CITY OF ARVIN

ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2012

CITY OF ARVIN
ANNUAL FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

TABLE OF CONTENTS

INTRODUCTORY SECTION

FINANCIAL SECTION
Independent Auditors' Report 1

Basic Financial Statements:
Statement of Net Assets 3
Statement of Activities 4

Fund Financial Statements:
Balance Sheet - Governmental Funds 5
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets 6
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 8
Statement of Net Assets – Proprietary Funds 9
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds 10
Combined Statement of Cash Flows - Proprietary Funds 11
Statement of Net Assets – Fiduciary Fund 12
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Fiduciary Fund 13

Notes to Basic Financial Statements 14

Required Supplementary Information:
Schedule of Funding Progress 41
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – General Fund 42
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – CMAQ Grant 43
Notes to Required Supplementary Information 44

Supplementary Information:
Combining Balance Sheet - Nonmajor Special Revenue Funds 47-53
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds 54-60

Mayer Hoffman McCann P.C.
An Independent CPA Firm

5060 California Avenue, Suite 800
Bakersfield, CA 93309
PH 661.325.7500
FAX 661.325.7004

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Arvin, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Arvin, California, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Arvin's management. Our responsibility is to express opinions on these financial statements based on our audit

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously 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 Arvin, California, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As further discussed in Note 13, the Arvin Community Redevelopment Agency (a blended component unit) was dissolved on February 1, 2012 in accordance with Assembly Bill 1X 26.

As discussed further in Note 15, the General Fund, Federal Police Grant Fund, State Gas Tax Fund, and Transportation Development Funds' fund balances and net assets at July 1, 2011 have been adjusted to correct errors in the insurance liability and highway user tax revenues.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2012, on our consideration of the City of Arvin'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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the schedule of funding progress and budgetary comparison information on pages 41-44 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Arvin's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The City has not presented a Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Maze Hoffman McCann P.C.

Bakersfield, California
November 19, 2012

BASIC FINANCIAL STATEMENTS

CITY OF ARVIN
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and cash equivalents	$ 172,976	$ 542,287	$ 715,263
Investments	2,001,393	501,794	2,503,187
Receivables (net of allowance for uncollectibles)	899,660	29,154	928,814
Internal balances	41,377	(41,377)	-
Note Receivable	880,734	-	880,734
Land held for development	3,752,867	-	3,752,867
Restricted assets:			
Restricted cash and cash equivalents	-	670,725	670,725
Capital assets			
Non-depreciable	3,141,201	906,245	4,047,446
Depreciable, net of accumulated depreciation	6,731,785	7,241,880	13,973,665
Total assets	17,621,993	9,850,708	27,472,701
LIABILITIES			
Accounts payable	483,204	118,121	601,325
Accrued payroll and benefits	230,535	21,230	251,765
Unearned revenues	244,685	-	244,685
Due in one year or less	-	115,465	115,465
Due in more than one year	-	4,823,617	4,823,617
Total liabilities	958,424	5,078,433	6,036,857
NET ASSETS			
Invested in capital assets, net related debt	9,872,986	3,209,043	13,082,029
Restricted for:			
Other purposes	1,008,279	-	1,008,279
Unassigned:	5,782,304	1,563,232	7,345,536
Total net assets	$16,663,569	$ 4,772,275	$21,435,844

The notes to the financial statements are an integral part of this statement.

CITY OF ARVIN
STATEMENT OF ACTIVITIES
JUNE 30, 2012

		Program Revenues			Net (Expense) Revenue and Change in Net Assets		
					Primary Government		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Primary government							
Governmental activities:							
General administration	$ 965,634	$ 753,407	$ 12,071	$ -	$ (200,156)	$ -	$ (200,156)
Public safety	3,084,619	43,998	193,233	1,102	(2,846,286)	-	(2,846,286)
Public works	1,302,182	-	-	561,764	(740,418)	-	(740,418)
Community development	447,297	-	2,400	-	(444,897)	-	(444,897)
Capital outlay	94,969				(94,969)	-	(94,969)
Transit	-	-	5,460	133,772	139,232	-	139,232
Interest on long-term debt	326,603	-	-	-	(326,603)	-	(326,603)
Total governmental activities	6,221,304	797,405	213,164	696,638	(4,514,097)	-	(4,514,097)
Business-type activities:							
Sanitation	1,973,856	2,009,976	-	-	-	36,120	36,120
Transportation development	649,464	72,124	379,923	-	-	(197,417)	(197,417)
Enterprise zone	2,550	-	-	-	-	(2,550)	(2,550)
Total business-type activities	2,625,870	2,082,100	379,923	-	-	(163,847)	(163,847)
Total primary government	$ 8,847,174	$ 2,879,505	$ 593,087	$ 696,638	$ (4,514,097)	$ (163,847)	$ (4,677,944)
General revenues							
Taxes					2,656,401	-	2,656,401
Licenses and permits					1,489,810	-	1,489,810
Fines and penalties					14,844	-	14,844
Revenue from use of money and property					98,998	339	99,337
Fees and other revenues					891,879	31,695	923,574
Transfers in (out)					(1,100)	1,100	-
Special item							
Extraordinary gain on AB1X26					6,408,164	-	6,408,164
Unspent grant funds					(201,070)	-	(201,070)
Total general revenues, special items, and transfers					11,357,926	33,134	11,391,060
Change in net assets					6,843,829	(130,713)	6,713,116
Net assets - July 1, 2011					9,820,043	4,893,236	14,713,279
Prior period adjustment					(303)	9,752	9,449
Net assets - June 30, 2012					$ 16,663,569	$ 4,772,275	$ 21,435,844

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

CITY OF ARVIN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General	CMAQ Grant	Other Governmental Funds	Total
ASSETS				
Cash and investments	$2,003,248	$ -	$ 171,121	$ 2,174,369
Accounts receivable	459,979	322,844	116,837	899,660
Due from other funds	1,074,303	-	902,867	1,977,170
Note Receivable	880,734	-	-	880,734
Land held for development	3,752,867	-	-	3,752,867
Total assets	$8,171,131	$ 322,844	$ 1,190,825	$ 9,684,800
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 317,526	58,040	$ 107,638	$ 483,204
Accrued payroll and benefits	186,518	-	44,017	230,535
Due to other funds	874,367	591,979	469,447	1,935,793
Unearned revenue	166,929	-	77,756	244,685
Total liabilities	1,545,340	650,019	698,858	2,894,217
Fund balances:				
Nonspendable:				
Land held for development	3,752,867	-	-	3,752,867
Note receivable	880,734	-	-	880,734
Restricted for:				
Street projects	-	-	166,572	166,572
Maintenance expenditures	-	-	48,439	48,439
Traffic signals and cameras	-	-	441,555	441,555
Traffic flow improvements	-	-	163,454	163,454
Safety and modernization improvments	-	-	173,262	173,262
Other purposes	-	-	14,997	14,997
Unassigned:	1,992,190	(327,175)	(516,312)	1,148,703
Total fund balances	6,625,791	(327,175)	491,967	6,790,583
Total liabilities and fund balances	$8,171,131	$ 322,844	$ 1,190,825	$ 9,684,800

The notes to the financial statements are an integral part of this statement.

CITY OF ARVIN
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

Fund balances of governmental funds	$ 6,790,583
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets, net of depreciation, have not been included as financial resources in governmental fund activity.	9,872,986
Net assets of governmental activities	$ 16,663,569

The notes to the financial statements are an integral part of this statement.

CITY OF ARVIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	General	CMAQ Grant	Other Governmental Funds	Total Governmental
REVENUES				
Taxes	$ 1,831,620	$ -	$ 824,781	$ 2,656,401
Licenses and permits	1,489,810	-	-	1,489,810
Fines and penalties	14,844	-	-	14,844
Revenue from use of money and property	95,732	-	3,266	98,998
Charges for services	797,405	-	-	797,405
Intergovernmental revenues	50,840	322,844	536,118	909,802
Fees and other revenues	646,333	-	245,546	891,879
Total revenues	4,926,584	322,844	1,609,711	6,859,139
EXPENDITURES				
Current:				
General government	989,143	-	92,766	1,081,909
Public safety	2,738,315	-	222,057	2,960,372
Public works	594,899	-	536,898	1,131,797
Planning/community development	434,593	-	-	434,593
Capital outlay:				
Public works	10,708	412,644	382,945	806,297
Public safety	42,631	-	-	42,631
Debt service:				
Principal	-	-	155,000	155,000
Interest	-	-	316,161	316,161
Total expenditures	4,810,289	412,644	1,705,827	6,928,760
Excess (deficiency) of revenues over expenditures	116,295	(89,800)	(96,116)	(69,621)
OTHER FINANCING SOURCES (USES)				
Transfers in	34,698	-	773,131	807,829
Transfers out	-	-	(808,929)	(808,929)
Total other financing sources and uses	34,698	-	(35,798)	(1,100)
SPECIAL ITEM				
Unspent grant funds	-	-	(201,070)	(201,070)
Extraordinary loss on AB1X26	-	-	(643,559)	(643,559)
Net change in fund balances	150,993	(89,800)	(976,543)	(915,350)
Fund balances - beginning	6,443,012	(237,375)	1,500,599	7,706,236
Prior Period Adjustments	31,786	-	(32,089)	(303)
Fund balances - ending	$ 6,625,791	$ (327,175)	$ 491,967	$ 6,790,583

The notes to the financial statements are an integral part of this statement.

CITY OF ARVIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Amounts Reported for governmental activities in the statement of activities are different because of the items described below:

Net changes in fund balances - total governmental funds	$ (915,350)
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	753,959
Depreciation expense on capital assets is reported in the government-wide statement and changes in net assets, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure on the fund statements.	(429,208)
Compensated absences reported in the statement of activites that do not require the use of current financial resources are not reported on the fund statements, but are reported as an expense in the government-wide statements.	238,147
Repayment of long-term principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the government-wide statement of net assets.	155,000
Amortization expense on bond issuance costs is reported in the government-wide statement of changes in net assets, but it does not require the use of current financial resources. Therefore, amortization expense is not reported as an expenditure on the fund statements.	(10,442)
The extraordinary gain/(loss) from the transfer of capital assets and long-term debt from the Redevelopment Agency to the Successor Agency is not reported in the government-wide statement and is reported in the statement of activities. Therefore, the extraordinary gain is not reported as revenue on the fund statements.	7,051,723
Change in net assets of governmental activities	$ 6,843,829

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUNDS

CITY OF ARVIN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	Major Funds		Non-major Fund	
	Transportation Development	Sanitation	Enterprise Zone	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ -	$ 526,142	$ 16,145	$ 542,287
Investments	-	501,794	-	501,794
Receivables (net of allowances)	5,751	23,403	-	29,154
Due from other funds	9,811	-		9,811
Total current assets	15,562	1,051,339	16,145	1,083,046
Restricted Assets:				
Restricted cash, cash equivalents and investme	-	670,725	-	670,725
Capital assets:				
Land	-	906,245	-	906,245
General property and equipment	212,036	10,022,755	-	10,234,791
Vehicles	1,121,217	-	-	1,121,217
Less accumulated depreciation	(884,328)	(3,229,800)	-	(4,114,128)
Total capital assets (net of accumulated depreciation)	448,925	7,699,200	-	8,148,125
Total noncurrent assets	448,925	8,369,925	-	8,818,850
Total assets	464,487	9,421,264	16,145	9,901,896
LIABILITIES				
Current liabilities:				
Accounts payable	11,649	106,472	-	118,121
Accrued payroll and benefits	20,749	481	-	21,230
Due to other funds	51,188	-	-	51,188
Due in one year or less	-	115,465	-	115,465
Total current liabilities	83,586	222,418	-	306,004
Non-current liabilities:				
Due in more than one year	-	4,823,617	-	4,823,617
Total non-current liabilities	-	4,823,617	-	4,823,617
Total liabilities	83,586	5,046,035	-	5,129,621
NET ASSETS				
Invested in capital assets, net related debt	448,925	2,760,118	-	3,209,043
Unrestricted	(68,024)	1,615,111	16,145	1,563,232
Total net assets	$ 380,901	$ 4,375,229	$ 16,145	$4,772,275

The notes to the financial statements are an integral part of this statement.

CITY OF ARVIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR YEAR ENDED JUNE 30, 2012

	Major Funds		Non-major Fund	
	Transportation Development	Sanitation	Enterprise Zone	Total
Operating revenues:				
Charges for service	$ 72,124	$ 2,009,976	$ -	$ 2,082,100
Fees and other revenues	-	13,000	18,695	31,695
Total operating revenues	72,124	2,022,976	18,695	2,113,795
Operating Expenses:				
Salaries and benefits	284,435	34,779	-	319,214
Vehicle operations	44,295	-	-	44,295
Sanitation operations	-	1,338,852	-	1,338,852
Depreciation expense	132,584	240,272	-	372,856
General and administrative expense	187,908	83,210	-	271,118
Capital outlay	242	-	-	242
Miscellaneous expense	-	-	2,550	2,550
Total operating expenses	649,464	1,697,113	2,550	2,349,127
Operating income (loss)	(577,340)	325,863	16,145	(235,332)
Nonoperating revenues (expenses):				
Intergovernmental	379,923	-	-	379,923
Interest income	25	314	-	339
Interest expense	-	(276,743)	-	(276,743)
Total nonoperating revenue (expenses)	379,948	(276,429)	-	103,519
Income (loss) before transfers	(197,392)	49,434	16,145	(131,813)
Transfers in	1,100	-	-	1,100
Change in net assets	(196,292)	49,434	16,145	(130,713)
Total net assets, beginning	567,441	4,325,795	-	4,893,236
Prior Period Adjustment	9,752	-	-	9,752
Total net assets, ending	$ 380,901	$ 4,375,229	$ 16,145	$ 4,772,275

The notes to the financial statements are an integral part of this statement.

CITY OF ARVIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR YEAR ENDED JUNE 30, 2012

	Major Funds		Non-major Fund	
	Transportation Development	Sanitation	Enterprise Zone	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 600,248	$ 1,999,573	18,695	$ 2,618,516
Payments to employees	(279,670)	(35,044)	-	(314,714)
Maintenance and operations	(623,051)	(1,423,796)	(2,550)	(2,049,397)
Net cash provided by (used in) operating activities	(302,473)	540,733	16,145	254,405
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Transfer in	1,100	-	-	1,100
Intergovernmental revenue	379,923	-	-	379,923
Net cash provided by noncapital and related financing activities	381,023	-	-	381,023
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest expense (net of discount amortization)	-	(276,743)	-	(276,743)
Payments on long-term debt	-	(109,261)	-	(109,261)
Net cash used in capital and related financing activities	-	(386,004)	-	(386,004)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(106,965)	-	-	(106,965)
Interest and dividends received	25	314	-	339
Net cash provided by (used in) investing activities	(106,940)	314	-	(106,626)
Net increase (decrease) in cash	(28,390)	155,043	16,145	142,798
Cash and cash equivalents, beginning of year	28,390	1,543,618	-	1,572,008
Cash and cash equivalents, end of year	$ -	$ 1,698,661	16,145	$ 1,714,806
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	$ (577,340)	$ 325,863	16,145	$ (235,332)
Adjustment to reconcile operating income to net cash provided by operating activities:				
Depreciation	132,584	240,272	-	372,856
Increase in:				
Receivables	537,935	(23,403)	-	514,532
Due from other funds	(9,811)	-	-	(9,811)
Increase (decrease) in:				
Accounts payable	786	(1,734)	-	(948)
Due to other funds	(391,392)	-		(391,392)
Accrued payroll and benefits	4,765	(265)	-	4,500
Net cash provided by (used in) operating activities	$ (302,473)	$ 540,733	16,145	$ 254,405

The notes to the financial statements are an integral part of this statement.

FIDUCIARY FUND

CITY OF ARVIN
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2012

	Successor Agency
ASSETS	
Cash and investments	
Held in city treasury	$ 117,213
Held with trustees	1,375,376
Accounts Receivable	8,421
Bond issuance cost, net	141,476
Capital assets	
Non-depreciable	378,863
Depreciable, net of accumulated depreciation	1,285,132
Total assets	3,306,481
LIABILITIES	
Accounts payable	67,937
Interest payable	166,096
Long-term debt	
Due in one year or less	152,788
Due in more than one year	9,457,131
Total Liabilities	9,843,952
NET ASSETS (DEFICIT)	
Held in trust for other purposes	$ (6,537,471)

CITY OF ARVIN
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE PERIOD FEBUARY 1, 2012 THROUGH JUNE 30, 2012

	Successor Agency
ADDITIONS	
Property taxes	$ 161,000
Revenue from use of money and property	971
Total additions	161,971
DEDUCTIONS	
Program expenses for redevelopment	1,855
Administrative expenses	23,548
Interest and fiscal agency expenses of former redevelopment agency	265,875
Total deductions	291,278
Exraordinary loss on AB1X26	(6,408,164)
Changes in net assets	(6,537,471)
Net assets, beginning of year	-
Net assets, end of year	$ (6,537,471)

NOTES TO BASIC FINANCIAL STATEMENTS

(1) Summary of significant accounting policies

A. Reporting Entity

The City of Arvin (City) was incorporated December 21, 1960, as a general law city and as such draws its authority from the Constitution and laws of the State of California. The City has a council/manager form of government and is governed by a five-member elected council. The City Manager is appointed by the City Council. The City provides the following services: police, community services, street construction and maintenance, planning and zoning, street cleaning, transit, sanitation, and general administrative services.

The accompanying basic financial statements include the financial activities of the City and its sole component unit, the Arvin Community Redevelopment Agency (Agency). Financial information for the City and its component unit is accounted for in the accompanying financial statements in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board.

Blended component unit – The Arvin Community Redevelopment Agency (Agency) was established by the City Council on December 5, 1995, pursuant to California Health and Safety Code Section 33000; the "Community Redevelopment Law." The Agency exists as a separate legal entity whose purpose is to eliminate blight, to help meet low and moderate income housing needs, and to revitalize property, within the Arvin redevelopment project area. The Agency board is comprised solely of the same individuals who comprise the City Council. The Agency's administrative staff is comprised of City employees. The Agency is reported as a governmental fund. The Agency was dissolved on February 1, 2012 in accordance with Assembly Bill 1X 26 (see note 13).

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

B. Basis of Accounting/Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

B. Basis of Accounting/Measurement Focus (Continued)

Government-wide and fund financial statements - The City government-wide financial statements include a statement of net assets and a statement of activities and changes in net assets. These statements present summaries of governmental and business-type activities for the City accompanied by a total column.

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets acquired since July 1, 2003, and long-term liabilities, are included in the accompanying statement of net assets. The statement of activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating contributions and grants, and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the statement of net assets have been eliminated. In the statement of activities, interfund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the committee on Accounting Procedure. In addition, the City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements to its business-type activities.

Governmental Fund Financial Statements - Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements is provided to explain the differences created by the integrated approach of GASB Statement No 34.

B. Basis of Accounting/Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

All governmental funds are accounted for under a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on these balance sheets. The statement of revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash during the year or within 60 days after year-end. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenue and other forms of tax. Grants and similar items are recognized as revenue as soon as eligibility requirements have been met. The availability period for revenue recognition for Grants receivable is 1 year after the year-end. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The City reports the following major governmental funds:

General Fund - The General Fund is the City's general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue source is an ad valorem specially assessed tax override. These governmental functions are not financed with bonded indebtedness.

CMAQ Grant - Accounts for Congestion Mitigation and Air Quality grant funds which are restricted for use to relieve traffic congestion and improve air quality within the City as well as help the City to meet the SJVAQC guidelines.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements - includes a statement of fund net assets, a statement of revenues, expenses, and changes in fund net assets, and a statement of cash flows for each major proprietary fund and for non-major funds.

The City of Arvin reports the following Proprietary funds:

Transportation Development Fund - accounts for financial activity related to the public transit services provided by the City. This fund is a major fund.

Sanitation Fund - accounts for the financial activity of the waste water services of the City. These services are provided through contracts with independent contractors. This fund is a major fund.

Enterprise Zone Fund - accounts for the financial activity related to the Enterprise Zone tax credit. This fund is a non-major fund.

B. Basis of Accounting/Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

Enterprise funds are accounted for using the *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the statement of fund net assets. The statement of revenues, expenses, and changes in fund net assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they occur while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the enterprise funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

C. Assets, Liabilities, and Net Assets or Equity

Cash and Investments

Under the City's cash management program, cash in excess of operating requirements from all funds is pooled with the purpose of maximizing interest through investment activities, and is deposited in savings accounts or invested in bank certificates of deposit, bank money market accounts, and the State of California Local Agency Investment Fund (LAIF). Interest income on pooled investments is allocated on the end of month balance in each fund included in the pools.

For purposes of the statement of cash flows, the City considered all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All cash and investments of the enterprise funds are pooled with the City's pooled cash and investments.

C. Assets, Liabilities, and Net Assets or Equity (Continued)

Receivables and Payables

Activity between funds that represents lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "interfund advances receivable/payable" (i.e. the non-current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Enterprise fund receivables are shown net of an allowance for uncollectible accounts. All customers are billed monthly. The estimated value of services provided, but unbilled at year-end has been included in the accompanying financial statements.

Property taxes are assessed, collected and allocated by Kern County throughout the fiscal year according to the following property tax calendar. The property taxes attach as an enforceable lien on property as of January 1st each year, with other dates of significance being:

Levy Date	July 1st to June 30th
Due Dates	November 1st, 1st installment; February 1st, 2nd installment
Delinquent Dates	December 10th, 1st installment, April 10th, 2nd installment

City property tax revenues are recognized when received in cash except at year-end when available taxes, or those collected within 60 days of fiscal year end, are accrued pursuant to the modified accrual basis of accounting. Revenue from taxpayer-assessed taxes (sales and use, business license, transient occupancy, utility users, gas, and franchise fees) are accrued in the governmental funds when they are both measurable and available. The City considers these revenues available if they are received during the period when settlement of prior fiscal year accounts payable occurs. Historically, the majority of these taxes are received within 60 days of the fiscal year end.

Grant and entitlement revenues are recorded as receivables in the funds when all eligibility requirements have been met. The corresponding governmental fund revenues are recorded in governmental funds when they become available, with the differences recorded as unearned revenue. Enterprise fund revenues are recorded as operating revenues when the receivables are recorded. Some grant and entitlement revenues are not susceptible to accrual, in which case the corresponding revenues are recorded when received.

C. Assets, Liabilities, and Net Assets or Equity (Continued)

Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at $5,000. The City has chosen not to capitalize infrastructure in place prior to the adoption of GASB 34. Gifts or contributions of capital assets are recorded at fair value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Buildings and improvements	15-40 years
Vehicles	5 years
Machinery and equipment	5-20 years
Infrastructure	35-50 years

The City defines infrastructure as capital assets that are stationary and have expected useful lives significantly in excess of most capital assets. The assets include the street system, sewer collection and treatment system, park and recreation improvements, storm water conveyance system, and permanent monuments and signage.

Compensated Absences Payable

Vested or accumulated vacation leave that is expected to be liquidated with expendable available resources is reported as an expenditure and related fund liability of the governmental fund responsible for payment. Amounts of vested or accumulated vacation leave and benefits that are not expected to be liquidated with expendable available resources are reported in the non-current portion of the obligations reported in the government-wide statement of net assets with corresponding changes in account balances reported as expenses in the statement of activities. Vested or accumulated enterprise fund vacation leave and benefits are expensed with a corresponding fund liability for these unpaid accrued employee benefits. Vacation pay accruals generally do not exceed the amount earned for one year; however, an employee may accumulate up to a maximum of 320 hours of earned vacation time after which no further vacation accrues to the employee.

Long-Term Obligations

In the government-wide and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as costs of issuance, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

OTHER SUPPLEMENTAL INFORMATION

CITY OF ARVIN
NONMAJOR GOVERNMENTAL FUNDS

The **Special Revenue Funds** are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

State Gas Tax
Accounts for revenues and expenditures apportioned to the City under the Streets and Highway Code, Sections 2105, 2106, 2107, and 2107.5 of the State of California. Expenditures for administration, maintenance and construction must be street related.

Transportation Development Act (TDA) – Non-Transit
Accounts for sales tax monies received from Kern Council of Governments restricted for street and road improvements.

Citizens Option for Public Safety (COPS) Program
Accounts for expenditures made with state grant monies authorized by California Assembly Bill 3229 for "front-line" police related activities.

LLMD District
Accounts for assessment money received from district property owners restricted for use to maintenance expenditures.

Community Development Block Grants
Accounts for expenditures restricted for approved projects that have been funded by Federal Community Development Block Grant Funds received through county funding.

TEA Funds
Accounts for the grants received from the Transportation Enhancement Activities (TEA) program restricted for design and construction of improvements which beautify or enhance the interface between transportation systems and adjacent communities. This funding requires matching city funds.

Redevelopment Agency Fund
The Agency consists of two funds used to account for operational, debt service and low and moderate income projects. Both funds have been combined for presentation in these financial statements.

RSTP Funds
Accounts for Regional Service Transportation Program (RSTP) funding, which was created by Congress through the Intermodal Surface Transportation Efficiency Act of 1991 and renewed through the transportation Equity Act for the 21st Century in 1998. RSTP funding is restricted for the City to address specific transportation issues. This funding requires matching city funds.

Asset Forfeiture Fund
Accounts for proceeds of asset forfeitures seized by law enforcement officials from illicit narcotic activities and the restricted use of such proceeds by the city to help fund its law enforcement activities.

Traffic Offender Fund
Accounts for fees charged to release a vehicle that has been impounded by law enforcement officials and the restricted use of such proceeds by the city to help fund its law enforcement activities.

Prop 1B Funding Fund
Accounts for the grants received which have been restricted to help pay for a new traffic signal and security cameras for new buses.

Traffic Impact Fees Fund
Separates and accounts for the fees received from builders that have been specifically restricted for traffic flow improvements.

ARRA Grant Fund
Accounts for expenditures restricted for approved projects that have been funded by Federal Stimulus Grant Funds received.

Park Fees Fund
Separates and accounts for fees received from builders that have been specifically restricted for park improvements.

PTMISEA Fence Grant
Separates and accounts for funds restricted for use to secure vehicles behind a fenced enclosure with limited access facilitated by electronic means.

Federal Police Grant
Separates and accounts for funds restricted for the base salary and fringe benefit costs associated with one officer funded by the U.S. Department of Justice COPS Grant.

JARC Operations Grant
Accounts for the grants received which have been restricted to provide low income employees transit services to work.

Prop 84 Park Fund
Accounts for the grants received that are restricted for use to projects relating to safe drinking water, water quality and supply, flood control, water pollution and contamination control, and state and local park improvements.

USDA Cameras
Accounts for the grants received which have been restricted for use to purchase, install, and integrate remote individual wireless cameras monitored by the Arvin Police Department.

CITY OF ARVIN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	State Gas Tax	Transportation Development (Non-transit)	COPS Program
ASSETS			
Cash and investments	$ -	$ 35,000	$ -
Accounts receivable	12,826	-	-
Due from other funds	-	132,362	4,758
Total assets	$ 12,826	$ 167,362	$ 4,758
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 6,906	$ -	$ -
Accrued payroll and benefits	20,321	790	4,829
Due to other funds	29,538	-	-
Unearned revenue	-	-	-
Total liabilities	56,765	790	4,829
Fund balances:			
Restricted:			
Street projects	-	166,572	-
Maintenance expenditures	-	-	-
Traffic signals and security cameras	-	-	-
Traffic flow improvements	-	-	-
Safety and modernization improvements	-	-	-
Other purposes	-	-	-
Unassigned:	(43,939)	-	(71)
Total fund balances	(43,939)	166,572	(71)
Total liabilities and fund balances	$ 12,826	$ 167,362	$ 4,758

CITY OF ARVIN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	LLMD District	Community Development Block Grant	TEA Funds
ASSETS			
Cash and investments	$ 57,155	$ -	$ -
Accounts receivable	252	-	26,001
Due from other funds	-	-	-
Total assets	$ 57,407	$ -	$ 26,001
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 6,784	$ -	$ 78,783
Accrued payroll and benefits	2,184	-	163
Due to other funds	-	9,548	41,641
Unearned revenue	-	-	-
Total liabilities	8,968	9,548	120,587
Fund balances:			
Restricted:			
Street projects	-	-	-
Maintenance expenditures	48,439	-	-
Traffic signals and security cameras	-	-	-
Traffic flow improvements	-	-	-
Safety and modernization improvements	-	-	-
Other purposes	-	-	-
Unassigned:	-	(9,548)	(94,586)
Total fund balances	48,439	(9,548)	(94,586)
Total liabilities and fund balances	$ 57,407	$ -	$ 26,001

CITY OF ARVIN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Redevelopment Agency	RSTP Funds	Asset Forfeiture Fund
ASSETS			
Cash and investments	$ -	$ -	$ -
Accounts receivable	-	-	-
Due from other funds	-	-	-
Total assets	$ -	$ -	$ -
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ -	$ -	$ -
Accrued payroll and benefits	-	-	-
Due to other funds	-	98,208	5,882
Unearned revenue	-	-	-
Total liabilities	-	98,208	5,882
Fund balances:			
Restricted:			
Street projects	-	-	-
Maintenance expenditures	-	-	-
Traffic signals and security cameras	-	-	-
Traffic flow improvements	-	-	-
Safety and modernization improvements	-	-	-
Other purposes	-	-	-
Unassigned:	-	(98,208)	(5,882)
Total fund balances	-	(98,208)	(5,882)
Total liabilities and fund balances	$ -	$ -	$ -

CITY OF ARVIN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Traffic Offender Funds	Prop 1B Funds	Traffic Impact Fees Funds
ASSETS			
Cash and investments	$ 14,997	$ 28,969	$ -
Accounts receivable	-	-	-
Due from other funds	-	433,611	163,454
Total assets	$ 14,997	$ 462,580	$ 163,454
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ -	$ 12,333	$ -
Accrued payroll and benefits	-	-	-
Due to other funds	-	8,692	-
Unearned revenue	-	-	-
Total liabilities	-	21,025	-
Fund balances:			
Restricted:			
Street projects	-	-	-
Maintenance expenditures	-	-	-
Traffic signals and security cameras	-	441,555	-
Traffic flow improvements	-	-	163,454
Safety and modernization improvements	-	-	-
Other purposes	14,997	-	-
Unassigned:	-	-	-
Total fund balances	14,997	441,555	163,454
Total liabilities and fund balances	$ 14,997	$ 462,580	$ 163,454

CITY OF ARVIN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	ARRA Grant Fund	Park Fees Funds	PTMISEA Fence Grant
ASSETS			
Cash and investments	$ -	$ -	$ 35,000
Accounts receivable	77,758	-	-
Due from other funds	-	-	141,076
Total assets	$ 77,758	$ -	$ 176,076
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ -	$ -	$ 2,568
Accrued payroll and benefits	-	-	246
Due to other funds	132,740	-	-
Unearned revenue	77,756	-	-
Total liabilities	210,496	-	2,814
Fund balances:			
Restricted:			
Street projects	-	-	-
Maintenance expenditures	-	-	-
Traffic signals and security cameras	-	-	-
Traffic flow improvements	-	-	-
Safety and modernization improvements	-	-	173,262
Other purposes	-	-	-
Unassigned:	(132,738)	-	-
Total fund balances	(132,738)	-	173,262
Total liabilities and fund balances	$ 77,758	$ -	$ 176,076

CITY OF ARVIN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Federal Police Grant	JARC Operations Grant	Prop 84 Park
ASSETS			
Cash and investments	$ -	$ -	$ -
Accounts receivable	-	-	-
Due from other funds	-	26,905	701
Total assets	$ -	$ 26,905	$ 701
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ -	$ -	$ 264
Accrued payroll and benefits	14,241	1,243	-
Due to other funds	25,826	56,914	54,575
Unearned revenue	-	-	-
Total liabilities	40,067	58,157	54,839
Fund balances:			
Restricted:			
Street projects	-	-	-
Maintenance expenditures	-	-	-
Traffic signals and security cameras	-	-	-
Traffic flow improvements	-	-	-
Safety and modernization improvements	-	-	-
Other purposes	-	-	-
Unassigned:	(40,067)	(31,252)	(54,138)
Total fund balances	(40,067)	(31,252)	(54,138)
Total liabilities and fund balances	$ -	$ 26,905	$ 701

CITY OF ARVIN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	USDA Cameras	Total Current Year
ASSETS		
Unrestricted	$ -	$ 171,121
Accounts receivable	-	116,837
Due from other funds	-	902,867
Total assets	$ -	$ 1,190,825
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	$ -	$ 107,638
Accrued payroll and benefits	-	44,017
Due to other funds	5,883	469,447
Unearned revenue	-	77,756
Total liabilities	5,883	698,858
Fund balances:		
Restricted:		
Street projects	-	166,572
Maintenance expenditures	-	48,439
Traffic signals and security cameras	-	441,555
Traffic flow improvements	-	163,454
Safety and modernization improvements	-	173,262
Other purposes	-	14,997
Unassigned:	(5,883)	(516,312)
Total fund balances	(5,883)	491,967
Total liabilities and fund balances	$ -	$ 1,190,825

CITY OF ARVIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR YEAR ENDED JUNE 30, 2012

	State Gas Tax	Transportation Development (Non-transit)	COPS Program
REVENUES			
Taxes	$ 526,526	$ -	$ -
Revenue from use of money and property	-	-	-
Intergovernmental revenues	-	-	100,750
Fees and other revenues	-	135,917	-
Total revenues	526,526	135,917	100,750
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	94,409
Public works	397,303	36,349	-
Capital outlay			
Public works	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	397,303	36,349	94,409
Excess (deficiency) of revenues over expenditures	129,223	99,568	6,341
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(275,000)	(316,000)	-
Total other financing sources and uses	(275,000)	(316,000)	-
SPECIAL ITEM			
Unspent grant funds	-	-	-
Extraordinary loss on AB1X26	-	-	-
Net change in fund balances	(145,777)	(216,432)	6,341
Fund balances- beginning	136,755	383,004	(8,759)
Prior Period Adjustments	(34,917)	-	2,347
Fund balances- ending	$ (43,939)	$ 166,572	$ (71)

CITY OF ARVIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR YEAR ENDED JUNE 30, 2012

	LLMD Districts	Community Development Block Grant	TEA Funds
REVENUES			
Taxes	$ -	$ -	$ -
Revenue from use of money and property	-	-	-
Intergovernmental revenues	-	-	26,000
Fees and other revenues	103,994	-	-
Total revenues	103,994	-	26,000
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	103,246	-	-
Capital outlay			
Public works	-	443	167,024
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	103,246	443	167,024
Excess (deficiency) of revenues over expenditures	748	(443)	(141,024)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	275,000
Transfers out	-	-	-
Total other financing sources and uses	-	-	275,000
SPECIAL ITEM			
Unspent grant funds	-	-	-
Extraordinary loss on AB1X26	-	-	-
Net change in fund balances	748	(443)	133,976
Fund balances- beginning	47,691	(9,105)	(228,562)
Prior Period Adjustments	-	-	-
Fund balances- ending	$ 48,439	$ (9,548)	$ (94,586)

CITY OF ARVIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR YEAR ENDED JUNE 30, 2012

	Redevelopment Agency	RSTP Funds	Asset Forfeiture Fund
REVENUES			
Taxes	$ 298,255	$ -	$ -
Revenue from use of money and property	3,266	-	-
Intergovernmental revenues	-	-	-
Fees and other revenues	-	-	-
Total revenues	301,521	-	-
EXPENDITURES			
Current			
General government	56,052	-	-
Public safety	-	-	-
Public works	-	-	-
Capital outlay			
Public works	-	-	-
Debt service:			
Principal	155,000	-	-
Interest	316,161	-	-
Total expenditures	527,213	-	-
Excess (deficiency) of revenues over expenditures	(225,692)	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in	931	476,000	-
Transfers out	-	-	-
Total other financing sources and uses	931	476,000	-
SPECIAL ITEM			
Unspent grant funds	-	-	-
Extraordinary loss on AB1X26	(643,559)	-	-
Net change in fund balances	(868,320)	476,000	-
Fund balances- beginning	868,320	(574,208)	(5,882)
Prior Period Adjustments	-	-	-
Fund balances- ending	$ -	$ (98,208)	$ (5,882)

CITY OF ARVIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR YEAR ENDED JUNE 30, 2012

	Traffic Offender Funds	Prop 1B Funds	Traffic Impact Fees Funds
REVENUES			
Taxes	$ -	$ -	$ -
Revenue from use of money and property	-	-	-
Intergovernmental revenues	-	-	-
Fees and other revenues	2,835	-	2,800
Total revenues	2,835	-	2,800
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	10,200	-
Public works	-	-	-
Capital outlay			
Public works	-	29,955	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	-	40,155	-
Excess (deficiency) of revenues over expenditures	2,835	(40,155)	2,800
OTHER FINANCING SOURCES (USES)			
Transfers in	-	21,200	-
Transfers out	-	-	(160,000)
Total other financing sources and uses	-	21,200	(160,000)
SPECIAL ITEM			
Unspent grant funds	-	-	-
Extraordinary loss on AB1X26	-	-	-
Net change in fund balances	2,835	(18,955)	(157,200)
Fund balances- beginning	12,162	460,510	320,654
Prior Period Adjustments	-	-	-
Fund balances- ending	$ 14,997	$ 441,555	$ 163,454

CITY OF ARVIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR YEAR ENDED JUNE 30, 2012

	ARRA Grant Fund	Park Fees Fund	PTMISEA Fence Grant
REVENUES			
Taxes	$ -	$ -	$ -
Revenue from use of money and property	-	-	-
Intergovernmental revenues	107,772	2,400	235,320
Fees and other revenues	-	-	-
Total revenues	107,772	2,400	235,320
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	11,737
Public works	-	-	-
Capital outlay			
Public works	-	60,908	31,215
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	-	60,908	42,952
Excess (deficiency) of revenues over expenditures	107,772	(58,508)	192,368
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(22,300)	(35,629)	-
Total other financing sources and uses	(22,300)	(35,629)	-
SPECIAL ITEM			
Unspent grant funds	-	-	-
Extraordinary loss on AB1X26	-	-	-
Net change in fund balances	85,472	(94,137)	192,368
Fund balances- beginning	(218,210)	94,137	(19,106)
Prior Period Adjustments	-	-	-
Fund balances- ending	$ (132,738)	$ -	$ 173,262

CITY OF ARVIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR YEAR ENDED JUNE 30, 2012

	Federal Police Grant	JARC Operations Grant	Prop 84 Park
REVENUES			
Taxes	$ -	$ -	$ -
Revenue from use of money and property	-	-	-
Intergovernmental revenues	58,416	5,460	-
Fees and other revenues	-	-	-
Total revenues	58,416	5,460	-
EXPENDITURES			
Current			
General government	-	36,714	-
Public safety	83,128	-	22,583
Public works	-	-	-
Capital outlay			
Public works	-	-	93,400
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	83,128	36,714	115,983
Excess (deficiency) of revenues over expenditures	(24,712)	(31,254)	(115,983)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources and uses	-	-	-
SPECIAL ITEM			
Unspent grant funds	-	-	(201,070)
Extraordinary loss on AB1X26	-	-	-
Net change in fund balances	(24,712)	(31,254)	(317,053)
Fund balances- beginning	(15,836)	2	262,915
Prior Period Adjustments	481	-	-
Fund balances- ending	$ (40,067)	$ (31,252)	$ (54,138)

CITY OF ARVIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR YEAR ENDED JUNE 30, 2012

	USDA Cameras	Total Current Year
REVENUES		
Taxes	$ -	$ 824,781
Revenue from use of money and property	-	3,266
Intergovernmental revenues	-	536,118
Fees and other revenues	-	245,546
Total revenues	-	1,609,711
EXPENDITURES		
Current		
General government	-	92,766
Public safety	-	222,057
Public works	-	536,898
Capital outlay		
Public works	-	382,945
Debt service:		
Principal	-	155,000
Interest	-	316,161
Total expenditures	-	1,705,827
Excess (deficiency) of revenues over expenditures	-	(96,116)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	773,131
Transfers out	-	(808,929)
Total other financing sources and uses	-	(35,798)
SPECIAL ITEM		
Unspent grant funds	-	(201,070)
Extraordinary loss on AB1X26	-	(643,559)
Net change in fund balances	-	(976,543)
Fund balances- beginning	(5,883)	1,500,599
Prior Period Adjustments	-	(32,089)
Fund balances- ending	$ (5,883)	$ 491,967