

**CITY OF WASCO, CALIFORNIA**

**FINANCIAL STATEMENTS**

For The Year Ending June 30, 2018

# City of Wasco

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June 30, 2018

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# Albert & Associates, LLP

*Certified Public Accountants*

## **Independent Auditor's Report**

The Honorable Mayor and City Council of the  
City of Wasco, 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 the City of Wasco, California, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Wasco, California'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 Wasco, California, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the retirement plan schedules and budgetary comparison information as listed in the required supplementary information section of the accompanying table of contents 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wasco, California'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 basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2019, on our consideration of the City of Wasco, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Wasco, California's 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 of Wasco, California's internal control over financial reporting and compliance.

*Albert & Associates, LLP*

Wasco, California  
May 8, 2019

**City of Wasco**  
**STATEMENT OF NET POSITION**  
**June 30, 2018**

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Current Assets:			
Cash and Investments	\$ 18,468,892	\$ 14,754,881	\$ 33,223,773
Receivables, net	987,202	1,328,266	2,315,468
Prepaid Expenses	3,919	8,207	12,126
Due from RDA Successor Agency	136,279	-	136,279
Internal Balances	(4,364,036)	4,364,036	-
<b>Total Current Assets</b>	<b>15,232,256</b>	<b>20,455,390</b>	<b>35,687,646</b>
Noncurrent Assets:			
Notes Receivable	6,044,041	12,295	6,056,336
Capital Assets:			
Land	1,751,460	767,323	2,518,783
Construction in Progress	574,543	5,562,572	6,137,115
Depreciable Buildings, Property, Equipment and Infrastructure, net of accumulated depreciation	27,107,170	21,807,078	48,914,248
<b>Total Noncurrent Assets</b>	<b>35,477,214</b>	<b>28,149,268</b>	<b>63,626,482</b>
<b>Total Assets</b>	<b>50,709,470</b>	<b>48,604,658</b>	<b>99,314,128</b>
Deferred Outflows of Resources:			
Deferred Pensions	1,583,245	1,421,016	3,004,261
<b>Total Deferred Outflows of Resources</b>	<b>1,583,245</b>	<b>1,421,016</b>	<b>3,004,261</b>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts Payable	2,868,682	869,123	3,737,805
Accrued Liabilities	237,009	83,674	320,683
Deposits Received	388,784	178,369	567,153
Due to WPFA Agency Fund	13,193	-	13,193
Unearned Revenue	99,174	28,185	127,359
Compensated Absences	52,332	53,431	105,763
Bonds and Notes Payable Due Within One Year	-	276,663	276,663
<b>Total Current Liabilities</b>	<b>3,659,174</b>	<b>1,489,445</b>	<b>5,148,619</b>
Noncurrent Liabilities:			
Bonds and Notes Payable Due in More Than One Year	-	283,549	283,549
Compensated Absences	89,107	90,977	180,084
Net Pension Obligation	3,851,040	3,456,438	7,307,478
<b>Total Noncurrent Liabilities</b>	<b>3,940,147</b>	<b>3,830,964</b>	<b>7,771,111</b>
<b>Total Liabilities</b>	<b>7,599,321</b>	<b>5,320,409</b>	<b>12,919,730</b>
Deferred Inflows of Resources:			
Deferred Pensions	212,464	190,693	403,157
<b>Total Deferred Inflows of Resources</b>	<b>212,464</b>	<b>190,693</b>	<b>403,157</b>
<b>Net Position:</b>			
Invested in Capital Assets, net of related debt	29,433,173	27,576,761	57,009,934
Restricted For:			
Streets and Roads	544,528	-	544,528
Community Development	6,973,593	-	6,973,593
Public Safety	131,008	-	131,008
Capital Projects	-	6,649,275	6,649,275
Debt Service	-	291,229	291,229
Unrestricted (Deficit)	7,398,628	9,997,307	17,395,935
<b>Net Position</b>	<b>\$ 44,480,930</b>	<b>\$ 44,514,572</b>	<b>\$ 88,995,502</b>

The accompanying notes are an integral part of these financial statements.

**City of Wasco**  
**STATEMENT OF ACTIVITIES**  
**Year ended June 30, 2018**

Functions / Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
General Government	\$ 673,417	\$ 254,101	\$ -	\$ -	\$ (419,316)	\$ -	\$ (419,316)
Public Safety	4,501,772	60,526	174,594	2,000	(4,264,652)	-	(4,264,652)
Public Works	2,421,981	822,671	-	819,011	(780,299)	-	(780,299)
Community Development	1,860,128	759,659	204,180	-	(896,289)	-	(896,289)
Interest on Long-Term Debt	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>9,457,298</b>	<b>1,896,957</b>	<b>378,774</b>	<b>821,011</b>	<b>(6,360,556)</b>	<b>-</b>	<b>(6,360,556)</b>
<b>Business-Type Activities:</b>							
Water Reclamation and Sewer	2,396,478	2,766,311	-	-	-	369,833	369,833
Water Utility	2,781,669	3,862,168	-	-	-	1,080,499	1,080,499
Refuse Collection and Disposal	2,895,699	2,914,388	-	608,353	-	627,042	627,042
Public Transportation	406,523	54,682	90,212	-	-	(261,629)	(261,629)
CNG Fueling Station	76,874	92,386	-	-	-	15,512	15,512
<b>Total Business-Type Activities</b>	<b>8,557,243</b>	<b>9,689,935</b>	<b>90,212</b>	<b>608,353</b>	<b>-</b>	<b>1,831,257</b>	<b>1,831,257</b>
<b>Total</b>	<b>\$ 18,014,541</b>	<b>\$ 11,586,892</b>	<b>\$ 468,986</b>	<b>\$ 1,429,364</b>	<b>\$ (6,360,556)</b>	<b>\$ 1,831,257</b>	<b>\$ (4,529,299)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Tax					1,005,787	-	1,005,787
Sales Tax					3,444,785	-	3,444,785
Franchise Tax					312,804	-	312,804
State Allocation of Gas Tax					1,503,884	-	1,503,884
Other Taxes					311,279	-	311,279
<b>Intergovernmental, Unrestricted:</b>							
Motor Vehicle In-lieu Tax					2,802,004	-	2,802,004
<b>Total Taxes</b>					<b>9,380,543</b>	<b>-</b>	<b>9,380,543</b>
Unrestricted Investment Earnings					136,661	-	136,661
Miscellaneous Revenue					-	-	-
Transfers					(109,287)	109,287	-
Gain on Sale of Capital Assets					1,516,175	-	1,516,175
<b>Total General Revenues and Transfers</b>					<b>10,924,092</b>	<b>109,287</b>	<b>11,033,379</b>
<b>Change in Net Position</b>					<b>4,563,536</b>	<b>1,940,544</b>	<b>6,504,080</b>
<b>Net Position - Beginning</b>					<b>39,917,394</b>	<b>42,574,028</b>	<b>82,491,422</b>
<b>Net Position - Ending</b>					<b>\$ 44,480,930</b>	<b>\$ 44,514,572</b>	<b>\$ 88,995,502</b>

The accompanying notes are an integral part of these financial statements.

**City of Wasco**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**June 30, 2018**

	General	Streets	TDA	2005 HCD Fund	RDA Low Income Housing	Non-Major Governmental Funds	Total Government
<b>Assets:</b>							
Cash and Investments	\$ 13,028,892	\$ 2,568,930	\$ -	\$ -	\$ 12,093	\$ 2,858,977	\$ 18,468,892
Receivables, net	607,723	122,212	2,000	-	9,513	245,754	987,202
Prepaid Costs	2,662	963	-	-	-	294	3,919
Due from Other Funds	72,998	-	-	-	53,437	2,074,068	2,200,503
Notes Receivable	-	-	-	950,000	1,000,000	4,094,041	6,044,041
<b>Total Assets</b>	<b>\$ 13,712,275</b>	<b>\$ 2,692,105</b>	<b>\$ 2,000</b>	<b>\$ 950,000</b>	<b>\$ 1,075,043</b>	<b>\$ 9,273,134</b>	<b>\$ 27,704,557</b>
<b>Liabilities:</b>							
Accounts Payable	\$ 2,648,441	\$ 12,204	\$ -	\$ -	\$ -	\$ 208,037	\$ 2,868,682
Accrued Liabilities	218,127	18,882	-	-	-	-	237,009
Deposits Received	388,784	-	-	-	-	-	388,784
Due to Other Funds	2,157,261	1,117,809	68,211	-	-	779,927	4,123,208
Advances From Other Funds	-	2,318,245	-	-	-	-	2,318,245
Unearned Revenue	77,295	-	-	-	-	21,879	99,174
<b>Total Liabilities</b>	<b>5,489,908</b>	<b>3,467,140</b>	<b>68,211</b>	<b>-</b>	<b>-</b>	<b>1,009,843</b>	<b>10,035,102</b>
<b>Deferred Inflows of Resources:</b>							
Unavailable Revenue	-	-	-	950,000	1,000,000	4,094,041	6,044,041
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>950,000</b>	<b>1,000,000</b>	<b>4,094,041</b>	<b>6,044,041</b>
<b>Fund Balances:</b>							
Nonspendable:							
Prepaid Costs	2,662	963	-	-	-	294	3,919
Restricted:							
Community Development	-	-	-	-	-	1,381,966	1,381,966
Streets and Transportation	-	-	-	-	-	2,418,197	2,418,197
Low and Moderate Income Housing	-	-	-	-	75,043	-	75,043
Public Safety	-	-	-	-	-	399,271	399,271
Other Purposes	-	-	-	-	-	189,216	189,216
Assigned:							
General Reserve	1,030,229	-	-	-	-	-	1,030,229
Community Development	-	-	-	-	-	121,599	121,599
Unassigned	7,189,476	(775,998)	(66,211)	-	-	(341,293)	6,005,974
<b>Total Fund Balances (Deficit)</b>	<b>8,222,367</b>	<b>(775,035)</b>	<b>(66,211)</b>	<b>-</b>	<b>75,043</b>	<b>4,169,250</b>	<b>11,625,414</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 13,712,275</b>	<b>\$ 2,692,105</b>	<b>\$ 2,000</b>	<b>\$ 950,000</b>	<b>\$ 1,075,043</b>	<b>\$ 9,273,134</b>	<b>\$ 27,704,557</b>

The accompanying notes are an integral part of these financial statements.



# City of Wasco

## RECONCILIATION OF THE FUND BALANCES OF GOVERNMENTAL FUNDS TO THE NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION June 30, 2018

Fund balances of governmental funds		\$ 11,625,414
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the Governmental Funds Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the City as a whole.</p>		
Beginning Balance, net of depreciation	\$ 27,674,241	
Current Year Additions	2,595,532	
Current Year Depreciation	<u>(836,600)</u>	
Ending Balance, net of depreciation		29,433,173
<p>Long-term assets that are not available to pay for current-period expenditures are considered deferred revenue for the Government Funds Balance Sheet. However, these assets are included in the Statement of Net Position.</p>		
		6,044,041
<p>Deferred outflows of resources for the pension plan are reported in the Statement of Net Position.</p>		
		1,583,245
<p>Deferred inflows of resources for the pension plan are reported in the Statement of Net Position.</p>		
		(212,464)
<p>Long-term liabilities are not due and payable in the current period, and therefore, are not reported as liabilities in the Governmental Funds Balance Sheet. All liabilities, both current and long-term, are reported in the Statement of Net Position.</p>		
Compensated Absences	(141,439)	
Net Pension Liability	<u>(3,851,040)</u>	
Total Long-Term Liabilities		<u>(3,992,479)</u>
Net position of governmental activities		<u>\$ 44,480,930</u>

The accompanying notes are an integral part of these financial statements.

**City of Wasco**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS) – GOVERNMENTAL FUNDS**  
**Year ended June 30, 2018**

	General	Streets	TDA	2005 HCD Fund	RDA Low Income Housing	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Taxes	\$ 7,711,840	\$ -	\$ -	\$ -	\$ -	\$ 831,977	\$ 8,543,817
Licenses & Permits	487,890	2,768	-	-	-	142,881	633,539
Intergovernmental	26,500	1,452,226	838,726	-	-	366,447	2,683,899
Charges for Services	423,118	-	-	-	-	52,631	475,749
Fines, Forfeitures & Assessments	79,486	-	-	-	-	-	79,486
Use of Money or Property	137,046	19,112	-	-	1	38,598	194,757
Loan Payments	-	-	-	-	86	100,626	100,712
Miscellaneous	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>8,865,880</b>	<b>1,474,106</b>	<b>838,726</b>	<b>-</b>	<b>87</b>	<b>1,533,160</b>	<b>12,711,959</b>
<b>Expenditures:</b>							
Current:							
General Government	777,160	-	-	-	-	-	777,160
Public Safety	4,262,072	-	-	-	-	-	4,262,072
Public Works	-	1,338,608	-	-	-	292,132	1,630,740
Community Development	807,245	-	-	-	-	201,949	1,009,194
Non Departmental	245,095	-	-	-	-	-	245,095
Capital Outlay:							
General Capital Outlay	162,735	311,427	-	-	-	2,806	476,968
Street Improvements	-	2,035,214	-	-	-	-	2,035,214
Debt Service:							
Principal Retirement	-	-	-	-	-	-	-
Tax Increment Pass-Through Payments	-	-	-	-	-	-	-
Interest and Finance Charges	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>6,254,307</b>	<b>3,685,249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>496,887</b>	<b>10,436,443</b>
Excess of Revenues Over (Under) Expenditures	2,611,573	(2,211,143)	838,726	-	87	1,036,273	2,275,516
<b>Other Financing Sources (Uses):</b>							
Transfers In	12,470	2,169,170	-	-	-	103,082	2,284,722
Transfers Out	(920,651)	-	(904,937)	-	-	(568,421)	(2,394,009)
Sale of Capital Assets	1,516,175	-	-	-	-	-	1,516,175
<b>Total Other Financing Sources (Uses)</b>	<b>607,994</b>	<b>2,169,170</b>	<b>(904,937)</b>	<b>-</b>	<b>-</b>	<b>(465,339)</b>	<b>1,406,888</b>
<b>Net Change in Fund Balances</b>	<b>3,219,567</b>	<b>(41,973)</b>	<b>(66,211)</b>	<b>-</b>	<b>87</b>	<b>570,934</b>	<b>3,682,404</b>
Fund Balances - Beginning	5,002,800	(733,062)	-	-	74,956	3,598,316	7,943,010
<b>Fund Balances - Ending</b>	<b>\$ 8,222,367</b>	<b>\$ (775,035)</b>	<b>\$ (66,211)</b>	<b>\$ -</b>	<b>\$ 75,043</b>	<b>\$ 4,169,250</b>	<b>\$ 11,625,414</b>

The accompanying notes are an integral part of these financial statements.

**City of Wasco**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
Year ended June 30, 2018

Net change in fund balance - total governmental funds	\$	3,682,404
Amounts reported for governmental activities in the statement of activities are different because:		
Government funds report capital outlay as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives, and reported as depreciation expense. This is the amount by which capital expenditures (\$2,595,532) exceeded depreciation (\$836,600) in the current period.		1,758,932
The change in accrued net pension liability does not require the use of current financial resources and therefore is not reported as an expenditure in government funds.		(861,955)
Long-term compensated absence expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in government funds.		41,966
Earned long-term assets not available to pay for current-period expenditures are not recognized as revenue in the government funds. Revenue in the Statement of Activities is not limited by availability. This adjustment is the amount by which unavailable deferred revenue at the beginning of the year (\$6,101,852) exceeded unavailable deferred revenue at the end of the year (\$6,044,041)		(57,811)
Change in net position of governmental activities	\$	4,563,536

The accompanying notes are an integral part of these financial statements.

**City of Wasco**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2018**

	Water Reclamation and Sewer	Water Utility	Refuse Collection and Disposal	Public Transportation	CNG Fueling Station	Total Proprietary
<b>Assets:</b>						
Current Assets:						
Cash and Investments	\$ 5,429,015	\$ 8,287,250	\$ 817,547	\$ 220,912	\$ 157	\$ 14,754,881
Receivables, net	156,244	599,465	572,240	317	-	1,328,266
Prepaid Expenses	1,133	988	5,736	350	-	8,207
Due from Other Funds	167,519	406,633	1,469,313	-	84,746	2,128,211
<b>Total Current Assets</b>	<b>5,753,911</b>	<b>9,294,336</b>	<b>2,864,836</b>	<b>221,579</b>	<b>84,903</b>	<b>18,219,565</b>
Noncurrent Assets:						
Advance to Other Funds	91,187	2,318,245	-	-	-	2,409,432
Notes Receivable	-	12,295	-	-	-	12,295
Capital Assets:						
Land	213,349	492,174	30,900	30,900	-	767,323
Construction in Progress	2,913,197	2,649,375	-	-	-	5,562,572
Depreciable Buildings, Property, Equipment and Infrastructure, net of accumulated depreciation	10,613,176	7,478,899	1,612,618	1,011,654	1,090,731	21,807,078
<b>Total Noncurrent Assets</b>	<b>13,830,909</b>	<b>12,950,988</b>	<b>1,643,518</b>	<b>1,042,554</b>	<b>1,090,731</b>	<b>30,558,700</b>
<b>Total Assets</b>	<b>19,584,820</b>	<b>22,245,324</b>	<b>4,508,354</b>	<b>1,264,133</b>	<b>1,175,634</b>	<b>48,778,265</b>
Deferred Outflows of Resources:						
Deferred Pensions	360,511	420,597	552,784	81,115	6,009	1,421,016
<b>Total Deferred Outflows of Resources</b>	<b>360,511</b>	<b>420,597</b>	<b>552,784</b>	<b>81,115</b>	<b>6,009</b>	<b>1,421,016</b>
<b>Liabilities:</b>						
Current Liabilities:						
Accounts Payable	626,491	190,895	48,663	576	2,498	869,123
Customer Deposits	-	178,007	362	-	-	178,369
Accrued Liabilities	26,443	21,398	30,082	5,751	-	83,674
Accrued Compensated Absences	12,859	14,557	23,266	2,749	-	53,431
Unearned Revenue	-	-	-	28,185	-	28,185
Current Portion of Long-Term Debt	276,663	-	-	-	-	276,663
Due to Other Funds	-	-	-	82,420	-	82,420
<b>Total Current Liabilities</b>	<b>942,456</b>	<b>404,857</b>	<b>102,373</b>	<b>119,681</b>	<b>2,498</b>	<b>1,571,865</b>
Noncurrent Liabilities:						
Accrued Compensated Absences	21,896	24,787	39,613	4,681	-	90,977
Notes Payable	283,549	-	-	-	-	283,549
Advance from Other Funds	-	-	91,187	-	-	91,187
Net Pension Obligation	876,898	1,023,047	1,344,576	197,302	14,615	3,456,438
<b>Total Noncurrent Liabilities</b>	<b>1,182,343</b>	<b>1,047,834</b>	<b>1,475,376</b>	<b>201,983</b>	<b>14,615</b>	<b>3,922,151</b>
<b>Total Liabilities</b>	<b>2,124,799</b>	<b>1,452,691</b>	<b>1,577,749</b>	<b>321,664</b>	<b>17,113</b>	<b>5,494,016</b>
Deferred Inflows of Resources:						
Deferred Pensions	48,379	56,442	74,181	10,885	806	190,693
<b>Total Deferred Inflows of Resources</b>	<b>48,379</b>	<b>56,442</b>	<b>74,181</b>	<b>10,885</b>	<b>806</b>	<b>190,693</b>
<b>Net Position:</b>						
Invested in Capital Assets, net of related debt	13,179,510	10,620,448	1,643,518	1,042,554	1,090,731	27,576,761
Restricted For:						
Capital Projects (expendable)	4,379,415	2,138,736	131,124	-	-	6,649,275
Debt Service (expendable)	291,229	-	-	-	-	291,229
Unrestricted	(78,001)	8,397,604	1,634,566	(29,855)	72,993	9,997,307
<b>Net Position</b>	<b>\$ 17,772,153</b>	<b>\$ 21,156,788</b>	<b>\$ 3,409,208</b>	<b>\$ 1,012,699</b>	<b>\$ 1,163,724</b>	<b>\$ 44,514,572</b>

The accompanying notes are an integral part of these financial statements.

**City of Wasco**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**Year ended June 30, 2018**

	Water Reclamation and Sewer	Water Utility	Refuse Collection and Disposal	Public Transportation	CNG Fueling Station	Total Proprietary
<b>Operating Revenues:</b>						
Charges for Services	\$ 2,190,614	\$ 3,390,775	\$ 2,869,085	\$ 53,748	\$ 92,386	\$ 8,596,608
Rental Income	95,367	-	-	-	-	95,367
Cost Recoveries	17,170	-	17,551	-	-	34,721
Miscellaneous	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>2,303,151</b>	<b>3,390,775</b>	<b>2,886,636</b>	<b>53,748</b>	<b>92,386</b>	<b>8,726,696</b>
<b>Operating Expenses:</b>						
Wages and Benefits	814,336	920,827	1,351,851	237,926	2,324	3,327,264
Administration	701,389	773,156	938,865	18,527	6,556	2,438,493
Materials and Supplies	106,222	81,455	133,815	19,754	24,776	366,022
Maintenance and Repair	123,638	122,312	248,073	66,812	1,842	562,677
Utilities	151,737	511,022	7,246	-	14,136	684,141
Depreciation	483,802	378,522	215,195	63,504	27,240	1,168,263
<b>Total Operating Expenses</b>	<b>2,381,124</b>	<b>2,787,294</b>	<b>2,895,045</b>	<b>406,523</b>	<b>76,874</b>	<b>8,546,860</b>
Operating Income (Loss)	(77,973)	603,481	(8,409)	(352,775)	15,512	179,836
<b>Nonoperating Revenues (Expenses):</b>						
Interest Income	64,005	30,518	16,826	934	-	112,283
Local Transportation Funding	-	-	-	90,212	-	90,212
Grants	-	-	612,275	-	-	612,275
Connection Fees	399,155	440,875	7,004	-	-	847,034
Interest Expense	(15,354)	-	(654)	-	-	(16,008)
Gain on Sale of Capital Assets	-	5,625	-	-	-	5,625
<b>Total Nonoperating Revenues (Expenses)</b>	<b>447,806</b>	<b>477,018</b>	<b>635,451</b>	<b>91,146</b>	<b>-</b>	<b>1,651,421</b>
Income (Loss) Before Transfers	369,833	1,080,499	627,042	(261,629)	15,512	1,831,257
<b>Transfers:</b>						
Transfers In	-	-	78,837	-	30,450	109,287
Transfers Out	-	-	-	-	-	-
Change in Net Position	369,833	1,080,499	705,879	(261,629)	45,962	1,940,544
Net Position - Beginning	17,402,320	20,076,289	2,703,329	1,274,328	1,117,762	42,574,028
Net Position - Ending	<u>\$ 17,772,153</u>	<u>\$ 21,156,788</u>	<u>\$ 3,409,208</u>	<u>\$ 1,012,699</u>	<u>\$ 1,163,724</u>	<u>\$ 44,514,572</u>

The accompanying notes are an integral part of these financial statements.

**City of Wasco**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year ended June 30, 2018**

	Water Reclamation and Sewer	Water Utility	Refuse Collection and Disposal	Public Transportation	CNG Fueling Station	Total Proprietary
<b>Cash flows from operating activities:</b>						
Cash received from:						
Customers, including cash deposits	\$ 2,320,351	\$ 3,420,686	\$ 2,735,379	\$ 53,748	\$ 94,814	\$ 8,624,978
Rental activities	95,367	-	-	-	-	95,367
Prior year reimbursements and cost recoveries	17,170	-	17,551	-	-	34,721
Cash paid to:						
Suppliers	(493,651)	(1,364,204)	(1,336,505)	(105,096)	(51,461)	(3,350,917)
Employees	(743,610)	(862,912)	(1,260,147)	(197,457)	(41)	(3,064,167)
Net cash provided (used) by operating activities	<u>1,195,627</u>	<u>1,193,570</u>	<u>156,278</u>	<u>(248,805)</u>	<u>43,312</u>	<u>2,339,982</u>
<b>Net cash provided from noncapital financing activities:</b>						
Cash transferred from other funds	1,453,468	881,401	78,837	156,855	30,450	2,601,011
Cash transferred to other funds	-	-	(122,291)	-	(73,605)	(195,896)
Connection fees	399,155	440,875	7,004	-	-	847,034
Subsidy from TDA revenues	-	-	-	91,786	-	91,786
Subsidy from grants	-	-	612,275	-	-	612,275
Net cash provided (used) by noncapital financing activities	<u>1,852,623</u>	<u>1,322,276</u>	<u>575,825</u>	<u>248,641</u>	<u>(43,155)</u>	<u>3,956,210</u>
<b>Cash flows from capital and related financing activities:</b>						
Principal payments:						
Notes	(269,652)	-	-	-	-	(269,652)
Interest paid	(15,354)	-	(654)	-	-	(16,008)
Purchase of capital assets	(2,753,108)	(1,856,472)	(784,986)	-	-	(5,394,566)
Proceeds from sale of capital assets	-	5,625	-	-	-	5,625
Net cash provided (used) by capital and related financing activities	<u>(3,038,114)</u>	<u>(1,850,847)</u>	<u>(785,640)</u>	<u>-</u>	<u>-</u>	<u>(5,674,601)</u>
<b>Cash flows from investing activities:</b>						
Interest received	64,005	30,518	16,826	934	-	112,283
Loan payments from others	-	2,238	-	-	-	2,238
Loan made to others	-	-	-	-	-	-
Net cash provided by investing activities	<u>64,005</u>	<u>32,756</u>	<u>16,826</u>	<u>934</u>	<u>-</u>	<u>114,521</u>
Net increase (decrease) in cash	74,141	697,755	(36,711)	770	157	736,112
Cash and cash equivalents - Beginning of year	<u>5,354,874</u>	<u>7,589,495</u>	<u>854,258</u>	<u>220,142</u>	<u>-</u>	<u>14,018,769</u>
Cash and cash equivalents - End of year	<u>\$ 5,429,015</u>	<u>\$ 8,287,250</u>	<u>\$ 817,547</u>	<u>\$ 220,912</u>	<u>\$ 157</u>	<u>\$ 14,754,881</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>						
Operating income (loss)	\$ (77,973)	\$ 603,481	\$ (8,409)	\$ (352,775)	\$ 15,512	\$ 179,836
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	483,802	378,522	215,195	63,504	27,240	1,168,263
(Increase) decrease in accounts receivable	129,737	3,697	(133,496)	-	2,428	2,366
(Increase) decrease in prepaid expenses	60	(76)	877	(38)	-	823
Increase (decrease) in accounts payable	595,002	123,211	(9,751)	(1,934)	(4,151)	702,377
Increase (decrease) in accrued liabilities	(5,727)	606	368	1,969	-	(2,784)
Increase (decrease) in customer deposits	-	26,214	(210)	-	-	26,004
Increase (decrease) in accrued compensated absences	(5,696)	(9,262)	(4,326)	2,510	-	(16,774)
Increase (decrease) in pension obligation	76,422	67,177	96,030	37,959	2,283	279,871
Net cash provided (used) by operating activities	<u>\$ 1,195,627</u>	<u>\$ 1,193,570</u>	<u>\$ 156,278</u>	<u>\$ (248,805)</u>	<u>\$ 43,312</u>	<u>\$ 2,339,982</u>

The accompanying notes are an integral part of these financial statements.

**City of Wasco**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2018**

	RDA Successor Agency Private Purpose Trust Fund	Wasco Public Financing Authority Agency Fund
<b>Assets:</b>		
Cash and Investments	\$ 610,677	\$ 507,259
Investments with Fiscal Agents - Restricted	-	459,277
Receivables, Net	76,775	-
Accrued Interest Receivable	-	-
Due from City of Wasco	-	13,193
Land Held for Resale	436,645	-
	<u>436,645</u>	<u>-</u>
 Total Assets	 <u>\$ 1,124,097</u>	 <u>\$ 979,729</u>
<b>Liabilities:</b>		
Accounts Payable	-	482
Accrued Liabilities	1,407	-
Due to City of Wasco	136,279	-
Bonds Payable	52,000	979,247
	<u>52,000</u>	<u>979,247</u>
 Total Liabilities	 <u>189,686</u>	 <u>\$ 979,729</u>
<b>Net Position:</b>		
Held in Trust for Retirement of Obligations of the Former Wasco Redevelopment Agency	 <u>\$ 934,411</u>	

The accompanying notes are an integral part of these financial statements.

**City of Wasco**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**For the Five Months Ended June 30, 2018**

	RDA Successor Agency Private Purpose Trust Fund
<b>Additions:</b>	
Property Taxes	\$ 616,821
Gain on Sale of Land	79,332
	696,153
Total Additions	696,153
<b>Deductions:</b>	
Enforceable Obligations	-
Administration	125,550
Bond Interest Expense	-
	125,550
Total Deductions	125,550
Change in Net Position	570,603
Net Position - Beginning	363,808
Net Position - Ending	\$ 934,411

The accompanying notes are an integral part of these financial statements.



**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 1 – Summary of Significant Accounting Policies**

The accompanying financial statements of the City of Wasco (the "City") have been prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The following summary of the City's more significant accounting policies is presented to assist the reader in interpreting the basic financial statements and other data in this report. These policies should be viewed as an integral part of the accompanying basic financial statements.

**A - Reporting Entity**

The City of Wasco, California was incorporated on December 17, 1945. The City is a full-service city and operates under a Council - Manager form of government, providing the following services: general government; public safety; public works; and development and conservation. The City is located in Kern County approximately 25 miles northwest of Bakersfield, the County government seat.

The City has defined its reporting entity in accordance with accounting principles generally accepted in the United States of America which provide guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. The Basic Financial Statements present information on the activities of the reporting entity, including all of the fund types of the City (the primary government) and its component units.

Accounting principles generally accepted in the United States of America require that the component units be separated into blended or discretely presented units for reporting purposes. Although legally separate entities, blended component units are, in substance, part of the City's operations. Therefore, they are reported as part of the primary government. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize that they are legally separate from the City. The City has no discretely presented component units.

**Blended Component Units**

On March 6, 1989, the City and the former Wasco Redevelopment Agency entered into a Joint Exercise of Powers Agreement establishing the Wasco Public Financing Authority (the "Authority") for the purpose of issuing its bonds to be used to provide financial assistance to the City, the Agency or any other public entity of the State of California. The funds of this component unit are reported in the Special Revenue Funds and the Agency Fund. Separate financial statements are not available for the Authority. The City Council of Wasco is the governing body for the Authority.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 1 – Summary of Significant Accounting Policies, (continued)**

**B - Basis of Presentation**

**Government-Wide 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. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's sewer, water and refuse function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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. Indirect expenses have been allocated to major functions in order to present a more accurate and complete picture of the cost of services. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the fiduciary funds 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.

**Fund Financial Statements**

The accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operation fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 1 – Summary of Significant Accounting Policies, (continued)**

- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. The government has determined that a fund is important to the financial statement user.

The major funds are as follows:

**Governmental Funds**

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The revenues of the General Fund consist mostly of property tax, sales tax, motor vehicle tax, and franchise fees.

The Streets Fund is used to account for the City's share of motor fuel tax revenues and special state grants that are legally restricted to construction and maintenance of local roads within the City limits.

The TDA Fund accounts for revenues allocated by the Kern Council of Governments under the Transportation Development Act (TDA). Revenues received are held in this fund and transferred to the Public Transportation Fund and Streets Fund when actual costs of transportations, repairs to streets or replacement of streets are incurred.

The 2005 HCD Fund accounts for \$950,000 awarded from the California Department of Housing and Community Development to assist in the construction of Poso Place Senior Apartments. The money was lent to F & Poso Street Investors, a California limited partnership.

The RDA Low & Moderate Income Housing fund is a special revenue fund type that accounts for the required 20% set-aside of tax revenues specifically to be used toward low and moderate income housing projects as required by State law.

**Proprietary Funds**

The Water Reclamation and Sewer Fund is used to account for the provisions of sewer service to the residents of the City. All activities necessary to provide such service are accounted for in this fund.

The Water Utility Fund is used to account for the provisions of water service to residents of the City. All activities necessary to provide such service are accounted for in this fund.

The Refuse Collection Fund is used to account for the collection and disposal of refuse within the City. All activities necessary to provide such service are accounted for in this fund.

The Public Transportation Fund accounts for the operations of a Dial-A-Ride system for general transportation of all citizens and a Social Services System which transports seniors and handicapped.

The Compressed Natural Gas (CNG) Fueling Station Fund accounts for two fill pumps available to the City of Wasco, Local School Districts, and the general public.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 1 – Summary of Significant Accounting Policies, (continued)**

**Fiduciary Fund**

The RDA Successor Agency Private Purpose Trust Fund accounts for monies received from the Kern County Auditor Controller for the repayment of the enforceable obligations of the former Wasco Redevelopment Agency. These funds are restricted for the sole purpose of payment of items on an approved Recognized Payment Obligation Schedule (ROPS).

The Wasco Public Financing Authority Agency Fund is used to account for assets held by the City of Wasco Public Financing Authority as an agent for various local governments and other entities.

**C - Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus. The accounting objectives of the economic measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. Proprietary fund equity is classified as net position.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 1 – Summary of Significant Accounting Policies, (continued)**

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Revenues which are susceptible to accrual include property taxes and special assessments that are levied for and due for the fiscal year and collected within 60 days after year-end. Licenses, permits, fines, forfeits, charges for services and miscellaneous revenues are recorded as governmental fund type revenues when received in cash because they are not generally measurable until actually received. Revenue from taxpayer assessed taxes, such as sales taxes, are recognized in the accounting period in which they became both measurable and available to finance expenditures of the fiscal period. Grant funds and reimbursements of expenses under contractual agreements are reported in governmental fund types and are recorded as a receivable when earned rather than when susceptible to accrual. Generally, this occurs when authorized expenditures are made under the grant program or contractual agreement. Expenditures are recognized when the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

The accrual basis of accounting is followed by the proprietary fund and fiduciary funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund’s principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D - Assets, Liabilities, Net Position or Equity, and Other Financial Statement Items**

**Cash and Investments**

Cash and investment balances of each of the City’s funds, except for funds required to be held by outside fiscal agents under the provisions of bond indentures, are pooled in order to take advantage of an effective investment strategy. Income earned from pooled investments is allocated to each of the funds based on average pooled cash balances during the year. Deficit cash balances are classified as due to other funds and funded by the General Fund or related operating fund.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 1 – Summary of Significant Accounting Policies, (continued)**

California Government Code authorizes the Agency to invest in the following types of investments:

<u>Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Specified % Of Portfolio</u>	<u>Minimum Quality Requirements</u>
Local Agency Bonds	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
State Obligations	5 Years	None	None
CA Local Agency Obligations	5 Years	None	None
U.S. Agency Obligations	5 Years	None	None
Bankers' Acceptance	180 Days	40%	None
Commercial Paper - Select Agencies	270 Days	25%	A-1
Commercial Paper - Other Agencies	270 Days	40%	A-1
Negotiable Certificates of Deposit	5 Years	30%	None
CD Placement Service	5 Years	30%	None
Repurchase Agreements	1 Year	None	None
Reverse Repurchase Agreements	92 Days	20%	None
Medium-Term Notes	5 Years	30%	A
Mutual and Money Market Fund	N/A	20%	Multiple
Collateralized Bank Deposits	5 Years	None	None
Mortgage Pass-Through Securities	5 Years	20%	AA
Bank/Time Deposits	5 Years	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple
Local Agency Investment Fund (LAIF)	N/A	None	None

Investment of debt proceeds held by bond trustees are governed by the provisions of the Agency's debt agreement rather than the general provisions of the California Government Code.

For purposes of the Combined Statement of Cash Flows for the Proprietary fund types, cash and cash equivalents includes all pooled cash investments, non-pooled restricted cash and restricted investments with an original maturity of three months or less. The City considers the investments held in LAIF to be a demand deposit account where funds may be withdrawn and deposited at any time without prior notice or penalty.

**Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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/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.

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.

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

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 1 – Summary of Significant Accounting Policies, (continued)**

**Property Taxes**

Secured property taxes are levied during September of each year for the fiscal year beginning with the preceding July 1 and ending the following June 30. They become a lien on real property on January 1 preceding the fiscal year for which taxes are levied. The Kern County Assessor establishes the value of the property on January 1. Taxes are payable in two installments on November 1 and February 1, and are delinquent if not paid by December 10 and April 10, respectively. In 1978, a state constitutional amendment (Proposition 13) provided that the tax rate be limited to 1% of market value, levied only by the County and shared with all other jurisdictions. Such limitation on the rate may only be increased through voter approval. The County collects property taxes and distributes them to taxing jurisdictions on the basis of the taxing jurisdiction's assessed valuations and on the tax rate for voter-approved debt.

**Prepaid Items**

Certain payments to vendors applicable to future accounting periods are reported as prepaid items using the consumption method of accounting. Prepaid items do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is reserved.

**Capital Assets and Depreciation**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, traffic signals, drainage systems and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 (\$50,000 for infrastructure) and an estimated life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant and equipment of the primary government as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Improvements other than buildings	20
Machinery and Equipment	5 - 8
Infrastructure	20 - 75

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 1 – Summary of Significant Accounting Policies, (continued)**

**Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation, comp time, and sick pay benefits. Accumulated sick leave is available for illness or personal use but not paid out to employees. Vacation and comp time pay liabilities are calculated at full value based on the employee's current rate of pay. All compensated absence pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Pensions**

For the year ended June 30, 2015, the City implemented GASB Statements No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27" and No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68".

In government-wide and proprietary financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the City recognizes a net pension liability that represents the District's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial reports provided by CalPERS. The net pension liability is measured as of the City's prior fiscal year-end. Changes in the net pension liability are recorded in the period incurred as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The change in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits as of the beginning of the measurement period and are recorded as a component of pension expense.

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pension and pension expense, information about the fiduciary net position of the City's pension plan with CalPERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. 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.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period.



**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 1 – Summary of Significant Accounting Policies, (continued)**

**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, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line 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 lives of the refunding debt or remaining life of the refunded debt. Bonds payable are reported net of the unamortized portion of applicable premium, discount or deferred amount on refunding. Bond issuance costs, including underwriters' discount, are reported as deferred bond issuance costs. Amortization of bond premiums or discounts, issuance costs and deferred amounts on refunding are 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**

The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position is categorized as follows:

**Net Invested In Capital Assets** – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

**Restricted Net Position** – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$14,589,633 of restricted net position, of which \$7,940,358 is restricted externally by grantors, creditors, or laws or regulations of other governments and \$6,649,275 is restricted by enabling legislation.

**Unrestricted Net Position** – This category represents net position of the City, not restricted for any project or other purpose.

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

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 1 – Summary of Significant Accounting Policies, (continued)**

**Fund Balance – Government Funds**

Fund balances of the governmental funds are presented in the financial statements based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. Fund balances are classified as follows:

**Nonspendable** – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

**Restricted** – Amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

**Committed** – Amounts that are obligated to a specific purpose which are internally imposed by the government through formal action (Ordinances and Resolutions) at the highest level of decision making authority (City Council). These commitments can only be overturned by a like action.

**Assigned** – Amounts that are intended to be used for specific purposes that are considered neither restricted nor committed. Undesignated excess Fund Balances may be assigned by the City Council, City Manager, or Finance Director for specific purposes through the budget process or agenda items. The assigned designation may be reversed by the City Council at any public meeting.

**Unassigned** – Residual positive fund balances within the General Fund, which have not been classified within the other above mentioned categories. Unassigned Fund Balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When expenditures are incurred for purposes for which all restricted, committed, assigned, and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance: Restricted, Committed, Assigned, and Unassigned.

The City does not have a formal minimum fund balance requirement.

**Appropriated Budget and Budgetary Control**

The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General, Special Revenue, Debt Service and Capital Projects funds. The budgets are presented for reporting purposes on a budgetary basis consistent with accounting principles generally accepted in the United States of America. The City of Wasco Public Financing Authority does not adopt a budget for its general fund.

The appropriated budget is prepared by fund, function, and department. The City Manager may make transfers of appropriations within a department. Transfers of appropriations between departments requires the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year's budget.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 1 – Summary of Significant Accounting Policies, (continued)**

The City Council adopts budgets for the Enterprise and Internal Service funds. However, all Proprietary fund types are accounted for on a cost of service (net income), or “capital maintenance” measurement focus. As a result, budget comparisons are impractical. Additionally, the City is not legally mandated to report the results of operations for these Proprietary fund types on a budget comparison basis; therefore, budgetary data related to these funds has not been presented.

**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 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 revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The assets, all property and rights purchased with such amounts and all income attributable to such amounts, are held in trust for the exclusive benefit of the participants and the beneficiaries. The plan is administered by independent plan administrators through administrative service agreements. The City does not have fiduciary responsibility for the plan assets.

**Note 2 – Cash and Investments**

The City pools all of its cash and investments except those funds required to be held by outside fiscal agents under the provisions of bond indentures.

The following is a summary of the City’s cash and investments as classified in the accompanying financial statements:

Pooled Cash and Investments - Government Funds	\$	18,468,892
Pooled Cash and Investments - Business-Type Funds		14,754,881
Fiduciary Funds:		
Cash and Investments - WPFA Agency		507,259
Restricted Investments - WPFA Agency		459,277
Cash and Investments - RDA Successor Private Purpose Trust		610,677
Total	\$	34,800,986

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 2 – Cash and Investments, (continued)**

Cash and investments at June 30, 2018 consist of the following:

Cash on Hand	\$	2,765
Demand Deposits		8,425,419
Nonnegotiable CDs		7,131,568
Investments		19,241,234
		19,241,234
Total	\$	34,800,986

**Deposits:**

**Custodial credit risk** – In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City has no deposit policy for custodial credit risk.

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market 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 public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2018, all of the Agency’s deposits with financial institutions in excess of federal depository insurance limits were held in fully collateralized accounts, as permitted by the California Government Code.

Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an Agent of Depository has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository is considered to be held for, and in the name of, the local governmental agency.

**Investments:**

The City had the following investments at June 30, 2018:

Investment Type	Fair Value	Maturity Date
State Treasurer's Investment Pool (LAIF)	\$ 12,281,622	N/A
Central San Joaquin Valley RMA Pool (CSJVRMA)	1,167,497	N/A
CalTRUST Investment Pool	4,533,018	N/A
Government Backed Debt Securities	799,820	2-5 years
Held by Trustees:		
Money Market Funds	459,277	N/A
Total Investments	\$ 19,241,234	

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 2 – Cash and Investments, (continued)**

LAIF is a special fund of the California State Treasury through which local governments may pool investments. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. Included in LAIF's investment portfolio are certain derivative securities or similar products, such as structured notes and asset backed securities. LAIF's and the City's exposure to credit, market, or legal risk is not available. The fair value of the City's position in the pool is the same as the value of the pool shares. LAIF is regulated by the California Government Code.

The City is a member of CSJVRMA for the purpose of pooling insurance coverage. The CSJVRMA maintains an investment pool which is available to its members. The City invested cash in this pool which is highly liquid. Deposits can be converted to cash within 24 hours without loss of interest. Included in the pool's investment portfolio are securities that are within the statutory limits imposed by government code. The pool's and the City's exposure to credit, market, or legal risk is not available. The fair value of the City's position in the pool is the same as the value of the pool shares. CSJVRMA is regulated by the California Government Code.

CalTRUST is a Joint Powers Authority created by public agencies in 2005 to provide a convenient method for public agencies to pool their assets for investment purposes. It is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. The Board sets overall policies for the program and selects and supervises the activities of the investment manager and other agents. Any California public agency that is authorized to join a Joint Powers Authority can participate in CalTRUST. The specific sections of the California Government Code that govern participation in CalTRUST are Sections 6500 and 6509.7, which offers four account options – Government Fund, Money Market Fund, Short-Term Fund and Medium-Term Fund with varying interest rates and terms of length of deposit and withdrawals

**Interest rate risk** – The City's exposure to interest rate risk is identified by the above weighted average maturities. The City has no investment policy for interest rate risk.

**Credit rating risk** – The City is required to disclose the credit quality ratings of investments in debt securities as issued by nationally recognized statistical rating organizations (NRSROs). At June 30, 2018, the Credit ratings for the money market funds and investments in LAIF and CSJVRMA were unavailable. Ratings for investments in Government Backed Debt Securities are not required to be disclosed since they are backed by the Federal government. The City has no investment policy for credit risk.

**Concentration of credit risk** – The City is required to disclose any investment in any one issuer that represents 5% or more of total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. As such, the City has no concentration of credit risk that exceeds 5%. The City has no investment policy for concentration of credit risk.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 2 – Cash and Investments, (continued)**

**Custodial credit risk** – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). The City has no investment policy for custodial credit risk.

**Restricted Investments with Fiscal Agents**

**Fiduciary Fund Activities:**

**Local Agency Revenue Bonds 1989 & 1994 (Revenue Bonds)** – The trustee is required to hold, in a reserve account, funds necessary to secure bonds until October 1, 2020.

\$ 459,277

**Note 3 – Receivables**

Receivables at June 30, 2018 consist of the following:

	General Fund	Streets	TDA	2005 HCD Fund	RDA Low Income Housing	Non-Major Governmental Funds	Total Governmental
<b>Governmental Activities:</b>							
Accounts receivable, net	\$ 64,789	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,789
Interest receivable	-	-	-	-	-	-	-
Taxes receivable, net	542,934	-	-	-	-	-	542,934
Due from governments	-	122,212	2,000	-	9,513	245,754	379,479
Allowance for doubtful accounts	-	-	-	-	-	-	-
<b>Total</b>	<u>\$ 607,723</u>	<u>\$ 122,212</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 9,513</u>	<u>\$ 245,754</u>	<u>\$ 987,202</u>
	Water Reclamation And Sewer	Water Utility	Refuse Collection And Disposal	Public Transportation	CNG Fueling Station	Total Business-Type	
<b>Business-Type Activities:</b>							
Accounts receivable, net	\$ 156,244	\$ 599,465	\$ 572,240	\$ -	\$ -	\$ 1,327,949	
Interest receivable	-	-	-	-	-	-	
Due from governments	-	-	-	317	-	317	
Allowance for doubtful accounts	-	-	-	-	-	-	
<b>Total</b>	<u>\$ 156,244</u>	<u>\$ 599,465</u>	<u>\$ 572,240</u>	<u>\$ 317</u>	<u>\$ -</u>	<u>\$ 1,328,266</u>	

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 4 – Interfund Receivables, Payables, Advances and Transfers**

Interfund receivables and payables at June 30, 2018 consisted of the following:

Fund	Due From Other Funds	Due To Other Funds
Government Funds:		
General Fund	\$ 72,998	\$ 2,157,261
Streets	-	1,117,809
TDA	-	68,211
RDA Low Income Housing	53,437	-
Non-Major Funds	2,074,068	779,927
<b>Total Governmental Funds</b>	<b>2,200,503</b>	<b>4,123,208</b>
Proprietary Funds:		
Water Reclamation and Sewer	167,519	-
Water Utility	406,633	-
Refuse Collection and Disposal	1,469,313	-
Public Transportation	-	82,420
CNG Fueling Station	84,746	-
<b>Total Proprietary Funds</b>	<b>2,128,211</b>	<b>82,420</b>
Fiduciary Funds:		
WPFA Agency Fund	13,193	-
RDA Successor Private Purpose Trust	-	136,279
<b>Total Fiduciary Funds</b>	<b>13,193</b>	<b>136,279</b>
<b>Total Due From/To</b>	<b>\$ 4,341,907</b>	<b>\$ 4,341,907</b>

The above balances represent short term loans between funds for cash shortages or expenditures and are expected to be reimbursed within one year.

Interfund advances at June 30, 2018 consisted of the following:

Fund	Advanced From	Advanced To
Governmental Funds:		
Streets	\$ -	\$ 2,318,245
<b>Total Governmental Funds</b>	<b>-</b>	<b>2,318,245</b>
Proprietary Funds:		
Water Reclamation and Sewer	91,187	-
Water Utility	2,318,245	-
Refuse Collection and Disposal	-	91,187
<b>Total Proprietary Funds</b>	<b>2,409,432</b>	<b>91,187</b>
<b>Total Advances</b>	<b>\$ 2,409,432</b>	<b>\$ 2,409,432</b>

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 4 – Interfund Receivables, Payables, Advances and Transfers, (continued)**

Composition and purpose of interfund advances is as follows:

\$2,318,245 advance from Water Utility to Streets for a commercial infrastructure project to be paid back over seven years from assessment collections.

\$91,187 advance from Water Reclamation and Sewer to Refuse Collection and Disposal for the purchase of a sanitation truck and curbside trash containers. The advance is scheduled to be paid back over the next three years.

Interfund transfers at June 30, 2018 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 12,470	\$ 920,651
Street Fund	2,169,170	-
TDA	-	904,937
RDA Low Income Housing	-	-
Non-Major Funds	103,082	568,421
Proprietary Funds:		
Refuse Collection and Disposal	78,837	-
CNG Fueling Station	30,450	-
	<u>\$ 2,394,009</u>	<u>\$ 2,394,009</u>
Total Transfers		

Composition and purpose of interfund transfers is as follows:

General Fund transfers in of \$12,470 consist of \$12,470 from Non-Major Funds which represent transfers of community development type grant funds for low income housing loan administration and activity delivery to the Community Development Department of the General Fund.

Streets Fund transfers in of \$2,169,170 consist of \$1,296,385 of State allocation of TDA revenue and \$872,785 of State Gas Tax to be applied to various street, lighting and crosswalk construction projects.

Non-Major funds transfers in of \$103,082 consist of \$103,082 of community development type grant funds between Non-Major funds.

Refuse Collection and Disposal transfers in of \$78,837 consist of \$78,837 Emergency Response funds.

CNG Fueling Station transfers in of \$30,450 from the General fund to cover operating costs.



**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 5 – Land Held for Resale**

The RDA Successor Agency Private Purpose Trust Fund held in Inventory 6.5 acres available for sale in the 70-acre industrial park. It also held seven City lots available for sale. This inventory has the following original cost amounts.

Land	\$	119,383
Improvements		317,262
Total	\$	436,645

**Note 6 – Capital Assets**

Capital asset activity for the year ended June 30, 2018 is as follows:

<b>Governmental Activities</b>	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Capital Assets Not Being Depreciated:					
Land	\$ 1,589,474	\$ 161,986	\$ -	\$ -	\$ 1,751,460
Construction in Progress	6,295,836	2,053,982	-	(7,775,275)	574,543
Total Capital Assets Not Being Depreciated	7,885,310	2,215,968	-	(7,775,275)	2,326,003
Capital Assets Being Depreciated:					
Land Improvements	9,080,057	-	-	-	9,080,057
Construction	2,979,538	6,975	-	-	2,986,513
Infrastructure	17,474,848	-	-	7,775,275	25,250,123
Machinery and Other	1,908,806	133,737	-	-	2,042,543
Vehicles	1,136,064	238,852	-	-	1,374,916
Total Capital Assets Being Depreciated	32,579,313	379,564	-	7,775,275	40,734,152
Less Accumulated Depreciation For:					
Land Improvements	3,961,102	451,155	-	-	4,412,257
Construction	804,225	56,709	-	-	860,934
Infrastructure	5,816,580	201,674	-	-	6,018,254
Machinery and Other	1,211,670	76,666	-	-	1,288,336
Vehicles	996,805	50,396	-	-	1,047,201
Total Accumulated Depreciation	12,790,382	836,600	-	-	13,626,982
Total Capital Assets Being Depreciated, net	19,788,931	(457,036)	-	7,775,275	27,107,170
Governmental Activities Capital Assets, net	\$ 27,674,241	\$ 1,758,932	\$ -	\$ -	\$ 29,433,173

Depreciation charged to governmental functions on the Statement of Activities during the year is as follows: \$74,466 to General Government, \$20,820 to Public Safety, \$740,978 to Public Works, and \$336 to Community Development.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 6 – Capital Assets, (continued)**

Proprietary fund type property, plant and equipment are as follows:

<u>Business-Type Activities</u>	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Capital Assets Not Being Depreciated:					
Land	\$ 767,323	\$ -	\$ -	\$ -	\$ 767,323
Construction in Progress	1,043,841	4,369,591	-	149,140	5,562,572
Total Capital Assets Not Being Depreciated	<u>1,811,164</u>	<u>4,369,591</u>	<u>-</u>	<u>149,140</u>	<u>6,329,895</u>
Capital Assets Being Depreciated:					
Land Improvements	7,210,841	-	-	-	7,210,841
Construction	15,451,487	-	-	-	15,451,487
Infrastructure	7,225,968	-	-	(149,140)	7,076,828
Machinery and Other	11,493,519	335,145	-	-	11,828,664
Vehicles	3,310,832	689,830	-	-	4,000,662
Total Capital Assets Being Depreciated:	<u>44,692,647</u>	<u>1,024,975</u>	<u>-</u>	<u>(149,140)</u>	<u>45,568,482</u>
Less Accumulated Depreciation For:					
Land Improvements	5,870,174	124,038	-	-	5,994,212
Construction	6,824,658	306,016	-	-	7,130,674
Infrastructure	3,050,033	78,625	-	-	3,128,658
Machinery and Other	4,531,170	456,530	-	-	4,987,700
Vehicles	2,317,106	203,054	-	-	2,520,160
Total Accumulated Depreciation	<u>22,593,141</u>	<u>1,168,263</u>	<u>-</u>	<u>-</u>	<u>23,761,404</u>
Total Capital Assets Being Depreciated, net	<u>22,099,506</u>	<u>(143,288)</u>	<u>-</u>	<u>(149,140)</u>	<u>21,807,078</u>
Business-Type Activities Capital Assets, net	<u>\$ 23,910,670</u>	<u>\$ 4,226,303</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,136,973</u>

Depreciation charged to business-type activities on the Statement of Activities during the year is as follows: \$483,802 to Water Reclamation and Sewer, \$378,522 to Water Utility, \$215,195 to Refuse Collection and Disposal, \$63,504 to Public Transportation, and \$27,240 to CNG Fueling Station.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 7 – Accrued Liabilities**

Accrued Liabilities at June 30, 2018, as reported on the Statement of Net Position are detailed as follows:

<b>Governmental Activities:</b>	General		Streets		Total Governmental	
Employee Withholdings	\$	70,057	\$	-	\$	70,057
Payroll		61,871		18,882		80,753
Other Liabilities		86,199		-		86,199
<b>Total</b>	<b>\$</b>	<b>218,127</b>	<b>\$</b>	<b>18,882</b>	<b>\$</b>	<b>237,009</b>

  

<b>Business-Type Activities:</b>	Water Reclamation And Sewer		Water Utility		Refuse Collection and Disposal		Public Transportation		CNG Fueling Station		Total Business-Type	
Accrued Interest Payable	\$	6,465	\$	-	\$	227	\$	-	\$	-	\$	6,692
Payroll		19,978		21,398		29,855		5,751		-		76,982
<b>Total</b>	<b>\$</b>	<b>26,443</b>	<b>\$</b>	<b>21,398</b>	<b>\$</b>	<b>30,082</b>	<b>\$</b>	<b>5,751</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>83,674</b>

  

<b>Fiduciary Activities:</b>	RDA Successor Agency Private Purpose Trust	
Accrued Interest Payable	\$	1,407

**Note 8 – Long-Term Liabilities**

	Balance June 30, 2017			Balance June 30, 2018			Due Within One Year			
		Additions	Reductions							
<b>Governmental Activities:</b>										
Compensated Absences	\$	183,405	\$	55,022	\$	(96,988)	\$	141,439	\$	52,332
<b>Total Governmental Activities</b>		<b>183,405</b>		<b>55,022</b>		<b>(96,988)</b>		<b>141,439</b>		<b>52,332</b>
<b>Business-Type Activities:</b>										
Notes Payable		829,864		-		(269,652)		560,212		276,663
Compensated Absences		161,182		96,709		(113,483)		144,408		53,431
<b>Total Business-Type Activities</b>		<b>991,046</b>		<b>96,709</b>		<b>(383,135)</b>		<b>704,620</b>		<b>330,094</b>
<b>Total Statement of Net Position Long-Term Activities</b>	<b>\$</b>	<b>1,174,451</b>	<b>\$</b>	<b>151,731</b>	<b>\$</b>	<b>(480,123)</b>	<b>\$</b>	<b>846,059</b>	<b>\$</b>	<b>382,426</b>
<b>RDA Successor Agency Private Purpose Trust:</b>										
Tax Allocation Bonds	\$	290,000	\$	-	\$	(290,000)	\$	-	\$	-
Revenue Bonds		107,000		-		(55,000)		52,000		52,000
<b>Total Fiduciary Fund Long-Term Activities</b>	<b>\$</b>	<b>397,000</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>(345,000)</b>	<b>\$</b>	<b>52,000</b>	<b>\$</b>	<b>52,000</b>

The compensated absences for governmental and business-type activities will be paid by the respective funds in which the expense was accrued. Compensated absences for governmental activities are typically paid from the General Fund.

**City of Wasco**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2018

**Note 8 – Long-Term Liabilities, (continued)**

**Governmental Activities:**

Compensated Absences \$ 141,439

**Business-Type Activities:**

Notes Payable:

Note payable to the State of California for the expansion of the wastewater treatment plant, payable in annual installments commencing January 19, 2001, of \$291,308 at 2.6% interest, final payment due January 19, 2020, collateralized by wastewater funds. 560,212

Total Notes Payable 560,212

Compensated Absences Payable 144,408

Total Business-Type Activities \$ 704,620

**RDA Successor Agency Private Purpose Trust:**

Revenue Bonds:

Improvement Bonds dated May 5, 1994 in the original amount of \$700,000 at 8.0% interest; payable semi-annually commencing September 15, 1994, due September 15, 2018 to the Wasco Public Financing Authority which is a component unit of the City of Wasco. Proceeds used to construct Southside Infrastructure. 52,000

Total RDA Successor Agency Private Purpose Trust \$ 52,000

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 8 – Long-Term Liabilities, (continued)**

The annual requirements to amortize all bonded indebtedness and other long-term liabilities outstanding at June 30, 2018, are as follows:

**Business-Type Activities**

Year Ending June 30	Notes Payable	
	Principal	Interest
2019	\$ 276,663	\$ 14,566
2020	283,549	7,372
Total	<u>\$ 560,212</u>	<u>\$ 21,938</u>

**RDA Successor Agency Private Purpose Trust**

Year Ending June 30	Revenue Bonds	
	Principal	Interest
2019	\$ 52,000	\$ 2,450
Total	<u>\$ 52,000</u>	<u>\$ 2,450</u>

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 9 – Unearned Revenue**

Unearned Revenue consists of moneys received where the City has not yet incurred the qualifying expenditures as follows:

	Governmental Activities	Business-Type Activities	Fuduciary Funds
General Grant	\$ 77,295	\$ -	\$ -
Emergency Response	21,879	-	-
TDA - Dial A Ride	-	28,185	-
RDA Successor Agency	-	-	-
<b>Total</b>	<b>\$ 99,174</b>	<b>\$ 28,185</b>	<b>\$ -</b>

**Note 10 – Deferred Outflows and Inflows of Resources**

Pursuant to GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” and GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities,” the City recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position that applies to a future reporting period and so will not be recognized as an expense or expenditure until then. The City has one item reportable on the Government-wide and Proprietary Fund Statement of Net Position that meets this criterion, the outflows from changes in the net pension liability.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. A deferred inflows of resources is defined as an acquisition of net position that applies to a future reporting period and so will not be recognized as revenue until then. The City has one item reportable on the Government-wide and Proprietary Fund Statement of Net Position that meets this criterion, the inflows from changes in the net pension liability. The City also has one transaction type that qualifies for reporting under this category for the Governmental Funds; unavailable revenue is only reported in the Governmental Funds Balance Sheet under the modified accrual basis of accounting. The detail of unavailable revenue is as follows:

<b>Governmental Activities</b>	
	Unavailable
HCD Grants	\$ 950,000
RDA Notes Receivable	1,000,000
CalHOME Grant	1,728,291
CDBG Grants	1,329,587
HOME Grants	949,716
BEGIN Grants	86,447
CHFA Rehab Grant	-
<b>Total</b>	<b>\$ 6,044,041</b>

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 11 – Public Entity Risk Pools**

The City maintains self-insurance programs for workers’ compensation, general public liability, auto liability and property coverage through its membership in the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The CSJVRMA is comprised of 55 member cities and special districts and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the CSJVRMA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. Each member has a representative on the Board of Directors with officers of the CSJVRMA being elected annually by the Board Members.

**Liability Program:** The program provides \$28 million of coverage per occurrence for general & automobile liability and public officials errors & omission coverage. CSJVRMA members self-fund the first \$1 million of exposure; losses above \$1 million to \$29 million are covered through CSJVRMA’s participation in the California Affiliated Risk Management Authority’s (CARMA) excess pool. The California Affiliated Risk Management Authority (CARMA) is comprised of six member Joint Power Authorities and is organized under a Joint Powers Agreement pursuant to the California Government Code. Losses exceeding \$1 million up to \$29 million are covered through reinsurance. Within CSJVRMA’s \$1 million retention, the City of Wasco selected a self-insured retention of \$25,000. The pool shares all losses exceeding a member’s self-insured retention.

**Employment Practices Liability (EPL):** This program from CSJVRMA covers the EPL exposures through the Employment Risk Management Authority (ERMA). ERMA is comprised of eight members Joint Power Authorities and is organized under a Joint Powers Agreement pursuant to the California Government Code. ERMA covers \$2 million for each occurrence less the members’ retained limit. The City of Wasco’s retained limit is \$50,000.

**Workers' Compensation:** The program is a risk sharing pool. The City self-insures for the first \$500,000 of liability. Losses in excess of \$500,000, up to \$5 million are covered through CSJVRMA’s participation in the Local Agency Workers’ Compensation Excess JPA (LAWCX) which is comprised of 32 different Joint Power Authorities. For excess coverage, LAWCX is a member of the California State Association of Counties Excess Insurance Authority which provides coverage up to the statutory limit.

**Property Insurance:** The City, through its membership in CSJVRMA participates in a pooled program. CSJVRMA members self-fund the first \$25,000 of loss; losses above \$25,000 to \$1,000,000,000 are covered through excess property and boiler & machinery policies. The City of Wasco’s deductible is \$5,000 or \$10,000 per loss.

The latest audited financial information available from CSJVRMA is for the year ended June 30, 2017 as follows:

Total Assets	\$ 100,984,219
Total Liabilities	<u>83,009,648</u>
 Total Members' Equity	 <u>\$ 17,974,571</u>
 Total Revenue	 \$ 44,757,809
Total Expenses	<u>42,218,070</u>
 Net Increase in Members' Equity	 <u>\$ 2,539,739</u>

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 12 – Retirement Plan**

**Plan Description.** The City contributes to the Miscellaneous Plan and the Safety Plan, which are both cost sharing multiple employer defined benefit pension plans administered by the California Public Employees Retirement System (CalPERS). CalPERS acts as a common investment and administrative agent for participating public employers within the State of California. Benefit provisions are established by state statutes within the Public Employees’ Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through board resolution. CalPERS issues a separate comprehensive annual financial report which is publicly available and can be obtained at CalPERS’ website under Forms and Publications.

**Benefits Provided and Employees Covered.** CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and plan beneficiaries. The Miscellaneous Plan has three Tiers of benefits. Tier I – Applicable to employees hired prior to January 1, 2013, with a formula of 3% at age 60. Tier II – Also applicable to employees hired prior to January 1, 2013, with a formula of 2.5% at age 55. Tier III – Applicable to new CalPERS members hired on or after January 1, 2013, as a result of Public Employees’ Pension Reform Act of 2013 (PEPRA) with a formula of 2% at age 62. The Safety Plan with a formula of 2% at age 55 is for the City’s inactive police department and therefore has no active employees.

As of the June 30, 2017 measurement date, the district had the following employees covered by benefit term:

	Miscellaneous Plan			Safety Plan
	Tier I	Tier II	Tier III	
Active	30	8	25	-
Transferred	25	-	1	-
Seperated	15	2	9	-
Retired	55	1	-	17

**Contributions.** Active plan members are required to contribute 8% of their annual covered salary for Miscellaneous Plan Tier I and Tier II and 6.25% for Miscellaneous Plan Tier III. The City makes the contributions required of City’s contract employees on their behalf and for their account for Tier 1 and Tier II. The City is also required to contribute the actuarially determined annual required contributions necessary to fund the plans. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The average required employer contribution rate for the fiscal year 2017-18 was 12.698% (Tier I) and 9.539% (Tier II) and 6.533% (Tier III) and 0% (Safety) of annual covered salary. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.



**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 12 – Retirement Plan, (continued)**

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources.** At June 30, 2018, the City reported a liability of \$7,307,478 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the City's proportion for the Miscellaneous Plan was 0.17298 percent, which was a decrease of 0.00587 from its proportion measured as of June 30, 2016. The Safety Plan was 0.00818 percent, which was a decrease of 0.00072 from its proportion measured as of June 30, 2016

For the year ended June 30, 2018, the City recognized pension expense of \$1,543,589. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 1,115,297	\$ 85,061
Difference between Expected and Actual Experience	11,454	124,835
Difference between Projected and Actual Investment Earnings	251,905	-
Differences between Employer's Contributions and Proportionate Share of Contributions	312,923	-
Changes in Employer's Proportion	281,426	193,260
Pension Contributions Made Subsequent to Measurement Date	<u>1,031,256</u>	<u>-</u>
 Total	 <u>\$ 3,004,261</u>	 <u>\$ 403,156</u>

The \$1,031,256 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
2019	\$ 510,370	\$ 22,986	\$ 533,356
2020	684,630	26,440	711,070
2021	456,485	18,423	474,908
2022	(144,321)	(5,164)	(149,485)
2023	-	-	-
Thereafter	-	-	-
	<u>\$ 1,507,164</u>	<u>\$ 62,685</u>	<u>\$ 1,569,849</u>

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
 June 30, 2018

**Note 12 – Retirement Plan, (continued)**

**Actuarial Assumptions.** The total pension liability was determined by rolling forward the total pension liability determined in the June 30, 2016, actuarial accounting valuation to June 30, 2017. The June 30, 2017, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table *	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

\* The mortality table used 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 April 2014 experience study report (based on CalPERS demographic data from 1997 to 2011) available online at [www.calpers.ca.gov](http://www.calpers.ca.gov).

Other significant actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011.

**Change of Assumption.** In fiscal year 2016-17, the financial reporting discount rate for the Plan was lowered from 7.65 percent to 7.15 percent. Deferred outflows of resources for changes of assumptions presented in the Schedule of Collective Pension Amounts represents the unamortized portion of this assumption change.

**Discount Rate.** The discount rate used to measure the total pension liability was 7.15 percent and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including the Plan), the amortization and smoothing periods adopted by the Board in 2013 were used. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The crossover test results can be found on CalPERS' website at <https://www.calpers.ca.gov/page/employers/actuarial-services/gasb>.

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 Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 12 – Retirement Plan, (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 of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 to equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The long-term expected real rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate.** The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

Plan's Net Pension Liability/(Asset)	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous	\$ 10,361,866	\$ 6,818,957	\$ 3,884,659
Safety	622,246	488,521	379,208
<b>Total</b>	<b>\$ 10,984,112</b>	<b>\$ 7,307,478</b>	<b>\$ 4,263,867</b>

**Plan Fiduciary Net Position.** Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial report. The plan fiduciary net position may differ from the plan assets reported in the actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included in fiduciary net position. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early CAFR closing and final reconciled reserves.

**Amortization of Deferred Outflows and Deferred Inflows of Resources.** The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments is amortized over the remaining amortization periods. The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments in the Schedule of Collective Pension Amounts represents the unamortized balance relating to the current measurement period and the prior measurement periods on a net basis.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 12 – Retirement Plan, (continued)**

Deferred Outflows of Resources and Deferred Inflows of Resources relating to Differences Between Expected and Actual Experience and Changes of Assumptions are amortized over the Expected Average Remaining Service Lifetime (EARSL) of members provided with pensions through the Plan determined as of the beginning of the related measurement period. The EARSL for the Plan for the June 30, 2017 measurement date is 3.8 years, which was obtained by dividing the total service years of 490,088 (the sum of remaining service lifetimes of all active employees) by 130,595 (the total number of participants: active, inactive, and retired) in the Plan. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**Payable to the Pension Plan.** At June 30, 2018, there is no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2018.

**Note 13 – Conduit Debt Obligations**

In addition to the Long-Term Liabilities discussed in Note 9, Long-Term Liabilities have been issued in the name of the Wasco Public Financing Authority. Neither the City, nor the Authority, is obligated in any manner for the repayment of these obligations. The Authority acts as an agent to property owners for the collection and repayment of Special Assessment Debt.

These bonds were issued for the purpose of enabling the Authority to acquire qualified obligations and were issued under the authority of the Marks-Roos Local Bond Pooling Act of 1985. The purchased obligations are generally repaid by a special assessment against real estate and were used to finance the construction of necessary infrastructure, including but not limited to curbs, gutters, sidewalks, waterlines, and sanitary sewer facilities. The special assessment obligations serve as security for the bonds issued by the Authority. The bonds payable and special assessments outstanding are detailed as follows:

Assessment Districts	Remaining Collections	Outstanding Debt Service
89-1 Barker	\$ 69,914	\$ 65,250
89-2 Tract 5071	80,783	54,375
89-3 Tract 4644	41,448	21,750
91-1 Barnhard	61,876	70,906
91-2A Summerfield	83,829	105,281
91-2B Summerfield	44,233	43,713
93-1 Southside - Childress	547,068	404,263
Total	<u>\$ 929,151</u>	<u>\$ 765,538</u>

The "Remaining Collections" represents the sum of the remaining principal and interest for each active parcel after 2017/18 debt service has been billed.

The \$979,247 due to bondholders, as reported in the Statement of Fiduciary Net Position, represents the net assets of the Authority held for bondholder repayment.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2018

**Note 14 – Other Disclosures**

**Economic Dependency**

The City is dependent upon taxes and user fees received from the residents of the Wasco area.

**Fund Deficits**

The City had accumulated fund deficits in the following individual funds:

Governmental Funds:		
Streets	\$	(775,035)
TDA		(66,211)
Non-Major:		
Lighting & Landscape		(251,041)
CHFA Rehab Grant		(7,940)
2005 Cal Home Grant		(45,491)
2006 Cal Home Grant		(20,393)
2007 HOME Grant		(2,723)
2013 CDBG Grant Fund		<u>(13,411)</u>
Total Governmental Funds	\$	<u>(1,182,245)</u>

The above deficits are a result of expenditures prior to grant reimbursement.

**Date of Management Evaluation**

Management has evaluated subsequent events through May 8, 2019, the date on which the financial statements were available to be issued.

**Excess of Expenditures over Appropriations**

For the year ended June 30, 2018, some expenditures exceeded appropriations. The over expenditures were funded from current tax revenue and charges for services. All City expenditures were approved by the City Council.

**Contingencies**

The City has a contingent property tax liability for its share of tax refund claims pending against the County of Kern attributable to taxes paid by property owners but disputed. Because both the amount of the contingency and the expected outcome cannot be determined, the liability has not been provided for in the financial statements. At June 30, 2018, the latest date reported by the County, the contingent liability was \$22,443.

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Wasco**  
**PENSION PLAN SCHEDULES**  
**COST SHARING DEFINED BENEFIT PENSION PLAN**  
Year ended June 30, 2018

**Schedule of City's Proportionate Share of the Net Pension Liability  
and Related Ratios as of the Measurement Date**

<b>Miscellaneous Plan</b>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
Proportion of the Net Pension Liability/(Asset)	0.17298%	0.15230%	0.16190%	0.20380%
Proportionate Share of the Net Pension Liability/(Asset)	\$ 6,818,959	\$ 5,290,184	\$ 4,638,838	\$ 5,036,768
Covered-Employee Payroll	\$ 2,823,120	\$ 3,187,601	\$ 2,976,881	\$ 3,004,620
Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	241.54%	165.96%	155.83%	167.63%
Proportionate Share of the Fiduciary Net Position as a Percentage of the District's Total Pension Liability	73.53%	76.62%	78.14%	76.62%
Proportionate Share of Aggregate Employer Contributions	\$ 716,578	\$ 641,902	\$ 580,276	\$ 446,303
<b>Safety Plan</b>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
Proportion of the Net Pension Liability/(Asset)	0.00818%	0.00830%	0.00990%	0.00670%
Proportionate Share of the Net Pension Liability/(Asset)	\$ 488,521	\$ 427,873	\$ 409,693	\$ 413,710
Covered-Employee Payroll	n/a	n/a	n/a	n/a
Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	n/a	n/a	n/a	n/a
Proportionate Share of the Fiduciary Net Position as a Percentage of the District's Total Pension Liability	48.89%	51.89%	58.73%	63.04%
Proportionate Share of Aggregate Employer Contributions	\$ 16,124	\$ 15,667	\$ 19,816	\$ 19,976

**Schedule of City Contributions**

<b>Miscellaneous Plan</b>	<u>Year Ended</u>			
	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Contractually Determined Contribution (Actuarially)	\$ 934,521	\$ 915,447	\$ 861,299	\$ 555,747
Contributions in Relation to the Actuarially Determined Contribution	(934,521)	(915,447)	(861,299)	(555,747)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 2,823,120	\$ 3,187,601	\$ 2,976,881	\$ 3,004,620
Contributions as a Percentage of Covered-Employee Payroll	33.10%	28.72%	28.93%	18.50%
<b>Safety Plan</b>	<u>Year Ended</u>			
	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Contractually Determined Contribution (Actuarially)	\$ 36,228	\$ 35,298	\$ 36,328	\$ 33,643
Contributions in Relation to the Actuarially Determined Contribution	(36,228)	(35,298)	(36,328)	(33,643)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	n/a	n/a	n/a	n/a
Contributions as a Percentage of Covered-Employee Payroll	n/a	n/a	n/a	n/a

**Notes to Schedules**

Until a full 10-year trend is compiled, the information will be presented for those years for which information is available. Historical information is required only for measurement periods for which GASB 68 is applicable.

Change in Assumptions: The discount rate was changed from 7.65% at 6/30/2016 to 7.15% at 6/30/2017 measurement dates.

**City of Wasco**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
Year ended June 30, 2018

**BUDGETARY INFORMATION**

Through the budget process, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The Annual Budget assures the efficient and effective use of the City's economic resources, as well as establishing that the highest priority objectives are accomplished. Budgets are adopted for all governmental fund types and are prepared on a basis consistent with generally accepted accounting principles.

The Annual Budget serves from July 1 to June 30, and is a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the City's performance.

The City collects and records revenue and expenditures within the following categories:

- Governmental Activities
- Business-Type Activities

The Governmental Funds include the General Fund, Special Revenue and Capital Projects funds. All funding sources are kept separate for both reporting and use of the money. The General Fund is where most City services are funded that are not required to be segregated.

The budget process begins as a team effort in January of each year, starting with an annual strategic planning meeting. Then the individual departments use projected revenue assumptions to prioritize and recommend the next fiscal year's objectives. The City Manager's Office and the Finance Department review all budget proposals and revenues assumptions, as well as all current financial obligations before preparing the document that is proposed to the City Council. The City Council reviews the Proposed Budget through a series of workshops, and the final adoption of the budget is normally scheduled for the second City Council meeting each June.

The following schedules represent budgetary comparisons for all Governmental Funds within the City of Wasco. First the Major Governmental Funds are presented followed by a combining statement of all Non-Major Governmental Funds and the related budget comparisons of these Non-Major Governmental Funds.

The following schedules represent budgetary comparisons for the General Fund and all major special revenue funds within the City.



**City of Wasco**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
Year ended June 30, 2018

**GENERAL FUND**

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds. General Fund revenues are derived from such sources as Taxes, Licenses and Permits, Intergovernmental Revenues, Charges for Services, Fines, Special Assessments, Interest, and Other. Expenditures are expended for functions of General Government, Protection of Persons and Property, Public Works, Health and Sanitation, Transportation, Cultural and Recreational Services, Community Development, and Capital Outlay.

**MAJOR SPECIAL REVENUE FUNDS**

**Streets Fund** – Accounts for revenues received for maintenance and construction of the streets and alley rights-of-way within the City. Revenues are derived from its share of State gas tax revenues along with construction funding from the TDA Transfer Account.

**TDA Fund** – Accounts for revenues allocated by the Kern Council of Government under the Transportation Development Act (TDA). Revenues received are held in this fund and transferred to the Public Transportation Fund and Streets Fund when actual costs of transportation, repairs to streets or replacement of streets are incurred.

**2005 HCD Fund** – Accounts for \$950,000 awarded from the California Department of Housing and Community Development to assist in the construction of Poso Place Senior Apartments. The money was lent to F & Poso Street Investors, a California limited partnership.

**RDA Low and Moderate Income Housing (component unit)** – Accounts for the Wasco Redevelopment Agency's (a component unit of the City) required 20% set-aside of tax revenues specifically to be used toward low and moderate income housing projects as required by State Law.

**City of Wasco**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$ 5,559,285	\$ 5,774,792	\$ 7,711,840	\$ 1,937,048
Licenses & Permits	302,840	477,668	487,890	10,222
Intergovernmental	33,023	85,551	26,500	(59,051)
Charges for Services	446,688	387,822	423,118	35,296
Fines, Forfeitures & Assessments	71,306	76,918	79,486	2,568
Use of Money or Property	43,544	53,541	137,046	83,505
Miscellaneous	8,859	7,939	-	(7,939)
<b>Total Revenues</b>	<b>6,465,545</b>	<b>6,864,231</b>	<b>8,865,880</b>	<b>2,001,649</b>
<b>Expenditures:</b>				
Current:				
General Government				
Council	69,501	72,585	47,577	(25,008)
Manager	233,344	246,391	434,892	188,501
Finance & Accounting	119,744	139,907	197,417	57,510
Budget	61,107	54,691	50,757	(3,934)
Human Resources & Risk Management	45,896	47,351	46,517	(834)
<b>Total General Government</b>	<b>529,592</b>	<b>560,925</b>	<b>777,160</b>	<b>216,235</b>
Public Safety				
Sheriff	3,610,429	3,630,143	3,594,299	(35,844)
Animal Control	196,748	204,615	170,622	(33,993)
Fire	497,151	497,151	497,151	-
<b>Total Public Safety</b>	<b>4,304,328</b>	<b>4,331,909</b>	<b>4,262,072</b>	<b>(69,837)</b>
Community Development				
Planning	168,915	161,961	191,803	29,842
Engineering	112,144	104,909	100,138	(4,771)
Building Inspection	183,407	185,157	350,879	165,722
Code Compliance	163,766	163,353	164,425	1,072
Economic Development	15,460	15,420	-	(15,420)
<b>Total Community Development</b>	<b>643,692</b>	<b>630,800</b>	<b>807,245</b>	<b>176,445</b>
Non Departmental				
General Capital Outlay	177,000	241,036	162,735	(78,301)
Capital Outlay:				
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Finance Charges	-	-	-	-
<b>Total Expenditures</b>	<b>5,842,262</b>	<b>5,961,322</b>	<b>6,254,307</b>	<b>292,985</b>
<b>Excess of Revenues Over Expenditures</b>	<b>623,283</b>	<b>902,909</b>	<b>2,611,573</b>	<b>1,708,664</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	104,597	381,576	12,470	(369,106)
Transfers Out	(30,450)	(1,225,450)	(920,651)	304,799
Sale of Capital Assets	-	-	1,516,175	1,516,175
<b>Total Other Financing Sources (Uses)</b>	<b>74,147</b>	<b>(843,874)</b>	<b>607,994</b>	<b>1,451,868</b>
<b>Net Change in Fund Balances</b>	<b>\$ 697,430</b>	<b>\$ 59,035</b>	<b>3,219,567</b>	<b>\$ 3,160,532</b>
Fund Balances - Beginning			5,002,800	
Fund Balances - Ending			<u>\$ 8,222,367</u>	

**City of Wasco**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**STREETS FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	1,523	1,941	2,768	827
Intergovernmental	2,111,990	2,520,185	1,452,226	(1,067,959)
Charges for Services	-	-	-	-
Use of Money or Property	11,414	11,414	19,112	7,698
Miscellaneous	400,000	257	-	(257)
<b>Total Revenues</b>	<b>2,524,927</b>	<b>2,533,797</b>	<b>1,474,106</b>	<b>(1,059,691)</b>
<b>Expenditures:</b>				
Current:				
Public Works	1,610,503	1,520,562	1,338,608	(181,954)
Capital Outlay:				
General Capital Outlay	-	153,000	311,427	158,427
Street Improvements	2,933,705	3,521,531	2,035,214	(1,486,317)
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Finance Charges	-	-	-	-
<b>Total Expenditures</b>	<b>4,544,208</b>	<b>5,195,093</b>	<b>3,685,249</b>	<b>(1,509,844)</b>
Excess of Revenues Over Expenditures	(2,019,281)	(2,661,296)	(2,211,143)	450,153
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,995,422	2,711,113	2,169,170	(541,943)
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,995,422</b>	<b>2,711,113</b>	<b>2,169,170</b>	<b>(541,943)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (23,859)</b>	<b>\$ 49,817</b>	<b>(41,973)</b>	<b>\$ (91,790)</b>
Fund Balances - Beginning			(733,062)	
Fund Balances - Ending			<u>(775,035)</u>	

**City of Wasco**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**TDA GRANT**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 1,039,519	\$ 1,039,519	\$ 838,726	\$ (200,793)
Use of Money or Property	-	-	-	-
<b>Total Revenues</b>	<b>1,039,519</b>	<b>1,039,519</b>	<b>838,726</b>	<b>(200,793)</b>
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues Over Expenditures	1,039,519	1,039,519	838,726	(200,793)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(1,039,519)	(900,000)	(904,937)	(4,937)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,039,519)</b>	<b>(900,000)</b>	<b>(904,937)</b>	<b>(4,937)</b>
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>\$ 139,519.00</b>	<b>(66,211)</b>	<b>\$ (205,730)</b>
Fund Balances - Beginning			-	
Fund Balances - Ending			<u>\$ (66,211)</u>	

**City of Wasco**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**2005 HCD FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of Money or Property	-	-	-	-
<hr/>				
Total Revenues	-	-	-	-
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
<hr/>				
Total Expenditures	-	-	-	-
<hr/>				
Excess of Revenues Over Expenditures	-	-	-	-
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<hr/>				
Total Other Financing Sources (Uses)	-	-	-	-
<hr/>				
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<hr/>				
Fund Balances - Beginning			<u>-</u>	
Fund Balances - Ending			<u>\$ -</u>	

**City of Wasco**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**RDA LOW INCOME HOUSING**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ -	\$ -	\$ 1	\$ 1
Loan Payments	-	-	86	86
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>87</b>	<b>87</b>
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues Over Expenditures	-	-	87	87
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>87</b>	<b>\$ 87</b>
Fund Balances - Beginning			<u>74,956</u>	
Fund Balances - Ending			<u>\$ 75,043</u>	

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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**



**City of Wasco**  
**SUPPLEMENTARY INFORMATION**  
Year ended June 30, 2018

**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for revenues derived from specific taxes, governmental grants, or other revenue sources that are designated to finance particular functions and activities of the City. Four funds and one component unit are reported as major funds and are presented in the basic financial statements. Eleven funds are separately identified in the Non-Major Special Revenue Funds combining schedules and they account for all of the Non-Major Governmental Funds presented in the basic financial statements.

**Non-Major Special Revenue Funds**

**Lighting & Landscape Fund** – Accounts for revenues received for maintenance and operation of the majority of the streetlights and parkways in the City. Revenues are derived from benefit assessments to properties within the City’s three maintenance districts. Expenditures include the direct costs of labor, supplies and equipment to maintain the districts and parks.

**Emergency Response** – Accounts for the activities of the emergency response team. The emergency response team will work in close cooperation with the State and County standardized emergency management system and their associates.

**Sewer Lift Station Fund** – Accounts for funds collected from a special assessment district created around properties benefiting from the lift station. The funds collected are used to operate and maintain the sewer lift station.

**Community Facilities District** – Accounts for revenues received pursuant to Resolution 2017-3211 and Ordinance 2017-688 for the purpose of providing public safety, street maintenance, landscape maintenance in the public right-of-way and other services within the district.

**Gas Tax Fund** – Accounts for revenues apportioned under the Street and Highway Code of the State of California. These funds can be used for any street-related purpose.

**Traffic Safety Fund** – Accounts for revenues derived from vehicle fines paid on violations issued by the Kern County Sheriff’s Department within the City limits. These revenues are used for traffic striping and marking the City streets.

**Traffic Impact Fund** – Accounts for revenues charged to new businesses as they move into the City. These fees are used to install traffic lights, widen streets and any other traffic control in the area that is impacted by the traffic created by the new business.

**1993 CDBG Grant Fund** – Accounts for the Community Development Block Grant (CDBG) received in 1991 and 1993. The grant funds are disbursed to homeowners who meet low and moderate income guidelines and qualify for the CDBG program as deferred loans, grants or below market interest rate loans. The revenue collected year to year as loan payments or loan payoffs is used to fund the City’s local portion of CDBG projects and helps enhance the programs offered by the Special Programs Financing Department.

**COPS Grant Fund** – Accounts for revenues that the State of California issues to the County of Kern funds for front line law enforcement services. These funds are distributed to local Municipalities by an internal formula. The funds are utilized by the Sheriff for anti-gang and community crime prevention programs in the City.

**2002 CalHome Grant Fund** – Accounts for all grant funds awarded to the City for low and moderate income rehabilitations. This fund also utilizes available funds from the CDBG reuse money and the Redevelopment Agency’s 20% low and moderate housing set-a-side funds.

**City of Wasco**  
**SUPPLEMENTARY INFORMATION**  
Year ended June 30, 2018

**SPECIAL REVENUE FUNDS – (continued)**

**CHFA Rehab Grant Fund** – Accounts for funding from the California Housing Finance Agency. The funds are used to make rehabilitation loans to both rental property owners and owner-occupants. This program will help the City's low income citizens by enabling rental property owners to improve their properties and requiring that the rental occupants meet the State's Low-Income Guidelines.

**2003 CDBG Grant Fund** – Accounts for the Community Development Block Grant (CDBG) received in 2003. The grant funds are disbursed to homeowners who meet low and moderate income guidelines and qualify for the CDBG program as deferred loans, grants or below market interest rate loans. The revenue collected year to year as loan payments or loan payoffs is used to fund the City's local portion of CDBG projects and helps enhance the programs offered by the Special Programs Financing Department.

**2003 CalHome Grant Fund** – The City was awarded \$500,000 in funding through the 2004 CalHome Program funding. These funds will be used for the City's housing rehabilitation program toward more owner-occupied housing rehabilitation. This funding will allow the City to continue to meet the rehabilitation needs of the low and moderate income homeowners in Wasco through making 3% interest 20 year deferred loans for the purpose of housing rehabilitation. This fund also utilizes available funds from the CDBG reuse money and the Redevelopment Agency's 20% low and moderate housing set-aside funds.

**2004 CDBG Grant Fund** – The City applied for \$500,000 in funding through the 2004 Community Development Block Grant (CDBG) Program. These funds will be used by the City's housing rehabilitation department. Most of this grant will be spent on housing rehabilitation loans, however, \$46,250 of this grant will be spent on infill sidewalks for Census Tract 44 through the 10% set-aside component of the CDBG grant.

**2004 CalHome Grant Fund** – The City was awarded \$500,000 in funding through the 2004 CalHome Program funding. These funds will be used for the City's housing rehabilitation program toward more owner-occupied housing rehabilitation. This funding will allow the City to continue to meet the rehabilitation needs of the low and moderate income homeowners in Wasco through making 3% interest 20 year deferred loans for the purpose of housing rehabilitation. This fund also utilizes available funds from the CDBG reuse money and the Redevelopment Agency's 20% low and moderate housing set-aside funds.

**Miscellaneous Grants** – From time to time the City obtains grants that are not budgeted. This usually occurs when grants are applied for, but the results are not known until after the budget has been adopted, or when grants are applied for and received in the middle of the year. This fund was created to properly account for and maintain those grants that are awarded to the City.

**2005 CalHome Grant Fund** – The City was awarded \$500,000 in funding through the 2005 CalHome Program funding. These funds will be used for the City's housing rehabilitation program toward more owner-occupied housing rehabilitation. This funding will allow the City to continue to meet the rehabilitation needs of the low and moderate income homeowners in Wasco through making 3% interest 20 year deferred loans for the purpose of housing rehabilitation. This fund also utilizes available funds from the CDBG reuse money and the Redevelopment Agency's 20% low and moderate housing set-aside funds.

**City of Wasco**  
**SUPPLEMENTARY INFORMATION**  
Year ended June 30, 2018

**SPECIAL REVENUE FUNDS – (continued)**

**CDBG Revolving Loan Fund** – The City has received several rounds of funding from the Community Development Block Grants for low interest housing rehabilitation loans. As these funds pay back they are counted as program income for the CDBG Revolving Loan Fund. Funds accumulated within this fund are loaned back out for additional low interest housing rehabilitation loans in accordance with the City's agreement with the State Department for Housing and Community Development (HCD). These funds are also used in conjunction with CalHome funds in order to fund larger rehabilitation and reconstruction needs.

**CalHome Grant Reuse Fund** – The City has received several rounds of funding from the Cal Home Program and as loans are repaid the money is placed in the Cal Home Reuse Fund. The Cal Home Reuse money is available to continue funding CalHome eligible activities.

**2006 CalHome Grant Fund** – The City was awarded \$500,000 in funding through the 2006 CalHome Program funding. These funds will be used for the City's housing rehabilitation program toward more owner-occupied housing rehabilitation. This funding will allow the City to continue to meet the rehabilitation needs of the low and moderate income homeowners in Wasco through making 3% interest 20 year deferred loans for the purpose of housing rehabilitation. This fund also utilizes available funds from the CDBG reuse money and the Redevelopment Agency's 20% low and moderate housing set-aside funds.

**2008 BEGIN Grant Fund** – Accounts for the activities of the Building Equity and Growth in Neighborhoods (BEGIN) Program which is funded by the State of California Department of Housing and Community Development. The program offers grants to cities for down-payment assistance to qualifying first-time homeowners with low and moderate incomes. The funds are awards are project specific and are for new construction only. In 2007/2008 the City was awarded \$3.6 million dollars to fund 120 homes under the BEGIN Program.

**2007 HOME Grant Fund** – Accounts for HOME Grant funds received through the California Department of Housing and Community Development. These grant funds are used for first time home buyer assistance. Qualified applicants can get gap financing under this program for the purchase of their first home.

**BEGIN Grant Reuse Fund** – Accounts for program income from the City's BEGIN grant program. In accordance with the BEGIN program guidelines, all program income must be accounted for and kept in a reuse fund where it can then be accumulated and lent back out on BEGIN eligible activities.

**2009 CDBG Grant Fund** – The City was awarded \$800,000 from CDBG for a housing combo grant to assist citizens with First Time Homebuyer Down Payment Assistance and Housing Rehabilitation Loans. This money is currently being lent to qualified low income applicants at 1% interest.

**HOME Grant Reuse Fund** – Accounts for program income from the City's HOME grant program. In accordance with the HOME program guidelines, all program income must be accounted for and kept in a reuse fund where it can then be accumulated and lent back out on HOME eligible activities.

**2008 CDBG Grant Fund** – The City was awarded \$300,000 in funding through the 2008 CDBG Economic Development Grant. These funds are to be used to provide business assistance loans to qualified local businesses in the form of below market interest rate loans. This grant will be expiring in December 2012.

**City of Wasco**  
**SUPPLEMENTARY INFORMATION**  
Year ended June 30, 2018

**SPECIAL REVENUE FUNDS – (continued)**

**2010 HOME Grant Fund** – The City was awarded \$800,000 in HOME funds to assist citizens with the purchase of their first home. This money is currently being lent out to qualified low income recipients as a “silent-second” at 1% interest.

**2013 CDBG Grant Fund** – Accounts for the Community Development Block Grant (CDBG) received in 2013. The grant funds are disbursed to homeowners who meet low and moderate income guidelines and qualify for the CDBG program as deferred loans, grants or below market interest rate loans. The revenue collected year to year as loan payments or loan payoffs is used to fund the City’s local portion of CDBG projects and helps enhance the programs offered by the Special Programs Financing Department

**Public Finance Authority (component unit)** – Accounts for the general fund the Wasco Public Finance Authority (a component unit of the City). The Wasco Public Finance Authority was created for the purpose of issuing its bonds to be used to provide financial assistance to the City, the Agency or any other public entity of the State of California.

**City of Wasco**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**June 30, 2018**

	Lighting & Landscape	Emergency Response	Sewer Lift Station	Com. Facilities District	Gas Tax	Traffic Safety	Traffic Impact	1993 CDBG Grant Fund	COPS Grant Fund	2002 CalHome Grant Fund	CHFA Rehab Grant	2003 CDBG Grant Fund	2003 CalHome Grant Fund	2004 CDBG Grant Fund
<b>Assets:</b>														
Cash and Investments	\$ 145,135	\$ -	\$ 157,447	\$ -	\$ 676,822	\$ 170,857	\$ 739,628	\$ 79,607	\$ -	\$ 10,507	\$ -	\$ 32,385	\$ 254	\$ 62,526
Receivables, net	582	-	322	-	23,461	456	1,961	-	39,291	-	-	-	-	-
Prepaid Costs	294	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	46,505	24,954	6,613	-	4,630	1,059,309	-	335,354	23	-	-	-	-
Notes Receivable	-	-	-	-	-	-	-	174,783	-	37,676	-	59,166	310,516	62,927
<b>Total Assets</b>	<b>\$ 146,011</b>	<b>\$ 46,505</b>	<b>\$ 182,723</b>	<b>\$ 6,613</b>	<b>\$ 700,283</b>	<b>\$ 175,943</b>	<b>\$ 1,800,898</b>	<b>\$ 254,390</b>	<b>\$ 374,645</b>	<b>\$ 48,206</b>	<b>\$ -</b>	<b>\$ 91,551</b>	<b>\$ 310,770</b>	<b>\$ 125,453</b>
<b>Liabilities:</b>														
Accounts Payable	\$ 13,097	\$ -	\$ 120	\$ -	\$ -	\$ 784	\$ -	\$ -	\$ -	\$ 9,513	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	383,955	-	-	-	258,143	-	-	-	-	-	7,940	-	23	112
Unearned Revenue	-	21,879	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>397,052</b>	<b>21,879</b>	<b>120</b>	<b>-</b>	<b>258,143</b>	<b>784</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,513</b>	<b>7,940</b>	<b>-</b>	<b>23</b>	<b>112</b>
<b>Deferred Inflows of Resources:</b>														
Unavailable Revenue	-	-	-	-	-	-	-	174,783	-	37,676	-	59,166	310,516	62,927
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174,783</b>	<b>-</b>	<b>37,676</b>	<b>-</b>	<b>59,166</b>	<b>310,516</b>	<b>62,927</b>
<b>Fund Balances:</b>														
Nonspendable:														
Prepaid Costs	294	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted:														
Community Development	-	-	-	-	-	-	-	79,607	-	1,017	-	32,385	231	62,414
Streets and Transportation	-	-	-	-	442,140	175,159	1,800,898	-	-	-	-	-	-	-
Public Safety	-	24,626	-	-	-	-	-	-	374,645	-	-	-	-	-
Other Purposes	-	-	182,603	6,613	-	-	-	-	-	-	-	-	-	-
Assigned:														
Community Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	(251,335)	-	-	-	-	-	-	-	-	-	(7,940)	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>(251,041)</b>	<b>24,626</b>	<b>182,603</b>	<b>6,613</b>	<b>442,140</b>	<b>175,159</b>	<b>1,800,898</b>	<b>79,607</b>	<b>374,645</b>	<b>1,017</b>	<b>(7,940)</b>	<b>32,385</b>	<b>231</b>	<b>62,414</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 146,011</b>	<b>\$ 46,505</b>	<b>\$ 182,723</b>	<b>\$ 6,613</b>	<b>\$ 700,283</b>	<b>\$ 175,943</b>	<b>\$ 1,800,898</b>	<b>\$ 254,390</b>	<b>\$ 374,645</b>	<b>\$ 48,206</b>	<b>\$ -</b>	<b>\$ 91,551</b>	<b>\$ 310,770</b>	<b>\$ 125,453</b>

**City of Wasco**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**June 30, 2018**

2004 CalHome Grant Fund	Miscellaneous Grants	2005 CalHome Grant Fund	CDBG Revolving Loan Fund	CalHome Grant Reuse	2006 CalHome Grant Fund	2008 BEGIN Grant Fund	2007 HOME Grant	BEGIN Grant Reuse	2009 CDBG Grant Fund	HOME Grant Reuse	2008 CDGB Grant Fund	2010 HOME Grant Fund	2013 CDBG Grant Fund	Public Financing Authority	Total Non-Major Special Revenue Funds
\$ 10	\$ 6,631	\$ -	\$ 77,273	\$ 541,639	\$ -	\$ -	\$ -	\$ 10,936	\$ 6,395	\$ 135,095	\$ 5,630	\$ 200	\$ -	\$ -	\$ 2,858,977
-	179,681	-	-	-	-	-	-	-	-	-	-	-	-	-	245,754
-	-	-	64,404	301,434	-	-	-	-	-	56,670	-	-	-	174,172	2,074,068
374,798	-	152,027	367,795	481,735	371,539	86,447	488,377	-	324,662	-	10,074	461,339	330,180	-	4,094,041
\$ 374,808	\$ 186,312	\$ 152,027	\$ 509,472	\$ 1,324,808	\$ 371,539	\$ 86,447	\$ 488,377	\$ 10,936	\$ 331,057	\$ 191,765	\$ 15,704	\$ 461,539	\$ 330,180	\$ 174,172	\$ 9,273,134
\$ -	\$ 179,681	\$ 45,491	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,842	\$ 208,037
5	-	-	-	-	20,393	-	2,723	-	-	-	-	-	13,411	47,731	779,927
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,879
5	179,681	45,491	-	-	20,393	-	2,723	-	-	-	-	-	13,411	52,573	1,009,843
374,798	-	152,027	367,795	481,735	371,539	86,447	488,377	-	324,662	-	10,074	461,339	330,180	-	4,094,041
374,798	-	152,027	367,795	481,735	371,539	86,447	488,377	-	324,662	-	10,074	461,339	330,180	-	4,094,041
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	294
5	6,631	-	141,677	843,073	-	-	-	10,936	6,395	191,765	5,630	200	-	-	1,381,966
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,418,197
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	399,271
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	189,216
-	-	-	-	-	-	-	-	-	-	-	-	-	-	121,599	121,599
-	-	(45,491)	-	-	(20,393)	-	(2,723)	-	-	-	-	-	(13,411)	-	(341,299)
5	6,631	(45,491)	141,677	843,073	(20,393)	-	(2,723)	10,936	6,395	191,765	5,630	200	(13,411)	121,599	4,169,250
\$ 374,808	\$ 186,312	\$ 152,027	\$ 509,472	\$ 1,324,808	\$ 371,539	\$ 86,447	\$ 488,377	\$ 10,936	\$ 331,057	\$ 191,765	\$ 15,704	\$ 461,539	\$ 330,180	\$ 174,172	\$ 9,273,134

**City of Wasco**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (DEFICITS)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**Year ended June 30, 2018**

	Lighting & Landscape	Emergency Response	Sewer Lift Station	Com. Facilities District	Gas Tax	Traffic Safety	Traffic Impact	1993 CDBG Grant Fund	COPS Grant Fund	2002 Call-Home Grant Fund	CHFA Rehab Grant	2003 CDBG Grant Fund	2003 Call-Home Grant Fund	2004 CDBG Grant Fund
<b>Revenues:</b>														
Taxes	\$ 148,204	\$ -	\$ 10,002	\$ 6,613	\$ 667,158	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-	-	-	142,881	-	-	-	-	-	-	-
Intergovernmental	-	12,172	-	-	-	-	-	-	174,594	-	-	-	-	-
Charges for Services	1,798	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, Forfeitures & Assessments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Use of Money or Property	2,139	-	953	-	-	1,343	5,242	-	-	243	-	1,050	3,740	1,935
Loan Payments	-	-	-	-	-	-	-	210	-	232	-	3,751	1,059	6,268
Contributions and Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>152,141</b>	<b>12,172</b>	<b>10,955</b>	<b>6,613</b>	<b>667,158</b>	<b>1,343</b>	<b>148,123</b>	<b>210</b>	<b>174,594</b>	<b>475</b>	<b>-</b>	<b>4,801</b>	<b>4,799</b>	<b>8,203</b>
<b>Expenditures:</b>														
<b>Current:</b>														
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Works	279,467	-	4,229	-	-	8,104	332	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General Capital Outlay	294	2,512	-	-	-	-	-	-	-	-	-	-	-	-
Street Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Finance Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>279,761</b>	<b>2,512</b>	<b>4,229</b>	<b>-</b>	<b>-</b>	<b>8,104</b>	<b>332</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(127,620)</b>	<b>9,660</b>	<b>6,726</b>	<b>6,613</b>	<b>667,158</b>	<b>(6,761)</b>	<b>147,791</b>	<b>210</b>	<b>174,594</b>	<b>475</b>	<b>-</b>	<b>4,801</b>	<b>4,799</b>	<b>8,203</b>
<b>Other Financing Sources (Uses):</b>														
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	(452,867)	-	-	(210)	-	(475)	-	(4,801)	(4,799)	(8,203)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(452,867)</b>	<b>-</b>	<b>-</b>	<b>(210)</b>	<b>-</b>	<b>(475)</b>	<b>-</b>	<b>(4,801)</b>	<b>(4,799)</b>	<b>(8,203)</b>
<b>Net Change in Fund Balances</b>	<b>(127,620)</b>	<b>9,660</b>	<b>6,726</b>	<b>6,613</b>	<b>214,291</b>	<b>(6,761)</b>	<b>147,791</b>	<b>-</b>	<b>174,594</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances - Beginning</b>	<b>(123,421)</b>	<b>14,966</b>	<b>175,877</b>	<b>-</b>	<b>227,849</b>	<b>181,920</b>	<b>1,653,107</b>	<b>79,607</b>	<b>200,051</b>	<b>1,017</b>	<b>(7,940)</b>	<b>32,385</b>	<b>231</b>	<b>62,414</b>
<b>Fund Balances - Ending</b>	<b>\$ (251,041)</b>	<b>\$ 24,626</b>	<b>\$ 182,603</b>	<b>\$ 6,613</b>	<b>\$ 442,140</b>	<b>\$ 175,159</b>	<b>\$ 1,800,898</b>	<b>\$ 79,607</b>	<b>\$ 374,645</b>	<b>\$ 1,017</b>	<b>\$ (7,940)</b>	<b>\$ 32,385</b>	<b>\$ 231</b>	<b>\$ 62,414</b>

**City of Wasco**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (DEFICITS)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**Year ended June 30, 2018**

2004 CalHome Grant Fund	Miscellaneous Grants	2005 CalHome Grant Fund	CDBG Revolving Loan Fund	CalHome Grant Reuse	2006 CalHome Grant Fund	2008 BEGIN Grant Fund	2007 HOME Grant	BEGIN Grant Reuse	2009 CDBG Grant Fund	HOME Grant Reuse	2008 CDBG Grant Fund	2010 HOME Grant Fund	2013 CDBG Grant Fund	Public Financing Authority	Total Non-Major Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 831,977
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	142,881
-	179,681	-	-	-	-	-	-	-	-	-	-	-	-	-	366,447
-	-	-	-	-	-	-	-	-	-	-	-	-	-	50,833	52,631
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
425	-	575	2,673	2,426	323	-	2,834	-	1,234	74	252	9,498	-	1,639	38,598
7,023	-	4,080	7,939	987	7,057	-	2,385	-	7,770	-	3,615	48,250	-	-	100,626
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7,448	179,681	4,655	10,612	3,413	7,380	-	5,219	-	9,004	74	3,867	57,748	-	52,472	1,533,160
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	179,766	-	-	-	-	-	-	-	-	-	-	-	-	22,183	292,132
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	201,949
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,806
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	179,766	-	-	-	-	-	-	-	-	-	-	-	-	22,183	496,887
7,448	(85)	4,655	10,612	3,413	7,380	-	5,219	-	9,004	74	3,867	57,748	-	30,289	1,036,273
-	-	-	21,650	24,762	-	-	-	-	-	56,670	-	-	-	-	103,082
(7,453)	-	(4,655)	(1,740)	-	(7,380)	-	(5,219)	-	(9,004)	-	(3,867)	(57,748)	-	-	(568,421)
(7,453)	-	(4,655)	19,910	24,762	(7,380)	-	(5,219)	-	(9,004)	56,670	(3,867)	(57,748)	-	-	(465,339)
(5)	(85)	-	30,522	28,175	-	-	-	-	-	56,744	-	-	-	30,289	570,934
10	6,716	(45,491)	111,155	814,898	(20,393)	-	(2,723)	10,936	6,395	135,021	5,630	200	(13,411)	91,310	3,598,316
\$ -	\$ 6,631	\$ (45,491)	\$ 141,677	\$ 843,073	\$ (20,393)	\$ -	\$ (2,723)	\$ 10,936	\$ 6,395	\$ 191,765	\$ 5,630	\$ 200	\$ (13,411)	\$ 121,599	\$ 4,169,250



**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**LIGHTING & LANDSCAPE FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$ 127,790	\$ 135,075	\$ 148,204	\$ 13,129
Charges for Services	-	11	1,798	1,787
Use of Money or Property	305	670	2,139	1,469
	<hr/>			
Total Revenues	128,095	135,756	152,141	16,385
<b>Expenditures:</b>				
Current:				
Public Works	214,973	261,522	279,467	17,945
Capital Outlay:				
General Capital Outlay	-	3,500	294	(3,206)
	<hr/>			
Total Expenditures	214,973	265,022	279,761	14,739
Excess of Revenues Over Expenditures	(86,878)	(129,266)	(127,620)	1,646
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
	<hr/>			
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	<u>\$ (86,878)</u>	<u>\$ (129,266)</u>	(127,620)	<u>\$ 1,646</u>
Fund Balances - Beginning			<u>(123,421)</u>	
Fund Balances - Ending			<u>\$ (251,041)</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**EMERGENCY RESPONSE**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 12,172	\$ 12,172
Use of Money or Property	-	-	-	-
	<hr/>			
Total Revenues	-	-	12,172	12,172
<b>Expenditures:</b>				
Current:				
Public Works	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	2,512	2,512
	<hr/>			
Total Expenditures	-	-	2,512	2,512
	<hr/>			
Excess of Revenues Over Expenditures	-	-	9,660	9,660
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
	<hr/>			
Total Other Financing Sources (Uses)	-	-	-	-
	<hr/>			
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	9,660	<u>\$ 9,660</u>
	<hr/>			
Fund Balances - Beginning			<u>14,966</u>	
	<hr/>			
Fund Balances - Ending			<u>\$ 24,626</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**SEWER LIFT STATION FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$ 9,846	\$ 12,920	\$ 10,002	\$ (2,918)
Use of Money or Property	-	3	953	950
	<hr/>			
Total Revenues	9,846	12,923	10,955	(1,968)
<b>Expenditures:</b>				
Current:				
Public Works	10,201	16,785	4,229	(12,556)
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	10,201	16,785	4,229	(12,556)
	<hr/>			
Excess of Revenues Over Expenditures	(355)	(3,862)	6,726	10,588
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
	<hr/>			
Total Other Financing Sources (Uses)	-	-	-	-
	<hr/>			
Net Change in Fund Balances	<u>\$ (355)</u>	<u>\$ (3,862)</u>	6,726	<u>\$ 10,588</u>
	<hr/>			
Fund Balances - Beginning			<u>175,877</u>	
	<hr/>			
Fund Balances - Ending			<u>\$ 182,603</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**COMMUNITY FACILITIES DISTRICT**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 6,613	\$ 6,613
Use of Money or Property	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>6,613</b>	<b>6,613</b>
<b>Expenditures:</b>				
Current:				
Public Works	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues Over Expenditures	-	-	6,613	6,613
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>6,613</b>	<b>\$ 6,613</b>
Fund Balances - Beginning			-	
Fund Balances - Ending			<u>\$ 6,613</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**GAS TAX FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$ 773,000	\$ 773,000	\$ 667,158	\$ (105,842)
Use of Money or Property	-	-	-	-
	<hr/>			
Total Revenues	773,000	773,000	667,158	(105,842)
<b>Expenditures:</b>				
Current:				
Public Works	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	773,000	773,000	667,158	(105,842)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(568,524)	(773,000)	(452,867)	320,133
	<hr/>			
Total Other Financing Sources (Uses)	(568,524)	(773,000)	(452,867)	320,133
	<hr/>			
Net Change in Fund Balances	<u>\$ 204,476.00</u>	<u>\$ -</u>	214,291	<u>\$ 214,291.00</u>
	<hr/>			
Fund Balances - Beginning			<u>227,849</u>	
	<hr/>			
Fund Balances - Ending			<u>\$ 442,140</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**TRAFFIC SAFETY FUND**  
**Year ended June 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Fines, Forfeitures & Assessments	\$ 22,000	\$ 22,000	\$ -	\$ (22,000)
Use of Money or Property	508	508	1,343	835
	<hr/>			
Total Revenues	22,508	22,508	1,343	(21,165)
<b>Expenditures:</b>				
Current:				
Public Works	44,153	44,153	8,104	(36,049)
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	44,153	44,153	8,104	(36,049)
	<hr/>			
Excess of Revenues Over Expenditures	<u>\$ (21,645)</u>	<u>\$ (21,645)</u>	(6,761)	<u>\$ 14,884</u>
	<hr/>			
Fund Balances - Beginning			<u>181,920</u>	
	<hr/>			
Fund Balances - Ending			<u>\$ 175,159</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**TRAFFIC IMPACT FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Charges for Services	\$ 25,375	\$ 117,158	\$ 142,881	\$ 25,723
Use of Money or Property	1,523	1,523	5,242	3,719
	<hr/>			
Total Revenues	26,898	118,681	148,123	29,442
<b>Expenditures:</b>				
Current:				
Public Works	-	568	332	(236)
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	-	568	332	(236)
Excess of Revenues Over Expenditures	26,898	118,113	147,791	29,678
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(26,898)	(118,113)	-	118,113
	<hr/>			
Total Other Financing Sources (Uses)	(26,898)	(118,113)	-	118,113
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	147,791	<u>\$ 147,791</u>
Fund Balances - Beginning			<u>1,653,107</u>	
Fund Balances - Ending			<u>\$ 1,800,898</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**1993 CDBG GRANT FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ -	\$ -	\$ -	\$ -
Loan Payments	5,644	5,644	210	(5,434)
	<hr/>			
Total Revenues	5,644	5,644	210	(5,434)
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	5,644	5,644	210	(5,434)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(210)	(210)
	<hr/>			
Total Other Financing Sources (Uses)	-	-	(210)	(210)
Net Change in Fund Balances	<u>\$ 5,644</u>	<u>\$ 5,644</u>	-	<u>\$ (5,644)</u>
Fund Balances - Beginning			<u>79,607</u>	
Fund Balances - Ending			<u>\$ 79,607</u>	



**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**COPS GRANT FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 174,594	\$ 74,594
Use of Money or Property	-	-	-	-
<hr/>				
Total Revenues	100,000	100,000	174,594	74,594
<b>Expenditures:</b>				
Current:				
Public Safety	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
<hr/>				
Total Expenditures	-	-	-	-
<hr/>				
Excess of Revenues Over Expenditures	100,000	100,000	174,594	74,594
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(101,500)	(101,500)	-	101,500
<hr/>				
Total Other Financing Sources (Uses)	(101,500)	(101,500)	-	101,500
<hr/>				
Net Change in Fund Balances	<u>\$ (1,500.00)</u>	<u>\$ (1,500.00)</u>	174,594	<u>\$ 176,094.00</u>
<hr/>				
Fund Balances - Beginning			<u>200,051</u>	
Fund Balances - Ending			<u>\$ 374,645</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**2002 CALHOME GRANT FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ 609	\$ 609	\$ 243	\$ (366)
Loan Payments	5,002	5,002	232	(4,770)
<b>Total Revenues</b>	<b>5,611</b>	<b>5,611</b>	<b>475</b>	<b>(5,136)</b>
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues Over Expenditures	5,611	5,611	475	(5,136)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(5,611)	(5,611)	(475)	5,136
<b>Total Other Financing Sources (Uses)</b>	<b>(5,611)</b>	<b>(5,611)</b>	<b>(475)</b>	<b>5,136</b>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances - Beginning			<u>1,017</u>	
Fund Balances - Ending			<u>\$ 1,017</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**CHFA REHAB GRANT**  
**Year ended June 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Use of Money or Property	\$ -	\$ -	\$ -	\$ -
Loan Payments	-	-	-	-
	<hr/>			
Total Revenues	-	-	-	-
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	-	-	-	-
<b>Other Financing Sources (Uses):</b>				
Transfers Out	-	-	-	-
	<hr/>			
Total Other Financing Sources (Uses)	-	-	-	-
	<hr/>			
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
	<hr/>			
Fund Balances - Beginning			<u>(7,940)</u>	
Fund Balances - Ending			<u>\$ (7,940)</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**2003 CDBG GRANT FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ 3,371	\$ 3,371	\$ 1,050	\$ (2,321)
Loan Payments	9,237	9,237	3,751	(5,486)
Total Revenues	12,608	12,608	4,801	(7,807)
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	12,608	12,608	4,801	(7,807)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(9,249)	(9,249)	(4,801)	4,448
Total Other Financing Sources (Uses)	(9,249)	(9,249)	(4,801)	4,448
Net Change in Fund Balances	<u>\$ 3,359</u>	<u>\$ 3,359</u>	<u>-</u>	<u>\$ (3,359)</u>
Fund Balances - Beginning			<u>32,385</u>	
Fund Balances - Ending			<u>\$ 32,385</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**2003 CALHOME GRANT FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ 1,983	\$ 1,983	\$ 3,740	\$ 1,757
Loan Payments	1,289	4,676	1,059	(3,617)
	<hr/>			
Total Revenues	3,272	6,659	4,799	(1,860)
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	3,272	6,659	4,799	(1,860)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(694)	(694)	(4,799)	(4,105)
	<hr/>			
Total Other Financing Sources (Uses)	(694)	(694)	(4,799)	(4,105)
	<hr/>			
Net Change in Fund Balances	\$ 2,578	\$ 5,965	-	\$ (5,965)
	<hr/>			
Fund Balances - Beginning			231	
	<hr/>			
Fund Balances - Ending			\$ 231	
	<hr/>			

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**2004 CDBG GRANT FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ 2,584	\$ 2,584	\$ 1,935	\$ (649)
Loan Payments	7,818	4,525	6,268	1,743
	<hr/>			
Total Revenues	10,402	7,109	8,203	1,094
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	10,402	7,109	8,203	1,094
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(1,561)	(1,561)	(8,203)	(6,642)
	<hr/>			
Total Other Financing Sources (Uses)	(1,561)	(1,561)	(8,203)	(6,642)
	<hr/>			
Net Change in Fund Balances	\$ 8,841.00	\$ 5,548.00	-	\$ (5,548)
	<hr/>			
Fund Balances - Beginning			62,414	
			<hr/>	
Fund Balances - Ending			\$ 62,414	
			<hr/>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**2004 CALHOME GRANT FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ 2,383	\$ 2,383	\$ 425	\$ (1,958)
Loan Payments	5,499	6,920	7,023	103
	<hr/>			
Total Revenues	7,882	9,303	7,448	(1,855)
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	7,882	9,303	7,448	(1,855)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(6,664)	(6,664)	(7,453)	(789)
	<hr/>			
Total Other Financing Sources (Uses)	(6,664)	(6,664)	(7,453)	(789)
	<hr/>			
Net Change in Fund Balances	\$ 1,218.00	\$ 2,639.00	(5)	\$ (2,644.00)
	<hr/>			
Fund Balances - Beginning			10	
	<hr/>			
Fund Balances - Ending			\$ 5	
	<hr/>			

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**MISCELLANOUS GRANTS**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 179,681	\$ 179,681
Total Revenues	-	-	179,681	179,681
<b>Expenditures:</b>				
Current:				
Community Development	-	-	179,766	179,766
Total Expenditures	-	-	179,766	179,766
Excess of Revenues Over Expenditures	-	-	(85)	(85)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>(85)</u>	<u>\$ (85)</u>
Fund Balances - Beginning			<u>6,716</u>	
Fund Balances - Ending			<u>\$ 6,631</u>	



**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**2005 CALHOME GRANT FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ 1,589	\$ 1,589	\$ 575	\$ (1,014)
Loan Payments	5,936	5,936	4,080	(1,856)
	<hr/>			
Total Revenues	7,525	7,525	4,655	(2,870)
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	7,525	7,525	4,655	(2,870)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(7,525)	(7,525)	(4,655)	2,870
	<hr/>			
Total Other Financing Sources (Uses)	(7,525)	(7,525)	(4,655)	2,870
	<hr/>			
Net Change in Fund Balances	\$ -	\$ -	-	\$ -
	<hr/> <hr/>			
Fund Balances - Beginning			(45,491)	
	<hr/>			
Fund Balances - Ending			\$ (45,491)	
	<hr/> <hr/>			

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**CDBG REVOLVING LOAN FUND**  
**Year ended June 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Use of Money or Property	\$ 3,785	\$ 3,785	\$ 2,673	\$ (1,112)
Loan Payments	17,608	17,608	7,939	(9,669)
	<hr/>			
Total Revenues	21,393	21,393	10,612	(10,781)
<b>Expenditures:</b>				
Current:				
Community Development	20,300	20,300	-	(20,300)
	<hr/>			
Total Expenditures	20,300	20,300	-	(20,300)
<hr/>				
Excess of Revenues Over Expenditures	1,093	1,093	10,612	9,519
<b>Other Financing Sources (Uses):</b>				
Transfers In	12,506	12,506	21,650	9,144
Transfers Out	-	-	(1,740)	(1,740)
	<hr/>			
Total Other Financing Sources (Uses)	12,506	12,506	19,910	7,404
<hr/>				
Net Change in Fund Balances	<u>\$ 13,599</u>	<u>\$ 13,599</u>	30,522	<u>\$ 16,923</u>
Fund Balances - Beginning			<u>111,155</u>	
Fund Balances - Ending			<u>\$ 141,677</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**CALHOME GRANT REUSE**  
**Year ended June 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Use of Money or Property	\$ 961	\$ 961	\$ 2,426	\$ 1,465
Loan Payments	3,424	3,424	987	(2,437)
	<hr/>			
Total Revenues	4,385	4,385	3,413	(972)
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	4,385	4,385	3,413	(972)
<b>Other Financing Sources (Uses):</b>				
Transfers In	22,871	22,871	24,762	1,891
Transfers Out	-	-	-	-
	<hr/>			
Total Other Financing Sources (Uses)	22,871	22,871	24,762	1,891
	<hr/>			
Net Change in Fund Balances	<u>\$ 27,256</u>	<u>\$ 27,256</u>	28,175	<u>\$ 919</u>
	<hr/>			
Fund Balances - Beginning			<u>814,898</u>	
	<hr/>			
Fund Balances - Ending			<u>\$ 843,073</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**2006 CALHOME GRANT FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ 287	\$ 287	\$ 323	\$ 36
Loan Payments	3,308	9,638	7,057	(2,581)
	<hr/>			
Total Revenues	3,595	9,925	7,380	(2,545)
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	3,595	9,925	7,380	(2,545)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(2,377)	(2,377)	(7,380)	(5,003)
	<hr/>			
Total Other Financing Sources (Uses)	(2,377)	(2,377)	(7,380)	(5,003)
	<hr/>			
Net Change in Fund Balances	\$ 1,218	\$ 7,548	-	\$ (7,548)
	<hr/>			
Fund Balances - Beginning			(20,393)	
	<hr/>			
Fund Balances - Ending			\$ (20,393)	
	<hr/>			

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**2008 BEGIN GRANT FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of Money or Property	-	-	-	-
<hr/>				
Total Revenues	-	-	-	-
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
<hr/>				
Total Expenditures	-	-	-	-
<hr/>				
Excess of Revenues Over Expenditures	-	-	-	-
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<hr/>				
Total Other Financing Sources (Uses)	-	-	-	-
<hr/>				
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balances - Beginning			<hr/>	
Fund Balances - Ending			<u><u>\$ -</u></u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**2007 HOME GRANT FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ 6,090	\$ 6,090	\$ 2,834	\$ (3,256)
Loan Payments	87,442	87,442	2,385	(85,057)
	<hr/>			
Total Revenues	93,532	93,532	5,219	(88,313)
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	93,532	93,532	5,219	(88,313)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(5,219)	(5,219)
	<hr/>			
Total Other Financing Sources (Uses)	-	-	(5,219)	(5,219)
Net Change in Fund Balances	<u>\$ 93,532.00</u>	<u>\$ 93,532.00</u>	-	<u>\$ (93,532.00)</u>
Fund Balances - Beginning			<u>(2,773)</u>	
Fund Balances - Ending			<u>\$ (2,773)</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**BEGIN GRANT REUSE**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of Money or Property	-	-	-	-
<hr/>				
Total Revenues	-	-	-	-
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
<hr/>				
Total Expenditures	-	-	-	-
<hr/>				
Excess of Revenues Over Expenditures	-	-	-	-
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<hr/>				
Total Other Financing Sources (Uses)	-	-	-	-
<hr/>				
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<hr/>				
Fund Balances - Beginning			<u>10,936</u>	
Fund Balances - Ending			<u>\$ 10,936</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**2009 CDBG GRANT FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of Money or Property	1,826	1,826	1,234	(592)
Loan Payments	7,204	7,204	7,770	566
	<hr/>			
Total Revenues	9,030	9,030	9,004	(26)
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	9,030	9,030	9,004	(26)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(1,536)	(1,536)	(9,004)	(7,468)
	<hr/>			
Total Other Financing Sources (Uses)	(1,536)	(1,536)	(9,004)	(7,468)
	<hr/>			
Net Change in Fund Balances	<u>\$ 7,494</u>	<u>\$ 7,494</u>	-	<u>\$ (7,494)</u>
Fund Balances - Beginning			<u>6,395</u>	
Fund Balances - Ending			<u>\$ 6,395</u>	



**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**HOME GRANT REUSE**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of Money or Property	-	-	74	74
	<hr/>			
Total Revenues	-	-	74	74
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	74	74
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	56,670	56,670
Transfers Out	-	-	-	-
	<hr/>			
Total Other Financing Sources (Uses)	-	-	56,670	56,670
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>56,744</u>	<u>\$ 56,744.00</u>
Fund Balances - Beginning			<u>135,021</u>	
Fund Balances - Ending			<u>\$ 191,765</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**2008 CDBG GRANT FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of Money or Property	447	447	252	(195)
Loan Payment	3,478	3,867	3,615	(252)
	<hr/>			
Total Revenues	3,925	4,314	3,867	(447)
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	3,925	4,314	3,867	(447)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(3,257)	(3,257)	(3,867)	(610)
	<hr/>			
Total Other Financing Sources (Uses)	(3,257)	(3,257)	(3,867)	(610)
	<hr/>			
Net Change in Fund Balances	\$ 668	\$ 1,057	-	\$ (1,057)
	<hr/>			
Fund Balances - Beginning			5,630	
			<hr/>	
Fund Balances - Ending			\$ 5,630	
			<hr/>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**2010 HOME GRANT FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of Money or Property	-	-	9,498	9,498
Loan Payments		-	48,250	
	<hr/>			
Total Revenues	-	-	57,748	9,498
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	-	-	57,748	9,498
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(57,748)	(57,748)
	<hr/>			
Total Other Financing Sources (Uses)	-	-	(57,748)	(57,748)
	<hr/>			
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ (48,250)</u>
Fund Balances - Beginning			<u>200</u>	
Fund Balances - Ending			<u>\$ 200</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**2013 CDBG GRANT FUND**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of Money or Property	-	-	-	-
<hr/>				
Total Revenues	-	-	-	-
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
<hr/>				
Total Expenditures	-	-	-	-
<hr/>				
Excess of Revenues Over Expenditures	-	-	-	-
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<hr/>				
Total Other Financing Sources (Uses)	-	-	-	-
<hr/>				
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances - Beginning			<u>(13,411)</u>	
Fund Balances - Ending			<u><u>\$ (13,411)</u></u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**PUBLIC FINANCING AUTHORITY**  
**Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Charges for Services	\$ -	\$ -	\$ 50,833	\$ 50,833
Use of Money or Property	-	-	1,639	1,639
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>52,472</b>	<b>52,472</b>
<b>Expenditures:</b>				
Current:				
Community Development	-	-	22,183	22,183
Capital Outlay:				
General Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>22,183</b>	<b>22,183</b>
Excess of Revenues Over Expenditures	-	-	30,289	30,289
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>30,289</b>	<b>\$ 30,289</b>
Fund Balances - Beginning			91,310	
Fund Balances - Ending			<u>\$ 121,599</u>	

**City of Wasco**  
**SUPPLEMENTARY INFORMATION**  
Year ended June 30, 2018

**FIDUCIARY FUNDS**

Fiduciary Funds are used to report assets held by the City in a trustee or agency capacity for others and therefore cannot be used to support the City government's programs. These include Agency Funds.

**Agency Funds** – accounts for assets held by the City of Wasco Public Financing Authority as an agent for various local governments and other entities.

**City of Wasco**  
**STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**FINANCING AUTHORITY**  
**Year ended June 30, 2018**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>Assets:</b>				
Cash and Investments	\$ 677,086	\$ 608,282	\$ (778,109)	\$ 507,259
Investments with Fiscal Agents - Restricted	457,638	1,639	-	459,277
Receivables	4,639	-	(4,639)	-
Due from City of Wasco	-	13,193	-	13,193
	<hr/>			
Total Assets	\$ 1,139,363	\$ 623,114	\$ (782,748)	\$ 979,729
<hr/>				
<b>Liabilities:</b>				
Accounts Payable	\$ 60,801	\$ 482	\$ (60,801)	\$ 482
Due to City of Wasco	100,791	-	(100,791)	-
Due to Bondholders	977,771	622,632	(621,156)	979,247
	<hr/>			
Total Liabilities	\$ 1,139,363	\$ 623,114	\$ (782,748)	\$ 979,729
	<hr/>			

**ADDITIONAL REPORTING REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**



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# Albert & Associates, LLP

*Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and City Council of the  
City of Wasco, California:

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wasco, California, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Wasco, California's basic financial statements, and have issued our report thereon dated May 8, 2019.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Wasco, California's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Wasco, California's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Wasco, California's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Wasco, California's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Albert & Associates, LLP*

Wasco, California  
May 8, 2019

**SINGLE AUDIT REPORTS AND SCHEDULES**

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# Albert & Associates, LLP

*Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To The Honorable Mayor and City Council of the  
City of Wasco, California:

### **Report on Compliance for Each Major Federal Program**

We have audited City of Wasco, California's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Wasco, California's major federal programs for the year ended June 30, 2018. City of Wasco, California's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statues, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of City of Wasco, California's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Wasco, California's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Wasco, California's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, City of Wasco, California, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

### **Report on Internal Control Over Compliance**

Management of City of Wasco, California, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Wasco, California's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Wasco, California's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Albert & Associates, LLP*

Wasco, California  
May 8, 2019

**City of Wasco**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year ended June 30, 2018**

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Grant Number / Pass-through Grantor's Number	Federal Expenditures
<b><u>U.S. Department of Transportation</u></b>			
Pass-through State of California Department of Transportation			
Highway Planning & Construction	20.205	ATPL-5287 (041)	\$ 18,453
Highway Planning & Construction	20.205	STPL-5287 (045)	45,824
Highway Planning & Construction	20.205	STPL-5287 (050)	582,912
Highway Planning & Construction	20.205	HSIPL-5287 (051)	6,132
Highway Planning & Construction	20.205	HSIPL-5287 (046)	92,831
Highway Planning & Construction	20.205	CMLNI-5287 (048)	283,246
Highway Planning & Construction	20.205	CMLNI-5287 (049)	325,250
<b>Total U.S. Department of Transportation</b>			<u>1,354,648</u>
<b><u>U.S. Department of Transportation</u></b>			
Pass-through Regional Agency/State of California Transportation Planning Agency FTA Section 5311	30.090	64BO15-00287	84,202
<b>Total U.S. Department of Transportation</b>			<u>84,202</u>
<b><u>U.S. Department of Justice</u></b>			
Pass-through Regional Agency/State of California Office of Community Oriented Policing Services COPS Hiring Program (CHP)	16.710	2015UMWX0018	74,594
<b>Total U.S. Department of Justice</b>			<u>74,594</u>
<b><u>U.S. Department of Interior</u></b>			
Pass-through State of California Department of Parks and Recreation Land and Water Conservation Fund	15.954	06-01787	179,681
<b>Total U.S. Department of Interior</b>			<u>179,681</u>
			<u>\$ 1,693,125</u>



**City of Wasco**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2018

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Wasco, California, under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Wasco, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Wasco.

**Note B – Summary of Significant Accounting Policies**

- 1) Expenditures reported on the Schedule are reported generally using the modified-accrual basis of accounting for program expenditures accounted for in the governmental funds and the accrual basis of accounting for program expenditures accounted for in the proprietary funds, as described in Note 1 of the notes to the City of Wasco's basic financial statements. Such expenditures are recognized following the cost principles contained in Uniform Guidance and/or OMB Circular A0122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- 2) Pass-through entity identifying numbers are presented where available.

**Note C – Loans Outstanding**

The accompanying schedule of Federal Awards does not include \$1,246,555 of loans receivable at the beginning of year relating to the HOME Investment Partnership Program (CFDA #14.228).

**Note D – Indirect Cost Rate**

The City of Wasco, California has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

**City of Wasco**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 Year ended June 30, 2018

**A. Summary of Auditor’s Results:**

1. The auditor’s report expresses an unmodified opinion on whether the financial statements of the City of Wasco were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of City of Wasco were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit or reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance. No material weaknesses are reported.
5. The auditor’s report on compliance for the major federal award programs for City of Wasco expresses an unmodified opinion on all major federal programs.
6. No audit findings were required to be reported in accordance with 2 CFR Section 200.516 (a) are reported in this Schedule.
7. The programs tested as major programs were:

CFDA Numbers	Program Title
20.205	Teresa Burke School sidewalk improvements
20.205	Griffith Ave. re-surface
20.205	7th Street re-surface
20.205	Barker Park
20.205	Replace and upgrade signs
20.205	Purchase refuse truck
20.205	Purchase street sweeper

8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The City of Wasco did qualify as a low-risk auditee.

**B. Findings – Financial Statements Audit**

No findings.

**C. Findings and Questioned Costs – Major Federal Award Programs Audit**

No matters were reported.

**City of Wasco**  
**SUMMARY SCHEDULE OF PRIOR FINDINGS**  
Year ended June 30, 2018

No Prior Audit Findings