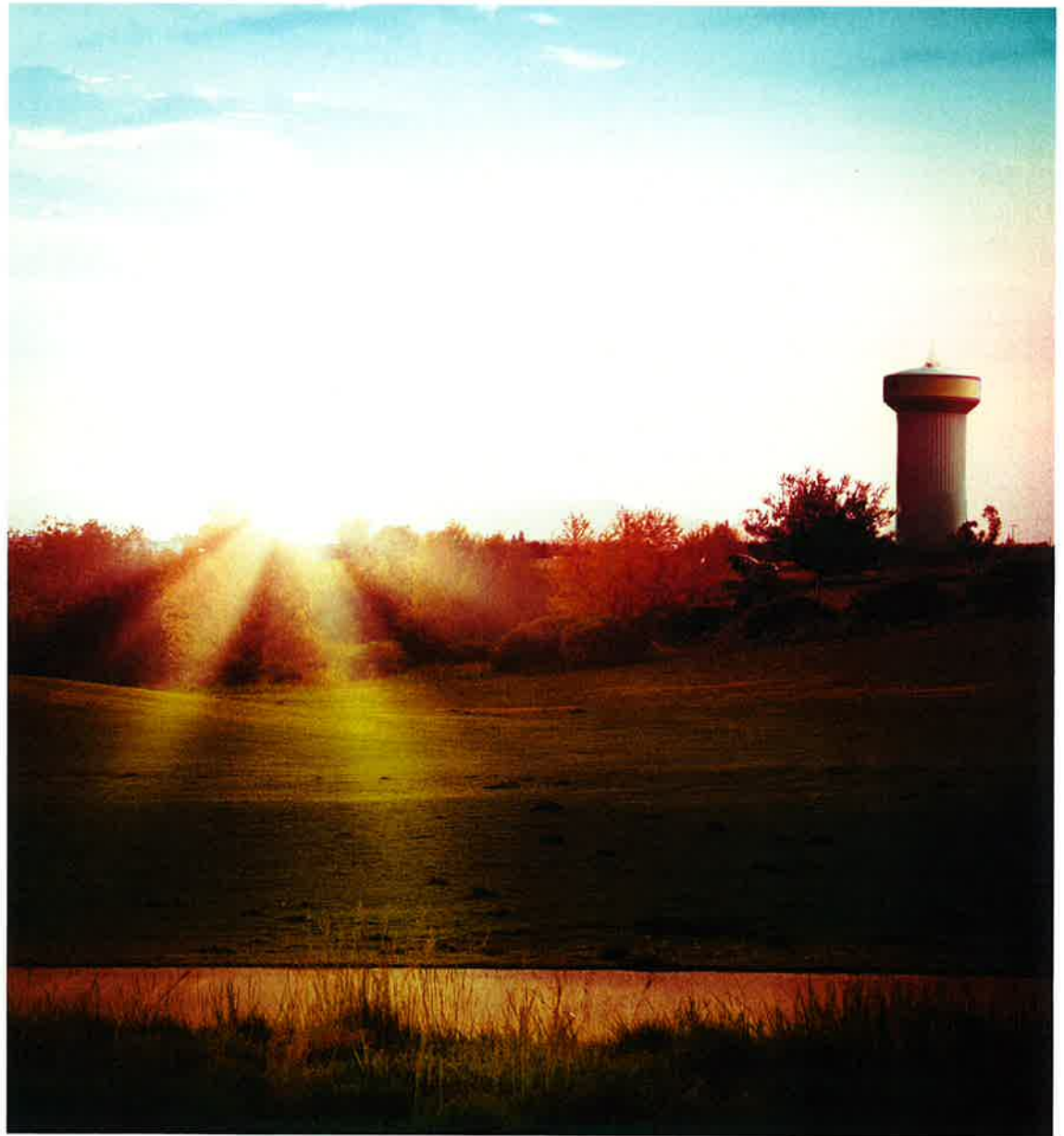
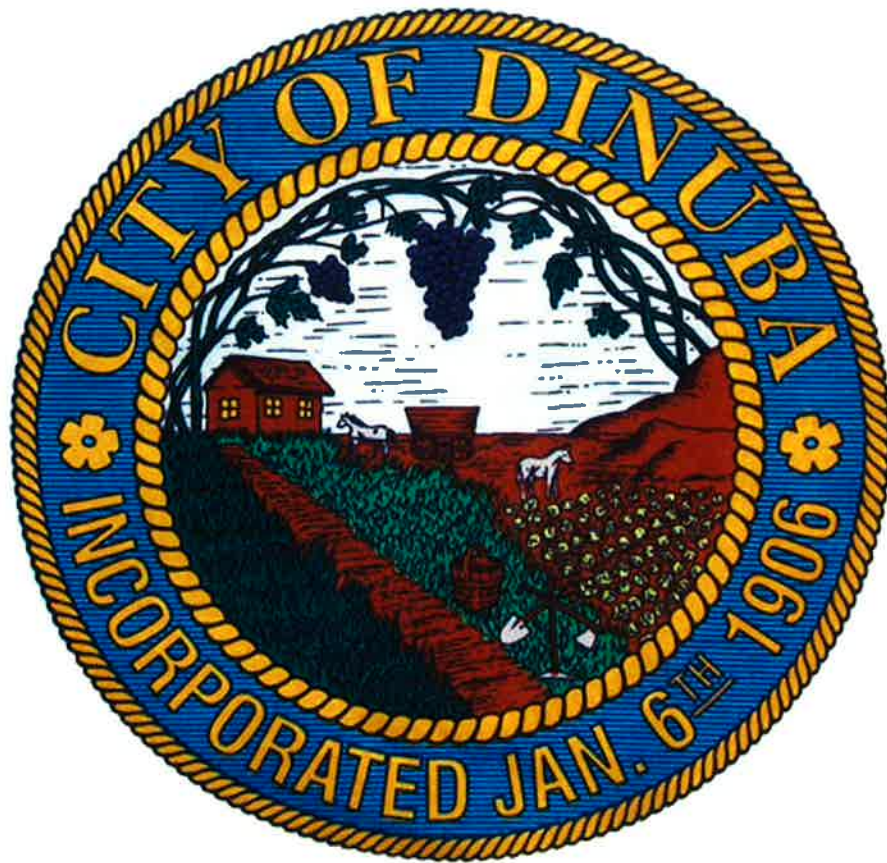


CITY OF DINUBA, CALIFORNIA



Comprehensive Annual Financial Report
For the year ended June 30, 2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2014
City of Dinuba, California

Prepared by the Finance Department

CITY OF DINUBA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2014

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INTRODUCTORY SECTION



City Manager's Office
559/591-5904

Development Services
559/591-5906

Parks & Community Services
559/591-5940

City Attorney
559/437-1770

Public Works Services
559/591-5924

Fire/Ambulance Services
559/591-5931

Administrative Services
559/591-5900

Engineering Services
559/591-5924

Police Services
559/591-5914

December 20, 2014

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, 2014, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of Dinuba issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The accounting firm of Moss, Levy, & Hartzheim, LLP of Beverly Hills, California, was retained by the City to perform the audit of financial records for the fiscal year ended June 30, 2014. The audit was designed to meet the requirements of the federal Single Audit Act of 1984, as amended and related OMB Circular A-133. The auditors report on the fair presentation of the financial statements, the internal controls, and compliance with legal requirements and have issued an unqualified ("clean") opinion on Dinuba's financial statements.

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

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

Government Profile

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

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

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

Dinuba was established in 1888 with the coming of the railroad and was incorporated in 1906. Because of Dinuba's rich agricultural area, it grew quickly into a thriving community as people from outlying areas moved closer to the railroad shipping area. Since its founding, Dinuba has had consistent growth, increasing from 970 persons in 1910 to a 2014 population of 23,666. Among the eight incorporated cities of Tulare County, Dinuba ranks fourth in population.

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

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

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

Although agriculture is Dinuba's predominant activity, the community has had a modest commercial and industrial base for many years. Dinuba is home to the headquarters of Ruiz Food Products, Incorporated, which prepares frozen Mexican foods and distributes them worldwide. It is also home to the West Coast Distribution Facility for Best Buy, Inc, Patterson Logistics, Inc. and Odwalla Juice Manufacturing. This concentration of employers attracts more residents which in turn draws additional commercial businesses. This has been evidenced through continued strength of the building sector in Dinuba. Because of its unparalleled agricultural base and its expanding industrial site, Dinuba is a community with a progressive and diverse economy.

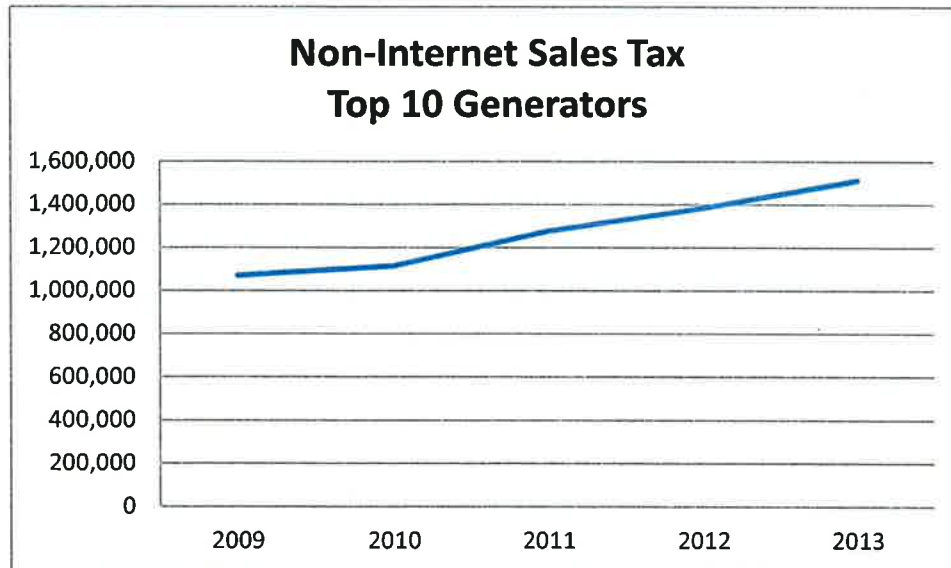
The City has a Council-Manager form of government. There are five Council members who serve overlapping terms of four years and the Council in turn elects one of the Council members to serve as the Mayor for a term of two years. The Council engages a City Manager and a City Attorney. The Manager is the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

Local Economy

The economic climate in Dinuba continues to improve. In 2014, 437 building permits were issued compared to 430 issued during 2010. The value of commercial permits increased from \$1.5 million in 2013 to \$8.4 million in 2014. Although there was a dip in residential permits issued in 2014, construction is anticipated to pick up in 2015. It is also anticipated that work will

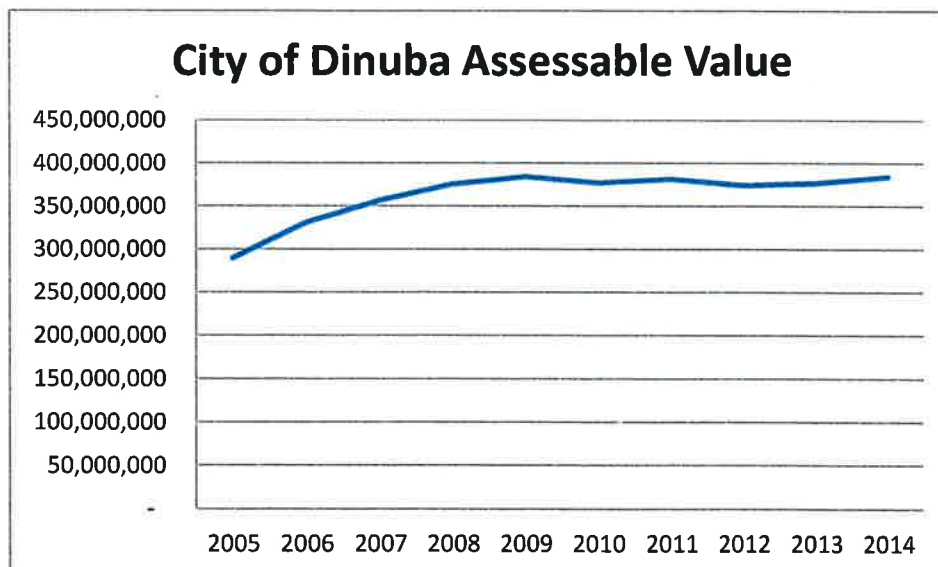
begin on a residential development surrounding the City's golf course. Currently it is anticipated that the development will include 167 lots. The development will be comprised of higher-end homes with a portion of the development being gated.

Over the past 5 years sales tax from the top 10 non-Internet businesses grew from approximately \$1,100,000 to approximately \$1,500,000. During the past year non-Internet sales tax from the same sources grew by 9.2%.



West El Monte Way continues to be attractive for further commercial development. In fiscal year 2014, Tractor Supply opened a retail establishment. A new Kaweah Delta Health Clinic has been completed. Construction has begun on a new dental office along El Monte Way. In addition the City's largest employer, Ruiz Food Products, Inc., is currently expanding their company headquarters with a 28,000 square foot addition.

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



Current Major Initiatives

Several major projects are underway in the City of Dinuba.

The City and the County are moving forward on the widening of El Monte Way/Avenue 416. The widening runs the length of the City and will be completed in two phases. The first Phase will widen El Monte Way/Avenue 416 from Road 56 to Alta Avenue/Road 80; the second Phase will begin east of the intersection of Alta Avenue/Road 80 and continue widening to Road 92. Phase 1 design and rights-of-way acquisition were completed in the summer of 2013 with construction beginning in 2014. Funding for the first Phase will be from Measure R, the County wide add-on sales tax for transportation projects with supplemental State funds from the State and Local Partnership Program (SLPP). The second phase has not been programmed by TCAG for funding at this time.

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

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

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

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

Financial Information

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

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

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

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

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dinuba for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This was the twenty-first consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Cass Cook".

Cass Cook
Finance Director



Government Finance Officers Association

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

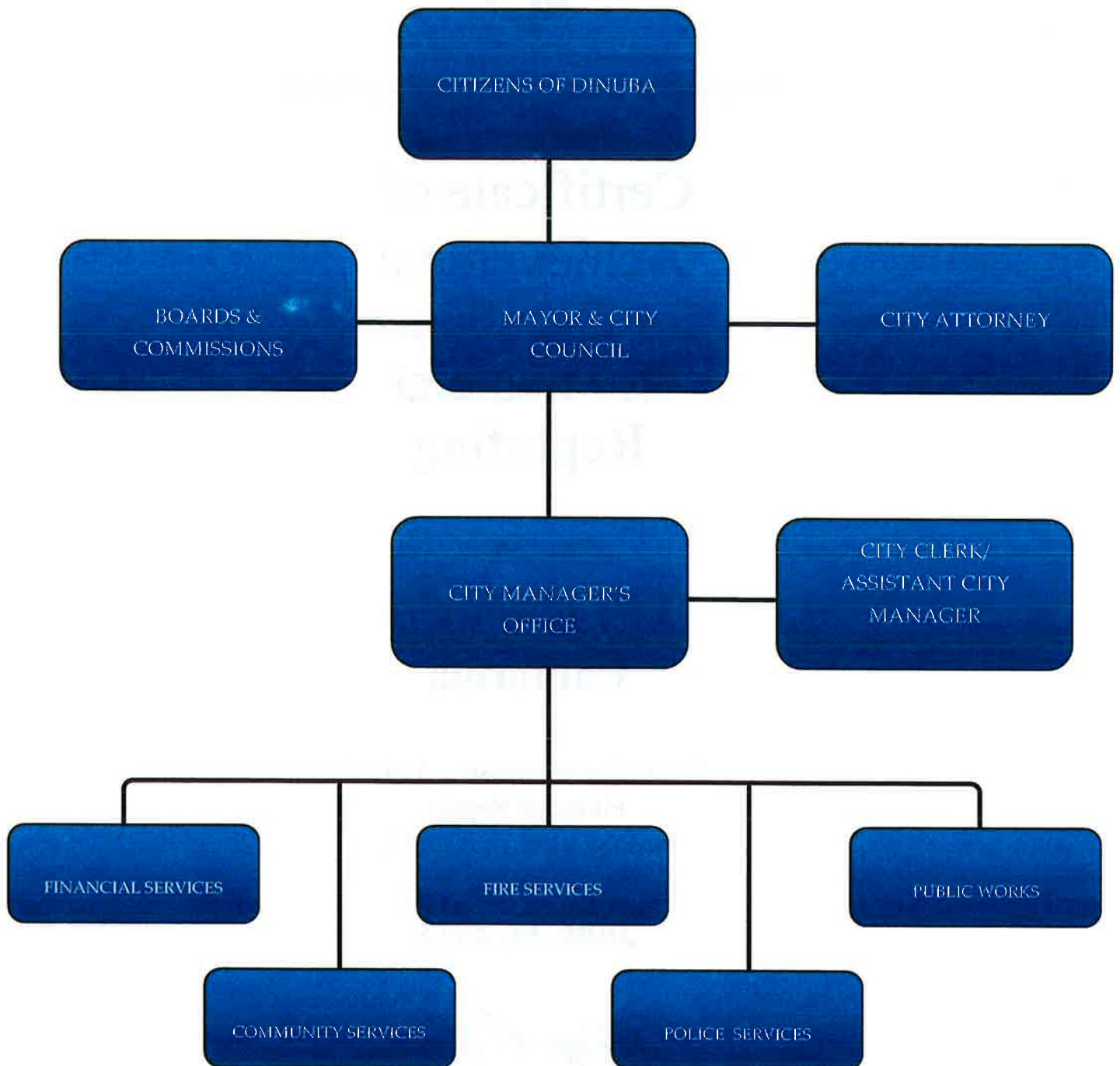
Presented to

**City of Dinuba
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



CITY OF DINUBA
LIST OF PRINCIPAL OFFICIALS
June 30, 2014

<u>TITLE</u>	<u>NAME</u>
Mayor	Janet Hinesly
Vice-Mayor	Emilio “Joey” Morales
Council Member	Aldo Gonzalez
Council Member	Scott Harness
Council Member	Mike Smith
City Manager	Beth Nunes
Assistant City Manager	Jayne Anderson
City Attorney	Dan McCloskey
City Engineer	Dean Uota
Finance Director	Cass Cook
Fire Chief	Chad Thompson
Parks and Community Services Director	John Carrillo
Police Chief	Devon Popovich
Public Works Director	Blanca Beltran



FINANCIAL SECTION





MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

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

COMMERCIAL ACCOUNTING & TAX SERVICES

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FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

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CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

INDEPENDENT AUDITOR'S REPORT

To the Members of the City Council
City of Dinuba, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Dinuba, California as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dinuba, California, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principles

As discussed in Note 1 to the basic financial statements effective July 1, 2013, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items previously Reported as Assets and Liabilities*, Statement No. 66, *Technical Corrections-2012*, No. 67, *Financial Reporting for Pension Plans*, and Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Postemployment Benefit Plans Other than Pension Trend Information and budgetary comparison information on pages 14—25, 93 and 94—98, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
December 20, 2014

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014
(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, 2014. Please read this discussion and analysis in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to the basic financial statements.

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

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

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

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

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

Governmental Activities

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

Business-Type Activities

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

FINANCIAL HIGHLIGHTS

Dinuba continues to grow quickly. Dinuba's population increased by 2.50% this past year. The population growth for the entire State of California was 0.90% this past year. The major factors driving the City's financial results this fiscal year include the following:

- Steady growth in the General Fund revenues following years unpredictability associated with Internet sales tax collection
- Increase in on-time expenses in the Disposal Fund due to the implementation of a 3-can system from a 2-can system
- Continued construction of capital projects including the acquisition of land for the Avenue 16 widening, the construction on the Sportsplex, and construction on the Transit Center

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

The following schedule summarizes the City's net position at June 30, 2014 and 2013 for comparative purposes:

Net Position:	FY 2014	FY 2013	Change
Governmental Activities:			
Net Investment in capital assets	\$148,079,509	\$125,796,437	\$ 22,283,072
Restricted for:			
Housing	4,260,612	3,369,550	891,062
Assessment Districts	952,185	761,623	190,562
Parks	232,042	199,489	32,553
Public Safety	866,048	1,185,682	(319,634)
Streets and Roads	10,656,787	3,082,132	7,574,655
Community Development	24,345,667	24,663,585	(317,918)
Debt service	0	371,303	(371,303)
Unrestricted	(6,418,737)	468,534	(6,887,271)
Total Governmental Net Position:	182,974,113	159,898,335	23,075,778
Business-type Activities:			
Net Investment in capital assets	48,901,807	48,312,671	589,136
Unrestricted	4,690,666	6,864,830	(2,174,164)
Total Business-type Net Position:	53,592,473	55,177,501	(1,585,028)
Total Net Position	\$236,566,586	\$215,075,836	\$ 21,490,750

Governmental Activities

The following schedule summarizes the financial position of the City's governmental activities at June 30, 2014 and 2013 for comparative purposes:

	FY 2014	FY 2013	Change
Assets:			
Cash & Investments	\$ 18,273,358	\$ 9,275,069	\$ 8,998,289
Current & Other Assets	29,350,613	25,676,169	3,674,444
Advances To Other Funds & Internal Balances	10,875,682	10,649,682	226,000
Capital assets, net of accumulated depreciation	167,496,852	143,870,203	23,626,649
Total Assets	\$ 225,996,505	\$ 189,471,123	\$ 36,525,382
Deferred Outflows of Resources:	\$ 513,493	\$ -	\$ 513,493
Liabilities:			
Current liabilities	\$ 4,870,185	\$ 3,175,638	\$ 1,694,547
Noncurrent liabilities:			
Due within one year	1,345,417	1,217,027	128,390
Due in more than one year	37,320,283	25,180,123	12,140,160
Total Liabilities	\$ 43,535,885	\$ 29,572,788	\$ 13,963,097

Net Position:

Net Investment in capital assets	148,079,509	125,796,437	22,283,072
Restricted	41,313,341	33,633,364	7,679,977
Unrestricted	(6,418,737)	468,534	(6,887,271)

Total Net Position	\$ 182,974,113	\$ 159,898,335	\$ 23,075,778
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Cash and Assets increased by \$9.0 million primarily due to increase in notes receivable of HOME and CDBG loans as well as from advances from the Tulare County Association of Governments for pending work on the Avenue 416 widening project.

Capital Assets, Net of Accumulated Depreciation totaled \$167.5 million at the end of the fiscal year. This was an increase \$23.7 million as capital projects were constructed or in progress as well as the purchase of right-of way acquisition associated with Avenue 416 widening project.

Noncurrent Liabilities, Due in More Than One Year increased by \$18.2 million. The debt includes lease revenue bonds, OPEB obligations, as well as leases payable. In December the City entered into a lease agreement for costs associated with the installation of solar energy facilities.

Net Position at the end of Fiscal Year 2014, governmental assets exceeded liabilities by \$183.0 million. The largest portion of net position, \$148.1 million 80.1% is net investment in capital assets. The remaining portions of the City's net position are: \$41.31 million 22.6%, represents resources that are subject to restrictions, and the remaining (\$6.4) million (2.7%) being unrestricted.

During the fiscal year ended June 30, 2014, the City received the following types of tax revenue:

	FY 2014	FY 2013	Change
Source of Taxes:			
Property taxes	\$ 742,122	\$ 645,437	\$ 96,685
Transient occupancy taxes	184,211	171,718	12,493
Sales taxes	3,700,400	3,677,282	23,118
Franchise taxes	243,956	226,904	17,052
Utility users tax	1,612,836	1,622,049	(9,213)
Motor vehicle tax	1,571,490	1,553,701	17,789
Other	249,602	240,387	9,215
Total	\$ 8,304,617	\$ 8,137,478	\$ 167,139

The expenses of governmental activities during Fiscal Year 2014 were \$21.4 million. This is an increase of \$2.2 million from the previous year. The change can primarily be attributed to increased personnel costs from an increase in health and retirement costs.

Program revenues increased by \$22.4 million in Fiscal Year 2014. This is primarily due to a \$19.4 million increase in capital grants and contributions from contributed infrastructure from the Road 80 widening project.

The following table presents the changes in net position for governmental activities for the fiscal years ended June 30, 2014 and 2013.

	FY 2014	FY 2013	Change
Program Revenues:			
Charges for Services	\$ 5,245,274	\$ 2,899,821	\$ 2,345,453
Operating Contribution and Grants	6,248,747	4,462,789	1,785,958
Capital Contributions and Grants	25,473,768	5,669,203	19,804,565
General Revenues:			
Taxes	8,304,617	8,137,478	167,139
Use of Money and Property	262,191	287,977	(25,786)
Gain on Sale of Capital Assets	266,189	400,323	(134,134)
Other	18,522	1,552,988	(1,534,466)
Total Revenues	45,819,308	23,410,579	22,408,729
Expenses:			
General Government	4,703,501	4,339,158	(364,343)
Public Safety	9,591,236	8,990,013	(601,223)
Public Works	2,761,922	2,197,625	(564,297)
Community Development	548,112	636,986	88,874
Parks and Recreation	1,224,454	1,136,847	(87,607)
Interest on long-term debt	1,521,663	1,020,371	(501,292)
Unallocated depreciation	1,018,182	823,524	(194,658)
Total Expenses	21,369,070	19,144,524	(2,224,546)
Excess of Revenues over Expenses	24,450,238	4,266,055	20,184,183
Transfers	195,877	(4,065,884)	4,261,761
Special Items	104,921	145,910	(40,989)
Changes in Net Position – Governmental Activities	\$ 24,751,036	\$ 346,081	\$ 24,404,955

Business Type Activities

The table on the following page summarizes the financial position of the City's business-type activities at June 30, 2014 and 2013:

	FY 2014	FY 2013	Change
Assets:			
Cash & Investments	\$ 4,509,165	\$ 4,204,435	\$ 304,730
Current & Other Assets	2,751,306	3,355,773	(470,101)
Advances to Other Funds & Internal Balances	717,982	943,982	(360,366)
Capital Assets, net of Accumulated Depreciation	65,676,560	66,977,102	(1,300,542)
Total Assets	\$ 73,655,013	\$ 75,481,292	\$ (1,826,279)
Deferred Outflow of Resources	\$ 1,628,195	\$ 0	\$ 1,628,195

Liabilities:			
Current liabilities	\$ 1,625,941	\$ 1,035,161	\$ 590,780
Noncurrent liabilities:			
Due within one year	991,964	1,030,763	(38,799)
Due in more than one year	19,072,830	18,237,867	834,963
Total liabilities	<u>\$ 21,690,735</u>	<u>\$ 20,303,791</u>	<u>\$1,386,944</u>
Net Position:			
Net Investment in capital assets	\$ 48,901,807	\$ 48,312,671	\$ 589,136
Unrestricted	4,690,666	6,864,830	(2,174,164)
Total Net Position	<u>\$ 53,592,473</u>	<u>\$ 55,177,501</u>	<u>\$(1,585,028)</u>

The business-type activities of the City showed a positive current ratio at June 30, 2014: \$2.77 of current assets for every \$1.00 of current liabilities, down from \$3.66 the preceding year. This is due primarily to a increase in the accounts payable associated with the implementation of a 3-can system in the Disposal fund. Of the total net position, 88.7% was net investment in capital assets and 11.3% percent was unrestricted, which was available for future operations.

The following table presents the changes in net position for business-type activities for the fiscal years ended June 30, 2014 and 2013:

	FY 2014	FY 2013	Change
Program Revenues:			
Charges for services	\$ 13,054,373	\$ 13,032,935	\$ 21,438
Operating contributions and grants	885,831	868,397	17,434
Capital contributions and grants	715,188	1,188,785	(473,597)
General Revenues:			
Other taxes	0	45,845	(45,845)
Gain on sale of assets	37,243	0	37,243
Other	92,839	0	92,839
Total Revenues	<u>\$ 14,785,474</u>	<u>\$ 15,135,962</u>	<u>\$ (350,488)</u>
Expenses:			
Water	2,970,062	2,963,788	6,274
Sewer	2,914,729	2,459,666	455,063
Disposal	3,320,744	2,922,065	398,679
Ambulance	1,386,124	1,450,622	(64,498)
Transit	875,313	699,102	176,211
Golf	3,422,866	3,250,394	172,472
Engineering	662,791	506,333	156,458
Compressed Natural Gas	174,521	137,950	36,571
Total Expenses	<u>\$ 15,727,150</u>	<u>\$ 14,389,920</u>	<u>\$1,337,230</u>
Excess (Deficiency) of Revenues over Expenses	(941,676)	746,042	(1,687,718)
Transfers	(195,877)	4,065,884	(4,261,761)
Changes in Net Position – Business-Type Activities	<u>\$ (1,137,553)</u>	<u>\$ 4,811,926</u>	<u>\$ (5,949,479)</u>

Charges for services comprised 88.3% of the revenues for the fiscal year ended June 30, 2014. Overall revenues decreased by 2.3% primarily due to and decrease in revenues from capital contributions and grants in the Transit and Water funds.

Expenses for business-type activities for the fiscal year ended June 30, 2014 increased by 9.3% million over the previous fiscal year. The increase was primarily due to increased costs of utilities in the Sewer funds materials and supplies in the Disposal fund. The materials increase in the Disposal fund is due to the implementation of the 3-can system.

FINANCIAL ANALYSIS OF CITY'S MAJOR FUNDS

General Fund

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

Fund balance in the General Fund increased by 17.0% to end the fiscal year at a balance of \$4.6 million. The increase can be attributed to the sale of property and the issuance of long-term debt. Without the revenues from the other financing sources in the fiscal year, the General Fund balance would have decreased by 4.9%.

	FY 2014	FY 2013	Change
General Fund Revenues:			
Taxes and assessments	\$ 6,149,880	\$ 6,363,687	\$ (213,807)
Licenses and permits	388,248	533,126	(144,878)
Intergovernmental	2,087,228	1,922,452	164,776
Charges for services	434,152	452,358	(18,206)
Fines, forfeitures, and penalties	63,367	20,101	43,266
Use of money and property	12,898	67,491	(54,593)
Reimbursements	1,356,801	1,396,614	(39,813)
Miscellaneous	168,036	53,815	114,221
Issuance of long-term debt	548,623		548,623
Sale of Property	317,657	336,760	(19,103)
Total Revenues	<u>\$ 11,526,890</u>	<u>\$ 11,146,404</u>	<u>380,486</u>
General Fund Expenditures:			
General Government	\$ 3,062,629	\$ 3,567,574	\$ (504,945)
Public Safety	5,743,892	6,346,851	(602,959)
Public Works	509,241	422,523	86,718
Parks and Community Services	1,140,903	1,108,050	32,853
Transfers, Net	(373,395)	140,562	(513,957)
Debt Service	58,156	111,546	(53,390)
Capital Outlay	713,464	83,142	630,322
Total Expenditures	<u>\$ 10,854,890</u>	<u>\$ 11,780,248</u>	<u>\$ (925,358)</u>

Other Major Funds

HUD Grants:

The fund accounts for the Community Development Block Grants (CDBG) and Home Investment Partnership Program (HOME). The fund's assets include \$21.5 million in notes and loans receivable. The loans are offset by unearned revenue as the loans are not expected to be repaid within the next year. The notes and loans receivable are for housing acquisition assistance and housing rehabilitation.

Revenue for this fund decreased from the previous year by over \$1.1 million. The City actively seeks participants for its Community Development Block Grant funds as evidenced by consistently high usage this fiscal year.

Public Safety Sales Tax:

Revenue increased by \$0.3 million in the Public Safety Tax fund. The increase is due to the continued growth in the add-on sales tax revenues. Expenditures also increased in this fund. Due to the relative health of the fund, some one-time public safety expenditures were accounted for in this fund. The fund balance is being set aside for the completion of the Emergency Operations Center which should be completed in fiscal year 2015.

Transportation Construction:

Revenue in the Transportation Construction fund came to nearly \$7.5 million. The revenue is primarily composed of intergovernmental revenues originating with the Tulare County Association of Governments for the purpose of expanding the road widening project along Avenue 416.

Financing Authority:

Fund Balance in the Financing Authority fund increased to \$6.9 million from \$1.9 million. The increase can be attributed to the issuance of long-term debt associated with the solar energy facilities project.

General Construction:

The construction of the solar project, transit building and Sportsplex comprised most of the expenditures in the General Construction fund. Grant revenues pay for most of the work on the transit building and Sportsplex. The City entered into a capital lease for the construction of the solar project.

Other Governmental Funds:

These funds (referred to as Non-major Funds) are not presented separately in the Basic Financial Statements, but are individually presented in Supplementary Information. Combined they received \$4.8 million in revenue and have a combined Fund Balance at year-end of \$14.7 million.

Business-Type Funds

The business-type funds account for operations that are financed and operated in a manner similar to private business enterprises, wherein the cost of goods and services to the general public are financed or recovered primarily through user charges. Enterprise Funds combined net position totaled \$53.6 million a decrease of \$1.6 million over the previous fiscal year.

Water, Sewer, Disposal:

Net position in the utility funds decreased by \$1.0 million. The decrease can be attributed to increased costs in utilities, dump fees and a 6 month delay in implementing a rate increase. The nearly completed solar project as well as previously approved rate increases should result in an improved net position in the next fiscal year.

Ambulance:

As a result of an increase in the calls for service, operating revenues increased. Net position increased to \$0.66 million. It is anticipated Intergovernmental Revenues will increase in the future due to an increase in reimbursements under the Ground Emergency Medical Transportation Program.

Golf Course:

Operating revenues and operating expenses remained fairly constant as compared to the previous fiscal year. The revenues in the Golf Fund are sufficient to cover ongoing operating expenses. However, the fund is not currently able to set aside funds for capital replacement. The net position of the Golf Course at the end of the fiscal year was \$24.6 million.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2014, amounted to \$233.2 million (net of accumulated depreciation), an increase of \$22.4 million from FY2013. The City's capital assets include land, land improvements, buildings, improvements other than buildings, machinery and equipment, and construction in progress.

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

Governmental

- Lighted crosswalk improvements
- Continued acquisition of land for the Avenue 416 widening
- Construction of the Dinuba Sportsplex

Business-Type

- Construction of a new Transit facility

For Government-wide Financial Statements, capital asset purchases for governmental activities are capitalized and depreciated. In contrast, in the Fund Financial Statements capital asset purchases for governmental activities are recorded as expenditures. More information concerning the City's investment in capital assets is available in Note 7 in the Notes to Basic Financial Statements section later in this document.

DEBT ADMINISTRATION

The City's total long-term debt increased by \$10.8 million during the fiscal year. The increase was primarily due to the City entering into a lease purchase agreement associated with the construction of solar energy improvements throughout the City. The solar improvements will increase energy efficiency and lower utility costs. The savings in the utility payments will cover the debt payments on the lease agreement.

Additionally a prior period adjustment of \$2.6 million was required to account for the CalPERS side fund obligation as reported by CalPERS.

The following table provides a breakdown of the City's outstanding indebtedness as of June 30, 2014:

	FY 2014	FY 2013
Governmental Activities:		
Capital Leases	\$ 9,442,497	\$ 701,861
Compensated Absences	1,112,194	877,183
Net OPEB obligation	4,778,036	3,836,507
PERS Side Fund Obligation	4,612,278	2,073,235
Notes and Loans Payable	20,257	23,549
Contracts Payable	99,516	146,016
Revenue Bonds	18,576,584	18,738,799
Total Governmental Activities	\$ 38,641,362	\$ 26,397,150

Business-type Activities		
Capital Leases	\$ 222,586	\$ 293,875
Compensated Absences	143,676	125,792
Net OPEB obligations	654,335	626,452
Notes and Loans Payable	7,190,988	7,642,843
Installment Purchase	1,035,000	1,230,000
Revenue Bond	10,760,000	11,030,000
Total Business-type Activities	<u>\$ 20,006,585</u>	<u>\$ 20,948,962</u>
Total Government		
Capital Leases	\$ 9,665,083	\$ 995,736
Compensated Absences	1,255,870	1,002,975
Net OPEB obligation	5,432,371	4,462,959
PERS Side Fund Obligation	4,612,278	2,073,235
Notes and Loans Payables	7,211,245	7,666,392
Installment Purchase	1,035,000	1,230,000
Contracts Payable	99,516	146,016
Revenue Bond	29,336,584	29,768,799
Total Outstanding Indebtedness	<u>\$ 58,647,947</u>	<u>\$ 47,346,112</u>

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

BUDGETING

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

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

ECONOMIC OUTLOOK

Based upon sales tax revenues, it appears that the local businesses climate continues to improve. Excluding revenues from the Internet Sales Tax, sales tax from the top 5 sources increased by 9.8% from fiscal year 2013 to fiscal year 2014.

The local economy has slowly picked up traction over the course of the year. In June of 2013 the unemployment rate for Tulare County was 18.9%; in June of 2014 the rate was 17.3%. While it has shown slight improvement, it still remains stubbornly high.

Another positive factor of the local economy - is the continued demand in the building sector. There were a total of 437 permits issued in 2014 and 430 permits issued in 2013. Most encouraging was the issuance of commercial permit. In 2014 commercial permits were valued at \$8.4 million while the total in 2013 was \$1.5 million.

SPECIAL ITEMS

The financial statements for the year ending June 30, 2014 reflect a special item for a litigation settlement for \$104,921.

CONTACT THE CITY'S FINANCIAL MANAGEMENT

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

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



Basic Financial Statements



CITY OF DINUBA
STATEMENT OF NET POSITION
June 30, 2014

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	\$ 10,041,002	\$ 3,431,300	\$ 13,472,302
Restricted assets:			
Cash and investments with fiscal agents	8,232,356	1,077,865	9,310,221
Receivables:			
Accounts	416,736	2,288,011	2,704,747
Intergovernmental	5,866,197	68,631	5,934,828
Notes	20,769,431	168,060	20,937,491
Interest	2,016,890	288	2,017,178
Internal balances	(583,616)	583,616	
Land held for resale	187,251		187,251
Inventories		143,212	143,212
Prepaid items	94,108	83,104	177,212
Advances from Successor Agency	11,459,298	134,366	11,593,664
Capital assets not being depreciated	121,943,633	12,126,318	134,069,951
Capital assets, net of accumulated depreciation	45,553,219	53,550,242	99,103,461
Total Assets	225,996,505	73,655,013	299,651,518
Deferred Outflows of Revenues:			
Deferred loss on refunding debt	513,493	1,628,195	2,141,688
Liabilities:			
Accounts payable	3,872,081	944,719	4,816,800
Accrued liabilities	652,849	170,557	823,406
Accrued interest payable	301,088	225,926	527,014
Unearned revenue	44,167	226,133	270,300
Deposits payable		58,606	58,606
Noncurrent liabilities:			
Due within one year	1,345,417	991,964	2,337,381
Due in more than one year	37,320,283	19,072,830	56,393,113
Total Liabilities	43,535,885	21,690,735	65,226,620
Net position:			
Net investment in capital assets	148,079,509	48,901,807	196,981,316
Restricted for:			
Community development	24,345,667		24,345,667
Assessment districts	952,185		952,185
Parks	232,042		232,042
Public safety	866,048		866,048
Streets and roads	10,656,787		10,656,787
Housing	4,260,612		4,260,612
Unrestricted	(6,418,737)	4,690,666	(1,728,071)
Total Net Position	\$ 182,974,113	\$ 53,592,473	\$ 236,566,586

See Notes to Basic Financial Statements

CITY OF DINUBA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government:				
Governmental Activities:				
General government	\$ (4,703,501)	\$ 1,509,801	\$ -	\$ -
Public safety	(9,591,236)	276,308	3,112,179	100,000
Public works	(2,761,922)	3,226,541	1,055,339	25,373,768
Community development	(548,112)	70,343	1,860,254	
Parks and recreation	(1,224,454)	162,281	220,975	
Interest on long-term debt	(1,521,663)			
Unallocated depreciation	(1,018,182)			
Total Governmental Activities	<u>(21,369,070)</u>	<u>5,245,274</u>	<u>6,248,747</u>	<u>25,473,768</u>
Business-type Activities:				
Transit	(875,313)	53,507	637,606	536,998
Engineering	(662,791)	591,278	123,526	
CNG	(174,521)	214,162		
Water	(2,970,062)	2,763,415		168,229
Sewer	(2,914,729)	2,719,638		9,961
Disposal	(3,320,744)	3,080,017		
Ambulance	(1,386,124)	1,288,620	124,699	
Golf course	(3,422,866)	2,343,736		
Total Business-type Activities	<u>(15,727,150)</u>	<u>13,054,373</u>	<u>885,831</u>	<u>715,188</u>
Total Primary Government	<u>\$ (37,096,220)</u>	<u>\$ 18,299,647</u>	<u>\$ 7,134,578</u>	<u>\$ 26,188,956</u>

General Revenues:

Taxes:

 Property taxes

 Transient occupancy taxes

 Sales taxes

 Franchise taxes

 Utility users tax

 Other taxes

 Motor vehicle tax, unrestricted

Use of money and property

Other

Gain on sale of capital assets

Transfers

 Total General Revenues and Transfers

Special Items - litigation settlement

 Total General Revenues, Transfers, and Special Items

Change in Net Position

Net Position at Beginning of Fiscal Year

Prior Period Adjustments

Net Position at Beginning of Fiscal Year, restated

Net Position at End of Fiscal Year

See Notes to Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (3,193,700)	\$ -	\$ (3,193,700)
(6,102,749)		(6,102,749)
26,893,726		26,893,726
1,382,485		1,382,485
(841,198)		(841,198)
(1,521,663)		(1,521,663)
(1,018,182)		(1,018,182)
<u>15,598,719</u>		<u>15,598,719</u>
	352,798	352,798
	52,013	52,013
	39,641	39,641
	(38,418)	(38,418)
	(185,130)	(185,130)
	(240,727)	(240,727)
	27,195	27,195
	<u>(1,079,130)</u>	<u>(1,079,130)</u>
	<u>(1,071,758)</u>	<u>(1,071,758)</u>
<u>15,598,719</u>	<u>(1,071,758)</u>	<u>14,526,961</u>
742,122		742,122
184,211		184,211
3,700,400		3,700,400
243,956		243,956
1,612,836		1,612,836
249,602		249,602
1,571,490		1,571,490
262,191	37,243	299,434
18,522	92,839	111,361
266,189		266,189
195,877	<u>(195,877)</u>	
9,047,396	<u>(65,795)</u>	8,981,601
<u>104,921</u>		<u>104,921</u>
<u>9,152,317</u>	<u>(65,795)</u>	<u>9,086,522</u>
<u>24,751,036</u>	<u>(1,137,553)</u>	<u>23,613,483</u>
159,898,335	55,177,501	215,075,836
<u>(1,675,258)</u>	<u>(447,475)</u>	<u>(2,122,733)</u>
<u>158,223,077</u>	<u>54,730,026</u>	<u>212,953,103</u>
<u>\$ 182,974,113</u>	<u>\$ 53,592,473</u>	<u>\$ 236,566,586</u>

**CITY OF DINUBA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014**

		Special Revenue Funds		Capital Projects Funds		Debt Service
	General	HUD Grants	Public Safety Sales Tax	General Construction	Transportation Construction	Financing Authority
Assets:						
Cash and investments	\$ 588,339	\$ -	\$ 42,056	\$ 130,164	\$ 3,147,723	\$ 504
Restricted assets:						
Cash and investments with fiscal agents					1,294,769	6,937,587
Receivables:						
Accounts	380,666				2,453	
Intergovernmental	701,356	344,565	654,233		3,292,733	
Notes		19,303,166			41,484	
Interest	92	1,940,122	68		355	(8)
Due from other funds	1,059,232					
Advances to Successor Agency	2,689,955				530,576	500,000
Interfund advances receivable						
Prepaid items	46,534		22,179			
Land held for resale						
Total Assets	\$ 5,466,174	\$21,587,853	\$ 718,536	\$ 130,164	\$ 8,310,093	\$ 7,438,083
Liabilities:						
Accounts payable	\$ 153,968	\$ 141,503	\$ 54,322	\$ 794,857	\$ 2,374,556	\$ -
Accrued liabilities	392,981		132,926			
Unearned revenue	5,347					
Due to other funds		11,842				
Interfund advances payable	72,855			233,616		500,000
Total Liabilities	625,151	153,345	187,248	1,028,473	2,374,556	500,000
Deferred Inflows of Resources:						
Unearned revenue - Notes and Loans		21,462,434				
Unearned revenue - unavailable revenue	209,837		221,833		2,781,263	
Total Deferred Inflows of Revenues	209,837	21,462,434	221,833		2,781,263	
Fund Balances:						
Nonspendable	2,736,489					
Restricted			309,455		3,154,274	6,937,587
Assigned						496
Unassigned	1,894,697	(27,926)		(898,309)		
Total Fund Balances	4,631,186	(27,926)	309,455	(898,309)	3,154,274	6,938,083
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 5,466,174	\$21,587,853	\$ 718,536	\$ 130,164	\$ 8,310,093	\$ 7,438,083

See Notes to Basic Financial Statements

Other Governmental Funds	Total Governmental Funds
\$ 6,084,106	\$ 9,992,892
	8,232,356
33,617	416,736
731,394	5,724,281
1,424,781	20,769,431
76,261	2,016,890
	1,059,232
7,738,767	11,459,298
336,759	336,759
395	69,108
187,251	187,251
<u>\$ 16,613,331</u>	<u>\$ 60,264,234</u>
\$ 127,341	\$ 3,646,547
36,860	562,767
	5,347
305,882	317,724
116,904	923,375
<u>586,987</u>	<u>5,455,760</u>
1,268,479	22,730,913
24,023	3,236,956
<u>1,292,502</u>	<u>25,967,869</u>
	2,736,489
14,839,429	25,240,745
184,749	185,245
(290,336)	678,126
<u>14,733,842</u>	<u>28,840,605</u>
<u>\$ 16,613,331</u>	<u>\$ 60,264,234</u>



CITY OF DINUBA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2014

Fund balances of governmental funds	\$ 28,840,605
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.	167,496,852
Certain notes receivable and accrued interest on these notes are not available to pay for current period expenditures and, therefore are offset by deferred revenue in the governmental funds.	22,730,913
Certain accounts receivable and due from other governments are deferred inflows in the governmental funds due to their lack of collectability within 60 days after fiscal year end. These are considered revenue in the government-wide statements and are not deferred.	3,198,316
Long-term debt has not been included in the governmental funds.	
Long-term debt	(38,665,700)
Deferred loss on refunding, net of accumulated amortization for debt issuance costs on long-term debt have not been reported in the governmental funds.	513,493
Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.	(301,088)
Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service fund must be added to the statement of net assets. (Net of capital assets \$36,466 and long-term debt (\$75,836) included above).	(839,098)
Net position of governmental activities	<u>\$ 182,974,293</u>

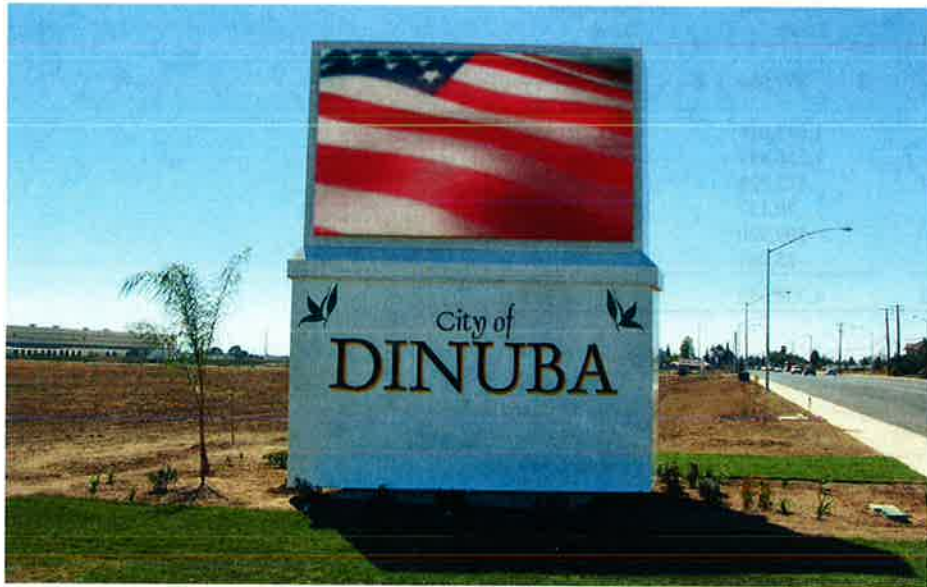
See Notes to Basic Financial Statements

CITY OF DINUBA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2014

		Special Revenue Funds		Capital Projects Funds	
			Public Safety		
	General	HUD Grants	Sales Tax	General Construction	Transportation Construction
Revenues:					
Taxes and assessments	\$ 6,149,880	\$ -	\$ 3,100,075	\$ -	\$ -
Licenses and permits	388,248				
Intergovernmental	2,087,228	1,500,433		1,343,252	6,845,708
Charges for services	434,152				647,111
Use of money and property	63,367	117,256	1,376	(871)	4,609
Fines and forfeitures	12,898				
Reimbursements	1,356,801				
Miscellaneous	168,036				
Total Revenues	10,660,610	1,617,689	3,101,451	1,342,381	7,497,428
Expenditures:					
Current:					
General government	3,062,629				
Public safety	5,743,892		3,312,208		
Public works	509,241			10,920	73,155
Community development		1,514,371			
Parks and recreation	1,140,903				
Capital outlay	713,464	429,096	213,211	4,709,138	6,120,498
Debt service:					
Principal retirement	58,156		46,500		
Interest and fiscal charges			6,717		
Cost of issuance					
Total Expenditures	11,228,285	1,943,467	3,578,636	4,720,058	6,193,653
Excess of Revenues Over (Under) Expenditures	(567,675)	(325,778)	(477,185)	(3,377,677)	1,303,775
Other Financing Sources (Uses):					
Transfers in	1,118,907	19,120		2,747,201	20,000
Transfers out	(745,512)	(116,140)			(50,000)
Sales of property	317,657				84,591
Issuance of long-term debt	548,623				
Total Other Financing Sources (Uses)	1,239,675	(97,020)		2,747,201	54,591
Net Change in Fund Balances Before Special Item	672,000	(422,798)	(477,185)	(630,476)	1,358,366
Special item - litigation settlement					
Net Change in Fund Balances	672,000	(422,798)	(477,185)	(630,476)	1,358,366
Fund Balances, Beginning of Fiscal Year	3,959,186	394,872	786,640	(267,833)	1,795,908
Prior Period Adjustments					
Fund Balance, Beginning of Fiscal Year (Restated)	3,959,186	394,872	786,640	(267,833)	1,795,908
Fund Balances (Deficits), End of Fiscal Year	\$ 4,631,186	\$ (27,926)	\$ 309,455	\$ (898,309)	\$ 3,154,274

See Notes to Basic Financial Statements

<u>Debt Service Fund</u>		
<u>Financing Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 877,969	\$ 10,127,924
		388,248
	1,613,016	13,389,637
	1,530,437	2,611,700
15,022	172,228	372,987
	70,117	83,015
	509,920	1,866,721
	25,065	193,101
<u>15,022</u>	<u>4,798,752</u>	<u>29,033,333</u>
		3,062,629
	99,828	9,155,928
	1,904,110	2,497,426
	299,045	1,813,416
		1,140,903
	234,551	12,419,958
600,000	286,500	991,156
887,053	116,369	1,010,139
106,924		106,924
<u>1,593,977</u>	<u>2,940,403</u>	<u>32,198,479</u>
<u>(1,578,955)</u>	<u>1,858,349</u>	<u>(3,165,146)</u>
1,282,378	903,931	6,091,537
(3,105,755)	(1,531,891)	(5,549,298)
		402,248
<u>8,433,377</u>		<u>8,982,000</u>
<u>6,610,000</u>	<u>(627,960)</u>	<u>9,926,487</u>
5,031,045	1,230,389	6,761,341
	104,921	104,921
<u>5,031,045</u>	<u>1,335,310</u>	<u>6,866,262</u>
1,907,038	12,157,451	20,733,262
	1,241,081	1,241,081
<u>1,907,038</u>	<u>13,398,532</u>	<u>21,974,343</u>
<u>\$ 6,938,083</u>	<u>\$ 14,733,842</u>	<u>\$ 28,840,605</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, 2014

Net change in fund balances - total governmental funds	\$ 6,866,262
Amounts reported for governmental activities in the statement of activities differ because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.	23,747,874
Basis of the disposition of capital assets not included in governmental funds.	(136,059)
Certain notes receivable are reported in the governmental funds as expenditures and then offset by a deferred revenue as they are not available to pay current expenditures. Likewise when the note is collected it is reflected in revenue. This is the net change between notes receivable collected and issued. (Collected \$109,015) (Issued plus interest account \$1,500,009).	1,390,994
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Issuance of bond principal is an other financing source and repayment of bond principal is an expenditure in governmental funds, but the issuance increases long-term liabilities and the repayment reduces long-term liabilities in the statement of net position.	(8,850,198)
Debt/loss on refunding are expenditures in the governmental funds, but these costs are capitalized on the statement of net assets. This is the amount of costs paid less amortization in the current period.	(36,461)
Accrued interest is interest due on long-term debt payable. This is the net change in accrued interest for the current period.	(18,860)
Compensated absence expenditures reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period.	(235,011)
Certain accounts receivable do not meet the measurable or available criteria to be recognized as revenue in the governmental funds using the modified accrued basis. They are however revenue under full accrual accounting. This is the net change for the period.	3,198,136
Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The net revenues (expenses) of the internal internal service funds is reported with governmental activities. This is net of long-term debt adjustment (change in compensated absences) of \$26,058 and depreciation of \$7,665 which is included above.	(1,175,641)
Change in net position of governmental activities	<u>\$ 24,751,036</u>

See Notes to Basic Financial Statements

CITY OF DINUBA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Golf Course
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets:			
Cash and cash investments	\$ 807,656	\$ 793,656	\$ 73,027
Restricted cash and investments with fiscal agents	272,239	805,626	
Accounts receivable, net	551,178	494,230	219,299
Interest receivable	80	62	(4)
Inventories			143,212
Due from other agencies			
Prepaid expenses	917		21,896
Total Current Assets	1,632,070	2,093,574	457,430
Noncurrent Assets:			
Note receivable			168,060
Interfund advances receivable	226,000	1,241,634	
Advances to successor agency	1,300,000		
Capital assets:			
Land	261,806	4,388,142	3,960,467
Depreciable infrastructure, net	12,320,450	13,762,753	5,182,023
Depreciable buildings and improvements, net	3,921,890	690,422	16,349,988
Depreciable equipment, net	342,782	137,476	118,366
Construction in progress		2,079,693	
Total Noncurrent Assets	18,372,928	22,300,120	25,778,904
Deferred Outflows of Resource			
Deferred loss on debt refunding		1,628,195	
Total Deferred Outflows of Resources		1,628,195	
Total Assets and Deferred Outflows of Resources	20,004,998	26,021,889	26,236,334
LIABILITIES			
Current Liabilities:			
Accounts payable	75,084	57,881	231,709
Accrued liabilities	76,930	8,975	37,174
Accrued interest payable	75,458	150,468	
Claims payable			
Unearned revenue			222,718
Deposits payable	58,606		
Due to other funds			
Current portion of long-term obligations	458,315	503,047	
Total Current Liabilities	744,393	720,371	491,601
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Interfund advances payable			1,165,634
Advances to successor agency		1,165,634	
Compensated absences	21,219	15,258	
Net OPEB liability	179,256	125,296	
Capital leases payable	150,758		
Loan payable		373,930	
Notes payable	6,354,379	840,000	
Revenue bonds		10,540,000	
Premium (discount)		52,301	
Total Noncurrent Liabilities	6,705,612	13,112,419	1,165,634
Total Liabilities	7,450,005	13,832,790	1,657,235
NET POSITION			
Net invested in capital assets	9,888,127	11,242,534	25,610,844
Unrestricted	2,666,866	946,565	(1,031,745)
Total Net Position	\$ 12,554,993	\$ 12,189,099	\$ 24,579,099

See Notes to Basic Financial Statements

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Disposal	Ambulance	Other Nonmajor Enterprise	Totals	
\$ 959,315	\$ 203,480	\$ 594,166	\$ 3,431,300	\$ 48,110
297,609	697,082	28,613	1,077,865	
79	15	56	2,288,011	
			288	
	35,743	32,888	143,212	141,916
60,000		291	68,631	25,000
			83,104	
1,317,003	936,320	656,014	7,092,411	215,026
			168,060	
281,616			1,749,250	3,000
			1,300,000	
			8,610,415	
		56,370	31,265,226	
259,084	140,523	268,115	21,018,670	
		1,436,210	1,266,346	36,466
			3,515,903	
540,700	140,523	1,760,695	68,893,870	39,466
			1,628,195	
			1,628,195	
1,857,703	1,076,843	2,416,709	77,614,476	254,492
496,910	16,391	66,744	944,719	225,534
4,629	25,655	17,194	170,557	40,082
			225,926	
	3,415		226,133	50,000
			58,606	
4,462	25,959	181	991,964	741,508
				11,648
506,001	71,420	84,119	2,617,905	1,068,772
			1,165,634	
15,867	48,812	5,971	1,165,634	
47,134	296,323	6,326	107,127	64,188
			654,335	
			150,758	
			373,930	
			7,194,379	
			10,540,000	
			52,301	
63,001	345,135	12,297	21,404,098	64,188
569,002	416,555	96,416	24,022,003	1,132,960
259,084	140,523	1,760,695	48,901,807	36,466
1,029,617	519,765	559,598	4,690,666	(914,934)
\$ 1,288,701	\$ 660,288	\$ 2,320,293	\$ 53,592,473	\$ (878,468)

CITY OF DINUBA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Golf Course
Operating Revenues:			
Sales and service charges	\$ 2,763,415	\$ 2,719,638	\$ 2,343,736
Interdepartmental charges			
Other	36,709	3,255	
Total Operating Revenues	2,800,124	2,722,893	2,343,736
Operating Expenses:			
Rents and leases			104,220
Cost of goods sold			461,709
Salaries and benefits	564,993	344,258	1,162,897
Contractual services	251,690	193,024	147,694
Materials and supplies	83,489	111,249	313,922
Repairs and maintenance	41,169	51,728	49,701
Dump fees			
Utilities	423,461	638,774	154,352
Insurance			
Allocated overhead	845,577	581,397	
Depreciation	547,880	412,367	1,003,511
Total Operating Expenses	2,758,259	2,332,797	3,398,006
Operating Income (Loss)	41,865	390,096	(1,054,270)
Nonoperating Revenues (Expenses):			
Loss on disposal of assets	(23,943)		
Intergovernmental			
Interest revenue	2,117	25,171	6,692
Interest expense	(187,860)	(581,932)	(24,860)
Total Nonoperating Revenues (Expenses)	(209,686)	(556,761)	(18,168)
Income (Loss) Before Contributions and Transfers	(167,821)	(166,665)	(1,072,438)
Capital contributions	168,229	9,961	
Transfers in	271,855	339,165	1,931
Transfers out	(308,868)	(487,546)	
Net Contributions and Transfers	131,216	(138,420)	1,931
Changes in Net Position	(36,605)	(305,085)	(1,070,507)
Net Position			
Beginning of fiscal year	12,592,003	12,941,254	25,649,606
Prior year adjustments	(405)	(447,070)	
Beginning of fiscal year, as restated	12,591,598	12,494,184	25,649,606
End of fiscal year	\$ 12,554,993	\$ 12,189,099	\$ 24,579,099

See Notes to Basic Financial Statements

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Disposal	Ambulance	Other Nonmajor Enterprise	Totals	
\$ 3,080,017	\$ 1,288,620	\$ 858,947	\$ 13,054,373	\$ -
6,861	44,460	1,554	92,839	5,075,117
3,086,878	1,333,080	860,501	13,147,212	5,075,117
			104,220	
			461,709	
188,039	760,637	560,172	3,580,996	1,204,174
1,096,149		448,577	2,137,134	58,505
444,804	188,762	172,835	1,315,061	418,770
152	5,452	212,801	361,003	
658,874			658,874	
		87,554	1,304,141	
				4,150,286
912,213	370,622	117,289	2,827,098	45,313
20,513	60,651	113,397	2,158,319	7,665
3,320,744	1,386,124	1,712,625	14,908,555	5,884,713
(233,866)	(53,044)	(852,124)	(1,761,343)	(809,596)
			(23,943)	
	124,699	761,132	885,831	
1,913	282	1,068	37,243	(1,290)
			(794,652)	
1,913	124,981	762,200	104,479	(1,290)
(231,953)	71,937	(89,924)	(1,656,864)	(810,886)
		536,998	715,188	
	72,000		684,951	5,500
		(84,414)	(880,828)	(351,862)
	72,000	452,584	519,311	(346,362)
(231,953)	143,937	362,660	(1,137,553)	(1,157,248)
1,520,654	516,351	1,957,633	55,177,501	278,780
			(447,475)	
1,520,654	516,351	1,957,633	54,730,026	278,780
\$ 1,288,701	\$ 660,288	\$ 2,320,293	\$ 53,592,473	\$ (878,468)

CITY OF DINUBA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Golf Course
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 2,826,248	\$ 2,691,078	\$ 2,422,972
Cash paid to suppliers for goods and services	(819,198)	(1,016,961)	(1,185,024)
Cash paid to employees for services	(499,535)	(354,073)	(1,163,619)
Cash paid for allocated overhead	(845,577)	(581,397)	
Net Cash Provided (Used) by Operating Activities	661,938	738,647	74,329
Cash Flows from Non-Capital Financing Activities:			
Cash receivable from notes			3,403
Intergovernmental revenue			
Cash transfers to other funds	(308,868)	(487,546)	
Cash transfers from other funds	271,855	339,165	1,931
Due to other funds			
Advances/due from other funds repayments	202,000	12,000	
Net Cash Provided (Used) by Non-Capital Financing Activities	164,987	(136,381)	5,334
Cash Flows from Capital and Related Financing Activities:			
Purchases of capital assets	(115,018)	(30,660)	
Principal paid on long-term debt	(441,375)	(545,040)	(1,729)
Interest paid on long-term debt	(191,620)	(473,266)	(24,860)
Net Cash Provided (Used) by Capital and Related Financing Activities	(748,013)	(1,048,966)	(26,589)
Cash Flows from Investing Activities:			
Interest received	2,128	23,070	6,690
Net Cash Provided (Used) by Investing Activities	2,128	23,070	6,690
Net Increase (Decrease) in Cash and Cash Equivalents	81,040	(423,630)	59,764
Cash and Cash Equivalents at Beginning of Fiscal Year	998,855	2,022,912	13,263
Cash and Cash Equivalents at End of Fiscal Year	\$ 1,079,895	\$ 1,599,282	\$ 73,027
Reconciliation to Statement of Net Position:			
Cash and investments	\$ 807,656	\$ 793,656	\$ 73,027
Restricted cash and investments with fiscal agents	272,239	805,626	
	\$ 1,079,895	\$ 1,599,282	\$ 73,027

See Notes to Basic Financial Statements

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Disposal	Ambulance	Other Nonmajor Enterprise	Totals	
\$ 3,288,596	\$ 1,244,797	\$ 847,343	\$ 13,321,034	\$ 5,063,023
(1,790,535)	(185,433)	(894,512)	(5,891,663)	(4,458,258)
(157,626)	(777,262)	(554,896)	(3,507,011)	(1,219,988)
(912,213)	(370,622)	(117,289)	(2,827,098)	(45,313)
428,222	(88,520)	(719,354)	1,095,262	(660,536)
			3,403	
	124,699	896,680	1,021,379	
		(84,414)	(880,828)	(351,862)
	72,000		684,951	5,500
	(35,743)		(35,743)	1,049,923
12,000			226,000	
12,000	160,956	812,266	1,019,162	703,561
		(21,259)	(166,937)	(14,834)
			(988,144)	
			(689,746)	
		(21,259)	(1,844,827)	(14,834)
1,896	282	1,067	35,133	(1,309)
1,896	282	1,067	35,133	(1,309)
442,118	72,718	72,720	304,730	26,882
517,197	130,762	521,446	4,204,435	21,228
\$ 959,315	\$ 203,480	\$ 594,166	\$ 4,509,165	\$ 48,110
\$ 959,315	\$ 203,480	\$ 594,166	\$ 3,431,300	\$ 48,110
			1,077,865	
\$ 959,315	\$ 203,480	\$ 594,166	\$ 4,509,165	\$ 48,110

(Continued)

CITY OF DINUBA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2014
(Continued)

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Golf Course
Reconciliation of Operating Income (loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 41,865	\$ 390,096	\$ (1,054,270)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	547,880	412,367	1,003,511
Adjustments:			
Increase (decrease) in unearned revenue			102,944
(Increase) decrease in inventory			(571)
(Increase) decrease in prepaid expenses	(681)		(19,290)
(Increase) decrease in accounts receivable	23,904	(31,815)	(23,708)
Increase (decrease) in accounts payable	(18,708)	(22,186)	66,435
Increase (decrease) in accrued liabilities	31,736	1,107	(722)
Increase (decrease) in compensated absences	6,881	11,659	
Increase (decrease) in deposits payable	2,220		
Increase (decrease) in OPEB	26,841	(22,581)	
Total Adjustments	620,073	348,551	1,128,599
Net Cash Provided (Used) by Operating Activities	\$ 661,938	\$ 738,647	\$ 74,329
Non-Cash Investing, Capital, and Financing Activities:			
Amortization of bond charges	\$ -	\$ 111,069	\$ -
Contributed capital	168,229	9,961	

See Notes to Basic Financial Statements

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Disposal	Ambulance	Other Nonmajor Enterprise	Totals	
<u>\$ (233,866)</u>	<u>\$ (53,044)</u>	<u>\$ (852,124)</u>	<u>\$ (1,761,343)</u>	<u>\$ (809,596)</u>
20,513	60,651	113,397	2,158,319	7,665
	(5,590)		97,354	
			(571)	
625	94	(291)	(19,543)	(8,197)
201,718	(82,693)	(13,158)	74,248	(12,094)
408,819	8,687	27,546	470,593	177,500
1,388	(10,632)	6,063	28,940	10,244
15,600	(16,364)	(614)	17,162	(26,058)
			2,220	
<u>13,425</u>	<u>10,371</u>	<u>(173)</u>	<u>27,883</u>	
<u>662,088</u>	<u>(35,476)</u>	<u>132,770</u>	<u>2,856,605</u>	<u>149,060</u>
<u>\$ 428,222</u>	<u>\$ (88,520)</u>	<u>\$ (719,354)</u>	<u>\$ 1,095,262</u>	<u>\$ (660,536)</u>
\$ -	\$ -	\$ -	\$ 110,069	\$ -
		536,998	715,188	

CITY OF DINUBA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2014

	Redevelopment Successor Agency Private-Purpose Trust Fund	Agency Funds
Assets:		
Cash and investments	\$ 1,930,740	\$ 537,953
Restricted cash and investments with fiscal agents	2,605,644	
Accounts receivable	7,104	
Interest receivable	106	4
Prepaid expenses	688	488
Assets held for resale	1,888,463	
Notes receivable	363,047	
Capital assets (net of accumulated depreciation)	5,130,792	
	<u>11,926,584</u>	<u>\$ 538,445</u>
Total Assets		
	<u>11,926,584</u>	<u>\$ 538,445</u>
Deferred Outflows of Resources:		
Deferred loss on bond refunding	975,332	
	<u>975,332</u>	
Total Deferred Outflows of Resources		
	<u>975,332</u>	
Total Assets and Deferred Outflows of Resources		
	<u>12,901,916</u>	
Liabilities:		
Accounts payable	23,324	\$ 154,029
Interest payable	712,796	
Other liabilities	4,216	384,416
Advances from City of Dinuba	11,593,664	
Long-term debt-due within 1 year	1,270,000	
Long-term debt-due in more than 1 year	51,147,096	
	<u>64,751,096</u>	<u>\$ 538,445</u>
Total Liabilities		
	<u>64,751,096</u>	<u>\$ 538,445</u>
Net Position (Deficit)		
Held in trust for the retirement of obligations of the former Dinuba Redevelopment Agency	(51,849,180)	
	<u>(51,849,180)</u>	
Total Net Position (Deficit)		
	<u>\$ (51,849,180)</u>	

See Notes to Basic Financial Statements

CITY OF DINUBA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2014

	Redevelopment Successor Agency Private-Purpose Trust Fund
Additions:	
Taxes	\$ 4,156,454
Investment earnings	32,184
Miscellaneous	40,698
Total Additions	<u>4,229,336</u>
Deductions	
Community development	179,721
Depreciation	5,592
Debt service:	2,469,012
Interest and fiscal charges	<u>652,132</u>
Total Deductions	<u>3,306,457</u>
Change in net position	<u>922,879</u>
Net Position (Deficit), Beginning of Fiscal Year	(50,543,166)
Prior Period Adjustments	<u>(2,228,893)</u>
Net Position (Deficit), Beginning of Fiscal Year, Restated	<u>(52,772,059)</u>
Net Assets, End of Fiscal Year	<u><u>\$ (51,849,180)</u></u>

See Notes to Basic Financial Statements

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Notes to Basic Financial Statements



CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 Summary of Significant Accounting Policies

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

a. Reporting Entity

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

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

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

b. Government-wide and Fund Financial Statements

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

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 Summary of Significant Accounting Policies (Continued)

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

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

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

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

In the Fund Financial Statements, fiduciary funds are presented using the accrual basis of accounting. The private-purpose trust funds use the economic resources measurement focus. The agency funds do not have a measurement focus.

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

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

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

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

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

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 Summary of Significant Accounting Policies (Continued)

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

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

Additionally, the City reports the following fund types:

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do no conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). For proprietary fund type activities, the City has elected to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board (APB), or any Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they contradict or conflict with GASB pronouncements.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 Summary of Significant Accounting Policies (Continued)

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds and of the Internal Service Fund are charges to customers for sales and services. Operating expenses for the Enterprises Funds and the Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Net Position or Equity

Cash and Investments

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

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

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 Summary of Significant Accounting Policies (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Net Position or Equity (Continued)

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

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

Receivables and Payables

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

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

Property Taxes

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

Prepaid Items

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

Restricted Assets

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 Summary of Significant Accounting Policies (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Net Position or Equity (Continued)

Restricted Assets (Continued)

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

Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year ended June 30, 2014.

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

<u>Assets</u>	<u>Years</u>
Buildings	30
Improvements other than buildings	30
Infrastructure	20 to 40
Utility systems	40 to 75
Vehicles	5 to 15
Computer equipment	7
Other equipment and furnishings	7

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

Deferred Outflows and Inflows of Resource

Pursuant to GASB Statement No. 63, the City recognizes deferred outflows and inflows of resources. Deferred outflow and inflow of resources are defined as a consumption or resource of net position by the government that is applicable to a future reporting period. The deferred inflows include long-term note and loans receivable including accrued interest thereon and unavailable revenues. The deferred outflows include deferred losses on bond refundings.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 Summary of Significant Accounting Policies (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Net Position or Equity (Continued)

Compensated Absences

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

Long-Term Obligations

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

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

Net Position and Fund Equity

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

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 Summary of Significant Accounting Policies (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Net Position or Equity (Continued)

Net Position and Fund Equity (Continued)

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

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

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

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 Summary of Significant Accounting Policies (Continued)

e. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 65

For the fiscal year June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of the GASB Statement No. 65 did have an impact on the City's financial statements for the fiscal year ended June 30, 2014. Items previously reported as assets and liabilities are now reported as deferred inflows or outflows of resources.

Governmental Accounting Standards Board Statement No. 66

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 66, "Technical Correction – 2012." This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. Implementation of the GASB Statement No. 66 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

Governmental Accounting Standards Board Statement No. 67

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement replaces the requirements of Statements No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and No. 50 "Pension Disclosures" as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. Implementation of the GASB Statement No. 67 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 Summary of Significant Accounting Policies (Continued)

e. New Accounting Pronouncements (Continued)

Governmental Accounting Standards Board Statement No. 70

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 70, "Accounting and Financial Reporting for Non-exchange Financial Guarantees." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are non-exchange transactions. Implementation of the GASB Statement No. 70 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

f. Estimates

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

g. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental funds balance sheet includes a reconciliation between fund balances – governmental funds and net assets of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term debt and compensated absences have not been included in the governmental fund activity". The detail of the \$38,665,700 long-term debt difference is as follows:

Long-term debt	
Compensated absences	\$ 1,112,194
Contracts payable	99,516
PERS side fund obligation	4,612,278
Net OPEB obligation	4,778,036
Revenue bonds payable, net	18,600,922
Notes payable	20,257
Capitalized leases payable	<u>9,442,497</u>
Net adjustment to reduce fund balances of total governmental funds to arrive at net assets of governmental activities	<u><u>\$ 38,665,700</u></u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 Summary of Significant Accounting Policies (Continued)

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

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

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

The details of this \$23,747,874 difference are as follows:

Capital outlay	\$ 12,419,958
Contributed capital	13,212,775
Depreciation expense	<u>(1,884,859)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 23,747,874</u></u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds”. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$(8,850,198) difference are as follows:

Debt issued or incurred:	
Capital leases	\$ (8,982,000)
Net OPEB obligation	(1,279,901)
CalPERS side fund obligation	(337,110)
Principal repayments:	
Revenue bonds - principal	700,000
CalPERS side fund obligation	431,454
OPEB obligation	338,372
Amortization of discount	(12,169)
Contracts, notes, and loans payable	49,792
Capital leases payable	<u>241,364</u>
Net adjustment to decrease net changes in fund balance of total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ (8,850,198)</u></u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 2 Stewardship, Compliance, and Accountability

a. General Budget Policies

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

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

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

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

5. Capital projects are budgeted through the Capital Projects Funds. Appropriations for capital projects authorized but not constructed or completed during the 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, 2014, based on calculations by City staff, proceeds of taxes did not exceed appropriations. Further, Section 5 of Article XIII-B allows the City to designate a portion of fund balance for general contingencies, to be used for any purpose.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 2 Stewardship, Compliance, and Accountability (Continued)

b. Deficit Fund Balances and Net Position

The HUD Grants Major Special Revenue Fund has a deficit fund balance of \$27,926. Future grants should generate a possible fund balance. The General Construction Capital Projects Fund has a deficit fund balance of \$898,309 which should be alleviated when the fund receives additional funding. The Vocational Center Capital Projects Fund has deficit fund balance of \$290,336 which should be alleviated as additional revenues or transfers are received.

The Insurance and Billing and Collection Internal Service Funds have deficit net positions of \$863,092 and \$47,906, respectively. These deficits should be alleviated as additional revenues are received by City departments.

c. Excess Expenditures over Appropriations

The following are funds in which certain expenditures exceeded appropriations for the fiscal year ended June 30, 2014.

Fund/Function	Final Appropriation	Expenditures	Excess
Nonmajor Funds:			
General Debt Service	\$ 396,554	\$ 397,928	\$ 1,374
Community Enhancement Grants	114,300	123,105	8,805
Transportation Special Revenue	387,906	429,414	(41,508)
Major Funds:			
Transportation Construction	3,136,223	6,193,653	3,057,430
General Construction	1,039,739	4,720,058	3,680,319
General	10,284,644	11,228,285	943,641
HUD Grants	1,934,300	1,943,467	9,167
Public Safety Sales Tax	2,552,751	3,528,636	975,885
Financing Authority	1,343,997	1,593,977	249,980

Note 3 Cash and Investments

Cash and investments as of June 30, 2014 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 13,472,302
Restricted cash and investments with Fiscal Agents	9,310,221
Fiduciary funds:	
Cash and investments	2,468,693
Restricted cash and investments with Fiscal Agents	2,605,644
Total cash and investments	<u>\$ 27,856,860</u>

Cash and investments as of June 30, 2014 consist of the following:

Cash on hand	\$ 7,135
Deposits with financial institutions	2,274,773
Investments	25,574,952
Total cash and investments	<u>\$ 27,856,860</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 3 Cash and Investments (Continued)

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

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (State Pool)	N/A	None	\$50 million
U.S. Treasury Obligations	N/A	None	None
U.S. Government Agency Issues	N/A	None	None
Insured Passbook on Demand Deposits with Banks and Savings and Loans	N/A	None	100,000
Certificates of Deposit	5 years	None	100,000
Money Market Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None
Repurchase agreements	1 year	None	None

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

B. Investments Authorized by Debt Agreements

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (State Pool)	N/A	None	None
U.S. Treasury Obligations	N/A	None	None
U.S. Government Agency Issues	N/A	None	None
Insured Passbook on Demand Deposits with Banks and Savings and Loans	N/A	None	None
Certificates of Deposit	N/A	None	None
Bankers Acceptances	1 year	None	None
Commercial Paper	N/A	None	None
Mutual Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None
Money Market Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None
Municipal Bonds (rated highest 2 categories)	N/A	None	None
Investment Agreements	N/A	None	None
Repurchase Agreements	N/A	None	None

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 3 Cash and Investments (Continued)

B. Investments Authorized by Debt Agreements (Continued)

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

C. Disclosures Relating to Interest Rate Risk

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

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

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>	<u>More Than 60 Months</u>
State Investment Pool	\$ 2,367,387	\$ 2,367,387	\$ -	\$ -	\$ -
Money Market	12,586,469	12,586,469			
Held by Bond Trustees:					
Federal Agency Securities	2,135,250			2,135,250	
Money Market Funds	6,168,749	6,168,749			
Municipal Bonds	813,951	140,591	673,360		
Certificates of Deposit	1,503,146	81,426	1,421,720		
Totals	<u>\$ 25,574,952</u>	<u>\$ 21,344,622</u>	<u>\$ 2,095,080</u>	<u>\$ 2,135,250</u>	<u>\$ -</u>

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

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

E. Disclosures Relating to Credit Risk

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 3 Cash and Investments (Continued)

E. Disclosures Relating to Credit Risk (Continued)

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>				<u>Not Rated</u>
				<u>AAA</u>	<u>AA</u>	<u>A</u>		
State Investment Pool	\$ 2,367,387	N/A	\$ -	\$ -	\$ -	\$ -		\$ 2,367,387
Money Market	12,586,469	N/A						12,586,469
Held by Bond Trustee:								
Federal Agencies	2,135,250	AAA		2,135,250				
Money Market Funds	6,168,749	AAA		6,168,749				
Municipal Bonds	813,951	A			813,951			
Certificates of Deposit	1,503,146	N/A						1,503,146 *
Total	\$ 25,574,952		\$ -	\$ 8,303,999	\$ 813,951	\$ -		\$ 16,457,002

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

F. Concentration of Credit Risk

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

G. Custodial Credit Risk

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

As of June 30, 2014, all of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts. As of June 30, 2014, City investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities:

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 3 Cash and Investments (Continued)

G. Custodial Credit Risk (Continued)

<u>Investment Type</u>	<u>Amount</u>
Certificates of deposit	\$ 1,503,146
Municipal bonds	813,951
Money market funds	6,168,749
Federal Agency Securities	2,135,250

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Note 4 Notes Receivable

Notes receivable as of June 30, 2014, totaled \$20,937,491 and were recorded as follows:

Capital Projects Funds	\$ 41,484
Special Revenue Funds	20,727,947
Enterprise Funds	<u>168,060</u>
Total Notes Receivable	<u>\$ 20,937,491</u>

Notes receivable by type are:

Home Loan Rehabilitation Program loans to assist low income residents to afford safe and sanitary housing, including improvements to the housing; non-interest bearing to 10 percent interest; principal and interest generally due at maturity or change of home ownership; secured by deeds of trust; proceeds are paid directly to the builder and a receivable is recorded from the home purchaser. \$ 11,607,581

Note for the purchase of residential property related to the golf course at 4% interest, secured by a deed of trust. Note is payable in monthly installments of \$835.48 until May 4, 2017 at which time the entire unpaid balance will become due and payable 168,060

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

Promissory notes from developers for the acquisition and development of property for housing projects within the City; interest rates from 3% to 4.81%; terms of the notes are thirty to forty years; notes secured by deeds of trust. 6,161,850

Totals \$ 20,937,491

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 5 Accounts Receivable

The following is a list of accounts receivable at June 30, 2014:

	Receivable	Allowance	Net
Governmental Activities -			
Due from other governments	\$ 5,866,197	\$ -	\$ 5,866,197
Accounts	416,736		416,736
	<u>\$ 6,282,933</u>	<u>\$ -</u>	<u>\$ 6,282,933</u>
Business-type Activities -			
Accounts	<u>\$ 3,395,049</u>	<u>\$ 1,107,038</u>	<u>\$ 2,288,011</u>
Fiduciary Funds			
Accounts	<u>\$ 7,104</u>	<u>\$ -</u>	<u>\$ 7,104</u>

Note 6 Interfund Transactions

A. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. These balances normally represent loans to cover temporary shortages of cash in individual funds. The following presents a summary of current interfund balances at June 30, 2014.

Receivable Fund	Amount	Payable Fund	Amount
Major Fund:		Non-Major Governmental Funds	\$ 305,882
General	\$ 1,059,232	Internal Service Fund - Insurance	741,508
		HUD Grant Major Special Revenue	11,842
Totals	<u>\$ 1,059,232</u>		<u>\$ 1,059,232</u>

B. Long-term Interfund Advances

At June 30, 2014, the funds below have made/received advances that were not expected to be repaid within one year.

Receivable Fund	Amount	Payable Fund	Amount
Major Proprietary Funds:		Major Fund:	
Disposal	\$ 281,616	General Construction	\$ 233,616
Water	226,000	General	72,855
Sewer	1,241,634	Financing Authority	500,000
		Major Proprietary Fund:	
		Golf Course	1,165,634
Non-major Governmental Funds	336,759	Non-major Governmental Funds	116,904
Internal Service Funds	<u>3,000</u>		
Totals	<u>\$ 2,089,009</u>		<u>\$ 2,089,009</u>

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

The City has loaned funds to the Successor Agency to the Redevelopment Agency in the amount of \$11,593,664. These are scheduled to be repaid with future tax increment dollars received by SADRA.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 6 Interfund Transactions (Continued)

C. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made an expenditure on behalf of another fund, less often, an equity transfers may be made to open or close a fund.

Transferor Fund	Amount	Transferee Fund	Amount
Major Governmental:		Major Governmental:	
General	\$ 745,512	General	\$ 1,118,907
HUD Grants	116,140	HUD Grants	19,120
Transportation Construction	50,000	General Construction	2,747,201
Financing Authority	3,105,755	Transportation Construction	20,000
		Financing Authority	1,282,378
Major Proprietary:		Major Proprietary:	
Water	308,868	Water	271,855
Sewer	487,546	Sewer	339,165
		Golf Course	1,931
		Ambulance	72,000
Non-major Governmental:	1,531,891	Non-major Governmental:	903,931
Non-major Enterprise Funds	84,414	Internal Service Funds	5,500
Internal Service Funds	351,862		
Totals	<u>\$ 6,781,988</u>		<u>\$ 6,781,988</u>

Note 7 Capital Assets

a. Governmental Activities

Capital asset governmental activity for the fiscal year ended June 30, 2014 was as follows:

	Balance at July 1, 2013	Additions	Deletions	Transfers	Balance at June 30, 2014
Capital Assets, not being depreciated:					
Land	\$ 103,618,706	\$ -	\$ -	\$ -	\$ 103,618,706
Artwork	68,641				68,641
Right of ways/easements	5,698,094	96,331			5,794,425
Construction in progress	2,694,028	9,767,833		(1,477,684)	10,984,177
Total	<u>112,079,469</u>	<u>9,864,164</u>		<u>(1,477,684)</u>	<u>120,465,949</u>
Capital Assets, being depreciated:					
Buildings	9,275,039	1,238,067			10,513,106
Improvements other than buildings	2,305,268	286,126			2,591,394
Equipment and machinery	6,786,453	939,853	(64,253)		7,662,053
Infrastructure	41,966,037	13,319,357	(857,130)	1,477,684	55,905,948
Total	<u>60,332,797</u>	<u>15,783,403</u>	<u>(921,383)</u>	<u>1,477,684</u>	<u>76,672,501</u>
Less accumulated depreciation for:					
Buildings	(3,252,138)	(262,095)			(3,514,233)
Improvements other than buildings	(533,194)	(94,183)			(627,377)
Equipment and machinery	(4,976,862)	(476,018)	64,253		(5,388,627)
Infrastructure	(19,779,869)	(1,052,563)	721,071		(20,111,361)
Total	<u>(28,542,063)</u>	<u>(1,884,859)</u>	<u>785,324</u>		<u>(29,641,598)</u>
Total, net of accumulated depreciation	<u>31,790,734</u>	<u>13,898,544</u>	<u>(136,059)</u>	<u>1,477,684</u>	<u>47,030,903</u>
Total Capital Assets, Net	<u>\$ 143,870,203</u>	<u>\$ 23,762,708</u>	<u>\$ (136,059)</u>	<u>\$ -</u>	<u>\$ 167,496,852</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 7 Capital Assets (Continued)

a. Governmental Activities (Continued)

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

General government	\$ 183,908
Public safety	488,431
Public works	149,385
Parks and recreation	44,953
Unallocated	1,018,182
Total	<u>\$ 1,884,859</u>

b. Business-type activities

Capital asset business-type activity for the fiscal year ended June 30, 2014 was as follows:

Capital Asset Business-type Activity					
	Balance at July 1, 2013	Additions	Deletions	Prior Period Adjustments	Balance at June 30, 2014
Water Fund:					
Capital assets, not being depreciated:					
Land	\$ 261,806	\$ -	\$ -	\$ -	\$ 261,806
Total capital assets not being depreciated	261,806				261,806
Capital assets, being depreciated:					
Infrastructure	17,114,715	283,247	(56,775)		17,341,187
Buildings and improvements	5,750,352				5,750,352
Equipment and machinery	650,530				650,530
Total capital assets being depreciated	23,515,597	283,247	(56,775)		23,742,069
Less accumulated depreciation for:					
Infrastructure	(4,738,653)	(314,916)	32,832		(5,020,737)
Buildings and improvements	(1,637,210)	(191,252)			(1,828,462)
Equipment and machinery	(265,631)	(41,712)		(405)	(307,748)
Total accumulated depreciation	(6,641,494)	(547,880)	32,832	(405)	(7,156,947)
Total capital assets being depreciated, net	16,874,103	(264,633)	(23,943)	(405)	16,585,122
Water Fund Capital Assets, net	<u>\$ 17,135,909</u>	<u>\$ (264,633)</u>	<u>\$ (23,943)</u>	<u>\$ (405)</u>	<u>\$ 16,846,928</u>
Sewer Fund:					
Capital assets, not being depreciated:					
Land	\$ 4,388,142	\$ -	\$ -	\$ -	\$ 4,388,142
Construction in progress	2,079,693				2,079,693
Total capital assets not being depreciated	6,467,835				6,467,835
Capital assets, being depreciated:					
Infrastructure	16,588,275	9,961			16,598,236
Buildings and improvements	2,344,026				2,344,026
Equipment and machinery	554,656	30,660			585,316
Total capital assets being depreciated	19,486,957	40,621	-		19,527,578
Less accumulated depreciation for:					
Infrastructure	(2,520,115)	(315,368)			(2,835,483)
Buildings and improvements	(1,597,126)	(56,478)			(1,653,604)
Equipment and machinery	(407,319)	(40,521)			(447,840)
Total accumulated depreciation	(4,524,560)	(412,367)			(4,936,927)
Total capital assets being depreciated, net	14,962,397	(371,746)	-	-	14,590,651
Sewer Fund Capital Assets, net	<u>\$ 21,430,232</u>	<u>\$ (371,746)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,058,486</u>
Disposal Fund:					
Capital assets, being depreciated:					
Equipment and machinery	\$ 325,742	\$ -	\$ -	\$ -	\$ 325,742
Less accumulated depreciation for:					
Equipment and machinery	(46,145)	(20,513)			(66,658)
Disposal Fund Capital Assets, net	<u>\$ 279,597</u>	<u>\$ (20,513)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,084</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 7 Capital Assets (Continued)

b. Business-type Activities (Continued)

Capital Asset Business-type Activity

	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014
Transit Fund:				
Capital assets, not being depreciated:				
Construction in progress	\$ 899,212	\$ 536,998	\$ -	\$ 1,436,210
Total capital assets not being depreciated	<u>899,212</u>	<u>536,998</u>		<u>1,436,210</u>
Capital assets, being depreciated:				
Buildings and improvements	88,802			88,802
Equipment and machinery	929,903	21,259		951,162
Total capital assets being depreciated	<u>1,018,705</u>	<u>21,259</u>		<u>1,039,964</u>
Less accumulated depreciation for:				
Buildings and improvements	(28,880)	(3,552)		(32,432)
Equipment and machinery	(573,202)	(109,845)		(683,047)
Total accumulated depreciation	<u>(602,082)</u>	<u>(113,397)</u>		<u>(715,479)</u>
Total capital assets being depreciated, net	<u>416,623</u>	<u>(92,138)</u>		<u>324,485</u>
Transit Fund Capital Assets, net	<u>\$ 1,315,835</u>	<u>\$ 444,860</u>	<u>\$ -</u>	<u>\$ 1,760,695</u>
Ambulance Fund:				
Capital assets, being depreciated:				
Equipment and machinery	\$ 547,527	\$ -	\$ -	\$ 547,527
Less accumulated depreciation for:				
Equipment and machinery	(346,353)	(60,651)		(407,004)
Ambulance Fund Capital Assets, net	<u>\$ 201,174</u>	<u>\$ (60,651)</u>	<u>\$ -</u>	<u>\$ 140,523</u>
Golf Course Fund:				
Capital assets not being depreciated:				
Land	\$ 3,960,467	\$ -	\$ -	\$ 3,960,467
Total capital assets not being depreciated	<u>3,960,467</u>			<u>3,960,467</u>
Capital assets, being depreciated:				
Infrastructure	6,530,587			6,530,587
Buildings and improvements	20,437,486			20,437,486
Equipment and machinery	731,584			731,584
Total capital assets being depreciated	<u>27,699,657</u>			<u>27,699,657</u>
Less accumulated depreciation for:				
Infrastructure	(1,130,878)	(217,686)		(1,348,564)
Buildings and improvements	(3,406,248)	(681,250)		(4,087,498)
Equipment and machinery	(508,643)	(104,575)		(613,218)
Total accumulated depreciation	<u>(5,045,769)</u>	<u>(1,003,511)</u>		<u>(6,049,280)</u>
Total capital assets being depreciated, net	<u>22,653,888</u>	<u>(1,003,511)</u>		<u>21,650,377</u>
Golf Course Fund Capital Assets, net	<u>\$ 26,614,355</u>	<u>\$ (1,003,511)</u>	<u>\$ -</u>	<u>\$ 25,610,844</u>

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

Business-Type Activities:

Water	\$ 547,880
Sewer	412,367
Disposal	20,513
Transit	113,397
Ambulance	60,651
Golf	1,003,511
Total	<u>\$ 2,158,319</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 8 Long-Term Liabilities

- a. The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2014:

	Balance at July 1, 2013	Prior Period Adjustments	Additions	Repayments	Balance at June 30, 2014	Due Within One Year
Governmental Activities:						
Capital leases payable	\$ 701,861	\$ -	\$ 8,982,000	\$ (241,364)	\$ 9,442,497	\$ 323,426
Compensated absences	877,183		797,696	(562,685)	1,112,194	237,517
Net OPEB obligation	3,836,507		1,279,901	(338,372)	4,778,036	
CalPERS side fund obligation	2,073,235	2,633,387	337,110	(431,454)	4,612,278	114,481
Notes payable	23,549			(3,292)	20,257	3,523
Contracts payable	146,016			(46,500)	99,516	48,639
Lease revenue bonds payable	19,595,000			(700,000)	18,895,000	630,000
Original issue discount	(306,247)			(12,169)	(318,416)	(12,169)
Total	\$ 26,947,104	\$ 2,633,387	\$ 11,396,707	\$ (2,335,836)	\$ 38,641,362	\$ 1,345,417
Business-type Activities:						
Water Fund:						
Compensated absences	\$ 18,989	\$ -	\$ 35,561	\$ (28,680)	\$ 25,870	\$ 4,651
Net OPEB obligation	152,415		26,841		179,256	
Water notes payable	7,108,030			(371,815)	6,736,215	381,836
Capital lease	292,146			(69,560)	222,586	71,828
Sewer Fund:						
Compensated absences	10,803		19,853	(8,194)	22,462	7,204
Net OPEB obligation	147,877			(22,581)	125,296	
Revenue bonds and notes	11,030,000			(270,000)	10,760,000	220,000
Installment purchase	1,230,000			(195,000)	1,035,000	195,000
Loan payable	534,813			(80,040)	454,773	80,843
Disposal Fund:						
Compensated absences	4,729		22,245	(6,645)	20,329	4,462
Net OPEB obligation	33,709		13,425		47,134	
Ambulance Fund:						
Compensated absences	91,135		52,290	(68,654)	74,771	25,959
Net OPEB obligation	285,952		10,371		296,323	
Compressed Natural Gas Fund:						
Compensated absences	136		685	(577)	244	181
Net OPEB obligation	6,499			(173)	6,326	
Golf Course Fund:						
Capital leases payable	1,729			(1,729)		
Totals	\$ 20,948,962	\$ -	\$ 181,271	\$ (1,123,648)	\$ 20,006,585	\$ 991,964

b. Governmental Activities – Lease Revenue Bonds

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 8 Long-Term Liabilities (Continued)

b. Governmental Activities – Lease Revenue Bonds (Continued)

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, 2014 is \$6,690,000.

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

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

The bonds consist of \$5,285,000 of serial bonds with maturity dates from September 1, 2014 through 2024. Interest rates vary between 2.0%-3.0% with semi-annual payments due each March 1 and September 1. There are also \$4,650,000 of term bonds due September 1, 2032 and \$1,335,000 term bonds due September 1, 2038, which carry interest rates of 3.75% and 4.00%, respectively.

The principal balance outstanding on the 2012 bonds as of June 30, 2014 was \$10,805,000.

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

On September 20, 2012, the Dinuba Financing Authority issued \$1,500,000 of Lease Revenue Bonds. The proceeds of these bonds are to be used for financing and refinancing the purchase of certain land parcels within the City and pay costs of issuance. The bonds carry interest at 3.0%, interest is paid semi-annually each March 1 and September 1. Principal is due each September 1 through 2022. The outstanding balance of the 2012 Lease Revenue Bonds as of June 30, 2014 was \$1,400,000.

c. Governmental Activities – Note Payable

On August 27, 2003, the City purchased a parcel of real estate. The City issued a note to the seller in the amount of \$45,000. The note is secured by a deed of trust, carries an interest rate of 7%, and is due in annual installments of \$4,941 through 2018. The outstanding principal balance of the note at June 30, 2014 was \$20,257.

d. Governmental Activities – Leases Payable

In fiscal year 2001-02, the City entered into a 15 year lease with the County of Tulare for the Justice Facility, which also qualifies as a capital lease. Terms of the lease call for semi-annual payments of \$104,777 at 6.07%. The present value of minimum lease payments at June 30, 2014 is \$296,183.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 8 Long-Term Liabilities (Continued)

d. Governmental Activities – Leases Payable (Continued)

During 2012, the City entered into office equipment leases for several copiers, which qualified as capital leases. Terms of the leases call for monthly payments of various amounts for a total of \$280,626. The amount outstanding on the leases as of June 30, 2014 was \$164,314.

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

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

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

At June 30, 2014, the future minimum lease payments required under the equipment capital lease and the net present value of the future lease payments is as follows:

Fiscal Year Ending	Equipment Leases
2015	\$ 58,156
2016	58,156
2017	48,002
Total minimum lease payments	164,314
Less: Amount representing interest	
Present value of future minimum lease payments	<u>\$ 164,314</u>

e. Governmental Activities – Contract Payable

On September 13, 2011, the City entered into an agreement with a bank to purchase 5 police vehicles for \$243,649. The City will make five payments of \$53,217 with accrued interest of 4.40% per annum. The principal amount due at June 30, 2014 is \$99,516.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 8 Long-Term Liabilities (Continued)

e. Governmental Activities – Contract Payable (Continued)

Fiscal Year Ended June 30,	Contract Payable - Police Vehicles		
	Principal	Interest	Total
2015	\$ 48,639	\$ 4,578	\$ 53,217
2016	50,877	2,340	53,217
	<u>\$ 99,516</u>	<u>\$ 6,918</u>	<u>\$ 106,434</u>

f. Governmental Activities – CalPERS Side Fund

During the 2005-06 fiscal year, the City was required to participate in the Public Employees Retirement System (PERS) risk pool. As a result, a side fund was created to account for the difference between the funded status of the pool and the funded status of the City's plan, in addition to the existing unfunded liability. The outstanding balance at June 30, 2014 was \$4,612,278. See Note 9 for further details.

g. Long-Term Debt Amortization Governmental Activities

The annual requirements to amortize long-term debt outstanding at June 30, 2014 (other than compensated absences) are as follows:

Fiscal Year Ended June 30,	2012 DFA Lease Revenue Refunding Bonds		
	Principal	Interest	Total
2015	\$ 390,000	\$ 342,538	\$ 732,538
2016	405,000	334,587	739,587
2017	410,000	326,436	736,436
2018	420,000	318,136	738,136
2019	420,000	309,737	729,737
2020-2024	2,280,000	1,382,307	3,662,307
2025-2029	2,645,000	988,802	3,633,802
2030-2034	2,700,000	454,813	3,154,813
2035-2039	1,135,000	116,900	1,251,900
	<u>\$ 10,805,000</u>	<u>\$ 4,574,256</u>	<u>\$ 15,379,256</u>

Fiscal Year Ended June 30,	2007 Lease Revenue Bonds		
	Principal	Interest	Total
2015	\$ 140,000	\$ 347,075	\$ 487,075
2016	145,000	340,750	485,750
2017	150,000	334,038	484,038
2018	160,000	326,888	486,888
2019	165,000	319,269	484,269
2020-2024	970,000	1,460,797	2,430,797
2025-2029	1,245,000	1,172,423	2,417,423
2030-2034	1,615,000	790,796	2,405,796
2035-2039	2,100,000	294,012	2,394,012
	<u>\$ 6,690,000</u>	<u>\$ 5,386,048</u>	<u>\$ 12,076,048</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 8 Long-Term Liabilities (Continued)

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

Fiscal Year Ended June 30,	Lease Purchase - Software		
	Principal	Interest	Total
2015	\$ 70,779	\$ 18,544	\$ 89,323
2016	73,172	16,151	89,323
2017	75,645	13,678	89,323
2018	78,202	11,121	89,323
2019	80,845	8,478	89,323
2020-2021	169,980	8,666	178,646
	<u>\$ 548,623</u>	<u>\$ 76,638</u>	<u>\$ 625,261</u>

Fiscal Year Ended June 30,	Lease Purchase - Solar		
	Principal	Interest	Total
2015	\$ -	\$ 353,570	\$ 353,570
2016	23,665	353,324	376,989
2017	51,074	352,048	403,122
2018	80,984	349,596	430,580
2019	113,567	345,862	459,429
2020-2024	1,305,452	1,607,582	2,913,034
2025-2029	2,704,983	1,210,998	3,915,981
2030-2034	4,153,652	465,172	4,618,824
	<u>\$ 8,433,377</u>	<u>\$ 5,038,152</u>	<u>\$ 13,471,529</u>

Fiscal Year Ended June 30,	Land Purchases - Notes Payable		
	Principal	Interest	Total
2015	\$ 3,523	\$ 1,418	\$ 4,941
2016	3,769	1,171	4,940
2017	4,033	908	4,941
2018	4,315	625	4,940
2019	4,617	323	4,940
	<u>\$ 20,257</u>	<u>\$ 4,445</u>	<u>\$ 24,702</u>

Fiscal Year Ended June 30,	2012 Lease Revenue Bonds		
	Principal	Interest	Total
2015	\$ 100,000	\$ 81,000	\$ 181,000
2016	125,000	74,250	199,250
2017	125,000	66,750	191,750
2018	150,000	58,500	208,500
2019	150,000	49,500	199,500
2020-2023	750,000	93,000	843,000
	<u>\$ 1,400,000</u>	<u>\$ 423,000</u>	<u>\$ 1,823,000</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 8 Long-Term Liabilities (Continued)

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

Fiscal Year Ended June 30,	Justice Facility Lease		
	Principal	Interest	Total
2015	\$ 194,491	\$ 15,063	\$ 209,554
2016	101,692	3,085	104,777
	<u>\$ 296,183</u>	<u>\$ 18,148</u>	<u>\$ 314,331</u>

Fiscal Year Ended June 30,	Total Governmental Activities		
	Principal	Interest	Total
2015	\$ 1,005,588	\$ 1,163,786	\$ 2,169,374
2016	986,331	1,125,658	2,111,989
2017	863,754	1,093,858	1,957,612
2018	893,501	1,064,866	1,958,367
2019	934,029	1,033,169	1,967,198
2020-2024	5,475,432	4,552,352	10,027,784
2025-2029	6,594,983	3,372,223	9,967,206
2030-2034	8,468,652	1,710,781	10,179,433
2035-2039	3,235,000	410,912	3,645,912
	<u>\$ 28,457,270</u>	<u>\$ 15,527,605</u>	<u>\$ 43,984,875</u>

h. Business-Type Activities

Enterprise Funds – Notes Payable.

The State of California Department of Water Resources granted a loan to the Water Fund of the City for construction of water facilities in the amount of \$2,700,000. Of this amount, \$1,924,399 was drawn down from the State. The note calls for semiannual payments of \$54,710 including interest at 2.955% until January 2024. The balance at June 30, 2014 is \$899,501.

The State of California Department of Water Resources granted a loan to the Water Fund of the City for construction of water facilities in the amount of \$7,462,450. Of this amount, \$6,956,217 was drawn down from the State. The note calls for semiannual payments of \$224,125 including interest at 2.60% until January 2029. The balance at June 30, 2014 is \$5,836,714.

Installment Purchase Agreement

On December 1, 2010, the City of Dinuba entered into a \$1,615,000 Installment Purchase Agreement with the Dinuba Financing Authority, for the purpose of currently refunding a portion of the City's Refunding Certificates of Participation, Series 109A maturing on August 1, 2018, and to pay for the costs of issuance. The Installment Purchase Payments bear interest at a rate of 3% and is payable semi-annually. Principal is repaid at a graduated rate beginning August 1, 2011 and maturing August 1, 2018. The principal amount due at June 30, 2014 is \$1,035,000.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 8 Long-Term Liabilities (Continued)

h. Business-Type Activities (Continued)

Installment Purchase Agreement (Continued)

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

2007 DFA Wastewater System Revenue Bonds

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

Interest rates vary between 4.0% and 5.375% and are payable semi-annually on September 1 and March 1. Principal is paid annually on September 1 through 2038. Bonds maturing after 2017 are subject to optional redemption. The principal balance outstanding at June 30, 2014 is \$2,830,000.

2012 Wastewater Revenue Refunding Bonds

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

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

The bonds consist of \$1,880,000 of service bonds at an interest rate of 2% and maturing between 2014 and 2020. The issue also includes \$6,265,000 of term bonds with interest rates ranging from 2.50% to 5.00% and maturing between 2022 and 2038. Interest is payable semi-annually each March 1 and September 1. Principal is due annually each September 1.

The outstanding principal balance of the bonds as of June 30, 2014 was \$7,930,000.

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

Loan Payable

In September, 2011, the City received a loan of \$611,334 from the California Energy Commission for various energy conservation measures to their Wastewater System. The loan calls for semiannual payments of \$42,595 including interest at 1.00% until December, 2019. The balance at June 30, 2014 is \$454,773.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 8 Long-Term Liabilities (Continued)

h. Business-Type Activities (Continued)

Capital Leases

On September 12, 2012, the City entered into a lease which qualifies as a capital lease for the purchase of a Vac-Con truck. The original value of the equipment was \$365,242. The lease calls for annual payments of \$79,085 with interest at a rate of 3.26%. The maturity date of the lease is March 12, 2017. The present value of minimum lease payments as of June 30, 2014 was \$222,586.

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, 2014 is \$0.

i. Enterprise Long-Term Debt Amortization

The annual requirements to amortize enterprise long-term debt outstanding at June 30, 2014 are as follows:

Fiscal Year Ending June 30,	1998 Water Loan Payable		
	Principal	Interest	Total
2015	\$ 83,414	\$ 26,000	\$ 109,414
2016	85,900	23,514	109,414
2017	88,454	20,960	109,414
2018	91,088	18,326	109,414
2019	93,800	15,614	109,414
2020-2024	456,845	34,892	491,737
	<u>\$ 899,501</u>	<u>\$ 139,306</u>	<u>\$ 1,038,807</u>

Fiscal Year Ending June 30,	2005 Water Loan Payable		
	Principal	Interest	Total
2015	\$ 298,422	\$ 149,828	\$ 448,250
2016	306,232	142,018	448,250
2017	314,246	134,004	448,250
2018	322,469	125,781	448,250
2019	330,909	117,341	448,250
2020-2024	1,789,056	452,194	2,241,250
2025-2029	2,475,380	214,120	2,689,500
	<u>\$ 5,836,714</u>	<u>\$ 1,335,286</u>	<u>\$ 7,172,000</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 8 Long-Term Liabilities (Continued)

i. Enterprise Long-Term Debt Amortization (Continued)

The annual requirements to amortize enterprise long-term debt outstanding at June 30, 2014 are as follows:

Fiscal Year Ending June 30,	California Energy Commission Loan Payable		
	Principal	Interest	Total
2015	\$ 80,843	\$ 4,347	\$ 85,190
2016	81,644	3,545	85,189
2017	82,472	2,718	85,190
2018	83,298	1,891	85,189
2019	84,134	1,056	85,190
2020-2022	42,382	212	42,594
	<u>\$ 454,773</u>	<u>\$ 13,769</u>	<u>\$ 468,542</u>

Fiscal Year Ending June 30,	Installment Purchase		
	Principal	Interest	Total
2015	\$ 195,000	\$ 28,175	\$ 223,175
2016	200,000	22,200	222,200
2017	205,000	16,125	221,125
2018	215,000	9,825	224,825
2019	220,000	3,300	223,300
	<u>\$ 1,035,000</u>	<u>\$ 79,625</u>	<u>\$ 1,114,625</u>

Fiscal Year Ending June 30,	Capital Leases		
	Principal	Interest	Total
2015	\$ 71,828	\$ 7,256	\$ 79,084
2016	74,170	4,915	79,085
2017	76,588	2,497	79,085
	<u>\$ 222,586</u>	<u>\$ 14,668</u>	<u>\$ 237,254</u>

Fiscal Year Ending June 30,	2007 Revenue Bonds		
	Principal	Interest	Total
2015	\$ 60,000	\$ 146,775	\$ 206,775
2016	60,000	144,113	204,113
2017	65,000	141,268	206,268
2018	70,000	138,153	208,153
2019	70,000	134,873	204,873
2020-2024	410,000	616,789	1,026,789
2025-2029	525,000	495,172	1,020,172
2030-2034	685,000	333,385	1,018,385
2035-2039	885,000	123,490	1,008,490
	<u>\$ 2,830,000</u>	<u>\$ 2,274,018</u>	<u>\$ 5,104,018</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 8 Long-Term Liabilities (Continued)

i. Enterprise Long-Term Debt Amortization (Continued)

The annual requirements to amortize enterprise long-term debt outstanding at June 30, 2014 are as follows:

Fiscal Year Ending June 30,	2012 Lease Revenue Bonds		
	Principal	Interest	Total
2015	\$ 160,000	\$ 268,637	\$ 428,637
2016	165,000	265,388	430,388
2017	165,000	262,088	427,088
2018	170,000	258,738	428,738
2019	170,000	255,338	425,338
2020-2024	2,160,000	1,151,240	3,311,240
2025-2029	2,500,000	795,735	3,295,735
2030-2034	1,090,000	455,717	1,545,717
2035-2039	1,350,000	174,500	1,524,500
	<u>\$ 7,930,000</u>	<u>\$ 3,887,381</u>	<u>\$ 11,817,381</u>

Fiscal Year Ending June 30,	Total Business-type Activities		
	Principal	Interest	Total
2015	\$ 949,507	\$ 631,018	\$ 1,580,525
2016	972,946	605,693	1,578,639
2017	996,760	579,660	1,576,420
2018	951,855	552,714	1,504,569
2019	968,843	527,522	1,496,365
2020-2024	4,858,283	2,255,327	7,113,610
2025-2029	5,500,380	1,505,027	7,005,407
2030-2034	1,775,000	789,102	2,564,102
2035-2039	2,235,000	297,990	2,532,990
	<u>\$ 19,208,574</u>	<u>\$ 7,744,053</u>	<u>\$ 26,952,627</u>

k. Compensated Absences

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

Note 9 Defined Benefit Pension Plan

Plan Description

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 9 Defined Benefit Pension Plan (Continued)

Funding Policy

Participants are required to contribute 7% for miscellaneous and 9% for safety employees of their annual covered salary. The employees contribute 2% and the City makes the remaining contributions required of city employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 13.139% and 6.25% for non-safety employees and 27.798% and 11.50% for safety employees, normal and PEPRA respectively, 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 2014, the City's annual pension cost of \$1,832,092 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the most recent actuarial valuation, available to the City, dated June 30, 2011 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, 2011 was 15 years for safety and 18 years for nonsafety plans.

THREE-YEAR TREND INFORMATION FOR PERS

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Miscellaneous Plan:			
6/30/2012	\$ 434,198	100%	\$ -
6/30/2013	514,195	100%	
6/30/2014	597,765	100%	
Safety Plan:			
6/30/2012	\$ 755,444	100%	\$ -
6/30/2013	1,014,286	100%	
6/30/2014	1,234,327	100%	

Note 10 Post Employment Health Care Benefits

Plan Description

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

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 10 Post Employment Health Care Benefits (Continued)

Funding Policy

The City's policy is to fund these benefits on a pay-as-you-go basis, and paid approximately \$228,947 for the fiscal year ended June 30, 2014 to the plan. Typically, the general fund and major enterprise funds have liquidated the OPEB obligation.

Annual OPEB Cost and Net OPEB Obligation

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

The City's OPEB unfunded actuarial accrued liability as of July 1, 2011, the date of the most recent actuarial valuation, was a total of \$11,740,788. The OPEB obligation has been adjusted by an annual inflation percentage of 3.25 percent based on the assumptions of the actuarial valuation and a general salary increase of 3.25 percent.

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

Actuarial required contribution (ARC) and annual OPEB cost	\$ 1,344,429
Interest on net OPEB obligation	200,833
Adjustment to annual required contribution	(214,724)
Annual OPEB cost (expense)	1,330,538
Less: Employer contribution	(228,947)
Implicit subsidy credit	(132,179)
Increase in net OPEB obligation	969,412
Net OPEB obligation, beginning of fiscal year	4,462,959
Net OPEB obligations, end of fiscal year	\$ 5,432,371

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/12	\$ 1,177,383	22.56%	\$ 3,526,813
06/30/13	1,252,851	25.28%	4,462,959
06/30/14	1,330,538	24.30%	5,432,371

Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
07/1/2011	\$ 11,740,788	\$ -	\$ 11,740,788	0%	\$ 7,012,579	167.4%

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 10 Post Employment Health Care Benefits (Continued)

Funded Status and Funding Progress (Continued)

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

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

Actuarial Methods and Assumptions

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

The actuarial cost method used for determining the benefit obligations is the Projected Unit Credit Cost Method. The actuarial assumptions include a 4.5 percent investment rate of return, covered payroll increases of 3.25 percent per year, an inflation rate of 3.25 percent per year, and a medical increase trend rate starting at 10 percent per year, and decreasing gradually over a 10 year period to an ultimate rate of 4.50 percent per year. The unfunded actuarial accrued liability (UAAL) is being amortized (on a closed basis) as a level percentage of projected payroll over 26 years.

Note 11 Deferred Compensation

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

Note 12 Risk Management/Joint Venture

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

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 12 Risk Management/Joint Venture (Continued)

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

The CSJVRMA is a consortium of fifty-five (55) cities in San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500 et seq. The CSJVRMA is governed by a Board of Directors, which meets three times per year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRM. The financial statements of CSJVRM can be obtained at 1831 K Street, Sacramento, CA 95814.

The financial position and results of operations for the CSJVRMA as of June 30, 2014, are presented below:

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

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

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

The claims liability of \$50,000 for health insurance at June 30, 2014 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liability was estimated from the average amount of claims paid per lag reports provided by the administrator. Settlements have not exceeded coverages for each of the past three fiscal years.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 12 Risk Management/Joint Venture (Continued)

Changes in health claim liabilities at June 30, 2014 and 2013 were as follows:

	<u>2014</u>	<u>2013</u>
Liability - beginning of fiscal year	\$ 50,000	\$ 50,000
Current year claims and changes in estimates	2,375,332	1,317,509
Claim payments	<u>(2,375,332)</u>	<u>(1,317,509)</u>
Liability - end of fiscal year	<u>\$ 50,000</u>	<u>\$ 50,000</u>

Note 13 Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific Purposes for which amounts in the funds can be spent. As of June 30, 2014, fund balances for governmental funds are made up of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- *Restricted Fund Balance* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally (for example: resolution and ordinance). Ordinance is the highest level of the City Council’s approval.
- *Assigned Fund Balance* – comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. *Intent* is expressed by (1) the City Council or (b) a body (for example: a budget or finance committee) or official to which the City Council has delegated through its fund balance policy the authority to assign amounts to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund, that are not classified as nonspendable, restricted or committed.
- *Unassigned Fund Balance* – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 13 Fund Balances (Continued)

	General Construction	General	HUD Grants	Public Safety Sales Tax	Transporation Construction	Financing Authority	Non-major Governmental	Totals
Nonspendable								
Advances/Notes	\$ -	\$ 2,689,955	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,689,955
Prepaid items		46,534						46,534
Totals		2,736,489						2,736,489
Restricted								
Parks							118,967	118,967
Housing							4,175,562	4,175,562
Public safety				309,455			334,760	644,215
Public works and community development					3,154,274	6,937,587	6,959,703	17,051,564
MTBE							3,250,437	3,250,437
Totals				309,455	3,154,274	6,937,587	14,839,429	25,240,745
Assigned								
Debt service						496		496
Public works							184,749	184,749
Totals						496	184,749	185,245
Unassigned	(898,309)	1,894,697	(27,926)				(290,336)	678,126
Totals	\$ (898,309)	\$ 4,631,186	\$ (27,926)	\$ 309,455	\$ 3,154,274	\$ 6,938,083	\$ 14,733,842	\$ 28,840,605

Note 14 Net Position

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

a. Net Position

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

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

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include debt service requirements and special revenue funding restrictions.

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

The government-wide statement of net position reports \$41,313,341 of restricted net position, of which \$4,886,373 is restricted by enabling legislation.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 14 Net Position (Continued)

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES - NET POSITION
AS OF JUNE 30, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Net position			
Net investment in capital assets	\$ 148,079,509	\$ 48,901,807	\$ 196,981,316
Restricted for:			
Community development	24,345,667		24,345,667
Assessment districts	952,185		952,185
Parks	232,042		232,042
Public safety	866,048		866,048
Streets & roads	10,656,787		10,656,787
Housing	4,260,612		4,260,612
Total Restricted	<u>41,313,341</u>		<u>41,313,341</u>
Unrestricted	<u>(6,418,737)</u>	<u>4,690,666</u>	<u>(1,728,071)</u>
Total net position	<u>\$ 182,974,113</u>	<u>\$ 53,592,473</u>	<u>\$ 236,566,586</u>

Note 15 Commitments

The City has open construction contracts-in-progress in the amount of \$20,668,578.

The City is committed to pay the local Chamber of Commerce 60% of the annual business license fees collected. For the fiscal year ended June 30, 2014 this amount is approximately \$82,273. The budgeted amount for fiscal year June 30, 2015 is \$82,400.

Note 16 Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The City is subject to various lawsuits and claims involving public liability and other actions incidental to the ordinary course of City operations. In the aggregate, those claims seek monetary damages in significant amounts. To the extent the outcome of such litigation may be determined to result in financial loss to the City, in the opinion of City management, any potential liability for these actions is adequately provided for in the basic financial statements. The timing of potential payment of such losses cannot presently be determined.

Note 17 Subsequent Event

Management's review of subsequent events

In preparing the accompanying financial statements, Management has reviewed all known events that have occurred after June 30, 2014 and through December xx, 2014, the date when this financial statement was available to be issued, for inclusion in the financial statement and footnotes.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 18 Special Items

The City receives an annual amount from a litigation settlement. The current fiscal year amount was \$104,921.

Note 19 Prior Period Adjustments

A prior period adjustment of \$(2,633,387) was made which affects the government-wide financial statement under governmental activities. The CalPERS side fund liability was understated in the previous years. Also to write off per GASB 65 prior year deferred debt issue costs of (\$282,952).

A prior period adjustment was made in the Water fund to correct accumulated depreciation as of July 1, 2013 by \$405.

A prior period adjustment was made in the Sewer fund (\$447,070) to write off deferred issue costs as a result of implementing GASB 65 to correct accumulated depreciation from prior years.

A prior period adjustment was made in the Private-purpose trust fund to adjust the July 1, 2013 balance by \$2,228,893, writing off deferred bond issue costs, as a result of implementing GASB 65.

An adjustment was made in the Transportation Special Revenue Fund and Government-Wide Statement of Activities for an overstatement of prior years deferred revenue of \$1,241,081.

Note 20 Successor Agency Trust for Assets of the Former Redevelopment Agency (SADRA)

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

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

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

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 20 Successor Agency Trust for Assets of the Former Redevelopment Agency (SADRA)
(Continued)

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

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

A. Capital Assets Held by SADRA

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets, not depreciated:				
Land	\$ 5,046,891	\$ -	\$ -	\$ 5,046,891
Total capital assets, not depreciated	<u>5,046,891</u>			<u>5,046,891</u>
Capital assets, depreciated:				
Buildings and structures	167,848			167,848
Total capital assets, depreciated	<u>167,848</u>			<u>167,848</u>
Less accumulated depreciation for:				
Buildings and structures	(78,355)	(5,592)		(83,947)
Total accumulated depreciation	<u>(78,355)</u>	<u>(5,592)</u>		<u>(83,947)</u>
Total capital assets, depreciated, net	89,493	(5,592)		83,901
Total capital assets, net	<u>\$ 5,136,384</u>	<u>\$ (5,592)</u>	<u>\$ -</u>	<u>\$ 5,130,792</u>

Depreciation expense for the fiscal year ended June 30, 2014 was \$5,592.

B. Summary of SADRA's Long-Term Debt

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Current Portion
Advances from City of Dinuba	\$ 11,593,664	\$ -	\$ -	\$ 11,593,664	\$ -
Notes payable	544,032		(219,032)	325,000	50,000
Tax allocation bonds	53,570,000	14,650,000	(17,225,000)	50,995,000	1,220,000
Original issue premium		1,141,413		1,141,413	
Original issue discount	(46,077)		1,760	(44,317)	
Total long-term liabilities, net	<u>\$ 65,661,619</u>	<u>\$ 15,791,413</u>	<u>\$ (17,442,272)</u>	<u>\$ 64,010,760</u>	<u>\$ 1,270,000</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 20 Successor Agency Trust for Assets of the Former Redevelopment Agency (SADRA)
(Continued)

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

Notes Payable

In 2010, the Agency purchased land with the issuance of a note secured by the real property for \$375,000. The note is secured by a deed of trust and the terms of the note call for interest only at 7.00% annually beginning January 1, 2010 with principal payable in installments of \$50,000 or more beginning January 21, 2014 and continuing until January 1, 2019. The balance at June 30, 2014 is \$325,000.

2001 RDA Tax Allocation Refunding Bonds. On December 1, 2001, the Redevelopment Agency issued \$13,000,000 of Tax Allocation Refunding Bonds bearing interest of 4.875% and 5.0%, payable semi-annually on March 1 and September 1 commencing March 1, 2002. The bonds mature annually at various amounts through September 1, 2031 and are subject to optional redemption prior to maturity, in whole or in part, on September 1, 2011. The bonds are payable from and secured by incremental tax revenues (Pledged Tax Revenues). The proceeds were used to refund the 1989 Tax Allocation Bonds, which were due September 1, 2019; the 1999A and 1999B Tax Allocation Refunding Notes, which were due on December 1, 2004, the 2000 Tax Allocation Refunding Notes, and the 1999A and 1999B Tax Allocation Refunding Notes, which were due on December 1, 2004 and to finance a portion of the costs of the Agency. Bonds outstanding at June 30, 2014, were \$0 as these were refunded by the 2014 Tax Allocation Refunding Bonds.

2003 Tax Allocation Bonds. On October 23, 2003, the Agency issued \$7,500,000 of Tax Allocation Bonds bearing interest between 2% and 5% and payable semi-annually on March 1 and September 1. The Bonds mature annually at various amounts through September 1, 2033. The bonds are payable from and secured by incremented tax revenues (Pledged Tax Revenues). The Bond proceeds are to be used to finance certain projects with the Agency's project area including 20% benefiting low and moderate income housing. The principal account of 2003 tax allocation bonds outstanding at June 30, 2014 was \$0 as these were refunded by the 2014 Tax Allocation Refunding Bonds.

2005 Tax Allocation Refunding Bonds. On December 1, 2005, the Dinuba Redevelopment Agency issued \$5,670,000 Tax Allocation Refunding Bonds bearing interest of 3.0% and 5.0%, payable semi-annually on March 1 and September 1 commencing March 1, 2006. The bonds mature annually at various amounts through September 1, 2034 and are subject to optional redemption prior to maturity, in whole or in part, on September 1, 2015. The bonds are payable from and secured by incremental tax revenues (Pledged Tax Revenues). The bond proceeds were used to refund the 1997B Tax Allocation Refunding Bonds, which were due on September 1, 2027, and the 1997C Tax Allocation Bonds, which were due on September 1, 2027, and to finance a portion of the costs of the Agency. Bonds outstanding at June 30, 2014, were \$4,595,000.

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 20 Successor Agency Trust for Assets of the Former Redevelopment Agency (SADRA)
(Continued)

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

2006 Tax Allocation Refunding Bonds. On October 5, 2006, the Dinuba Redevelopment Agency issued \$17,270,000 of Tax Allocation Refunding Bonds bearing interest of 3.4% to 5.0%, payable semi-annually on March 1 and September 1 commencing March 1, 2007. The bonds mature annually at various amounts through September 1, 2036 and are subject to operational redemption prior to maturity, in whole or in part, on September 1, 2016. The bonds are payable from and secured by incremental tax revenues (Pledged Tax Revenues). The bond proceeds were used to refund the 1997A Tax Allocation Refunding Bonds which were due on September 1, 2027 and to finance a portion of the costs of the Redevelopment Project. Bonds outstanding at June 30, 2014, were \$15,110,000.

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

2011A Tax Allocation Refunding Bonds. On June 21, 2011, the Dinuba Redevelopment Agency issued \$10,740,000 Tax Allocation Refunding Bonds bearing interest of 5.75% to 6.125% payable semi-annually on March 1 and September 1 commencing March 1, 2012. The bonds mature annually at various amounts through September 1, 2039. The bonds are payable from and secured by incremental tax revenues. Bonds outstanding as of June 30, 2014 were \$10,625,000.

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

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

2011B Tax Allocation Refunding Bonds. On June 21, 2011, the Dinuba Redevelopment Agency issued \$4,400,000 Subordinate Tax Allocation Refunding Bonds bearing interest of 5.00% to 7.75% payable semi-annually on March 1 and September 1 commencing September 1, 2012. The bonds mature annually at various amounts through September 1, 2041. The bonds are payable from and secured by incremental tax revenues (Pledged Tax Revenues). Bonds outstanding as of June 30, 2014 were \$4,375,000.

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 20 Successor Agency Trust for Assets of the Former Redevelopment Agency (SADRA)
(Continued)

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

2012 Subordinate Tax Allocation Refunding Bonds. On December 6, 2012, SADRA issued \$1,700,000 Subordinate Tax Allocation Refunding Bonds bearing interest of 2.0% to 4.25% payable semi-annually on March 1 and September 1 commencing March 1, 2014. The bonds mature annually at various amounts through September 2039. The bonds are payable from and secured by incremental tax revenues. Bonds outstanding as of June 30, 2014 were \$1,640,000.

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

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

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

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

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

The annual requirements to amortize long-term debt outstanding at June 30, 2014 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2015	\$ 1,270,000	\$ 2,476,221	\$ 3,746,221
2016	1,230,000	2,565,280	3,795,280
2017	1,280,000	2,514,818	3,794,818
2018	1,330,000	2,460,358	3,790,358
2019	1,455,000	2,401,996	3,856,996
2020-2024	7,330,000	11,029,631	18,359,631
2025-2029	8,995,000	9,123,536	18,118,536
2030-2034	11,270,000	6,613,484	17,883,484
2035-2039	12,555,000	3,231,938	15,786,938
2040-2044	4,605,000	414,232	5,019,232
	<u>\$ 51,320,000</u>	<u>\$ 42,831,494</u>	<u>\$ 94,151,494</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 20 Successor Agency Trust for Assets of the Former Redevelopment Agency (SADRA)
(Continued)

C. Notes Receivable

The following is the note receivable outstanding as of June 30, 2014.

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.

\$ 363,047

Required Supplementary Information



**CITY OF DINUBA
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2014**

Postemployment Benefit Plans Other than Pensions Trend Information

RETIREE HEALTH PLAN

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

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive (Negative)
Revenues:				
Taxes and assessments:				
Utility users	\$ 1,641,000	\$ 1,641,000	\$ 1,612,836	\$ (28,164)
Property	681,172	679,670	742,122	62,452
Sales	5,619,087	5,619,087	3,335,475	(2,283,612)
Transient occupancy	150,000	150,000	184,211	34,211
Other	271,000	271,000	275,236	4,236
Licenses and permits	498,991	498,991	388,248	(110,743)
Intergovernmental	1,600,000	1,600,000	2,087,228	487,228
Charges for services	434,584	454,555	434,152	(20,403)
Fines, forfeitures, and penalties	15,900	15,900	12,898	(3,002)
Use of money and property	41,000	41,000	63,367	22,367
Overhead reimbursement	1,449,368	1,449,368	1,481,062	31,694
Miscellaneous		18,450	43,775	25,325
Total Revenues	12,402,102	12,439,021	10,660,610	(1,778,411)
Expenditures:				
Current:				
General government:				
City Council	89,431	89,431	80,040	9,391
City Manager	916,623	916,623	891,627	24,996
City Attorney	56,035	56,035	56,035	
Administrative services	497,640	497,640	454,626	43,014
General services	1,957,756	1,947,463	1,580,301	367,162
Total general government	3,517,485	3,507,192	3,062,629	444,563
Public safety:				
Police services	4,793,090	3,793,090	4,392,645	(599,555)
Fire control	2,017,083	1,017,083	1,351,247	(334,164)
Total public safety	6,810,173	4,810,173	5,743,892	(933,719)
Public works:				
Planning services	486,244	570,909	509,241	61,668
Total public works	486,244	570,909	509,241	61,668
Parks and recreation:				
Parks & community services	1,273,742	1,273,742	1,140,903	132,839
Total parks and recreation	1,273,742	1,273,742	1,140,903	132,839
Debt Service:				
Principal	58,156	58,156	58,156	
Total debt service	58,156	58,156	58,156	

(Continued)

See Note to Required Supplementary Information

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2014
(Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Expenditures:				
Capital outlay	\$ -	\$ 64,472	\$ 713,464	\$ (648,992)
Total Expenditures	12,145,800	10,284,644	11,228,285	(943,641)
Excess of Revenues Over (Under) Expenditures	256,302	2,154,377	(567,675)	(2,722,052)
Other Financing Sources (Uses):				
Proceeds from capital lease			548,623	548,623
Sale of property			317,657	317,657
Transfers in	79,500	70,000	1,118,907	1,048,907
Transfers out	(1,419,809)	(1,552,409)	(745,512)	806,897
Total Other Financing Sources (Uses)	(1,340,309)	(1,482,409)	1,239,675	2,722,084
Excess of Revenues and Other Financing Sources over (Under) Expenditures and Other Financing Uses	(1,084,007)	671,968	672,000	32
Fund balance, beginning of fiscal year	3,959,186	3,959,186	3,959,186	
Fund balance, end of fiscal year	\$ 2,875,179	\$ 4,631,154	\$ 4,631,186	\$ 32

See Note to Required Supplementary Information

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HUD GRANT SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Use of money and property	\$ 44,205	\$ 75,705	\$ 117,256	\$ 41,551
Intergovernmental	650,000	1,683,100	1,500,433	(182,667)
Total Revenues	694,205	1,758,805	1,617,689	(141,116)
Expenditures:				
Current:				
Community development	505,000	1,159,400	1,514,371	(354,971)
Capital outlay	303,900	774,900	429,096	345,804
Total Expenditures	808,900	1,934,300	1,943,467	(9,167)
Excess of Revenues Over (Under)				
Expenditures	(114,695)	(175,495)	(325,778)	(150,283)
Other Financing Sources (Uses):				
Transfers in			19,120	19,120
Transfers out			(116,140)	(116,140)
Total Other Financing Sources (Uses)			(97,020)	(97,020)
Net Change in Fund Balance	(114,695)	(175,495)	(422,798)	(247,303)
Fund Balance, Beginning of Fiscal Year	394,872	394,872	394,872	
Fund Balance (Deficit), End of Fiscal Year	\$ 280,177	\$ 219,377	\$ (27,926)	\$ (247,303)

See Note to Required Supplementary Information

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC SAFETY SALES TAX SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Use of money and property	\$ 4,000	\$ 4,000	\$ 1,376	\$ (2,624)
Taxes and assessments	2,448,000	3,100,000	3,100,075	75
Total Revenues	2,452,000	3,104,000	3,101,451	(2,549)
Expenditures:				
Current:				
Public safety	2,329,536	2,249,534	3,312,208	(1,062,674)
Capital outlay	250,000	250,000	213,211	36,789
Debt service:				
Principal	46,500	46,500	46,500	
Interest and fiscal charges	6,717	6,717	6,717	
Total Expenditures	2,632,753	2,552,751	3,578,636	(1,025,885)
Excess of Revenues Over (Under)				
Expenditures	(180,753)	551,249	(477,185)	(1,028,434)
Other Financing Sources (Uses):				
Transfers out	(70,000)	(70,000)		70,000
Total Other Financing Sources (Uses)	(70,000)	(70,000)		70,000
Net Change in Fund Balance	(250,753)	481,249	(477,185)	(958,434)
Fund Balance - Beginning of Fiscal Year	786,640	786,640	786,640	
Fund Balance - End of Fiscal Year	\$ 535,887	\$ 1,267,889	\$ 309,455	\$ (958,434)

See Note to Required Supplementary Information

CITY OF DINUBA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2014

Note 1 Budgets and Budgetary Data

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

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

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

Other Supplemental Information



CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION CONSTRUCTION CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Sales tax	\$ 23,280	\$ -	\$ (23,280)
Use of money and property	1,500	4,609	3,109
Intergovernmental	18,414,601	6,845,708	(11,568,893)
Charges for services		647,111	647,111
Total Revenues	<u>18,439,381</u>	<u>7,497,428</u>	<u>(10,941,953)</u>
Expenditures:			
Current:			
Public safety	129,000	73,155	55,845
Capital outlay	3,007,223	6,120,498	(3,113,275)
Total Expenditures	<u>3,136,223</u>	<u>6,193,653</u>	<u>(3,057,430)</u>
Excess of Revenues Over (Under) Expenditures	<u>15,303,158</u>	<u>1,303,775</u>	<u>(13,999,383)</u>
Other Financing Sources (Uses):			
Sales of property		84,591	84,591
Transfers in	536,228	20,000	(516,228)
Transfers out	(953,715)	(50,000)	903,715
Total Other Financing Sources (Uses)	<u>(417,487)</u>	<u>54,591</u>	<u>472,078</u>
Net Change in Fund Balance	14,885,671	1,358,366	(13,527,305)
Fund Balance - Beginning of Fiscal Year	<u>1,795,908</u>	<u>1,795,908</u>	
Fund Balance - End of Fiscal Year	<u>\$ 16,681,579</u>	<u>\$ 3,154,274</u>	<u>\$ (13,527,305)</u>

See Note to Required Supplementary Information

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, 2014

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 742,300	\$ 858,562	\$ 116,262
Use of money and property		(871)	(871)
Total Revenues	<u>742,300</u>	<u>857,691</u>	<u>115,391</u>
Expenditures:			
Current:			
Public works		10,920	(10,920)
Capital outlay	<u>1,039,739</u>	<u>4,709,138</u>	<u>(3,669,399)</u>
Total Expenditures	<u>1,039,739</u>	<u>4,720,058</u>	<u>(3,680,319)</u>
Excess of Revenues Over (Under) Expenditures	<u>(297,439)</u>	<u>(3,862,367)</u>	<u>(3,564,928)</u>
Other Financing Sources (Uses):			
Transfers in	4,366,821	3,231,891	(1,134,930)
Transfers out	<u>(40,000)</u>		<u>40,000</u>
Total Other Financing Sources (Uses)	<u>4,326,821</u>	<u>3,231,891</u>	<u>(1,094,930)</u>
Net Change in Fund Balance	4,029,382	(630,476)	(4,659,858)
Fund Balance, Beginning of Fiscal Year	<u>(267,833)</u>	<u>(267,833)</u>	
Fund Balance (Deficit), End of Fiscal Year	<u>\$ 3,761,549</u>	<u>\$ (898,309)</u>	<u>\$ (4,659,858)</u>

See Note to Required Supplementary Information

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, 2014

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 19,900	\$ 15,022	\$ (4,878)
Total Revenues	<u>19,900</u>	<u>15,022</u>	<u>(4,878)</u>
Expenditures:			
Debt Service:			
Principal retirement	600,000	600,000	
Interest and fiscal charges	723,997	887,053	(163,056)
Debt issuance costs	20,000	106,924	(86,924)
Total Expenditures	<u>1,343,997</u>	<u>1,593,977</u>	<u>(249,980)</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,324,097)</u>	<u>(1,578,955)</u>	<u>(254,858)</u>
Other Financing Sources (Uses):			
Proceeds from debt issuance		8,433,377	8,433,377
Transfers in	1,455,231	1,282,378	(172,853)
Transfers out	<u>(250,000)</u>	<u>(3,105,755)</u>	<u>(2,855,755)</u>
Total Other Financing Sources (Uses)	<u>1,205,231</u>	<u>6,610,000</u>	<u>5,404,769</u>
Net Change in Fund Balance	(118,866)	5,031,045	5,149,911
Fund Balance, Beginning of Fiscal Year	<u>1,907,038</u>	<u>1,907,038</u>	
Fund Balance, End of Fiscal Year	<u>\$ 1,788,172</u>	<u>\$ 6,938,083</u>	<u>\$ 5,149,911</u>

City of Dinuba
Nonmajor Governmental Funds
Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

City of Dinuba

Nonmajor Governmental Funds

Capital Projects Funds

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

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

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

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

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

Debt Service Fund

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

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

**CITY OF DINUBA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014**

	Special Revenue Funds		
	Gas Tax	Parks Reserve	Transportation
Assets:			
Cash and investments	\$ 1,469,689	\$ 85,864	\$ 1,113,224
Receivables:			
Accounts			
Intergovernmental	298,375		379,033
Notes		110,760	
Interest	116	2,322	100
Prepaid expenses			
Interfund advances receivable			
Advances to successor agency		150,000	
Land held for resale			
Total Assets	<u>\$ 1,768,180</u>	<u>\$ 348,946</u>	<u>\$ 1,492,357</u>
Liabilities, Deferred Inflows of Revenues, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 18,158	\$ -	\$ 16,793
Accrued liabilities	5,653		4,751
Due to other funds			
Interfund advances payable		116,904	
Total Liabilities	<u>23,811</u>	<u>116,904</u>	<u>21,544</u>
Deferred Inflows of Revenues:			
Unearned revenues - notes and loans		113,075	
Unearned revenues - unavailable revenues			
Total Deferred Inflows of Revenues		<u>113,075</u>	
Total Liabilities and Deferred Inflows of Revenues	<u>23,811</u>	<u>229,979</u>	<u>21,544</u>
Fund Balances:			
Restricted	1,744,369	118,967	1,470,813
Assigned			
Unassigned			
Total Fund Balances	<u>1,744,369</u>	<u>118,967</u>	<u>1,470,813</u>
Total Liabilities and Fund Balances	<u>\$ 1,768,180</u>	<u>\$ 348,946</u>	<u>\$ 1,492,357</u>

Special Revenue Funds					
System Development Charges	Community Enhancement Grants	Curb and Gutter	Assessment Districts	Fire Impact Fees	Housing Authority
\$ 2,155,368	\$ 231,570	\$ 7,375	\$ 284,250	\$ 77,669	\$ 42,254
8,504	46,909		7,077		
1,118,211					85,050
65,607	19			6	
150,000					186,759
365,000			104,000		3,769,767
					187,251
<u>\$ 3,862,690</u>	<u>\$ 278,498</u>	<u>\$ 7,375</u>	<u>\$ 395,327</u>	<u>\$ 77,675</u>	<u>\$ 4,271,081</u>
\$ -	\$ 11,171 4,042	\$ -	\$ 21,424 4,829	\$ 6,200	\$ 9,845 624
	15,213		26,253	6,200	10,469
951,531					85,050
951,531					85,050
951,531	15,213		26,253	6,200	95,519
2,911,159	263,285	7,375	369,074	71,475	4,175,562
2,911,159	263,285	7,375	369,074	71,475	4,175,562
<u>\$ 3,862,690</u>	<u>\$ 278,498</u>	<u>\$ 7,375</u>	<u>\$ 395,327</u>	<u>\$ 77,675</u>	<u>\$ 4,271,081</u>

(Continued)

CITY OF DINUBA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014
(Continued)

	Capital Projects Funds			
	Drainage Districts	Vocational Center	MTBE	Public Works Management
Assets:				
Cash and investments	\$ 463,182	\$ -	\$ -	\$ 152,922
Receivables:				
Accounts	1,090		24,023	
Intergovernmental				
Notes	110,760			
Interest	8,102	(19)	(4)	12
Prepaid expenses		395		
Interfund advances receivable				
Advances to successor agency			3,300,000	50,000
Land held for resale				
Total Assets	\$ 583,134	\$ 376	\$ 3,324,019	\$ 202,934
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 23	\$ 3,925	\$ 30,464	\$ 9,338
Accrued liabilities				16,961
Due to other funds		286,787	19,095	
Interfund advances payable				
Total Liabilities	23	290,712	49,559	26,299
Deferred Inflows of Revenues:				
Unearned revenues - notes and loans	118,823			
Unearned revenues - unavailable revenue			24,023	
Total Deferred Inflows of Revenues	118,823		24,023	
Total Liabilities and Deferred Inflows of Revenues	118,846	290,712	73,582	26,299
Fund Balances:				
Restricted	464,288		3,250,437	
Assigned				176,635
Unassigned		(290,336)		
Total Fund Balances	464,288	(290,336)	3,250,437	176,635
Total Liabilities and Fund Balances	\$ 583,134	\$ 376	\$ 3,324,019	\$ 202,934

<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>General</u>	
\$ 739	\$ 6,084,106
	33,617
	731,394
	1,424,781
	76,261
	395
	336,759
	7,738,767
	187,251
<u>\$ 739</u>	<u>\$ 16,613,331</u>
\$ -	\$ 127,341
	36,860
	305,882
	116,904
	586,987
	1,268,479
	24,023
	1,292,502
	1,879,489
	14,839,429
739	184,749
	(290,336)
<u>739</u>	<u>14,733,842</u>
<u>\$ 739</u>	<u>\$ 16,613,331</u>

CITY OF DINUBA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds		
	Gas Tax	Parks Reserve	Transportation
Revenues:			
Taxes and assessments	\$ -	\$ -	\$ 407,537
Intergovernmental	945,217		555,695
Charges for services		162,800	
Use of money and property	2,733	73	2,141
Fines and forfeitures			
Reimbursements			
Miscellaneous			8,034
Total Revenues	947,950	162,873	973,407
Expenditures:			
Current:			
Public safety			
Community development			
Public works	446,059		429,414
Capital outlay			
Debt service:			
Principal retirement			
Interest and fiscal charges			
Total Expenditures	446,059		429,414
Excess of Revenues Over (Under) Expenditures	501,891	162,873	543,993
Other Financing Sources (Uses):			
Transfers in			80,000
Transfers out	(43,746)	(130,590)	(394,261)
Total Other Financing Sources (Uses)	(43,746)	(130,590)	(314,261)
Net Change in Fund Balance Before Special Item	458,145	32,283	229,732
Special Item - Litigation Settlement			
Net Change in Fund Balances	458,145	32,283	229,732
Fund Balances (Deficit), Beginning of Fiscal Year	1,286,224	86,684	
Prior Period Adjustments			1,241,081
Fund Balances (Deficit), Beginning of Fiscal Year (restated)	1,286,224	86,684	1,241,081
Fund Balances (Deficit), End of Fiscal Year	\$ 1,744,369	\$ 118,967	\$ 1,470,813

Special Revenue Funds					
System Development Charges	Community Enhancement Grants	Curb and Gutter	Assessment Districts	Fire Impact Fees	Housing Authority
\$ -	\$ -	\$ -	\$ 470,432	\$ -	\$ -
	112,104				
1,151,985				17,100	
5,381	528			207	139,977
	70,117				
<u>1,157,366</u>	<u>182,749</u>		<u>470,432</u>	<u>17,307</u>	<u>139,977</u>
	99,828				
88,058			475,784		97,310
3,500	23,277			38,278	
					3,292
					<u>1,649</u>
<u>91,558</u>	<u>123,105</u>		<u>475,784</u>	<u>38,278</u>	<u>102,251</u>
<u>1,065,808</u>	<u>59,644</u>		<u>(5,352)</u>	<u>(20,971)</u>	<u>37,726</u>
121,237					116,140
(700,231)	(100,000)			(2,955)	(83,170)
(578,994)	(100,000)			(2,955)	32,970
486,814	(40,356)		(5,352)	(23,926)	70,696
<u>486,814</u>	<u>(40,356)</u>		<u>(5,352)</u>	<u>(23,926)</u>	<u>70,696</u>
2,424,345	303,641	7,375	374,426	95,401	4,104,866
<u>2,424,345</u>	<u>303,641</u>	<u>7,375</u>	<u>374,426</u>	<u>95,401</u>	<u>4,104,866</u>
<u>\$ 2,911,159</u>	<u>\$ 263,285</u>	<u>\$ 7,375</u>	<u>\$ 369,074</u>	<u>\$ 71,475</u>	<u>\$ 4,175,562</u>

(Continued)

CITY OF DINUBA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2014
(Continued)

	Capital Projects Funds			
	Drainage Districts	Vocational Center	MTBE	Public Works Management
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental				
Charges for services	198,552			
Use of money and property	727	20,254	(114)	320
Fines and forfeitures				
Reimbursements			15,481	494,439
Miscellaneous	10,662			6,369
Total Revenues	209,941	20,254	15,367	501,128
Expenditures:				
Current:				
Public safety				
Community development		201,735		
Public works				464,795
Capital outlay	250		169,246	
Debt service:				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	250	201,735	169,246	464,795
Excess of Revenues Over (Under) Expenditures	209,691	(181,481)	(153,879)	36,333
Other Financing Sources (Uses):				
Transfers in			190,000	
Transfers out	(14,538)	(62,400)		
Total Other Financing Sources (Uses)	(14,538)	(62,400)	190,000	
Net Change in Fund Balance Before Special Item	195,153	(243,881)	36,121	36,333
Special Item - Litigation Settlement			104,921	
Net Change in Fund Balances	195,153	(243,881)	141,042	36,333
Fund Balances, Beginning of Fiscal Year	269,135	(46,455)	3,109,395	140,302
Prior Period Adjustments				
Fund Balances, Beginning of Fiscal Year (restated)	269,135	(46,455)	3,109,395	140,302
Fund Balances, End of Fiscal Year	\$ 464,288	\$ (290,336)	\$ 3,250,437	\$ 176,635

Debt Service Funds		Total Governmental Funds	
General			
\$	-	\$	877,969
			1,613,016
			1,530,437
	1		172,228
			70,117
			509,920
			25,065
	1		4,798,752
			99,828
			299,045
			1,904,110
			234,551
	283,208		286,500
	114,720		116,369
	397,928		2,940,403
	(397,927)		1,858,349
	396,554		903,931
			(1,531,891)
	396,554		(627,960)
	(1,373)		1,230,389
			104,921
	(1,373)		1,335,310
	2,112		12,157,451
			1,241,081
	2,112		13,398,532
\$	739	\$	14,733,842

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, 2014

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 852,388	\$ 945,217	\$ 92,829
Use of money and property	1,000	2,733	1,733
Total Revenues	853,388	947,950	94,562
Expenditures:			
Current:			
Public works	517,919	446,059	71,860
Total Expenditures	517,919	446,059	71,860
Excess of Revenues Over (Under) Expenditures	335,469	501,891	166,422
Other Financing Sources (Uses):			
Transfers out	(226,758)	(43,746)	183,012
Total Other Financing Sources (Uses)	(226,758)	(43,746)	183,012
Net Change in Fund Balance	108,711	458,145	349,434
Fund Balance, Beginning of Fiscal Year	1,286,224	1,286,224	
Fund Balance, End of Fiscal Year	\$ 1,394,935	\$ 1,744,369	\$ 349,434

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, 2014

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 39,536	\$ 162,800	\$ 123,264
Use of money and property	700	73	(627)
Total Revenues	40,236	162,873	122,637
Expenditures:			
Current:			
Parks and recreation	21,500		21,500
Total Expenditures	21,500		21,500
Excess of Revenues Over (Under) Expenditures	18,736	162,873	144,137
Other Financing Sources (Uses):			
Transfers out	(201,767)	(130,590)	71,177
Total Other Financing Sources (Uses)	(201,767)	(130,590)	71,177
Net Change in Fund Balance	(183,031)	32,283	215,314
Fund Balance, Beginning of Fiscal Year	86,684	86,684	
Fund Balance, End of Fiscal Year	\$ (96,347)	\$ 118,967	\$ 215,314

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, 2014

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes and assessments	\$ 361,249	\$ 407,537	\$ 46,288
Intergovernmental	271,953	555,695	283,742
Use of money and property	2,000	2,141	141
Miscellaneous	4,800	8,034	3,234
Total Revenues	640,002	973,407	333,405
Expenditures:			
Current:			
Public works	353,906	429,414	(75,508)
Capital outlay	34,000		34,000
Total Expenditures	387,906	429,414	(41,508)
Excess of Revenues Over (Under) Expenditures	252,096	543,993	291,897
Other Financing Sources (Uses):			
Transfers in	80,000	80,000	
Transfer out	(582,677)	(394,261)	188,416
Total Other Financing Sources (Uses)	(502,677)	(314,261)	188,416
Net Change in Fund Balance	(250,581)	229,732	480,313
Fund Balance, Beginning of Fiscal Year			
Prior Period Adjustment		1,241,081	1,241,081
Fund Balance, Beginning of Fiscal Year, Restated		1,241,081	1,241,081
Fund Balance, End of Fiscal Year	\$ (250,581)	\$ 1,470,813	\$ 1,721,394

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, 2014

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 325,228	\$ 1,151,985	\$ 826,757
Use of money and property	4,906	5,381	475
Total Revenues	330,134	1,157,366	827,232
Expenditures:			
Current:			
Public works	163,006	88,058	74,948
Capital outlay	16,937	3,500	13,437
Total Expenditures	179,943	91,558	88,385
Excess of Revenues Over (Under) Expenditures	150,191	1,065,808	915,617
Other Financing Sources (Uses):			
Transfers in	75,000	121,237	46,237
Transfers out	(700,865)	(700,231)	634
Total Other Financing Sources (Uses)	(625,865)	(578,994)	46,871
Net Change in Fund Balance	(475,674)	486,814	962,488
Fund Balance, Beginning of Fiscal Year	2,424,345	2,424,345	
Fund Balance, End of Fiscal Year	\$ 1,948,671	\$ 2,911,159	\$ 962,488

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, 2014

	Final Budget	Actual Amount	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 113,300	\$ 112,104	\$ (1,196)
Use of money and property	1,500	528	(972)
Fines and forfeitures	<u>113,000</u>	<u>70,117</u>	<u>(42,883)</u>
Total Revenues	<u>227,800</u>	<u>182,749</u>	<u>(45,051)</u>
Expenditures:			
Current:			
Public safety	101,000	99,828	1,172
Capital outlay	<u>13,300</u>	<u>23,277</u>	<u>(9,977)</u>
Total Expenditures	<u>114,300</u>	<u>123,105</u>	<u>(8,805)</u>
Excess of Revenues Over (Under) Expenditures	<u>113,500</u>	<u>59,644</u>	<u>(53,856)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	
Net Change in Fund Balance	13,500	(40,356)	(53,856)
Fund Balance, Beginning of Fiscal Year	<u>303,641</u>	<u>303,641</u>	
Fund Balance, End of Fiscal Year	<u>\$ 317,141</u>	<u>\$ 263,285</u>	<u>\$ (53,856)</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, 2014

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

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, 2014

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes and assessments	\$ 471,050	\$ 470,432	\$ (618)
Total Revenues	471,050	470,432	(618)
Expenditures:			
Current:			
Public works	477,245	475,784	1,461
Total Expenditures	477,245	475,784	1,461
Excess of Revenues Over (Under) Expenditures	(6,195)	(5,352)	843
Net Change in Fund Balance	(6,195)	(5,352)	843
Fund Balance, Beginning of Fiscal Year	374,426	374,426	
Fund Balance, End of Fiscal Year	\$ 368,231	\$ 369,074	\$ 843

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, 2014

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 53	\$ 207	\$ 154
Charges for services	18,551	17,100	(1,451)
Total Revenues	18,604	17,307	(1,297)
Expenditures:			
Capital outlay	61,500	38,278	23,222
Total Expenditures	61,500	38,278	23,222
Excess of Revenues Over (Under) Expenditures	(42,896)	(20,971)	21,925
Other Financing Sources (Uses):			
Transfers out		(2,955)	(2,955)
Total Other Financing Sources (Uses)		(2,955)	(2,955)
Net Change in Fund Balance	(42,896)	(23,926)	18,970
Fund Balance, Beginning of Fiscal Year	95,401	95,401	
Fund Balance, End of Fiscal Year	\$ 52,505	\$ 71,475	\$ 18,970

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOUSING AUTHORITY SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2014

	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 60,000	\$ 139,977	\$ 79,977
Total Revenues	60,000	139,977	79,977
Expenditures:			
Current:			
Community development	119,289	97,310	21,979
Debt service:			
Principal retirement		3,292	(3,292)
Interest and fiscal charges		1,649	(1,649)
Total Expenditures	119,289	102,251	17,038
Excess of Revenues Over (Under) Expenditures	(59,289)	37,726	97,015
Other Financing Sources (Uses):			
Transfers in	33,283	116,140	82,857
Transfers out		(83,170)	(83,170)
Total Other Financing Sources (Uses)	33,283	32,970	(313)
Net Change in Fund Balance	(26,006)	70,696	96,702
Fund Balance, Beginning of Fiscal Year	4,104,866	4,104,866	
Fund Balance, End of Fiscal Year	\$ 4,078,860	\$ 4,175,562	\$ 96,702

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, 2014

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Miscellaneous	\$ 2,500	\$ 10,662	\$ 8,162
Charges for services	13,623	198,552	184,929
Use of money and property	500	727	227
Total Revenues	<u>16,623</u>	<u>209,941</u>	<u>193,318</u>
Expenditures:			
Current:			
Public works	21,500		21,500
Capital outlay	100,000	250	99,750
Total Expenditures	<u>121,500</u>	<u>250</u>	<u>121,250</u>
Excess of Revenues Over (Under) Expenditures	<u>(104,877)</u>	<u>209,691</u>	<u>314,568</u>
Other Financing Sources (Uses):			
Transfers out		(14,538)	(14,538)
Total Other Financing Sources (Uses)		<u>(14,538)</u>	<u>(14,538)</u>
Net Change in Fund Balance	(104,877)	195,153	300,030
Fund Balance, Beginning of Fiscal Year	<u>269,135</u>	<u>269,135</u>	
Fund Balance, End of Fiscal Year	<u>\$ 164,258</u>	<u>\$ 464,288</u>	<u>\$ 300,030</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, 2014

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 62,400	\$ 20,254	\$ (42,146)
Total Revenues	62,400	20,254	(42,146)
Expenditures:			
Current:			
Community development	202,000	201,735	265
Total Expenditures	202,000	201,735	265
Excess of Revenues Over (Under) Expenditures	(139,600)	(181,481)	(41,881)
Other Financing Sources (Uses):			
Transfers out	(62,400)	(62,400)	
Total Other Financing Sources (Uses)	(62,400)	(62,400)	
Net Change in Fund Balance	(202,000)	(243,881)	(41,881)
Fund Balance (Deficit), Beginning of Fiscal Year	(46,455)	(46,455)	
Fund Balance (Deficit), End of Fiscal Year	\$ (248,455)	\$ (290,336)	\$ (41,881)

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, 2014

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Reimbursements	\$ 100,000	\$ 15,481	\$ (84,519)
Use of money and property		(114)	(114)
Total Revenues	100,000	15,367	(84,633)
Expenditures:			
Capital outlay	170,000	169,246	754
Total Expenditures	170,000	169,246	754
Excess of Revenues Over (Under) Expenditures	(70,000)	(153,879)	(83,879)
Other Financing Sources (Uses):			
Transfers in		190,000	190,000
Total Other Financing Sources (Uses)		190,000	190,000
Net Change in Fund Balance Before Special Item	(70,000)	36,121	106,121
Special Item - Litigation Settlement	70,000	104,921	34,921
Net Change in Fund Balance		141,042	141,042
Fund Balance, Beginning of Fiscal Year	3,109,395	3,109,395	
Fund Balance, End of Fiscal Year	\$ 3,109,395	\$ 3,250,437	\$ 141,042

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, 2014

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 200	\$ 320	\$ 120
Miscellaneous		6,369	6,369
Reimbursements	477,030	494,439	17,409
Total Revenues	477,230	501,128	23,898
Expenditures:			
Current:			
Public works	482,103	464,795	17,308
Total Expenditures	482,103	464,795	17,308
Excess of Revenues Over (Under) Expenditures	(4,873)	36,333	41,206
Net Change in Fund Balance	(4,873)	36,333	41,206
Fund Balance, Beginning of Fiscal Year	140,302	140,302	
Fund Balance, End of Fiscal Year	\$ 135,429	\$ 176,635	\$ 41,206

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, 2014

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ 1	\$ 1
Total Revenues	<u>1</u>	<u>1</u>	<u>1</u>
Expenditures:			
Debt Service:			
Principal retirement	283,208	283,208	
Interest and fiscal charges	113,346	114,720	(1,374)
Total Expenditures	<u>396,554</u>	<u>397,928</u>	<u>(1,374)</u>
Excess of Revenues Over (Under) Expenditures	<u>(396,554)</u>	<u>(397,927)</u>	<u>(1,373)</u>
Other Financing Sources (Uses):			
Transfers in	396,554	396,554	
Total Other Financing Sources (Uses)	<u>396,554</u>	<u>396,554</u>	
Net Change in Fund Balance		(1,373)	(1,373)
Fund Balance, Beginning of Fiscal Year	<u>2,112</u>	<u>2,112</u>	
Fund Balance, End of Fiscal Year	<u>\$ 2,112</u>	<u>\$ 739</u>	<u>\$ (1,373)</u>

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City of Dinuba

Nonmajor Enterprise Funds

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

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

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

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

CITY OF DINUBA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2014

	Engineering	Transit	Compressed Natural Gas	Totals
Assets:				
Current Assets:				
Cash and investments	\$ 126,258	\$ 143,296	\$ 324,612	\$ 594,166
Accounts receivable			28,613	28,613
Interest receivable	4	24	28	56
Due from other governments		32,888		32,888
Prepaid expenses		291		291
Total Current Assets	126,262	176,499	353,253	656,014
Noncurrent Assets:				
Capital assets:				
Depreciable buildings and improvements, net		56,370		56,370
Depreciable equipment, net		268,115		268,115
Construction in progress		1,436,210		1,436,210
Total Noncurrent Assets		1,760,695		1,760,695
Total Assets	126,262	1,937,194	353,253	2,416,709
Liabilities:				
Current Liabilities:				
Accounts payable	6,315	45,618	14,811	66,744
Accrued liabilities	16,093	642	459	17,194
Compensated absences			181	181
Total Current Liabilities	22,408	46,260	15,451	84,119
Noncurrent Liabilities:				
Noncurrent portion of long-term obligations:				
Compensated absences	5,908		63	5,971
Net OPEB liability			6,326	6,326
Total Noncurrent Liabilities	5,908		6,389	12,297
Total Liabilities	28,316	46,260	21,840	96,416
Net Position:				
Net investment in capital assets		1,760,695		1,760,695
Unrestricted	97,946	130,239	331,413	559,598
Total Net Position	\$ 97,946	\$ 1,890,934	\$ 331,413	\$ 2,320,293

CITY OF DINUBA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2014

	Engineering	Transit	Compressed Natural Gas	Totals
Operating Revenues:				
Charges for services	\$ 591,278	\$ 53,507	\$ 214,162	\$ 858,947
Other		1,554		1,554
Total Operating Revenues	591,278	55,061	214,162	860,501
Operating Expenses:				
Salaries and benefits	516,411	29,159	14,602	560,172
Contractual services	7,665	440,912		448,577
Materials and supplies	65,063	101,807	5,965	172,835
Repairs and maintenance	3,170	165,666	43,965	212,801
Utilities	5,907	3,785	77,862	87,554
Allocated overhead	64,575	20,587	32,127	117,289
Depreciation		113,397		113,397
Total Operating Expenses	662,791	875,313	174,521	1,712,625
Operating Income (Loss)	(71,513)	(820,252)	39,641	(852,124)
Nonoperating Revenues:				
Intergovernmental	123,526	637,606		761,132
Interest revenue	41	335	692	1,068
Total Nonoperating Revenues	123,567	637,941	692	762,200
Income (Loss) Before Transfers and Capital Contributions	52,054	(182,311)	40,333	(89,924)
Capital contributions		536,998		536,998
Transfers out		(84,414)		(84,414)
Net Contributions and Transfers		452,584		452,584
Changes in Net Position	52,054	270,273	40,333	362,660
Net Position - Beginning of Fiscal Year	45,892	1,620,661	291,080	1,957,633
Net Position - End of Fiscal Year	\$ 97,946	\$ 1,890,934	\$ 331,413	\$ 2,320,293

CITY OF DINUBA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2014

	Engineering	Transit	Compressed Natural Gas	Totals
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 591,278	\$ 55,686	\$ 200,379	\$ 847,343
Cash paid to suppliers for goods and services	(77,722)	(700,484)	(116,306)	(894,512)
Cash paid to employees for services	(511,687)	(28,517)	(14,692)	(554,896)
Cash paid for allocated overhead	(64,575)	(20,587)	(32,127)	(117,289)
Net Cash Provided (Used) by Operating Activities	(62,706)	(693,902)	37,254	(719,354)
Cash Flows from Capital and Related Financing Activities:				
Capital Asset Acquisition		(21,259)		(21,259)
Net Cash Provided (Used) by Capital and Related Financing Activities		(21,259)		(21,259)
Cash Flows from Non-Capital Financing Activities:				
Cash transfers to other funds		(84,414)		(84,414)
Intergovernmental revenue	123,526	773,154		896,680
Net Cash Provided (Used) by Non-Capital Financing Activities	123,526	688,740		812,266
Cash Flows from Investing Activities				
Interest received	41	333	693	1,067
Net Cash Provided (Used) by Investing Activities	41	333	693	1,067
Net Increase (Decrease) in Cash and Cash Equivalents	60,861	(26,088)	37,947	72,720
Cash and Cash Equivalents at Beginning of Fiscal Year	65,397	169,384	286,665	521,446
Cash and Cash Equivalents at End of Fiscal Year	\$ 126,258	\$ 143,296	\$ 324,612	\$ 594,166
Reconciliation with Statement of Net Assets:				
Cash and investments	\$ 126,258	\$ 143,296	\$ 324,612	\$ 594,166
Cash and Cash Equivalents	\$ 126,258	\$ 143,296	\$ 324,612	\$ 594,166
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (71,513)	\$ (820,252)	\$ 39,641	\$ (852,124)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation		113,397		113,397
(Increase) decrease in prepaid expenses		(291)		(291)
(Increase) decrease in accounts receivable		625	(13,783)	(13,158)
Increase (decrease) in accounts payable	4,083	11,977	11,486	27,546
Increase (decrease) in accrued liabilities	5,446	642	(25)	6,063
Increase (decrease) in compensated absences payable	(722)		108	(614)
Increase (decrease) in OPEB liability			(173)	(173)
Total Adjustments	8,807	126,350	(2,387)	132,770
Net Cash Provided (Used) by Operating Activities	\$ (62,706)	\$ (693,902)	\$ 37,254	\$ (719,354)
Non-Cash Investing, Capital and Non-Capital Financing Activities				
Contributions of Capital Assets	\$ -	\$ 536,998	\$ -	\$ 536,998

City of Dinuba

Internal Service Funds

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

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

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

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

CITY OF DINUBA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2014

	Insurance Fund	Billing and Collection Service Fund	Property and Equipment Service Fund	Totals
Assets:				
Current Assets:				
Cash and investments	\$ -	\$ 3,899	\$ 44,211	\$ 48,110
Due from other agencies	141,916			141,916
Prepaid expenses	24,603	59	338	25,000
Total Current Assets	166,519	3,958	44,549	215,026
Noncurrent Assets:				
Advances to other funds	3,000			3,000
Depreciable equipment, net of accumulated depreciation			36,466	36,466
Total Noncurrent Assets	3,000		36,466	39,466
Total Assets	169,519	3,958	81,015	254,492
Liabilities:				
Current Liabilities:				
Accounts payable	197,825	1,510	26,199	225,534
Accrued liabilities	6,718	13,547	19,817	40,082
Claims payable	50,000			50,000
Due to other funds	741,508			741,508
Compensated absences	4,815	5,140	1,693	11,648
Total Current Liabilities	1,000,866	20,197	47,709	1,068,772
Noncurrent Liabilities:				
Compensated absences	31,745	31,667	776	64,188
Total Noncurrent Liabilities	31,745	31,667	776	64,188
Total Liabilities	1,032,611	51,864	48,485	1,132,960
Net Position (Deficit):				
Net investment in capital assets			36,466	36,466
Unrestricted	(863,092)	(47,906)	(3,936)	(914,934)
Total Net Position (Deficit)	\$ (863,092)	\$ (47,906)	\$ 32,530	\$ (878,468)

CITY OF DINUBA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2014

	Insurance Fund	Billing and Collection Service Fund	Property and Equipment Service Fund	Totals
Operating Revenues:				
Charges for services	\$ 3,590,674	\$ 575,812	\$ 908,631	\$ 5,075,117
Total Operating Revenues	3,590,674	575,812	908,631	5,075,117
Operating Expenses:				
Salaries and benefits	217,755	474,403	512,016	1,204,174
Contractual services	55,748	2,757		58,505
Materials and supplies	3,915	82,777	332,078	418,770
Insurance	1,057,041			1,057,041
Employee health insurance	3,093,245			3,093,245
Allocated costs		18,687	26,626	45,313
Depreciation			7,665	7,665
Total Operating Expenses	4,427,704	578,624	878,385	5,884,713
Operating Income (Loss)	(837,030)	(2,812)	30,246	(809,596)
Nonoperating Revenues (Expenses):				
Interest revenue (expense)	(1,221)	(21)	(48)	(1,290)
Total Nonoperating Revenues (Expenses)	(1,221)	(21)	(48)	(1,290)
Income (Loss) Before Transfers	(838,251)	(2,833)	30,198	(810,886)
Transfers out	(351,862)			(351,862)
Transfers in		5,500		5,500
Net Transfers	(351,862)	5,500		(346,362)
Changes in Net Position	(1,190,113)	2,667	30,198	(1,157,248)
Net Position (Deficit):				
Beginning of Fiscal Year	327,021	(50,573)	2,332	278,780
End of Fiscal Year	\$ (863,092)	\$ (47,906)	\$ 32,530	\$ (878,468)

CITY OF DINUBA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2014

	Insurance Fund	Billing and Collection Service Fund	Property and Equipment Service Fund	Totals
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 3,578,580	\$ 575,812	\$ 908,631	\$ 5,063,023
Cash paid to suppliers for goods and services	(4,047,927)	(85,465)	(324,866)	(4,458,258)
Cash paid to employees for services	(227,473)	(473,801)	(518,714)	(1,219,988)
Cash paid for allocated overhead		(18,687)	(26,626)	(45,313)
Net Cash Provided (Used) by Operating Activities	(696,820)	(2,141)	38,425	(660,536)
Cash Flows from Capital and Related Financing Activities:				
Capital asset acquisition			(14,834)	(14,834)
Net Cash Used by Non-Capital Financing Activities			(14,834)	(14,834)
Cash Flows from Non-Capital Financing Activities:				
Cash transfers to other funds	(351,862)			(351,862)
Cash transfers from other funds		5,500		5,500
Advances/due from other funds repayments	1,049,923			1,049,923
Net Cash Provided (Used) by Non-Capital Financing Activities	698,061	5,500		703,561
Cash Flows from Investing Activities				
Interest received (paid)	(1,241)	(21)	(47)	(1,309)
Net Cash Provided (Used) by Investing Activities	(1,241)	(21)	(47)	(1,309)
Net Increase (Decrease) in Cash and Cash Equivalents		3,338	23,544	26,882
Cash and Cash Equivalents at Beginning of Fiscal Year		561	20,667	21,228
Cash and Cash Equivalents at End of Fiscal Year	\$ -	\$ 3,899	\$ 44,211	\$ 48,110
Reconciliation with Statement of Net Assets:				
Cash and investments	\$ -	\$ 3,899	\$ 44,211	\$ 48,110
Cash and Cash Equivalents	\$ -	\$ 3,899	\$ 44,211	\$ 48,110
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (Loss)	\$ (837,030)	\$ (2,812)	\$ 30,246	\$ (809,596)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation			7,665	7,665
(Increase) decrease in prepaid expenses	(8,141)	(59)	3	(8,197)
(Increase) decrease in accounts receivable	(12,094)			(12,094)
Increase (decrease) in accounts payable	170,163	128	7,209	177,500
Increase (decrease) in accrued liabilities	787	1,785	7,672	10,244
Increase (decrease) in compensated absences payable	(10,505)	(1,183)	(14,370)	(26,058)
Total Adjustments	140,210	671	8,179	149,060
Net Cash Provided (Used) by Operating Activities	\$ (696,820)	\$ (2,141)	\$ 38,425	\$ (660,536)

City of Dinuba

Agency Funds

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

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

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

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

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

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

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

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

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

CITY OF DINUBA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS
June 30, 2014

	<u>Cash Deposits</u>	<u>Retiree's Insurance</u>	<u>DPOA Trust</u>	<u>Special Community Events</u>	<u>Post Training Revolving</u>
<u>ASSETS</u>					
Cash and investments	\$ 352,470	\$ 61,140	\$ 1,474	\$ 22,996	\$ 6,846
Receivables		4			
Prepaid items					488
Total Assets	<u>\$ 352,470</u>	<u>\$ 61,144</u>	<u>\$ 1,474</u>	<u>\$ 22,996</u>	<u>\$ 7,334</u>
<u>LIABILITIES</u>					
Accounts payable and accrued liabilities	\$ 102,221	\$ -	\$ -	\$ -	\$ -
Deposits payable	250,249	61,144	1,474	22,996	7,334
Total Liabilities	<u>\$ 352,470</u>	<u>\$ 61,144</u>	<u>\$ 1,474</u>	<u>\$ 22,996</u>	<u>\$ 7,334</u>

<u>Abandoned Vehicles</u>	<u>Pro-Youth</u>	<u>Police Activities</u>	<u>Totals</u>
\$ 51,808	\$ 22,656	\$ 18,563	\$ 537,953 4 488
<u>\$ 51,808</u>	<u>\$ 22,656</u>	<u>\$ 18,563</u>	<u>\$ 538,445</u>
\$ 51,808	\$ - 22,656	\$ - 18,563	\$ 154,029 384,416
<u>\$ 51,808</u>	<u>\$ 22,656</u>	<u>\$ 18,563</u>	<u>\$ 538,445</u>

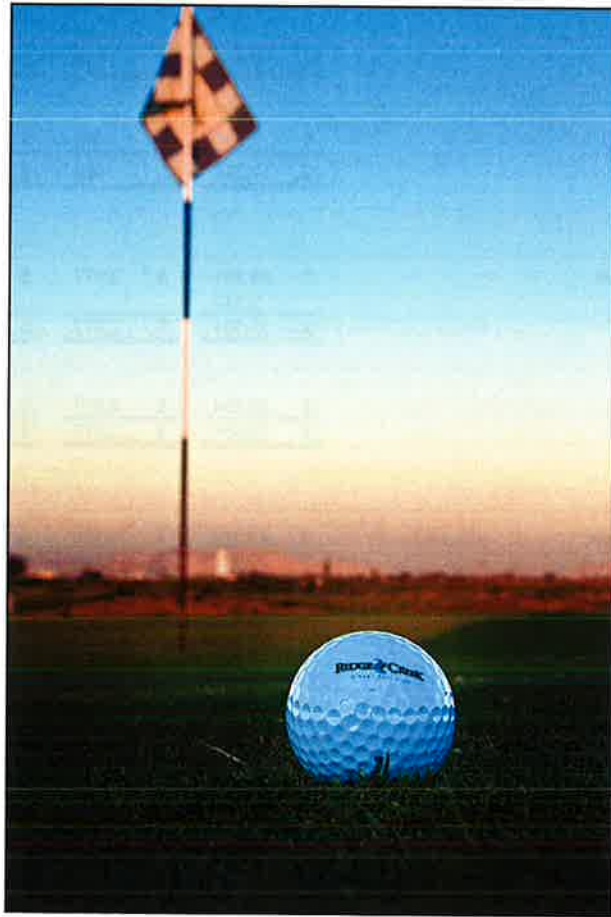
CITY OF DINUBA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Fiscal Year Ended June 30, 2014

	July 1, 2013 Balance	Additions	Deductions	June 30, 2014 Balance
Cash Deposits				
Assets				
Cash and investments	\$ 576,148	\$ 337,723	\$ 561,401	\$ 352,470
Total Assets	<u>\$ 576,148</u>	<u>\$ 337,723</u>	<u>\$ 561,401</u>	<u>\$ 352,470</u>
Liabilities				
Accounts Payable	\$ 459,180	\$ 102,221	\$ 459,180	\$ 102,221
Deposits Payable	116,968	235,502	102,221	250,249
Total Liabilities	<u>\$ 576,148</u>	<u>\$ 337,723</u>	<u>\$ 561,401</u>	<u>\$ 352,470</u>
Retiree's Insurance				
Assets				
Cash and investments	\$ 52,643	\$ 217,497	\$ 209,000	\$ 61,140
Receivables	5	4	5	4
Total Assets	<u>\$ 52,648</u>	<u>\$ 217,501</u>	<u>\$ 209,005</u>	<u>\$ 61,144</u>
Liabilities				
Deposits Payable	\$ 52,648	\$ 217,501	\$ 209,005	\$ 61,144
Total Liabilities	<u>\$ 52,648</u>	<u>\$ 217,501</u>	<u>\$ 209,005</u>	<u>\$ 61,144</u>
DPOA Trust				
Assets				
Cash and investments	\$ 1,474	\$ -	\$ -	\$ 1,474
Total Assets	<u>\$ 1,474</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,474</u>
Liabilities				
Accounts Payable	\$ 668	\$ -	\$ -	\$ 668
Deposits Payable	806			806
Total Liabilities	<u>\$ 1,474</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,474</u>
Special Community Events				
Assets				
Cash and investments	\$ 15,370	\$ 7,626	\$ -	\$ 22,996
Receivables	2,239		2,239	
Total Assets	<u>\$ 17,609</u>	<u>\$ 7,626</u>	<u>\$ 2,239</u>	<u>\$ 22,996</u>
Liabilities				
Deposits Payable	\$ 17,609	\$ 7,626	\$ 2,239	\$ 22,996
Total Liabilities	<u>\$ 17,609</u>	<u>\$ 7,626</u>	<u>\$ 2,239</u>	<u>\$ 22,996</u>

(Continued)

CITY OF DINUBA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Fiscal Year Ended June 30, 2014
(Continued)

	July 1, 2013 Balance	Additions	Deductions	June 30, 2014 Balance
Post Training Revolving				
Assets				
Cash and investments	\$ 7,334	\$ -	\$ 488	\$ 6,846
Prepaid items		488		488
Total Assets	<u>\$ 7,334</u>	<u>\$ 488</u>	<u>\$ 488</u>	<u>\$ 7,334</u>
Liabilities				
Accounts Payable	\$ 7,334	\$ 488	\$ 488	\$ 7,334
Total Liabilities	<u>\$ 7,334</u>	<u>\$ 488</u>	<u>\$ 488</u>	<u>\$ 7,334</u>
Abandoned Vehicles				
Assets				
Cash and investments	\$ 48,831	\$ 2,977	\$ -	\$ 51,808
Receivables	2,133		2,133	-
Total Assets	<u>\$ 50,964</u>	<u>\$ 2,977</u>	<u>\$ 2,133</u>	<u>\$ 51,808</u>
Liabilities				
Accounts Payable	\$ 50,964	\$ 2,977	\$ 2,133	\$ 51,808
Total Liabilities	<u>\$ 50,964</u>	<u>\$ 2,977</u>	<u>\$ 2,133</u>	<u>\$ 51,808</u>
Pro-Youth				
Assets				
Cash and investments	\$ 20,712	\$ 18,956	\$ 17,012	\$ 22,656
Total Assets	<u>\$ 20,712</u>	<u>\$ 18,956</u>	<u>\$ 17,012</u>	<u>\$ 22,656</u>
Liabilities				
Accounts Payable	\$ 9,603	\$ -	\$ 9,603	\$ -
Deposits Payable	11,109	18,956	7,409	22,656
Total Liabilities	<u>\$ 20,712</u>	<u>\$ 18,956</u>	<u>\$ 17,012</u>	<u>\$ 22,656</u>
Police Activities				
Assets				
Cash and investments	\$ 18,238	\$ 325	\$ -	\$ 18,563
Total Assets	<u>\$ 18,238</u>	<u>\$ 325</u>	<u>\$ -</u>	<u>\$ 18,563</u>
Liabilities				
Deposits Payable	\$ 18,238	\$ 325	\$ -	\$ 18,563
Total Liabilities	<u>\$ 18,238</u>	<u>\$ 325</u>	<u>\$ -</u>	<u>\$ 18,563</u>
Grand Total All Agency Funds				
Assets				
Cash and investments	\$ 740,750	\$ 585,104	\$ 787,901	\$ 537,953
Receivables	4,377	4	4,377	4
Prepaid items		488		488
Total Assets	<u>\$ 745,127</u>	<u>\$ 585,596</u>	<u>\$ 792,278</u>	<u>\$ 538,445</u>
Liabilities				
Accounts Payable	\$ 527,749	\$ 105,686	\$ 471,404	\$ 162,031
Deposits Payable	217,378	479,910	320,874	376,414
Total Liabilities	<u>\$ 745,127</u>	<u>\$ 585,596</u>	<u>\$ 792,278</u>	<u>\$ 538,445</u>



STATISTICAL SECTION

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City of Dinuba

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Investment In Capital Assets	\$16,156,718	\$21,451,017	\$18,636,460	\$69,121,069	\$78,101,303	\$71,460,042	\$75,360,279	\$125,564,573	\$125,814,202	\$148,079,509
Restricted	7,531,455	7,120,338	12,750,382	19,576,001	17,821,984	26,213,026	28,285,199	33,514,558	33,633,364	41,313,341
Unrestricted	5,627,687	1,013,242	8,258,109	(3,570,839)	(4,713,906)	(1,553,334)	(401,603)	2,903,128	468,534	(6,418,737)
Total Governmental Activities Net Position	29,315,860	29,584,597	39,644,951	85,126,231	91,209,381	96,119,734	103,243,875	161,982,259	159,916,100	182,974,113
Business-Type Activities										
Investment In Capital Assets	15,516,585	15,516,135	17,422,520	46,050,974	41,646,753	43,840,754	45,170,204	45,077,861	49,997,905	48,901,807
Restricted	329,375	300,733	311,596	535,617	3,471,175					
Unrestricted	2,888,155	3,440,939	3,337,494	869,644	3,262,807	3,305,499	4,741,445	5,348,820	5,179,596	4,690,666
Total Business-Type Activities Net Position	18,734,115	19,257,807	21,071,610	47,456,235	48,380,735	47,146,253	49,911,649	50,426,681	55,177,501	53,592,473
Primary Government										
Investment In Capital Assets	31,673,303	36,967,152	36,058,980	115,172,043	119,748,056	115,300,796	120,530,483	170,642,434	175,812,107	196,981,316
Restricted	7,860,830	7,421,071	13,061,978	20,111,618	21,293,159	26,213,026	28,285,199	33,514,558	33,633,364	41,313,341
Unrestricted	8,515,842	4,454,181	11,595,603	(2,701,195)	(1,451,099)	1,752,165	4,339,842	8,251,948	5,648,130	(1,728,071)
Total Primary Government Net Position	\$48,049,975	\$48,842,404	\$60,716,561	\$132,582,466	\$139,590,116	\$143,265,987	\$153,155,524	\$212,408,940	\$215,093,601	\$236,566,586

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

Page 1 of 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities										
General Government										
Public Safety	\$2,027,053	\$2,292,263	\$2,251,700	\$2,165,276	\$2,282,735	\$3,131,533	\$4,009,529	\$3,439,679	\$4,339,158	\$4,703,501
Public Works	4,256,419	5,055,875	5,819,651	7,004,208	8,287,871	8,171,242	8,107,881	8,167,990	8,990,013	9,591,236
Community Development	6,045,507	4,103,422	5,430,096	3,585,804	4,138,568	2,312,028	3,632,361	1,826,602	2,197,625	2,761,922
Parks and Recreation	1,795,199	3,927,714	1,581,737	2,743,293	3,158,746	3,417,402	1,763,309	1,007,987	636,986	548,112
Interest on Long-Term Debt	954,789	135,086	1,359,109	1,662,008	1,700,474	1,584,698	1,152,007	1,796,570	1,136,847	1,224,454
Unallocated Depreciation	2,008,364	2,144,168	3,194,690	4,072,473	4,196,778	4,144,345	4,192,593	1,720,593	1,020,371	1,521,663
Total Governmental Activities Expenses	836,084	794,431	847,061	858,674	917,172	987,607	879,409	953,544	823,524	1,018,182
Total Governmental Activities Expenses	17,923,415	18,452,959	20,484,044	22,091,736	24,682,344	23,748,855	23,737,091	18,912,965	19,144,524	21,369,070
Business-Type Activities										
Water	2,144,211	2,057,622	2,262,423	1,726,046	1,923,758	2,047,214	2,152,856	2,159,494	2,963,788	2,970,062
Sewer	1,993,150	1,842,089	2,120,093	1,791,855	2,087,637	2,007,892	2,292,341	2,427,747	2,459,666	2,914,729
Disposal	1,875,074	2,083,892	2,189,729	1,875,555	1,865,780	1,988,441	2,030,223	2,109,008	2,922,065	3,320,744
Ambulance	1,079,145	1,282,738	1,458,821	1,082,670	1,011,197	1,069,365	1,185,992	1,150,496	1,450,622	1,386,124
Transit	221,851	222,278	299,001	324,720	486,482	531,162	575,289	639,059	699,102	875,313
Golf Course										
Compressed Natural Gas										
Engineering										
Total Business-Type Activities Expenses	7,313,431	7,488,619	8,330,067	8,862,459	11,000,660	11,068,850	11,317,652	11,850,723	14,389,920	15,727,150
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$243,552	\$96,497	\$3,849	\$36,180	\$31,086	\$32,430	\$27,409	\$52,073	\$4,688	\$1,509,801
Public Safety	283,997	330,994	411,777	402,936	664,374	477,189	446,219	519,454	423,329	276,308
Public Works	1,464,890	4,103,456	3,058,937	2,033,827	1,276,563	2,566,382	2,489,475	2,320,459	2,313,306	3,226,541
Community Development		64,850	928,648	203,515	394,960	95,741	178,106	38,410	11,941	70,343
Parks and Recreation	210,130	239,924	231,315	164,751	283,008	154,307	117,807	184,657	146,557	162,281
Operating Contributions and Grants	2,366,940	4,457,369	6,865,658	2,980,565	2,137,570	1,753,052	1,877,718	3,279,460	4,462,789	6,248,747
Capital Contributions and Grants	316,525	246,552	5,133,176	70,512,208	10,798,269	3,768,170	6,195,836	2,436,154	5,669,203	25,473,768
Total Governmental Activities Program Revenues	4,886,034	9,539,642	16,633,360	76,333,982	15,585,830	8,847,271	11,332,560	8,830,667	13,031,813	36,967,789
Business-Type Activities										
Charges for Services										
Water	1,780,579	1,950,489	2,160,868	2,240,558	2,394,252	2,410,323	2,569,449	2,647,422	2,847,344	2,763,415
Sewer	1,588,227	1,630,460	1,879,182	2,035,266	2,294,266	2,263,518	2,603,345	2,610,812	2,574,505	2,719,638
Disposal	1,924,135	2,117,388	2,404,251	2,501,989	2,713,404	2,799,914	2,891,914	2,980,135	3,324,925	3,080,017
Ambulance	907,461	1,488,611	1,511,008	1,179,934	1,253,128	1,260,263	1,219,352	1,078,428	1,281,703	1,288,620
Transit	37,068	35,604	27,580	11,313	23,549	31,189	39,601	46,089	44,959	53,507
Golf Course				8,800	2,175,135	1,940,722	1,948,101	2,239,576	2,255,964	2,343,736
Compressed Natural Gas						177,966	149,916	188,775	217,120	214,162
Engineering	151,178	225,005	311,574	613,387	635,672	345,078	1,001,190	627,400	868,397	885,831
Operating Contributions and Grants	316,202	56,810	1,360,262	2,743,258	1,122,094	172,758	2,506,420	969,433	1,188,785	715,188
Total Business-Type Activities Program Revenues	6,704,850	7,504,367	9,654,725	11,334,505	12,611,500	11,401,731	14,929,288	13,388,070	15,090,117	14,655,392
Total Primary Government Program Revenues	\$11,590,884	\$17,044,009	\$26,288,085	\$87,668,487	\$28,197,330	\$20,249,002	\$26,261,848	\$22,218,737	\$28,121,930	\$51,623,181

Source: City of Dinuba Financial Services Division

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

Page 2 of 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue										
Governmental Activities	(\$13,037,381)	(\$8,913,317)	(\$3,850,684)	\$54,242,246	(\$9,096,514)	(\$14,901,584)	(\$12,404,531)	(\$10,082,298)	(\$6,112,711)	\$15,598,719
Business-Type Activities	(608,581)	15,748	1,324,658	2,472,046	1,610,840	332,881	3,611,636	1,537,347	700,197	(1,071,758)
Total Primary Government Net Expense	(\$13,645,962)	(\$8,897,569)	(\$2,526,026)	\$56,714,292	(\$7,485,674)	(\$14,568,703)	(\$8,792,895)	(\$8,544,951)	(\$5,412,514)	\$14,526,961
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	\$2,873,337	\$3,304,325	\$4,570,257	\$5,006,706	\$5,438,046	\$5,248,441	\$5,078,633	\$3,461,506	\$645,437	\$742,122
Transient Occupancy Taxes	57,581	74,466	75,671	69,901	96,622	91,251	144,780	133,920	171,817	184,211
Sales Taxes	1,717,142	2,161,939	2,511,355	4,314,561	3,642,808	5,569,620	5,803,277	9,843,519	3,677,282	3,700,400
Franchise Taxes	195,187	203,705	214,886	222,599	248,553	214,722	233,109	230,613	226,904	243,956
Utility Users Tax	1,114,634	1,317,378	1,373,639	1,457,199	1,462,789	1,522,951	1,560,074	1,600,423	1,622,049	1,612,836
Other Taxes	148,456	288,003	290,106	608,703	583,716	611,305	784,070	870,086	240,387	249,602
Motor Vehicle Tax	359,368	1,315,245	1,469,382	1,594,918	1,670,198	1,641,929	1,636,167	1,565,696	1,553,701	1,571,490
Use of Money and Property	1,427,153	667,943	831,977	1,022,123	534,225	533,961	360,997	288,456	287,977	262,191
Other	144,258	37,380	121,480	70,248	508,758	335,350	174,494	946,090	1,552,988	18,522
Gain (Loss) on Sale of Capital Assets			2,635,030	657,221	259,983	448,216	159,698	(2,019,092)	400,323	266,189
Transfers	(840,621)	(469,958)	(407,874)	(23,785,145)	733,966	1,581,736	855,678	703,133	(4,065,884)	195,877
Total Governmental Activities	7,196,495	8,900,426	13,685,909	(8,760,966)	15,179,664	17,799,482	16,790,977	17,624,350	6,312,981	9,047,396
Business-Type Activities										
Use of Money and Property	108,513	37,986	81,274	127,434	47,626	14,373	9,438	19,536		37,243
Other								(338,718)	45,845	92,839
Transfers	840,621	469,958	407,874	23,785,145	(733,966)	(1,581,736)	(855,678)	(703,133)	4,065,884	(195,877)
Total Business-Type Activities	949,134	507,944	489,148	23,912,579	(686,340)	(1,567,363)	(846,240)	(1,022,315)	4,111,729	(65,795)
Extraordinary Item - Litigation Settlement										
Extraordinary Item - Gain on Foreclosure of Property										
Extraordinary Item - RDA Dissolution			225,129					51,196,332	145,910	104,921
Total Primary Government	\$8,380,721	\$9,585,017	\$14,400,186	\$15,151,613	\$14,493,324	\$16,232,119	\$15,944,737	\$67,798,367	\$10,570,620	\$9,086,522
Change in Net Position										
Governmental Activities	(\$5,605,794)	\$163,756	\$10,060,354	\$45,481,280	\$6,083,150	\$2,897,898	\$4,386,446	\$58,738,384	\$346,180	\$24,751,036
Business-Type Activities	340,553	\$23,692	1,813,806	26,384,625	924,500	(1,234,482)	2,765,396	515,032	4,811,926	(1,137,553)
Total Primary Government	(\$5,265,241)	\$687,448	\$11,874,160	\$71,865,905	\$7,007,650	\$1,663,416	\$7,151,842	\$59,253,416	\$5,158,106	\$23,613,483

Source: City of Dinuba Financial Services Division

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved		\$662,000	\$592,000	\$522,000	\$452,000	\$769,541				
Unreserved		1,914,006	2,644,910	2,762,848	2,105,415	2,321,648				
Nonspendable	\$2,352,778						\$2,869,745	\$3,005,321	\$2,742,077	\$2,736,489
Unassigned							(700,688)	1,587,709	1,217,109	1,894,697
Total General Fund	\$2,352,778	\$2,576,006	\$3,236,910	\$3,284,848	\$2,557,415	\$3,091,189	\$2,169,057	\$4,593,030	\$3,959,186	\$4,631,186
All Other Governmental Funds										
Reserved										
Unreserved, Reported In:										
Special Revenue Funds	\$5,557,677	\$8,232,616	\$8,346,973	\$8,863,307	\$11,465,614	\$12,125,161				
Debt Service Funds	1,293,902	(316,156)	3,472,555	1,851,164	420,661	1,165,296				
Capital Projects Funds	836,385	(3,377,781)	2,163,542	137,053	(6,021,033)	(9,673,971)	14,759,706	5,792,649	21,170	-
Nonspendable Funds							8,352,350	6,840,553	16,917,455	25,240,745
Restricted Funds							206,798	4,478,409	147,627	185,245
Assigned Funds							(11,089,450)	(484,580)	(312,176)	(1,216,571)
Unassigned Funds										
Total All Other Governmental Funds	\$7,687,964	\$4,538,679	\$13,983,070	\$10,851,524	\$5,865,242	\$3,616,486	\$12,229,404	\$16,627,031	\$16,774,076	\$24,209,419
Total Governmental Funds	\$10,040,742	\$7,114,685	\$17,219,980	\$14,136,372	\$8,422,657	\$6,707,675	\$14,398,461	\$21,220,061	\$20,733,262	\$28,840,605

Source: City of Dinuba Financial Services Division

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes and Assessments	\$6,173,903	\$7,462,218	\$10,588,696	\$11,271,922	\$11,142,476	\$12,969,873	\$13,333,324	\$15,763,647	\$10,054,422	\$10,127,924
Licenses and Permits	403,098	589,691	575,979	489,989	473,177	585,481	663,034	490,803	533,126	388,248
Intergovernmental	4,221,634	5,706,459	6,715,939	4,533,063	6,177,846	7,078,568	9,592,560	6,873,909	8,840,363	13,389,637
Charges for Services	1,741,050	2,104,911	2,669,643	1,831,959	1,383,468	2,423,067	2,031,815	2,297,156	1,842,951	2,611,700
Use of Money and Property	359,368	464,657	1,158,097	1,409,409	557,746	360,312	219,523	615,073	105,029	372,987
Fines and Forfeitures	100,200	85,254	92,020	110,528	180,620	104,321	165,482	393,113	118,693	83,015
Reimbursements	2,192,384	2,411,873	2,600,759	3,073,714	3,303,675	2,932,039	2,223,521	1,983,721	1,993,316	1,866,721
Miscellaneous	486,993	98,987	401,232	206,463	774,390	109,001	195,544	280,827	183,644	193,101
Total Revenues	15,678,630	18,924,050	24,802,365	22,927,047	23,993,398	26,562,662	28,424,803	28,698,249	23,671,544	29,033,333
Expenditures										
Current										
General Government	1,876,788	2,197,521	1,979,384	1,758,510	1,859,569	2,493,169	3,424,510	3,198,893	3,567,574	3,062,629
Public Safety	3,903,182	4,720,236	5,671,292	6,590,115	7,384,568	7,297,586	6,900,645	7,622,470	8,512,170	9,155,928
Public Works ²	2,757,103	3,942,917	4,115,617	3,702,608	4,390,130	2,110,634	2,047,171	2,305,236	2,108,997	2,497,426
Community development	815,068	13,351	1,307,141	2,969,141	2,882,010	2,972,937	1,480,571	1,254,396	3,077,272	1,813,416
Parks and Recreation ¹	1,747,159	2,298,642	2,997,765	1,503,848	1,457,338	1,369,056	871,568	1,595,747	1,108,050	1,140,903
Capital Outlay	7,022,432	9,749,448	21,861,678	6,530,780	4,578,430	3,664,017	5,822,476	5,230,041	5,070,355	12,419,958
Debt Service	1,030,010	961,771	1,428,581	2,095,025	2,253,167	2,600,226	17,796,703	2,209,513	1,814,520	991,156
Principal Retirement	1,922,281	2,053,059	2,441,347	3,566,066	3,820,469	3,800,906	3,947,999	1,967,183	816,403	1,010,139
Interest and Fiscal Charges		277,421	903,259	591,412	167,679	2,342	734,435		331,022	106,924
Debt Issuance Costs										
Total Expenditures	21,074,023	26,214,366	42,706,064	29,307,505	28,793,360	26,310,873	43,026,078	25,383,479	26,406,363	32,198,479
Excess of Revenues Over (Under) Expenditures	(5,395,393)	(7,290,316)	(17,903,699)	(6,380,458)	(4,799,962)	251,789	(14,601,275)	3,314,770	(2,734,819)	(3,165,146)
Other Financing Sources (Uses)										
Transfers In	6,124,329	6,887,126	24,450,021	17,389,125	10,491,067	6,526,362	6,959,476	7,319,087	2,330,637	6,091,537
Transfers Out	(6,964,950)	(7,216,484)	(24,763,895)	(28,006,539)	(12,004,060)	(7,373,175)	(8,231,685)	(8,270,637)	(6,500,021)	(5,549,298)
Sales of Property	1,407,247	13,171	4,060,014	406,461	251,240	309,537	159,698	291,150	500,687	402,248
Issuance of Long Term Debt	1,032,368	7,845,973	27,927,690	14,950,000	1,370,000		16,312,340		12,770,000	8,982,000
Original issuance discount									(314,360)	
Payment to Refunded Bond Escrow Agent		(3,337,564)	(3,429,119)						(6,684,833)	
Total Other Financing Sources (Uses)	1,598,994	4,192,222	28,244,711	4,739,047	108,247	(537,276)	15,199,829	(660,400)	2,102,110	9,926,487
Net Change in Fund Balances before Extraordinary Item	(3,796,399)	(3,098,094)	10,341,012	(1,641,411)	(4,691,715)	(285,487)	598,554	2,654,370	(632,709)	6,761,341
Special and Extraordinary Item - Litigation Settlement	235,092	176,647	225,129						145,910	104,921
Net Change In Fund Balances	(\$3,561,307)	(\$2,921,447)	\$10,566,141	(\$1,641,411)	(\$4,691,715)	(\$285,487)	\$598,554	\$2,654,370	(\$486,799)	\$6,866,262
Debt Service as a percentage of non-capital expenditures	21.0%	18.3%	18.6%	24.9%	25.1%	28.3%	58.4%	21.5%	13.5%	13.5%

¹ Prior to FY2001, the Parks and Recreation Department Expenditures were combined with General Government.
² Prior to FY2003, the Public Works Department Expenditures were combined with Community Development.

Source: City of Dinuba Financial Services Division

CITY OF DINUBA
GOVERNMENT-WIDE REVENUES
LAST TEN FISCAL YEARS

Fiscal Year	PROGRAM REVENUES				Total Government- Wide Revenues
	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Total Program Revenues	
2005	\$2,202,569	\$2,366,940	\$316,525	\$4,886,034	\$12,923,150
2006	\$4,835,721	\$4,457,369	\$246,552	\$9,539,642	\$18,910,026
2007	\$4,634,526	\$6,865,658	\$5,133,176	\$16,633,360	\$28,092,113
2008	\$2,841,209	\$2,980,565	\$70,512,208	\$76,333,982	\$90,700,940
2009	\$2,649,991	\$2,137,570	\$10,798,269	\$15,585,830	\$29,771,545
2010	\$3,326,049	\$1,753,052	\$3,768,170	\$8,847,271	\$24,616,801
2011	\$3,259,016	\$1,877,718	\$6,195,826	\$11,332,560	\$27,108,161
2012	\$3,115,053	\$3,279,460	\$2,436,154	\$8,830,667	\$27,770,976
2013	\$2,899,821	\$4,462,789	\$5,669,203	\$13,031,813	\$23,010,355
2014	\$5,245,274	\$6,248,747	\$25,473,768	\$36,967,789	\$45,819,308

GENERAL REVENUES

Fiscal Year	GENERAL REVENUES				Total General Revenues
	Property Taxes	Sales Taxes	Utility Users Taxes	All Other Taxes	
2005	\$2,873,337	\$1,717,142	\$1,114,634	\$904,850	\$8,037,116
2006	\$3,304,325	\$2,161,939	\$1,317,378	\$1,918,799	\$9,370,384
2007	\$4,570,257	\$2,511,355	\$1,373,639	\$2,171,525	\$11,458,753
2008	\$5,006,706	\$4,314,561	\$1,457,199	\$2,566,369	\$14,366,958
2009	\$5,438,046	\$3,642,808	\$1,462,789	\$3,107,847	\$14,185,715
2010	\$5,248,441	\$5,569,620	\$1,522,951	\$2,894,557	\$15,769,530
2011	\$5,078,633	\$5,803,277	\$1,560,074	\$2,972,620	\$15,775,601
2012	\$3,461,506	\$9,843,519	\$1,600,423	\$3,746,405	\$18,940,309
2013	\$645,437	\$3,677,282	\$1,622,049	\$3,745,797	\$9,978,542
2014	\$742,122	\$3,700,400	\$1,612,836	\$2,533,970	\$8,851,519

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

Fiscal Year	Taxes And Assessments	Licenses And Permits	Intergovernmental	Charges For Services	Use Of Money And Property	Fines And Forfeitures
2005	\$6,173,903	\$403,098	\$4,221,634	\$1,741,050	\$359,368	\$100,200
2006	\$7,462,218	\$589,691	\$5,706,459	\$2,104,911	\$464,657	\$85,254
2007	\$10,588,696	\$575,979	\$6,715,939	\$2,669,643	\$1,158,097	\$92,020
2008	\$11,271,922	\$489,989	\$4,533,063	\$1,831,959	\$1,409,409	\$110,528
2009	\$11,142,476	\$473,177	\$6,177,846	\$1,383,468	\$557,746	\$180,620
2010	\$12,969,873	\$585,481	\$7,078,568	\$2,423,067	\$360,312	\$104,321
2011	\$13,333,324	\$663,034	\$9,592,560	\$2,031,815	\$219,523	\$165,482
2012	\$15,763,647	\$490,803	\$6,873,909	\$2,297,156	\$615,073	\$393,113
2013	\$10,054,422	\$533,126	\$8,840,363	\$1,842,951	\$105,029	\$118,693
2014	\$10,127,924	\$388,248	\$13,389,637	\$2,611,700	\$372,987	\$83,015

Fiscal Year	Reimbursements	Miscellaneous	Total General Government Revenues
2005	\$2,192,384	\$486,993	\$15,678,630
2006	\$2,411,873	\$98,987	\$18,924,050
2007	\$2,600,759	\$401,232	\$24,802,365
2008	\$3,073,714	\$206,463	\$22,927,047
2009	\$3,303,675	\$774,390	\$23,993,398
2010	\$2,932,039	\$109,001	\$26,562,662
2011	\$2,223,521	\$195,544	\$28,424,803
2012	\$1,983,721	\$280,827	\$28,698,249
2013	\$1,993,316	\$183,644	\$23,671,544
2014	\$1,866,721	\$193,101	\$29,033,333

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

Source: City of Dinuba Financial Services Division

CITY OF DINUBA
PROPERTY AD VALOREM TAX ASSESSED VALUES ¹
LAST TEN FISCAL YEARS

Year Ended June 30	City			Tax Rate ³
	Secured	Unsecured	Taxable Assessed Value ²	
2005	282,019,400	7,057,517	289,076,917	0.111%
2006	321,102,714	9,554,907	330,657,621	0.111%
2007	347,022,839	9,182,750	356,205,589	0.111%
2008	366,370,260	9,001,949	375,372,209	0.111%
2009	374,572,111	9,163,209	383,735,320	0.111%
2010	367,095,438	9,776,776	376,872,214	0.111%
2011	372,245,036	8,949,892	381,194,928	0.112%
2012	365,766,394	8,419,964	374,186,358	0.111%
2013	368,141,996	8,322,419	376,464,415	0.111%
2014	374,914,625	8,888,933	383,803,558	0.111%

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

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

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

Source: Tulare County Auditor's Office

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

	Fiscal Year			
	2010	2011	2012	2013
City Direct Rates:				
City basic rate	\$0.192	\$0.192	\$0.191	\$0.191
Total City Direct Rate	0.192	0.192	0.191	0.191
Overlapping Rates:				
Tulare County	0.180	0.179	0.178	0.177
Library	0.015	0.015	0.015	0.015
Dinuba School District	0.273	0.273	0.260	0.273
Community College District	0.046	0.046	0.016	0.001
Tulare County Schools	0.024	0.024	0.024	0.024
Alta Cemetery	0.008	0.008	0.008	0.008
Alta Hospital District	0.018	0.018	0.018	0.018
Delta Vector Control	0.014	0.014	0.014	0.014
Dinuba Memorial District	0.005	0.005	0.005	0.005
Tulare County Air Pollution District	0.000	0.000	0.000	0.000
Tulare County Flood District	0.002	0.002	0.002	0.002
Education Revenue Augmentation	0.223	0.224	0.224	0.226
Dinuba School District Bonds	0.107	0.110	0.125	0.120
Community College Bonds	0.010	0.016	0.036	0.036
Total Direct Rate ¹	1.117	1.126	1.116	1.110

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

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

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

Source: Tulare County Assessor's Office

CITY OF DINUBA
PRINCIPAL PROPERTY TAXPAYERS
AS OF JUNE 30, 2014 AND 2005

Taxpayer	Type Of Business	Fiscal Year 2014			Fiscal Year 2005		
		Assessed Valuation	Percent Of Total Assessed Valuation	Rank	Assessed Valuation	Percent Of Total Assessed Valuation	Rank
Ruiz Foods Products Inc.	Frozen Food	\$ 59,252,736	16.10%	1	\$ 46,671,677	7.97%	2
Best Buy Stores, Inc.	Distribution Center	57,528,596	15.63%	2	\$ 59,237,629	10.11%	1
Odwalla, Inc.	Fruit Juices	50,042,997	13.59%	3	27,416,758	4.68%	3
Wal-mart Store Inc	Retail Store	17,223,425	4.68%	4		0.00%	
Patterson Dental Supply	Wholesaler	13,738,920	3.73%	5	4,772,513	0.81%	8
Dinuba - Veto LLC	Real Estate Investment	7,935,790	2.16%	6	8,596,902	1.47%	4
Boscacci Group		6,878,755	1.87%	7		0.00%	
Bloom Energy		5,299,020	1.44%	8		0.00%	
Kmart Corporation	Retail Store	5,206,133	1.41%	9	5,249,515	0.90%	7
Red Rock Plaza Center LLC	Real Estate Investment	5,029,500	1.37%	10	4,513,485	0.77%	9
Dinuba Manor	Apartment Complex				6,377,291	1.09%	5
North Park Apartment	Apartment Complex				5,693,809	0.97%	6
U S Cold Storage of CA	Packing / Cold Storage					0.00%	
Surabian & Sons	Produce/Packing				4,253,815	0.73%	10
CP Developers	Produce/Packing					0.00%	
		<u>\$228,135,872</u>	<u>61.98%</u>		<u>\$172,783,394</u>	<u>29.50%</u>	

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

Year Ended June 30	Total Tax Levy	Collected within the Fiscal Year of Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy ¹		Amount	Percent of Levy ¹
2005	\$2,983,071	\$2,983,071	100.00	-	\$2,983,071	100.00
2006	\$3,395,453	\$3,395,453	100.00	-	\$3,395,453	100.00
2007	\$4,649,177	\$4,649,177	100.00	-	\$4,649,177	100.00
2008	\$5,063,214	\$5,063,214	100.00	-	\$5,063,214	100.00
2009	\$5,415,758	\$5,415,758	100.00	-	\$5,415,758	100.00
2010	\$5,352,804	5,352,804	98.05	104,363	\$5,248,441	100.00
2011	\$5,368,533	\$5,078,633	94.60			
2012	\$3,311,306	\$3,231,844	97.60			
2013 ²	\$665,948	\$645,437	96.92			
2014	\$763,029	742,122	97.26	-	\$742,122	97.26

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

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

³ Currently the County system does not break down subsequent collections by fiscal year. The County is the process of updating their system.

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					Total Business-Type Activities
	Lease Revenue Bonds	Capital Leases	Contracts Payable	Notes Payable	Total Governmental Activities	Certificates Of Participation	Revenue Bonds/Notes Payable	Capital Leases	Loans Payable	Installment Purchase	
2005	\$7,745,000	\$1,717,502		\$1,947,048	\$11,409,550	\$5,360,000	\$1,119,386		\$2,110,733		\$8,590,119
2006	\$7,595,000	\$1,644,355		\$3,662,125	\$12,901,480	\$5,240,000	\$1,019,314		\$2,634,985		\$8,894,299
2007	\$7,445,000	\$1,490,542		\$6,755,047	\$15,690,589	\$5,115,000	\$912,148	\$3,786	\$3,944,350		\$9,975,284
2008	\$14,740,000	\$1,326,724		\$5,743,840	\$21,810,564	\$4,980,000	\$3,947,384	\$3,034	\$7,708,788		\$16,639,206
2009	\$14,445,000	\$1,157,783		\$5,089,617	\$20,692,400	\$4,840,000	\$7,769,483	\$518,937	\$8,238,076		\$21,366,496
2010	\$14,165,000	\$976,254		\$3,360,920	\$18,502,174	\$4,695,000	\$7,587,868	\$333,219	\$8,032,324		\$20,648,411
2011	\$13,875,000	\$814,538		\$2,880,931	\$17,570,469	\$3,005,000	\$11,171,922	\$143,456	\$7,685,497	\$1,615,000	\$23,620,875
2012	\$13,570,000	\$932,597	\$190,471	\$1,247,878	\$15,940,946	\$3,005,000	\$10,915,983	\$7,523	\$7,940,704	\$1,415,000	\$23,284,210
2013	\$19,288,753	\$701,861	\$146,016	\$23,549	\$20,160,179		\$11,030,000	\$293,875	\$7,642,843	\$1,230,000	\$20,196,718
2014	\$18,576,584	\$9,442,497	\$99,516	\$20,257	\$28,138,854		\$10,760,000	\$222,586	\$7,190,988	\$1,035,000	\$19,208,574

Fiscal Year	Primary Government	Per Capita ¹
2005	\$19,999,669	\$1,036
2006	\$21,795,779	\$1,113
2007	\$25,665,873	\$1,283
2008	\$38,449,770	\$1,823
2009	\$42,058,896	\$1,980
2010	\$39,150,585	\$1,817
2011	\$41,191,344	\$1,877
2012	\$39,225,156	\$1,735
2013	\$40,356,897	\$1,748
2014	\$47,347,428	\$2,001

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

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

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

Source: City of Dinuba Financial Services Division

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

Fiscal Year	Lease Revenue Bonds	Leases		Notes		Total	Percentage of Assessed Value of		Per Capita
		Payable		Payable			Property ¹		
2005	\$7,745,000	\$1,717,502		\$1,947,048		\$11,409,550	4.0%		\$591
2006	\$7,595,000	\$1,644,355		\$3,662,125		\$12,901,480	4.0%		\$659
2007	\$7,445,000	\$1,490,542		\$6,755,047		\$15,690,589	4.5%		\$784
2008	\$14,740,000	\$1,326,724		\$5,743,840		\$21,810,564	6.0%		\$1,034
2009	\$14,445,000	\$1,157,783		\$5,089,617		\$20,692,400	5.5%		\$974
2010	\$14,165,000	\$976,254		\$3,360,920		\$18,502,174	5.0%		\$859
2011	\$13,875,000	\$814,538		\$2,880,931		\$17,570,469	4.7%		\$800
2012	\$13,570,000	\$932,597		\$1,247,878		\$15,750,475	4.3%		\$696
2013	\$19,288,753	\$701,861		\$23,549		\$20,014,163	5.4%		\$867
2014	\$18,576,584	\$9,442,497		\$20,257		\$28,039,338	7.5%		\$1,185

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

Source: City of Dinuba Financial Services Division

CITY OF DINUBA
STATEMENT OF DIRECT AND OVERLAPPING DEBT
As of June 30, 2014

2013 - 2014 Assessed Valuation:	\$942,693,405		
Redevelopment Incremental Valuation:			
City Adjusted Assessed Valuation	\$942,693,405		
	OUTSTANDING DEBT	% APPLICABLE ¹	ESTIMATED SHARE OF OUTSTANDING DEBT
	6/30/2014		
OVERLAPPING TAX AND ASSESSMENT DEBT			
State Center Community College District	\$102,245,000	1.420%	\$1,451,879
Dinuba Joint Unified School District	25,128,819	68.354%	17,176,553
Kings Canyon Joint Unified School District	57,444,631	0.028%	16,084
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	184,818,450		18,644,516
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Tulare County Certificates of Participation	48,900,000	3.401%	1,663,089
Tulare County Board of Education Certificates of Participation	37,570,000	3.401%	1,277,756
Dinuba Joint Unified School District Certificates of Participation	7,215,000	68.354%	4,931,741
City of Dinuba General Fund Obligations	28,138,854	100.000%	28,138,854
TOTAL DIRECT & OVERLAPPING GENERAL FUND DEBT	121,823,854		36,011,440
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	50,995,000	100.0000%	50,995,000
TOTAL DIRECT DEBT			28,138,854
TOTAL OVERLAPPING DEBT			77,512,102
COMBINED TOTAL DEBT			\$ 105,650,956 ²

Debt Ratios:

Ratios to 2013-14 Adjusted Valuation:

Total Overlapping Tax and Assessment Debt	1.98%
Total Direct Debt (\$19,595,000)	2.00%
Combined Total Debt	10.23%

Ratios to Redevelopment Increment Valuation (\$554,039,198):

Total Overlapping Tax Increment Debt	9.12%
--------------------------------------	-------

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

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

Source: California Municipal Statistics, Inc.

**CITY OF DINUBA
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Total Assessed Valuation	\$942,693,405
Conversion Percentage	<u>25%</u>
Adjusted Assessed Valuation	\$235,673,351
Debt Limit - 15% of Total Assessed Valuation	\$35,351,003
Amount of Debt Applicable to the Limit	<u>\$ -</u>
Legal Debt Margin	<u><u>\$35,351,003</u></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>
2005	\$10,575,728	\$ -	\$10,575,728	0.0%
2006	\$12,041,352	\$ -	\$12,041,352	0.0%
2007	\$13,013,356	\$ -	\$13,013,356	0.0%
2008	\$13,738,885	\$ -	\$13,738,885	0.0%
2009	\$14,046,454	\$ -	\$14,046,454	0.0%
2010	\$13,766,079	\$ -	\$13,766,079	0.0%
2011	\$13,959,189	\$ -	\$13,959,189	0.0%
2012	\$13,716,240	\$ -	\$13,716,240	0.0%
2013	\$13,805,325	\$ -	\$13,805,325	0.0%
2014	\$14,059,298	\$ -	\$14,059,298	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City of Dinuba Financial Services Division

CITY OF DINUBA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Year Ended June 30	Certificates of Participation (Sewer Fund)					
	Sewer Charges And Other Contributions ¹	Less: Operating Expenses ²	Net Available		Total Debt Service	Debt Service Coverage
			Revenue	Principal		
2005	\$2,196,535	\$1,388,747	\$807,788	\$145,000	\$374,455	1.56
2006	\$2,137,887	\$1,376,168	\$761,719	\$150,000	\$371,205	1.46
2007	\$2,231,903	\$1,702,270	\$529,633	\$150,000	\$367,380	1.02
2008	\$2,389,237	\$1,864,897	\$524,340	\$155,000	\$432,879	0.89
2009	\$2,591,374	\$1,945,535	\$645,839	\$215,000	\$793,089	0.81
2010	\$2,882,543	\$1,765,050	\$1,117,493	\$215,000	\$1,021,161	1.09
2011	\$3,545,791	\$1,547,768	\$1,998,023	\$270,000	\$796,668	1.87
2012	\$3,293,667	\$1,744,908	\$1,548,759	\$290,000	\$938,250	1.26
2013	\$2,945,488	\$1,641,917	\$1,303,571	\$240,000	\$618,372	1.52
2014	\$3,062,058	\$1,920,430	\$1,141,628	\$270,000	\$421,644	1.65

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

² Depreciation is eliminated for this calculation.

Source: City of Dinuba Financial Services Division

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

<u>Lease Revenue Bonds</u>			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$220,000	\$415,413	\$635,413
2016	\$225,000	\$409,500	\$634,500
2017	\$230,000	\$403,355	\$633,355
2018	\$240,000	\$396,891	\$636,891
2019	\$240,000	\$390,210	\$630,210
2020	\$490,000	\$380,869	\$870,869
2021	\$500,000	\$368,691	\$868,691
2022	\$510,000	\$355,116	\$865,116
2023	\$525,000	\$340,074	\$865,074
2024	\$545,000	\$323,275	\$868,275
2025	\$565,000	\$304,541	\$869,541
2026	\$575,000	\$283,344	\$858,344
2027	\$605,000	\$259,553	\$864,553
2028	\$630,000	\$234,650	\$864,650
2029	\$650,000	\$208,822	\$858,822
2030	\$330,000	\$188,497	\$518,497
2031	\$340,000	\$173,863	\$513,863
2032	\$350,000	\$158,772	\$508,772
2033	\$370,000	\$142,997	\$512,997
2034	\$385,000	\$124,975	\$509,975
2035	\$410,000	\$104,519	\$514,519
2036	\$425,000	\$83,025	\$508,025
2037	\$445,000	\$60,628	\$505,628
2038	\$465,000	\$37,203	\$502,203
2039	\$490,000	\$12,616	\$502,616
2040	\$0	\$0	\$0
2041	\$0	\$0	\$0
2042	\$0	\$0	\$0
	<u>\$10,760,000</u>	<u>\$6,161,398</u>	<u>\$16,921,398</u>

Source: City of Dinuba Financial Services Division

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

<u>Fiscal Year</u>	<u>City Population ¹</u>	<u>% Change</u>	<u>Tulare County Population</u>	<u>City Population as % of County Population</u>	<u>Unemployment Rate ³</u>
2005	19,297	3.61%	409,013	4.72%	16.9%
2006	19,578	1.44%	419,783	4.66%	14.4%
2007	20,002	2.12%	428,212	4.67%	12.9%
2008	21,087	5.15%	434,494	4.85%	14.0%
2009	21,237	0.71%	440,749	4.82%	16.1%
2010	21,542	1.42%	447,141	4.82%	22.4%
2011	21,950	1.86%	446,180	4.92%	22.8%
2012	22,614	2.94%	450,840	5.02%	21.2%
2013	23,082	2.03%	455,599	5.07%	18.9%
2014	23,666	2.47%	459,446	5.15%	17.3%

¹ Source: California Department of Finance

² Source: Tulare County Economic Development Corporation

³ Source: California Employment Development Department

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

CITY OF DINUBA
PRINCIPAL EMPLOYERS
AS OF JUNE 30, 2014 AND 2005

Employer	Type of Business	Fiscal Year 2014			Fiscal Year 2005		
		Employees	Percent of Total City	Rank	Employees	Percent of Total City	Rank
Ruiz Foods Products Inc.	Frozen Food	1,501	36%	1	1,300	45%	1
Dinuba Public Schools	Education	748	18%	2	314	11%	2
Family Tree Farms	Produce Packing	600	14%	3			
Wal-Mart	Retail Store	386	9%	4			
Best Buy Stores, Inc.	Distribution Center	350	8%	5	288	10%	3
Odwalla, Inc.	Fruit Juices	192	5%	6	150	5%	5
Giannini Packing	Produce/Packing				200	7%	4
City of Dinuba	Local Government	158	4%	7	106	4%	6
Patterson Dental	Wholesaler	104	2%	8			
Surabian And Sons	Produce/Packing	100	2%	9	80	3%	8
Kmart	Retail store	78	2%	10	80	3%	8
Apio Produce	Produce/Packing				150	5%	5
Sadoian Brothers	Produce/Packing				95	3%	7
Peloian Packing	Agriculture/Packer				60	2%	9
US Cold Storage	Ice & cold storage				55	2%	10
		<u>4,217</u>	<u>100.00%</u>		<u>2,878</u>	<u>100.00%</u>	

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

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
General Government	24.3	24.9	24.7	18.0	18.0	19.0	17.6	17.6	18.0	18.0
Public Safety	63.1	76.1	78.1	78.0	81.0	79.0	81.5	81.5	84.0	90.4
Public Works	10.4	12.5	25.9	26.2	29.3	17.3	14.3	14.0	14.7	13.0
Parks and Recreation ¹	20.5	21.2	20.9	16.0	16.0	12.0	13.7	13.7	13.1	12.7
Water	7.0	7.4	7.6	6.0	2.9	6.2	5.2	5.2	6.2	6.2
Sewer	5.8	5.4	5.6	6.2	5.1	4.3	5.3	5.3	5.3	5.3
Disposal	0.6	0.6	0.6	0.6	1.7	1.2	1.2	1.2	1.2	1.9
Total Government-Wide Employees	131.7	148.1	163.4	151.0	154.0	139.0	138.8	138.5	142.5	147.5

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

Source: City of Dinuba Financial Services Division

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

Calendar Year	Total Permits	Total Valuation	Commercial and Office		Residential Single		Residential Multi-Units		All Other		
			Number Permits	Valuation	Number Permits	Valuation	Number Permits	Valuation	Number Units	Number Permits	Valuation
2005	375	\$10,705,095	25	\$1,344,719	72	\$7,393,526	0	\$0	0	278	\$1,966,850
2006	545	\$35,418,648	56	\$7,324,871	154	\$19,823,068	1	\$5,780,000	80	334	\$2,490,709
2007	478	\$28,805,487	43	\$4,101,167	125	\$15,991,615	1	\$212,286	0	309	\$8,500,419
2008 ¹	538	\$4,182,575	50	\$859,269	31	\$2,429,216	0	\$0	0	457	\$894,090
2009	267	\$20,117,464	5	\$3,003,030	49	\$5,961,770	1	\$7,604,520	0	212	\$3,548,143
2010 ²	327	\$26,119,325	2	\$1,398,078	116	\$14,622,391	1	\$7,604,520 ⁴	0	208	\$2,494,335
2011	407	\$28,265,284	3	\$2,507,500	171	\$21,658,886	0	\$0	0	233	\$4,098,898
2012	556	\$43,487,055	13	\$9,295,706	161	\$20,246,430	0	\$0	0	382	\$13,944,919
2013	430	\$20,466,026	4	\$1,488,000	99	\$11,149,388	1	\$2,450,000	0	326	\$5,378,638
2014	437	\$16,722,112	5	\$8,448,970	41	\$4,244,435	0	\$0	0	391	\$4,028,707

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

¹ Activity covering from January 1 to July 31.

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

Source: City of Dinuba Annual Building Report

TULARE COUNTY CROP STATISTICS FOR THE CALENDAR YEAR 2013

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 2013

<u>PRODUCT</u>	<u>GROSS VALUE</u>
1. Milk	\$2,083,354,000
2. Grapes	\$984,879,000
3. Oranges	\$854,693,000
4. Cattle & Calves	\$687,960,000
5. Pistachio	\$271,206,000
6. Walnuts	\$262,094,000
7. Almonds	\$256,516,000
8. Corn	\$256,218,000
9. Nectarines	\$234,900,000
10. Alfalfa	\$175,598,000
 Total Value of the Top Ten Tulare County Crops	 \$6,067,418,000
 Total Value of All Tulare County Crops	 \$7,809,626,000

Source: Tulare County Agricultural Commissioner news release

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Water:										
Number Water Wells	7	7	8	8	8	8	8	8	8	8
Annual Production (Million Gal)	1,450	1,478	1,653	1,682	1,671	1,671	1,671	1,996	1,570	1,790
Service Connections	4,613	4,725	4,830	4,991	5,030	5,094	5,459	5,581	5,633	5,937
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Sworn Officers	28	39	39	40	40	38	35	35	34	33
Support Personnel	9	12	14	14	12	11	10	10	10	9
Part-Time Support Personnel	10	7	5	5	3	3	7	8	3	3
Police Vehicles	23	33	36	35	34	32	34	35	37	36
Motorcycles	2	2	2	2	2	2	2	2	2	4
Fire:										
Stations	1	1	1	1	1	1	1	1	1	1
Firefighters	17	17	21	21	24	23	24	24	23	26
Fire and Rescue Vehicles	5	5	5	5	5	5	5	5	5	5
Ambulances	3	3	3	3	3	3	4	4	4	5
Staff Vehicles	3	4	5	5	5	4	4	5	6	6
Parks and Recreation:										
Parks	10	10	13	13	13	13	13	13	13	13
Acres of Park land	28	28	66	66	66	66	66	66	66	66
Acres of Open Space	48	48	56	56	56	56	56	56	56	56
Recreation Centers	2	2	2	2	2	2	2	2	2	2
Other:										
City Land Area (Square Miles)	4.82	4.82	4.82	4.90	4.90	4.90	4.90	4.90	4.90	4.90
Miles of Water Main	68.0	71.5	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0
Miles of Storm Drain	17.0	17.0	18.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Miles of Sewer Main	68.0	70.2	73.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0
Miles of City Streets	61.0	61.0	65.0	65.7	65.7	65.7	65.7	65.7	65.7	65.7

Source: City of Dinuba Financial Services Division

CITY OF DINUBA
DEMANDS FOR CITY SERVICES
LAST TEN FISCAL YEARS

Fiscal Year	Population	Number of Utility Customers	Number of Police Calls - Total	Number of 911 Emergency Calls	Number of Sworn Officers	Fiscal Year	Number of Fire Calls ¹	Number of Ambulance Runs	Number of Fire Fighters
2005	19,297	4,613	56,540	8,440	28	2005	147	2,510	17
2006	19,578	4,830	53,767	8,520	39	2006	158	2,795	17
2007	20,002	4,865	41,192	8,650	39	2007	194	2,966	21
2008	21,087	4,918	31,801	6,338	40	2008	160	2,884	21
2009	21,237	5,107	41,824	5,855	37	2009	137	2,897	24
2010	21,542	5,154	41,256	4,859	37	2010	127	3,123	23
2011	21,950	5,459	40,486	4,713	35	2011	200	3,163	24
2012	22,614	5,581	39,161	4,535	35	2012	460	3,304	24
2013	23,082	5,633	38,550	5,967	34	2013	572	3,594	23
2014	23,666	5,927	34,611	5,844	35	2014	666	3,646	26

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

² This information is not available.

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

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
General Government	\$2,027,053	\$2,292,263	\$2,251,700	\$2,165,276	\$2,282,735	\$3,131,533	\$4,009,529	\$3,439,679	\$4,339,158	\$4,703,501
Public Safety	4,256,419	5,055,875	5,819,651	7,004,208	8,287,871	8,171,242	8,107,881	8,167,990	8,990,013	9,591,236
Public Works ³	6,045,507	4,103,422	5,430,096	3,585,804	4,138,568	2,312,028	3,632,361	1,826,602	2,197,625	2,761,922
Community Development	1,795,199	3,927,714	1,581,737	2,743,293	3,158,746	3,417,402	1,763,309	1,007,987	636,986	548,112
Parks and Recreation ²	954,789	135,086	1,359,109	1,662,008	1,700,474	1,584,698	1,152,007	1,796,570	1,136,847	1,224,454
Debt Service	2,008,364	2,144,168	3,194,690	4,072,473	4,196,778	4,144,345	4,192,595	1,720,593	1,020,371	1,521,663
Unallocated Depreciation	836,084	794,431	847,061	858,674	917,172	987,607	879,409	953,544	823,524	1,018,182
Total Governmental Activities Expenses	\$17,923,415	\$18,452,959	\$20,484,044	\$22,091,736	\$24,682,344	\$23,748,855	\$23,737,091	\$18,912,965	\$19,144,524	\$21,369,070

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

Source: City of Dinuba Financial Services Division

**CITY OF DINUBA
SCHEDULE OF INSURANCE IN FORCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

TYPES AND DETAILS OF COVERAGE	AMOUNT
1. GENERAL LIABILITY	
a. Self-insured retention, \$1,000,000 limit	\$50,000
b. Liability excess coverage	\$19,000,000
2. AUTO PHYSICAL DAMAGE	
a. Comprehensive coverage, fire trucks, dump trucks, and ambulances, 5% of values at time of loss subject to \$1,000 minimum and \$10,000 maximum.	\$5,516,513
b. Comprehensive coverage, low value vehicles under \$25,000, \$500 deductible	\$1,094,477
3. PROPERTY COVERAGE	
a. Covers all owned buildings and contents at replacement cost, including data processing equipment and valuable papers, \$10,000 deductible.	\$55,578,680
b. Miscellaneous Property Floater	\$489,290
c. Special Equipment.	\$1,617,700
d. Extra Expense Associated with Physical Damage or Loss	\$950,000
e. Extra Expense Associated with Floater Equipment	\$10,000
4. WORKERS' COMPENSATION	
a. Self-insured retention \$500,000 limit	\$50,000
b. Workers' compensation excess coverage	\$4,500,000
5. OTHER	
a. Employee's fidelity dishonesty bond (Blanket)	\$250,000
b. Money & Securities	\$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	\$2,057,400

Source: City of Dinuba Risk Manager