



Wasco

G R O W W I T H U S

CALIFORNIA



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2009**



INCORPORATED 1945

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE CITY OF WASCO, CA



Fiscal Year Ended June 30, 2009

Prepared by:

Finance Director
Jim Zervis

COMPREHENSIVE ANNUAL FINANCIAL REPORT



INCORPORATED 1945



**City of Wasco
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009**

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INCORPORATED 1945



December 15, 2009

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Wasco:

State law requires that every general-purpose local government publish within six months of the close of the fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2009.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements.

Albert & Associates, LLP, Certified Public Accountants, has issued an unqualified, ("clean") opinion on the City of Wasco's financial statements for the year ended June 30, 2009. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the Government

The City of Wasco, incorporated in 1945, and is located 30 miles north west from Bakersfield, the largest City in Kern County and is in the heart of the most diversified agricultural region in the world. The City is seated in between the two major Freeways within the State of California, Highway 99 (SR99) 9 miles to the east, Interstate 5 (I-5) 17 miles to the west. The City of Wasco currently occupies a land area of 9.7 square miles and serves a population of 25,434 of which includes approximately 5,989 prison inmates. The City of Wasco relies on taxes from various sources and agencies; such as, property tax, sales tax, motor vehicle-in-lieu of property taxes and franchise tax. The City is empowered by

state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City of Wasco has operated under the council-manager form of government since 1945. Policy-making and legislative authority are vested in a governing Council consisting of the mayor and four other members, all elected on a non-partisan basis. The Council appoints the government's attorney and manager, who in turn appoints the heads of various departments. Council members serve four-year overlapping terms, with three council members elected every two years and two council members elected during the alternating two years. The Council selects one of its members to serve as mayor each year.

The City of Wasco provides a full range of services, including, but not limited to, construction and maintenance of streets and roads, and other infrastructure, contracts with the Kern County Sheriffs Department for police services and with the Kern County Fire Department for fire protection services. Certain services are provided through a legally separate enterprise funds, such as Water, Wastewater, and Sanitation, which functions, in essence, as a department of the City of Wasco and therefore has been included as an integral part of the City of Wasco's financial statements. The City of Wasco also is financially accountable for a legally separate Redevelopment Agency, commonly known as the Wasco Redevelopment Agency (WRDA), established in 1988 by Ordinance No. 88-338 and the Wasco Public Financing Authority established in 1989 by a joint powers agreement. Additional information on both of these legally separate entities can be found in the notes to the financial statements (See Note 1).

The Council is required to adopt a final budget no later than the close of the prior fiscal year. This annual budget serves as the foundation for the City of Wasco's financial planning and control. The budget is prepared by fund, function (e.g., general fund), and department (e.g., police). The City Manager may transfer resources within a department and between departments according to the legal levels of budgetary control defined within the City Budget. .

Local economy

Major industries located within the City's boundaries or in close proximity include agricultural production and processing, logistical, warehousing and distribution centers. The state also has a significant economic presence thanks to a major state prison that provides employment for more than 1,688 prison guards and staff.

Because of its location within the region and heavy reliance on seasonal agricultural jobs, unemployment is relatively high. During the past ten years, the unemployment rate declined from a high of 21.9 percent (1998) to a decade low of 14.4 percent (2006), only to increase due to the economic recession to set a new ten year high of 25.8 in 2009. The increase in unemployment over the past

three years is the result of a major agricultural producer selling its land and moving out of the City, a loss in construction related jobs due to the residential housing slowdown, and overall job reductions due to the economic recession.

Unemployment is expected to remain high over the next few years for two reasons. First, the nationwide economic recession we are currently experiencing is increasing the unemployment rate nationwide including the City of Wasco. Second, there is a severe water shortage throughout California which is resulting in farming acreage being pulled out of production. Although this is not directly impacting farm land within the City limits it is resulting in a statewide shortage of agricultural jobs.

During this past year a nationwide hotel chain, two fast food restaurants, a new gas station, and a regional grocery store have been built. Several other nationally known retailers and restaurants are contemplating projects along Highway 46. These new businesses will add a diversifying source of jobs to the City of Wasco and play a key role in combating the City's high unemployment rate.

In fiscal year 2007/2008 Wasco experienced a significant slowdown in the residential housing market also slowing developer related building, planning, and tap fees. By 2008/2009 six different subdivisions that were under development fell into default with their lenders and as a result construction within these tracts significantly slowed down or stopped altogether. The City of Wasco downsized its planning and building divisions to cope with the revenue reductions. The Wasco Redevelopment Agency is currently in the process of forming a second project area around these defaulted subdivisions. This new project area will provide a key funding source to address the needed improvement and blight elimination plaguing these incomplete housing tracts.

Creating and maintaining a "business-friendly" environment in the City of Wasco is a key priority of the City Council. Over the past year the City Council has focused on assigning resources to continue development improvement efforts and on setting policy that encourages development. City Management and Staff have focused on making significant improvements to the City's development planning and permitting process. These improvements are focused on frequent communication with developers, establishing a transparent and efficient development process, implementing a project tracking solution, and eliminating unnecessary development barriers. To further this effort the City engaged PMC, an independent firm, to review the City's Community Development Department and to recommend and implement procedures to improve the function of the department and the City's overall development process. The City of Wasco recognizes that encouraging and facilitating private investment and job creation is a key to financial stability for the community.

As mentioned above, the City Council developed and approved the creation of a second project area for the Wasco Redevelopment Agency in 2008/2009. This

new project area will include the various defaulted housing subdivisions throughout Wasco as well as some property on the north side of State Highway 46. The plan for this new project area will focus on achieving specific goals including the encouragement of economic development, to sponsor needed public improvements in the project area, and to increase, preserve and improve the supply of very low, and eliminate blight. This new Project Area will provide a future funding source to achieve these goals.

The City of Wasco's economy is based primarily on agriculture production and ag-related industries. The farm land surrounding the City of Wasco supports thousands of acres of diversified crops, such as, roses, potatoes, corn, almonds, alfalfa, sweet potatoes, carrots, melons, oranges and a variety of other fruits and vegetables. Wasco is also home a substantial portion of the nations rose production and is universally known as the "Rose Capital of the Nation". Every year, thousands of visitors come to the Wasco Rose Festival held in September to view the hundred of acres of roses in full radiant bloom.

Long-term financial planning

Unreserved, undesignated fund balance in the general fund (6.34 percent of total general fund expenditures) falls below the policy guidelines set by the City Council for budgetary and planning purposes (i.e., no less than the greater of 15 percent total general fund revenues or 16.67 percent total general fund operating expenditures). This policy was first established in fiscal year 2007/2008 and the general fund unreserved, undesignated fund balance was 1.93 percent of total general fund operating expenditures. Along with the policy was a five year funding plan to bring the general fund into compliance with the new policy. As of June 30, 2009 the City is ahead of schedule in achieving compliance.

In 2007/2008 the City completed the design phase of a 1.5 million gallon expansion to the City's wastewater treatment plant. This expansion was needed because of the potential build out of several new subdivisions within the service area. The estimated cost of the expansion was \$27 million dollars all of which was to be financed through a loan or bond issuance. Due to the significant slowdown in the residential housing market the subdivisions under construction have significantly slowed or temporarily stopped construction. This has pushed out the need for the wastewater plant expansion for an additional three to five years. In 2008/2009 the City started the design work for a portion of the expansion encompassing a new sludge centrifuge. This project was budgeted at a cost of \$2,000,000. Fortunately the City was able to obtain a Federal American Reinvestment and Recovery (ARRA) grant to fully finance this project which will be completed in 2009/2010.

The City of Wasco recently received \$4,100,000 Federal ARRA Grant for the purchase and installation of water meters throughout the entire city. The project includes roughly 2,850 new water meters. Once completed, the City of Wasco

will be a fully metered community. Not only will this project bring the City into compliance with California State Law requiring water meters but this project also helps to encourage and promote water conservation throughout the community.

The BEGIN Program creates housing for low-income and moderate-income first-time homebuyers by fostering partnerships between cities and developers of newly constructed homes. The City of Wasco worked with Moreland Corporation and ReMax New Generation Real Estate Group to create 120 affordable homes in the Roses of Barcelona development. The development, located in Wasco at Poso Drive and Central Avenue, offers a variety of three- to four-bedroom floor plans for BEGIN Program participants. Like the HOME Program, qualified buyers will meet the income guidelines and will occupy the home as their primary residence. The BEGIN Program is funded by Proposition 1C, the housing bond approved by California voters in 2006.

The City of Wasco, like many California cities, is faced with escalating cost of public safety and reductions in revenues from the State that assists in the funding for public safety. Having a high level of police protection services in the City of Wasco is a priority of the City Council. To insure community safety needs are being met in an efficient and effective manner the City Council approved a Police Services Analysis contract to be conducted in the summer of 2009. This analysis will focused on understanding the City's public safety needs and will compare the cost of meeting these needs through a City Police Department versus under a contract with Kern County.

As with other central valley cities Wasco has seen a substantial slowdown in residential construction beginning in the summer of 2007. Wasco continues to be one of the more affordable housing markets in the local area. Given this it is estimated that all current housing tracks will continue to completion but it will take longer than expected. This slow down in residential development has reduced related city revenue sources. This slowdown in revenue is expected to continue through the next few fiscal years.

Relevant financial policies and practices

Cash temporarily idle during the year was invested in the State Treasurer's Investment Pool – Local Agency Investment Fund (LAIF). LAIF is a very liquid investment pool. Funds can be obtained in one day. The City of Wasco received an average yield of 2.22% for fiscal year ended on June 30 2009. Additionally the City of Wasco invested \$1,000,000 into an investment pool account with the Central San Joaquin Valley Risk Management Authority (CSJVRMA). At June 30, 2009 this account was valued at \$1,011,504. The City of Wasco received an average yield of 3.39% for fiscal year ended on June 30 2009 on this investment.

It is the City of Wasco's policy that "onetime" resource inflows not be used for operating purposes. Accordingly, the City Council considers and approves individual projects for the use of "onetime" inflow funds.

Risk Management

The City of Wasco participates in a joint powers agreement with the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The CSJVRMA arranges for and provides property and liability insurance for its members. Each district member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the CSJVRMA. Additionally the City has one employee dedicated to risk management and risk mitigation. Additional information on the City of Wasco's risk management activity can be found in Note 11 of the notes to the financial statements.

Pension and other post employment benefits

The City of Wasco participates in the Public Agency portion of the California Public Employees Retirement System (CalPERS). CalPERS is an agent for a multiple-employer plan, which acts as a common investment and agent for participating public employers within the State of California. The City of Wasco offers their employees 3 percent @ 60 plan. Active members are required to contribute 8.186 percent and the City of Wasco contributes 18.845 percent. In addition, the City of Wasco offers a 457 voluntary contribution plan. Additional information on the City of Wasco's pension plan and other post employment benefits can be found in Note 12 of the note to the financial statements.

Award and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wasco for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The City has received from the California Society of Municipal Finance Officers (CSMFO) a Certificate of Award in Excellence in Operational Budgeting for fiscal year 2008/2009, which constitutes receipt of the award for eight consecutive year.

The preparation of this report would not have been possible without the efficient and dedicated service of the Finance Department of the City of Wasco. I wish to express our appreciation to all members of the City departments who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Wasco's finances.

Respectfully

A handwritten signature in blue ink that reads "Jim Zervis". The signature is written in a cursive style.

Jim Zervis
City Manager

**CERTIFICATE OF ACHIEVEMENT FOR
EXCELLENCE IN FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Wasco for its comprehensive annual financial report for the fiscal year ended June 30, 2007. This was the 4th consecutive year that the City of Wasco has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Presented to

**City of Wasco
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

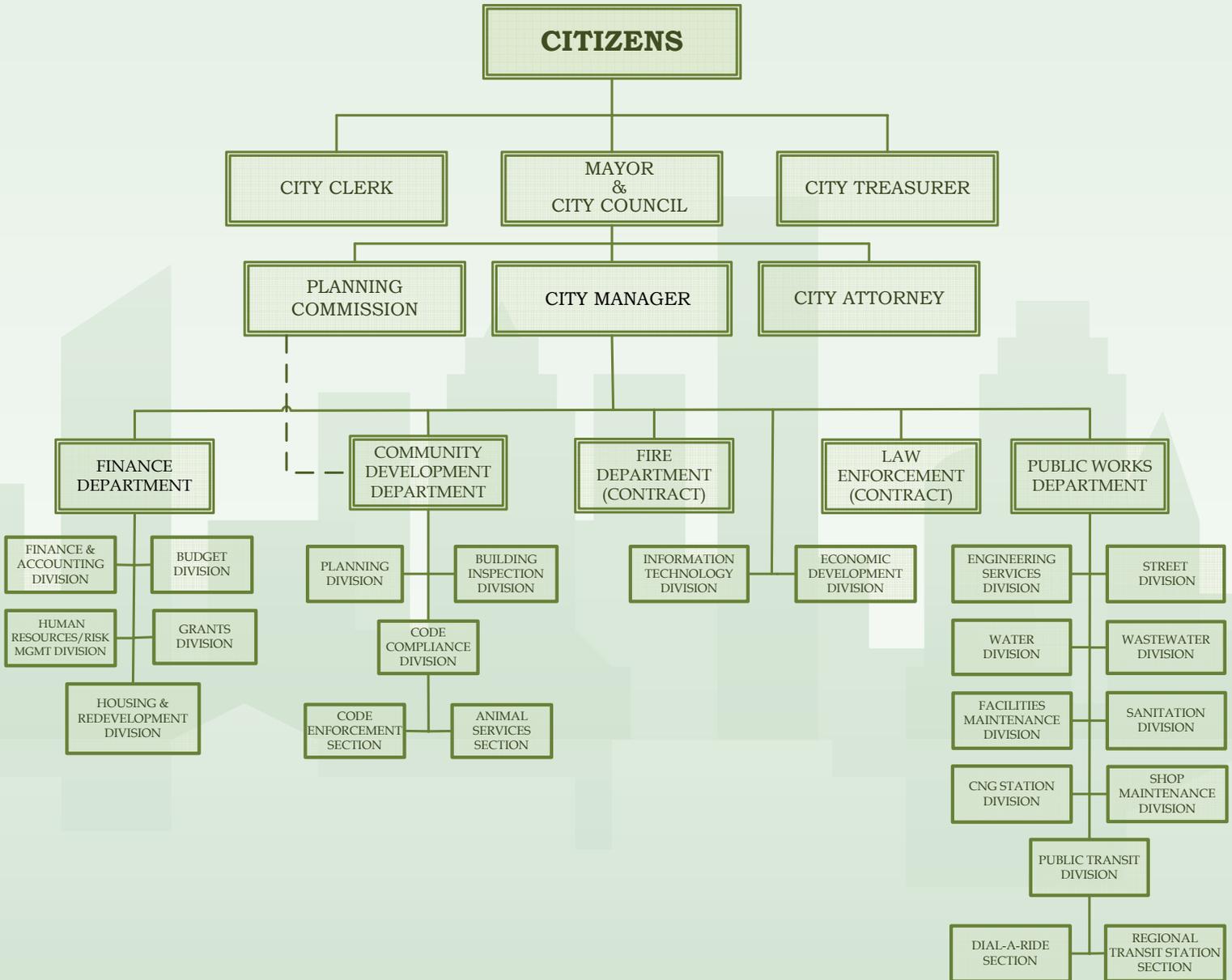
President

Jeffrey R. Emer

Executive Director



CITY OF WASCO
Organizational Chart
Fiscal Year 2008 / 2009





CITY OF WASCO
Elected Officials & Staff
Fiscal Year 2008/ 2009

CITY COUNCIL



JOE HIVELY
Council Member



CHERYL WEGMAN
Council Member



FRED WEST, JR.
MAYOR



DANNY ESPITIA
Mayor Pro Tem



TILO CORTEZ
Council Member

CITY CLERK



VICKY HIGHT
City Clerk

PLANNING COMMISSION



JILL DRESCHER
Vice-Chair



STACIE LOPEZ
Planning Secretary

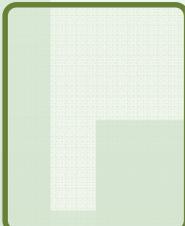


CHARLES SANTILLAN
Chair



ROCIO MOSQUEDA
Treasurer

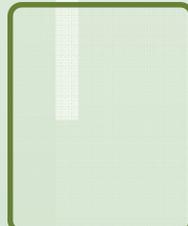
CITY TREASURER



DWAYNE HUTSON
Commissioner



JIM FORREST
Commissioner



VACANT
Commissioner



DAVE GERMAN
Commissioner



DON ELHOLM
Commissioner

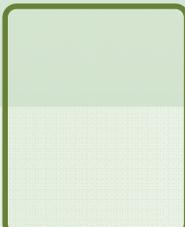
ADMINISTRATIVE STAFF



JIM ZERVIS
City Manager



BONIFACIO GARCIA
City Attorney



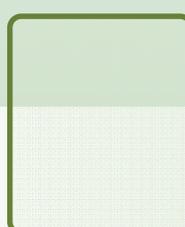
COMDR. FRANCIS MOORE
N. Kern Division K.C.S.O.



DANIEL ALLEN
Public Works Director



VACANT
Finance Director



VACANT
Community
Development Director



SGT. MATT LEE
Wasco Police Services

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wasco, California (City), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to 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, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the schedules of pension funding progress and budgetary comparison information as listed in the required supplementary information section of the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual non-major fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Albert & Associates, LLP

Wasco, California
October 30, 2009

City of Wasco Management's Discussion and Analysis

As management of the City of Wasco, we offer readers of the City of Wasco's financial statements this narrative overview and analysis of the financial activities of the City of Wasco for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-7 of this report.

Financial Highlights

- The assets of the City of Wasco exceeded its liabilities at the close of the most recent fiscal year by \$42,339,163 (net assets). Of this amount, \$2,882,203 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Governmental Activity unrestricted net assets is \$936,042 and Business-Type Activities unrestricted net assets is \$1,946,161.
- The government's total net assets increased by \$5,898,225. Approximately a 32 percent of this increase is attributable to a one time infusion of resources from land and improvements dedicated to the government.
- As of the close of the current fiscal year, the City of Wasco's governmental funds reported a combined ending fund balances of \$11,080,381 which is an increase of \$1,290,933 over the prior year.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$344,901 or 6 percent of total general fund expenditures.
- The City of Wasco's total long-term liabilities decreased by \$752,212 (10 percent) during the current fiscal year. This net change includes \$35,464 of new debt to finance equipment purchases, \$40,353 reduction based changes to accrued compensated absences, and \$747,323 reduction based on normal debt service payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Wasco's basic financial statements. The City of Wasco's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Wasco's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City of Wasco's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Wasco is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash

flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The of the government-wide financial statements distinguish functions of the City of Wasco that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Wasco include general government, public safety, public works, and community development. The business-type activities of the City of Wasco include water reclamation and sewer, water utility, refuse collection and disposal, public transportation, and a compressed natural gas (CNG) fueling station.

The government-wide financial statements include not only the City of Wasco itself (known as the primary government), but also the legally separate Wasco Redevelopment Agency and the legally separate Wasco Public Financing Authority for which the City of Wasco is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 28-29 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Wasco, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Wasco can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflow and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Wasco maintains thirty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, street fund, BEGIN grant fund, RDA capital projects fund, and RDA debt service fund, all of which are considered to be major funds. Data from the twenty-six non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

The City of Wasco adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statement can be found on pages 30-33 of this report.

Proprietary funds. The City of Wasco maintains five different proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Wasco uses enterprise funds to account for its water reclamation and sewer, water utility, refuse collection and disposal, public transportation, and compressed natural gas (CNG) fueling station.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Information is presented separately in the proprietary fund balance sheet and in the proprietary fund statement of revenues, expenditures, and changes in fund balance for the water reclamation and sewer, water utility, refuse collection and disposal, public transportation, and compressed natural gas (CNG) fueling station all of which are considered to be major funds.

The basic proprietary fund financial statements can be found on pages 34-36 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Wasco's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 37 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-62 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Wasco's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 64 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 67-107 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Wasco, assets exceeded liabilities by \$42,339,163 at the close of the most recent fiscal year.

By far one of the largest portions of the City of Wasco's net assets (63 percent) reflects its investment in capital assets (e.g., land, building, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Wasco uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Wasco's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Wasco's Net Assets

	Governmental activities		Business - type activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 13,721,184	\$ 12,908,877	\$ 5,328,675	\$ 6,038,888	\$ 19,049,859	\$ 18,947,765
Capital assets	15,418,798	11,816,034	17,979,380	17,136,455	33,398,178	28,952,489
Total Assets	29,139,982	24,724,911	23,308,055	23,175,343	52,448,037	47,900,254
Long-term liabilities						
outstanding	2,739,258	2,956,712	3,275,562	3,877,591	6,014,820	6,834,303
Other liabilities	3,010,537	3,471,536	1,083,517	1,153,477	4,094,054	4,625,013
Total Liabilities	5,749,795	6,428,248	4,359,079	5,031,068	10,108,874	11,459,316
Net assets:						
Invested in capital assets,						
net of related debt	12,510,864	11,292,676	14,170,116	12,792,756	26,680,980	24,085,432
Restricted	9,943,281	-	2,832,699	3,155,468	12,775,980	3,155,468
Unrestricted	936,042	7,003,987	1,946,161	2,196,051	2,882,203	9,200,038
Total net assets	\$ 23,390,187	\$ 18,296,663	\$ 18,948,976	\$ 18,144,275	\$ 42,339,163	\$ 36,440,938

An additional portion of the City of Wasco's net assets, \$12,775,980 or 30 percent of net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net \$2,882,203 may be used to meet the government's ongoing obligations to citizens and creditors (see Note 9).

The large increase in the restricted portion of net assets between fiscal year 2008 and 2009 is the result of a change in classification and presentation. This change affected only the governmental activities and simply shifted items from unrestricted to restricted to more closely match the presentation in the fund financial statements.

At the end of the current fiscal year, the City of Wasco is able to report positive balances in all three categories of net assets as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was an increase of \$804,701 in net assets reported in connection with the City of Wasco's business-type activities. Almost 171% of this increase was related to the investment in capital assets net of related debt as a result of capital purchases (72%), regular debt payments (22%), and infrastructure dedications to the City (77%). Almost -31% of the change occurred within the unrestricted net asset category consisting of the result of revenues in excess of expenses less unrestricted funds invested in capital assets. The remaining -40% of the net

change is a net decrease in restricted net assets due to qualified expenses in excess of the collection of tap fees.

The government's net assets increased by \$5,093,524 during the current fiscal year. About 39 percent of this increase represents capital assets funded through capital grants and contributions in excess of current year depreciation. About 32 percent of the increase represents one-time dedications of land and public improvements to the City. About 14 percent of the increase represents the degree to which increases in ongoing revenues have outstripped similar increases in ongoing expenses. The remainder of this growth largely reflects one time impact fees and increases in operating grants.

Governmental activities. Governmental activities increased the City of Wasco's net assets by \$5,093,524, thereby accounting for 86 percent of the total growth in the net assets of the City of Wasco. Key elements of this increase are as follows:

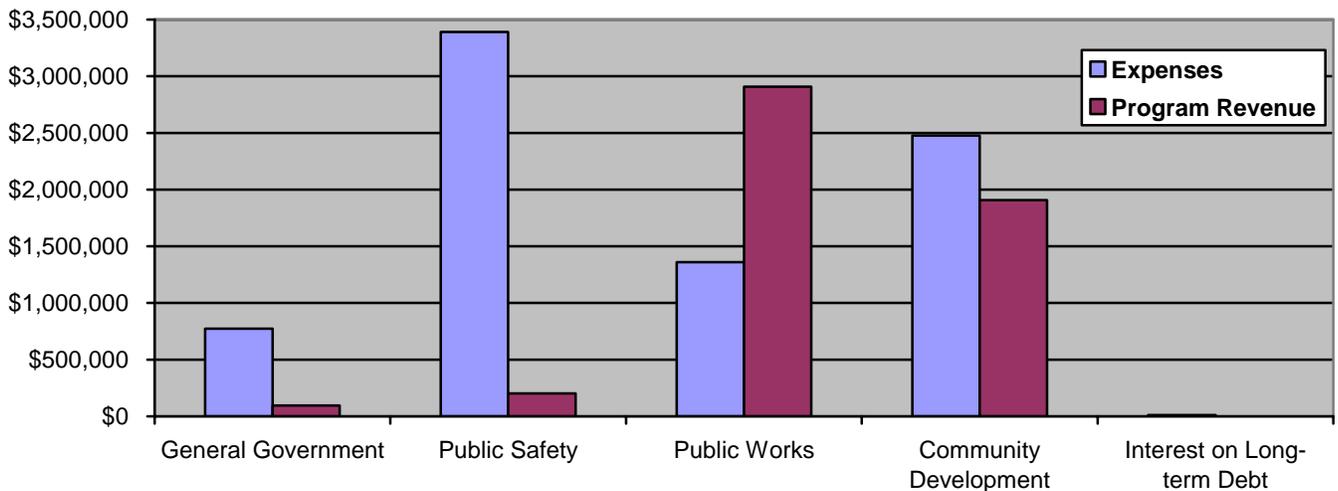
City of Wasco's Changes in Net Assets

	Governmental activities		Business - type activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for service	\$ 723,971	\$ 1,384,411	\$ 6,587,335	\$ 7,320,605	\$ 7,311,306	\$ 8,705,016
Operating grants and contributions	1,675,519	763,357	52,264	156,685	1,727,783	920,042
Capital grants and contributions	2,715,349	1,557,424	623,151	245,939	3,338,500	1,803,363
General revenues:						
Property taxes	2,445,512	2,112,127	-	-	2,445,512	2,112,127
Sales taxes	1,171,253	1,148,056	-	-	1,171,253	1,148,056
Motor vehicle in-lieu tax	2,286,558	2,068,960	-	-	2,286,558	2,068,960
Other taxes	1,754,463	1,414,369	-	-	1,754,463	1,414,369
Grants and contributions not restricted to specific programs	46,344	94,218	-	-	46,344	94,218
Other	66,566	109,535	-	-	66,566	109,535
Total revenues	12,885,535	10,652,457	7,262,750	7,723,229	20,148,285	18,375,686
Expenses:						
General government	773,807	513,373	-	-	773,807	513,373
Public safety	3,391,570	3,123,956	-	-	3,391,570	3,123,956
Public works	1,360,646	1,699,290	-	-	1,360,646	1,699,290
Community development	2,476,389	2,933,556	-	-	2,476,389	2,933,556
Interest on long-term debt	11,033	10,036	-	-	11,033	10,036
Water redemption and sewer	-	-	1,711,734	1,810,270	1,711,734	1,810,270
Water utility	-	-	1,928,413	1,811,774	1,928,413	1,811,774
Refuse collection and disposal	-	-	2,166,436	2,086,186	2,166,436	2,086,186
Public transportation	-	-	361,277	401,124	361,277	401,124
CNG fueling station	-	-	68,755	71,267	68,755	71,267
Total expenses	8,013,445	8,280,211	6,236,615	6,180,621	14,250,060	14,460,832
Increase in net assets before transfers	4,872,090	2,372,246	1,026,135	1,542,608	5,898,225	3,914,854
Transfers	221,434	(32,196)	(221,434)	32,196	-	-
Increase in net assets	5,093,524	2,340,050	804,701	1,574,804	5,898,225	3,914,854
Net assets July 1, 2008	18,296,663	15,956,613	18,144,275	16,569,471	36,440,938	32,526,084
Net assets, June 30, 2009	\$ 23,390,187	\$ 18,296,663	\$ 18,948,976	\$ 18,144,275	\$ 42,339,163	\$ 36,440,938

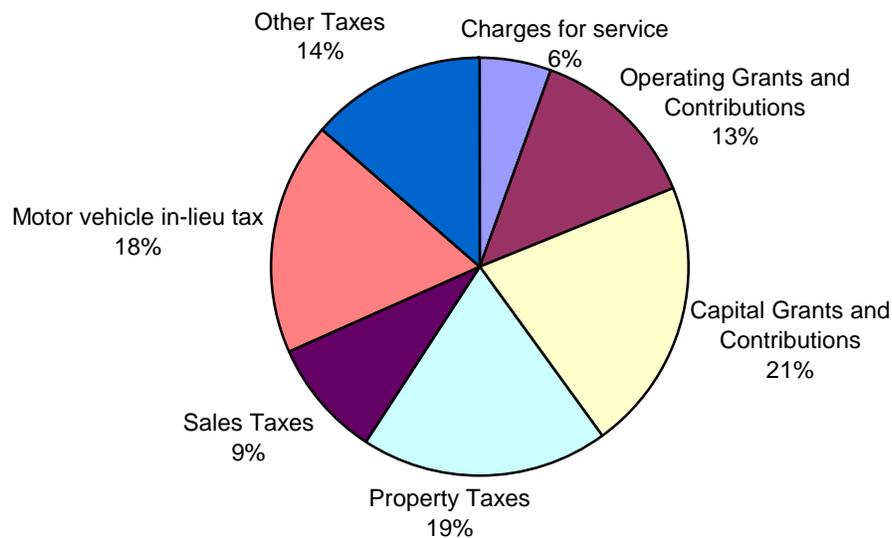
- Property taxes increased by \$333,385 or 16 percent during the year. Most of is increase is the product of continued development of commercial growth within the city limits particularly along State Highway 46.
- Motor vehicle in-lieu tax increased by \$217,598 or 11 percent during the year. The increase is attributable to increased new cars being purchased by citizens of Wasco as well as increased population.

- Operating contributions and grants increased \$807,741 or 88 percent due to higher funding of several community development grants received used for low income housing rehabilitation and first time home buyer programs awarded in the prior year.
- Capital contributions and grants increased by \$1,535,173 or 85 percent. The increase was attributed to final construction work on a 2005 community development block grant for infrastructure and several other public infrastructure grants for streets and roads work.
- Other taxes increased by \$340,094 or 11 percent largely due to deferred gas tax payments from the prior year received in the current year.
- Charges for Service decreased by \$1,393,710 or 16 percent due to the economic recession and the drop off of new residential construction.

Expenses and Program Revenue - Governmental Activities



Revenue by Source - Governmental Activities



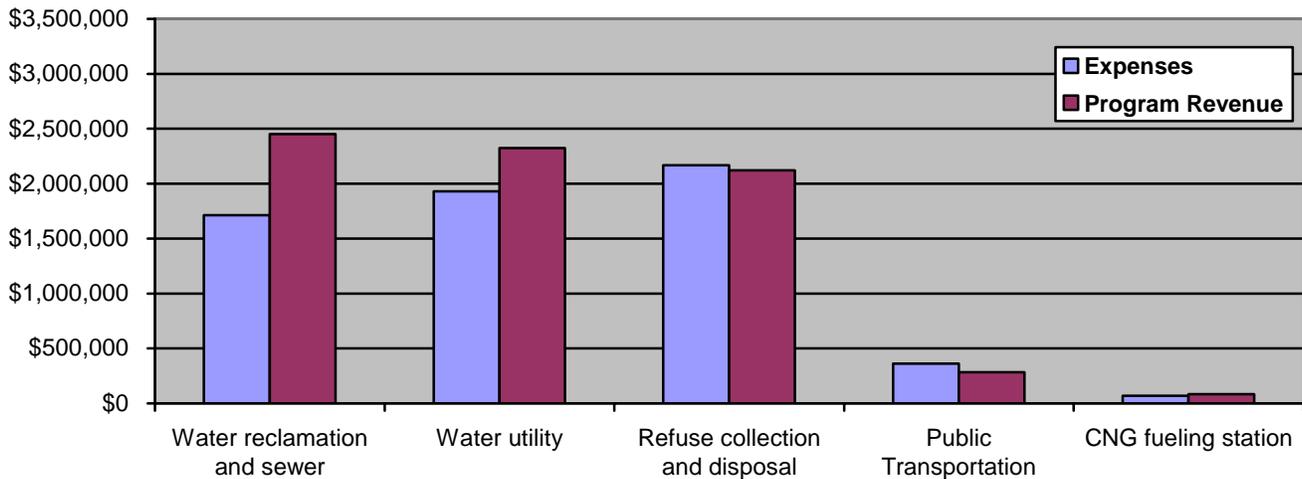
For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. Over the past year the City of Wasco experienced a 47 percent reduction in governmental activity charges for service as a result of the economic recession and housing

market collapse. In anticipation of this decline in revenues the City made significant budget cuts in all governmental activities. As a result the City was able to maintain a balanced budget and generate a positive change in net assets. An increase in grant funded activities helped to keep funding available for public infrastructure improvements over the course of the year.

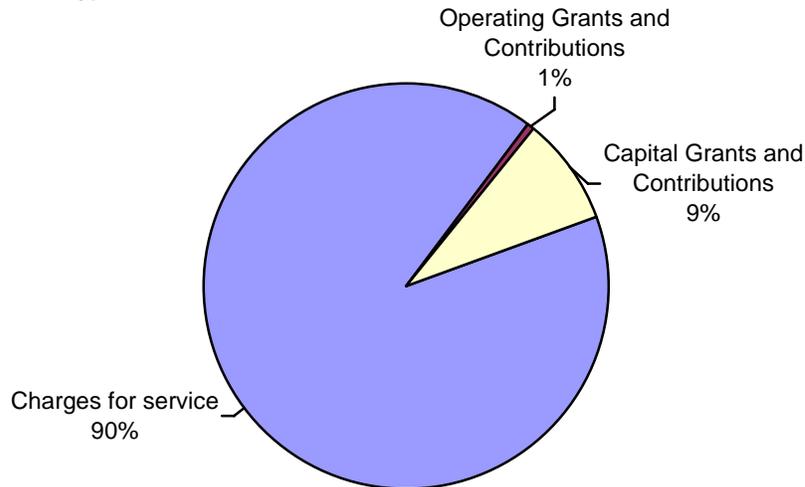
Business-type activities. Business-type activities increased the City of Wasco’s net assets by \$804,701 or 14 percent of the total growth in the net assets of the City of Wasco. Key elements of this increase are a follows:

- The City of Wasco received a total of \$246,151 in one time connection/tap fees throughout the year accounting for 30 percent of the increase.
- The City of Wasco received \$623,151 from various dedicated public improvements relating to new developments that were completed during the year accounting for 77 percent of the increase.
- The balance of the increase, roughly 3 percent, was the result of net revenues exceeding expenditures.

Expenses and Program Revenue - Business-type Activities



Revenue by Source - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City of Wasco uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Wasco's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the City of Wasco's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Wasco's governmental funds reported combined ending fund balances of \$11,080,381, an increase of \$1,290,933 in comparison with the prior year. Approximately 44 percent of this total amount (\$4,845,087) constitutes unreserved, undesignated fund balance in various funds, which is available for spending at the government's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed 1) to notes receivable, mostly accumulated from housing grant loans (\$2,835,933), 2) to land held for resale within the Wasco Redevelopment Agency (\$1,678,595), 3) to pay debt service (\$587,579), 4) to liquidate prepaid expenses and other deferred charges (\$355,326), and 4) to capital improvements (\$777,861).

The general fund is the chief operating fund of the City of Wasco. At the end of the current fiscal year, unreserved, fund balance of the general fund was \$344,901 while total fund balance reached \$988,488. Of this total \$613,534 is designated for capital improvements but could be reappropriated by the local government if necessary to meet current fiscal needs. As a measure of the general funds liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 6 percent of total general fund expenditures, while total fund balance represents 18 percent of the same amount.

The fund balance of the City of Wasco's general fund increased by \$49,790 during the current fiscal year. Key factors in this increase are as follows:

- The establishment of a rainy day policy to rebuild unreserved, undesignated fund balance to 20% of annual operating expenses funded in 2009 at \$100,000 and accounting for 200 percent of the increase in unreserved, undesignated fund balance in the general fund.
- Legal expenses of \$371,875 resulting from unanticipated litigation exceeding original estimates of \$300,000.

The streets fund is used to account for repairs, maintenance, and capital improvement projects to streets and roads within the City of Wasco. At the end of the current fiscal year, unreserved, undesignated fund balance of the street fund was \$767,618 while total fund balance reached \$936,318. The street fund is classified as a special revenue fund because the primary funding sources are legally restricted for use only on streets and roads.

The fund balance of the City of Wasco's street fund increased by \$72,411 during the current fiscal year. Key factors in this increase are as follows:

- The State of California withheld payments of gas taxes from April 2008 through September 2008 resulting in revenues increasing by \$122,816 for the current fiscal year.
- A reduction in revenue derived from a zone of benefit due to the slow down in residential development resulted in a revenue shortfall of \$51,000 for the current fiscal year.

The BEGIN grant fund is used to account for the City of Wasco's Building Equity and Growth In Neighborhood (BEGIN) grant that was awarded in the prior fiscal year. This program assists with low income owner occupied home loans. At the end of the current fiscal year, unreserved, undesignated fund balance of the BEGIN grant fund was \$31,153 while total fund balance reached \$141,450. The BEGIN grant fund is classified as a special revenue fund due to the legal restrictions on the grant funds.

The fund balance of the City of Wasco's BEGIN grant fund increased by \$44,301 during the current fiscal year. Key factors in this increase are as follows:

- Two grant loans made to qualified home buyers resulted in earned grant revenue increasing fund balance by \$36,762.
- Interest earned on deposited funds increased fund balance by \$17,506.
- Administration expenses related to the newly issued loans totaled \$9,967.

The RDA capital projects fund is the main operating fund of the Wasco Redevelopment Agency, a component unit of the City of Wasco. At the end of the current fiscal year, unreserved, undesignated fund balance of the RDA capital projects fund was \$391,082 while total fund balance reached \$2,389,884.

The fund balance of the Wasco Redevelopment Agency's RDA capital projects fund decreased by \$678,353 during the current fiscal year. Key factors in this decrease are as follows:

- The amortization of deferred charges reduced fund balance by \$37,494.
- Donation of land valued at roughly \$640,000 to the City of Wasco for the development of a new soccer park.

The RDA debt service fund is the fund designated to receive all tax increment for the Wasco Redevelopment Agency, a component unit of the City of Wasco. At the end of the current fiscal year, unreserved, designated fund balance of the RDA debt service fund was \$0 while total fund balance reached \$587,579.

The fund balance of the Wasco Redevelopment Agency's RDA debt service fund increased by \$160,026 during the current fiscal year. Key factors in this increase are as follows:

- The receipt of tax increment for redevelopment increased by \$372,630 due to increased property assessed valuations within the project area and new tax increment generated from land added to the project area in 2007.
- Pass-thru payment expense increased by \$112,184 compared to the prior year due to the increased receipt of tax increment revenues.
- Low/Moderate income housing set-aside transfers increased by \$74,509 compared to the prior year due to the increased receipt of tax increment revenues.

The City of Wasco doesn't have a debt service fund nor does the City have any operating leases.

The total debt under governmental activities is \$3,001,338 (See Note 9). The components of this amount are as follows;

- Compensated Absences in the amount of \$93,404.
- Wasco Public Financing Authority Revenue Bonds of \$405,000. Bonds issued for south side infrastructure.
- Wasco Public Financing Authority Tax Allocation Bond debt of \$2,065,000. Bonds used to construct the industrial park.
- Other Long –Term Debt – a 3 percent promissory note with CALHFA for \$342,000
- Other Long –Term Debt – a 4.35 percent note payable to Municipal Finance Corporation for \$67,659 used to finance a new dump truck.
- Other Long –Term Debt –a 5.146 percent note payable to Key Government Finance, Inc. for \$28,275 used to finance telephone equipment

Proprietary funds. The City of Wasco's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the water reclamation and sewer operation amounted to \$418,404, water utility amounted to \$1,226,102, refuse collection and disposal amounted to \$278,134, public transportation amounted to \$47,537, and CNG fueling station amounted to a negative (\$24,016). The total growth in net assets for the Proprietary Funds was \$653,769, \$257,664, (\$44,375), (\$90,005) and 27,648 respectively. Other factors concerning the finances of the Proprietary Funds have already been addressed in the discussion of the City of Wasco's business-type activities.

General Fund Budgetary Highlights

The City of Wasco adopts annual appropriated operating budgets for its governmental funds (General fund, special revenue funds, streets and non-major governmental funds) and reports the results of operations on a budget comparison basis.

In preparing its budget, the City of Wasco attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget and makes adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenues to allow for expansion of existing programs. During the course of the year, the City Council amended the originally adopted budget to reappropriated prior year approved projects and expenditures, as well as approving many other adjustments for the current year.

The general fund reflected a net total favorable budget variance of \$86,861 when comparing actual amounts to the final budget for the current fiscal year. This positive budget variance reflects revenue realization lower than estimates of (\$176,800), expense realization lower than budget by \$124,173, and net transfers-in and loan proceeds higher than budget by \$139,488. About one half of the lower than budgeted expenses was a result of a budgeted but unfilled position. These positions were not filled because of a hiring freeze. The other half of the lower expense realization was from spending reductions across various departments.

Capital Asset and Debt Administration

Capital Assets. The City of Wasco's investment in capital assets for its governmental and business type activities as of June 30, 2009, amounts to \$33,398,178 (net of accumulated depreciation). This investment in capital assets includes land, building and systems, improvements, machinery and equipment, automobiles, roads, highways and infrastructure. The total increase in the City of Wasco's investment in capital assets for the current fiscal year was 15 percent (a 30 percent increase for governmental activities and a 5 percent increase for business-type activities).

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

- Land held for resale by the RDA donated to the City of Wasco for development of a new soccer park increased governmental capital assets by \$640,858.
- The government invested an additional \$53,991 in the development of the new soccer park increasing governmental capital assets.
- Street reconstruction in various locations funded by a 2005 CDBG grant was completed increasing governmental capital assets by \$1,125,853.
- The reconstruction of 5th street increased governmental capital assets by \$174,754.
- The dedication of offsite infrastructure relating to new development increased governmental net assets by \$1,269,629 and business-type capital assets by \$623,151.
- Three solar streetlight projects were completed this year increasing governmental capital assets by \$69,000.
- Well #12 was acquired to provide additional ground water supply, increasing business-type capital assets by \$427,028.
- A City-wide water meter installation project was started this year resulting in an increase of business-type capital assets of \$225,967.

City of Wasco's Capital Assets

	Governmental activities		Business - type activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 1,025,698	\$ 384,839	\$ 287,323	\$ 287,323	\$ 1,313,021	\$ 672,162
Construction in Process	-	755,832	325,504	505,136	325,504	1,260,968
Land Improvements	6,904,763	2,672,376	6,481,954	5,848,861	13,386,717	8,521,237
Building and Improve.	2,346,880	2,322,005	14,796,104	14,750,177	17,142,984	17,072,182
Infrastructure	10,136,257	10,136,257	5,626,393	4,899,364	15,762,650	15,035,621
Machinery and Other	1,349,682	1,184,669	3,133,793	2,559,372	4,483,475	3,744,041
Vehicles	976,572	976,572	2,607,472	2,581,506	3,584,044	3,558,078
Accumulated Depreciation	(7,321,054)	(6,616,516)	(15,279,163)	(14,295,284)	(22,600,217)	(20,911,800)
Total Net Capital Assets	\$ 15,418,798	\$ 11,816,034	\$ 17,979,380	\$ 17,136,455	\$ 33,398,178	\$ 28,952,489

Additional information on the City of Wasco's capital assets can be found in note 7 on pages 53-54 of this report.

Long-term debt. At the end of the current fiscal year, the City of Wasco had total bonded debt outstanding of \$2,685,000. Of this amount, \$2,065,000 were tax allocation bonds and \$620,000 were revenue bonds which comprised of \$215,000 of wastewater revenue refunding bonds, and \$405,000 of improvement bonds. Other long – term debt consists of promissory note payable to the California Housing Finance Housing Authority of \$342,000. Under Notes Payable category there is a note payable to the State of California for the expansion of the wastewater treatment plant of \$2,755,088 and a note payable to the State of California for storm drainage infrastructure of \$346,441. Under capital leases there is a lease payable to Municipal Finance Corporation for the purchase of garbage truck for \$122,900, a \$69,413 capital lease payable to Municipal Finance Corporation which is collateralized by a compact wheel loader, a \$197,600 capital lease payable to Municipal Finance Corporation which is collateralized by a sanitation bin truck, a \$102,822 capital lease payable to Municipal Finance Corporation which is collateralized by a roll off truck, a \$28,275 capital lease to Key Government Finance, Inc. collateralized by telephone equipment, and a \$67,659 capital lease payable to Municipal Finance Corporation which is collateralized by a dump truck. Under the compensated absences there is a total of \$190,410 (see note 9).

City of Wasco's Outstanding Debt

	Governmental activities		Business - type activities		Total	
	2009	2008	2009	2008	2009	2008
Tax Allocation Bonds	\$ 2,065,000	\$ 2,220,000	\$ -	\$ -	\$ 2,065,000	\$ 2,220,000
Revenue Bonds	405,000	435,000	215,000	420,000	620,000	855,000
Notes Payable	-	-	3,101,529	3,349,003	3,101,529	3,349,003
Other Long-Term Debt	342,000	342,000	-	-	342,000	342,000
Capital Leases	95,934	88,358	492,735	574,696	588,669	663,054
Compensated Absences	93,404	122,306	97,006	108,457	190,410	230,763
Total Debt	\$ 3,001,338	\$ 3,207,664	\$ 3,906,270	\$ 4,452,156	\$ 6,907,608	\$ 7,659,820

The City of Wasco governmental activities issued one in new capital lease in 2009, to Key Government Finance, Inc. for the financing of a new telephone system in the amount of \$35,464. . The City of Wasco business-type activities issued no new debt in 2009.

The City of Wasco general fund has no bonds. The Wasco Redevelopment Agency has revenue bonds secured by tax increment, which proceeds were used to construct a 72 acre industrial park; these revenue bonds are not rated. The Water Reclamation and Sewer operation has a 1999 Refunding bond rated "AAA". All other bonds are tax allocation bonds and are passed through the Wasco Public Finance Authority (see Note 13 for more information). These bonds are not rated.

Additional information on the City of Wasco's long term debt can be found in Note 9 on pages 55-58 of this report.

Economic Factors and Next Year's Budgets General Fund Budget

- The unemployment rate for the City of Wasco is currently 25.8 percent this percentage has increased by 7.6 percent from the pervious fiscal year. This percentage is well above Kern Counties unemployment rate of 14.5 percent and the State of California's unemployment rate of 12.5 percent.
- The city's residential construction growth has slowed substantially. Several of the now partially developed new subdivisions are in stages of default or foreclosure. This slowdown is expected to continue through 2009/10 and will reduce future inspection, permit, connection, and building fees.
- Commercial construction continues to develop along highway 46. Currently there is a new restaurant under development. More development is in various stages of inquiry and planning review. This continued growth will aid the city with increases in building related fees, transit occupancy tax, and sales taxes.
- As a result of several year of rapid increase in housing prices and the recent slow down in the housing market the city is expecting to see a higher rate of defaulted assessments and property taxes. As a result assessment district revenues and general fund property tax revenues expected to decline.
- The California State budget is in a deficit and has elected to borrow 8% of local property taxes as allowed by Proposition 1A. The City of Wasco is participating in the Prop1A Securitization Program to counteract this borrowing. No net impact to the City is expected.
- The current economic recession is slowing revenues related to sales tax and motor vehicle license fees estimated at 10% below prior year actual.

All these factors were considered in preparing the City of Wasco's budget for fiscal year 2010.

2008-09 has ended with a balanced budget and the rebuilding of unreserved, undesignated fund balance. In the development of the FY2010 budget the legislative body made it an important point to continue this trend, fund a rainy day reserve, and take a conservative approach in taking on additional expenditures given the current economic recession.

Government Activities Revenues. The City of Wasco developed its FY2010 budget projecting a decrease of -\$279,979 or -4 percent in general fund revenues of \$6,465,622. These amounts reflect revenues derived from a conservative estimate for declining property related revenue streams, lower sales related revenues, and reduced residential development fees.

Government Activities Expenditures. The City of Wasco's general fund operating budget for FY 2010 reflects a decrease in expenditures of \$437,057 or 6 percent. This decrease is net certain increases in expenditures related to the cost of public safety and fire services.

City-wide staffing was approved at 65 full time employees for FY2010. This is reduction of 3 percent from the prior year and 10 percent from FY2008. These numbers do not include law enforcement or fire services as these functions are provided under contract with Kern County.

Request for Information

This financial report is designed to provide a general overview of the City of Wasco's finances for all those for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Manager, 764 E Street, Wasco, CA 93208.



INCORPORATED 1945

City of Wasco
STATEMENT OF NET ASSETS
June 30, 2009

	Governmental Activities	Business-Type Activities	Total
Assets:			
Current Assets:			
Cash and Investments	\$ 7,531,465	\$ 4,646,516	\$ 12,177,981
Investments With Fiscal Agents - Restricted	-	243,327	243,327
Receivables, net	1,264,315	461,303	1,725,618
Prepaid Expenses	35,119	20,342	55,461
Internal Balances	55,550	(55,550)	-
Land Held For Resale	1,678,595	-	1,678,595
Total Current Assets	10,565,044	5,315,938	15,880,982
Noncurrent Assets:			
Capital Assets:			
Land	1,025,698	287,323	1,313,021
Construction in Progress	-	325,504	325,504
Depreciable Buildings, Property, Equipment and Infrastructure, net of accumulated depreciation	14,393,100	17,366,553	31,759,653
Notes Receivable	2,835,933	-	2,835,933
Deferred Charges	320,207	12,737	332,944
Total Noncurrent Assets	18,574,938	17,992,117	36,567,055
Total Assets	29,139,982	23,308,055	52,448,037
Liabilities:			
Current Liabilities:			
Accounts Payable	1,152,295	128,473	1,280,768
Accrued Liabilities	235,632	106,052	341,684
Deposits Received	80,101	46,256	126,357
Unearned Revenue	1,280,429	172,028	1,452,457
Compensated Absences	34,559	35,892	70,451
Bonds and Notes Payable Due Within One Year	227,521	594,816	822,337
Total Current Liabilities	3,010,537	1,083,517	4,094,054
Noncurrent Liabilities:			
Bonds and Notes Payable Due in More Than One Year	2,680,413	3,214,448	5,894,861
Compensated Absences	58,845	61,114	119,959
Total Noncurrent Liabilities	2,739,258	3,275,562	6,014,820
Total Liabilities	5,749,795	4,359,079	10,108,874
Net Assets:			
Invested in Capital Assets, net of related debt	12,510,864	14,170,116	26,680,980
Restricted For:			
Streets and Roads	2,252,651	-	2,252,651
Community Development	7,103,051	-	7,103,051
Capital Projects	-	2,354,989	2,354,989
Debt Service	587,579	477,710	1,065,289
Unrestricted (Deficit)	936,042	1,946,161	2,882,203
Net Assets	\$ 23,390,187	\$ 18,948,976	\$ 42,339,163

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

City of Wasco
STATEMENT OF ACTIVITIES
Year ended June 30, 2009

Functions / Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 773,807	\$ 95,902	\$ -	\$ -	\$ (677,905)	\$ -	\$ (677,905)
Public Safety	3,391,570	94,595	108,103	-	(3,188,872)	-	(3,188,872)
Public Works	1,360,646	192,827	-	2,715,349	1,547,530	-	1,547,530
Community Development	2,476,389	340,647	1,567,416	-	(568,326)	-	(568,326)
Interest on Long-Term Debt	11,033	-	-	-	(11,033)	-	(11,033)
Total Governmental Activities	8,013,445	723,971	1,675,519	2,715,349	(2,898,606)	-	(2,898,606)
Business-Type Activities:							
Water Reclamation and Sewer	1,711,734	2,217,204	-	233,299	-	738,769	738,769
Water Utility	1,928,413	1,932,659	-	389,852	-	394,098	394,098
Refuse Collection and Disposal	2,166,436	2,115,724	6,337	-	-	(44,375)	(44,375)
Public Transportation	361,277	284,837	-	-	-	(76,440)	(76,440)
CNG Fueling Station	68,755	36,911	45,927	-	-	14,083	14,083
Total Business-Type Activities	6,236,615	6,587,335	52,264	623,151	-	1,026,135	1,026,135
Total	\$ 14,250,060	\$ 7,311,306	\$ 1,727,783	\$ 3,338,500	\$ (2,898,606)	\$ 1,026,135	\$ (1,872,471)
General Revenues:							
Taxes:							
Property Tax					2,445,512	-	2,445,512
Sales Tax					1,171,253	-	1,171,253
Franchise Tax					331,021	-	331,021
State Allocation of Gas Tax					1,327,370	-	1,327,370
Other Taxes					96,072	-	96,072
Intergovernmental, Unrestricted:							
Motor Vehicle In-lieu Tax					2,286,558	-	2,286,558
Total Taxes					7,657,786	-	7,657,786
Unrestricted investment earnings					46,344	-	46,344
Miscellaneous					66,566	-	66,566
Transfers					221,434	(221,434)	-
Total General Revenues and Transfers					7,992,130	(221,434)	7,770,696
Change in Net Assets					5,093,524	804,701	5,898,225
Net Assets - Beginning					18,296,663	18,144,275	36,440,938
Net Assets - Ending					\$ 23,390,187	\$ 18,948,976	\$ 42,339,163

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

City of Wasco
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2009

	General	Streets	BEGIN Grant	RDA Capital Projects	RDA Debt Service	Non-Major Governmental Funds	Total Government
Assets:							
Cash and Investments	\$ 1,780,729	\$ 597,071	\$ 808,196	\$ 439,892	\$ 538,486	\$ 3,367,091	\$ 7,531,465
Receivables, net	358,381	550,184	2,957	286	49,093	303,414	1,264,315
Prepaid Costs	30,053	4,373	-	-	-	693	35,119
Due from Other Funds	103,143	227,030	-	-	-	-	330,173
Notes Receivable	-	-	110,297	-	-	2,725,636	2,835,933
Land Held for Resale	-	-	-	1,678,595	-	-	1,678,595
Deferred Charges	-	-	-	320,207	-	-	320,207
Total Assets	\$ 2,272,306	\$ 1,378,658	\$ 921,450	\$ 2,438,980	\$ 587,579	\$ 6,396,834	\$ 13,995,807
Liabilities:							
Accounts Payable	\$ 1,090,870	\$ 33,396	\$ -	\$ 24,436	\$ -	\$ 3,593	\$ 1,152,295
Accrued Liabilities	112,847	13,797	-	-	-	1,334	127,978
Deposits Received	80,101	-	-	-	-	-	80,101
Due to Other Funds	-	-	-	24,660	-	249,963	274,623
Deferred Revenue	-	395,147	780,000	-	-	105,282	1,280,429
Total Liabilities	1,283,818	442,340	780,000	49,096	-	360,172	2,915,426
Fund Balances:							
Reserved For:							
Prepaid Costs	30,053	4,373	-	-	-	693	35,119
Notes Receivable	-	-	110,297	-	-	2,725,636	2,835,933
Land Held for Resale	-	-	-	1,678,595	-	-	1,678,595
Deferred Charges	-	-	-	320,207	-	-	320,207
Debt Service	-	-	-	-	587,579	-	587,579
Unreserved:							
Designated for Capital Improvements	613,534	164,327	-	-	-	-	777,861
Undesignated, Reported In:							
General Fund	344,901	-	-	-	-	-	344,901
Special Revenue Funds	-	767,618	31,153	-	-	3,310,333	4,109,104
Capital Projects Fund	-	-	-	391,082	-	-	391,082
Total Fund Balances (Deficit)	988,488	936,318	141,450	2,389,884	587,579	6,036,662	11,080,381
Total Liabilities & Fund Balances	\$ 2,272,306	\$ 1,378,658	\$ 921,450	\$ 2,438,980	\$ 587,579	\$ 6,396,834	\$ 13,995,807

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 ASSETS OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS June 30, 2009

Fund balances of governmental funds		\$ 11,080,381
Amounts reported for governmental activities in the statement of net assets 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 Assets includes those capital assets among the assets of the City as a whole.		
Beginning Balance, net of depreciation	\$ 11,816,034	
Current Year Additions	4,307,302	
Current Year Interfund Transfers	-	
Current Year Depreciation	<u>(704,538)</u>	
Ending Balance, net of depreciation		15,418,798
Accrued interest payable for the period between the final interest payment date and the end of the fiscal year is not reported as a liability in the governmental funds balance sheet.		(107,654)
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 Assets.		
Compensated Absences	(93,404)	
Long-Term Debt	<u>(2,907,934)</u>	
Total Long-Term Liabilities		<u>(3,001,338)</u>
Net assets of governmental activities		<u>\$ 23,390,187</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, 2009

	General	Streets	BEGIN Grant	RDA Capital Projects	RDA Debt Service	Non-Major Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 4,515,915	\$ 212,399	\$ -	\$ -	\$ 1,716,583	\$ 579,781	\$ 7,024,678
Licenses & Permits	140,378	516	-	-	-	-	140,894
Intergovernmental	8,103	994,190	36,762	-	-	2,475,797	3,514,852
Charges for Services	248,847	3,509	-	-	-	188,749	441,105
Fines, Forfeitures & Assessments	59,033	-	-	-	-	73,788	132,821
Use of Money or Property	28,965	2,512	17,506	1,668	6,869	61,166	118,686
Contributions and Donations	-	1,269,629	-	-	-	239,510	1,509,139
Miscellaneous	3,007	11,113	-	12,988	-	-	27,108
Total Revenues	5,004,248	2,493,868	54,268	14,656	1,723,452	3,618,791	12,909,283
Expenditures:							
Current:							
General Government	383,601	-	-	-	-	-	383,601
Public Safety	3,387,064	-	-	-	-	-	3,387,064
Public Works	-	964,733	-	-	-	98,392	1,063,125
Community Development	561,479	-	-	1,202,741	24,722	87,170	1,876,112
Non Departmental	308,012	-	-	-	-	-	308,012
Capital Outlay:							
General Capital Outlay	750,643	-	-	-	-	-	750,643
Street Improvements	-	3,008,331	-	-	-	239,510	3,247,841
Debt Service:							
Principal Retirement	7,189	20,699	-	-	185,000	-	212,888
Tax Increment Pass-Through Payments	-	-	-	-	456,139	-	456,139
Interest and Finance Charges	892	-	-	37,494	151,437	-	189,823
Total Expenditures	5,398,880	3,993,763	-	1,240,235	817,298	425,072	11,875,248
Excess of Revenues Over (Under) Expenditures	(394,632)	(1,499,895)	54,268	(1,225,579)	906,154	3,193,719	1,034,035
Other Financing Sources (Uses):							
Transfers In	408,958	1,679,164	-	547,226	145,000	431,873	3,212,221
Transfers Out	-	(106,858)	(9,967)	-	(891,128)	(1,982,834)	(2,990,787)
Loan Proceeds	35,464	-	-	-	-	-	35,464
Total Other Financing Sources (Uses)	444,422	1,572,306	(9,967)	547,226	(746,128)	(1,550,961)	256,898
Net Change in Fund Balances	49,790	72,411	44,301	(678,353)	160,026	1,642,758	1,290,933
Fund Balances - Beginning	938,698	863,907	97,149	3,068,237	427,553	4,393,904	9,789,448
Fund Balances - Ending	\$ 988,488	\$ 936,318	\$ 141,450	\$ 2,389,884	\$ 587,579	\$ 6,036,662	\$ 11,080,381

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, 2009

Net change in fund balance - total governmental funds	\$	1,290,933
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 (\$4,307,302) exceeded depreciation (\$704,538) in the current period.		3,602,764
Repayment of long-term debt principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		212,888
The issuance of long-term debt provides current financial resources to governmental funds, but the issuance has no effect on net assets.		(35,464)
Accrued interest payable for the period between the final interest payment date and the end of the fiscal year is not reported as an expense in the governmental fund statements. This difference between the prior year's accrued interest expense and the current year's accrued interest expense is reported in the Statement of Activities.		(6,499)
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.		28,902
Change in accounting estimate affecting the beginning balance of long term debt.		-
Change in net assets of governmental activities	\$	<u><u>5,093,524</u></u>

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

City of Wasco
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2009

	Water Reclamation and Sewer	Water Utility	Refuse Collection and Disposal	Public Transportation	CNG Fueling Station	Total Proprietary
Assets:						
Current Assets:						
Cash and Investments	\$ 2,764,670	\$ 1,426,905	\$ 227,256	\$ 227,685	\$ -	\$ 4,646,516
Investments With Fiscal Agents - Restricted	243,327	-	-	-	-	243,327
Receivables, net	153,174	135,988	138,049	959	33,133	461,303
Prepaid Expenses	4,105	4,331	9,955	1,918	33	20,342
Due from Other Funds	-	-	-	-	-	-
Total Current Assets	3,165,276	1,567,224	375,260	230,562	33,166	5,371,488
Noncurrent Assets:						
Capital Assets (net of accumulated depreciation)	10,866,825	3,588,675	1,215,982	1,446,982	860,916	17,979,380
Deferred Charges	12,737	-	-	-	-	12,737
Total Noncurrent Assets	10,879,562	3,588,675	1,215,982	1,446,982	860,916	17,992,117
Total Assets	\$ 14,044,838	\$ 5,155,899	\$ 1,591,242	\$ 1,677,544	\$ 894,082	\$ 23,363,605
Liabilities:						
Current Liabilities:						
Accounts Payable	\$ 12,112	\$ 93,373	\$ 18,313	\$ 3,326	\$ 1,349	\$ 128,473
Accrued Payroll	11,304	15,801	21,901	3,526	140	52,672
Customer Deposits	-	46,015	241	-	-	46,256
Accrued Interest Payable	37,565	-	15,815	-	-	53,380
Accrued Compensated Absences	7,647	11,541	15,117	1,534	53	35,892
Current Portion of Long-Term Debt	468,976	-	125,840	-	-	594,816
Due to Other Funds	-	-	-	-	55,550	55,550
Total Current Liabilities	537,604	166,730	197,227	8,386	57,092	967,039
Noncurrent Liabilities:						
Accrued Compensated Absences	13,021	19,653	25,739	2,611	90	61,114
Notes Payable	2,847,553	-	366,895	-	-	3,214,448
Deferred Revenue	-	-	-	172,028	-	172,028
Total Noncurrent Liabilities	2,860,574	19,653	392,634	174,639	90	3,447,590
Total Liabilities	3,398,178	186,383	589,861	183,025	57,182	4,414,629
Net Assets:						
Invested in Capital Assets, net of related debt	7,550,296	3,588,675	723,247	1,446,982	860,916	14,170,116
Restricted For:						
Capital Projects (expendable)	2,200,250	154,739	-	-	-	2,354,989
Debt Service (expendable)	477,710	-	-	-	-	477,710
Unrestricted	418,404	1,226,102	278,134	47,537	(24,016)	1,946,161
Net Assets	\$ 10,646,660	\$ 4,969,516	\$ 1,001,381	\$ 1,494,519	\$ 836,900	\$ 18,948,976

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

City of Wasco
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year ended June 30, 2009

	Water Reclamation and Sewer	Water Utility	Refuse Collection and Disposal	Public Transportation	CNG Fueling Station	Total Proprietary
Operating Revenues:						
Charges for Services	\$ 1,937,925	\$ 1,780,182	\$ 2,102,015	\$ 29,778	\$ 36,911	\$ 5,886,811
Rental Income	73,731	-	-	3,300	-	77,031
Cost Recoveries	6,482	-	5,963	-	-	12,445
Miscellaneous	-	-	-	-	-	-
Total Operating Revenues	2,018,138	1,780,182	2,107,978	33,078	36,911	5,976,287
Operating Expenses:						
Wages and Benefits	546,748	653,684	1,001,803	171,249	5,583	2,379,067
Administration	333,201	391,846	675,579	22,188	24,260	1,447,074
Materials and Supplies	61,088	104,293	105,229	18,080	14,684	303,374
Maintenance and Repair	91,354	92,107	156,932	50,846	724	391,963
Utilities	92,440	496,437	4,389	8,910	5,226	607,402
Depreciation	485,364	190,046	200,187	90,004	18,278	983,879
Total Operating Expenses	1,610,195	1,928,413	2,144,119	361,277	68,755	6,112,759
Operating Income (Loss)	407,943	(148,231)	(36,141)	(328,199)	(31,844)	(136,472)
Nonoperating Revenues (Expenses):						
Interest Income	67,454	37,938	2,107	3,820	-	111,319
Intergovernmental	-	-	12,585	247,939	45,927	306,451
Connection Fees	131,612	114,539	-	-	-	246,151
Interest Expense	(101,539)	-	(22,926)	-	-	(124,465)
Total Nonoperating Revenues (Expenses)	97,527	152,477	(8,234)	251,759	45,927	539,456
Income (Loss) Before Contributions and Transfers	505,470	4,246	(44,375)	(76,440)	14,083	402,984
Capital Contributions	233,299	389,852	-	-	-	623,151
Transfers In	-	-	-	-	13,565	13,565
Transfers Out	(85,000)	(136,434)	-	(13,565)	-	(234,999)
Change in Net Assets	653,769	257,664	(44,375)	(90,005)	27,648	804,701
Net Assets - Beginning	9,992,891	4,711,852	1,045,756	1,584,524	809,252	18,144,275
Net Assets - Ending	\$ 10,646,660	\$ 4,969,516	\$ 1,001,381	\$ 1,494,519	\$ 836,900	\$ 18,948,976

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

City of Wasco
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2009

	Water Reclamation and Sewer	Water Utility	Refuse Collection and Disposal	Public Transportation	CNG Fueling Station	Total Proprietary
Cash flows from operating activities:						
Cash received from:						
Customers, including cash deposits	\$ 2,079,602	\$ 1,807,050	\$ 2,072,082	\$ 120,692	\$ 8,872	\$ 6,088,298
Rental activities	73,731	-	-	3,300	-	77,031
Prior year reimbursements and cost recoveries	6,482	-	5,963	-	-	12,445
Cash paid to:						
Suppliers	(574,274)	(1,073,751)	(950,664)	(99,439)	(46,251)	(2,744,379)
Employees	(548,726)	(652,644)	(999,124)	(172,793)	(5,580)	(2,378,867)
Net cash provided (used) by operating activities	<u>1,036,815</u>	<u>80,655</u>	<u>128,257</u>	<u>(148,240)</u>	<u>(42,959)</u>	<u>1,054,528</u>
Net cash provided from noncapital financing activities:						
Cash transferred from other funds	-	-	-	-	42,958	42,958
Cash transferred to other funds	(85,000)	(136,434)	-	(13,565)	-	(234,999)
Connection fees	131,612	114,539	-	-	-	246,151
Intergovernmental revenue	-	-	12,585	116,199	45,927	174,711
Net cash provided (used) by noncapital financing activities	<u>46,612</u>	<u>(21,895)</u>	<u>12,585</u>	<u>102,634</u>	<u>88,885</u>	<u>228,821</u>
Cash flows from capital and related financing activities:						
Principal payments:						
Bonds	(205,000)	-	-	-	-	(205,000)
Notes	(247,474)	-	(81,961)	-	-	(329,435)
Interest paid	(106,109)	-	(17,508)	-	-	(123,617)
Purchase of capital assets	(228,333)	(887,727)	(41,667)	-	(45,926)	(1,203,653)
Net cash provided (used) by capital and related financing activities	<u>(786,916)</u>	<u>(887,727)</u>	<u>(141,136)</u>	<u>-</u>	<u>(45,926)</u>	<u>(1,861,705)</u>
Cash flows from investing activities:						
Interest received	67,454	37,938	2,107	3,820	-	111,319
Cash (deposited) / withdrawn - long-term restricted accounts	4,854	-	-	-	-	4,854
Net cash provided by investing activities	<u>72,308</u>	<u>37,938</u>	<u>2,107</u>	<u>3,820</u>	<u>-</u>	<u>116,173</u>
Net increase (decrease) in cash	368,819	(791,029)	1,813	(41,786)	-	(462,183)
Cash and cash equivalents - Beginning of year	2,395,851	2,217,934	225,443	269,471	-	5,108,699
Cash and cash equivalents - End of year	<u>\$ 2,764,670</u>	<u>\$ 1,426,905</u>	<u>\$ 227,256</u>	<u>\$ 227,685</u>	<u>\$ -</u>	<u>\$ 4,646,516</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ 407,943	\$ (148,231)	\$ (36,141)	\$ (328,199)	\$ (31,844)	\$ (136,472)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	485,364	190,046	200,187	90,004	18,278	983,879
(Increase) decrease in accounts receivable	141,753	30,035	(29,954)	90,914	(28,039)	204,709
(Increase) decrease in deferred charges	12,738	-	-	-	-	12,738
(Increase) decrease in prepaid expenses	(482)	(894)	(1,906)	(373)	(9)	(3,664)
Increase (decrease) in accounts payable	(8,447)	11,826	(6,629)	958	(1,348)	(3,640)
Increase (decrease) in accrued payroll	2,169	4,744	4,424	276	38	11,651
Increase (decrease) in customer deposits	(76)	(3,167)	21	-	-	(3,222)
Increase (decrease) in accrued compensated absences	(4,147)	(3,704)	(1,745)	(1,820)	(35)	(11,451)
Net cash provided (used) by operating activities	<u>\$ 1,036,815</u>	<u>\$ 80,655</u>	<u>\$ 128,257</u>	<u>\$ (148,240)</u>	<u>\$ (42,959)</u>	<u>\$ 1,054,528</u>

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

City of Wasco
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
June 30, 2009

	<u>Wasco Public Financing Authority Agency Fund</u>
Assets:	
Cash and Investments	\$ 601,016
Investments with Fiscal Agents - Restricted	508,282
Accrued Interest Receivable	<u>718</u>
Total Assets	<u>\$ 1,110,016</u>
Liabilities:	
Due to Bondholders	<u>1,110,016</u>
Total Liabilities	<u>\$ 1,110,016</u>

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



INCORPORATED 1945

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

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

The Wasco Redevelopment Agency (the "Agency") was formed by the City of Wasco in 1965 by Ordinance No. 124. The Agency is the legislative body of the City of Wasco, which is undertaking the implementation of the Wasco Redevelopment Project, as adopted by the Wasco Planning Commission. The fundamental aim of the Agency is to create and maintain an urban environment that meets the needs of all the City's people through a balanced pattern of residential, commercial, industrial and recreational areas. In working toward this objective, the Agency is concerned with better housing, job creation and social economic and racial integration. The funds of this component unit are reported in the Capital Projects Funds. The Agency issues separate component unit financial statements. Upon completion, the Agency's financial statements can be obtained at City Hall.

On March 6, 1989, the City and the 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 Agency and Authority.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

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 assets 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. 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, 2009

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 responsible for maintenance of all the City streets and alley rights-of-way including minor to moderate asphalt road repair work. Other functions include sidewalk, curb and gutter repair and replacement; roadside drainage; street sweeping; street swiping; maintenance of all storm drains; and tree trimming.

The 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.

The RDA Capital Projects Fund accounts for all revenues and costs of funding the Wasco Redevelopment Agency's (a component unit of the City) redevelopment activities such as land acquisition, public improvements, and other project costs in compliance with the California redevelopment law.

The RDA Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs of the Wasco Redevelopment Agency (a component unit of the City)

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.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

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

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.

Fiduciary Fund

The 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 Assets 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 assets (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 assets.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Assets 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.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

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

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.

Private-sector standards of accounting and financial reporting issued prior to December 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance

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

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

Cash and Investments

Cash 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 and invested by the City. 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.

Statutes authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper, bankers’ acceptances, repurchase agreements, money market funds and the State Treasurer’s investment pool.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

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

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.

Assessed values are determined on an annual basis by the Kern County Assessor as of January 1. Taxes are levied annually and become a lien on real property at July 1. Taxes are due 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.

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.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

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

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

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, comp time, and sick pay benefits. Unpaid accumulated sick leave is only paid out to employees retiring from service. The City uses the Ratio Approach to estimate the value of the sick pay liability. 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.

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 assets. 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.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

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

Net Assets/Fund Equity

The government-wide and business-type activities fund financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

Invested In Capital Assets, Net of Related Debt - This category groups all capital assets, including infrastructure, into one component of net assets. 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 Assets - 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 assets reports \$12,775,980 of restricted net assets, of which \$10,420,991 is restricted externally by grantors, creditors, or laws or regulations of other governments and \$2,354,989 is restricted by enabling legislation.

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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The reservations and designations of the City are described as follows:

Reserve for Prepaid Costs – The reserve of prepaid costs is established to reflect noncurrent resources so they will not be considered as current available funds.

Reserve for Notes Receivable – Notes receivable relate to home rehabilitation loans made under certain grant provisions. Such notes receivable are equally offset by a fund balance reserve which indicates that notes receivable do not constitute “available spendable resources”.

Reserve for Land Held for Resale – Land held for resale is valued at original cost, which is below market value. Land held for resale in the Redevelopment Agency consists of an industrial park. Such land held for resale is equally offset by a fund balance reserve which indicates that land held for resale does not constitute “available spendable resources”.

Reserve for Deferred Charges – Deferred charges relate to capitalized costs of issuing debt. Such deferred charges are equally offset by a fund balance reserve which indicates that deferred charges do not constitute “available spendable resources”.

Reserve for Debt Service – These reserves for debt service represent reserves accumulated by the Redevelopment Agency for the payment of long-term debt principal and interest amounts that mature in future years.

Designated for Capital Improvements – Represents money set aside by the City Council and Management for future capital improvement projects.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

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

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.

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.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Note 2 – Cash and Investments

The following is a summary of the City’s cash, cash equivalents, and investments with fiscal agents at June 30, 2009:

Pooled Cash and Investments - Government Funds	\$	7,531,465
Pooled Cash and Investments - Business-Type Funds		4,646,516
Restricted Investments - Business-Type Funds		243,327
Cash and Investments - Fiduciary Fund		601,016
Restricted Investments - Fiduciary Fund		508,282

Total	\$	13,530,606
Cash on Hand	\$	1,500
Demand Deposits		4,516,094
Investments		9,013,012

Total	\$	13,530,606

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 California banks and savings and loan associations to secure a city’s deposits by pledging government securities with a value of 110% of a city’s deposits. California law also allows financial institutions to secure city deposits by pledging first trust deed mortgage notes having a value of 150% of a city’s total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. An authorized Agent of Depository recognized by the State of California Department of Banking holds the collateral for deposits in Federal and State chartered banks for safekeeping. The Federal Home Loan Bank in San Francisco, California generally holds the collateral for deposits with savings and loan associations in safekeeping as a third-party trustee. These securities are physically held in an undivided pool for all California public agency depositors.

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.

As of June 30, 2009, all of the City’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.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Note 2 – Cash and Investments, (continued)

Investments:

The City had the following investments at June 30, 2009:

Investment Type	Fair Value	Weighted Average Maturity (years)
State Treasurer's Investment Pool (LAIF)	\$ 7,249,899	0.51
Central San Joaquin Valley RMA Pool (CSJVRMA)	1,011,504	2.93
Held by Trustees:		
Money Market Funds	751,609	0.00
Total Investments	\$ 9,013,012	
 Portfolio Weighted Average Maturity (years)		 0.74

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 (see Note 11). 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, 2009, 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.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Note 2 – Cash and Investments, (continued)

Custodial credit risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2009, \$1,763,113 was exposed to custodial credit risk because the related securities were uninsured, unregistered and held by the City’s brokerage firm which is also the counterparty of these particular securities. The City has no investment policy for custodial credit risk.

Restricted Investments with Fiscal Agents

Business-Type Activities:

Wastewater Revenue Refunding Bonds (Revenue Bonds) – The trustee is required to reserve an amount equal to the lesser of (a) 10% of the original principal amount of the bonds, (b) maximum annual debt service on the bonds or (c) 125% of the average annual debt service on the bonds.

\$ 243,327

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.

508,282

Total Restricted Investments with Fiscal Agents \$ 751,609

Note 3 – Receivables

Receivables at June 30, 2009 consist of the following:

	General Fund	Streets	BEGIN Grant	RDA Capital Projects	RDA Debt Service	Non-Major Governmental Funds	Total Governmental
Governmental Activities:							
Accounts receivable, net	\$ 191,063	\$ 12,650	\$ -	\$ -	\$ -	\$ 126,386	\$ 330,099
Interest receivable	2,564	438	2,957	286	715	6,307	13,267
Taxes receivable, net	20,874	-	-	-	48,378	19,348	88,600
Due from governments	143,880	537,096	-	-	-	151,373	832,349
Allowance for doubtful accounts	-	-	-	-	-	-	-
Total	<u>\$ 358,381</u>	<u>\$ 550,184</u>	<u>\$ 2,957</u>	<u>\$ 286</u>	<u>\$ 49,093</u>	<u>\$ 303,414</u>	<u>\$ 1,264,315</u>
	Water Reclamation And Sewer	Water Utility	Refuse Collection And Disposal	Public Transportation	CNG Fueling Station	Total Business-Type	
Business-Type Activities:							
Accounts receivable, net	\$ 147,140	\$ 130,464	\$ 137,580	\$ 300	\$ 4,660	\$ 420,144	
Interest receivable	6,034	5,524	469	659	-	12,686	
Due from governments	-	-	-	-	28,473	28,473	
Allowance for doubtful accounts	-	-	-	-	-	-	
Total	<u>\$ 153,174</u>	<u>\$ 135,988</u>	<u>\$ 138,049</u>	<u>\$ 959</u>	<u>\$ 33,133</u>	<u>\$ 461,303</u>	

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Note 4 – Interfund Receivables, Payables, Advances and Transfers

Interfund balances at June 30, 2009 consisted of the following:

Fund	Due From Other Funds	Due To Other Funds
Government Funds:		
General Fund	\$ 103,143	\$ -
Streets	227,030	-
RDA Capital Projects	-	24,660
Non-Major Funds	-	249,963
	330,173	274,623
Proprietary Funds:		
CNG Fueling Station	-	55,550
	-	55,550
Total Due From/To	\$ 330,173	\$ 330,173

Composition and purpose of interfund receivables and payables is as follows:

The above balances represent money advanced for cash shortages or expenditures to be reimbursed.

Interfund transfers at June 30, 2009 consisted of the following:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$ 408,958	\$ -
Street Fund	1,679,164	106,858
BEGIN Grant Fund	-	9,967
RDA Capital Projects	547,226	-
RDA Debt Service	145,000	891,128
Non-Major Funds	431,873	1,982,834
Proprietary Funds:		
Water Reclamation and Sewer	-	85,000
Water Utility	-	136,434
Public Transportation	-	13,565
CNG Fueling Station	13,565	-
	3,225,786	3,225,786
Total Transfers	\$ 3,225,786	\$ 3,225,786

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

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

Composition and purpose of interfund transfers is as follows:

General fund transfers in of \$408,958 consist of \$106,858 from Streets Fund for engineering services provided for various construction projects; \$128,608 from Non-Major Funds which represent transfers of police type grant funds to the Sheriff department of the General Fund; \$55,231 from Non-Major Funds which represent transfers of community development type grant funds for engineering and building inspection costs; and \$118,261 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 \$1,679,164 consist of \$859,353 of State allocation of TDA revenue and \$23,384 of State Gas Tax used to reimburse salaries and street construction projects; \$76,434 from the Water Utility Fund to cover the portion of the grant match for a new water line to the new water well; \$717,483 from CDBG grant funds for community development projects; and \$2,510 from Traffic Impact Fund to be applied to various street light and crosswalk construction projects.

RDA Capital Projects transfers in of \$547,226 from the RDA Debt Service fund consist of \$363,095 used to repay an operating loan from the City of Wasco for Economic Development costs, \$24,009 of Agency Council fees per a retainer agreement, \$39,575 for façade improvement grants to local businesses, \$62,313 for infrastructure development within the project area, \$20,000 for the contract development of an Enterprise Zone Application submitted to the State of California, and \$38,234 for other activities including marketing, economic development, and blight abatement within the project area.

RDA Debt Service fund transfers in of \$145,000 consist of \$85,000 from Water Reclamation and Sewer fund and \$60,000 from Water Utility fund for revenues pledged for the repayment of long-term debt.

Non-Major fund transfers in of \$431,873 consist of \$343,902 transferred from the RDA Debt Service fund to the RDA Low and Moderate Income Housing fund for the required 20% set-aside of tax revenues within the RDA as required by State law; and \$78,004 of community development type grant funds between Non-Major funds and \$9,967 from the BEGIN Grant fund for low income housing loan programs.

CNG Fueling Station transfer in of \$13,565 is from the Public Transportation fund to cover the cash loss of the CNG Fueling Station operations whose main function is to support the Public Transit busses.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Note 5 – Land Held for Resale

At June 30, 2009, the Redevelopment Agency had in Inventory a 70-acre industrial park with the following original cost amounts.

		RDA Capital Projects
Land	\$	457,964
Improvements		1,220,631
Total	\$	1,678,595

Note 6 – Deferred Charges

Deferred charges represent the capitalized costs of issuing debt. The deferred charges are being amortized over the term of the debt on the straight line basis. Deferred charges at June 30, 2009, net of amortization, are as follows:

	Governmental	Business-Type
	RDA Capital Projects	Water Reclamation And Sewer
Governmental Activities:		
Industrial Park Bonds	\$ 301,644	\$ -
Southside Project Bonds	18,563	-
Sewer Revenue Bonds	-	12,737
Total	\$ 320,207	\$ 12,737

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Note 7 – Capital Assets

Capital asset activity for the year ended June 30, 2009 is as follows:

<u>Governmental Activities</u>	Balance June 30, 2008	Additions	Deletions	Transfers	Balance June 30, 2009
Capital Assets Not Being Depreciated:					
Land	\$ 384,839	\$ 640,859	\$ -	\$ -	\$ 1,025,698
Construction in Progress	755,832	-	-	(755,832)	-
Total Capital Assets Not Being Depreciated	<u>1,140,671</u>	<u>640,859</u>	<u>-</u>	<u>(755,832)</u>	<u>1,025,698</u>
Capital Assets Being Depreciated:					
Land Improvements	2,672,376	3,476,555	-	755,832	6,904,763
Construction	2,322,005	24,875	-	-	2,346,880
Infrastructure	10,136,257	-	-	-	10,136,257
Machinery and Other	1,184,669	165,013	-	-	1,349,682
Vehicles	976,572	-	-	-	976,572
Total Capital Assets Being Depreciated	<u>17,291,879</u>	<u>3,666,443</u>	<u>-</u>	<u>755,832</u>	<u>21,714,154</u>
Less Accumulated Depreciation For:					
Land Improvements	(276,995)	(344,763)	-	-	(621,758)
Construction	(366,581)	(43,790)	-	-	(410,371)
Infrastructure	(4,627,977)	(156,565)	-	-	(4,784,542)
Machinery and Other	(753,907)	(87,823)	-	-	(841,730)
Vehicles	(591,056)	(71,597)	-	-	(662,653)
Total Accumulated Depreciation	<u>(6,616,516)</u>	<u>(704,538)</u>	<u>-</u>	<u>-</u>	<u>(7,321,054)</u>
Total Capital Assets Being Depreciated, net	<u>10,675,363</u>	<u>2,961,905</u>	<u>-</u>	<u>755,832</u>	<u>14,393,100</u>
Governmental Activities Capital Assets, net	<u>\$ 11,816,034</u>	<u>\$ 3,602,764</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,418,798</u>

Depreciation charged to governmental functions on the Statement of Activities during the year is as follows: \$89,270 to General Government, \$10,471 to Public Safety, \$604,461 to Public Works, and \$336 to Community Development.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Note 7 – Capital Assets, (continued)

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

<u>Business-Type Activities</u>	Balance June 30, 2008	Additions	Deletions	Transfers	Balance June 30, 2009
Capital Assets Not Being Depreciated:					
Land	\$ 287,323	\$ -	\$ -	\$ -	\$ 287,323
Construction in Progress	505,136	120,368	-	(300,000)	325,504
Total Capital Assets Not Being Depreciated	<u>792,459</u>	<u>120,368</u>	<u>-</u>	<u>(300,000)</u>	<u>612,827</u>
Capital Assets Being Depreciated:					
Land Improvements	5,848,861	633,093	-	-	6,481,954
Construction	14,750,177	45,927	-	-	14,796,104
Infrastructure	4,899,364	427,029	-	300,000	5,626,393
Machinery and Other	2,559,372	574,421	-	-	3,133,793
Vehicles	2,581,506	25,966	-	-	2,607,472
Total Capital Assets Being Depreciated:	<u>30,639,280</u>	<u>1,706,436</u>	<u>-</u>	<u>300,000</u>	<u>32,645,716</u>
Less Accumulated Depreciation For:					
Land Improvements	(4,556,149)	(268,212)	-	-	(4,824,361)
Construction	(4,245,844)	(293,794)	-	-	(4,539,638)
Infrastructure	(2,469,714)	(79,105)	-	-	(2,548,819)
Machinery and Other	(1,729,250)	(118,627)	-	-	(1,847,877)
Vehicles	(1,294,327)	(224,141)	-	-	(1,518,468)
Total Accumulated Depreciation	<u>(14,295,284)</u>	<u>(983,879)</u>	<u>-</u>	<u>-</u>	<u>(15,279,163)</u>
Total Capital Assets Being Depreciated, net	<u>16,343,996</u>	<u>722,557</u>	<u>-</u>	<u>300,000</u>	<u>17,366,553</u>
Business-Type Activities Capital Assets, net	<u>\$ 17,136,455</u>	<u>\$ 842,925</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,979,380</u>

Depreciation charged to business-type activities on the Statement of Activities during the year is as follows: \$485,364 to Water Reclamation and Sewer, \$190,046 to Water Utility, \$200,187 to Refuse Collection and Disposal, \$90,004 to Public Transportation, and \$18,278 to CNG Fueling Station.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Note 8 – Accrued Liabilities

Accrued Liabilities at June 30, 2009, as reported on the Statement of Net Assets are detailed as follows:

Governmental Activities:	General	Streets	RDA Debt Service	Non-Major Governmental Funds	Total Governmental		
Accrued Payroll	\$ 35,242	\$ 11,819	\$ -	\$ 1,142	\$ 48,203		
Accrued Interest Payable	116	766	48,658	58,114	107,654		
Other Liabilities	77,605	1,978	-	192	79,775		
Total	\$ 112,963	\$ 14,563	\$ 48,658	\$ 59,448	\$ 235,632		

Business-Type Activities:	Water Reclamation And Sewer	Water Utility	Refuse Collection and Disposal	Public Transportation	CNG Fueling Station	Total Business-Type		
Accrued Payroll	\$ 11,304	\$ 15,801	\$ 21,901	\$ 3,526	\$ 140	\$ 52,672		
Accrued Interest Payable	37,565	-	15,815	-	-	53,380		
Total	\$ 48,869	\$ 15,801	\$ 37,716	\$ 3,526	\$ 140	\$ 106,052		

Note 9 – Long-Term Liabilities

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009	Due Within One Year
Governmental Activities:					
Tax Allocation Bonds	\$ 2,220,000	\$ -	\$ (155,000)	\$ 2,065,000	\$ 165,000
Revenue Bonds	435,000	-	(30,000)	405,000	30,000
Other Long-Term Debt	430,358	35,464	(27,888)	437,934	32,521
Compensated Absences	122,306	79,105	(108,007)	93,404	34,559
Total Governmental Activities	3,207,664	114,569	(320,895)	3,001,338	262,080
Business-Type Activities:					
Revenue Bonds	420,000	-	(205,000)	215,000	215,000
Notes Payable	3,923,699	-	(329,435)	3,594,264	379,816
Compensated Absences	108,457	93,225	(104,676)	97,006	35,892
Total Business-Type Activities	4,452,156	93,225	(639,111)	3,906,270	630,708
Total Long-Term Liabilities	\$ 7,659,820	\$ 207,794	\$ (960,006)	\$ 6,907,608	\$ 892,788

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, 2009

Note 9 – Long-Term Liabilities, (continued)

Governmental Activities:

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. \$ 2,065,000

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. 405,000

Other Long-Term Debt:

Promissory Note dated August 8, 2002, payable to the California Housing Finance Authority, with an original loan amount of \$350,680 and an interest rate of 3%. The loan is all due and payable on August 8, 2012. Proceeds used to make rehabilitation loans to property owners within the City. 342,000

Note payable to Municipal Finance Corporation, payable in annual installments commencing March 27, 2008, of \$24,543 at 4.35% interest, final payment due March 27, 2012, collateralized by a dump truck. 67,659

Note payable to Key Government Finance, Inc., payable in monthly installments commencing December 1, 2008, of \$1,061 at 5.146% interest, final payment due November 1, 2011, collateralized by telephone equipment. 28,275

Total Other Long-Term Debt 437,934

Compensated Absences 93,404

Total Governmental Activities \$ 3,001,338

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Note 9 – Long-Term Liabilities, (continued)

Business-Type Activities:

Revenue Bonds:

Wastewater Revenue Refunding Bonds dated May 1, 1999, in the original amount of \$1,960,000, at an interest rate starting at 3.2% and increasing to 4.4% over the life of the bond. Payments are due in eleven annual installments commencing May 1, 2000. These bonds are special obligations of the Wastewater fund and are secured by a pledge of Net Revenues (income and revenues less maintenance and operation costs) of the wastewater system. Proceeds used to refinance bonds originally issued to expand the wastewater system.

\$ 215,000

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.

2,755,088

Note payable to the State of California, payable in annual installments commencing January 15, 1999, of \$44,081 at 2.8% interest, final payment due January 15, 2018, collateralized by local transportation funds and storm drainage funds.

346,441

Note payable to Municipal Finance Corporation, payable in annual installments commencing March 12, 2008, of \$44,581 at 4.35% interest, final payment due March 12, 2012, collateralized by a sanitation vehicle.

122,900

Financing lease payable to Municipal Finance Corporation for purchase of compact wheel loader, payable in annual installments commencing August 2, 2008, of \$19,280, including interest at 4.35%, final payment due August 2, 2012.

69,413

Financing lease payable to Municipal Finance Corporation for purchase of roll-off container collection truck, payable in annual installments commencing August 8, 2008, of \$28,628, including interest at 4.45%, final payment due August 8, 2012.

102,822

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Note 9 – Long-Term Liabilities, (continued)

Financing lease payable to Municipal Finance Corporation for purchase of sanitation bin truck, payable in annual installments commencing August 21, 2008, of \$54,887, including interest at 4.35%, final payment due August 21, 2012.

197,600

Total Notes Payable

3,594,264

Compensated Absences Payable

97,006

Total Business-Type Activities

\$ 3,906,270

The annual requirements to amortize all bonded indebtedness and other long-term liabilities outstanding at June 30, 2009, are as follows:

Governmental Activities

Year Ending June 30	Tax Allocation Bonds		Revenue Bonds		Other Long-Term Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 165,000	\$ 109,038	\$ 30,000	\$ 31,200	\$ 32,521	\$ 4,159
2011	185,000	99,413	30,000	28,800	34,658	2,613
2012	195,000	88,963	30,000	26,400	28,756	1,091
2013	215,000	77,688	30,000	24,000	342,000	101,065
2014	235,000	65,313	35,000	21,400		
2015-2019	1,070,000	121,275	250,000	54,000	-	-
Total	\$ 2,065,000	\$ 561,690	\$ 405,000	\$ 185,800	\$ 437,935	\$ 108,928

Business-Type Activities

Year Ending June 30	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2010	\$ 215,000	\$ 9,460	\$ 379,816	\$ 102,869
2011	-	-	391,986	90,699
2012	-	-	404,736	77,949
2013	-	-	373,011	65,093
2014	-	-	281,740	53,569
2015-2019	-	-	1,479,725	152,739
2020	-	-	283,250	7,344
Total	\$ 215,000	\$ 9,460	\$ 3,594,264	\$ 550,262

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Note 10 – Deferred Revenue

Deferred Revenue at June 30, 2009 is detailed as follows:

	Government Funds	Business-Type Funds
Highway Users Tax	\$ 395,147	\$ -
Cal Home Grants	885,282	-
TDA Deferred Revenue	-	172,028
	\$ 1,280,429	\$ 172,028
Total	\$ 1,280,429	\$ 172,028

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 Practices 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 \$1 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 Pool (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.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Note 11 – Public Entity Risk Pools, (continued)

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.

Note 12 – Retirement Plan

Plan Description. The City's defined benefit pension plans, Miscellaneous Plan Of The City of Wasco and Safety Plan Of The City of Wasco (the Plans), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plans are part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. The Miscellaneous Plan is part of the CalPERS Miscellaneous 3.0% at 60 Risk Pool and the Safety Plan is part of the CalPERS Inactive Agency Risk Pool. A menu of benefit provisions as well as other requirements 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 local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

Funding Policy. Active plan members are required to contribute 9% of their annual covered salary. The City makes the contributions required of City's contract employees on their behalf and for their account. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal 2008/09 was 18.845% for the Miscellaneous Plan and 0% for the Safety Plan. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS. The City's Safety Plan has no active employees or contributing payroll on which a contribution percentage can be applied. As such the excess of the Safety Plan's actuarial liabilities over plan assets is amortized over a twenty year period and funded annually.

Annual Pension Cost. For the year ended June 30, 2009, The City's annual pension costs of \$688,379 for the Miscellaneous Plan and \$0 for the Safety Plan was equal to the City's required and actual contributions. The contractually required contribution for fiscal year 2008/09 was determined as part of the June 30, 2006, actuarial valuation using the entry age actuarial cost method with the contributions determined as a level percent of payroll. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members and from 3.25% to 14.45% for public safety members, and (c) 3.25% per year of cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.00%. The actuarial value of the plans were determined using techniques that smooth the effects of short-term volatility in the market value of the investments over a 15 year period. The unfunded actuarial accrued liabilities are being amortized as a level percentage of projected payrolls. The average remaining amortization period at June 30, 2008 was 16 years for Miscellaneous Plan and 31 years for Safety Plan.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Note 12 – Retirement Plan, (continued)

Three-Year Trend Information For The Plans

Miscellaneous Fund			
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	\$ 693,934	100%	\$ -
6/30/2008	751,486	100%	-
6/30/2009	688,379	100%	-
Safety Fund			
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	\$ -	0%	\$ -
6/30/2008	-	0%	-
6/30/2009	-	0%	-

The required schedules of funding progress that immediately follow the notes to the financial statements present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 13 – Conduit Debt Obligations

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

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

Assessment Districts	Remaining Collections	Outstanding Debt Service
89-1 Barker	\$ 357,018	\$ 483,875
89-2 Tract 5071	401,661	313,063
89-3 Tract 4644	203,565	178,625
91-1 Barnhard	366,539	446,625
91-2A Summerfield	426,795	370,250
91-2B Summerfield	90,699	129,175
92-1 Industrial Park	2,404,900	2,404,909
93-1 Southside - Childress	1,331,947	1,331,200
Total	\$ 5,583,124	\$ 5,657,722

The "Remaining Collections" represents the sum of the remaining principal and interest for each active parcel after 2008/09 debt service has been billed.

The \$1,110,016 due to bondholders as reported in the Statement of Fiduciary Net Assets, represents the net assets of the Authority held for bondholder repayment.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Note 14 – Other Disclosures

Pledged Revenues

The City of Wasco has pledged certain water and sewer revenues for the payment of the Wasco Redevelopment Agency's \$3,600,000 Industrial Park Improvement Bonds.

Economic Dependency

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

Deficit Net Asset Balance

Included in the City's Unrestricted Net Assets for Business-Type Activities is the CNG Fueling Station Fund with a deficit balance of \$24,016. The City is attempting to reduce this deficit by increasing rates and improving operational efficiency.

Contingent Liabilities

Various claims and suits have been filed against the City in the normal course of business. In the opinion of management and City Attorney, the estimated liability of the City for such claims is \$100,000 to \$200,000. Such amounts have not been provided for in the financial statements.

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City of Wasco
REQUIRED SUPPLEMENTARY INFORMATION
Year ended June 30, 2009

DEFINED BENEFIT PENSION PLAN

A schedule of funding progress for the year ended June 30, 2008 (the most recent actuarial information available) including the past four actuarial valuations is presented below.

Miscellaneous Plan - Included in the CalPERS Miscellaneous 3.0% at 60 Risk Pool

Valuation Date	Accrued Liabilities	Actuarial Assets	Unfunded Liabilities (UL)	Funded Ratio	Annual Covered Payroll	UL As a % of Payroll
6/30/2004	\$ 426,958,282	\$ 334,956,019	\$ 92,002,263	78.5%	\$ 90,667,029	101.5%
6/30/2005	499,323,280	405,480,805	93,842,475	81.2%	108,618,321	86.4%
6/30/2006	620,492,183	501,707,110	118,785,073	80.9%	126,049,770	94.2%
6/30/2007	699,663,524	576,069,687	123,593,837	82.3%	139,334,562	88.7%
6/30/2008	776,166,719	641,167,624	134,999,095	82.6%	155,115,302	87.0%

Safety Plan - Included in the CalPERS Inactive Agency Risk Pool

Valuation Date	Accrued Liabilities	Actuarial Assets	Unfunded Liabilities (UL)	Funded Ratio	Annual Covered Payroll	UL As a % of Payroll
6/30/2004	\$ 357,919,985	\$ 331,405,998	\$ 26,513,987	92.6%	n/a	n/a
6/30/2005	369,091,183	347,539,822	21,551,361	94.2%	n/a	n/a
6/30/2006	389,558,550	371,203,956	18,354,594	95.3%	n/a	n/a
6/30/2007	391,672,319	377,230,242	14,442,077	96.3%	n/a	n/a
6/30/2008	399,268,718	390,402,716	8,866,002	97.8%	n/a	n/a

City of Wasco
REQUIRED SUPPLEMENTARY INFORMATION
Year ended June 30, 2009

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, 2009

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.

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

City of Wasco
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year ended June 30, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	\$ 4,504,016	\$ 4,453,016	\$ 4,515,915	\$ 62,899
Licenses & Permits	286,425	154,500	140,378	(14,122)
Intergovernmental	116,000	56,000	8,103	(47,897)
Charges for Services	579,347	384,532	248,847	(135,685)
Fines, Forfeitures & Assessments	37,000	93,000	59,033	(33,967)
Use of Money or Property	84,000	34,000	28,965	(5,035)
Miscellaneous	26,000	6,000	3,007	(2,993)
Total Revenues	5,632,788	5,181,048	5,004,248	(176,800)
Expenditures:				
Current:				
General Government				
Council	48,848	50,687	47,898	(2,789)
Manager	136,561	140,559	121,772	(18,787)
Finance & Accounting	133,621	139,933	127,795	(12,138)
Budget	48,275	48,984	43,753	(5,231)
Human Resources & Risk Management	71,632	47,388	42,383	(5,005)
Total General Government	438,937	427,551	383,601	(43,950)
Public Safety				
Sheriff	3,087,952	2,990,452	2,949,317	(41,135)
Animal Control	249,720	171,255	158,559	(12,696)
Fire	279,188	279,188	279,188	-
Total Public Safety	3,616,860	3,440,895	3,387,064	(53,831)
Community Development				
Planning	363,126	335,026	165,916	(169,110)
Engineering	392,847	231,777	103,917	(127,860)
Building Inspection	298,251	265,781	119,524	(146,257)
Code Compliance	248,633	228,256	97,930	(130,326)
Housing & Comm. Devp.	244,062	218,762	74,192	(144,570)
Total Community Development	1,546,919	1,279,602	561,479	(718,123)
Non Departmental	265,018	340,172	308,012	(32,160)
Capital Outlay:				
General Capital Outlay	38,788	34,833	750,643	715,810
Debt Service:				
Principal Retirement	-	-	7,189	7,189
Interest and Finance Charges	-	-	892	892
Total Expenditures	5,906,522	5,523,053	5,398,880	(124,173)
Excess of Revenues Over Expenditures	(273,734)	(342,005)	(394,632)	(52,627)
Other Financing Sources (Uses):				
Transfers In	306,739	328,554	408,958	80,404
Transfers Out	(23,620)	(23,620)	-	23,620
Loan Proceeds	-	-	35,464	35,464
Total Other Financing Sources (Uses)	283,119	304,934	444,422	139,488
Net Change in Fund Balances	9,385	(37,071)	49,790	86,861
Fund Balances - Beginning	938,698	938,698	938,698	-
Fund Balances - Ending	\$ 948,083	\$ 901,627	\$ 988,488	\$ 86,861

City of Wasco
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
STREETS FUND
Year ended June 30, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	\$ 232,540	\$ 200,000	\$ 212,399	\$ 12,399
Licenses & Permits	-	750	516	(234)
Intergovernmental	2,561,651	1,801,651	994,190	(807,461)
Charges for Services	45,440	9,440	3,509	(5,931)
Use of Money or Property	14,000	3,000	2,512	(488)
Contributions and Donations	-	-	1,269,629	1,269,629
Miscellaneous	-	11,000	11,113	113
Total Revenues	2,853,631	2,025,841	2,493,868	468,027
Expenditures:				
Current:				
Public Works	1,141,286	1,150,953	964,733	(186,220)
Capital Outlay:				
General Capital Outlay	57,200	36,300	-	(36,300)
Street Improvements	2,622,491	2,597,491	3,008,331	410,840
Principial Retirement	24,542	24,542	20,699	(3,843)
Total Expenditures	3,845,519	3,809,286	3,993,763	184,477
Excess of Revenues Over Expenditures	(991,888)	(1,783,445)	(1,499,895)	283,550
Other Financing Sources (Uses):				
Transfers In	991,460	1,862,090	1,679,164	(182,926)
Transfers Out	-	(82,472)	(106,858)	(24,386)
Loan Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	991,460	1,779,618	1,572,306	(207,312)
Net Change in Fund Balances	(428)	(3,827)	72,411	76,238
Fund Balances - Beginning	863,907	863,907	863,907	-
Fund Balances - Ending	\$ 863,479	\$ 860,080	\$ 936,318	\$ 76,238

City of Wasco
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BEGIN Grant
Year ended June 30, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 750,000	\$ 755,000	\$ 36,762	\$ (718,238)
Charges for Services	-	-	-	-
Use of Money or Property	-	20,000	17,506	(2,494)
Miscellaneous	-	-	-	-
Total Revenues	750,000	775,000	54,268	(720,732)
Expenditures:				
Current:				
Community Development	750,000	750,000	-	(750,000)
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	750,000	750,000	-	(750,000)
Excess of Revenues Over Expenditures	-	25,000	54,268	29,268
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	(15,000)	(9,967)	5,033
Total Other Financing Sources (Uses)	-	(15,000)	(9,967)	5,033
Net Change in Fund Balances	-	10,000	44,301	34,301
Fund Balances - Beginning	97,149	97,149	97,149	-
Fund Balances - Ending	\$ 97,149	\$ 107,149	\$ 141,450	\$ 34,301

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

TDA Streets 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 transportation, repairs to streets or replacement of streets are incurred.

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.

City of Wasco
SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUNDS – (continued)

2002 Cal Home 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.

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 Cal Home 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 Cal Home 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 Cal Home 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)

2006 HOME Grant Fund – The City was awarded \$1,000,000 from the HOME Program to participate in the development of an 81 unit senior housing complex. An outside administrative consultant has been hired to administer the grant during the construction phase and then the Housing and Community Programs Department will maintain the 50 year reporting requirements of the grant.

2005 CDBG Grant Fund – Accounts for the Community Development Block Grant (CDBG) 2005 Grant funds. This is a \$1,500,000 Grant that spans three fiscal years. The first year was 2005-2006 with \$500,000 funded for the 12 inch water line project and supplemental funding for public safety vehicles. In 2006-2007 there is \$500,000 funded for road reconstruction in various locations and supplemental funding for public safety vehicles. In 2007-2008 there is \$500,000 additional road reconstruction in various locations and supplemental funding for public safety vehicles.

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.

Cal Home 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 with owner occupied rehabilitation loans.

2006 Cal Home 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.

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.

City of Wasco
SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUNDS – (continued)

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.

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. The Public Finance Authority does not prepare an annual budget.

City of Wasco
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2009

	TDA Streets	Lighting & Landscape	Emergency Response	Sewer Lift Station	Gas Tax	Traffic Safety	Traffic Impact	1993 CDBG Grant Fund	COPS Grant Fund	2002 Cal Home Grant Fund	CHFA Rehab Grant	2003 CDBG Grant Fund
Assets:												
Cash and Investments	\$ -	\$ 68,635	\$ 2,801	\$ -	\$ 458,844	\$ 177,517	\$ 583,131	\$ 100,701	\$ -	\$ 1,166	\$ 288,558	\$ 32,167
Receivables, net	136,672	11,838	-	-	-	3,474	47,216	266	42,464	-	1,042	115
Prepaid Costs	-	693	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-	-	-	-
Notes Receivable	-	-	-	-	-	-	-	237,648	-	195,001	72,218	163,424
Total Assets	\$ 136,672	\$ 81,166	\$ 2,801	\$ -	\$ 458,844	\$ 180,991	\$ 630,347	\$ 338,615	\$ 42,464	\$ 196,167	\$ 361,818	\$ 195,706
Liabilities:												
Accounts Payable	\$ -	\$ 1,082	\$ -	\$ -	\$ -	\$ 95	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	1,334	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	136,671	-	-	1,143	-	-	-	-	42,464	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	136,671	2,416	-	1,143	-	95	-	-	42,464	-	-	-
Fund Balances:												
Reserved For:												
Prepaid Costs	-	693	-	-	-	-	-	-	-	-	-	-
Notes Receivable	-	-	-	-	-	-	-	237,648	-	195,001	72,218	163,424
Unreserved:												
Undesignated	1	78,057	2,801	(1,143)	458,844	180,896	630,347	100,967	-	1,166	289,600	32,282
Total Fund Balances (Deficit)	1	78,750	2,801	(1,143)	458,844	180,896	630,347	338,615	-	196,167	361,818	195,706
Total Liabilities & Fund Balances	\$ 136,672	\$ 81,166	\$ 2,801	\$ -	\$ 458,844	\$ 180,991	\$ 630,347	\$ 338,615	\$ 42,464	\$ 196,167	\$ 361,818	\$ 195,706

City of Wasco
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2009

2003 Cal Home Grant Fund	2004 CDBG Grant Fund	2004 Cal Home Grant Fund	Miscellaneous Grants	2005 Cal Home Grant Fund	2006 HOME Grant Fund	2005 CDBG Grant Fund	CDBG Revolving Loan Fund	Cal Home Grant Reuse	2006 Cal Home Grant Fund	2007 HOME Grant Fund	BEGIN Grant Reuse	RDA Low and Moderate Income Housing	Public Financing Authority	Total Non-Major Special Revenue Funds
\$ 261	\$ 62,414	\$ -	\$ -	\$ 123	\$ -	\$ -	\$ 28,941	\$ 482,143	\$ 47,066	\$ -	\$ 9,967	\$ 978,004	\$ 44,652	\$ 3,367,091
-	2,500	-	-	-	-	-	12	939	126	36,019	-	20,731	-	303,414
-	-	-	-	-	-	-	-	-	-	-	-	-	-	693
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
367,265	126,634	461,871	-	393,249	-	-	146,465	20,000	78,256	434,342	-	29,263	-	2,725,636
\$ 367,526	\$ 191,548	\$ 461,871	\$ -	\$ 393,372	\$ -	\$ -	\$ 175,418	\$ 503,082	\$ 125,448	\$ 470,361	\$ 9,967	\$ 1,027,998	\$ 44,652	\$ 6,396,834
\$ -	\$ -	\$ -	\$ 2,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65	\$ 3,593
-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,334
-	-	-	33,666	-	-	-	-	-	-	36,019	-	-	-	249,963
-	-	-	-	45,563	-	-	-	-	59,719	-	-	-	-	105,282
-	-	-	36,017	45,563	-	-	-	-	59,719	36,019	-	-	65	360,172
-	-	-	-	-	-	-	-	-	-	-	-	-	-	693
367,265	126,634	461,871	-	393,249	-	-	146,465	20,000	78,256	434,342	-	29,263	-	2,725,636
261	64,914	-	(36,017)	(45,440)	-	-	28,953	483,082	(12,527)	-	9,967	998,735	44,587	3,310,333
367,526	191,548	461,871	(36,017)	347,809	-	-	175,418	503,082	65,729	434,342	9,967	1,027,998	44,587	6,036,662
\$ 367,526	\$ 191,548	\$ 461,871	\$ -	\$ 393,372	\$ -	\$ -	\$ 175,418	\$ 503,082	\$ 125,448	\$ 470,361	\$ 9,967	\$ 1,027,998	\$ 44,652	\$ 6,396,834

City of Wasco
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
NON-MAJOR SPECIAL REVENUE FUNDS
Year ended June 30, 2009

	TDA Streets	Lighting & Landscape	Emergency Response	Sewer Lift Station	Gas Tax	Traffic Safety	Traffic Impact	1993 CDBG Grant Fund	COPS Grant Fund	2002 Cal Home Grant Fund	CHFA Rehab Grant	2003 CDBG Grant Fund
Revenues:												
Taxes	\$ -	\$ 97,553	\$ -	\$ -	\$ 482,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	845,143	-	-	-	-	-	-	-	100,000	-	-	-
Charges for Services	-	-	-	-	-	-	124,989	-	-	-	-	-
Fines, Forfeitures & Assessments	-	-	-	365	-	36,371	-	-	-	-	-	-
Use of Money or Property	-	-	-	-	-	2,914	10,524	1,732	-	2,720	6,827	5,833
Contributions and Donations	-	239,510	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	845,143	337,063	-	365	482,228	39,285	135,513	1,732	100,000	2,720	6,827	5,833
Expenditures:												
Current:												
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-
Public Works	-	80,505	-	1,508	-	16,379	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-	-	-	12,550
Capital Outlay:												
General Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-
Street Improvements	-	239,510	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	320,015	-	1,508	-	16,379	-	-	-	-	-	12,550
Excess of Revenues Over Expenditures	845,143	17,048	-	(1,143)	482,228	22,906	135,513	1,732	100,000	2,720	6,827	(6,717)
Other Financing Sources (Uses):												
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	(859,353)	-	-	-	(23,384)	-	(2,510)	-	(128,608)	(9,259)	-	(13,745)
Total Other Financing Sources (Uses)	(859,353)	-	-	-	(23,384)	-	(2,510)	-	(128,608)	(9,259)	-	(13,745)
Net Change in Fund Balances	(14,210)	17,048	-	(1,143)	458,844	22,906	133,003	1,732	(28,608)	(6,539)	6,827	(20,462)
Fund Balances - Beginning	14,211	61,702	2,801	-	-	157,990	497,344	336,883	28,608	202,706	354,991	216,168
Fund Balances - Ending	\$ 1	\$ 78,750	\$ 2,801	\$ (1,143)	\$ 458,844	\$ 180,896	\$ 630,347	\$ 338,615	\$ -	\$ 196,167	\$ 361,818	\$ 195,706

City of Wasco
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
NON-MAJOR SPECIAL REVENUE FUNDS
Year ended June 30, 2009

2003 Cal Home Grant Fund	2004 CDBG Grant Fund	2004 Cal Home Grant Fund	Miscellaneous Grants	2005 Cal Home Grant Fund	2006 HOME Grant Fund	2005 CDBG Grant Fund	CDBG Revolving Loan Fund	Cal Home Grant Reuse	2006 Cal Home Grant Fund	2007 HOME Grant Fund	BEGIN Grant Reuse	RDA Low and Moderate Income Housing	Public Financing Authority	Total Non-Major Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 579,781
-	-	-	17,250	195,092	-	805,864	-	-	52,556	459,892	-	-	-	2,475,797
-	-	-	-	27,987	23,748	-	-	-	12,025	-	-	-	-	188,749
-	-	-	-	-	-	-	-	-	-	-	-	-	-	73,788
2,215	3,676	3,976	-	905	-	-	4,078	5,443	1,481	-	-	8,842	-	61,166
-	-	-	-	-	-	-	-	-	-	-	-	-	-	239,510
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2,215	3,676	3,976	17,250	223,984	23,748	805,864	4,078	5,443	66,062	459,892	-	8,842	37,052	3,618,791
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	1,400	-	51,750	-	-	-	-	-	-	-	-	1,760	19,710	98,392
-	-	-	-	-	-	-	-	-	-	-	-	-	-	87,170
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	1,400	-	51,750	-	-	-	-	-	-	-	-	1,760	19,710	239,510
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2,215	2,276	3,976	(34,500)	223,984	23,748	805,864	4,078	5,443	66,062	459,892	-	7,082	17,342	3,193,719
-	-	-	-	-	-	-	22,818	55,186	-	-	9,967	343,902	-	431,873
(2,716)	(9,073)	(1,539)	-	(60,646)	(23,748)	(796,670)	-	-	(26,033)	(25,550)	-	-	-	(1,982,834)
(2,716)	(9,073)	(1,539)	-	(60,646)	(23,748)	(796,670)	22,818	55,186	(26,033)	(25,550)	9,967	343,902	-	(1,550,961)
(501)	(6,797)	2,437	(34,500)	163,338	-	9,194	26,896	60,629	40,029	434,342	9,967	350,984	17,342	1,642,758
368,027	198,345	459,434	(1,517)	184,471	-	(9,194)	148,522	442,453	25,700	-	-	677,014	27,245	4,393,904
\$ 367,526	\$ 191,548	\$ 461,871	\$ (36,017)	\$ 347,809	\$ -	\$ -	\$ 175,418	\$ 503,082	\$ 65,729	\$ 434,342	\$ 9,967	\$ 1,027,998	\$ 44,587	\$ 6,036,662

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 845,629	\$ 845,629	\$ 845,143	\$ (486)
Use of Money or Property	5,000	5,000	-	(5,000)
Total Revenues	850,629	850,629	845,143	(5,486)
Other Financing Sources (Uses):				
Transfers Out	(930,620)	(780,620)	(859,353)	(78,733)
Total Other Financing Sources (Uses)	(930,620)	(780,620)	(859,353)	(78,733)
Net Changes in Fund Balances	(79,991)	70,009	(14,210)	(84,219)
Fund Balances - Beginning	19,347	19,347	14,211	(5,136)
Fund Balances - Ending	\$ (60,644)	\$ 89,356	\$ 1	\$ (89,355)

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
LIGHTING & LANDSCAPE FUND
Year ended June 30, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	\$ 65,300	\$ 65,300	\$ 97,553	\$ 32,253
Contributions and Donations	-	-	239,510	239,510
Total Revenues	65,300	65,300	337,063	271,763
Expenditures:				
Current:				
Public Works	104,701	88,451	80,505	(7,946)
Capital Outlay:				
Street Improvements	6,525	525	239,510	238,985
Total Expenditures	111,226	88,976	320,015	231,039
Excess of Revenues Over Expenditures	(45,926)	(23,676)	17,048	40,724
Other Financing Sources (Uses):				
Transfers In	20,000	10,000	-	(10,000)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	20,000	10,000	-	(10,000)
Net Change in Fund Balances	(25,926)	(13,676)	17,048	30,724
Fund Balances - Beginning	61,702	61,702	61,702	-
Fund Balances - Ending	\$ 35,776	\$ 48,026	\$ 78,750	\$ 30,724

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Current:				
Public Works	3,100	-	-	-
Capital Outlay:				
General Capital Outlay	400	-	-	-
Total Expenditures	3,500	-	-	-
Excess of Revenues Over Expenditures	(3,500)	-	-	-
Other Financing Sources (Uses):				
Transfers In	3,500	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	3,500	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning	2,801	2,801	2,801	-
Fund Balances - Ending	\$ 2,801	\$ 2,801	\$ 2,801	\$ -

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, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Fines, Forfeitures & Assessments	\$ -	\$ 1,000	\$ 365	\$ (635)
Total Revenues	-	1,000	365	(635)
Expenditures:				
Current:				
Public Works	-	-	1,508	1,508
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	-	-	1,508	1,508
Excess of Revenues Over Expenditures	-	1,000	(1,143)	(2,143)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	1,000	(1,143)	(2,143)
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ 1,000	\$ (1,143)	\$ (2,143)

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	\$ -	\$ 300,000	\$ 482,228	\$ 182,228
Total Revenues	-	300,000	482,228	182,228
Expenditures:				
Current:				
Public Works	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	300,000	482,228	182,228
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	(297,000)	(23,384)	273,616
Total Other Financing Sources (Uses)	-	(297,000)	(23,384)	273,616
Net Change in Fund Balances	-	3,000	458,844	455,844
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ 3,000	\$ 458,844	\$ 455,844

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Fines, Forfeitures & Assessments	\$ 38,452	\$ 30,000	\$ 36,371	\$ 6,371
Use of Money or Property	4,548	3,048	2,914	(134)
Total Revenues	43,000	33,048	39,285	6,237
Expenditures:				
Current:				
Public Works	43,000	25,000	16,379	(8,621)
Total Expenditures	43,000	25,000	16,379	(8,621)
Excess of Revenues Over Expenditures	-	8,048	22,906	14,858
Fund Balances - Beginning	157,990	157,990	157,990	-
Fund Balances - Ending	\$ 157,990	\$ 166,038	\$ 180,896	\$ 14,858

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Charges for Services	\$ 100,000	\$ 125,000	\$ 124,989	\$ (11)
Use of Money or Property	10,000	10,000	10,524	524
Total Revenues	110,000	135,000	135,513	513
Expenditures:				
Current:				
Public Works	10,000	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	10,000	-	-	-
Excess of Revenues Over Expenditures	100,000	135,000	135,513	513
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(24,470)	(24,470)	(2,510)	21,960
Total Other Financing Sources (Uses)	(24,470)	(24,470)	(2,510)	21,960
Net Change in Fund Balances	75,530	110,530	133,003	22,473
Fund Balances - Beginning	497,344	497,344	497,344	-
Fund Balances - Ending	\$ 572,874	\$ 607,874	\$ 630,347	\$ 22,473

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, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Use of Money or Property	\$ -	\$ 1,100	\$ 1,732	\$ 632
Total Revenues	-	1,100	1,732	632
Expenditures:				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	1,100	1,732	632
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	1,100	1,732	632
Fund Balances - Beginning	336,883	336,883	336,883	-
Fund Balances - Ending	\$ 336,883	\$ 337,983	\$ 338,615	\$ 632

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 90,000	\$ 100,000	\$ 100,000	\$ -
Use of Money or Property	2,000	-	-	-
Total Revenues	92,000	100,000	100,000	-
Expenditures:				
Current:				
Public Safety	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	92,000	100,000	100,000	-
Other Financing Sources (Uses):				
Transfers Out	(92,000)	(100,000)	(128,608)	(28,608)
Total Other Financing Sources (Uses)	(92,000)	(100,000)	(128,608)	(28,608)
Net Change in Fund Balances	-	-	(28,608)	(28,608)
Fund Balances - Beginning	28,608	28,608	28,608	-
Fund Balances - Ending	\$ 28,608	\$ 28,608	\$ -	\$ (28,608)

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
2002 CAL HOME GRANT FUND
Year ended June 30, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Use of Money or Property	-	2,000	2,720	720
Total Revenues	-	2,000	2,720	720
Expenditures:				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	2,000	2,720	720
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	(10,000)	(9,259)	741
Total Other Financing Sources (Uses)	-	(10,000)	(9,259)	741
Net Change in Fund Balances	-	(8,000)	(6,539)	1,461
Fund Balances - Beginning	202,706	202,706	202,706	-
Fund Balances - Ending	\$ 202,706	\$ 194,706	\$ 196,167	\$ 1,461

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Use of Money or Property	\$ 35,000	\$ 35,000	\$ 6,827	\$ (28,173)
Intergovernmental	-	-	-	-
Total Revenues	35,000	35,000	6,827	(28,173)
Expenditures:				
Current:				
Community Development	35,000	35,000	-	(35,000)
Total Expenditures	35,000	35,000	-	(35,000)
Excess of Revenues Over Expenditures	-	-	6,827	6,827
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	6,827	6,827
Fund Balances - Beginning	354,991	354,991	354,991	-
Fund Balances - Ending	\$ 354,991	\$ 354,991	\$ 361,818	\$ 6,827

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, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of Money or Property	-	3,550	5,833	2,283
Total Revenues	-	3,550	5,833	2,283
Expenditures:				
Current:				
Community Development	-	13,000	12,550	(450)
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	-	13,000	12,550	(450)
Excess of Revenues Over Expenditures	-	(9,450)	(6,717)	2,733
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	(10,000)	(13,745)	(3,745)
Total Other Financing Sources (Uses)	-	(10,000)	(13,745)	(3,745)
Net Change in Fund Balances	-	(19,450)	(20,462)	(1,012)
Fund Balances - Beginning	216,168	216,168	216,168	-
Fund Balances - Ending	<u>\$ 216,168</u>	<u>\$ 196,718</u>	<u>\$ 195,706</u>	<u>\$ (1,012)</u>

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
2003 CAL HOME GRANT FUND
Year ended June 30, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Use of Money or Property	-	300	2,215	1,915
Total Revenues	-	300	2,215	1,915
Expenditures:				
Current:				
Community Development	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	300	2,215	1,915
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	(500)	(2,716)	(2,216)
Total Other Financing Sources (Uses)	-	(500)	(2,716)	(2,216)
Net Change in Fund Balances	-	(200)	(501)	(301)
Fund Balances - Beginning	368,027	368,027	368,027	-
Fund Balances - Ending	\$ 368,027	\$ 367,827	\$ 367,526	\$ (301)

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, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Use of Money or Property	-	3,050	3,676	626
Total Revenues	-	3,050	3,676	626
Expenditures:				
Current:				
Community Development	-	-	1,400	1,400
Total Expenditures	-	-	1,400	1,400
Excess of Revenues Over Expenditures	-	3,050	2,276	(774)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	(6,000)	(9,073)	(3,073)
Total Other Financing Sources (Uses)	-	(6,000)	(9,073)	(3,073)
Net Change in Fund Balances	-	(2,950)	(6,797)	(3,847)
Fund Balances - Beginning	198,345	198,345	198,345	-
Fund Balances - Ending	\$ 198,345	\$ 195,395	\$ 191,548	\$ (3,847)

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
2004 CAL HOME GRANT FUND
Year ended June 30, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Use of Money or Property	-	200	3,976	3,776
Total Revenues	-	200	3,976	3,776
Expenditures:				
Current:				
Community Development	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	200	3,976	3,776
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	(1,000)	(1,539)	(539)
Total Other Financing Sources (Uses)	-	(1,000)	(1,539)	(539)
Net Change in Fund Balances	-	(800)	2,437	3,237
Fund Balances - Beginning	459,434	459,434	459,434	-
Fund Balances - Ending	\$ 459,434	\$ 458,634	\$ 461,871	\$ 3,237

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 50,000	\$ 51,517	\$ 17,250	\$ (34,267)
Total Revenues	50,000	51,517	17,250	(34,267)
Expenditures:				
Current:				
Community Development	50,000	50,000	51,750	1,750
Total Expenditures	50,000	50,000	51,750	1,750
Excess of Revenues Over Expenditures	-	1,517	(34,500)	(36,017)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	1,517	(34,500)	(36,017)
Fund Balances - Beginning	(1,517)	(1,517)	(1,517)	-
Fund Balances - Ending	\$ (1,517)	\$ -	\$ (36,017)	\$ (36,017)

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
2005 CAL HOME GRANT FUND
Year ended June 30, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 283,400	\$ 283,400	\$ 195,092	\$ (88,308)
Charges for Services	-	-	27,987	27,987
Use of Money or Property	-	200	905	705
Total Revenues	283,400	283,600	223,984	(59,616)
Expenditures:				
Current:				
Community Development	249,392	249,392	-	(249,392)
Total Expenditures	249,392	249,392	-	(249,392)
Excess of Revenues Over Expenditures	34,008	34,208	223,984	189,776
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(34,008)	(34,508)	(60,646)	(26,138)
Total Other Financing Sources (Uses)	(34,008)	(34,508)	(60,646)	(26,138)
Net Change in Fund Balances	-	(300)	163,338	163,638
Fund Balances - Beginning	184,471	184,471	184,471	-
Fund Balances - Ending	\$ 184,471	\$ 184,171	\$ 347,809	\$ 163,638

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
2006 HOME GRANT FUND
Year ended June 30, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	23,748	23,748	23,748	-
Use of Money or Property	-	-	-	-
Total Revenues	23,748	23,748	23,748	-
Expenditures:				
Current:				
Community Development	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	23,748	23,748	23,748	-
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(23,748)	(23,748)	(23,748)	-
Total Other Financing Sources (Uses)	(23,748)	(23,748)	(23,748)	-
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ -

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
2005 CDBG GRANT FUND
Year ended June 30, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ 815,058	\$ 805,864	\$ (9,194)
Charges for Services	-	-	-	-
Use of Money or Property	-	-	-	-
Total Revenues	-	815,058	805,864	(9,194)
Expenditures:				
Current:				
Community Development	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	815,058	805,864	(9,194)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	(805,864)	(796,670)	9,194
Total Other Financing Sources (Uses)	-	(805,864)	(796,670)	9,194
Net Change in Fund Balances	-	9,194	9,194	-
Fund Balances - Beginning	(9,194)	(9,194)	(9,194)	-
Fund Balances - Ending	\$ (9,194)	\$ -	\$ -	\$ -

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, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Use of Money or Property	36,750	39,850	4,078	(35,772)
Miscellaneous	-	-	-	-
Total Revenues	36,750	39,850	4,078	(35,772)
Expenditures:				
Current:				
Community Development	23,152	23,152	-	(23,152)
Total Expenditures	23,152	23,152	-	(23,152)
Excess of Revenues Over Expenditures	13,598	16,698	4,078	(12,620)
Other Financing Sources (Uses):				
Transfers In	-	16,000	22,818	6,818
Transfers Out	(13,598)	(13,598)	-	13,598
Total Other Financing Sources (Uses)	(13,598)	2,402	22,818	20,416
Net Change in Fund Balances	-	19,100	26,896	7,796
Fund Balances - Beginning	148,522	148,522	148,522	-
Fund Balances - Ending	\$ 148,522	\$ 167,622	\$ 175,418	\$ 7,796

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 150,000	\$ 117,000	\$ -	\$ (117,000)
Charges for Services	-	-	-	-
Use of Money or Property	-	6,000	5,443	(557)
Total Revenues	150,000	123,000	5,443	(117,557)
Expenditures:				
Current:				
Community Development	132,000	132,000	-	(132,000)
Total Expenditures	132,000	132,000	-	(132,000)
Excess of Revenues Over Expenditures	18,000	(9,000)	5,443	14,443
Other Financing Sources (Uses):				
Transfers In	-	27,000	55,186	28,186
Transfers Out	(18,000)	(18,000)	-	18,000
Total Other Financing Sources (Uses)	(18,000)	9,000	55,186	46,186
Net Change in Fund Balances	-	-	60,629	60,629
Fund Balances - Beginning	442,453	442,453	442,453	-
Fund Balances - Ending	\$ 442,453	\$ 442,453	\$ 503,082	\$ 60,629

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
2006 CAL HOME GRANT FUND
Year ended June 30, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 250,000	\$ 150,000	\$ 52,556	\$ (97,444)
Charges for Services	-	24,000	12,025	(11,975)
Use of Money or Property	-	1,500	1,481	(19)
Total Revenues	250,000	175,500	66,062	(109,438)
Expenditures:				
Current:				
Community Development	220,000	135,000	-	(135,000)
Total Expenditures	220,000	135,000	-	(135,000)
Excess of Revenues Over Expenditures	30,000	40,500	66,062	25,562
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(30,000)	(39,000)	(26,033)	12,967
Total Other Financing Sources (Uses)	(30,000)	(39,000)	(26,033)	12,967
Net Change in Fund Balances	-	1,500	40,029	38,529
Fund Balances - Beginning	25,700	25,700	25,700	-
Fund Balances - Ending	\$ 25,700	\$ 27,200	\$ 65,729	\$ 38,529

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, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 300,000	\$ 300,000	\$ 459,892	\$ 159,892
Charges for Services	-	-	-	-
Use of Money or Property	-	-	-	-
Total Revenues	300,000	300,000	459,892	159,892
Expenditures:				
Current:				
Community Development	248,000	248,000	-	(248,000)
Total Expenditures	248,000	248,000	-	(248,000)
Excess of Revenues Over Expenditures	52,000	52,000	459,892	407,892
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(52,000)	(52,000)	(25,550)	26,450
Total Other Financing Sources (Uses)	(52,000)	(52,000)	(25,550)	26,450
Net Change in Fund Balances	-	-	434,342	434,342
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ 434,342	\$ 434,342

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Use of Money or Property	-	-	-	-
<hr/>				
Total Revenues	-	-	-	-
Expenditures:				
Current:				
Community Development	-	-	-	-
<hr/>				
Total Expenditures	-	-	-	-
<hr/>				
Excess of Revenues Over Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers In	-	15,000	9,967	(5,033)
Transfers Out	-	-	-	-
<hr/>				
Total Other Financing Sources (Uses)	-	15,000	9,967	(5,033)
<hr/>				
Net Change in Fund Balances	-	15,000	9,967	(5,033)
<hr/>				
Fund Balances - Beginning	-	-	-	-
<hr/>				
Fund Balances - Ending	\$ -	\$ 15,000	\$ 9,967	\$ (5,033)

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
RDA LOW AND MODERATE INCOME HOUSING
Year ended June 30, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Use of Money or Property	\$ 10,000	\$ 10,000	\$ 8,842	\$ (1,158)
Miscellaneous	-	-	-	-
Total Revenues	10,000	10,000	8,842	(1,158)
Expenditures:				
Current:				
Community Development	1,759	1,759	1,760	1
Total Expenditures	1,759	1,759	1,760	1
Excess of Revenues Over Expenditures	8,241	8,241	7,082	(1,159)
Other Financing Sources (Uses):				
Transfers In	317,919	317,919	343,902	25,983
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	317,919	317,919	343,902	25,983
Net Change in Fund Balances	326,160	326,160	350,984	24,824
Fund Balances - Beginning	677,014	677,014	677,014	-
Fund Balances - Ending	\$ 1,003,174	\$ 1,003,174	\$ 1,027,998	\$ 24,824

City of Wasco
SUPPLEMENTARY INFORMATION

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities which are financed from the City's and component units' general obligation bond, certificates of participation issues, special assessments, certain Federal grants and other specific receipts. The City has one Capital Projects Fund and it is reported as a major fund in the basic financial statements.

RDA Capital Projects Fund (component unit) – Accounts for the Wasco Redevelopment Agency's (a component unit of the City) capital projects fund.

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
RDA CAPITAL PROJECTS
Year ended June 30, 2009

	Original & Final Budget	Actual	Actual Over (Under) Budget
Revenues:			
Use of Money or Property	\$ 10,000	\$ 1,668	\$ (8,332)
Misellaneous	30,200	12,988	(17,212)
Sale of Inventory	-	-	-
Total Revenues	40,200	14,656	(25,544)
Expenditures:			
Community Development	1,242,272	1,202,741	(39,531)
Debt Service:			
Interest & Finance Charges	37,494	37,494	-
Total Expenditures	1,279,766	1,240,235	(39,531)
Excess of Revenues Over (Under) Expenditures	(1,239,566)	(1,225,579)	13,987
Other Financing Sources (Uses):			
Transfers In (Out)	561,214	547,226	(13,988)
Loan Proceeds	-	-	-
Total Other Financing Sources (Uses)	561,214	547,226	(13,988)
Net Changes in Fund Balance	(678,352)	(678,353)	(1)
Fund Balance - Beginning	3,068,237	3,068,237	-
Fund Balance - Ending	\$ 2,389,885	\$ 2,389,884	\$ (1)

City of Wasco
SUPPLEMENTARY INFORMATION

DEBT SERVICE FUNDS

Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Debt Service Funds are required if legally mandated or if financial resources are being accumulated for principal and interest payments maturing in future years. The City has one Debt Service Fund and it is reported as a major fund in the basic financial statements.

RDA Debt Service Fund – Accounts for the Wasco Redevelopment Agency's (a component unit of the City) debt service fund.

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
RDA DEBT SERVICE
Year ended June 30, 2009

	Original & Final Budget	Actual	Actual Over (Under) Budget
Revenues:			
Property Taxes	\$ 1,589,593	\$ 1,716,583	\$ 126,990
Use of Money or Property	8,300	6,869	(1,431)
Total Revenues	1,597,893	1,723,452	125,559
Expenditures:			
Community Development	1,841	24,722	22,881
Debt Service:			
Principal Retirement	185,000	185,000	-
Tax Increment Pass-Through Payments	472,184	456,139	(16,045)
Interest and Finance Charges	151,500	151,437	(63)
Total Expenditures	810,525	817,298	6,773
Excess of Revenues Over (Under) Expenditures	787,368	906,154	118,786
Other Financing Sources (Uses):			
Transfers In	145,000	145,000	-
Transfers Out	(879,133)	(891,128)	(11,995)
Total Other Financing Sources (Uses)	(734,133)	(746,128)	(11,995)
Net Changes in Fund Balance	53,235	160,026	106,791
Fund Balance - Beginning	427,553	427,553	-
Fund Balance - Ending	\$ 480,788	\$ 587,579	\$ 106,791

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.

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
Assets:				
Cash and Investments	\$ 685,684	\$ 628,702	\$ (713,370)	\$ 601,016
Investments with Fiscal Agents - Restricted	511,734	-	(3,452)	508,282
Receivables	7,990	718	(7,990)	718
	<hr/>			
Total Assets	<u>\$ 1,205,408</u>	<u>\$ 629,420</u>	<u>\$ (724,812)</u>	<u>\$ 1,110,016</u>
Liabilities:				
Due to Bondholders	<u>\$ 1,205,408</u>	<u>\$ 629,420</u>	<u>\$ (724,812)</u>	<u>1,110,016</u>
	<hr/>			
Total Liabilities	<u>\$ 1,205,408</u>	<u>\$ 629,420</u>	<u>\$ (724,812)</u>	<u>\$ 1,110,016</u>



INCORPORATED 1945

STATISTICAL SECTION

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

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time</i>	111
Revenue Capacity <i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	117
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	121
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	124
Operating information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	126

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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**City of Wasco
Net Assets by Component
Last Ten Fiscal Years*
(accrual basis of accounting)**

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
Invested in capital assets, net of related debt	\$ 1,697,784	\$ 7,271,823	\$ 9,282,757	\$ 9,920,572	\$ 10,321,011	\$ 11,292,676	\$ 12,510,864
Restricted	33,736	454,128	-	-	-	-	9,943,281
Unrestricted	3,008,562	1,998,259	4,146,304	5,550,028	5,635,602	7,003,987	936,042
Total governmental activities net assets	<u>\$ 4,740,082</u>	<u>\$ 9,724,210</u>	<u>\$ 13,429,061</u>	<u>\$ 15,470,600</u>	<u>\$ 15,956,613</u>	<u>\$ 18,296,663</u>	<u>\$ 23,390,187</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ (500,474)	\$ 2,872,131	\$ 2,745,984	\$ 3,995,704	\$ 11,672,049	\$ 12,792,756	\$ 14,170,116
Restricted	2,274,650	2,850,967	2,765,250	3,408,935	3,124,665	3,155,468	2,832,699
Unrestricted	(3,410,201)	(3,466,106)	(2,469,080)	(2,128,531)	1,772,757	2,196,051	1,946,161
Total business-type activities net assets	<u>\$ (1,636,025)</u>	<u>\$ 2,256,992</u>	<u>\$ 3,042,154</u>	<u>\$ 5,276,108</u>	<u>\$ 16,569,471</u>	<u>\$ 18,144,275</u>	<u>\$ 18,948,976</u>
Primary government							
Invested in capital assets, net of related debt	\$ 1,197,310	\$ 10,143,954	\$ 12,028,741	\$ 13,916,276	\$ 21,993,060	\$ 24,085,432	\$ 26,680,980
Restricted	2,308,386	3,305,095	2,765,250	3,408,935	3,124,665	3,155,468	12,775,980
Unrestricted	(401,639)	(1,467,847)	1,677,224	3,421,497	7,408,359	9,200,038	2,882,203
Total primary government net assets	<u>\$ 3,104,057</u>	<u>\$ 11,981,202</u>	<u>\$ 16,471,215</u>	<u>\$ 20,746,708</u>	<u>\$ 32,526,084</u>	<u>\$ 36,440,938</u>	<u>\$ 42,339,163</u>

* The City of Wasco implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available. This schedule is intended to ultimately cover 10 years worth of data. Only the first five years were available.

City of Wasco
Changes in Net Assets
Last Ten Fiscal Years*
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities:							
General government	\$ 991,642	\$ 975,433	\$ 1,113,205	\$ 828,505	\$ 1,617,100	\$ 513,373	\$ 773,807
Public safety	1,914,842	2,126,447	2,715,804	2,633,693	3,331,662	3,123,956	3,391,570
Public works	896,723	1,557,534	1,056,748	1,552,356	1,781,623	1,699,290	1,360,646
Community development	844,130	583,308	764,896	1,115,011	1,941,075	2,933,556	2,476,389
Interest on long-term debt	239,953	289,953	10,260	215,937	217,746	10,036	11,033
Total governmental activities expenses	<u>4,887,290</u>	<u>5,532,675</u>	<u>5,660,913</u>	<u>6,345,502</u>	<u>8,889,206</u>	<u>\$ 8,280,211</u>	<u>\$ 8,013,445</u>
Business-type activities:							
Water reclamation and sewer	1,193,518	1,382,290	1,365,625	1,308,610	1,476,178	1,810,270	1,711,734
Water utility	1,047,739	1,011,590	1,046,063	1,143,306	1,496,483	1,811,774	1,928,413
Refuse collection and disposal	1,037,197	1,072,572	1,211,532	1,379,554	1,677,105	2,086,186	2,166,436
Golf course	158,658	194,651	192,660	197,672	37,919	-	-
Public transportation	179,335	227,434	205,823	205,342	417,049	401,124	361,277
CNG Fueling Station	-	-	-	65	60,446	71,267	68,755
Total business-type activities expenses	<u>3,616,447</u>	<u>3,888,537</u>	<u>4,021,703</u>	<u>4,234,549</u>	<u>5,165,180</u>	<u>6,180,621</u>	<u>6,236,615</u>
Total primary government expenses	<u>\$ 8,503,737</u>	<u>\$ 9,421,212</u>	<u>\$ 9,682,616</u>	<u>\$ 10,580,051</u>	<u>\$ 14,054,386</u>	<u>14,460,832</u>	<u>14,250,060</u>
Program Revenues							
Governmental activities:							
Charges for service:							
General government	\$ 181,370	\$ 71,666	\$ 75,283	\$ 79,049	\$ 102,515	\$ 91,167	\$ 95,902
Public safety	238,387	312,962	347,346	375,852	375,115	125,604	94,595
Public works	81,428	584,476	386,155	351,148	856,014	510,125	192,827
Community development	109,437	38,467	198,994	394,214	298,143	657,515	340,647
Operating contributions and grants	223,001	337,520	519,744	377,824	1,121,182	763,357	1,675,519
Capital contributions and grants	347,750	71,245	2,431,596	1,545,108	1,211,349	1,557,424	2,715,349
Total governmental activities program revenues	<u>1,181,373</u>	<u>1,416,336</u>	<u>3,959,118</u>	<u>3,123,195</u>	<u>3,964,318</u>	<u>\$ 3,705,192</u>	<u>\$ 5,114,839</u>
Business-type activities:							
Charges for service:							
Water reclamation and sewer	1,513,606	1,748,885	1,929,329	2,192,149	2,086,823	2,784,850	2,217,204
Water utility	1,335,985	1,469,311	1,662,442	2,056,043	2,480,917	2,245,359	1,932,659
Refuse collection and disposal	1,256,222	1,357,344	1,465,586	1,478,915	1,515,649	2,186,430	2,115,724
Golf course	101,368	22,643	44,087	6,407	-	-	-
Public transportation	197,405	224,222	344,939	251,125	430,468	68,576	284,837
CNG Fueling Station	-	-	-	3,470	31,183	35,390	36,911
Operating contributions and grants	37,583	23,169	23,480	24,631	-	156,685	52,264
Capital contributions and grants	-	31,000	-	175,340	31,000	245,939	623,151
Total business-type activities program revenues	<u>4,442,169</u>	<u>4,876,574</u>	<u>5,469,863</u>	<u>6,188,080</u>	<u>6,576,040</u>	<u>7,723,229</u>	<u>7,262,750</u>
Total primary government program revenues	<u>\$ 5,623,542</u>	<u>\$ 6,292,910</u>	<u>\$ 9,428,981</u>	<u>\$ 9,311,275</u>	<u>\$ 10,540,358</u>	<u>\$ 11,428,421</u>	<u>\$ 12,377,589</u>
Net (expense)/revenue							
Governmental activities	\$ (3,705,917)	\$ (4,116,339)	\$ (1,701,795)	\$ (3,222,307)	\$ (4,924,888)	\$ (4,575,019)	\$ (2,898,606)
Business-type activities	825,722	988,037	1,448,160	1,953,531	1,410,860	1,542,608	1,026,135
Total primary government net expense	<u>\$ (2,880,195)</u>	<u>\$ (3,128,302)</u>	<u>\$ (253,635)</u>	<u>\$ (1,268,776)</u>	<u>\$ (3,514,028)</u>	<u>\$ (3,032,411)</u>	<u>\$ (1,872,471)</u>

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	\$ 775,744	\$ 706,330	\$ 1,010,786	\$ 1,402,667	\$ 1,811,417	\$ 2,112,127	\$ 2,445,512
Sales taxes	816,805	831,975	878,882	1,026,058	1,169,916	1,148,056	1,171,253
Franchise taxes	208,699	222,737	234,247	251,062	273,391	289,841	331,021
Motor vehicle in-lieu taxes	1,290,557	1,198,138	1,356,345	1,701,399	1,817,415	2,068,960	2,286,558
State allocation of gas taxes	911,540	850,894	669,361	1,011,718	1,037,907	1,076,110	1,327,370
Other taxes	9,887	12,928	13,555	17,435	21,025	48,418	96,072
Unrestricted investment earnings	79,264	23,355	48,875	39,613	144,174	94,218	46,344
Gain on sale of inventory	-	166,594	33,900	10,121	-	-	-
Miscellaneous	63,475	143,133	87,498	84,196	196,091	109,535	66,566
Transfers	612,940	582,171	662,998	(280,423)	(1,060,435)	(32,196)	221,434
Change in accounting estimates	-	5,066,329	410,199	-	-	-	-
Total governmental activities	<u>4,768,911</u>	<u>9,804,584</u>	<u>5,406,646</u>	<u>5,263,846</u>	<u>5,410,901</u>	<u>6,915,069</u>	<u>7,992,130</u>
Business-type activities:							
Unrestricted investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	8,819,068 ¹	-	-
Transfers	(612,940)	(582,171)	(662,998)	280,423	1,060,435	-	-
Change in accounting estimates	-	3,487,151	-	-	-	32,196	(221,434)
Total business-type activities	<u>(612,940)</u>	<u>2,904,980</u>	<u>(662,998)</u>	<u>280,423</u>	<u>9,879,503</u>	<u>32,196</u>	<u>(221,434)</u>
Total primary government	<u><u>4,155,971</u></u>	<u><u>12,709,564</u></u>	<u><u>4,743,648</u></u>	<u><u>5,544,269</u></u>	<u><u>15,290,404</u></u>	<u><u>6,947,265</u></u>	<u><u>7,770,696</u></u>
Change in Net Assets							
Governmental activities	\$ 1,062,994	\$ 5,688,245	\$ 3,704,851	\$ 2,041,539	\$ 486,013	\$ 2,340,050	\$ 5,093,524
Business-type activities	212,782	3,893,017	785,162	2,233,954	11,290,363	1,574,804	804,701
Total primary government	<u><u>\$ 1,275,776</u></u>	<u><u>\$ 9,581,262</u></u>	<u><u>\$ 4,490,013</u></u>	<u><u>\$ 4,275,493</u></u>	<u><u>\$ 11,776,376</u></u>	<u><u>\$ 3,914,854</u></u>	<u><u>\$ 5,898,225</u></u>

¹ The increase from prior period was caused by the sale of the golf course activity and settlement on related bonds below face value.

* The City of Wasco implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available. This schedule is intended to ultimately cover 10 years worth of data. Only the first five years were available.

City of Wasco
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years*
(accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Motor Vehicle In-Lieu Tax	State Allocation of Gas Tax	Other Tax	Total
2003	\$ 775,744	\$ 816,805	\$ 208,699	\$ 1,290,557	\$ 911,540	\$ 9,887	\$ 4,013,232
2004	706,330	831,975	222,737	1,198,138	850,894	12,928	\$ 3,823,002
2005	1,010,786	878,882	234,247	1,356,345	669,361	13,555	\$ 4,163,176
2006	1,402,667	1,026,058	251,062	1,701,399	1,011,718	17,435	\$ 5,410,339
2007	1,811,417	1,169,916	273,391	1,817,415	1,037,907	21,025	\$ 6,131,071
2008	2,112,127	1,148,056	289,841	2,068,960	1,076,110	48,418	\$ 6,743,512
2009	2,445,512	1,171,253	331,021	2,286,558	1,327,370	96,072	\$ 7,657,786

* The City of Wasco implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available. This schedule is intended to ultimately cover 10 years worth of data. Only the first five years were available.

City of Wasco
Fund Balances of Governmental Funds
Last Ten Fiscal Years*
(modified accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
General fund							
Reserved	\$ 128,416	\$ 128,416	\$ -	\$ -	\$ 25,027	\$ 31,847	\$ 30,053
Unreserved	517,530	932,916	1,266,472	1,577,650	687,720	906,851	958,435
Total general fund	<u>\$ 645,946</u>	<u>\$ 1,061,332</u>	<u>\$ 1,266,472</u>	<u>\$ 1,577,650</u>	<u>\$ 712,747</u>	<u>\$ 938,698</u>	<u>\$ 988,488</u>
All other governmental funds							
Reserved	\$ 13,870,022	\$ 3,746,498	\$ 4,661,977	\$ 4,672,928	\$ 4,767,098	\$ 5,321,025	\$ 5,427,380
Unreserved, reported in:							
Special revenue funds	345,574	1,286,476	1,636,394	1,971,503	3,038,799	3,122,643	4,273,431
Capital projects funds	152,627	260,234	240,628	834,236	458,060	407,082	391,082
Debt service funds	-	-	-	-	48,555	-	-
Total all other governmental funds	<u>\$ 14,368,223</u>	<u>\$ 5,293,208</u>	<u>\$ 6,538,999</u>	<u>\$ 7,478,667</u>	<u>\$ 8,312,512</u>	<u>\$ 8,850,750</u>	<u>\$ 10,091,893</u>

* The City of Wasco implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available. This schedule is intended to ultimately cover 10 years worth of data. Only the first five years were available.

City of Wasco
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years*
(modified accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Revenues							
Taxes	\$ 3,525,308	\$ 3,375,002	\$ 3,928,812	\$ 4,933,573	\$ 5,696,668	\$ 5,974,587	\$ 7,024,678
Licenses and permits	210,026	282,409	329,765	371,835	355,066	278,930	140,894
Fines, forfeitures and assessments	84,588	69,069	39,017	50,985	63,642	126,551	132,821
Use of money or property	160,287	237,948	155,930	258,800	244,313	194,745	118,686
Intergovernmental	1,095,171	1,585,106	2,596,561	2,493,475	3,003,378	3,383,632	3,514,852
Charges for services	282,968	340,835	577,381	628,728	1,085,962	661,046	441,105
Contributions and Donations	-	-	-	-	-	-	1,509,139
Miscellaneous	-	-	-	-	14,197	35,903	27,108
Total revenues	<u>5,358,348</u>	<u>5,890,369</u>	<u>7,627,466</u>	<u>8,737,396</u>	<u>10,463,226</u>	<u>10,655,394</u>	<u>12,909,283</u>
Expenditures							
General government	544,252	615,026	816,192	757,396	1,052,512	402,432	383,601
Public safety	1,675,487	1,900,766	2,338,510	2,250,832	2,889,719	3,110,640	3,387,064
Public works	789,687	801,401	898,191	1,120,427	1,485,487	1,312,073	1,063,125
Community development	1,074,219	778,682	887,110	1,468,682	1,958,644	2,413,251	1,876,112
Non departmental	388,915	325,695	305,999	277,202	606,732	6,360	308,012
Capital outlay	232,466	747,004	1,155,555	952,509	1,448,650	1,874,192	3,998,484
Debt service							
Principal	135,000	124,426	209,767	160,000	510,448	194,837	212,888
Interest	296,519	275,052	228,207	219,079	209,494	201,269	189,823
Other charges	-	-	-	-	297,652	343,955	456,139
Total expenditures	<u>5,136,545</u>	<u>5,568,052</u>	<u>6,839,531</u>	<u>7,206,127</u>	<u>10,459,338</u>	<u>9,859,009</u>	<u>11,875,248</u>
Excess of revenues over (under) expenditures	221,803	322,317	787,935	1,531,269	3,888	796,385	1,034,035
Other financing sources (uses)							
Transfers in	1,065,574	1,570,813	1,683,752	1,616,917	2,321,787	3,333,917	3,212,221
Transfers out	(452,634)	(988,642)	(1,020,754)	(1,897,340)	(2,810,376)	(3,366,113)	(2,990,787)
Loan proceeds	-	-	-	-	453,643	-	-
Total other financing sources (uses)	<u>612,940</u>	<u>582,171</u>	<u>662,998</u>	<u>(280,423)</u>	<u>(34,946)</u>	<u>(32,196)</u>	<u>221,434</u>
Net change in fund balances	<u>\$ 834,743</u>	<u>\$ 904,488</u>	<u>\$ 1,450,933</u>	<u>\$ 1,250,846</u>	<u>\$ (31,058)</u>	<u>\$ 764,189</u>	<u>\$ 1,255,469</u>
Debt service as a percentage of noncapital expenditures	8.80%	8.29%	7.71%	6.06%	11.29%	9.27%	10.90%

* The City of Wasco implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available. This schedule is intended to ultimately cover 10 years worth of data. Only the first five years were available.

City of Wasco
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property				Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other Property	Unsecured Property			
1999	179,425,290	29,694,596	24,515,790	13,863,856	8,050,447	-	255,549,979	2.78
2000	187,639,106	30,109,437	25,241,002	15,223,901	8,683,880	-	266,897,326	2.84
2001	197,340,887	34,785,419	24,627,863	15,115,640	9,798,540	(1,744)	281,668,349	2.73
2002	208,586,782	36,362,305	24,863,523	14,635,558	9,865,801	(35,331)	294,313,969	2.74
2003	215,040,647	51,883,848	12,658,765	15,754,157	10,411,744	(619,817)	305,749,161	2.70
2004	241,650,696	51,084,016	4,805,347	23,593,710	9,500,145	(596,393)	330,633,914	2.45
2005	250,204,533	52,289,623	8,611,090	25,899,684	9,223,450	(619,675)	346,228,380	2.54
2006	280,722,875	57,792,213	12,081,256	29,485,770	11,429,075	(49,384)	391,511,189	2.96
2007	331,758,057	62,099,887	18,350,449	50,175,007	11,401,146	(90,183)	473,784,546	3.26
2008	378,557,857	64,190,867	13,806,003	88,875,398	12,096,892	(166,340)	557,527,017	3.13
2009	434,659,664	67,803,708	18,918,540	107,780,710	14,160,343	(165,325)	643,322,965	2.94

Source: Kern County Auditor Controller's Office

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Tax rates are per \$1,000 of assessed value.

**City of Wasco
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City Direct Rate:	0.0908	0.0908	0.0908	0.0908	0.0908	0.0908	0.0908	0.0908	0.0908	0.0908	0.0908
Overlapping Rates											
Kern County Cemetery No1	0.0142	0.0142	0.0142	0.0142	0.0142	0.0142	0.0142	0.0142	0.0142	0.0142	0.0142
Kern County Advertising	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006
Education	0.0181	0.0181	0.0181	0.0181	0.0181	0.0181	0.0181	0.0181	0.0181	0.0181	0.0181
Education Revenue Augmentation Fund	0.1552	0.1552	0.1552	0.1552	0.1552	0.1552	0.1552	0.1552	0.1552	0.1552	0.1552
Kern County Fire Department	0.0861	0.0861	0.0861	0.0861	0.0861	0.0861	0.0861	0.0861	0.0861	0.0861	0.0861
Kern County Community College	0.0551	0.0551	0.0551	0.0551	0.0551	0.0551	0.0551	0.0551	0.0551	0.0551	0.0551
Kern County	0.1628	0.1628	0.1628	0.1628	0.1628	0.1628	0.1628	0.1628	0.1628	0.1628	0.1628
Kern County Water Agency	0.0059	0.0059	0.0059	0.0059	0.0059	0.0059	0.0059	0.0059	0.0059	0.0059	0.0059
Kern County Mosquito Abatement	0.0074	0.0074	0.0074	0.0074	0.0074	0.0074	0.0074	0.0074	0.0074	0.0074	0.0074
Wasco High School District	0.1655	0.1655	0.1655	0.1655	0.1655	0.1655	0.1655	0.1655	0.1655	0.1655	0.1655
Wasco Recreation & Parks District	0.0470	0.0470	0.0470	0.0470	0.0470	0.0470	0.0470	0.0470	0.0470	0.0470	0.0470
Wasco Union Elementary School District	0.1913	0.1913	0.1913	0.1913	0.1913	0.1913	0.1913	0.1913	0.1913	0.1913	0.1913
Total Direct & Indirect Property Tax	<u>1.0000</u>										
Overlapping Debt Assessment Rates											
Kern County Cemetery District: Srid #1	0.0000	0.0000	0.0000	0.0000	0.0000	0.0118	0.0092	0.0096	0.0000	0.0060	0.0001
Kern County Cemetery District: Srid 03A Rfd	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0037	0.0019	0.0070
Kern County Cemetery District: Srid 2003B	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0016	0.0001	0.0019
Shafter-Wasco Irrigation District: Debt	0.3125	0.3125	0.3125	0.3125	0.3125	0.3125	0.3125	0.3125	0.3125	0.3125	0.3125
Wasco Union Elementary School District: 2008A	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0283
Wasco Union Elementary School District: 2004A	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0033	0.0046	0.0236
Wasco Union Elementary School District: 2001A	0.0000	0.0000	0.0000	0.0000	0.0294	0.0327	0.0366	0.0349	0.0267	0.0234	0.0050
Total Overlapping Debt Assessment Rates	<u>0.3125</u>	<u>0.3125</u>	<u>0.3125</u>	<u>0.3125</u>	<u>0.3419</u>	<u>0.3570</u>	<u>0.3583</u>	<u>0.3570</u>	<u>0.3477</u>	<u>0.3486</u>	<u>0.3785</u>
Total Tax Rates:	<u>1.3125</u>	<u>1.3125</u>	<u>1.3125</u>	<u>1.3125</u>	<u>1.3419</u>	<u>1.3570</u>	<u>1.3583</u>	<u>1.3570</u>	<u>1.3477</u>	<u>1.3486</u>	<u>1.3785</u>

Source: Hdl, Coren & Cone; Kern County Auditor Controller's Office

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

**City of Wasco
Principal Property Taxpayers
June 30, 2009**

<u>Taxpayer</u>	2008				1999			
	Taxable Assessed Value	Rank	Estimated Total Tax	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Estimated Total Tax	Percentage of Total Taxable Assessed Value
Certis USA LLC	\$ 13,323,235	1	\$ 112,239	0.24%	-	-	-	-
Sunnygen LLC	7,424,425	2	61,164	0.13%	-	-	-	-
Savage Industries Inc.	8,187,614	3	52,558	0.15%	-	-	-	-
Lotus Developments	2,078,764	4	19,767	0.04%	-	-	-	-
F & Poso St. Investors	1,691,500	5	14,477	0.03%	-	-	-	-
Reynen & Bardis Communications Inc.	19,150,242	6	14,276	0.34%	-	-	-	-
Heller Development Company Inc.	11,350,412	7	10,094	0.20%	-	-	-	-
Sarno Sarno Test Trust	6,521,225	8	8,262	0.12%	-	-	-	-
West Family Trust	767,740	9	6,855	0.01%	-	-	-	-
Howard Hay Company Inc.	816,199	10	6,724	0.01%	-	-	-	-
Thermo Trilogy Corporation	-	-	-	-	12,756,126	1	82,292	4.78%
Newco Corporation	-	-	-	-	8,953,027	2	57,758	3.35%
Delmar Asscs Limited Partnership	-	-	-	-	5,160,811	3	4,591	1.93%
Jeffries Bros. Inc.	-	-	-	-	1,065,135	4	4,556	0.40%
Wasco Commercial Group	-	-	-	-	3,487,412	5	4,328	1.31%
Western Ag Investment Inc.	-	-	-	-	651,554	6	4,217	0.24%
Petrini Construction Company	-	-	-	-	643,223	7	4,150	0.24%
Wasco Arms Apartments	-	-	-	-	4,547,584	8	4,046	1.70%
Kenneth M. & Pamela L. Byrum	-	-	-	-	587,630	9	3,791	0.22%
Revocable Living Childress Trust	-	-	-	-	647,358	10	3,756	0.24%

**City of Wasco
Property Tax levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	333,042	310,399	93%	1,183	311,582	94%
2000	311,762	296,214	95%	222	296,436	95%
2001	311,801	308,787	99%	(20,972)	287,815	92%
2002	322,190	318,491	99%	20,965	339,456	105%
2003	335,078	332,246	99%	647	332,893	99%
2004	353,858	348,587	99%	757	349,344	99%
2005	417,794	414,428	99%	4,908	419,336	100%
2006	493,785	492,111	100%	7,339	499,450	101%
2007	583,214	564,574	97%	14,933	579,507	99%
2008	668,136	647,007	97%	21,106	668,114	100%
2009	587,841	587,841	100%	-	587,841	100%

Source: Kern County Auditor Controllers Office

* This schedule is intended to ultimately cover 10 years worth of data. Only the first nine years were available from the Kern County Auditor Controllers Office.

City of Wasco
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years*

Fiscal Year	Governmental Activities						Business-Type Activities				Total Primary Gov.	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Tax Allocation Bonds	Revenue Bonds	Capital Leases	Other Long-Term Debt	Compensated Absences	Revenue Bonds	Notes Payable	Capital Leases	Compensated Absences			
1999													
2000													
2001												-	
2002												-	
2003	\$ -	\$ 2,890,000	\$ 555,000	\$ -	\$ 103,820	\$ 67,009	\$ 10,200,000	\$ 4,574,936	\$ 42,533	\$ 34,746	\$ 18,468,044	5.25%	\$ 841
2004	-	2,810,795	532,800	-	398,799	87,210	10,030,000	4,341,846	-	44,628	18,246,078	4.92%	819
2005	-	2,685,795	507,800	-	342,000	43,721	9,855,000	4,166,550	-	40,285	17,641,151	4.47%	772
2006	-	2,550,795	482,800	-	342,000	43,721	9,670,000	3,889,773	-	40,285	17,019,374	3.95%	718
2007	-	2,410,795	457,800	108,195	342,000	83,837	620,000	3,606,926	196,532	70,516	7,896,601	1.75%	327
2008	-	2,220,000	435,000	88,358	430,358	122,306	420,000	3,923,699	102,822	108,457	7,851,000	1.59%	314
2009	-	2,065,000	405,000	95,934	342,000	93,404	215,000	3,594,264	102,822	97,006	7,010,430	1.41%	276

* The City of Wasco implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available. This schedule is intended to ultimately cover 10 years worth of data. Only the first five years were available.

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Demographic and Economic Statistics for personal income and population data.

City of Wasco
Direct and Overlapping Governmental Activities Debt
As of June 30, 2009

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/2008	% Applicable(1)	City's Share of Debt 6/30/09
Kern Community College District Safety, Repair and Improvement District	\$115,381,213	0.698%	\$805,361
Wasco Union School District	6,021,615	55.136	3,320,078
Wasco Union High School District	15,500,000	13.090	2,028,950
Semitropic Water Storage District Improvement District	3,730,000	0.108	4,028
City of Wasco 1915 Act Bonds	4,550,000	100	4,550,000
Kern Community College District Assessment District	5,020,000	0.754	37,851
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$10,746,268
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Kern County Certificates of Participation	\$142,330,000	0.631%	\$898,102
Kern County Pension Obligations	477,656,067	0.631	3,014,010
Kern County Board of Education Certificates of Participation	54,740,000	0.631	345,409
Kern County Joint Community College District Certificates of Participation	170,985,000	0.631	1,048,138
Wasco Union High School District Certificates of Participation	115,000	13.090	15,054
City of Wasco	0	100	0
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$5,320,713
COMBINED TOTAL DEBT			\$16,066,981 (2)

(1) Percentage of overlapping agency's valuation located within boundaries of the city.

(2) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2008-09 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.67%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt 0.00%

Combined Total Debt 3.23%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/09: \$0

Source: California Municipal Statistics, Inc.

**City of Wasco
Pledged-Revenue Coverage
Last Ten Fiscal Years***

Fiscal Year	Wastewater Revenue Bonds and Notes Payable						
	Wastewater Charges and Other	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage	
				Principal	Interest		
2003	\$ 1,322,279	\$ 582,919	\$ 739,360	376,814	\$ 185,192	1.32	
2004	1,421,537	767,115	\$ 654,422	388,514	172,304	1.17	
2005	1,435,674	771,700	\$ 663,974	398,088	161,186	1.19	
2006	1,580,222	730,257	\$ 849,965	413,948	148,215	1.51	
2007	1,541,492	904,760	\$ 636,732	424,962	134,906	1.14	
2008	2,035,551	1,233,039	\$ 802,512	441,361	120,624	1.43	
2009	2,085,592	1,124,831	\$ 960,761	452,475	106,109	1.72	

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Sewer charges and other includes investment earning but not connection fees. Operating expenses do not include interest or depreciation.

* The City of Wasco implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available. This schedule is intended to ultimately cover 10 years worth of data. Only the first five years were available.

**City of Wasco
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year¹	City Population	County Population	Personal Income in Thousands²	Per Capita Personal Income²	School Enrollment⁴	Unemployment Rate⁵
1998	20,450	639,800	\$ 285,333.34	\$ 13,953	3,971	21.9%
1999	20,650	637,227	\$ 293,808.20	\$ 14,228	4,042	20.7%
2000	21,263	658,935	\$ 312,772.82	\$ 14,710	4,023	20.6%
2001	21,450	686,000	\$ 330,100.35	\$ 15,389	4,141	19.6%
2002	21,700	687,600	\$ 339,547.69	\$ 15,647	4,165	18.3%
2003	22,250	702,837	\$ 356,575.27	\$ 16,026	4,431	19.2%
2004	22,858	724,883	\$ 380,869.50	\$ 16,662	4,613	18.5%
2005	23,708	753,070	\$ 409,308.39	\$ 17,265	4,743	15.7%
2006	24,303	779,869	\$ 441,322.91	\$ 18,159	4,893	14.4%
2007	24,156 *	801,648	\$ 451,480.64	\$ 18,690 *	4,971	15.6%
2008	24,999	817,517	\$ 492,525.87	\$ 19,702	4,939	18.2%
2009	25,434	827,173	\$ 495,884.64	\$ 19,497	4,595	25.9%**

¹Dates reflect calendar years January through December

²Source: United States Census Bureau for 1999, adjusted for CPI 1998, 2000 - 2008

³Source: US Census Bureau, Population 25 years and over

⁴Source: California Department of Education

⁵Source: California Employment Development Dept.

*Drop in total population occurred because of change in prison population from 6,399 in 2006 to 6,122 in 2007. Household population rose from 17,904 in 2006 to 18,034 in 2007.

**Average January through September

**City of Wasco
Principal Employers
Current Year and Nine Years Ago**

Employer	2009			Employer	2000*		
	Number of Employees	Rank	Percent of Total City Employment		Number of Employees	Rank	Percent of Total City Employment
Wasco State Prison	1,871	1	28.78%		-	1	0.00%
Western Horticulture	419	2	6.45%				
Weeks Roses	410	3	6.31%		-	2	0.00%
Wasco Union Elementary School District	310	4	4.77%		-	3	0.00%
SunnyGem	180	5	2.77%		-	4	0.00%
K-Mart	161	6	2.48%		-	5	0.00%
Wasco Union High School District	156	7	2.40%		-	6	0.00%
City of Wasco	66	8	1.02%		-	7	0.00%
Save Mart Supermarket	48	9	0.74%		-	8	0.00%
Certis	44	10	0.68%		-	9	0.00%
Total	3,665		56.38%	Total	-		0.00%

Source: City of Wasco, Wasco Chamber of Commerce

* The City of Wasco implemented GASB 44 for the fiscal year ended June 30, 2007. Information prior to the implementation of GASB 44 is not available.

**City of Wasco
Property Tax Rates
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years**

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government	11.40	13.50	13.00	14.75	14.88	16.35	18.75	17.18	28.52	15.02	11.20
Public Safety											
Police officers and staff ¹		1.00									
Firefighters and officers ²											
Highways and streets											
Engineering	1.25	2.25	3.25	3.38	2.30	1.30	1.00	1.35	2.70	3.75	0.8
Maintenance	8.00	8.50	8.25	7.75	7.45	6.95	7.70	12.96	15.56	11.09	13.91
Community development	-	-	-	1.75	1.50	2.40	2.19	3.15	2.45	10.45	6.75
Public Transit	2.10	2.50	2.50	2.50	2.65	3.20	2.55	2.56	3.35	3.20	3.00
CNG Fueling Station	-	-	-	-	-	-	-	-	0.10	0.10	0.10
Sanitation	8.00	9.00	9.75	8.80	10.00	10.11	10.51	11.55	14.64	14.51	15.57
Water	4.25	4.25	4.00	6.05	5.55	5.36	5.76	5.94	7.77	7.45	7.93
Sewer	4.00	3.50	4.25	3.65	4.80	5.13	5.53	5.43	7.26	6.23	7.24
Total	39.00	44.50	45.00	48.63	49.13	50.80	53.99	60.12	82.35	71.80	66.50

Source: City of Wasco

¹ Police Services are provided by Kern County under a service contract.

² Fire Services are provided by Kern County under a service contract.

**City of Wasco
Property Tax Rates
Operating Indicators by Function
Last Ten Fiscal Years***

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2,008	2009
City Manager											
Ordinances passed	n/a	n/a	n/a	n/a	n/a	n/a	7	35	40	35	24
Resolutions processed	n/a	n/a	n/a	n/a	n/a	n/a	110	85	90	85	151
Public hearings noticed	n/a	n/a	n/a	n/a	n/a	n/a	65	110	100	105	62
Finance & accounting											
A/P checks processed	n/a	1,900	1,850	2,200	2,421	2,376	2,507	2,583	2,703	2,587	2,403
Payroll checks processed	n/a	1,000	1,100	1,200	1,426	1,516	1,619	1,859	2,280	2,447	2,061
Purchase orders issued					776	860	1,151	1,401	1,768	2,330	3,932
Planning											
Residential site plans	n/a	n/a	n/a	n/a	n/a	140	300	326	400	125	93
Combined site plans	n/a	n/a	n/a	n/a	n/a	25	12	9	10	20	17
Engineering											
Completed projects	n/a	n/a	n/a	n/a	n/a	4	6	10	11	15	12
Police Department											
Calls responded to	10,672	12,195	15,263	16,698	18,296	16,367	16,786	17,502	18,741	26,229	18,122
Traffic citations issued	1,597	1,495	1,674	1,427	1,807	1,986	1,128	1,166	2,431	3,011	1,622
Animal Services											
Animals processed	n/a	n/a	n/a	n/a	1,286	1,286	1,131	1,304	1,111	1,151	1,342
Animals adopted/returned	n/a	n/a	n/a	n/a	721	721	710	480	383	332	412
Building Inspection											
Permits requested	n/a	n/a	n/a	n/a	n/a	600	596	754	427	550	408
Inspections completed	n/a	n/a	n/a	n/a	n/a	4,273	4,800	5,200	4,400	2,400	2,991
Code Compliance											
Cases	n/a	n/a	n/a	n/a	n/a	1,460	1,490	1,460	1,490	887	1,564
Streets & roads											
Street signs replaced	n/a	n/a	n/a	n/a	n/a	n/a	100	85	140	114	157
Sq. Feet of graffiti removed	n/a	n/a	n/a	n/a	n/a	n/a	5,800	10,000	8,246	15,165	26,127
Miles of street rejuvenated	n/a	n/a	n/a	n/a	n/a	n/a	-	9	4	8	3
Public Transit											
Total customers	n/a	n/a	n/a	n/a	22,600	n/a	n/a	26,053	31,386	28,594	22,593
Total Mileage	n/a	34,084	40,666	37,354	35,990						
Wastewater											
Effluent BOD requirement	n/a	n/a	n/a	n/a	n/a	n/a	98%	100%	100%	100%	100%
Suspended solids requirement	n/a	n/a	n/a	n/a	n/a	n/a	99%	100%	100%	100%	100%
Dissolved oxygen level requirement	n/a	n/a	n/a	n/a	n/a	n/a	99%	100%	100%	100%	100%
Sewage overflow	n/a	n/a	n/a	n/a	n/a	n/a	-	-	-	-	-
Water											
Pumping cost per MGAL	\$ 180	\$ 170	\$ 160	\$ 175	\$ 275	\$ 275	\$ 250	\$ 240	\$ 225	\$ 275	\$ 296
Million gallons pumped	1,200	1,300	1,375	1,400	1,400	1,425	1,500	1,425	1,450	1,546	1,570
Sanitation											
Traffic accidents	n/a	n/a	n/a	n/a	n/a	n/a	1	-	-	-	1
Landfill trips	n/a	n/a	n/a	n/a	n/a	n/a	2,964	3,200	4,216	4,103	3,640

* The City of Wasco implemented performance measures at various times over the past ten years. Historical information is not available prior to the implementation of the measures. This schedule is intended to ultimately cover ten years worth of data.

**City of Wasco
Property Tax Rates
Capital Asset Statistics by Function
Last Ten Fiscal Years***

<u>Function</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Police Department											
Stations	1	1	1	1	1	1	1	1	1	1	1
Public Works											
Streets (miles)	n/a	45.24	45.24	53.43	53.43	53.43	53.43	66.01	66.84	66.84	66.84
Streetlights	n/a	564	564	564	578	624	624	624	693	694	701
Traffic Signals	n/a	-	-	-	-	1	1	1	2	2	2
Parks and Recreation											
Parks	1	n/a	-	-	-	1	1	2	2	2	3
Water											
Water lines (miles)	n/a	42.00	49.12	49.32	58.45	58.45	58.45	59.98	60.51	61.35	61.35
City well sites	n/a	5	5	6	6	6	6	6	6	6	7
Fire hydrants	n/a	421	425	440	440	440	449	461	461	463	463
Wastewater											
Sanitary sewers (miles)	n/a	15.23	15.23	15.89	16.02	17.45	17.45	17.45	18.00	19.27	19.27
Storm sewers (miles)	n/a	11.22	11.47	12.56	12.56	12.89	14.44	14.44	14.44	14.44	14.44
Treatment capacity (mgd)	n/a	3	3	3	3	3	3	3	3	3	3
Public Transit											
Dial-a-ride busses	n/a	2	2	1	2	2	2	3	4	4	4
Sanitation											
Collection trucks	n/a	4	4	4	6	5	6	6	7	7	7

Source: City of Wasco

* Capital asset historical information is not available prior to 2000. This schedule is intended to ultimately cover ten years worth of data.

1 The number of parks reported includes only parks owned and operated by the City of Wasco and does not include parks owned and/or operated by the Wasco Parks and Recreation District.