3,624	8,522
Total Adjustments	(142,266)	(19,603)	(20,176)	(182,045)
Net Cash Provided (Used) by Operating Activities	\$ (1,098,336)	\$ 9,959	\$ (10,715)	\$ (1,099,092)

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, 2015

	<u>Cash Deposits</u>	<u>Retiree's Insurance</u>	<u>DPOA Trust</u>	<u>Special Community Events</u>	<u>Post Training Revolving</u>
<u>ASSETS</u>					
Cash and investments	\$ 504,755	\$ 23,495	\$ 1,474	\$ 30,313	\$ 1,359
Receivables		16			
Total Assets	<u>\$ 504,755</u>	<u>\$ 23,511</u>	<u>\$ 1,474</u>	<u>\$ 30,313</u>	<u>\$ 1,359</u>
<u>LIABILITIES</u>					
Accounts payable and accrued liabilities	\$ 1,379	\$ -	\$ -	\$ -	\$ -
Deposits payable	<u>503,376</u>	<u>23,511</u>	<u>1,474</u>	<u>30,313</u>	<u>1,359</u>
Total Liabilities	<u>\$ 504,755</u>	<u>\$ 23,511</u>	<u>\$ 1,474</u>	<u>\$ 30,313</u>	<u>\$ 1,359</u>

<u>Abandoned Vehicles</u>	<u>Pro-Youth</u>	<u>Police Activities</u>	<u>Totals</u>
\$ 58,309 2,394	\$ 26,481	\$ 27,797	\$ 673,983 2,410
<u>\$ 60,703</u>	<u>\$ 26,481</u>	<u>\$ 27,797</u>	<u>\$ 676,393</u>
\$ 60,703	\$ - 26,481	\$ - 27,797	\$ 62,082 614,311
<u>\$ 60,703</u>	<u>\$ 26,481</u>	<u>\$ 27,797</u>	<u>\$ 676,393</u>

CITY OF DINUBA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Fiscal Year Ended June 30, 2015

	July 1, 2014 Balance	Additions	Deductions	June 30, 2015 Balance
Cash Deposits				
Assets				
Cash and investments	\$ 352,470	\$ 253,127	\$ 100,842	\$ 504,755
Total Assets	<u>\$ 352,470</u>	<u>\$ 253,127</u>	<u>\$ 100,842</u>	<u>\$ 504,755</u>
Liabilities				
Accounts Payable	\$ 102,221	\$ -	\$ 100,842	\$ 1,379
Deposits Payable	250,249	253,127		503,376
Total Liabilities	<u>\$ 352,470</u>	<u>\$ 253,127</u>	<u>\$ 100,842</u>	<u>\$ 504,755</u>
Retiree's Insurance				
Assets				
Cash and investments	\$ 61,140	\$ -	\$ 37,645	\$ 23,495
Receivables	4	12		16
Total Assets	<u>\$ 61,144</u>	<u>\$ 12</u>	<u>\$ 37,645</u>	<u>\$ 23,511</u>
Liabilities				
Deposits Payable	\$ 61,144	\$ 12	\$ 37,645	\$ 23,511
Total Liabilities	<u>\$ 61,144</u>	<u>\$ 12</u>	<u>\$ 37,645</u>	<u>\$ 23,511</u>
DPOA Trust				
Assets				
Cash and investments	\$ 1,474	\$ 668	\$ 668	\$ 1,474
Total Assets	<u>\$ 1,474</u>	<u>\$ 668</u>	<u>\$ 668</u>	<u>\$ 1,474</u>
Liabilities				
Accounts Payable	\$ 668	\$ -	\$ 668	\$ -
Deposits Payable	806	668		1,474
Total Liabilities	<u>\$ 1,474</u>	<u>\$ 668</u>	<u>\$ 668</u>	<u>\$ 1,474</u>
Special Community Events				
Assets				
Cash and investments	\$ 22,996	\$ 7,317	\$ -	\$ 30,313
Total Assets	<u>\$ 22,996</u>	<u>\$ 7,317</u>	<u>\$ -</u>	<u>\$ 30,313</u>
Liabilities				
Deposits Payable	\$ 22,996	\$ 7,317	\$ -	\$ 30,313
Total Liabilities	<u>\$ 22,996</u>	<u>\$ 7,317</u>	<u>\$ -</u>	<u>\$ 30,313</u>

(Continued)

CITY OF DINUBA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Fiscal Year Ended June 30, 2015
(Continued)

	July 1, 2014 Balance	Additions	Deductions	June 30, 2015 Balance
Post Training Revolving				
Assets				
Cash and investments	\$ 6,358	\$ -	\$ 4,999	\$ 1,359
Prepaid items	976		976	
Total Assets	<u>\$ 7,334</u>	<u>\$ -</u>	<u>\$ 5,975</u>	<u>\$ 1,359</u>
Liabilities				
Accounts Payable	\$ 7,334	\$ -	\$ 5,975	\$ 1,359
Total Liabilities	<u>\$ 7,334</u>	<u>\$ -</u>	<u>\$ 5,975</u>	<u>\$ 1,359</u>
Abandoned Vehicles				
Assets				
Cash and investments	\$ 51,808	\$ 6,501	\$ -	\$ 58,309
Receivables		2,394		2,394
Total Assets	<u>\$ 51,808</u>	<u>\$ 8,895</u>	<u>\$ -</u>	<u>\$ 60,703</u>
Liabilities				
Accounts Payable	\$ 51,808	\$ 8,895	\$ -	\$ 60,703
Total Liabilities	<u>\$ 51,808</u>	<u>\$ 8,895</u>	<u>\$ -</u>	<u>\$ 60,703</u>
Pro-Youth				
Assets				
Cash and investments	\$ 22,656	\$ 3,825	\$ -	\$ 26,481
Total Assets	<u>\$ 22,656</u>	<u>\$ 3,825</u>	<u>\$ -</u>	<u>\$ 26,481</u>
Liabilities				
Deposits Payable	\$ 22,656	\$ 3,825	\$ -	\$ 26,481
Total Liabilities	<u>\$ 22,656</u>	<u>\$ 3,825</u>	<u>\$ -</u>	<u>\$ 26,481</u>
Police Activities				
Assets				
Cash and investments	\$ 18,563	\$ 9,234	\$ -	\$ 27,797
Total Assets	<u>\$ 18,563</u>	<u>\$ 9,234</u>	<u>\$ -</u>	<u>\$ 27,797</u>
Liabilities				
Deposits Payable	\$ 18,563	\$ 9,234	\$ -	\$ 27,797
Total Liabilities	<u>\$ 18,563</u>	<u>\$ 9,234</u>	<u>\$ -</u>	<u>\$ 27,797</u>
Grand Total All Agency Funds				
Assets				
Cash and investments	\$ 537,465	\$ 280,672	\$ 144,154	\$ 673,983
Receivables	4	2,406		2,410
Prepaid items	976		976	
Total Assets	<u>\$ 538,445</u>	<u>\$ 283,078</u>	<u>\$ 145,130</u>	<u>\$ 676,393</u>
Liabilities				
Accounts Payable	\$ 184,687	\$ 12,720	\$ 107,485	\$ 89,922
Deposits Payable	353,758	270,358	37,645	586,471
Total Liabilities	<u>\$ 538,445</u>	<u>\$ 283,078</u>	<u>\$ 145,130</u>	<u>\$ 676,393</u>

City of Dinuba

Statistical Section

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

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

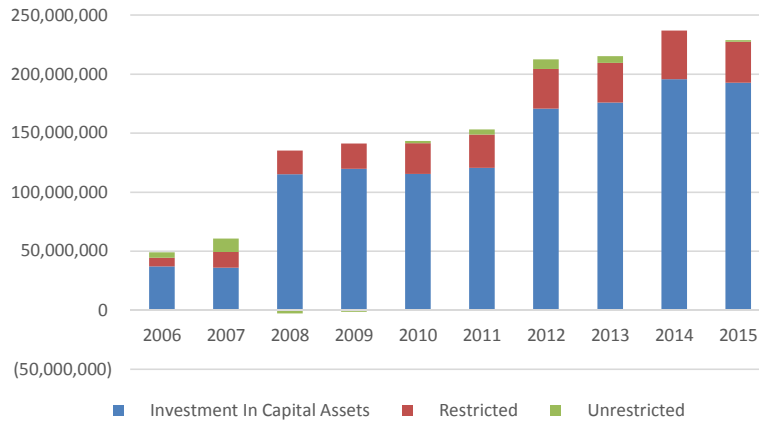
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Statistical Section



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



	Fiscal Year				
	2006	2007	2008	2009	2010
Governmental Activities					
Investment In Capital Assets	\$21,451,017	\$18,636,460	\$69,121,069	\$78,101,303	\$71,460,042
Restricted	7,120,338	12,750,382	19,576,001	17,821,984	26,213,026
Unrestricted	1,013,242	8,258,109	(3,570,839)	(4,713,906)	(1,553,334)
Total Governmental Activities Net Position	29,584,597	39,644,951	85,126,231	91,209,381	96,119,734
Business-Type Activities					
Investment In Capital Assets	15,516,135	17,422,520	46,050,974	41,646,753	43,840,754
Restricted	300,733	311,596	535,617	3,471,175	
Unrestricted	3,440,939	3,337,494	869,644	3,262,807	3,305,499
Total Business-Type Activities Net Position	19,257,807	21,071,610	47,456,235	48,380,735	47,146,253
Primary Government					
Investment In Capital Assets	36,967,152	36,058,980	115,172,043	119,748,056	115,300,796
Restricted	7,421,071	13,061,978	20,111,618	21,293,159	26,213,026
Unrestricted	4,454,181	11,595,603	(2,701,195)	(1,451,099)	1,752,165
Total Primary Government Net Position	\$48,842,404	\$60,716,561	\$132,582,466	\$139,590,116	\$143,265,987

	Fiscal year				
	2011	2012	2013	2014	2015
Governmental Activities					
Investment In Capital Assets	\$75,360,279	\$125,564,573	\$125,814,202	\$148,079,509	\$145,008,916
Restricted	28,285,199	33,514,558	33,633,364	41,313,341	34,836,273
Unrestricted	(401,603)	2,903,128	468,534	(6,418,737)	(1,260,101)
Total Governmental Activities Net Position	103,243,875	161,982,259	159,916,100	182,974,113	178,585,088
Business-Type Activities					
Investment In Capital Assets	45,170,204	45,077,861	49,997,905	47,545,851	47,536,365
Restricted	4,741,445	5,348,820	5,179,596	6,046,622	2,514,439
Unrestricted	49,911,649	50,426,681	55,177,501	53,592,473	50,050,804
Total Business-Type Activities Net Position					
Primary Government					
Investment In Capital Assets	120,530,483	170,642,434	175,812,107	195,625,360	192,545,281
Restricted	28,285,199	33,514,558	33,633,364	41,313,341	34,836,273
Unrestricted	4,339,842	8,251,948	5,648,130	(372,115)	1,254,338
Total Primary Government Net Position	\$153,155,524	\$212,408,940	\$215,093,601	\$236,566,586	\$228,635,892

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

	Fiscal Year			
	2006	2007	2008	2009
Expenses				
Governmental Activities				
General Government	\$2,292,263	\$2,251,700	\$2,165,276	\$2,282,735
Public Safety	5,055,875	5,819,651	7,004,208	8,287,871
Public Works	4,103,422	5,430,096	3,585,804	4,138,568
Community Development	3,927,714	1,581,737	2,743,293	3,158,746
Parks and Recreation	135,086	1,359,109	1,662,008	1,700,474
Interest on Long-Term Debt	2,144,168	3,194,690	4,072,473	4,196,778
Unallocated Depreciation	794,431	847,061	858,674	917,172
Total Governmental Activities Expenses	18,452,959	20,484,044	22,091,736	24,682,344
Business-Type Activities				
Water	2,057,622	2,262,423	1,726,046	1,923,758
Sewer	1,842,089	2,120,093	1,791,855	2,087,637
Disposal	2,083,892	2,189,729	1,875,555	1,865,780
Ambulance	1,282,738	1,458,821	1,082,670	1,011,197
Transit	222,278	299,001	324,720	486,482
Golf Course			2,061,613	3,625,806
Compressed Natural Gas				
Engineering				
Total Business-Type Activities Expenses	7,488,619	8,330,067	8,862,459	11,000,660
Total Primary Government Net Expenses	<u>\$25,941,578</u>	<u>\$28,814,111</u>	<u>\$30,954,195</u>	<u>\$35,683,004</u>
Program Revenues				
Governmental Activities				
Charges for Services				
General Government	\$96,497	\$3,849	\$36,180	\$31,086
Public Safety	330,994	411,777	402,936	664,374
Public Works	4,103,456	3,058,937	2,033,827	1,276,563
Community Development	64,850	928,648	203,515	394,960
Parks and Recreation	239,924	231,315	164,751	283,008
Operating Contributions and Grants	4,457,369	6,865,658	2,980,565	2,137,570
Capital Contributions and Grants	246,552	5,133,176	70,512,208	10,798,269
Total Governmental Activities Program Revenues	9,539,642	16,633,360	76,333,982	15,585,830
Business-Type Activities				
Charges for Services				
Water	1,950,489	2,160,868	2,240,558	2,394,252
Sewer	1,630,460	1,879,182	2,035,266	2,294,266
Disposal	2,117,388	2,404,251	2,501,989	2,713,404
Ambulance	1,488,611	1,511,008	1,179,934	1,253,128
Transit	35,604	27,580	11,313	23,549
Golf Course			8,800	2,175,135
Compressed Natural Gas				
Engineering				
Operating Contributions and Grants	225,005	311,574	613,387	635,672
Capital Contributions and Grants	56,810	1,360,262	2,743,258	1,122,094
Total Business-Type Activities Program Revenues	7,504,367	9,654,725	11,334,505	12,611,500
Total Primary Government Program Revenues	<u>\$17,044,009</u>	<u>\$26,288,085</u>	<u>\$87,668,487</u>	<u>\$28,197,330</u>

Source: City of Dinuba Financial Services Division

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$3,131,533	\$4,009,529	\$3,439,679	\$4,339,158	\$4,703,501	\$5,345,434
8,171,242	8,107,881	8,167,990	8,990,013	9,591,236	13,275,052
2,312,028	3,632,361	1,826,602	2,197,625	2,761,922	3,334,975
3,417,402	1,763,309	1,007,987	636,986	548,112	1,641,605
1,584,698	1,152,007	1,796,570	1,136,847	1,224,454	1,682,401
4,144,345	4,192,595	1,720,593	1,020,371	1,521,663	1,204,781
987,607	879,409	953,544	823,524	1,018,182	2,635,342
23,748,855	23,737,091	18,912,965	19,144,524	21,369,070	29,119,590
2,047,214	2,152,856	2,159,494	2,963,788	2,970,062	2,931,923
2,007,892	2,292,341	2,427,747	2,459,666	2,914,729	3,182,025
1,988,441	2,030,223	2,109,008	2,922,065	3,320,744	3,336,842
1,069,365	1,185,992	1,150,496	1,450,622	1,386,124	1,377,304
531,162	575,289	639,059	699,102	875,313	1,044,207
3,338,040	2,965,176	3,244,707	3,250,394	3,422,866	3,335,866
86,736	115,775	120,212	137,950	174,521	165,208
			506,333	662,791	658,837
11,068,850	11,317,652	11,850,723	14,389,920	15,727,150	16,032,212
<u>\$34,817,705</u>	<u>\$35,054,743</u>	<u>\$30,763,688</u>	<u>\$33,534,444</u>	<u>\$37,096,220</u>	<u>\$45,151,802</u>
\$32,430	\$27,409	\$52,073	\$4,688	\$1,509,801	\$3,055,054
477,189	446,219	519,454	423,329	276,308	898,323
2,566,382	2,489,475	2,320,459	2,313,306	3,226,541	3,824,832
95,741	178,106	38,410	11,941	70,343	120,322
154,307	117,807	184,657	146,557	162,281	183,922
1,753,052	1,877,718	3,279,460	4,462,789	6,248,747	3,274,094
3,768,170	6,195,826	2,436,154	5,669,203	25,473,768	10,114,120
8,847,271	11,332,560	8,830,667	13,031,813	36,967,789	21,470,667
2,410,323	2,569,449	2,647,422	2,847,344	2,763,415	2,604,665
2,263,518	2,603,345	2,610,812	2,574,505	2,719,638	2,751,349
2,799,914	2,891,914	2,980,135	3,324,925	3,080,017	3,081,958
1,260,263	1,219,352	1,078,428	1,281,703	1,288,620	1,271,302
31,189	39,601	46,089	44,959	53,507	61,929
1,940,722	1,948,101	2,239,576	2,255,964	2,343,736	2,346,921
177,966	149,916	188,775	217,120	214,162	262,922
			486,415	591,278	493,851
345,078	1,001,190	627,400	868,397	885,831	1,705,461
172,758	2,506,420	969,433	1,188,785	715,188	449,819
11,401,731	14,929,288	13,388,070	15,090,117	14,655,392	15,030,177
<u>\$20,249,002</u>	<u>\$26,261,848</u>	<u>\$22,218,737</u>	<u>\$28,121,930</u>	<u>\$51,623,181</u>	<u>\$36,500,844</u>

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

	Fiscal Year			
	2006	2007	2008	2009
Net (Expense)/Revenue				
Governmental Activities	(\$8,913,317)	(\$3,850,684)	\$54,242,246	(\$9,096,514)
Business-Type Activities	15,748	1,324,658	2,472,046	1,610,840
Total Primary Government Net Expense	<u>(\$8,897,569)</u>	<u>(\$2,526,026)</u>	<u>\$56,714,292</u>	<u>(\$7,485,674)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property Taxes	\$3,304,325	\$4,570,257	\$5,006,706	\$5,438,046
Transient Occupancy Taxes	74,466	75,671	69,901	96,622
Sales Taxes	2,161,939	2,511,355	4,314,561	3,642,808
Franchise Taxes	203,705	214,886	222,599	248,553
Utility Users Tax	1,317,378	1,373,639	1,457,199	1,462,789
Other Taxes	288,003	290,106	608,703	583,716
Motor Vehicle Tax	1,315,245	1,469,382	1,594,918	1,670,198
Use of Money and Property	667,943	831,977	1,022,123	534,225
Other	37,380	121,480	70,248	508,758
Gain (Loss) on Sale of Capital Assets		2,635,030	657,221	259,983
Transfers	(469,958)	(407,874)	(23,785,145)	733,966
Total Governmental Activities	8,900,426	13,685,909	(8,760,966)	15,179,664
Business-Type Activities				
Use of Money and Property	37,986	81,274	127,434	47,626
Other				
Transfers	469,958	407,874	23,785,145	(733,966)
Total Business-Type Activities	507,944	489,148	23,912,579	(686,340)
Extraordinary Item - Litigation Settlement	176,647	225,129		
Extraordinary Item - Gain on Foreclosure of Property				
Extraordinary Item - RDA Dissolution				
Total Primary Government	<u>\$9,585,017</u>	<u>\$14,400,186</u>	<u>\$15,151,613</u>	<u>\$14,493,324</u>
Change in Net Position				
Governmental Activities	\$163,756	\$10,060,354	\$45,481,280	\$6,083,150
Business-Type Activities	523,692	1,813,806	26,384,625	924,500
Total Primary Government	<u>\$687,448</u>	<u>\$11,874,160</u>	<u>\$71,865,905</u>	<u>\$7,007,650</u>

Source: City of Dinuba Financial Services Division

Fiscal Year					
2010	2011	2012	2013	2014	2015
(\$14,901,584)	(\$12,404,531)	(\$10,082,298)	(\$6,112,711)	\$15,598,719	(\$7,648,923)
332,881	3,611,636	1,537,347	700,197	(1,071,758)	(1,002,035)
<u>(\$14,568,703)</u>	<u>(\$8,792,895)</u>	<u>(\$8,544,951)</u>	<u>(\$5,412,514)</u>	<u>\$14,526,961</u>	<u>(\$8,650,958)</u>
\$5,248,441	\$5,078,633	\$3,461,506	\$645,437	\$742,122	\$846,306
91,251	144,780	133,920	171,817	184,211	226,817
5,569,620	5,803,277	9,843,519	3,677,282	3,700,400	5,461,810
214,722	233,109	230,613	226,904	243,956	256,883
1,522,951	1,560,074	1,600,423	1,622,049	1,612,836	1,630,654
611,305	784,070	870,086	240,387	249,602	292,650
1,641,929	1,636,167	1,565,696	1,553,701	1,571,490	1,633,128
533,961	360,997	288,456	287,977	262,191	113,494
335,350	174,494	946,090	1,552,988	18,522	109,931
448,216	159,698	(2,019,092)	400,323	266,189	261,425
1,581,736	855,678	703,133	(4,065,884)	195,877	391,944
17,799,482	16,790,977	17,624,350	6,312,981	9,047,396	11,225,042
14,373	9,438	19,536		37,243	18,524
		(338,718)	45,845	92,839	
<u>(1,581,736)</u>	<u>(855,678)</u>	<u>(703,133)</u>	<u>4,065,884</u>	<u>(195,877)</u>	<u>(391,944)</u>
<u>(1,567,363)</u>	<u>(846,240)</u>	<u>(1,022,315)</u>	4,111,729	(65,795)	(373,420)
			145,910	104,921	
		51,196,332			
<u>\$16,232,119</u>	<u>\$15,944,737</u>	<u>\$67,798,367</u>	<u>\$10,570,620</u>	<u>\$9,086,522</u>	<u>\$10,851,622</u>
\$2,897,898	\$4,386,446	\$58,738,384	\$346,180	\$24,751,036	\$3,576,119
<u>(1,234,482)</u>	<u>2,765,396</u>	<u>515,032</u>	<u>4,811,926</u>	<u>(1,137,553)</u>	<u>(1,375,455)</u>
<u>\$1,663,416</u>	<u>\$7,151,842</u>	<u>\$59,253,416</u>	<u>\$5,158,106</u>	<u>\$23,613,483</u>	<u>\$2,200,664</u>

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

	Fiscal Year				
	2006	2007	2008	2009	2010
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					
Unassigned					
Total General Fund	<u>\$2,576,006</u>	<u>\$3,236,910</u>	<u>\$3,284,848</u>	<u>\$2,557,415</u>	<u>\$3,091,189</u>
All Other Governmental Funds					
Reserved	\$8,232,616	\$8,346,973	\$8,863,307	\$11,465,614	\$12,125,161
Unreserved, Reported In:					
Special Revenue Funds	(316,156)	3,472,555	1,851,164	420,661	1,165,296
Debt Service Funds					
Capital Projects Funds	(3,377,781)	2,163,542	137,053	(6,021,033)	(9,673,971)
Nonspendable Funds					
Restricted Funds					
Assigned Funds					
Unassigned Funds					
Total All Other Governmental Funds	<u>\$4,538,679</u>	<u>\$13,983,070</u>	<u>\$10,851,524</u>	<u>\$5,865,242</u>	<u>\$3,616,486</u>
Total Governmental Funds	<u>\$7,114,685</u>	<u>\$17,219,980</u>	<u>\$14,136,372</u>	<u>\$8,422,657</u>	<u>\$6,707,675</u>

	Fiscal Year					
	2011	2012	2013	2014	2015	(b)
General Fund						
Reserved						
Unreserved						
Nonspendable	\$2,869,745	\$3,005,321	\$2,742,077	\$2,736,489	\$2,699,439	
Unassigned	(700,688)	1,587,709	1,217,109	1,894,697	2,255,325	
Total General Fund	<u>\$2,169,057</u>	<u>\$4,593,030</u>	<u>\$3,959,186</u>	<u>\$4,631,186</u>	<u>\$4,954,764</u>	(a)
All Other Governmental Funds						
Reserved						
Unreserved, Reported In:						
Special Revenue Funds						
Debt Service Funds						
Capital Projects Funds						
Nonspendable Funds	14,759,706	5,792,649	21,170	572,060	8,957,449	
Restricted Funds	8,352,350	6,840,553	16,917,455	24,668,685	10,838,675	
Assigned Funds	206,798	4,478,409	147,627	184,506	103,142	
Unassigned Funds	(11,089,450)	(484,580)	(312,176)	(1,215,832)	(618,061)	
Total All Other Governmental Funds	<u>\$12,229,404</u>	<u>\$16,627,031</u>	<u>\$16,774,076</u>	<u>\$24,209,419</u>	<u>\$19,281,205</u>	
Total Governmental Funds	<u>\$14,398,461</u>	<u>\$21,220,061</u>	<u>\$20,733,262</u>	<u>\$28,840,605</u>	<u>\$24,235,969</u>	

- (a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.
- (b) Effective fiscal 2010-11, the City implemented GASB 54 which changed fund balance reporting

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Revenues					
Taxes and Assessments	\$7,462,218	\$10,588,696	\$11,271,922	\$11,142,476	\$12,969,873
Licenses and Permits	589,691	575,979	489,989	473,177	585,481
Intergovernmental	5,706,459	6,715,939	4,533,063	6,177,846	7,078,568
Charges for Services	2,104,911	2,669,643	1,831,959	1,383,468	2,423,067
Use of Money and Property	464,657	1,158,097	1,409,409	557,746	360,312
Fines and Forfeitures	85,254	92,020	110,528	180,620	104,321
Reimbursements	2,411,873	2,600,759	3,073,714	3,303,675	2,932,039
Miscellaneous	98,987	401,232	206,463	774,390	109,001
Total Revenues	18,924,050	24,802,365	22,927,047	23,993,398	26,562,662
Expenditures					
Current					
General Government	2,197,521	1,979,384	1,758,510	1,859,569	2,493,169
Public Safety	4,720,236	5,671,292	6,590,115	7,384,568	7,297,586
Public Works ²	3,942,917	4,115,617	3,702,608	4,390,130	2,110,634
Community development	13,351	1,307,141	2,969,141	2,882,010	2,972,937
Parks and Recreation ¹	2,298,642	2,997,765	1,503,848	1,457,338	1,369,056
Capital Outlay	9,749,448	21,861,678	6,530,780	4,578,430	3,664,017
Debt Service					
Principal Retirement	961,771	1,428,581	2,095,025	2,253,167	2,600,226
Interest and Fiscal Charges	2,053,059	2,441,347	3,566,066	3,820,469	3,800,906
Debt Issuance Costs	277,421	903,259	591,412	167,679	2,342
Total Expenditures	26,214,366	42,706,064	29,307,505	28,793,360	26,310,873
Excess of Revenues Over (Under) Expenditures	(7,290,316)	(17,903,699)	(6,380,458)	(4,799,962)	251,789
Other Financing Sources (Uses)					
Transfers In	6,887,126	24,450,021	17,389,125	10,491,067	6,526,362
Transfers Out	(7,216,484)	(24,763,895)	(28,006,539)	(12,004,060)	(7,373,175)
Sales of Property	13,171	4,060,014	406,461	251,240	309,537
Issuance of Long Term Debt	7,845,973	27,927,690	14,950,000	1,370,000	
Original issuance discount					
Payment to Refunded Bond Escrow Agent	(3,337,564)	(3,429,119)			
Total Other Financing Sources (Uses)	4,192,222	28,244,711	4,739,047	108,247	(537,276)
Net Change in Fund Balances before Extraordinary Item	(3,098,094)	10,341,012	(1,641,411)	(4,691,715)	(285,487)
Extraordinary Item - Litigation Settlement	176,647	225,129			
Extraordinary Item - Gain on Property Foreclosure					
Net Change In Fund Balances	(\$2,921,447)	\$10,566,141	(\$1,641,411)	(\$4,691,715)	(\$285,487)
 Debt Service as a percentage of non-capital expenditures	 18.3%	 18.6%	 24.9%	 25.1%	 28.3%

Source: City of Dinuba Financial Services Division

Fiscal Year				
2011	2012	2013	2014	2015
\$13,333,324	\$15,763,647	\$10,054,422	\$10,127,924	\$14,673,041
663,034	490,803	533,126	388,248	825,421
9,592,560	6,873,909	8,840,363	13,389,637	10,254,854
2,031,815	2,297,156	1,842,951	2,611,700	2,629,858
219,523	615,073	105,029	372,987	116,046
165,482	393,113	118,693	83,015	83,345
2,223,521	1,983,721	1,993,316	1,866,721	773,948
195,544	280,827	183,644	193,101	26,586
<u>28,424,803</u>	<u>28,698,249</u>	<u>23,671,544</u>	<u>29,033,333</u>	<u>29,383,099</u>
3,424,510	3,198,893	3,567,574	3,062,629	3,221,524
6,900,645	7,622,470	8,512,170	9,155,928	9,573,198
2,047,171	2,305,236	2,108,997	2,497,426	2,361,778
1,480,571	1,254,396	3,077,272	1,813,416	1,205,315
871,568	1,595,747	1,108,050	1,140,903	1,235,269
5,822,476	5,230,041	5,070,355	12,419,958	14,428,933
17,796,703	2,209,513	1,814,520	991,156	1,001,685
3,947,999	1,967,183	816,403	1,010,139	1,177,009
734,435		331,022	106,924	
<u>43,026,078</u>	<u>25,383,479</u>	<u>26,406,363</u>	<u>32,198,479</u>	<u>34,204,711</u>
<u>(14,601,275)</u>	<u>3,314,770</u>	<u>(2,734,819)</u>	<u>(3,165,146)</u>	<u>(4,821,612)</u>
6,959,476	7,319,087	2,330,637	6,091,537	10,198,943
(8,231,685)	(8,270,637)	(6,500,021)	(5,549,298)	(10,506,999)
159,698	291,150	500,687	402,248	368,524
16,312,340		12,770,000	8,982,000	
		(314,360)		
		<u>(6,684,833)</u>		
<u>15,199,829</u>	<u>(660,400)</u>	<u>2,102,110</u>	<u>9,926,487</u>	<u>60,468</u>
598,554	2,654,370	(632,709)	6,761,341	(4,761,144)
		145,910		
<u>\$598,554</u>	<u>\$2,654,370</u>	<u>(\$486,799)</u>	<u>\$6,761,341</u>	<u>(\$4,761,144)</u>
58.4%	21.5%	13.5%	10.1%	11.0%

CITY OF DINUBA
GOVERNMENT-WIDE REVENUES
LAST TEN FISCAL YEARS

Fiscal Year	PROGRAM REVENUES				Total General Revenues	Total Government- Wide Revenues
	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Total Program Revenues		
2006	\$4,835,721	\$4,457,369	\$246,552	\$9,539,642	\$9,370,384	\$18,910,026
2007	\$4,634,526	\$6,865,658	\$5,133,176	\$16,633,360	\$11,458,753	\$28,092,113
2008	\$2,841,209	\$2,980,565	\$70,512,208	\$76,333,982	\$14,366,958	\$90,700,940
2009	\$2,649,991	\$2,137,570	\$10,798,269	\$15,585,830	\$14,185,715	\$29,771,545
2010	\$3,326,049	\$1,753,052	\$3,768,170	\$8,847,271	\$15,769,530	\$24,616,801
2011	\$3,259,016	\$1,877,718	\$6,195,826	\$11,332,560	\$15,775,601	\$27,108,161
2012	\$3,115,053	\$3,279,460	\$2,436,154	\$8,830,667	\$18,940,309	\$27,770,976
2013	\$2,899,821	\$4,462,789	\$5,669,203	\$13,031,813	\$9,978,542	\$23,010,355
2014	\$5,245,274	\$6,248,747	\$25,473,768	\$36,967,789	\$8,585,330	\$45,553,119
2015	\$8,082,453	\$3,274,094	\$10,114,120	\$21,470,667	\$11,225,042	\$32,695,709

Fiscal Year	GENERAL REVENUES					Total General Revenues
	Property Taxes	Sales Taxes	Utility Users Taxes	All Other Taxes	Use Of Money And Property	
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	\$3,745,797	\$287,977	\$9,978,542
2014	\$742,122	\$3,700,400	\$1,612,836	\$2,267,781	\$262,191	\$8,585,330
2015	\$846,306	\$5,461,810	\$1,630,654	\$2,519,409	\$766,863	\$11,225,042

Source: City of Dinuba Financial Services Division

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

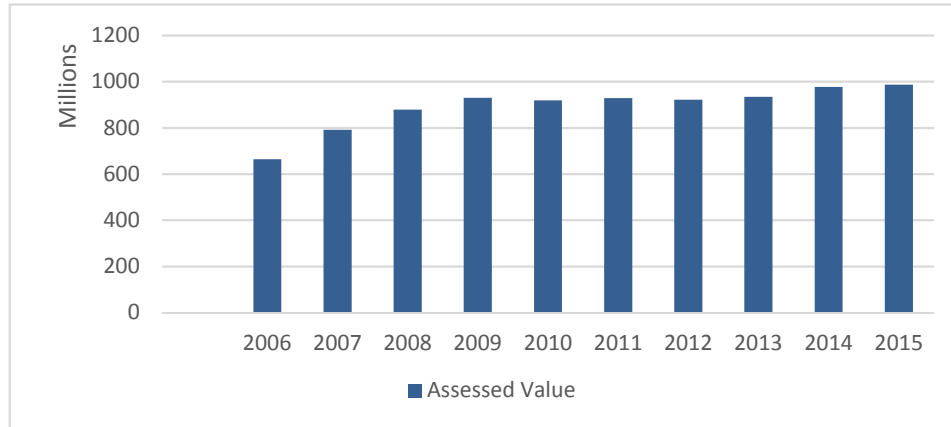
<u>Fiscal Year</u>	<u>Taxes And Assessments</u>	<u>Licenses And Permits</u>	<u>Intergovernmental</u>	<u>Charges For Services</u>	<u>Use Of Money And Property</u>	<u>Fines And Forfeitures</u>
2006	\$7,462,218	\$589,691	\$5,706,459	\$2,104,911	\$464,657	\$85,254
2007	\$10,588,696	\$575,979	\$6,715,939	\$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
2014	\$10,127,924	\$388,248	\$13,389,637	\$2,611,700	\$372,987	\$165,482
2015	\$14,673,041	\$825,421	\$10,254,854	\$2,629,858	\$116,046	\$83,345

<u>Fiscal Year</u>	<u>Reimbursements</u>	<u>Miscellaneous</u>	<u>Total General Government Revenues</u>
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
2014	\$1,866,721	\$193,101	\$29,115,800
2015	\$773,948	\$26,586	\$29,383,099

¹ 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 ¹
LAST TEN FISCAL YEARS



Year Ended June 30	Assessed Value ²	County Tax Rate Per \$100	City		
			Portion of Assessed Value	Tax Rate ³	Tax Levy
2006	\$664,022,274	1.1170	\$330,657,621	0.200%	\$661,315
2007	\$791,375,057	1.1170	\$356,205,589	0.195%	\$693,407
2008	\$877,827,074	1.1170	\$375,372,209	0.188%	\$713,207
2009	\$929,595,416	1.1170	\$376,872,214	0.175%	\$661,346
2010	\$918,955,107	1.1170	\$381,194,928	0.152%	\$577,530
2011	\$928,720,115	1.1260	\$374,186,358	0.163%	\$608,653
2012	\$921,046,459	1.1160	\$376,464,415	0.174%	\$655,249
2013	\$933,234,251	1.1110	\$383,803,558	0.168%	\$645,437
2014	\$976,358,668	1.1110	\$406,708,703	0.182%	\$742,122
2015	\$985,816,882	1.2246	\$424,657,013	0.194%	\$823,237

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

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

³ The City's total direct tax rate varies by tax rate area. The rate shown is the combined rate for the entire city and may not match the rate shown on the "Direct and Overlapping Property Tax Rates" schedule.

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

	Fiscal Year				
	2011	2012	2013	2014	2015
City Direct Rates:					
City basic rate	\$0.192	\$0.191	\$0.191	\$0.191	\$0.191
Total City Direct Rate	0.192	0.191	0.191	0.191	0.191
Overlapping Rates:					
Tulare County	0.179	0.178	0.177	0.177	0.177
Library	0.015	0.015	0.015	0.015	0.015
Dinuba School District	0.273	0.260	0.273	0.272	0.270
Community College District	0.046	0.016	0.001	0.046	0.046
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	0.224	0.226	0.226	0.226
Dinuba School District Bonds	0.110	0.125	0.120	0.103	0.114
Community College Bonds	0.016	0.036	0.036	0.009	0.114
Total Direct Rate ¹	1.126	1.116	1.111	1.111	1.225

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 this fixed amount, property owners are charged taxes as a percentage of assessed property values for the purpose of bonded debt service on the voter-approved School District and Community College bonds.

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

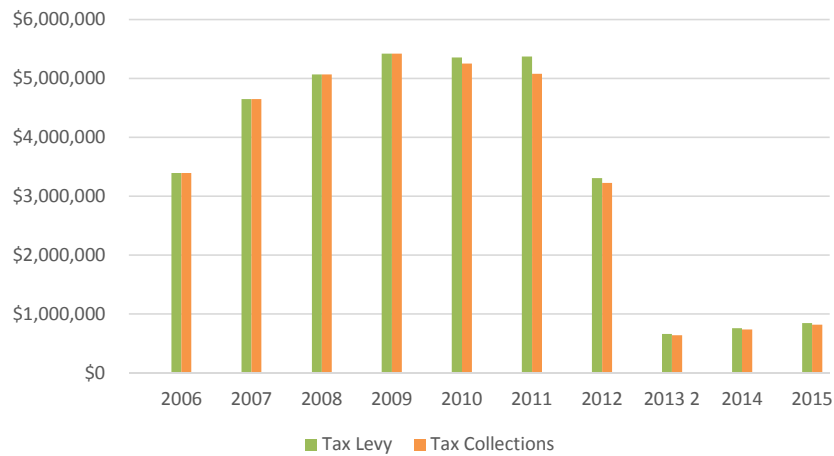
Source: Tulare County Assessor's Office

**CITY OF DINUBA
PRINCIPAL PROPERTY TAXPAYERS
AS OF JUNE 30, 2015 AND 2006**

Taxpayer	Type Of Business	Fiscal Year 2015			Fiscal Year 2006		
		Assessed Valuation	Percent Of Total Assessed Valuation	Rank	Assessed Valuation	Percent Of Total Assessed Valuation	Rank
Ruiz Foods Products Inc.	Frozen Food	\$ 65,453,434	7.01%	1	\$ 46,671,677	7.97%	2
Odwalla, Inc.	Fruit Juices	52,327,892	5.61%	2	27,416,758	4.68%	3
Best Buy Stores, Inc.	Distribution Center	45,904,870	4.92%	3	\$ 59,237,629	10.11%	1
Wal-mart Store Inc	Retail Store	17,301,619	1.85%	4			
Patterson Dental Supply	Wholesaler	13,457,977	1.44%	5	4,772,513	0.81%	8
Boscacci Group		6,909,984	0.74%	6			
Bloom Energy		5,120,410	0.55%	7			
Dinuba - Veto LLC	Real Estate Investment	5,100,000	0.55%	8	8,596,902	1.47%	4
Kmart Corporation	Retail Store	5,049,715	0.54%	9	5,249,515	0.90%	7
Red Rock Plaza Center LLC	Real Estate Investment	5,000,000	0.54%	10	4,513,485	0.77%	9
Dinuba Manor	Apartment Complex				6,377,291	1.09%	5
North Park Apartment	Apartment Complex				5,693,809	0.97%	6
Surabian & Sons	Produce/Packing				4,253,815	0.73%	10
		<u>\$103,844,575</u>	<u>23.75%</u>		<u>\$98,694,959</u>	<u>29.50%</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 ¹</u>
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 ²	\$665,948	\$645,437	96.92
2014	\$763,029	\$742,122	97.26
2015	\$852,212	\$823,237	96.60

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

² Previously, redevelopment tax increment was shown in this table. With the dissolution of 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				
	General Bonded Debt Outstanding	Capital Leases	Contracts Payable	Notes Payable	Total Governmental Activities
2006	\$32,147,426	\$1,644,355		\$3,662,125	\$37,453,906
2007	\$51,331,981	\$1,490,542		\$6,755,047	\$59,577,570
2008	\$65,132,484	\$1,326,724		\$5,743,840	\$72,203,048
2009	\$62,896,057	\$1,157,783		\$5,089,617	\$69,143,457
2010	\$64,332,754	\$976,254		\$3,360,920	\$68,669,928
2011	\$64,069,581	\$814,538		\$2,880,931	\$67,765,050
2012 ²	\$11,291,970	\$932,596	\$190,471	\$1,247,879	\$13,662,916
2013	\$11,252,962	\$701,861	\$146,016	\$23,549	\$12,124,388
2014	\$18,895,000	\$9,442,497	\$99,516	\$20,257	\$28,457,270
2015	\$18,265,000	\$9,012,913	\$50,877	\$16,734	\$27,345,524

Fiscal Year	Business-Type Activities				
	Certificates Of Participation	Notes Payable	Capital Leases	Contracts Payable	Total Business-Type Activities
2006	\$5,240,000	\$3,654,299			\$8,894,299
2007	\$5,115,000	\$4,856,498	\$3,786		\$9,975,284
2008	\$4,980,000	\$8,506,172	\$3,034		\$13,489,206
2009	\$4,840,000	\$8,912,559	\$2,224		\$13,754,783
2010	\$4,695,000	\$8,575,192	\$1,352		\$13,271,544
2011	\$3,005,000	\$8,087,419	\$413		\$11,092,832
2012	\$3,005,000	\$7,580,353		\$611,334	\$11,196,687
2013	\$11,030,000	\$7,108,030	\$292,146	\$534,813	\$18,964,989
2014	\$18,895,000	\$6,736,215	\$222,586	\$454,773	\$26,308,574
2015	\$10,540,000	\$7,194,326	\$150,758	\$373,930	\$18,259,014

Fiscal Year	Primary Government	Per Capita ¹
2006	\$46,348,205	\$2,367
2007	\$69,552,854	\$3,477
2008	\$85,692,254	\$4,064
2009	\$82,898,240	\$3,903
2010	\$81,941,472	\$3,804
2011	\$78,857,882	\$3,593
2012	\$24,859,603	\$1,099
2013	\$31,089,377	\$1,347
2014	\$46,630,844	\$1,971
2015	\$45,604,538	\$1,903

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

¹ See the table of Population and Unemployment Rate later in this section for personal income and population data. Personal income data is not available.

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

Source: City of Dinuba Financial Services Division

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

<u>Fiscal Year</u>	<u>Lease Revenue Bonds</u>	<u>Less: Amounts Available in Debt Service Funds</u>	<u>Total General Bonded Debt Outstanding</u>	<u>Percentage of Assessed Value of Property ¹</u>	<u>Per Capita</u>
2006	\$7,595,000	\$3,652,574	\$32,147,426	4.8%	\$1,642
2007	\$7,445,000	\$4,708,019	\$51,331,981	6.5%	\$2,566
2008	\$14,740,000	\$4,937,516	\$65,132,484	7.4%	\$3,089
2009	\$14,445,000	\$6,118,943	\$62,896,057	6.8%	\$2,962
2010	\$14,165,000	\$4,987,246	\$64,332,754	7.0%	\$2,986
2011	\$13,740,000	\$4,645,419	\$64,069,581	6.9%	\$2,919
2012 ²	\$13,455,000	\$2,163,030	\$11,291,970	1.2%	\$499
2013	\$13,160,000	\$1,907,038	\$11,252,962	1.2%	\$488
2014	\$18,895,000	\$739	\$18,894,261	1.9%	\$799
2015	\$18,265,000	\$2,952	\$18,262,048	1.9%	\$762

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

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

Source: City of Dinuba Financial Services Division

CITY OF DINUBA
STATEMENT OF DIRECT AND OVERLAPPING DEBT
As of June 30, 2015

2014 - 2015 Assessed Valuation:	\$985,816,882		
Redevelopment Incremental Valuation:			

City Adjusted Assessed Valuation	\$985,816,882		
	OUTSTANDING		ESTIMATED
	DEBT		SHARE OF
	6/30/2015	% APPLICABLE ¹	OUTSTANDING
			DEBT
<hr/>			
OVERLAPPING TAX AND ASSESSMENT DEBT			
State Center Community College District	\$95,220,000	1.404%	\$1,336,889
Dinuba Joint Unified School District	24,516,565	68.632%	16,826,209
Kings Canyon Joint Unified School District	63,674,278	0.027%	17,192
	-----		-----
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	183,410,843		18,180,290
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Tulare County Certificates of Participation	42,920,000	3.386%	1,453,271
Tulare County Board of Education Certificates of Participation	36,865,000	3.386%	1,248,249
Dinuba Joint Unified School District Certificates of Participation	6,720,000	68.632%	4,612,070
City of Dinuba General Fund Obligations	18,265,000	100.000%	18,265,000
	-----		-----
TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT	104,770,000		25,578,590
 OVERLAPPING TAX INCREMENT DEBT (Successor Agency):			
	49,775,000	100.0000%	49,775,000
TOTAL DIRECT DEBT			18,265,000
TOTAL OVERLAPPING DEBT			75,268,880
 COMBINED TOTAL DEBT			 \$ 93,533,880 ²

Debt Ratios:

Ratios to 2014-15 Adjusted Valuation:

Total Overlapping Tax and Assessment Debt	1.84%
Total Direct Debt (\$18,265,000)	1.85%
Combined Total Debt	9.49%

Ratios to Redevelopment Increment Valuation (\$579,108,119):

Total Overlapping Tax Increment Debt	8.60%
--------------------------------------	-------

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

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

**CITY OF DINUBA
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

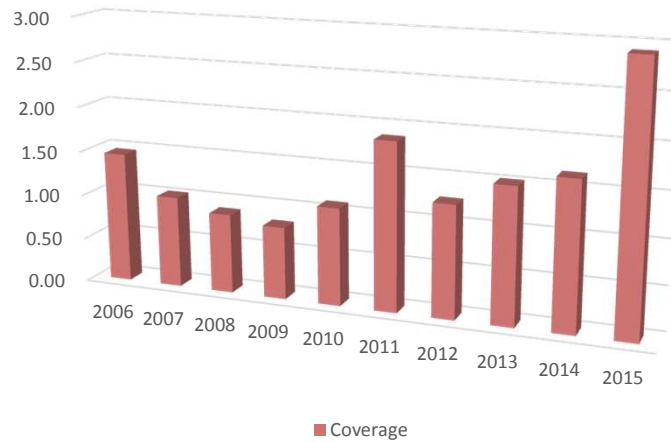
Total Assessed Valuation	<u>\$985,816,882</u>
Debt Limit - 15% of Total Assessed Valuation	\$147,872,532
Amount of Debt Applicable to the Limit	<u>78,857,469</u>
Legal Debt Margin	<u>\$69,015,063</u>

**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>
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	\$24,859,603	\$113,297,366	18.0%
2013	\$139,985,138	\$31,089,377	\$108,895,761	22.2%
2014	\$146,453,800	\$46,630,105	\$99,823,695	31.8%
2015	\$147,872,532	\$44,867,744	\$103,004,788	30.3%

Source: City of Dinuba Financial Services Division

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



Certificates of Participation (Sewer Fund)

Year Ended June 30	Sewer Charges And Other Contributions ¹	Less: Operating Expenses ²	Net Available Revenue	Principal	Interest	Total Debt Service	Debt Service Coverage
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
2014	\$3,062,058	\$1,920,430	\$1,141,628	\$270,000	\$421,644	\$691,644	1.65
2015	\$3,915,684	\$2,063,218	\$1,852,466	\$220,000	\$415,412	\$635,412	2.92

¹ 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.

² Depreciation is eliminated for this calculation.

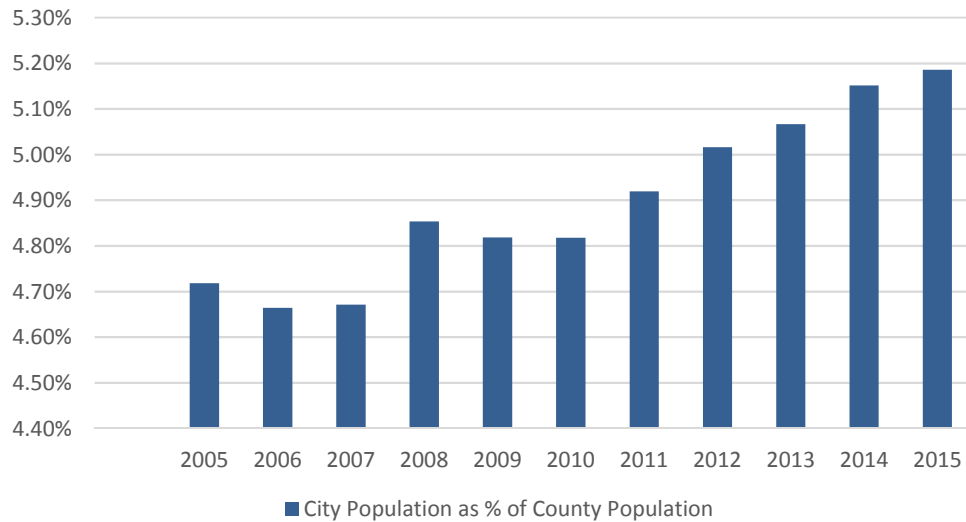
Source: City of Dinuba Financial Services Division

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

<u>Fiscal Year</u>	<u>Lease Revenue Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2016	\$680,000	\$687,300	\$4,474,132
2017	\$700,000	\$667,280	\$4,479,091
2018	\$715,000	\$646,641	\$4,477,446
2019	\$735,000	\$625,410	\$4,463,273
2020	\$1,000,000	\$599,082	\$4,711,172
2021	\$1,025,000	\$567,498	\$4,901,557
2022	\$1,055,000	\$533,860	\$4,791,245
2023	\$1,095,000	\$497,911	\$4,789,985
2024	\$1,135,000	\$459,363	\$4,802,457
2025	\$1,180,000	\$418,034	\$4,803,356
2026	\$1,210,000	\$725,083	\$5,139,046
2027	\$1,265,000	\$325,328	\$4,784,457
2028	\$830,000	\$284,050	\$4,314,013
2029	\$860,000	\$250,022	\$3,581,597
2030	\$550,000	\$221,097	\$2,869,244
2031	\$565,000	\$197,563	\$2,864,022
2032	\$585,000	\$173,272	\$2,818,022
2033	\$460,000	\$147,897	\$2,673,238
2034	\$385,000	\$124,975	\$2,567,200
2035	\$410,000	\$104,519	\$4,291,925
2036	\$425,000	\$83,025	\$4,055,750
2037	\$445,000	\$60,628	\$4,035,969
2038	\$465,000	\$37,203	\$3,395,306
2039	\$490,000	\$12,616	\$3,397,400
2040	\$0	\$0	\$0
2041	\$0	\$0	\$0
2042	\$0	\$0	\$0
	<u>\$18,265,000</u>	<u>\$8,449,656</u>	<u>\$101,230,950</u>

Source: City of Dinuba Financial Services Division

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



Fiscal Year	City Population ¹	% Change	Tulare County Population	City Population as % of County Population	Unemployment Rate ³
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%
2014	23,666	2.47%	459,446	5.15%	17.3%
2015	23,966	1.25%	462,189	5.19%	10.9%

¹ Source: California Department of Finance

² Source: Tulare County Economic Development Corporation

³ Source: California Employment Development Department

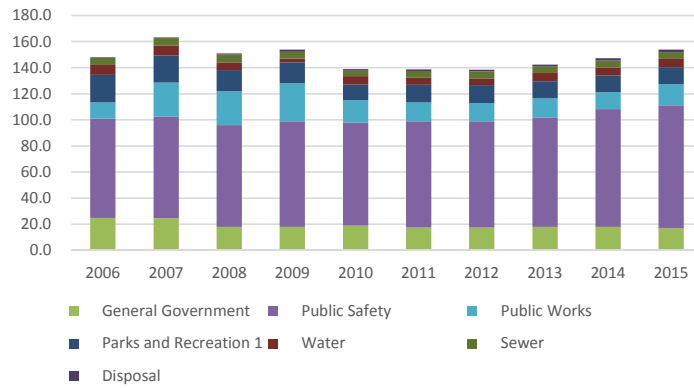
Note: Per capita income and total personal income information not available.

**CITY OF DINUBA
PRINCIPAL EMPLOYERS
AS OF JUNE 30, 2015 AND 2006**

Employer	Type of Business	Fiscal Year 2015			Fiscal Year 2006		
		Employees	Percent of Total City Employment	Rank	Employees	Percent of Total City Employment	Rank
Ruiz Foods Products Inc.	Frozen Food	1,775	39%	1	1,800	48%	1
Dinuba Public Schools	Education	754	17%	2	314	8%	4
Family Tree Farms	Produce Packing	600	13%	3			
Wal-Mart	Retail Store	407	9%	4	425	11%	2
Best Buy Stores, Inc.	Distribution Center	395	9%	5	405	11%	3
Odwalla, Inc.	Fruit Juices	167	4%	6	150	4%	6
Giannini Packing	Produce/Packing				200	5%	5
City of Dinuba	Local Government	159	4%	7	135	4%	8
Patterson Dental	Wholesaler	108	2%	8			
Surabian And Sons	Produce/Packing	100	2%	9			
Kmart	Retail store	52	1%	10	80	2%	10
Apio Produce	Produce/Packing				150	4%	7
Sadoian Brothers	Produce/Packing				95	3%	9
Peloian Packing	Agriculture/Packer						
US Cold Storage	Ice & cold storage						
		<u>4,517</u>	<u>100.00%</u>		<u>3,754</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
General Government	24.9	24.7	18.0	18.0	19.0	17.6	17.6	18.0	18.0	17.0
Public Safety	76.1	78.1	78.0	81.0	79.0	81.5	81.5	84.0	90.4	94.4
Public Works	12.5	25.9	26.2	29.3	17.3	14.3	14.0	14.7	13.0	16.0
Parks and Recreation ¹	21.2	20.9	16.0	16.0	12.0	13.7	13.7	13.1	12.7	13.2
Water	7.4	7.6	6.0	2.9	6.2	5.2	5.2	6.2	6.2	6.2
Sewer	5.4	5.6	6.2	5.1	4.3	5.3	5.3	5.3	5.3	5.3
Disposal	0.6	0.6	0.6	1.7	1.2	1.2	1.2	1.2	1.9	1.9
Total Government-Wide Employees	148.1	163.4	151.0	154.0	139.0	138.8	138.5	142.5	147.4	154.0

¹ In FY2011, the Parks division and Community Services division were combined and moved to the Finance & Community Services Department

Source: City of Dinuba Budget FY 2015

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

Calendar Year	Total Permits	Total Valuation	Commercial and Office		Residential Single	
			Number Permits	Valuation	Number Permits	Valuation
2006	545	\$35,418,648	56	\$7,324,871	154	\$19,823,068
2007	540	\$22,604,877	43	\$4,101,167	125	\$15,991,615
2008 ¹	627	\$21,159,049	50	\$859,269	31	\$2,429,216
2009	267	\$20,117,464	5	\$3,003,030	49	\$5,961,770
2010 ²	327	\$26,119,325	2	\$1,398,078	116	\$14,622,391
2011	407	\$28,265,284	3	\$2,507,500	171	\$21,658,886
2012	543	\$43,487,055	13	\$9,295,706	161	\$20,246,430
2013	430	\$20,466,026	4	\$1,488,000	99	\$11,149,388
2014	437	\$16,722,112	5	\$8,448,970	41	\$4,244,435
2015	552	\$14,559,111	2	\$490,000	78	\$8,286,981

Calendar Year	Residential Multi-Units		All Other		
	Number Permits	Valuation	Number Units	Number Permits	Valuation
2006	1	\$5,780,000	80	334	\$2,490,709
2007	1	\$212,286	0	309	\$8,500,419
2008 ¹	0	\$0	0	457	\$894,090
2009	1	\$7,604,520	0	212	\$3,548,143
2010 ²	1	\$7,604,520 ⁴	0	208	\$2,494,335
2011	0	\$0	0	233	\$4,098,898
2012	0	\$0	0	382	\$13,944,919
2013	1	\$2,450,000	0	326	\$5,378,638
2014	0	\$0	0	391	\$4,028,707
2015	0	\$0	0	472	\$5,782,130

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

¹ Activity covering from January 1 to July 31.

² Euclid apartment's 2009 permit expired renew in 2010.

Source: City of Dinuba Annual Building Report

TULARE COUNTY CROP STATISTICS FOR THE CALENDAR YEAR 2014

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 2014

<u>PRODUCT</u>	<u>GROSS VALUE</u>
1. Milk	\$2,540,232,000
2. Cattle & Calves	\$979,680,000
3. Oranges - Navels & Valencias	\$962,988,000
4. Grapes	\$723,511,000
5. Almonds Meats & Hulls	\$406,855,000
6. Pistachio Nuts	\$374,745,000
7. Tangerines - Fresh	\$292,600,000
8. Walnuts	\$264,435,000
9. Corn - Grain & Silage	\$188,261,000
10. Peach Cling & Freestone	\$176,454,000
 Total Value of the Top Ten Tulare County Crops	 \$6,909,761,000
 Total Value of All Tulare County Crops	 \$8,084,672,400

Source: Tulare County Agricultural Commissioner news release

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Water:										
Number Water Wells	7	8	8	8	8	8	8	8	8	8
Annual Production (Million Gal)	1,478	1,653	1,682	1,671	1,671	1,671	1,996	1,570	1,790	1,578
Service Connections	4,725	4,830	4,991	5,030	5,094	5,459	5,581	5,633	5,937	5,742
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Sworn Officers	39	39	40	40	38	35	35	34	33	36
Support Personnel	12	14	14	12	11	10	10	10	9	11
Part-Time Support Personnel	7	5	5	3	3	7	8	3	3	2
Police Vehicles	33	36	35	34	32	34	35	37	36	40
Motorcycles	2	2	2	2	2	2	2	2	4	4
Fire:										
Stations	1	1	1	1	1	1	1	1	1	1
Firefighters	17	21	21	24	23	24	24	23	26	26
Fire and Rescue Vehicles	5	5	5	5	5	5	5	5	5	5
Ambulances	3	3	3	3	3	4	4	4	5	5
Staff Vehicles	4	5	5	5	4	4	5	6	6	4
Parks and Recreation:										
Parks	10	13	13	13	13	13	13	13	13	13
Acres of Park land	28	66	66	66	66	66	66	66	66	66
Acres of Open Space	48	56	56	56	56	56	56	56	56	56
Recreation Centers	2	2	2	2	2	2	2	2	2	2
Other:										
City Land Area (Square Miles)	4.82	4.82	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90
Miles of Water Main	71.5	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0
Miles of Storm Drain	17.0	18.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Miles of Sewer Main	70.2	73.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0
Miles of City Streets	61.0	65.0	65.7	65.7	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**

<u>Fiscal Year</u>	<u>Population</u>	<u>Number of Utility Customers</u>	<u>Number of Police Calls - Total</u>	<u>Number of 911 Emergency Calls</u>	<u>Number of Sworn Officers</u>
2006	19,578	4,830	53,767	8,520	39
2007	20,002	4,865	41,192	8,650	39
2008	21,087	4,918	31,801	6,338	40
2009	21,237	5,107	41,824	5,855	37
2010	21,542	5,154	41,256	4,859	37
2011	21,950	5,459	40,486	4,713	35
2012	22,614	5,581	39,161	4,535	35
2013	23,082	5,633	38,550	5,967	34
2014	23,666	5,927	34,611	5,844	35
2015	23,966	5,742	38,637	13,397	34

<u>Fiscal Year</u>	<u>Number of Fire Calls ¹</u>	<u>Number of Ambulance Runs</u>	<u>Number of Fire Fighters</u>
2006	158	2,795	17
2007	194	2,966	21
2008	160	2,884	21
2009	137	2,897	24
2010	127	3,123	23
2011	200	3,163	24
2012	460	3,304	24
2013	572	3,594	23
2014	666	3,646	26
2015	887	3,647	24

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

² This information is not available.

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

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Governmental Activities					
General Government	\$2,292,263	\$2,251,700	\$2,165,276	\$2,282,735	\$3,131,533
Public Safety	5,055,875	5,819,651	7,004,208	8,287,871	8,171,242
Public Works ³	4,103,422	5,430,096	3,585,804	4,138,568	2,312,028
Community Development	3,927,714	1,581,737	2,743,293	3,158,746	3,417,402
Parks and Recreation ²	135,086	1,359,109	1,662,008	1,700,474	1,584,698
Debt Service	2,144,168	3,194,690	4,072,473	4,196,778	4,144,345
Unallocated Depreciation	794,431	847,061	858,674	917,172	987,607
Total Governmental Activities Expenses	<u>\$18,452,959</u>	<u>\$20,484,044</u>	<u>\$22,091,736</u>	<u>\$24,682,344</u>	<u>\$23,748,855</u>

	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental Activities					
General Government	\$4,009,529	\$3,439,679	\$4,339,158	\$4,703,501	\$5,345,434
Public Safety	\$8,107,881	\$8,167,990	\$8,990,013	\$9,591,236	\$13,275,052
Public Works ³	\$3,632,361	\$1,826,602	\$2,197,625	\$2,761,922	\$3,334,975
Community Development	\$1,763,309	\$1,007,987	\$636,986	\$548,112	\$1,641,605
Parks and Recreation ²	\$1,152,007	\$1,796,570	\$1,136,847	\$1,224,454	\$1,682,401
Debt Service	\$4,192,595	\$1,720,593	\$1,020,371	\$1,521,663	\$1,204,781
Unallocated Depreciation	\$879,409	\$953,544	\$823,524	\$1,018,182	\$2,635,342
Total Governmental Activities Expenses	<u>\$23,737,091</u>	<u>\$18,912,965</u>	<u>\$19,144,524</u>	<u>\$21,369,070</u>	<u>\$29,119,590</u>

¹ 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, 2015**

TYPES AND DETAILS OF COVERAGE	AMOUNT
1. GENERAL LIABILITY	
a. Self-insured retention, \$1,000,000 limit	\$50,000
b. Liability excess coverage	\$19,000,000
2. AUTO PHYSICAL DAMAGE	
a. Comprehensive coverage, fire trucks, dump trucks, and ambulances, 5% of values at time of loss subject to \$1,000 minimum and \$10,000 maximum.	\$6,223,172
b. Comprehensive coverage, low value vehicles under \$25,000, \$500 deductible	\$1,116,157
3. PROPERTY COVERAGE	
a. Covers all owned buildings and contents at replacement cost, including data processing equipment and valuable papers, \$10,000 deductible.	\$60,409,620
b. Miscellaneous Property Floater	\$1,097,436
c. Special Equipment.	\$1,009,554
d. Extra Expense Associated with Physical Damage or Loss	\$950,000
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	\$15,000
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	\$2,048,400

Source: City of Dinuba Risk Manager