



CALIFORNIA



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 2011**

City of



INCORPORATED 1945

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE CITY OF WASCO, CA



Fiscal Year Ended June 30, 2011

Prepared by:

Finance Director

Bruce Foltz

Accounting Manager

Rocio Mosqueda



INCORPORATED 1945

INTRODUCTORY SECTION

The Introductory Section of the Comprehensive Annual Financial Report provides general information of the City of Wasco, California's structure and its personnel, as well as information useful in assessing the City's financial condition.

- Table of Contents
- Letter of Transmittal
- City's Organizational Chart



**City of Wasco
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011**

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City of



INCORPORATED 1945



December 21, 2011

Honorable Mayor, Members of the City Council, and Citizens of the City of Wasco, California

LETTER OF TRANSMITTAL
FISCAL YEAR 2010-2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT

It is a pleasure to present the Fiscal year 2010-2011 Comprehensive Annual Financial Report (CAFR) for the city for Wasco. These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. Responsibility for the accuracy of the data, the completeness and reliability of the presentation, including all disclosures, rest with the City management.

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, 2011.

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, 2011. 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. The MD&A complement this letter of transmittal and should be read in conjunction with this transmittal.

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, and 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 25,541 of which includes approximately 5,871 prison inmates housed at the Wasco State Prison. 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 appoint 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 in part to the Wasco State Prison that provides employment for more than 1768 prison guards and staff.

Because of the City's 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 28.4 in 2011. The increase in unemployment over the past four 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 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, although the nationwide economic recession is officially over there has been no quick turnaround in construction or retail sales demand. Secondly, the local agricultural labor market has been shrinking due to heavy labor intensive crops such as roses decreasing in acreage and permanent crops such as fruit and nut trees being planted that require less labor than other types of crops. Nationally the unemployment rate remains high, including the City of Wasco.

During fiscal year 2009-2010 a nationwide hotel chain, two fast food restaurants, a new gas station, and a regional grocery store have been built. These new businesses have added a diversifying source of jobs to the City of Wasco and play a key role in combating the City's high unemployment rate. Unfortunately, during the past twelve months, the City has experienced no new commercial growth and no commercial building permits were issued towards fiscal year end 2011 that would indicate a positive start in construction for fiscal year 2011-2012. One national box store chain successfully completed an environmental impact review in October 2011 and received overwhelming positive response from the community. It is hopeful that construction may begin early in the summer of 2012 with the doors opening for business in the summer of 2013. The City is optimistic that this business will be the catalyst to opening new business along the highway 46 corridor and bring much needed sales tax revenue to the community.

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 seven 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. Virtually no new building permits within these subdivisions were issued while the various developers were restructuring and negotiating with lenders or working through bankruptcy. The City of Wasco reacted by downsizing its planning and building divisions to cope with the revenue reductions. As of the end of the 2009-2010 fiscal year, four of the seven stalled developments have reestablished operations and have

begun building homes. This increase in building activity brings needed jobs and development related revenue sources back to the City. Although off to a slow start, the City is anticipating a modest increase in local residential building and related municipal revenues sources over the next few years.

In fiscal year 2010-2011 the Wasco Redevelopment Agency successfully 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 over the long term. The agency will be eligible to receive tax increment beginning in fiscal year 2012-2013. Tax revenues from this second project area are anticipated to minimal at first because of the slow housing construction market.

On June 29, 2011, the Governor of the State of California signed Assembly Bills X1 26 and 27 as part of the State's budget package. Assembly Bill X1 26 requires each California redevelopment agency to suspend nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for the impending dissolution of the agency. Assembly Bill X1 27 offers a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program. Under this program, each city would adopt an ordinance agreeing to make certain payments to the County Auditor Controller in fiscal year 2011-2012 and annual payments each fiscal year thereafter. Assembly Bill X1 27 indicates that the city "may use any available funds not otherwise obligated for other uses" to make this payment. The City of Wasco intends to use available monies of its redevelopment agency for this purpose and the City and Agency have approved a reimbursement agreement to accomplish that objective. The amounts to be paid after fiscal year 2012-2013 have yet to be determined by the state legislature. The Agency's potential liability for fiscal year 2011-2012 is anticipated to be approximately \$565,000. This first year payment is scheduled to be payable by January 15, 2012. For fiscal year 2013-2013 the Agency anticipates a liability of \$137,000.

On November 10, 2011, the California Supreme Court heard oral arguments in the *CRA v. Matosantos* law suit challenging the constitutionality of the state's plan to eliminate redevelopment agencies unless they agree to pay \$1.7 billion for FY 2011-12 and \$400 million in subsequent years. As of the date of this writing the future certainty of the City's redevelopment agency is unclear. The Agency hopes to hear word from the Supreme Court by mid January 2012 as to its future outcome.

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. The City engaged PMC World, 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. In addition, the City and PMC have successfully completed the development of an online planning and building project tracking system that was

implemented during the current year. This project tracking system helps insure project timelines are established and met, by facilitating two-way communications with developers and City staff. This online system allows developers to submit and access reports and documents related to their project, and organize and streamline the development entitlement and review process.

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 to 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

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 five to seven years. In 2010-2011 the City completed the construction work on an expansion encompassing a new sludge centrifuge and related electrical upgrades. This project was budgeted at a cost of \$2,000,000 and was funded with a Federal American Reinvestment and Recovery (ARRA) grant. Current sewer plant production is 3.0 million gallons per day (MGD) with the potential of 4.5 MGD upon future growth within the City

The City of Wasco also completed a city-wide water meter instillation project which was funded with a Federal ARRA Grant for \$4.1 million. The project includes installing roughly 2,850 new water meters. Construction began on this project in 2009-2010 and was completed by January 2011. Additional projects completed in the current year were as follows: a CNG plant expansion for \$530,000 paid through CMAQ; reconstruction of various City streets predominately Beckes, Redwood, Evergreen and Sunset Streets, funding through Prop 1B and TDA grant; installation of in-pavement lighting system along Palm Avenue at 9th Place, and Poso Avenue between Griffith and Poplar funded through Prop 1B in the amount of \$353,248; and the rehabilitation of two trickling filter distributor drives at a cost of \$233,050, funded from wastewater reserves.

The City of Wasco contracts with the Kern County Sheriff's Department to provide police service to the community. This five year service contract was set to expire on June 30, 2010. Over the past five years the City has been subject to large increases in this contract costs so, in preparation for the contract expiration, the City conducted a police services analysis. This analysis identified the current level of police service needed

within the community and compared the cost of meeting these needs with a City Police Department or under contract with Kern County or other neighboring cities. The end result of this analysis supported continuing under contract with the Kern County Sheriff's Department but with a new contract to control long term costs and increase accountability. A new 5 year contract was successfully negotiated in September 2010 which implements these recommendations and should provide long term community safety with limited annual cost increases.

The City of Wasco, like many California cities, is faced with escalating cost of public services and reductions in revenue sources. Operating in this environment has led the City Council and management to begin working on a City Wide Long Term Vision and Strategic Plan. A private contractor is currently being selected to work with the City and the Community to develop this plan that will outline the future of the City. This will be a key project over the next year and the resulting plan will act as a guide for all city projects, funding, and resource allocation to help insure the ongoing success and sustainability of the City.

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 0.495% for fiscal year ended on June 30 2011. 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, 2011 this account was valued at \$1,068,942. The City of Wasco received an average yield of 1.37% for fiscal year ended on June 30 2011 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.

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, 2010. This was the seventh 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 2010-2011, which constitutes receipt of the award for tenth 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 and the leadership of the Wasco City Council. I wish to express appreciation to all members of the City departments who assisted and contributed to the preparation of this report and to the staff's commitment to ongoing fiscal management and accountability at all levels of the organization.

Respectfully submitted,



Alan Christensen
City Manager



Bruce Foltz
Finance Director

**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, 2010. This was the 7th 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, 2010

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.



Linda C. Dawson

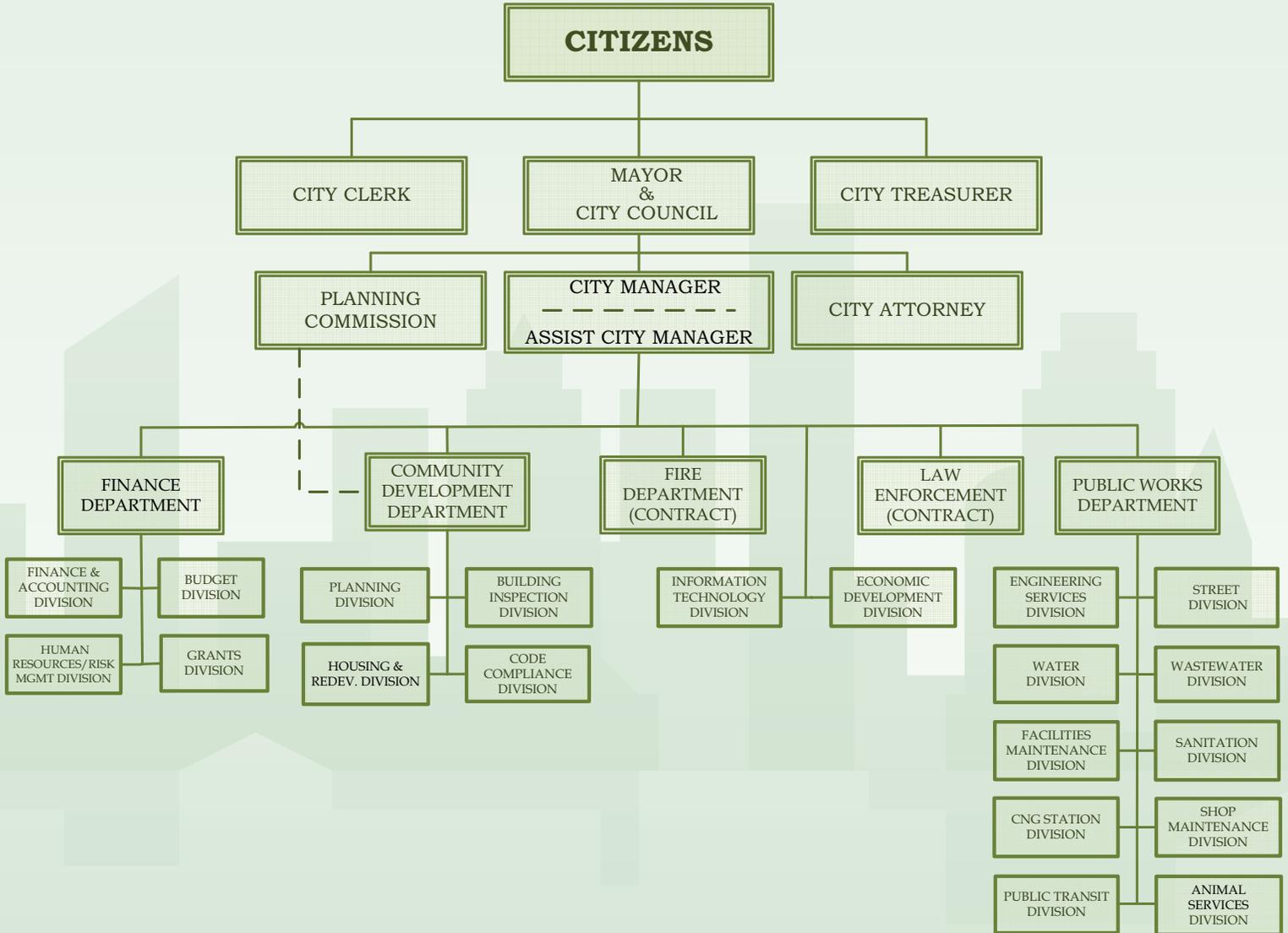
President

Jeffrey R. Emer

Executive Director



CITY OF WASCO
Organizational Chart
Fiscal Year 2010/2011





•CITY COUNCIL•

Danny Espitia., Mayor
Joe Hively, Mayor Pro Tem
Fred West Jr., Council Member
Tilo Cortez, Council Member
Cherylee Wegman, Council Member

•CITY TREASURER•

Rocío Mosqueda, Treasurer

•CITY CLERK•

Vickie Hight, City Clerk

•PLANNING COMMISSION•

Charles Santillan, Chair
Jill Drescher, Vice Chair
Jim Forrest, Commissioner
Dave German, Commissioner
Don Elholm, Commissioner
Dwayne Hutson, Commissioner
(Vacant), Commissioner

•ADMINISTRATIVE STAFF•

Jim Zervis, City Manager
Thomas F. Schroeter, City Attorney
Dan Allen, Public Works Director
(Vacant), Community Development Director
Cmdr. Kenny Williams, N.Kern Division K.C.S.O
Lt. Curtis S. Cornelison, N. Kern Division K.C.S.O
Sgt. , Wasco Police Services



INCORPORATED 1945

FINANCIAL SECTION

The Financial Section of the Comprehensive Annual Financial Report contains the following.

- Independent Auditor's Report
- Required Supplementary Information- Management's Discussion and Analysis (MD and A)
- City's basic financial statement, which includes the following:
 - The Government-wide Financial Statements
 - Fund Financial Statements
 - Notes to Basic Financial Statements

Albert & Associates, LLP

Certified Public Accountants

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, 2011, 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 the 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, 2011, 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 17, 2011, 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.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of pension funding progress, and budgetary comparison information as listed in the required supplementary information section of the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor 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 nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Albert & Associates, LLP

Wasco, California
October 17, 2011



CITY OF WASCO MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Wasco (City), we offer readers this discussion and analysis of the City's financial performance for the fiscal year ended June 30, 2011. The accuracy of data presented and the completeness and fairness of the presentations, including all disclosures in this report, are the responsibility of the City. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standard Board (GASB). Reader are encouraged to consider the information presented here in conjunction with additional information, which can be found in the Introductory Section of this report, and with the City's financial statements, which follow is discussion.

FINANCIAL HIGHLIGHTS

- Total assets of the City of Wasco exceeded its liabilities as of June 30, 2011 by \$51.5 million. Of this amount, \$2.1 million represents unrestricted net assets which may be used to meet the governments' ongoing obligations for citizens and creditors.
- The City's total net assets increased by \$5.5 million or 12.01 percent over the course of the current fiscal year. The net assets for governmental activities increased 5.7 percent largely due to strict monitoring of expenditures while the net assets of business-type activities increased 18.9 percent as a result of increased in capital construction and grant funding.
- Total capital assets net of depreciation for business-type activities increased 17.2 percent from \$20.9 million in 2010, to \$24.5 million in 2011, due to the completion of both the water meter installation project and the sewer centrifuge project.
- The City collected \$1.1 million in sales tax revenue during the current fiscal year which represents an increase of 9.1 percent from the prior year. This increase in revenue is contributed mostly to the rising prices of gasoline, resulting in higher than anticipated sales tax revenue.
- As of the end of the fiscal year, total governmental funds had an ending fund balance of \$802,280, an increase of \$538,968 from the prior year.
- During the current fiscal year, the City eliminated one position within the economic development department due to a reduction in work volume and the sluggish local economy. At year end, the City maintained 56 full time employees.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's financial statements are comprised of 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's finances and are made up of the following two statements: the *Statement of Net Assets* and the *Statement of Activities*. Both of these statements are prepared using accounting methods similar to those used by private-sector businesses, which use the economic resources measurement focus and the accrual basis of accounting.

- The *Statement of Net Assets* presents information on all of the City'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 is improving or deteriorating.
- The *Statement of Activities* presents information showing how the City'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 compensated absents).

Both of the government-wide financial statements distinguish functions of the City 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 include the general government, public safety, public works and community development. The business-type activities (*proprietary fund type*) of the City include the water, wastewater, sanitation, public transit and CNG fueling station. The government-wide financial statements include not only the City itself (known as the *primary government*) but the legally separated *Wasco Redevelopment Agency* (an independent urban renew district) of the City of Wasco for which the City is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself. The Wasco Redevelopment agency, although also legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

Measurement Focus and Basis of Accounting

Governmental financial reporting is characterized as having two distinct objectives for its financial reporting. These objectives are categorized as governmental activities which are supported by levying taxes and business-type (proprietary) activities which are supported by charges for services. The measurement focus for each of these activities are uniquely different, both the governmental-wide financial statements and the business-type activities focus on the changes in economic resources similar to private-sector businesses. The objective of the proprietary fund operating statement is to answer the question, “*What transactions and events have incurred that increase or decrease the fund’s total economic resources during the period?*” Therefore, both the Governmental-wide and the proprietary funds financial statements are based on full accrual accounting. Accrual accounting measures the effects of transactions, events, and interfund activities when they occur, regardless of the timing of the related cash flows. The measurement focus for governmental funds however, is to view changes in current financial resources. The objective is to answer the question, “*What are the transactions or events of the current period that have increased or decreased the resources available for spending in the near future?*” Governmental funds use modified accrual accounting in which revenues are not recognized until they are measurable and available, and expenditures are recognized in the period in which governments in general normally liquidate the related liability rather than when the liability is first incurred.

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 functions. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City’s funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements focus on individual parts of the City’s government, reporting the City’s operations in more detail than the government-wide statements.

- **Governmental funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. These statements tell how governmental services such as the general fund (police & fire services), Streets housing and community development were financed in the short term as well as what remains for future spending. Unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balance 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. However, this information does not encompass the additional long-term focus of the government-wide statements. Therefore, both the governmental funds financial statements are followed by a reconciliation that explains the relationship or differences between governmental funds and the governmental-wide financial statements.

- The City maintains thirty-two individual governmental funds. Of these individual funds, the City considers seven funds to be *major governmental funds*. These seven major governmental funds, are represented individually in the governmental fund balance sheet and the statement of revenues, expenditures, and change in fund balances. These major funds consists of the General Fund, Streets Fund, 2008 BEGIN Grant fund, the 2007 HOME grant fund, the three Redevelopment Agency’s funds consisting of the Low and Moderate Income Housing fund the Capital Project fund and the Debt Service. The remaining twenty-five funds are considered non-major governmental funds and are combined in a single, aggregated presentation starting on page 80 under supplementary information.
- As part of required supplementary information, budgetary comparison statements are presented for the reader’s information. These statements compare the original adopted budget along with the final adjusted budget to the year-end actual activities.
- ***Proprietary Funds*** are similar to business-type activities which utilize full accrual accounting. The City maintains only one type of proprietary funds referred to as *enterprise funds*. Enterprise funds are used to report the same functions presented as business-type activities in the government–wide financial statements but only in more detail. Enterprise funds are used to account for the City’s Water, Wastewater, Sanitation, Public Transit and CNG Fueling Station operations. Enterprise fund financial statements can be found beginning on page 39 of this report.
- ***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. Information regarding the City’s fiduciary funds financial statements can be found on page 42 of this report.

The financial statements also include notes that provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 43 of this report.

In addition to the basic financial statements and the accompanying notes, lies additional pertinent information for the reader, referred to as *Required Supplementary Information (RSI)*. The RSI can be found in this report following the notes to the basic financial statements. This section shows budgetary to actual financial results for the major and non-major funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

Our analysis focuses on the *net assets* (Table 1) and *changes in net assets* (Table 2) for the City's governmental and business-type activities.

The City's net assets are made up of three components and consist of: invested in capital, net of related debt; restricted and unrestricted net assets. Restricted net assets are subject to constraints that are either externally imposed by outside agencies, for example banks or grant agencies, or imposed by law through constitutional provisions or enabling legislation. Unrestricted net assets are resources available to meet the City's ongoing obligations for citizens and creditors. The capital assets reflected within (Table 1) are stated net of accumulated depreciation.

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, combined net assets for fiscal year ended June 30, 2011 totaled \$51.6 million, an increase of \$5.5 million from June 30, 2010.

Table 1
CITY OF WASCO
NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets:						
Current and other assets	\$ 13,666,281	\$ 13,766,045	\$ 5,140,522	\$ 5,315,259	\$ 18,806,803	\$ 19,081,304
Capital assets	16,190,658	16,241,123	24,516,536	20,910,313	40,707,194	37,151,436
Total Assets	29,856,939	30,007,168	29,657,058	26,225,572	59,513,997	56,232,740
Liabilities:						
Current liabilities	2,536,168	3,563,290	906,148	1,245,627	3,442,316	4,808,917
Non-current liabilities	2,035,484	2,511,022	2,482,892	2,887,249	4,518,376	5,398,271
Total Liabilities	4,571,652	6,074,312	3,389,040	4,132,876	7,960,692	10,207,188
Net assets:						
Invested in capital assets, net of related debt	15,817,889	15,803,696	21,694,074	17,695,865	37,511,963	33,499,561
Restricted	8,959,736	8,254,537	2,987,414	2,539,352	11,947,150	10,793,889
Unrestricted	507,662	(125,377)	1,586,530	1,857,479	2,094,192	1,732,102
Total Net Assets	\$ 25,285,287	\$ 23,932,856	\$ 26,268,018	\$ 22,092,696	\$ 51,553,305	\$ 46,025,552

The largest component of the City's net assets, \$37.5 million, is investments in capital assets (*e.g., land, buildings, improvements, equipment, infrastructure and construction in progress*) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net assets are calculated by reducing the carrying value of restricted assets by amounts repayable from those assets, excluding capital-related debt. The restricted net assets represent resources subject to restrictions imposed either by external creditors or imposed by law through constitutional provisions or enabling legislation. During the fiscal year, total restricted net assets increased 1.1 million from \$10.8 million in 2010 to \$11.9 million in 2011. This increase was due primarily to \$448,000 in impact fees collected from two large residential housing projects within the City. The remaining 705,000 represents an increase in total Community Development fund balance as a result of deferred revenue from grant funding.

At the end of the current fiscal year, the City has a positive balance in all three categories of net assets, both for the government as a whole, as well as for the separate governmental and business-type activities.

Change in Net Assets

The analysis below focuses on the change in net assets (Table 2) of the City's governmental and business-type activities.

Table 2
CITY OF WASCO
CHANGE IN NET ASSETS

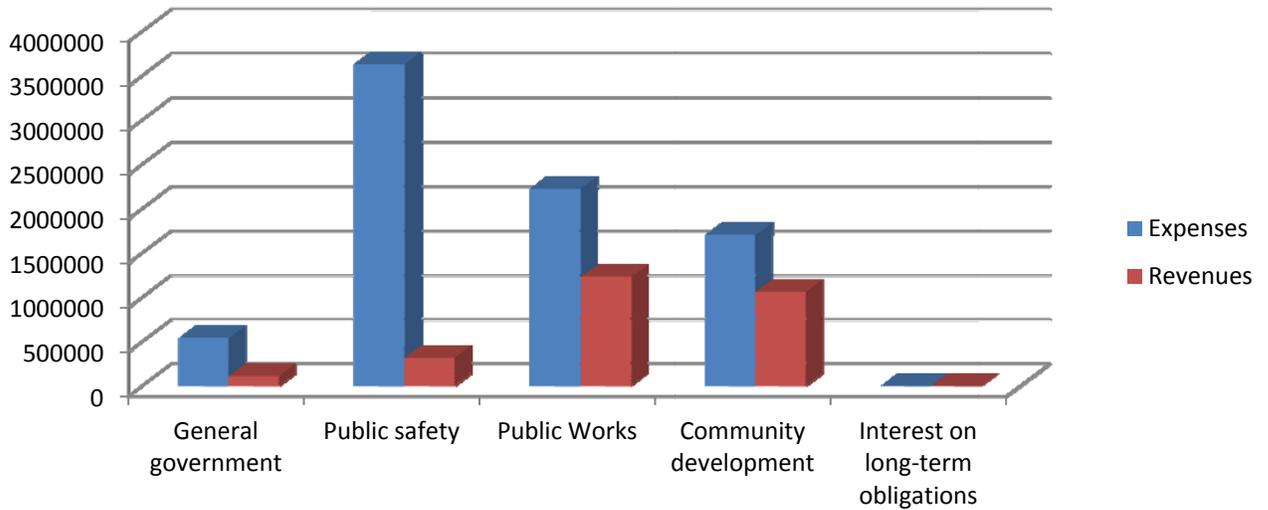
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenue:						
<i>Program Revenues:</i>						
Charges for services	692,595	676,210	6,841,337	6,475,630	7,533,932	7,151,840
Operating grants and contributions	922,223	591,144	126,221	134,164	1,048,444	725,308
Capital grants and contributions	1,104,120	1,594,418	3,777,163	2,700,005	4,881,283	4,294,423
<i>General Revenues:</i>					-	-
Property taxes	2,301,943	2,280,139			2,301,943	2,280,139
Sales taxes	1,115,180	1,022,594			1,115,180	1,022,594
Franchise Tax	321,593	310,000			321,593	310,000
State Allocation of Gas Tax	632,096	1,020,433			632,096	1,020,433
Other taxes	210,235	149,444			210,235	149,444
Motor Vehicle in-lieu tax	1,984,448	2,091,777			1,984,448	2,091,777
Investment earnings	19,155	25,384			19,155	25,384
Other	133,575	91,421			133,575	91,421
Total Revenues	9,437,163	9,852,964	10,744,721	9,309,799	20,181,884	19,162,763
Expenses:						
General government	540,704	1,569,457			540,704	1,569,457
Public safety	3,631,852	3,579,625			3,631,852	3,579,625
Public Works	2,225,990	1,533,151			2,225,990	1,533,151
Community development	1,705,523	2,761,874			1,705,523	2,761,874
Interest on long-term obligations	2,539	11,188			2,539	11,188
Water redemption and sewer			2,016,518	1,468,349	2,016,518	1,468,349
Water Utility			1,870,679	1,935,479	1,870,679	1,935,479
Refuse collection and disposal			2,220,021	2,191,694	2,220,021	2,191,694
Public transportation			369,872	358,173	369,872	358,173
CNG Fueling station			70,433	67,384	70,433	67,384
Total Expenses	8,106,608	9,455,295	6,547,523	6,021,079	14,654,131	15,476,374
Increase (decrease) in Net Assets						
before other revenue and transfers	1,330,555	397,669	4,197,198	3,288,720	5,527,753	3,686,389
Transfers	21,876	145,000	(21,876)	(145,000)	-	-
Change in Net Assets	1,352,431	542,669	4,175,322	3,143,720	5,527,753	3,686,389
Net assets - beginning of year	23,932,856	23,390,187	22,092,696	18,948,976	46,025,552	42,339,163
Net assets - end of year	25,285,287	23,932,856	26,268,018	22,092,696	51,553,305	46,025,552

Governmental Activities:

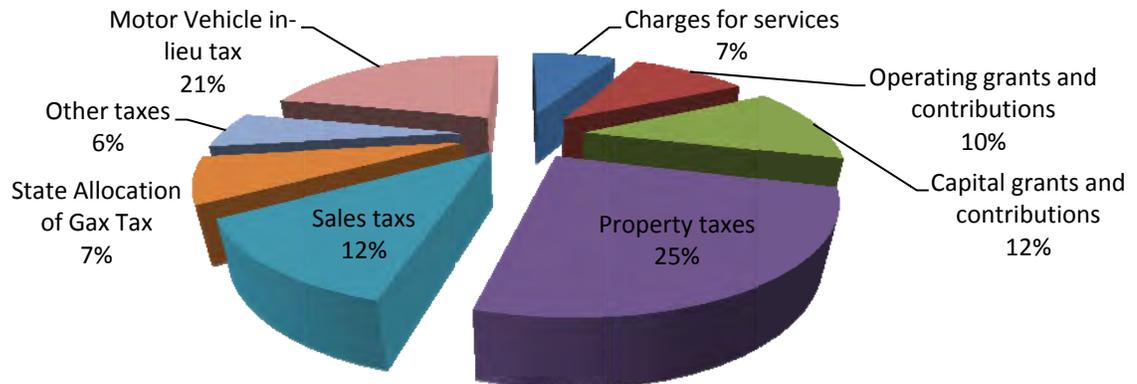
The City's net assets for governmental activities increased \$1.4 million or 5.7 percent in 2011. This accounted for 49.0 percent of the total government-wide net assets. Total revenues for fiscal year 2011 decreased \$415,801 or 4.2 percent from prior year while total operating expenses decreased \$1.3 million from FY 2010. Some of the key elements contributing to these changes are as follows:

- Revenues from Motor Vehicle in-lieu tax decreased by \$107,329 or 5% during the current fiscal year. As a result of California State legislators passing proposition A1 in November 2004, Vehicle License Fee is now back filled with property tax and was permanently set to grow or decline at the same percentage rate as gross assessed value of real property. Between FY 2009-10 and FY 2010-11, the city experienced an 8 percent reduction in City-wide assessed value which resulted in a the decline in the Motor Vehicle in-lieu tax.
- Current year's program revenue for capital contributions and grants decreased \$490,298 or 31 percent from prior fiscal year as a result a decrease in grant funding. During the prior year the City had received over \$900,000 from a Federal ARRA grant which did not carry over into the current year.
- Sales tax revenue increase \$92,586 or 9.1 percent over last fiscal year. This increase is attributed largely to the increased price of gasoline which rose over the prior year. Other significant contributors to this increase in sale tax revenue by industry were restaurants, warehouse/farm construction equipment, and heavy industrial.
- Operating expenditure for the governmental fund for FY 2011 dropped \$1.0 million from prior fiscal year primarily due to a large cash settlement and legal fee that were incurred in FY 2010. These fees were a onetime initial expenditure in FY 2010 and did not carry over in FY 2011.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



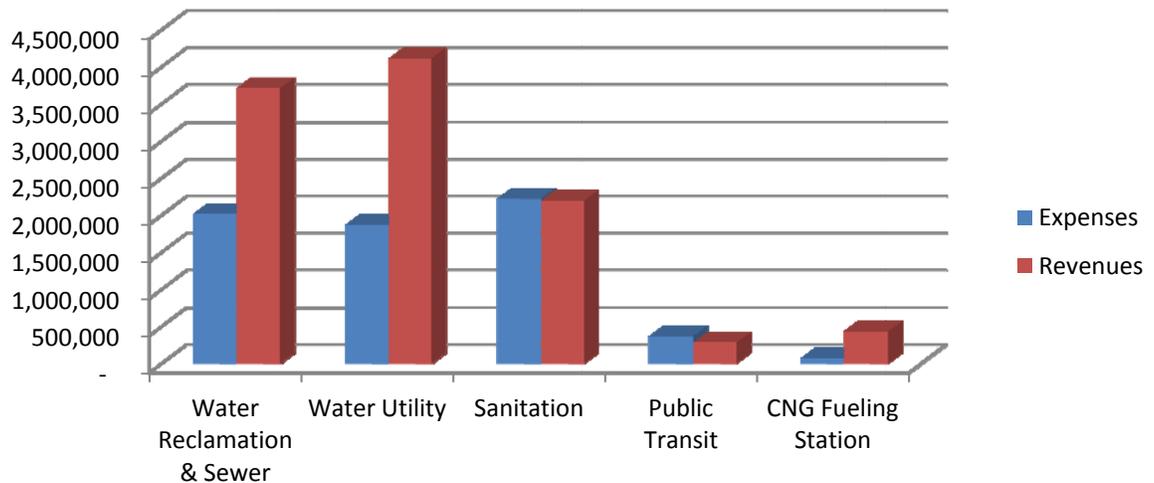
As show above, the three largest revenue sources for the City of Wasco are Property tax, Motor Vehicle in lieu tax and Sales tax. While the overall assessed values of real property within the City has declined 8 percent since FY 2009-10, total property tax revenues increased by \$21,804 primarily due to a few new residential construction projects that were completed the prior year and generated first time tax revenues this year.

Business-Type Activities:

The City’s business–type activities consist of the Water, Wastewater, Sanitation, Public Transit, and CNG Fueling Station. In fiscal year ended 2011, combined business–type activities increased the City of Wasco’s net assets to \$4.2 million or 18.9 percent from prior year. Total business-type activities contribute 51 percent of the total net assets of the City. Some of the significant changes that accrued during the year were as follows:

- Combined charges for services increased \$365,707 or 5.6 percent during the current fiscal year, this was the result of an increase in connection fees for both the water and wastewater funds as two separate subdivision began construction during FY 2011.
- During FY 2011 the wastewater department sustained damage to its digester #1 which resulted in \$133,000 in repair cost. Also during the current year this department spent \$423,000 to replace 520 feet of 36 inch sewer line as a result of deteriorating pipe and flooding from a winter storm.
- The City’s Water Reclamation and Sewer fund received \$1.2 million in capital grant funding to construct a new sludge centrifuge while the Water fund received \$2.2 million in capital grant funding to install approximately 2,850 residential water meters.

Expenses and Program Revenues – Business-type Activities



FINANCIAL ANALYSIS OF THE CITY'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's governmental funds is to provide information on near-term inflows, outflows, and balance spending recourses. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Below, (Table 3) shows the governmental activities fund balances for the two fiscal years ending June 30, 2011 and June 30, 2010. *Governmental funds* are divided into two categories consisting of major and non-major funds. During fiscal year end 2011, seven funds were classified as major governmental funds: the General fund; Street; 2008 BEGIN Grant; 2007 HOME Grant; RDA Low and Moderate Income Housing fund; RDA Capital Project fund; and the RDA Debt Service fund. All other funds were classified as non-major funds. A major fund is any individual fund that meets the criteria of the following combined two tests: 1) a fund is classified as a major fund if the corresponding total revenues, expenses or (expenditures), assets or liability for all funds of that category or type (governmental funds or enterprise funds) are at least 10 percent of total aggregate for all funds and; 2) at least 5 percent of the total aggregate for all funds (governmental and enterprise funds) combined. The General fund is always classified as a major fund while all other funds must meet the qualifications to be a major fund. For fiscal year 2009-2010, the 2007 HOME Grant and the RDA Low and Moderate Income Housing funds were not classified as major funds however are shown on table 3 for comparative purposes.

Table 3
CITY OF WASCO
SUMMARY STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Fiscal Year 2010-2011	General	Streets	2008 BEGIN Grant	2007 HOME Grant	RDA Low &	RDA Capital Projects	RDA Debt Service	Non-Major Governmental Funds	Total
					Moderate Income Housing				
Total revenues:	\$ 4,888,961	\$ 547,898	\$ 33,960	\$ 59,286	\$ 5,650	\$ 16,775	\$ 1,492,349	\$ 1,959,214	\$ 9,004,093
Total expenditures:	4,705,298	1,504,752	30,000	56,541	1,022,069	453,376	981,897	1,347,197	10,101,130
Revenues over (under) Expenditures	183,663	(956,854)	3,960	2,745	(1,016,419)	(436,601)	510,452	612,017	(1,097,037)
Total other financing sources (uses)	355,205	976,516	-	(2,744)	222,250	52,473	(353,377)	(1,228,447)	21,876
Net change in fund balance	538,868	19,662	3,960	1	(794,169)	(384,128)	157,075	(616,430)	(1,075,161)
Fund balance - beginning	263,412	1,190,697	146,151	674,361	1,333,017	2,331,783	216,703	4,793,471	10,949,595
Prior Period Adjustment	-	-	(109,557)	(677,135)	(26,255)	(282,712)	-	(2,341,076)	(3,436,735)
Fund balance - ending	\$ 802,280	\$ 1,210,359	\$ 40,554	\$ (2,773)	\$ 512,593	\$ 1,664,943	\$ 373,778	\$ 1,835,965	\$ 6,437,699

Fiscal Year 2009-2010	General	Streets	2008 BEGIN Grant	2007 HOME Grant	RDA Low &	RDA Capital Projects	RDA Debt Service	Non-Major Governmental Funds	Total
					Moderate Income Housing				
Total revenues:	\$ 5,103,427	\$ 1,371,074	\$ 5,661	\$280,821	\$ 3,262	\$ 1,037	\$ 1,524,338	\$ 1,563,768	\$ 9,853,388
Total expenditures:	6,026,198	2,118,009	-	-	3,335	408,401	1,385,859	187,372	10,129,174
Revenues over (under) Expenditures	(922,771)	(746,935)	5,661	280,821	(73)	(407,364)	138,479	1,376,396	(275,786)
Total other financing sources (uses)	197,695	1,001,314	(960)	(40,802)	305,092	349,263	(509,355)	(1,157,247)	145,000
Net change in fund balance	(725,076)	254,379	4,701	240,019	305,019	(58,101)	(370,876)	219,149	(130,786)
Fund balance - beginning	988,488	936,318	141,450	434,342	1,027,998	2,389,884	587,579	4,574,322	11,080,381
Fund balance - ending	\$ 263,412	\$ 1,190,697	\$ 146,151	\$ 674,361	\$ 1,333,017	\$ 2,331,783	\$ 216,703	\$ 4,793,471	\$ 10,949,595

As of fiscal year ended 2011, the City's governmental funds reported a combined ending fund balance of \$6.4 million, a drop of \$4.5 million from fiscal year 2010. This reduction in fund balance was primarily the result of two factors. First, the City's redevelopment agency authorized and issued a one million dollar loan to the local housing authority to assist in the construction of a 58 unit, low and moderate income housing project. Second, approximately \$3.5 million dollars in state and federally housing assistance grants were issued to first time home buyers and for rehabilitation housing projects.

Total governmental funds include the General Fund, which is the chief operating fund of the City, has a fund balance of \$802,208 as of June 30, 2011. This is an increase of \$538,868 over prior year. This increase is due to a conscientious reduction of spending in FY 2011. During FY 2010 the City incurred substantial costs in legal fees and a large settlement as a result of litigation brought against the City. Budgeted expenditures for FY 2010-2011 were reduced in order to help build a health fund balance reserve.

Proprietary Funds:

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

The total net assets in the enterprise funds increased over the prior fiscal year by \$4.2 million or 19 percent. Both the City's Water Reclamation and Sewer Fund, and the Water Utility Fund net assets increased \$1.6 and \$2.3 million respectively primarily due to increase in capital grant funding and impact fee. Both the City's Refuse Collection and Disposal Fund, and the Public Transit Fund net assets decreased \$23,358 and \$82,637 respectively as a result of operating losses. The Refuse Collection and Disposal Fund sustained a reduction in operating revenue of just over \$12,000 while the operating costs for repairs and maintenance increased due to an aging fleet. The Transit operations revenues increased only \$736 from prior year while wages and benefits increased close to \$8,000 as a result of the increase in the cost of employee health insurance. The City's CNG Fueling Station net assets increased \$364,810 primarily as a result of facility expansion.

Unrestricted net assets of the Water Reclamation and Sewer funds decreased \$339,699 from \$908,536 in fiscal year ended 2010, to \$568,837 at current year end. This reduction was the result of the City contributing unrestricted funds to support the capital expansion of the wastewater treatment plant. Unrestricted net assets of the Water Utility fund dropped \$26,566 mostly due to the operating loss in this fund.

General Fund Budget Highlight

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 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 re-appropriated prior year approved projects and expenditures, as well as approving many other adjustments for the current year. Major governmental funds budgetary comparison can be found on pages 72 through 76, while the non-major governmental funds budgetary comparison begin on page 84, shows the relationship between the original adopted budget, the final budget, and actual amount of revenues and expenditures. The budgeted figures are presented on the modified accrual basis.

The general fund reflects a net total favorable budget variance of \$472,235 when comparing actual amounts to the final budget for the current fiscal year. This positive budget variance reflects \$440,155 in savings due to expenditures being less than what was anticipated. Property tax revenue resulted in a positive variance of \$73,414 and motor vehicle In-lieu tax resulted in a positive variance of \$41,290. During the current year the City had anticipated in

receiving \$382,638 towards a Cal Grip grant of which only \$120,420 was received. This is a two year grant designed to mitigate gang violence within the community. The remaining balance of \$262,218 of the Cal Grip grant will be eligible for spending during FY 2011-2012.

For more information regarding the budget see page 51 of the notes to the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

The Capital assets for both governmental and business-type activities are those assets that are used in the performance of the City's functions including infrastructures assets. Capital Assets include land, buildings, equipment, park facilities, roads and construction in progress. Land owned by the City for its own use and considered non-depreciable assets based on generally accepted accounting principles. Construction in progress represents capital projects that are incomplete at the end of the fiscal year. Because these projects are incomplete they are classified under non-depreciable assets. Once the project is completed, depreciation is applied to that asset. During the first year of service fixed assets are depreciated on a prorated bases beginning in the month when the assets is placed in service. Each proceeding year a full one-year (twelve months) depreciation is calculated until the asset is completely depreciated.

During the current fiscal year, construction-in-process decreased \$162,481 and \$2,654,897 respectively for both governmental and business-type activities. As of June 30, 2011, the City's total capital assets net of depreciation, totaled \$42.4 million, an increase of \$3.6 million or approximately 9.2 percent from the prior year. Table 4 below reflects the changes in capital assets for both governmental and business-type activities.

Table 4
CITY OF WASCO
Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Non-depreciable assets:						
Land	\$ 1,428,502	\$ 1,125,698	\$ 287,323	\$ 287,323	\$ 1,715,825	\$ 1,413,021
Construction in progress	46,676	209,157	597,540	3,252,437	644,216	3,461,594
Total non-depreciable assets	<u>1,475,178</u>	<u>1,334,855</u>	<u>884,863</u>	<u>3,539,760</u>	<u>2,360,041</u>	<u>4,874,615</u>
Capital assets being depreciated:						
Land Improvements	6,797,339	7,102,060	1,914,138	2,042,854	8,711,477	9,144,914
Construction	2,140,747	1,892,512	9,668,878	9,962,672	11,809,625	11,855,184
Infrastructure	5,139,808	5,228,890	2,952,340	3,006,975	8,092,148	8,235,865
Machinery and Other	451,436	437,180	8,214,880	1,234,448	8,666,316	1,671,628
Vehicles	186,150	245,626	881,437	1,123,604	1,067,587	1,369,230
Total depreciable assets, net	<u>14,715,480</u>	<u>14,906,268</u>	<u>23,631,673</u>	<u>17,370,553</u>	<u>38,347,153</u>	<u>32,276,821</u>
Total capital assets	<u>\$ 16,190,658</u>	<u>\$ 16,241,123</u>	<u>\$ 24,516,536</u>	<u>\$ 20,910,313</u>	<u>\$ 40,707,194</u>	<u>\$ 37,151,436</u>

Below is a list of significant event relating to capital assets for both governmental and business-type activities.

Governmental Activities:

- During the current fiscal year the Streets department incurred capital costs of \$393,088 for the reconstruction of various street projects throughout the City. These projects were funded in part by both a TDA grant and Proposition 1B transportation funds.
- The City capitalized \$286,805 in land and improvements costs associated with the purchase and development of the Annin Avenue Sports Filed.
- The City's Streets department incurred \$27,850 in capital equipment costs relating to the purchase of a portable message board and light tower.
- With the aid of an independent consulting firm the City designed and developed an online planning and building project tracking system. This online system allows developers to submit and access documents relating to their projects. The overall cost of this project was \$10,000.
- During the current year the City purchase a small lot from BNSF Rail Road in the amount of \$16,000. The City intends to convert this vacant lot into a small public park and water playground.

Business-Type Activities:

- Beginning in spring 2010 the City's water department embarked on a project to install approximately 2,850 water meters throughout the entire city. This project was promoted in part by the State Water Resources Control Board mandating state wide water conservation and imposing municipalities to monitor water consumption. Prior to this project only a select few residential and most commercial customers within the City were already serviced by water meters. This project was funded in part by a Federal grant under the American Recovery and Reinvestment Act (ARRA) for \$4.1 million. The project was finalized during the current fiscal year for a total cost of \$4,309,749.
- Beginning in fiscal year 2010 the City's wastewater treatment plant began construction of a new sludge centrifuge project as part of the City's sewer master plan to upgrade the facility to future growth of the community and to be in compliance with the State Water Resources Control Board environmental requirements. Prior sludge removal process relied on sludge drying beds to evaporate and percolate the liquid from the solid waste. The new centrifuge is designed to mitigate the need for sludge drying beds. By eliminating the use of the existing drying beds will allow the City to be in compliance with the State Water Resources Control Board Order number R5-2002-0198. This project was funded through a Federal grant under the American Recovery and Reinvestment Act (ARRA) for \$2.0 million with a city match of \$282,376. Total cost of the centrifuge project was \$2,282,376.

- Under the City’s public transit department, new onboard camera system was purchased for the City’s three transit buses at a cost of \$3,611. This department also acquired new dispatch equipment which allows the demand response drivers to be self-dispatched by receiving radio phone calls directly from customers. This equipment has allowed the City to save future labor cost by eliminating the need for a central dispatch operator.
- During the current year the City increased construction in progress in the amount of \$376,545 in connection to the expansion of the existing Compressed Natural Gas (CNG) fueling station. This expansion included installing an additional compressor and dispenser pump station.

Long-term debt:

As of June 30, 2011, the total outstanding debt of the City of Wasco is \$5.3 million, a decrease of \$1.2 from prior yearend. For governmental activities, long-term debt accounts for \$2.4 million or 45 percent of the City total outstanding debt. Currently, the City’s general fund has no outstanding bond debt. 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.

Below, (Table 5) show the City’s combined total outstanding debt for both fiscal years ending 2011 and 2010

Table 5
CITY OF WASCO
Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Governmental activities:						
Tax Allocation Bonds	\$ 1,715,000	\$ 1,900,000			\$ 1,715,000	\$ 1,900,000
Revenue Bonds	345,000	375,000			345,000	\$ 375,000
Notes Payable			2,586,903	2,847,552	2,586,903	\$ 2,847,552
Other Long-Term Debt	250,000	692,000			250,000	\$ 692,000
Capital Lease	27,769	62,427	235,559	366,896	263,328	\$ 429,323
Compensated Absences	80,133	114,709	103,438	102,837	183,571	\$ 217,546
Total Debt	<u>\$ 2,417,902</u>	<u>\$ 3,144,136</u>	<u>\$ 2,925,900</u>	<u>\$ 3,317,285</u>	<u>\$ 5,343,802</u>	<u>\$ 6,461,421</u>

Governmental Activities:

- At the end of the current fiscal year, the City of Wasco had total bonded debt outstanding of \$2,060,000. Of this amount, \$1,715,000 is associated to tax allocation bonds and \$345,000 to revenue bonds issued for infrastructure improvements under the City's redevelopment agency.
- Other long-term debt consists of \$250,000 legal settlement agreement payable over four years. During the current year, the City paid \$100,000 towards the legal settlement along with \$342,000 of promissory note payable to the California Housing Finance Authority.

Business Activities:

- At the end of fiscal year 2011, the City's wastewater treatment plant maintained an outstanding note payable to the State Water Resources Control Board for the expansion of the wastewater treatment plant of \$2,310,186 and a note payable to the State of California for storm drainage infrastructure of \$276,717. During the current year the wastewater department paid \$260,649 in principal toward these two outstanding notes.
- As of June 30, 2011 the City's sanitation department maintains an outstanding capital lease balance of \$235,559 with Municipal Finance Corporation for financing of four vehicles. This equipment and the outstanding balance as of yearend is as follows: a garbage truck for \$42,723, a compact wheel loader for \$36,183, a roll-off bin truck for \$53,648 and a sanitation bin truck for \$103,004. The final payment for the garbage truck will accrue during next fiscal year while the remaining equipment will be paid off in fiscal year 2013.

For more information regarding the City's outstanding debt please refer to the Note 9 of the financial statements located on pages 59-62 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The future economic outlook for the City of Wasco is anticipated to remain stable with little to minimal growth over the next twelve months. As the national economy struggles to recover from the devastating drop in the housing market of 2008 and lingering recessionary economic climate, the city of Wasco follows suite with the national economy. After suffering from a devastating loss in a law suit in fiscal year 2009-2010, the City was forced to settle for \$987,723. This loss, coupled with enormous legal fees left the City's general fund virtually drained of all reserves. During the current year the City was able make a modest attempt to replenish the general fund by increasing the ending fund balance to just over \$800,000 after paying out \$100,000 toward an installment payment on the prior year's legal settlement. Fiscal year 2010-2011 marked the third consecutive year in which city employees were unable to receive wage increases due to budget shortfalls and the legal settlement. Unfortunately, fiscal year 2011-2012 does not look promising for economic growth. Some of the major factors expected to affect the fiscal year 2011-2012 budget include:

- Employee wage increases will be suspended again as a result of insufficient funds to support a merit or cost of living increases.
- As a result of the passage of California Senate bill ABX-27, the City's redevelopment agency is required to pay back approximately \$565,000 to the State of California in an effort to help support the \$1.7 billion State budget deficit. Both the California Redevelopment Association and the California League of Cities have filed injunctions to repeal this Senate bill. As of the date of the transmittal letter, it is still unclear if the redevelopment agency will be forced to make this payment to the State. The first payment will be due and payable by January 15, 2012.
- The City seeks to hire a permanent full time Community Development Director. Over the past several years the City has contracted with an independent contractor to fulfill the role of the Community Development however there has been a lack of continuity in this role due to the contracting having staffing issues.
- Due to the sluggish local economy and the lack of construction growth within the community the City was forced to reduce the hours of the City Planner from full time to less than 20 hours per week.
- For fiscal year 2011-2012 the City's portion of CalPERS retirement contribution will increase 4.005 percent from 18.932 percent in FY 2010-2011 to 22.937 percent. Health care costs are also anticipated increase 10 to 12 percent during FY 2011-2012.
- Commercial construction along highway 46 was booming just a few years ago but has slowed significantly. There are a few projects including a big box retailer in the planning stage but none of these projects are expected to be under construction within the next year. As such, no new sales tax generators are expected to impact next year's budget.
- The unemployment rate for the City of Wasco is currently 28.4 percent this percentage has increased by 2.3 percent from the previous fiscal year. This percentage is well above Kern County's unemployment rate of 15.5 percent and the State of California's unemployment rate of 12.0 percent.
- The city's residential construction is beginning to show signs of recovery. Seven partially developed new subdivisions had been stagnant in stages of default or foreclosure for several years. Four of these subdivisions are now renewing building permits or have restarted construction of public improvements. This is expected to increase future revenues for inspection, permit, connection, and building fees.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Wasco's finances 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 of Wasco, Attention Finance Director, 764 "E" Street, Wasco, California 93280, (661) 758-7235, or visit the City's website at <http://www.ci.wasco.ca.us>.

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INCORPORATED 1945

Basic Financial Statements

City of Wasco
STATEMENT OF NET ASSETS
June 30, 2011

	Governmental Activities	Business-Type Activities	Total
Assets:			
Current Assets:			
Cash and Investments	\$ 5,648,457	\$ 4,050,735	\$ 9,699,192
Receivables, net	787,027	1,458,698	2,245,725
Prepaid Expenses	62,286	4,618	66,904
Internal Balances	373,529	(373,529)	-
Land Held For Resale	1,678,595	-	1,678,595
Total Current Assets	8,549,894	5,140,522	13,690,416
Noncurrent Assets:			
Capital Assets:			
Land	1,428,502	287,323	1,715,825
Construction in Progress	46,676	597,540	644,216
Depreciable Buildings, Property, Equipment and Infrastructure, net of accumulated depreciation	14,715,480	23,631,673	38,347,153
Notes Receivable	4,871,169	-	4,871,169
Deferred Charges	245,218	-	245,218
Total Noncurrent Assets	21,307,045	24,516,536	45,823,581
Total Assets	29,856,939	29,657,058	59,513,997
Liabilities:			
Current Liabilities:			
Accounts Payable	1,170,410	267,894	1,438,304
Accrued Liabilities	83,679	42,595	126,274
Deposits Received	75,208	62,341	137,549
Unearned Revenue	824,453	90,310	914,763
Compensated Absences	29,649	38,272	67,921
Bonds and Notes Payable Due Within One Year	352,769	404,736	757,505
Total Current Liabilities	2,536,168	906,148	3,442,316
Noncurrent Liabilities:			
Bonds and Notes Payable Due in More Than One Year	1,985,000	2,417,726	4,402,726
Compensated Absences	50,484	65,166	115,650
Total Noncurrent Liabilities	2,035,484	2,482,892	4,518,376
Total Liabilities	4,571,652	3,389,040	7,960,692
Net Assets:			
Invested in Capital Assets, net of related debt	15,817,889	21,694,074	37,511,963
Restricted For:			
Streets and Roads	2,333,920	-	2,333,920
Community Development	4,587,095	-	4,587,095
Capital Projects	1,664,943	2,509,704	4,174,647
Debt Service	373,778	477,710	851,488
Unrestricted (Deficit)	507,662	1,586,530	2,094,192
Net Assets	\$ 25,285,287	\$ 26,268,018	\$ 51,553,305

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

City of Wasco
STATEMENT OF ACTIVITIES
Year ended June 30, 2011

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	\$ 540,704	\$ 109,589	\$ -	\$ -	\$ (431,115)	\$ -	\$ (431,115)
Public Safety	3,631,852	83,236	234,319	-	(3,314,297)	-	(3,314,297)
Public Works	2,225,990	125,988	-	1,104,120	(995,882)	-	(995,882)
Community Development	1,705,523	373,782	687,904	-	(643,837)	-	(643,837)
Interest on Long-Term Debt	2,539	-	-	-	(2,539)	-	(2,539)
Total Governmental Activities	8,106,608	692,595	922,223	1,104,120	(5,387,670)	-	(5,387,670)
Business-Type Activities:							
Water Reclamation and Sewer	2,016,518	2,471,011	-	1,241,247	-	1,695,740	1,695,740
Water Utility	1,870,679	1,954,124	-	2,159,571	-	2,243,016	2,243,016
Refuse Collection and Disposal	2,220,021	2,189,317	6,973	-	-	(23,731)	(23,731)
Public Transportation	369,872	167,987	119,248	-	-	(82,637)	(82,637)
CNG Fueling Station	70,433	58,898	-	376,345	-	364,810	364,810
Total Business-Type Activities	6,547,523	6,841,337	126,221	3,777,163	-	4,197,198	4,197,198
Total	\$ 14,654,131	\$ 7,533,932	\$ 1,048,444	\$ 4,881,283	\$ (5,387,670)	\$ 4,197,198	\$ (1,190,472)
General Revenues:							
Taxes:							
Property Tax					2,301,943	-	2,301,943
Sales Tax					1,115,180	-	1,115,180
Franchise Tax					321,593	-	321,593
State Allocation of Gas Tax					632,096	-	632,096
Other Taxes					210,235	-	210,235
Intergovernmental, Unrestricted:							
Motor Vehicle In-lieu Tax					1,984,448	-	1,984,448
Total Taxes					6,565,495	-	6,565,495
Unrestricted investment earnings					19,155	-	19,155
Miscellaneous					133,575	-	133,575
Transfers					21,876	(21,876)	-
Total General Revenues and Transfers					6,740,101	(21,876)	6,718,225
Change in Net Assets					1,352,431	4,175,322	5,527,753
Net Assets - Beginning					23,932,856	22,092,696	46,025,552
Net Assets - Ending					\$ 25,285,287	\$ 26,268,018	\$ 51,553,305

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

City of Wasco
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2011

	General	Streets	2008 BEGIN Grant	2007 HOME Grant	RDA Low & Moderate Income Housing	RDA Capital Projects	RDA Debt Service	Non-Major Governmental Funds	Total Government
Assets:									
Cash and Investments	\$ 824,835	\$ 1,134,752	\$ 789,679	\$ -	\$ 507,877	\$ 99,462	\$ 364,303	\$ 1,927,549	\$ 5,648,457
Receivables, net	495,501	94,031	875	-	4,716	212	11,413	180,279	787,027
Prepaid Costs	61,243	925	-	-	-	-	-	118	62,286
Due from Other Funds	541,771	-	-	-	-	-	-	3,432	545,203
Notes Receivable	-	-	139,555	733,677	1,077,267	-	-	2,920,670	4,871,169
Land Held for Resale	-	-	-	-	-	1,678,595	-	-	1,678,595
Total Assets	\$ 1,923,350	\$ 1,229,708	\$ 930,109	\$ 733,677	\$ 1,589,860	\$ 1,778,269	\$ 375,716	\$ 5,032,048	\$ 13,592,737
Liabilities:									
Accounts Payable	\$ 1,003,979	\$ 16,952	\$ -	\$ -	\$ -	\$ 113,326	\$ 1,938	\$ 34,215	\$ 1,170,410
Accrued Liabilities	41,883	245	-	-	-	-	-	-	42,128
Deposits Received	75,208	-	-	-	-	-	-	-	75,208
Due to Other Funds	-	-	-	2,773	-	-	-	168,901	171,674
Deferred Revenue	-	2,156	889,555	733,677	1,077,267	-	-	2,992,967	5,695,622
Total Liabilities	1,121,070	19,353	889,555	736,450	1,077,267	113,326	1,938	3,196,083	7,155,042
Fund Balances:									
Nonspendable:									
Prepaid Costs	61,243	925	-	-	-	-	-	118	62,286
Land Held for Resale	-	-	-	-	-	1,678,595	-	-	1,678,595
Restricted:									
Community Development	-	-	40,554	-	-	-	-	612,539	653,093
Streets and Transportation	-	1,209,430	-	-	-	-	-	1,161,411	2,370,841
Debt Service	-	-	-	-	-	-	373,778	-	373,778
Low and Moderate Income Housing	-	-	-	-	512,593	-	-	-	512,593
Other Purposes	-	-	-	-	-	-	-	92,961	92,961
Assigned:									
General Reserve	741,037	-	-	-	-	-	-	-	741,037
Community Development	-	-	-	-	-	-	-	34,813	34,813
Unassigned	-	-	-	(2,773)	-	(13,652)	-	(65,877)	(82,302)
Total Fund Balances (Deficit)	802,280	1,210,355	40,554	(2,773)	512,593	1,664,943	373,778	1,835,965	6,437,695
Total Liabilities & Fund Balances	\$ 1,923,350	\$ 1,229,708	\$ 930,109	\$ 733,677	\$ 1,589,860	\$ 1,778,269	\$ 375,716	\$ 5,032,048	\$ 13,592,737

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, 2011

Fund balances of governmental funds		\$ 6,437,695
Amounts reported for governmental activities in the statement of net assets are different because:		
Government funds report debt costs such as issuance costs and original issue discounts as an expenditure when those costs are incurred because they require the use of current financial resources. However, debt issuance costs must be included as a deferred charge in the Statement of Net Assets		
	245,218	
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	\$ 16,241,123	
Current Year Additions	610,066	
Current Year Depreciation	<u>(660,531)</u>	
Ending Balance, net of depreciation		16,190,658
Long-term assets that are not available to pay for current-period expenditures are considered deferred revenue for the Government Funds Balance Sheet. However, these assets are included in the Statement of Net Assets.		
		4,871,169
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.		
		(41,551)
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	(80,133)	
Long-Term Debt	<u>(2,337,769)</u>	
Total Long-Term Liabilities		<u>(2,417,902)</u>
Net assets of governmental activities		<u><u>\$ 25,285,287</u></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, 2011

	General	Streets	2008 BEGIN Grant	2007 HOME Grant	RDA Low & Moderate Income Housing	RDA Capital Projects	RDA Debt Service	Non-Major Governmental Funds	Total Governmental Funds
Revenues:									
Taxes	\$ 4,174,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,491,259	\$ 839,116	\$ 6,505,022
Licenses & Permits	214,172	416	-	-	-	-	-	-	214,588
Intergovernmental	152,190	530,401	30,000	59,286	-	-	-	835,962	1,607,839
Charges for Services	259,334	-	-	-	-	-	-	151,938	411,272
Fines, Forfeitures & Assessments	43,506	-	-	-	-	-	-	32,958	76,464
Use of Money or Property	14,641	2,531	3,960	-	2,554	870	1,090	26,920	52,566
Loan Payments	-	-	-	-	3,096	-	-	72,320	75,416
Miscellaneous	30,471	14,550	-	-	-	15,905	-	-	60,926
Total Revenues	4,888,961	547,898	33,960	59,286	5,650	16,775	1,492,349	1,959,214	9,004,093
Expenditures:									
Current:									
General Government	299,559	-	-	-	-	-	-	-	299,559
Public Safety	3,630,823	-	-	-	-	-	-	-	3,630,823
Public Works	-	947,703	-	-	-	-	-	152,787	1,100,490
Community Development	401,501	-	30,000	56,541	1,022,069	453,376	126,245	775,634	2,865,366
Non Departmental	163,513	-	-	-	-	-	-	-	163,513
Capital Outlay:									
General Capital Outlay	97,174	23,584	-	-	-	-	-	27,927	148,685
Street Improvements	-	508,922	-	-	-	-	-	-	508,922
Debt Service:									
Principal Retirement	112,118	22,539	-	-	-	-	215,000	342,000	691,657
Tax Increment Pass-Through Payments	-	-	-	-	-	-	428,763	-	428,763
ERAF Principal Payment	-	-	-	-	-	-	83,676	-	83,676
Interest and Finance Charges	610	2,004	-	-	-	-	128,213	48,849	179,676
Total Expenditures	4,705,298	1,504,752	30,000	56,541	1,022,069	453,376	981,897	1,347,197	10,101,130
Excess of Revenues Over (Under) Expenditures	183,663	(956,854)	3,960	2,745	(1,016,419)	(436,601)	510,452	612,017	(1,097,037)
Other Financing Sources (Uses):									
Transfers In	355,205	1,053,465	-	-	298,377	200,000	145,000	153,456	2,205,503
Transfers Out	-	(76,949)	-	(2,744)	(76,127)	(147,527)	(498,377)	(1,381,903)	(2,183,627)
Total Other Financing Sources (Uses)	355,205	976,516	-	(2,744)	222,250	52,473	(353,377)	(1,228,447)	21,876
Net Change in Fund Balances	538,868	19,662	3,960	1	(794,169)	(384,128)	157,075	(616,430)	(1,075,161)
Fund Balances - Beginning, as previously reported	263,412	1,190,697	146,151	674,361	1,333,017	2,331,783	216,703	4,793,471	10,949,595
Prior Period Adjustment	-	-	(109,557)	(677,135)	(26,255)	(282,712)	-	(2,341,076)	(3,436,735)
Fund Balances - Ending	\$ 802,280	\$ 1,210,359	\$ 40,554	\$ (2,773)	\$ 512,593	\$ 1,664,943	\$ 373,778	\$ 1,835,965	\$ 6,437,699

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, 2011

Net change in fund balance - total governmental funds	\$ (1,075,165)
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 (\$610,066) were exceeded by depreciation (\$660,531) in the current period.	(50,465)
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.	691,658
Amortization of deferred debt costs in the Statement of Activities does not require the use of current financial resources and is not reported as an expenditure in government funds.	(37,494)
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.	72,176
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.	34,575
Earned long-term assets not available to pay for current-period expenditures are not recognized as revenue in the government funds. Revenue in the Statement of Activities is not limited by availability. This adjustment is the amount by which unavailable deferred revenue at the beginning of the year (\$3,154,023) is exceeded by unavailable deferred revenue at the end of the year (\$4,871,169)	1,717,146
Change in net assets of governmental activities	\$ 1,352,431

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

City of Wasco
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2011

	Water Reclamation and Sewer	Water Utility	Refuse Collection and Disposal	Public Transportation	CNG Fueling Station	Total Proprietary
Assets:						
Current Assets:						
Cash and Investments	\$ 3,110,437	\$ 680,121	\$ 125,210	\$ 134,967	\$ -	\$ 4,050,735
Receivables, net	388,407	583,775	130,636	300	355,580	1,458,698
Prepaid Expenses	666	973	2,499	471	9	4,618
Due from Other Funds	-	-	-	-	-	-
Total Current Assets	3,499,510	1,264,869	258,345	135,738	355,589	5,514,051
Noncurrent Assets:						
Capital Assets:						
Land	213,349	12,174	30,900	30,900	-	287,323
Construction in Progress	149,082	50,055	-	-	398,403	597,540
Depreciable Buildings, Property, Equipment and Infrastructure, net of accumulated depreciatic	12,577,282	7,889,544	1,040,049	1,300,438	824,360	23,631,673
Total Noncurrent Assets	12,939,713	7,951,773	1,070,949	1,331,338	1,222,763	24,516,536
Total Assets	\$ 16,439,223	\$ 9,216,642	\$ 1,329,294	\$ 1,467,076	\$ 1,578,352	\$ 30,030,587
Liabilities:						
Current Liabilities:						
Accounts Payable	\$ 129,610	\$ 84,030	\$ 49,444	\$ 2,111	\$ 2,699	\$ 267,894
Customer Deposits	-	61,769	572	-	-	62,341
Accrued Interest Payable	34,185	-	8,410	-	-	42,595
Accrued Compensated Absences	7,317	14,055	15,799	1,054	47	38,272
Deferred Revenue	-	-	-	90,310	-	90,310
Current Portion of Long-Term Debt Due to Other Funds	267,660	-	137,076	-	-	404,736
	-	-	-	-	373,529	373,529
Total Current Liabilities	438,772	159,854	211,301	93,475	376,275	1,279,677
Noncurrent Liabilities:						
Accrued Compensated Absences	12,460	23,930	26,901	1,794	81	65,166
Notes Payable	2,319,243	-	98,483	-	-	2,417,726
Total Noncurrent Liabilities	2,331,703	23,930	125,384	1,794	81	2,482,892
Total Liabilities	2,770,475	183,784	336,685	95,269	376,356	3,762,569
Net Assets:						
Invested in Capital Assets, net of related debt	10,352,810	7,951,773	835,390	1,331,338	1,222,763	21,694,074
Restricted For:						
Capital Projects (expendable)	2,269,391	233,682	6,631	-	-	2,509,704
Debt Service (expendable)	477,710	-	-	-	-	477,710
Unrestricted	568,837	847,403	150,588	40,469	(20,767)	1,586,530
Net Assets	\$ 13,668,748	\$ 9,032,858	\$ 992,609	\$ 1,371,807	\$ 1,201,996	\$ 26,268,018

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, 2011

	Water Reclamation and Sewer	Water Utility	Refuse Collection and Disposal	Public Transportation	CNG Fueling Station	Total Proprietary
Operating Revenues:						
Charges for Services	\$ 2,006,051	\$ 1,860,335	\$ 2,167,155	\$ 26,081	\$ 58,898	\$ 6,118,520
Rental Income	65,431	-	-	3,900	-	69,331
Cost Recoveries	3,042	-	9,518	-	-	12,560
Total Operating Revenues	2,074,524	1,860,335	2,176,673	29,981	58,898	6,200,411
Operating Expenses:						
Wages and Benefits	448,430	612,205	999,715	178,221	5,486	2,244,057
Administration	350,530	461,116	674,352	20,316	14,724	1,521,038
Materials and Supplies	70,001	68,757	127,526	19,010	14,594	299,888
Maintenance and Repair	628,053	75,609	184,032	47,766	9,600	945,060
Utilities	110,130	462,706	3,995	8,161	7,751	592,743
Depreciation	333,617	190,286	217,927	96,398	18,278	856,506
Total Operating Expenses	1,940,761	1,870,679	2,207,547	369,872	70,433	6,459,292
Operating Income (Loss)	133,763	(10,344)	(30,874)	(339,891)	(11,535)	(258,881)
Nonoperating Revenues (Expenses):						
Interest Income	47,093	1,169	148	256	-	48,666
Intergovernmental	-	-	19,469	256,998	-	276,467
Connection Fees	349,394	92,620	-	-	-	442,014
Interest Expense	(75,757)	-	(12,474)	-	-	(88,231)
Total Nonoperating Revenues (Expenses)	320,730	93,789	7,143	257,254	-	678,916
Income (Loss) Before Contributions and Transfers	454,493	83,445	(23,731)	(82,637)	(11,535)	420,035
Capital Contributions	1,241,247	2,159,571	-	-	376,345	3,777,163
Transfers In	28,314	94,437	373	-	-	123,124
Transfers Out	(85,000)	(60,000)	-	-	-	(145,000)
Change in Net Assets	1,639,054	2,277,453	(23,358)	(82,637)	364,810	4,175,322
Net Assets - Beginning	12,029,694	6,755,405	1,015,967	1,454,444	837,186	22,092,696
Net Assets - Ending	\$ 13,668,748	\$ 9,032,858	\$ 992,609	\$ 1,371,807	\$ 1,201,996	\$ 26,268,018

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

City of Wasco
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2011

	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	\$ 2,051,563	\$ 2,207,525	\$ 2,167,708	\$ 25,914	\$ 58,898	\$ 6,511,608
Rental activities	65,431	-	-	3,900	-	69,331
Prior year reimbursements and cost recoveries	3,042	-	9,518	-	-	12,560
Cash paid to:						
Suppliers	(1,149,293)	(1,432,514)	(947,235)	(112,802)	(45,805)	(3,687,649)
Employees	(448,727)	(609,030)	(1,001,491)	(178,725)	(5,483)	(2,243,456)
Net cash provided (used) by operating activities	522,016	165,981	228,500	(261,713)	7,610	662,394
Net cash provided from noncapital financing activities:						
Cash transferred from other funds	34,461	98,672	373	-	327,778	461,284
Cash transferred to other funds	(87,344)	(60,000)	(19,822)	-	-	(167,166)
Connection fees	349,394	92,620	-	-	-	442,014
Intergovernmental revenue	1,241,247	2,159,571	19,469	255,407	41,157	3,716,851
Net cash provided (used) by noncapital financing activities	1,537,758	2,290,863	20	255,407	368,935	4,452,983
Cash flows from capital and related financing activities:						
Principal payments:						
Notes	(260,649)	-	(131,337)	-	-	(391,986)
Interest paid	(74,661)	-	(16,039)	-	-	(90,700)
Purchase of capital assets	(1,702,327)	(2,311,685)	(53,450)	(18,722)	(376,545)	(4,462,729)
Net cash provided (used) by capital and related financing activities	(2,037,637)	(2,311,685)	(200,826)	(18,722)	(376,545)	(4,945,415)
Cash flows from investing activities:						
Interest received	47,093	1,169	148	256	-	48,666
Net cash provided by investing activities	47,093	1,169	148	256	-	48,666
Net increase (decrease) in cash	69,230	146,328	27,842	(24,772)	-	218,628
Cash and cash equivalents - Beginning of year	3,041,207	533,793	97,368	159,739	-	3,832,107
Cash and cash equivalents - End of year	\$ 3,110,437	\$ 680,121	\$ 125,210	\$ 134,967	\$ -	\$ 4,050,735
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ 133,763	\$ (10,344)	\$ (30,874)	\$ (339,891)	\$ (11,535)	\$ (258,881)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	333,617	190,286	217,927	96,398	18,278	856,506
(Increase) decrease in accounts receivable	45,512	339,184	553	(167)	-	385,082
(Increase) decrease in prepaid expenses	5,047	5,562	14,148	2,674	46	27,477
Increase (decrease) in accounts payable	4,374	(369,888)	28,522	(20,223)	818	(356,397)
Increase (decrease) in customer deposits	-	8,006	-	-	-	8,006
Increase (decrease) in accrued compensated absences	(297)	3,175	(1,776)	(504)	3	601
Net cash provided (used) by operating activities	\$ 522,016	\$ 165,981	\$ 228,500	\$ (261,713)	\$ 7,610	\$ 662,394

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

City of Wasco
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
June 30, 2011

	<u>Wasco Public Financing Authority Agency Fund</u>
Assets:	
Cash and Investments	\$ 499,516
Investments with Fiscal Agents - Restricted	405,732
Accrued Interest Receivable	<u>3,659</u>
Total Assets	<u><u>\$ 908,907</u></u>
Liabilities:	
Due to Bondholders	<u>908,907</u>
Total Liabilities	<u><u>\$ 908,907</u></u>

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



INCORPORATED 1945

Notes to Financial Statements

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

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. The Agency's financial statements can be obtained through the City's finance department.

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, 2011

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

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

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

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

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

The 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.

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

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.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

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

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

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

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

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

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.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

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

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.

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

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

Cash and Investments

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

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

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

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

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

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

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

Receivables and Payables

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

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

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

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

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.

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

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

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

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net 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.

Net Assets

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 \$11,947,150 of restricted net assets, of which \$9,437,446 is restricted externally by grantors, creditors, or laws or regulations of other governments and \$2,509,704 is restricted by enabling legislation.

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

Fund Balance – Government Funds

As of these financial statements, the City has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. Fund balances are classified as follows:

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

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

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

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

Committed – Amounts that can be used only for specific purposes determined by a formal action by Board of Director resolution. This includes the budget reserve account.

Assigned – Amounts the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Amounts may be assigned by the City Manager.

Unassigned – All other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the board has provided otherwise in its commitment or assignment actions.

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.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2011

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

Deferred Compensation Plan

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

Note 2 – Cash and Investments

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

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

Pooled Cash and Investments - Government Funds	\$	5,648,457
Pooled Cash and Investments - Business-Type Funds		4,050,735
Cash and Investments - Fiduciary Fund		499,516
Restricted Investments - Fiduciary Fund		405,732
Total	\$	10,604,440

Cash and investments at June 30, 2011 consist of the following:

Cash on Hand	\$	1,500
Demand Deposits		3,241,928
Investments		7,361,012
Total	\$	10,604,440

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.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

Note 2 – Cash and Investments, (continued)

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2011, all of the Agency’s deposits with financial institutions in excess of federal depository insurance limits were held in fully collateralized accounts, as permitted by the California Government Code.

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

As of June 30, 2011, 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.

Investments:

The City had the following investments at June 30, 2011:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity Date</u>
State Treasurer’s Investment Pool (LAIF)	\$ 5,886,338	N/A
Central San Joaquin Valley RMA Pool (CSJVRMA)	1,068,942	N/A
Held by Trustees:		
Money Market Funds	405,732	N/A
Total Investments	<u>\$ 7,361,012</u>	

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.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

Note 2 – Cash and Investments, (continued)

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, 2011, the Credit ratings for the money market funds and investments in LAIF and CSJVRMA were unavailable. The City has no investment policy for credit risk.

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

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

Restricted Investments with Fiscal Agents

Fiduciary Fund Activities:

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

\$ 405,732

Note 3 – Receivables

Receivables at June 30, 2011 consist of the following:

	General Fund	Streets	2008 BEGIN Grant	2007 HOME Grant	RDA Low & Moderate Income Housing	RDA Capital Projects	RDA Debt Service	Non-Major Governmental Funds	Total Governmental
Governmental Activities:									
Accounts receivable, net	\$ 231,889	\$ 12,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ 247,039
Interest receivable	654	737	875	-	-	212	-	1,272	3,750
Taxes receivable, net	200,639	-	-	-	4,716	-	11,413	-	216,768
Due from governments	62,319	80,644	-	-	-	-	-	176,507	319,470
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-
Total	\$ 495,501	\$ 94,031	\$ 875	\$ -	\$ 4,716	\$ 212	\$ 11,413	\$ 180,279	\$ 787,027
Business-Type Activities:									
	Water Reclamation And Sewer	Water Utility	Refuse Collection And Disposal	Public Transportation	CNG Fueling Station	Total Business-Type			
Accounts receivable, net	\$ 114,738	\$ 93,700	\$ 120,508	\$ 300	\$ 22,039	\$ 351,285			
Interest receivable	1,851	174	31	-	-	2,056			
Due from governments	271,818	489,901	10,097	-	333,541	1,105,357			
Allowance for doubtful accounts	-	-	-	-	-	-			
Total	\$ 388,407	\$ 583,775	\$ 130,636	\$ 300	\$ 355,580	\$ 1,458,698			

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

Note 4 – Interfund Receivables, Payables, Advances and Transfers

Interfund balances at June 30, 2011 consisted of the following:

Fund	Due From Other Funds	Due To Other Funds
Government Funds:		
General Fund	\$ 541,771	\$ -
2007 HOME Grant Funds	-	2,773
Non-Major Funds	3,432	168,901
<hr/>		
Total Governmental Funds	545,203	171,674
Proprietary Funds:		
CNG Fueling Station	-	373,529
<hr/>		
Total Proprietary Funds	-	373,529
<hr/>		
Total Due From/To	\$ 545,203	\$ 545,203
<hr/> <hr/>		

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

Interfund transfers at June 30, 2011 consisted of the following:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$ 355,205	\$ -
Street Fund	1,053,465	76,949
2007 HOME Grant Fund	-	2,744
RDA Low & Moderate Income Housing	298,377	76,127
RDA Capital Projects	200,000	147,527
RDA Debt Service	145,000	498,377
Non-Major Funds	153,456	1,381,903
Proprietary Funds:		
Water Reclamation and Sewer	28,314	85,000
Water Utility	94,437	60,000
Refuse Collection and Disposal	373	-
<hr/>		
Total Transfers	\$ 2,328,627	\$ 2,328,627
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City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2011

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

Composition and purpose of interfund transfers is as follows:

General fund transfers in of \$355,205 consist of \$76,949 from Streets Fund for engineering services provided for various construction projects; \$100,000 from Non-Major Funds which represent transfers of police type grant funds to the Sheriff department of the General Fund; \$2,744 from 2007 HOME Grant, \$33,407 from RDA Capital Projects and \$142,105 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 \$1,053,465 consist of \$59,410 of State allocation of TDA revenue, \$896,629 of State Gas Tax, \$23,584 from RDA Capital Projects, and \$12,154 of Emergency Response grant used to reimburse salaries and street construction projects; and \$61,688 from Traffic Impact Fund to be applied to various street light and crosswalk construction projects.

RDA Low & Moderate Income Housing transfers in of \$298,377 from RDA Debt Service represent the required 20% set-aside of tax revenues as required by State law.

RDA Capital Projects transfers in of \$200,000 were from the RDA Debt Service fund for infrastructure development within the project area and for partial reimbursement of administrative overhead and indirect cost allocations supporting 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 \$153,456 consist of \$76,127 from RDA Low & Moderate Income Housing for CHFA loan payoff; and \$77,329 of community development type grant funds between Non-Major funds.

Water Reclamation and Disposal transfers in of \$28,314, Water transfers in of \$94,437 and Refuse Collection and Disposal transfers in of \$373 were all from Emergency Response grant funds.

Note 5 – Land Held for Resale

At June 30, 2011, 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

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

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, 2011, net of amortization, are as follows:

	Governmental Activities
Industrial Park Bonds	\$ 230,669
Southside Project Bonds	14,549
Total	\$ 245,218

Note 7 – Capital Assets

Capital asset activity for the year ended June 30, 2011 is as follows:

Governmental Activities	Balance June 30, 2010	Additions	Deletions	Transfers	Balance June 30, 2011
Capital Assets Not Being Depreciated:					
Land	\$ 1,125,698	\$ 302,804	\$ -	\$ -	\$ 1,428,502
Construction in Progress	209,157	46,097	-	(208,578)	46,676
Total Capital Assets Not Being Depreciated	1,334,855	348,901	-	(208,578)	1,475,178
Capital Assets Being Depreciated:					
Land Improvements	8,038,140	86,601	-	-	8,124,741
Construction	2,346,880	83,654	-	208,578	2,639,112
Infrastructure	10,136,257	-	-	-	10,136,257
Machinery and Other	1,337,391	90,910	(9,176)	-	1,419,125
Vehicles	973,372	-	-	-	973,372
Total Capital Assets Being Depreciated	22,832,040	261,165	(9,176)	208,578	23,292,607
Less Accumulated Depreciation For:					
Land Improvements	(936,080)	(391,322)	-	-	(1,327,402)
Construction	(454,368)	(43,997)	-	-	(498,365)
Infrastructure	(4,907,367)	(89,082)	-	-	(4,996,449)
Machinery and Other	(900,211)	(76,654)	9,176	-	(967,689)
Vehicles	(727,746)	(59,476)	-	-	(787,222)
Total Accumulated Depreciation	(7,925,772)	(660,531)	9,176	-	(8,577,127)
Total Capital Assets Being Depreciated, net	14,906,268	(399,366)	-	208,578	14,715,480
Governmental Activities Capital Assets, net	\$ 16,241,123	\$ (50,465)	\$ -	\$ -	\$ 16,190,658

Depreciation charged to governmental functions on the Statement of Activities during the year is as follows: \$85,881 to General Government, \$5,444 to Public Safety, \$568,870 to Public Works, and \$336 to Community Development.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

Note 7 – Capital Assets, (continued)

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

<u>Business-Type Activities</u>	Balance June 30, 2010	Additions	Deletions	Transfers	Balance June 30, 2011
Capital Assets Not Being Depreciated:					
Land	\$ 287,323	\$ -	\$ -	\$ -	\$ 287,323
Construction in Progress	3,252,437	406,427	-	(3,061,324)	597,540
Total Capital Assets Not Being Depreciated	<u>3,539,760</u>	<u>406,427</u>	<u>-</u>	<u>(3,061,324)</u>	<u>884,863</u>
Capital Assets Being Depreciated:					
Land Improvements	7,069,261	-	-	-	7,069,261
Construction	14,796,104	-	-	-	14,796,104
Infrastructure	5,626,393	-	-	-	5,626,393
Machinery and Other	3,199,790	4,056,302	-	3,061,324	10,317,416
Vehicles	2,875,429	-	-	-	2,875,429
Total Capital Assets Being Depreciated:	<u>33,566,977</u>	<u>4,056,302</u>	<u>-</u>	<u>3,061,324</u>	<u>40,684,603</u>
Less Accumulated Depreciation For:					
Land Improvements	(5,026,407)	(128,716)	-	-	(5,155,123)
Construction	(4,833,432)	(293,794)	-	-	(5,127,226)
Infrastructure	(2,619,418)	(54,635)	-	-	(2,674,053)
Machinery and Other	(1,965,342)	(137,194)	-	-	(2,102,536)
Vehicles	(1,751,825)	(242,167)	-	-	(1,993,992)
Total Accumulated Depreciation	<u>(16,196,424)</u>	<u>(856,506)</u>	<u>-</u>	<u>-</u>	<u>(17,052,930)</u>
Total Capital Assets Being Depreciated, net	<u>17,370,553</u>	<u>3,199,796</u>	<u>-</u>	<u>3,061,324</u>	<u>23,631,673</u>
Business-Type Activities Capital Assets, net	<u>\$ 20,910,313</u>	<u>\$ 3,606,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,516,536</u>

Depreciation charged to business-type activities on the Statement of Activities during the year is as follows: \$333,617 to Water Reclamation and Sewer, \$190,286 to Water Utility, \$217,927 to Refuse Collection and Disposal, \$96,398 to Public Transportation, and \$18,278 to CNG Fueling Station.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

Note 8 – Accrued Liabilities

Accrued Liabilities at June 30, 2011, as reported on the Statement of Net Assets are detailed as follows:

Governmental Activities:	General	Streets	RDA Debt Service	Total Governmental
Accrued Interest Payable	\$ 611	\$ 1,838	\$ 39,102	\$ 41,551
Other Liabilities	41,883	245	-	42,128
Total	\$ 42,494	\$ 2,083	\$ 39,102	\$ 83,679

Business-Type Activities:	Water Reclamation And Sewer	Refuse Collection and Disposal	Total Business-Type
Accrued Interest Payable	\$ 34,185	\$ 8,410	\$ 42,595

Note 9 – Long-Term Liabilities

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Governmental Activities:					
Tax Allocation Bonds	\$ 1,900,000	\$ -	\$ (185,000)	\$ 1,715,000	\$ 195,000
Revenue Bonds	375,000	-	(30,000)	345,000	30,000
Other Long-Term Debt	754,427	-	(476,658)	277,769	127,769
Compensated Absences	114,709	24,040	(58,616)	80,133	29,649
Total Governmental Activities	3,144,136	24,040	(750,274)	2,417,902	382,418
Business-Type Activities:					
Revenue Bonds	-	-	-	-	-
Notes Payable	3,214,448	-	(391,986)	2,822,462	404,736
Compensated Absences	102,837	31,031	(30,430)	103,438	38,272
Total Business-Type Activities	3,317,285	31,031	(422,416)	2,925,900	443,008
Total Long-Term Liabilities	\$ 6,461,421	\$ 55,071	\$ (1,172,690)	\$ 5,343,802	\$ 825,426

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, 2011

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. \$ 1,715,000

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. 345,000

Other Long-Term Debt:

The city entered into a \$750,000 legal settlement on June 17, 2010, calling for an immediate \$400,000 payment with the balance due over four years at 0% interest. 250,000

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. 23,520

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. 4,249

Total Other Long-Term Debt 277,769

Compensated Absences 80,133

Total Governmental Activities \$ 2,417,902

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

Note 9 – Long-Term Liabilities, (continued)

Business-Type Activities:

Notes Payable:

Note payable to the State of California for the expansion of the wastewater treatment plant, payable in annual installments commencing January 19, 2001, of \$291,308 at 2.6% interest, final payment due January 19, 2020, collateralized by wastewater funds. 2,310,186

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. 276,717

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. 42,723

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. 36,183

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. 53,648

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. 103,005

Total Notes Payable 2,822,462

Compensated Absences Payable 103,438

Total Business-Type Activities \$ 2,925,900

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

Note 9 – Long-Term Liabilities, (continued)

The annual requirements to amortize all bonded indebtedness and other long-term liabilities outstanding at June 30, 2011, are as follows:

Governmental Activities

Year Ending June 30	Tax Allocation Bonds		Revenue Bonds		Other Long-Term Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 195,000	\$ 88,963	\$ 30,000	\$ 26,400	\$ 127,769	\$ 1,091
2013	215,000	77,688	30,000	24,000	100,000	-
2014	235,000	65,313	35,000	21,400	50,000	-
2015	250,000	51,975	40,000	18,400	-	-
2016	260,000	37,950	45,000	15,000	-	-
2017-2019	560,000	31,351	165,000	20,600	-	-
Total	\$ 1,715,000	\$ 353,240	\$ 345,000	\$ 125,800	\$ 277,769	\$ 1,091

Business-Type Activities

Year Ending June 30	Notes Payable	
	Principal	Interest
2012	\$ 404,736	\$ 77,949
2013	373,011	65,093
2014	281,740	53,569
2015	289,143	46,167
2016	296,735	38,575
2017-2020	1,177,097	75,342
Total	\$ 2,822,462	\$ 356,695

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

Note 10 – Deferred Revenue

Deferred Revenue at June 30, 2011 is detailed as follows:

	Governmental Activities		Total
	<u>Unearned</u>	<u>Unavailable</u>	<u>Deferred Revenue</u>
CalHOME Grant	\$ 60,208	\$ 2,112,649	\$ 2,172,857
RDA Notes Receivable	-	1,077,267	1,077,267
BEGIN Grants	750,000	139,555	889,555
CDBG Grants	-	764,323	764,323
HOME Grants	-	733,677	733,677
CHFA Rehab Grant	-	43,698	43,698
Emergency Response	12,089	-	12,089
Prop 1B	2,156	-	2,156
Total	<u>\$ 824,453</u>	<u>\$ 4,871,169</u>	<u>\$ 5,695,622</u>

Business-Type Activities

	<u>Unearned</u>
TDA - Dial A Ride	<u>\$ 91,901</u>

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.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

Note 11 – Public Entity Risk Pools, (continued)

Employment Practices Liability (EPL): This program from CSJVRMA covers the EPL exposures through the Employment Risk Management Authority (ERMA). ERMA is comprised of eight members Joint Power Authorities and is organized under a Joint Powers Agreement pursuant to the California Government Code. ERMA covers \$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 JPA (LAWCX) which is comprised of 32 different Joint Power Authorities. For excess coverage, LAWCX is a member of the California State Association of Counties Excess Insurance Authority which provides coverage up to the statutory limit.

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

The latest audited financial information available from CSJVRMA is for the year ended June 30, 2010 as follows:

Total Assets	\$ 67,337,173
Total Liabilities	55,453,249
 Total Members' Equity	 \$ 11,883,924
 Total Revenue	 \$ 32,727,775
Total Expenses	30,147,304
 Net Increase in Members' Equity	 \$ 2,580,471

Note 12 – Retirement Plan

Plan Description. The City contributes to the Miscellaneous 3.0% at 60 Risk Pool and the Inactive Agency Risk Pool (for the Safety Plan) under 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 plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes within the Public Employees’ Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through 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, California 95814.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

Note 12 – Retirement Plan, (continued)

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 also 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 year 2010-11 was 18.732% of annual covered salary 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.

Annual Pension Cost. For the year ended June 30, 2011, The City’s annual pension costs of \$612,324 for the Miscellaneous Plan and \$0 for the Safety Plan was equal to the City’s required and actual contributions. The required contribution was determined as part of the June 30, 2008, actuarial valuation using the entry age actuarial cost method with the contributions determined as a percent of pay. 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.

Three-Year Trend Information For The Plans

Miscellaneous Fund			
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2009	\$ 688,379	100%	\$ -
6/30/2010	570,861	100%	-
6/30/2011	612,324	100%	-
Safety Fund			
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2009	\$ -	0%	\$ -
6/30/2010	-	0%	-
6/30/2011	-	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.

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

Note 13 – Conduit Debt Obligations

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

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

<u>Assessment Districts</u>	<u>Remaining Collections</u>	<u>Outstanding Debt Service</u>
89-1 Barker	\$ 278,485	\$ 385,500
89-2 Tract 5071	310,593	248,500
89-3 Tract 4644	169,326	138,500
91-1 Barnhard	292,623	357,625
91-2A Summerfield	342,284	312,625
91-2B Summerfield	78,599	87,825
92-1 Industrial Park	1,826,075	1,826,075
93-1 Southside - Childress	1,140,655	943,925
	<u>1,140,655</u>	<u>943,925</u>
Total	<u>\$ 4,438,640</u>	<u>\$ 4,300,575</u>

The "Remaining Collections" represents the sum of the remaining principal and interest for each active parcel after 2010/11 debt service has been billed.

The \$908,907 due to bondholders, as reported in the Statement of Fiduciary Net Assets, represents the net assets of the Authority held for bondholder repayment.

Note 14 – Other Disclosures

Pledged Revenues

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

Economic Dependency

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

City of Wasco
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

Note 14 – Other Disclosures, (continued)

Fund Deficits

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

Governmental Funds:		
2007 HOME Grant	\$	(2,773)
Non-Major:		
2005 Cal Home Grant		(45,440)
2006 Cal Home Grant		<u>(20,437)</u>
Total Governmental Funds	\$	<u>(68,650)</u>

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

Date of Management Evaluation

Management has evaluated subsequent events through October 17, 2011, the date on which the financial statements were available to be issued.

Excess of Expenditures over Appropriations

For the year ended June 30, 2011, some expenditures exceeded appropriations. The over expenditures were funded from current tax revenue and charges for services. All City expenditures were approved by the City Council.

Contingencies

The City has a contingent property tax liability for its share of tax refund claims pending against the County of Kern attributable to taxes paid by property owners but disputed. Because both the amount of the contingency and the expected outcome cannot be determined, the liability has not been provided for in the financial statements. At June 30, 2010, the latest date reported by the County, the contingent liability was \$52,004.

Prior Period Adjustment

During the fiscal year 2010-11, the City made a prior period adjustment to add to deferred revenue in the governmental funds an amount equal to the balances carried in notes receivable. These notes receivable are long-term assets that, although earned, are not available to pay for current-period expenditures. These adjustments decreased fund balance by \$3,154,023.

The City also made a prior period adjustment to remove prior debt issuance costs from the RDA Capital Project Fund that were being carried as deferred charges on the governmental funds Balance Sheet. This adjustment reduced June 30, 2010 previously reported fund balance by \$282,712.

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REQUIRED & SUPPLEMENTARY INFORMATION

This section of the CAFR provides information on each individual fund not already provided in the basic financial statements. The section includes the:

- Budgetary Information

- Special Revenue Funds
 - Major Special Revenue Funds
 - Non-Major Special Revenue Funds

- Capital Project Funds

City of Wasco
REQUIRED SUPPLEMENTARY INFORMATION
Year ended June 30, 2011

DEFINED BENEFIT PENSION PLAN

A schedule of funding progress for the year ended June 30, 2009 (the most recent actuarial information available) including the past six 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%
6/30/2009	883,394,429	694,384,975	189,009,454	78.6%	161,972,631	116.7%

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
6/30/2009	480,513,699	442,936,897	37,576,802	92.2%	n/a	n/a

City of Wasco
REQUIRED SUPPLEMENTARY INFORMATION
Year ended June 30, 2011

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, 2011

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.

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

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

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

City of Wasco
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	\$ 4,186,158	\$ 4,055,158	\$ 4,174,647	\$ 119,489
Licenses & Permits	120,000	155,000	214,172	59,172
Intergovernmental	5,000	387,638	152,190	(235,448)
Charges for Services	332,350	332,350	259,334	(73,016)
Fines, Forfeitures & Assessments	45,100	45,100	43,506	(1,594)
Use of Money or Property	17,800	17,800	14,641	(3,159)
Miscellaneous	5,000	5,000	30,471	25,471
Total Revenues	4,711,408	4,998,046	4,888,961	(109,085)
Expenditures:				
Current:				
General Government				
Council	56,536	53,184	42,063	(11,121)
Manager	153,940	144,815	152,785	7,970
Finance & Accounting	83,235	78,536	70,566	(7,970)
Budget	13,723	12,910	11,576	(1,334)
Human Resources & Risk Management	26,446	24,598	22,569	(2,029)
Total General Government	333,880	314,043	299,559	(14,484)
Public Safety				
Sheriff	2,963,219	3,367,605	3,060,259	(307,346)
Animal Control	99,185	105,185	104,449	(736)
Fire	466,115	466,115	466,115	-
Total Public Safety	3,528,519	3,938,905	3,630,823	(308,082)
Community Development				
Planning	146,831	150,105	127,614	(22,491)
Engineering	84,541	79,530	64,233	(15,297)
Building Inspection	112,328	105,670	88,857	(16,813)
Code Compliance	86,154	81,658	66,062	(15,596)
Housing & Comm. Devp.	72,152	68,334	54,735	(13,599)
Total Community Development	502,006	485,297	401,501	(83,796)
Non Departmental				
	386,887	275,598	163,513	(112,085)
Capital Outlay:				
General Capital Outlay	25,485	31,570	97,174	65,604
Debt Service:				
Principal Retirement	100,000	100,000	112,118	12,118
Interest and Finance Charges	-	-	610	610
Total Expenditures	4,876,777	5,145,413	4,705,298	(440,115)
Excess of Revenues Over Expenditures	(165,369)	(147,367)	183,663	331,030
Other Financing Sources (Uses):				
Transfers In	214,000	214,000	355,205	141,205
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	214,000	214,000	355,205	141,205
Net Change in Fund Balances	48,631	66,633	538,868	472,235
Fund Balances - Beginning	263,412	263,412	263,412	-
Fund Balances - Ending	\$ 312,043	\$ 330,045	\$ 802,280	\$ 472,235

City of Wasco
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
STREETS FUND
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	1,000	1,000	416	(584)
Intergovernmental	1,890,640	1,890,640	530,401	(1,360,239)
Charges for Services	-	-	-	-
Use of Money or Property	540	540	2,531	1,991
Miscellaneous	1,900	1,900	14,550	12,650
Total Revenues	1,894,080	1,894,080	547,898	(1,346,182)
Expenditures:				
Current:				
Public Works	1,115,023	1,145,023	947,703	(197,320)
Capital Outlay:				
General Capital Outlay	-	-	23,584	23,584
Street Improvements	2,070,850	2,120,789	508,922	(1,611,867)
Debt Service:				
Principal Retirement	22,539	22,539	22,539	-
Interest and Finance Charges	2,004	2,004	2,004	-
Total Expenditures	3,210,416	3,290,355	1,504,752	(1,785,603)
Excess of Revenues Over Expenditures	(1,316,336)	(1,396,275)	(956,854)	439,421
Other Financing Sources (Uses):				
Transfers In	1,331,659	1,381,598	1,053,465	(328,133)
Transfers Out	-	-	(76,949)	(76,949)
Total Other Financing Sources (Uses)	1,331,659	1,381,598	976,516	(405,082)
Net Change in Fund Balances	15,323	(14,677)	19,662	34,339
Fund Balances - Beginning	1,190,697	1,190,697	1,190,697	-
Fund Balances - Ending	\$ 1,206,020	\$ 1,176,020	\$ 1,210,359	\$ 34,339

City of Wasco
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
2008 BEGIN GRANT
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 30,000	\$ 30,000
Use of Money or Property	5,000	5,000	3,960	(1,040)
Total Revenues	5,000	5,000	33,960	28,960
Expenditures:				
Current:				
Community Development	-	-	30,000	30,000
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	-	-	30,000	30,000
Excess of Revenues Over Expenditures	5,000	5,000	3,960	(1,040)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(5,000)	(5,000)	-	5,000
Total Other Financing Sources (Uses)	(5,000)	(5,000)	-	5,000
Net Change in Fund Balances	-	-	3,960	3,960
Fund Balances - Beginning	146,151	146,151	146,151	-
Prior Period Adjustment	(109,557)	(109,557)	(109,557)	-
Fund Balances - Ending	\$ 36,594	\$ 36,594	\$ 40,554	\$ 3,960

City of Wasco
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
2007 HOME GRANT
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 59,286	\$ 59,286
Use of Money or Property	-	-	-	-
<hr/>				
Total Revenues	-	-	59,286	59,286
Expenditures:				
Current:				
Community Development	-	-	56,541	56,541
Capital Outlay:				
General Capital Outlay	-	-	-	-
<hr/>				
Total Expenditures	-	-	56,541	56,541
<hr/>				
Excess of Revenues Over Expenditures	-	-	2,745	2,745
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	(2,744)	(2,744)
<hr/>				
Total Other Financing Sources (Uses)	-	-	(2,744)	(2,744)
<hr/>				
Net Change in Fund Balances	-	-	1	1
<hr/>				
Fund Balances - Beginning	674,361	674,361	674,361	-
Prior Period Adjustment	(677,135)	(677,135)	(677,135)	-
<hr/>				
Fund Balances - Ending	\$ (2,774)	\$ (2,774)	\$ (2,773)	\$ 1

City of Wasco
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
RDA Low and Moderate Income Housing
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Use of Money or Property	\$ 500	\$ 500	\$ 2,554	\$ 2,054
Loan Payments	5,000	5,000	3,096	(1,904)
Total Revenues	5,500	5,500	5,650	150
Expenditures:				
Current:				
Community Development	1,025,000	1,025,000	1,022,069	(2,931)
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	1,025,000	1,025,000	1,022,069	(2,931)
Excess of Revenues Over Expenditures	(1,019,500)	(1,019,500)	(1,016,419)	3,081
Other Financing Sources (Uses):				
Transfers In	311,533	311,533	298,377	(13,156)
Transfers Out	-	-	(76,127)	(76,127)
Total Other Financing Sources (Uses)	311,533	311,533	222,250	(89,283)
Net Change in Fund Balances	(707,967)	(707,967)	(794,169)	(86,202)
Fund Balances - Beginning	1,333,017	1,333,017	1,333,017	-
Prior Period Adjustment	(26,255)	(26,255)	(26,255)	-
Fund Balances - Ending	\$ 598,795	\$ 598,795	\$ 512,593	\$ (86,202)

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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)

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.

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

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

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

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

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, 2011

	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	\$ 1,855	\$ 200,338	\$ -	\$ 90,194	\$ 112,677	\$ 188,976	\$ 661,943	\$ 76,410	\$ -	\$ 1,166	\$ 8,943	\$ 32,350
Receivables, net	-	236	59,685	64	112	192	556	76	25,000	-	-	35
Prepaid Costs	-	118	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-	-	-	-
Notes Receivable	-	-	-	-	-	-	-	229,529	-	168,583	43,698	145,540
Total Assets	\$ 1,855	\$ 200,692	\$ 59,685	\$ 90,258	\$ 112,789	\$ 189,168	\$ 662,499	\$ 306,015	\$ 25,000	\$ 169,749	\$ 52,641	\$ 177,925
Liabilities:												
Accounts Payable	\$ -	\$ 3,683	\$ -	\$ 98	\$ 1,640	\$ 151	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	44,795	-	-	-	-	-	25,000	-	-	-
Deferred Revenue	-	-	12,089	-	-	-	-	229,529	-	168,583	43,698	145,540
Notes Payable	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	3,683	56,884	98	1,640	151	-	229,529	25,000	168,583	43,698	145,540
Fund Balances:												
Nonspendable:												
Prepaid Costs	-	118	-	-	-	-	-	-	-	-	-	-
Restricted:												
Community Development	-	-	-	-	-	-	-	76,486	-	1,166	8,943	32,385
Streets and Transportation	1,855	196,891	-	-	111,149	189,017	662,499	-	-	-	-	-
Other Purposes	-	-	2,801	90,160	-	-	-	-	-	-	-	-
Assigned:												
Community Development	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	1,855	197,009	2,801	90,160	111,149	189,017	662,499	76,486	-	1,166	8,943	32,385
Total Liabilities & Fund Balances	\$ 1,855	\$ 200,692	\$ 59,685	\$ 90,258	\$ 112,789	\$ 189,168	\$ 662,499	\$ 306,015	\$ 25,000	\$ 169,749	\$ 52,641	\$ 177,925

City of Wasco
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2011

2003 Cal Home Grant Fund	2004 CDBG Grant Fund	2004 Cal Home Grant Fund	Miscellaneous Grants	2005 Cal Home Grant Fund	CDBG Revolving Loan Fund	Cal Home Grant Reuse	2006 Cal Home Grant Fund	BEGIN Grant Reuse	2009 CDBG Grant Fund	HOME Grant Reuse	2008 CDGB Grant Fund	Public Financing Authority	Total Non-Major Special Revenue Funds
\$ 261	\$ 62,414	\$ -	\$ 6,631	\$ 123	\$ 69,586	\$ 319,726	\$ 8,838	\$ 10,927	\$ -	\$ 5,110	\$ 5,625	\$ 63,456	\$ 1,927,549
-	2,500	-	-	-	4	288	10	-	91,521	-	-	-	180,279
-	-	-	-	-	-	-	-	-	-	-	-	-	118
-	-	-	-	-	800	2,632	-	-	-	-	-	-	3,432
373,753	106,533	443,679	-	381,855	142,823	250,663	494,116	-	139,898	-	-	-	2,920,670
\$ 374,014	\$ 171,447	\$ 443,679	\$ 6,631	\$ 381,978	\$ 213,213	\$ 573,309	\$ 502,964	\$ 10,927	\$ 231,419	\$ 5,110	\$ 5,625	\$ 63,456	\$ 5,032,048
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,643	\$ 34,215
-	-	-	-	-	-	-	14,640	-	84,466	-	-	-	168,901
373,753	106,533	443,679	-	427,418	142,823	250,663	508,761	-	139,898	-	-	-	2,992,967
-	-	-	-	-	-	-	-	-	-	-	-	-	-
373,753	106,533	443,679	-	427,418	142,823	250,663	523,401	-	224,364	-	-	28,643	3,196,083
-	-	-	-	-	-	-	-	-	-	-	-	-	118
261	64,914	-	6,631	-	70,390	322,646	-	10,927	7,055	5,110	5,625	-	612,539
-	-	-	-	-	-	-	-	-	-	-	-	-	1,161,411
-	-	-	-	-	-	-	-	-	-	-	-	-	92,961
-	-	-	-	-	-	-	-	-	-	-	-	34,813	34,813
-	-	-	-	(45,440)	-	-	(20,437)	-	-	-	-	-	(65,877)
261	64,914	-	6,631	(45,440)	70,390	322,646	(20,437)	10,927	7,055	5,110	5,625	34,813	1,835,965
\$ 374,014	\$ 171,447	\$ 443,679	\$ 6,631	\$ 381,978	\$ 213,213	\$ 573,309	\$ 502,964	\$ 10,927	\$ 231,419	\$ 5,110	\$ 5,625	\$ 63,456	\$ 5,032,048

City of Wasco
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
NON-MAJOR SPECIAL REVENUE FUNDS
Year ended June 30, 2011

	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	\$ -	\$ 173,983	\$ -	\$ 93,510	\$ 571,623	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Charges for Services	60,473	-	76,871	-	-	-	-	-	100,000	-	-	-
Fines, Forfeitures & Assessments	-	-	-	-	-	32,958	62,681	-	-	-	-	-
Use of Money or Property	-	-	-	-	239	848	2,450	389	-	1,465	1,602	4,499
Loan Payments	-	-	-	-	-	-	-	5,808	-	23,085	14,824	9,369
Contributions and Donations	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	60,473	173,983	76,871	93,510	571,862	33,806	65,131	6,197	100,000	24,550	16,426	13,868
Expenditures:												
Current:												
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-
Public Works	-	99,696	26,207	1,296	1,640	23,948	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay:												
General Capital Outlay	-	-	-	-	-	27,927	-	-	-	-	-	-
Street Improvements	-	-	-	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-	-	342,000	-
Interest and Finance Charges	-	-	-	-	-	-	-	-	-	-	48,849	-
Total Expenditures	-	99,696	26,207	1,296	1,640	51,875	-	-	-	-	390,849	-
Excess of Revenues Over Expenditures	60,473	74,287	50,664	92,214	570,222	(18,069)	65,131	6,197	100,000	24,550	(374,423)	13,868
Other Financing Sources (Uses):												
Transfers In	-	-	-	-	-	-	-	-	-	-	76,127	-
Transfers Out	(59,410)	-	(50,664)	-	(896,629)	-	(61,688)	-	(100,000)	(24,550)	-	(13,806)
Total Other Financing Sources (Uses)	(59,410)	-	(50,664)	-	(896,629)	-	(61,688)	-	(100,000)	(24,550)	76,127	(13,806)
Net Change in Fund Balances	1,063	74,287	-	92,214	(326,407)	(18,069)	3,443	6,197	-	-	(298,296)	62
Fund Balances - Beginning	792	122,722	2,801	(2,054)	437,556	207,086	659,056	305,627	-	192,834	365,762	187,231
Prior Period Adjustment	-	-	-	-	-	-	-	(235,338)	-	(191,668)	(58,523)	(154,908)
Fund Balances - Ending	\$ 1,855	\$ 197,009	\$ 2,801	\$ 90,160	\$ 111,149	\$ 189,017	\$ 662,499	\$ 76,486	\$ -	\$ 1,166	\$ 8,943	\$ 32,385

City of Wasco
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
NON-MAJOR SPECIAL REVENUE FUNDS
Year ended June 30, 2011

2003 Cal Home Grant Fund	2004 CDBG Grant Fund	2004 Cal Home Grant Fund	Miscellaneous Grants	2005 Cal Home Grant Fund	CDBG Revolving Loan Fund	Cal Home Grant Reuse	2006 Cal Home Grant Fund	BEGIN Grant Reuse	2009 CDBG Grant Fund	HOME Grant Reuse	2008 CDBG Grant Fund	Public Financing Authority	Total Non-Major Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 839,116
-	-	-	42,438	-	-	-	298,094	-	217,461	-	40,625	-	835,962
-	-	-	-	-	-	-	51,785	-	-	-	-	37,472	151,938
-	-	-	-	-	-	-	-	-	-	-	-	-	32,958
2,874	3,381	1,707	-	538	3,748	1,266	1,737	-	177	-	-	-	26,520
698	5,139	3,100	-	10,297	-	-	-	-	-	-	-	-	72,320
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
3,572	8,520	4,807	42,438	10,835	3,748	1,266	351,616	-	217,638	-	40,625	37,472	1,959,214
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	152,787
-	-	-	32,190	-	17,850	217,758	292,655	-	139,898	-	35,000	40,283	775,634
-	-	-	-	-	-	-	-	-	-	-	-	-	27,927
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	342,000
-	-	-	-	-	-	-	-	-	-	-	-	-	48,849
-	-	-	32,190	-	17,850	217,758	292,655	-	139,898	-	35,000	40,283	1,347,197
3,572	8,520	4,807	10,248	10,835	(14,102)	(216,492)	58,961	-	77,740	-	5,625	(2,811)	612,017
-	-	-	-	-	23,126	54,203	-	-	-	-	-	-	153,456
(3,572)	(8,520)	(4,807)	-	(10,835)	-	(18,056)	(58,681)	-	(70,685)	-	-	-	(1,381,903)
(3,572)	(8,520)	(4,807)	-	(10,835)	23,126	36,147	(58,681)	-	(70,685)	-	-	-	(1,228,447)
-	-	-	10,248	-	9,024	(180,345)	280	-	7,055	-	5,625	(2,811)	(616,430)
374,712	176,586	446,780	(3,617)	346,712	201,811	535,896	181,517	10,927	-	5,110	-	37,624	4,793,471
(374,451)	(111,672)	(446,780)	-	(392,152)	(140,445)	(32,905)	(202,234)	-	-	-	-	-	(2,341,076)
\$ 261	\$ 64,914	\$ -	\$ 6,631	\$ (45,440)	\$ 70,390	\$ 322,646	\$ (20,437)	\$ 10,927	\$ 7,055	\$ 5,110	\$ 5,625	\$ 34,813	\$ 1,835,965

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
TDA STREETS
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 578,150	\$ 578,150	\$ 60,473	\$ (517,677)
Use of Money or Property	-	-	-	-
Total Revenues	578,150	578,150	60,473	(517,677)
Other Financing Sources (Uses):				
Transfers Out	(701,446)	(578,446)	(59,410)	519,036
Total Other Financing Sources (Uses)	(701,446)	(578,446)	(59,410)	519,036
Net Changes in Fund Balances	(123,296)	(296)	1,063	1,359
Fund Balances - Beginning	792	792	792	-
Fund Balances - Ending	\$ (122,504)	\$ 496	\$ 1,855	\$ 1,359

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
LIGHTING & LANDSCAPE FUND
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	\$ 100,000	\$ 100,000	\$ 173,983	\$ 73,983
Contributions and Donations	-	-	-	-
Total Revenues	100,000	100,000	173,983	73,983
Expenditures:				
Current:				
Public Works	98,813	98,813	99,696	883
Capital Outlay:				
Street Improvements	-	-	-	-
Total Expenditures	98,813	98,813	99,696	883
Excess of Revenues Over Expenditures	1,187	1,187	74,287	73,100
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	1,187	1,187	74,287	73,100
Fund Balances - Beginning	122,722	122,722	122,722	-
Fund Balances - Ending	\$ 123,909	\$ 123,909	\$ 197,009	\$ 73,100

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
EMERGENCY RESPONSE
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 76,871	\$ 76,871
Total Revenues	-	-	76,871	76,871
Expenditures:				
Current:				
Public Works	-	-	26,207	26,207
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	-	-	26,207	26,207
Excess of Revenues Over Expenditures	-	-	50,664	50,664
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	(50,664)	(50,664)
Total Other Financing Sources (Uses)	-	-	(50,664)	(50,664)
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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	\$ 2,000	\$ 92,000	\$ 93,510	\$ 1,510
Total Revenues	2,000	92,000	93,510	1,510
Expenditures:				
Current:				
Public Works	2,000	2,000	1,296	(704)
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	2,000	2,000	1,296	(704)
Excess of Revenues Over Expenditures	-	90,000	92,214	2,214
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	90,000	92,214	2,214
Fund Balances - Beginning	(2,054)	(2,054)	(2,054)	-
Fund Balances - Ending	\$ (2,054)	\$ 87,946	\$ 90,160	\$ 2,214

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
GAS TAX FUND
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	\$ 624,151	\$ 624,151	\$ 571,623	\$ (52,528)
Use of Money or Property	-	-	239	239
Total Revenues	624,151	624,151	571,862	(52,289)
Expenditures:				
Current:				
Public Works	-	-	1,640	1,640
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	-	-	1,640	1,640
Excess of Revenues Over Expenditures	624,151	624,151	570,222	(53,929)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(616,449)	(739,449)	(896,629)	(157,180)
Total Other Financing Sources (Uses)	(616,449)	(739,449)	(896,629)	(157,180)
Net Change in Fund Balances	7,702	(115,298)	(326,407)	(211,109)
Fund Balances - Beginning	437,556	437,556	437,556	-
Fund Balances - Ending	\$ 445,258	\$ 322,258	\$ 111,149	\$ (211,109)

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
TRAFFIC SAFETY FUND
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Fines, Forfeitures & Assessments	\$ 32,000	\$ 32,000	\$ 32,958	\$ 958
Use of Money or Property	1,000	1,000	848	(152)
Total Revenues	33,000	33,000	33,806	806
Expenditures:				
Current:				
Public Works	36,000	36,000	23,948	(12,052)
Capital Outlay:				
General Capital Outlay	28,000	28,000	27,927	(73)
Total Expenditures	64,000	64,000	51,875	(12,125)
Excess of Revenues Over Expenditures	(31,000)	(31,000)	(18,069)	12,931
Fund Balances - Beginning	207,086	207,086	207,086	-
Fund Balances - Ending	<u>\$ 176,086</u>	<u>\$ 176,086</u>	<u>\$ 189,017</u>	<u>\$ 12,931</u>

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
TRAFFIC IMPACT FUND
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Charges for Services	\$ 25,000	\$ 25,000	\$ 62,681	\$ 37,681
Use of Money or Property	3,000	3,000	2,450	(550)
Total Revenues	28,000	28,000	65,131	37,131
Expenditures:				
Current:				
Public Works	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	28,000	28,000	65,131	37,131
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(21,969)	(71,908)	(61,688)	10,220
Total Other Financing Sources (Uses)	(21,969)	(71,908)	(61,688)	10,220
Net Change in Fund Balances	6,031	(43,908)	3,443	47,351
Fund Balances - Beginning	659,056	659,056	659,056	-
Fund Balances - Ending	\$ 665,087	\$ 615,148	\$ 662,499	\$ 47,351

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Use of Money or Property	\$ 600	\$ 600	\$ 389	\$ (211)
Loan Payments	1,500	1,500	5,808	4,308
Total Revenues	2,100	2,100	6,197	4,097
Expenditures:				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	2,100	2,100	6,197	4,097
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	2,100	2,100	6,197	4,097
Fund Balances - Beginning	305,627	305,627	305,627	-
Prior Period Adjustment	(235,338)	(235,338)	(235,338)	-
Fund Balances - Ending	\$ 72,389	\$ 72,389	\$ 76,486	\$ 4,097

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
COPS GRANT FUND
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Use of Money or Property	-	-	-	-
Total Revenues	100,000	100,000	100,000	-
Expenditures:				
Current:				
Public Safety	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	100,000	100,000	100,000	-
Other Financing Sources (Uses):				
Transfers Out	(100,000)	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(100,000)	-
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
2002 CAL HOME GRANT FUND
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Use of Money or Property	\$ 2,500	\$ 2,500	\$ 1,465	\$ (1,035)
Loan Payments	7,500	7,500	23,085	15,585
	<hr/>			
Total Revenues	10,000	10,000	24,550	14,550
Expenditures:				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
	<hr/>			
Total Expenditures	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	10,000	10,000	24,550	14,550
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(10,000)	(10,000)	(24,550)	(14,550)
	<hr/>			
Total Other Financing Sources (Uses)	(10,000)	(10,000)	(24,550)	(14,550)
	<hr/>			
Net Change in Fund Balances	-	-	-	-
	<hr/>			
Fund Balances - Beginning	192,834	192,834	192,834	-
Prior Period Adjustment	(191,668)	(191,668)	(191,668)	-
	<hr/>			
Fund Balances - Ending	\$ 1,166	\$ 1,166	\$ 1,166	-
	<hr/> <hr/>			

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
CHFA REHAB GRANT
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Use of Money or Property	\$ 3,000	\$ 3,000	\$ 1,602	\$ (1,398)
Loan Payments	10,500	10,500	14,824	4,324
Total Revenues	13,500	13,500	16,426	2,926
Expenditures:				
Current:				
Community Development	-	-	-	-
Principal Retirement	-	-	342,000	342,000
Interest and Finance Charges	-	-	48,849	48,849
Total Expenditures	-	-	390,849	390,849
Excess of Revenues Over Expenditures	13,500	13,500	(374,423)	(387,923)
Other Financing Sources (Uses):				
Transfers In	-	-	76,127	76,127
Total Other Financing Sources (Uses)	-	-	76,127	76,127
Net Change in Fund Balances	13,500	13,500	(298,296)	(311,796)
Fund Balances - Beginning	365,762	365,762	365,762	-
Prior Period Adjustment	(58,523)	(58,523)	(58,523)	-
Fund Balances - Ending	\$ 320,739	\$ 320,739	\$ 8,943	\$ (311,796)

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Use of Money or Property	\$ 1,800	\$ 1,800	\$ 4,499	\$ 2,699
Loan Payments	8,000	8,000	9,369	1,369
Total Revenues	9,800	9,800	13,868	4,068
Expenditures:				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	9,800	9,800	13,868	4,068
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(9,800)	(9,800)	(13,806)	(4,006)
Total Other Financing Sources (Uses)	(9,800)	(9,800)	(13,806)	(4,006)
Net Change in Fund Balances	-	-	62	62
Fund Balances - Beginning	187,231	187,231	187,231	-
Prior Period Adjustment	(154,908)	(154,908)	(154,908)	-
Fund Balances - Ending	\$ 32,323	\$ 32,323	\$ 32,385	\$ 62

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Use of Money or Property	\$ 8,500	\$ 8,500	\$ 2,874	\$ (5,626)
Loan Payments	2,800	2,800	698	(2,102)
Total Revenues	11,300	11,300	3,572	(7,728)
Expenditures:				
Current:				
Community Development	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	11,300	11,300	3,572	(7,728)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(11,300)	(11,300)	(3,572)	7,728
Total Other Financing Sources (Uses)	(11,300)	(11,300)	(3,572)	7,728
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning	374,712	374,712	374,712	-
Prior Period Adjustment	(374,451)	(374,451)	(374,451)	-
Fund Balances - Ending	\$ 261	\$ 261	\$ 261	\$ -

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Use of Money or Property	\$ 1,050	\$ 1,050	\$ 3,381	\$ 2,331
Loan Payments	6,000	6,000	5,139	(861)
Total Revenues	7,050	7,050	8,520	1,470
Expenditures:				
Current:				
Community Development	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	7,050	7,050	8,520	1,470
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(7,050)	(7,050)	(8,520)	(1,470)
Total Other Financing Sources (Uses)	(7,050)	(7,050)	(8,520)	(1,470)
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning	176,586	176,586	176,586	-
Prior Period Adjustment	(111,672)	(111,672)	(111,672)	-
Fund Balances - Ending	\$ 64,914	\$ 64,914	\$ 64,914	\$ -

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Use of Money or Property	\$ 500	\$ 500	\$ 1,707	\$ 1,207
Loan Payments	4,100	4,100	3,100	(1,000)
Total Revenues	4,600	4,600	4,807	207
Expenditures:				
Current:				
Community Development	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	4,600	4,600	4,807	207
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(4,500)	(4,500)	(4,807)	(307)
Total Other Financing Sources (Uses)	(4,500)	(4,500)	(4,807)	(307)
Net Change in Fund Balances	100	100	-	(100)
Fund Balances - Beginning	446,780	446,780	446,780	-
Prior Period Adjustment	(446,780)	(446,780)	(446,780)	-
Fund Balances - Ending	\$ 100	\$ 100	\$ -	\$ (100)

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
MISCELLANEOUS GRANTS
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 42,438	\$ (7,562)
Total Revenues	50,000	50,000	42,438	(7,562)
Expenditures:				
Current:				
Community Development	50,000	50,000	32,190	(17,810)
Total Expenditures	50,000	50,000	32,190	(17,810)
Excess of Revenues Over Expenditures	-	-	10,248	10,248
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	10,248	10,248
Fund Balances - Beginning	(3,617)	(3,617)	(3,617)	-
Fund Balances - Ending	\$ (3,617)	\$ (3,617)	\$ 6,631	\$ 10,248

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Use of Money or Property	\$ -	\$ -	\$ 538	\$ 538
Loan Payments	-	-	10,297	10,297
Total Revenues	-	-	10,835	10,835
Expenditures:				
Current:				
Community Development	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	10,835	10,835
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	(10,835)	(10,835)
Total Other Financing Sources (Uses)	-	-	(10,835)	(10,835)
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning	346,712	346,712	346,712	-
Prior Period Adjustment	(392,152)	(392,152)	(392,152)	-
Fund Balances - Ending	\$ (45,440)	\$ (45,440)	\$ (45,440)	\$ -

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Use of Money or Property	\$ 6,000	\$ 6,000	\$ 3,748	\$ (2,252)
Loan Payments	1,000	1,000	-	(1,000)
Total Revenues	7,000	7,000	3,748	(3,252)
Expenditures:				
Current:				
Community Development	120,000	120,000	17,850	(102,150)
Total Expenditures	120,000	120,000	17,850	(102,150)
Excess of Revenues Over Expenditures	(113,000)	(113,000)	(14,102)	98,898
Other Financing Sources (Uses):				
Transfers In	16,850	16,850	23,126	6,276
Transfers Out	(24,000)	(24,000)	-	24,000
Total Other Financing Sources (Uses)	(7,150)	(7,150)	23,126	30,276
Net Change in Fund Balances	(120,150)	(120,150)	9,024	129,174
Fund Balances - Beginning	201,811	201,811	201,811	-
Prior Period Adjustment	(140,445)	(140,445)	(140,445)	-
Fund Balances - Ending	\$ (58,784)	\$ (58,784)	\$ 70,390	\$ 129,174

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of Money or Property	1,200	1,200	1,266	66
Total Revenues	1,200	1,200	1,266	66
Expenditures:				
Current:				
Community Development	200,000	200,000	217,758	17,758
Total Expenditures	200,000	200,000	217,758	17,758
Excess of Revenues Over Expenditures	(198,800)	(198,800)	(216,492)	(17,692)
Other Financing Sources (Uses):				
Transfers In	25,800	25,800	54,203	28,403
Transfers Out	(25,000)	(25,000)	(18,056)	6,944
Total Other Financing Sources (Uses)	800	800	36,147	35,347
Net Change in Fund Balances	(198,000)	(198,000)	(180,345)	17,655
Fund Balances - Beginning	535,896	535,896	535,896	-
Prior Period Adjustment	(32,905)	(32,905)	(32,905)	-
Fund Balances - Ending	\$ 304,991	\$ 304,991	\$ 322,646	\$ 17,655

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, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 300,000	\$ 300,000	\$ 298,094	\$ (1,906)
Charges for Services	-	-	51,785	51,785
Use of Money or Property	-	-	1,737	1,737
Total Revenues	300,000	300,000	351,616	51,616
Expenditures:				
Current:				
Community Development	260,000	260,000	292,655	32,655
Total Expenditures	260,000	260,000	292,655	32,655
Excess of Revenues Over Expenditures	40,000	40,000	58,961	18,961
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(40,000)	(40,000)	(58,681)	(18,681)
Total Other Financing Sources (Uses)	(40,000)	(40,000)	(58,681)	(18,681)
Net Change in Fund Balances	-	-	280	280
Fund Balances - Beginning	181,517	181,517	181,517	-
	(202,234)	(202,234)	(202,234)	-
Fund Balances - Ending	\$ (20,717)	\$ (20,717)	\$ (20,437)	\$ 280

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
BEGIN GRANT REUSE
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
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	5,000	5,000	-	(5,000)
Transfers Out	-	-	-	-
<hr/>				
Total Other Financing Sources (Uses)	5,000	5,000	-	(5,000)
<hr/>				
Net Change in Fund Balances	5,000	5,000	-	(5,000)
<hr/>				
Fund Balances - Beginning	10,927	10,927	10,927	-
<hr/>				
Fund Balances - Ending	\$ 15,927	\$ 15,927	\$ 10,927	\$ (5,000)

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
2009 CDBG GRANT FUND
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 233,000	\$ 233,000	\$ 217,461	\$ (15,539)
Use of Money or Property	-	-	177	177
Total Revenues	233,000	233,000	217,638	(15,362)
Expenditures:				
Current:				
Community Development	200,000	200,000	139,898	(60,102)
Total Expenditures	200,000	200,000	139,898	(60,102)
Excess of Revenues Over Expenditures	33,000	33,000	77,740	44,740
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(33,000)	(33,000)	(70,685)	(37,685)
Total Other Financing Sources (Uses)	(33,000)	(33,000)	(70,685)	(37,685)
Net Change in Fund Balances	-	-	7,055	7,055
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ 7,055	\$ 7,055

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
HOME GRANT REUSE
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
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	-	-	-	-
Transfers Out	-	-	-	-
<hr/>				
Total Other Financing Sources (Uses)	-	-	-	-
<hr/>				
Net Change in Fund Balances	-	-	-	-
<hr/>				
Fund Balances - Beginning	-	-	5,110	5,110
<hr/>				
Fund Balances - Ending	\$ -	\$ -	\$ 5,110	\$ 5,110
<hr/> <hr/>				

City of Wasco
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
2008 CDBG GRANT FUND
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 40,625	\$ 40,625
Use of Money or Property	-	-	-	-
<hr/>				
Total Revenues	-	-	40,625	40,625
Expenditures:				
Current:				
Community Development	-	-	35,000	35,000
<hr/>				
Total Expenditures	-	-	35,000	35,000
<hr/>				
Excess of Revenues Over Expenditures	-	-	5,625	5,625
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<hr/>				
Total Other Financing Sources (Uses)	-	-	-	-
<hr/>				
Net Change in Fund Balances	-	-	5,625	5,625
<hr/>				
Fund Balances - Beginning	-	-	-	-
<hr/>				
Fund Balances - Ending	\$ -	\$ -	\$ 5,625	\$ 5,625

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, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Budget
Revenues:				
Use of Money or Property	\$ 500	\$ 500	\$ 870	\$ 370
Misellaneous	500	500	15,905	15,405
Sale of Inventory	-	-	-	-
Total Revenues	1,000	1,000	16,775	15,775
Expenditures:				
Community Development	475,633	996,633	453,376	(543,257)
Debt Service:				
Interest & Finance Charges	-	-	-	-
Total Expenditures	475,633	996,633	453,376	(543,257)
Excess of Revenues Over (Under) Expenditures	(474,633)	(995,633)	(436,601)	559,032
Other Financing Sources (Uses):				
Transfers In	400,000	400,000	200,000	(200,000)
Transfers Out	-	-	(147,527)	(147,527)
Total Other Financing Sources (Uses)	400,000	400,000	52,473	(347,527)
Net Changes in Fund Balance	(74,633)	(595,633)	(384,128)	211,505
Fund Balance - Beginning	2,331,783	2,331,783	2,331,783	-
Prior Period Adjustment	(282,712)	(282,712)	(282,712)	-
Fund Balance - Ending	\$ 1,974,438	\$ 1,453,438	\$ 1,664,943	\$ 211,505

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, 2011

	Original & Final Budget	Actual	Actual Over (Under) Budget
Revenues:			
Property Taxes	\$ 1,557,664	\$ 1,491,259	\$ (66,405)
Use of Money or Property	2,800	1,090	(1,710)
Total Revenues	1,560,464	1,492,349	(68,115)
Expenditures:			
Community Development	78,815	126,245	47,430
Debt Service:			
Principal Retirement	215,000	215,000	-
Tax Increment Pass-Through Payments	428,428	428,763	335
ERAF Principal Payment	83,600	83,676	76
Interest and Finance Charges	128,300	128,213	(87)
Total Expenditures	934,143	981,897	47,754
Excess of Revenues Over (Under) Expenditures	626,321	510,452	(115,869)
Other Financing Sources (Uses):			
Transfers In	145,000	145,000	-
Transfers Out	(711,533)	(498,377)	213,156
Total Other Financing Sources (Uses)	(566,533)	(353,377)	213,156
Net Changes in Fund Balance	59,788	157,075	97,287
Fund Balance - Beginning	216,703	216,703	-
Fund Balance - Ending	\$ 276,491	\$ 373,778	\$ 97,287

City of Wasco
SUPPLEMENTARY INFORMATION

FIDUCIARY FUNDS

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

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

City of Wasco
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
FINANCING AUTHORITY
Year ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Assets:				
Cash and Investments	\$ 604,436	\$ 623,062	\$ (727,982)	\$ 499,516
Investments with Fiscal Agents - Restricted	496,605	-	(90,873)	405,732
Receivables	2,414	3,659	(2,414)	3,659
	<hr/>			
Total Assets	\$ 1,103,455	\$ 626,721	\$ (821,269)	\$ 908,907
<hr/>				
Liabilities:				
Due to Bondholders	\$ 1,103,455	\$ 626,721	\$ (821,269)	908,907
	<hr/>			
Total Liabilities	\$ 1,103,455	\$ 626,721	\$ (821,269)	\$ 908,907
	<hr/>			



INCORPORATED 1945

STATISTICAL SECTION

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>	117
Revenue Capacity <i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	122
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>	126
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>	129
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>	131

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 Nine Fiscal Years*
(accrual basis of accounting)**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 15,803,696	\$ 15,817,889
Restricted	33,736	454,128	-	-	-	-	9,943,281	8,254,537	8,959,736
Unrestricted	3,008,562	1,998,259	4,146,304	5,550,028	5,635,602	7,003,987	936,042	(125,377)	507,662
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>	<u>\$ 23,932,856</u>	<u>\$ 25,285,287</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	\$ 17,695,865	\$ 21,694,074
Restricted	2,274,650	2,850,967	2,765,250	3,408,935	3,124,665	3,155,468	2,832,699	2,539,352	2,987,414
Unrestricted	(3,410,201)	(3,466,106)	(2,469,080)	(2,128,531)	1,772,757	2,196,051	1,946,161	1,857,479	1,586,530
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>	<u>\$ 22,092,696</u>	<u>\$ 26,268,018</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	\$ 33,499,561	\$ 37,511,963
Restricted	2,308,386	3,305,095	2,765,250	3,408,935	3,124,665	3,155,468	12,775,980	10,793,889	11,947,150
Unrestricted	(401,639)	(1,467,847)	1,677,224	3,421,497	7,408,359	9,200,038	2,882,203	1,732,102	2,094,192
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>	<u>\$ 46,025,552</u>	<u>\$ 51,553,305</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 nine years were available.

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities:									
General government	\$ 991,642	\$ 975,433	\$ 1,113,205	\$ 828,505	\$ 1,617,100	\$ 513,373	\$ 773,807	\$ 1,569,457	\$ 540,704
Public safety	1,914,842	2,126,447	2,715,804	2,633,693	3,331,662	3,123,956	3,391,570	3,579,625	3,631,852
Public works	896,723	1,557,534	1,056,748	1,552,356	1,781,623	1,699,290	1,360,646	1,533,151	2,225,990
Community development	844,130	583,308	764,896	1,115,011	1,941,075	2,933,556	2,476,389	2,761,874	1,705,523
Interest on long-term debt	239,953	289,953	10,260	215,937	217,746	10,036	11,033	11,188	2,539
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>	<u>\$ 9,455,295</u>	<u>\$ 8,106,608</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	1,468,349	2,016,518
Water utility	1,047,739	1,011,590	1,046,063	1,143,306	1,496,483	1,811,774	1,928,413	1,935,479	1,870,679
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	2,191,694	2,220,021
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	358,173	369,872
CNG Fueling Station	-	-	-	65	60,446	71,267	68,755	67,384	70,433
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>	<u>6,021,079</u>	<u>6,547,523</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>	<u>15,476,374</u>	<u>14,654,131</u>
Program Revenues									
Governmental activities:									
Charges for service:									
General government	\$ 181,370	\$ 71,666	\$ 75,283	\$ 79,049	\$ 102,515	\$ 91,167	\$ 95,902	\$ 84,237	\$ 109,589
Public safety	238,387	312,962	347,346	375,852	375,115	125,604	94,595	87,015	83,236
Public works	81,428	584,476	386,155	351,148	856,014	510,125	192,827	93,122	125,988
Community development	109,437	38,467	198,994	394,214	298,143	657,515	340,647	411,836	373,782
Operating contributions and grants	223,001	337,520	519,744	377,824	1,121,182	763,357	1,675,519	591,144	922,223
Capital contributions and grants	347,750	71,245	2,431,596	1,545,108	1,211,349	1,557,424	2,715,349	1,594,418	1,104,120
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>	<u>\$ 2,861,772</u>	<u>\$ 2,718,938</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	2,177,630	2,471,011
Water utility	1,335,985	1,469,311	1,662,442	2,056,043	2,480,917	2,245,359	1,932,659	1,840,116	1,954,124
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	2,201,280	2,189,317
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	210,992	167,987
CNG Fueling Station	-	-	-	3,470	31,183	35,390	36,911	45,612	58,898
Operating contributions and grants	37,583	23,169	23,480	24,631	-	156,685	52,264	134,164	126,221
Capital contributions and grants	-	31,000	-	175,340	31,000	245,939	623,151	2,700,005	3,777,163
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>	<u>9,309,799</u>	<u>10,744,721</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>	<u>\$ 12,171,571</u>	<u>\$ 13,463,659</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)	\$ (6,593,523)	\$ (5,387,670)
Business-type activities	825,722	988,037	1,448,160	1,953,531	1,410,860	1,542,608	1,026,135	3,288,720	4,197,198
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>	<u>\$ (3,304,803)</u>	<u>\$ (1,190,472)</u>

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 2,280,139	\$ 2,301,943
Sales taxes	816,805	831,975	878,882	1,026,058	1,169,916	1,148,056	1,171,253	1,022,594	1,115,180
Franchise taxes	208,699	222,737	234,247	251,062	273,391	289,841	331,021	310,000	321,593
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	2,091,777	1,984,448
State allocation of gas taxes	911,540	850,894	669,361	1,011,718	1,037,907	1,076,110	1,327,370	1,020,433	632,096
Other taxes	9,887	12,928	13,555	17,435	21,025	48,418	96,072	149,444	210,235
Unrestricted investment earnings	79,264	23,355	48,875	39,613	144,174	94,218	46,344	25,384	19,155
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	91,421	133,575
Transfers	612,940	582,171	662,998	(280,423)	(1,060,435)	(32,196)	221,434	145,000	-
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>	<u>7,136,192</u>	<u>6,718,225</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)	(145,000)	-
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>	<u>(145,000)</u>	<u>-</u>
Total primary government	<u>4,155,971</u>	<u>12,709,564</u>	<u>4,743,648</u>	<u>5,544,269</u>	<u>15,290,404</u>	<u>6,947,265</u>	<u>7,770,696</u>	<u>6,991,192</u>	<u>6,718,225</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	\$ 542,669	\$ 1,330,555
Business-type activities	212,782	3,893,017	785,162	2,233,954	11,290,363	1,574,804	804,701	3,143,720	4,197,198
Total primary government	<u>\$ 1,275,776</u>	<u>\$ 9,581,262</u>	<u>\$ 4,490,013</u>	<u>\$ 4,275,493</u>	<u>\$ 11,776,376</u>	<u>\$ 3,914,854</u>	<u>\$ 5,898,225</u>	<u>\$ 3,686,389</u>	<u>\$ 5,527,753</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 Nine 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
2010	2,280,139	1,022,594	310,000	2,091,777	1,020,433	149,444	\$ 6,874,387
2011	2,301,943	1,115,180	321,593	1,984,448	632,096	210,235	\$ 6,565,495

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues									
Taxes	\$ 3,525,308	\$ 3,375,002	\$ 3,928,812	\$ 4,933,573	\$ 5,696,668	\$ 5,974,587	\$ 7,024,678	\$ 6,468,428	\$ 6,505,022
Licenses and permits	210,026	282,409	329,765	371,835	355,066	278,930	140,894	163,040	214,588
Fines, forfeitures and assessments	84,588	69,069	39,017	50,985	63,642	126,551	132,821	123,769	76,464
Use of money or property	160,287	237,948	155,930	258,800	244,313	194,745	118,686	77,088	52,566
Intergovernmental	1,095,171	1,585,106	2,596,561	2,493,475	3,003,378	3,383,632	3,514,852	2,340,867	1,607,839
Charges for services	282,968	340,835	577,381	628,728	1,085,962	661,046	441,105	375,879	411,272
Loan payments									75,416
Contributions and Donations	-	-	-	-	-	-	1,509,139	250,000	-
Miscellaneous	-	-	-	-	14,197	35,903	27,108	54,317	60,926
Total revenues	5,358,348	5,890,369	7,627,466	8,737,396	10,463,226	10,655,394	12,909,283	9,853,388	9,004,093
Expenditures									
General government	544,252	615,026	816,192	757,396	1,052,512	402,432	383,601	288,215	299,559
Public safety	1,675,487	1,900,766	2,338,510	2,250,832	2,889,719	3,110,640	3,387,064	3,569,154	3,630,823
Public works	789,687	801,401	898,191	1,120,427	1,485,487	1,312,073	1,063,125	1,049,415	1,100,490
Community development	1,074,219	778,682	887,110	1,468,682	1,958,644	2,413,251	1,876,112	1,777,319	2,865,366
Non departmental	388,915	325,695	305,999	277,202	606,732	6,360	308,012	827,057	163,513
Capital outlay	232,466	747,004	1,155,555	952,509	1,448,650	1,874,192	3,998,484	1,400,142	657,607
Debt service									
Principal	135,000	124,426	209,767	160,000	510,448	194,837	212,888	228,508	691,657
Interest	296,519	275,052	228,207	219,079	209,494	201,269	189,823	179,022	179,676
Other charges	-	-	-	-	297,652	343,955	456,139	810,342	512,439
Total expenditures	5,136,545	5,568,052	6,839,531	7,206,127	10,459,338	9,859,009	11,875,248	10,129,174	10,101,130
Excess of revenues over (under) expenditures	221,803	322,317	787,935	1,531,269	3,888	796,385	1,034,035	(275,786)	(1,097,037)
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	2,133,813	2,205,503
Transfers out	(452,634)	(988,642)	(1,020,754)	(1,897,340)	(2,810,376)	(3,366,113)	(2,990,787)	(1,988,813)	(2,183,627)
Loan proceeds	-	-	-	-	453,643	-	-	-	-
Total other financing sources (uses)	612,940	582,171	662,998	(280,423)	(34,946)	(32,196)	221,434	145,000	21,876
Net change in fund balances	\$ 834,743	\$ 904,488	\$ 1,450,933	\$ 1,250,846	\$ (31,058)	\$ 764,189	\$ 1,255,469	\$ (130,786)	\$ (1,075,161)
Debt service as a percentage of noncapital expenditures	8.80%	8.29%	7.71%	6.06%	11.29%	9.27%	10.90%	14.04%	14.58%

* 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 Unsecured Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other Property				
2002	208,586,782	36,362,305	24,863,523	14,635,558	9,865,801	(35,331)	294,313,969	2.29
2003	215,040,647	51,883,848	12,658,765	15,754,157	10,411,744	(619,817)	305,749,161	2.26
2004	241,650,696	51,084,016	4,805,347	23,593,710	9,500,145	(596,393)	330,633,914	2.20
2005	250,204,533	52,289,623	8,611,090	25,899,684	9,223,450	(619,675)	346,228,380	2.28
2006	280,722,875	57,792,213	12,081,256	29,485,770	11,429,075	(49,384)	391,511,189	2.74
2007	331,758,057	62,099,887	18,350,449	50,175,007	11,401,146	(90,183)	473,784,546	3.03
2008	378,557,857	64,190,867	13,806,003	88,875,398	12,096,892	(166,340)	557,527,017	2.91
2009	434,659,664	67,803,708	18,918,540	107,780,710	14,160,343	(165,325)	643,322,965	2.88
2010	411,384,716	77,429,803	29,941,301	73,192,453	19,151,609	(1,453,825)	611,099,882	3.08
2011	376,272,594	77,802,948	29,783,018	59,000,152	17,207,671	(1,847,864)	560,066,383	3.25

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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
City's Share of 1% Levy	0.0908	0.0908	0.0908	0.0908	0.0908	0.0908	0.0908	0.0908	0.0911	0.0931
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
Kern County Advertising	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
Education Revenue Augmentation Fund	0.1552	0.1552	0.1552	0.1552	0.1552	0.1552	0.1552	0.1552	0.1549	0.1529
Kern County Fire Department	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
Kern County	0.1628	0.1628	0.1628	0.1628	0.1628	0.1628	0.1628	0.1628	0.1628	0.1629
Kern County Water Agency	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
Wasco High School District	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
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
Total Direct & Indirect Property Tax	<u>1.0000</u>									
Overlapping Debt Assessment Rates										
Kern Community College	0.00000	0.00000	0.01180	0.00918	0.00963	0.00528	0.00805	0.00905	0.00940	0.01012
Kern County Water Agency	0.02936	0.03107	0.03635	0.03424	0.02555	0.01875	0.02421	0.02062	0.02690	0.02385
Shafter-Wasco Irrigation District: Debt	0.31250	0.31250	0.31250	0.31250	0.31250	0.31250	0.31250	0.31250	0.31250	0.00000
Wasco Union Elementary School District: 2008A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.02833	0.01986	0.02138
Wasco Union	0.00000	0.02936	0.03267	0.03660	0.03486	0.02993	0.02804	0.02858	0.03268	0.03742
Total Overlapping Debt Assessment Rates	<u>0.34186</u>	<u>0.37293</u>	<u>0.39332</u>	<u>0.39252</u>	<u>0.38254</u>	<u>0.36646</u>	<u>0.37280</u>	<u>0.39908</u>	<u>0.40134</u>	<u>0.09277</u>
Total Tax Rates:	<u>1.34187</u>	<u>1.37294</u>	<u>1.39333</u>	<u>1.39253</u>	<u>1.38255</u>	<u>1.36647</u>	<u>1.37281</u>	<u>1.39909</u>	<u>1.40132</u>	<u>1.09279</u>

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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, 2011**

<u>Taxpayer</u>	2011			2002		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Sunnygen LLC	\$ 19,716,786	1	3.52%	-	-	-
Certis United States	13,217,703	2	2.36%	-	-	-
Heller Development Company Inc.	8,544,850	3	1.53%	-	-	-
Savage Industries Inc.	6,879,708	4	1.23%	-	-	-
Sarno Sarno Test Trust	6,768,595	5	1.21%	-	-	-
Delmar Asscs LP	6,384,040	6	1.14%	-	-	-
Kaakal Inc	4,623,455	7	0.83%	-	-	-
Ennis Land Development LLC	4,531,415	8	0.81%	-	-	-
Poplar PCA LLC	4,417,092	9	0.79%	-	-	-
Valley Rose Development Corporation	4,328,184	10	0.77%	-	-	-
Thermo Trilogy Corporation	-	-	-	13,933,092	1	4.73%
Newco Corporation	-	-	-	8,184,394	2	2.78%
Wasco Arms Apartments	-	-	-	4,818,246	3	1.64%
Delmar Asscs LP	-	-	-	4,800,000	4	1.63%
Wasco Commercial Group	-	-	-	3,529,922	5	1.20%
Pavilion Development Four	-	-	-	2,152,200	6	0.73%
Jeffries Bros. Inc.	-	-	-	1,942,646	7	0.66%
Poso Manor	-	-	-	1,746,011	8	0.59%
Burlington Northern and Santa Fe RR	-	-	-	1,504,099	9	0.51%
PME Mortgage Fund Inc.	-	-	-	1,395,471	10	0.47%

**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
2002	322,190	318,491	99%	20,965	339,456	105%
2003	335,078	332,577	99%	647	333,224	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	571,639	564,574	99%	14,933	579,507	101%
2008	644,325	647,007	100%	21,106	668,114	104%
2009	597,853	587,841	98%	7,767	595,608	100%
2010	664,169	664,169	100%	6,578	670,747	101%
2011	557,319	557,319	100%	-	557,319	100%

Source: Kern County Auditor Controllers Office

City of Wasco
Ratios of Outstanding Debt by Type
Last Nine 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	Revenue Bonds	Notes Payable	Capital Leases	Compensated Absences			
2003	\$ -	\$ 2,890,000	\$ 555,000	\$ -	\$ 103,820	\$ 10,200,000	\$ 4,574,936	\$ 42,533	\$ 34,746	\$ 18,401,035	5.89%	\$ 838
2004	-	2,810,795	532,800	-	398,799	10,030,000	4,341,846	-	44,628	18,158,868	5.74%	816
2005	-	2,685,795	507,800	-	342,000	9,855,000	4,166,550	-	40,285	17,597,430	5.43%	770
2006	-	2,550,795	482,800	-	342,000	9,670,000	3,889,773	-	40,285	16,975,653	5.06%	716
2007	-	2,410,795	457,800	108,195	342,000	620,000	3,606,926	196,532	70,516	7,812,764	2.29%	323
2008	-	2,220,000	435,000	88,358	430,358	420,000	3,923,699	102,822	108,457	7,728,694	2.19%	309
2009	-	2,065,000	405,000	95,934	342,000	215,000	3,594,264	102,822	97,006	6,917,026	1.92%	272
2010	-	1,900,000	375,000	62,427	692,000	-	2,847,552	366,896	102,837	6,346,712	2.20%	248
2011	-	1,715,000	345,000	27,769	250,000	-	2,586,903	23,559	103,438	5,051,669	1.73%	196

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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, 2011**

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Total Debt 6/30/2011</u>	<u>% Applicable(1)</u>	<u>City's Share of Debt 6/30/11</u>
Kern Community College District Safety, Repair and Improvement District	\$107,851,213	0.611 %	\$658,971
Wasco Union School District	5,636,059	49.500	2,789,849
Wasco Union High School District	15,400,000	10.818	1,665,972
Semitropic Water Storage District Improvement District	1,185,000	0.090	1,067
City of Wasco 1915 Act Bonds	3,165,000	100.000	3,165,000
Kern Community College District Assessment District	<u>3,895,000</u>	<u>0.662</u>	<u>25,785</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$8,306,644
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Kern County Certificates of Participation	\$132,290,000	%	\$719,658
Kern County Pension Obligations	424,380,506	0.544	2,308,630
Kern County Board of Education Certificates of Participation	52,375,000	0.544	284,920
Kern County Joint Community College District Certificates of Participation	93,750,000	0.540	506,250
Kern Community College District Benefit Obligations	84,345,000	0.540	455,463
City of Wasco	<u>0</u>	<u>100</u>	<u>0</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$4,274,921</u>
 TOTAL DIRECT DEBT			 \$0
TOTAL OVERLAPPING DEBT			\$12,581,565
 COMBINED TOTAL DEBT			 <u><u>\$12,581,565</u></u> (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 2010-11 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.48%

Ratios to Adjusted Assessed Valuation:

Total Direct Debt 0.00%
Combined Total Debt 2.98%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/11: \$0

Source: California Municipal Statistics, Inc.

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

Fiscal Year	Wastewater Revenue Bonds and Notes Payable						Coverage
	Wastewater Charges and Other	Less: Operating Expenses	Net Available Revenues	Debt Service			
				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	
2010	2,096,266	962,049	\$ 1,134,217	468,977	90,793	2.03	
2011	2,121,617	1,607,144	\$ 514,473	260,649	74,660	1.53	

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 Thousands)²	Per Capita Personal Income²	Unemployment Rate³
2001	21,412	686,000	\$ 304,781	\$ 14,234	16.1%
2002	21,688	687,600	\$ 308,679	\$ 14,233	18.3%
2003	22,389	702,837	\$ 318,445	\$ 14,223	19.2%
2004	22,972	724,883	\$ 326,285	\$ 14,204	18.5%
2005	23,725	753,070	\$ 336,531	\$ 14,185	16.2%
2006	24,259	779,869	\$ 343,422	\$ 14,156	14.6%
2007	24,088	801,648	\$ 340,551	\$ 14,138	15.7%
2008	24,939	817,517	\$ 352,474	\$ 14,133	18.5%
2009	25,442	827,173	\$ 359,918	\$ 14,147	26.1%
2010	25,541	839,631	\$ 288,588	\$ 11,299	28.4%

¹Dates reflect calendar years January through December

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

³Source: California Employment Development Dept.

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

Employer	2011			Employer	2002			
	Number of Employees	Rank	Percent of Total City Employment		Number of Employees	Rank	Percent of Total City Employment	Percent of Total City Employment
Wasco State Prison	1,481	1	22.78%	Wasco State Prison	1,300	1	20.00%	0.02%
Sun World	450	2	6.92%	Bear Creek Productions	1,100	2	16.92%	0.03%
Wasco Union Elementary School District	353	3	5.43%	Wasco Union Elementary School District	360	3	5.54%	0.05%
SunnyGem	300	4	4.62%	Wasco Union High School District	121	4	1.86%	0.06%
Weeks Roses	300	5	4.62%	K-Mart	100	5	1.54%	0.08%
Primex Farms LLC	200	6	3.08%	Thermo-Trilogy	70	6	1.08%	0.09%
Wasco Union High School District	140	7	2.15%	City of Wasco	50	7	0.77%	0.11%
K-mart	140	8	2.15%	Save Mart Supermarket	34	8	0.52%	0.12%
South Valey Farms	130	9	2.00%	Semi-Tropic Water Stroage	34	9	0.52%	0.14%
City of Wasco	63	10	0.97%	Savage Coal Service Company	22	10	0.34%	0.15%
Total	3,557		54.72%	Total	3,191		49.09%	0.85%

Source: City of Wasco, Wasco Chamber of Commerce

City of Wasco
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	14.75	14.88	14.88	18.75	17.18	28.52	15.02	11.20	16.49	10.95
Public Safety										
Police officers and staff ¹										
Firefighters and officers ²										
Highways and streets										
Engineering	3.38	2.30	2.30	1.00	1.35	2.70	3.75	0.8	1.85	1
Maintenance	7.75	7.45	7.45	7.70	12.96	15.56	11.09	13.91	12.91	12.21
Community development	1.75	1.50	1.50	2.19	3.15	2.45	10.45	6.75	1.96	1.55
Public Transit	2.50	2.65	2.65	2.55	2.56	3.35	3.20	3.00	3.00	3.00
CNG Fueling Station	-	-	-	-	-	0.10	0.10	0.10	0.10	0.10
Sanitation	8.80	10.00	10.00	10.51	11.55	14.64	14.51	15.57	14.57	12.55
Water	6.05	5.55	5.55	5.76	5.94	7.77	7.45	7.93	7.58	7.83
Sewer	3.65	4.80	4.80	5.53	5.43	7.26	6.23	7.24	6.54	6.81
Total	48.63	49.13	49.13	53.99	60.12	82.35	71.80	66.50	65.00	56.00

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
Operating Indicators by Function
Last Ten Fiscal Years***

Function	2002	2003	2004	2005	2006	2007	2,008	2009	2010	2,011
City Manager										
Ordinances passed	n/a	n/a	n/a	7	35	40	35	24	25	7
Resolutions processed	n/a	n/a	n/a	110	85	90	85	151	82	70
Public hearings noticed	n/a	n/a	n/a	65	110	100	105	62	48	21
Finance & accounting										
A/P checks processed	2,200	2,421	2,376	2,507	2,583	2,703	2,587	2,403	2,260	2,162
Payroll checks processed	1,200	1,426	1,516	1,619	1,859	2,280	2,447	2,061	1,736	1,768
Purchase orders issued		776	860	1,151	1,401	1,768	2,330	3,932	3,548	3,522
Planning										
Residential site plans	n/a	n/a	140	300	326	400	125	93	87	79
Combined site plans	n/a	n/a	25	12	9	10	20	17	20	38
Engineering										
Completed projects	n/a	n/a	4	6	10	11	15	12	15	72
Police Department										
Calls responded to	16,698	18,296	16,367	16,786	17,502	18,741	26,229	18,122	20,111	17,719
Traffic citations issued	1,427	1,807	1,986	1,128	1,166	2,431	3,011	1,622	2,377	1,856
Animal Services										
Animals processed	n/a	1,286	1,286	1,131	1,304	1,111	1,151	1,342	927	910
Animals adopted/returned	n/a	721	721	710	480	383	332	412	844	907
Building Inspection										
Permits requested	n/a	n/a	600	596	754	427	550	234	303	297
Inspections completed	n/a	n/a	4,273	4,800	5,200	4,400	2,400	1,418	1,264	2,270
Code Compliance										
Cases	n/a	n/a	1,460	1,490	1,460	1,490	887	1,564	875	525
Streets & roads										
Street signs replaced	n/a	n/a	n/a	100	85	140	114	157	30	75
Sq. Feet of graffiti removed	n/a	n/a	n/a	5,800	10,000	8,246	15,165	26,127	18,756	26,316
Miles of street rejuvenated	n/a	n/a	n/a	-	9	4	8	3	2	2
Public Transit										
Total customers	n/a	22,600	n/a	n/a	26,053	31,386	28,594	22,593	19,812	21,382
Total Mileage	n/a	n/a	n/a	n/a	34,084	40,666	37,354	35,990	32,159	29,569
Wastewater										
Effluent BOD requirement	n/a	n/a	n/a	98%	100%	100%	100%	100%	100%	100%
Suspended solids requirement	n/a	n/a	n/a	99%	100%	100%	100%	100%	100%	100%
Dissolved oxygen level requirement	n/a	n/a	n/a	99%	100%	100%	100%	100%	100%	100%
Sewage overflow	n/a	n/a	n/a	0%	0%	0%	0%	0%	3	0%
Water										
Pumping cost per MGAL	\$ 175	\$ 275	\$ 275	\$ 250	\$ 240	\$ 225	\$ 275	\$ 296	\$ 293	295
Million gallons pumped	1,400	1,400	1,425	1,500	1,425	1,450	1,546	1,570	1,501	1,525
Sanitation										
Traffic accidents	n/a	n/a	n/a	1	-	-	-	1	2	-
Landfill trips	n/a	n/a	n/a	2,964	3,200	4,216	4,103	3,640	3,725	4,015

* 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
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police Department										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (miles)	53.43	53.43	53.43	53.43	66.01	66.84	66.84	66.84	110.84	90.5
Streetlights	564	578	578	624	624	693	694	701	712	903
Traffic Signals	-	-	-	1	1	2	2	2	2	3
Parks and Recreation	1									
Parks	1	-	-	1	2	2	2	3	4	5
Water										
Water lines (miles)	49.32	58.45	58.45	58.45	59.98	60.51	61.35	61.35	61.35	69.2
City well sites	6	6	6	6	6	6	6	7	7	7
Fire hydrants	440	440	440	449	461	461	463	463	463	503
Wastewater										
Sanitary sewers (miles)	15.89	16.02	16.02	17.45	17.45	18.00	19.27	19.27	19.27	40.95
Storm sewers (miles)	12.56	12.56	12.56	14.44	14.44	14.44	14.44	14.44	14.44	16.15
Treatment capacity (mgd)	3	3	3	3	3	3	3	3	3	3
Public Transit										
Dial-a-ride busses	1	2	2	2	3	4	4	4	4	4
Sanitation										
Collection trucks	4	6	5	6	6	7	7	7	7	7

Source: City of Wasco

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.