

FISCAL YEAR
2017
CAFR

CITY OF DINUBA
CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2017
City of Dinuba, California

Prepared by the Finance Department

CITY OF DINUBA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2017

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

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

II. FINANCIAL SECTION

A. Independent Auditor's Report.....	11
B. Management's Discussion and Analysis.....	13
C. Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	27
Statement of Activities.....	28
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	33
Statement of Revenues, Expenditures, and Changes in Fund Balances	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	37
Proprietary Funds:	
Statement of Net Position	38
Statement of Revenues, Expenses, and Changes in Net Position.....	40
Statement of Cash Flows	42
Fiduciary Funds:	
Statement of Fiduciary Net Position.....	46
Statement of Changes in Fiduciary Net Position.....	47
Notes to Basic Financial Statements.....	49
D. Required Supplementary Information:	
Postemployment Benefit Plans Other than Pensions Trend Information.....	97
General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	98
HUD Grants Special Revenue Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	100
Public Safety Sales Tax Special Revenue Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	101
Schedule of the City's Proportionate Share of the Net Pension Liability	102
Schedule of Pension Contributions.....	103
Note to Required Supplementary Information.....	104

CITY OF DINUBA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2017

TABLE OF CONTENTS

II. FINANCIAL SECTION (Continued)

E. Other Supplemental Information

Major Capital Projects and Debt Service Funds Budgetary Comparison Schedules:

Transportation Construction Capital Projects Fund	105
General Construction Capital Projects Fund	106
Financing Authority Debt Service Fund	107

Nonmajor Governmental Funds.....	108
----------------------------------	-----

Combining Balance Sheet.....	110
------------------------------	-----

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	114
---	-----

Schedules of Revenues, Expenditures, and Changes in Fund Balances –

Budget and Actual:

Gas Tax Special Revenue Fund.....	118
Parks Reserve Special Revenue Fund	119
Transportation Special Revenue Fund.....	120
System Development Charges Special Revenue Fund.....	121
Community Enhancement Grants Special Revenue Fund.....	122
Curb and Gutter Special Revenue Fund	123
Assessment Districts Special Revenue Fund.....	124
Fire Impact Fees Special Revenue Fund	125
Housing Authority Special Revenue Fund	126
Drainage Districts Capital Projects Fund	127
Vocational Center Capital Projects Fund	128
MTBE Capital Projects Fund	129
General Debt Service Fund	130

Nonmajor Enterprise Funds	131
---------------------------------	-----

Combining Statement of Net Position	133
---	-----

Combining Statement of Revenues, Expenses, and Changes in Net Position	134
--	-----

Combining Statement of Cash Flows.....	135
--	-----

Internal Service Funds	137
------------------------------	-----

Combining Statement of Net Position	138
---	-----

Combining Statement of Revenues, Expenses, and Changes in Net Position	139
--	-----

Combining Statement of Cash Flows.....	140
--	-----

Agency Funds	141
--------------------	-----

Combining Statement of Assets and Liabilities.....	142
--	-----

Combining Statement of Changes in Assets and Liabilities	144
--	-----

CITY OF DINUBA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2017

TABLE OF CONTENTS

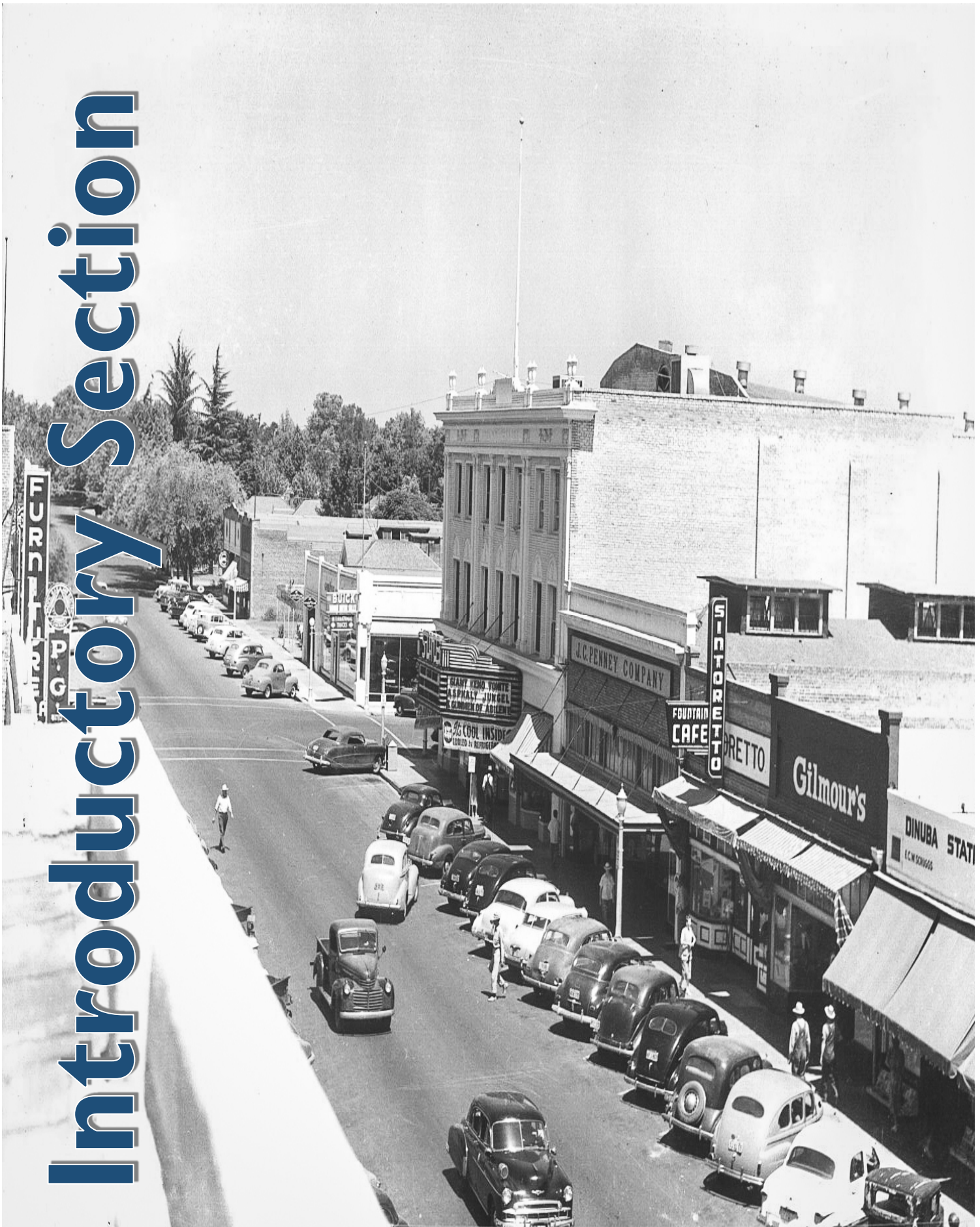
III. STATISTICAL SECTION

Statistical Section.....	147
Financial Trends Information	
Net Position by Component – Last Ten Fiscal Years	149
Changes in Net Position – Last Ten Fiscal Years.....	150
Fund Balances of Governmental Funds – Last Ten Fiscal Years	155
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	157
Government-Wide Revenues – Last Ten Fiscal Years	158
General Government Revenues by Source – Last Ten Fiscal Years	159
Revenue Capacity Information	
Property Ad Valorem Tax Assessed Values – Last Ten Fiscal Years.....	160
Debt Capacity Information	
Principal Property Taxpayers.....	161
Direct and Overlapping Property Tax Rates – Last Five Fiscal Years.....	162
Property Tax Levies and Collections – Last Ten Fiscal Years.....	163
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	164
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years.....	165
Statement of Direct and Overlapping Debt – Current Year.....	166
Computation of Legal Debt Margin – For the Fiscal Year Ended June 30, 2014	167
Pledged-Revenue Coverage – Last Ten Fiscal Years	168
General Bonded Indebtedness Maturities by Fiscal Year	169
Demographic and Economic Information	
Population and Unemployment Rate – Last Ten Fiscal Years	170
Principal Employers.....	171
Employees by Function (Full Time Equivalents) – Last Ten Fiscal Years	172
Construction Activity – Last Ten Calendar Years	173
Tulare County Crop Statistics.....	174
Operating Information	
Capital Assets Used – Last Ten Fiscal Years	175
Demands for City Services – Last Ten Fiscal Years	176
General Governmental Expenditures by Function – Last Ten Fiscal Years	177
Sales Tax Rate – Last Ten Fiscal Years.....	178
Top 25 Sales Tax Generators.....	179
Annual Sales Tax by Category – Last Five Fiscal Years.....	180
Schedule of Insurance in Force.....	181



Tulare & L Street, Dinuba CA

Introductory Section



North L Street Dinuba



City Manager
559/591-5904

City Attorney
559/437-1770

Administrative Services
559/591-5900

Development Services
559/591-5906

Fire/Ambulance Services
559/591-5931

Parks & Community Services
559/591-5940

Police Services
559/591-5914

Public Works Services
559/591-5924

December 20, 2017

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, 2017, 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, 2017. 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 2017 population of 24,861. 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. and Patterson Logistics, Inc. 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

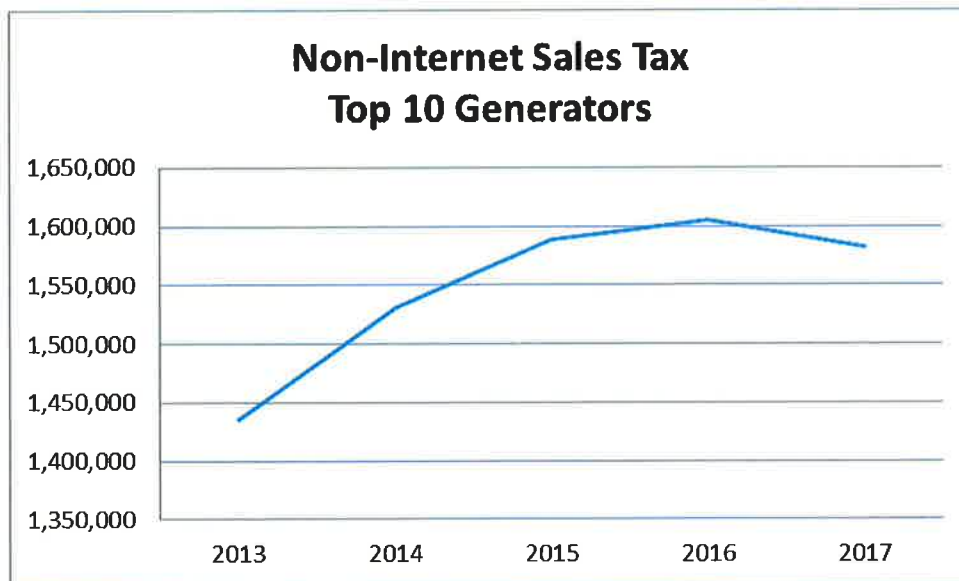
The economic climate in Dinuba is stabilizing. Over the past 5 years sales tax from the top 10 non-Internet businesses grew from approximately \$1,425,000 to approximately \$1,575,000. During the past year non-Internet sales tax from the same sources dropped by \$40,000.

In 2017, 779 building permits were issued compared to 771 issued in 2016. While commercial permits increased, residential permits also increased over the previous year. Overall total permit evaluations increased from \$7.1 million to \$15.9 million in 2017. The residential development surrounding the City's golf course is currently underway. It is anticipated that the development will include 79 lots for phase 1 and 34 lots for phase 2 at a later date. The development will be gated and comprised of higher-end homes. Also in new housing, Viscaya II is currently under construction with 84 units, Phase 1 of Sierra Village apartment complex is also currently under construction with 44 units. Phase II will consist of an additional 64 units at a later date.

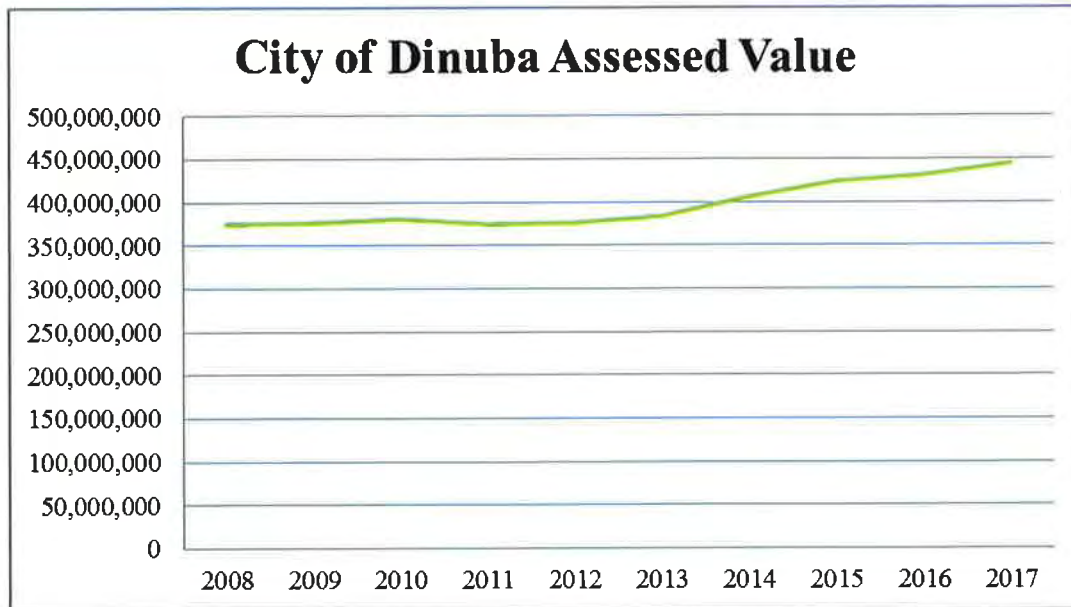
While the economic climate has improved, there was a significant reduction in the Public Safety sales tax revenue. The City was notified by the State Board of Equalization that the public safety tax revenue (Measure F) was overstated. The correction was made beginning with the 4th Quarter of 2016. As a result, the City is expected to lose approximately \$1.5 million in annual public safety tax revenue in Measure F fund. In addition, the BOE also advised the City that it intends to "claw" back 3rd and 4th Quarter 2016 public safety tax revenue in the amount of \$593,242.

The Board of Equalization has agreed to allow the City to repay this amount over 8 quarters. Furthermore, in order to transition the loss of public safety tax revenue, staff has come up with an agreement with Best Buy for deferral of its share of the sales tax growth under the Operating Agreement over the next three years. This will give the City some time to absorb the loss of public safety tax revenue with an increase in the Bradley-Burns 1% sales tax revenue. The City will repay the deferred amount over a five-year period.

The City was notified of this reduction in fiscal year 2016-17 which prompted quick action by staff to reduce the effects of the loss. The loss will be more significant in future fiscal years; however staffing levels were adjusted in the Public Safety Fund (Measure F), by moving personnel in to the General Fund and the Ambulance Fund.



After years of stagnant growth in assessed values, property values saw an uptick in fiscal year 2017. The continued growth in new residential and commercial permits is finally impacting the assessed values. Traditionally, it has taken a couple of years for new development to affect the property tax rolls.



Current Major Initiatives

Several major projects are underway in the City of Dinuba.

The City and the County are moving forward on the widening of El Monte Way/Avenue 416. The widening runs the length of the City and will be completed in two phases. The first phase to 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 and the construction will be completed in July 2017. Funding for the first Phase was from Measure R, the County-wide add-on sales tax for transportation projects with supplemental State funds from the State and Local Partnership Program (SLPP) and local funds. The second Phase has not been programmed by TCAG for funding at this time. The City is exploring the possibility of introducing two Roundabouts into the second Phase which could reduce rights-of-way impacts/costs and be financed with CMAQ funds.

In fiscal year 2014 work began on the second phase to the expansion of the City's CNG fueling station, which will be completed in October 2017. The City's existing CNG facility was completed in 2005 and was subsequently expanded in the summer of 2012. The second expansion includes a third natural gas compressor as well as an additional ten slow fill stations, which will allow all City transit buses to be completely fueled overnight.

In fiscal year 2015 work began to update the WWRF 2007 Preliminary Design Report (PDR), which was being completed in June 2016. The PDR provides final recommendations and estimated costs for the expansion of the WWRF from its current capacity of 3 MGD to 4 MGD. This planned expansion will require a new Waste Discharge Permit (which has been anticipated regardless of an expansion project due to the 1995 issuance date of the current Permit) from the State. The City will apply for a

low-interest loan from the State, including a request for consideration for partial principal waiver (grant) based upon possible Disadvantaged Community (DAC) status.

In fiscal year 2017, the design of Fire Station No. 2 was completed, however, due to the loss in Public Safety Sales tax, the City has put this project on hold until the sales tax revenues have stabilized so that staff is able to determine if the future sustainability of the Fire Station is feasible.

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, 2016. This was the twenty-fourth 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,



Margarita Moreno
Administrative Services Director



Government Finance Officers Association

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

Presented to

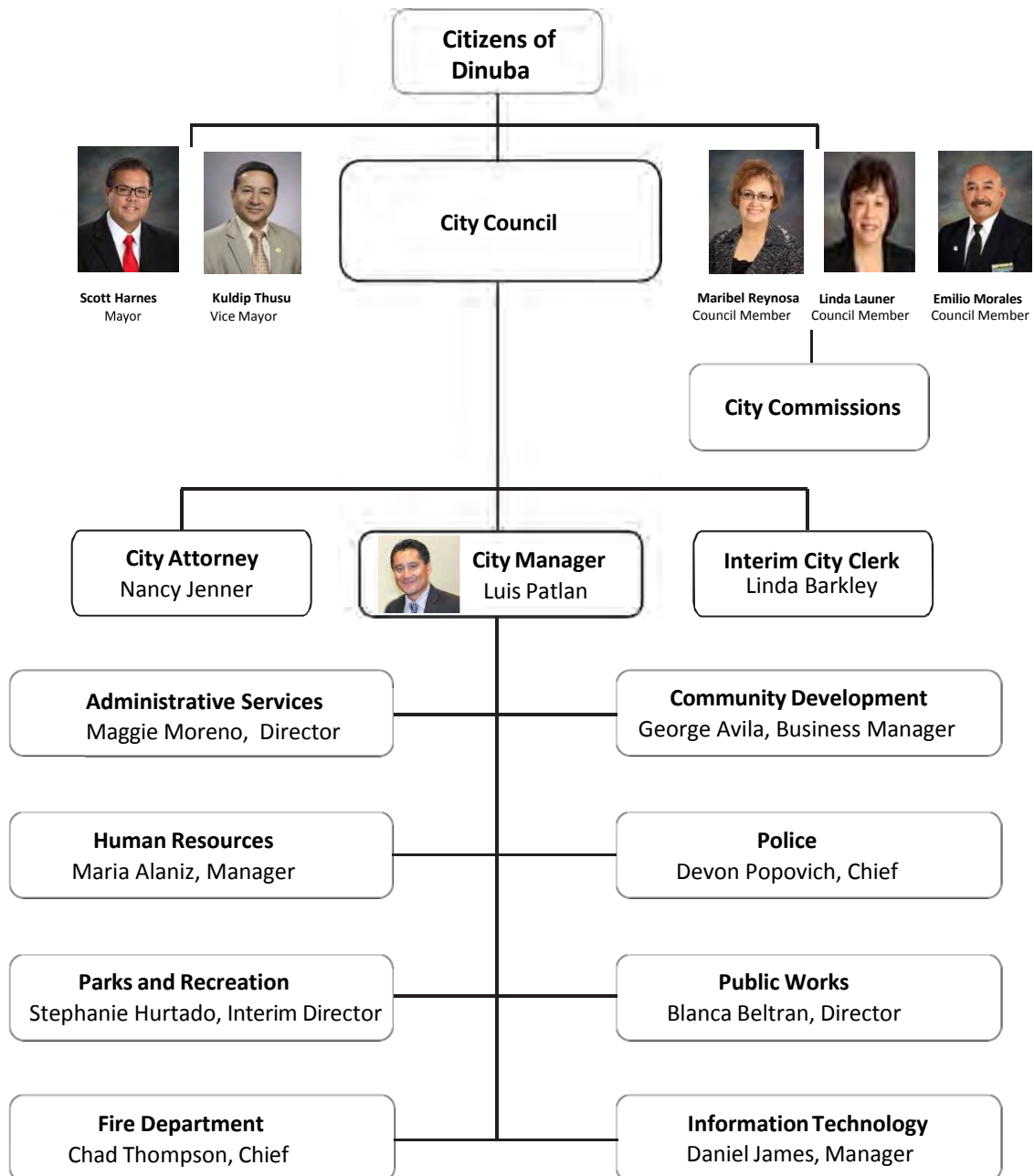
**City of Dinuba
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

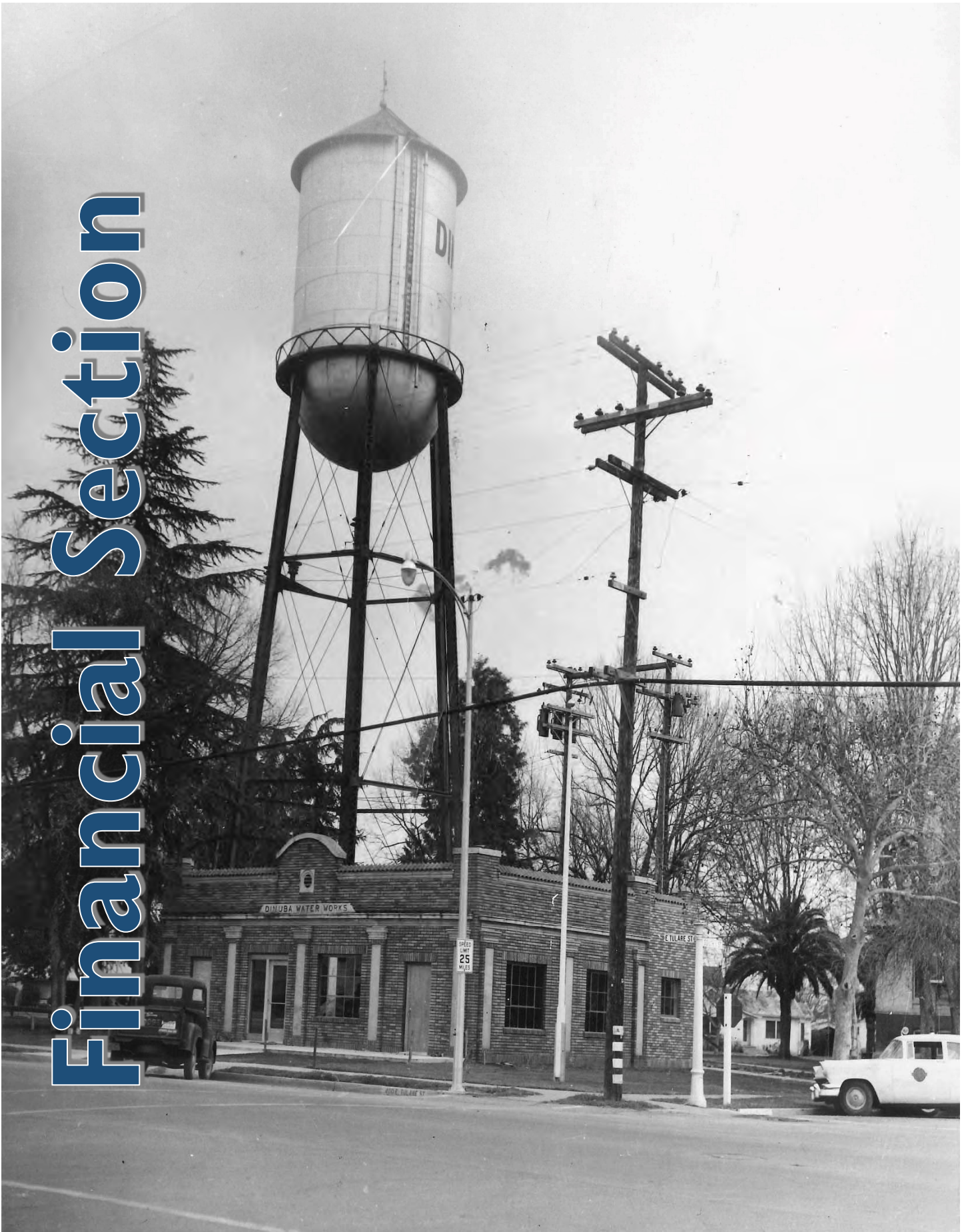
June 30, 2016

Executive Director/CEO

Organizational Chart and Principal Officials



Financial Section



Dinuba Old Water Tower



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

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

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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, 2017, 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, 2017, 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 of the notes to the basic financial statements effective July 1, 2016, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension", Statement No. 77, "Tax Abatement Disclosures", Statement No. 78, "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plan", and Statement No. 80, "Blending Requirements for

Certain Component Units –an amendment of GASB Statement No. 14”. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis, budgetary comparison schedules for the General and major special revenue funds, Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Pension Contributions, and Schedule of Funding Progress for Retiree Health Plan on pages 13 through 26 and 97 through 104 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Moss, Levy & Hartzheim, LLP
Culver City, California
December 20, 2017

Management's Discussion and Analysis ***Fiscal Year Ended June 30, 2017***

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, 2017. Please read this discussion and analysis in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to the basic financial statements.

FINANCIAL HIGHLIGHTS

City-Wide

- City total assets decreased by \$0.8 million to \$307.8 million, of which \$237.9 million represented governmental assets and \$69.9 million represented business-type assets.
- City total liabilities increased by \$1.9 million to \$74.8 million, of which \$53.7 million were governmental liabilities and \$21.1 million were business-type liabilities.
- The City's total net position increased by \$0.2 million to \$240.9 million.
- City-wide revenues were \$48.4 million, of which \$34.3 million were generated by governmental activities and \$14.1 were generated by business-type activities.
- City-wide expenses were \$48.2 million, of which \$32.6 million were incurred by governmental activities and \$15.6 were incurred by business-type activities.

Fund Level

- Governmental Fund balances increased \$0.5 million to \$22.3 million. Of this amount \$0.7 million was unassigned fund balance and available for spending at the City's discretion.
- Governmental Fund revenues were \$25.8 million, an increase of \$4.2 million from the previous year.
- Governmental Fund expenditures increased by \$0.3 million to \$33.1 million in fiscal year 2017.
- Enterprise net position decreased by \$1.4 million to \$50.8 million. Of this amount, \$4.6 million was unrestricted net position and available for spending at the City's discretion.
- Enterprise Fund operating revenues decreased by \$0.7 million to \$12.7 million compared to the previous fiscal year.
- Enterprise Fund operating expenses were \$14.8 million in fiscal year 2017, a decrease of \$1.2 million compared to the previous fiscal year.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report is composed of the following:

1. Introductory section, including the Transmittal Letter
2. Management's Discussion and Analysis
3. Basic Financial Statements, which include the Government-wide and the Fund financial statements
4. Notes to the financial statements
5. Combining statements for Non-Major Governmental, Internal Service and Fiduciary Funds
6. Statistical information

Basic Financial Statements

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

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

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

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

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

City-wide Financial Statements

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

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

Fund Financial Statements

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

The Fund Financial Statements provide detailed information about each of the City's most significant funds called Major Funds. Major Funds account for the major financial activities of the City and are presented individually, while the activities of the Non-major funds are presented in summary as Other Governmental Funds. Subordinate schedules of the Non-major funds present detailed financial information of the City's smaller funds.

Governmental Funds

Most of the City's basic services are reported in governmental funds. These funds focus on reporting the flow of money into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means that it is collectible within the current period or soon enough thereafter to be used.

The governmental fund financial statements provide a detailed short-term view of the City's general government operations and the basic services provided. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between the Governmental Fund Financial Statements and the Government-Wide Financial Statements are explained in a reconciliation following the Governmental Funds' Financial Statements.

Proprietary Funds

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

Fiduciary Funds

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Governmental Activities

Table 1			
Governmental Net Position at June 30, 2017 and 2016			
(in Thousands)			
	<u>FY 2017</u>	<u>FY 2016</u>	<u>Change</u>
Current and other assets	\$ 48,576	\$ 48,260	\$ 316
Capital Assets	<u>189,336</u>	<u>188,580</u>	<u>755</u>
Total Assets	237,912	236,840	1,071
Deferred outflows	<u>7,026</u>	<u>2,879</u>	<u>4,146</u>
Total deferred outflows	7,026	2,879	4,146
Current and other liabilities	1,807	3,442	(1,635)
Long-term obligations outstanding	<u>51,857</u>	<u>47,534</u>	<u>4,323</u>
Total liabilities	53,664	50,977	2,688
Deferred inflows	<u>1,166</u>	<u>1,760</u>	<u>(594)</u>
Total deferred inflows	1,166	1,760	(594)
Net Position			
Net investment in capital assets	162,951	162,419	532
Restricted	33,548	33,955	(407)
Unrestricted	<u>(6,392)</u>	<u>(9,391)</u>	<u>2,999</u>
Total net position	190,107	186,983	3,124

Net Position

As shown in Table 1, the City's governmental Total Net Position is \$190 million. During fiscal year 2017, the overall net position increased by \$3.1 million, or 1.7%. During fiscal year 2015, the City implemented GASB 68 & 71, which required the recording of net pension liability and pension related deferred inflows and outflows.

The largest portion of the City's net position, approximately \$163 million, reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, equipment, infrastructure, and construction in progress); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves rarely are used to liquidate these liabilities.

Resources that are subject to restriction that may only be used to construct specified capital projects, debt service or other special revenue programs represent 17.6% of the City's Governmental Net Position. These are external restrictions and cannot be changed by the City.

Unrestricted net position can be used to finance day-to-day operation without constraints. Due to the restrictions mentioned and the implementation GASB 68 & 71, the unrestricted net position was (\$6.4) million at year end.

Changes in Net Position

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

The City's Governmental Net Position increased by \$3.4 million in fiscal year 2017. Revenues decreased \$5.0 million and expenses increased by \$2.8 million. The decrease in revenues is primarily due to an increase in capital contributions and grants for projects in the prior fiscal year.

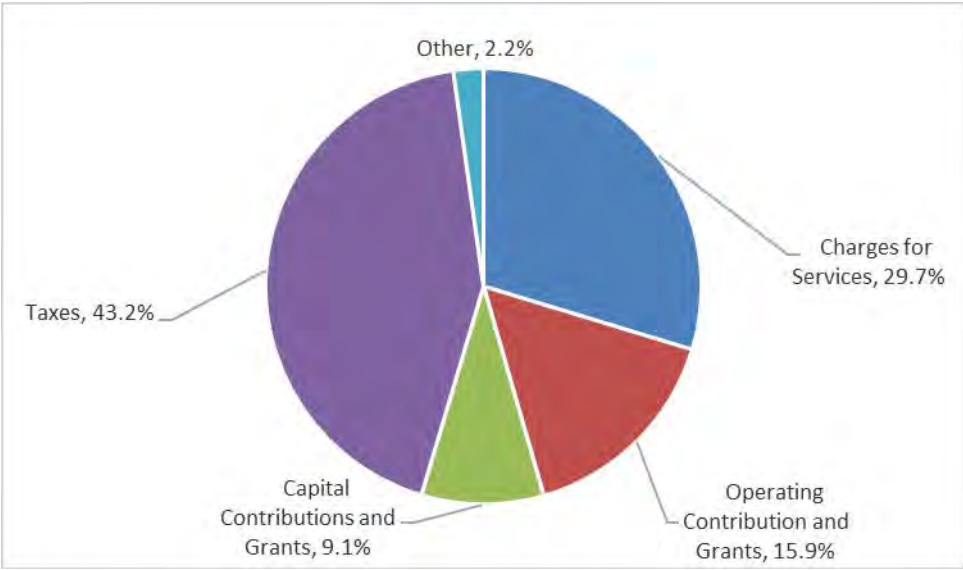
As part of the decrease in total revenue from the previous year, tax revenues increased by \$1.0 million. Property tax revenue had a decrease of \$0.1 million with the largest decrease in overall revenue being from program revenues. The decrease in program revenue is largely due to one time operating and capital grants that will fluctuate year to year based on projects and availability.

The rise in Governmental expenses was primarily focused in the general government functions of the City. In 2016-17 general government general services costs increased due to the payments made as part of the Best Buy operating agreement; on the other hand, the City has received an increase in internet sales tax revenue as Best Buy continues to aggressively grow their e-commerce business.

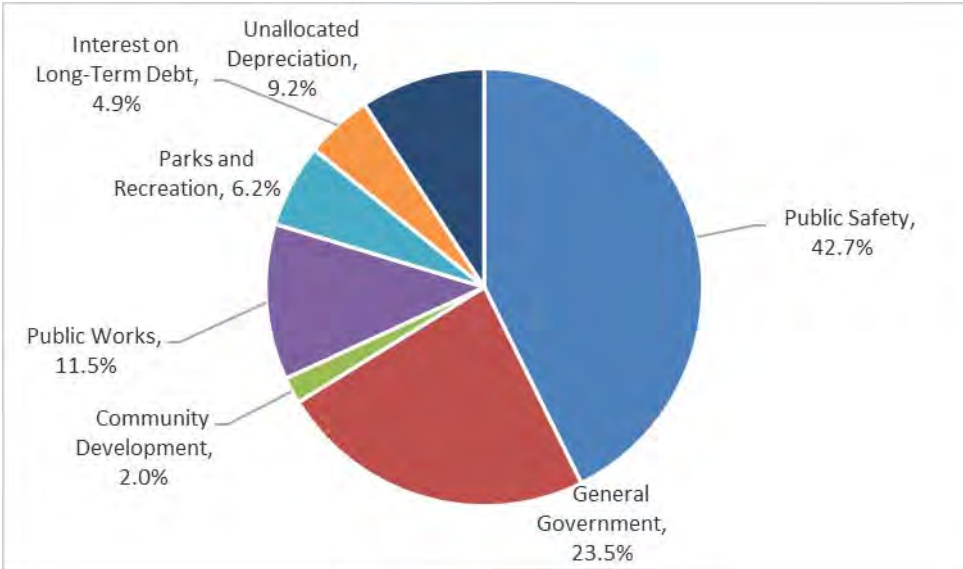
Table 2			
Changes in Governmental Net Position			
(in Thousands)			
	<u>FY 2017</u>	<u>FY 2016</u>	<u>Change</u>
Revenues			
Program Revenues			
Charges for services	\$ 9,860	\$ 7,750	\$ 2,110
Operating contributions and grants	5,264	3,376	1,888
Capital contributions and grants	3,012	12,076	(9,064)
General Revenues			
Taxes			
Sales Tax	9,081	9,729	(649)
Motor Vehicle in Lieu	1,848	1,755	93
Utility Users Tax	1,482	1,683	(201)
Property Tax	1,149	1,261	(111)
Other	770	1,534	(764)
Investment Earnings	201	263	(62)
Miscellaneous	540	553	(13)
Total Revenues	<u>33,207</u>	<u>39,980</u>	<u>(6,773)</u>
Expenses			
Public Safety	13,898	13,746	151
General Government	7,661	4,803	2,858
Community Development	638	1,179	(541)
Public Works	3,752	3,944	(191)
Parks and Recreation	2,008	1,824	184
Interest on Long-Term Debt	1,604	1,278	326
Unallocated Depreciation	3,012	3,030	(18)
Total Expenses	<u>32,573</u>	<u>29,804</u>	<u>2,769</u>
Transfers & Special Items	<u>989</u>	<u>(270)</u>	<u>1,258</u>
Total Transfers & Special Items	<u>989</u>	<u>(270)</u>	<u>1,258</u>
Change in Net Position	1,623	9,906	(8,283)
Net Position- Beginning, Restated	<u>188,484</u>	<u>178,654</u>	<u>9,830</u>
Net Position- Ending	\$ 190,107	\$ 188,561	\$ 1,546

The following charts display the City's governmental activities for fiscal year 2017, highlighting the makeup of the governmental revenues and expenses.

**Revenues by Source
Governmental Activities**



**Expenses by Function
Governmental Activities**



Business Type Activities

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

Net Position

The business-type activities of the City showed a minor decrease \$0.7 million in total assets. Of the total net position, 90.8% was net investment in capital assets and 9.2% percent was unrestricted, which was available for future operations.

Table 3			
Business-Type Net Position at June 30, 2017 and 2016			
(in Thousands)			
	<u>FY 2017</u>	<u>FY 2016</u>	<u>Change</u>
Current and other assets	8,382	8,816	(434)
Capital Assets	<u>61,538</u>	<u>63,023</u>	<u>(1,485)</u>
Total Assets	69,920	71,839	(1,919)
Deferred outflows	<u>2,081</u>	<u>1,818</u>	<u>262</u>
Total deferred outflow	2,081	1,818	262
Current and other liabilities	1,341	1,224	117
Long-term obligations outstanding	<u>21,087</u>	<u>21,896</u>	<u>(809)</u>
Total liabilities	22,428	23,120	(692)
Deferred inflows	<u>146</u>	<u>301</u>	<u>(155)</u>
Total deferred inflow	146	301	(155)
Net Position			
Net investment in capital assets	46,126	46,474	(348)
Restricted	-	-	-
Unrestricted	<u>4,642</u>	<u>4,986</u>	<u>(344)</u>
Total net position	\$ 50,768	\$ 51,460	\$ (693)

Changes in Net Position

As shown in Table 4, net revenues for business-type activities were \$15.2 million in fiscal year 2017, a decrease of \$2.6 million over the prior year. The decrease was primarily attributable to having received operating grants in the Transit Fund in 2016.

Expenses for business-type activities decreased by \$1.2 million compared to the previous fiscal year. The primary decline in expenses came from a shift of Engineering Services the General Fund. This change will still allow for project funds to pay for Engineering Services as needed but will reduce transfers from the General Fund to help sustain a separate fund. This is part of management's restructuring of the budget to eliminate the number of funds and to streamline operations.

Table 4			
Business-Type Activities			
(in Thousands)			
	<u>FY 2017</u>	<u>FY 2016</u>	<u>Change</u>
Revenues			
Program Revenues			
Charges for services	12,624	13,379	(755)
Operating contribution and grants	2,496	3,178	(682)
Capital contributions and grants	-	1,166	(1,166)
General Revenues			
Investment Earnings	51	37	13
Total Revenues	<u>15,171</u>	<u>17,760</u>	<u>(2,589)</u>
Expenses			
Disposal	3,207	3,239	(32)
Golf Course	3,491	3,560	(69)
Sewer	3,156	3,248	(91)
Water	2,978	3,205	(227)
Ambulance	1,523	1,369	155
Transit	1,138	1,244	(106)
Engineering	-	739	(739)
Compressed Natural Gas	141	160	(19)
Total Expenses	<u>15,634</u>	<u>16,762</u>	<u>(1,109)</u>
Transfers	<u>(989)</u>	<u>270</u>	<u>(1,258)</u>
Total Transfers	<u>(989)</u>	<u>270</u>	<u>(1,258)</u>
Change in Net Position	(1,452)	1,268	(2,720)
Net Position- Beginning, Restated	<u>52,220</u>	<u>50,193</u>	<u>2,027</u>
Net Position- Ending	\$ 50,768	\$ 51,460	\$ (693)

FINANCIAL ANALYSIS OF CITY'S MAJOR FUNDS

Table 5 summarizes the Governmental balances at the fund level.

Table 5			
Financial Highlights at Fund Level at June 30, 2017 and 2016			
(in Thousands)			
	<u>FY 2017</u>	<u>FY 2016</u>	<u>Change</u>
Total Assets	\$ 50,537	\$ 51,076	\$ (540)
Total Liabilities	3,330	5,484	(2,154)
Total Fund Balances	22,299	21,632	668
Total Revenues	25,811	30,000	(4,189)
Total Expenditures	33,100	32,821	279
Total Other Financing Sources (Uses)	7,762	1,178	6,584

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 2.4% to end the fiscal year at a balance of \$4.5 million. The increase was due to additional revenue but partially offset by additional costs.

The final budget amount for General Fund expenditures totaled \$13.5 million excluding transfers out. In comparison, actual expenditures excluding transfers out totaled \$16.3 million. The variance in expenditures was \$2.8 million. Total revenues were budgeted at \$13.7 million; actual revenues in the General Fund were \$17.7 million. The variance was due to an increase in special sales taxes for revenue and certain operating agreements for expenditures.

Other Major Funds

HUD Grants

The fund accounts for the Community Development Block Grants (CDBG) and Home Investment Partnership Program (HOME). The fund's assets include \$20.8 million in notes and loans receivable. The loans are offset by deferred inflows 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.

Net activity on housing remained virtually the same compared to the previous year as evidenced by the slight increase in fund balance from the previous year by \$0.06 million.

Public Safety Sales Tax

Fund balance increased by \$0.4 million in the 2017 fiscal year. The increase was due to additional transfers from the General and Ambulance funds. These transfers were necessary to cover for the loss in Public Safety Sales tax revenues. The fund balance is expected to diminish within the next fiscal year as the sales tax revenues will be significantly lower than prior years.

Transportation Construction:

Revenue in the Transportation Construction fund came to nearly \$2.2 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:

The Fund Balance in the Financing Authority fund decreased by 0.4 million during the current fiscal year due to issuance costs associated with refunding the 2007 Lease Revenue Bonds.

General Construction:

The construction of the Emergency Operations Center and the transit building were largely wrapped up during the prior fiscal year with very little costs incurred during the current fiscal year.

Other Governmental Funds:

These funds (referred to as Non-major Funds) are not presented separately in the Basic Financial Statements, but are individually presented in Supplementary Information. Combined they received \$3.1 million in revenue and have a combined Fund Balance at year-end of \$13.2 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.

Water

The net position in the water fund decreased by \$0.4 million to \$11.3 million. The unrestricted portion of the net position totaled \$1.3 million. Water conservation efforts resulted in a slight decrease in service charges. Operating expenses were held to prior year levels and the fund was able to cover depreciation costs.

Sewer

The sewer fund ended the year with a net position of \$11.0 million of which \$0.9 million was unrestricted. Operating revenues exceeded operating expenses by \$0.3 million. After accounting for interest expense on long-term debt, the fund's net position decreased by \$0.4 million.

Disposal

Operating revenues and expenses were virtually flat when compared to the previous fiscal year. The fund ended the year with a net position of \$1.4 million of which \$1 million was unrestricted.

Ambulance

In 2017, the City continued to participate in the Inter-governmental Transfer funding provided by the State and as a result the revenue remains at \$2.9 million in 2017. As of June 30, 2017 the fund had net position of 2.0 million.

Golf Course

Operating revenues fell by \$0.2 million from the prior fiscal year. Operating expenses decreased by \$0.1 million from the prior year. The revenues in the Golf Fund are sufficient to cover ongoing operating expenses outside of depreciation. However, the fund is not currently able to

set aside funds for capital replacement. The net position of the Golf Course at the end of the fiscal year was \$22.6 million.

CAPITAL ASSETS

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

Table 6 Capital Assets Net of Accumulated Depreciation at June 30 (in Thousands)			
	FY 2017	FY 2016	Change
Governmental Activities			
Land	\$ 111,671	\$ 111,621	\$ 50
Artwork	69	69	-
Construction in Progress	25,110	23,709	1,401
Buildings	6,445	6,884	(440)
Improvements	10,448	10,132	316
Equipment and Machinery	1,384	1,819	(435)
Infrastructure	34,210	34,347	(137)
Total	\$ 189,336	\$ 188,580	\$ 755
Business-Type Activities			
Land	\$ 8,610	\$ 8,610	\$ -
Construction in Progress	-	424	(424)
Buildings and Improvements	22,034	22,688	(654)
Equipment and Machinery	1,598	1,625	(27)
Infrastructure	29,296	29,676	(380)
Total	\$ 61,538	\$ 63,023	\$ (1,485)

The net increase of \$0.7 million for governmental activity assets is comprised of the construction in progress which is for the Ave 416 expansion, the Compressed Natural Gas expansion project, and the Transit Center addition offset by depreciation expense.

The net decrease of \$1.5 million for business-type activity assets is made up of accumulated depreciation offset by various additions as well as prior period adjustments.

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

DEBT ADMINISTRATION

Each debt is discussed in more detail in Note 8 to the financial statements.

The City's total long-term debt increased by \$3.4 million compared to the prior fiscal year. The increase was primarily due OPEB and Net Pension Liability.

As a part of that increase, because the City is on a pay-as-you-go basis, the retiree health obligation increased by \$1.4 million.

The following table provides a breakdown of the City's outstanding indebtedness as of June 30, 2017:

Table 7				
Outstanding Debt (in Thousands)				
	FY 2017	FY 2016	Change	
Governmental Activity Debt				
Revenue Bonds Payable	17,151	17,320	(169)	
Notes and Capital Leases Payable	9,907	10,098	(191)	
Retiree Health Obligation	8,627	7,245	1,382	
Pension Obligation	15,011	11,741	3,271	
Compensated Absences	1,161	1,130	30	
Total	51,857	47,534	4,323	
Business-Type Debt				
Revenue Bonds Payable	10,085	10,315	(230)	
Notes and Capital Leases Payable	5,559	6,038	(479)	
Installment Purchase & Loans Payable	645	932	(287)	
Retiree Health Obligation	1,393	1,170	223	
Pension Obligation	1,877	2,006	(128)	
Compensated Absences	141	162	(22)	
Original Issue Premium	46	-	46	
Total	19,746	20,623	(877)	
Total Long-Term Obligations	\$ 71,603	\$ 68,158	\$ 3,446	

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 business climate has dropped slightly. Excluding revenues from the Internet Sales Tax, sales tax from the top 10 sources decreased by 1.3% from fiscal year 2016 to 2017. This slight decline could be attributed to the closing of the local K-mart. While it appears that the impact on the sales tax is not significant, the difference isn't greater since most of the sales that were previously made at K-mart are now likely to be made at the local Wal-Mart and other local retail locations. Additionally online sales tax is anticipated to be significantly higher in 2018.

The local economy has dropped slightly over the course of the year. In June of 2016 the unemployment rate for Tulare County was 10.7%; in June of 2017 the rate was 9.5%. A portion of the rate change can be attributed to the closing of K-mart and Odwalla, a juice manufacturer. K-mart employed 70 employees in 2015, while Odwalla employed 167, for a total job loss of 307.

There was a slight increase in the construction of new homes. There were 57 permits issued in 2016 for single family residential homes. In 2017, 65 permits were issued for single family residential homes.

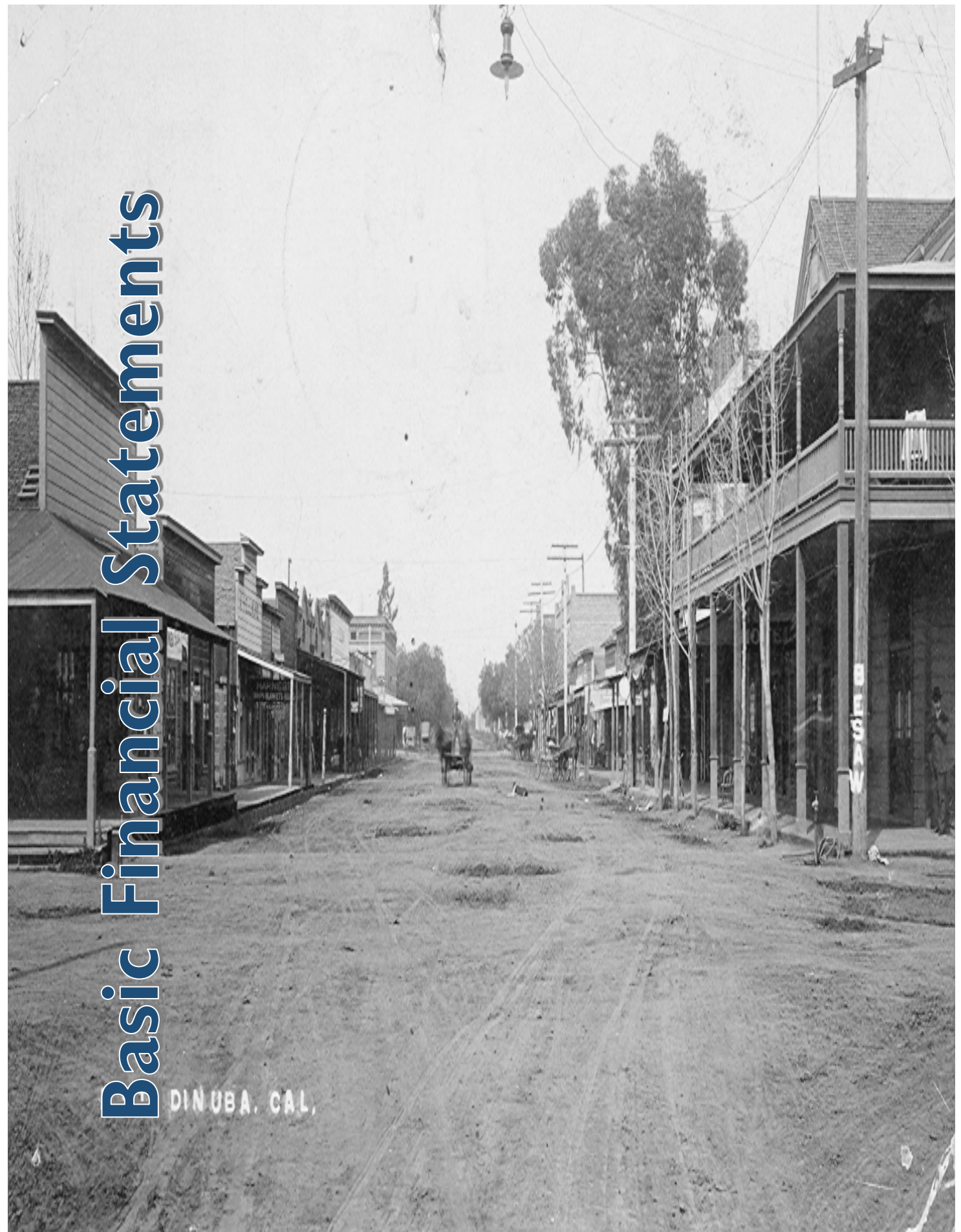
CONTACT THE CITY'S FINANCIAL MANAGEMENT

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

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

Basic Financial Statements

DINUBA, CAL.



South L Street Dinuba

CITY OF DINUBA
STATEMENT OF NET POSITION
June 30, 2017

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	\$ 6,932,804	\$ 3,727,790	\$ 10,660,594
Restricted assets:			
Cash and investments with fiscal agents	752,346	856,274	1,608,620
Receivables:			
Accounts	913,090	2,379,707	3,292,797
Intergovernmental	2,457,153	569,779	3,026,932
Notes	22,136,733	354,654	22,491,387
Interest	2,650,843	7,427	2,658,270
Internal balances	1,072,590	(1,072,590)	
Land held for resale	187,251		187,251
Inventories		141,003	141,003
Prepaid items	64,018	67,886	131,904
Advances to Successor Agency	11,409,297	1,350,000	12,759,297
Capital assets not being depreciated	136,849,617	8,610,415	145,460,032
Capital assets, net of accumulated depreciation	52,486,003	52,927,541	105,413,544
Total Assets	237,911,745	69,919,886	307,831,631
Deferred Outflows of Resources:			
Pension related	6,334,783	792,177	7,126,960
Deferred loss on debt refunding	690,973	1,288,496	1,979,469
Total Deferred Outflows of Resources:	7,025,756	2,080,673	9,106,429
Liabilities:			
Accounts payable	1,050,542	596,813	1,647,355
Accrued liabilities	382,348	44,028	426,376
Accrued interest payable	360,503	210,006	570,509
Unearned revenue		253,417	253,417
Deposits payable	13,705	236,639	250,344
Noncurrent liabilities:			
Due within one year	1,263,609	1,001,821	2,265,430
Due in more than one year	50,593,617	18,744,119	69,337,736
Total Liabilities	53,664,324	21,086,843	74,751,167
Deferred Inflows of Resources			
Pension related	1,165,982	145,808	1,311,790
Total Deferred Inflows of Resources	1,165,982	145,808	1,311,790
Net position:			
Net investment in capital assets	162,951,223	46,126,104	209,077,327
Restricted for:			
Community development	23,670,275		23,670,275
Assessment districts	164,833		164,833
Parks	75,179		75,179
Public safety	429,164		429,164
Streets and roads	5,042,559		5,042,559
Housing	4,165,758		4,165,758
Unrestricted	(6,391,796)	4,641,804	(1,749,992)
Total Net Position	\$ 190,107,195	\$ 50,767,908	\$ 240,875,103

See Notes to Basic Financial Statements

CITY OF DINUBA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government:				
Governmental Activities:				
General government	\$ (7,661,240)	\$ 8,259,877	\$ 84,855	\$ -
Public safety	(13,897,596)	30,863	2,558,844	727,091
Public works	(3,752,225)	1,530,664	1,128,035	2,097,439
Community development	(637,522)		1,491,896	187,280
Parks and recreation	(2,007,951)	38,475		
Interest on long-term debt	(1,604,463)			
Unallocated depreciation	(3,011,661)			
Total Governmental Activities	(32,572,658)	9,859,879	5,263,630	3,011,810
Business-type Activities:				
Transit	(1,137,529)	120,565	983,182	
CNG	(140,572)	199,896		
Water	(2,977,849)	2,648,278	67,606	
Sewer	(3,156,499)	2,947,782	102	
Disposal	(3,206,889)	3,088,068	75,279	
Ambulance	(1,523,498)	1,396,312	1,370,087	
Golf course	(3,491,319)	2,223,355		
Total Business-type Activities	(15,634,155)	12,624,256	2,496,256	
Total Primary Government	\$ (48,206,813)	\$ 22,484,135	\$ 7,759,886	\$ 3,011,810

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Fiscal Year

Prior Period Adjustments

Net Position at Beginning of Fiscal Year, restated

Net Position at End of Fiscal Year

See Notes to Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ 683,492	\$ -	\$ 683,492
(10,580,798)		(10,580,798)
1,003,913		1,003,913
1,041,654		1,041,654
(1,969,476)		(1,969,476)
(1,604,463)		(1,604,463)
(3,011,661)		(3,011,661)
<u>(14,437,339)</u>		<u>(14,437,339)</u>
	(33,782)	(33,782)
	59,324	59,324
	(261,965)	(261,965)
	(208,615)	(208,615)
	(43,542)	(43,542)
	1,242,901	1,242,901
	<u>(1,267,964)</u>	<u>(1,267,964)</u>
	<u>(513,643)</u>	<u>(513,643)</u>
<u>(14,437,339)</u>	<u>(513,643)</u>	<u>(14,950,982)</u>
1,149,426		1,149,426
281,005		281,005
9,080,769		9,080,769
216,407		216,407
1,482,077		1,482,077
273,161		273,161
1,847,746		1,847,746
201,154	50,643	251,797
539,928		539,928
988,600	<u>(988,600)</u>	
<u>16,060,273</u>	<u>(937,957)</u>	<u>15,122,316</u>
<u>1,622,934</u>	<u>(1,451,600)</u>	<u>171,334</u>
186,983,109	51,460,452	238,443,561
<u>1,501,152</u>	<u>759,056</u>	<u>2,260,208</u>
<u>188,484,261</u>	<u>52,219,508</u>	<u>240,703,769</u>
<u>\$ 190,107,195</u>	<u>\$ 50,767,908</u>	<u>\$ 240,875,103</u>

**CITY OF DINUBA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017**

		Special Revenue Funds		Capital Projects Funds	
	General	HUD Grants	Public Safety Sales Tax	General Construction	Transportation Construction
Assets:					
Cash and investments	\$ 857,781	\$ 146,939	\$ 105,319	\$ 80,164	\$ 1,702,093
Restricted assets:					
Cash and investments with fiscal agents					
Receivables:					
Accounts	365,338				502,682
Intergovernmental	852,287		342,537		409,313
Notes		20,804,267			16,439
Interest	5,891	2,639,116	(1,173)	97	3,296
Due from other funds	1,037,102				
Advances to Successor Agency	2,689,954				530,576
Interfund advances receivable	723,000				
Prepaid items	23,106				
Land held for resale					
Total Assets	\$ 6,554,459	\$ 23,590,322	\$ 446,683	\$ 80,261	\$ 3,164,399
Liabilities:					
Accounts payable	\$ 620,439	\$ 17,303	\$ 20,262	\$ -	\$ 248,646
Accrued liabilities	205,322		97,714		
Due to other funds					
Interfund advances payable	1,031,663			23,174	
Total Liabilities	1,857,424	17,303	117,976	23,174	248,646
Deferred Inflows of Resources:					
Notes and Loans		23,443,383			
Unavailable revenue	147,736				
Total Deferred Inflows of Resources	147,736	23,443,383			
Fund Balances:					
Nonspendable	3,436,060				530,576
Restricted		129,636	328,707		2,385,177
Assigned				57,087	
Unassigned	1,113,239				
Total Fund Balances	4,549,299	129,636	328,707	57,087	2,915,753
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 6,554,459	\$ 23,590,322	\$ 446,683	\$ 80,261	\$ 3,164,399

See Notes to Basic Financial Statements

Debt Service Fund		
Financing Authority	Other Governmental Funds	Total Governmental Funds
\$ 49,516	\$ 3,934,554	\$ 6,876,366
752,346		752,346
	45,070	913,090
	843,612	2,447,749
	1,316,027	22,136,733
(2,235)	6,737	2,651,729
		1,037,102
500,000	7,688,767	11,409,297
	1,376,904	2,099,904
	2,016	25,122
	187,251	187,251
<u>\$ 1,299,627</u>	<u>\$ 15,400,938</u>	<u>\$ 50,536,689</u>
\$ -	\$ 105,129	\$ 1,011,779
	14,108	317,144
	629,397	629,397
200,000	116,904	1,371,741
<u>200,000</u>	<u>865,538</u>	<u>3,330,061</u>
	1,316,027	24,759,410
		147,736
	1,316,027	24,907,146
	4,514,831	8,481,467
1,099,627	9,148,179	13,091,326
	7,375	64,462
	(451,012)	662,227
<u>1,099,627</u>	<u>13,219,373</u>	<u>22,299,482</u>
<u>\$ 1,299,627</u>	<u>\$ 15,400,938</u>	<u>\$ 50,536,689</u>



Old Dinuba Fire Department

CITY OF DINUBA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2017

Fund balances of governmental funds	\$ 22,299,482
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets net of accumulated depreciation have not been included as financial resources in governmental funds.	189,335,620
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.	24,759,410
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.	147,736
Long-term debt has not been included in the governmental funds.	
Long-term debt	(51,857,226)
Deferred loss on refunding, net of accumulated amortization on long-term debt has not been reported in the governmental funds.	690,973
Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.	(360,503)
Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.	
Deferred outflows	6,334,783
Deferred inflows	(1,165,982)
Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service fund must be added to the statement of net position. (Net of capital assets \$41,638, long-term debt (\$79,117), deferred outflow \$427,576, deferred inflow (\$78,700), and net pension liability (\$1,013,214) included above).	(77,098)
Net position of governmental activities	<u>\$ 190,107,195</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, 2017

		Special Revenue Funds		Capital Projects Funds	
			Public Safety		
	General	HUD Grants	Sales Tax	General Construction	Transportation Construction
Revenues:					
Taxes and assessments	\$ 14,330,591	\$ -	\$ 2,558,844	\$ -	\$ -
Licenses and permits	269,630				
Intergovernmental	84,855	68,285			2,097,439
Charges for services	794,907				
Use of money and property	18,152	148,897	(2,229)	385	9,951
Fines and forfeitures	51,674				
Overhead charges	2,131,223				
Miscellaneous	46,442				87,098
Total Revenues	<u>17,727,474</u>	<u>217,182</u>	<u>2,556,615</u>	<u>385</u>	<u>2,194,488</u>
Expenditures:					
Current:					
General government	6,363,752				
Public safety	7,436,246		3,241,829		
Public works	728,144				
Community development		137,300			
Parks and recreation	1,640,604				
Capital outlay	191,198		7,544	295,767	2,062,296
Debt service:					
Principal retirement			77,732		
Interest and fiscal charges			2,000		
Total Expenditures	<u>16,359,944</u>	<u>137,300</u>	<u>3,329,105</u>	<u>295,767</u>	<u>2,062,296</u>
Excess of Revenues Over					
(Under) Expenditures	<u>1,367,530</u>	<u>79,882</u>	<u>(772,490)</u>	<u>(295,382)</u>	<u>132,192</u>
Other Financing Sources (Uses):					
Proceeds from issuance of debt					
Transfers in	407,524	5,001	1,300,000	403,948	710,416
Transfers out	(1,668,140)	(20,544)	(138,787)		
Total Other Financing Sources (Uses)	<u>(1,260,616)</u>	<u>(15,543)</u>	<u>1,161,213</u>	<u>403,948</u>	<u>710,416</u>
Net Change in Fund Balances	<u>106,914</u>	<u>64,339</u>	<u>388,723</u>	<u>108,566</u>	<u>842,608</u>
Fund Balances (Deficits), Beginning of Fiscal Year	4,301,640	10,756	(60,016)	(51,479)	2,073,145
Prior Period Adjustments	140,745	54,541			
Fund Balance (Deficits), Beginning of Fiscal Year (Restated)	<u>4,442,385</u>	<u>65,297</u>	<u>(60,016)</u>	<u>(51,479)</u>	<u>2,073,145</u>
Fund Balances (Deficits), End of Fiscal Year	<u>\$ 4,549,299</u>	<u>\$ 129,636</u>	<u>\$ 328,707</u>	<u>\$ 57,087</u>	<u>\$ 2,915,753</u>

See Notes to Basic Financial Statements

<u>Debt Service Fund</u>		
<u>Financing Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 810,342	\$ 17,699,777
		269,630
	1,634,604	3,885,183
	480,252	1,275,159
(452)	30,450	205,154
	61,338	113,012
	74,192	2,205,415
	23,746	157,286
(452)	3,114,924	25,810,616
		6,363,752
	142,759	10,820,834
	1,571,304	2,299,448
	132,874	270,174
		1,640,604
	254,714	2,811,519
6,792,375	261,310	7,131,417
1,611,603	148,599	1,762,202
8,403,978	2,511,560	33,099,950
(8,404,430)	603,364	(7,289,334)
6,764,759		6,764,759
1,612,476	651,782	5,091,147
(402,362)	(1,864,214)	(4,094,047)
7,974,873	(1,212,432)	7,761,859
(429,557)	(609,068)	472,525
1,529,184	13,828,441	21,631,671
		195,286
1,529,184	13,828,441	21,826,957
\$ 1,099,627	\$ 13,219,373	\$ 22,299,482



Dinuba Fire Department

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, 2017

Net change in fund balances - total governmental funds	\$ 472,525
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 (\$2,439,027) is exceeded by depreciation (\$3,011,661) in the current period.	(572,634)
Certain receivables are reported in the governmental funds as expenditures and then offset by a deferred revenue as they are not available to pay current expenditures. Likewise when the receivable is collected it is reflected in revenue. This is the net change between receivables collected and issued.	946,879
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.	366,658
Current year amortization of original issue premiums and discounts	(6,257)
Debt/loss on refunding are expenditures in the governmental funds, but these costs are capitalized on the statement of net position. This is the amount of costs paid (\$296,346) less amortization in the current period (\$45,944).	250,402
Accrued interest is interest due on long-term debt payable. This is the net change in accrued interest for the current period.	(86,406)
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.	(35,708)
In governmental funds, pension costs and OPEB costs are recognized when employer contributions are made. In the statement of activities, pension costs and OPEB costs are recognized on the accrual basis. This fiscal year, the difference between accrual-basis pension and OPEB costs and actual employer contributions was:	(275,955)
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.	563,430
Change in net position of governmental activities	<u>\$ 1,622,934</u>

See Notes to Basic Financial Statements

CITY OF DINUBA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Golf Course
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets:			
Cash and cash investments	\$ 235,812	\$ 84,769	\$ 284,662
Restricted cash and investments with fiscal agents	48,170	808,104	
Accounts receivable, net	630,609	552,250	215,476
Interest receivable	713	896	89
Inventories			141,003
Due from other agencies			
Prepaid expenses	2,199	110	1,996
Total Current Assets	917,503	1,446,129	643,226
Noncurrent Assets:			
Note receivable	23,531		228,337
Interfund advances receivable			
Advances to successor agency	1,350,000		
Capital assets:			
Land	261,806	4,388,142	3,960,467
Depreciable infrastructure, net	11,725,313	13,034,228	4,536,512
Depreciable buildings and improvements, net	3,355,225	2,399,338	14,714,019
Depreciable equipment, net	257,262	53,138	2,727
Total Noncurrent Assets	16,973,137	19,874,846	23,442,062
Deferred Outflows of Resources:			
Pension related	178,028	147,794	
Deferred loss on debt refunding		1,288,496	
Total Deferred Outflows of Resources	178,028	1,436,290	
Total Assets and Deferred Outflows of Resources	18,068,668	22,757,265	24,085,288
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current Liabilities:			
Accounts payable	59,156	68,653	244,584
Accrued liabilities	7,083	6,232	15,771
Accrued interest payable	73,076	136,930	
Claims payable			
Unearned revenue			253,417
Deposits payable	236,639		
Due to other funds			
Current portion of long-term obligations	426,483	549,797	
Total Current Liabilities	802,437	761,612	513,772
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Interfund advances payable	11,221	11,221	951,337
Compensated absences	29,840	17,721	
Net OPEB liability	320,728	446,908	
Net pension liability	421,867	350,224	
Loan payable		126,516	
Notes payable	5,145,887	220,000	
Revenue bonds		9,845,000	
Original issue premium		43,645	
Total Noncurrent Liabilities	5,929,543	11,061,235	951,337
Deferred Inflows of Resources:			
Pension related	32,768	27,203	
Total Deferred Inflows of Resources	32,768	27,203	
Total Liabilities and Deferred Inflows of Resources	6,764,748	11,850,050	1,465,109
NET POSITION			
Net investment in capital assets	10,032,754	10,029,846	23,213,725
Unrestricted	1,271,166	877,369	(593,546)
Total Net Position (Deficits)	\$ 11,303,920	\$ 10,907,215	\$ 22,620,179

See Notes to Basic Financial Statements

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Disposal	Ambulance	Other Nonmajor Enterprise	Totals	
\$ 557,952	\$ 2,192,941	\$ 371,654	\$ 3,727,790	\$ 56,438
			856,274	
362,388	583,884	35,100	2,379,707	
909	4,609	211	7,427	(886)
		569,779	141,003	9,404
60,225		3,356	569,779	38,896
			67,886	
981,474	2,781,434	980,100	7,749,866	103,852
102,786			354,654	
245,616			245,616	
			1,350,000	
			8,610,415	
			29,296,053	
		1,739,586	22,208,168	
422,070	403,236	284,887	1,423,320	41,638
770,472	403,236	2,024,473	63,488,226	41,638
80,656	385,699		792,177	427,576
			1,288,496	
80,656	385,699		2,080,673	427,576
1,832,602	3,570,369	3,004,573	73,318,765	573,066
138,661	17,211	68,548	596,813	38,763
3,650	10,685	607	44,028	15,204
			210,006	
				50,000
			253,417	
			236,639	
		344,427	344,427	63,278
2,678	22,863		1,001,821	13,705
144,989	50,759	413,582	2,687,151	180,950
			973,779	
11,351	33,820		92,732	65,412
84,334	530,186	10,985	1,393,141	
191,127	913,980		1,877,198	1,013,214
			126,516	
			5,365,887	
			9,845,000	
			43,645	
286,812	1,477,986	10,985	19,717,898	1,078,626
14,845	70,992		145,808	78,700
14,845	70,992		145,808	78,700
446,646	1,599,737	424,567	22,550,857	1,338,276
422,070	403,236	2,024,473	46,126,104	41,638
963,886	1,567,396	555,533	4,641,804	(806,848)
\$ 1,385,956	\$ 1,970,632	\$ 2,580,006	\$ 50,767,908	\$ (765,210)

CITY OF DINUBA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Golf Course
Operating Revenues:			
Sales and service charges	\$ 2,648,278	\$ 2,947,782	\$ 2,223,355
Interdepartmental charges			
Other	67,606	102	
Total Operating Revenues	2,715,884	2,947,884	2,223,355
Operating Expenses:			
Rents and leases			59,396
Cost of goods sold			238,241
Salaries and benefits	688,595	622,071	1,306,361
Contractual services	144,862	156,102	173,441
Materials and supplies	216,594	129,054	414,901
Repairs and maintenance	27,270	108,439	54,150
Dump fees			
Utilities	318,084	548,750	181,456
Insurance			
Allocated overhead	902,643	590,739	
Depreciation	523,643	471,488	918,126
Total Operating Expenses	2,821,691	2,626,643	3,346,072
Operating Income (Loss)	(105,807)	321,241	(1,122,717)
Nonoperating Revenues (Expenses):			
Intergovernmental			
Interest revenue	2,776	27,281	6,668
Interest expense	(156,158)	(529,856)	(145,247)
Total Nonoperating Revenues (Expenses)	(153,382)	(502,575)	(138,579)
Income (Loss) Before Transfers	(259,189)	(181,334)	(1,261,296)
Transfers in	675,094	1,119,742	
Transfers out	(766,426)	(1,326,098)	
Net Transfers	(91,332)	(206,356)	
Changes in Net Position	(350,521)	(387,690)	(1,261,296)
Net Position (Deficit)			
Beginning of fiscal year	11,386,130	11,108,130	23,881,475
Prior year adjustments	268,311	186,775	
Beginning of fiscal year, restated	11,654,441	11,294,905	23,881,475
End of fiscal year	\$ 11,303,920	\$ 10,907,215	\$ 22,620,179

See Notes to Basic Financial Statements

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Disposal	Ambulance	Other Nonmajor Enterprise	Totals	
\$ 3,088,068	\$ 1,396,312	\$ 320,461	\$ 12,624,256	\$ -
2,413			70,121	6,453,497
3,090,481	1,396,312	320,461	12,694,377	6,453,497
			59,396	
			238,241	
342,441	739,181	86,405	3,785,054	1,274,567
1,289,968	4,319	546,903	2,315,595	97,960
107,586	155,415	64,104	1,087,654	531,782
1,186	18,568	82,831	292,444	
626,261			626,261	
5,751		60,297	1,114,338	3,903,444
755,567	484,871	235,120	2,968,940	58,557
78,129	121,144	202,441	2,314,971	11,257
3,206,889	1,523,498	1,278,101	14,802,894	5,877,567
(116,408)	(127,186)	(957,640)	(2,108,517)	575,930
72,866	1,370,087	983,182	2,426,135	
3,069	10,103	746	50,643	(4,000)
			(831,261)	
75,935	1,380,190	983,928	1,645,517	(4,000)
(40,473)	1,253,004	26,288	(463,000)	571,930
32,599			1,827,435	
(13,567)	(700,000)	(9,944)	(2,816,035)	(8,500)
19,032	(700,000)	(9,944)	(988,600)	(8,500)
(21,441)	553,004	16,344	(1,451,600)	563,430
1,407,397	1,417,628	2,259,692	51,460,452	(1,328,640)
		303,970	759,056	
1,407,397	1,417,628	2,563,662	52,219,508	(1,328,640)
\$ 1,385,956	\$ 1,970,632	\$ 2,580,006	\$ 50,767,908	\$ (765,210)

CITY OF DINUBA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Golf Course
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 2,620,823	\$ 2,892,282	\$ 2,526,132
Cash paid to suppliers for goods and services	(697,847)	(935,104)	(1,057,627)
Cash paid to employees for services	(669,504)	(585,402)	(1,306,361)
Cash paid for allocated overhead	(902,643)	(590,739)	
Net Cash Provided (Used) by Operating Activities	350,829	781,037	162,144
Cash Flows from Non-Capital Financing Activities:			
Cash payments (issuance) of notes	(23,531)		(67,506)
Intergovernmental revenue			
Cash transfers to other funds	(766,426)	(1,326,098)	
Cash transfers from other funds	675,094	1,119,742	
Due to other funds			(26,280)
Advances/due from other funds repayments	13,221	63,221	355,000
Net Cash Provided (Used) by Non-Capital Financing Activities	(101,642)	(143,135)	261,214
Cash Flows from Capital and Related Financing Activities:			
Purchases of capital assets	(10,757)	(8,368)	
Principal paid on long-term debt	(479,338)	(517,472)	
Interest paid on long-term debt	(162,848)	(423,447)	(145,247)
Net Cash Provided (Used) by Capital and Related Financing Activities	(652,943)	(949,287)	(145,247)
Cash Flows from Investing Activities:			
Interest received	2,598	26,824	6,551
Net Cash Provided (Used) by Investing Activities	2,598	26,824	6,551
Net Increase (Decrease) in Cash and Cash Equivalents	(401,158)	(284,561)	284,662
Cash and Cash Equivalents at Beginning of Fiscal Year	685,140	1,177,434	
Cash and Cash Equivalents at End of Fiscal Year	<u>\$ 283,982</u>	<u>\$ 892,873</u>	<u>\$ 284,662</u>
Reconciliation to Statement of Net Position:			
Cash and investments	\$ 235,812	\$ 84,769	\$ 284,662
Restricted cash and investments with fiscal agents	48,170	808,104	
	<u>\$ 283,982</u>	<u>\$ 892,873</u>	<u>\$ 284,662</u>

See Notes to Basic Financial Statements

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Disposal	Ambulance	Other Nonmajor Enterprise	Totals	
\$ 3,022,945	\$ 1,446,454	\$ 312,468	\$ 12,821,104	\$ 6,448,794
(1,989,359)	(188,593)	(742,234)	(5,610,764)	(4,520,295)
(370,785)	(760,334)	(92,452)	(3,784,838)	(1,395,106)
(755,567)	(484,871)	(235,120)	(2,968,940)	(58,557)
(92,766)	12,656	(757,338)	456,562	474,836
39,000			(52,037)	
72,866	1,370,087	1,138,579	2,581,532	
(13,567)	(700,000)	(68,883)	(2,874,974)	(8,500)
32,599			1,827,435	
12,000			(26,280)	
			443,442	(505,368)
142,898	670,087	1,069,696	1,899,118	(513,868)
	(87,405)	(268,376)	(374,906)	(33,416)
			(996,810)	
			(731,542)	
	(87,405)	(268,376)	(2,103,258)	(33,416)
2,607	6,843	644	46,067	(3,807)
2,607	6,843	644	46,067	(3,807)
52,739	602,181	44,626	298,489	(76,255)
505,213	1,590,760	327,028	4,285,575	132,693
\$ 557,952	\$ 2,192,941	\$ 371,654	\$ 4,584,064	\$ 56,438
\$ 557,952	\$ 2,192,941	\$ 371,654	\$ 3,727,790	\$ 56,438
			856,274	
\$ 557,952	\$ 2,192,941	\$ 371,654	\$ 4,584,064	\$ 56,438

(Continued)

CITY OF DINUBA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2017
(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)	<u>\$ (105,807)</u>	<u>\$ 321,241</u>	<u>\$ (1,122,717)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	523,643	471,488	918,126
Adjustments:			
Increase (decrease) in unearned revenue			6,022
(Increase) decrease in inventory			(2,173)
(Increase) decrease in prepaid expenses	(2,199)	(110)	2,298
(Increase) decrease in accounts receivable	(104,676)	(55,602)	296,755
Increase (decrease) in accounts payable	9,418	14,305	59,163
Increase (decrease) in accrued liabilities	1,744	(6,954)	4,670
Increase (decrease) in compensated absences	14,601	3,991	
Increase (decrease) in deposits payable	9,615		
Increase (decrease) in net pension liability	(46,910)	(38,943)	
Increase (decrease) in OPEB	<u>51,400</u>	<u>71,621</u>	
Total Adjustments	<u>456,636</u>	<u>459,796</u>	<u>1,284,861</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 350,829</u></u>	<u><u>\$ 781,037</u></u>	<u><u>\$ 162,144</u></u>
Non-Cash Investing, Capital, and Financing Activities:			
Amortization of deferred loss	\$ -	\$ 111,069	\$ -

See Notes to Basic Financial Statements

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Disposal	Ambulance	Other Nonmajor Enterprise	Totals	
\$ (116,408)	\$ (127,186)	\$ (957,640)	\$ (2,108,517)	\$ 575,930
78,129	121,144	202,441	2,314,971	11,257
			6,022	
			(2,173)	
(129)		(3,257)	(3,397)	32,952
(67,536)	50,142	(7,993)	111,090	(4,703)
40,200	(8,777)	15,526	129,835	(21,225)
1,322	(1,514)	(368)	(1,100)	1,164
(20,605)	(4,492)		(6,505)	(7,874)
			9,615	
(21,254)	(101,629)	(7,529)	(216,265)	(112,665)
13,515	84,968	1,482	222,986	
23,642	139,842	200,302	2,565,079	(101,094)
\$ (92,766)	\$ 12,656	\$ (757,338)	\$ 456,562	\$ 474,836
\$ -	\$ -	\$ -	\$ 111,069	\$ -

CITY OF DINUBA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2017

	Redevelopment Successor Agency Private-Purpose Trust Fund	Agency Funds
Assets:		
Cash and investments	\$ 1,784,580	\$ 1,410,538
Restricted cash and investments with fiscal agents	109,844	
Accounts receivable		38
Interest receivable	1,936	
Prepaid expenses		310
Land held for resale	1,888,463	
Notes receivable	329,992	
Capital assets (net of accumulated depreciation)	2,797,830	
Total Assets	6,912,645	<u><u>\$ 1,410,886</u></u>
Deferred Outflows of Resources:		
Deferred loss on bond refunding	4,004,900	
Total Deferred Outflows of Resources	4,004,900	
Total Assets and Deferred Outflows of Resources	10,917,545	
Liabilities:		
Accounts payable		\$ 60,749
Interest payable	535,899	
Other liabilities	2,237	1,350,137
Advances from City of Dinuba	12,759,297	
Long-term debt-due within 1 year	1,349,855	
Long-term debt-due in more than 1 year	48,441,253	
Total Liabilities	63,088,541	<u><u>\$ 1,410,886</u></u>
Net Position (Deficit)		
Held in trust for the retirement of obligations of the former Dinuba Redevelopment Agency	(52,170,996)	
Total Net Position (Deficit)	<u><u>\$ (52,170,996)</u></u>	

See Notes to Basic Financial Statements

CITY OF DINUBA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2017

	Redevelopment Successor Agency Private-Purpose Trust Fund
Additions:	
Taxes	\$ 3,862,052
Investment earnings	67,834
Total Additions	3,929,886
Deductions	
Community development	321,695
Depreciation	5,559
Interest and fiscal charges	2,502,408
Total Deductions	2,829,662
Change in net position	1,100,224
Net Position (Deficit), Beginning of Fiscal Year	(53,271,220)
Net Position (Deficit), End of Fiscal Year	\$ (52,170,996)

See Notes to Basic Financial Statements



Main Street, Dinuba CA

Notes to Basic Financial Statements

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017

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, 2017

Note 1 Summary of Significant Accounting Policies (Continued)

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

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

Additionally, the City reports the following fund types:

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

The Fiduciary Funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. These funds are not included in the government-wide financial statements. These assets include refundable and expendable cash deposits, and retentions withheld pending satisfactory project completion. Please see page 141 for description of activities for each Agency Fund. The Private-Purpose Trust Funds are used to account for the assets of the former City of Dinuba Redevelopment Agency during the wind down period.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017

Note 1 Summary of Significant Accounting Policies (Continued)

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

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

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

Receivables and Payables

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

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

Property Taxes

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

Prepaid Items

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

Restricted Assets

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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 asset, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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, 2017.

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

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

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

Deferred Outflows and Inflows of Resources

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017

Note 1 Summary of Significant Accounting Policies (Continued)

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

Net Position and Fund Equity (Continued)

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

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

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution or other formal action. This is done through adoption of the budget, subsequent budget amendments, resolution or other formal actions when necessary 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, 2017

Note 1 Summary of Significant Accounting Policies (Continued)

e. New Accounting Pronouncements

The City has implemented the following Governmental Accounting Standards Board (GASB) Statements during the fiscal year ended June 30, 2017:

Governmental Accounting Standards Board Statement No. 74

GASB has issued Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension” which was effective for fiscal years beginning after June 15, 2016. This statement had no material impact upon the City’s financial statements for the fiscal year ended June 30, 2017.

Governmental Accounting Standards Board Statement No. 77

GASB has issued Statement No. 77, “Tax Abatement Disclosures” which was effective for fiscal years beginning after December 15, 2015. This statement had no material impact upon the City’s financial statements for the fiscal year ended June 30, 2017.

Governmental Accounting Standards Board Statement No. 78

GASB has issued Statement No. 78, “Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plan” which was effective for fiscal years beginning after December 15, 2015. This statement had no material impact upon the City’s financial statements for the fiscal year ended June 30, 2017.

Governmental Accounting Standards Board Statement No. 80

GASB has issued Statement No. 80, “Blending Requirements for Certain Component Units –an amendment of GASB Statement No. 14” which was effective for reporting periods beginning after June 30, 2016. This statement had no material impact upon the City’s financial statements for the fiscal year ended June 30, 2017.

f. Estimates

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 1 Summary of Significant Accounting Policies (Continued)

g. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental funds balance sheet includes a reconciliation between fund balances – governmental funds and net positions of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term debt and compensated absences have not been included in the governmental fund activity”. The detail of the \$51,858,762 long-term debt difference is as follows:

Long-term debt	
Compensated absences	\$ 1,160,638
Net OPEB obligation	8,627,225
Net pension liability	15,011,345
Revenue bonds payable, net	17,151,276
Notes payable	8,932
Capitalized leases payable	<u>9,897,810</u>
Net adjustment to reduce fund balances of total governmental funds to arrive at net position of governmental activities	 <u><u>\$ 51,857,226</u></u>

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

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

The details of this \$(572,634) difference are as follows:

Capital outlay	\$ 2,439,027
Depreciation expense	<u>(3,011,661)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	 <u><u>\$ (572,634)</u></u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 1 Summary of Significant Accounting Policies (Continued)

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

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds”. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$(1,023,491) difference are as follows:

Debt issued or incurred:	
Net OPEB obligation	\$ (1,383,892)
Revenue bonds	(6,580,000)
Premium	(184,759)
Principal repayments:	
Revenue bonds - principal	6,940,000
Amortization of discount	(12,169)
Amortization of premium	5,912
Contracts, notes, and loans payable	4,033
Capital leases payable	<u>187,384</u>
Net adjustment to decrease net changes in fund balance of total governmental funds to arrive at changes in net position of governmental activities	 <u><u>\$ (1,023,491)</u></u>

h. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements.

Statement No. 75	" Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"	The provision of this statement is effective for fiscal years beginning after June 15, 2017.
Statement No. 81	"Irrevocable Spilt-Interest Agreements"	The provision of this statement is effective for fiscal years beginning after December 15, 2016.
Statement No. 82	"Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73"	The provision of this statement is effective for fiscal years beginning after June 15, 2017.
Statement No. 83	"Certain Asset Retirement Obligations"	The provision of this statement is effective for fiscal years beginning after June 15, 2018.
Statement No. 84	"Fiduciary Activities"	The provision of this statement is effective for fiscal years beginning after December 15, 2018.
Statement No. 85	"Omnibus 2017"	The provision of this statement is effective for fiscal years beginning after June 15, 2017.
Statement No. 86	"Certain Debt Extinguishment Issues"	The provision of this statement is effective for fiscal years beginning after June 15, 2017.
Statement No. 87	"Leases"	The provision of this statement is effective for fiscal years beginning after December 15, 2019.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 2 Stewardship, Compliance, and Accountability

a. General Budget Policies

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

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

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

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

5. Capital projects are budgeted through the Capital Projects Funds. Appropriations for capital projects authorized but not constructed or completed during the fiscal year are carried forward as continuing appropriations into the following fiscal year’s budget.
6. Under Article XIII-B of the California constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset by a deficit in the following year. For the fiscal year ended June 30, 2017, 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, 2017

Note 2 Stewardship, Compliance, and Accountability (Continued)

b. Deficit Fund Balances and Net Position

The Vocational Center Capital Projects Fund has deficit fund balance of \$451,012 which should be alleviated as additional revenues or transfers are received. The Engineering fund has a deficit fund balance of \$255,561 which will be alleviated with interfund transfers or additional revenue.

The Insurance, Billing and Collection, and Property and Equipment Internal Service Funds have deficit net positions of \$175,557, \$377,863, and \$211,790, 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, 2017:

Fund/Function	Final Appropriation	Expenditures	Excess
Nonmajor Funds:			
Gas Tax Special Revenue	\$ 594,584	\$ 665,501	\$ 70,917
Community Enhancement Special Revenue	142,666	158,760	16,094
Assessment Districts Special Revenue	497,048	523,704	26,656
Housing Authority Special Revenue	93,291	100,346	7,055
MTBE Capital Projects	100,000	181,123	81,123
Major Funds:			
General Fund			
General Government	4,051,950	6,363,752	2,311,802
Public Safety	7,172,388	7,436,246	263,858
Public Works	571,895	728,144	156,249
Parks & Community Services	1,480,703	1,640,604	159,901
Financing Authority Debt Service	1,634,593	8,481,825	6,847,232

Note 3 Cash and Investments

Cash and investments as of June 30, 2017 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 10,660,594
Restricted cash and investments with Fiscal Agents	1,608,620
Fiduciary funds:	
Cash and investments	3,195,118
Restricted cash and investments with Fiscal Agents	109,844
Total cash and investments	<u>\$ 15,574,176</u>

Cash and investments as of June 30, 2017 consist of the following:

Cash on hand	\$ 8,145
Deposits with financial institutions	1,160,466
Investments	14,405,565
Total cash and investments	<u>\$ 15,574,176</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017

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	\$ 9,531,951	\$ 9,531,951	\$ -	\$ -	\$ -
Money Market Funds	2,411,150	2,411,150			
Certificates of Deposit	744,000	496,000	248,000		
Held by Bond Trustees:					
Federal Agency Securities	595,395	329,931	265,464		
Money Market Funds	507,069	507,069			
Certificates of Deposit	616,000			616,000	
Totals	<u>\$ 14,405,565</u>	<u>\$ 13,276,101</u>	<u>\$ 513,464</u>	<u>\$ 616,000</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, 2017

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>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
State Investment Pool	\$ 9,531,951	N/A	\$ -	\$ -	\$ -	\$ -	\$ 9,531,951
Money Market Funds	2,411,150	N/A					2,411,150
Certificates of Deposit	744,000	N/A					744,000
Held by Bond Trustee:							
Federal Agencies	595,395	AAA		595,395			
Money Market Funds	507,069	N/A					507,069
Certificates of Deposit	616,000	N/A					616,000
Total	\$ 14,405,565		\$ -	\$ 595,395	\$ -	\$ -	\$ 13,810,170

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, 2017, 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, 2017, City investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities:

<u>Investment Type</u>	<u>Reported Amount</u>
Certificates of deposit	\$ 1,360,000
Money market funds	2,918,219
Federal Agency Securities	595,395

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 3 Cash and Investments (Continued)

Investment in State Investment Pool

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

H. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy establish by generally accepted accounting principles. These principles recognize a three tiered fair value hierarchy as follows: Level 1 – Investments reflect prices quoted in active markets; Level 2 – Investments reflect prices that are based on similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active; and Level 3 – Investments reflect prices based upon unobservable sources. The City has marketable securities that are measured with recurring fair value measurements as of June 30, 2017 and are valued using quoted market prices (level 1 inputs).

Note 4 Notes Receivable

Notes receivable as of June 30, 2017, totaled \$22,491,387 and were recorded as follows:

Capital Projects Funds	\$ 140,253
Special Revenue Funds	21,996,480
Enterprise Funds	<u>354,654</u>
Total Notes Receivable	\$ <u>22,491,387</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.	\$ 10,295,402
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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	228,337
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Note to Pena's (disposal contractor) for purchase of green carts.	102,786
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HOME program funds were used to loan to a developer for the construction of an affordable Senior housing complex.	3,100,000
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Promissory notes from developers for the acquisition and development of property for housing projects within the City; interest rates from 3% to 4.81%; terms of the notes are thirty to forty years; notes secured by deeds of trust.	<u>8,764,862</u>
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Totals	\$ <u>22,491,387</u>
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CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 5 Accounts Receivable

The following is a list of accounts receivable at June 30, 2017:

	Receivable	Allowance	Net
Governmental Activities -			
Due from other governments	\$ 2,457,153	\$ -	\$ 2,457,153
Accounts	913,090		913,090
	<u>\$ 3,370,243</u>	<u>\$ -</u>	<u>\$ 3,370,243</u>
Business-type Activities -			
Due from other governments	\$ 569,779	\$ -	\$ 569,779
Accounts	3,550,683	1,170,976	2,379,707
	<u>\$ 4,120,462</u>	<u>\$ 1,170,976</u>	<u>\$ 2,949,486</u>
Fiduciary Funds			
Accounts	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ 38</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, 2017.

Receivable Fund	Amount	Payable Fund	Amount
Major Funds:		Non-Major Governmental Funds	\$ 629,397
General	<u>\$ 1,037,102</u>	Internal Service Fund	63,278
		Non-Major Enterprise Fund	<u>344,427</u>
Total	<u>\$ 1,037,102</u>	Total	<u>\$ 1,037,102</u>

Long-term Interfund Advances

At June 30, 2017, 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 Fund:		Major Funds:	
Disposal	\$ 245,616	General Construction	\$ 23,174
Major Fund:		General	1,031,663
General	723,000	Financing Authority	200,000
Non-major Governmental Funds	<u>1,376,904</u>	Major Proprietary Funds:	
		Golf Course	951,337
		Water	11,221
		Sewer	11,221
		Non-major Governmental Funds	<u>116,904</u>
Totals	<u>\$ 2,345,520</u>		<u>\$ 2,345,520</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 \$12,759,297. The City believes that these amounts should be repaid with future tax increment dollars received by SADRA.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 6 Interfund Transactions (Continued)

B. Transfers Between Funds

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

Transfer in	Amount	Transfer out	Amount
Major Governmental:		Major Governmental:	
General	\$ 407,524	General	\$ 1,668,140
HUD Grants	5,001	HUD Grants	20,544
Public Safety Sales Tax	1,300,000	Public Safety Sales Tax	138,787
General Construction	403,948	Financing Authority	402,362
Transportation Construction	710,416	Major Proprietary:	
Financing Authority	1,612,476	Water	766,426
Major Proprietary:		Sewer	1,326,098
Water	675,094	Disposal	13,567
Sewer	1,119,742	Ambulance	700,000
Disposal	32,599	Internal Service Funds	8,500
Non-major Governmental	651,782	Non-major Enterprise Funds	9,944
		Non-major Governmental	1,864,214
Totals	<u>\$ 6,918,582</u>		<u>\$ 6,918,582</u>

Note 7 Capital Assets

a. Governmental Activities

Capital asset governmental activity for the fiscal year ended June 30, 2017 was as follows:

	Balance at July 1, 2016	Prior Period Adjustments	Additions	Deletions	Transfers	Balance at June 30, 2017
Capital Assets, not being depreciated:						
Land	\$ 105,826,555	\$ -	\$ 49,939	\$ -	\$ -	\$ 105,876,494
Artwork	68,641					68,641
Right of ways/easements	5,794,425					5,794,425
Construction in progress	23,708,966		2,067,490		(666,399)	25,110,057
Total	135,398,587	-	2,117,429		(666,399)	136,849,617
Capital Assets, being depreciated:						
Buildings	11,144,522					11,144,522
Improvements other than buildings	11,415,280				666,399	12,081,679
Equipment and machinery	8,438,680		355,014			8,793,694
Infrastructure	57,218,333	1,305,866				58,524,199
Total	88,216,815	1,305,866	355,014		666,399	90,544,094
Less accumulated depreciation for:						
Buildings	(4,260,170)		(439,736)			(4,699,906)
Improvements other than buildings	(1,283,524)		(350,130)			(1,633,654)
Equipment and machinery	(6,620,021)		(789,898)			(7,409,919)
Infrastructure	(22,871,458)		(1,443,153)			(24,314,611)
Total	(35,035,173)		(3,022,917)			(38,058,090)
Total, net of accumulated depreciation	53,181,642	1,305,866	(2,667,903)		666,399	52,486,004
Total Capital Assets, Net	<u>\$ 188,580,229</u>	<u>\$ 1,305,866</u>	<u>\$ (550,474)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,335,621</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 7 Capital Assets (Continued)

a. Governmental Activities (Continued)

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

Unallocated	\$ 3,022,917
Total	<u>\$ 3,022,917</u>

b. Business-type activities

Capital asset business-type activity for the fiscal year ended June 30, 2017 was as follows:

	Balance at July 1, 2016	Prior Period Adjustment	Additions	Deletions	Transfer	Balance at June 30, 2017
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	17,404,586	268,311				17,672,897
Buildings and improvements	5,762,180					5,762,180
Equipment and machinery	650,530		10,757			661,287
Total capital assets being depreciated	23,817,296	268,311	10,757			24,096,364
Less accumulated depreciation for:						
Infrastructure	(5,643,421)		(304,163)			(5,947,584)
Buildings and improvements	(2,214,124)		(192,831)			(2,406,955)
Equipment and machinery	(377,376)		(26,649)			(404,025)
Total accumulated depreciation	(8,234,921)		(523,643)			(8,758,564)
Total capital assets being depreciated, net	15,582,375	268,311	(512,886)			15,337,800
Water Fund Capital Assets, net	<u>\$ 15,844,181</u>	<u>\$ 268,311</u>	<u>\$ (512,886)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,599,606</u>
Sewer Fund:						
Capital assets, not being depreciated:						
Land	\$ 4,388,142	\$ -	\$ -	\$ -	\$ -	\$ 4,388,142
Total capital assets not being depreciated	4,388,142					4,388,142
Capital assets, being depreciated:						
Infrastructure	16,648,312	186,775				16,835,087
Buildings and improvements	4,423,719					4,423,719
Equipment and machinery	602,114		8,368			610,482
Total capital assets being depreciated	21,674,145	186,775	8,368			21,869,288
Less accumulated depreciation for:						
Infrastructure	(3,485,240)		(315,619)			(3,800,859)
Buildings and improvements	(1,898,938)		(125,443)			(2,024,381)
Equipment and machinery	(526,918)		(30,426)			(557,344)
Total accumulated depreciation	(5,911,096)		(471,488)			(6,382,584)
Total capital assets being depreciated, net	15,763,049	186,775	(463,120)			15,486,704
Sewer Fund Capital Assets, net	<u>\$ 20,151,191</u>	<u>\$ 186,775</u>	<u>\$ (463,120)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,874,846</u>
Disposal Fund:						
Capital assets, being depreciated:						
Equipment and machinery	\$ 620,428	\$ -	\$ -	\$ -	\$ -	\$ 620,428
Less accumulated depreciation for:						
Equipment and machinery	(120,229)		(78,129)			(198,358)
Disposal Fund Capital Assets, net	<u>\$ 500,199</u>	<u>\$ -</u>	<u>\$ (78,129)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 422,070</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 7 Capital Assets (Continued)

b. Business-type Activities (Continued)

	Balance at July 1, 2016	Prior Period Adjustment	Additions	Deletions	Transfers	Balance at June 30, 2017
Transit Fund:						
Capital assets, being depreciated:						
Buildings and improvements	\$ 1,721,578	\$ -	\$ -	\$ -	\$ -	\$ 1,721,578
Equipment and machinery	1,321,852		268,376			1,590,228
Total capital assets being depreciated	<u>3,043,430</u>		<u>268,376</u>			<u>3,311,806</u>
Less accumulated depreciation for:						
Buildings and improvements	(98,459)		(57,959)			(156,418)
Equipment and machinery	(986,433)		(144,482)			(1,130,915)
Total accumulated depreciation	<u>(1,084,892)</u>		<u>(202,441)</u>			<u>(1,287,333)</u>
Total capital assets being depreciated, net	<u>1,958,538</u>		<u>65,935</u>			<u>2,024,473</u>
Transit Fund Capital Assets, net	<u>\$ 1,958,538</u>	<u>\$ -</u>	<u>\$ 65,935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,024,473</u>
Ambulance Fund:						
Capital assets, being depreciated:						
Equipment and machinery	\$ 888,596	\$ -	\$ 87,405	\$ -	\$ -	\$ 976,001
Less accumulated depreciation for:						
Equipment and machinery	(451,621)		(121,144)			(572,765)
Ambulance Fund Capital Assets, net	<u>\$ 436,975</u>	<u>\$ -</u>	<u>\$ (33,739)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 403,236</u>
Golf Course Fund:						
Capital assets not being depreciated:						
Land	\$ 3,960,467	\$ -	\$ -	\$ -	\$ -	\$ 3,960,467
Construction in progress	423,653				(423,653)	
Total capital assets not being depreciated	<u>4,384,120</u>				<u>(423,653)</u>	<u>3,960,467</u>
Capital assets, being depreciated:						
Infrastructure	6,530,587					6,530,587
Buildings and improvements	20,437,486				423,653	20,861,139
Equipment and machinery	731,584					731,584
Total capital assets being depreciated	<u>27,699,657</u>				<u>423,653</u>	<u>28,123,310</u>
Less accumulated depreciation for:						
Infrastructure	(1,778,903)		(215,171)			(1,994,074)
Buildings and improvements	(5,445,284)		(701,837)			(6,147,121)
Equipment and machinery	(727,739)		(1,118)			(728,857)
Total accumulated depreciation	<u>(7,951,926)</u>		<u>(918,126)</u>			<u>(8,870,052)</u>
Total capital assets being depreciated, net	<u>19,747,731</u>		<u>(918,126)</u>			<u>19,253,258</u>
Golf Course Fund Capital Assets, net	<u>\$ 24,131,851</u>	<u>\$ -</u>	<u>\$ (918,126)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,213,725</u>

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

Business-Type Activities:

Water	\$ 523,643
Sewer	471,488
Disposal	78,129
Transit	202,441
Ambulance	121,144
Golf	918,126
Total	<u>\$ 2,314,971</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017:

	Balance at July 1, 2016	Additions	Repayments	Balance at June 30, 2017	Due Within One Year
Governmental Activities:					
Capital leases payable	\$ 10,085,194	\$ -	\$ (187,384)	\$ 9,897,810	\$ 223,034
Compensated absences	1,130,436	861,938	(831,736)	1,160,638	237,517
Net OPEB obligation	7,244,869	1,777,519	(395,163)	8,627,225	
Net pension liability	11,740,635	5,263,076	(1,992,366)	15,011,345	
Notes payable	12,965		(4,033)	8,932	4,315
Lease revenue bonds payable	17,590,000	6,580,000	(6,940,000)	17,230,000	805,000
Original issue discount	(269,740)		12,169	(257,571)	(12,169)
Original issue premium		184,759	(5,912)	178,847	5,912
Total	\$ 47,534,359	\$ 14,667,292	\$ (10,344,425)	\$ 51,857,226	\$ 1,263,609
Business-type Activities:					
Water Fund:					
Compensated absences	\$ 34,855	\$ 37,084	\$ (29,173)	\$ 42,766	\$ 12,926
Net OPEB obligation	269,328	66,079	(14,679)	320,728	
Water notes payable	5,962,194		(402,750)	5,559,444	413,557
Capital lease	76,588		(76,588)		
Net pension liability	343,376	192,191	(113,700)	421,867	
Sewer Fund:					
Compensated absences	23,065	18,898	(14,907)	27,056	9,335
Net OPEB obligation	375,287	92,091	(20,470)	446,908	
Revenue bonds and notes	10,315,000		(230,000)	10,085,000	240,000
Installment purchase	640,000		(205,000)	435,000	215,000
Loan payable	292,286		(82,472)	209,814	83,298
Net pension liability	285,063	73,547	(8,386)	350,224	
Original issue premium	47,973		(2,164)	45,809	2,164
Disposal Fund:					
Compensated absences	34,634	12,454	(33,059)	14,029	2,678
Net OPEB obligation	70,819	17,378	(3,863)	84,334	
Net pension liability	155,567	86,058	(50,498)	191,127	
Ambulance Fund:					
Compensated absences	61,175	57,004	(61,496)	56,683	22,863
Net OPEB obligation	445,218	109,252	(24,284)	530,186	
Net pension liability	743,928	478,133	(308,081)	913,980	
Compressed Natural Gas Fund:					
Net OPEB obligation	9,503	2,000	(518)	10,985	
Totals	\$ 20,185,859	\$ 1,242,169	\$ (1,682,088)	\$ 19,745,940	\$ 1,001,821

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 8 Long-Term Liabilities (Continued)

b. Governmental Activities – Lease Revenue Bonds

2007 DFA Lease Revenue Bonds Payable. On September 12, 2007, the Dinuba Financing Authority issued \$7,450,000 of Lease Revenue Bonds. The proceeds of the bonds are being used to finance road improvements in the City, to fund the Reserve Account with respect to the Bonds, and to pay certain costs of issuance. The lease revenues provided for by an installment agreement with the City is to be used for the payment of the bonds. Interest rates vary between 4.0% and 5.375% and are payable semi-annually on September 1 and March 1. Principal is paid annually on September 1 through 2038. This bond was refunded during the fiscal year end June 30, 2017.

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

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

The principal balance outstanding on the 2012 bonds as of June 30, 2017 was \$9,600,000.

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 2017 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, 2017 was \$1,050,000.

2016 DFA Lease Revenue Refunding Bonds Payable. On October 12, 2016, the Dinuba Financing Authority issued \$6,580,000 of 2016 Lease Revenue Refunding Bonds. The proceeds of the bonds were used to refund the 2007 Lease Revenue Bonds in the amount of \$6,255,000 and pay costs of issuance.

The bonds consist of \$6,580,000 of serial bonds with maturity dates from September 1, 2017 through 2038. Interest rates vary between 2.0%-4.0% with semi-annual payments due each March 1 and September 1.

The refunding of the 2007 bonds resulted in a cash savings over the repayment period of \$1,529,810 and an economic loss of \$296,346.

The principal balance outstanding on the 2016 bonds as of June 30, 2017 was \$6,580,000.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 8 Long-Term Liabilities (Continued)

c. Governmental Activities – Note Payable

On August 27, 2003, the City purchased a parcel of real estate. The City issued a note to the seller in the amount of \$45,000. The note is secured by a deed of trust, carries an interest rate of 7%, and is due in annual installments of \$4,941 through 2018. The outstanding principal balance of the note at June 30, 2017 was \$8,932.

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, 2017 was \$329,026.

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. The outstanding balance as of June 30, 2017 is \$8,358,638.

d. Governmental Activities – Site and Facility Lease

On July 1, 2015 the City entered into a Site and Facility Lease with Compass Bank. The City determined it was necessary and desirable to repay a loan to the Successor Agency to the Dinuba Redevelopment Agency. The City will lease real property and improvements consisting of the Dinuba Transit Center to Compass in consideration for Compass's paying the City the sum of not to exceed \$1,300,000 in advance rental. Compass bank will then lease the site and facility back to the City at an interest rate not to exceed 5.25%. The site and facility lease will commence on July 1, 2015 and shall end on May 25, 2030. The outstanding principal balance of this lease at June 30, 2017 is \$1,210,146.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 8 Long-Term Liabilities (Continued)

g. Long-Term Debt Amortization Governmental Activities

The annual requirements to amortize long-term debt outstanding at June 30, 2017 (other than compensated absences) are as follows:

Fiscal Year Ended June 30,	2012 DFA Lease Revenue Refunding Bonds		
	Principal	Interest	Total
2018	\$ 420,000	\$ 318,136	\$ 738,136
2019	420,000	309,737	729,737
2020	435,000	300,644	735,644
2021	445,000	290,187	735,187
2022	455,000	277,800	732,800
2023-2027	2,475,000	1,244,890	3,719,890
2028-2032	2,955,000	784,970	3,739,970
2033-2037	1,515,000	279,031	1,794,031
2038-2039	480,000	43,100	523,100
	<u>\$ 9,600,000</u>	<u>\$ 3,848,495</u>	<u>\$ 13,448,495</u>

Fiscal Year Ended June 30,	2016 Lease Revenue Refunding Bonds		
	Principal	Interest	Total
2018	\$ 235,000	\$ 201,500	\$ 436,500
2019	215,000	197,000	412,000
2020	220,000	191,550	411,550
2021	230,000	184,800	414,800
2022	240,000	177,750	417,750
2023-2027	1,295,000	764,600	2,059,600
2028-2032	1,545,000	510,025	2,055,025
2033-2037	1,805,000	258,075	2,063,075
2038-2039	795,000	24,075	819,075
	<u>\$ 6,580,000</u>	<u>\$ 2,509,375</u>	<u>\$ 9,089,375</u>

Fiscal Year Ended June 30,	Site and Facility Lease		
	Principal	Interest	Total
2018	\$ 63,848	\$ 61,870	\$ 125,718
2019	67,198	58,519	125,717
2020	70,724	54,994	125,718
2021	74,435	51,282	125,717
2022	78,340	47,377	125,717
2023-2027	457,850	170,738	628,588
2028-2031	397,751	42,261	440,012
	<u>\$ 1,210,146</u>	<u>\$ 487,041</u>	<u>\$ 1,697,187</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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
2018	\$ 78,202	\$ 11,121	\$ 89,323
2019	80,845	8,478	89,323
2020	83,578	5,745	89,323
2021	86,401	2,921	89,322
	<u>\$ 329,026</u>	<u>\$ 28,265</u>	<u>\$ 357,291</u>

Fiscal Year Ended June 30,	Lease Purchase - Solar		
	Principal	Interest	Total
2018	\$ 80,984	\$ 349,596	\$ 430,580
2019	113,567	345,862	459,429
2020	173,126	340,484	513,610
2021	213,609	332,806	546,415
2022	257,476	323,395	580,871
2023-2027	2,080,529	1,404,527	3,485,056
2028-2032	3,833,000	814,087	4,647,087
2033-2034	1,606,347	68,453	1,674,800
	<u>\$ 8,358,638</u>	<u>\$ 3,979,210</u>	<u>\$ 12,337,848</u>

Fiscal Year Ended June 30,	Land Purchases - Notes Payable		
	Principal	Interest	Total
2018	\$ 4,315	\$ 625	\$ 4,940
2019	4,617	323	4,940
	<u>\$ 8,932</u>	<u>\$ 948</u>	<u>\$ 9,880</u>

Fiscal Year Ended June 30,	2012 Lease Revenue Bonds		
	Principal	Interest	Total
2018	\$ 150,000	\$ 58,500	\$ 208,500
2019	150,000	49,500	199,500
2020	175,000	39,750	214,750
2021	175,000	29,250	204,250
2022	200,000	18,000	218,000
2023	200,000	6,000	206,000
	<u>\$ 1,050,000</u>	<u>\$ 201,000</u>	<u>\$ 1,251,000</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 8 Long-Term Liabilities (Continued)

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

Fiscal Year Ended June 30,	Total Governmental Activities		
	Principal	Interest	Total
2018	\$ 1,032,349	\$ 1,001,348	\$ 2,033,697
2019	1,051,227	969,419	2,020,646
2020	1,157,428	933,167	2,090,595
2021	1,224,445	891,246	2,115,691
2022	1,230,816	844,322	2,075,138
2023-2027	6,508,379	3,511,761	10,020,140
2028-2032	8,730,751	2,042,593	10,773,344
2033-2037	4,926,347	539,203	5,465,550
2038-2039	1,275,000	43,475	1,318,475
	<u>\$ 27,136,742</u>	<u>\$ 10,776,534</u>	<u>\$ 37,913,276</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, 2017 is \$641,631.

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, 2017 is \$4,917,813.

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, 2017 is \$435,000.

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 8 Long-Term Liabilities (Continued)

h. Business-Type Activities (Continued)

2007 DFA Wastewater System Revenue Bonds

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

Interest rates vary between 4.0% and 5.375% and are payable semi-annually on September 1 and March 1. Principal is paid annually on September 1 through 2038. Bonds maturing after 2017 are subject to optional redemption. The principal balance outstanding at June 30, 2017 is \$2,645,000.

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, 2017 was \$7,440,000.

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, 2017 is \$209,814.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 8 Long-Term Liabilities (Continued)

h. Business-Type Activities (Continued)

Capital Lease

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. This lease has been paid off as of the fiscal year ended June 30, 2017.

i. Enterprise Long-Term Debt Amortization

The annual requirements to amortize enterprise long-term debt outstanding at June 30, 2017 are as follows:

Fiscal Year Ending June 30,	1998 Water Note Payable		
	Principal	Interest	Total
2018	\$ 91,088	\$ 18,326	\$ 109,414
2019	93,800	15,604	109,404
2020	96,592	12,822	109,414
2021	99,468	9,946	109,414
2022	102,429	12,134	114,563
2023-2024	158,254		158,254
	<u>\$ 641,631</u>	<u>\$ 68,832</u>	<u>\$ 710,463</u>

Fiscal Year Ending June 30,	2005 Water Note Payable		
	Principal	Interest	Total
2018	\$ 322,469	\$ 125,781	\$ 448,250
2019	330,909	117,341	448,250
2020	339,568	108,683	448,251
2021	348,454	99,796	448,250
2022	357,572	90,677	448,249
2023-2027	1,933,217	308,033	2,241,250
2028-2029	1,285,624	59,125	1,344,749
	<u>\$ 4,917,813</u>	<u>\$ 909,436</u>	<u>\$ 5,827,249</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017 are as follows:

Fiscal Year Ending June 30,	California Energy Commission Loan Payable		
	Principal	Interest	Total
2018	\$ 83,298	\$ 1,891	\$ 85,189
2019	84,134	1,057	85,191
2020	42,382	212	42,594
	<u>\$ 209,814</u>	<u>\$ 3,160</u>	<u>\$ 212,974</u>

Fiscal Year Ending June 30,	Installment Purchase		
	Principal	Interest	Total
2018	\$ 215,000	\$ 9,825	\$ 224,825
2019	220,000	3,300	223,300
	<u>\$ 435,000</u>	<u>\$ 13,125</u>	<u>\$ 448,125</u>

Fiscal Year Ending June 30,	2007 Revenue Bonds		
	Principal	Interest	Total
2018	\$ 70,000	\$ 138,153	\$ 208,153
2019	70,000	134,873	204,873
2020	75,000	131,382	206,382
2021	80,000	127,554	207,554
2022	80,000	123,554	203,554
2023-2027	475,000	548,467	1,023,467
2028-2032	615,000	403,260	1,018,260
2033-2037	800,000	213,925	1,013,925
2038-2039	380,000	20,694	400,694
	<u>\$ 2,645,000</u>	<u>\$ 1,841,862</u>	<u>\$ 4,486,862</u>

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017 are as follows:

Fiscal Year Ending June 30,	2012 Lease Revenue Bonds		
	Principal	Interest	Total
2018	\$ 170,000	\$ 258,738	\$ 428,738
2019	170,000	255,338	425,338
2020	415,000	249,488	664,488
2021	420,000	241,138	661,138
2022	430,000	231,563	661,563
2023-2027	2,340,000	962,319	3,302,319
2028-2032	1,685,000	561,340	2,246,340
2033-2037	1,235,000	302,219	1,537,219
2038-2039	575,000	29,125	604,125
	<u>\$ 7,440,000</u>	<u>\$ 3,091,268</u>	<u>\$ 10,531,268</u>

Fiscal Year Ending June 30,	Total Business-type Activities		
	Principal	Interest	Total
2018	\$ 951,855	\$ 552,714	\$ 1,504,569
2019	968,843	527,513	1,496,356
2020	968,542	502,587	1,471,129
2021	947,922	478,434	1,426,356
2022	970,001	457,928	1,427,929
2023-2027	4,906,471	1,818,819	6,725,290
2028-2032	3,585,624	1,023,725	4,609,349
2033-2037	2,035,000	516,144	2,551,144
2038-2039	955,000	49,819	1,004,819
	<u>\$ 16,289,258</u>	<u>\$ 5,927,683</u>	<u>\$ 22,216,941</u>

k. Compensated Absences

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

Note 9 Pension Plan

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 9 Pension Plan (Continued)

A. General Information about the Pension Plan

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

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

The Plans’ provisions and benefits in effect at June 30, 2017, are summarized as follows:

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

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 9 Pension Plan (Continued)

A. General Information about the Pension Plan (Continued)

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

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

As of June 30, 2017, the City reported net pension liabilities for its proportionate share of the net position liability of the Plan as follows:

Proportionate Share of Net Pension Liability		
Misc. Plan	Safety Plan	Total
\$ 7,380,757	\$ 9,507,786	\$ 16,888,543

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2015 and 2016 was as follows:

City Miscellaneous Plan

Proportion - June 30, 2015	0.21139%
Proportion - June 30, 2016	0.21246%
Change - Increase (Decrease)	0.00107%

City Safety Plan

Proportion - June 30, 2015	0.19287%
Proportion - June 30, 2016	0.27369%
Change - Increase (Decrease)	0.08082%

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 9 Pension Plan (Continued)

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

For the fiscal year ended June 30, 2017, the Local Government recognized pension expense of \$1,910,937. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,178,259	\$ -
Differences between expected and actual experience	25,587	(101,579)
Changes in assumptions		(659,405)
Differences in actual vs proportionate contribution	922,715	(80,196)
Net differences between projected and actual earnings on pension plan investments	3,310,242	
Adjustment due to differences in proportions	690,157	(470,610)
Total	<u>\$ 7,126,960</u>	<u>\$ (1,311,790)</u>

\$2,178,259 reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	
2018	\$ (553,287)
2019	(652,479)
2020	(1,571,052)
2021	(860,093)
Total	<u>\$ (3,636,911)</u>

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 9 Pension Plan (Continued)

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

Actuarial Assumptions – The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2015	June 30, 2015
Measurement Date	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	3.30%-14.20% (1)	3.30%-14.20% (1)
Investment Rate of Return	7.50% (2)	7.50% (2)
Mortality	Derived using CalPERS' Membership Data for all Funds	

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

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2015 valuation were based on the results of a January 2015 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 9 Pension Plan (Continued)

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

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

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

Asset Class	Current Target Allocation	Real Return Years 1 - 10	Real Return Years 11 +
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	(0.55%)	(1.05%)

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

	Miscellaneous	Safety
1% Decrease	6.65%	6.65%
Net Pension Liability	\$11,273,509	\$13,694,447
Current Discount Rate	7.65%	7.65%
Net Pension Liability	\$7,380,757	\$9,507,786
1% Increase	8.65%	8.65%
Net Pension Liability	\$4,163,589	\$6,070,966

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 10 Post Employment Health Care Benefits

Plan Description

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

Funding Policy

The City's policy is to fund these benefits on a pay-as-you-go basis, and paid approximately \$328,001 for the fiscal year ended June 30, 2017 to the plan. Typically, the general fund and major enterprise funds have liquidated the OPEB obligation.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and amount which was determined as part of the July 1, 2014 actuarial valuation in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ARC is subject to change with each actuarial valuation date performed no less than every three years.

The City's OPEB unfunded actuarial accrued liability as of July 1, 2014, the date of the most recent actuarial valuation, was a total of \$16,582,381. The OPEB obligation has been adjusted by an annual inflation percentage of 3.25 percent based on the assumptions of the actuarial valuation and a general salary increase of 3.25 percent.

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

Annual required contribution (ARC)	\$ 2,149,230
Interest on net OPEB obligation	378,676
Adjustment to annual required contribution	<u>(463,291)</u>
Annual OPEB cost (expense)	2,064,615
Less: Employer contribution	(328,001)
Implicit subsidy credit	<u>(131,272)</u>
Increase in net OPEB obligation	1,605,342
 Net OPEB obligation, beginning of fiscal year	 <u>8,415,024</u>
 Net OPEB obligation, end of fiscal year	 <u><u>\$ 10,020,366</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2017 and the two preceding fiscal years were as follows:

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 10 Post Employment Health Care Benefits (Continued)

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2015	\$ 1,828,689	21.14%	\$ 6,874,324
6/30/2016	1,943,639	20.73%	8,415,024
6/30/2017	2,064,615	19.52%	10,020,366

Funded Status and Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Liability (Excess Assets)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
07/1/2014	\$ 16,582,381	\$ -	\$ 16,582,381	0%	\$ 8,140,364	203.7%

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

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

Actuarial Methods and Assumptions

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

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

Note 11 Deferred Compensation

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 12 Risk Management/Joint Venture

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

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

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

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

The financial position and results of operations for the CSJVRMA as of June 30, 2015 (most recent available) 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 \$50,000 per covered individual, with any expenses greater than that being covered by the insurance provider.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 12 Risk Management/Joint Venture (Continued)

The claims liability of \$50,000 for health insurance at June 30, 2017 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liability was estimated from the average amount of claims paid per lag reports provided by the administrator. Settlements have not exceeded coverages for each of the past three fiscal years.

Changes in health claim liabilities at June 30, 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Liability - beginning of fiscal year	\$ 50,000	\$ 50,000
Current year claims and changes in estimates	2,568,544	2,458,755
Claim payments	<u>(2,568,544)</u>	<u>(2,458,755)</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, 2017, fund balances for governmental funds are made up of the following:

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 13 Fund Balances (Continued)

- *Unassigned Fund Balance* – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

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

	General Construction	General	HUD Grants	Public Safety Sales Tax	Transportation Construction	Financing Authority	Non-major Governmental	Totals
Nonspendable								
Advances/Notes	\$ -	\$ 3,412,954	\$ -	\$ -	\$ 530,576	\$ -	\$ 4,325,564	\$ 8,269,094
Prepaid items		23,106					2,016	25,122
Land held for resale							187,251	187,251
Totals		3,436,060			530,576	-	4,514,831	8,481,467
Restricted								
Housing							5,958	5,958
Public safety				328,707			100,457	429,164
Public works and community development			129,636		2,385,177	1,099,627	9,041,764	12,656,204
Totals			129,636	328,707	2,385,177	1,099,627	9,148,179	13,091,326
Assigned								
Public works	57,087						7,375	64,462
Totals	57,087						7,375	64,462
Unassigned		1,113,239					(451,012)	662,227
Totals	\$ 57,087	\$ 4,549,299	\$ 129,636	\$ 328,707	\$ 2,915,753	\$ 1,099,627	\$ 13,219,373	\$ 22,299,482

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 \$33,547,768 of restricted net position.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 14 Net Position (Continued)

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES - NET POSITION
AS OF JUNE 30, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Net position			
Net investment in capital assets	\$ 162,951,223	\$ 46,126,104	\$ 209,077,327
Restricted for:			
Community development	23,670,275		23,670,275
Assessment districts	164,833		164,833
Parks	75,179		75,179
Police	429,164		429,164
Streets & roads	5,042,559		5,042,559
Housing	4,165,758		4,165,758
Total Restricted	<u>33,547,768</u>		<u>33,547,768</u>
Unrestricted	<u>(6,391,796)</u>	<u>4,641,804</u>	<u>(1,749,992)</u>
Total net position	<u>\$ 190,107,195</u>	<u>\$ 50,767,908</u>	<u>\$ 240,875,103</u>

Note 15 Commitments

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, 2017 this amount is approximately \$82,273. The budgeted amount for fiscal year June 30, 2018 is \$82,400.

Note 16 Contingent Liabilities

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

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

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Note 18 Prior Period Adjustments

Adjustments were made in governmental activities, Water Fund, and Sewer for \$1,305,866, \$268,311, and \$186,775 respectively due to an understatement of infrastructure in the prior fiscal year.

Adjustments were made in the General Fund and Engineering Fund of \$140,745 and \$(255,561) respectively due to closing of the Engineering Fund and its consolidation into the General Fund in the prior fiscal year.

An adjustment was made in the Transit Fund for an overstatement of net pension liability and related deferred inflow and outflow of \$48,409.

An adjustment was made in the HUD Grants fund for an overstatement of deferred revenue of \$54,541.

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

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

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

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

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

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.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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

A. Capital Assets Held by SADRA

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets, not depreciated:				
Land	\$ 2,795,787	\$ -	\$ 65,181	\$ 2,730,606
Total capital assets, not depreciated	<u>2,795,787</u>	<u>-</u>	<u>65,181</u>	<u>2,730,606</u>
Capital assets, depreciated:				
Buildings and structures	167,848			167,848
Total capital assets, depreciated	<u>167,848</u>	<u>-</u>	<u>-</u>	<u>167,848</u>
Less accumulated depreciation for:				
Buildings and structures	(95,065)	(5,559)		(100,624)
Total accumulated depreciation	<u>(95,065)</u>	<u>(5,559)</u>	<u>-</u>	<u>(100,624)</u>
Total capital assets, depreciated, net	<u>72,783</u>	<u>(5,559)</u>	<u>-</u>	<u>67,224</u>
Total capital assets, net	<u><u>\$ 2,868,570</u></u>	<u><u>\$ (5,559)</u></u>	<u><u>\$ 65,181</u></u>	<u><u>\$ 2,797,830</u></u>

Depreciation expense for the fiscal year ended June 30, 2017 was \$5,559.

B. Summary of SADRA's Long-Term Debt

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Current Portion
Advances from City of Dinuba	\$ 12,759,297	\$ -	\$ -	\$ 12,759,297	\$ -
Notes payable	225,000		(50,000)	175,000	50,000
Tax allocation bonds	47,990,000	18,875,000	(18,715,000)	48,150,000	1,215,000
Original issue premium	1,557,986	33,774	(86,615)	1,505,145	86,615
Original issue discount	(40,797)		1,760	(39,037)	(1,760)
Total long-term liabilities, net	<u><u>\$ 62,491,486</u></u>	<u><u>\$ 18,908,774</u></u>	<u><u>\$ (18,849,855)</u></u>	<u><u>\$ 62,550,405</u></u>	<u><u>\$ 1,349,855</u></u>

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, 2017 is \$175,000.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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

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

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, 2017, 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, 2017 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, 2017. 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. These bonds have been refunded by 2015 Tax Allocation Refunding Bonds.

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, 2017

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

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

2006 Tax Allocation Refunding Bonds. On October 5, 2006, the Dinuba Redevelopment Agency issued \$17,270,000 of Tax Allocation Refunding Bonds bearing interest of 3.4% to 5.0%, payable semi-annually on March 1 and September 1 commencing March 1, 2007. The bonds mature annually at various amounts through September 1, 2036 and are subject to operational redemption prior to maturity, in whole or in part, on September 1, 2017. 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. These Bonds were refunded during the fiscal year ended June 30, 2017.

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. These Bonds were refunded during the fiscal year ended June 30, 2017.

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). These Bonds were refunded during the fiscal year ended June 30, 2017.

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, 2017

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

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

2012 Subordinate Tax Allocation Refunding Bonds. On December 6, 2012, SADRA issued \$1,700,000 Subordinate Tax Allocation Refunding Bonds bearing interest of 2.0% to 4.25% payable semi-annually on March 1 and September 1 commencing March 1, 2014. The bonds mature annually at various amounts through September 2039. The bonds are payable from and secured by incremental tax revenues. Bonds outstanding as of June 30, 2017 were \$1,515,000.

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, 2017 were \$13,225,000.

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.

2015 Tax Allocation Refunding Bonds. On October 1, 2015, the Successor Agency to the Dinuba Redevelopment Agency issued \$15,055,000 Tax Allocation Refunding Bonds bearing interest of 3% payable semi-annually on March 1 and September 1 commencing March 1, 2017. The bonds mature annually at various amounts through September 1, 2036. The bonds are payable from and secured by incremental tax revenues. Bonds outstanding as of June 30, 2017 were \$14,535,000.

The Bonds are being issued to refinance the outstanding amount (\$4,440,000) of the Agency's previously issued 2005 Tax Allocation Refunding Bonds and outstanding amount (\$11,375,000) of the Agency's 2006 Tax Allocation Refunding Bonds. As a result, the 2005 Tax Allocation Refunding Bonds are considered to be defeased and the liability for the bonds have been removed from the long-term liabilities of the Private Purpose Trust Fund.

As a result of this refunding, the SADRA recognized a deferred loss on refunding in the amount of \$828,923.

CITY OF DINUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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

2017 Tax Allocation Refunding Bonds. On February 22, 2017, the Successor Agency to the Dinuba Redevelopment Agency issued \$18,875,000 Tax Allocation Refunding Bonds bearing interest of 2%-4% payable semi-annually on March 1 and September 1 commencing September 1, 2017. The bonds mature annually at various amounts through September 1, 2041. The bonds are payable from and secured by incremental tax revenues. Bonds outstanding as of June 30, 2017 were \$18,875,000.

The Bonds are being issued to refinance the outstanding amount (\$3,000,000) of the Agency's previously issued 2006 Tax Allocation Refunding Bonds, outstanding amount (\$10,365,000) of the Agency's previously issued 2011A Tax Allocation Refunding Bonds and outstanding amount (\$4,325,000) of the Agency's 2011B Tax Allocation Refunding Bonds. As a result, the 2006, 2011A, and 2011B Tax Allocation Refunding Bonds are considered to be defeased and the liability for the bonds have been removed from the long-term liabilities of the Private Purpose Trust Fund.

As a result of this refunding, the SADRA recognized a deferred loss on refunding in the amount of \$2,820,201.

The annual requirements to amortize long-term debt outstanding at June 30, 2017 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2018	\$ 1,265,000	\$ 1,986,247	\$ 3,251,247
2019	1,555,000	1,923,913	3,478,913
2020	1,475,000	1,868,545	3,343,545
2021	1,520,000	1,815,938	3,335,938
2022	1,505,000	1,756,181	3,261,181
2023-2027	8,585,000	7,691,116	16,276,116
2028-2032	10,485,000	5,654,520	16,139,520
2033-2037	12,985,000	3,068,458	16,053,458
2038-2042	8,950,000	731,320	9,681,320
	<u>\$ 48,325,000</u>	<u>\$ 26,496,238</u>	<u>\$ 74,821,238</u>

C. Notes Receivable

The following is the note receivable outstanding as of June 30, 2017.

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.

\$ 329,992

Required Supplementary

Information



Tulare Street Dinuba

**CITY OF DINUBA
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2017**

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%
7/1/2014	16,582,381	-	16,582,381	0%	8,140,364	203.7%

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Taxes and assessments:				
Utility users	\$ 1,642,000	\$ 1,642,000	\$ 1,482,077	\$ (159,923)
Property	1,074,100	1,074,100	1,149,426	75,326
Sales	5,329,000	5,329,000	9,080,769	3,751,769
Transient occupancy	240,000	240,000	281,005	41,005
Other	2,410,500	2,410,500	2,337,314	(73,186)
Licenses and permits	101,000	101,000	269,630	168,630
Intergovernmental	66,000	66,000	84,855	18,855
Charges for services	560,123	560,123	794,907	234,784
Fines, forfeitures, and penalties	11,900	11,900	51,674	39,774
Use of money and property	33,600	33,600	18,152	(15,448)
Overhead charges	2,179,576	2,179,576	2,131,223	(48,353)
Miscellaneous	55,000	55,000	46,442	(8,558)
Total Revenues	13,702,799	13,702,799	17,727,474	4,024,675
Expenditures:				
Current:				
General government:				
City Council	129,089	129,089	151,808	(22,719)
City Manager	552,075	552,075	498,132	53,943
City Attorney	56,484	56,484	117,418	(60,934)
Administrative services	134,716	134,726	211,210	(76,484)
General services	3,179,586	3,179,586	5,385,184	(2,205,598)
Total general government	4,051,950	4,051,960	6,363,752	(2,311,792)
Public safety:				
Police services	5,069,271	5,069,271	5,248,407	(179,136)
Fire control	2,103,117	2,103,117	2,187,839	(84,722)
Total public safety	7,172,388	7,172,388	7,436,246	(263,858)
Public works:				
Planning services	571,895	571,895	728,144	(156,249)
Total public works	571,895	571,895	728,144	(156,249)
Parks and recreation:				
Parks & community services	1,480,703	1,480,703	1,640,604	(159,901)
Total parks and recreation	1,480,703	1,480,703	1,640,604	(159,901)

(Continued)

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2017
(Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive (Negative)
Expenditures:				
Capital outlay	\$ 269,719	\$ 269,719	\$ 191,198	\$ 78,521
Total Expenditures	13,546,655	13,546,665	16,359,944	(2,813,279)
Excess of Revenues Over (Under)				
Expenditures	156,144	156,134	1,367,530	1,211,396
Other Financing Sources (Uses):				
Transfers in	197,001	197,001	407,524	210,523
Transfers out	(954,923)	(954,923)	(1,668,140)	(713,217)
Total Other Financing Sources (Uses)	(757,922)	(757,922)	(1,260,616)	(502,694)
Net Change in Fund Balance	(601,778)	(601,788)	106,914	708,702
Fund balance, beginning of fiscal year	4,301,640	4,301,640	4,301,640	
Prior period adjustments			140,745	140,745
Fund balance, beginning of fiscal year (restated)	4,301,640	4,301,640	4,442,385	140,745
Fund balance, end of fiscal year	\$ 3,699,862	\$ 3,699,852	\$ 4,549,299	\$ 849,447

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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive (Negative)
Revenues:				
Use of money and property	\$ 83,933	\$ 83,933	\$ 148,897	\$ 64,964
Intergovernmental	85,376	85,376	68,285	(17,091)
Total Revenues	169,309	169,309	217,182	47,873
Expenditures:				
Current:				
Community development	147,786	147,786	137,300	10,486
Total Expenditures	147,786	147,786	137,300	10,486
Excess of Revenues Over (Under)				
Expenditures	21,523	21,523	79,882	58,359
Other Financing Sources (Uses):				
Transfers in			5,001	5,001
Transfers out	(23,041)	(23,041)	(20,544)	2,497
Total Other Financing Sources (Uses)	(23,041)	(23,041)	(15,543)	7,498
Net Change in Fund Balance	(1,518)	(1,518)	64,339	65,857
Fund Balance (Deficit), Beginning of Fiscal Year	10,756	10,756	10,756	
Prior Period Adjustments			54,541	54,541
Fund Balance - Beginning of Fiscal Year (restated)	10,756	10,756	65,297	54,541
Fund Balance, End of Fiscal Year	\$ 9,238	\$ 9,238	\$ 129,636	\$ 120,398

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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive (Negative)
Revenues:				
Use of money and property	\$ 4,000	\$ 4,000	\$ (2,229)	\$ (6,229)
Taxes and assessments	3,633,538	3,633,538	2,558,844	(1,074,694)
Total Revenues	3,637,538	3,637,538	2,556,615	(1,080,923)
Expenditures:				
Current:				
Public safety	3,287,194	3,287,194	3,241,829	45,365
Capital outlay	47,859	47,859	7,544	40,315
Debt service:				
Principal	78,390	78,390	77,732	658
Interest and fiscal charges	2,000	2,000	2,000	
Total Expenditures	3,415,443	3,415,443	3,329,105	86,338
Excess of Revenues Over (Under)				
Expenditures	222,095	222,095	(772,490)	(994,585)
Other Financing Sources (Uses):				
Transfers in			1,300,000	1,300,000
Transfers out	(146,000)	(146,000)	(138,787)	7,213
Total Other Financing Sources (Uses)	(146,000)	(146,000)	1,161,213	1,307,213
Net Change in Fund Balance	76,095	76,095	388,723	312,628
Fund Balance - Beginning of Fiscal Year	(60,016)	(60,016)	(60,016)	
Fund Balance - End of Fiscal Year	\$ 16,079	\$ 16,079	\$ 328,707	\$ 312,628

See Note to Required Supplementary Information

**CITY OF DINUBA
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2017**

Cost Sharing Defined Benefit Pension Plans

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

	June 30, 2017		June 30, 2016		June 30, 2015	
	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan
Proportion of the net pension liability	0.21246%	0.27369%	0.21139%	0.19287%	0.22722%	0.20792%
Proportionate share of the net pension liability	\$ 7,380,757	\$ 9,507,786	\$ 5,799,429	\$ 7,946,896	\$ 5,615,605	\$ 7,798,956
Covered employee payroll	\$ 5,167,667	\$ 5,007,485	\$ 4,448,186	\$ 4,905,068	\$ 4,183,424	\$ 4,509,006
Proportionate Share of the net pension liability as a percentage of covered employee payroll	142.83%	189.87%	130.38%	162.01%	134.23%	172.96%
Plan's fiduciary net position	\$ 21,533,449	\$ 21,334,622	\$ 21,534,272	\$ 20,930,035	\$ 20,380,774	\$ 18,835,690
Plan's total pension liability	\$ 28,914,206	\$ 30,842,408	\$ 27,333,701	\$ 28,876,931	\$ 25,996,379	\$ 26,634,646
Plan fiduciary net position as a percentage of total pension liability	74.47%	69.17%	78.78%	72.48%	78.40%	70.72%

Notes to Schedule

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

Change in Assumptions: None

*Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

**CITY OF DINUBA
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2017**

Cost Sharing Defined Benefit Pension Plans

Schedule of Contributions – Last 10 Years*

	June 30, 2017		June 30, 2016		June 30, 2015	
	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan
Contractual required contribution (actuarially determined)	\$ 699,287	\$ 1,211,650	\$ 588,950	\$ 1,201,260	\$ 558,710	\$ 1,170,656
Contributions in relation to the actuarially determined contributions	(699,287)	(1,211,650)	(588,950)	(1,201,260)	(558,710)	(1,170,656)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 5,167,667	\$ 5,007,485	\$ 4,448,186	\$ 4,905,068	\$ 4,183,424	\$ 4,509,006
Contributions as a percentage of covered employee payroll	13.53%	24.20%	13.24%	24.49%	13.36%	25.96%

Notes to Schedule

Valuation Date: June 30, 2015

Methods and assumptions used to determine contribution rates:

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

⁽¹⁾The mortality table was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2015 experience study report.

*Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

CITY OF DINUBA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2017

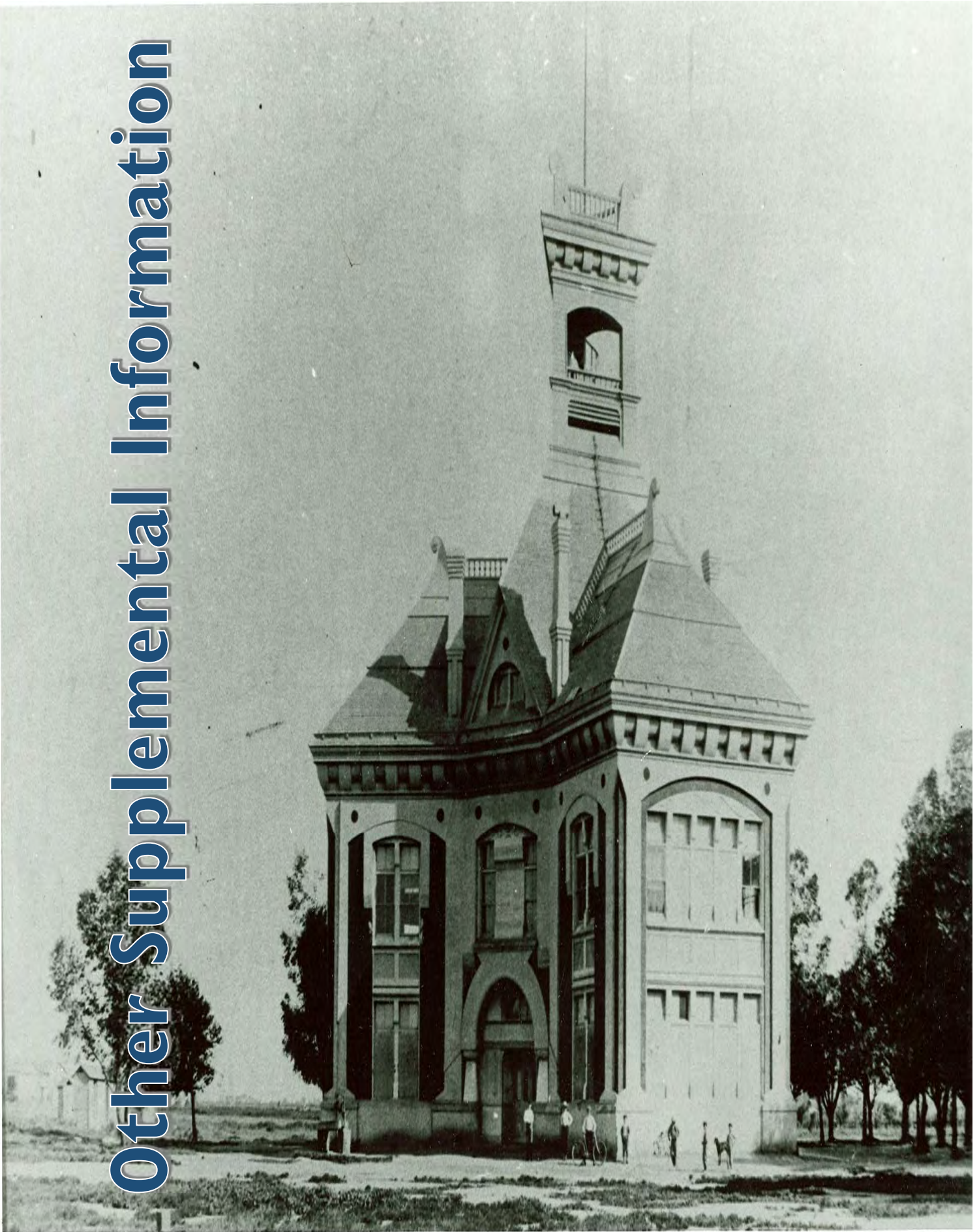
Note 1 Budgets and Budgetary Data

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



Dinuba School

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, 2017

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ 9,951	\$ 9,951
Intergovernmental	2,870,000	2,097,439	(772,561)
Miscellaneous		87,098	87,098
Total Revenues	<u>2,870,000</u>	<u>2,194,488</u>	<u>(675,512)</u>
Expenditures:			
Capital outlay	<u>3,319,504</u>	<u>2,062,296</u>	<u>1,257,208</u>
Total Expenditures	<u>3,319,504</u>	<u>2,062,296</u>	<u>1,257,208</u>
Excess of Revenues Over (Under) Expenditures	<u>(449,504)</u>	<u>132,192</u>	<u>581,696</u>
Other Financing Sources (Uses):			
Transfers in	170,000	710,416	540,416
Transfers out	<u>(50,000)</u>		<u>50,000</u>
Total Other Financing Sources (Uses)	<u>120,000</u>	<u>710,416</u>	<u>590,416</u>
Net Change in Fund Balance	(329,504)	842,608	1,172,112
Fund Balance - Beginning of Fiscal Year	<u>2,073,145</u>	<u>2,073,145</u>	
Fund Balance - End of Fiscal Year	<u><u>\$ 1,743,641</u></u>	<u><u>\$ 2,915,753</u></u>	<u><u>\$ 1,172,112</u></u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL CONSTRUCTION CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 157,300	\$ -	\$ (157,300)
Use of money and property		385	385
Total Revenues	<u>157,300</u>	<u>385</u>	<u>(156,915)</u>
Expenditures:			
Capital outlay	409,655	295,767	113,888
Total Expenditures	<u>409,655</u>	<u>295,767</u>	<u>113,888</u>
Excess of Revenues Over (Under) Expenditures	<u>(252,355)</u>	<u>(295,382)</u>	<u>(43,027)</u>
Other Financing Sources (Uses):			
Transfers in	50,000	403,948	353,948
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>403,948</u>	<u>353,948</u>
Net Change in Fund Balance	(202,355)	108,566	310,921
Fund Balance (deficit), Beginning of Fiscal Year	<u>(51,479)</u>	<u>(51,479)</u>	
Fund Balance (Deficit), End of Fiscal Year	<u><u>\$ (253,834)</u></u>	<u><u>\$ 57,087</u></u>	<u><u>\$ 310,921</u></u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FINANCING AUTHORITY DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 39,615	\$ (452)	\$ (40,067)
Total Revenues	39,615	(452)	(40,067)
Expenditures:			
Debt Service:			
Principal retirement	611,070	6,792,375	(6,181,305)
Interest and fiscal charges	1,023,523	1,611,603	(588,080)
Total Expenditures	1,634,593	8,403,978	(6,769,385)
Excess of Revenues Over (Under) Expenditures	(1,594,978)	(8,404,430)	(6,809,452)
Other Financing Sources (Uses):			
Proceeds from debt issuance		6,764,759	6,764,759
Transfers in	1,594,982	1,612,476	17,494
Transfers out		(402,362)	(402,362)
Total Other Financing Sources (Uses)	1,594,982	7,974,873	6,379,891
Net Change in Fund Balance	4	(429,557)	(429,561)
Fund Balance, Beginning of Fiscal Year	1,529,184	1,529,184	
Fund Balance, End of Fiscal Year	\$ 1,529,188	\$ 1,099,627	\$ (429,561)

City of Dinuba

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

City of Dinuba

Nonmajor Governmental Funds

Capital Projects Funds

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

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

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

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

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

Debt Service Fund

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

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

CITY OF DINUBA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

	Special Revenue Funds		
	Gas Tax	Parks Reserve	Transportation
Assets:			
Cash and investments	\$ 717,895	\$ 42,025	\$ 1,350,329
Receivables:			
Accounts			
Intergovernmental	295,665		483,658
Notes		115,380	
Interest	1,887	58	2,782
Prepaid expenses	1,984		24
Interfund advances receivable			
Advances to successor agency		150,000	
Land held for resale			
Total Assets	<u>\$ 1,017,431</u>	<u>\$ 307,463</u>	<u>\$ 1,836,793</u>
Liabilities, Deferred Inflows, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 54,533	\$ -	\$ 2,103
Accrued liabilities	3,341		2,021
Due to other funds			
Interfund advances payable		116,904	
Total Liabilities	<u>57,874</u>	<u>116,904</u>	<u>4,124</u>
Deferred Inflows of Resources:			
Deferred revenues - unavailable		115,380	
Total Deferred Inflows		<u>115,380</u>	
Total Liabilities and Deferred Inflows	<u>57,874</u>	<u>232,284</u>	<u>4,124</u>
Fund Balances:			
Nonspendable	1,984	75,179	24
Restricted	957,573		1,832,645
Assigned			
Unassigned			
Total Fund Balances	<u>959,557</u>	<u>75,179</u>	<u>1,832,669</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,017,431</u>	<u>\$ 307,463</u>	<u>\$ 1,836,793</u>

Special Revenue Funds					
System Development Charges	Community Enhancement Grants	Curb and Gutter	Assessment Districts	Fire Impact Fees	Housing Authority
\$ 1,335,858	\$ -	\$ 7,375	\$ 68,042	\$ 100,303	\$ 6,778
	56,814		7,475		85,050
991,783	23			154	8
2,305					116,904
365,000			104,000		3,769,767
					187,251
<u>\$ 2,694,946</u>	<u>\$ 56,837</u>	<u>\$ 7,375</u>	<u>\$ 179,517</u>	<u>\$ 100,457</u>	<u>\$ 4,165,758</u>
\$ -	\$ -	\$ -	\$ 13,855	\$ -	\$ 410
	7,507		829		410
	26,464				
	33,971		14,684		820
991,783					85,050
991,783					85,050
991,783	33,971		14,684		85,870
1,703,163	22,866	7,375	164,833	100,457	8 4,079,880
1,703,163	22,866	7,375	164,833	100,457	4,079,888
<u>\$ 2,694,946</u>	<u>\$ 56,837</u>	<u>\$ 7,375</u>	<u>\$ 179,517</u>	<u>\$ 100,457</u>	<u>\$ 4,165,758</u>

(Continued)

CITY OF DINUBA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017
(Continued)

	Capital Projects Funds			
	Drainage Districts	Vocational Center	MTBE	Public Works Management
Assets:				
Cash and investments	\$ 305,949	\$ -	\$ -	\$ -
Receivables:				
Accounts			45,070	
Intergovernmental				
Notes	123,814			
Interest	476	(754)	(194)	
Prepaid expenses				
Interfund advances receivable				
Advances to successor agency			3,300,000	
Land held for resale				
Total Assets	<u>\$ 430,239</u>	<u>\$ (754)</u>	<u>\$ 3,344,876</u>	<u>\$ -</u>
Liabilities, Deferred Inflows, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 19,663	\$ 152	\$ 14,413	\$ -
Accrued liabilities				
Due to other funds		450,106	149,394	
Interfund advances payable				
Total Liabilities	<u>19,663</u>	<u>450,258</u>	<u>163,807</u>	
Deferred Inflows of Resources:				
Deferred revenues - unavailable	<u>123,814</u>			
Total Deferred Inflows	<u>123,814</u>			
Total Liabilities and Deferred Inflows	<u>143,477</u>	<u>450,258</u>	<u>163,807</u>	
Fund Balances:				
Nonspendable			3,181,069	
Restricted	286,762			
Assigned				
Unassigned		(451,012)		
Total Fund Balances	<u>286,762</u>	<u>(451,012)</u>	<u>3,181,069</u>	
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 430,239</u>	<u>\$ (754)</u>	<u>\$ 3,344,876</u>	<u>\$ -</u>

<u>Debt Service Fund</u>		Total Nonmajor Governmental Funds
<u>General</u>		
\$ -	\$	3,934,554
		45,070
		843,612
		1,316,027
		6,737
		2,016
1,260,000		1,376,904
		7,688,767
		187,251
<u>\$ 1,260,000</u>	<u>\$</u>	<u>15,400,938</u>
\$ -	\$	105,129
		14,108
3,433		629,397
		116,904
<u>3,433</u>		<u>865,538</u>
		1,316,027
		1,316,027
<u>3,433</u>		<u>2,181,565</u>
1,256,567		4,514,831
		9,148,179
		7,375
		(451,012)
<u>1,256,567</u>		<u>13,219,373</u>
<u>\$ 1,260,000</u>	<u>\$</u>	<u>15,400,938</u>

CITY OF DINUBA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2017

	Special Revenue Funds		
	Gas Tax	Parks Reserve	Transportation
Revenues:			
Taxes and assessments	\$ -	\$ -	\$ 407,802
Intergovernmental	720,233		727,091
Charges for services		38,475	
Use of money and property	6,722	126	8,460
Fines and forfeitures			
Reimbursements			
Miscellaneous			6,300
Total Revenues	<u>726,955</u>	<u>38,601</u>	<u>1,149,653</u>
Expenditures:			
Current:			
Public safety			
Community development			
Public works	665,501		381,953
Capital outlay			26,954
Debt service:			
Principal retirement			
Interest and fiscal charges			
Total Expenditures	<u>665,501</u>		<u>408,907</u>
Excess of Revenues Over (Under) Expenditures	<u>61,454</u>	<u>38,601</u>	<u>740,746</u>
Other Financing Sources (Uses):			
Transfers in			
Transfers out	<u>(543,221)</u>	<u>(1,719)</u>	<u>(383,579)</u>
Total Other Financing Sources (Uses)	<u>(543,221)</u>	<u>(1,719)</u>	<u>(383,579)</u>
Net Change in Fund Balances	<u>(481,767)</u>	<u>36,882</u>	<u>357,167</u>
Fund Balances (Deficit), Beginning of Fiscal Year	<u>1,441,324</u>	<u>38,297</u>	<u>1,475,502</u>
Fund Balances (Deficit), End of Fiscal Year	<u>\$ 959,557</u>	<u>\$ 75,179</u>	<u>\$ 1,832,669</u>

Special Revenue Funds					
System Development Charges	Community Enhancement Grants	Curb and Gutter	Assessment Districts	Fire Impact Fees	Housing Authority
\$ -	\$ -	\$ -	\$ 402,540	\$ -	\$ -
	187,280				
382,901				30,863	
7,932	554			457	
	61,338				
					1,926
390,833	249,172		402,540	31,320	1,926
	142,759				
146			523,704		100,346
	16,001				
146	158,760		523,704		100,346
390,687	90,412		(121,164)	31,320	(98,420)
127,171					98,044
(632,483)	(205,416)				
(505,312)	(205,416)				98,044
(114,625)	(115,004)		(121,164)	31,320	(376)
1,817,788	137,870	7,375	285,997	69,137	4,080,264
\$ 1,703,163	\$ 22,866	\$ 7,375	\$ 164,833	\$ 100,457	\$ 4,079,888

(Continued)

CITY OF DINUBA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2017
(Continued)

	Capital Projects Funds			
	Drainage Districts	Vocational Center	MTBE	Public Works Management
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental				
Charges for services	28,013			
Use of money and property	1,597	5,073	(471)	
Fines and forfeitures				
Reimbursements			74,192	
Miscellaneous	15,520			
Total Revenues	45,130	5,073	73,721	
Expenditures:				
Current:				
Public safety				
Community development	16,812	15,716		
Public works				
Capital outlay	30,636		181,123	
Debt service:				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	47,448	15,716	181,123	
Excess of Revenues Over (Under) Expenditures	(2,318)	(10,643)	(107,402)	
Other Financing Sources (Uses):				
Transfers in		20,277		
Transfers out				(97,796)
Total Other Financing Sources (Uses)		20,277		(97,796)
Net Change in Fund Balances	(2,318)	9,634	(107,402)	(97,796)
Fund Balances (Deficit), Beginning of Fiscal Year	289,080	(460,646)	3,288,471	97,796
Fund Balances (Deficit), End of Fiscal Year	\$ 286,762	\$ (451,012)	\$ 3,181,069	\$ -

<u>Debt Service Fund</u>	
<u>General</u>	<u>Total Governmental Funds</u>
\$ -	\$ 810,342
	1,634,604
	480,252
	30,450
	61,338
	74,192
	23,746
	<u>3,114,924</u>
	142,759
	132,874
	1,571,304
	254,714
261,310	261,310
<u>148,599</u>	<u>148,599</u>
<u>409,909</u>	<u>2,511,560</u>
<u>(409,909)</u>	<u>603,364</u>
406,290	651,782
	<u>(1,864,214)</u>
<u>406,290</u>	<u>(1,212,432)</u>
(3,619)	(609,068)
<u>1,260,186</u>	<u>13,828,441</u>
<u>\$ 1,256,567</u>	<u>\$ 13,219,373</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAS TAX SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 696,933	\$ 720,233	\$ 23,300
Use of money and property	2,000	6,722	4,722
Total Revenues	<u>698,933</u>	<u>726,955</u>	<u>28,022</u>
Expenditures:			
Current:			
Public works	<u>594,584</u>	<u>665,501</u>	<u>(70,917)</u>
Total Expenditures	<u>594,584</u>	<u>665,501</u>	<u>(70,917)</u>
Excess of Revenues Over (Under) Expenditures	<u>104,349</u>	<u>61,454</u>	<u>(42,895)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(295,175)</u>	<u>(543,221)</u>	<u>(248,046)</u>
Total Other Financing Sources (Uses)	<u>(295,175)</u>	<u>(543,221)</u>	<u>(248,046)</u>
Net Change in Fund Balance	(190,826)	(481,767)	(290,941)
Fund Balance, Beginning of Fiscal Year	<u>1,441,324</u>	<u>1,441,324</u>	
Fund Balance, End of Fiscal Year	<u><u>\$ 1,250,498</u></u>	<u><u>\$ 959,557</u></u>	<u><u>\$ (290,941)</u></u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARKS RESERVE SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 15,180	\$ 38,475	\$ 23,295
Use of money and property	100	126	26
Total Revenues	<u>15,280</u>	<u>38,601</u>	<u>23,321</u>
Excess of Revenues Over (Under) Expenditures	<u>15,280</u>	<u>38,601</u>	<u>23,321</u>
Other Financing Sources (Uses):			
Transfers out	<u></u>	<u>(1,719)</u>	<u>(1,719)</u>
Total Other Financing Sources (Uses)	<u></u>	<u>(1,719)</u>	<u>(1,719)</u>
Net Change in Fund Balance	15,280	36,882	21,602
Fund Balance, Beginning of Fiscal Year	<u>38,297</u>	<u>38,297</u>	<u></u>
Fund Balance, End of Fiscal Year	<u><u>\$ 53,577</u></u>	<u><u>\$ 75,179</u></u>	<u><u>\$ 21,602</u></u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes and assessments	\$ 377,198	\$ 407,802	\$ 30,604
Intergovernmental	256,282	727,091	470,809
Use of money and property	1,500	8,460	6,960
Miscellaneous	4,800	6,300	1,500
Total Revenues	<u>639,780</u>	<u>1,149,653</u>	<u>509,873</u>
Expenditures:			
Current:			
Public works	452,334	381,953	70,381
Capital outlay		26,954	(26,954)
Total Expenditures	<u>452,334</u>	<u>408,907</u>	<u>43,427</u>
Excess of Revenues Over (Under) Expenditures	<u>187,446</u>	<u>740,746</u>	<u>553,300</u>
Other Financing Sources (Uses):			
Transfers in	80,000		(80,000)
Transfer out	(388,215)	(383,579)	4,636
Total Other Financing Sources (Uses)	<u>(308,215)</u>	<u>(383,579)</u>	<u>(75,364)</u>
Net Change in Fund Balance	(120,769)	357,167	477,936
Fund Balance, Beginning of Fiscal Year	<u>1,475,502</u>	<u>1,475,502</u>	
Fund Balance, End of Fiscal Year	<u>\$ 1,354,733</u>	<u>\$ 1,832,669</u>	<u>\$ 477,936</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SYSTEM DEVELOPMENT CHARGES SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 273,054	\$ 382,901	\$ 109,847
Use of money and property	5,606	7,932	2,326
Total Revenues	<u>278,660</u>	<u>390,833</u>	<u>112,173</u>
Expenditures:			
Current:			
Public works		146	(146)
Capital outlay	3,500		3,500
Total Expenditures	<u>3,500</u>	<u>146</u>	<u>3,354</u>
Excess of Revenues Over (Under) Expenditures	<u>275,160</u>	<u>390,687</u>	<u>115,527</u>
Other Financing Sources (Uses):			
Transfers in		127,171	127,171
Transfers out	(1,006,763)	(632,483)	374,280
Total Other Financing Sources (Uses)	<u>(1,006,763)</u>	<u>(505,312)</u>	<u>501,451</u>
Net Change in Fund Balance	(731,603)	(114,625)	616,978
Fund Balance, Beginning of Fiscal Year	<u>1,817,788</u>	<u>1,817,788</u>	
Fund Balance, End of Fiscal Year	<u>\$ 1,086,185</u>	<u>\$ 1,703,163</u>	<u>\$ 616,978</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY ENHANCEMENT GRANTS SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual Amount	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 141,667	\$ 187,280	\$ 45,613
Use of money and property	1,300	554	(746)
Fines and forfeitures	75,000	61,338	(13,662)
Total Revenues	<u>217,967</u>	<u>249,172</u>	<u>31,205</u>
Expenditures:			
Current:			
Public safety	142,666	142,759	(93)
Capital outlay		16,001	(16,001)
Total Expenditures	<u>142,666</u>	<u>158,760</u>	<u>(16,094)</u>
Excess of Revenues Over (Under) Expenditures	<u>75,301</u>	<u>90,412</u>	<u>15,111</u>
Other Financing Sources (Uses):			
Transfers out	<u>(100,000)</u>	<u>(205,416)</u>	<u>(105,416)</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(205,416)</u>	<u>(105,416)</u>
Net Change in Fund Balance	(24,699)	(115,004)	(90,305)
Fund Balance, Beginning of Fiscal Year	<u>137,870</u>	<u>137,870</u>	
Fund Balance, End of Fiscal Year	<u><u>\$ 113,171</u></u>	<u><u>\$ 22,866</u></u>	<u><u>\$ (90,305)</u></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, 2017

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Miscellaneous	\$ 1,000	\$ -	\$ (1,000)
Total Revenues	1,000		(1,000)
Expenditures:			
Current:			
Public works	20,000		20,000
Total Expenditures	20,000		20,000
Excess of Revenues Over (Under) Expenditures	(19,000)		19,000
Other Financing Sources (Uses):			
Transfers in	50,000		(50,000)
Total Other Financing Sources (Uses)	50,000		(50,000)
Net Change in Fund Balance	31,000		(31,000)
Fund Balance, Beginning of Fiscal Year	7,375	7,375	
Fund Balance, End of Fiscal Year	<u>\$ 38,375</u>	<u>\$ 7,375</u>	<u>\$ (31,000)</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ASSESSMENT DISTRICTS SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes and assessments	\$ 395,555	\$ 402,540	\$ 6,985
Total Revenues	<u>395,555</u>	<u>402,540</u>	<u>6,985</u>
Expenditures:			
Current:			
Public works	<u>497,048</u>	<u>523,704</u>	<u>(26,656)</u>
Total Expenditures	<u>497,048</u>	<u>523,704</u>	<u>(26,656)</u>
Excess of Revenues Over (Under) Expenditures	<u>(101,493)</u>	<u>(121,164)</u>	<u>(19,671)</u>
Net Change in Fund Balance	(101,493)	(121,164)	(19,671)
Fund Balance, Beginning of Fiscal Year	<u>285,997</u>	<u>285,997</u>	
Fund Balance, End of Fiscal Year	<u><u>\$ 184,504</u></u>	<u><u>\$ 164,833</u></u>	<u><u>\$ (19,671)</u></u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE IMPACT FEES SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 120	\$ 457	\$ 337
Charges for services	12,729	30,863	18,134
Total Revenues	<u>12,849</u>	<u>31,320</u>	<u>18,471</u>
Expenditures:			
Current:			
Community development	<u>280</u>		<u>280</u>
Total Expenditures	<u>280</u>		<u>280</u>
Excess of Revenues Over (Under) Expenditures	<u>12,569</u>	<u>31,320</u>	<u>18,751</u>
Net Change in Fund Balance	12,569	31,320	18,751
Fund Balance, Beginning of Fiscal Year	<u>69,137</u>	<u>69,137</u>	
Fund Balance, End of Fiscal Year	<u><u>\$ 81,706</u></u>	<u><u>\$ 100,457</u></u>	<u><u>\$ 18,751</u></u>

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, 2017

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 100	\$ -	\$ (100)
Miscellaneous		1,926	1,926
Total Revenues	100	1,926	1,826
Expenditures:			
Current:			
Community development	93,291	100,346	(7,055)
Total Expenditures	93,291	100,346	(7,055)
Excess of Revenues Over (Under) Expenditures	(93,191)	(98,420)	(5,229)
Other Financing Sources (Uses):			
Transfers in	80,270	98,044	17,774
Total Other Financing Sources (Uses)	80,270	98,044	17,774
Net Change in Fund Balance	(12,921)	(376)	12,545
Fund Balance, Beginning of Fiscal Year	4,080,264	4,080,264	
Fund Balance, End of Fiscal Year	<u>\$ 4,067,343</u>	<u>\$ 4,079,888</u>	<u>\$ 12,545</u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DRAINAGE DISTRICTS CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Miscellaneous	\$ 500	\$ 15,520	\$ 15,020
Charges for services	21,963	28,013	6,050
Use of money and property	500	1,597	1,097
Total Revenues	<u>22,963</u>	<u>45,130</u>	<u>22,167</u>
Expenditures:			
Current:			
Community development	129,552	16,812	112,740
Capital outlay	53,071	30,636	22,435
Total Expenditures	<u>182,623</u>	<u>47,448</u>	<u>135,175</u>
Excess of Revenues Over (Under) Expenditures	<u>(159,660)</u>	<u>(2,318)</u>	<u>157,342</u>
Net Change in Fund Balance	(159,660)	(2,318)	157,342
Fund Balance, Beginning of Fiscal Year	<u>289,080</u>	<u>289,080</u>	
Fund Balance, End of Fiscal Year	<u>\$ 129,420</u>	<u>\$ 286,762</u>	<u>\$ 157,342</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, 2017

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 11,000	\$ 5,073	\$ (5,927)
Total Revenues	11,000	5,073	(5,927)
Expenditures:			
Current:			
Community development	97,109	15,716	81,393
Total Expenditures	97,109	15,716	81,393
Excess of Revenues Over (Under) Expenditures	(86,109)	(10,643)	75,466
Other Financing Sources (Uses):			
Transfers in		20,277	20,277
Total Other Financing Sources (Uses)		20,277	20,277
Net Change in Fund Balance	(86,109)	9,634	95,743
Fund Balance (Deficit), Beginning of Fiscal Year	(460,646)	(460,646)	
Fund Balance (Deficit), End of Fiscal Year	\$ (546,755)	\$ (451,012)	\$ 95,743

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, 2017

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Reimbursements	\$ 100,000	\$ 74,192	\$ (25,808)
Use of money and property		(471)	(471)
Total Revenues	<u>100,000</u>	<u>73,721</u>	<u>(26,279)</u>
Expenditures:			
Capital outlay	<u>100,000</u>	<u>181,123</u>	<u>(81,123)</u>
Total Expenditures	<u>100,000</u>	<u>181,123</u>	<u>(81,123)</u>
Excess of Revenues Over (Under) Expenditures		<u>(107,402)</u>	<u>(107,402)</u>
Net Change in Fund Balance		(107,402)	(107,402)
Fund Balance, Beginning of Fiscal Year	<u>3,288,471</u>	<u>3,288,471</u>	
Fund Balance, End of Fiscal Year	<u><u>\$ 3,288,471</u></u>	<u><u>\$ 3,181,069</u></u>	<u><u>\$ (107,402)</u></u>

CITY OF DINUBA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Expenditures:			
Debt Service:			
Principal retirement	\$ 261,310	\$ 261,310	\$ -
Interest and fiscal charges	149,980	148,599	1,381
Total Expenditures	411,290	409,909	1,381
Excess of Revenues Over (Under) Expenditures	(411,290)	(409,909)	1,381
Other Financing Sources (Uses):			
Transfers in	406,290	406,290	
Total Other Financing Sources (Uses)	406,290	406,290	
Net Change in Fund Balance	(5,000)	(3,619)	1,381
Fund Balance, Beginning of Fiscal Year	1,260,186	1,260,186	
Fund Balance, End of Fiscal Year	\$ 1,255,186	\$ 1,256,567	\$ 1,381

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.



Tulare & L Street, Dinuba CA

CITY OF DINUBA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2017

	Engineering	Transit	Compressed Natural Gas	Totals
Assets:				
Current Assets:				
Cash and investments	\$ -	\$ -	\$ 371,654	\$ 371,654
Accounts receivable		3,728	31,372	35,100
Interest receivable		(382)	593	211
Due from other governments		569,779		569,779
Prepaid expenses		3,356		3,356
Total Current Assets		576,481	403,619	980,100
Noncurrent Assets:				
Capital assets:				
Depreciable buildings and improvements, net		1,739,586		1,739,586
Depreciable equipment, net		284,887		284,887
Total Noncurrent Assets		2,024,473		2,024,473
Total Assets		2,600,954	403,619	3,004,573
Liabilities:				
Current Liabilities:				
Accounts payable		61,712	6,836	68,548
Accrued liabilities		423	184	607
Due to other funds		344,427		344,427
Total Current Liabilities		406,562	7,020	413,582
Noncurrent Liabilities:				
Noncurrent portion of long-term obligations:				
Net OPEB liability			10,985	10,985
Total Noncurrent Liabilities			10,985	10,985
Net Position:				
Net investment in capital assets		2,024,473		2,024,473
Unrestricted		169,919	385,614	555,533
Total Net Position (Deficit)	\$ -	\$ 2,194,392	\$ 385,614	\$ 2,580,006

CITY OF DINUBA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2017

	Engineering	Transit	Compressed Natural Gas	Totals
Operating Revenues:				
Charges for services	\$ -	\$ 120,565	\$ 199,896	\$ 320,461
Total Operating Revenues		120,565	199,896	320,461
Operating Expenses:				
Salaries and benefits		75,561	10,844	86,405
Contractual services		537,274	9,629	546,903
Materials and supplies		61,889	2,215	64,104
Repairs and maintenance		80,480	2,351	82,831
Utilities		4,096	56,201	60,297
Allocated overhead		175,788	59,332	235,120
Depreciation		202,441		202,441
Total Operating Expenses		1,137,529	140,572	1,278,101
Operating Income (Loss)		(1,016,964)	59,324	(957,640)
Nonoperating Revenues:				
Intergovernmental		983,182		983,182
Interest revenue		(1,151)	1,897	746
Total Nonoperating Revenues		982,031	1,897	983,928
Income (Loss) Before Transfers		(34,933)	61,221	26,288
Transfers out		(3,563)	(6,381)	(9,944)
Net Transfers		(3,563)	(6,381)	(9,944)
Changes in Net Position		(38,496)	54,840	16,344
Net Position - Beginning of Fiscal Year	(255,561)	2,184,479	330,774	2,259,692
Prior Period Adjustments	255,561	48,409		303,970
Net Position (Deficit) - Beginning of Fiscal Year, Restated		2,232,888	330,774	2,563,662
Net Position (Deficit) - End of Fiscal Year	\$ -	\$ 2,194,392	\$ 385,614	\$ 2,580,006

CITY OF DINUBA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2017

	Engineering	Transit	Compressed Natural Gas	Totals
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ -	\$ 117,613	\$ 194,855	\$ 312,468
Cash paid to suppliers for goods and services		(673,028)	(69,206)	(742,234)
Cash paid to employees for services		(75,561)	(16,891)	(92,452)
Cash paid for allocated overhead		(175,788)	(59,332)	(235,120)
Net Cash Provided (Used) by Operating Activities		(806,764)	49,426	(757,338)
Cash Flows from Capital and Related Financing Activities:				
Capital Asset Acquisition		(268,376)		(268,376)
Net Cash Provided (Used) by Capital and Related Financing Activities		(268,376)		(268,376)
Cash Flows from Non-Capital Financing Activities:				
Cash transfers from (to) other funds		(62,502)	(6,381)	(68,883)
Intergovernmental revenue		1,138,579		1,138,579
Net Cash Provided (Used) by Non-Capital Financing Activities		1,076,077	(6,381)	1,069,696
Cash Flows from Investing Activities				
Interest received		(937)	1,581	644
Net Cash Provided (Used) by Investing Activities		(937)	1,581	644
Net Increase (Decrease) in Cash and Cash Equivalents			44,626	44,626
Cash and Cash Equivalents at Beginning of Fiscal Year			327,028	327,028
Cash and Cash Equivalents at End of Fiscal Year	\$ -	\$ -	\$ 371,654	\$ 371,654
Reconciliation with Statement of Net Position:				
Cash and investments	\$ -	\$ -	\$ 371,654	\$ 371,654
Cash and Cash Equivalents	\$ -	\$ -	\$ 371,654	\$ 371,654
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ -	\$ (1,016,964)	\$ 59,324	\$ (957,640)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation		202,441		202,441
(Increase) decrease in prepaid expenses		(3,257)		(3,257)
(Increase) decrease in accounts receivable		(2,952)	(5,041)	(7,993)
Increase (decrease) in accounts payable		14,351	1,175	15,526
Increase (decrease) in accrued liabilities		(383)	15	(368)
Increase (decrease) in Net pension liability			(7,529)	(7,529)
Increase (decrease) in OPEB liability			1,482	1,482
Total Adjustments		210,200	(9,898)	200,302
Net Cash Provided (Used) by Operating Activities	\$ -	\$ (806,764)	\$ 49,426	\$ (757,338)
Non-Cash Investing, Capital and Non-Capital Financing Activities				
Contributions of Capital Assets	\$ -	\$ -	\$ -	\$ -



Dinuba Old Public Works Tower

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, 2017

	Insurance Fund	Billing and Collection Service Fund	Property and Equipment Service Fund	Totals
Assets:				
Current Assets:				
Cash and investments	\$ 16,293	\$ -	\$ 40,145	\$ 56,438
Interest receivable	(670)	(85)	(131)	(886)
Due from other agencies	9,404			9,404
Prepaid expenses	38,005		891	38,896
Total Current Assets	63,032	(85)	40,905	103,852
Noncurrent Assets:				
Depreciable equipment, net of accumulated depreciation			41,638	41,638
Total Noncurrent Assets			41,638	41,638
Deferred Outflows of Resources:				
Pension related	98,103	166,407	163,066	427,576
Total Deferred Outflows of Resources	98,103	166,407	163,066	427,576
Total Assets and Deferred Outflows of Resources	161,135	166,322	245,609	573,066
Liabilities:				
Current Liabilities:				
Accounts payable	10,221	8,650	19,892	38,763
Accrued liabilities	2,094	6,021	7,089	15,204
Claims payable	50,000			50,000
Due to other funds		63,278		63,278
Compensated absences	2,586	4,780	6,339	13,705
Total Current Liabilities	64,901	82,729	33,320	180,950
Noncurrent Liabilities:				
Compensated absences	21,262	36,497	7,653	65,412
Net pension liability	232,472	394,330	386,412	1,013,214
Total Noncurrent Liabilities	253,734	430,827	394,065	1,078,626
Deferred Inflows of Resources:				
Pension related	18,057	30,629	30,014	78,700
Total Deferred Inflows of Resources	18,057	30,629	30,014	78,700
Total Liabilities and Deferred Inflows of Resources	336,692	544,185	457,399	1,338,276
Net Position (Deficit):				
Net investment in capital assets			41,638	41,638
Unrestricted	(175,557)	(377,863)	(253,428)	(806,848)
Total Net Position (Deficit)	\$ (175,557)	\$ (377,863)	\$ (211,790)	\$ (765,210)

CITY OF DINUBA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2017

	Insurance Fund	Billing and Collection Service Fund	Property and Equipment Service Fund	Totals
Operating Revenues:				
Charges for services	\$ 4,705,179	\$ 628,568	\$ 1,119,750	\$ 6,453,497
Total Operating Revenues	4,705,179	628,568	1,119,750	6,453,497
Operating Expenses:				
Salaries and benefits	178,265	481,757	614,545	1,274,567
Contractual services	32,336	59,001	6,623	97,960
Materials and supplies	442	61,108	470,232	531,782
Insurance	1,470,680			1,470,680
Employee health insurance	2,432,764			2,432,764
Allocated costs		20,143	38,414	58,557
Depreciation			11,257	11,257
Total Operating Expenses	4,114,487	622,009	1,141,071	5,877,567
Operating Income (Loss)	590,692	6,559	(21,321)	575,930
Nonoperating Revenues (Expenses):				
Interest revenue (expense)	(3,498)	(294)	(208)	(4,000)
Total Nonoperating Revenues (Expenses)	(3,498)	(294)	(208)	(4,000)
Income (Loss) Before Transfers	587,194	6,265	(21,529)	571,930
Transfers out			(8,500)	(8,500)
Net Transfers			(8,500)	(8,500)
Changes in Net Position	587,194	6,265	(30,029)	563,430
Net Position (Deficit):				
Beginning of Fiscal Year	(762,751)	(384,128)	(181,761)	(1,328,640)
End of Fiscal Year	\$ (175,557)	\$ (377,863)	\$ (211,790)	\$ (765,210)

CITY OF DINUBA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2017

	Insurance Fund	Billing and Collection Service Fund	Property and Equipment Service Fund	Totals
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 4,700,476	\$ 628,568	\$ 1,119,750	\$ 6,448,794
Cash paid to suppliers for goods and services	(3,925,479)	(115,571)	(479,245)	(4,520,295)
Cash paid to employees for services	(219,215)	(523,239)	(652,652)	(1,395,106)
Cash paid for allocated overhead		(20,143)	(38,414)	(58,557)
Net Cash Provided (Used) by Operating Activities	555,782	(30,385)	(50,561)	474,836
Cash Flows from Capital and Related Financing Activities:				
Cash transfers from (to) other funds			(8,500)	(8,500)
Capital asset acquisition			(33,416)	(33,416)
Net Cash Used by Non-Capital Financing Activities			(41,916)	(41,916)
Cash Flows from Non-Capital Financing Activities:				
Advances/due from other funds repayments	(535,982)	30,614		(505,368)
Net Cash Provided (Used) by Non-Capital Financing Activities	(535,982)	30,614		(505,368)
Cash Flows from Investing Activities:				
Interest received (paid)	(3,507)	(229)	(71)	(3,807)
Net Cash Provided (Used) by Investing Activities	(3,507)	(229)	(71)	(3,807)
Net Increase (Decrease) in Cash and Cash Equivalents	16,293		(92,548)	(76,255)
Cash and Cash Equivalents at Beginning of Fiscal Year			132,693	132,693
Cash and Cash Equivalents at End of Fiscal Year	\$ 16,293	\$ -	\$ 40,145	\$ 56,438
Reconciliation with Statement of Net Position:				
Cash and investments	\$ 16,293	\$ -	\$ 40,145	\$ 56,438
Cash and Cash Equivalents	\$ 16,293	\$ -	\$ 40,145	\$ 56,438
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (Loss)	\$ 590,692	\$ 6,559	\$ (21,321)	\$ 575,930
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation			11,257	11,257
(Increase) decrease in prepaid expenses	33,843		(891)	32,952
(Increase) decrease in accounts receivable	(4,703)			(4,703)
Increase (decrease) in accounts payable	(22,493)	3,900	(2,632)	(21,225)
Increase (decrease) in accrued liabilities	(607)	638	1,133	1,164
Increase (decrease) in net pension liability	(25,849)	(43,848)	(42,968)	(112,665)
Increase (decrease) in compensated absences payable	(15,101)	2,366	4,861	(7,874)
Total Adjustments	(34,910)	(36,944)	(29,240)	(101,094)
Net Cash Provided (Used) by Operating Activities	\$ 555,782	\$ (30,385)	\$ (50,561)	\$ 474,836

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, 2017

	<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	\$ 1,258,312	\$ 23,690	\$ 1,474	\$ 30,704	\$ 1,339
Receivables		38			
Prepaid items					310
Total Assets	<u>\$ 1,258,312</u>	<u>\$ 23,728</u>	<u>\$ 1,474</u>	<u>\$ 30,704</u>	<u>\$ 1,649</u>
<u>LIABILITIES</u>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits payable	<u>1,258,312</u>	<u>23,728</u>	<u>1,474</u>	<u>30,704</u>	<u>1,649</u>
Total Liabilities	<u>\$ 1,258,312</u>	<u>\$ 23,728</u>	<u>\$ 1,474</u>	<u>\$ 30,704</u>	<u>\$ 1,649</u>

<u>Abandoned Vehicles</u>	<u>Pro-Youth</u>	<u>Police Activities</u>	<u>Totals</u>
\$ 60,749	\$ -	\$ 34,270	\$ 1,410,538
			38
			310
<u>\$ 60,749</u>	<u>\$ -</u>	<u>\$ 34,270</u>	<u>\$ 1,410,886</u>
\$ 60,749	\$ -	\$ -	\$ 60,749
		34,270	1,350,137
<u>\$ 60,749</u>	<u>\$ -</u>	<u>\$ 34,270</u>	<u>\$ 1,410,886</u>

CITY OF DINUBA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Fiscal Year Ended June 30, 2017

	June 30, 2016 Balance	Additions	Deductions	June 30, 2017 Balance
Cash Deposits				
Assets				
Cash and investments	\$ 490,739	\$ 866,766	\$ 99,193	\$ 1,258,312
Total Assets	<u>\$ 490,739</u>	<u>\$ 866,766</u>	<u>\$ 99,193</u>	<u>\$ 1,258,312</u>
Liabilities				
Accounts Payable	\$ 248	\$ -	\$ 248	\$ -
Deposits Payable	490,491	866,766	98,945	1,258,312
Total Liabilities	<u>\$ 490,739</u>	<u>\$ 866,766</u>	<u>\$ 99,193</u>	<u>\$ 1,258,312</u>
Retiree's Insurance				
Assets				
Cash and investments	\$ 23,576	\$ 100,759	\$ 100,645	\$ 23,690
Receivables	21	17		38
Total Assets	<u>\$ 23,597</u>	<u>\$ 100,776</u>	<u>\$ 100,645</u>	<u>\$ 23,728</u>
Liabilities				
Deposits Payable	\$ 23,597	\$ 100,776	\$ 100,645	\$ 23,728
Total Liabilities	<u>\$ 23,597</u>	<u>\$ 100,776</u>	<u>\$ 100,645</u>	<u>\$ 23,728</u>
DPOA Trust				
Assets				
Cash and investments	\$ 1,474	\$ 668	\$ 668	\$ 1,474
Total Assets	<u>\$ 1,474</u>	<u>\$ 668</u>	<u>\$ 668</u>	<u>\$ 1,474</u>
Liabilities				
Deposits Payable	\$ 1,474	\$ 668	\$ 668	\$ 1,474
Total Liabilities	<u>\$ 1,474</u>	<u>\$ 668</u>	<u>\$ 668</u>	<u>\$ 1,474</u>
Special Community Events				
Assets				
Cash and investments	\$ 30,588	\$ 275	\$ 159	\$ 30,704
Total Assets	<u>\$ 30,588</u>	<u>\$ 275</u>	<u>\$ 159</u>	<u>\$ 30,704</u>
Liabilities				
Deposits Payable	\$ 30,588	\$ 275	\$ 159	\$ 30,704
Total Liabilities	<u>\$ 30,588</u>	<u>\$ 275</u>	<u>\$ 159</u>	<u>\$ 30,704</u>

(Continued)

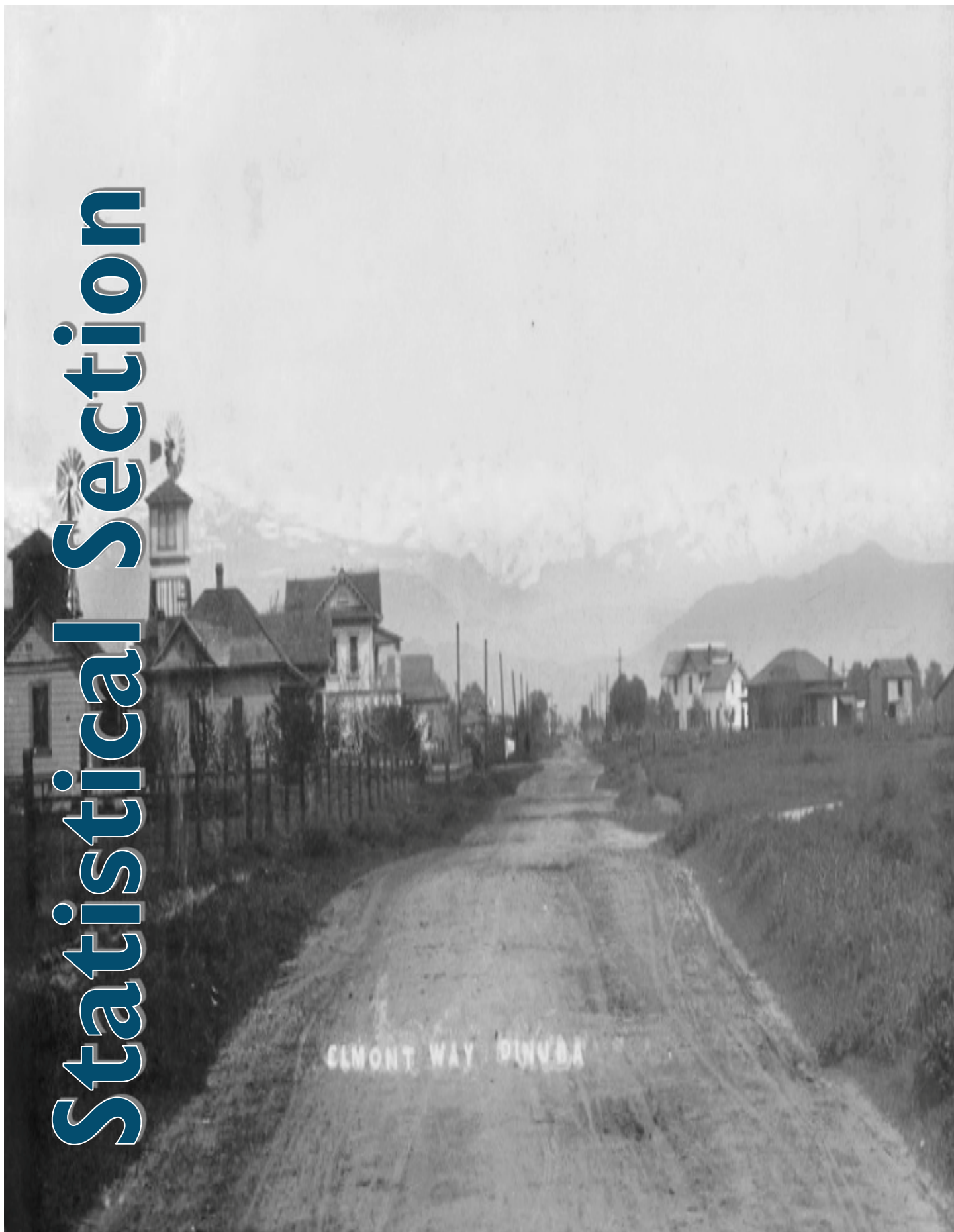
CITY OF DINUBA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Fiscal Year Ended June 30, 2017
(Continued)

	June 30, 2016 Balance	Additions	Deductions	June 30, 2017 Balance
Post Training Revolving				
Assets				
Cash and investments	\$ 4,662	\$ -	\$ 3,323	\$ 1,339
Prepaid items		310		310
Total Assets	<u>\$ 4,662</u>	<u>\$ 310</u>	<u>\$ 3,323</u>	<u>\$ 1,649</u>
Liabilities				
Accounts Payable	\$ 4,662	\$ 310	\$ 3,323	\$ 1,649
Total Liabilities	<u>\$ 4,662</u>	<u>\$ 310</u>	<u>\$ 3,323</u>	<u>\$ 1,649</u>
Abandoned Vehicles				
Assets				
Cash and investments	\$ 59,529	\$ 1,220	\$ -	\$ 60,749
Receivables	2,345		2,345	
Total Assets	<u>\$ 61,874</u>	<u>\$ 1,220</u>	<u>\$ 2,345</u>	<u>\$ 60,749</u>
Liabilities				
Accounts Payable	\$ 61,874	\$ 1,220	\$ 2,345	\$ 60,749
Total Liabilities	<u>\$ 61,874</u>	<u>\$ 1,220</u>	<u>\$ 2,345</u>	<u>\$ 60,749</u>
Pro-Youth				
Assets				
Cash and investments	\$ 25,464	\$ -	\$ 25,464	\$ -
Total Assets	<u>\$ 25,464</u>	<u>\$ -</u>	<u>\$ 25,464</u>	<u>\$ -</u>
Liabilities				
Deposits Payable	\$ 25,464	\$ -	\$ 25,464	\$ -
Total Liabilities	<u>\$ 25,464</u>	<u>\$ -</u>	<u>\$ 25,464</u>	<u>\$ -</u>
Police Activities				
Assets				
Cash and investments	\$ 27,853	\$ 6,417	\$ -	\$ 34,270
Total Assets	<u>\$ 27,853</u>	<u>\$ 6,417</u>	<u>\$ -</u>	<u>\$ 34,270</u>
Liabilities				
Deposits Payable	\$ 27,853	\$ 6,417	\$ -	\$ 34,270
Total Liabilities	<u>\$ 27,853</u>	<u>\$ 6,417</u>	<u>\$ -</u>	<u>\$ 34,270</u>
Grand Total All Agency Funds				
Assets				
Cash and investments	\$ 663,885	\$ 976,105	\$ 229,452	\$ 1,410,538
Receivables	2,366	17	2,345	38
Prepaid items		310		310
Total Assets	<u>\$ 666,251</u>	<u>\$ 976,432</u>	<u>\$ 231,797</u>	<u>\$ 1,410,886</u>
Liabilities				
Accounts Payable	\$ 92,248	\$ 1,530	\$ 31,380	\$ 62,398
Deposits Payable	574,003	974,902	200,417	1,348,488
Total Liabilities	<u>\$ 666,251</u>	<u>\$ 976,432</u>	<u>\$ 231,797</u>	<u>\$ 1,410,886</u>



Dinuba Old Mansion

Statistical Section



El Monte Way Dinuba

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.

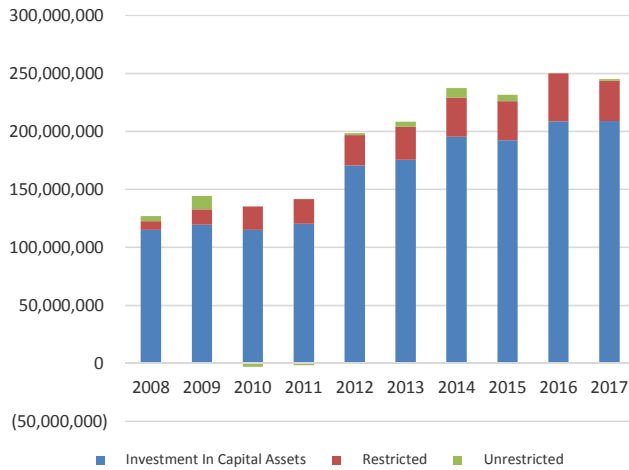
Operating Information

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.



Dinuba Old Fire Truck

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



	2008	2009	2010	2011	2012
Governmental Activities					
Investment In Capital Assets	\$69,121,069	\$78,101,303	\$71,460,042	\$75,360,279	\$125,564,573
Restricted	19,576,001	17,821,984	26,213,026	28,285,199	33,514,558
Unrestricted	(3,570,839)	(4,713,906)	(1,553,334)	(401,603)	2,903,128
Total Governmental Activities Net Position	85,126,231	91,209,381	96,119,734	103,243,875	161,982,259
Business-Type Activities					
Investment In Capital Assets	46,050,974	41,646,753	43,840,754	45,170,204	45,077,861
Restricted	535,617	3,471,175			
Unrestricted	869,644	3,262,807	3,305,499	4,741,445	5,348,820
Total Business-Type Activities Net Position	47,456,235	48,380,735	47,146,253	49,911,649	50,426,681
Primary Government					
Investment In Capital Assets	115,172,043	119,748,056	115,300,796	120,530,483	170,642,434
Restricted	20,111,618	21,293,159	26,213,026	28,285,199	33,514,558
Unrestricted	(2,701,195)	(1,451,099)	1,752,165	4,339,842	8,251,948
Total Primary Government Net Position	\$132,582,466	\$139,590,116	\$143,265,987	\$153,155,524	\$212,408,940

	2013	2014	2015	2016	2017
Governmental Activities					
Investment In Capital Assets	\$125,814,202	\$148,079,509	\$145,008,916	\$162,419,353	\$162,951,223
Restricted	33,633,364	41,313,341	34,836,273	33,955,040	33,547,768
Unrestricted	468,534	(6,418,737)	(1,260,101)	(9,391,284)	(6,391,796)
Total Governmental Activities Net Position	159,916,100	182,974,113	178,585,088	186,983,109	190,107,195
Business-Type Activities					
Investment In Capital Assets	49,997,905	47,545,851	47,536,365	46,474,326	46,126,104
Restricted					
Unrestricted	5,179,596	6,046,622	2,514,439	4,986,126	4,641,804
Total Business-Type Activities Net Position	55,177,501	53,592,473	50,050,804	51,460,452	50,767,908
Primary Government					
Investment In Capital Assets	175,812,107	195,625,360	192,545,281	208,893,679	209,077,327
Restricted	33,633,364	41,313,341	34,836,273	33,955,040	33,547,768
Unrestricted	5,648,130	(372,115)	1,254,338	(4,405,158)	(1,749,992)
Total Primary Government Net Position	\$215,093,601	\$236,566,586	\$228,635,892	\$238,443,561	\$240,875,103

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

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

Source: City of Dinuba Financial Services Division

2012	2013	2014	2015	2016	2017
(\$10,082,298)	(\$6,112,711)	\$15,598,719	(\$7,648,923)	(\$6,602,592)	(\$14,437,339)
<u>1,537,347</u>	<u>700,197</u>	<u>(1,071,758)</u>	<u>(1,002,035)</u>	<u>960,964</u>	<u>(513,643)</u>
<u>(\$8,544,951)</u>	<u>(\$5,412,514)</u>	<u>\$14,526,961</u>	<u>(\$8,650,958)</u>	<u>(\$5,641,628)</u>	<u>(\$14,950,982)</u>
\$3,461,506	\$645,437	\$742,122	\$846,306	\$1,260,845	\$1,149,426
133,920	171,817	184,211	226,817	248,579	281,005
9,843,519	3,677,282	3,700,400	5,461,810	9,729,414	9,080,769
230,613	226,904	243,956	256,883	252,761	216,407
1,600,423	1,622,049	1,612,836	1,630,654	1,683,265	1,482,077
870,086	240,387	249,602	292,650	487,363	273,161
1,565,696	1,553,701	1,571,490	1,633,128	1,754,885	1,847,746
288,456	287,977	262,191	113,494	262,770	201,154
946,090	1,552,988	18,522	109,931	552,748	539,928
(2,019,092)	400,323	266,189	261,425		
<u>703,133</u>	<u>(4,065,884)</u>	<u>195,877</u>	<u>391,944</u>	<u>(269,724)</u>	<u>988,600</u>
<u>17,624,350</u>	<u>6,312,981</u>	<u>9,047,396</u>	<u>11,225,042</u>	<u>15,962,906</u>	<u>16,060,273</u>
19,536		37,243	18,524	37,175	50,643
(338,718)	45,845	92,839			
<u>(703,133)</u>	<u>4,065,884</u>	<u>(195,877)</u>	<u>(391,944)</u>	<u>269,724</u>	<u>(988,600)</u>
<u>(1,022,315)</u>	<u>4,111,729</u>	<u>(65,795)</u>	<u>(373,420)</u>	<u>306,899</u>	<u>(937,957)</u>
	145,910	104,921			
51,196,332					
<u>\$67,798,367</u>	<u>\$10,570,620</u>	<u>\$9,086,522</u>	<u>\$10,851,622</u>	<u>\$16,269,805</u>	<u>\$15,122,316</u>
\$58,738,384	\$346,180	\$24,751,036	\$3,576,119	\$9,360,314	\$1,622,934
<u>515,032</u>	<u>4,811,926</u>	<u>(1,137,553)</u>	<u>(1,375,455)</u>	<u>1,267,863</u>	<u>(1,451,600)</u>
<u>\$59,253,416</u>	<u>\$5,158,106</u>	<u>\$23,613,483</u>	<u>\$2,200,664</u>	<u>\$10,628,177</u>	<u>\$171,334</u>

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

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

Source: City of Dinuba Financial Services Division

2012	2013	2014	2015	2016	2017
(\$10,082,298)	(\$6,112,711)	\$15,598,719	(\$7,648,923)	(\$6,602,592)	(\$14,437,339)
<u>1,537,347</u>	<u>700,197</u>	<u>(1,071,758)</u>	<u>(1,002,035)</u>	<u>960,964</u>	<u>(513,643)</u>
<u>(\$8,544,951)</u>	<u>(\$5,412,514)</u>	<u>\$14,526,961</u>	<u>(\$8,650,958)</u>	<u>(\$5,641,628)</u>	<u>(\$14,950,982)</u>
\$3,461,506	\$645,437	\$742,122	\$846,306	\$1,260,845	\$1,149,426
133,920	171,817	184,211	226,817	248,579	281,005
9,843,519	3,677,282	3,700,400	5,461,810	9,729,414	9,080,769
230,613	226,904	243,956	256,883	252,761	216,407
1,600,423	1,622,049	1,612,836	1,630,654	1,683,265	1,482,077
870,086	240,387	249,602	292,650	487,363	273,161
1,565,696	1,553,701	1,571,490	1,633,128	1,754,885	1,847,746
288,456	287,977	262,191	113,494	262,770	201,154
946,090	1,552,988	18,522	109,931	552,748	539,928
(2,019,092)	400,323	266,189	261,425		
<u>703,133</u>	<u>(4,065,884)</u>	<u>195,877</u>	<u>391,944</u>	<u>(269,724)</u>	<u>988,600</u>
<u>17,624,350</u>	<u>6,312,981</u>	<u>9,047,396</u>	<u>11,225,042</u>	<u>15,962,906</u>	<u>16,060,273</u>
19,536		37,243	18,524	37,175	50,643
(338,718)	45,845	92,839			
<u>(703,133)</u>	<u>4,065,884</u>	<u>(195,877)</u>	<u>(391,944)</u>	<u>269,724</u>	<u>(988,600)</u>
<u>(1,022,315)</u>	<u>4,111,729</u>	<u>(65,795)</u>	<u>(373,420)</u>	<u>306,899</u>	<u>(937,957)</u>
	145,910	104,921			
51,196,332					
<u>\$67,798,367</u>	<u>\$10,570,620</u>	<u>\$9,086,522</u>	<u>\$10,851,622</u>	<u>\$16,269,805</u>	<u>\$15,122,316</u>
\$58,738,384	\$346,180	\$24,751,036	\$3,576,119	\$9,360,314	\$1,622,934
<u>515,032</u>	<u>4,811,926</u>	<u>(1,137,553)</u>	<u>(1,375,455)</u>	<u>1,267,863</u>	<u>(1,451,600)</u>
<u>\$59,253,416</u>	<u>\$5,158,106</u>	<u>\$23,613,483</u>	<u>\$2,200,664</u>	<u>\$10,628,177</u>	<u>\$171,334</u>



Dinuba Hotel

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

	2008	2009	2010	2011	2012	
General Fund						
Reserved	\$522,000	\$452,000	\$769,541			
Unreserved	2,762,848	2,105,415	2,321,648			
Nonspendable				\$2,869,745	\$3,005,321	
Unassigned				(700,688)	1,587,709	
Total General Fund	<u>\$3,284,848</u>	<u>\$2,557,415</u>	<u>\$3,091,189</u>	<u>\$2,169,057</u>	<u>\$4,593,030</u>	
All Other Governmental Funds						
Reserved	\$8,863,307	\$11,465,614	\$12,125,161			
Unreserved, Reported In:						
Special Revenue Funds	1,851,164	420,661	1,165,296			
Debt Service Funds						
Capital Projects Funds	137,053	(6,021,033)	(9,673,971)			
Nonspendable Funds				14,759,706	5,792,649	
Restricted Funds				8,352,350	6,840,553	
Assigned Funds				206,798	4,478,409	
Unassigned Funds				(11,089,450)	(484,580)	
Total All Other Governmental Funds	<u>\$10,851,524</u>	<u>\$5,865,242</u>	<u>\$3,616,486</u>	<u>\$12,229,404</u>	<u>\$16,627,031</u>	
Total Governmental Funds	<u>\$14,136,372</u>	<u>\$8,422,657</u>	<u>\$6,707,675</u>	<u>\$14,398,461</u>	<u>\$21,220,061</u>	

	2013	2014	2015	2016	2017	(b)
General Fund						
Reserved						
Unreserved						
Nonspendable	\$2,742,077	\$2,736,489	\$2,699,439	\$3,082,112	\$3,436,060	
Unassigned	1,217,109	1,894,697	2,255,325	1,219,528	1,113,239	
Total General Fund	<u>\$3,959,186</u>	<u>\$4,631,186</u>	<u>\$4,954,764</u>	<u>\$4,301,640</u>	<u>\$4,549,299</u>	(a)
All Other Governmental Funds						
Reserved						
Unreserved, Reported In:						
Special Revenue Funds						
Debt Service Funds						
Capital Projects Funds						
Nonspendable Funds	21,170	572,060	8,957,449	10,334,283	5,045,407	
Restricted Funds	16,917,455	24,668,685	10,838,675	7,636,453	13,091,326	
Assigned Funds	147,627	184,506	103,142	55,075	64,462	
Unassigned Funds	(312,176)	(1,215,832)	(618,061)	(695,780)	(451,012)	
Total All Other Governmental Funds	<u>\$16,774,076</u>	<u>\$24,209,419</u>	<u>\$19,281,205</u>	<u>\$17,330,031</u>	<u>\$17,750,183</u>	
Total Governmental Funds	<u>\$20,733,262</u>	<u>\$28,840,605</u>	<u>\$24,235,969</u>	<u>\$21,631,671</u>	<u>\$22,299,482</u>	

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

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

	2008	2009	2010	2011	2012
Revenues					
Taxes and Assessments	\$11,271,922	\$11,142,476	\$12,969,873	\$13,333,324	\$15,763,647
Licenses and Permits	489,989	473,177	585,481	663,034	490,803
Intergovernmental	4,533,063	6,177,846	7,078,568	9,592,560	6,873,909
Charges for Services	1,831,959	1,383,468	2,423,067	2,031,815	2,297,156
Use of Money and Property	1,409,409	557,746	360,312	219,523	615,073
Fines and Forfeitures	110,528	180,620	104,321	165,482	393,113
Reimbursements	3,073,714	3,303,675	2,932,039	2,223,521	1,983,721
Miscellaneous	206,463	774,390	109,001	195,544	280,827
Total Revenues	<u>22,927,047</u>	<u>23,993,398</u>	<u>26,562,662</u>	<u>28,424,803</u>	<u>28,698,249</u>
Expenditures					
Current					
General Government	1,758,510	1,859,569	2,493,169	3,424,510	3,198,893
Public Safety	6,590,115	7,384,568	7,297,586	6,900,645	7,622,470
Public Works ²	3,702,608	4,390,130	2,110,634	2,047,171	2,305,236
Community development	2,969,141	2,882,010	2,972,937	1,480,571	1,254,396
Parks and Recreation ¹	1,503,848	1,457,338	1,369,056	871,568	1,595,747
Capital Outlay	6,530,780	4,578,430	3,664,017	5,822,476	5,230,041
Debt Service					
Principal Retirement	2,095,025	2,253,167	2,600,226	17,796,703	2,209,513
Interest and Fiscal Charges	3,566,066	3,820,469	3,800,906	3,947,999	1,967,183
Debt Issuance Costs	591,412	167,679	2,342	734,435	
Total Expenditures	<u>29,307,505</u>	<u>28,793,360</u>	<u>26,310,873</u>	<u>43,026,078</u>	<u>25,383,479</u>
Excess of Revenues Over (Under) Expenditures	<u>(6,380,458)</u>	<u>(4,799,962)</u>	<u>251,789</u>	<u>(14,601,275)</u>	<u>3,314,770</u>
Other Financing Sources (Uses)					
Proceeds from Issuance of debt					
Transfers In	17,389,125	10,491,067	6,526,362	6,959,476	7,319,087
Transfers Out	(28,006,539)	(12,004,060)	(7,373,175)	(8,231,685)	(8,270,637)
Sales of Property	406,461	251,240	309,537	159,698	291,150
Issuance of Long Term Debt	14,950,000	1,370,000		16,312,340	
Original issuance discount					
Payment to Refunded Bond Escrow Agent					
Total Other Financing Sources (Uses)	<u>4,739,047</u>	<u>108,247</u>	<u>(537,276)</u>	<u>15,199,829</u>	<u>(660,400)</u>
Net Change in Fund Balances before Extraordinary Item	(1,641,411)	(4,691,715)	(285,487)	598,554	2,654,370
Extraordinary Item - Litigation Settlement					
Extraordinary Item - Gain on Property Foreclosure					
Net Change In Fund Balances	<u>(\$1,641,411)</u>	<u>(\$4,691,715)</u>	<u>(\$285,487)</u>	<u>\$598,554</u>	<u>\$2,654,370</u>
Debt Service as a percentage of non-capital expenditures	24.9%	25.1%	28.3%	58.4%	21.5%

Source: City of Dinuba Financial Services Division

Fiscal Year				
2013	2014	2015	2016	2017
\$10,054,422	\$10,127,924	\$14,673,041	\$15,417,110	\$17,699,777
533,126	388,248	825,421	410,496	269,630
8,840,363	13,389,637	10,254,854	9,817,361	3,885,183
1,842,951	2,611,700	2,629,858	1,386,822	1,275,159
105,029	372,987	116,046	265,203	205,154
118,693	83,015	83,345	96,196	113,012
1,993,316	1,866,721	773,948	2,560,957	2,205,415
183,644	193,101	26,586	46,056	157,286
<u>23,671,544</u>	<u>29,033,333</u>	<u>29,383,099</u>	<u>30,000,201</u>	<u>25,810,616</u>
3,567,574	3,062,629	3,221,524	3,504,184	6,363,752
8,512,170	9,155,928	9,573,198	10,454,857	10,820,834
2,108,997	2,497,426	2,361,778	2,880,100	2,299,448
3,077,272	1,813,416	1,205,315	813,013	270,174
1,108,050	1,140,903	1,235,269	1,458,541	1,640,604
5,070,355	12,419,958	14,428,933	11,512,821	2,811,519
1,814,520	991,156	1,001,685	980,865	7,131,417
816,403	1,010,139	1,177,009	1,216,247	1,762,202
331,022	106,924			
<u>26,406,363</u>	<u>32,198,479</u>	<u>34,204,711</u>	<u>32,820,628</u>	<u>33,099,950</u>
<u>(2,734,819)</u>	<u>(3,165,146)</u>	<u>(4,821,612)</u>	<u>(2,820,427)</u>	<u>(7,289,334)</u>
2,330,637	6,091,537	10,198,943	1,300,000	6,764,759
(6,500,021)	(5,549,298)	(10,506,999)	3,115,598	5,091,147
500,687	402,248	368,524	(3,385,322)	(4,094,047)
12,770,000	8,982,000		148,146	
(314,360)				
<u>(6,684,833)</u>				
<u>2,102,110</u>	<u>9,926,487</u>	<u>60,468</u>	<u>1,178,422</u>	<u>7,761,859</u>
(632,709)	6,761,341	(4,761,144)	(1,642,005)	472,525
145,910				
<u>(\$486,799)</u>	<u>\$6,761,341</u>	<u>(\$4,761,144)</u>	<u>(\$1,642,005)</u>	<u>\$472,525</u>
13.5%	10.1%	11.0%	11.5%	29.0%

CITY OF DINUBA
GOVERNMENT-WIDE REVENUES
LAST TEN FISCAL YEARS

Fiscal Year	PROGRAM REVENUES				Total General Revenues	Total Government- Wide Revenues
	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Total Program Revenues		
2008	\$2,841,209	\$2,980,565	\$70,512,208	\$76,333,982	\$14,366,958	\$90,700,940
2009	\$2,649,991	\$2,137,570	\$10,798,269	\$15,585,830	\$14,185,715	\$29,771,545
2010	\$3,326,049	\$1,753,052	\$3,768,170	\$8,847,271	\$15,769,530	\$24,616,801
2011	\$3,259,016	\$1,877,718	\$6,195,826	\$11,332,560	\$15,775,601	\$27,108,161
2012	\$3,115,053	\$3,279,460	\$2,436,154	\$8,830,667	\$18,940,309	\$27,770,976
2013	\$2,899,821	\$4,462,789	\$5,669,203	\$13,031,813	\$9,978,542	\$23,010,355
2014	\$5,245,274	\$6,248,747	\$25,473,768	\$36,967,789	\$8,585,330	\$45,553,119
2015	\$8,082,453	\$3,274,094	\$10,114,120	\$21,470,667	\$11,225,042	\$32,695,709
2016	\$7,750,120	\$3,375,630	\$12,075,630	\$23,201,380	\$16,232,630	\$39,434,010
2017	\$9,859,879	\$5,263,630	\$3,011,810	\$18,135,319	\$15,071,673	\$33,206,992

Fiscal Year	GENERAL REVENUES					Total General Revenues
	Property Taxes	Sales Taxes	Utility Users Taxes	All Other Taxes	Use Of Money And Property	
2008	\$5,006,706	\$4,314,561	\$1,457,199	\$2,566,369	\$1,022,123	\$14,366,958
2009	\$5,438,046	\$3,642,808	\$1,462,789	\$3,107,847	\$534,225	\$14,185,715
2010	\$5,248,441	\$5,569,620	\$1,522,951	\$2,894,557	\$533,961	\$15,769,530
2011	\$5,078,633	\$5,803,277	\$1,560,074	\$2,972,620	\$360,997	\$15,775,601
2012	\$3,461,506	\$9,843,519	\$1,600,423	\$3,746,405	\$288,456	\$18,940,309
2013	\$645,437	\$3,677,282	\$1,622,049	\$3,745,797	\$287,977	\$9,978,542
2014	\$742,122	\$3,700,400	\$1,612,836	\$2,267,781	\$262,191	\$8,585,330
2015	\$846,306	\$5,461,810	\$1,630,654	\$2,519,409	\$766,863	\$11,225,042
2016	\$1,260,845	\$9,729,414	\$1,683,265	\$3,296,336	\$262,770	\$16,232,630
2017	\$1,149,426	\$9,080,769	\$1,482,077	\$3,158,247	\$201,154	\$15,071,673

Source: City of Dinuba Financial Services Division

CITY OF DINUBA
GENERAL GOVERNMENT REVENUES BY SOURCE¹
LAST TEN FISCAL YEARS

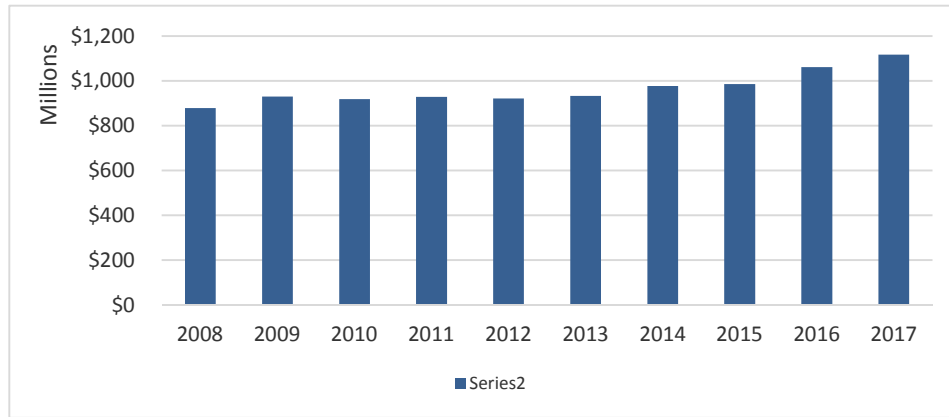
<u>Fiscal Year</u>	<u>Taxes And Assessments</u>	<u>Licenses And Permits</u>	<u>Intergovernmental</u>	<u>Charges For Services</u>	<u>Use Of Money And Property</u>	<u>Fines And Forfeitures</u>
2008	\$11,271,922	\$489,989	\$4,533,063	\$1,831,959	\$1,409,409	\$110,528
2009	\$11,142,476	\$473,177	\$6,177,846	\$1,383,468	\$557,746	\$180,620
2010	\$12,969,873	\$585,481	\$7,078,568	\$2,423,067	\$360,312	\$104,321
2011	\$13,333,324	\$663,034	\$9,592,560	\$2,031,815	\$219,523	\$165,482
2012	\$15,763,647	\$490,803	\$6,873,909	\$2,297,156	\$615,073	\$393,113
2013	\$10,054,422	\$533,126	\$8,840,363	\$1,842,951	\$105,029	\$118,693
2014	\$10,127,924	\$388,248	\$13,389,637	\$2,611,700	\$372,987	\$165,482
2015	\$14,673,041	\$825,421	\$10,254,854	\$2,629,858	\$116,046	\$83,345
2016	\$15,417,110	\$410,496	\$9,817,361	\$1,386,822	\$265,203	\$96,196
2017	\$17,699,777	\$269,630	\$3,885,183	\$1,275,159	\$205,154	\$113,012

<u>Fiscal Year</u>	<u>Reimbursements</u>	<u>Miscellaneous</u>	<u>Total General Government Revenues</u>
2008	\$3,073,714	\$206,463	\$22,927,047
2009	\$3,303,675	\$774,390	\$23,993,398
2010	\$2,932,039	\$109,001	\$26,562,662
2011	\$2,223,521	\$195,544	\$28,424,803
2012	\$1,983,721	\$280,827	\$28,698,249
2013	\$1,993,316	\$183,644	\$23,671,544
2014	\$1,866,721	\$193,101	\$29,115,800
2015	\$773,948	\$26,586	\$29,383,099
2016	\$2,560,957	\$46,056	\$30,000,201
2017	\$2,205,415	\$157,286	\$25,810,616

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

Source: City of Dinuba Financial Services Division

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



Year Ended June 30	Assessed Value ²	County Tax Rate Per \$100	City		
			Portion of Assessed Value	Tax Rate ³	Tax Levy
2008	\$877,827,074	1.1170	\$375,372,209	0.188%	\$713,207
2009	\$929,595,416	1.1170	\$376,872,214	0.175%	\$661,346
2010	\$918,955,107	1.1170	\$381,194,928	0.152%	\$577,530
2011	\$928,720,115	1.1260	\$374,186,358	0.163%	\$608,653
2012	\$921,046,459	1.1160	\$376,464,415	0.174%	\$655,249
2013	\$933,234,251	1.1110	\$383,803,558	0.168%	\$645,437
2014	\$976,358,668	1.1110	\$406,708,703	0.182%	\$742,122
2015	\$985,816,882	1.2246	\$424,657,013	0.194%	\$823,237
2016	\$1,060,846,254	1.1285	\$431,998,964	0.287%	\$1,238,278
2017	\$1,116,863,014	1.1459	\$444,394,065	0.259%	\$1,149,426

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

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

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

**CITY OF DINUBA
PRINCIPAL PROPERTY TAXPAYERS
AS OF JUNE 30, 2017 AND 2008**

Taxpayer	Type Of Business	Fiscal Year 2017			Fiscal Year 2008		
		Assessed Valuation	Percent Of Total Assessed Valuation	Rank	Assessed Valuation	Percent Of Total Assessed Valuation	Rank
Ruiz Foods Products Inc.	Frozen Food	\$ 68,436,153	6.45%	1	\$ 48,989,483	6.19%	2
Odwalla, Inc.	Fruit Juices	68,209,534	6.43%	2	33,945,249	4.29%	3
Best Buy Stores, Inc.	Distribution Center	56,357,910	5.31%	3	\$ 58,513,977	7.39%	1
Wal-mart Store Inc	Retail Store	17,916,427	1.69%	4			
Patterson Dental Supply	Wholesaler	15,394,164	1.45%	5	20,173,050	2.55%	4
Boscacci Group	Real Estate Investment	7,155,528	0.67%	6			
Aung San LLC	Holiday Inn	5,808,365	0.55%	7			
Kmart Corporation	Retail Store	5,719,208	0.54%	8	6,593,532	0.83%	9
Dena Edward & Ida	Ed Dena Auto Center	5,550,738	0.52%	9			
Red Rock Plaza Center LLC	Real Estate Investment	5,000,000	0.47%	10			
Dinuba - Veto LLC	Real Estate Investment				9,123,101	1.15%	6
Dinuba Manor	Apartment Complex				5,863,933	0.74%	10
Dunmore Viscaya LLC	Real Estate Investment				17,140,733	2.17%	5
K Hovanian Forecast Home	Real Estate Investment				8,375,220	1.06%	7
Ennis Land Development	Real Estate Investment				6,685,580	0.84%	8
		<u>\$118,902,340</u>	<u>24.08%</u>		<u>\$132,469,126</u>	<u>27.21%</u>	

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				
	2013	2014	2015	2016	2017
City Direct Rates:					
City basic rate	\$0.191	\$0.191	\$0.191	\$0.192	\$0.191
Total City Direct Rate	0.191	0.191	0.191	0.192	0.191
Overlapping Rates:					
Tulare County	0.177	0.177	0.177	0.178	0.177
Library	0.015	0.015	0.015	0.015	0.015
Dinuba School District	0.273	0.272	0.270	0.273	0.273
Community College District	0.001	0.046	0.046	0.046	0.046
Tulare County Schools	0.024	0.024	0.024	0.024	0.024
Alta Cemetery	0.008	0.008	0.008	0.008	0.008
Alta Hospital District	0.018	0.018	0.018	0.018	0.018
Delta Vector Control	0.014	0.014	0.014	0.014	0.014
Dinuba Memorial District	0.005	0.005	0.005	0.005	0.005
Tulare County Air Pollution District	0.000	0.000	0.000	0.000	0.000
Tulare County Flood District	0.002	0.002	0.002	0.002	0.002
Education Revenue Augmentation	0.226	0.226	0.226	0.224	0.227
Dinuba School District Bonds	0.120	0.103	0.114	0.120	0.120
Community College Bonds	0.036	0.009	0.114	0.008	0.026
Total Direct Rate ¹	1.111	1.111	1.225	1.128	1.146

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 a fixed amount, property owners are charged taxes as a percentage of assessed property values for 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 001-0 representative of other tax rate areas within the City.

Source: Tulare County Assessor's Office

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



<u>Year Ended June 30</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected ¹</u>
2008	\$5,063,214	\$5,063,214	100.00
2009	\$5,415,758	\$5,415,758	100.00
2010	\$5,352,804	\$5,248,441	98.05
2011	\$5,368,533	\$5,078,633	94.60
2012	\$3,311,306	\$3,231,844	97.60
2013 ²	\$665,948	\$645,437	96.92
2014	\$763,029	\$742,122	97.26
2015	\$852,212	\$823,237	96.60
2016	\$1,295,812	\$1,238,278	95.56
2017	\$1,429,634	\$1,149,426	80.40

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

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

Source: Tulare County Auditor's Office

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

Fiscal Year	Governmental Activities				
	General Bonded Debt Outstanding	Capital Leases	Contracts Payable	Notes Payable	Total Governmental Activities
2008	\$65,132,484	\$1,326,724		\$5,743,840	\$72,203,048
2009	\$62,896,057	\$1,157,783		\$5,089,617	\$69,143,457
2010	\$64,332,754	\$976,254		\$3,360,920	\$68,669,928
2011	\$64,069,581	\$814,538		\$2,880,931	\$67,765,050
2012 ²	\$11,291,970	\$932,596	\$190,471	\$1,247,879	\$13,662,916
2013	\$11,252,962	\$701,861	\$146,016	\$23,549	\$12,124,388
2014	\$18,895,000	\$9,442,497	\$99,516	\$20,257	\$28,457,270
2015	\$18,265,000	\$9,012,913	\$50,877	\$16,734	\$27,345,524
2016	\$17,590,000	\$10,085,195	\$0	\$12,965	\$27,688,160
2017	\$17,230,000	\$9,897,810	\$0	\$8,932	\$27,136,742

Fiscal Year	Business-Type Activities				
	Certificates Of Participation	Notes Payable	Capital Leases	Contracts Payable	Total Business-Type Activities
2008	\$4,980,000	\$8,506,172	\$3,034		\$13,489,206
2009	\$4,840,000	\$8,912,559	\$2,224		\$13,754,783
2010	\$4,695,000	\$8,575,192	\$1,352		\$13,271,544
2011	\$3,005,000	\$8,087,419	\$413		\$11,092,832
2012	\$3,005,000	\$7,580,353		\$611,334	\$11,196,687
2013	\$11,030,000	\$7,108,030	\$292,146	\$534,813	\$18,964,989
2014	\$18,895,000	\$6,736,215	\$222,586	\$454,773	\$26,308,574
2015	\$10,540,000	\$7,194,326	\$150,758	\$373,930	\$18,259,014
2016	\$10,315,000	\$6,602,194	\$76,588	\$292,286	\$17,286,068
2017	\$10,085,000	\$5,994,444	\$0	\$209,814	\$16,289,258

Fiscal Year	Primary Government	Per Capita ¹
2008	\$85,692,254	\$4,064
2009	\$82,898,240	\$3,903
2010	\$81,941,472	\$3,804
2011	\$78,857,882	\$3,593
2012	\$24,859,603	\$1,099
2013	\$31,089,377	\$1,347
2014	\$54,765,844	\$2,315
2015	\$45,604,538	\$1,903
2016	\$44,974,228	\$1,824
2017	\$43,426,000	\$1,747

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

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

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

Source: City of Dinuba Financial Services Division

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

<u>Fiscal Year</u>	<u>Lease Revenue Bonds</u>	<u>Less: Amounts Available in Debt Service Funds</u>	<u>Total General Bonded Debt Outstanding</u>	<u>Percentage of Assessed Value of Property ¹</u>	<u>Per Capita</u>
2006	\$7,595,000	\$3,652,574	\$32,147,426	4.8%	\$1,642
2007	\$7,445,000	\$4,708,019	\$51,331,981	6.5%	\$2,566
2008	\$14,740,000	\$4,937,516	\$65,132,484	7.4%	\$3,089
2009	\$14,445,000	\$6,118,943	\$62,896,057	6.8%	\$2,962
2010	\$14,165,000	\$4,987,246	\$64,332,754	7.0%	\$2,986
2011	\$13,740,000	\$4,645,419	\$64,069,581	6.9%	\$2,919
2012 ²	\$13,455,000	\$2,163,030	\$11,291,970	1.2%	\$499
2013	\$13,160,000	\$1,907,038	\$11,252,962	1.2%	\$488
2014	\$18,895,000	\$739	\$18,894,261	1.9%	\$799
2015	\$18,265,000	\$2,952	\$18,262,048	1.9%	\$762
2016	\$17,590,000	\$1,260,186	\$16,329,814	1.5%	\$662
2017	\$17,230,000	\$1,256,567	\$15,973,433	1.4%	\$643

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

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

Source: City of Dinuba Financial Services Division

CITY OF DINUBA
STATEMENT OF DIRECT AND OVERLAPPING DEBT
As of June 30, 2017

2016 - 2017 Assessed Valuation:	\$1,116,863,014		
Redevelopment Incremental Valuation:			
City Adjusted Assessed Valuation	\$1,116,863,014		
	OUTSTANDING DEBT		ESTIMATED SHARE OF OUTSTANDING DEBT
	6/30/2017	% APPLICABLE ¹	
OVERLAPPING TAX AND ASSESSMENT DEBT			
State Center Community College District	\$89,195,000	1.444%	\$1,287,976
Dinuba Joint Unified School District	22,850,792	68.625%	15,681,356
Kings Canyon Joint Unified School District	73,817,045	0.025%	18,454
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	185,862,837		16,987,786
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Tulare County Certificates of Participation	34,535,000	3.496%	1,207,344
Tulare County Board of Education Certificates of Participation	35,410,000	3.496%	1,237,934
Dinuba Joint Unified School District Certificates of Participation	5,360,000	68.625%	3,678,300
City of Dinuba General Fund Obligations	51,857,226	100.000%	51,857,226
TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT	127,162,226		57,980,804
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	48,150,000	100.0000%	48,150,000
TOTAL DIRECT DEBT			51,857,226
TOTAL OVERLAPPING DEBT			71,261,364
COMBINED TOTAL DEBT			\$ 123,118,590 ²

Debt Ratios:

Ratios to 2016-17 Adjusted Valuation:

Total Overlapping Tax and Assessment Debt	1.52%
Total Direct Debt (\$26,798,784)	2.40%
Combined Total Debt	8.78%

Ratios to Redevelopment Increment Valuation (\$684,864,050):

Total Overlapping Tax Increment Debt	7.03%
--------------------------------------	-------

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, 2017**

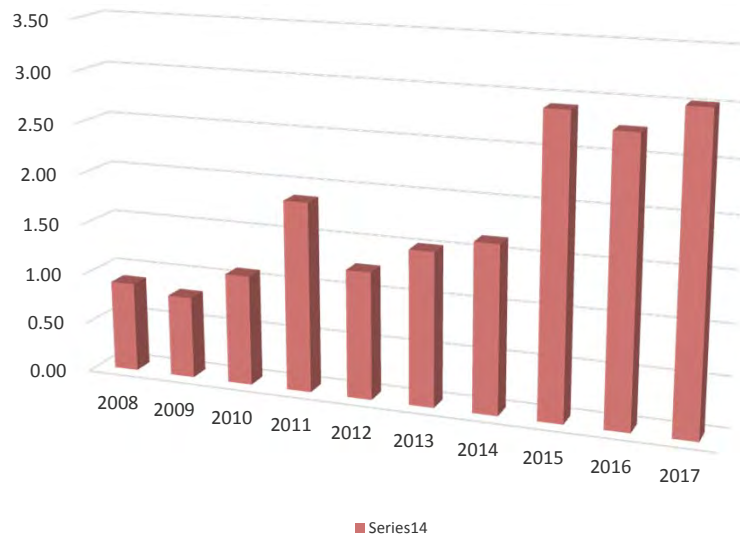
Total Assessed Valuation	<u>\$1,116,863,014</u>
Debt Limit - 15% of Total Assessed Valuation	\$167,529,452
Amount of Debt Applicable to the Limit	<u>43,426,000</u>
Legal Debt Margin	<u>\$124,103,452</u>

**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>
2008	\$131,674,061	\$85,692,254	\$45,981,807	65.1%
2009	\$139,439,312	\$82,898,240	\$56,541,072	59.5%
2010	\$137,843,266	\$81,941,472	\$55,901,794	59.4%
2011	\$139,308,017	\$78,857,882	\$60,450,135	56.6%
2012	\$138,156,969	\$24,859,603	\$113,297,366	18.0%
2013	\$139,985,138	\$31,089,377	\$108,895,761	22.2%
2014	\$146,453,800	\$54,765,844	\$91,687,956	37.4%
2015	\$147,872,532	\$45,604,538	\$102,267,994	30.8%
2016	\$159,126,938	\$44,974,228	\$114,152,710	28.3%
2017	\$167,529,452	\$43,426,000	\$124,103,452	25.9%

Source: City of Dinuba Financial Services Division

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



Certificates of Participation (Sewer Fund)

Year Ended June 30	Sewer Charges And Other Contributions ¹	Less: Operating Expenses ²	Net Available Revenue	Principal	Interest	Total Debt Service	Debt Service Coverage
2008	\$2,389,237	\$1,864,897	\$524,340	\$155,000	\$432,879	\$587,879	0.89
2009	\$2,591,374	\$1,945,535	\$645,839	\$215,000	\$578,089	\$793,089	0.81
2010	\$2,882,543	\$1,765,050	\$1,117,493	\$215,000	\$806,161	\$1,021,161	1.09
2011	\$3,545,791	\$1,547,768	\$1,998,023	\$270,000	\$796,668	\$1,066,668	1.87
2012	\$3,293,667	\$1,744,908	\$1,548,759	\$290,000	\$938,250	\$1,228,250	1.26
2013	\$2,945,488	\$1,641,917	\$1,303,571	\$240,000	\$618,372	\$858,372	1.52
2014	\$3,062,058	\$1,920,430	\$1,141,628	\$270,000	\$421,644	\$691,644	1.65
2015	\$3,915,684	\$2,063,218	\$1,852,466	\$220,000	\$415,412	\$635,412	2.92
2016	\$4,027,942	\$2,275,360	\$1,752,582	\$225,000	\$409,500	\$634,500	2.76
2017	\$4,067,626	\$2,155,155	\$1,912,471	\$230,000	\$403,355	\$633,355	3.02

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

² Depreciation is eliminated for this calculation.

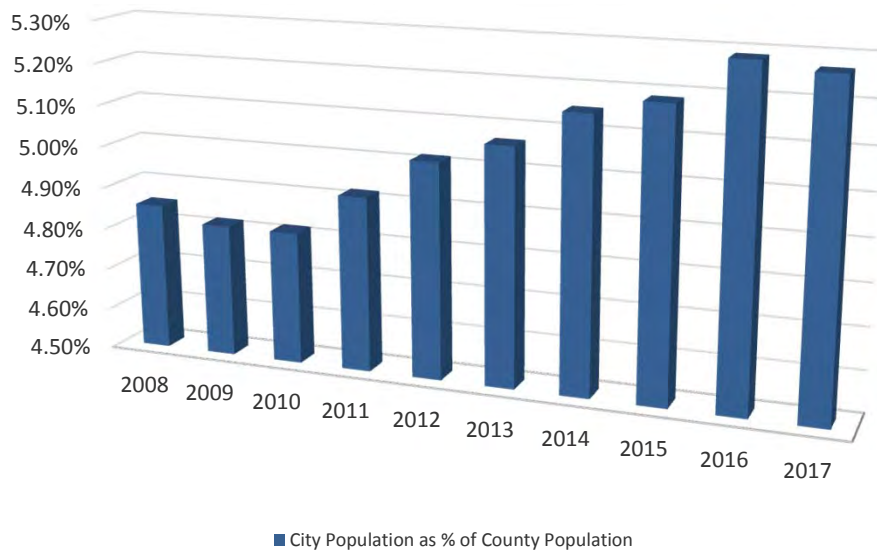
Source: City of Dinuba Financial Services Division

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

<u>Fiscal Year</u>	<u>Lease Revenue Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2018	\$805,000	\$578,137.50	\$1,383,138
2019	\$785,000	\$556,237.50	\$1,341,238
2020	\$830,000	\$531,943.75	\$1,361,944
2021	\$850,000	\$504,237.50	\$1,354,238
2022	\$895,000	\$474,450.00	\$1,369,450
2023	\$910,000	\$440,475.00	\$1,350,475
2024	\$725,000	\$412,950.00	\$1,137,950
2025	\$755,000	\$389,450.00	\$1,144,450
2026	\$775,000	\$361,962.50	\$1,136,963
2027	\$805,000	\$331,656.25	\$1,136,656
2028	\$835,000	\$300,193.75	\$1,135,194
2029	\$870,000	\$268,987.50	\$1,138,988
2030	\$900,000	\$238,087.50	\$1,138,088
2031	\$935,000	\$206,043.75	\$1,141,044
2032	\$960,000	\$172,931.25	\$1,132,931
2033	\$1,000,000	\$138,675.00	\$1,138,675
2034	\$550,000	\$111,950.00	\$661,950
2035	\$565,000	\$93,175.00	\$658,175
2036	\$595,000	\$73,625.00	\$668,625
2037	\$610,000	\$53,325.00	\$663,325
2038	\$625,000	\$32,500.00	\$657,500
2039	\$650,000	\$10,975.00	\$660,975
	<u>\$17,230,000</u>	<u>\$6,281,969</u>	<u>\$23,511,969</u>

Source: City of Dinuba Financial Services Division

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



Fiscal Year	City Population ¹	% Change	Tulare County Population	City Population as % of County Population	Unemployment Rate ³
2008	21,087	5.15%	434,494	4.85%	14.0%
2009	21,237	0.71%	440,749	4.82%	16.1%
2010	21,542	1.42%	447,141	4.82%	22.4%
2011	21,950	1.86%	446,180	4.92%	22.8%
2012	22,614	2.94%	450,840	5.02%	21.2%
2013	23,082	2.03%	455,599	5.07%	18.9%
2014	23,666	2.47%	459,446	5.15%	17.3%
2015	23,966	1.25%	462,189	5.19%	10.9%
2016	24,657	2.80%	466,339	5.29%	10.7%
2017	24,861	0.82%	471,842	5.27%	9.5%

¹ Source: California Department of Finance

³ Source: California Employment Development Department

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

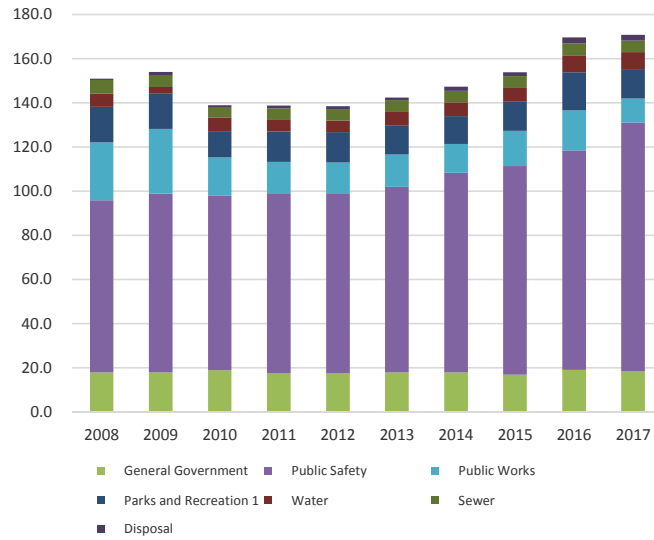
**CITY OF DINUBA
PRINCIPAL EMPLOYERS
AS OF JUNE 30, 2017 AND 2008**

Employer	Type of Business	Fiscal Year 2017			Fiscal Year 2008		
		Employees	Percent of Total City Employment	Rank	Employees	Percent of Total City Employment	Rank
Ruiz Foods Products Inc.	Frozen Food	1,588	38%	1	2,000	45%	1
Dinuba Public Schools	Education	717	17%	2	314	7%	4
Family Tree Farms	Produce Packing	600	14%	3			
Wal-Mart	Retail Store	422	10%	4	425	10%	2
Best Buy Stores, Inc.	Distribution Center	381	9%	5	425	10%	2
City of Dinuba	Local Government	163	4%	6	151	3%	6
Patterson Dental	Wholesaler	157	4%	7			
Corona College Heights	Produce Packing	60	1%	8			
United Market	Retail Store	42	1%	9			
Grocery Outlet	Retail Store	26	1%	10			
Pacific West	Produce/Packing				350	8%	3
Giannini Packing	Produce/Packing				200	5%	5
Apio Produce	Produce/Packing				150	3%	7
Surabian and Sons	Produce/Packing				150	3%	7
Odwalla ¹	Fruit Juices				100	2%	8
Sadoian Brothers	Produce/Packing				95	2%	9
Patterson Dental	Wholesaler				60	1%	10
		<u>4,156</u>	<u>100.00%</u>		<u>4,420</u>	<u>100.00%</u>	

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

⁽¹⁾ Odwalla's parent company, Coca-Cola, closed the Dinuba Odwalla factory in April 2016.

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



	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
General Government	18.0	18.0	19.0	17.6	17.6	18.0	18.0	17.0	19.1	18.5
Public Safety	78.0	81.0	79.0	81.5	81.5	84.0	90.4	94.4	99.5	112.7
Public Works	26.2	29.3	17.3	14.3	14.0	14.7	13.0	16.0	18.1	10.9
Parks and Recreation ¹	16.0	16.0	12.0	13.7	13.7	13.1	12.7	13.2	17.3	13.3
Water	6.0	2.9	6.2	5.2	5.2	6.2	6.2	6.2	7.7	7.7
Sewer	6.2	5.1	4.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
Disposal	0.6	1.7	1.2	1.2	1.2	1.2	1.9	1.9	2.8	2.6
Total Government-Wide Employees	151.0	154.0	139.0	138.8	138.5	142.5	147.4	154.0	169.8	170.9

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

Source: City of Dinuba Budget FY 2017

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

Calendar Year	Total Permits	Total Valuation	Commercial and Office		Residential Single	
			Number Permits	Valuation	Number Permits	Valuation
2008 ¹	627	\$21,159,049	50	\$859,269	31	\$2,429,216
2009	267	\$20,117,464	5	\$3,003,030	49	\$5,961,770
2010 ²	327	\$26,119,325	2	\$1,398,078	116	\$14,622,391
2011	407	\$28,265,284	3	\$2,507,500	171	\$21,658,886
2012	543	\$43,487,055	13	\$9,295,706	161	\$20,246,430
2013	430	\$20,466,026	4	\$1,488,000	99	\$11,149,388
2014	437	\$16,722,112	5	\$8,448,970	41	\$4,244,435
2015	552	\$14,559,111	2	\$490,000	78	\$8,286,981
2016	689	\$7,134,510	2	\$1,110,000	57	\$5,565,450
2017	712	\$15,863,961	5	\$1,517,700	62	\$5,777,900
	Residential Multi-Units		All Other			
	Number Permits	Valuation	Number Units	Number Permits	Valuation	
2008 ¹	0	\$0	0	457	\$894,090	
2009	1	\$7,604,520	0	212	\$3,548,143	
2010 ²	1	\$7,604,520 ⁴	0	208	\$2,494,335	
2011	0	\$0	0	233	\$4,098,898	
2012	0	\$0	0	382	\$13,944,919	
2013	1	\$2,450,000	0	326	\$5,378,638	
2014	0	\$0	0	391	\$4,028,707	
2015	0	\$0	0	472	\$5,782,130	
2016	0	\$0	0	630	\$459,060	
2017	0	\$0	0	645	\$8,568,361	

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

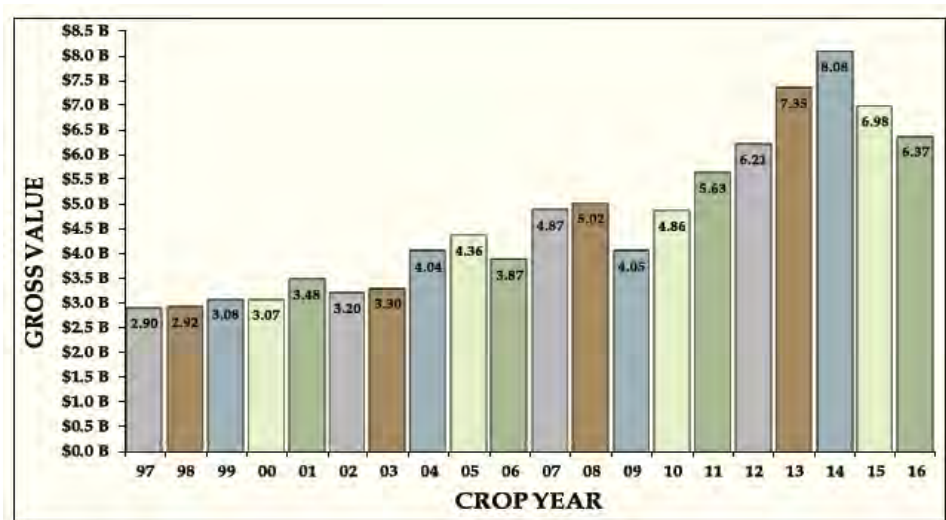
TULARE COUNTY CROP STATISTICS FOR THE CALENDAR YEAR 2016

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 2016

PRODUCT	GROSS VALUE
1. Milk	\$1,645,572,000
2. Oranges - Navels & Valencias	\$838,593,000
3. Cattle & Calves	\$660,400,000
4. Grapes	\$600,200,000
5. Tangerines - Fresh	\$343,380,000
6. Pistachio Nuts	\$339,208,000
7. Almonds Meats & Hulls	\$301,869,000
8. Corn - Grain & Silage	\$186,202,000
9. Walnuts	\$137,651,000
10. Lemons - Fresh	\$117,810,000

Total Value of the Top Ten Tulare County Crops \$5,170,885,000

Total Value of All Tulare County Crops \$6,370,121,600



Source: Tulare County Agricultural Commissioner news release

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Water:										
Number Water Wells	8	8	8	8	8	8	8	8	8	8
Annual Production (Million Gal)	1,682	1,671	1,671	1,671	1,996	1,570	1,790	1,578	1,218	1,274
Service Connections	4,991	5,030	5,094	5,459	5,581	5,633	5,937	5,742	5,862	5,964
Police:										
Stations	2	2	2	2	2	2	2	2	2	1
Sworn Officers	40	40	38	35	35	34	33	36	28	27
Support Personnel	14	12	11	10	10	10	9	11	11	13
Part-Time Support Personnel	5	3	3	7	8	3	3	2	2	2
Police Vehicles	35	34	32	34	35	37	36	40	38	43
Motorcycles	2	2	2	2	2	2	4	4	4	4
Fire:										
Stations	1	1	1	1	1	1	1	1	1	1
Firefighters	21	24	23	24	24	23	26	26	26	26
Fire and Rescue Vehicles	5	5	5	5	5	5	5	5	5	6
Ambulances	3	3	3	4	4	4	5	5	5	6
Staff Vehicles	5	5	4	4	5	6	6	4	5	5
Parks and Recreation:										
Parks	13	13	13	13	13	13	13	13	13	13
Acres of Park land	66	66	66	66	66	66	66	66	66	66
Acres of Open Space	56	56	56	56	56	56	56	56	56	56
Recreation Centers	2	2	2	2	2	2	2	2	2	2
Other:										
City Land Area (Square Miles)	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90
Miles of Water Main	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0
Miles of Storm Drain	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Miles of Sewer Main	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0
Miles of City Streets	65.7	65.7	65.7	65.7	65.7	65.7	65.7	65.7	65.7	65.7

Source: City of Dinuba Financial Services Division

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Number of Utility Customers</u>	<u>Number of Police Calls - Total</u>	<u>Number of 911 Emergency Calls</u>	<u>Number of Sworn Officers</u>
2008	21,087	4,918	31,801	6,338	40
2009	21,237	5,107	41,824	5,855	37
2010	21,542	5,154	41,256	4,859	37
2011	21,950	5,459	40,486	4,713	35
2012	22,614	5,581	39,161	4,535	35
2013	23,082	5,633	38,550	5,967	34
2014	23,666	5,927	34,611	5,844	35
2015	23,966	5,742	38,637	13,397	34
2016	24,657	5,862	41,314	1,845	28
2017	24,861	5,964	42,319	1,487	37

<u>Fiscal Year</u>	<u>Number of Fire Calls ¹</u>	<u>Number of Ambulance Runs</u>	<u>Number of Fire Fighters</u>
2008	160	2,884	21
2009	137	2,897	24
2010	127	3,123	23
2011	200	3,163	24
2012	460	3,304	24
2013	572	3,594	23
2014	666	3,646	26
2015	887	3,647	24
2016	773	4,154	26
2017	861	3,968	26

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

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

CITY OF DINUBA^A
GENERAL GOVERNMENTAL
EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS¹

	Fiscal Year				
	2008	2009	2010	2011	2012
Governmental Activities					
General Government	\$2,165,276	\$2,282,735	\$3,131,533	\$4,009,529	\$3,439,679
Public Safety	7,004,208	8,287,871	8,171,242	8,107,881	8,167,990
Public Works ³	3,585,804	4,138,568	2,312,028	3,632,361	1,826,602
Community Development	2,743,293	3,158,746	3,417,402	1,763,309	1,007,987
Parks and Recreation ²	1,662,008	1,700,474	1,584,698	1,152,007	1,796,570
Debt Service	4,072,473	4,196,778	4,144,345	4,192,595	1,720,593
Unallocated Depreciation	858,674	917,172	987,607	879,409	953,544
Total Governmental Activities Expenses	<u>\$22,091,736</u>	<u>\$24,682,344</u>	<u>\$23,748,855</u>	<u>\$23,737,091</u>	<u>\$18,912,965</u>

	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental Activities					
General Government	\$4,339,158	\$4,703,501	\$5,345,434	\$4,802,762	\$7,661,240
Public Safety	\$8,990,013	\$9,591,236	\$13,275,052	\$13,746,235	\$13,897,596
Public Works ³	\$2,197,625	\$2,761,922	\$3,334,975	\$3,943,500	\$3,752,225
Community Development	\$636,986	\$548,112	\$1,641,605	\$1,178,906	\$637,522
Parks and Recreation ²	\$1,136,847	\$1,224,454	\$1,682,401	\$1,824,431	\$2,007,951
Debt Service	\$1,020,371	\$1,521,663	\$1,204,781	\$1,278,342	\$1,604,463
Unallocated Depreciation	\$823,524	\$1,018,182	\$2,635,342	\$3,029,796	\$3,011,661
Total Governmental Activities Expenses	<u>\$19,144,524</u>	<u>\$21,369,070</u>	<u>\$29,119,590</u>	<u>\$29,803,972</u>	<u>\$32,572,658</u>

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

Source: City of Dinuba Financial Services Division

**CITY OF DINUBA
SALES TAX RATES
LAST TEN FISCAL YEARS**

<u>YEAR</u>	<u>EFFECTIVE DATE</u>	<u>STATE RATE</u>	<u>LOCAL RATE</u>
2008	4/1/2007	7.25%	8.50%
2009	4/1/2009	8.25%	9.50%
2010	4/1/2009	8.25%	9.50%
2011	7/1/2011	7.25%	8.50%
2012	7/1/2011	7.25%	8.50%
2013	1/1/2013	7.50%	8.75%
2014	1/1/2013	7.50%	8.75%
2015	1/1/2013	7.50%	8.75%
2016	1/1/2013	7.50%	8.75%
2017	1/1/2017	7.25%	8.50%

Source: California State Board of Equalization

**CITY OF DINUBA
TOP 25 SALES TAX GENERATORS
2016 CALENDAR YEAR
(in alphabetical order)**

ARCO AM/PM Mini Marts
AT & T Mobility
Autozone
Bestbuy.com
Big 5 Sporting Goods
Dinuba Auto Plaza
Dinuba Gas & Food Mart
Dinuba Lumber Company
EB M Auto Sales
Ed Dena's Auto Center
Jack in the Box Restaurant
Jim Manning Dodge Chrysler Jeep
Mcdonald's Restaurant
Patterson Dental Supply
Patterson Medical Supply
Patterson Veterinary Supply
Quick N Handy Mart & Deli
Quick Shop Markets
R J Food & Gas
Rite Aid Drug Stores
Scott Belknap Pump Company
Scoot Belknap Well Drilling
Scout Specialties
Tractor Supply Company
Wal Mart Stores

Source: MuniServices

Note: 2016 is latest available year.

CITY OF DINUBA
ANNUAL SALES TAX BY CATEGORY
2012-2016 CALENDAR YEARS

SBoE Category	2012	2013	2014	2015	2016
Apparel Stores	18,508	16,788	21,050	22,286	22,652
General Merchandise	621,774	637,595	632,199	628,975	648,027
Food Stores	110,863	104,550	108,721	124,293	133,431
Eating & Drinking Pl	220,684	238,467	252,152	268,165	288,010
Home Furnishings & A	1,455,371	1,380,333	1,894,746	1,850,659	4,504,022
Bldg. Matrl. & Farm	24,235	36,085	85,843	175,008	125,418
Auto Dealers & Auto	492,398	599,923	665,544	741,661	710,896
Service Station	358,355	366,319	364,612	292,287	251,796
Other Retail Stores	133,480	150,444	158,182	166,537	173,384
Total Retail	3,435,668	3,530,504	4,183,049	4,269,871	6,857,636
All Other Outlets	574,109	626,180	677,789	694,450	717,889
Total All Outlets	4,009,777	4,156,684	4,860,838	4,964,321	7,575,525

Source: MuniServices

Note: 2016 is latest available year.

**CITY OF DINUBA
SCHEDULE OF INSURANCE IN FORCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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.	\$7,790,362
b. Comprehensive coverage, low value vehicles under \$25,000, \$500 deductible	\$1,683,176
3. PROPERTY COVERAGE	
a. Covers all owned buildings and contents at replacement cost, including data processing equipment and valuable papers, \$10,000 deductible.	\$68,033,508
b. Miscellaneous Property Floater	\$1,097,436
c. Special Equipment.	\$1,617,700
d. Extra Expense Associated with Physical Damage or Loss	\$562,000
e. Extra Expense Associated with Floater Equipment	\$10,000
4. WORKERS' COMPENSATION	
a. Self-insured retention \$500,000 limit	\$50,000
b. Workers' compensation excess coverage	\$4,500,000
5. OTHER	
a. Employee's fidelity dishonesty bond (Blanket)	\$250,000
b. Money & Securities	\$15,000
c. Wrongful Discharge, Discrimination, and Sexual Harrassment	\$1,000,000
d. Boiler & Machinery Property Coverage	\$100,000
e. Loss of Earnings/Extra Expense \$2,500 deductible	\$900,000

Source: City of Dinuba Risk Manager