

**CITY OF WASCO, CALIFORNIA**

**FINANCIAL STATEMENTS**

For The Year Ending June 30, 2015

# City of Wasco

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June 30, 2015

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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 City of Wasco, California, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wasco, California, as of June 30, 2015, 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 U.A. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule 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 March 18, 2016, 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 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 City of Wasco, California's internal control over financial reporting and compliance.

*Albert & Associates, LLP*

Wasco, California  
March 18, 2016

**City of Wasco**  
**STATEMENT OF NET POSITION**  
**June 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Current Assets:			
Cash and Investments	\$ 6,743,856	\$ 16,781,359	\$ 23,525,215
Receivables, net	1,557,352	1,605,138	3,162,490
Prepaid Expenses	20,222	19,980	40,202
Due from RDA Successor Agency	-	-	-
Internal Balances	<u>(585,768)</u>	<u>585,768</u>	<u>-</u>
Total Current Assets	7,735,662	18,992,245	26,727,907
Noncurrent Assets:			
Notes Receivable	6,036,982	16,849	6,053,831
Capital Assets:			
Land	869,474	287,323	1,156,797
Construction in Progress	1,726,382	241,248	1,967,630
Depreciable Buildings, Property, Equipment and Infrastructure, net of accumulated depreciation	<u>18,240,796</u>	<u>21,964,605</u>	<u>40,205,401</u>
Total Noncurrent Assets	<u>26,873,634</u>	<u>22,510,025</u>	<u>49,383,659</u>
Total Assets	<u>34,609,296</u>	<u>41,502,270</u>	<u>76,111,566</u>
Deferred Outflows of Resources:			
Deferred Pensions	<u>533,037</u>	<u>446,813</u>	<u>979,850</u>
Total Deferred Outflows of Resources	<u>533,037</u>	<u>446,813</u>	<u>979,850</u>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts Payable	333,981	114,089	448,070
Accrued Liabilities	169,597	52,315	221,912
Deposits Received	-	87,368	87,368
Due to WPFA Agency Fund	45,341	-	45,341
Unearned Revenue	76,855	230,499	307,354
Compensated Absences	48,335	52,763	101,098
Bonds and Notes Payable Due Within One Year	<u>-</u>	<u>256,159</u>	<u>256,159</u>
Total Current Liabilities	674,109	793,193	1,467,302
Noncurrent Liabilities:			
Bonds and Notes Payable Due in More Than One Year	-	1,092,682	1,092,682
Compensated Absences	82,300	89,841	172,141
Net Pension Obligation	<u>2,965,060</u>	<u>2,485,418</u>	<u>5,450,478</u>
Total Noncurrent Liabilities	<u>3,047,360</u>	<u>3,667,941</u>	<u>6,715,301</u>
Total Liabilities	<u>3,721,469</u>	<u>4,461,134</u>	<u>8,182,603</u>
Deferred Inflows of Resources:			
Deferred Pensions	<u>666,803</u>	<u>558,938</u>	<u>1,225,741</u>
Total Deferred Inflows of Resources	<u>666,803</u>	<u>558,938</u>	<u>1,225,741</u>
<b>Net Position:</b>			
Invested in Capital Assets, net of related debt	20,836,652	21,144,335	41,980,987
Restricted For:			
Streets and Roads	2,073,652	-	2,073,652
Community Development	6,391,988	-	6,391,988
Capital Projects	-	3,926,389	3,926,389
Debt Service	-	477,710	477,710
Unrestricted (Deficit)	<u>1,451,769</u>	<u>11,380,577</u>	<u>12,832,346</u>
Net Position	<u>\$ 30,754,061</u>	<u>\$ 36,929,011</u>	<u>\$ 67,683,072</u>

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

**City of Wasco**  
**STATEMENT OF ACTIVITIES**  
**Year ended June 30, 2015**

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	\$ 32,501	\$ 238,387	\$ -	\$ -	\$ 205,886	\$ -	\$ 205,886
Public Safety	3,656,009	72,000	106,230	-	(3,477,779)	-	(3,477,779)
Public Works	2,066,553	640,819	-	1,526,982	101,248	-	101,248
Community Development	1,001,299	230,678	46,473	-	(724,148)	-	(724,148)
Interest on Long-Term Debt	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>6,756,362</b>	<b>1,181,884</b>	<b>152,703</b>	<b>1,526,982</b>	<b>(3,894,793)</b>	<b>-</b>	<b>(3,894,793)</b>
<b>Business-Type Activities:</b>							
Water Reclamation and Sewer	1,894,077	2,528,975	-	-	-	634,898	634,898
Water Utility	2,268,697	2,650,736	-	-	-	382,039	382,039
Refuse Collection and Disposal	2,330,203	2,781,957	4,276	-	-	456,030	456,030
Public Transportation	290,464	24,584	212,379	-	-	(53,501)	(53,501)
CNG Fueling Station	88,214	48,301	-	-	-	(39,913)	(39,913)
<b>Total Business-Type Activities</b>	<b>6,871,655</b>	<b>8,034,553</b>	<b>216,655</b>	<b>-</b>	<b>-</b>	<b>1,379,553</b>	<b>1,379,553</b>
<b>Total</b>	<b>\$ 13,628,017</b>	<b>\$ 9,216,437</b>	<b>\$ 369,358</b>	<b>\$ 1,526,982</b>	<b>\$ (3,894,793)</b>	<b>\$ 1,379,553</b>	<b>\$ (2,515,240)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Tax					705,093	-	705,093
Sales Tax					1,350,949	-	1,350,949
Franchise Tax					323,331	-	323,331
State Allocation of Gas Tax					1,865,859	-	1,865,859
Other Taxes					324,981	-	324,981
<b>Intergovernmental, Unrestricted:</b>							
Motor Vehicle In-lieu Tax					1,996,370	-	1,996,370
<b>Total Taxes</b>					<b>6,566,583</b>	<b>-</b>	<b>6,566,583</b>
Unrestricted Investment Earnings					15,851	-	15,851
Miscellaneous Revenue					90,515	-	90,515
Transfers					-	-	-
Loss on Sale of Capital Assets					-	-	-
<b>Total General Revenues and Transfers</b>					<b>6,672,949</b>	<b>-</b>	<b>6,672,949</b>
<b>Change in Net Position</b>					<b>2,778,156</b>	<b>1,379,553</b>	<b>4,157,709</b>
<b>Net Position - Beginning</b>					<b>31,330,864</b>	<b>38,361,702</b>	<b>69,692,566</b>
<b>Prior Period Adjustment</b>					<b>(3,354,959)</b>	<b>(2,812,244)</b>	<b>(6,167,203)</b>
<b>Net Position - Beginning - as restated</b>					<b>27,975,905</b>	<b>35,549,458</b>	<b>63,525,363</b>
<b>Net Position - Ending</b>					<b>\$ 30,754,061</b>	<b>\$ 36,929,011</b>	<b>\$ 67,683,072</b>

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

**City of Wasco**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**June 30, 2015**

	General	Streets	TDA	2005 HCD Fund	RDA Low Income Housing	Non-Major Governmental Funds	Total Government
<b>Assets:</b>							
Cash and Investments	\$ 3,379,350	\$ 1,151,139	\$ -	\$ -	\$ 13,508	\$ 2,199,859	\$ 6,743,856
Receivables, net	506,945	1,008,723	32,086	-	9,513	85	1,557,352
Prepaid Costs	13,331	5,688	-	-	-	1,203	20,222
Due from Other Funds	134,996	-	-	-	47,799	974,052	1,156,847
Notes Receivable	-	-	-	950,000	1,004,073	4,082,909	6,036,982
<b>Total Assets</b>	<b>\$ 4,034,622</b>	<b>\$ 2,165,550</b>	<b>\$ 32,086</b>	<b>\$ 950,000</b>	<b>\$ 1,074,893</b>	<b>\$ 7,258,108</b>	<b>\$ 15,515,259</b>
<b>Liabilities:</b>							
Accounts Payable	\$ 305,920	\$ 11,514	\$ -	\$ -	\$ -	\$ 16,547	\$ 333,981
Accrued Liabilities	144,020	25,577	-	-	-	-	169,597
Due to Other Funds	629,369	861,509	32,086	-	-	264,992	1,787,956
Unearned Revenue	76,855	-	-	-	-	-	76,855
<b>Total Liabilities</b>	<b>1,156,164</b>	<b>898,600</b>	<b>32,086</b>	<b>-</b>	<b>-</b>	<b>281,539</b>	<b>2,368,389</b>
<b>Deferred Inflows of Resources:</b>							
Unavailable Revenue	-	-	-	950,000	1,004,073	4,082,909	6,036,982
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>950,000</b>	<b>1,004,073</b>	<b>4,082,909</b>	<b>6,036,982</b>
<b>Fund Balances:</b>							
Nonspendable:							
Prepaid Costs	13,331	5,688	-	-	-	1,203	20,222
Restricted:							
Community Development	-	-	-	-	-	1,044,561	1,044,561
Streets and Transportation	-	1,261,262	-	-	-	1,793,628	3,054,890
Low and Moderate Income Housing	-	-	-	-	70,820	-	70,820
Public Safety	-	-	-	-	-	11,455	11,455
Other Purposes	-	-	-	-	-	164,172	164,172
Assigned:							
General Reserve	2,865,127	-	-	-	-	-	2,865,127
Community Development	-	-	-	-	-	47,294	47,294
Unassigned	-	-	-	-	-	(168,653)	(168,653)
<b>Total Fund Balances (Deficit)</b>	<b>2,878,458</b>	<b>1,266,950</b>	<b>-</b>	<b>-</b>	<b>70,820</b>	<b>2,893,660</b>	<b>7,109,888</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 4,034,622</b>	<b>\$ 2,165,550</b>	<b>\$ 32,086</b>	<b>\$ 950,000</b>	<b>\$ 1,074,893</b>	<b>\$ 7,258,108</b>	<b>\$ 15,515,259</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, 2015

Fund balances of governmental funds		\$	7,109,888
Amounts reported for governmental activities in the statement of net position are different because:			
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.			
Beginning Balance, net of depreciation	\$	19,445,691	
Current Year Additions		2,168,134	
Current Year Depreciation		<u>(777,173)</u>	
Ending Balance, net of depreciation			20,836,652
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.			
			6,036,982
Deferred outflows of resources for the pension plan are reported in the Statement of Net Position.			
			533,037
Deferred inflows of resources for the pension plan are reported in the Statement of Net Position.			
			(666,803)
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.			
Compensated Absences		(130,635)	
Net Pension Liability		<u>(2,965,060)</u>	
Total Long-Term Liabilities			<u>(3,095,695)</u>
Net position of governmental activities		\$	<u>30,754,061</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, 2015**

	General	Streets	TDA	2005 HCD Fund	RDA Low Income Housing	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Taxes	\$ 4,551,834	\$ -	\$ -	\$ -	\$ -	\$ 847,875	\$ 5,399,709
Licenses & Permits	234,020	9,692	-	-	-	583,037	826,749
Intergovernmental	46,473	1,526,982	1,166,874	-	-	106,230	2,846,559
Charges for Services	399,624	-	-	-	-	38,796	438,420
Fines, Forfeitures & Assessments	56,772	-	-	-	-	20,255	77,027
Use of Money or Property	15,523	3,029	-	-	309	34,508	53,369
Loan Payments	-	-	-	-	1,514	308,388	309,902
Miscellaneous	25,249	21,758	-	-	-	-	47,007
<b>Total Revenues</b>	<b>5,329,495</b>	<b>1,561,461</b>	<b>1,166,874</b>	<b>-</b>	<b>1,823</b>	<b>1,939,089</b>	<b>9,998,742</b>
<b>Expenditures:</b>							
Current:							
General Government	347,581	-	-	-	-	-	347,581
Public Safety	3,710,732	-	-	-	-	-	3,710,732
Public Works	-	1,300,223	-	-	-	161,654	1,461,877
Community Development	431,381	-	-	-	-	89,879	521,260
Non Departmental	196,923	-	-	-	-	-	196,923
Capital Outlay:							
General Capital Outlay	36,770	-	-	-	-	9,868	46,638
Street Improvements	-	2,126,497	-	-	-	-	2,126,497
Debt Service:							
Principal Retirement	-	-	-	-	-	-	-
Tax Increment Pass-Through Payments	-	-	-	-	-	-	-
Interest and Finance Charges	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>4,723,387</b>	<b>3,426,720</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>261,401</b>	<b>8,411,508</b>
Excess of Revenues Over (Under) Expenditures	606,108	(1,865,259)	1,166,874	-	1,823	1,677,688	1,587,234
<b>Other Financing Sources (Uses):</b>							
Transfers In	220,246	1,900,635	-	-	-	284,955	2,405,836
Transfers Out	-	(123,153)	(1,166,874)	-	-	(1,115,809)	(2,405,836)
Sale of Capital Assets	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>220,246</b>	<b>1,777,482</b>	<b>(1,166,874)</b>	<b>-</b>	<b>-</b>	<b>(830,854)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>826,354</b>	<b>(87,777)</b>	<b>-</b>	<b>-</b>	<b>1,823</b>	<b>846,834</b>	<b>1,587,234</b>
Fund Balances - Beginning	2,052,104	1,354,727	-	-	68,997	2,046,826	5,522,654
<b>Fund Balances - Ending</b>	<b>\$ 2,878,458</b>	<b>\$ 1,266,950</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,820</b>	<b>\$ 2,893,660</b>	<b>\$ 7,109,888</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, 2015

Net change in fund balance - total governmental funds	\$	1,587,234
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 (\$2,168,134) exceeded depreciation (\$777,173) in the current period.		1,390,961
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.		256,133
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.		3,343
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 (\$6,496,497) is exceeded by unavailable deferred revenue at the end of the year (\$6,036,982)		<u>(459,515)</u>
Change in net position of governmental activities	\$	<u><u>2,778,156</u></u>

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

**City of Wasco**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2015**

	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	\$ 5,272,307	\$ 10,458,607	\$ 845,568	\$ 204,877	\$ -	\$ 16,781,359
Receivables, net	136,055	120,117	165,967	1,176,414	6,585	1,605,138
Prepaid Expenses	4,031	5,736	8,831	1,326	56	19,980
Due from Other Funds	347,431	710,570	623,514	-	-	1,681,515
<b>Total Current Assets</b>	<b>5,759,824</b>	<b>11,295,030</b>	<b>1,643,880</b>	<b>1,382,617</b>	<b>6,641</b>	<b>20,087,992</b>
Noncurrent Assets:						
Advance to Other Funds	225,591	-	-	-	-	225,591
Notes Receivable	-	16,849	-	-	-	16,849
Capital Assets:						
Land	213,349	12,174	30,900	30,900	-	287,323
Construction in Progress	241,248	-	-	-	-	241,248
Depreciable Buildings, Property, Equipment and Infrastructure, net of accumulated depreciation	11,602,992	7,344,435	832,143	1,012,584	1,172,451	21,964,605
<b>Total Noncurrent Assets</b>	<b>12,283,180</b>	<b>7,373,458</b>	<b>863,043</b>	<b>1,043,484</b>	<b>1,172,451</b>	<b>22,735,616</b>
<b>Total Assets</b>	<b>18,043,004</b>	<b>18,668,488</b>	<b>2,506,923</b>	<b>2,426,101</b>	<b>1,179,092</b>	<b>42,823,608</b>
Deferred Outflows of Resources:						
Deferred Pensions	106,804	125,421	185,192	27,436	1,960	446,813
<b>Total Deferred Outflows of Resources</b>	<b>106,804</b>	<b>125,421</b>	<b>185,192</b>	<b>27,436</b>	<b>1,960</b>	<b>446,813</b>
<b>Liabilities:</b>						
Current Liabilities:						
Accounts Payable	33,057	36,919	41,482	1,904	727	114,089
Customer Deposits	-	86,796	572	-	-	87,368
Accrued Liabilities	23,561	10,660	15,817	2,213	64	52,315
Accrued Compensated Absences	10,555	17,875	23,494	839	-	52,763
Unearned Revenue	-	-	-	230,499	-	230,499
Current Portion of Long-Term Debt	256,159	-	-	-	-	256,159
Due to Other Funds	-	-	-	1,039,026	56,721	1,095,747
<b>Total Current Liabilities</b>	<b>323,332</b>	<b>152,250</b>	<b>81,365</b>	<b>1,274,481</b>	<b>57,512</b>	<b>1,888,940</b>
Noncurrent Liabilities:						
Accrued Compensated Absences	17,973	30,436	40,003	1,429	-	89,841
Notes Payable	1,092,682	-	-	-	-	1,092,682
Advance from Other Funds	-	-	225,591	-	-	225,591
Net Pension Obligation	594,103	697,661	1,030,140	152,613	10,901	2,485,418
<b>Total Noncurrent Liabilities</b>	<b>1,704,758</b>	<b>728,097</b>	<b>1,295,734</b>	<b>154,042</b>	<b>10,901</b>	<b>3,893,532</b>
<b>Total Liabilities</b>	<b>2,028,090</b>	<b>880,347</b>	<b>1,377,099</b>	<b>1,428,523</b>	<b>68,413</b>	<b>5,782,472</b>
Deferred Inflows of Resources:						
Deferred Pensions	133,606	156,895	231,665	34,321	2,451	558,938
<b>Total Deferred Inflows of Resources</b>	<b>133,606</b>	<b>156,895</b>	<b>231,665</b>	<b>34,321</b>	<b>2,451</b>	<b>558,938</b>
<b>Net Position:</b>						
Invested in Capital Assets, net of related debt	10,708,748	7,356,609	863,043	1,043,484	1,172,451	21,144,335
Restricted For:						
Capital Projects (expendable)	3,020,479	850,841	55,069	-	-	3,926,389
Debt Service (expendable)	477,710	-	-	-	-	477,710
Unrestricted	1,781,175	9,549,217	165,239	(52,791)	(62,263)	11,380,577
<b>Net Position</b>	<b>\$ 15,988,112</b>	<b>\$ 17,756,667</b>	<b>\$ 1,083,351</b>	<b>\$ 990,693</b>	<b>\$ 1,110,188</b>	<b>\$ 36,929,011</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, 2015**

	Water Reclamation and Sewer	Water Utility	Refuse Collection and Disposal	Public Transportation	CNG Fueling Station	Total Proprietary
<b>Operating Revenues:</b>						
Charges for Services	\$ 2,201,297	\$ 2,358,532	\$ 2,770,016	\$ 24,261	\$ 48,301	\$ 7,402,407
Rental Income	89,394	-	-	-	-	89,394
Cost Recoveries	8,114	-	9,807	-	-	17,921
Miscellaneous	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>2,298,805</b>	<b>2,358,532</b>	<b>2,779,823</b>	<b>24,261</b>	<b>48,301</b>	<b>7,509,722</b>
<b>Operating Expenses:</b>						
Wages and Benefits	516,569	624,743	956,105	124,695	4,902	2,227,014
Administration	509,143	576,482	793,557	16,359	18,010	1,913,551
Materials and Supplies	123,971	87,261	157,156	17,664	13,326	399,378
Maintenance and Repair	82,554	99,810	209,963	50,000	15,523	457,850
Utilities	148,551	540,564	5,474	1,517	9,213	705,319
Depreciation	474,609	339,837	206,625	80,229	27,240	1,128,540
<b>Total Operating Expenses</b>	<b>1,855,397</b>	<b>2,268,697</b>	<b>2,328,880</b>	<b>290,464</b>	<b>88,214</b>	<b>6,831,652</b>
Operating Income (Loss)	443,408	89,835	450,943	(266,203)	(39,913)	678,070
<b>Nonoperating Revenues (Expenses):</b>						
Interest Income	25,454	28,014	2,134	323	-	55,925
Local Transportation Funding	-	-	-	212,379	-	212,379
Grants	-	-	4,276	-	-	4,276
Connection Fees	204,716	264,190	-	-	-	468,906
Interest Expense	(38,680)	-	(1,323)	-	-	(40,003)
Donated Capital	-	-	-	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>191,490</b>	<b>292,204</b>	<b>5,087</b>	<b>212,702</b>	<b>-</b>	<b>701,483</b>
Income (Loss) Before Transfers	634,898	382,039	456,030	(53,501)	(39,913)	1,379,553
<b>Transfers:</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Change in Net Position	634,898	382,039	456,030	(53,501)	(39,913)	1,379,553
Net Position - Beginning	16,025,440	18,164,030	1,792,922	1,216,875	1,162,435	38,361,702
Prior Period Adjustment	(672,226)	(789,402)	(1,165,601)	(172,681)	(12,334)	(2,812,244)
Net Position - Beginning - as restated	15,353,214	17,374,628	627,321	1,044,194	1,150,101	35,549,458
Net Position - Ending	<b>\$ 15,988,112</b>	<b>\$ 17,756,667</b>	<b>\$ 1,083,351</b>	<b>\$ 990,693</b>	<b>\$ 1,110,188</b>	<b>\$ 36,929,011</b>

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

**City of Wasco**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year ended June 30, 2015**

	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	\$ 2,211,448	\$ 2,346,709	\$ 2,756,564	\$ 24,261	\$ 47,578	\$ 7,386,560
Rental activities	89,394	-	-	-	-	89,394
Prior year reimbursements and cost recoveries	8,114	-	9,807	-	-	17,921
Cash paid to:						
Suppliers	(849,296)	(1,367,908)	(1,144,611)	(88,939)	(57,633)	(3,508,387)
Employees	(551,228)	(657,813)	(1,007,850)	(138,227)	(5,942)	(2,361,060)
Net cash provided (used) by operating activities	908,432	320,988	613,910	(202,905)	(15,997)	1,624,428
<b>Net cash provided from noncapital financing activities:</b>						
Cash transferred from other funds	44,244	21,015	257,547	-	56,721	379,527
Cash transferred to other funds	(590,431)	(710,570)	(667,758)	(132,147)	(40,724)	(2,141,630)
Connection fees	204,716	264,190	-	-	-	468,906
Subsidy from TDA revenues	-	-	-	330,884	-	330,884
Subsidy from grants	-	-	4,276	-	-	4,276
Net cash provided (used) by noncapital financing activities	(341,471)	(425,365)	(405,935)	198,737	15,997	(958,037)
<b>Cash flows from capital and related financing activities:</b>						
Principal payments:						
Notes	(249,667)	-	-	-	-	(249,667)
Interest paid	(41,561)	-	(1,518)	-	-	(43,079)
Purchase of capital assets	(305,087)	-	(250,930)	-	-	(556,017)
Net cash provided (used) by capital and related financing activities	(596,315)	-	(252,448)	-	-	(848,763)
<b>Cash flows from investing activities:</b>						
Interest received	25,454	28,014	2,134	323	-	55,925
Loan payments from others	-	1,252	-	-	-	1,252
Net cash provided by investing activities	25,454	29,266	2,134	323	-	57,177
Net increase (decrease) in cash	(3,900)	(75,111)	(42,339)	(3,845)	-	(125,195)
Cash and cash equivalents - Beginning of year	5,276,207	10,533,718	887,907	208,722	-	16,906,554
Cash and cash equivalents - End of year	<u>\$ 5,272,307</u>	<u>\$ 10,458,607</u>	<u>\$ 845,568</u>	<u>\$ 204,877</u>	<u>\$ -</u>	<u>\$ 16,781,359</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>						
Operating income (loss)	\$ 443,408	\$ 89,835	\$ 450,943	\$ (266,203)	\$ (39,913)	\$ 678,070
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	474,609	339,837	206,625	80,229	27,240	1,128,540
(Increase) decrease in accounts receivable	10,151	(17,801)	(13,452)	-	(723)	(21,825)
(Increase) decrease in prepaid expenses	-	-	-	-	-	-
Increase (decrease) in accounts payable	14,923	(63,791)	21,539	(3,399)	(1,561)	(32,289)
Increase (decrease) in customer deposits	-	5,978	-	-	-	5,978
Increase (decrease) in accrued compensated absences	16,662	27,197	37,243	(349)	(98)	80,655
Increase (decrease) in pension obligation	(51,321)	(60,267)	(88,988)	(13,183)	(942)	(214,701)
Net cash provided (used) by operating activities	<u>\$ 908,432</u>	<u>\$ 320,988</u>	<u>\$ 613,910</u>	<u>\$ (202,905)</u>	<u>\$ (15,997)</u>	<u>\$ 1,624,428</u>

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

**City of Wasco**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2015**

	RDA Successor Agency Private Purpose Trust Fund	Wasco Public Financing Authority Agency Fund
<b>Assets:</b>		
Cash and Investments	\$ 576,331	\$ 446,635
Investments with Fiscal Agents - Restricted	-	467,804
Receivables, Net	-	-
Accrued Interest Receivable	-	119
Due from City of Wasco	-	45,341
Land Held for Resale	<u>553,088</u>	<u>-</u>
 Total Assets	 <u>\$ 1,129,419</u>	 <u>\$ 959,899</u>
<b>Liabilities:</b>		
Accounts Payable	1,105	482
Accrued Liabilities	18,533	-
Unearned Revenue	460,950	-
Bonds Payable	<u>1,030,000</u>	<u>959,417</u>
 Total Liabilities	 <u>1,510,588</u>	 <u>\$ 959,899</u>
<b>Net Position:</b>		
Held in Trust for Retirement of Obligations of the Former Wasco Redevelopment Agency	 <u>\$ (381,169)</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, 2015**

	RDA Successor Agency Private Purpose Trust Fund
<b>Additions:</b>	
Property Taxes	\$ 155,900
Miscellaneous	-
Total Additions	155,900
<b>Deductions:</b>	
Enforceable Obligations	-
Administration	127,768
Bond Interest Expense	64,887
Total Deductions	192,655
Change in Net Position	(36,755)
Net Position - Beginning	(211,679)
Prior Period Adjustment	(132,735)
Net Position - Beginning - as restated	(344,414)
Net Position - Ending	\$ (381,169)

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



**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2015

**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, 2015

**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, 2015

**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, 2015

**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, 2015

**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, 2015

**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, 2015

**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, 2015

**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, 2015

**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 \$12,869,739 of restricted net position, of which \$8,943,350 is restricted externally by grantors, creditors, or laws or regulations of other governments and \$3,926,389 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, 2015

**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, 2015

**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	\$	6,743,856
Pooled Cash and Investments - Business-Type Funds		16,781,359
Fiduciary Funds:		
Cash and Investments - WPFA Agency		446,635
Restricted Investments - WPFA Agency		467,804
Cash and Investments - RDA Successor Private Purpose Trust		576,331
Total	\$	25,015,985

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2015

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

Cash and investments at June 30, 2015 consist of the following:

Cash on Hand	\$	1,500
Demand Deposits		3,955,206
Investments		<u>21,059,279</u>
Total	\$	<u><u>25,015,985</u></u>

**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, 2015, 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, 2015:

Investment Type	Fair Value	Maturity Date
State Treasurer's Investment Pool (LAIF)	\$ 19,455,868	N/A
Central San Joaquin Valley RMA Pool (CSJVRMA)	1,140,790	N/A
Held by Trustees:		
Money Market Funds	<u>462,621</u>	N/A
Total Investments	<u><u>\$ 21,059,279</u></u>	

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2015

**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.

**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, 2015, the Credit ratings for the money market funds and investments in LAIF and CSJVRMA were unavailable. 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.

**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.

\$ 462,621

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2015

**Note 3 – Receivables**

Receivables at June 30, 2015 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	\$ 234,914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 234,914
Interest receivable	-	-	-	-	-	-	-
Taxes receivable, net	272,031	-	-	-	-	-	272,031
Due from governments	-	1,008,723	32,086	-	9,513	85	1,050,407
Allowance for doubtful accounts	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 506,945</b>	<b>\$ 1,008,723</b>	<b>\$ 32,086</b>	<b>\$ -</b>	<b>\$ 9,513</b>	<b>\$ 85</b>	<b>\$ 1,557,352</b>
<b>Business-Type Activities:</b>							
	Water Reclamation And Sewer	Water Utility	Refuse Collection And Disposal	Public Transportation	CNG Fueling Station	Total Business-Type	
Accounts receivable, net	\$ 136,055	\$ 120,117	\$ 165,967	\$ -	\$ 6,585	\$ 428,724	
Interest receivable	-	-	-	-	-	-	
Due from governments	-	-	-	1,176,414	-	1,176,414	
Allowance for doubtful accounts	-	-	-	-	-	-	
<b>Total</b>	<b>\$ 136,055</b>	<b>\$ 120,117</b>	<b>\$ 165,967</b>	<b>\$ 1,176,414</b>	<b>\$ 6,585</b>	<b>\$ 1,605,138</b>	

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

Interfund receivables and payables at June 30, 2015 consisted of the following:

Fund	Due From Other Funds	Due To Other Funds
<b>Government Funds:</b>		
General Fund	\$ 134,996	\$ 629,369
Streets	-	861,509
TDA	-	32,086
RDA Low Income Housing	47,799	-
Non-Major Funds	974,052	264,992
<b>Total Governmental Funds</b>	<b>1,156,847</b>	<b>1,787,956</b>
<b>Proprietary Funds:</b>		
Water Reclamation and Sewer	347,431	-
Water Utility	710,570	-
Refuse Collection and Disposal	623,514	-
Public Transportation	-	1,039,026
CNG Fueling Station	-	56,721
<b>Total Proprietary Funds</b>	<b>1,681,515</b>	<b>1,095,747</b>
<b>Fiduciary Funds:</b>		
WPFA Agency Fund	45,341	-
<b>Total Fiduciary Funds</b>	<b>45,341</b>	<b>-</b>
<b>Total Due From/To</b>	<b>\$ 2,883,703</b>	<b>\$ 2,883,703</b>

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

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2015

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

Interfund advances at June 30, 2015 consisted of the following:

Fund	Advanced From	Advanced To
Proprietary Funds:		
Water Reclamation and Sewer	\$ 225,591	\$ -
Refuse Collection and Disposal	-	225,591
	<hr/>	<hr/>
Total Proprietary Funds	225,591	225,591
	<hr/>	<hr/>
Total Advances	\$ 225,591	\$ 225,591
	<hr/> <hr/>	<hr/> <hr/>

The above balances represent money advanced for the purchase of a sanitation truck and curbside trash containers. The advance is scheduled to be paid back over the next six years.

Interfund transfers at June 30, 2015 consisted of the following:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$ 220,246	\$ -
Street Fund	1,900,635	123,153
TDA	-	1,166,874
RDA Low Income Housing	-	-
Non-Major Funds	284,955	1,115,809
	<hr/>	<hr/>
Proprietary Funds:		
None	-	-
	<hr/>	<hr/>
Total Transfers	\$ 2,405,836	\$ 2,405,836
	<hr/> <hr/>	<hr/> <hr/>

Composition and purpose of interfund transfers is as follows:

General Fund transfers in of \$220,246 consist of \$88,376 from Streets Fund for engineering services provided for various construction projects; \$94,775 from Non-Major Funds which represent transfers of police type grant funds to the Sheriff department of the General Fund; \$37,095 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 \$1,900,635 consist of \$1,198,379 of State allocation of TDA revenue, \$698,985 of State Gas Tax, and \$3,271 from Traffic Impact Fund to be applied to various street light and crosswalk construction projects.

Non-Major funds transfers in of \$284,955 consist of \$284,955 of community development type grant funds between Non-Major funds.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2015

**Note 5 – Land Held for Resale**

The RDA Successor Agency Private Purpose Trust Fund held in Inventory 8.6-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	\$	150,897
Improvements		402,191
Total	\$	553,088

**Note 6 – Capital Assets**

Capital asset activity for the year ended June 30, 2015 is as follows:

<b>Governmental Activities</b>	Balance June 30, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Capital Assets Not Being Depreciated:					
Land	\$ 869,474	\$ -	\$ -	\$ -	\$ 869,474
Construction in Progress	620,632	2,143,124	-	(1,037,374)	1,726,382
Total Capital Assets Not Being Depreciated	1,490,106	2,143,124	-	(1,037,374)	2,595,856
Capital Assets Being Depreciated:					
Land Improvements	8,944,532	9,868	-	65,281	9,019,681
Construction	2,639,112	-	-	-	2,639,112
Infrastructure	14,276,195	-	-	972,093	15,248,288
Machinery and Other	1,494,031	15,142	-	-	1,509,173
Vehicles	1,028,256	-	-	-	1,028,256
Total Capital Assets Being Depreciated	28,382,126	25,010	-	1,037,374	29,444,510
Less Accumulated Depreciation For:					
Land Improvements	2,607,977	448,374	-	-	3,056,351
Construction	647,891	49,842	-	-	697,733
Infrastructure	5,286,827	165,932	-	-	5,452,759
Machinery and Other	1,007,269	64,769	-	-	1,072,038
Vehicles	876,577	48,256	-	-	924,833
Total Accumulated Depreciation	10,426,541	777,173	-	-	11,203,714
Total Capital Assets Being Depreciated, net	17,955,585	(752,163)	-	1,037,374	18,240,796
Governmental Activities Capital Assets, net	\$ 19,445,691	\$ 1,390,961	\$ -	\$ -	\$ 20,836,652

Depreciation charged to governmental functions on the Statement of Activities during the year is as follows: \$93,446 to General Government, \$2,321 to Public Safety, \$681,070 to Public Works, and \$336 to Community Development.



**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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

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

<b>Business-Type Activities</b>	Balance June 30, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 287,323	\$ -	\$ -	\$ -	\$ 287,323
Construction in Progress	241,248	271,834	-	(271,834)	241,248
Total Capital Assets Not Being Depreciated	<u>528,571</u>	<u>271,834</u>	<u>-</u>	<u>(271,834)</u>	<u>528,571</u>
<b>Capital Assets Being Depreciated:</b>					
Land Improvements	7,210,841	-	-	-	7,210,841
Construction	15,174,414	-	-	271,834	15,446,248
Infrastructure	6,255,337	-	-	-	6,255,337
Machinery and Other	10,911,045	-	-	-	10,911,045
Vehicles	2,713,478	284,182	-	-	2,997,660
Total Capital Assets Being Depreciated:	<u>42,265,115</u>	<u>284,182</u>	<u>-</u>	<u>271,834</u>	<u>42,821,131</u>
<b>Less Accumulated Depreciation For:</b>					
Land Improvements	5,497,051	124,105	-	-	5,621,156
Construction	5,901,993	307,140	-	-	6,209,133
Infrastructure	2,847,330	64,244	-	-	2,911,574
Machinery and Other	3,294,957	426,869	-	-	3,721,826
Vehicles	2,186,655	206,182	-	-	2,392,837
Total Accumulated Depreciation	<u>19,727,986</u>	<u>1,128,540</u>	<u>-</u>	<u>-</u>	<u>20,856,526</u>
Total Capital Assets Being Depreciated, net	<u>22,537,129</u>	<u>(844,358)</u>	<u>-</u>	<u>271,834</u>	<u>21,964,605</u>
Business-Type Activities Capital Assets, net	<u>\$ 23,065,700</u>	<u>\$ (572,524)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,493,176</u>

Depreciation charged to business-type activities on the Statement of Activities during the year is as follows: \$474,609 to Water Reclamation and Sewer, \$339,837 to Water Utility, \$206,625 to Refuse Collection and Disposal, \$80,229 to Public Transportation, and \$27,240 to CNG Fueling Station.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2015

**Note 7 – Accrued Liabilities**

Accrued Liabilities at June 30, 2015, as reported on the Statement of Net Position are detailed as follows:

<b>Governmental Activities:</b>	General		Streets		Total Governmental	
Performance Bond	\$	71,217	\$	15,000	\$	86,217
Payroll		27,677		10,417		38,094
Other Liabilities		45,126		160		45,286
<b>Total</b>	<b>\$</b>	<b>144,020</b>	<b>\$</b>	<b>25,577</b>	<b>\$</b>	<b>169,597</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	\$	15,565	\$	-	\$	564	\$	-	\$	-	\$	16,129
Payroll		7,996		10,660		15,253		2,213		64		36,186
<b>Total</b>	<b>\$</b>	<b>23,561</b>	<b>\$</b>	<b>10,660</b>	<b>\$</b>	<b>15,817</b>	<b>\$</b>	<b>2,213</b>	<b>\$</b>	<b>64</b>	<b>\$</b>	<b>52,315</b>

  

<b>Fiduciary Activities:</b>	RDA Successor Agency Private Purpose Trust	
Accrued Interest Payable	\$	18,533

**Note 8 – Long-Term Liabilities**

	Balance June 30, 2014			Balance June 30, 2015			Due Within One Year			
		Additions	Reductions							
<b>Governmental Activities:</b>										
Compensated Absences	\$	133,978	\$	40,193	\$	(43,536)	\$	130,635	\$	48,335
<b>Total Governmental Activities</b>		<b>133,978</b>		<b>40,193</b>		<b>(43,536)</b>		<b>130,635</b>		<b>48,335</b>
<b>Business-Type Activities:</b>										
Notes Payable		1,598,508		-		(249,667)		1,348,841		256,159
Compensated Absences		98,135		58,881		(14,412)		142,604		52,763
<b>Total Business-Type Activities</b>		<b>1,696,643</b>		<b>58,881</b>		<b>(264,079)</b>		<b>1,491,445</b>		<b>308,922</b>
<b>Total Statement of Net Position Long-Term Activities</b>	<b>\$</b>	<b>1,830,621</b>	<b>\$</b>	<b>99,074</b>	<b>\$</b>	<b>(307,615)</b>	<b>\$</b>	<b>1,622,080</b>	<b>\$</b>	<b>357,257</b>
<b>RDA Successor Agency Private Purpose Trust:</b>										
Tax Allocation Bonds	\$	1,070,000	\$	-	\$	(250,000)	\$	820,000	\$	260,000
Revenue Bonds		250,000		-		(40,000)		210,000		45,000
<b>Total Fiduciary Fund Long-Term Activities</b>	<b>\$</b>	<b>1,320,000</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>(290,000)</b>	<b>\$</b>	<b>1,030,000</b>	<b>\$</b>	<b>305,000</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, 2015

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

**Governmental Activities:**

Compensated Absences	<u>\$ 130,635</u>
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**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.	<u>1,348,841</u>
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Total Notes Payable	1,348,841
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Compensated Absences Payable	<u>142,604</u>
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Total Business-Type Activities	<u>\$ 1,491,445</u>
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**RDA Successor Agency Private Purpose Trust:**

Tax Allocation Bonds:

Improvement Bonds dated December 15, 1992 in the original amount of \$3,600,000 at 5.5% interest; payable semi-annually commencing March 2, 1993, due September 2, 2017 to the Wasco Public Financing Authority which is a component unit of the City of Wasco. Proceeds used to construct an industrial park which is accounted for as land held for resale.	\$ 820,000
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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.	<u>210,000</u>
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Total RDA Successor Agency Private Purpose Trust	<u>\$ 1,030,000</u>
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**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2015

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

The annual requirements to amortize all bonded indebtedness and other long-term liabilities outstanding at June 30, 2015, are as follows:

**Business-Type Activities**

Year Ending June 30	Notes Payable	
	Principal	Interest
2016	\$ 256,159	\$ 35,070
2017	262,819	28,410
2018	269,652	21,576
2019	276,663	14,566
2020	283,548	7,372
<b>Total</b>	<b>\$ 1,348,841</b>	<b>\$ 106,994</b>

**RDA Successor Agency Private Purpose Trust**

Year Ending June 30	Tax Allocation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 260,000	\$ 37,950	\$ 45,000	\$ 15,000
2017	270,000	23,375	50,000	11,200
2018	290,000	7,975	55,000	6,950
2019	-	-	60,000	2,450
<b>Total</b>	<b>\$ 820,000</b>	<b>\$ 69,300</b>	<b>\$ 210,000</b>	<b>\$ 35,600</b>

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2015

**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	Fudiciary Funds
General Grant	\$ 76,855	\$ -	\$ -
TDA - Dial A Ride	-	230,499	-
RDA Successor Agency	-	-	460,950
<b>Total</b>	<b>\$ 76,855</b>	<b>\$ 230,499</b>	<b>\$ 460,950</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	1,004,073
CalHOME Grant	1,959,986
CDBG Grants	882,083
HOME Grants	1,129,812
BEGIN Grants	111,028
CHFA Rehab Grant	-
<b>Total</b>	<b>\$ 6,036,982</b>

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2015

**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 \$28 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 \$28 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 the Public Entity Property Insurance Program (PEPIP) along with other California public entities. PEPIP is a national property insurance program with several hundred members including the City of Wasco. The PEPIP policy is an all-risk, replacement cost policy that covers: tax interruption; municipal bond revenue interruption; service interruption from public and private utilities for gas, electric, water and telecommunication; and vehicle comprehensive and collision. The CSJVRMA's deductible through PEPIP's is \$25,000. The City of Wasco's deductible is \$1,000 per occurrence. The program has a \$1,000,000,000 loss limit per occurrence, with various sub limits.

The latest audited financial information available from CSJVRMA is for the year ended June 30, 2014 as follows:

Total Assets	\$ 80,694,798
Total Liabilities	<u>65,440,947</u>
 Total Members' Equity	 <u>\$ 15,253,851</u>
 Total Revenue	 \$ 32,108,146
Total Expenses	<u>32,739,704</u>
 Net Increase in Members' Equity	 <u>\$ (631,558)</u>

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2015

**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 two Tiers of benefits. Tier I – Applicable to employees hired prior to January 1, 2013, with a formula of 3% at age 60. Tier II – 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 2.5% at age 55. 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, 2014 measurement date, the district had the following employees covered by benefit term:

	Miscellaneous Plan		Safety Plan
	Tier I	Tier II	
Active	44	7	-
Transferred	24	1	2
Seperated	15	2	-
Retired	44	-	17

**Contributions.** Active plan members of the Miscellaneous Plan Tier I and Tier II are required to contribute 8% of their annual covered salary. The City makes the contributions required of City’s contract employees on their behalf and for their account.

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS’ annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the plan’s allocated share of the risk pool’s costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the measurement period ended June 30, 2014 (the measurement date), the active employee contribution rate for Tier I and Tier II is 7.761% and 7.942%, respectively, of annual pay, and the average employer’s contribution rate for Tier I and Tier II is 27.095% and 14.083% of annual payroll, respectively. Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2015

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

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources.** At June 30, 2015, the City reported a liability of \$5,450,478 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, 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, 2014, the City's proportion for the Miscellaneous Plan was 0.2038 percent, which was an increase of 0.0152 from its proportion measured as of June 30, 2013. The Safety Plan was 0.0110 percent, which was an increase of 0.0015 from its proportion measured as of June 30, 2013

For the year ended June 30, 2015, the City recognized pension income of \$470,834. At June 30, 2015, 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>
Difference between expected and actual results	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on Plan investments	-	1,182,274
Changes in proportion and differences between City contributions and proportionate share of contributions	4,747	43,467
City contributions subsequent to measurement date	<u>975,103</u>	<u>-</u>
Total	<u>\$ 979,850</u>	<u>\$ 1,225,741</u>

The \$975,103 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	
2015	\$ (309,396)
2016	(309,396)
2017	(306,635)
2018	(295,567)
2019	-
Thereafter	-



**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2015

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

**Actuarial Assumptions.** For the measurement period ending June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. Both the June 30, 2013 total pension liability and the June 30, 2014 total pension liability were based on the following actuarial methods and assumptions for both the Miscellaneous Plan and Safety Plan:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
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 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

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.

In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using the building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2015

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

**Discount Rate.** The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan.

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

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
 June 30, 2015

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

**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 7.50 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 (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
Plan's Net Pension Liability/(Asset)	\$ 8,458,097	\$ 5,450,478	\$ 2,955,330

**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 your funding actuarial valuation. In addition, differences may result from early CAFR closing and final reconciled reserves.

**Recognition of Gains and Losses.** Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gains or loss:

Difference between projected And actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of participants (active, inactive, and retired). The EARSL for the 2013-14 measurement period is 3.8 years, which was obtained by dividing the total service years 460,700 (the sum of remaining service lifetimes of the active employees) by 122,789 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also, note that 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, 2015, there is no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2015.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2015

**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:

<u>Assessment Districts</u>	<u>Remaining Collections</u>	<u>Outstanding Debt Service</u>
89-1 Barker	\$ 140,285	\$ 140,375
89-2 Tract 5071	160,876	121,875
89-3 Tract 4644	78,826	60,063
91-1 Barnhard	123,425	141,688
91-2A Summerfield	171,916	222,437
91-2B Summerfield	56,296	57,000
92-1 Industrial Park	606,750	606,750
93-1 Southside - Childress	747,338	591,075
Total	<u>\$ 2,085,712</u>	<u>\$ 1,941,263</u>

The "Remaining Collections" represents the sum of the remaining principal and interest for each active parcel after 2014/15 debt service has been billed.

The \$959,417 due to bondholders, as reported in the Statement of Fiduciary Net Position, represents the net assets of the Authority held for bondholder repayment.

**Note 14 – Other Disclosures**

**Pledged Revenues**

The City has pledged certain water and sewer revenues for the payment of the Wasco Redevelopment Agency's \$3,600,000 Industrial Park Improvement Bonds in the event property tax revenues are insufficient to make debt service payments.

**Economic Dependency**

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

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2015

**Note 14 – Other Disclosures, (continued)**

**Fund Deficits**

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

Governmental Funds:	
Non-Major:	
Emergency Response	\$ (24,778)
CHFA Rehab Grant	(7,939)
2005 Cal Home Grant	(45,490)
2006 Cal Home Grant	(20,393)
2007 HOME Grant	(2,773)
2013 CDBG Grant Fund	<u>(67,280)</u>
Total Governmental Funds	<u>\$ (168,653)</u>

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

**Date of Management Evaluation**

Management has evaluated subsequent events through March 18, 2016, the date on which the financial statements were available to be issued.

**Excess of Expenditures over Appropriations**

For the year ended June 30, 2015, 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, 2015, the latest date reported by the County, the contingent liability was \$25,321.

**Prior Period Adjustments**

Pursuant to GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, bond issue costs are to be expensed in the year they are incurred. A prior period adjustment of \$132,735 to the RDA Successor Private Purpose Trust Fund was made to beginning net position to remove such deferred charges from a prior bond financing.

A prior period adjustment of \$3,354,959 and \$2,812,244 was made to decrease the beginning net position of the government activities and the business-type activities, respectively. The adjustment was made to reflect the prior period costs related to the implementation of the net pension liability under GASB Statement No. 68.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**City of Wasco**  
**RETIREMENT PLAN SCHEDULES**  
Year ended June 30, 2015

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

	6/30/2014		
	Miscellaneous Plan		Safety
	Tier I	Tier II	Plan
Proportion of the Net Pension Liability/(Asset)	0.08064%	0.00030%	0.00665%
Proportionate Share of the Net Pension Liability/(Asset)	\$ 5,017,881	\$ 18,887	\$ 413,710
Covered-Employee Payroll	\$ 2,472,030	\$ 532,590	n/a
Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	202.99%	3.55%	n/a
Proportionate Share of the Fiduciary Net Pension as a Percentage of the Total Pension Liability	76.58%	83.03%	63.04%
Proportionate Share of Aggregate Employer Contributions	\$ 443,804	\$ 2,499	\$ 19,976

**Schedule of City Contributions**

	Fiscal Year 2013-14		
	Miscellaneous Plan		Safety
	Tier I	Tier II	Plan
Actuarially Determined Contribution	\$ 555,747	\$ 60,656	\$ 33,643
Contributions in Relation to the Actuarially Determined Contribution	(555,747)	(60,656)	(33,643)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 2,472,030	\$ 532,590	n/a
Contributions as a Percentage of Covered-Employee Payroll	22.48%	11.39%	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: None



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**City of Wasco**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
Year ended June 30, 2015

**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, 2015

**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, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$ 3,800,000	\$ 3,755,000	\$ 4,551,834	\$ 796,834
Licenses & Permits	245,500	245,500	234,020	(11,480)
Intergovernmental	35,500	35,500	46,473	10,973
Charges for Services	566,605	567,113	399,624	(167,489)
Fines, Forfeitures & Assessments	34,000	35,000	56,772	21,772
Use of Money or Property	11,900	11,900	15,523	3,623
Miscellaneous	7,500	7,500	25,249	17,749
<b>Total Revenues</b>	<b>4,701,005</b>	<b>4,657,513</b>	<b>5,329,495</b>	<b>671,982</b>
<b>Expenditures:</b>				
Current:				
General Government				
Council	72,146	71,204	43,333	(27,871)
Manager	181,848	192,613	168,311	(24,302)
Finance & Accounting	71,030	75,235	63,785	(11,450)
Budget	53,950	57,144	40,358	(16,786)
Human Resources & Risk Management	29,050	30,770	31,794	1,024
<b>Total General Government</b>	<b>408,024</b>	<b>426,966</b>	<b>347,581</b>	<b>(79,385)</b>
Public Safety				
Sheriff	3,123,486	3,123,486	3,128,621	5,135
Animal Control	137,045	180,345	135,632	(44,713)
Fire	446,479	446,479	446,479	-
<b>Total Public Safety</b>	<b>3,707,010</b>	<b>3,750,310</b>	<b>3,710,732</b>	<b>(39,578)</b>
Community Development				
Planning	118,184	125,180	150,067	24,887
Engineering	92,170	97,626	70,180	(27,446)
Building Inspection	137,411	137,964	125,881	(12,083)
Code Compliance	80,280	112,894	83,850	(29,044)
Economic Development	2,595	2,748	1,403	(1,345)
<b>Total Community Development</b>	<b>430,640</b>	<b>476,412</b>	<b>431,381</b>	<b>(45,031)</b>
Non Departmental				
	166,281	214,627	196,923	(17,704)
Capital Outlay:				
General Capital Outlay	-	-	36,770	36,770
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Finance Charges	-	-	-	-
<b>Total Expenditures</b>	<b>4,711,955</b>	<b>4,868,315</b>	<b>4,723,387</b>	<b>(144,928)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(10,950)</b>	<b>(210,802)</b>	<b>606,108</b>	<b>816,910</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	100,000	100,000	220,246	120,246
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>100,000</b>	<b>100,000</b>	<b>220,246</b>	<b>120,246</b>
<b>Net Change in Fund Balances</b>	<b>\$ 89,050</b>	<b>\$ (110,802)</b>	<b>826,354</b>	<b>\$ 937,156</b>
Fund Balances - Beginning			2,052,104	
Fund Balances - Ending			<u>\$ 2,878,458</u>	

**City of Wasco**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**STREETS FUND**  
**Year ended June 30, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	6,000	6,000	9,692	3,692
Intergovernmental	2,938,970	2,938,970	1,526,982	(1,411,988)
Charges for Services	-	-	-	-
Use of Money or Property	1,000	1,000	3,029	2,029
Miscellaneous	25,000	25,000	21,758	(3,242)
<b>Total Revenues</b>	<b>2,970,970</b>	<b>2,970,970</b>	<b>1,561,461</b>	<b>(1,409,509)</b>
<b>Expenditures:</b>				
Current:				
Public Works	1,703,399	1,706,405	1,300,223	(406,182)
Capital Outlay:				
General Capital Outlay	-	-	-	-
Street Improvements	2,938,970	2,938,970	2,126,497	(812,473)
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Finance Charges	-	-	-	-
<b>Total Expenditures</b>	<b>4,642,369</b>	<b>4,645,375</b>	<b>3,426,720</b>	<b>(1,218,655)</b>
Excess of Revenues Over Expenditures	(1,671,399)	(1,674,405)	(1,865,259)	(190,854)
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,692,736	1,692,736	1,900,635	207,899
Transfers Out	-	-	(123,153)	(123,153)
<b>Total Other Financing Sources (Uses)</b>	<b>1,692,736</b>	<b>1,692,736</b>	<b>1,777,482</b>	<b>84,746</b>
<b>Net Change in Fund Balances</b>	<b>\$ 21,337</b>	<b>\$ 18,331</b>	<b>(87,777)</b>	<b>\$ (106,108)</b>
Fund Balances - Beginning			1,354,727	
Fund Balances - Ending			<u>\$ 1,266,950</u>	

**City of Wasco**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**TDA GRANT**  
**Year ended June 30, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 1,040,000	\$ 1,040,000	\$ 1,166,874	\$ 126,874
Use of Money or Property	-	-	-	-
<b>Total Revenues</b>	<b>1,040,000</b>	<b>1,040,000</b>	<b>1,166,874</b>	<b>126,874</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	1,040,000	1,040,000	1,166,874	126,874
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(1,040,000)	(1,040,000)	(1,166,874)	(126,874)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,040,000)</b>	<b>(1,040,000)</b>	<b>(1,166,874)</b>	<b>(126,874)</b>
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balances - Beginning			-	
Fund Balances - Ending			-	

**City of Wasco**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**2005 HCD FUND**  
**Year ended June 30, 2015**

	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>-</u>	
Fund Balances - Ending			<u>\$ -</u>	

**City of Wasco**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**RDA LOW INCOME HOUSING**  
**Year ended June 30, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ -	\$ -	\$ 309	\$ 309
Loan Payments	1,825	1,825	1,514	(311)
<b>Total Revenues</b>	<b>1,825</b>	<b>1,825</b>	<b>1,823</b>	<b>(2)</b>
<b>Expenditures:</b>				
Current:				
Community Development	300	300	-	(300)
Capital Outlay:				
General Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>300</b>	<b>300</b>	<b>-</b>	<b>(300)</b>
Excess of Revenues Over Expenditures	1,525	1,525	1,823	298
<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>\$ 1,525</b>	<b>\$ 1,525</b>	<b>1,823</b>	<b>\$ 298</b>
Fund Balances - Beginning			68,997	
Fund Balances - Ending			<b>\$ 70,820</b>	



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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**City of Wasco**  
SUPPLEMENTARY INFORMATION

**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.

**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

**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

**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

**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, 2015**

	Lighting & Landscape	Emergency Response	Sewer Lift Station	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	2004 Call-Home Grant Fund
<b>Assets:</b>														
Cash and Investments	\$ 141,121	\$ -	\$ 156,289	\$ 111,150	\$ 169,135	\$ 731,591	\$ 79,607	\$ -	\$ 10,506	\$ 38,133	\$ 32,385	\$ 254	\$ 62,414	\$ -
Receivables, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid Costs	1,203	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	7,883	-	-	655,688	-	11,455	-	-	-	-	-	-
Notes Receivable	-	-	-	-	-	-	180,845	-	103,512	-	73,180	364,032	82,757	351,263
<b>Total Assets</b>	<b>\$ 142,324</b>	<b>\$ -</b>	<b>\$ 164,172</b>	<b>\$ 111,150</b>	<b>\$ 169,135</b>	<b>\$ 1,387,279</b>	<b>\$ 260,452</b>	<b>\$ 11,455</b>	<b>\$ 114,018</b>	<b>\$ 38,133</b>	<b>\$ 105,565</b>	<b>\$ 364,286</b>	<b>\$ 145,171</b>	<b>\$ 351,263</b>
<b>Liabilities:</b>														
Accounts Payable	\$ 1,343	\$ -	\$ -	\$ -	\$ 186	\$ -	\$ -	\$ -	\$ 9,513	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	11,813	24,778	-	-	1,715	-	-	-	-	46,072	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>13,156</b>	<b>24,778</b>	<b>-</b>	<b>-</b>	<b>1,901</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,513</b>	<b>46,072</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>														
Unavailable Revenue	-	-	-	-	-	-	180,845	-	103,512	-	73,180	364,032	82,757	351,263
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>180,845</b>	<b>-</b>	<b>103,512</b>	<b>-</b>	<b>73,180</b>	<b>364,032</b>	<b>82,757</b>	<b>351,263</b>
<b>Fund Balances:</b>														
Nonspendable:														
Prepaid Costs	1,203	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted:														
Community Development	-	-	-	-	-	-	79,607	-	993	-	32,385	254	62,414	-
Streets and Transportation	127,965	-	-	111,150	167,234	1,387,279	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	11,455	-	-	-	-	-	-
Other Purposes	-	-	164,172	-	-	-	-	-	-	-	-	-	-	-
Assigned:														
Community Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	(24,778)	-	-	-	-	-	-	-	(7,939)	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>129,168</b>	<b>(24,778)</b>	<b>164,172</b>	<b>111,150</b>	<b>167,234</b>	<b>1,387,279</b>	<b>79,607</b>	<b>11,455</b>	<b>993</b>	<b>(7,939)</b>	<b>32,385</b>	<b>254</b>	<b>62,414</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 142,324</b>	<b>\$ -</b>	<b>\$ 164,172</b>	<b>\$ 111,150</b>	<b>\$ 169,135</b>	<b>\$ 1,387,279</b>	<b>\$ 260,452</b>	<b>\$ 11,455</b>	<b>\$ 114,018</b>	<b>\$ 38,133</b>	<b>\$ 105,565</b>	<b>\$ 364,286</b>	<b>\$ 145,171</b>	<b>\$ 351,263</b>

**City of Wasco**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**June 30, 2015**

Miscellaneous Grants	2005 CalHome Grant Fund	CDBG		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
		Revolving Loan Fund	CalHome Grant Reuse											
\$ 6,631	\$ -	\$ 120,198	\$ 414,691	\$ -	\$ -	\$ -	\$ 10,936	\$ 6,396	\$ 5,115	\$ 5,630	\$ 200	\$ -	\$ 97,477	\$ 2,199,859
85	-	-	-	-	-	-	-	-	-	-	-	-	-	85
-	-	151,392	147,634	-	-	-	-	-	-	-	-	-	-	1,203
-	256,472	165,850	486,789	397,918	111,028	620,322	-	358,751	-	20,700	509,490	-	-	974,052
\$ 6,716	\$ 256,472	\$ 437,440	\$ 1,049,114	\$ 397,918	\$ 111,028	\$ 620,322	\$ 10,936	\$ 365,147	\$ 5,115	\$ 26,330	\$ 509,690	\$ -	\$ 97,477	\$ 4,082,909
\$ -	\$ 45,490	\$ -	\$ -	\$ 20,393	\$ -	\$ 2,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,817	\$ 4,842	\$ 16,547
-	45,490	-	-	20,393	-	2,773	-	-	-	-	-	67,280	50,183	264,992
-	256,472	165,850	486,789	397,918	111,028	620,322	-	358,751	-	20,700	509,490	-	-	281,539
-	256,472	165,850	486,789	397,918	111,028	620,322	-	358,751	-	20,700	509,490	-	-	4,082,909
-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,203
6,716	-	271,590	562,325	-	-	-	10,936	6,396	5,115	5,630	200	-	-	1,044,561
-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,793,628
-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,455
-	-	-	-	-	-	-	-	-	-	-	-	-	-	164,172
-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,294
-	(45,490)	-	-	(20,393)	-	(2,773)	-	-	-	-	-	(67,280)	-	(168,653)
6,716	(45,490)	271,590	562,325	(20,393)	-	(2,773)	10,936	6,396	5,115	5,630	200	(67,280)	47,294	2,893,660
\$ 6,716	\$ 256,472	\$ 437,440	\$ 1,049,114	\$ 397,918	\$ 111,028	\$ 620,322	\$ 10,936	\$ 365,147	\$ 5,115	\$ 26,330	\$ 509,690	\$ -	\$ 97,477	\$ 7,258,108



**City of Wasco**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (DEFICITS)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**Year ended June 30, 2015**

	Lighting & Landscape	Emergency Response	Sewer Lift Station	Gas Tax	Traffic Safety	Traffic Impact	1993 CDBG Grant Fund	COPS Grant Fund	2002 CallHome Grant Fund	CHFA Rehab Grant	2003 CDBG Grant Fund	2003 CallHome Grant Fund	2004 CDBG Grant Fund	2004 CallHome Grant Fund
<b>Revenues:</b>														
Taxes	\$ 139,063	\$ -	\$ 9,827	\$ 698,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-	-	583,037	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	106,230	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, Forfeitures & Assessments	-	-	-	-	20,255	-	-	-	-	-	-	-	-	-
Use of Money or Property	-	-	-	-	464	1,994	-	-	-	-	-	-	-	-
Loan Payments	592	-	328	-	-	-	45,494	-	670	19	3,330	2,918	2,591	5,097
Contributions and Donations	-	-	-	-	-	-	-	-	3,923	2,322	45,002	-	6,024	321
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>139,655</b>	<b>-</b>	<b>10,155</b>	<b>698,985</b>	<b>20,719</b>	<b>585,031</b>	<b>45,494</b>	<b>106,230</b>	<b>4,593</b>	<b>2,341</b>	<b>48,332</b>	<b>2,918</b>	<b>8,615</b>	<b>5,418</b>
<b>Expenditures:</b>														
Current:														
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Works	141,297	-	1,945	-	18,412	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay:														
General Capital Outlay	9,868	-	-	-	-	-	-	-	-	-	-	-	-	-
Street Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Finance Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>151,165</b>	<b>-</b>	<b>1,945</b>	<b>-</b>	<b>18,412</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues Over Expenditures	(11,510)	-	8,210	698,985	2,307	585,031	45,494	106,230	4,593	2,341	48,332	2,918	8,615	5,418
<b>Other Financing Sources (Uses):</b>														
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(698,985)	-	-	(45,494)	(94,775)	(4,593)	(19)	(48,332)	(2,918)	(8,615)	(5,418)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(698,985)</b>	<b>-</b>	<b>-</b>	<b>(45,494)</b>	<b>(94,775)</b>	<b>(4,593)</b>	<b>(19)</b>	<b>(48,332)</b>	<b>(2,918)</b>	<b>(8,615)</b>	<b>(5,418)</b>
<b>Net Change in Fund Balances</b>	<b>(11,510)</b>	<b>-</b>	<b>8,210</b>	<b>-</b>	<b>2,307</b>	<b>585,031</b>	<b>-</b>	<b>11,455</b>	<b>-</b>	<b>2,322</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances - Beginning	140,678	(24,778)	155,962	111,150	164,927	802,248	79,607	-	993	(10,261)	32,385	254	62,414	-
Fund Balances - Ending	\$ 129,168	\$ (24,778)	\$ 164,172	\$ 111,150	\$ 167,234	\$ 1,387,279	\$ 79,607	\$ 11,455	\$ 993	\$ (7,939)	\$ 32,385	\$ 254	\$ 62,414	\$ -

**City of Wasco**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (DEFICITS)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**Year ended June 30, 2015**

Miscellaneous Grants	2005 CallHome Grant Fund	CDBG Revolving Loan Fund	CallHome Grant Reuse	2006 CallHome Grant Fund	2008 BEGN 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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 847,875
-	-	-	-	-	-	-	-	-	-	-	-	-	-	583,037
-	-	-	-	-	-	-	-	-	-	-	-	-	-	106,230
-	-	-	-	-	-	-	-	-	-	-	-	-	38,796	38,796
-	1,261	3,834	1,324	3,756	-	2,629	-	2,612	-	458	-	-	631	20,255
-	27,742	9,744	1,876	43,975	-	58,857	-	59,699	-	3,409	-	-	-	34,508
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	29,003	13,578	3,200	47,731	-	61,486	-	62,311	-	3,867	-	-	39,427	1,939,089
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	50	-	-	-	-	-	-	1,225	-	-	-	67,280	21,324	161,654
-	-	-	-	-	-	-	-	-	-	-	-	-	-	89,879
-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,868
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	50	-	-	-	-	-	-	1,225	-	-	-	67,280	21,324	261,401
-	28,953	13,578	3,200	47,731	-	61,486	-	61,086	-	3,867	-	(67,280)	18,103	1,677,688
-	-	139,954	145,001	-	-	-	-	-	-	-	-	-	-	284,955
-	(29,003)	(2,262)	-	(47,731)	-	(61,486)	-	(62,311)	-	(3,867)	-	-	-	(1,115,809)
-	(29,003)	137,692	145,001	(47,731)	-	(61,486)	-	(62,311)	-	(3,867)	-	-	-	(830,854)
-	(50)	151,270	148,201	-	-	-	-	(1,225)	-	-	-	(67,280)	18,103	846,834
6,716	(45,440)	120,320	414,124	(20,393)	-	(2,773)	10,936	7,621	5,115	5,630	200	-	29,191	2,046,826
\$ 6,716	\$ (45,490)	\$ 271,590	\$ 562,325	\$ (20,393)	\$ -	\$ (2,773)	\$ 10,936	\$ 6,396	\$ 5,115	\$ 5,630	\$ 200	\$ (67,280)	\$ 47,294	\$ 2,893,660

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**LIGHTING & LANDSCAPE FUND**  
**Year ended June 30, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$ 116,500	\$ 116,500	\$ 139,063	\$ 22,563
Use of Money or Property	200	200	592	392
	<hr/>			
Total Revenues	116,700	116,700	139,655	22,955
<b>Expenditures:</b>				
Current:				
Public Works	150,856	150,856	141,297	(9,559)
Capital Outlay:				
General Capital Outlay	40,000	40,000	9,868	(30,132)
	<hr/>			
Total Expenditures	190,856	190,856	151,165	(39,691)
Excess of Revenues Over Expenditures	(74,156)	(74,156)	(11,510)	62,646
<b>Other Financing Sources (Uses):</b>				
Transfers In	75,000	75,000	-	(75,000)
Transfers Out	-	-	-	-
	<hr/>			
Total Other Financing Sources (Uses)	75,000	75,000	-	(75,000)
Net Change in Fund Balances	<u>\$ 844</u>	<u>\$ 844</u>	<u>(11,510)</u>	<u>\$ (12,354)</u>
Fund Balances - Beginning			<u>140,678</u>	
Fund Balances - Ending			<u>\$ 129,168</u>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**EMERGENCY RESPONSE**  
**Year ended June 30, 2015**

	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:				
Public Works	-	-	-	-
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>(24,778)</u>	
Fund Balances - Ending			<u>\$ (24,778)</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, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$ 10,000	\$ 10,000	\$ 9,827	\$ (173)
Use of Money or Property	-	-	328	328
	<hr/>			
Total Revenues	10,000	10,000	10,155	155
<b>Expenditures:</b>				
Current:				
Public Works	10,000	10,000	1,945	(8,055)
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	10,000	10,000	1,945	(8,055)
	<hr/>			
Excess of Revenues Over Expenditures	-	-	8,210	8,210
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
	<hr/>			
Total Other Financing Sources (Uses)	-	-	-	-
	<hr/>			
Net Change in Fund Balances	\$ -	\$ -	8,210	\$ 8,210
	<hr/> <hr/>			
Fund Balances - Beginning			<u>155,962</u>	
Fund Balances - Ending			<u>\$ 164,172</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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Taxes	\$ 652,736	\$ 652,736	\$ 8,985	\$ (643,751)
Use of Money or Property	-	-	-	-
	<hr/>			
Total Revenues	652,736	652,736	8,985	(643,751)
<b>Expenditures:</b>				
Current:				
Public Works	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	652,736	652,736	8,985	(643,751)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(652,736)	(652,736)	(698,985)	(46,249)
	<hr/>			
Total Other Financing Sources (Uses)	(652,736)	(652,736)	(698,985)	(46,249)
	<hr/>			
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(690,000)	<u>\$ (690,000.00)</u>
	<hr/>			
Fund Balances - Beginning			<u>111,150</u>	
	<hr/>			
Fund Balances - Ending			<u>\$ (578,850)</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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Fines, Forfeitures & Assessments	\$ 52,000	\$ 52,000	\$ 20,255	\$ (31,745)
Use of Money or Property	500	500	464	(36)
	<hr/>			
Total Revenues	52,500	52,500	20,719	(31,781)
<b>Expenditures:</b>				
Current:				
Public Works	52,500	52,500	18,412	(34,088)
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	52,500	52,500	18,412	(34,088)
	<hr/>			
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	2,307	<u>\$ 2,307</u>
	<hr/>			
Fund Balances - Beginning			<u>164,927</u>	
	<hr/>			
Fund Balances - Ending			<u>\$ 167,234</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, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Charges for Services	\$ 25,000	\$ 25,000	\$ 583,037	\$ 558,037
Use of Money or Property	500	500	1,994	1,494
	<hr/>			
Total Revenues	25,500	25,500	585,031	559,531
<b>Expenditures:</b>				
Current:				
Public Works	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	25,500	25,500	585,031	559,531
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
	<hr/>			
Total Other Financing Sources (Uses)	-	-	-	-
	<hr/>			
Net Change in Fund Balances	<u>\$ 25,500</u>	<u>\$ 25,500</u>	585,031	<u>\$ 559,531</u>
	<hr/>			
Fund Balances - Beginning			<u>802,248</u>	
	<hr/>			
Fund Balances - Ending			<u>\$ 1,387,279</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, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ -	\$ -	\$ -	\$ -
Loan Payments	561	561	45,494	44,933
<b>Total Revenues</b>	<b>561</b>	<b>561</b>	<b>45,494</b>	<b>44,933</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	561	561	45,494	44,933
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(561)	(561)	(45,494)	(44,933)
<b>Total Other Financing Sources (Uses)</b>	<b>(561)</b>	<b>(561)</b>	<b>(45,494)</b>	<b>(44,933)</b>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</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, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 106,230	\$ 6,230
Use of Money or Property	-	-	-	-
<hr/>				
Total Revenues	100,000	100,000	106,230	6,230
<b>Expenditures:</b>				
Current:				
Public Safety	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
<hr/>				
Total Expenditures	-	-	-	-
<hr/>				
Excess of Revenues Over Expenditures	100,000	100,000	106,230	6,230
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(100,000)	(100,000)	(94,775)	5,225
<hr/>				
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(94,775)	5,225
<hr/>				
Net Change in Fund Balances	\$ -	\$ -	11,455	\$ 11,455.00
<hr/>				
Fund Balances - Beginning			-	
<hr/>				
Fund Balances - Ending			\$ 11,455	
<hr/>				

**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, 2015**

	<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	\$ 600	\$ 600	\$ 670	\$ 70
Loan Payments	4,928	4,928	3,923	(1,005)
	<hr/>			
Total Revenues	5,528	5,528	4,593	(935)
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	5,528	5,528	4,593	(935)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(5,528)	(5,528)	(4,593)	935
	<hr/>			
Total Other Financing Sources (Uses)	(5,528)	(5,528)	(4,593)	935
	<hr/>			
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances - Beginning			<u>993</u>	
Fund Balances - Ending			<u>\$ 993</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, 2015**

	<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	\$ -	\$ -	\$ 19	\$ 19
Loan Payments	-	-	2,322	2,322
	<hr/>			
Total Revenues	-	-	2,341	2,341
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	-	-	2,341	2,341
<b>Other Financing Sources (Uses):</b>				
Transfers Out	-	-	(19)	(19)
	<hr/>			
Total Other Financing Sources (Uses)	-	-	(19)	(19)
	<hr/>			
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>2,322</u>	<u>\$ 2,322</u>
	<hr/>			
Fund Balances - Beginning			<u>(10,261)</u>	
	<hr/>			
Fund Balances - Ending			<u>\$ (7,939)</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, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ 3,321	\$ 3,321	\$ 3,330	\$ 9
Loan Payments	9,100	9,100	45,002	35,902
	<hr/>			
Total Revenues	12,421	12,421	48,332	35,911
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	12,421	12,421	48,332	35,911
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(12,421)	(12,421)	(48,332)	(35,911)
	<hr/>			
Total Other Financing Sources (Uses)	(12,421)	(12,421)	(48,332)	(35,911)
	<hr/>			
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
	<hr/>			
Fund Balances - Beginning			<u>32,385</u>	
	<hr/>			
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, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ 1,954	\$ 1,954	\$ 2,918	\$ 964
Loan Payments	1,270	1,270	-	(1,270)
	<hr/>			
Total Revenues	3,224	3,224	2,918	(306)
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	3,224	3,224	2,918	(306)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(684)	(684)	(2,918)	(2,234)
	<hr/>			
Total Other Financing Sources (Uses)	(684)	(684)	(2,918)	(2,234)
	<hr/>			
Net Change in Fund Balances	\$ 2,540	\$ 2,540	-	\$ (2,540)
	<hr/>			
Fund Balances - Beginning			254	
			<hr/>	
Fund Balances - Ending			\$ 254	
			<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, 2015**

	<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	\$ 2,546	\$ 2,546	\$ 2,591	\$ 45
Loan Payments	6,502	6,502	6,024	(478)
	<hr/>			
Total Revenues	9,048	9,048	8,615	(433)
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	9,048	9,048	8,615	(433)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(9,048)	(9,048)	(8,615)	433
	<hr/>			
Total Other Financing Sources (Uses)	(9,048)	(9,048)	(8,615)	433
	<hr/>			
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances - Beginning			<u>62,414</u>	
Fund Balances - Ending			<u>\$ 62,414</u>	

**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, 2015**

	<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	\$ 2,348	\$ 2,348	\$ 5,097	\$ 2,749
Loan Payments	4,218	4,218	321	(3,897)
	<hr/>			
Total Revenues	6,566	6,566	5,418	(1,148)
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	6,566	6,566	5,418	(1,148)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(6,566)	(6,566)	(5,418)	1,148
	<hr/>			
Total Other Financing Sources (Uses)	(6,566)	(6,566)	(5,418)	1,148
	<hr/>			
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances - Beginning			<u>-</u>	
Fund Balances - Ending			<u>\$ -</u>	



**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**MISCELLANEOUS GRANTS**  
**Year ended June 30, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	-
<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>-</u>	<u>\$ -</u>
Fund Balances - Beginning			<u>6,716</u>	
Fund Balances - Ending			<u>\$ 6,716</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, 2015**

	<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	\$ 1,566	\$ 1,566	\$ 1,261	\$ (305)
Loan Payments	5,848	5,848	27,742	21,894
	<hr/>			
Total Revenues	7,414	7,414	29,003	21,589
<b>Expenditures:</b>				
Current:				
Community Development	-	-	50	50
	<hr/>			
Total Expenditures	-	-	50	50
	<hr/>			
Excess of Revenues Over Expenditures	7,414	7,414	28,953	21,539
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(7,414)	(7,414)	(29,003)	(21,589)
	<hr/>			
Total Other Financing Sources (Uses)	(7,414)	(7,414)	(29,003)	(21,589)
	<hr/>			
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(50)	<u>\$ (50.00)</u>
Fund Balances - Beginning			<u>(45,440)</u>	
Fund Balances - Ending			<u>\$ (45,490)</u>	

**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, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ 3,729	\$ 3,729	\$ 3,834	\$ 105
Loan Payments	10,348	10,348	9,744	(604)
<b>Total Revenues</b>	<b>14,077</b>	<b>14,077</b>	<b>13,578</b>	<b>(499)</b>
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenues Over Expenditures</b>	<b>14,077</b>	<b>14,077</b>	<b>13,578</b>	<b>(499)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	28,975	28,975	139,954	110,979
Transfers Out	(2,393)	(2,393)	(2,262)	131
<b>Total Other Financing Sources (Uses)</b>	<b>26,582</b>	<b>26,582</b>	<b>137,692</b>	<b>111,110</b>
<b>Net Change in Fund Balances</b>	<b>\$ 40,659</b>	<b>\$ 40,659</b>	<b>151,270</b>	<b>\$ 110,611</b>
Fund Balances - Beginning			120,320	
Fund Balances - Ending			<b>\$ 271,590</b>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**CALHOME GRANT REUSE**  
**Year ended June 30, 2015**

	<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	\$ 947	\$ 947	\$ 1,324	\$ 377
Loan Payments	3,373	3,373	1,876	(1,497)
	<hr/>			
Total Revenues	4,320	4,320	3,200	(1,120)
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	4,320	4,320	3,200	(1,120)
<b>Other Financing Sources (Uses):</b>				
Transfers In	22,535	22,535	145,001	122,466
Transfers Out	-	-	-	-
	<hr/>			
Total Other Financing Sources (Uses)	22,535	22,535	145,001	122,466
	<hr/>			
Net Change in Fund Balances	<u>\$ 26,855</u>	<u>\$ 26,855</u>	148,201	<u>\$ 121,346</u>
	<hr/>			
Fund Balances - Beginning			<u>414,124</u>	
	<hr/>			
Fund Balances - Ending			<u>\$ 562,325</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, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ 283	\$ 283	\$ 3,756	\$ 3,473
Loan Payments	2,059	2,059	43,975	41,916
	<hr/>			
Total Revenues	2,342	2,342	47,731	45,389
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	2,342	2,342	47,731	45,389
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(2,342)	(2,342)	(47,731)	(45,389)
	<hr/>			
Total Other Financing Sources (Uses)	(2,342)	(2,342)	(47,731)	(45,389)
	<hr/>			
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances - Beginning			<u>(20,393)</u>	
Fund Balances - Ending			<u>\$ (20,393)</u>	

**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, 2015**

	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**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**2007 HOME GRANT FUND**  
**Year ended June 30, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ -	\$ -	\$ 2,629	\$ 2,629
Loan Payments	-	-	58,857	58,857
<b>Total Revenues</b>	-	-	61,486	61,486
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-
Excess of Revenues Over Expenditures	-	-	61,486	61,486
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(61,486)	(61,486)
<b>Total Other Financing Sources (Uses)</b>	-	-	(61,486)	(61,486)
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balances - Beginning			(2,773)	
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, 2015**

	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			<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, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of Money or Property	1,799	1,799	2,612	813
Loan Payments	7,098	7,098	59,699	52,601
	<hr/>			
Total Revenues	8,897	8,897	62,311	53,414
<b>Expenditures:</b>				
Current:				
Community Development	-	-	1,225	1,225
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	-	-	1,225	1,225
	<hr/>			
Excess of Revenues Over Expenditures	8,897	8,897	61,086	52,189
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(8,897)	(8,897)	(62,311)	(53,414)
	<hr/>			
Total Other Financing Sources (Uses)	(8,897)	(8,897)	(62,311)	(53,414)
	<hr/>			
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(1,225)	<u>\$ (1,225)</u>
Fund Balances - Beginning			<u>7,621</u>	
Fund Balances - Ending			<u>\$ 6,396</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, 2015**

	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>5,115</u>	
Fund Balances - Ending			<u>\$ 5,115</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, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of Money or Property	440	440	458	18
Loan Payment	3,427	3,427	3,409	(18)
	<hr/>			
Total Revenues	3,867	3,867	3,867	-
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	3,867	3,867	3,867	-
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(3,867)	(3,867)	(3,867)	-
	<hr/>			
Total Other Financing Sources (Uses)	(3,867)	(3,867)	(3,867)	-
	<hr/>			
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances - Beginning			<u>5,630</u>	
Fund Balances - Ending			<u>\$ 5,630</u>	

**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, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
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 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>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, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 973,245	\$ 973,245	\$ -	\$ (973,245)
Use of Money or Property	-	-	-	-
<b>Total Revenues</b>	<b>973,245</b>	<b>973,245</b>	<b>-</b>	<b>(973,245)</b>
<b>Expenditures:</b>				
Current:				
Community Development	213,779	213,779	67,280	(146,499)
Capital Outlay:				
General Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>213,779</b>	<b>213,779</b>	<b>67,280</b>	<b>(146,499)</b>
Excess of Revenues Over Expenditures	759,466	759,466	(67,280)	(826,746)
<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>\$ 759,466</b>	<b>\$ 759,466</b>	<b>(67,280)</b>	<b>\$ (826,746)</b>
Fund Balances - Beginning			-	
Fund Balances - Ending			<b>\$ (67,280)</b>	

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**PUBLIC FINANCING AUTHORITY**  
**Year ended June 30, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Charges for Services	\$ 40,000	\$ 40,000	\$ 38,796	\$ (1,204)
Use of Money or Property	-	-	631	631
	<hr/>			
Total Revenues	40,000	40,000	39,427	(573)
<b>Expenditures:</b>				
Current:				
Community Development	40,000	40,000	21,324	(18,676)
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	40,000	40,000	21,324	(18,676)
Excess of Revenues Over Expenditures	-	-	18,103	18,103
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
	<hr/>			
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	18,103	<u>\$ 18,103</u>
Fund Balances - Beginning			<u>29,191</u>	
Fund Balances - Ending			<u>\$ 47,294</u>	

**City of Wasco**  
SUPPLEMENTARY INFORMATION

**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, 2015**

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<b>Assets:</b>				
Cash and Investments	\$ 388,891	\$ 619,600	\$ (561,856)	\$ 446,635
Investments with Fiscal Agents - Restricted	462,236	5,568	-	467,804
Receivables	119	-	-	119
Due from City of Wasco	-	45,341	-	45,341
<b>Total Assets</b>	<b>\$ 851,246</b>	<b>\$ 670,509</b>	<b>\$ (561,856)</b>	<b>\$ 959,899</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 482	\$ -	\$ -	\$ 482
Due to Bondholders	850,764	670,509	(561,856)	959,417
<b>Total Liabilities</b>	<b>\$ 851,246</b>	<b>\$ 670,509</b>	<b>\$ (561,856)</b>	<b>\$ 959,899</b>



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**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 City of Wasco, California, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise City of Wasco, California's basic financial statements, and have issued our report thereon dated March 18, 2016.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 City of Wasco, California's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Wasco, California's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness (item 2015-1). 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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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*.

### **City of Wasco, California's Response to Findings**

The City of Wasco, California's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City of Wasco, California's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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  
March 18, 2016

**City of Wasco**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
June 30, 2015

**2015-1 Design of Internal Control**

*Criteria and Condition:* The City experienced a high turnover of accounting and finance personnel during the year. This situation exposed an inadequate design of internal control over significant processes.

*Context:* The City does not adequately perform the following components of Internal Control:

- a. Failure to fully adjust accrued income and expense amounts to the actual year end calculated balances for accounts such as interest expense and revenue.
- b. Failure to reconcile bank accounts on a timely basis.
- c. Untimely preparation of account subsidiaries.

*Cause:* The City did not allocate sufficient resources to the accounting function to enable proper transaction review.

*Effect:* General ledger account balances are misstated.

*Recommendation:* The City should allocate adequate resources to the accounting department.

*Management Response:* The Finance Department made significant improvements and progress during fiscal year 2014-2015 regarding overall finance operations. Miscoding expenditures, wrong postings, late bank reconciliations, and missed accruals have been addressed and accuracy has improved.

Over 90% of all accounting errors were traced to the period of July 2014 through November 2014. This is before the new Finance Director and Accounting Manager arrived. During the first five months, five out of seven (72%) accounting staff were temp and/or newly promoted employees who lacked the required prerequisite experience and/or formal education for the positions they were hired to fill.

Fiscal Year 2014-2015 is the first complete audit that new Finance Department managers completed from beginning to end, and it is expected that performance for the 2015-2016 fiscal year audit will improve.

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**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 OMB CIRCULAR A-133**

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 Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2015.

### **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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Albert & Associates, LLP*

Wasco, California  
March 18, 2016

**City of Wasco**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2015

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			
Active Transportation Program	20.205	ATPL-5287 (040)	\$ 3,165
Active Transportation Program	20.205	ATPL-5287 (041)	5,844
Active Transportation Program	20.205	ATPL-5287 (042)	1,324
Active Transportation Program	20.205	ATPL-5287 (043)	1,642
Active Transportation Program	20.205	ATPL-5287 (044)	568
Highway Planning & Construction	20.205	HSIPL-5287 (029)	247,004
Highway Planning & Construction	20.205	RSTPLE-5287 (032)	42,010
Highway Planning & Construction	20.205	SR2SL-5287 (031)	26,193
Highway Planning & Construction	20.205	STPL-5287 (033)	433,807
Highway Planning & Construction	20.205	STPL-5287 (038)	21,778
<b>Total U.S. Department of Transportation</b>			<b>783,335</b>
<b><u>U.S. Department of Community Development</u></b>			
Pass-through State of California Dept. of Housing & Community Development			
House Related Parks Program	20.205	11-HRPP-8296	291,625
House Related Parks Program	20.205	14-HRPP-9162	97,900
Land and Water Conservation Fund	14.201	06-01733	82,521
<b>Total U.S. Department of Community Development</b>			<b>472,046</b>
<b>Total Federal Expenditures</b>			<b>\$ 1,255,381</b>

See accompanying notes to schedule of expenditures of federal awards

**City of Wasco**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2015

**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, 2015. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. 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 OMB Circular A-122, *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 \$888,941 of loans receivable at year end relating to the HOME Investment Partnership Program (CFDA #14.228).

**City of Wasco**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 Year ended June 30, 2015

**A. Summary of Auditor’s Results:**

1. The auditor’s report expresses an unmodified opinion on the financial statements of the City of Wasco.
2. One material deficiency disclosed during the audit of the financial statements is reported in the 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 significant weaknesses are reported.
3. No instances of noncompliance material to the financial statements of the City of Wasco, which would be required to be reported in accordance with Government Auditing Standards were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs disclosed during the audit and none are reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133. No material weaknesses are reported.
5. The auditor’s report on compliance for the major federal award programs for the City of Wasco expresses an unmodified opinion on all major federal programs.
6. No audit findings were required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs were:

CFDA Numbers	Program Title
20.205	ADA improvements to curbs, gutters, sidewalks and curb ramps
20.205	Re-surface Scofield between SR-46 to McCombs Road

8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The City of Wasco was determined not to be a low-risk auditee.

**B. Findings – Financial Statements Audit**

**2015-1 Design of Internal Control**

*Criteria and Condition:* The City experienced a high turnover of accounting and finance personnel during the year. This situation exposed an inadequate design of internal control over significant processes.

**City of Wasco**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year ended June 30, 2015

**2015-1 Design of Internal Control, (continued)**

*Context:* The City does not adequately perform the following components of Internal Control:

- a. Failure to fully adjust accrued income and expense amounts to the actual year end calculated balances for accounts such as interest expense and revenue.
- b. Failure to reconcile bank accounts on a timely basis.
- c. Untimely preparation of account subsidiaries.

*Cause:* The City did not allocate sufficient resources to the accounting function to enable proper transaction review.

*Effect:* General ledger account balances are misstated.

*Recommendation:* The City should allocate adequate resources to the accounting department.

*Management Response:* The Finance Department made significant improvements and progress during fiscal year 2014-2015 regarding overall finance operations. Miscoding expenditures, wrong postings, late bank reconciliations, and missed accruals have been addressed and accuracy has improved.

Over 90% of all accounting errors were traced to the period of July 2014 through November 2014. This is before the new Finance Director and Accounting Manager arrived. During the first five months, five out of seven (72%) accounting staff were temp and/or newly promoted employees who lacked the required prerequisite experience and/or formal education for the positions they were hired to fill.

Fiscal Year 2014-2015 is the first complete audit that new Finance Department managers completed from beginning to end, and it is expected that performance for the 2015-2016 fiscal year audit will improve.

**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, 2015

No Prior Audit Findings



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