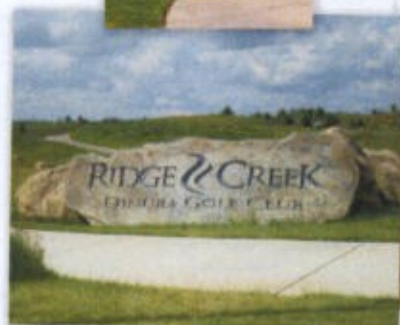


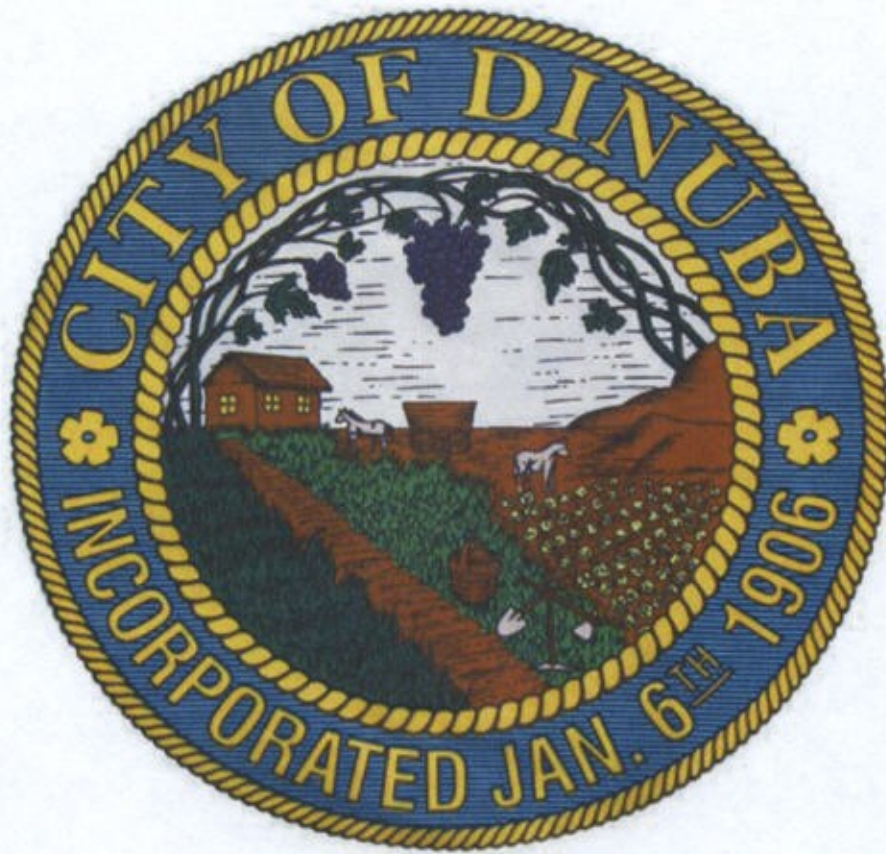
# COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
City of Dinuba, California



# COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
City of Dinuba, California

Prepared by the Finance Department

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## 2019-2020 Budget

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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

## FINANCE AND COMMUNITY SERVICES

December 21, 2011

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, 2011, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of Dinuba issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The accounting firm of Sampson & Sampson, Certified Public Accountants, of Clovis, California, was retained by the City to perform the audit of financial records for the fiscal year ended June 30, 2011. 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 Redevelopment Agency (Agency) qualifies as a blended component unit in this regard. City Council members serve as the governing board of the Agency, and the City Manager also serves as the Executive Director of the Agency.

The Dinuba Financing Authority and the Dinuba Housing Authority also qualify as blended component units. Again, City Council members serve as the governing board of these Authorities, and the City Manager also serves as the Executive Director.

The Dinuba Financing Authority and the Dinuba Housing Authority also qualify as blended component units. Again, City Council members serve as the governing board of these Authorities, and the City Manager also serves as the Executive Director.

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

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

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

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

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

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

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



## **Local Economy**

The local economy continues to improve. Residential growth remains steady as evidenced by the continued strength in building permits issued. Sales tax continues to increase as aided by the recent Internet sales tax. New businesses are opening their doors in Dinuba. On the downside, property taxes are decreasing and the unemployment rate is not coming down fast enough.

While the impact of the global recession on Dinuba is sobering, there are signs of improving economic activity within the City. In 2008 there were 31 building permits issued for single family units. Each year since 2008 this number has been increasing. In 2011, permits issued of single family units reach a high of 171. Over the past four years the average rate of growth in single family permits issued has been about 80%.

Despite the sour economic conditions, sales tax has continued to grow over the past 9 years. The growth can largely be attributed to growth in Internet sales tax at Best Buy as well as Webster Veterinary Supply. Dinuba's other more traditional sources of sales tax have also rebounded within the past fiscal year.

While the City has seen a handful of businesses close their doors, new businesses continue to open within the City. West El Monte Way continues to be attractive for further commercial development with new business entering the shopping area in front of Wal-Mart. Additionally the City is pleased to have the new Adventist Health facility open in that same area.

While the local economy is improving there are challenges affecting the City and its citizens. While sales tax has been improving, property tax has been declining. Property tax, including redevelopment tax increment, reached a high of \$5.4 million in 2009. In 2011 property tax had fallen to \$5.1 million. A portion of the decline can be attributed to the elimination of the Teeter plan whereby the County would remit to the City's 100% of the property tax assessed to the home owners. Now the County only remits the property tax collected. The biggest impact on property taxes is due to the blanket downward reassessments of properties within the County by the Assessors office.

## **Current Major Initiatives**

Several major projects are underway in the City of Dinuba.

The City is working with Chelsea investment Corporation to build a senior housing project in the downtown area. The senior housing complex will include 66 units of affordable housing for seniors. In conjunction with the new senior housing a pedestrian walkway will connect the housing to a proposed transit hub area.

An upgrade to the City's Wastewater Reclamation Facilities is in progress. The phase 1 improvements include aeration basin lining and increased aeration capacity, new sludge dewatering facilities, new and higher capacity main electrical system, restoration of the primary clarifier and new headworks influent pumps and motor control center. The completed phase 1 improvements will increase the WWRF treatment capacity from 2.6 MGD to 3.0 MGD. Phase 1 improvements are funded by an EDA grant, City issued lease revenue bonds and a California Energy Commission low interest loan.

In partnership with Chevron and Tioga Energy, the City is completing a solar power project at the wastewater reclamation facility. A 1.15 megawatt ground-mounted solar photovoltaic power generation system has recently been constructed. The system will generate 70% of the electricity needed to run the facility. Over the life of the project the City will reap the benefit of \$6 million of net costs savings.

The City and the County are moving forward on the widening of El Monte Way/Avenue 416. The widening runs the length of the City and will be completed in two phases. The first Phase will widen El Monte Way/Avenue 416 from Road 56 to Alta Avenue/Road 80; the second Phase will begin east of the intersection of Alta Avenue/Road 80 and continue widening to Road 92. Phase 1 design and rights-of-way is anticipated to be completed in early 2012 with construction beginning in Spring 2012. Funding for the first Phase will be primarily from Measure R, the County wide add-on sales tax for transportation projects with supplemental State funds from the State and Local Partnership Program (SLPP). The second phase has not been programmed for funding at this time.

The City and the County are working in conjunction on the widening of Road 80. The City is assisting with the design work on the portion of the project that is within City Limits. The project consists of two phases. The first phase includes the redesign and widening of the intersection at El Monte and Alta Avenue. Phase 2 is the widening of Road 80 from Avenue 384 to Avenue 416 from two to four lanes. This Phase is currently under construction with completion anticipated in Spring 2012. Phase 2 is funded by a combination of State Transportation and Measure R funds. Phase 4 will widen the intersection of El Monte Way/Avenue 416 and Alta Avenue/Road 80; Design and rights-of-way have been completed. Phase 4 construction is anticipated to begin in Spring 2012. Funding for Phase 4 is primarily from a Federal Appropriation supplemented by Measure R funds.

### **Financial Information**

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

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

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

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

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

#### *Relevant Financial Actions*

As mentioned previously, Webster Veterinary Supply as well as Best Buy warehouse have moved their point of sale for most Internet transactions that take place within California to Dinuba. The City has a significant new source of sales tax revenues as a result. While this development has been a boon for City revenues, it can just as easily disappear. To prepare for such an event, the City Council adopted an Internet sales tax policy.

In summary, to protect the fiscal health of the General Fund the policy states that the City shall keep at least two months of reserves in the current fiscal year as well as two months of reserves in the following three years. The remaining revenues are then to be used to fund increases in costs of basic General Fund services. Any remaining funding may then be used to provide for one-time expenditures such as capital projects with definite endings.

#### **Awards**

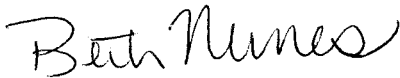
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dinuba for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the eighteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

#### **Acknowledgements**

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

Respectfully Submitted,



Beth Nunes  
Finance and Community Services Director



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# 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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



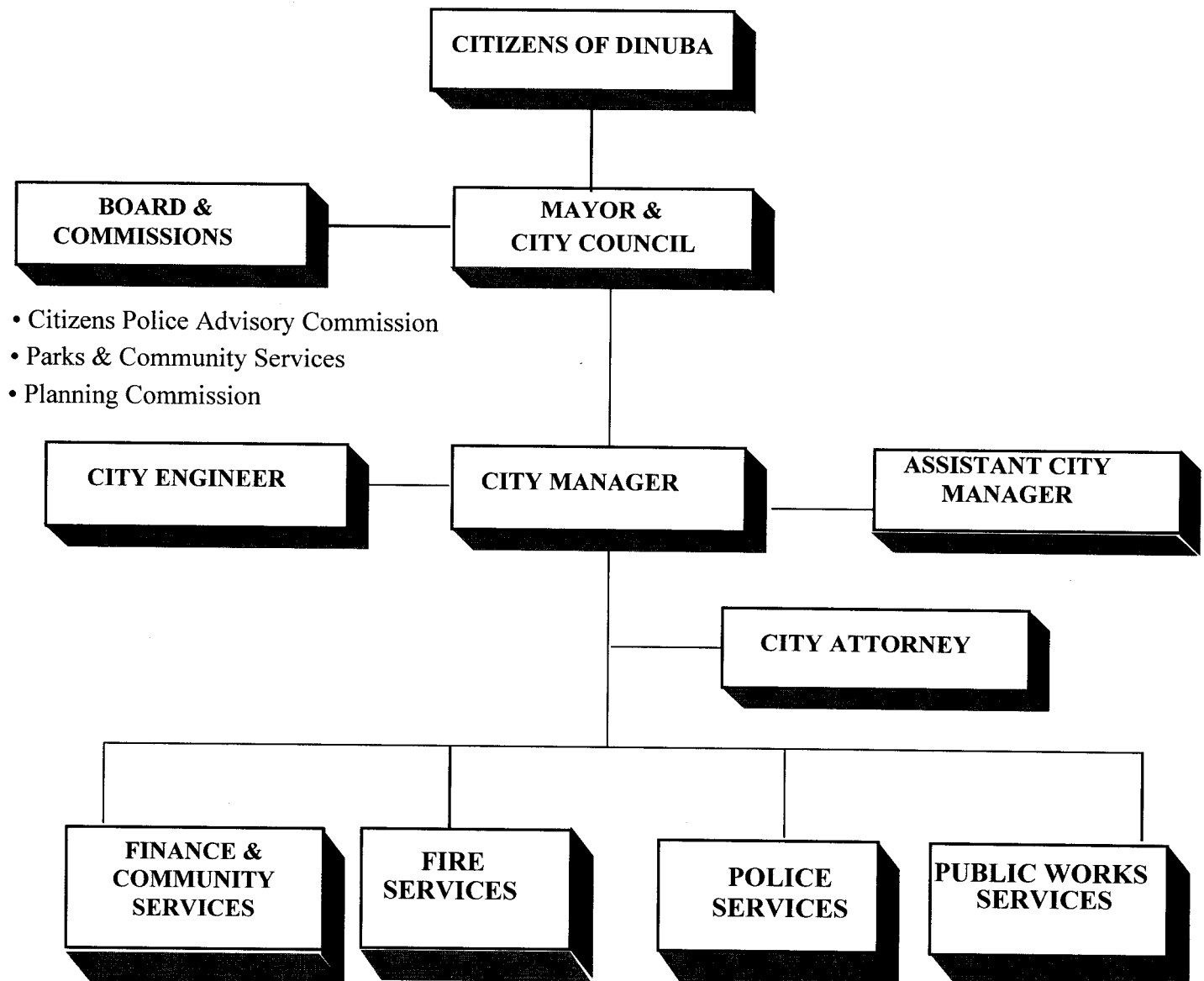
*Linda C. Davidson*

President

*Jeffrey R. Emer*

Executive Director

# CITY OF DINUBA, CALIFORNIA ORGANIZATIONAL CHART





CITY OF DINUBA  
LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2011

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



## Financial Section







Sampson, Sampson and Partners, LLP  
Certified Public Accountants

3148 Willow Ave., Suite 102  
Clovis, California 93612-4739  
(559) 291-0277 • FAX (559) 291-6411

December 21, 2011

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Dinuba, California (City) as of and for the fiscal year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dinuba, California as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable thereof, for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated , 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

City of Dinuba  
December 21, 2011  
Page 2

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 23 and budgetary comparison schedule for the General Fund, the Community Development Block Grant Special Revenue Fund, the Redevelopment Agency Housing Special Revenue Fund, and the Schedule of Funding Progress – Public Retirement Systems, be presented to supplement the basic financial statements. Such information, although not a part of basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund financial statements, major debt service and major capital projects budgetary comparison schedules, nonmajor fund budgetary comparison schedules, combining internal service fund financial statements, combining agency fund statements, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements, major debt service and major capital projects budgetary comparison schedules, nonmajor fund budgetary comparison schedules, combining internal service fund financial statements and combining agency fund financial statements, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Sampson, Sampson and Partners, LLP*

***Management's Discussion and Analysis***  
***Fiscal Year Ended June 30, 2011***  
***(Unaudited)***

This management's discussion and analysis provides an overview of financial activities of the City of Dinuba (City) for the fiscal year ended June 30, 2011. Please read this discussion and analysis in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to the basic financial statements.

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

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

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

**REPORTING THE CITY AS A WHOLE**

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

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

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

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

### **Governmental Activities**

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

### **Business-Type Activities**

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

<b>REPORTING THE CITY'S MOST SIGNIFICANT FUNDS</b>
--

### **Fund Financial Statements**

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

### **Governmental Funds**

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

### **Proprietary Funds**

When the City charges customers for services - whether to outside customers or to programs of the City - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way in that all activities are reported in the Statement of Net assets and the Statement of Revenues, Expenses, and Changes in Fund Net Assets. The City's enterprise



funds are the same as the business-type activities reported in the Government-Wide Financial Statements, but provide more detail and additional information, such as cash flows for each enterprise fund. The City also uses internal service funds to report activities that provide supplies and services for the City's internal program and activities, such as the City's self-insurance.

### **Fiduciary Funds**

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

## **GOVERNMENT-WIDE FINANCIAL**

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

The largest portion of the City's net assets reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, equipment, infrastructure, and construction in progress); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following schedule summarizes the City's net assets at June 30, 2011 and 2010 for comparative purposes:

Net Assets:	FY 2011	FY 2010	Change
Governmental Activities:			
Invested in capital assets, net of related debt	\$75,360,279	\$71,460,042	\$3,900,237
Restricted for:			
Parks	299,278	158,694	140,584
Public Safety	601,660		601,660
Highway and Streets	375,710	649,519	(273,809)
Housing	22,363,132	21,684,624	678,508
Debt service	4,645,419	3,720,189	925,230
Unrestricted	(401,603)	(1,553,334)	1,151,731
Total Governmental Net Assets:	103,243,875	96,119,734	7,124,141

Business-type Activities:			
Invested in capital assets, net of related debt	45,170,203	43,840,754	1,329,449
Restricted for:			
Debt Service	0	0	0
Unrestricted	4,741,446	3,305,499	1,435,947
Total Business-type Net Assets:	49,911,649	47,146,253	2,765,396
Total Net Assets	\$153,155,524	\$143,265,987	\$9,889,537

### Governmental Activities

The following schedule summarizes the financial position of the City's governmental activities at June 30, 2011 and 2010 for comparative purposes:

	FY 2011	FY 2010	Change
Assets:			
Current assets	\$ 28,151,796	\$ 25,569,518	\$ 2,582,278
Deferred charges, net of accumulated amortization	3,287,368	3,061,317	226,051
Restricted assets:			
Cash and investments with fiscal agents	6,064,407	5,352,063	712,344
Capital assets not being depreciated	112,360,955	110,324,123	2,036,832
Capital assets, net of accumulated depreciation	32,257,425	31,777,027	480,398
Total Assets	\$ 182,121,951	\$ 176,084,048	\$ 6,037,903
Liabilities:			
Current liabilities	\$ 3,434,935	\$ 4,065,876	(\$ 630,941)
Noncurrent liabilities:			
Due within one year	2,612,370	2,544,283	68,087
Due in more than one year	72,830,771	73,354,155	(523,384)
Total Liabilities	\$ 78,878,076	\$ 79,964,314	(\$ 1,086,238)
Net Assets:			
Invested in capital assets, net of related debt	75,360,279	71,460,042	3,900,237
Restricted for:			
Parks	299,278	158,694	140,584
Public Safety	601,660	0	601,660
Highway and Streets	375,710	649,519	(273,809)
Housing	22,363,132	21,684,624	678,508
Debt service	4,645,419	3,720,189	925,230
Unrestricted	(401,603)	(1,553,334)	1,151,731
Total Net Assets	\$ 103,243,875	\$ 96,119,734	\$ 7,124,141

At the end of Fiscal Year 2011, the current assets were 15.5 percent of the total assets, up from 14.5 percent the preceding year, with the remaining 84.5 percent representing capital assets, net of accumulated depreciation and properties held for resale and other assets. The current liabilities are 4.4 percent of the total liabilities, down from 5.1 percent. The current ratio for governmental activities at the end of the year was \$8.20 of current assets for every \$1.00 of current liabilities, up from \$6.28. This increase can be attributed to the reclassifying of redevelopment land from an asset not being depreciated to land held for resale. Of the total net assets 73.0 percent were invested in capital assets.

The cost of all governmental activities during Fiscal Year 2011 was \$23,737,091. The amount that the City's taxpayers ultimately financed, however, was only \$15,240,110. Those who directly benefited from the programs paid \$3,259,016.

Overall, the City generated program revenues from governmental activities amounting to \$11,332,560. From fiscal year 2010 there was a increase in capital contributions and grants of \$2.4 million. This increase was due to the significant contribution in fiscal year 2011 of development improvements associated with the Viscaya subdivision. The improvements were contributed to the City by the developer's as a part of the development agreement. The remaining source of general governmental revenues of \$15.9 million came from the City's sources of general revenue (taxes and other general revenues), use of money and property and the sale of assets. Tax revenues increased by 2.3% in fiscal year 2011. The increase can be attributed to the continued growth in sales tax.

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

During the fiscal year ended June 30, 2011, the City received the following types of tax revenue:

	FY 2011	FY 2010	Change
Source of Taxes:			
Property taxes	\$ 5,078,633	\$ 5,248,441	(\$ 169,808)
Transient occupancy taxes	144,780	91,251	53,529
Sales taxes	5,803,277	5,569,620	233,657
Franchise taxes	233,109	214,722	18,387
Utility users tax	1,560,074	1,522,951	37,123
Motor vehicle tax	1,636,167	1,641,929	(5,762)
Other	784,070	611,305	172,765
Total	<u>\$ 15,240,110</u>	<u>\$ 14,900,219</u>	<u>\$ 339,891</u>

The following table presents the changes in net assets for governmental activities for the fiscal years ended June 30, 2011 and 2010.

	FY 2011	FY 2010	Change
Program Revenues:			
Charges for Services	\$ 3,259,016	\$ 3,326,049	(\$ 67,033)
Operating Contribution and Grants	1,877,718	1,753,052	124,666
Capital Contributions and Grants	6,195,826	3,768,170	2,427,656
General Revenues:			
Taxes	15,240,110	14,900,219	339,891
Use of Money and Property	360,997	533,961	(172,964)
Gain on Sale of Capital Assets	159,698	448,216	(288,518)
Other	174,494	335,350	(160,856)
Total Revenues	27,267,859	25,065,017	2,202,842
Expenses:			
General Government	4,009,529	3,131,533	877,996
Public Safety	8,107,881	8,171,242	(63,361)
Public Works	3,632,361	2,312,028	1,320,333
Community Development	1,763,309	3,417,402	(1,654,093)
Parks and Recreation	1,152,007	1,584,698	(432,691)
Interest on long-term debt	4,192,595	4,144,345	48,250
Unallocated depreciation	879,409	987,607	(108,198)
Total Expenses	23,737,091	23,748,855	(11,764)
Excess of Revenues over Expenses	3,530,768	1,316,162	2,214,606
Transfers	855,678	1,581,736	(726,058)
Extraordinary Items	0	0	0
Changes in Net Assets – Governmental Activities	\$ 4,386,446	\$ 2,897,898	\$ 1,488,548

### Business Type Activities

The table on the following page summarizes the financial position of the City's business-type activities at June 30, 2011 and 2010:

	FY 2011	FY 2010	Change
Assets:			
Current assets	\$ 5,967,328	\$ 3,795,124	\$ 2,172,204
Deferred charges, net of accumulated amortization	788,393	572,782	215,611
Restricted assets:			
Cash and investments with fiscal agent	2,911,048	2,707,484	203,564
Capital assets not being depreciated	15,550,482	10,568,098	4,982,384
Capital assets, net of accumulated depreciation	50,377,647	51,267,953	(890,306)
Total Assets	\$ 75,594,898	\$ 68,911,441	\$ 6,683,457

Liabilities:			
Current liabilities	1,555,829	855,323	700,506
Noncurrent liabilities:			
Due within one year	1,033,166	991,402	41,764
Due in more than one year	23,094,254	19,918,463	3,175,791
Total liabilities	<u>\$ 25,683,249</u>	<u>\$ 21,765,188</u>	<u>\$ 3,918,061</u>
Net assets:			
Invested in capital assets, net of related debt	\$ 45,170,204	\$ 43,840,754	\$ 1,329,450
Restricted	0	0	0
Unrestricted	4,741,445	3,305,499	1,435,946
Total Net Assets	<u>\$ 49,911,649</u>	<u>\$ 47,146,253</u>	<u>\$ 2,765,396</u>

The business-type activities of the City showed a positive current ratio at June 30, 2011: \$3.83 of current assets for every \$1.00 of current liabilities, down from \$4.43 the preceding year. This is due primarily to an increase in the accounts payable associated with the Sewer, Golf and Ambulance funds. Of the total net assets, 90.0 percent was invested in capital assets and 10.0 percent was unrestricted, which was available for future operations.

Total expenses for business-type activities for the fiscal year ended June 30, 2011 were \$11,317,652. Program revenues were primarily comprised of charges for services in the amount of \$11,421,678. Other program revenues were generated from grants and contributions of \$3,507,610. General revenues consisted of Use of Money and Property \$9,438. While the expenses in the business-type activities grew only 2.2%, the revenues increased by 30.9%. This dramatic increase can be primarily be attributed to grants received associated with the wastewater treatment plant expansion. The increase also includes water and sewer lines that were contributed to the City by the developer as part of improvements to the Visacaya subdivision.

The City's business-type activities include: water, sewer, disposal, ambulance, golf, and transit.

The following table presents the changes in net assets for business-type activities for the fiscal years ended June 30, 2011 and 2010:

	FY 2011	FY 2010	Change
Program Revenues:			
Charges for services	\$ 11,421,678	\$ 10,883,895	\$ 537,783
Operating contributions and grants	1,001,190	345,078	656,112
Capital contributions and grants	2,506,420	172,758	2,333,662
General Revenues:			
Gain or loss on sale of assets	9,438	14,373	(4,935)
Other			
Total Revenues	<u>\$ 14,938,726</u>	<u>\$ 11,416,104</u>	<u>\$ 3,522,622</u>

Expenses:			
Water	2,152,856	2,047,214	105,642
Sewer	2,292,341	2,007,892	284,449
Disposal	2,030,223	1,988,441	41,782
Ambulance	1,185,992	1,069,365	116,627
Transit	575,289	531,162	44,127
Golf	2,965,176	3,338,040	(372,864)
Compressed Natural Gas	115,775	86,736	29,039
Total Expenses	<u>\$ 11,317,652</u>	<u>\$ 11,068,850</u>	<u>\$ 248,802</u>
Excess (Deficiency) of Revenues over Expenses	3,621,074		3,273,820
Transfers	(855,678)	(1,581,736)	726,058
Extraordinary item – litigation settlement			
Changes in Net Assets – Business- Type Activities	<u>\$ 2,765,396</u>	<u>(\$ 1,234,482)</u>	<u>\$3,999,878</u>

Compared to the previous year both the governmental funds and the enterprise funds had a increased rate of growth in the changes of net assets. The increased rate of growth can be attributed to the addition of developer-contributed infrastructure related to the Viscaya development and the growth in grants received by the City.

## FINANCIAL ANALYSIS OF CITY'S

### General Fund

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

The General Fund revenues remained fairly constant between fiscal year 2010 and fiscal year 2011. Expenditures grew by 4% compare to the previous fiscal year. The growth can be primarily attributed to a one-time contractual obligation for certain sales tax services. Due to restructuring of the City, there were significant variances between the fiscal years for the general government, community development and parks departments. Overall, revenues exceeded expenditures by approximately \$60,000. The General Fund ended the fiscal year with a fund balance of \$2,169,057.



	FY 2011	FY 2010	Change
General Fund Revenues:			
Taxes and assessments	\$ 6,103,888	\$ 6,066,872	\$37,016
Licenses and permits	663,034	574,273	88,761
Intergovernmental	1,636,180	1,641,944	(5,764)
Charges for services	579,995	456,195	123,800
Fines, forfeitures, and penalties	19,229	16,140	3,089
Use of money and property	39,331	35,096	4,235
Overhead	1,675,017	1,984,803	(309,786)
Miscellaneous	29,161	440	28,721
Total Revenues	<u>\$ 10,745,835</u>	<u>\$ 10,775,763</u>	<u>(\$29,928)</u>
General Fund Expenditures:			
General Government	\$ 3,424,510	\$ 2,474,391	\$ 950,119
Public Safety	5,445,319	5,520,754	(75,435)
Public Works	577,021	454,844	122,177
Community Development	586	126,901	(126,315)
Parks and Community Services	835,819	1,369,056	(533,237)
Transfers	375,269	237,027	138,242
Debt Service	8,674	38,984	(30,310)
Capital Outlays	20,062	0	20,062
Total Expenditures	<u>\$ 10,687,260</u>	<u>\$ 10,221,957</u>	<u>\$ 465,303</u>

#### Other Major Funds

##### ***Community Development Block Grants Fund:***

Grant revenue for this fund totaled \$927,212, a slight decrease from the previous year. Expenditures for the fiscal year totaled \$1,033,001. Expenditures for local housing and other federal grants are accounted for in this fund. The City actively seeks participants for its Community Development Block Grant funds as evidenced by consistently high usage this fiscal year. The fund balance at the end of the year totaled \$269,253.

##### ***Redevelopment Agency Housing Fund:***

The primary expenditures in the fund were for an Industrial Trades Program in conjunction with Dinuba High School in which students build a house using material paid for by the Redevelopment Agency Housing Fund. These houses are later sold to a low income household using the First Time Home Owners CDBG grant funds. The fund balance increased by \$291,188. This increase is due to the sale of property.

##### ***Redevelopment Agency Capital Projects Fund:***

The primary expenditure in the fund was for a payment of \$325,413 to the State of California. This was Dinuba Redevelopment Agency's share of the ERAF taking as adopted by the Legislature during the State budget process. To make this payment, the Redevelopment Agency required interfund advances. As a result the advances payable in this fund increased to \$11,054,202.

***Redevelopment Agency Debt Service Fund:***

This fund accounts for the debt service on the Redevelopment Agency's Tax Allocation Bonds. The primary activity in this fund was the retirement of two tax allocation notes and the subsequent issuance of the 2011 A&B tax allocation bonds for \$15,140,000.

***Enterprise Funds:***

The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, wherein the cost of goods and services to the general public are financed or recovered primarily through user charges. The major enterprise funds include: Water, Sewer, Disposal, Ambulance, Transit, Compressed Natural Gas and Golf. All of the enterprise funds ended the year with positive unrestricted net assets with the exception of the Golf Fund. The Golf Fund ended the year with a deficit unrestricted net asset balance of \$1.1 million. The deficit balance can be attributed to the Interfund long-term advance of \$1.2 million. The long-term nature of this liability does not require current resources. The liability will be reduced as the land surrounding the golf course is sold. Before transfers the Golf Fund had an operating loss of \$1,017,075. Depreciation in the Golf fund totaled \$1,013,200.

**CAPITAL**

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2011, amounted to \$210,546,509 (net of accumulated depreciation), an increase of \$6,609,308 from \$203,937,201 in FY2010. The increase can be attributed to almost \$9.0 million in improvements to the wastewater treatment plant and \$1.8 million of land acquisition for the Avenue 416 project. These additions are somewhat offset by the depreciation of the City's assets. The City's capital assets include land, land improvements, buildings, improvements other than buildings, machinery and equipment, and construction in progress.

Major capital assets additions during fiscal year 2011 included the construction in progress on the wastewater treatment plant expansion as well as the Avenue 416 improvements.

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**

The City uses a variety of tax increment, revenue, and lease indebtedness to finance various capital acquisitions. At June 30, 2011, the City's long-term debt outstanding was \$98,781,440, up from last fiscal year's total of \$96,055,126. The increase is due to the growth in the Other Post Employment Benefit (OPEB) obligation. These figures do not include amounts due for compensated absences.

The following table provides a breakdown of the City's outstanding indebtedness as of June 30, 2011:

	FY 2011	FY 2010
Governmental Activities:		
Tax Allocation Bonds	\$ 53,605,000	\$ 39,285,000
Tax Allocation Notes	1,370,000	15,870,000
Revenue Bonds	13,875,000	14,165,000
Capital Leases	814,538	976,254
Net OPEB obligation	2,246,355	1,606,286
Notes and Loans Payable	2,880,931	3,360,920
Total Governmental Activities	<u>\$ 74,791,824</u>	<u>\$ 75,263,460</u>
Business-type Activities		
Capital Leases	\$ 143,456	\$ 333,219
Revenue Bonds	10,770,000	7,045,000
Notes and Loans Payable	8,087,419	8,575,192
Installment Purchase	1,615,000	0
Net OPEB obligation	368,741	143,255
Certificates of Participation	3,005,000	4,695,000
Total Business-type Activities	<u>\$ 23,989,616</u>	<u>\$ 20,791,666</u>
Total Government		
Tax Allocation Bonds	\$ 53,605,000	\$ 39,285,000
Tax Allocation Notes	1,370,000	15,870,000
Revenue Bonds	24,645,000	21,210,000
Capital Leases	957,994	1,309,473
Notes and Loans Payable	10,968,350	11,936,112
Installment Purchase	1,615,000	0
Net OPEB obligation	2,615,096	1,749,541
Certificates of Participation	3,005,000	4,695,000
Total Outstanding Indebtedness	<u>\$ 98,781,440</u>	<u>\$ 96,055,126</u>

The tax allocation bonds are paid from the receipt of incremental property taxes levied within the City's redevelopment areas. These redevelopment project areas currently are accounted for in the Dinuba Redevelopment Agency funds.

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

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

The State of California mandates a limit on general obligation debt of 15 percent of true cash value of all taxable property within the City boundaries. At June 30, 2011, this limit was \$139,308,017. The City's debt applicable to the limit was \$78,992,402. More information on the City's outstanding debt may be found in Note 8 in the Notes to Basic Financial Statements section later in this document.

## **BUDGETING**

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

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

### **General Fund Budgetary Highlights**

Due to unanticipated events it became necessary to amend the original General Fund Budget. The largest amendment was to increase the budget for sales tax by \$1,500,000. This dramatic increase was due to the payment of back taxes owed on the Internet Sales tax, which was paid in fiscal year 2011. General Fund final expenditures were also increased primarily to pay for one-time contractual services associated with the collected of the Internet Sales tax. Overall, expenditures came under the final budget by \$23,973.

The General Fund budget to actual statements can be found later in the Required Supplementary Information Section of this report.

## **EXTRAORDINARY**

There were no extraordinary items in fiscal year 2011.

## **CONTACT THE CITY'S FINANCIAL MANAGEMENT**

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

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

## Basic Financial Statements





**CITY OF DINUBA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 4,832,141	\$ 1,965,617	\$ 6,797,758
Restricted assets:			
Cash and investments with fiscal agents	6,064,407	2,911,048	8,975,455
Receivables:			
Accounts	516,182	2,308,194	2,824,376
Intergovernmental	2,242,808	582,182	2,824,990
Notes	16,787,042		16,787,042
Interest	1,367,589	3,104	1,370,693
Internal balances	(988,160)	988,160	
Inventories		120,071	120,071
Due from other agencies	96,437		96,437
Deferred charges – net of accumulated amortization	3,287,368	724,589	4,011,957
Prepaid items	32,262	63,804	96,066
Assets held for resale	3,265,495		3,265,495
Capital assets not being depreciated	112,360,955	15,550,482	127,911,437
Capital assets – net of accumulated depreciation	<u>32,257,425</u>	<u>50,377,647</u>	<u>82,635,072</u>
Total Assets	<u>182,121,951</u>	<u>75,594,898</u>	<u>257,716,849</u>
<b>LIABILITIES</b>			
Accounts payable	874,215	1,000,955	1,875,170
Accrued liabilities	470,952	140,025	610,977
Accrued interest payable	1,046,306	292,808	1,339,114
Unearned revenue	618,462	73,942	692,404
Deposits and other liabilities	425,000	48,099	473,099
Noncurrent liabilities:			
Due in one year	2,612,370	1,033,166	3,645,536
Due in more than one year	<u>72,830,771</u>	<u>23,094,254</u>	<u>95,925,025</u>
Total Liabilities	<u>78,878,076</u>	<u>25,683,249</u>	<u>104,561,325</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	75,360,279	45,170,204	120,530,483
Restricted for:			
Parks	299,278		299,278
Highways and streets	375,710		375,710
Housing	22,363,132		22,363,132
Public safety	601,660		601,660
Debt service	4,645,419		4,645,419
Unrestricted	<u>(401,603)</u>	<u>4,741,445</u>	<u>4,339,842</u>
Total Net Assets	<u>\$103,243,875</u>	<u>\$49,911,649</u>	<u>\$153,155,524</u>

See accompanying notes to basic financial statements

**CITY OF DINUBA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Functions/Programs	Expenses	Charges for Services	Program Revenue	
			Operating Contributions and Grants	Capital Contributions and Grants
Expenses:				
Governmental Activities:				
General government	\$ (4,009,529)	\$ 27,409	\$ 219	\$
Public safety	(8,107,881)	446,219	356,929	
Public works	(3,632,361)	2,489,475		6,195,826
Community development	(1,763,309)	178,106	1,509,630	
Parks and recreation	(1,152,007)	117,807	10,940	
Interest on long-term debt	(4,192,595)			
Unallocated depreciation	(879,409)			
Total Governmental Activities	<u>(23,737,091)</u>	<u>3,259,016</u>	<u>1,877,718</u>	<u>6,195,826</u>
Business-type Activities:				
Water	(2,152,856)	2,569,449		508,688
Sewer	(2,292,341)	2,603,345		1,959,513
Disposal	(2,030,223)	2,891,914		
Ambulance	(1,185,992)	1,219,352		38,219
Transit	(575,289)	39,601	1,001,190	
Golf Course	(2,965,176)	1,948,101		
Compressed natural gas	(115,775)	149,916		
Total Business-type Activities	<u>(11,317,652)</u>	<u>11,421,678</u>	<u>1,001,190</u>	<u>2,506,420</u>
Total Primary Government	<u>\$(35,054,743)</u>	<u>\$14,680,694</u>	<u>\$2,878,908</u>	<u>\$8,702,246</u>
General Revenues:				
Taxes:				
Property taxes				
Transient occupancy taxes				
Sales taxes				
Franchise tax				
Utility users tax				
Other taxes				
Motor vehicle tax, unrestricted				
Use of money and property				
Other				
Gain on sale of capital assets				
Transfers				
Total General Revenues and Transfers				
Change in Net Assets				
Net Assets – Beginning of Fiscal Year, as previously reported				
Prior Period Adjustments				
Net Assets – Beginning of Fiscal Year, restated				
Net Assets – End of Fiscal Year				

See accompanying notes to basic financial statements

**CITY OF DINUBA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (3,981,901)	\$	\$ (3,981,901)
(7,304,733)		(7,304,733)
5,052,940		5,052,940
(75,573)		(75,573)
(1,023,260)		(1,023,260)
(4,192,595)		(4,192,595)
<u>(879,409)</u>		<u>(879,409)</u>
<u>(12,404,531)</u>		<u>(12,404,531)</u>
	925,281	925,281
	2,270,517	2,270,517
	861,691	861,691
	71,579	71,579
	465,502	465,502
	(1,017,075)	(1,017,075)
	<u>34,141</u>	<u>34,141</u>
	<u>3,611,636</u>	<u>3,611,636</u>
<u>\$ (12,404,531)</u>	<u>\$ 3,611,636</u>	<u>\$ (8,792,895)</u>
5,078,633		5,078,633
144,780		144,780
5,803,277		5,803,277
233,109		233,109
1,560,074		1,560,074
784,070		784,070
1,636,167		1,636,167
360,997	9,438	370,435
174,494		174,494
159,698		159,698
<u>855,678</u>	<u>(855,678)</u>	
16,790,977	(846,240)	15,944,737
4,386,446	2,765,396	7,151,842
96,119,734	47,146,253	143,265,987
<u>2,737,695</u>		<u>2,737,695</u>
<u>98,857,429</u>	<u>47,146,253</u>	<u>146,003,682</u>
<u>\$103,243,875</u>	<u>\$49,911,649</u>	<u>\$153,155,524</u>

CITY OF DINUBA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

		Special Revenue Funds	
	General	Community Development Block Grant	Redevelopment Agency Housing
<b>ASSETS</b>			
Cash and investments	\$ 54,636	\$ 144,689	\$
Restricted assets:			
Cash and investments with fiscal agent			
Receivables:			
Accounts	255,046		129,753
Intergovernmental	366,686	389,885	
Notes		15,011,567	85,050
Interest	3,242	1,303,723	
Prepaid items	24,628		
Assets held for resale			127,200
Due from other funds	335,332		
Interfund advances receivable	<u>2,845,117</u>		<u>4,585,928</u>
Total Assets	<u>\$3,884,687</u>	<u>\$16,849,864</u>	<u>\$4,927,931</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 262,466	\$ 265,334	\$ 5,594
Accrued liabilities	343,923		
Deferred revenue	8,168	16,315,277	85,050
Deposits and other liabilities			
Due to other funds			222,162
Interfund advances payable	<u>1,101,073</u>		
Total Liabilities	<u>1,715,630</u>	<u>16,580,611</u>	<u>312,806</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Advances	2,845,117		4,585,928
Prepaid items	24,628		
Assets held for resale			127,200
Restricted for:			
Community development		269,253	
Landscape maintenance			
Capital projects			
Law enforcement			
Debt service			
Assigned for:			
Parks and recreation			
Landscape maintenance			
Community development			
Capital projects			
Unassigned:	<u>(700,688)</u>		<u>(98,003)</u>
Total Fund Balances	<u>2,169,057</u>	<u>269,253</u>	<u>4,615,125</u>
Total Liabilities and Fund Balances	<u>\$3,884,687</u>	<u>\$16,849,864</u>	<u>\$4,927,931</u>

See accompanying notes to basic financial statements

CITY OF DINUBA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

Capital Projects Funds		Debt Service		Other	Total
Redevelopment Agency Capital Projects	Transportation Construction	Financing Authority	Redevelopment Agency	Governmental Funds	Governmental Funds
\$ 251,959	\$1,142,598	\$ 118,646	\$	\$3,106,988	\$ 4,819,516
		2,119,466	3,944,941		6,064,407
375					385,174
117,124	664,326			704,787	2,242,808
564,462				1,125,963	16,787,042
854	1,542	136		58,046	1,367,543
				114	24,742
3,138,295					3,265,495
					335,332
<u>1,765,634</u>	<u>530,576</u>	<u>643,073</u>		<u>3,969,000</u>	<u>14,339,328</u>
<u>\$ 5,838,703</u>	<u>\$2,339,042</u>	<u>\$2,881,321</u>	<u>\$3,944,941</u>	<u>\$8,964,898</u>	<u>\$ 49,631,387</u>
\$ 15,834	\$ 105,803	\$	\$	\$ 69,220	\$ 724,251
4,947			187	82,091	431,148
167,639				1,772,505	18,348,639
375,000					375,000
			3,779	109,391	335,332
<u>11,054,202</u>			<u>2,176,877</u>	<u>686,404</u>	<u>15,018,556</u>
<u>11,617,622</u>	<u>105,803</u>		<u>2,180,843</u>	<u>2,719,611</u>	<u>35,232,926</u>
1,765,634	530,576	643,073		3,969,000	14,339,328
3,138,295					24,628
					3,265,495
			1,764,098		2,033,351
				195,278	195,278
	1,702,663			1,624,557	3,327,220
				558,186	558,186
		2,238,248		67	2,238,315
				12,126	12,126
				7,375	7,375
				187,292	187,292
				5	5
<u>(10,682,848)</u>				<u>(308,599)</u>	<u>(11,790,138)</u>
<u>(5,778,919)</u>	<u>2,233,239</u>	<u>2,881,321</u>	<u>1,764,098</u>	<u>6,245,287</u>	<u>14,398,461</u>
<u>\$ 5,838,703</u>	<u>\$2,339,042</u>	<u>\$2,881,321</u>	<u>\$3,944,941</u>	<u>\$8,964,898</u>	<u>\$ 43,386,100</u>





CITY OF DINUBA  
RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2011

Fund balances of governmental funds		\$ 14,398,461
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets net of accumulated depreciation have not been included as financial resources in governmental funds		144,608,820
Certain notes receivable are not available to pay for current period expenditures and, therefore are offset by deferred revenue in the governmental funds		17,730,177
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds		
Unfunded OPEB liabilities	\$ (2,246,355)	
Long-term liabilities	(72,545,469)	
Compensated absences	<u>(590,245)</u>	(75,382,069)
Deferred charges, net of accumulated amortization for debt issuance cost on long-term debt have not been reported in the governmental funds		3,287,368
Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds		(1,046,306)
Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service fund must be added to the statement of net assets		<u>(352,576)</u>
Net Assets of Governmental Activities		<u>\$103,243,875</u>

CITY OF DINUBA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

		Special Revenue Funds	
	General	Community Development Block Grant	Redevelopment Agency Housing
REVENUES			
Taxes and assessments	\$ 6,103,888	\$	\$
Licenses and permits	663,034		
Intergovernmental	1,636,180	927,212	
Charges for services	579,995		
Use of money and property	39,331	350	5,984
Fines and forfeitures	19,229	60	
Reimbursements	1,675,017		
Miscellaneous	29,161		1,600
Total Revenues	10,745,835	927,622	7,584
EXPENDITURES			
Current:			
General government	3,424,510		
Public safety	5,445,319		
Public works	577,021		
Community development	586	538,031	97,345
Parks and recreation	835,819		
Capital outlay	20,062	494,970	27,539
Debt service:			
Principal retirement	8,579		2,687
Interest and fiscal charges	95		2,253
Cost of issuance			
Total Expenditures	10,311,991	1,033,001	129,824
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	433,844	(105,379)	(122,240)
OTHER FINANCING SOURCES (USES):			
Transfers in			283,428
Transfers out	(375,269)	(32,005)	
Proceeds from issuance of long-term debt			
Sale of property			130,000
Total Other Financing Sources (Uses)	(375,269)	(32,005)	413,428
NET CHANGE IN FUND BALANCES	58,575	(137,384)	291,188
FUND BALANCES – BEGINNING OF FISCAL YEAR	2,110,482	406,637	4,323,937
PRIOR PERIOD ADJUSTMENTS			
FUND BALANCE, BEGINNING OF FISCAL YEAR (restated)	2,110,482	406,637	4,323,937
FUND BALANCES – END OF FISCAL YEAR	\$ 2,169,057	\$ 269,253	\$4,615,125

See accompanying notes to basic financial statements

CITY OF DINUBA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Capital Projects Funds		Debt Service Funds		Other Governmental Funds	Total Governmental Funds
Redevelopment Agency Capital Projects	Transportation Construction	Financing Authority	Redevelopment Agency		
\$ 4,502,846	\$	\$	\$	\$2,726,590	\$ 13,333,324
	5,559,868			663,034	9,592,560
20,300	4,162	9,465	26,343	1,451,820	2,031,815
				113,588	219,523
				146,193	165,482
				548,504	2,223,521
<u>43,668</u>				<u>121,115</u>	<u>195,544</u>
<u>4,566,814</u>	<u>5,564,030</u>	<u>9,465</u>	<u>26,343</u>	<u>6,577,110</u>	<u>28,424,803</u>
					3,424,510
	690			1,455,326	6,900,645
735,139				1,469,460	2,047,171
				109,470	1,480,571
				35,749	871,568
	4,849,255			430,650	5,822,476
		290,000	16,050,372	1,445,065	17,796,703
		735,010	3,097,923	112,718	3,947,999
			<u>734,435</u>		<u>734,435</u>
<u>735,139</u>	<u>4,849,945</u>	<u>1,025,010</u>	<u>19,882,730</u>	<u>5,058,438</u>	<u>43,026,078</u>
<u>3,831,675</u>	<u>714,085</u>	<u>(1,015,545)</u>	<u>(19,856,387)</u>	<u>1,518,672</u>	<u>(14,601,275)</u>
	798,514	946,306	4,586,959	344,269	6,959,476
(5,042,382)	(75,000)		(140,946)	(2,566,083)	(8,231,685)
			15,140,000	1,172,340	16,312,340
<u>19,367</u>				<u>10,331</u>	<u>159,698</u>
<u>(5,023,015)</u>	<u>723,514</u>	<u>946,306</u>	<u>19,586,013</u>	<u>(1,039,143)</u>	<u>15,199,829</u>
(1,191,340)	1,437,599	(69,239)	(270,374)	479,529	598,554
<u>(7,325,274)</u>	<u>795,640</u>	<u>2,950,560</u>	<u>2,034,472</u>	<u>5,765,758</u>	<u>11,062,212</u>
<u>2,737,695</u>					<u>2,737,695</u>
<u>(4,587,579)</u>	<u>795,640</u>	<u>2,950,560</u>	<u>2,034,472</u>	<u>5,765,758</u>	<u>13,799,907</u>
<u>\$(5,778,919)</u>	<u>\$2,233,239</u>	<u>\$ 2,881,321</u>	<u>\$ 1,764,098</u>	<u>\$ 6,245,287</u>	<u>\$ 14,398,461</u>



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, 2011

Net change in fund balances – total governmental funds \$ 598,554

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period. 2,519,232

Certain notes receivable are reported in the governmental funds as expenditures and are then offset by deferred revenue as they are not available to pay current expenditures. Likewise when the note is collected it is reflected in revenue. This is the net change between notes receivable collected and issued. 776,127

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Issuance of bond principal is an other financing source and repayment of bond principal is an expenditure in governmental funds, but the issuance increases long-term liabilities and the repayment reduces long-term liabilities in the statement of net assets. Also, governmental funds report the effect of issuance costs when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. 1,111,705

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

Change in unfunded OPEB liability	\$(640,069)	
Change in deferred costs of issuance	271,302	
Change in accrued interest payable	218,537	
Change in long-term compensated absences	<u>(15,588)</u>	(165,818)

Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. (453,354)

Change in Net Assets of Governmental Activities \$4,386,446

CITY OF DINUBA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2011

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Disposal
<b>ASSETS</b>			
Current Assets			
Cash and cash investments	\$ 412,600	\$ 596,198	\$413,063
Restricted cash and investments with fiscal agents	48,099	2,862,949	
Accounts receivable, net	506,693	441,227	279,090
Interest receivable	593	1,403	483
Inventories			
Due from other agencies		580,951	
Prepaid expenses	146		60,000
Deferred charges		724,589	
Due from other funds		663,794	
Total Current Assets	<u>968,131</u>	<u>5,871,111</u>	<u>752,636</u>
Noncurrent Assets:			
Interfund advances receivable	1,490,000	1,165,634	
Capital assets:			
Land	261,806	4,388,142	
Depreciable infrastructure, net	10,404,351	6,999,268	
Depreciable buildings and improvements, net	6,417,603	502,254	
Depreciable equipment, net	75,023	26,359	177,827
Construction in progress		6,765,067	
Total Noncurrent Assets	<u>18,648,783</u>	<u>19,846,724</u>	<u>177,827</u>
Total Assets	<u>19,616,914</u>	<u>25,717,835</u>	<u>930,463</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	70,907	674,562	75,724
Accrued liabilities	46,424	8,323	1,974
Accrued interest payable		292,745	
Claims payable			
Deferred revenue			
Deposits payable	48,099		
Due to other funds			
Current portion of long-term obligations	<u>365,144</u>	<u>471,016</u>	<u>5,121</u>
Total Current Liabilities	<u>530,574</u>	<u>1,446,646</u>	<u>82,819</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Interfund advances payable		1,165,634	
Compensated absences	7,570	3,855	3,335
Net OPEB liability	78,632	77,493	20,420
Capital leases payable			
Notes payable	7,331,652	250,983	
Revenue bonds		10,660,000	
Certificate of participation payable		4,420,000	
Total Noncurrent Liabilities	<u>7,417,854</u>	<u>16,577,965</u>	<u>23,755</u>
Total Liabilities	<u>7,948,428</u>	<u>18,024,611</u>	<u>106,574</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	9,473,287	5,751,704	177,827
Unrestricted	<u>2,195,199</u>	<u>1,941,520</u>	<u>646,062</u>
Total Net Assets	<u>\$11,668,486</u>	<u>\$ 7,693,224</u>	<u>\$823,889</u>

See accompanying notes to basic financial statements

CITY OF DINUBA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2011

Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
Ambulance	Transit	Golf Course	Compressed Natural Gas	Totals	
\$ 125,864	\$134,904	\$ 68,033	\$214,955	\$ 1,965,617	\$ 12,625
				2,911,048	
762,222	240,062	73,927	4,973	2,308,194	131,008
154	195		276	3,104	46
		120,071		120,071	
		1,231		582,182	96,437
87		3,571		63,804	7,520
				724,589	
				663,794	
<u>888,327</u>	<u>375,161</u>	<u>266,833</u>	<u>220,204</u>	<u>9,342,403</u>	<u>247,636</u>
				2,655,634	354,862
		4,135,467		8,785,415	
		6,259,559		23,663,178	
	79,912	18,393,736		25,393,505	
205,925	435,367	400,463		1,320,964	9,560
				6,765,067	
<u>205,925</u>	<u>515,279</u>	<u>29,189,225</u>		<u>68,583,763</u>	<u>364,422</u>
<u>1,094,252</u>	<u>890,440</u>	<u>29,456,058</u>	<u>220,204</u>	<u>77,926,166</u>	<u>612,058</u>
9,582	32,899	126,938	10,344	1,000,956	149,964
24,659		58,069	576	140,025	39,804
		63		292,808	
					50,000
8,150		65,792		73,942	
				48,099	
<u>52,201</u>		<u>139,333</u>	<u>351</u>	<u>1,033,166</u>	<u>663,794</u>
<u>94,592</u>	<u>32,899</u>	<u>390,195</u>	<u>11,271</u>	<u>2,588,996</u>	<u>903,562</u>
		1,165,634		2,331,268	
43,832			576	59,168	61,072
188,617			3,578	368,740	
		3,710		3,710	
				7,582,635	
				10,660,000	
				4,420,000	
<u>232,449</u>		<u>1,169,344</u>	<u>4,154</u>	<u>25,425,521</u>	<u>61,072</u>
<u>327,041</u>	<u>32,899</u>	<u>1,559,539</u>	<u>15,425</u>	<u>28,014,517</u>	<u>964,634</u>
205,925	515,279	29,046,182		45,170,204	9,560
561,286	342,262	(1,149,663)	204,779	4,741,445	(362,136)
<u>\$ 767,211</u>	<u>\$857,541</u>	<u>\$27,896,519</u>	<u>\$204,779</u>	<u>\$49,911,649</u>	<u>\$(352,576)</u>

CITY OF DINUBA  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Disposal
OPERATING REVENUES:			
Sales and service charges	\$ 2,536,397	\$2,582,045	\$2,860,843
Other	<u>33,052</u>	<u>21,300</u>	<u>31,071</u>
Total Operating Revenues	<u>2,569,449</u>	<u>2,603,345</u>	<u>2,891,914</u>
OPERATING EXPENSES:			
Cost of goods sold			
Salaries and benefits	439,484	366,952	117,220
Contractual services	112,977	163,305	1,036,239
Materials and supplies	249,122	92,937	18,915
Repairs and maintenance	20,218	43,959	11,749
Dump fees			651,029
Utilities	389,639	341,463	
Rents and leases			
Insurance	42,547	40,838	
Allocated overhead	978,921	498,314	802,944
Depreciation	<u>519,306</u>	<u>187,696</u>	<u>21,422</u>
Total Operating Expenses	<u>2,752,214</u>	<u>1,735,464</u>	<u>2,659,518</u>
Operating Income (loss)	<u>(182,765)</u>	<u>867,881</u>	<u>232,396</u>
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental			
Interest revenue	1,432	5,573	924
Interest expense	<u>(210,837)</u>	<u>(895,629)</u>	
Total Nonoperating Revenues (expenses)	<u>(209,405)</u>	<u>(890,056)</u>	<u>924</u>
Income (Loss) Before Contributions and Transfers	<u>(392,170)</u>	<u>(22,175)</u>	<u>233,320</u>
Capital contributions	508,688	1,959,513	
Transfers in	363,407	942,446	
Transfers out	<u>(129,800)</u>	<u>(267,126)</u>	<u>(10,600)</u>
Net Contributions and Transfers	<u>742,295</u>	<u>2,634,833</u>	<u>(10,600)</u>
Changes in Net Assets	350,125	2,612,658	222,720
Net Assets – Beginning of Fiscal Year	<u>11,318,361</u>	<u>5,080,566</u>	<u>601,169</u>
Net Assets – End of fiscal year	<u>\$11,668,486</u>	<u>\$7,693,224</u>	<u>\$ 823,889</u>

See accompanying notes to basic financial statements



CITY OF DINUBA  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Business-Type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
Ambulance	Transit	Golf Course	Compressed Natural Gas	Totals	
\$1,216,682	\$ 39,601	\$ 1,930,686	\$149,916	\$11,316,170	\$3,681,421
<u>2,670</u>		<u>17,415</u>		<u>105,508</u>	
<u>1,219,352</u>	<u>39,601</u>	<u>1,948,101</u>	<u>149,916</u>	<u>11,421,678</u>	<u>3,681,421</u>
876,367		345,275		345,275	
		970,716	19,247	2,789,986	929,707
	393,272	133,699		1,839,492	26,185
149,412	61,667	265,863	4,471	842,387	327,323
20,351	21,672	16,689	23,965	158,603	
				651,029	
		121,142	64,901	917,145	
		85,684		85,684	
37,371				120,756	3,005,476
278,589	21,877		3,191	2,583,836	30,004
<u>39,270</u>	<u>95,078</u>	<u>1,013,200</u>		<u>1,875,972</u>	<u>2,002</u>
<u>1,401,360</u>	<u>593,566</u>	<u>2,952,268</u>	<u>115,775</u>	<u>12,210,165</u>	<u>4,320,697</u>
<u>(182,008)</u>	<u>(553,965)</u>	<u>(1,004,167)</u>	<u>34,141</u>	<u>(788,487)</u>	<u>(639,276)</u>
	1,001,190			1,001,190	69,815
353	507		649	9,438	107
		<u>(12,908)</u>		<u>(1,119,374)</u>	
<u>353</u>	<u>1,001,697</u>	<u>(12,908)</u>	<u>649</u>	<u>(108,746)</u>	<u>69,922</u>
<u>(181,655)</u>	<u>447,732</u>	<u>(1,017,075)</u>	<u>34,790</u>	<u>(897,233)</u>	<u>(569,354)</u>
38,219				2,506,420	
106,079		204,000		1,615,932	116,000
			<u>(52,197)</u>	<u>(459,723)</u>	
<u>144,298</u>		<u>204,000</u>	<u>(52,197)</u>	<u>3,662,629</u>	<u>116,000</u>
(37,357)	447,732	(813,075)	(17,407)	2,765,396	(453,354)
<u>804,568</u>	<u>409,809</u>	<u>28,709,594</u>	<u>222,186</u>	<u>47,146,253</u>	<u>100,778</u>
<u>\$ 767,211</u>	<u>\$ 857,541</u>	<u>\$27,896,519</u>	<u>\$204,779</u>	<u>\$49,911,649</u>	<u>\$ (352,576)</u>

CITY OF DINUBA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Disposal
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers and users	\$2,552,475	\$ 2,578,136	\$ 2,890,056
Cash paid to suppliers for goods and services	(814,958)	(613,527)	(1,737,078)
Cash paid to employees for services	(404,325)	(332,781)	(100,240)
Cash paid for allocated overhead	(978,921)	(498,314)	(802,944)
Net Cash Provided (Used) by Operating Activities	<u>354,271</u>	<u>1,133,514</u>	<u>249,794</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Intergovernmental revenue			
Transfers to other funds	(129,800)	(267,126)	(10,600)
Transfers from other funds	363,407	942,446	
Due to (from) other funds		(663,794)	
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>233,607</u>	<u>11,526</u>	<u>(10,600)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from issuance of long-term debt		3,825,000	
Capital contributions		1,238,842	
Purchases of capital assets		(4,442,563)	
Principal paid on long-term debt	(346,828)	(316,885)	
Interest paid on long-term debt	(210,837)	(1,075,760)	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(557,665)</u>	<u>(771,366)</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	<u>1,335</u>	<u>4,478</u>	<u>597</u>
Net Cash Provided (used) by Investing Activities	<u>1,335</u>	<u>4,478</u>	<u>597</u>
Net Increase (Decrease) in Cash and Cash Equivalents	31,548	378,152	239,791
CASH AND CASH EQUIVALENTS AT BEGINNING OF FISCAL YEAR	<u>429,151</u>	<u>3,080,995</u>	<u>173,272</u>
CASH AND CASH EQUIVALENTS AT END OF FISCAL YEAR	<u>\$ 460,699</u>	<u>\$ 3,459,147</u>	<u>\$ 413,063</u>
<b>RECONCILIATION TO STATEMENT OF NET ASSETS:</b>			
Cash and investments	\$ 412,600	\$ 596,198	\$ 413,063
Restricted cash and investments with fiscal agent	<u>48,099</u>	<u>2,862,949</u>	
	<u>\$ 460,699</u>	<u>\$ 3,459,147</u>	<u>\$ 413,063</u>

See accompanying notes to basic financial statements

CITY OF DINUBA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Business-Type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
Ambulance	Transit	Golf Course	Compressed Natural Gas	Totals	
\$1,207,025	\$ 39,601	\$1,931,009	\$177,288	\$11,375,590	\$ 3,591,985
(202,246)	(476,015)	(949,425)	(96,250)	(4,889,499)	(3,252,724)
(720,373)		(970,716)	(14,742)	(2,543,177)	(928,956)
<u>(278,589)</u>	<u>(21,877)</u>		<u>(3,191)</u>	<u>(2,583,836)</u>	<u>(30,004)</u>
5,817	(458,291)	10,868	63,105	1,359,078	(619,699)
	807,242			807,242	
			(52,197)	(459,723)	116,000
106,079		204,000		1,615,932	
		<u>(1,231)</u>		<u>(665,025)</u>	<u>487,815</u>
<u>106,079</u>	<u>807,242</u>	<u>202,769</u>	<u>(52,197)</u>	<u>1,298,426</u>	<u>603,815</u>
				3,825,000	
38,219				1,277,061	
(106,079)	(231,180)			(4,779,822)	
		(188,824)		(852,537)	
		<u>(12,845)</u>		<u>(1,299,442)</u>	
<u>(67,860)</u>	<u>(231,180)</u>	<u>(201,669)</u>		<u>(1,829,740)</u>	
312	312		373	7,407	111
312	312		373	7,407	111
44,348	118,083	11,968	11,281	835,171	(15,773)
81,516	16,821	56,065	203,674	4,041,494	28,398
<u>\$ 125,864</u>	<u>\$ 134,904</u>	<u>\$ 68,033</u>	<u>\$214,955</u>	<u>\$ 4,876,665</u>	<u>\$ 12,625</u>
\$ 125,864	\$ 134,904	\$ 68,033	\$214,955	\$ 1,965,617	\$ 12,625
				2,911,048	
<u>\$ 125,864</u>	<u>\$ 134,904</u>	<u>\$ 68,033</u>	<u>\$214,955</u>	<u>\$ 4,876,665</u>	<u>\$ 12,625</u>

CITY OF DINUBA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Disposal
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	<u>\$(182,765)</u>	<u>\$ 867,881</u>	<u>\$232,396</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	519,306	187,696	21,422
Adjustments:			
(Increase) decrease in due from other agencies			
(Increase) decrease in accounts receivable	(22,829)	(25,209)	(1,858)
(Increase) decrease in inventories			
(Increase) decrease in prepaid expenses	(2)		
Increase (decrease) in accounts payable	(3,213)	68,975	(20,374)
Increase (decrease) in accrued liabilities	2,760	1,716	1,228
Increase (decrease) in compensated absences	3,539	(4,338)	4,306
Increase (decrease) in deferred revenue			
Increase (decrease) in deposits payable	5,855		
Increase (decrease) in OPEB liability	<u>31,620</u>	<u>36,793</u>	<u>12,674</u>
Total Adjustments	<u>537,036</u>	<u>265,633</u>	<u>17,398</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 354,271</u>	<u>\$1,133,514</u>	<u>\$249,794</u>
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Contributions of capital assets from developers	<u>\$ 508,688</u>	<u>\$ 139,720</u>	<u>\$ _____</u>

See accompanying notes to basic financial statements

CITY OF DINUBA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

Business-Type Activities Enterprise Funds					Governmental Activities Internal Service Funds
<u>Ambulance</u>	<u>Transit</u>	<u>Golf Course</u>	<u>Compressed Natural Gas</u>	<u>Totals</u>	
<u>\$(182,008)</u>	<u>\$(553,965)</u>	<u>\$(1,004,167)</u>	<u>\$34,141</u>	<u>\$ (788,487)</u>	<u>\$(639,276)</u>
39,270	95,078	1,013,200		1,875,972	2,002
(20,477)		(34,107)	27,372	(77,108)	(32,720)
64		(21,534)		(21,534)	(56,716)
2,046	596	(2,171)		(2,109)	14,769
2,778		31,549	(3,489)	76,089	87,297
15,174		11,083	576	20,141	4,194
8,150			927	19,608	751
		17,015		25,165	
				5,855	
<u>140,820</u>			<u>3,578</u>	<u>225,486</u>	
<u>187,825</u>	<u>95,674</u>	<u>1,015,035</u>	<u>28,964</u>	<u>2,147,565</u>	<u>19,577</u>
<u>\$ 5,817</u>	<u>\$(458,291)</u>	<u>\$ 10,868</u>	<u>\$63,105</u>	<u>\$1,359,078</u>	<u>\$(619,699)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 648,408</u>	<u>\$</u>

CITY OF DINUBA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2011

	<u>Agency Funds</u>
ASSETS:	
Cash and investments	\$443,967
Accounts receivables	<u>2,155</u>
Total Assets	<u>\$446,122</u>
LIABILITIES:	
Accounts payable	\$ 11,723
Deposits payable	<u>434,399</u>
Total Liabilities	<u>\$446,122</u>

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011

**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 Units.** The Dinuba Redevelopment Agency (Agency) project area is bounded in its entirety within the city limits. The Agency is governed by a Board which is comprised of the City Council, and the City Manager serves as the Executive Director of the Agency. Debt is authorized by the Board and is repaid through tax increment financing; bonded debt is not a liability of the City of Dinuba. The financial activity of the Agency is reported in the Special Revenue, Debt Service, and Capital Projects Funds. In addition, because of legal requirements, the Agency issued an annual financial report under separate cover. A copy of that report may be obtained from: Financial Services Manager, 405 E. El Monte, Dinuba, CA 93618.

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

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(continued)

**B. Government-wide and Fund Financial Statements**

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

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

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

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

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

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

Governmental 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.



CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(continued)

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

The Dinuba Redevelopment Agency Housing Special Revenue Fund – This fund accounts for the capital improvements and operating costs associated with the low and moderate income portion of the Redevelopment Agency.

The Dinuba Redevelopment Agency Capital Projects Fund – This fund accounts for the financing, construction, and administrative activities of the Agency.

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

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

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

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.

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(continued)

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

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

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

Additionally, the City reports the following fund types:

The Internal Service Fund 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.

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(continued)

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.

**D. Assets, Liabilities, Net Assets or Equity**

**Cash and Investments**

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

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

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

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

For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be change and petty cash funds, equity in the City's cash and investment pool, and restricted non-pooled investments with initial maturities of three months or less.

**Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

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

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(continued)

**Inventories and Prepaid Items**

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

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

**Property Taxes**

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

**Prepaid Items**

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

**Restricted Assets**

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

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

**Capital Assets**

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year ended June 30, 2011.

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(continued)

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	20-40
Utility systems	40-75
Vehicles	5-15
Computer equipment	7
Other equipment and furnishings	7

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

#### **Compensated Absences**

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

#### **Long-Term Obligations**

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

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

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(continued)

### **Net Assets and Fund Equity**

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

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

- *Nonspendable fund balance* – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of the City's highest level of decision-making authority 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. The intent can be established by either the highest level of decision making, or by a body or an official designated for that purpose.
- *Unassigned fund balance* – the residual classification for the City's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

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

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

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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(continued)

**E. Estimates**

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

**F. Reconciliation of Government-wide and Fund Financial Statements**

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

The governmental funds balance sheet includes a reconciliation between fund balances – governmental funds and net assets of governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term debt and compensated absences from the general long-term debt account group have not been included in the governmental fund activity.” The detail of the \$75,382,069 long-term debt difference is as follows:

Long-term debt	
Tax allocation notes payable	\$ 1,370,000
Tax allocation bonds payable	53,605,000
Lease revenue bonds payable	13,875,000
Notes payable	2,880,931
Capital leases payable	814,538
Unfunded OPEB liability	2,246,355
Compensated absences	<u>590,245</u>
Net adjustment to reduce fund balances of total governmental funds to arrive at net assets of governmental activities	<u>\$75,382,069</u>

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

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

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NOTES TO BASIC FINANCIAL STATEMENTS  
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(continued)

Capital outlay	\$ 4,243,902
Depreciation expense	<u>(1,724,670)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,519,232</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.” Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$1,111,705 difference are as follows:

Debt issued:	
Tax allocation bonds	\$(15,140,000)
Notes and loans payable	(375,000)
Principal repayments:	
Tax allocations bonds	820,000
Revenue bonds	290,000
Notes and loans payable	854,989
Capital leases payable	161,716
Tax allocation notes	<u>14,500,000</u>
Net adjustment to increase net changes in fund balance of total government funds to arrive at changes in net assets of governmental activities	<u>\$ 1,111,705</u>

## 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### A. General Budget Policies

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



CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
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(continued)

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

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

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

5. Capital projects are budgeted through the Capital Projects Funds. Appropriations for capital projects authorized but not constructed or completed during the year are carried forward as continuing appropriations into the following fiscal year's budget.
6. Under Article XIII-B of the California constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset by a deficit in the following year. For the fiscal year ended June 30, 2011, based on calculations by City staff, proceeds of taxes did not exceed appropriations. Further, Section 45 of Article XIII-B allows the City to designate a portion of fund balance for general contingencies, to be used for any purpose.

**B. Deficit Fund Balances and Net Assets**

The following funds had deficit fund balances/net assets at June 30, 2011:

Major Governmental Fund:	
Redevelopment Agency Capital Projects	\$5,778,919
Internal Service Funds:	
Insurance Fund	\$ 331,900
Billing and Collection Service Fund	\$ 28,453

The deficit in the Redevelopment Agency Capital Projects fund will be eliminated through future tax revenues. Deficits in the remaining funds will be relieved through future revenues or transfers from other funds.

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(continued)

**C. Excess Expenditures over Appropriations**

The following are funds in which certain expenditures exceeded appropriations for the fiscal year ended June 30, 2011. Sufficient additional resources were available to fund these expenditures. In the case of the redevelopment agency debt service fund, on June 7, 2011 the City Council approved the refunding of \$14,500,000 of tax allocation notes and the issuance of tax allocation bonds.

<u>Fund/Function</u>	<u>Final Appropriation</u>	<u>Expenditures</u>	<u>Excess</u>
Nonmajor Funds:			
Community Enhancement Grants			
Special Revenue Fund	\$ 305,351	\$ 330,924	\$ 25,573
Drainage District Capital Projects Fund	22,000	183,022	161,022
Major Funds:			
Redevelopment Agency Debt Service Fund	4,923,731	19,882,730	14,958,999

**3. CASH AND INVESTMENTS**

Cash and investments as of June 30, 2011 are classified in the accompanying financial statement as follows:

Statement of net assets:	
Cash and investments	\$ 6,797,758
Restricted cash and investments with Fiscal Agents	8,975,455
Fiduciary funds:	
Cash and investments	<u>443,967</u>
Total Cash and Investments	<u>\$16,217,180</u>

Cash and investments as of June 30, 2011 consist of the following:

Cash on hand	\$ 7,025
Deposits with financial institutions	417,990
Investments	<u>15,792,165</u>
Total Cash and Investments	<u>\$16,217,180</u>

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(continued)

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

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

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

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

**B. Investment Authorized by Debt Agreements**

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the **investment types** that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address **interest rate risk**, **credit risk**, and **concentration of credit risk**.

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

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

**C. Disclosures Relating to Interest Rate Risk**

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

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

Investment Type	Totals	Remaining Maturity (in Months)			
		12 Months or Less	13 - 24 Months	25 - 60 Months	More Than 60 Months
State Investment Pool	\$ 6,816,710	\$ 6,816,710	\$	\$	\$
Held by Bond Trustees:					
Money Market Funds	4,582,480	4,582,480			
Negotiable Certificates of Deposits	2,136,412	1,416,656	719,756		
U.S. Agency Securities	<u>2,256,563</u>			<u>2,001,333</u>	<u>255,230</u>
	<u>\$15,792,165</u>	<u>\$12,815,846</u>	<u>\$719,756</u>	<u>\$2,001,333</u>	<u>\$255,230</u>

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

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

**CITY OF DINUBA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2011**  
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**E. Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Ratings as of Fiscal Year End	
			Not Rated	AAA
State Investment Pool	\$ 6,816,710	N/A	\$ 6,816,710	\$
Held by Bond Trustee:				
Money Market Funds	4,582,480	N/A	4,582,480	
Negotiable Certificates of Deposits	2,136,412		2,136,412	
U.S. Agency Securities	<u>2,256,563</u>	N/A		<u>2,256,563</u>
	<u>\$15,792,165</u>		<u>\$13,535,602</u>	<u>\$2,256,563</u>

**F. Concentration of Credit Risk**

The investment policy of the City of Dinuba contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities and external investment pools) that represent 5% or more of total City of Dinuba's investments are as follows:

Issuer	Investment Type	Reported Amount
FHLMC	Federal Agency Securities	\$2,007,995

**G. Custodial Credit Risk**

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

As of June 30, 2011, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. In addition, as of June 30, 2011, no investments were held by the same broker dealer (counterparty) that was used by the city of Dinuba to purchase the securities.

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(continued)

**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.

**4. NOTES RECEIVABLE**

Notes receivable as of June 30, 2011 were recorded as follows:

Special Revenue Funds	\$16,111,820
Capital Projects Funds	<u>675,222</u>
Total Notes Receivable	<u>\$16,787,042</u>

Notes receivable by type are:

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

\$10,315,982

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.

396,823

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

18,361

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

167,639

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

5,888,237

Totals

\$16,787,042

**CITY OF DINUBA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2011**  
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**5. ACCOUNTS RECEIVABLE**

The following is a list of accounts receivable at June 30, 2011.

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Governmental Funds -			
Due from other governments	\$2,242,808	\$	\$2,242,808
Accounts	<u>385,174</u>	<u></u>	<u>385,174</u>
	<u>\$2,627,982</u>	<u>\$</u>	<u>\$2,627,982</u>
Proprietary Funds -			
Accounts	<u>\$3,478,187</u>	<u>\$1,038,985</u>	<u>\$2,439,202</u>
Fiduciary Funds -			
Accounts	<u>\$ 2,155</u>	<u>\$</u>	<u>\$ 2,155</u>

**6. INTERFUND TRANSACTIONS**

**A. Current Interfund Balances**

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The City's current balances represent loans to cover temporary shortages of cash in individual funds. The following presents a summary of current interfund balances at June 30, 2011.

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Fund:		Redevelopment Agency Housing	\$222,162
General	<u>\$335,332</u>	Redevelopment Agency Debt Service	3,779
		Nonmajor Governmental	<u>109,391</u>
Totals	<u>\$335,332</u>		<u>\$335,332</u>

**CITY OF DINUBA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**B. Long-term Interfund Advances**

At June 30, 2011, the funds below have made/received advances that were not expected to be repaid within one year.

Receivable Fund	Amount	Payable Fund	Amount
Major Fund:		Major Funds:	
General	\$ 2,845,117	General (A)	\$ 1,101,073
Redevelopment Agency Housing	4,585,928	Redevelopment Agency Capital	
Redevelopment Agency Capital		Projects (B)	11,054,202
Projects	1,765,634	Redevelopment Agency Debt Service (C)	2,176,877
Transportation Construction	530,576		
Financing Authority	643,073		
Nonmajor Funds:		Nonmajor Funds:	
Parks Reserve	150,000	Parks Reserve (D)	116,904
System Development Charges	365,000	System Development Charges (E)	67,500
Assessment Districts	104,000	Public Safety Sales Tax (F)	312,000
MTBE	3,300,000	MTBE (G)	190,000
Public Works Management	50,000		
Internal Service Fund:			
Insurance	354,862		
Enterprise Fund:		Enterprise Fund	
Water	1,490,000	Sewer (H)	1,165,634
Sewer	<u>1,165,634</u>	Golf Course (I)	<u>1,165,634</u>
Totals	<u>\$17,349,824</u>	Totals	<u>\$17,349,824</u>

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

- (A) To be paid from future tax revenue.
- (B) To be paid from future redevelopment tax increment and the sale of property.
- (C) To be paid from future redevelopment tax increment.
- (D) To be paid from future impact fees.
- (E) To be paid from future impact fees.
- (F) To be paid from future Measure F sales tax.
- (G) To be paid from future sewer fees.
- (H) To be paid from future golf fees.

**C. Transfers Between Funds**

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made an expenditure on behalf of another fund. Transfers totaled \$8,691,408 in the fund financial statements.



**CITY OF DINUBA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2011**  
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Transfers Out	Transfers In					Proprietary	Totals
	Redevelopment Housing	Transportation Construction	Financing Authority	Redevelopment Debt Service	Nonmajor Governmental		
General	\$	\$	\$	\$	\$259,269	\$116,000	\$ 375,269
Community Development Block Grant	32,005						32,005
Redevelopment Capital Projects	251,423			4,586,959		204,000	5,042,382
Transportation Construction			75,000				75,000
Redevelopment Debt Service						140,946	140,946
Nonmajor Governmental		746,317	790,880		60,000	968,886	2,566,083
Proprietary		52,197	80,426		25,000	302,100	459,723
Totals	<u>\$283,428</u>	<u>\$798,514</u>	<u>\$946,306</u>	<u>\$4,586,959</u>	<u>\$344,269</u>	<u>\$1,731,932</u>	<u>\$8,691,408</u>

**7. CAPITAL ASSETS**

**A. Governmental Activities**

Capital asset governmental activity for the fiscal year ended June 30, 2011 are as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
<b>Capital Assets, not being depreciated:</b>				
Land	\$106,021,982	\$ 3,112,571	\$(3,265,495)	\$105,869,058
Artwork	84,243			84,243
Construction in progress	4,217,898	2,189,756		6,407,654
Total capital assets not being depreciated	<u>110,324,123</u>	<u>5,302,327</u>	<u>(3,265,495)</u>	<u>112,360,955</u>
<b>Capital Assets, being depreciated:</b>				
Buildings	12,519,424			12,519,424
Improvements other than buildings	679,809	32,222		712,031
Machinery and equipment	5,911,741	89,124	(151,058)	5,849,807
Infrastructure	37,579,761	2,099,149		39,678,910
Total capital assets being depreciated	<u>56,690,735</u>	<u>2,220,495</u>	<u>(151,058)</u>	<u>58,760,172</u>
Less accumulated depreciation for:				
Buildings	(3,366,036)	(393,576)		(3,759,612)
Improvements other than buildings	(435,812)	(21,958)		(457,770)
Machinery and equipment	(4,014,374)	(405,045)	135,631	(4,283,788)
Infrastructure	(17,097,486)	(904,091)		(18,001,577)
Total accumulated depreciation	<u>(24,913,708)</u>	<u>(1,724,670)</u>	<u>135,631</u>	<u>(26,502,747)</u>
Total capital assets being depreciated, net	<u>31,777,027</u>	<u>495,825</u>	<u>(15,427)</u>	<u>32,257,425</u>
<b>Governmental activities capital assets, net</b>	<u>\$142,101,150</u>	<u>\$ 5,798,152</u>	<u>\$(3,280,922)</u>	<u>\$144,618,380</u>

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

General government	\$ 273,705
Public safety	371,494
Public works	53,120
Parks and recreation	146,942
Unallocated	879,409
Total	<u>\$1,724,670</u>

**CITY OF DINUBA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2011**  
**(continued)**

**B. Business-type activities**

**Capital Asset Business-Type Activity**

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
<b>Water Fund:</b>				
Capital assets not being depreciated:				
Land	\$ 261,806	\$ _____	\$ _____	\$ 261,806
Total capital assets not being depreciated	<u>261,806</u>	<u>_____</u>	<u>_____</u>	<u>261,806</u>
Capital assets being depreciated:				
Infrastructure	13,926,555	508,688		14,435,243
Buildings and improvements	7,885,890			7,885,890
Machinery and equipment	285,288			285,288
Total capital assets being depreciated	<u>22,097,733</u>	<u>508,688</u>	<u>_____</u>	<u>22,606,421</u>
Less accumulated depreciation for:				
Infrastructure	(3,792,755)	(238,137)		(4,030,892)
Buildings and improvements	(1,205,850)	(262,437)		(1,468,287)
Machinery and equipment	(191,533)	(18,732)		(210,265)
Total accumulated depreciation	<u>(5,190,138)</u>	<u>(519,306)</u>	<u>_____</u>	<u>(5,709,444)</u>
Total capital assets being depreciated, net	<u>16,907,595</u>	<u>(10,618)</u>	<u>_____</u>	<u>16,896,977</u>
<b>Water Fund Capital Assets, net</b>	<u><b>\$17,169,401</b></u>	<u><b>\$ (10,618)</b></u>	<u><b>\$ _____</b></u>	<u><b>\$17,158,783</b></u>
<b>Sewer Fund:</b>				
Capital assets not being depreciated:				
Land	\$ 4,388,142	\$ _____	\$ _____	\$ 4,388,142
Construction in progress	1,782,683	4,982,384		6,765,067
Total capital assets not being depreciated	<u>6,170,825</u>	<u>4,982,384</u>	<u>_____</u>	<u>11,153,209</u>
Capital assets being depreciated:				
Infrastructure	9,095,226	139,719		9,234,945
Buildings and improvements	1,942,547			1,942,547
Machinery and equipment	381,782			381,782
Total capital assets being depreciated	<u>11,419,555</u>	<u>139,719</u>	<u>_____</u>	<u>11,559,274</u>
Less accumulated depreciation for:				
Infrastructure	(2,096,888)	(138,790)		(2,235,678)
Buildings and improvements	(1,397,197)	(43,096)		(1,440,293)
Machinery and equipment	(349,612)	(5,810)		(355,422)
Total accumulated depreciation	<u>(3,843,697)</u>	<u>(187,696)</u>	<u>_____</u>	<u>(4,031,393)</u>
Total capital assets being depreciated, net	<u>7,575,858</u>	<u>(47,977)</u>	<u>_____</u>	<u>7,527,881</u>
<b>Sewer Fund Capital Assets, net</b>	<u><b>\$13,746,683</b></u>	<u><b>\$ 4,934,407</b></u>	<u><b>\$ _____</b></u>	<u><b>\$18,681,090</b></u>
<b>Disposal Fund:</b>				
Capital assets being depreciated:				
Machinery and equipment	355,920			355,920
Total capital assets being depreciated	<u>355,920</u>	<u>_____</u>	<u>_____</u>	<u>355,920</u>
Less accumulated depreciation for:				
Machinery and equipment	(156,671)	(21,422)		(178,093)
Total accumulated depreciation	<u>(156,671)</u>	<u>(21,422)</u>	<u>_____</u>	<u>(178,093)</u>
Total capital assets being depreciated, net	<u>199,249</u>	<u>(21,422)</u>	<u>_____</u>	<u>177,827</u>
<b>Disposal Fund Capital Assets, net</b>	<u><b>\$ 199,249</b></u>	<u><b>\$ (21,422)</b></u>	<u><b>\$ _____</b></u>	<u><b>\$ 177,827</b></u>

**CITY OF DINUBA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2011**  
**(continued)**

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
<b>Ambulance Fund:</b>				
Capital assets being depreciated:				
Machinery and equipment	\$ 395,390	\$ 106,079	\$(55,291)	\$ 446,178
Total capital assets being depreciated	<u>395,390</u>	<u>106,079</u>	<u>\$(55,291)</u>	<u>446,178</u>
Less accumulated depreciation for:				
Machinery and equipment	(256,274)	(39,270)	55,291	(240,253)
Total accumulated depreciation	<u>(256,274)</u>	<u>(39,270)</u>	<u>55,291</u>	<u>(240,253)</u>
Total capital assets being depreciated, net	<u>139,116</u>	<u>66,809</u>		<u>205,925</u>
<b>Ambulance Fund Capital Assets, net</b>	<u>\$ 139,116</u>	<u>\$ 66,809</u>	<u>\$</u>	<u>\$ 205,925</u>
<b>Transit Fund:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 88,802	\$	\$	\$ 88,802
Machinery and equipment	<u>580,375</u>	<u>231,180</u>		<u>811,555</u>
Total capital assets being depreciated	<u>669,177</u>	<u>231,180</u>		<u>900,357</u>
Less accumulated depreciation for:				
Buildings and improvements	(18,224)	(3,552)		(21,776)
Machinery and equipment	<u>(271,776)</u>	<u>(91,526)</u>		<u>(363,302)</u>
Total accumulated depreciation	<u>(290,000)</u>	<u>(95,078)</u>		<u>(385,078)</u>
Total capital assets being depreciated, net	<u>379,177</u>	<u>136,102</u>		<u>515,279</u>
<b>Transit Fund Capital Assets, net</b>	<u>\$ 379,177</u>	<u>\$ 136,102</u>	<u>\$</u>	<u>\$ 515,279</u>
<b>Golf Course Fund:</b>				
Capital assets not being depreciated:				
Land	\$ 4,135,467	\$	\$	\$ 4,135,467
Total capital assets not being depreciated	<u>4,135,467</u>			<u>4,135,467</u>
Capital assets being depreciated:				
Infrastructure	6,955,065			6,955,065
Buildings and improvements	20,437,486			20,437,486
Machinery and equipment	<u>700,808</u>			<u>700,808</u>
Total capital assets being depreciated	<u>28,093,359</u>			<u>28,093,359</u>
Less accumulated depreciation for:				
Infrastructure	(463,671)	(231,835)		(695,506)
Buildings and improvements	(1,362,500)	(681,250)		(2,043,750)
Machinery and equipment	<u>(200,230)</u>	<u>(100,115)</u>		<u>(300,345)</u>
	<u>(2,026,401)</u>	<u>(1,013,200)</u>		<u>(3,039,601)</u>
Total capital assets being depreciated-net	<u>26,066,958</u>	<u>(1,013,200)</u>		<u>25,053,758</u>
<b>Golf Course Fund Capital Assets, net</b>	<u>\$30,202,425</u>	<u>\$(1,013,200)</u>	<u>\$</u>	<u>\$29,189,225</u>
<b>Total Capital Assets-Business Type, Net</b>	<u>\$61,836,051</u>	<u>\$ 4,092,078</u>	<u>\$</u>	<u>\$65,928,129</u>

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

Business-Type Activities	
Water	\$ 519,306
Sewer	187,696
Disposal	21,422
Ambulance	39,270
Transit	95,078
Golf Course	<u>1,013,200</u>
Total	<u>\$1,875,972</u>

**CITY OF DINUBA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2011**  
**(continued)**

**8. LONG-TERM LIABILITIES**

**A. The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2011:**

	Balance at July 1, 2010	Additions	Reductions	Balance at June 30, 2011	Due Within One Year
<b>Governmental Activities:</b>					
Capital leases payable	\$ 976,254	\$	\$ 161,716	\$ 814,538	\$ 162,567
Compensated absences	634,978	622,290	605,951	651,317	404,489
Net OPEB obligation	1,606,286	640,069		2,246,355	
Notes payable	3,360,920	375,000	854,989	2,880,931	885,314
Tax allocation bonds payable	39,285,000	15,140,000	820,000	53,605,000	850,000
Tax allocation notes payable	15,870,000		14,500,000	1,370,000	
Lease revenue bonds payable	14,165,000		290,000	13,875,000	310,000
Total	<u>\$75,898,438</u>	<u>\$16,777,359</u>	<u>\$17,232,656</u>	<u>\$75,443,141</u>	<u>\$2,612,370</u>
<b>Business-type Activities:</b>					
<b>Water Fund:</b>					
Compensated absences	\$ 15,332	\$ 17,383	\$ 13,846	\$ 18,869	\$ 11,299
Net OPEB obligation	47,012	31,620		78,632	
Water loans payable	8,032,324		346,827	7,685,497	353,845
<b>Sewer Fund:</b>					
Compensated absences	17,857	14,869	19,207	13,519	9,664
Net OPEB obligation	40,700	36,793		77,493	
Certificates of participation payable	4,695,000		1,690,000	3,005,000	
Revenue bonds and notes	7,045,000	3,825,000	100,000	10,770,000	110,000
Installment purchase		1,615,000		1,615,000	200,000
Notes payable	542,868		140,946	401,922	150,939
Capital leases payable	1,352		939	413	413
<b>Disposal Fund:</b>					
Compensated absences	4,150	7,879	3,573	8,456	5,121
Net OPEB obligation	7,746	12,675		20,421	
<b>Ambulance Fund:</b>					
Compensated absences	80,860	80,309	65,136	96,033	52,201
Net OPEB obligation	47,797	140,820		188,617	
<b>Compressed Natural Gas Fund:</b>					
Compensated absences		927		927	351
Net OPEB obligation		3,578		3,578	
<b>Golf Course:</b>					
Capital leases payable	331,867		188,824	143,043	139,333
Total	<u>\$20,909,865</u>	<u>\$ 5,786,853</u>	<u>\$ 2,569,298</u>	<u>\$24,127,420</u>	<u>\$1,033,166</u>

**B. Governmental Activities – Tax Allocation Bonds Payable**

**2001 RDA Tax Allocation Refunding Bonds.** On December 1, 2001, the Redevelopment Agency issued \$13,000,000 of Tax Allocation Refunding Bonds bearing interest of 4.875% and 5.0% payable semi-annually on March 1 and September 1 commencing March 1, 2002. The bonds mature annually at various amounts through September 1, 2031 and are subject to optional redemption prior to maturity, in whole or in part, on September 1, 2011. The bonds are payable from and secured by incremental tax revenues (Pledged Tax Revenues). The proceeds were used to refund the 1989 Tax Allocation Bonds which were due September 1, 2019; the 1999A and 1999B Tax Allocation Refunding Notes which were due on December 1, 2004, the 2000 Tax Allocation Refunding Notes, and the 1999A and 1999B Tax Allocation Refunding Notes which were due on December 1, 2004 and to finance a portion of the costs of the Agency. Bonds outstanding at June 30, 2011, were \$10,560,000.

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

**2003 Tax Allocation Bonds.** On October 23, 2003, the Agency issued \$7,500,000 of Tax Allocation Bonds bearing interest between 2% and 5% and payable semi-annually on March 1 and September 1. The Bonds mature annually at various amounts through September 1, 2033. The bonds are payable from and secured by incremented tax revenues (Pledged Tax Revenues). The Bond proceeds are to be used to finance certain projects within the Agency's project area including 20% benefiting low and moderate income housing. The principal amount of the 2003 tax allocation bonds outstanding at June 30, 2011 was \$6,785,000.

**2005 Tax Allocation Refunding Bonds:** On December 1, 2005, the Dinuba Redevelopment Agency issued \$5,670,000 Tax Allocation Refunding Bonds bearing interest of 3.0% and 5.0%, payable semi-annually on March 1 and September 1 commencing March 1, 2006. The bonds mature annually at various amounts through September 1, 2034 and are subject to optional redemption prior to maturity, in whole or in part, on September 1, 2015. The bonds are payable from and secured by incremental tax revenues (Pledged Tax Revenues). The bond proceeds were used to refund the 1997B Tax Allocation Refunding Bonds which were due on September 1, 2027 and the 1997C Tax Allocation Bonds which were due on September 1, 2027, and to finance a portion of the costs of the Agency. Bonds outstanding at June 30, 2011 were \$5,015,000.

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.

**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, 2011, were \$16,105,000.

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

**2009 Tax Allocation Notes:** On May 22, 2009, the Dinuba Redevelopment Agency issued \$1,370,000 of 2009 School District Subordinate Tax Allocation Notes. The proceeds from the issue were used to finance a portion of the costs of certain improvements to the Dinuba Unified School District, fund a reserve account and pay costs of issuance of the Notes. The Notes bear interest at an annual rate of 5.60%. The Notes are payable from and secured by the Pledged Revenues. The outstanding principal balance of the Notes as of June 30, 2011 is \$1,370,000.

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

The Bonds are being issued to refinance the Agency's previously issued \$7,000,000, 2006 Tax Allocation Notes and a portion of the Agency's \$7,500,000 2007 Subordinate Tax Allocation Notes. As a result the 2006 and partial 2007 Tax Allocation Notes are considered to be defeased and the liability for those bonds have been removed from the long-term liabilities of the Governmental Activities Debt.

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

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

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

**C. Governmental Activities – Lease Revenue Bonds**

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

Interest rates vary between 1.75% and 5.10% and are payable semi-annually on August 1 and February 1. Principal is paid annually on August 1 through 2032. Bonds maturing after 2012 are subject to optional redemption. The principal balance outstanding at June 30, 2011 is \$6,795,000.

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**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, 2011 is \$7,080,000.

**D. Governmental Activities – Notes Payable**

On August 27, 2003, the Agency purchased a parcel of real estate. The Agency 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, 2011 was \$29,503.

In April 2006, the Agency purchased land with a down payment of \$631,117 and the issuance of a note secured by the real property for \$400,000. The note is secured by a deed of trust and the terms of the note call for annual payments of \$74,225 including interest at 7.00% until April 2013. The balance at June 30, 2011 is \$134,172.

In March 2006, the Agency purchased land with a down payment of \$123,364 and the issuance of a note secured by the real property for \$822,600. The note is secured by a deed of trust and the terms of the note call for annual payments of \$152,636 including interest at 7.00% until March 2013. The balance at June 30, 2011 is \$275,969.

On December 23, 2005, the City entered into an agreement to purchase a Smeal Fire Truck for \$840,000. The City will make seven annual payments of \$138,742 with accrued interest at 4.40% per annum. The principal amount due at June 30, 2011 is \$260,188.

In July 2006, the Agency purchased land with a down payment of \$267,842 and the issuance of a note secured by the real property for \$1,045,440. The note is secured by a deed of trust and the terms of the note call for annual payments of \$214,731 including interest at 10.00% until July 2013. The balance at June 30, 2011 is \$534,063.

In October 2006, the Agency purchased land with a down payment of \$381,200 and the issuance of a note secured by the real property for \$2,612,250. The note is secured by a deed of trust and the terms of the note call for annual payments of \$484,711 including interest at 7.00% until October 2013. The balance at June 30, 2011 is \$1,272,036.

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, 2011 is \$375,000.

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**E. Governmental Activities – Leases Payable**

In fiscal year 2001-02, the City entered into a 15 year lease with the County of Tulare for the Justice Facility, which also qualifies as a capital lease. Terms of the lease call for semi-annual payments of \$104,777 at 6.07%. The present value of minimum lease payments at June 30, 2011 is \$814,538.

At June 30, 2011, the future minimum lease payments required under the capital lease and the net present value of the future lease payments is as follows:

<u>Ending</u>	<u>Justice Facility</u>
2012	\$ 209,553
2013	209,553
2014	209,554
2015	209,554
2016	<u>104,778</u>
Total minimum lease payments	942,992
Less: Amount representing interest	<u>(128,454)</u>
Present value of future minimum lease payments	<u>\$ 814,538</u>

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

The annual requirements to amortize long-term debt outstanding at June 30, 2011 (other than compensated absences) are as follows:

Fiscal Year Ended June 30,	2001 Tax Allocation Bonds		
	Principal	Interest	Total
2012	\$ 290,000	\$ 514,978	\$ 804,978
2013	315,000	501,428	816,428
2014	325,000	485,828	810,828
2015	340,000	469,619	809,619
2016	355,000	452,678	807,678
2017-2021	1,890,000	1,982,225	3,872,225
2022-2026	1,595,000	1,569,194	3,164,194
2027-2031	4,190,000	959,750	5,149,750
2032-2033	<u>1,260,000</u>	<u>31,500</u>	<u>1,291,500</u>
	<u>\$10,560,000</u>	<u>\$6,967,200</u>	<u>\$17,527,200</u>



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Fiscal Year Ended June 30,	2003 Tax Allocation Bonds		
	Principal	Interest	Total
2012	\$ 105,000	\$ 327,811	\$ 432,811
2013	105,000	324,268	429,268
2014	110,000	320,423	430,423
2015	115,000	316,200	431,200
2016	125,000	311,550	436,550
2017-2021	695,000	1,465,881	2,160,881
2022-2026	875,000	1,276,425	2,151,425
2027-2031	1,125,000	1,028,125	2,153,125
2032-2034	<u>3,530,000</u>	<u>335,500</u>	<u>3,865,500</u>
	<u>\$ 6,785,000</u>	<u>\$ 5,706,183</u>	<u>\$12,491,183</u>

Fiscal Year Ended June 30,	2005 Tax Allocation Bonds		
	Principal	Interest	Total
2012	\$ 140,000	\$ 236,143	\$ 376,143
2013	135,000	230,299	365,299
2014	145,000	224,349	369,349
2015	155,000	217,974	372,974
2016	155,000	211,386	366,386
2017-2021	885,000	949,624	1,834,624
2022-2026	1,115,000	716,375	1,831,375
2027-2031	525,000	466,625	991,625
2032-2035	<u>1,760,000</u>	<u>308,000</u>	<u>2,068,000</u>
	<u>\$ 5,015,000</u>	<u>\$ 3,560,775</u>	<u>\$ 8,575,775</u>

Fiscal Year Ended June 30,	2006 Tax Allocation Bonds		
	Principal	Interest	Total
2012	\$ 315,000	\$ 712,470	\$ 1,027,470
2013	330,000	698,764	1,028,764
2014	350,000	684,314	1,034,314
2015	360,000	669,226	1,029,226
2016	375,000	653,608	1,028,608
2017-2021	2,285,000	3,020,713	5,305,713
2022-2026	3,600,000	2,406,419	6,006,419
2027-2031	3,195,000	1,626,288	4,821,288
2032-2035	3,095,000	1,126,672	4,221,672
2036	<u>2,200,000</u>	<u>55,000</u>	<u>2,255,000</u>
	<u>\$16,105,000</u>	<u>\$11,653,474</u>	<u>\$27,758,474</u>

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Fiscal Year Ended June 30,	2009 Tax Allocation Notes		
	Principal	Interest	Total
2012	\$	\$ 76,720	\$ 76,720
2013	<u>1,370,000</u>	<u>38,360</u>	<u>1,408,360</u>
	<u>\$ 1,370,000</u>	<u>\$ 115,080</u>	<u>\$ 1,485,080</u>

Fiscal Year Ended June 30,	2011A Tax Allocation Bonds		
	Principal	Interest	Total
2012	\$	\$	\$
2013		771,865	771,865
2014	115,000	646,212	761,212
2015	125,000	639,600	764,600
2016	135,000	632,412	767,412
2017-2021	835,000	3,035,275	3,870,275
2022-2026	690,000	2,808,150	3,498,150
2027-2031	740,000	2,595,638	3,335,638
2032-2036	2,340,000	2,187,163	4,527,163
2037-2040	<u>5,760,000</u>	<u>935,594</u>	<u>6,695,594</u>
	<u>\$10,740,000</u>	<u>\$14,251,909</u>	<u>\$24,991,909</u>

Fiscal Year Ended June 30,	2011B Tax Allocation Bonds		
	Principal	Interest	Total
2012	\$	\$	\$
2013		400,661	400,661
2014	25,000	335,438	360,438
2015	25,000	334,188	359,188
2016	25,000	332,938	357,938
2017-2021	155,000	1,641,413	1,796,413
2022-2026	160,000	1,589,300	1,749,300
2027-2031	235,000	1,519,963	1,754,963
2032-2036	260,000	1,414,763	1,674,763
2037-2041	2,570,000	1,292,313	3,862,313
2042-2046	<u>945,000</u>	<u>73,234</u>	<u>1,018,234</u>
	<u>\$ 4,400,000</u>	<u>\$ 8,934,211</u>	<u>\$13,334,211</u>

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Fiscal Year Ended June 30,	2002 Lease Revenue Bonds		
	Principal	Interest	Total
2012	\$ 180,000	\$ 338,930	\$ 518,930
2013	185,000	331,630	516,630
2014	195,000	322,957	517,957
2015	200,000	312,885	512,885
2016	215,000	302,303	517,303
2017-2021	1,240,000	1,332,375	2,572,375
2022-2026	1,585,000	974,228	2,559,228
2027-2031	2,030,000	515,610	2,545,610
2032-2033	965,000	49,853	1,014,853
	<u>\$6,795,000</u>	<u>\$ 4,480,771</u>	<u>\$11,275,771</u>

Fiscal Year Ended June 30,	2007 Lease Revenue Bonds		
	Principal	Interest	Total
2012	\$ 130,000	\$ 363,898	\$ 493,898
2013	125,000	358,605	483,605
2014	135,000	353,006	488,006
2015	140,000	347,075	487,075
2016	145,000	340,750	485,750
2017-2021	835,000	1,593,472	2,428,472
2022-2026	1,070,000	1,356,266	2,426,266
2027-2031	1,380,000	1,031,463	2,411,463
2032-2036	1,795,000	607,778	2,402,778
2037-2039	1,325,000	109,247	1,434,247
	<u>\$7,080,000</u>	<u>\$6,461,560</u>	<u>\$13,541,560</u>

Fiscal Year Ended June 30,	Land Purchases – Notes Payable		
	Principal	Interest	Total
2012	\$ 758,020	\$ 199,474	\$ 957,494
2013	815,891	141,572	957,463
2014	701,574	79,137	780,711
2015	53,523	24,168	77,691
2016	53,769	20,421	74,190
2017-2019	237,966	38,606	276,572
	<u>\$2,620,743</u>	<u>\$ 503,378</u>	<u>\$ 3,124,121</u>

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(continued)

Fiscal Year Ended June 30,	Notes Payable – Fire Trucks		
	Principal	Interest	Total
2012	\$ 127,293	\$ 11,448	\$ 138,741
2013	132,895	5,847	138,742
	<u>\$ 260,188</u>	<u>\$ 17,295</u>	<u>\$ 277,483</u>

Fiscal Year Ended June 30,	Justice Facility Lease		
	Principal	Interest	Total
2012	\$162,567	\$ 46,986	\$ 209,553
2013	172,579	36,974	209,553
2014	183,208	26,346	209,554
2015	194,491	15,063	209,554
2016	101,693	3,085	104,778
	<u>\$ 814,538</u>	<u>\$ 128,454</u>	<u>\$ 942,992</u>

Fiscal Year Ended June 30,	Total Governmental Activities		
	Principal	Interest	Total
2012	\$ 2,207,880	\$ 2,828,858	\$ 5,036,738
2013	3,686,365	3,840,273	7,526,638
2014	2,284,782	3,478,010	5,762,792
2015	1,708,014	3,345,998	5,054,012
2016	1,685,462	3,261,131	4,946,593
2017-2021	9,057,966	15,059,584	24,117,550
2022-2026	10,690,000	12,696,357	23,386,357
2027-2031	13,420,000	9,743,462	23,163,462
2032-2036	17,205,000	6,116,229	23,321,229
2037-2041	9,655,000	2,337,154	11,992,154
2042-2046	945,000	73,234	1,018,234
	<u>\$72,545,469</u>	<u>\$62,780,290</u>	<u>\$135,325,759</u>

**CITY OF DINUBA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2011**  
**(continued)**

**G. 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, 2011 is \$1,135,599.

The State of California Department of Water Resources granted a loan to the Water Fund of the City for construction for water facilities in the amount of \$7,462,450. Of this amount, \$6,956,217 was drawn down from the State. The note calls for semiannual payments of \$224,125 including interest at 2.60% until January 2029. The balance at June 30, 2011 is \$6,549,898.

The City issued two notes for \$1,245,332 in November, 2003 for the purchase of land for the Wastewater Expansion Project. The notes are subject to annual payments of \$177,250 until November, 2013, including interest at 7%. The balance at June 30, 2011 is \$401,922.

**Enterprise Funds 1998A and B DFA Refunding Certificates of Participation**

On August 1, 1998 the Dinuba Financing Authority issued \$5,500,000 Series A and \$460,000 Series B Refunding Certificates of Participation for a total of \$5,960,000 to finance the construction and acquisition of water capacity storage and transmission facilities in the City and certain other improvements to the municipal water system of the City, to refund the Authority's \$3,655,000 1996 Series A Variable Rate Lease Revenue Bonds, and to refund the Authority's \$430,000 1996 Series B Variable Rate Lease Revenue Bonds. The certificates of Participation were partially refinanced by the Installment Purchase Agreement dated December 1, 2010 of \$1,615,000. The Certificates bear interest rates of 5% and is payable annually. Principal is repaid at a graduated rate beginning August 1, 2019 and maturing August 1, 2028. The principal amount due at June 30, 2011 is \$3,005,000.

**Installment Purchase Agreement**

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

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

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(continued)

**2007 DFA Wastewater System Revenue Bonds**

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

Interest rates vary between 4.0% and 5.375% and are payable semi-annually on September 1 and March 1. Principal is paid annually on September 1 through 2038. Bonds maturing after 2017 are subject to optional redemption. The principal balance outstanding at June 30, 2011 is \$2,995,000.

**2008 DFA Lease Revenue Bonds**

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

Interest rates vary between 4.5% and 8.00% and are payable semi-annually on March 1 and September 1. Principal is paid annually on March 1 through 2038. Bonds maturing after 2017 are subject to optional redemption. The principal balance outstanding at June 30, 2011 is \$3,950,000.

**2010 DFA Lease Revenue Notes**

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

The Notes bear interest at an annual rate of 4%. The Notes are payable from and secured by the Pledged Revenues. The outstanding principal balance of the notes as of June 30, 2011 is \$3,825,000.

**Leases Payable**

The City has entered into a lease agreement for photocopiers which qualify as capital leases. The City accounts for capitalized leases in the business-type activities by recording the lease/asset at the present value of the lease obligation (\$4,200). The present value of minimum lease payments at June 30, 2011 is \$413.

The City has entered into lease agreements for golf course equipment which qualify as capital leases. The City accounts for capital leases in the business-type activities by recording the lease/asset at the present value of the lease obligation \$700,808. The present value of the minimum lease payments at June 30, 2011 is \$143,043.

**CITY OF DINUBA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2011**  
**(continued)**

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

The annual requirements to amortize enterprise long-term debt outstanding at June 30, 2011 are as follows:

Fiscal Year Ended June 30,	1998 Water Loan Payable		
	Principal	Interest	Total
2012	\$ 76,231	\$ 33,189	\$ 109,420
2013	78,513	30,908	109,421
2014	80,863	28,558	109,421
2015	83,283	26,137	109,420
2016	85,776	23,645	109,421
2017-2021	468,964	78,139	547,103
2022-2024	261,969	11,016	272,985
	<u>\$1,135,599</u>	<u>\$ 231,592</u>	<u>\$1,367,191</u>

Fiscal Year Ended June 30,	2005 Water Loan Payable		
	Principal	Interest	Total
2012	\$ 277,614	\$ 168,491	\$ 446,105
2013	289,225	161,170	450,395
2014	294,593	153,657	448,250
2015	302,302	145,948	448,250
2016	310,213	138,037	448,250
2017-2021	1,677,168	564,082	2,241,250
2022-2026	1,908,407	332,843	2,241,250
2027-2029	1,490,376	61,390	1,551,766
	<u>\$6,549,898</u>	<u>\$1,725,618</u>	<u>\$8,275,516</u>

Fiscal Year Ended June 30,	Notes Payable - Land		
	Principal	Interest	Total
2012	\$ 150,938	\$ 26,228	\$ 177,166
2013	161,640	15,528	177,168
2014	89,344	4,735	94,079
	<u>\$ 401,922</u>	<u>\$ 46,491</u>	<u>\$ 448,413</u>

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(continued)

Fiscal Year Ended June 30,	1998 Certificates of Participation		
	Principal	Interest	Total
2012	\$	\$ 150,250	\$ 150,250
2013		150,250	150,250
2014		150,250	150,250
2015		150,250	150,250
2016		150,250	150,250
2017-2021	490,000	739,250	1,229,250
2022-2026	1,455,000	490,250	1,945,250
2027-2031	<u>1,060,000</u>	<u>107,750</u>	<u>1,167,750</u>
	<u>\$3,005,000</u>	<u>\$2,088,500</u>	<u>\$5,093,500</u>

Fiscal Year Ended June 30,	Installment Purchase		
	Principal	Interest	Total
2012	\$ 200,000	\$ 30,416	\$ 230,416
2013	185,000	42,450	227,450
2014	195,000	36,900	231,900
2015	195,000	31,050	226,050
2016	200,000	25,200	225,200
2017-2019	<u>640,000</u>	<u>38,850</u>	<u>678,850</u>
	<u>\$1,615,000</u>	<u>\$ 204,866</u>	<u>\$1,819,866</u>

Fiscal Year Ended June 30,	2007 Revenue Bonds		
	Principal	Interest	Total
2012	\$ 55,000	\$ 153,863	\$ 208,863
2013	55,000	151,580	206,580
2014	55,000	149,256	204,256
2015	60,000	146,775	206,775
2016	60,000	144,113	204,113
2017-2021	360,000	673,229	1,033,229
2022-2026	450,000	572,718	1,022,718
2027-2031	585,000	435,509	1,020,509
2032-2036	760,000	255,850	1,015,850
2037-2039	<u>555,000</u>	<u>45,822</u>	<u>600,822</u>
	<u>\$2,995,000</u>	<u>\$2,728,715</u>	<u>\$5,723,715</u>



CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(continued)

Fiscal Year Ended June 30,	2008 Lease Revenue Bonds		
	Principal	Interest	Total
2012	\$ 55,000	\$ 292,458	\$ 347,458
2013	50,000	289,750	339,750
2014	55,000	286,794	341,794
2015	60,000	283,600	343,600
2016	65,000	279,971	344,971
2017-2021	375,000	1,332,920	1,707,920
2022-2026	530,000	1,174,556	1,704,556
2027-2031	760,000	935,220	1,695,220
2032-2036	1,110,000	576,420	1,686,420
2037-2039	<u>890,000</u>	<u>107,640</u>	<u>997,640</u>
	<u>\$3,950,000</u>	<u>\$5,559,329</u>	<u>\$9,509,329</u>

Fiscal Year Ended June 30,	2010 Lease Revenue Notes		
	Principal	Interest	Total
2012	\$	\$ 153,000	\$ 153,000
2013		153,000	153,000
2014		153,000	153,000
2015		153,000	153,000
2016	<u>3,825,000</u>	<u>76,500</u>	<u>3,901,500</u>
	<u>\$3,825,000</u>	<u>\$ 688,500</u>	<u>\$4,513,500</u>

Fiscal Year Ended June 30,	Capital Lease Payable		
	Principal	Interest	Total
2012	\$ 413	\$ 8	\$ 421
	<u>\$ 413</u>	<u>\$ 8</u>	<u>\$ 421</u>

**CITY OF DINUBA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2011**  
**(continued)**

Fiscal Year Ended June 30,	Golf Course Capital Leases Payable		
	Principal	Interest	Total
2012	\$ 139,333	\$ 3,208	\$ 142,541
2013	<u>3,710</u>	<u>294</u>	<u>4,004</u>
	<u>\$ 143,043</u>	<u>\$ 3,502</u>	<u>\$ 146,545</u>

Fiscal Year Ended June 30,	Total Business-Type Activities		
	Principal	Interest	Total
2012	\$ 954,529	\$ 1,011,111	\$ 1,965,640
2013	823,088	994,930	1,818,018
2014	769,800	963,150	1,732,950
2015	700,585	936,760	1,637,345
2016	4,545,989	837,716	5,383,705
2017-2021	4,011,132	3,426,470	7,437,602
2022-2026	4,605,376	2,581,383	7,186,759
2027-2031	3,895,376	1,539,869	5,435,245
2032-2036	1,870,000	832,270	2,702,270
2037-2039	<u>1,445,000</u>	<u>153,462</u>	<u>1,598,462</u>
	<u>\$23,620,875</u>	<u>\$13,277,121</u>	<u>\$36,897,996</u>

**I. Compensated Absences**

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

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
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**9. DEFINED BENEFIT PENSION PLAN**

**Plan Description**

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

**Funding Policy**

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

**Annual Pension Cost**

For 2011 the City's annual pension cost of \$921,995 for PERS was equal to the City's required and actual contributions.

Three-Year Trend Information for PERS

<u>Year</u>	<u>Cost (APC )</u>	<u>APC Contributed</u>	<u>Obligation</u>
6/30/2009	\$1,055,314	100%	\$ -0-
6/30/2010	\$ 997,171	100%	\$ -0-
6/30/2011	\$ 921,995	100%	\$ -0-

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

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NOTES TO BASIC FINANCIAL STATEMENTS  
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**Funded Status and Funding Progress**

As of June 30, 2010, the most recent actuarial valuation date the plan was 89% funded for non-safety employees and 85.8% funded for safety employees. The actuarial accrued liability for benefits was \$3.3 billion for non-safety employees and \$81 million for safety employees and the actuarial value of assets was \$2.9 billion for non-safety employees and \$69 million for safety employees, resulting in an unfunded actuarial accrued liability (UAAL) of \$62 million for non-safety employees and \$11.5 million for safety employees. The covered payroll (annual payroll of active employees covered by the plan) was \$748 million for non-safety members and \$21.8 million for safety members, and the ratio of UAAL to the covered payroll was 48.5% and 52.8% respectively.

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

**10. POST EMPLOYMENT HEALTH CARE BENEFITS**

**Plan Description**

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

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

**Funding Policy**

The City's policy is to fund these benefits on a pay-as-you-go basis, and paid approximately \$9,615 per retiree for the fiscal year ended June 30, 2011 (a total of \$153,833) to the plan.

**Annual PPEB Cost and Net OPEB Obligation**

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

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(continued)

The City's OPEB unfunded actuarial accrued liability as of July 1, 2008, the date of the most recent actuarial valuation, was a total of \$851,859. 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:

Annual required contributions (ARC) and annual OPEB cost	\$ 969,932
Interest on net OPEB obligation	78,729
Adjustment to annual required contribution	
Annual OPEB cost (expense)	<u>1,048,661</u>
Less: Employer contribution	(153,833)
Implicit subsidy credit	(29,273)
Increase in net OPEB obligation	865,555
Net OPEB obligations, beginning of year	<u>1,749,541</u>
Net OPEB obligations, end of year	<u>\$2,615,096</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal 2011 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2009	\$ 909,832	6.37%	\$ 851,859
6/30/2010	\$ 977,736	8.19%	\$1,749,541
6/30/2011	\$1,048,661	14.67%	\$2,615,096

**Funded Status and Funding Progress**

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

CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
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The funded status of the plan as of June 30, 2011 was as follows:

Actuarial accrued liability	\$8,023,302
Actuarial value of plan assets	<u>0</u>
Unfunded actuarial accrued liability (UAAL)	8,023,302
 Funded ratio (actuarial value of plan assets/AAL)	 0%
Covered payroll (active plan members)	\$7,439,408
UAAL as a percentage of covered payroll	107.8%

**Actuarial Methods and Assumptions**

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

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

**11. DEFERRED COMPENSATION**

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

**12. RISK MANAGEMENT/JOINT VENTURE**

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

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

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

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

The financial position and results of operations for the CSJVRMA as of June 30, 2011, are presented below:

Total Assets	<u>\$69,444,059</u>
Total Liabilities	\$55,945,081
Total Net Assets	<u>13,498,978</u>
 Total Liabilities and Net Assets	 <u>\$69,444,059</u>
Revenues for Fiscal Year	\$27,941,713
Expenses for Fiscal Year	<u>26,326,659</u>
 Changes in Net Assets	 <u>\$ 1,615,054</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 \$35,000 per covered individual, with any expenses greater than that being covered by the insurance provider.

The claims liability of \$50,000 for health insurance at June 30, 2011 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liability was estimated from the average amount of claims paid per lag reports provided by the administrator. The outstanding liability at June 30, 2011 is expected to be liquidated within the next twelve months. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in health claim liabilities at June 30, 2011 and 2010 were as follows:

**CITY OF DINUBA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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	<u>2011</u>	<u>2010</u>
Liability – beginning of fiscal year	\$ 50,000	\$ 50,000
Current year claims and changes in estimates	1,317,931	1,430,953
Claim payments	<u>(1,317,931)</u>	<u>(1,430,953)</u>
Liability – End of Fiscal Year	<u>\$ 50,000</u>	<u>\$ 50,000</u>

**13. NET ASSETS – GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**

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

**Governmental and Business-Type Activities – Net Assets**  
**as of June 30, 2011**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Net Assets			
Invested in capital assets net of related debt:			
Total capital assets, net depreciation	\$144,618,380	\$ 65,928,129	\$210,546,509
Total capital related debt, net of cash held by trustee and deferred charges	<u>(69,258,101)</u>	<u>(20,757,926)</u>	<u>(90,016,027)</u>
Invested in capital assets, net of related debt	<u>\$ 75,360,279</u>	<u>\$ 45,170,203</u>	<u>\$120,530,482</u>
Restricted for:			
Parks	299,278		299,278
Highways and streets	375,710		375,710
Housing	22,363,132		22,363,132
Public safety	601,660		601,660
Debt service	<u>4,645,419</u>		<u>4,645,419</u>
Total Restricted	<u>28,285,199</u>		<u>28,285,199</u>
Unrestricted	<u>(401,603)</u>	<u>4,741,446</u>	<u>4,339,843</u>
Total Net Assets	<u>\$103,243,875</u>	<u>\$ 49,911,649</u>	<u>\$153,155,524</u>



CITY OF DINUBA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(continued)

**14. NET ASSETS AND FUND BALANCES**

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

**A. Net Assets**

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

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

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

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

**15. CONTINGENT LIABILITIES**

- Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.
- The City is subject to various lawsuits and claims involving public liability and other actions incidental to the ordinary course of City operations. In the aggregate, those claims seek monetary damages in significant amounts. To the extent the outcome of such litigation may be determined to result in financial loss to the City, in the opinion of City management, any potential liability for these actions is adequately provided for in the basic financial statements. The timing of potential payment of such losses cannot presently be determined.
- On June 29, 2011, the Governor of the State of California signed Assembly Bills X1 26 and 27 as part of the State's budget package. Assembly Bill X1 26 requires each California redevelopment agency to suspend nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for the impending dissolution of the agency. Assembly Bill X1 27 provides a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program. Under this program, each city would adopt an ordinance agreeing to make certain payments to the County Auditor Controller in fiscal year 2011-12 and annual payments each fiscal year thereafter.

**CITY OF DINUBA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2011**  
(continued)

On August 9, 2011, the City Council adopted an ordinance electing to participate in the Voluntary Alternative Redevelopment Program in order to permit the continued existence and operation of the agency, in the event Assembly Bills X1 26 and/or 27 are upheld as constitutional. The initial payment by the City is estimated to be \$1.2 million. Thereafter, an estimated \$290,000 will be due annually.

The League of California Cities and the California Redevelopment Association (CRA) filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn Assembly Bills X1 26 and 27 on the grounds that these bills violate the California Constitution. The California Supreme Court is expected to make a decision on the lawsuit before January 15, 2012.

Management believes that the Agency will have sufficient funds to pay its obligations as they become due during the fiscal year ending June 30, 2012. The nature and extent of the operation of redevelopment agencies in the State of California beyond that time frame are dependent upon the outcome of litigation surrounding the actions of the state. In the event that Assembly Bills X1 26 and/or 27 are specifically found by the courts to be unconstitutional, there is a possibility that future legislative acts may create new challenges to the ability of redevelopment agencies in the State of California to continue in view of the California State Legislature's stated intent to eliminate California redevelopment agencies and to reduce their funding.

**16. PRIOR PERIOD ADJUSTMENTS**

**Government-Wide Financial Statements**

The beginning net asset fund balances have been adjusted as follows:

	<u>Governmental Activities</u>	<u>Redevelopment Agency Capital Projects Fund</u>
Net asset fund balances – beginning of year as previously reported	\$96,119,734	\$(7,325,274)
Prior period adjustments:		
Capital assets were adjusted to correct the treatment of assets held for resale in prior years that were erroneously expensed	<u>2,737,695</u>	<u>2,737,695</u>
Net assets – beginning of year, restated	<u>\$98,857,429</u>	<u>\$(4,587,579)</u>

## **Required Supplementary Information**

**CITY OF DINUBA**  
**SCHEDULE OF FUNDING PROGRESS – PUBLIC RETIREMENT SYSTEMS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

(Dollar Amounts in Thousands)

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

Actuarial Valuation Date	Normal Accrued Liability (A)	Actuarial Value of Assets (B)	(Excess Assets) (A-B)	Funded Status (B/A)	Annual Covered Payroll (C)	*UAAL as a % of Covered Payroll (A-B/C)
6/30/2008	2,780,281	2,547,323	232,958	91.6%	688,607	33.8%
6/30/2009	3,104,798	2,758,511	346,287	88.9%	742,981	46.6%
6/30/2010	3,309,065	2,946,408	362,657	89.0%	748,401	48.5%

\*UAAL – Unfunded actuarial accrued liability

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

Actuarial Valuation Date	Entry Age Normal Accrued Liability (A)	Actuarial Value of Assets (B)	Unfunded Liability (Excess Assets) (A-B)	Funded Status (B/A)	Annual Covered Payroll (C)	*UAAL as a % of Covered Payroll (A-B/C)
6/30/2008	69,011	62,164	6,847	90.1%	21,538	31.8%
6/30/2009	73,625	63,095	10,530	85.7%	21,880	48.1%
6/30/2010	80,551	69,069	11,482	85.8%	21,754	52.8%

\*UAAL – Unfunded actuarial accrued liability

CITY OF DINUBA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u> <u>Budget-Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
Taxes and assessments:				
Utility users	\$1,497,010	\$ 1,497,010	\$ 1,560,074	\$ 63,064
Property	600,902	600,902	575,786	(25,116)
Sales	2,398,600	3,898,600	3,561,263	(337,337)
Transient occupancy	125,000	125,000	144,780	19,780
Other	285,600	285,600	261,985	(23,615)
Licenses and permits	456,300	677,300	663,034	(14,266)
Intergovernmental	1,643,000	1,643,000	1,636,180	(6,820)
Charges for services	706,799	706,021	579,995	(126,026)
Fines, forfeitures, and penalties	12,600	12,600	19,229	6,629
Use of money and property	37,828	37,828	39,331	1,503
Overhead reimbursement	1,648,961	1,648,960	1,675,017	26,057
Miscellaneous	100	4,100	29,161	25,061
Total Revenues	<u>9,412,700</u>	<u>11,136,921</u>	<u>10,745,835</u>	<u>(391,086)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
City Council	67,753	67,753	70,684	(2,931)
City Manager	765,088	774,509	788,614	(14,105)
City Attorney	41,780	41,780	54,648	(12,868)
Administrative services	464,522	481,195	477,839	3,356
General services	<u>379,269</u>	<u>2,019,517</u>	<u>2,032,725</u>	<u>(13,208)</u>
Total General Government	<u>1,718,412</u>	<u>3,384,754</u>	<u>3,424,510</u>	<u>(39,756)</u>
Public safety:				
Police services	3,684,340	3,734,416	3,760,308	(25,892)
Fire control	1,567,160	1,589,641	1,569,979	19,662
Animal control	<u>122,647</u>	<u>123,734</u>	<u>115,032</u>	<u>8,702</u>
Total Public Safety	<u>\$5,374,147</u>	<u>\$ 5,447,791</u>	<u>\$ 5,445,319</u>	<u>\$ 2,472</u>

CITY OF DINUBA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(Continued)

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget-Positive (Negative)
EXPENDITURES:				
Current:				
Public works:				
Planning services	\$ 544,784	\$ 578,884	\$ 577,021	\$ 1,863
Total Public Works	544,784	578,884	577,021	1,863
Parks and recreation:				
Parks and community services	910,259	918,035	835,819	82,216
Total Parks and Recreation	910,259	918,035	835,819	82,216
Community development:				
Education resources and housing			586	(586)
Total Community Development			586	(586)
Debt service:				
Principal			8,579	(8,579)
Interest			95	(95)
Total Debt Service			8,674	(8,674)
Capital outlay		6,500	20,062	(13,562)
Total Expenditures	8,547,602	10,335,964	10,311,991	23,973
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	865,098	800,957	433,844	(367,113)
OTHER FINANCING SOURCES (Uses):				
Transfers in				
Transfers out	(630,366)	(296,054)	(375,269)	(79,215)
Total Other Financing Sources (Uses)	(630,366)	(296,054)	(375,269)	(79,215)
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	234,732	504,903	58,575	(446,328)
FUND BALANCES – BEGINNING OF FISCAL YEAR	2,110,482	2,110,482	2,110,482	
FUND BALANCE – END OF FISCAL YEAR	\$2,345,214	\$ 2,615,385	\$ 2,169,057	\$(446,328)

CITY OF DINUBA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u> <u>Budget-Positive</u> <u>(Negative)</u>
REVENUES:				
Use of money and property	\$ 500	\$ 500	\$ 350	\$ (150)
Fines and forfeitures			60	60
Charges for services		2,000		(2,000)
Intergovernmental	<u>1,315,882</u>	<u>1,837,282</u>	<u>927,212</u>	<u>(910,070)</u>
Total Revenues	<u>1,316,382</u>	<u>1,839,782</u>	<u>927,622</u>	<u>(912,160)</u>
EXPENDITURES:				
Current:				
Community development	713,283	1,032,683	538,031	494,652
Capital outlay	617,599	849,599	494,970	354,629
Debt service:				
Principal				
Interest				
Total Expenditures	<u>1,330,882</u>	<u>1,882,282</u>	<u>1,033,001</u>	<u>849,281</u>
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	<u>(14,500)</u>	<u>(42,500)</u>	<u>(105,379)</u>	<u>(62,879)</u>
OTHER FINANCING SOURCES (Uses):				
Sale of property				
Transfers in				
Transfers out		(32,010)	(32,005)	5
Total Other Financing Sources (Uses)		<u>(32,010)</u>	<u>(32,005)</u>	<u>5</u>
NET CHANGE IN FUND BALANCE	<u>(14,500)</u>	<u>(74,510)</u>	<u>(137,384)</u>	<u>(62,874)</u>
FUND BALANCE – BEGINNING OF FISCAL YEAR	<u>406,637</u>	<u>406,637</u>	<u>406,637</u>	
FUND BALANCE – END OF FISCAL YEAR	<u>\$ 392,137</u>	<u>\$ 332,127</u>	<u>\$ 269,253</u>	<u>\$ (62,874)</u>

CITY OF DINUBA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
REDEVELOPMENT AGENCY HOUSING SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u> <u>Budget-Positive</u> <u>(Negative)</u>
REVENUES:				
Use of money and property	\$ 6,884	\$ 6,884	\$ 5,984	\$ (900)
Miscellaneous			1,600	1,600
Total Revenues	<u>6,884</u>	<u>6,884</u>	<u>7,584</u>	<u>700</u>
EXPENDITURES:				
Current:				
Community development	92,181	87,240	97,345	(10,105)
Capital outlay	158,100	158,100	27,539	130,561
Debt service:				
Principal		2,194	2,687	(493)
Interest and fiscal charges		<u>2,747</u>	<u>2,253</u>	<u>494</u>
Total Expenditures	<u>250,281</u>	<u>250,281</u>	<u>129,824</u>	<u>120,457</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(243,397)</u>	<u>(243,397)</u>	<u>(122,240)</u>	<u>121,157</u>
OTHER FINANCING SOURCES (Uses):				
Sale of property	158,100	158,100	130,000	(28,100)
Transfers in		32,010	283,428	251,418
Transfers out	<u>(142,894)</u>	<u>(142,894)</u>		<u>142,894</u>
Total Other Financing Sources (Uses)	<u>15,206</u>	<u>47,216</u>	<u>413,428</u>	<u>366,212</u>
NET CHANGE IN FUND BALANCE	<u>(228,191)</u>	<u>(196,181)</u>	<u>291,188</u>	<u>487,369</u>
FUND BALANCE – BEGINNING OF FISCAL YEAR	<u>4,323,937</u>	<u>4,323,937</u>	<u>4,323,937</u>	
FUND BALANCE, END OF FISCAL YEAR	<u>\$4,095,746</u>	<u>\$4,127,756</u>	<u>\$4,615,125</u>	<u>\$487,369</u>



CITY OF DINUBA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u> <u>Budget-Positive</u> <u>(Negative)</u>
REVENUES:				
Property tax increment	\$ 4,886,102	\$ 4,886,102	\$ 4,502,846	\$ (383,256)
Use of money and property	5,600	5,600	20,300	14,700
Miscellaneous	<u>31,717</u>	<u>41,717</u>	<u>43,668</u>	<u>1,951</u>
Total Revenues	<u>4,923,419</u>	<u>4,933,419</u>	<u>4,566,814</u>	<u>(366,605)</u>
EXPENDITURES:				
Current:				
Community development	<u>698,810</u>	<u>743,810</u>	<u>735,139</u>	<u>8,671</u>
Total Expenditures	<u>698,810</u>	<u>743,810</u>	<u>735,139</u>	<u>8,671</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,224,609</u>	<u>4,189,609</u>	<u>3,831,675</u>	<u>(357,934)</u>
OTHER FINANCING SOURCES (Uses):				
Sale of property	668,364	668,364	19,367	(648,997)
Transfers in	135,000	135,000		(135,000)
Transfers out	<u>(4,786,959)</u>	<u>(4,786,959)</u>	<u>(5,042,382)</u>	<u>(255,423)</u>
Total Other Financing Sources (Uses)	<u>(3,983,595)</u>	<u>(3,983,595)</u>	<u>(5,023,015)</u>	<u>(1,039,420)</u>
NET CHANGE IN FUND BALANCE	241,014	206,014	(1,191,340)	(1,397,354)
FUND BALANCE – BEGINNING OF FISCAL YEAR	<u>(7,325,274)</u>	<u>(7,325,274)</u>	<u>(7,325,274)</u>	
Prior Period Adjustments	2,737,695	2,737,695	2,737,695	
Fund Balance, Beginning of Fiscal Year (restated)	<u>(4,587,579)</u>	<u>(4,587,579)</u>	<u>(4,587,579)</u>	
FUND BALANCE, END OF FISCAL YEAR	<u>\$(4,346,565)</u>	<u>\$(4,381,565)</u>	<u>\$(5,778,919)</u>	<u>\$(1,397,354)</u>

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Use of money and property	\$ 1,500	\$ 1,500	\$ 4,162	\$ 2,662
Intergovernmental	<u>2,821,242</u>	<u>9,011,250</u>	<u>5,559,868</u>	<u>(3,451,382)</u>
Total Revenues	<u>2,822,742</u>	<u>9,012,750</u>	<u>5,564,030</u>	<u>(3,448,720)</u>
EXPENDITURES:				
Current:				
Public works			690	(690)
Capital outlay	<u>2,887,250</u>	<u>9,457,250</u>	<u>4,849,255</u>	<u>4,607,995</u>
Total Expenditures	<u>2,887,250</u>	<u>9,457,250</u>	<u>4,849,945</u>	<u>4,607,305</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(64,508)</u>	<u>(444,500)</u>	<u>714,085</u>	<u>1,158,585</u>
OTHER FINANCING SOURCES (Uses):				
Transfers in		751,755	798,514	46,759
Transfers out	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	
Total Other Financing Sources (Uses)	<u>(75,000)</u>	<u>676,755</u>	<u>723,514</u>	<u>46,759</u>
NET CHANGE IN FUND BALANCE	(139,508)	232,255	1,437,599	1,205,344
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>795,640</u>	<u>795,640</u>	<u>795,640</u>	
FUND BALANCES – END OF FISCAL YEAR	<u>\$ 656,132</u>	<u>\$1,027,895</u>	<u>\$2,233,239</u>	<u>\$ 1,205,344</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u> <u>Budget-Positive</u> <u>(Negative)</u>
REVENUES:				
Use of money and property	\$ 7,000	\$ 7,000	\$ 9,465	\$ 2,465
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>9,465</u>	<u>2,465</u>
EXPENDITURES:				
Debt service:				
Principal retirement	290,000	290,000	290,000	
Interest and fiscal charges	<u>734,705</u>	<u>734,705</u>	<u>735,010</u>	<u>(305)</u>
Total Expenditures	<u>1,024,705</u>	<u>1,024,705</u>	<u>1,025,010</u>	<u>(305)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,017,705)</u>	<u>(1,017,705)</u>	<u>(1,015,545)</u>	<u>2,160</u>
OTHER FINANCING SOURCES (Uses):				
Transfers in	<u>1,017,794</u>	<u>1,017,794</u>	<u>946,306</u>	<u>(71,488)</u>
Total Other Financing Sources (Uses)	<u>1,017,794</u>	<u>1,017,794</u>	<u>946,306</u>	<u>(71,488)</u>
NET CHANGE IN FUND BALANCE	89	89	(69,239)	(69,328)
FUND BALANCE – BEGINNING OF FISCAL YEAR	<u>2,950,560</u>	<u>2,950,560</u>	<u>2,950,560</u>	
FUND BALANCE – END OF FISCAL YEAR	<u>\$ 2,950,649</u>	<u>\$ 2,950,649</u>	<u>\$ 2,881,321</u>	<u>\$(69,328)</u>

CITY OF DINUBA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
REDEVELOPMENT AGENCY DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u> <u>Budget-Positive</u> <u>(Negative)</u>
REVENUES:				
Use of money and property	\$ 150,000	\$ 150,000	\$ 26,343	\$ (123,657)
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>26,343</u>	<u>(123,657)</u>
EXPENDITURES:				
Debt service:				
Principal	2,040,467	2,040,467	16,050,372	(14,009,905)
Interest and fiscal charges	2,883,264	2,883,264	3,097,923	(214,659)
Cost of issuance			<u>734,435</u>	<u>(734,435)</u>
Total Expenditures	<u>4,923,731</u>	<u>4,923,731</u>	<u>19,882,730</u>	<u>(14,958,999)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,773,731)</u>	<u>(4,773,731)</u>	<u>(19,856,387)</u>	<u>(15,082,656)</u>
OTHER FINANCING SOURCES (Uses):				
Transfers in	4,679,853	4,679,853	4,586,959	(92,894)
Transfers out			(140,946)	(140,946)
Proceeds from issuance of long-term debt	<u>93,878</u>	<u>93,878</u>	<u>15,140,000</u>	<u>15,046,122</u>
Total Other Financing Sources (Uses)	<u>4,773,731</u>	<u>4,773,731</u>	<u>19,586,013</u>	<u>14,812,282</u>
NET CHANGE IN FUND BALANCE			<u>(270,374)</u>	<u>(270,374)</u>
FUND BALANCE – BEGINNING OF FISCAL YEAR	<u>2,034,472</u>	<u>2,034,472</u>	<u>2,034,472</u>	
FUND BALANCE – END OF FISCAL YEAR	<u>\$ 2,034,472</u>	<u>\$ 2,034,472</u>	<u>\$ 1,764,098</u>	<u>\$ (270,374)</u>

CITY OF DINUBA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2011

(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 (USGAAP). Accordingly, actual revenues and expenditures can be compared with the related budgeted amounts without any significant reconciling items.

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

## Supplementary Information



CITY OF DINUBA  
NONMAJOR GOVERNMENTAL FUNDS

**Special Revenue Funds**

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

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

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

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

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

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

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

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

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

**PUBLIC SAFETY SALES TAX FUND** – This fund accounts for the additional sales tax enacted by voters in November, 2005. Revenues in this fund are earmarked for additional public safety (fire and police) services.





CITY OF DINUBA  
NONMAJOR GOVERNMENTAL FUNDS

**Capital Projects Funds**

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

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

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

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

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

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

**Debt Service Funds**

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

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

CITY OF DINUBA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011

	<u>Special Revenue Funds</u>		
	<u>Gas tax</u>	<u>Parks Reserve</u>	<u>Transportation</u>
ASSETS:			
Cash and investments	\$131,621	\$129,560	\$547,548
Receivables:			
Intergovernmental	258,558		71,292
Notes		110,760	
Interest	308	2,206	581
Prepaid items			114
Interfund advances receivable		<u>150,000</u>	
Total Assets	<u>\$390,487</u>	<u>\$392,526</u>	<u>\$619,535</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 13,023	\$ 690	\$ 2,595
Accrued liabilities	1,754		6,647
Interfund advances payable		116,904	
Deferred revenues		112,806	610,293
Due to other funds			
Total Liabilities	<u>14,777</u>	<u>230,400</u>	<u>619,535</u>
Fund Balances:			
Nonspendable:			
Advances		150,000	
Restricted for:			
Landscape maintenance			
Capital projects	375,710		
Law enforcement			
Debt service			
Assigned for:			
Parks and recreation		12,126	
Landscape maintenance			
Community development			
Capital projects			
Unassigned:			
Total Fund Balances	<u>375,710</u>	<u>162,126</u>	
Total Liabilities and Fund Balances	<u>\$390,487</u>	<u>\$392,526</u>	<u>\$619,535</u>

CITY OF DINUBA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011

Special Revenue Funds					
System Development Charges	Community Enhancement Grants	Curb and Gutter	Assessment Districts	Fire Impact Fees	Public Safety Sales Tax
\$1,252,823	\$246,149	\$7,375	\$205,636	\$15,653	\$366,796
216	77,157		3,345	27,819	266,400
904,443					
48,259	313			2	362
<u>365,000</u>	<u>          </u>	<u>          </u>	<u>104,000</u>	<u>          </u>	<u>          </u>
<u>\$2,570,741</u>	<u>\$323,619</u>	<u>\$7,375</u>	<u>\$312,981</u>	<u>\$43,474</u>	<u>\$633,558</u>
\$	\$	\$	\$	\$	\$
	11,294		12,692		24,073
67,500			1,011		51,624
932,868					312,000
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>1,000,368</u>	<u>11,294</u>	<u>          </u>	<u>13,703</u>	<u>          </u>	<u>387,697</u>
365,000			104,000		
			195,278		
1,205,373	312,325			43,474	245,861
		7,375			
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>1,570,373</u>	<u>312,325</u>	<u>7,375</u>	<u>299,278</u>	<u>43,474</u>	<u>245,861</u>
<u>\$2,570,741</u>	<u>\$323,619</u>	<u>\$7,375</u>	<u>\$312,981</u>	<u>\$43,474</u>	<u>\$633,558</u>

CITY OF DINUBA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011  
(Continued)

	Capital Projects Funds		
	General Construction	Drainage Districts	Vocational Center
ASSETS:			
Cash and investments	\$ 11	\$ 56,075	\$62,470
Receivables:			
Intergovernmental			
Notes		110,760	
Interest		5,839	91
Prepaid items			
Interfund advances receivable			
Total Assets	<u>\$ 11</u>	<u>\$172,674</u>	<u>\$62,561</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$	\$	\$5,493
Accrued liabilities	6		1
Interfund advances payable			
Deferred revenues		116,538	
Due to other funds			
Total Liabilities	<u>6</u>	<u>116,538</u>	<u>5,494</u>
Fund Balances:			
Nonspendable:			
Advances			
Restricted for:			
Landscape maintenance			
Capital projects			
Law enforcement			
Debt service			
Assigned for:			
Parks and recreation			
Landscape maintenance			
Community development		56,136	57,067
Capital projects	5		
Unassigned			
Total Fund Balances	<u>5</u>	<u>56,136</u>	<u>57,067</u>
Total Liabilities and Fund Balances	<u>\$ 11</u>	<u>\$172,674</u>	<u>\$62,561</u>

CITY OF DINUBA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011  
(Continued)

<u>Capital Projects Funds</u>		<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>MTBE</u>	<u>Public Works Management</u>	<u>General</u>	
\$	\$ 85,204	\$ 67	\$3,106,988
			704,787
			1,125,963
	85		58,046
			114
<u>3,300,000</u>	<u>50,000</u>	<u>—</u>	<u>3,969,000</u>
<u>\$3,300,000</u>	<u>\$135,289</u>	<u>\$ 67</u>	<u>\$8,964,898</u>
\$ 9,048	\$ 1,606	\$	\$ 69,220
160	9,594		82,091
190,000			686,404
			1,772,505
<u>109,391</u>	<u>—</u>	<u>—</u>	<u>109,391</u>
<u>308,599</u>	<u>11,200</u>	<u>—</u>	<u>2,719,611</u>
3,300,000	50,000		3,969,000
			195,278
			1,624,557
			558,186
		67	67
			12,126
			7,375
	74,089		187,292
			5
<u>(308,599)</u>	<u>—</u>	<u>—</u>	<u>(308,599)</u>
<u>2,991,401</u>	<u>124,089</u>	<u>67</u>	<u>6,245,287</u>
<u>\$3,300,000</u>	<u>\$135,289</u>	<u>\$ 67</u>	<u>\$8,964,898</u>

CITY OF DINUBA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Special Revenue Funds		
	Gas Tax	Parks Reserve	Transportation
REVENUES:			
Taxes and assessments	\$	\$	\$ 279,352
Intergovernmental	727,905		384,465
Charges for services		1,872	
Use of money and property	1,321	598	1,525
Fines and forfeitures			
Reimbursements			
Miscellaneous			4,667
Total Revenues	<u>729,226</u>	<u>2,470</u>	<u>670,009</u>
EXPENDITURES:			
Current:			
Public safety			
Community development			
Parks and recreation		35,749	
Public works	278,220		292,647
Capital outlay			
Debt service:			
Principal retirement			
Interest and fiscal charges			
Total Expenditures	<u>278,220</u>	<u>35,749</u>	<u>292,647</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>451,006</u>	<u>(33,279)</u>	<u>377,362</u>
OTHER FINANCING SOURCES (Uses):			
Sale of property			
Proceeds from issuance of long-term debt			
Transfers in			50,000
Transfers out	(726,317)		(425,860)
Total Other Financing Sources (Uses)	<u>(726,317)</u>		<u>(375,860)</u>
NET CHANGE IN FUND BALANCES	<u>(275,311)</u>	<u>(33,279)</u>	<u>1,502</u>
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>651,021</u>	<u>195,405</u>	<u>(1,502)</u>
FUND BALANCES – END OF FISCAL YEAR	<u>\$ 375,710</u>	<u>\$162,126</u>	<u>\$</u>

CITY OF DINUBA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

System Development Charges	Community Enhancement Grants	Special Revenue Funds			
		Curb and Gutter	Assessment Districts	Fire Impact Fees	Public Safety Sales Tax
\$	\$	\$	\$484,576	\$	\$1,962,662
	308,096			48,834	
1,430,657	9,285			4,412	
5,064	641			26	695
	146,193				
<u>1,435,721</u>	<u>464,215</u>		<u>484,576</u>	<u>53,272</u>	<u>1,963,357</u>
	314,238				1,141,088
6,156			343,992		
4,032	16,686			48,834	40,124
					121,929
					<u>16,813</u>
<u>10,188</u>	<u>330,924</u>		<u>343,992</u>	<u>48,834</u>	<u>1,319,954</u>
<u>1,425,533</u>	<u>133,291</u>		<u>140,584</u>	<u>4,438</u>	<u>643,403</u>
35,000					
<u>(1,163,532)</u>	<u>(70,000)</u>				<u>(106,079)</u>
<u>(1,128,532)</u>	<u>(70,000)</u>				<u>(106,079)</u>
<u>297,001</u>	<u>63,291</u>		<u>140,584</u>	<u>4,438</u>	<u>537,324</u>
<u>1,273,372</u>	<u>249,034</u>	<u>7,375</u>	<u>158,694</u>	<u>39,036</u>	<u>(291,463)</u>
<u>\$ 1,570,373</u>	<u>\$312,325</u>	<u>\$7,375</u>	<u>\$299,278</u>	<u>\$43,474</u>	<u>\$ 245,861</u>



CITY OF DINUBA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	<u>Capital Projects Funds</u>		
	<u>General Construction</u>	<u>Drainage Districts</u>	<u>Vocational Center</u>
REVENUES:			
Taxes and assessments	\$	\$	\$
Intergovernmental			
Charges for services		2,594	
Use of money and property		95	103,457
Fines and forfeitures			
Reimbursements			
Miscellaneous			<u>116,448</u>
Total Revenues		<u>2,689</u>	<u>219,905</u>
EXPENDITURES:			
Current:			
Public safety			
Community development			109,470
Parks and recreation			
Public works	6	174,288	
Capital outlay	14,715	8,734	
Debt service:			
Principal retirement			
Interest and fiscal charges			
Total Expenditures	<u>14,721</u>	<u>183,022</u>	<u>109,470</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(14,721)</u>	<u>(180,333)</u>	<u>110,435</u>
OTHER FINANCING SOURCES (Uses):			
Sale of property		10,331	
Proceeds from issuance of long-term debt			
Transfers in	14,715		
Transfers out			<u>(71,488)</u>
Total Other Financing Sources (Uses)	<u>14,715</u>	<u>10,331</u>	<u>(71,488)</u>
NET CHANGE IN FUND BALANCE	<u>(6)</u>	<u>(170,002)</u>	<u>38,947</u>
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>11</u>	<u>226,138</u>	<u>18,120</u>
FUND BALANCES – END OF FISCAL YEAR	<u>\$ 5</u>	<u>\$ 56,136</u>	<u>\$ 57,067</u>

CITY OF DINUBA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

Capital Projects Funds		Debt Service Fund	Total Governmental Funds
MTBE	Public Works Management	General	
\$	\$	\$	\$ 2,726,590
			1,469,300
	3,000		1,451,820
	166		113,588
			146,193
128,459	420,045		548,504
			<u>121,115</u>
<u>128,459</u>	<u>423,211</u>		<u>6,577,110</u>
			1,455,326
			109,470
			35,749
	374,151		1,469,460
297,525			430,650
		1,323,136	1,445,065
		<u>95,905</u>	<u>112,718</u>
<u>297,525</u>	<u>374,151</u>	<u>1,419,041</u>	<u>5,058,438</u>
<u>(169,066)</u>	<u>49,060</u>	<u>(1,419,041)</u>	<u>1,518,672</u>
			10,331
		1,172,340	1,172,340
		244,554	344,269
<u>(2,807)</u>			<u>(2,566,083)</u>
<u>(2,807)</u>		<u>1,416,894</u>	<u>(1,039,143)</u>
<u>(171,873)</u>	<u>49,060</u>	<u>(2,147)</u>	<u>479,529</u>
<u>3,163,274</u>	<u>75,029</u>	<u>2,214</u>	<u>5,765,758</u>
<u>\$2,991,401</u>	<u>\$124,089</u>	<u>\$ 67</u>	<u>\$ 6,245,287</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget- Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 705,130	\$ 705,130	\$ 727,905	\$22,775
Use of money and property	1,000	1,000	1,321	321
Miscellaneous	<u>500</u>	<u>500</u>		<u>(500)</u>
Total Revenues	<u>706,630</u>	<u>706,630</u>	<u>729,226</u>	<u>22,596</u>
EXPENDITURES:				
Current:				
Public works	<u>340,640</u>	<u>340,640</u>	<u>278,220</u>	<u>62,420</u>
Total Expenditures	<u>340,640</u>	<u>340,640</u>	<u>278,220</u>	<u>62,420</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>365,990</u>	<u>365,990</u>	<u>451,006</u>	<u>85,016</u>
OTHER FINANCING SOURCES (Uses):				
Transfers out	<u>(367,582)</u>	<u>(731,755)</u>	<u>(726,317)</u>	<u>5,438</u>
Total Other Financing Sources (Uses)	<u>(367,582)</u>	<u>(731,755)</u>	<u>(726,317)</u>	<u>5,438</u>
NET CHANGE IN FUND BALANCE	(1,592)	(365,765)	(275,311)	90,454
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>651,021</u>	<u>651,021</u>	<u>651,021</u>	
FUND BALANCES – END OF FISCAL YEAR	<u>\$ 649,429</u>	<u>\$ 285,256</u>	<u>\$ 375,710</u>	<u>\$90,454</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Charges for services	\$ 10,000	\$ 10,000	\$ 1,872	\$ (8,128)
Use of money and property	<u>700</u>	<u>700</u>	<u>598</u>	<u>(102)</u>
Total Revenues	<u>10,700</u>	<u>10,700</u>	<u>2,470</u>	<u>(8,230)</u>
EXPENDITURES:				
Current:				
Parks and recreation	130,000	165,232	35,749	129,483
Capital outlay	<u>21,500</u>	<u>21,500</u>		<u>21,500</u>
Total Expenditures	<u>151,500</u>	<u>186,732</u>	<u>35,749</u>	<u>150,983</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(140,800)</u>	<u>(176,032)</u>	<u>(33,279)</u>	<u>142,753</u>
OTHER FINANCING SOURCES (uses)				
Transfers Out				
NET CHANGE IN FUND BALANCE	(140,800)	(176,032)	(33,279)	142,753
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>195,405</u>	<u>195,405</u>	<u>195,405</u>	
FUND BALANCES – END OF FISCAL YEAR	<u>\$ 54,605</u>	<u>\$ 19,373</u>	<u>\$162,126</u>	<u>\$142,753</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Taxes and assessments	\$ 295,486	\$ 295,486	\$ 279,352	\$ (16,134)
Intergovernmental	263,160	263,160	384,465	121,305
Use of money and property	4,000	4,000	1,525	(2,475)
Miscellaneous			4,667	4,667
Total Revenues	<u>562,646</u>	<u>562,646</u>	<u>670,009</u>	<u>107,363</u>
EXPENDITURES:				
Current:				
Public works	<u>253,460</u>	<u>295,060</u>	<u>292,647</u>	<u>2,413</u>
Total Expenditures	<u>253,460</u>	<u>295,060</u>	<u>292,647</u>	<u>2,413</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>309,186</u>	<u>267,586</u>	<u>377,362</u>	<u>109,776</u>
OTHER FINANCING SOURCES (Uses):				
Transfers in	50,000	50,000	50,000	
Transfers out	<u>(405,860)</u>	<u>(425,860)</u>	<u>(425,860)</u>	
Total Other Financing Sources (Uses)	<u>(355,860)</u>	<u>(375,860)</u>	<u>(375,860)</u>	
NET CHANGE IN FUND BALANCE	(46,674)	(108,274)	1,502	109,776
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>(1,502)</u>	<u>(1,502)</u>	<u>(1,502)</u>	
FUND BALANCES – END OF FISCAL YEAR	<u>\$ (48,176)</u>	<u>\$ (109,776)</u>	<u>\$</u>	<u>\$109,776</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Charges for services	\$ 245,000	\$ 885,000	\$ 1,430,657	\$545,657
Use of money and property	<u>4,906</u>	<u>4,906</u>	<u>5,064</u>	<u>158</u>
Total Revenues	<u>249,906</u>	<u>889,906</u>	<u>1,435,721</u>	<u>545,815</u>
EXPENDITURES:				
Current:				
Public works		4,750	6,156	(1,406)
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>4,032</u>	<u>25,968</u>
Total Expenditures	<u>30,000</u>	<u>34,750</u>	<u>10,188</u>	<u>24,562</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>219,906</u>	<u>855,156</u>	<u>1,425,533</u>	<u>570,377</u>
OTHER FINANCING SOURCES (Uses):				
Transfers in	25,000	25,000	35,000	10,000
Transfers out	<u>(808,532)</u>	<u>(1,298,532)</u>	<u>(1,163,532)</u>	<u>135,000</u>
Total Other Financing Sources (Uses)	<u>(783,532)</u>	<u>(1,273,532)</u>	<u>(1,128,532)</u>	<u>145,000</u>
NET CHANGE IN FUND BALANCE	(563,626)	(418,376)	297,001	715,377
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>1,273,372</u>	<u>1,273,372</u>	<u>1,273,372</u>	
FUND BALANCES – END OF FISCAL YEAR	<u>\$ 709,746</u>	<u>\$ 854,996</u>	<u>\$ 1,570,373</u>	<u>\$715,377</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Intergovernmental	\$295,663	\$315,997	\$308,096	\$ (7,901)
Use of money and property	1,800	1,800	641	(1,159)
Fines and forfeitures	88,000	88,000	146,193	58,193
Charges for services	<u>11,000</u>	<u>11,000</u>	<u>9,285</u>	<u>(1,715)</u>
Total Revenues	<u>396,463</u>	<u>416,797</u>	<u>464,215</u>	<u>47,418</u>
EXPENDITURES:				
Current:				
Public safety	285,017	288,665	314,238	(25,573)
Capital outlay	<u>          </u>	<u>16,686</u>	<u>16,686</u>	<u>          </u>
Total Expenditures	<u>285,017</u>	<u>305,351</u>	<u>330,924</u>	<u>(25,573)</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>111,446</u>	<u>111,446</u>	<u>133,291</u>	<u>845</u>
OTHER FINANCING SOURCES (Uses):				
Transfers out	<u>(70,000)</u>	<u>(70,000)</u>	<u>(70,000)</u>	<u>          </u>
Total Other Financing Sources (Uses)	<u>(70,000)</u>	<u>(70,000)</u>	<u>(70,000)</u>	<u>          </u>
NET CHANGE IN FUND BALANCE	<u>41,446</u>	<u>41,446</u>	<u>63,291</u>	<u>21,845</u>
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>249,034</u>	<u>249,034</u>	<u>249,034</u>	<u>          </u>
FUND BALANCES – END OF FISCAL YEAR	<u>\$290,480</u>	<u>\$290,480</u>	<u>\$312,325</u>	<u>\$ 21,845</u>

CITY OF DINUBA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
CURB AND GUTTER SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Miscellaneous	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$</u>	<u>\$(2,000)</u>
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>      </u>	<u>(2,000)</u>
EXPENDITURES:				
Current:				
Public works	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Total Expenditures	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>2,000</u>	<u>2,000</u>	<u>      </u>	<u>(2,000)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Total Other Financing Sources	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
NET CHANGE IN FUND BALANCE	2,000	2,000		(2,000)
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>7,375</u>	<u>7,375</u>	<u>7,375</u>	<u>      </u>
FUND BALANCES – END OF FISCAL YEAR	<u>\$9,375</u>	<u>\$9,375</u>	<u>\$7,375</u>	<u>\$(2,000)</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Taxes and assessments	<u>\$417,266</u>	<u>\$417,266</u>	<u>\$484,576</u>	<u>\$ 67,310</u>
Total Revenues	<u>417,266</u>	<u>417,266</u>	<u>484,576</u>	<u>67,310</u>
EXPENDITURES:				
Current:				
Public works	<u>397,336</u>	<u>397,336</u>	<u>343,992</u>	<u>53,344</u>
Total Expenditures	<u>397,336</u>	<u>397,336</u>	<u>343,992</u>	<u>53,344</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>19,930</u>	<u>19,930</u>	<u>140,584</u>	<u>120,654</u>
NET CHANGE IN FUND BALANCE	19,930	19,930	140,584	120,654
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>158,694</u>	<u>158,694</u>	<u>158,694</u>	<u>          </u>
FUND BALANCES – END OF FISCAL YEAR	<u>\$178,624</u>	<u>\$178,624</u>	<u>\$299,278</u>	<u>\$120,654</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Use of money and property	\$	\$	\$ 26	\$ 26
Intergovernmental		21,015	48,834	27,819
Charges for services	<u>9,063</u>	<u>45,151</u>	<u>4,412</u>	<u>(40,739)</u>
Total Revenues	<u>9,063</u>	<u>66,166</u>	<u>53,272</u>	<u>(12,894)</u>
EXPENDITURES:				
Capital outlay	_____	<u>48,834</u>	<u>48,834</u>	_____
Total Expenditures	_____	<u>48,834</u>	<u>48,834</u>	_____
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>9,063</u>	<u>17,332</u>	<u>4,438</u>	<u>(12,894)</u>
OTHER FINANCING SOURCES (Uses):				
Transfers out	_____	_____	_____	_____
Total Other Financing Sources (Uses)	_____	_____	_____	_____
NET CHANGE IN FUND BALANCE	9,063	17,332	4,438	(12,894)
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>39,036</u>	<u>39,036</u>	<u>39,036</u>	_____
FUND BALANCES – END OF FISCAL YEAR	<u>\$48,099</u>	<u>\$56,368</u>	<u>\$43,474</u>	<u>\$(12,894)</u>

CITY OF DINUBA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
PUBLIC SAFETY SALES TAX SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Taxes and assessments	\$1,350,000	\$1,350,000	\$1,962,662	\$ 612,662
Use of money and property			695	695
Total Revenues	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,963,357</u>	<u>613,357</u>
EXPENDITURES:				
Current:				
Public safety	1,116,467	1,143,080	1,141,088	1,992
Capital outlay		149,997	40,124	109,873
Debt service:				
Principal retirement	121,929	121,929	121,929	
Interest and fiscal charges	<u>16,813</u>	<u>16,813</u>	<u>16,813</u>	
Total Expenditures	<u>1,255,209</u>	<u>1,431,819</u>	<u>1,319,954</u>	<u>111,865</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>94,791</u>	<u>(81,819)</u>	<u>643,403</u>	<u>725,222</u>
OTHER FINANCING SOURCES (Uses):				
Transfers out			(106,079)	(106,079)
Total Other Financing Sources (Uses)			<u>(106,079)</u>	<u>(106,079)</u>
NET CHANGE IN FUND BALANCE	94,791	(81,819)	537,324	619,143
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>(291,463)</u>	<u>(291,463)</u>	<u>(291,463)</u>	
FUND BALANCES – END OF FISCAL YEAR	<u>\$ (196,672)</u>	<u>\$ (373,282)</u>	<u>\$ 245,861</u>	<u>\$ 619,143</u>

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Use of money and property	\$	\$	\$	\$
Reimbursements	—	—	—	—
Total Revenues	—	—	—	—
EXPENDITURES:				
Current:				
Public works			6	(6)
Capital outlay	—	<u>14,715</u>	<u>14,715</u>	—
Total Expenditures	—	<u>14,715</u>	<u>14,721</u>	<u>(6)</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	—	<u>(14,715)</u>	<u>(14,721)</u>	<u>(6)</u>
OTHER FINANCING SOURCES (Uses)				
Transfers in	—	<u>14,715</u>	<u>14,715</u>	—
Total Other financing Sources (Uses)		14,715	14,715	
NET CHANGE IN FUND BALANCE			(6)	(6)
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>11</u>	<u>11</u>	<u>11</u>	—
FUND BALANCES – END OF FISCAL YEAR	<u>\$ 11</u>	<u>\$ 11</u>	<u>\$ 5</u>	<u>\$ (6)</u>

CITY OF DINUBA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
DRAINAGE DISTRICTS CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Intergovernmental	\$	\$	\$	\$
Charges for services	10,000	10,000	2,594	(7,406)
Use of money and property	<u>500</u>	<u>500</u>	<u>95</u>	<u>(405)</u>
Total Revenues	<u>10,500</u>	<u>10,500</u>	<u>2,689</u>	<u>(7,811)</u>
EXPENDITURES:				
Current:				
Public works			174,288	(174,288)
Capital outlay		<u>22,000</u>	<u>8,734</u>	<u>13,266</u>
Total Expenditures		<u>22,000</u>	<u>183,022</u>	<u>(161,022)</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>10,500</u>	<u>(11,500)</u>	<u>(180,333)</u>	<u>(168,833)</u>
OTHER FINANCING SOURCES (Uses)				
Sale of property			<u>10,331</u>	<u>10,331</u>
Total Other financing Sources (Uses)			<u>10,331</u>	<u>10,331</u>
NET CHANGE IN FUND BALANCE	10,500	(11,500)	(170,002)	(158,502)
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>226,138</u>	<u>226,138</u>	<u>226,138</u>	
FUND BALANCES – END OF FISCAL YEAR	<u>\$236,638</u>	<u>\$214,638</u>	<u>\$ 56,136</u>	<u>\$(158,502)</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Use of money and property	\$205,713	\$205,713	\$103,457	\$(102,256)
Intergovernmental	7,500	7,500		(7,500)
Miscellaneous	<u>1,150</u>	<u>1,150</u>	<u>116,448</u>	<u>115,298</u>
Total Revenues	<u>214,363</u>	<u>214,363</u>	<u>219,905</u>	<u>5,542</u>
EXPENDITURES:				
Current:				
Community development	<u>252,801</u>	<u>252,801</u>	<u>109,470</u>	<u>143,331</u>
Total Expenditures	<u>252,801</u>	<u>252,801</u>	<u>109,470</u>	<u>143,331</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(38,438)</u>	<u>(38,438)</u>	<u>110,435</u>	<u>148,873</u>
OTHER FINANCING SOURCES (Uses):				
Transfers out	<u>          </u>	<u>          </u>	<u>(71,488)</u>	<u>(71,488)</u>
Total Other Financing Sources (Uses)	<u>          </u>	<u>          </u>	<u>(71,488)</u>	<u>(71,488)</u>
NET CHANGE IN FUND BALANCE	(38,438)	(38,438)	38,947	77,385
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>18,120</u>	<u>18,120</u>	<u>18,120</u>	<u>          </u>
FUND BALANCES – END OF FISCAL YEAR	<u>\$ (20,318)</u>	<u>\$ (20,318)</u>	<u>\$ 57,067</u>	<u>\$ 77,385</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Use of money and property	\$ 200	\$ 200	\$	\$(200)
Charges for services				
Intergovernmental				
Reimbursements	<u>100,000</u>	<u>128,750</u>	<u>128,459</u>	<u>(291)</u>
Total Revenues	<u>100,200</u>	<u>128,950</u>	<u>128,459</u>	<u>(491)</u>
EXPENDITURES:				
Capital outlay	<u>100,000</u>	<u>298,000</u>	<u>297,525</u>	<u>475</u>
Total Expenditures	<u>100,000</u>	<u>298,000</u>	<u>297,525</u>	<u>475</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>200</u>	<u>(169,050)</u>	<u>(169,066)</u>	<u>(16)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u></u>	<u>(2,810)</u>	<u>(2,807)</u>	<u>(3)</u>
Total Other Financing Sources (Uses)	<u></u>	<u>(2,810)</u>	<u>(2,807)</u>	<u>(3)</u>
NET CHANGE IN FUND BALANCE	200	(171,860)	(171,873)	(13)
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>3,163,274</u>	<u>3,163,274</u>	<u>3,163,274</u>	<u></u>
FUND BALANCES – END OF FISCAL YEAR	<u>\$3,163,474</u>	<u>\$2,991,414</u>	<u>\$2,991,401</u>	<u>\$ (13)</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Use of money and property	\$ 500	\$ 500	\$ 166	\$ (334)
Charges for services			3,000	3,000
Intergovernmental				
Reimbursements	<u>420,044</u>	<u>420,044</u>	<u>420,045</u>	<u>1</u>
Total Revenues	<u>420,544</u>	<u>420,544</u>	<u>423,211</u>	<u>2,667</u>
EXPENDITURES:				
Current:				
Public works	<u>420,044</u>	<u>420,044</u>	<u>374,151</u>	<u>45,893</u>
Total Expenditures	<u>420,044</u>	<u>420,044</u>	<u>374,151</u>	<u>45,893</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>500</u>	<u>500</u>	<u>49,060</u>	<u>48,560</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCE	500	500	49,060	48,560
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>75,029</u>	<u>75,029</u>	<u>75,029</u>	
FUND BALANCES – END OF FISCAL YEAR	<u>\$ 75,529</u>	<u>\$ 75,529</u>	<u>\$124,089</u>	<u>\$48,560</u>



CITY OF DINUBA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
GENERAL DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Use of money and property	\$	\$	\$	\$
Total Revenues				
EXPENDITURES:				
Debt Service:				
Principal retirement	903,136	1,333,136	1,323,136	10,000
Interest and fiscal charges	<u>68,418</u>	<u>93,418</u>	<u>95,905</u>	<u>(2,487)</u>
Total Expenditures	<u>971,554</u>	<u>1,426,554</u>	<u>1,419,041</u>	<u>7,513</u>
EXCESS OF REVENUE OVER				
(UNDER) EXPENDITURES	<u>(971,554)</u>	<u>(1,426,554)</u>	<u>(1,419,041)</u>	<u>7,513</u>
OTHER FINANCING SOURCES (Uses):				
Transfers in	221,554	996,554	244,554	(752,000)
Proceeds from issuance of long-term debt	<u>750,000</u>	<u>1,180,000</u>	<u>1,172,340</u>	<u>(7,660)</u>
Total Other Financing Sources (Uses)	<u>971,554</u>	<u>2,176,554</u>	<u>1,416,894</u>	<u>(759,660)</u>
NET CHANGE IN FUND BALANCE		750,000	(2,147)	(752,147)
FUND BALANCES – BEGINNING OF FISCAL YEAR	<u>2,214</u>	<u>2,214</u>	<u>2,214</u>	
FUND BALANCES – END OF FISCAL YEAR	<u>\$ 2,214</u>	<u>\$ 752,214</u>	<u>\$ 67</u>	<u>\$(752,147)</u>

CITY OF DINUBA

**Internal Service Funds**

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

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

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

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



CITY OF DINUBA  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2011

	<u>Insurance Fund</u>	<u>Billing and Collection Service Fund</u>	<u>Property and Equipment Service Fund</u>	<u>Totals</u>
<b>ASSETS:</b>				
Current assets:				
Cash and investments	\$	\$ 12,625	\$	\$ 12,625
Accounts receivable	61,193		69,815	131,008
Interest receivable		14	32	46
Due from other agencies	96,437			96,437
Prepaid expense	<u>7,406</u>	<u>          </u>	<u>114</u>	<u>7,520</u>
Total Current Assets	<u>165,036</u>	<u>12,639</u>	<u>69,961</u>	<u>247,636</u>
Noncurrent assets:				
Interfund advances receivable	354,862			354,862
Depreciable equipment, net	<u>          </u>	<u>          </u>	<u>9,560</u>	<u>9,560</u>
Total Noncurrent Assets	<u>354,862</u>	<u>          </u>	<u>9,560</u>	<u>364,422</u>
<b>TOTAL ASSETS</b>	<u>519,898</u>	<u>12,639</u>	<u>79,521</u>	<u>612,058</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	138,428	1,091	10,445	149,964
Accrued liabilities	12,705	13,990	13,109	39,804
Claims payable	50,000			50,000
Due to other funds	<u>624,432</u>	<u>          </u>	<u>39,362</u>	<u>663,794</u>
Total Current Liabilities	<u>825,565</u>	<u>15,081</u>	<u>62,916</u>	<u>903,562</u>
Noncurrent liabilities:				
Compensated absences	<u>26,233</u>	<u>26,011</u>	<u>8,828</u>	<u>61,072</u>
Total Noncurrent Liabilities	<u>26,233</u>	<u>26,011</u>	<u>8,828</u>	<u>61,072</u>
Total Liabilities	<u>851,798</u>	<u>41,092</u>	<u>71,744</u>	<u>964,634</u>
<b>NET ASSETS:</b>				
Invested in capital assets, net of related debt			9,560	9,560
Unrestricted	<u>(331,900)</u>	<u>(28,453)</u>	<u>(1,783)</u>	<u>(362,136)</u>
<b>TOTAL NET ASSETS</b>	<u>\$(331,900)</u>	<u>\$(28,453)</u>	<u>\$ 7,777</u>	<u>\$(352,576)</u>

CITY OF DINUBA  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Insurance Fund</u>	<u>Billing and Collection Service Fund</u>	<u>Property and Equipment Service Fund</u>	<u>Totals</u>
OPERATING REVENUES:				
Charges for services	<u>\$2,634,786</u>	<u>\$480,849</u>	<u>\$565,786</u>	<u>\$3,681,421</u>
Total Operating Revenues	<u>2,634,786</u>	<u>480,849</u>	<u>565,786</u>	<u>3,681,421</u>
OPERATING EXPENSES:				
Salaries and benefits	198,351	404,401	326,955	929,707
Contractual services	10,446	12,369	3,370	26,185
Materials and supplies	2,736	43,728	280,859	327,323
Insurance	969,794			969,794
Employee health insurance	2,035,682			2,035,682
Allocated costs	1,268	18,969	9,767	30,004
Depreciation			<u>2,002</u>	<u>2,002</u>
Total Operating Expenses	<u>3,218,277</u>	<u>479,467</u>	<u>622,953</u>	<u>4,320,697</u>
OPERATING INCOME (LOSS)	<u>(583,491)</u>	<u>1,382</u>	<u>(57,167)</u>	<u>(639,276)</u>
NONOPERATING REVENUES:				
Intergovernmental revenue			69,815	69,815
Interest revenue		<u>40</u>	<u>67</u>	<u>107</u>
Total Nonoperating Revenues		<u>40</u>	<u>69,882</u>	<u>69,922</u>
Income (Loss) Before Transfers	<u>(583,491)</u>	<u>1,422</u>	<u>12,715</u>	<u>(569,354)</u>
Transfers in	116,000			116,000
Transfers out				
Net transfers	<u>116,000</u>			<u>116,000</u>
Changes in Net Assets	(467,491)	1,422	12,715	(453,354)
NET ASSETS – BEGINNING OF FISCAL YEAR	<u>135,591</u>	<u>(29,875)</u>	<u>(4,938)</u>	<u>100,778</u>
NET ASSETS – END OF FISCAL YEAR	<u>\$ (331,900)</u>	<u>\$ (28,453)</u>	<u>\$ 7,777</u>	<u>\$ (352,576)</u>

CITY OF DINUBA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Insurance Fund	Billing and Collection Service Fund	Property and Equipment Service Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers and users	\$ 2,545,350	\$ 480,849	\$ 565,786	\$ 3,591,985
Cash paid to suppliers for goods and services	(2,916,501)	(57,178)	(279,045)	(3,252,724)
Cash paid to employees for services	(192,083)	(404,629)	(332,244)	(928,956)
Cash paid for allocated overhead	(1,268)	(18,969)	(9,767)	(30,004)
Net Cash Provided (Used) by Operating Activities	(564,502)	73	(55,270)	(619,699)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Transfers from other funds	116,000			116,000
Due to (from) other funds	448,453		39,362	487,815
Net Cash Provided (Used) by Non-Capital Financing Activities	564,453		39,362	603,815
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	49	27	35	111
Net cash provided (used) by investing activities	49	27	35	111
Net Increase (Decrease) in Cash and Cash Equivalents		100	(15,873)	(15,773)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FISCAL YEAR</b>		12,525	15,873	28,398
<b>CASH AND CASH EQUIVALENTS AT END OF FISCAL YEAR</b>	\$	\$ 12,625	\$	\$ 12,625
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (583,491)	\$ 1,382	\$ (57,167)	\$ (639,276)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation			2,002	2,002
Adjustments:				
(Increase) decrease in accounts receivable	(56,716)			(56,716)
(Increase) decrease in due from other agencies	(32,720)			(32,720)
(Increase) decrease in prepaid expenses	14,769			14,769
Increase (decrease) in accounts payable	85,467	(2,361)	4,191	87,297
Increase (decrease) in accrued liabilities	1,921	1,280	993	4,194
Increase (decrease) in compensated absences payable	6,268	(228)	(5,289)	751
Total Adjustments	18,989	(1,309)	1,897	19,577
Net Cash Provided (Used) by Operating Activities	\$ (564,502)	\$ 73	\$ (55,270)	\$ (619,699)



CITY OF DINUBA

**Agency Funds**

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

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

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

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

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

POST TRAINING REVOLVING FUND – This 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 to be used for youth recreation activities and services.

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



CITY OF DINUBA  
COMBINING STATEMENT OF NET ASSETS  
ALL AGENCY FUNDS  
JUNE 30, 2011

	<u>Cash Deposits</u>	<u>Retiree's Insurance</u>	<u>DPOA Trust</u>	<u>Special Community Events</u>
ASSETS				
Cash and investments	\$301,093	\$72,547	\$1,474	\$18,233
Receivables	<u>          </u>	<u>125</u>	<u>          </u>	<u>          </u>
Total Assets	<u>301,093</u>	<u>72,672</u>	<u>1,474</u>	<u>18,233</u>
LIABILITIES				
Accounts payable		(4,344)	668	1,777
Deposits payable	<u>301,093</u>	<u>77,016</u>	<u>806</u>	<u>16,456</u>
Total Liabilities	<u>\$301,093</u>	<u>\$72,672</u>	<u>\$1,474</u>	<u>\$18,233</u>

CITY OF DINUBA  
COMBINING STATEMENT OF NET ASSETS  
ALL AGENCY FUNDS  
JUNE 30, 2011

<u>Post Training Revolving</u>	<u>Abandoned Vehicles</u>	<u>Pro-Youth</u>	<u>Police Activities</u>	<u>Total</u>
\$662	\$5,939	\$16,100	\$27,919	\$443,967
—	<u>2,030</u>	—	—	<u>2,155</u>
<u>662</u>	<u>7,969</u>	<u>16,100</u>	<u>27,919</u>	<u>446,122</u>
662	7,969	4,991		11,723
—	—	<u>11,109</u>	<u>27,919</u>	<u>434,399</u>
<u>\$662</u>	<u>\$7,969</u>	<u>\$16,100</u>	<u>\$27,919</u>	<u>\$446,122</u>

CITY OF DINUBA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Cash Deposits</b>				
Assets				
Cash and investments	<u>\$230,168</u>	<u>\$1,545,579</u>	<u>\$1,474,654</u>	<u>\$301,093</u>
Total Assets	<u>\$230,168</u>	<u>\$1,545,579</u>	<u>\$1,474,654</u>	<u>\$301,093</u>
Liabilities				
Deposits payable	<u>\$230,168</u>	<u>\$1,545,579</u>	<u>\$1,474,654</u>	<u>\$301,093</u>
Total liabilities	<u>\$230,168</u>	<u>\$1,545,579</u>	<u>\$1,474,654</u>	<u>\$301,093</u>
<b>Retiree's Insurance</b>				
Assets				
Cash and investments	<u>\$113,314</u>	<u>\$ 101,677</u>	<u>\$ 142,444</u>	<u>\$ 72,547</u>
Receivables	<u>87</u>	<u>125</u>	<u>87</u>	<u>125</u>
Total Assets	<u>\$113,401</u>	<u>\$ 101,802</u>	<u>\$ 142,531</u>	<u>\$ 72,672</u>
Liabilities				
Accounts payable	<u>\$ 69,028</u>	<u>\$ 255,765</u>	<u>\$ 329,137</u>	<u>\$ (4,344)</u>
Deposits payable	<u>44,373</u>	<u>32,643</u>	<u></u>	<u>77,016</u>
Total liabilities	<u>\$113,401</u>	<u>\$ 288,408</u>	<u>\$ 329,137</u>	<u>\$ 72,672</u>
<b>DPOA Trust</b>				
Assets				
Cash and investments	<u>\$ 1,474</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,474</u>
Total Assets	<u>\$ 1,474</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,474</u>
Liabilities				
Accounts payable	<u>\$ 668</u>	<u>\$</u>	<u>\$</u>	<u>\$ 668</u>
Deposits payable	<u>806</u>	<u></u>	<u></u>	<u>806</u>
Total liabilities	<u>\$ 1,474</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,474</u>
<b>Special Community Events</b>				
Assets				
Cash and investments	<u>\$ 16,456</u>	<u>\$ 43,712</u>	<u>\$ 41,935</u>	<u>\$ 18,233</u>
Receivables	<u></u>	<u></u>	<u></u>	<u></u>
Total Assets	<u>\$ 16,456</u>	<u>\$ 43,712</u>	<u>\$ 41,935</u>	<u>\$ 18,233</u>
Liabilities				
Accounts payable	<u>\$</u>	<u>\$ 145,814</u>	<u>\$ 144,037</u>	<u>\$ 1,777</u>
Deposits payable	<u>16,456</u>	<u></u>	<u></u>	<u>16,456</u>
Total liabilities	<u>\$ 16,456</u>	<u>\$ 145,814</u>	<u>\$ 144,037</u>	<u>\$ 18,233</u>

**CITY OF DINUBA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(Continued)**

	Beginning Balance	Additions	Deductions	Ending Balance
<b>Post Training Revolving</b>				
Assets				
Cash and investments	\$ 662	\$ 19,299	\$ 19,299	\$ 662
Total Assets	<u>\$ 662</u>	<u>\$ 19,299</u>	<u>\$ 19,299</u>	<u>\$ 662</u>
Liabilities				
Accounts payable	\$ 662	\$ 19,299	\$ 19,299	\$ 662
Total liabilities	<u>\$ 662</u>	<u>\$ 19,299</u>	<u>\$ 19,299</u>	<u>\$ 662</u>
<b>Abandoned Vehicles</b>				
Assets				
Cash and investments	\$ (1,947)	\$ 7,886	\$	\$ 5,939
Receivables	1,961	2,030	1,961	2,030
Total Assets	<u>\$ 14</u>	<u>\$ 9,916</u>	<u>\$ 1,961</u>	<u>\$ 7,969</u>
Liabilities				
Accounts payable	\$ 14	\$ 7,955	\$	\$ 7,969
Total liabilities	<u>\$ 14</u>	<u>\$ 7,955</u>	<u>\$</u>	<u>\$ 7,969</u>
<b>Pro-Youth</b>				
Assets				
Cash and investments	\$ 11,109	\$ 33,934	\$ 28,943	\$ 16,100
Total Assets	<u>\$ 11,109</u>	<u>\$ 33,934</u>	<u>\$ 28,943</u>	<u>\$ 16,100</u>
Liabilities				
Accounts payable	\$	\$ 107,921	\$ 102,930	\$ 4,991
Deposits payable	11,109			11,109
Total liabilities	<u>\$ 11,109</u>	<u>\$ 107,921</u>	<u>\$ 102,930</u>	<u>\$ 16,100</u>
<b>Police Activities</b>				
Assets				
Cash and investments	\$ 22,340	\$ 20,633	\$ 15,054	\$ 27,919
Total Assets	<u>\$ 22,340</u>	<u>\$ 20,633</u>	<u>\$ 15,054</u>	<u>\$ 27,919</u>
Liabilities				
Deposits payable	\$ 22,340	\$ 20,633	\$ 15,054	\$ 27,919
Total liabilities	<u>\$ 22,340</u>	<u>\$ 20,633</u>	<u>\$ 15,054</u>	<u>\$ 27,919</u>
<b>Grand Total All Agency Funds</b>				
Assets				
Cash and investments	\$393,576	\$1,772,720	\$1,722,329	\$443,967
Receivables	2,048	2,155	2,048	2,155
Total Assets	<u>\$395,624</u>	<u>\$1,774,875</u>	<u>\$1,724,377</u>	<u>\$446,122</u>
Liabilities				
Accounts payable	\$ 70,372	\$ 536,754	\$ 595,403	\$ 11,723
Deposits payable	325,252	1,598,855	1,489,708	434,399
Total liabilities	<u>\$395,624</u>	<u>\$2,135,609</u>	<u>\$2,085,111</u>	<u>\$446,122</u>



## STATISTICAL SECTION

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



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These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	152-158
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These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	159-164



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

	2003	2004	2005
<b>Governmental Activities</b>			
Invested In Capital Assets, net of related debt	\$23,544,852	\$20,413,500	\$16,156,718
Restricted	3,332,750	10,298,457	7,531,455
Unrestricted	4,569,682	4,209,697	5,627,687
<b>Total Governmental Activities Net Assets</b>	<b>31,447,284</b>	<b>34,921,654</b>	<b>29,315,860</b>
<b>Business-Type Activities</b>			
Invested In Capital Assets, net of related debt	12,250,860	15,353,477	15,516,585
Restricted		297,289	329,375
Unrestricted	3,117,904	2,463,073	2,888,155
<b>Total Business-Type Activities Net Assets</b>	<b>15,368,764</b>	<b>18,113,839</b>	<b>18,734,115</b>
<b>Primary Government</b>			
Invested In Capital Assets, net of related debt	35,795,712	35,766,977	31,673,303
Restricted	3,332,750	10,595,746	7,860,830
Unrestricted	7,687,586	6,672,770	8,515,842
<b>Total Primary Government Net Assets</b>	<b>\$46,816,048</b>	<b>\$53,035,493</b>	<b>\$48,049,975</b>

Note: The City of Dinuba implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.

Source: City of Dinuba Financial Services Division

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$21,451,017	\$18,636,460	\$69,121,069	\$78,101,303	\$71,460,042	\$75,360,279
7,120,338	12,750,382	19,576,001	17,821,984	26,213,026	28,285,199
1,013,242	8,258,109	(3,570,839)	(4,713,906)	(1,553,334)	(401,603)
29,584,597	39,644,951	85,126,231	91,209,381	96,119,734	103,243,875
15,516,135	17,422,520	46,050,974	41,646,753	43,840,754	45,170,204
300,733	311,596	535,617	3,471,175		
3,440,939	3,337,494	869,644	3,262,807	3,305,499	4,741,445
19,257,807	21,071,610	47,456,235	48,380,735	47,146,253	49,911,649
36,967,152	36,058,980	115,172,043	119,748,056	115,300,796	120,530,483
7,421,071	13,061,978	20,111,618	21,293,159	26,213,026	28,285,199
4,454,181	11,595,603	(2,701,195)	(1,451,099)	1,752,165	4,339,842
\$48,842,404	\$60,716,561	\$132,582,466	\$139,590,116	\$143,265,987	\$153,155,524

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

Page 1 of 2

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Expenses</b>					
<b>Governmental Activities</b>					
General Government	\$2,251,700	\$2,165,276	\$2,282,735	\$3,131,533	\$4,009,529
Public Safety	5,819,651	7,004,208	8,287,871	8,171,242	8,107,881
Public Works	5,430,096	3,585,804	4,138,568	2,312,028	3,632,361
Community Development	1,581,737	2,743,293	3,158,746	3,417,402	1,763,309
Parks and Recreation	1,359,109	1,662,008	1,700,474	1,584,698	1,152,007
Interest on Long-Term Debt	3,194,690	4,072,473	4,196,778	4,144,345	4,192,595
Unallocated Depreciation	847,061	858,674	917,172	987,607	879,409
<b>Total Governmental Activities Expenses</b>	<b>20,484,044</b>	<b>22,091,736</b>	<b>24,682,344</b>	<b>23,748,855</b>	<b>23,737,091</b>
<b>Business-Type Activities</b>					
Water	2,262,423	1,726,046	1,923,758	2,047,214	2,152,856
Sewer	2,120,093	1,791,855	2,087,637	2,007,892	2,292,341
Disposal	2,189,729	1,875,555	1,865,780	1,988,441	2,030,223
Ambulance	1,458,821	1,082,670	1,011,197	1,069,365	1,185,992
Transit	299,001	324,720	486,482	531,162	575,289
Golf Course		2,061,613	3,625,806	3,338,040	2,965,176
Compressed Natural Gas				86,736	115,775
<b>Total Business-Type Activities Expenses</b>	<b>8,330,067</b>	<b>8,862,459</b>	<b>11,000,660</b>	<b>11,068,850</b>	<b>11,317,652</b>
<b>Total Primary Government Net Expenses</b>	<b>\$28,814,111</b>	<b>\$30,954,195</b>	<b>\$35,683,004</b>	<b>\$34,817,705</b>	<b>\$35,054,743</b>
<b>Program Revenues</b>					
<b>Governmental Activities</b>					
Charges for Services					
General Government	\$3,849	\$36,180	\$31,086	\$32,430	\$27,409
Public Safety	411,777	402,936	664,374	477,189	446,219
Public Works	3,058,937	2,033,827	1,276,563	2,566,382	2,489,475
Community Development	928,648	203,515	394,960	95,741	178,106
Parks and Recreation	231,315	164,751	283,008	154,307	117,807
Operating Contributions and Grants	6,865,658	2,980,565	2,137,570	1,753,052	1,877,718
Capital Contributions and Grants	5,133,176	70,512,208	10,798,269	3,768,170	6,195,826
<b>Total Governmental Activities Program Revenues</b>	<b>16,633,360</b>	<b>76,333,982</b>	<b>15,585,830</b>	<b>8,847,271</b>	<b>11,332,560</b>
<b>Business-Type Activities</b>					
Charges for Services					
Water	2,160,868	2,240,558	2,394,252	2,410,323	2,569,449
Sewer	1,879,182	2,035,266	2,294,266	2,263,518	2,603,345
Disposal	2,404,251	2,501,989	2,713,404	2,799,914	2,891,914
Ambulance	1,511,008	1,179,934	1,253,128	1,260,263	1,219,352
Transit	27,580	11,313	23,549	31,189	39,601
Golf Course		8,800	2,175,135	1,940,722	1,948,101
Compressed Natural Gas				177,966	149,916
Operating Contributions and Grants	311,574	613,387	635,672	345,078	1,001,190
Capital Contributions and Grants	1,360,262	2,743,258	1,122,094	172,758	2,506,420
<b>Total Business-Type Activities Program Revenues</b>	<b>9,654,725</b>	<b>11,334,505</b>	<b>12,611,500</b>	<b>11,401,731</b>	<b>14,929,288</b>
<b>Total Primary Government Program Revenues</b>	<b>\$26,288,085</b>	<b>\$87,668,487</b>	<b>\$28,197,330</b>	<b>\$20,249,002</b>	<b>\$26,261,848</b>

Source: City of Dinuba Financial Services Division

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

Page 2 of 2

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Net (Expense)/Revenue</b>					
Governmental Activities	(\$3,850,684)	\$54,242,246	(\$9,096,514)	(\$14,901,584)	(\$12,404,531)
Business-Type Activities	1,324,658	2,472,046	1,610,840	332,881	3,611,636
<b>Total Primary Government Net Expense</b>	<b>(\$2,526,026)</b>	<b>\$56,714,292</b>	<b>(\$7,485,674)</b>	<b>(\$14,568,703)</b>	<b>(\$8,792,895)</b>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental Activities					
Taxes					
Property Taxes	\$4,570,257	\$5,006,706	\$5,438,046	\$5,248,441	\$5,078,633
Transient Occupancy Taxes	75,671	69,901	96,622	91,251	144,780
Sales Taxes	2,511,355	4,314,561	3,642,808	5,569,620	5,803,277
Franchise Taxes	214,886	222,599	248,553	214,722	233,109
Utility Users Tax	1,373,639	1,457,199	1,462,789	1,522,951	1,560,074
Other Taxes	290,106	608,703	583,716	611,305	784,070
Motor Vehicle Tax	1,469,382	1,594,918	1,670,198	1,641,929	1,636,167
Use of Money and Property	831,977	1,022,123	534,225	533,961	360,997
Other	121,480	70,248	508,758	335,350	174,494
Gain on Sale of Capital Assets	2,635,030	657,221	259,983	448,216	159,698
Transfers	(407,874)	(23,785,145)	733,966	1,581,736	855,678
<b>Total Governmental Activities</b>	<b>13,685,909</b>	<b>(8,760,966)</b>	<b>15,179,664</b>	<b>17,799,482</b>	<b>16,790,977</b>
Business-Type Activities					
Use of Money and Property	81,274	127,434	47,626	14,373	9,438
Other					
Transfers	407,874	23,785,145	(733,966)	(1,581,736)	(855,678)
<b>Total Business-Type Activities</b>	<b>489,148</b>	<b>23,912,579</b>	<b>(686,340)</b>	<b>(1,567,363)</b>	<b>(846,240)</b>
Extraordinary Item - Litigation Settlement	225,129	0			
Extraordinary Item - Gain on Foreclosure of Property					
<b>Total Primary Government</b>	<b>\$14,400,186</b>	<b>\$15,151,613</b>	<b>\$14,493,324</b>	<b>\$16,232,119</b>	<b>\$15,944,737</b>
<b>Change in Net Assets</b>					
Governmental Activities	\$10,060,354	\$45,481,280	\$6,083,150	\$2,897,898	\$4,386,446
Business-Type Activities	1,813,806	26,384,625	924,500	(1,234,482)	2,765,396
<b>Total Primary Government</b>	<b>\$11,874,160</b>	<b>\$71,865,905</b>	<b>\$7,007,650</b>	<b>\$1,663,416</b>	<b>\$7,151,842</b>

Note: The City of Dinuba implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.

Source: City of Dinuba Financial Services Division

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

	2002	2003	2004
General Fund			
Reserved			
Unreserved	\$2,218,146	\$2,411,350	\$2,033,694
Nonspendable			
Unassigned			
Total General Fund	<u>\$2,218,146</u>	<u>\$2,411,350</u>	<u>\$2,033,694</u>
All Other Governmental Funds			
Reserved	\$6,523,280	\$5,268,665	\$7,377,102
Unreserved, Reported In:			
Special Revenue Funds	1,247,647	787,290	664,668
Debt Service Funds		3,075,356	
Capital Projects Funds	(61,243)	1,050,478	3,526,585
Nonspendable Funds			
Restricted Funds			
Assigned Funds			
Unassigned Funds			
Total All Other Governmental Funds	<u>\$7,709,684</u>	<u>\$10,181,789</u>	<u>\$11,568,355</u>
Total Governmental Funds	<u>\$9,927,830</u>	<u>\$12,593,139</u>	<u>\$13,602,049</u>

Source: City of Dinuba Financial Services Division

Fiscal Year						
2005	2006	2007	2008	2009	2010	2011
	\$662,000	\$592,000	\$522,000	\$452,000	\$769,541	
\$2,352,778	1,914,006	2,644,910	2,762,848	2,105,415	2,321,648	
						\$2,869,745
						(700,688)
<u>\$2,352,778</u>	<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>	<u>\$2,169,057</u>
\$5,557,677	\$8,232,616	\$8,346,973	\$8,863,307	\$11,465,614	\$12,125,161	
1,293,902	(316,156)	3,472,555	1,851,164	420,661	1,165,296	
836,385	(3,377,781)	2,163,542	137,053	(6,021,033)	(9,673,971)	
						14,759,706
						8,352,350
						206,798
						(11,089,450)
<u>\$7,687,964</u>	<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>	<u>\$12,229,404</u>
<u>\$10,040,742</u>	<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>	<u>\$14,398,461</u>

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

	2002	2003	2004	2005
<b>Revenues</b>				
Taxes and Assessments	\$4,695,322	\$5,720,601	\$5,200,096	\$6,173,903
Licenses and Permits	184,445	222,439	225,692	403,098
Intergovernmental	4,171,422	4,879,090	6,943,194	4,221,634
Charges for Services	2,062,842	609,153	455,714	1,741,050
Use of Money and Property	388,817	1,259,931	333,268	359,368
Fines and Forfeitures	5,630	58,577	74,754	100,200
Reimbursements		1,907,036	1,944,575	2,192,384
Miscellaneous	551,135	169,733	70,103	486,993
<b>Total Revenues</b>	<b>12,059,613</b>	<b>14,826,560</b>	<b>15,247,396</b>	<b>15,678,630</b>
<b>Expenditures</b>				
Current				
General Government	1,394,349	1,704,427	1,405,074	1,876,788
Public Safety	3,127,625	3,504,531	3,218,033	3,903,182
Community Development	2,474,475	1,950,728	1,956,610	2,757,103
Parks and Recreation <sup>1</sup>	972,881	1,071,142	959,817	815,068
Public Works <sup>2</sup>		1,713,802	1,962,713	1,747,159
Capital Outlay	7,271,249	12,265,261	7,086,053	7,022,432
Debt Service				
Principal Retirement	467,232	1,113,346	726,220	1,030,010
Interest and Fiscal Charges	1,316,056	1,708,686	1,443,881	1,922,281
Debt Issuance Costs	740,524	473,359	456,084	
<b>Total Expenditures</b>	<b>17,764,391</b>	<b>25,505,282</b>	<b>19,214,485</b>	<b>21,074,023</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(5,704,778)</b>	<b>(10,678,722)</b>	<b>(3,967,089)</b>	<b>(5,395,393)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	5,527,001	8,286,066	6,119,609	6,124,329
Transfers Out	(5,820,283)	(11,379,868)	(6,671,116)	(6,964,950)
Sales of Property				1,407,247
Issuance of Long Term Debt	15,380,459	8,148,937	8,169,600	1,032,368
Payment to Refunded Bond Escrow Agent	(8,445,474)		(2,593,508)	
<b>Total Other Financing Sources (Uses)</b>	<b>6,641,703</b>	<b>5,055,135</b>	<b>5,024,585</b>	<b>1,598,994</b>
<b>Net Change in Fund Balances before Extraordinary Item</b>	<b>936,925</b>	<b>(5,623,587)</b>	<b>1,057,496</b>	<b>(3,796,399)</b>
Extraordinary Item - Litigation Settlement		3,857,909	1,587,999	235,092
Extraordinary Item - Gain on Property Foreclosure		2,774,588		
<b>Net Change In Fund Balances</b>	<b>\$936,925</b>	<b>\$1,008,910</b>	<b>\$2,645,495</b>	<b>(\$3,561,307)</b>
 <b>Debt Service as a percentage of non-capital expenditures</b>	 <b>24.1%</b>	 <b>24.9%</b>	 <b>21.7%</b>	 <b>21.0%</b>

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

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

Source: City of Dinuba Financial Services Division

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$7,462,218	\$10,588,696	\$11,271,922	\$11,142,476	\$12,969,873	\$13,333,324
589,691	575,979	489,989	473,177	585,481	663,034
5,706,459	6,715,939	4,533,063	6,177,846	7,078,568	9,592,560
2,104,911	2,669,643	1,831,959	1,383,468	2,423,067	2,031,815
464,657	1,158,097	1,409,409	557,746	360,312	219,523
85,254	92,020	110,528	180,620	104,321	165,482
2,411,873	2,600,759	3,073,714	3,303,675	2,932,039	2,223,521
98,987	401,232	206,463	774,390	109,001	195,544
18,924,050	24,802,365	22,927,047	23,993,398	26,562,662	28,424,803
2,197,521	1,979,384	1,758,510	1,859,569	2,493,169	3,424,510
4,720,236	5,671,292	6,590,115	7,384,568	7,297,586	6,900,645
3,942,917	4,115,617	3,702,608	4,390,130	2,110,634	2,047,171
13,351	1,307,141	2,969,141	2,882,010	2,972,937	1,480,571
2,298,642	2,997,765	1,503,848	1,457,338	1,369,056	871,568
9,749,448	21,861,678	6,530,780	4,578,430	3,664,017	5,822,476
961,771	1,428,581	2,095,025	2,253,167	2,600,226	17,796,703
2,053,059	2,441,347	3,566,066	3,820,469	3,800,906	3,947,999
277,421	903,259	591,412	167,679	2,342	734,435
26,214,366	42,706,064	29,307,505	28,793,360	26,310,873	43,026,078
(7,290,316)	(17,903,699)	(6,380,458)	(4,799,962)	251,789	(14,601,275)
6,887,126	24,450,021	17,389,125	10,491,067	6,526,362	6,959,476
(7,216,484)	(24,763,895)	(28,006,539)	(12,004,060)	(7,373,175)	(8,231,685)
13,171	4,060,014	406,461	251,240	309,537	159,698
7,845,973	27,927,690	14,950,000	1,370,000		16,312,340
(3,337,564)	(3,429,119)				
4,192,222	28,244,711	4,739,047	108,247	(537,276)	15,199,829
(3,098,094)	10,341,012	(1,641,411)	(4,691,715)	(285,487)	598,554
176,647	225,129				
(\$2,921,447)	\$10,566,141	(\$1,641,411)	(\$4,691,715)	(\$285,487)	\$598,554
20.0%	22.9%	27.5%	25.8%	27.6%	58.0%



**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		
2002	<sup>1</sup>					
2003	\$2,558,478	\$2,340,970	\$3,553,148	\$8,452,596	\$6,495,650	\$14,948,246
2004	\$2,797,205	\$2,324,286	\$1,808,909	\$6,930,400	\$7,688,049	\$14,618,449
2005	\$2,202,569	\$2,366,940	\$316,525	\$4,886,034	\$8,037,116	\$12,923,150
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

**GENERAL REVENUES**

Fiscal Year	Property Taxes	Sales Taxes	Utility Users Taxes	All Other Taxes	Use Of Money And Property	Total General Revenues
2002	<sup>1</sup>					
2003	\$2,378,598	\$1,428,741	\$1,080,308	\$1,389,212	\$218,791	\$6,495,650
2004	\$2,726,908	\$1,597,023	\$1,138,062	\$1,174,236	\$1,051,820	\$7,688,049
2005	\$2,873,337	\$1,717,142	\$1,114,634	\$904,850	\$1,427,153	\$8,037,116
2006	\$3,304,325	\$2,161,939	\$1,317,378	\$1,918,799	\$667,943	\$9,370,384
2007	\$4,570,257	\$2,511,355	\$1,373,639	\$2,171,525	\$831,977	\$11,458,753
2008	\$5,006,706	\$4,314,561	\$1,457,199	\$2,566,369	\$1,022,123	\$14,366,958
2009	\$5,438,046	\$3,642,808	\$1,462,789	\$3,107,847	\$534,225	\$14,185,715
2010	\$5,248,441	\$5,569,620	\$1,522,951	\$2,894,557	\$533,961	\$15,769,530
2011	\$5,078,633	\$5,803,277	\$1,560,074	\$2,972,620	\$360,997	\$15,775,601

<sup>1</sup> Data is not available prior to Fiscal Year 2003

Source: City of Dinuba Financial Services Division

**CITY OF DINUBA**  
**GENERAL GOVERNMENT REVENUES BY SOURCE <sup>1</sup>**  
**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>
2002	\$4,695,322	\$184,445	\$4,171,422	\$2,062,842	\$388,817	\$5,630
2003	\$5,720,601	\$222,439	\$4,879,090	\$609,153	\$1,259,931	\$58,577
2004	\$5,200,096	\$225,692	\$6,943,194	\$455,714	\$333,268	\$74,754
2005	\$6,173,903	\$403,098	\$4,221,634	\$1,741,050	\$359,368	\$100,200
2006	\$7,462,218	\$589,691	\$5,706,459	\$2,104,911	\$464,657	\$85,254
2007	\$10,588,696	\$575,979	\$6,715,939	\$2,669,643	\$1,158,097	\$92,020
2008	\$11,271,922	\$489,989	\$4,533,063	\$1,831,959	\$1,409,409	\$110,528
2009	\$11,142,476	\$473,177	\$6,177,846	\$1,383,468	\$557,746	\$180,620
2010	\$12,969,873	\$585,481	\$7,078,568	\$2,423,067	\$360,312	\$104,321
2011	\$13,333,324	\$663,034	\$9,592,560	\$2,031,815	\$219,523	\$165,482

<u>Fiscal Year</u>	<u>Reimbursements</u>	<u>Miscellaneous</u>	<u>Total General Government Revenues</u>
2002		\$551,135	\$12,059,613
2003	\$1,907,036	\$169,733	\$14,826,560
2004	\$1,944,575	\$70,103	\$15,247,396
2005	\$2,192,384	\$486,993	\$15,678,630
2006	\$2,411,873	\$98,987	\$18,924,050
2007	\$2,600,759	\$401,232	\$24,802,365
2008	\$3,073,714	\$206,463	\$22,927,047
2009	\$3,303,675	\$774,390	\$23,993,398
2010	\$2,932,039	\$109,001	\$26,562,662
2011	\$2,223,521	\$195,544	\$28,424,803

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

Source: City of Dinuba Financial Services Division

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

Year Ended June 30	Assessed Value <sup>2</sup>	County Tax Rate Per \$100	City			Redevelopment Agency		
			Portion of Assessed Value	Tax Rate	Tax Levy	Portion of Assessed Value	Tax Rate	Tax Levy
2002	\$507,236,122	1.0000	\$310,019,629	0.170%	\$526,165	\$197,216,493	0.840%	\$1,657,202
2003	\$531,048,786	1.0000	\$312,890,058	0.185%	\$579,964	\$218,158,728	0.847%	\$1,847,026
2004	\$585,923,176	1.0000	\$319,831,579	0.185%	\$590,737	\$266,091,597	0.809%	\$2,152,137
2005	\$586,462,949	1.0000	\$289,076,917	0.228%	\$660,088	\$297,386,032	0.781%	\$2,322,983
2006	\$664,022,274	1.0000	\$330,657,621	0.200%	\$661,315	\$333,364,653	0.820%	\$2,734,138
2007	\$791,375,057	1.0000	\$356,205,589	0.195%	\$693,407	\$435,169,468	0.909%	\$3,955,770
2008	\$877,827,074	1.0000	\$375,372,209	0.188%	\$713,207	\$502,454,865	0.866%	\$4,350,007
2009	\$929,595,416	1.0000	\$376,872,214	0.175%	\$661,346	\$552,723,202	0.860%	\$4,754,412
2010	\$918,955,107	1.0000	\$381,194,928	0.152%	\$577,530	\$537,760,179	0.888%	\$4,775,291
2011	\$928,720,115	1.0000	\$374,186,358	0.163%	\$608,653	\$554,533,757	0.858%	\$4,759,879

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

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

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

Source: Tulare County Auditor's Office

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

	Fiscal Year				
	2007	2008	2009	2010	2011
City Direct Rates:					
City basic rate	\$0.189	\$0.190	\$0.192	\$0.192	\$0.192
Total City Direct Rate	0.189	0.190	0.192	0.192	0.192
Overlapping Rates:					
Tulare County	0.178	0.179	0.179	0.180	0.179
Library	0.015	0.015	0.015	0.015	0.015
Dinuba School District	0.273	0.273	0.273	0.273	0.273
Community College District	0.046	0.046	0.046	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	0.228	0.226	0.224	0.223	0.224
Dinuba School District Bonds	0.057	0.060	0.107	0.107	0.110
Community College Bonds	0.005	0.016	0.010	0.010	0.016
Total Direct Rate <sup>1</sup>	1.062	1.076	1.117	1.117	1.126

NOTE: In 1978, California voters passed Proposition 13, which sets the property tax rate at a 1.000% fixed amount. This 1.000% is shared by all taxing agencies for which the subject property resides within. In addition to the fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of bonded debt service on the voter-approved School District and Community College bonds.

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

Source: Tulare County Assessor's Office

**CITY OF DINUBA  
PRINCIPAL PROPERTY TAXPAYERS  
AS OF JUNE 30, 2011 AND 2002**

Taxpayer	Type Of Business	Fiscal Year 2011			Fiscal Year 2002		
		Assessed Valuation	Percent Of Total Assessed Valuation	Rank	Assessed Valuation	Percent Of Total Assessed Valuation	Rank
Best Buy Stores, Inc.	Distribution Center	\$ 66,233,105	7.13%	1	\$ 39,034,902	7.70%	1
Ruiz Foods Products Inc.	Frozen Food	51,067,438	5.50%	2	35,392,187	6.98%	2
Odwalla, Inc.	Fruit Juices	40,997,808	4.41%	3	16,121,180	3.18%	3
Patterson Dental Supply	Wholesaler	21,695,249	2.34%	4		0.00%	
Wal-mart Store Inc	Retail Store	16,430,894	1.77%	5		0.00%	
Dinuba - Veto LLC	Real Estate Investment	9,283,509	1.00%	6		0.00%	
Red Rock Plaza Center LLC	Real Estate Investment	7,040,500	0.76%	7		0.00%	
Kmart Corporation	Retail Store	6,687,003	0.72%	8	5,239,377	1.03%	6
Ennis Land Development LLC	Real Estate Investment	5,702,824	0.61%	9		0.00%	
North Park Apartments	Apartment Complex	5,224,014	0.56%	10		0.00%	
Tejeda Family Partnership	Real Estate				7,249,533	1.43%	4
Apartment Unit Joint Venture	Real Estate				5,313,320	1.05%	5
Patterson Dental Supply	Wholesaler				5,198,236	1.02%	7
U S Cold Storage of CA	Packing / Cold Storage				3,558,233	0.70%	8
Surabian & Sons	Produce/Packing				3,509,202	0.69%	9
CP Developers	Produce/Packing				3,416,570	0.67%	10
		<u>\$230,362,344</u>	<u>29.11%</u>		<u>\$124,032,740</u>	<u>24.45%</u>	

Source: Tulare County Auditor's Office

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

<u>Year Ended June 30</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected <sup>1</sup></u>
2002	\$2,183,367	\$2,183,367	100.00
2003	\$2,426,990	\$2,426,990	100.00
2004	\$2,742,874	\$2,742,874	100.00
2005	\$2,983,071	\$2,983,071	100.00
2006	\$3,395,453	\$3,395,453	100.00
2007	\$4,649,177	\$4,649,177	100.00
2008	\$5,063,214	\$5,063,214	100.00
2009	\$5,415,758	\$5,415,758	100.00
2010	\$5,352,804	\$5,248,441	98.05
2011	\$5,368,533	\$5,078,633	94.60

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

Note: The amounts presented include City property taxes and Redevelopment Agency tax increment.

Source: Tulare County Auditor's Office

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

Fiscal Year	Governmental Activities				Business-Type Activities		
	General Bonded Debt Outstanding	Capital Leases	Notes Payable	Total Governmental Activities	Certificates Of Participation	Notes Payable	Total Business-Type Activities
2002	\$17,842,477	\$2,307,190	\$926,216	\$21,075,883	\$5,680,000	\$1,982,670	\$7,662,670
2003	\$25,079,798	\$2,112,484	\$969,117	\$28,161,399	\$5,580,000	\$1,709,693	\$7,289,693
2004	\$29,436,236	\$1,925,883	\$1,121,309	\$32,483,428	\$5,475,000	\$2,839,072	\$8,314,072
2005	\$30,169,289	\$1,717,502	\$1,947,048	\$33,833,839	\$5,360,000	\$3,230,119	\$8,590,119
2006	\$32,147,426	\$1,644,355	\$3,662,125	\$37,453,906	\$5,240,000	\$3,654,299	\$8,894,299
2007	\$51,331,981	\$1,490,542	\$6,755,047	\$59,577,570	\$5,115,000	\$4,856,498	\$9,971,498
2008	\$65,132,484	\$1,326,724	\$5,743,840	\$72,203,048	\$4,980,000	\$8,506,172	\$13,486,172
2009	\$62,896,057	\$1,157,783	\$5,089,617	\$69,143,457	\$4,840,000	\$8,912,559	\$13,752,559
2010	\$64,332,754	\$976,254	\$3,360,920	\$68,669,928	\$4,695,000	\$8,575,192	\$13,270,192
2011	\$64,069,581	\$814,538	\$2,880,931	\$67,765,050	\$3,005,000	\$8,087,419	\$11,092,419

Fiscal Year	Total Primary Government	Per Capita <sup>1</sup>
2002	\$28,738,553	\$1,642
2003	\$35,451,092	\$1,930
2004	\$40,797,500	\$2,193
2005	\$42,423,958	\$2,198
2006	\$46,348,205	\$2,367
2007	\$69,549,068	\$3,477
2008	\$85,689,220	\$4,064
2009	\$82,896,016	\$3,903
2010	\$81,940,120	\$3,804
2011	\$78,857,469	\$3,593

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

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

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>Redevelopment Agency Tax Allocation Bonds</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 <sup>1</sup></u>	<u>Per Capita</u>
2002	\$19,795,000	\$2,465,000	\$4,417,523	\$17,842,477	3.5%	\$1,019
2003	\$19,340,000	\$8,000,000	\$2,260,202	\$25,079,798	4.7%	\$1,365
2004	\$26,520,000	\$7,890,000	\$4,973,764	\$29,436,236	5.0%	\$1,583
2005	\$26,050,000	\$7,745,000	\$3,625,711	\$30,169,289	5.1%	\$1,563
2006	\$28,205,000	\$7,595,000	\$3,652,574	\$32,147,426	4.8%	\$1,642
2007	\$48,595,000	\$7,445,000	\$4,708,019	\$51,331,981	6.5%	\$2,566
2008	\$55,330,000	\$14,740,000	\$4,937,516	\$65,132,484	7.4%	\$3,089
2009	\$54,570,000	\$14,445,000	\$6,118,943	\$62,896,057	6.8%	\$2,962
2010	\$55,155,000	\$14,165,000	\$4,987,246	\$64,332,754	7.0%	\$2,986
2011	\$54,975,000	\$13,740,000	\$4,645,419	\$64,069,581	6.9%	\$2,919

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

Source: City of Dinuba Financial Services Division



**CITY OF DINUBA**  
**STATEMENT OF DIRECT AND OVERLAPPING DEBT**  
**As of June 30, 2011**

2010 - 2011 Assessed Valuation:	\$918,666,720
Redevelopment Incremental Valuation:	537,471,792
City Adjusted Assessed Valuation	\$381,194,928

	OUTSTANDING DEBT 6/30/2011	% APPLICABLE	ESTIMATED SHARE OF OUTSTANDING DEBT
<b>OVERLAPPING TAX AND ASSESSMENT DEBT</b>			
State Center Community College District	\$110,710,078	0.6450%	\$714,080
Dinuba Joint Unified School District	26,329,940	48.3030%	12,718,151
Kings Canyon Joint Unified School District	37,551,351	0.0370%	13,894
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b>174,591,369</b>		<b>13,446,125</b>
<b>OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>			
Tulare County Certificates of Participation	67,242,214	1.5540%	1,044,944
Tulare County Pension Obligations	6,306,306	1.5540%	98,000
Dinuba Joint Unified School District Certificates of Participation	8,573,996	48.5340%	4,161,303
Kings Canyon Unified School District Certificates of Participation	4,600,000	0.0540%	2,484
<b>TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>	<b>86,722,516</b>		<b>5,306,731</b>
<b>DIRECT DEBT</b>			
City of Dinuba General Fund Obligations			21,650,000
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT <sup>1</sup></b>			<b>\$26,956,731</b>
<b>COMBINED TOTAL DEBT</b>			<b>\$ 40,402,856</b>

**Debt Ratios:**

Ratios to Adjusted Valuation:

Combined Direct Debt (\$21,650,000)	5.68%
Combined Total Debt	10.60%

State School Building Aid Repayable as of 6/30/2011 \$0

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

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

Source: California Municipal Statistics, Inc.

**CITY OF DINUBA**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Total Assessed Valuation	<u>\$918,666,720</u>
Debt Limit - 15% of Total Assessed Valuation	\$137,800,008
Amount of Debt Applicable to the Limit	<u>78,857,469</u>
Legal Debt Margin	<u>\$58,942,539</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>
2002	\$76,085,418	\$28,738,553	\$47,346,865	37.8%
2003	\$79,657,318	\$35,451,092	\$44,206,226	44.5%
2004	\$87,888,476	\$40,797,500	\$47,090,976	46.4%
2005	\$87,969,442	\$42,423,958	\$45,545,484	48.2%
2006	\$99,603,341	\$46,348,205	\$53,255,136	46.5%
2007	\$118,706,259	\$69,549,068	\$49,157,191	58.6%
2008	\$131,674,061	\$85,689,220	\$45,984,841	65.1%
2009	\$139,439,312	\$82,896,016	\$56,543,296	59.4%
2010	\$137,843,266	\$81,940,120	\$55,903,146	59.4%
2011	\$139,308,017	\$78,857,469	\$60,450,548	56.6%

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 <sup>1</sup>	Less: Operating Expenses <sup>2</sup>	Net Available Revenue	Principal	Interest	Total Debt Service	Debt Service Coverage
2002	\$1,749,963	\$1,480,046	\$269,917	\$70,000	\$161,175	\$231,175	1.17
2003	\$1,956,788	\$1,410,416	\$546,372	\$75,000	\$220,401	\$295,401	1.85
2004	\$1,858,054	\$1,315,168	\$542,886	\$110,000	\$376,868	\$486,868	1.12
2005	\$2,196,535	\$1,388,747	\$807,788	\$145,000	\$374,455	\$519,455	1.56
2006	\$2,137,887	\$1,376,168	\$761,719	\$150,000	\$371,205	\$521,205	1.46
2007	\$2,231,903	\$1,702,270	\$529,633	\$150,000	\$367,380	\$517,380	1.02
2008	\$2,389,237	\$1,864,897	\$524,340	\$155,000	\$432,879	\$587,879	0.89
2009	\$2,591,374	\$1,945,535	\$645,839	\$215,000	\$578,089	\$793,089	0.81
2010	\$2,882,543	\$1,765,050	\$1,117,493	\$215,000	\$806,161	\$1,021,161	1.09
2011	\$3,545,791	\$1,547,768	\$1,998,023	\$270,000	\$796,668	\$1,066,668	1.87

Redevelopment Agency Tax Allocation Bonds

Year Ended June 30	Property Tax Increment	Combined Principal	Combined Interest	Total Debt Service	Debt Service Coverage
2002	\$1,657,202	\$120,000	\$968,548	\$1,088,548	1.52
2003	\$1,847,026	\$455,000	\$869,665	\$1,324,665	1.39
2004	\$2,152,137	\$280,000	\$1,003,065	\$1,283,065	1.68
2005	\$2,322,983	\$470,000	\$1,015,415	\$1,485,415	1.56
2006	\$2,734,138	\$561,731	\$1,151,691	\$1,713,422	1.60
2007	\$3,955,770	\$560,000	\$1,343,619	\$1,903,619	2.08
2008	\$4,350,007	\$765,000	\$2,217,985	\$2,982,985	1.46
2009	\$4,754,412	\$760,000	\$2,192,551	\$2,952,551	1.61
2010	\$4,775,291	\$785,000	\$2,561,261	\$3,346,261	1.43
2011	\$4,759,879	\$820,000	\$2,115,518	\$2,935,518	1.62

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

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

Source: City of Dinuba Financial Services Division

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

Fiscal Year	Redevelopment Agency Tax Allocation Bonds		Lease Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2012	\$850,000	\$1,868,123	\$285,000	\$785,250	\$4,380,236
2013	\$2,255,000	\$2,965,645	\$295,000	\$772,960	\$6,879,935
2014	\$1,070,000	\$2,396,563	\$305,000	\$759,008	\$5,120,827
2015	\$1,120,000	\$2,646,808	\$320,000	\$743,260	\$5,418,718
2016	\$1,170,000	\$2,594,572	\$340,000	\$726,386	\$5,417,445
2017	\$1,225,000	\$2,539,197	\$355,000	\$708,389	\$5,416,228
2018	\$1,285,000	\$2,481,983	\$375,000	\$689,289	\$5,421,301
2019	\$1,340,000	\$2,422,169	\$390,000	\$669,053	\$5,406,970
2020	\$1,405,000	\$2,359,025	\$415,000	\$647,489	\$5,417,146
2021	\$1,490,000	\$2,292,760	\$440,000	\$624,304	\$5,436,618
2022	\$1,460,000	\$2,221,825	\$455,000	\$599,843	\$5,324,347
2023	\$1,530,000	\$2,151,438	\$485,000	\$573,926	\$5,325,375
2024	\$1,605,000	\$2,076,932	\$510,000	\$546,208	\$5,324,552
2025	\$1,680,000	\$1,998,769	\$545,000	\$516,523	\$5,326,969
2026	\$1,760,000	\$1,916,901	\$570,000	\$485,003	\$5,317,716
2027	\$1,845,000	\$1,831,076	\$600,000	\$451,886	\$5,311,890
2028	\$1,935,000	\$1,740,563	\$635,000	\$416,858	\$5,313,321
2029	\$1,975,000	\$1,643,472	\$670,000	\$379,791	\$5,249,991
2030	\$2,075,000	\$1,543,369	\$715,000	\$340,116	\$4,879,513
2031	\$2,180,000	\$1,437,910	\$755,000	\$297,690	\$4,874,775
2032	\$2,245,000	\$1,334,197	\$795,000	\$252,873	\$4,829,123
2033	\$2,365,000	\$1,214,438	\$845,000	\$205,336	\$4,834,302
2034	\$2,485,000	\$1,087,500	\$370,000	\$168,210	\$4,312,310
2035	\$2,620,000	\$954,138	\$400,000	\$141,939	\$4,319,345
2036	\$2,530,000	\$813,325	\$425,000	\$113,765	\$4,086,490
2037	\$2,650,000	\$680,213	\$450,000	\$83,823	\$4,064,164
2038	\$2,095,000	\$597,650	\$480,000	\$51,918	\$3,425,021
2039	\$2,225,000	\$469,331	\$515,000	\$17,721	\$3,427,505
2040	\$1,890,000	\$333,050	\$0	\$0	\$2,423,503
2041	\$1,670,000	\$202,663	\$0	\$0	\$2,073,116
2042	\$945,000	\$73,238	\$0	\$0	\$1,218,691
	<u>\$54,975,000</u>	<u>\$50,888,835</u>	<u>\$13,740,000</u>	<u>\$12,768,818</u>	<u>\$145,577,440</u>

Source: City of Dinuba Financial Services Division

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

<u>Fiscal Year</u>	<u>City Population <sup>1</sup></u>	<u>% Change</u>	<u>Tulare County Population</u>	<u>City Population as % of County Population</u>	<u>Unemployment Rate <sup>3</sup></u>
2002	17,503	4.71%	378,292	4.63%	16.6%
2003	17,725	1.25%	385,309	4.60%	17.4%
2004	18,601	4.71%	395,926	4.70%	17.8%
2005	19,297	3.61%	409,013	4.72%	16.9%
2006	19,578	1.44%	419,783	4.66%	14.4%
2007	20,002	2.12%	428,212	4.67%	12.9%
2008	21,087	5.15%	434,494	4.85%	14.0%
2009	21,237	0.71%	440,749	4.82%	16.10%
2010	21,542	1.42%	447,141	4.82%	22.40%
2011	21,950	1.86%	446,180	4.92%	22.80%

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

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

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

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

**CITY OF DINUBA  
PRINCIPAL EMPLOYERS  
AS OF JUNE 30, 2011 AND 2002**

Employer	Type Of Business	Fiscal Year 2011			Fiscal Year 2002		
		Employees	Percent Of Total City Employment	Rank	Employees	Percent Of Total City Employment	Rank
Ruiz Foods Products Inc.	Frozen Food	1,571	34%	1	1,300	45%	1
Dinuba Public Schools	Education	768	17%	2	314	11%	2
Family Tree Famrs	Produce Packing	578	12%	3			
Wal-Mart	Retail Store	400	9%	4	80	3%	8
Best Buy Stores, Inc.	Distribution Center	330	7%	5	288	10%	3
Odwalla, Inc.	Fruit Juices	200	4%	6	150	5%	5
Giannini Packing	Produce/Packing	180	4%	7	200	7%	4
City of Dinuba	Local Government	159	3%	8	107	4%	6
Surabian And Sons	Produce/Packing	125	3%	9	80	3%	8
Patterson Dental	Wholesaler	94	2%	10	60	2%	9
Apio Produce	Produce/Packing	150	3%	7	150	5%	5
Sadoian Brothers	Produce/Packing	95	2%	9	95	3%	7
Peloian Packing	Agriculture/Packer				60	2%	9
		<u>4,650</u>	<u>100.00%</u>		<u>2,884</u>	<u>100.00%</u>	

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

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

	2002	2003	2004
Governmental Activities			
General Government	12.2	11.8	24.3
Public Safety	55.5	56.5	60.2
Public Works <sup>1</sup>		15.7	9.4
Community Development	20.2	8.1	
Parks and Recreation <sup>2</sup>	22.9	24.8	24.9
Water	6.9	6.7	7.0
Sewer	6.2	5.4	5.4
Disposal	0.8	0.6	0.6
Total Government-Wide Employees	124.7	129.6	131.8

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

<sup>2</sup> Prior to FY2001, the Parks and Recreation Department Expenditures were combined within the General Government line item.

Source: City of Dinuba Financial Services Division

Fiscal Year						
2005	2006	2007	2008	2009	2010	2011
24.3	24.9	24.7	18.0	18.0	19.0	17.6
63.1	76.1	78.1	78.0	81.0	79.0	81.5
10.4	12.5	25.9	26.2	29.3	17.3	14.3
20.5	21.2	20.9	16.0	16.0	12.0	13.7
7.0	7.4	7.6	6.0	2.9	6.2	5.2
5.8	5.4	5.6	6.2	5.1	4.3	5.3
0.6	0.6	0.6	0.6	1.7	1.2	1.2
131.7	148.1	163.4	151.0	154.0	139.0	138.8



**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
2002	291	\$6,528,225	36	\$2,045,939	28	\$2,463,658
2003 <sup>2</sup>	407	\$12,885,759	32	\$6,720,215	38	\$3,827,967
2004	390	\$7,396,488	42	\$3,237,517	34	\$2,541,248
2005	375	\$16,255,190	25	\$1,344,719	72	\$7,393,526
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 <sup>3</sup>	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	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

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

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

<sup>2</sup> A major apartment complex was begun during this fiscal year.

<sup>3</sup> Activity covering from January 1 to July 31.

<sup>4</sup> Euclid Apartment's 2009 permit expired and renew in 2010.

Source: City of Dinuba Annual Building Report

Residential Multi-Units		All Other		
Number Permits	Valuation	Number Units	Number Permits	Valuation
0	\$0	0	227	\$2,018,628
1	\$4,495,116	0	336	\$2,634,714
0	\$0	0	314	\$1,617,723
0	\$0	0	278	\$1,966,850
1	\$5,780,000	80	334	\$2,490,709
1	\$212,286	0	309	\$8,500,419
0	\$0	0	457	\$894,090
1	\$7,604,520	0	212	\$3,548,143
1	\$7,604,520 4	0	208	\$2,494,335
0	\$0	0	233	\$4,098,898

# TULARE COUNTY CROP STATISTICS FOR THE CALENDAR YEAR 2010

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 2010

<u>PRODUCT</u>	<u>GROSS VALUE</u>
1. Milk	\$1,604,172,000
2. Oranges	\$616,224,000
3. Cattle	\$499,810,000
4. Grapes	\$489,569,000
5. Corn	\$174,619,000
6. Pistachio	\$141,128,000
7. Tangerines	\$115,440,000
8. Nectarines	\$109,002,000
9. Almonds	\$104,248,000
10. Walnuts	\$96,049,000
 Total Value of the Top Ten Tulare County Crops	 \$3,950,261,000
  Total Value of All Tulare County Crops	  \$4,863,705,000

Source: Tulare County Agricultural Commissioner news release

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Water:										
Number Water Wells	8	7	7	7	7	8	8	8	8	8
Annual Production (Million Gal)	1,497	1,523	1,502	1,450	1,478	1,653	1,682	1,671	1,671	1,671
Service Connections	4,100	4,440	4,458	4,613	4,725	4,830	4,991	5,030	5,094	5,459
Police:										
Stations	1	1	2	2	2	2	2	2	2	2
Sworn Officers	24	25	27	28	39	39	40	40	38	35
Support Personnel	9	8	12	9	12	14	14	12	11	10
Part-Time Support Personnel	15	3	2	10	7	5	5	3	3	7
Police Vehicles	26	24	26	23	33	36	35	34	32	34
Motorcycles	2	2	2	2	2	2	2	2	2	2
Fire:										
Stations	1	1	1	1	1	1	1	1	1	1
Firefighters	14	16	16	17	17	21	21	24	23	24
Fire and Rescue Vehicles	5	5	5	5	5	5	5	5	5	5
Ambulances	4	4	3	3	3	3	3	3	3	4
Staff Vehicles	3	3	3	3	4	5	5	5	4	4
Parks and Recreation:										
Parks	6	6	10	10	10	13	13	13	13	13
Acres of Park land	28	28	28	28	28	66	66	66	66	66
Acres of Open Space	48	48	48	48	48	56	56	56	56	56
Recreation Centers	3	2	2	2	2	2	2	2	2	2
Other:										
City Land Area (Square Miles)	3.42	3.42	3.42	4.82	4.82	4.82	4.90	4.90	4.90	4.90
Miles of Water Main	57.0	57.0	64.0	68.0	71.5	74.0	74.0	74.0	74.0	74.0
Miles of Storm Drain	12.0	12.0	16.0	17.0	17.0	18.0	19.0	19.0	19.0	19.0
Miles of Sewer Main	63.0	63.0	63.0	68.0	70.2	73.0	74.0	74.0	74.0	74.0
Miles of City Streets	61.0	61.0	61.0	61.0	61.0	65.0	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>
2002	17,503	4,322	40,511	10,632	24
2003	18,369	4,389	59,072	10,221	25
2004	18,601	4,458	57,219	8,812	27
2005	19,297	4,613	56,540	8,440	28
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

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

<sup>2</sup> This information is not available.

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

<u>Fiscal Year</u>	<u>Number of Fire Calls <sup>1</sup></u>	<u>Number of Ambulance Runs</u>	<u>Number of Fire Fighters</u>
2002	125	2,091	14
2003	144	2,210	16
2004	169	2,358	16
2005	147	2,510	17
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

**CITY OF DINUBA  
GENERAL GOVERNMENTAL  
EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS <sup>1</sup>**

	2002	2003	2004	2005
Governmental Activities				
General Government	\$1,394,349	\$1,383,816	\$2,126,787	\$2,027,053
Public Safety	3,127,625	3,397,260	3,807,473	4,256,419
Public Works <sup>3</sup>		2,374,142	3,630,316	6,045,507
Community Development	2,474,475	1,703,942	1,453,561	1,795,199
Parks and Recreation <sup>2</sup>	972,881	1,201,821	1,085,389	954,789
Debt Service	2,523,812	1,801,329	1,941,866	2,008,364
Capital Outlay	7,271,249			
Unallocated Depreciation			637,382	836,084
Total Governmental Activities Expenses	<u>\$17,764,391</u>	<u>\$11,862,310</u>	<u>\$14,682,774</u>	<u>\$17,923,415</u>

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

Source: City of Dinuba Financial Services Division

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$2,292,263	\$2,251,700	\$2,165,276	\$2,282,735	\$3,131,533	\$4,009,529
5,055,875	5,819,651	7,004,208	8,287,871	8,171,242	8,107,881
4,103,422	5,430,096	3,585,804	4,138,568	2,312,028	3,632,361
3,927,714	1,581,737	2,743,293	3,158,746	3,417,402	1,763,309
135,086	1,359,109	1,662,008	1,700,474	1,584,698	1,152,007
2,144,168	3,194,690	4,072,473	4,196,778	4,144,345	4,192,595
794,431	847,061	858,674	917,172	987,607	879,409
<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>	<u>\$23,737,091</u>



**CITY OF DINUBA  
SCHEDULE OF INSURANCE IN FORCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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.	\$4,391,784
b. Comprehensive coverage, low value vehicles under \$25,000, \$500 deductible	\$1,127,106
3. PROPERTY COVERAGE	
a. Covers all owned buildings and contents at replacement cost, including data processing equipment and valuable papers, \$10,000 deductible.	\$53,144,622
b. Miscellaneous Property Floater	\$489,290
c. Special Equipment.	\$1,772,641
d. Extra Expense Associated with Physical Damage or Loss	\$955,140
e. Extra Expense Associated with Floater Equipment	\$10,000
4. WORKERS' COMPENSATION	
a. Self-insured retention \$500,000 limit	\$50,000
b. Workers' compensation excess coverage	\$4,500,000
5. OTHER	
a. Employee's fidelity dishonesty bond (Blanket)	\$250,000
b. Money & Securities	\$10,000
c. Wrongful Discharge, Discrimination, and Sexual Harrassment	\$1,000,000
d. Boiler & Machinery Property Coverage	\$100,000
e. Loss of Earnings/Extra Expense \$2,500 deductible	\$1,582,540

Source: City of Dinuba Risk Manager