

# CALIFORNIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2008



*The City of*  
**Wasco**  
G R O W   W I T H   U S



INCORPORATED 1945

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE CITY OF WASCO, CA



**Fiscal Year Ended June 30, 2008**

*Prepared by:*

*Finance Director*  
**Jim Zervis**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

*City of*



INCORPORATED 1945



**City of Wasco  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2008**

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INCORPORATED 1945



December 16, 2008

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

State law requires that every general-purpose local government publish within six months of the close of the fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2008.

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, 2008. The independent auditor's report is located at the front of the financial section of this report.

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

### ***Profile of the Government***

The City of Wasco, incorporated in 1945, and is located 30 miles north west from Bakersfield, the largest City in Kern County and is in the heart of the most diversified agricultural region in the world. The City is seated in between the two major Freeways within the State of California, Highway 99 (SR99) 9 miles to the east, Interstate 5 (I-5) 17 miles to the west. The City of Wasco currently occupies a land area of 9.7 square miles and serves a population of 24,999 of which includes approximately 6,014 prison inmates. The City of Wasco relies on taxes from various sources and agencies; such as, property tax, sales tax, motor vehicle-in-lieu of property taxes and franchise tax. The City is empowered by

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

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

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

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

### ***Local economy***

Major industries located within the City's boundaries or in close proximity include agricultural production and processing, logistical, warehousing and distribution centers. The state also has a significant economic presence thanks to a major state prison that provides employment for more than 1,700 prison guards and staff.

Because of its location within the region and heavy reliance on seasonal agricultural jobs, unemployment is relatively high. During the past ten years, the unemployment rate declined from a high of 21.9 percent (1998) to a decade low of 14.4 percent (2006), only to increase once more to the current rate of 18.2 percent. The increase in unemployment over the past two years is the result of a

major agricultural producer selling its land and moving out of the City as well as a loss in construction related jobs due to the residential housing slowdown. Unemployment is expected to hold steady over the next few years for two reasons. First, the nationwide economic recession we are currently experiencing is increasing the unemployment rate nationwide including the City of Wasco. Second, there is a nationwide hotel chain, fast food restaurant, and regional grocery store currently under construction. Several other nationally known retailers and restaurants are contemplating projects along Highway 46. These new businesses will add a diversifying source of jobs to the City of Wasco.

In fiscal year 2007/2008 Wasco experienced a significant slowdown in the residential housing market also slowing developer related building, planning, and tap fees. Six different subdivisions that were under development fell into default with their lenders and as a result construction within these tracts significantly slowed down or stopped altogether. The City of Wasco downsized its planning and building divisions to cope with the revenue reductions.

The City Council intends to continue to improve efforts to recruit and retain industrial and commercial businesses. One of the steps taken by City Council was to initiate the development of a new rail oriented industrial park and to proactively conduct the necessary Economic Impact Report for the park. Several logistical and industrial businesses have shown interest in the new park.

Additionally the City Council developed and approved the third amendment to the Redevelopment Plan for the Wasco Redevelopment Agency in 2007/2008. This Plan focuses on achieving specific goals including the encouragement of economic development, to sponsor needed public improvements in the project area, and to increase, preserve and improve the supply of very low, low and moderate income housing opportunities for ownership and rental markets.

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

### ***Long-term financial planning***

Unreserved, undesignated fund balance in the general fund (5.67 percent of total general fund expenditures) falls below the policy guidelines set by the City Council for budgetary and planning purposes (i.e., no less than the greater of 15 percent total general fund revenues or 16.67 percent total general fund operating expenditures). This policy was first established in fiscal year 2007/2008 and the

general fund unreserved, undesignated fund balance was 1.93 percent of total general fund operating expenditures. Along with the policy was a five year funding plan to bring the general fund into compliance with the new policy. As of June 30, 2008 the City is ahead of schedule in achieving compliance.

In 2007/2008 the City completed the design phase of a 1.5 million gallon expansion to the City's wastewater treatment plant. This expansion was needed because of the potential build out of several new subdivisions within the service area. The estimated cost of the expansion was \$27 million dollars all of which was to be financed through a loan or bond issuance. Due to the significant slowdown in the residential housing market the subdivisions under construction have significantly slowed or temporarily stopped construction. This has pushed out the need for the wastewater plant expansion for an additional three to five years. Some minor improvements to the plant are moving forward in fiscal year 2008/2009 with an estimated cost of \$1.5 million dollars. The bulk of the expansion project will have to be estimated and financed in future years.

The City of Wasco recently received \$4,400,000 in grant awards from the California Department of Housing and Community Services (HCD) for mortgage assistance to first-time homebuyers. The funds come from HCD's Home Investment Partnerships Program (HOME) and Building Equity and Growth in Neighborhoods Program (BEGIN). Up to 128 first-time homebuyers are expected to benefit from the City's HOME and BEGIN Programs.

The HOME Program helps low-income, working households with the purchase of an existing home and educates buyers on purchasing and maintaining the home. The City of Wasco will use the HOME award to make fixed-rate, deferred payment loans to purchase and rehabilitate homes in Wasco. Qualified buyers will meet the income guidelines and will occupy the home as their primary residence. The HOME Program is funded by Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990.

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

The City of Wasco as is other Cities in the State of California is faced with escalating cost of public safety and reductions in revenues from the State that assists in the funding for public safety. Having a high level of police protection

services in the City of Wasco is a priority of the City Council. The City Council wants to maintain a minimum of one officer per one thousand citizens. In order to assist in the high costs of policing services, the City Council was the third City in the State to pass the police parcel tax. This tax is levied only on new residential development. This will ensure new residential development within the City limits pays its share of the added cost for additional officers.

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

Also discussed above is Wasco's commitment to the development of a new rail served industrial park. In 2007/2008 the city completed the necessary environmental impact reports to proceed with the development of the park. Within the next fiscal year the city will apply for the annexation of the land in the proposed park. The city is working closely with prospective business in the development of the park including a national ethanol production company who is currently planning a production plant in the new park. In addition this company is working with the City in the application for a \$1,400,000 Community Development Block Grant (CDBG) Over The Counter Grant that will be used to fund the construction of the public rail spur that will serve the industrial park. The ultimate construction on the new industrial park will generate a new base of jobs and tax revenue to support 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 receives an average yield of 4.325% for fiscal year ended on June 30 2008. Additionally the City of Wasco invested \$1,500,000 into an account with Merrill Lynch. At June 30, 2008 this account was valued at \$1,696,264. The Funds at Merrill Lynch are invested in liquid money market and government securities, and corporate bonds; which is an investment strategy approved by City Council.

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

## ***Risk Management***

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

## **Pension and other post employment benefits**

The City of Wasco participates in the Public Agency portion of the California Public Employees Retirement System (CalPERS). CalPERS is an agent for a multiple-employer plan, which acts as a common investment and agent for participating public employers within the State of California. The City of Wasco offers their employees 3 percent @ 60 plan. Active members are required to contribute 8.186 percent and the City of Wasco contributes 20.732 percent. In addition, the City of Wasco offers a 457 voluntary contribution plan. Additional information on the City of Wasco's pension plan and other post employment benefits can be found in Note 12 of the note to the financial statements.

## **Award and Acknowledgements**

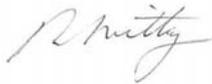
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wasco for its comprehensive annual financial report for the fiscal year ended June 30, 2007. This was the fourth consecutive year 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 2007/2008, which constitutes receipt of the award for seventh 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. We wish to express our appreciation to all members of the City departments who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Wasco's finances.

Respectfully



Ron Mittag  
City Manager



Jim Zervis  
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, 2007. This was the 4th consecutive year that the City of Wasco has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Presented to

**City of Wasco  
California**

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

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



*Charles S. Cox*

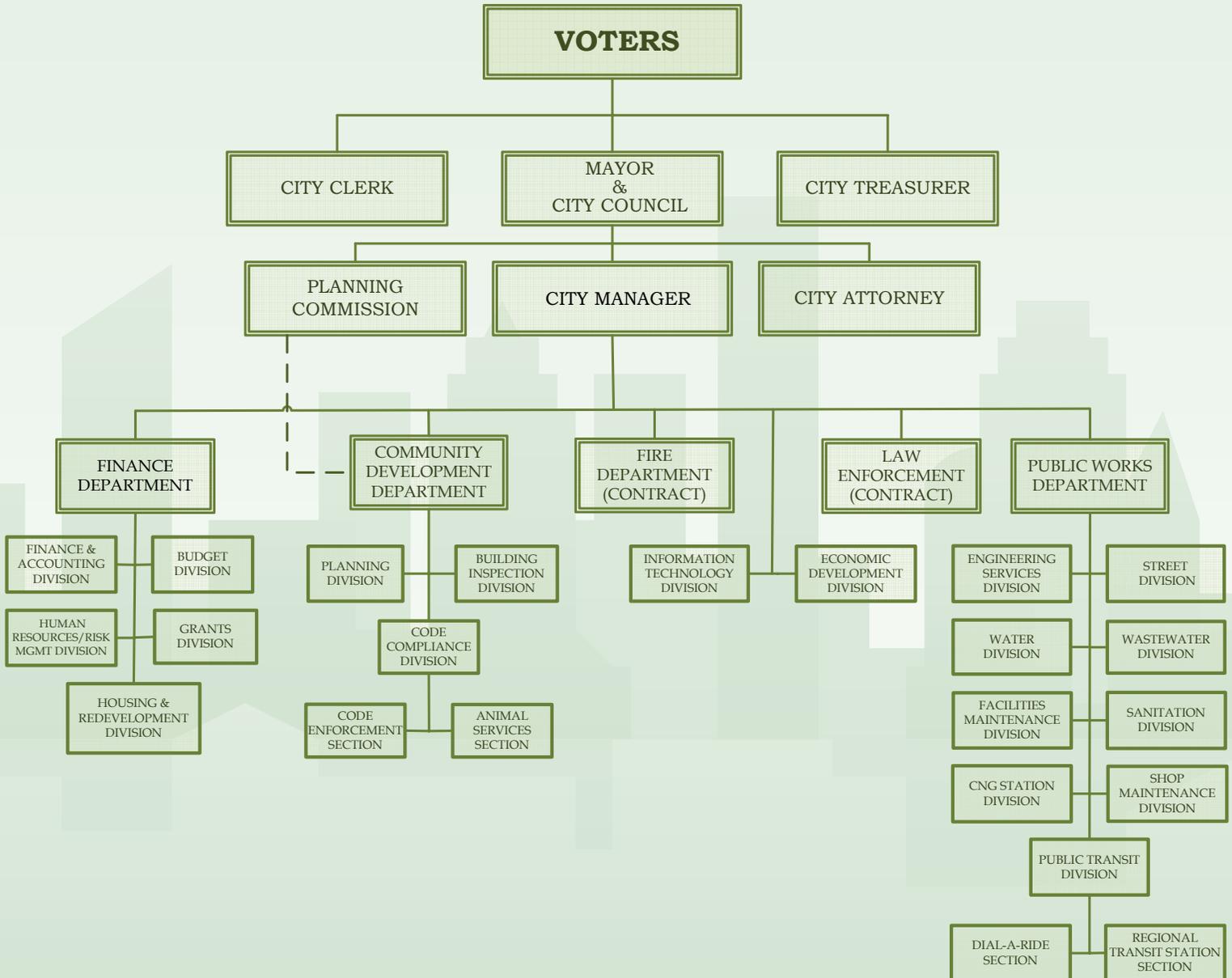
President

*Jeffrey R. Emer*

Executive Director



**CITY OF WASCO  
Organizational Chart  
Fiscal Year 2007 / 2008**





CITY OF WASCO  
Elected Officials & Staff  
Fiscal Year 2007 / 2008

# CITY COUNCIL



JOE HIVELY  
Council Member



DANNY ESPITIA  
Council Member



CHERYL WEGMAN  
MAYOR



FRED WEST, JR.  
Mayor Pro Tem



TILO CORTEZ  
Council Member

## CITY CLERK



VICKY HIGHT  
City Clerk

## PLANNING COMMISSION



JILL DRESCHER  
Vice-Chair



STACIE LOPEZ  
Planning Secretary



CHARLES SANTILLAN  
Chair



ROCIO MOSQUEDA  
Treasurer

## CITY TREASURER



DWAYNE HUTSON  
Commissioner



JIM FORREST  
Commissioner



VACANT  
Commissioner



DAVE GERMAN  
Commissioner



DON ELHOLM  
Commissioner

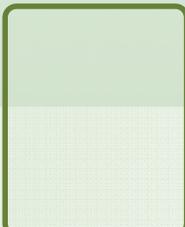
## ADMINISTRATIVE STAFF



RON MITTAG  
City Manager



BONIFACIO GARCIA  
City Attorney



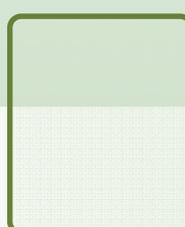
COMDR. FRANCIS MOORE  
N. Kern Division K.C.S.O.



DANIEL ALLEN  
Public Works Director



JAMES ZERVIS  
Finance Director



VACANT  
Community  
Development Director



SGT. MATT LEE  
Wasco Police Services

## Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wasco, California (City), as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wasco, California, as of June 30, 2008, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2008, 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 important for assessing the results of our audit.

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TRUXTUN PLAZA  
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Phone 661/399-2236

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

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

*Albert & Associates, LLP*

Wasco, California  
September 26, 2008

## **City of Wasco Management's Discussion and Analysis**

As management of the City of Wasco, we offer readers of the City of Wasco's financial statements this narrative overview and analysis of the financial activities of the City of Wasco for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-7 of this report.

### **Financial Highlights**

- The assets of the City of Wasco exceeded its liabilities at the close of the most recent fiscal year by \$36,440,938 (net assets). Of this amount, \$9,200,038 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Governmental Activity unrestricted net assets is \$7,003,987 and Business-Type Activities unrestricted net assets is \$2,196,051.
- The government's total net assets increased by \$3,914,854. Approximately a 27 percent of this increase is attributable to a one time infusion of resources from tap fees.
- As of the close of the current fiscal year, the City of Wasco's governmental funds reported a combined ending fund balances of \$9,789,448 which is an increase of \$764,189 over the prior year.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$312,867 or 5 percent of total general fund expenditures.
- The City of Wasco's total long-term liabilities decreased by \$236,781 (3 percent) during the current fiscal year. This net change includes \$548,137 of new debt to finance equipment purchases, \$38,595 reduction based on a change in accounting estimate, and \$746,323 reduction based on normal debt service payments.

### **Overview of the Financial Statements**

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

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

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

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

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

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

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

The government-wide financial statements can be found on pages 27-28 of this report.

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

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

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

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

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

The basic governmental fund financial statement can be found on pages 29-32 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 33-35 of this report.

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

The basic fiduciary fund financial statements can be found on page 36 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-62 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Wasco's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 63 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 66-107 of this report.

## **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Wasco, assets exceeded liabilities by \$36,440,938 at the close of the most recent fiscal year.

By far one of the largest portions of the City of Wasco's net assets (66 percent) reflects its investment in capital assets (e.g., land, building, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Wasco uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Wasco's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

#### City of Wasco's Net Assets

	Governmental activities		Business - type activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 12,908,877	\$ 10,872,945	\$ 6,038,888	\$ 5,471,037	\$ 18,947,765	\$ 16,343,982
Capital assets	11,816,034	10,429,206	17,136,455	16,095,507	28,952,489	26,524,713
Total Assets	24,724,911	21,302,151	23,175,343	21,566,544	47,900,254	42,868,695
Long-term liabilities						
outstanding	2,956,712	3,176,770	3,877,591	3,974,154	6,834,303	7,150,924
Other liabilities	3,471,536	2,168,768	1,153,477	1,022,919	4,625,013	3,191,687
Total Liabilities	6,428,248	5,345,538	5,031,068	4,997,073	11,459,316	10,342,611
Net assets:						
Invested in capital assets, net of related debt	11,292,676	10,321,011	12,792,756	11,672,049	24,085,432	21,993,060
Restricted	-	-	3,155,468	3,124,665	3,155,468	3,124,665
Unrestricted	7,003,987	5,635,602	2,196,051	1,772,757	9,200,038	7,408,359
Total net assets	\$ 18,296,663	\$ 15,956,613	\$ 18,144,275	\$ 16,569,471	\$ 36,440,938	\$ 32,526,084

An additional portion of the City of Wasco's net assets, \$3,155,468 or 9 percent of net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net \$9,200,038 may be used to meet the government's ongoing obligations to citizens and creditors (see Note 9).

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

There was an increase of \$1,574,804 in net assets reported in connection with the City of Wasco's business-type activities. Almost 71% of this increase was related to the investment in capital assets net of related debt as a result of capital purchases and regular debt payments. Almost 27% of the change occurred within the unrestricted net asset category and is the result of revenues in excess of expenses. The remaining 2% of the net change is a net increase in restricted net assets due to the collection of tap fees in excess of qualified expenses.

The government's net assets increased by \$2,340,050 during the current fiscal year. About 60 percent of this increase represents capital assets funded through capital grants and contributions in excess of current year depreciation. About 25 percent of the increase represents the degree to which increases in ongoing revenues have outstripped similar increases in

ongoing expenses. The remainder of this growth largely reflects one time impact fees and increases in operating grants.

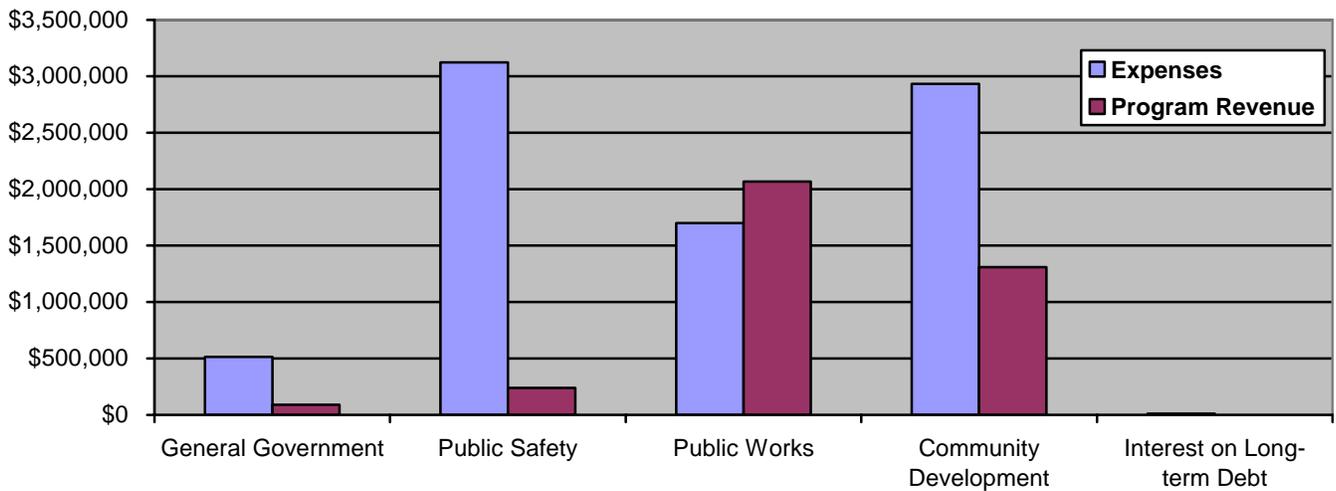
**Governmental activities.** Governmental activities increased the City of Wasco's net assets by \$2,340,050, thereby accounting for 60 percent of the total growth in the net assets of the City of Wasco. Key elements of this increase are as follows:

**City of Wasco's Changes in Net Assets**

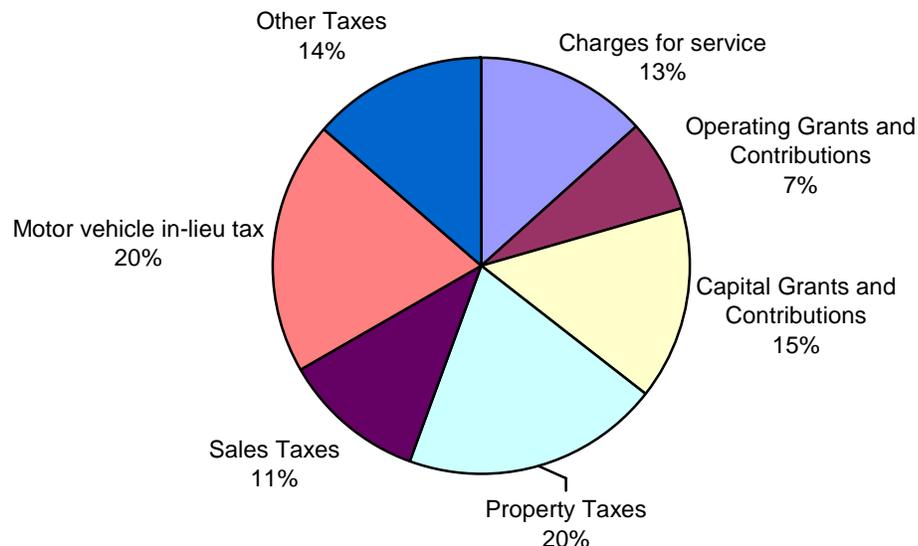
	Governmental activities		Business - type activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for service	\$ 1,384,411	\$ 1,631,787	\$ 7,320,605	\$ 6,548,040	\$ 8,705,016	\$ 8,179,827
Operating grants and contributions	763,357	1,121,182	156,685	-	920,042	1,121,182
Capital grants and contributions	1,557,424	1,211,349	245,939	31,000	1,803,363	1,242,349
<b>General revenues:</b>						
Property taxes	2,112,127	1,811,417	-	-	2,112,127	1,811,417
Sales taxes	1,148,056	1,169,916	-	-	1,148,056	1,169,916
Motor vehicle in-lieu tax	2,068,960	1,817,415	-	-	2,068,960	1,817,415
Other taxes	1,414,369	1,332,323	-	-	1,414,369	1,332,323
Grants and contributions not restricted to specific programs	94,218	144,174	-	-	94,218	144,174
Gain on sale of inventory	-	-	-	8,819,068	-	8,819,068
Other	109,535	196,091	-	-	109,535	196,091
<b>Total revenues</b>	<b>10,652,457</b>	<b>10,435,654</b>	<b>7,723,229</b>	<b>15,398,108</b>	<b>18,375,686</b>	<b>25,833,762</b>
<b>Expenses:</b>						
General government	513,373	1,617,100	-	-	513,373	1,617,100
Public safety	3,123,956	3,331,662	-	-	3,123,956	3,331,662
Public works	1,699,290	1,781,623	-	-	1,699,290	1,781,623
Community development	2,933,556	1,941,075	-	-	2,933,556	1,941,075
Interest on long-term debt	10,036	217,746	-	-	10,036	217,746
Water redemption and sewer	-	-	1,810,270	1,476,178	1,810,270	1,476,178
Water utility	-	-	1,811,774	1,496,483	1,811,774	1,496,483
Refuse collection and disposal	-	-	2,086,186	1,677,105	2,086,186	1,677,105
Golf course	-	-	-	37,919	-	37,919
Public transportation	-	-	401,124	417,049	401,124	417,049
CNG fueling station	-	-	71,267	60,446	71,267	60,446
<b>Total expenses</b>	<b>8,280,211</b>	<b>8,889,206</b>	<b>6,180,621</b>	<b>5,165,180</b>	<b>14,460,832</b>	<b>14,054,386</b>
Increase in net assets before transfers	2,372,246	1,546,448	1,542,608	10,232,928	3,914,854	11,779,376
Transfers	(32,196)	(1,060,435)	32,196	1,060,435	-	-
<b>Increase in net assets</b>	<b>2,340,050</b>	<b>486,013</b>	<b>1,574,804</b>	<b>11,293,363</b>	<b>3,914,854</b>	<b>11,779,376</b>
Net assets July 1, 2007	15,956,613	15,470,600	16,569,471	5,276,108	32,526,084	20,746,708
<b>Net assets, June 30, 2008</b>	<b>\$ 18,296,663</b>	<b>\$ 15,956,613</b>	<b>\$ 18,144,275</b>	<b>\$ 16,569,471</b>	<b>\$ 36,440,938</b>	<b>\$ 32,526,084</b>

- Property taxes increased by \$300,710 or 16 percent during the year. Most of is increase is the product of continued development of new housing and commercial growth within the city limits.
- Motor vehicle in-lieu tax increased by \$251,545 or 14 percent during the year. The increase is attributable to increased new cars being purchased by citizens of Wasco as well as increased population.
- Operating contributions and grants decreased \$357,825 or 32 percent due to higher funding of several community development grants received used for housing rehabilitation and a grant funded new senior apartment housing complex in the prior year.
- Capital contributions and grants increased by \$346,075 or 28 percent. The increase was attributed to construction work on a 2005 community development block grant for infrastructure compared to the prior year.
- Other taxes increased by \$82,046 or 6 percent largely due to the increased amount and applicability of a special policing parcel tax on newer residential development.

**Expenses and Program Revenue - Governmental Activities**



**Revenue by Source - Governmental Activities**

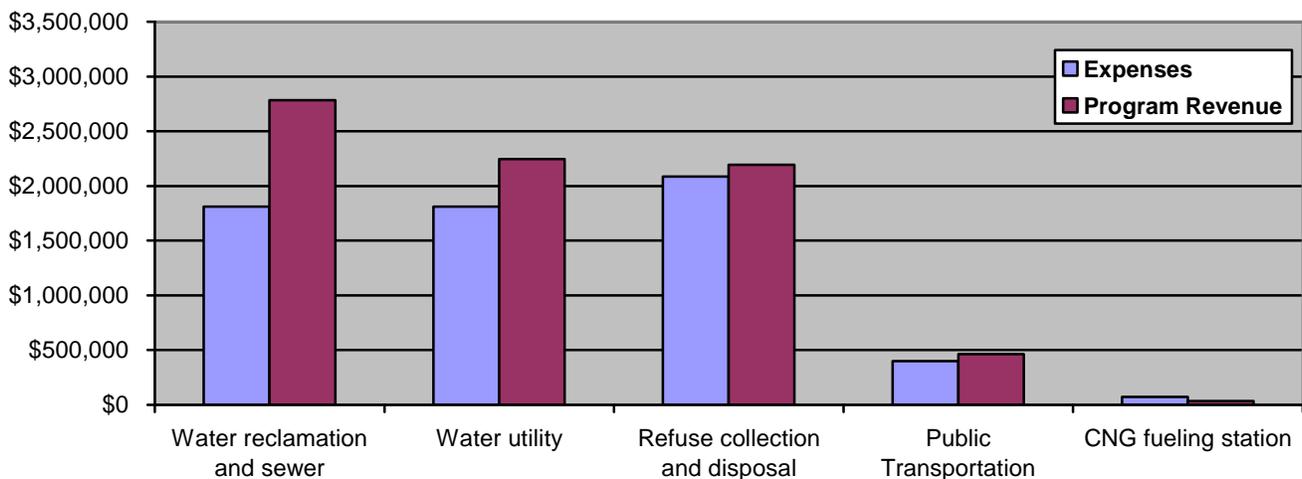


For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. One noteworthy exception, however, was the City of Wasco's general governmental function. Between 2006 and 2007 the general governmental activity experienced growth in expenses of \$788,595 (95 percent over 2006). In 2008 the governmental activity experienced a reduction of \$1,103,727 or 68 percent. Roughly 40 percent of this change is a result of spending reduction to combat the slowdown in the residential housing market, 25 percent due to one time expenses in 2007 that did not reoccur in 2008, and the balance is a change in accounting for the allocation of indirect costs. Another noteworthy exception was the City of Wasco's community development function. In that instance, the growth in expenses of \$992,481 (51 percent) was 38 percent a result of a change in the accounting for the funding of the code compliance activity which was replaced by the allocation of indirect costs noted above, 33 percent the newly established housing and community programs division, and the remainder is attributed to the direct allocation of some costs. It should be noted that there was also an increase in revenue within the community development activity of \$765,796 (89 percent) to offset the growth in expenses.

**Business-type activities.** Business-type activities increased the City of Wasco's net assets by \$1,574,804 or 40 percent of the total growth in the net assets of the City of Wasco. Key elements of this increase are a follows:

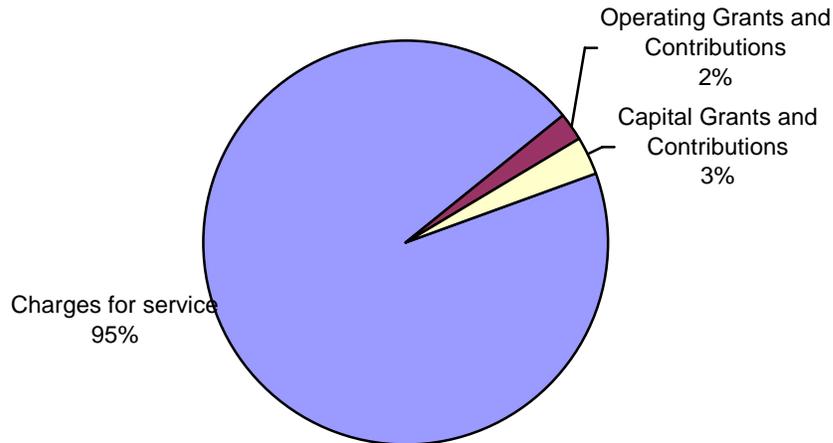
- The City of Wasco received a total of \$1,074,069 in one time connection/tap fees throughout the year accounting for 68 percent of the increase.
- The water reclamation and sewer activity received a 23 percent rate increase effective July 1, 2007 which resulted in additional revenues of \$353,719 for the purpose of a future expansion to the wastewater treatment plant and to cover operating cost increases.
- The refuse collection and disposal activity received a 33 percent rate increase effective July 1, 2007 which resulted in additional \$529,206 in revenues for the purpose of future equipment replacement and ongoing operating cost increases.
- Public transportation had a transfer in of \$153,576 related to the completion of improvements to the transit station that were funded by a combination of City and grant sources.

**Expenses and Program Revenue - Business-type Activities**



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**Revenue by Source - Business-type Activities**



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**Financial Analysis of the Government's Funds**

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

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

As of the end of the current fiscal year, the City of Wasco's governmental funds reported combined ending fund balances of \$9,789,448 an increase of \$764,189 in comparison with the prior year. Approximately 37 percent of this total amount (\$3,681,773) constitutes unreserved, undesignated fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed 1) to notes receivable, mostly accumulated from housing grant loans (\$2,144,829), 2) to land held for resale within the Wasco Redevelopment Agency (\$2,303,454), 3) to pay debt service (\$510,791), 4) to liquidate prepaid expenses and other deferred charges (\$393,798), and 4) to capital improvements (\$754,803).

The general fund is the chief operating fund of the City of Wasco. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$312,867 while total fund balance reached \$938,698. As a measure of the general funds liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 5 percent of total general fund expenditures, while total fund balance represents 17 percent of the same amount.

The fund balance of the City of Wasco's general fund increased by \$225,951 during the current fiscal year. Key factors in this increase are as follows:

- The establishment of a rainy day policy to rebuild unreserved, undesignated fund balance to 20% of annual operating expenses funded in 2008 at \$100,000 and accounting for 44 percent of the increase in unreserved, undesignated fund balance in the general fund.
- An increase in the cost of policing services under contract with the County of Kern resulted in cost increases of \$163,452 in the current fiscal year.
- Due to the declining economy and residential housing market expenditure reductions were approved at mid-year accounting for a reduction in costs of \$302,499.

The streets fund is used to account for repairs, maintenance, and capital improvement projects to streets and roads within the City of Wasco. At the end of the current fiscal year, unreserved, undesignated fund balance of the street fund was \$699,801 while total fund balance reached \$863,907. The street fund is classified as a special revenue fund because the primary funding sources are legally restricted for use only on streets and roads.

The fund balance of the City of Wasco's street fund increased by \$24,266 during the current fiscal year. Key factors in this increase are as follows:

- The State of California withheld payments of gas taxes from April 2008 through September 2008 resulting in revenue shortfalls reducing fund balance by \$122,816 for the current fiscal year.
- Grant revenues for various street construction projects were received in the current year for expenditures incurred in the prior year accounting for an increase in fund balance of \$203,480
- A reduction in revenue derived from a zone of benefit due to the slow down in residential development resulted in a revenue shortfall of \$51,000 for the current fiscal year.

The BEGIN grant fund is used to account for the City of Wasco's Building Equity and Growth In Neighborhood (BEGIN) grant that was awarded in the prior fiscal year. This program assists with low income owner occupied home loans. At the end of the current fiscal year, unreserved, undesignated fund balance of the BEGIN grant fund was \$13,911 while total fund balance reached \$97,149. The BEGIN grant fund is classified as a special revenue fund due to the legal restrictions on the grant funds.

The fund balance of the City of Wasco's BEGIN grant fund increased by \$97,149 during the current fiscal year. Key factors in this increase are as follows:

- Three grant loans made to qualified home buyers resulted in earned grant revenue increasing fund balance by \$81,879.
- Interest earned on deposited funds increased fund balance by \$15,270

The RDA capital projects fund is the main operating fund of the Wasco Redevelopment Agency, a component unit of the City of Wasco. At the end of the current fiscal year, unreserved, undesignated fund balance of the RDA capital projects fund was \$407,082 while total fund balance reached \$3,068,237.

The fund balance of the Wasco Redevelopment Agency's RDA capital projects fund decreased by \$81,715 during the current fiscal year. Key factors in this decrease are as follows:

- The amortization of deferred charges reduced fund balance by \$37,494.
- Accounts payable and amounts owed to the City of Wasco for the reimbursement of Economic Development costs total \$35,019. This amount was included as an expenditure within the fund thereby reducing fund balance but was not included within the transfer in from the RDA debt service fund because the payments had not been made. This will reverse itself in the next fiscal year.

The RDA debt service fund is the fund designated to receive all tax increment for the Wasco Redevelopment Agency, a component unit of the City of Wasco. At the end of the current fiscal year, unreserved, designated fund balance of the RDA debt service fund was \$0 while total fund balance reached \$427,553.

The fund balance of the Wasco Redevelopment Agency's RDA debt service fund increased by \$203,998 during the current fiscal year. Key factors in this decrease are as follows:

- The receipt of tax increment for redevelopment increased by \$175,694 due to increased property assessed valuations within the project area.

The City of Wasco doesn't have a debt service fund. Lease obligations in the general fund consists of two operating leases for copiers totaling future lease payments of \$14,336. Of that balance both leases have a balance of \$7,168 with one year remaining on the term.

The total debt under governmental activities is \$3,207,664 (See Note 9). The components of this amount are as follows;

- Compensated Absences in the amount of \$122,306.
- Wasco Public Financing Authority Revenue Bonds of \$435,000. Bonds issued for south side infrastructure.
- Wasco Public Financing Authority Tax Allocation Bond debt of \$2,220,000. Bonds used to construct the industrial park.
- Other Long –Term Debt – a 3 percent promissory note with CALHFA for \$342,000.
- Other Long –Term Debt – a note payable to Municipal Finance Corporation for \$88,358 used to finance a new dump truck.

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

Unrestricted net assets of the water reclamation and sewer operation amounted to 183,099, water utility amounted to \$1,743,480, refuse collection and disposal amounted to \$245,950, public transportation amounted to \$47,538, and CNG fueling station amounted to a negative (\$24,016). The total growth in net assets for the Proprietary Funds was \$913,200, \$373,585, \$106,699, \$217,197 and (\$35,877) respectively. Other factors concerning the finances of the Proprietary Funds have already been addressed in the discussion of the City of Wasco's business-type activities.

## General Fund Budgetary Highlights

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

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

The general fund reflected a net total favorable budget variance of \$179,615 when comparing actual amounts to the final budget for the current fiscal year. This positive budget variance reflects revenue realization lower than estimates of (\$294,950), expense realization lower than budget by \$249,214, and net transfers in higher than budget by \$225,351. About one half of the lower than budgeted expenses was a result of a budgeted but unfilled position. The other half of the lower expense realization was from spending reductions across various departments.

### **Capital Asset and Debt Administration**

**Capital Assets.** The City of Wasco's investment in capital assets for its governmental and business type activities as of June 30, 2008, amounts to \$28,952,489 (net of accumulated depreciation). This investment in capital assets includes land, building and systems, improvements, machinery and equipment, automobiles, roads, highways and infrastructure. The total increase in the City of Wasco's investment in capital assets for the current fiscal year was 9 percent (a 13 percent increase for governmental activities and a 6 percent increase for business-type activities).

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

- Waterline extensions and improvements were constructed by the water utility increasing business-type activity capital assets by \$687,680.
- Two new busses for public transportation was purchased increasing business-type activity capital assets by \$295,534.
- An expansion to the transit station parking lot was completed increasing business-type activity capital assets by \$153,576.
- A variety of street construction projects in new residential developments along with expansion and repairs to existing streets and infrastructure amounted to a capital asset increase in \$1,472,951 in governmental activities and an additional \$250,231 in progress.
- Various machinery and vehicles were purchased in governmental activities including a new truck for facilities maintenance increasing capital assets by \$147,387.
- Two new garbage trucks and one loader truck were purchased for the refuse collection and disposal activity increasing business-type activity capital assets by \$452,806.
- The City of Wasco finished the design phase of an expansion for the City's wastewater treatment plant increasing business-type activity capital assets by \$687,680.

### City of Wasco's Capital Assets

	Governmental activities		Business - type activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 384,839	\$ 384,839	\$ 287,323	\$ 287,323	\$ 672,162	\$ 672,162
Construction in Process	755,832	505,600	505,136	557,880	1,260,968	1,063,480
Land Improvements	2,672,376	1,082,357	5,848,861	5,462,710	8,521,237	6,545,067
Building and Improve.	2,322,005	2,368,910	14,750,177	13,931,037	17,072,182	16,299,947
Infrastructure	10,136,257	10,136,257	4,899,364	4,910,699	15,035,621	15,046,956
Machinery and Other	1,184,669	1,150,089	2,559,372	2,432,047	3,744,041	3,582,136
Vehicles	976,572	950,586	2,581,506	1,883,066	3,558,078	2,833,652
Accumulated Depreciation	(6,616,516)	(6,149,432)	(14,295,284)	(13,369,255)	(20,911,800)	(19,518,687)
Total Net Capital Assets	\$ 11,816,034	\$ 10,429,206	\$ 17,136,455	\$ 16,095,507	\$ 28,952,489	\$ 26,524,713

Additional information on the City of Wasco's capital assets can be found in note 7 on pages 52-53 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Wasco had total bonded debt outstanding of \$3,075,000. Of this amount, \$2,220,000 were tax allocation bonds and \$855,000 were revenue bonds which comprised of \$420,000 of wastewater revenue refunding bonds, and \$435,000 of improvement bonds. Other long – term debt consists of promissory note payable to the California Housing Finance Housing Authority of \$342,000. Under Notes Payable category there is a note payable to the State of California for the expansion of the wastewater treatment plant of \$2,969,119 and a note payable to the State of California for storm drainage infrastructure of \$379,884. Under capital leases there is a lease payable to Municipal Finance Corporation for the purchase of garbage truck for \$160,500, a \$69,413 capital lease payable to Municipal Finance Corporation which is collateralized by a compact wheel loader, a \$241,961 capital lease payable to Municipal Finance Corporation which is collateralized by a sanitation bin truck, a \$102,822 capital lease payable to Municipal Finance Corporation which is collateralized by a roll off truck, and a \$88,358 capital lease payable to Municipal Finance Corporation which is collateralized by a dump truck. Under the compensated absences there is a total of \$230,763 (see note 9).

### City of Wasco's Outstanding Debt

	Governmental activities		Business - type activities		Total	
	2008	2007	2008	2007	2008	2007
Tax Allocation Bonds	\$ 2,220,000	\$ 2,410,795	\$ -	\$ -	\$ 2,220,000	\$ 2,410,795
Revenue Bonds	435,000	457,800	420,000	620,000	855,000	1,077,800
Notes Payable	-	-	3,349,003	3,606,926	3,349,003	3,606,926
Other Long-Term Debt	342,000	342,000	-	-	342,000	342,000
Capital Leases	88,358	108,195	574,696	196,532	663,054	304,727
Compensated Absences	122,306	83,837	108,457	70,516	230,763	154,353
Total Debt	\$ 3,207,664	\$ 3,402,627	\$ 4,452,156	\$ 4,493,974	\$ 7,659,820	\$ 7,896,601

The City of Wasco governmental activities issued no in new debt in 2008. The City of Wasco business-type activities issued debt of \$452,806 in the form of three capital leases for the purchase of a new compact wheel loader, a garbage bin truck, and a roll off truck. All three debt instruments were issued to Municipal Finance Cooperation.

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

Additional information on the City of Wasco's long term debt can be found in Note 9 on pages 54-57 of this report.

### **Economic Factors and Next Year's Budgets General Fund Budget**

- The unemployment rate for the City of Wasco is currently 18.2 percent this percentage has increased by 2.6 percent from the pervious fiscal year. This percentage is well above Kern Counties unemployment rate of 9.9 percent and the State of California's unemployment rate of 8.2 percent.
- The city's residential construction growth has slowed substantially. Several of the now partially developed new subdivisions are in stages of default or foreclosure. This slowdown is expected to continue through 2009/10 and will reduce future inspection, permit, connection, and building fees.
- Commercial construction continues to develop along highway 46. Currently there is a new hotel and grocery store under development. More development is in various stages of review. This continued growth will aid the city with increases in building related fees, transit occupancy tax, and sales taxes.
- As a result of several year of rapid increase in housing prices and the recent slow down in the housing market the city is expecting to see a higher rate of defaulted assessments and property taxes. As a result assessment district revenues and general fund property tax revenues are expensed to hold or slightly decline.
- The California State budget is in a deficit and as a result the state may hold city funds back to temporarily balance the state budget. If this happens the City will have to reduce spending in an equal amount.
- The third amendment to the Wasco Redevelopment Agency project area has been put on the tax roll starting in 2008/09. This added tax increment should add to the RDA's ability to assist with future development.
- The current economic recession is slowing revenues related to sales tax and motor vehicle license fees estimated at 5% below prior year actual.

All these factors were considered in preparing the City of Wasco's budget for fiscal year 2009.

2007-08 has ended with a balanced budget and the rebuilding of unreserved, undesignated fund balance. In the development of the FY2009 budget the legislative body made it an important point to continue this trend, fund a rainy day reserve, and take a conservative approach in taking on additional expenditures.

**Government Activities Revenues.** The City of Wasco developed its FY2009 budget projecting an increase of \$69,178 or 1 percent in general fund revenues of \$6,374,220. These amounts reflect revenues derived from a conservative estimate for growth in all property related revenue streams and residential development fees.

**Government Activities Expenditures.** The City of Wasco's general fund operating budget for FY 2009 reflects a decrease in expenditures of \$149,665 or 2 percent. This decrease is net certain increases in expenditures related to the cost of public safety and fire services.

### **Request for Information**

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

**City of Wasco**  
**STATEMENT OF NET ASSETS**  
**June 30, 2008**

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Current Assets:			
Cash and Investments	\$ 7,205,856	\$ 5,108,699	\$ 12,314,555
Investments With Fiscal Agents - Restricted	-	248,181	248,181
Receivables, net	751,545	666,012	1,417,557
Prepaid Expenses	36,097	16,678	52,775
Internal Balances	26,157	(26,157)	-
Land Held For Resale	2,303,454	-	2,303,454
<b>Total Current Assets</b>	<b>10,323,109</b>	<b>6,013,413</b>	<b>16,336,522</b>
Noncurrent Assets:			
Capital Assets:			
Land	384,839	287,323	672,162
Construction in Progress	755,832	505,136	1,260,968
Depreciable Buildings, Property, Equipment and Infrastructure, net of accumulated depreciation	10,675,363	16,343,996	27,019,359
Notes Receivable	2,228,067	-	2,228,067
Deferred Charges	357,701	25,475	383,176
<b>Total Noncurrent Assets</b>	<b>14,401,802</b>	<b>17,161,930</b>	<b>31,563,732</b>
<b>Total Assets</b>	<b>24,724,911</b>	<b>23,175,343</b>	<b>47,900,254</b>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts Payable	1,469,273	132,113	1,601,386
Accrued Liabilities	192,132	93,553	285,685
Deposits Received	44,447	49,478	93,925
Unearned Revenue	1,514,732	303,768	1,818,500
Compensated Absences	45,253	40,129	85,382
Bonds and Notes Payable Due Within One Year	205,699	534,436	740,135
<b>Total Current Liabilities</b>	<b>3,471,536</b>	<b>1,153,477</b>	<b>4,625,013</b>
Noncurrent Liabilities:			
Bonds and Notes Payable Due in More Than One Year	2,879,659	3,809,263	6,688,922
Compensated Absences	77,053	68,328	145,381
<b>Total Noncurrent Liabilities</b>	<b>2,956,712</b>	<b>3,877,591</b>	<b>6,834,303</b>
<b>Total Liabilities</b>	<b>6,428,248</b>	<b>5,031,068</b>	<b>11,459,316</b>
<b>Net Assets:</b>			
Invested in Capital Assets, net of related debt	11,292,676	12,792,756	24,085,432
Restricted For:			
Capital Projects	-	2,677,758	2,677,758
Debt Service	-	477,710	477,710
Unrestricted (Deficit)	7,003,987	2,196,051	9,200,038
<b>Net Assets</b>	<b>\$ 18,296,663</b>	<b>\$ 18,144,275</b>	<b>\$ 36,440,938</b>

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

**City of Wasco**  
**STATEMENT OF ACTIVITIES**  
Year ended June 30, 2008

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
<b>Governmental Activities:</b>							
General Government	\$ 513,373	\$ 91,167	\$ -	\$ -	\$ (422,206)	\$ -	\$ (422,206)
Public Safety	3,123,956	125,604	112,247	855	(2,885,250)	-	(2,885,250)
Public Works	1,699,290	510,125	-	1,556,569	367,404	-	367,404
Community Development	2,933,556	657,515	651,110	-	(1,624,931)	-	(1,624,931)
Interest on Long-Term Debt	10,036	-	-	-	(10,036)	-	(10,036)
<b>Total Governmental Activities</b>	<b>8,280,211</b>	<b>1,384,411</b>	<b>763,357</b>	<b>1,557,424</b>	<b>(4,575,019)</b>	<b>-</b>	<b>(4,575,019)</b>
<b>Business-Type Activities:</b>							
Water Reclamation and Sewer	1,810,270	2,784,850	-	-	-	974,580	974,580
Water Utility	1,811,774	2,245,359	-	-	-	433,585	433,585
Refuse Collection and Disposal	2,086,186	2,186,430	6,455	-	-	106,699	106,699
Public Transportation	401,124	68,576	150,230	245,939	-	63,621	63,621
CNG Fueling Station	71,267	35,390	-	-	-	(35,877)	(35,877)
<b>Total Business-Type Activities</b>	<b>6,180,621</b>	<b>7,320,605</b>	<b>156,685</b>	<b>245,939</b>	<b>-</b>	<b>1,542,608</b>	<b>1,542,608</b>
<b>Total</b>	<b>\$ 14,460,832</b>	<b>\$ 8,705,016</b>	<b>\$ 920,042</b>	<b>\$ 1,803,363</b>	<b>\$ (4,575,019)</b>	<b>\$ 1,542,608</b>	<b>\$ (3,032,411)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Tax					2,112,127	-	2,112,127
Sales Tax					1,148,056	-	1,148,056
Franchise Tax					289,841	-	289,841
State Allocation of Gas Tax					1,076,110	-	1,076,110
Other Taxes					48,418	-	48,418
Intergovernmental, Unrestricted:							
Motor Vehicle In-lieu Tax					2,068,960	-	2,068,960
<b>Total Taxes</b>					<b>6,743,512</b>	<b>-</b>	<b>6,743,512</b>
Unrestricted investment earnings					94,218	-	94,218
Miscellaneous					109,535	-	109,535
Transfers					(32,196)	32,196	-
<b>Total General Revenues and Transfers</b>					<b>6,915,069</b>	<b>32,196</b>	<b>6,947,265</b>
Change in Net Assets					2,340,050	1,574,804	3,914,854
Net Assets - Beginning					15,956,613	16,569,471	32,526,084
Net Assets - Ending					<b>\$ 18,296,663</b>	<b>\$ 18,144,275</b>	<b>\$ 36,440,938</b>

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

**City of Wasco**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**June 30, 2008**

	General	Streets	BEGIN Grant	RDA Capital Projects	RDA Debt Service	Non-Major Governmental Funds	Total Government
<b>Assets:</b>							
Cash and Investments	\$ 2,010,947	\$ 1,022,391	\$ 819,197	\$ 454,299	\$ 367,699	\$ 2,531,323	\$ 7,205,856
Receivables, net	187,199	379,950	11,476	580	59,854	112,486	751,545
Prepaid Costs	31,847	3,287	-	-	-	963	36,097
Due from Other Funds	58,399	96,147	-	-	-	-	154,546
Notes Receivable	-	-	83,238	-	-	2,144,829	2,228,067
Land Held for Resale	-	-	-	2,303,454	-	-	2,303,454
Deferred Charges	-	-	-	357,701	-	-	357,701
<b>Total Assets</b>	<b>\$ 2,288,392</b>	<b>\$ 1,501,775</b>	<b>\$ 913,911</b>	<b>\$ 3,116,034</b>	<b>\$ 427,553</b>	<b>\$ 4,789,601</b>	<b>\$ 13,037,266</b>
<b>Liabilities:</b>							
Accounts Payable	\$ 1,226,638	\$ 227,496	\$ -	\$ 4,000	\$ -	\$ 11,139	\$ 1,469,273
Accrued Liabilities	78,609	10,372	-	-	-	1,996	90,977
Deposits Received	44,447	-	-	-	-	-	44,447
Due to Other Funds	-	-	-	31,019	-	97,370	128,389
Deferred Revenue	-	400,000	816,762	12,778	-	285,192	1,514,732
<b>Total Liabilities</b>	<b>1,349,694</b>	<b>637,868</b>	<b>816,762</b>	<b>47,797</b>	<b>-</b>	<b>395,697</b>	<b>3,247,818</b>
<b>Fund Balances:</b>							
Reserved For:							
Prepaid Costs	31,847	3,287	-	-	-	963	36,097
Notes Receivable	-	-	-	-	-	2,144,829	2,144,829
Land Held for Resale	-	-	-	2,303,454	-	-	2,303,454
Deferred Charges	-	-	-	357,701	-	-	357,701
Debt Service	-	-	83,238	-	427,553	-	510,791
Unreserved:							
Designated for Capital Improvements	593,984	160,819	-	-	-	-	754,803
Undesignated, Reported In:							
General Fund	312,867	-	-	-	-	-	312,867
Special Revenue Funds	-	699,801	13,911	-	-	2,248,112	2,961,824
Capital Projects Fund	-	-	-	407,082	-	-	407,082
<b>Total Fund Balances (Deficit)</b>	<b>938,698</b>	<b>863,907</b>	<b>97,149</b>	<b>3,068,237</b>	<b>427,553</b>	<b>4,393,904</b>	<b>9,789,448</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 2,288,392</b>	<b>\$ 1,501,775</b>	<b>\$ 913,911</b>	<b>\$ 3,116,034</b>	<b>\$ 427,553</b>	<b>\$ 4,789,601</b>	<b>\$ 13,037,266</b>

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

# City of Wasco

## RECONCILIATION OF THE FUND BALANCES OF GOVERNMENTAL FUNDS TO THE NET ASSETS OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS June 30, 2008

Fund balances of governmental funds \$ 9,789,448

Amounts reported for governmental activities in the statement of net assets  
are different because:

Capital assets used in governmental activities are not current financial  
resources, and therefore, are not reported in the Governmental Funds  
Balance Sheet. However, the Statement of Net Assets includes those  
capital assets among the assets of the City as a whole.

Beginning Balance, net of depreciation	\$ 10,429,206	
Current Year Additions	1,867,966	
Current Year Interfund Transfers	-	
Current Year Depreciation	<u>(481,138)</u>	
Ending Balance, net of depreciation		11,816,034

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. (101,155)

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	(122,306)	
Long-Term Debt	<u>(3,085,358)</u>	
Total Long-Term Liabilities		<u>(3,207,664)</u>

Net assets of governmental activities \$ 18,296,663

**City of Wasco**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS) – GOVERNMENTAL FUNDS**  
**Year ended June 30, 2008**

	General	Streets	BEGIN Grant	RDA Capital Projects	RDA Debt Service	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Taxes	\$ 4,250,321	\$ 307,184	\$ -	\$ -	\$ 1,343,953	\$ 73,129	\$ 5,974,587
Licenses & Permits	278,578	352	-	-	-	-	278,930
Intergovernmental	10,855	1,840,494	81,879	-	-	1,450,404	3,383,632
Charges for Services	491,394	13,375	-	-	-	156,277	661,046
Fines, Forfeitures & Assessments	48,082	-	-	-	-	78,469	126,551
Use of Money or Property	63,712	10,056	15,270	6,756	9,122	89,829	194,745
Miscellaneous	20,858	4,603	-	10,107	-	335	35,903
<b>Total Revenues</b>	<b>5,163,800</b>	<b>2,176,064</b>	<b>97,149</b>	<b>16,863</b>	<b>1,353,075</b>	<b>1,848,443</b>	<b>10,655,394</b>
<b>Expenditures:</b>							
Current:							
General Government	402,432	-	-	-	-	-	402,432
Public Safety	3,110,640	-	-	-	-	-	3,110,640
Public Works	-	1,157,095	-	-	-	154,978	1,312,073
Community Development	1,930,282	-	-	386,292	16,746	79,931	2,413,251
Non Departmental	6,360	-	-	-	-	-	6,360
Capital Outlay:							
General Capital Outlay	63,289	15,974	-	-	-	1,583	80,846
Street Improvements	-	1,793,346	-	-	-	-	1,793,346
Debt Service:							
Principal Retirement	-	19,837	-	-	175,000	-	194,837
Tax Increment Pass-Through Payments	-	-	-	-	343,955	-	343,955
Interest and Finance Charges	-	-	-	37,494	163,775	-	201,269
<b>Total Expenditures</b>	<b>5,513,003</b>	<b>2,986,252</b>	<b>-</b>	<b>423,786</b>	<b>699,476</b>	<b>236,492</b>	<b>9,859,009</b>
Excess of Revenues Over (Under) Expenditures	(349,203)	(810,188)	97,149	(406,923)	653,599	1,611,951	796,385
<b>Other Financing Sources (Uses):</b>							
Transfers In	770,058	1,150,407	-	325,208	145,000	943,244	3,333,917
Transfers Out	(194,904)	(315,993)	-	-	(594,601)	(2,260,615)	(3,366,113)
<b>Total Other Financing Sources (Uses)</b>	<b>575,154</b>	<b>834,414</b>	<b>-</b>	<b>325,208</b>	<b>(449,601)</b>	<b>(1,317,371)</b>	<b>(32,196)</b>
<b>Net Change in Fund Balances</b>	<b>225,951</b>	<b>24,226</b>	<b>97,149</b>	<b>(81,715)</b>	<b>203,998</b>	<b>294,580</b>	<b>764,189</b>
Fund Balances - Beginning	712,747	839,681	-	3,149,952	223,555	4,099,324	9,025,259
<b>Fund Balances - Ending</b>	<b>\$ 938,698</b>	<b>\$ 863,907</b>	<b>\$ 97,149</b>	<b>\$ 3,068,237</b>	<b>\$ 427,553</b>	<b>\$ 4,393,904</b>	<b>\$ 9,789,448</b>

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

**City of Wasco**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**Year ended June 30, 2008**

Net change in fund balance - total governmental funds	\$	764,189
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 (\$1,867,966) exceeded depreciation (\$481,138) in the current period.		1,386,828
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.		194,837
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.		(5,930)
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.		(38,469)
Change in accounting estimate affecting the beginning balance of long term debt.		<u>38,595</u>
Change in net assets of governmental activities	\$	<u><u>2,340,050</u></u>

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

**City of Wasco**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**June 30, 2008**

	Water Reclamation and Sewer	Water Utility	Refuse Collection and Disposal	Public Transportation	CNG Fueling Station	Total Proprietary
<b>Assets:</b>						
Current Assets:						
Cash and Investments	\$ 2,395,851	\$ 2,217,934	\$ 225,443	\$ 269,471	\$ -	\$ 5,108,699
Investments With Fiscal Agents - Restricted	248,181	-	-	-	-	248,181
Receivables	294,927	166,023	108,095	91,873	5,094	666,012
Prepaid Expenses	3,623	3,437	8,049	1,545	24	16,678
Due from Other Funds	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>2,942,582</b>	<b>2,387,394</b>	<b>341,587</b>	<b>362,889</b>	<b>5,118</b>	<b>6,039,570</b>
Noncurrent Assets:						
Capital Assets (net of accumulated depreciation)	10,890,557	2,501,142	1,374,502	1,536,986	833,268	17,136,455
Deferred Charges	25,475	-	-	-	-	25,475
<b>Total Noncurrent Assets</b>	<b>10,916,032</b>	<b>2,501,142</b>	<b>1,374,502</b>	<b>1,536,986</b>	<b>833,268</b>	<b>17,161,930</b>
<b>Total Assets</b>	<b>\$ 13,858,614</b>	<b>\$ 4,888,536</b>	<b>\$ 1,716,089</b>	<b>\$ 1,899,875</b>	<b>\$ 838,386</b>	<b>\$ 23,201,500</b>
<b>Liabilities:</b>						
Current Liabilities:						
Accounts Payable	\$ 20,559	\$ 81,547	\$ 24,942	\$ 2,368	\$ 2,697	\$ 132,113
Accrued Payroll	9,135	11,057	17,477	3,250	102	41,021
Customer Deposits	76	49,182	220	-	-	49,478
Accrued Interest Payable	42,135	-	10,397	-	-	52,532
Accrued Compensated Absences	9,182	12,912	15,762	2,207	66	40,129
Current Portion of Long-Term Debt	452,475	-	81,961	-	-	534,436
Due to Other Funds	-	-	-	-	26,157	26,157
<b>Total Current Liabilities</b>	<b>533,562</b>	<b>154,698</b>	<b>150,759</b>	<b>7,825</b>	<b>29,022</b>	<b>875,866</b>
Noncurrent Liabilities:						
Accrued Compensated Absences	15,633	21,986	26,839	3,758	112	68,328
Bonds Payable	215,000	-	-	-	-	215,000
Notes Payable	3,101,528	-	492,735	-	-	3,594,263
Deferred Revenue	-	-	-	303,768	-	303,768
<b>Total Noncurrent Liabilities</b>	<b>3,332,161</b>	<b>21,986</b>	<b>519,574</b>	<b>307,526</b>	<b>112</b>	<b>4,181,359</b>
<b>Total Liabilities</b>	<b>3,865,723</b>	<b>176,684</b>	<b>670,333</b>	<b>315,351</b>	<b>29,134</b>	<b>5,057,225</b>
<b>Net Assets:</b>						
Invested in Capital Assets, net of related debt	7,121,554	2,501,142	799,806	1,536,986	833,268	12,792,756
Restricted For:						
Capital Projects (expendable)	2,210,528	467,230	-	-	-	2,677,758
Debt Service (expendable)	477,710	-	-	-	-	477,710
Unrestricted	183,099	1,743,480	245,950	47,538	(24,016)	2,196,051
<b>Net Assets</b>	<b>\$ 9,992,891</b>	<b>\$ 4,711,852</b>	<b>\$ 1,045,756</b>	<b>\$ 1,584,524</b>	<b>\$ 809,252</b>	<b>\$ 18,144,275</b>

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, 2008**

	Water Reclamation and Sewer	Water Utility	Refuse Collection and Disposal	Public Transportation	CNG Fueling Station	Total Proprietary
<b>Operating Revenues:</b>						
Charges for Services	\$ 1,843,493	\$ 1,851,142	\$ 2,132,858	\$ 27,298	\$ 35,390	\$ 5,890,181
Rental Income	73,362	-	-	3,900	-	77,262
Cost Recoveries	13,360	-	15,083	-	-	28,443
Miscellaneous	-	-	-	5,000	-	5,000
<b>Total Operating Revenues</b>	<b>1,930,215</b>	<b>1,851,142</b>	<b>2,147,941</b>	<b>36,198</b>	<b>35,390</b>	<b>6,000,886</b>
<b>Operating Expenses:</b>						
Wages and Benefits	502,185	604,388	963,074	206,499	5,854	2,282,000
Administration	484,119	453,679	605,954	22,077	20,138	1,585,967
Materials and Supplies	75,896	96,279	131,593	17,815	21,281	342,864
Maintenance and Repair	82,152	77,943	150,284	62,816	847	374,042
Utilities	88,687	424,622	4,022	8,216	5,787	531,334
Depreciation	465,032	154,343	205,592	83,702	17,360	926,029
<b>Total Operating Expenses</b>	<b>1,698,071</b>	<b>1,811,254</b>	<b>2,060,519</b>	<b>401,125</b>	<b>71,267</b>	<b>6,042,236</b>
Operating Income (Loss)	232,144	39,888	87,422	(364,927)	(35,877)	(41,350)
<b>Nonoperating Revenues (Expenses):</b>						
Interest Income	105,336	90,638	1,677	9,546	-	207,197
Intergovernmental	-	-	22,075	419,002	-	441,077
Connection Fees	749,298	303,579	21,192	-	-	1,074,069
Interest Expense	(112,198)	(520)	(25,667)	-	-	(138,385)
Gain on Sale of Capital Assets	-	-	-	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>742,436</b>	<b>393,697</b>	<b>19,277</b>	<b>428,548</b>	<b>-</b>	<b>1,583,958</b>
Income (Loss) Before Contributions and Transfers	974,580	433,585	106,699	63,621	(35,877)	1,542,608
Transfers In	23,620	-	-	153,576	-	177,196
Transfers Out	(85,000)	(60,000)	-	-	-	(145,000)
Change in Net Assets	913,200	373,585	106,699	217,197	(35,877)	1,574,804
Net Assets - Beginning	9,079,691	4,338,267	939,057	1,367,327	845,129	16,569,471
Net Assets - Ending	<b>\$ 9,992,891</b>	<b>\$ 4,711,852</b>	<b>\$ 1,045,756</b>	<b>\$ 1,584,524</b>	<b>\$ 809,252</b>	<b>\$ 18,144,275</b>

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

**City of Wasco**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year ended June 30, 2008**

	Water Reclamation and Sewer	Water Utility	Refuse Collection and Disposal	Public Transportation	CNG Fueling Station	Total Proprietary
<b>Cash flows from operating activities:</b>						
Cash received from:						
Customers, including cash deposits	\$ 1,596,644	\$ 1,806,699	\$ 2,071,320	\$ 34,722	\$ 35,271	\$ 5,544,656
Rental activities	73,362	-	-	3,900	-	77,262
Prior year reimbursements and cost recoveries	13,360	-	15,083	-	-	28,443
Cash paid to:						
Suppliers	(846,628)	(1,031,354)	(887,348)	(108,446)	(46,488)	(2,920,264)
Employees	(496,004)	(587,164)	(942,814)	(207,634)	(5,807)	(2,239,423)
Net cash provided (used) by operating activities	<u>340,734</u>	<u>188,181</u>	<u>256,241</u>	<u>(277,458)</u>	<u>(17,024)</u>	<u>490,674</u>
<b>Net cash provided from noncapital financing activities:</b>						
Cash transferred from other funds	24,364	1,137	5,395	154,320	17,024	202,240
Cash transferred to other funds	(85,000)	(60,000)	-	-	-	(145,000)
Connection fees	749,298	303,579	21,192	-	-	1,074,069
Intergovernmental revenue	-	-	22,075	501,638	-	523,713
Net cash provided (used) by noncapital financing activities	<u>688,662</u>	<u>244,716</u>	<u>48,662</u>	<u>655,958</u>	<u>17,024</u>	<u>1,655,022</u>
<b>Cash flows from capital and related financing activities:</b>						
Principal payments:						
Bonds	(200,000)	-	-	-	-	(200,000)
Notes	(241,362)	(16,561)	(74,643)	-	-	(332,566)
Interest paid	(120,623)	(752)	(17,847)	-	-	(139,222)
Capital grant funds received	-	-	-	-	-	-
Purchase of capital assets	(692,152)	(324,418)	(501,294)	(449,111)	-	(1,966,975)
Proceeds from sale of capital assets	-	-	-	-	-	-
Proceeds from capital debt	-	-	452,807	-	-	452,807
Net cash provided (used) by capital and related financing activities	<u>(1,254,137)</u>	<u>(341,731)</u>	<u>(140,977)</u>	<u>(449,111)</u>	<u>-</u>	<u>(2,185,956)</u>
<b>Cash flows from investing activities:</b>						
Interest received	105,336	90,638	1,677	9,546	-	207,197
Cash (deposited) / withdrawn - long-term restricted accounts	17,821	-	-	-	-	17,821
Net cash provided by investing activities	<u>123,157</u>	<u>90,638</u>	<u>1,677</u>	<u>9,546</u>	<u>-</u>	<u>225,018</u>
Net increase (decrease) in cash	(101,584)	181,804	165,603	(61,065)	-	184,758
Cash and cash equivalents - Beginning of year	2,497,435	2,036,130	59,840	330,536	-	4,923,941
Cash and cash equivalents - End of year	<u>\$ 2,395,851</u>	<u>\$ 2,217,934</u>	<u>\$ 225,443</u>	<u>\$ 269,471</u>	<u>\$ -</u>	<u>\$ 5,108,699</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>						
Operating income (loss)	\$ 232,144	\$ 39,888	\$ 87,422	\$ (364,927)	\$ (35,877)	\$ (41,350)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	465,032	154,343	205,592	83,702	17,360	926,029
(Increase) decrease in accounts receivable	(246,891)	(52,164)	(61,575)	2,424	(119)	(358,325)
(Increase) decrease in deferred charges	12,737	-	-	-	-	12,737
(Increase) decrease in prepaid expenses	1,767	1,575	4,355	2,040	66	9,803
Increase (decrease) in accounts payable	(130,278)	19,594	150	438	1,499	(108,597)
Increase (decrease) in accrued payroll	1,456	1,100	2,941	(836)	(25)	4,636
Increase (decrease) in customer deposits	42	7,721	37	-	-	7,800
Increase (decrease) in accrued compensated absences	4,725	16,124	17,319	(299)	72	37,941
Net cash provided (used) by operating activities	<u>\$ 340,734</u>	<u>\$ 188,181</u>	<u>\$ 256,241</u>	<u>\$ (277,458)</u>	<u>\$ (17,024)</u>	<u>\$ 490,674</u>

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

**City of Wasco**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUND**  
**June 30, 2008**

	<u>Wasco Public Financing Authority Agency Fund</u>
<b>Assets:</b>	
Cash and Investments	\$ 685,684
Investments with Fiscal Agents - Restricted	511,734
Accrued Interest Receivable	<u>7,990</u>
Total Assets	<u>\$ 1,205,408</u>
<b>Liabilities:</b>	
Due to Bondholders	<u>1,205,408</u>
Total Liabilities	<u>\$ 1,205,408</u>

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

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

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

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

**A - Reporting Entity**

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

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

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

**Blended Component Units**

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

On March 6, 1989, the City and the Agency entered into a Joint Exercise of Powers Agreement establishing the Wasco Public Financing Authority (the "Authority") for the purpose of issuing its bonds to be used to provide financial assistance to the City, the Agency or any other public entity of the State of California. The funds of the 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, 2008

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

**B - Basis of Presentation**

**Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**Fund Financial Statements**

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

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

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

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

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

The major funds are as follows:

**Governmental Funds**

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

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

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

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

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

**Proprietary Funds**

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

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

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

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

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

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

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

**Fiduciary Fund**

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

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

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

**Measurement Focus**

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

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

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

**Basis of Accounting**

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

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

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

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

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

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

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

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

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

**Cash and Investments**

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

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

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

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

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

**Receivables and Payables**

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

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

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

Assessed values are determined on an annual basis by the Kern County Assessor as of January 1. Taxes are levied annually and become a lien on real property at July 1. Taxes are due November 1 and February 1, and are delinquent if not paid by December 10 and April 10, respectively. In 1978, a state constitutional amendment (Proposition 13) provided that the tax rate be limited to 1% of market value, levied only by the County and shared with all other jurisdictions. Such limitation on the rate may only be increased through voter approval. The County collects property taxes and distributes them to taxing jurisdictions on the basis of the taxing jurisdiction's assessed valuations and on the tax rate for voter-approved debt.

**Capital Assets and Depreciation**

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

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

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

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

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

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

**Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation, comp time, and sick pay benefits. Unpaid accumulated sick leave is only paid out to employees retiring from service. The City uses the Ratio Approach to estimate the value of the sick pay liability. Vacation and comp time pay liabilities are calculated at full value based on the employee's current rate of pay. All compensated absence pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Initial-issue bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bonds payable are reported net of the unamortized portion of applicable premium, discount or deferred amount on refunding. Bond issuance costs, including underwriters' discount, are reported as deferred bond issuance costs. Amortization of bond premiums or discounts, issuance costs and deferred amounts on refunding are included in interest expense.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

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

**Net Assets/Fund Equity**

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

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

Restricted Net Assets - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net assets reports \$3,155,468 of restricted net assets, of which \$3,155,468 is restricted by enabling legislation.

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

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

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

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

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

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

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

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

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

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

**Appropriated Budget and Budgetary Control**

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

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

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

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**Deferred Compensation Plan**

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

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

**Note 2 – Cash and Investments**

The following is a summary of the City’s cash, cash equivalents, and investments with fiscal agents at June 30, 2008:

Pooled Cash and Investments - Government Funds	\$	7,205,856
Pooled Cash and Investments - Business-Type Funds		5,108,699
Restricted Investments - Business-Type Funds		248,181
Cash and Investments - Fiduciary Fund		685,684
Restricted Investments - Fiduciary Fund		511,734
		511,734
Total	\$	13,760,154
Cash on Hand	\$	1,500
Demand Deposits		4,801,183
Investments		8,957,471
		8,957,471
Total	\$	13,760,154

**Deposits:**

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

The California Government Code requires California banks and savings and loan associations to secure a city’s deposits by pledging government securities with a value of 110% of a city’s deposits. California law also allows financial institutions to secure city deposits by pledging first trust deed mortgage notes having a value of 150% of a city’s total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$100,000 by the FDIC. An authorized Agent of Depository recognized by the State of California Department of Banking holds the collateral for deposits in Federal and State chartered banks for safekeeping. The Federal Home Loan Bank in San Francisco, California generally holds the collateral for deposits with savings and loan associations in safekeeping as a third-party trustee. These securities are physically held in an undivided pool for all California public agency depositors.

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

As of June 30, 2008, all of the City’s deposits with financial institutions in excess of federal depository insurance limits were held in fully collateralized accounts, as permitted by the California Government Code.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

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

**Investments:**

The City had the following investments at June 30, 2008:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>
State Treasurer's Investment Pool (LAIF)	\$ 6,501,288	0.38
Money Market Funds	1,696,264	0.00
Held by Trustees:		
Money Market Funds	<u>759,919</u>	0.00
 Total Investments	 <u><u>\$ 8,957,471</u></u>	
 Portfolio Weighted Average Maturity (years)		 <u><u>0.28</u></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.

**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, 2008, the Credit ratings for the money market funds and investment in LAIF was 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. As of June 30, 2008, \$2,456,183 was exposed to custodial credit risk because the related securities were uninsured, unregistered and held by the City's brokerage firm which is also the counterparty of these particular securities. The City has no investment policy for custodial credit risk.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

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

**Restricted Investments with Fiscal Agents**

**Business-Type Activities:**

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

\$ 248,181

**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.

511,734

Total Restricted Investments with Fiscal Agents

\$ 759,915

**Note 3 – Receivables**

Receivables at June 30, 2008 consist of the following:

	General Fund	Streets	BEGIN Grant	RDA Capital Projects	RDA Debt Service	Non-Major Governmental Funds	Total Governmental
<b>Governmental Activities:</b>							
Accounts receivable, net	\$ 58,291	\$ 126	\$ 5,404	\$ -	\$ -	\$ -	\$ 63,821
Interest receivable	5,913	846	6,072	-	-	9,084	21,915
Taxes receivable, net	87,482	-	-	580	59,854	315	148,231
Due from Governments	35,513	378,978	-	-	-	103,087	517,578
	<hr/>						
Total	<u>\$ 187,199</u>	<u>\$ 379,950</u>	<u>\$ 11,476</u>	<u>\$ 580</u>	<u>\$ 59,854</u>	<u>\$ 112,486</u>	<u>\$ 751,545</u>
<b>Business-Type Activities:</b>							
Accounts receivable, net	\$ 34,367	\$ 59,634	\$ 52,531	\$ 381	\$ 1,439	\$ 148,352	
Interest receivable	3,659	14,627	562	1,317	-	20,165	
Due from Governments	256,901	91,762	55,002	90,175	3,655	497,495	
	<hr/>						
Total	<u>\$ 294,927</u>	<u>\$ 166,023</u>	<u>\$ 108,095</u>	<u>\$ 91,873</u>	<u>\$ 5,094</u>	<u>\$ 666,012</u>	

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

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

Interfund balances at June 30, 2008 consisted of the following:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Government Funds:		
General Fund	\$ 58,399	\$ -
Streets	96,147	-
RDA Capital Projects	-	31,019
Non-Major Funds	-	97,370
	<hr/>	<hr/>
Total Governmental Funds	154,546	128,389
Proprietary Funds:		
CNG Fueling Station	-	26,157
	<hr/>	<hr/>
Total Proprietary Funds	-	26,157
	<hr/>	<hr/>
Total Due From/To	<u>\$ 154,546</u>	<u>\$ 154,546</u>

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

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

Interfund transfers at June 30, 2008 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 770,058	\$ 194,904
Street Fund	1,150,407	315,993
RDA Capital Projects	325,208	-
RDA Debt Service	145,000	594,601
Non-Major Funds	943,244	2,260,615
Proprietary Funds:		
Water Reclamation and Sewer	23,620	85,000
Water Utility	-	60,000
Public Transportation	153,576	-
	<hr/>	<hr/>
Total Transfers	<u>\$ 3,511,113</u>	<u>\$ 3,511,113</u>

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

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

Composition and purpose of interfund transfers is as follows:

General fund transfers in of \$770,058 consist of \$162,416 from Streets Fund for engineering services provided for various construction projects; \$351,020 from Non-Major Funds which represent transfers of police type grant funds to the Sheriff department of the General Fund; \$102,757 from Non-Major Funds which represent transfers of community development type grant funds for engineering and building inspection costs; \$44,133 from Non-Major Funds which represent transfers of public safety grant funds to the Animal Control department of the General Fund; \$99,869 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; and \$9,863 from Non-Major Funds which represents the fund balance of a Non-Major fund that was consolidated with the General Fund this fiscal year.

Streets fund transfers in of \$1,150,407 consist of \$774,356 from State Gas Tax used to reimburse salaries and street construction projects; \$111,157 from the General Fund to support local street and road expenses; \$66,932 from CDBG grant funds for community development projects; and \$197,962 from Traffic Impact Fund to be applied to various street light and crosswalk construction projects.

RDA Capital Projects transfers in of \$325,208 from the RDA Debt Service fund consist of \$274,170 used to repay an operating loan from the City of Wasco for Economic Development costs, \$16,038 of Agency Council fees per a retainer agreement, and \$35,000 of Professional Services due under contract for the writing of an Enterprise Zone Application.

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 \$943,244 consist of \$269,393 transferred from the RDA Debt Service fund to the RDA Low and Moderate Income Housing fund to account for the required 20% set-aside of tax revenues within the RDA; \$613,725 of community development type grant funds for between Non-Major funds for low income housing loan programs; \$57,007 transferred from the General fund to the Lighting, Landscaping, and Maintenance District fund to assist with upkeep and maintenance costs; \$1,705 transferred from the General fund to the Emergency Response fund to pay for emergency response equipment; \$1,414 from General fund to a Non-Major fund which represents the fund deficit of a Non-Major fund that was consolidated with the General Fund this fiscal year.

Water Reclamation and Sewer transfers in of \$23,620 consist of \$23,620 from the General Fund as repayment of a loan.

Public Transportation transfers in of \$153,576 consist of a transfer in from the Street fund consisting of capital improvements to expand the transit facility parking lot partially funded through a grant for public transit.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

**Note 5 – Land Held for Resale**

At June 30, 2008, the Redevelopment Agency had in Inventory a 70-acre industrial park with the following original cost amounts.

		RDA Capital Projects
Land	\$	599,233
Improvements		1,704,221
Total	\$	2,303,454

**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, 2008, net of amortization, are as follows:

	Governmental	Business-Type
	RDA Capital Projects	Water Reclamation And Sewer
<b>Governmental Activities:</b>		
Industrial Park Bonds	\$ 337,131	\$ -
Southside Project Bonds	20,570	-
Sewer Revenue Bonds	-	25,475
Total	\$ 357,701	\$ 25,475

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

**Note 7 – Capital Assets**

Capital asset activity for the year ended June 30, 2008 is as follows:

<u>Governmental Activities</u>	Balance June 30, 2007	Additions	Deletions	Transfers	Balance June 30, 2008
Capital Assets Not Being Depreciated:					
Land	\$ 384,839	\$ -	\$ -	\$ -	\$ 384,839
Construction in Progress	505,600	1,723,183	-	(1,472,951)	755,832
Total Capital Assets Not Being Depreciated	<u>890,439</u>	<u>1,723,183</u>	<u>-</u>	<u>(1,472,951)</u>	<u>1,140,671</u>
Capital Assets Being Depreciated:					
Land Improvements	1,082,357	70,163	-	1,519,856	2,672,376
Construction	2,368,910	-	-	(46,905)	2,322,005
Infrastructure	10,136,257	-	-	-	10,136,257
Machinery and Other	1,150,089	51,238	(16,658)	-	1,184,669
Vehicles	950,586	25,986	-	-	976,572
Total Capital Assets Being Depreciated	<u>15,688,199</u>	<u>147,387</u>	<u>(16,658)</u>	<u>1,472,951</u>	<u>17,291,879</u>
Less Accumulated Depreciation For:					
Land Improvements	(143,589)	(133,406)	-	-	(276,995)
Construction	(323,081)	(43,500)	-	-	(366,581)
Infrastructure	(4,471,412)	(156,565)	-	-	(4,627,977)
Machinery and Other	(691,891)	(76,070)	14,054	-	(753,907)
Vehicles	(519,459)	(71,597)	-	-	(591,056)
Total Accumulated Depreciation	<u>(6,149,432)</u>	<u>(481,138)</u>	<u>14,054</u>	<u>-</u>	<u>(6,616,516)</u>
Total Capital Assets Being Depreciated, net	<u>9,538,767</u>	<u>(333,751)</u>	<u>(2,604)</u>	<u>1,472,951</u>	<u>10,675,363</u>
Governmental Activities Capital Assets, net	<u>\$ 10,429,206</u>	<u>\$ 1,389,432</u>	<u>\$ (2,604)</u>	<u>\$ -</u>	<u>\$ 11,816,034</u>

Depreciation charged to governmental functions on the Statement of Activities during the year is as follows: \$83,085 to General Government, \$10,471 to Public Safety, \$387,246 to Public Works, and \$336 to Community Development.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

**Note 7 – Capital Assets, (continued)**

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

<u>Business-Type Activities</u>	Balance June 30, 2007	Additions	Deletions	Transfers	Balance June 30, 2008
Capital Assets Not Being Depreciated:					
Land	\$ 287,323	\$ -	\$ -	\$ -	\$ 287,323
Construction in Progress	557,880	1,028,198	-	(1,080,942)	505,136
Total Capital Assets Not Being Depreciated	<u>845,203</u>	<u>1,028,198</u>	<u>-</u>	<u>(1,080,942)</u>	<u>792,459</u>
Capital Assets Being Depreciated:					
Land Improvements	5,462,710	113,014	-	273,137	5,848,861
Construction	13,931,037	-	-	819,140	14,750,177
Infrastructure	4,910,699	-	-	(11,335)	4,899,364
Machinery and Other	2,432,047	127,325	-	-	2,559,372
Vehicles	1,883,066	698,440	-	-	2,581,506
Total Capital Assets Being Depreciated:	<u>28,619,559</u>	<u>938,779</u>	<u>-</u>	<u>1,080,942</u>	<u>30,639,280</u>
Less Accumulated Depreciation For:					
Land Improvements	(4,319,530)	(236,619)	-	-	(4,556,149)
Construction	(3,952,969)	(292,875)	-	-	(4,245,844)
Infrastructure	(2,394,337)	(75,377)	-	-	(2,469,714)
Machinery and Other	(1,633,552)	(95,698)	-	-	(1,729,250)
Vehicles	(1,068,867)	(225,460)	-	-	(1,294,327)
Total Accumulated Depreciation	<u>(13,369,255)</u>	<u>(926,029)</u>	<u>-</u>	<u>-</u>	<u>(14,295,284)</u>
Total Capital Assets Being Depreciated, net	<u>15,250,304</u>	<u>12,750</u>	<u>-</u>	<u>1,080,942</u>	<u>16,343,996</u>
Business-Type Activities Capital Assets, net	<u>\$ 16,095,507</u>	<u>\$ 1,040,948</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,136,455</u>

Depreciation charged to business-type activities on the Statement of Activities during the year is as follows: \$465,032 to Water Reclamation and Sewer, \$154,343 to Water Utility, \$205,592 to Refuse Collection and Disposal, \$83,702 to Public Transportation, and \$17,360 to CNG Fueling Station.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

**Note 8 – Accrued Liabilities**

Accrued Liabilities at June 30, 2008, as reported on the Statement of Net Assets are detailed as follows:

Governmental Activities:	General	Streets	RDA Debt Service	Non-Major Governmental Funds	Total Governmental		
Accrued Payroll	\$ 38,174	\$ 8,047	\$ -	\$ 1,554	\$ 47,775		
Accrued Interest Payable	-	1,000	52,300	47,855	101,155		
Other Liabilities	40,435	2,325	-	442	43,202		
<b>Total</b>	<b>\$ 78,609</b>	<b>\$ 11,372</b>	<b>\$ 52,300</b>	<b>\$ 49,851</b>	<b>\$ 192,132</b>		

Business-Type Activities:	Water Reclamation And Sewer	Water Utility	Refuse Collection and Disposal	Public Transportation	CNG Fueling Station	Total Business-Type		
Accrued Payroll	\$ 9,135	\$ 11,057	\$ 17,477	\$ 3,250	\$ 102	\$ 41,021		
Accrued Interest Payable	42,135	-	10,397	-	-	52,532		
<b>Total</b>	<b>\$ 51,270</b>	<b>\$ 11,057</b>	<b>\$ 27,874</b>	<b>\$ 3,250</b>	<b>\$ 102</b>	<b>\$ 93,553</b>		

**Note 9 – Long-Term Liabilities**

Governmental Activities:	Balance June 30, 2007	Change in Accounting Estimate	Additions	Deletions	Balance June 30, 2008	Due Within One Year
	Tax Allocation Bonds	\$ 2,410,795	\$ (40,795)	\$ -	\$ (150,000)	\$ 2,220,000
Revenue Bonds	457,800	2,200	-	(25,000)	435,000	30,000
Other Long-Term Debt	450,195	-	-	(19,837)	430,358	20,699
Compensated Absences	83,837	-	54,224	(15,755)	122,306	45,253
<b>Total Governmental Activities</b>	<b>3,402,627</b>	<b>(38,595)</b>	<b>54,224</b>	<b>(210,592)</b>	<b>3,207,664</b>	<b>250,952</b>

<b>Business-Type Activities:</b>						
Revenue Bonds	620,000	-	-	(200,000)	420,000	205,000
Notes Payable	3,803,458	-	452,806	(332,565)	3,923,699	329,436
Compensated Absences	70,516	-	41,107	(3,166)	108,457	40,129
<b>Total Business-Type Activities</b>	<b>4,493,974</b>	<b>-</b>	<b>493,913</b>	<b>(535,731)</b>	<b>4,452,156</b>	<b>574,565</b>
<b>Total Long-Term Liabilities</b>	<b>\$ 7,896,601</b>	<b>\$ (38,595)</b>	<b>\$ 548,137</b>	<b>\$ (746,323)</b>	<b>\$ 7,659,820</b>	<b>\$ 825,517</b>

The compensated absences for governmental and business-type activities will be paid by the respective funds in which the expense was accrued.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

**Note 9 – Long-Term Liabilities, (continued)**

**Governmental Activities:**

Tax Allocation Bonds:

Improvement Bonds dated December 15, 1992 in the original amount of \$3,600,000 at 5.5% interest; payable semi-annually commencing March 2, 1993, due September 2, 2017 to the Wasco Public Financing Authority which is a component unit of the City of Wasco. Proceeds used to construct an industrial park which is accounted for as land held for resale. \$ 2,220,000

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. 435,000

Other Long-Term Debt:

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

Note payable to Municipal Finance Corporation, payable in annual installments commencing March 27, 2008, of \$24,543 at 4.35% interest, final payment due March 27, 2012, collateralized by a dump truck. 88,358

Total Other Long-Term Debt 430,358

Compensated Absences 122,306

Total Governmental Activities \$ 3,207,664

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

**Note 9 – Long-Term Liabilities, (continued)**

**Business-Type Activities:**

Revenue Bonds:

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

\$ 420,000

Notes Payable:

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

2,969,119

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.

379,884

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.

160,500

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

69,413

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

102,822

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

**Note 9 – Long-Term Liabilities, (continued)**

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

241,961

Total Notes Payable

3,923,699

Compensated Absences Payable

108,457

Total Business-Type Activities

\$ 4,452,156

The annual requirements to amortize all bonded indebtedness and other long-term liabilities outstanding at June 30, 2008, are as follows:

**Governmental Activities**

Year Ending June 30	Tax Allocation Bonds		Revenue Bonds		Other Long-Term Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 155,000	\$ 117,838	\$ 30,000	\$ 33,600	\$ 20,699	\$ 3,844
2010	165,000	109,038	30,000	31,200	21,600	2,943
2011	185,000	99,413	30,000	28,800	22,539	2,004
2012	195,000	88,963	30,000	26,400	23,520	1,023
2013	215,000	77,688	30,000	24,000	342,000	101,065
2014-2018	1,305,000	186,588	225,000	73,000	-	-
2019	-	-	60,000	2,400	-	-
<b>Total</b>	<b>\$ 2,220,000</b>	<b>\$ 679,528</b>	<b>\$ 435,000</b>	<b>\$ 219,400</b>	<b>\$ 430,358</b>	<b>\$ 110,879</b>

**Business-Type Activities**

Year Ending June 30	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2009	\$ 205,000	\$ 18,275	\$ 329,436	\$ 105,341
2010	215,000	9,460	379,816	102,869
2011	-	-	391,986	90,699
2012	-	-	404,736	77,949
2013	-	-	373,011	65,093
2014-2018	-	-	1,484,795	191,750
2019-2020	-	-	559,919	21,902
<b>Total</b>	<b>\$ 420,000</b>	<b>\$ 27,735</b>	<b>\$ 3,923,699</b>	<b>\$ 655,603</b>

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

**Note 10 – Deferred Revenue**

Deferred Revenue at June 30, 2008 is detailed as follows:

	Government Funds	Business-Type Funds
RDA Unamortized Option Revenue	\$ 12,778	\$ -
Highway Users Tax	400,000	-
Cal Home Grants	1,084,704	-
Miscellaneous Grants	17,250	-
TDA Deferred Revenue	-	303,768
	<hr/>	<hr/>
Total	<u>\$ 1,514,732</u>	<u>\$ 303,768</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 \$20 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 \$5 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 \$5 million up to \$20 million are covered through reinsurance. Within CSJVRMA’s \$1 million retention, the City of Wasco selected a self-insured retention of \$25,000. The pool shares all losses exceeding a member’s self-insured retention.

**Employment Practices Liability (EPL):** This program from CSJVRMA covers the EPL exposures through the Employment Practices Risk Management Authority (ERMA). ERMA is comprised of eight members Joint Power Authorities and is organized under a Joint Powers Agreement pursuant to the California Government Code. ERMA covers \$1 million for each occurrence less the members’ retained limit. The City of Wasco’s retained limit is \$50,000.

**Workers' Compensation:** The program is a risk sharing pool. The City self insures for the first \$500,000 of liability. Losses in excess of \$500,000, up to \$5 million are covered through CSJVRMA’s participation in the Local Agency Workers’ Compensation Excess Pool (LAWCX). which is comprised of 32 different Joint Power Authorities. For excess coverage, LAWCX is a member of the California State Association of Counties Excess Insurance Authority which provides coverage up to \$300 million.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

**Note 11 – Public Entity Risk Pools, (continued)**

**Property Insurance:** The City, through its membership in CSJVRMA participates in the Public Entity Property Insurance Program (PEPIP) along with other California public entities. PEPIP is a national property insurance program with several hundred members including the City of Wasco. The PEPIP policy is an all-risk, replacement cost policy that covers: tax interruption; municipal bond revenue interruption; service interruption from public and private utilities for gas, electric, water and telecommunication; and vehicle comprehensive and collision. The CSJVRMA's deductible through PEPIP's is \$25,000. The City of Wasco's deductible is \$1,000 per occurrence. The program has a \$350,000,000 loss limit per occurrence.

**Note 12 – Retirement Plan**

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

**Funding Policy.** Active plan members are required to contribute 9% of their annual covered salary. The City makes the contributions required of City's contract employees on their behalf and for their account. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal 2007/2008 was 19.918% for the Miscellaneous Plan and 0% for the Safety Plan. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS. The City's Safety Plan has no active employees or contributing payroll on which a contribution percentage can be applied. As such the excess of the Safety Plan's actuarial liabilities over plan assets is amortized over a twenty year period and funded annually.

**Annual Pension Cost.** For the fiscal year 2007/2008, The City's annual pension costs of \$751,486 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, 2004, actuarial valuation using the entry age normal 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%. Initial plan unfunded liabilities are amortized over a closed period equal to the average amortization period at the plan's date of entry into the CalPERS Risk Pool. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the risk pool are amortized over a rolling 30 year period. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization period.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2008

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

**Three-Year Trend Information For The Plans**

<b>Miscellaneous Fund</b>			
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2006	\$ 496,887	100%	\$ -
6/30/2007	693,934	100%	-
6/30/2008	751,486	100%	-
<b>Safety Fund</b>			
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2006	\$ -	0%	\$ -
6/30/2007	-	0%	-
6/30/2008	-	0%	-

**Note 13 – Conduit Debt Obligations**

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

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

Assessment Districts	Remaining Collections	Outstanding Debt Service
89-1 Barker	\$ 404,508	\$ 533,188
89-2 Tract 5071	439,147	452,125
89-3 Tract 4644	220,500	200,000
91-1 Barnhard	404,240	488,313
91-2A Summerfield	468,557	411,688
91-2B Summerfield	96,986	134,700
92-1 Industrial Park	2,683,476	2,683,475
93-1 Southside - Childress	1,426,110	1,422,925
Total	\$ 6,143,524	\$ 6,326,414

The "Remaining Collections" represents the sum of the remaining principal and interest for each active parcel after 2007/08 debt service has been billed.

The \$1,205,408 due to bondholders as reported in the Statement of Fiduciary Net Assets, represents the net assets of the Authority held for bondholder repayment.

**City of Wasco**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

**Note 14 – Contingent Liabilities**

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

Various claims and suits have been filed against the City in the normal course of business. In the opinion of management and City Attorney, the estimated liability of the City for such claims is \$50,000 to \$100,000. Such amounts have not been provided for in the financial statements.

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**City of Wasco**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
Year ended June 30, 2008

**Plans' Risk Pool History of Funded Status and Funding Progress**

**Miscellaneous Fund**

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%

**Safety Fund**

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

**City of Wasco**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
Year ended June 30, 2008

**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, 2008

**GENERAL FUND**

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

**MAJOR SPECIAL REVENUE FUNDS**

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

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

**City of Wasco**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**Year ended June 30, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$ 4,269,216	\$ 4,324,216	\$ 4,250,321	\$ (73,895)
Licenses & Permits	456,200	306,200	278,578	(27,622)
Intergovernmental	161,000	11,000	10,855	(145)
Charges for Services	733,834	679,834	491,394	(188,440)
Fines, Forfeitures & Assessments	52,000	39,000	48,082	9,082
Use of Money or Property	76,000	82,500	63,712	(18,788)
Miscellaneous	15,000	16,000	20,858	4,858
<b>Total Revenues</b>	<b>5,763,250</b>	<b>5,458,750</b>	<b>5,163,800</b>	<b>(294,950)</b>
<b>Expenditures:</b>				
Current:				
General Government				
Council	135,562	120,141	104,414	(15,727)
Manager	129,158	79,038	126,394	47,356
Administrative	7,041	4,130	12,583	8,453
Finance & Accounting	71,715	72,439	94,403	21,964
Budget	9,617	6,697	18,056	11,359
Human Resources & Risk Managemen	34,104	34,104	46,582	12,478
Total General Government	387,197	316,549	402,432	85,883
Public Safety				
Sheriff	2,903,326	2,912,372	2,778,386	(133,986)
Animal Control	236,141	216,285	199,254	(17,031)
Fire	133,000	133,000	133,000	-
Total Public Safety	3,272,467	3,261,657	3,110,640	(151,017)
Community Development				
Planning	419,006	639,843	694,314	54,471
Engineering	499,082	449,052	403,504	(45,548)
Building Inspection	446,816	399,589	391,781	(7,808)
Code Compliance	303,999	258,510	243,670	(14,840)
Economic Development	-	-	231	231
Housing & Comm. Devp.	251,659	248,237	196,782	(51,455)
Total Community Development	1,920,562	1,995,231	1,930,282	(64,949)
Non Departmental				
Capital Outlay:				
General Capital Outlay	164,770	70,793	63,289	(7,504)
Debt Service:				
Interest and Finance Charges	-	-	-	-
<b>Total Expenditures</b>	<b>5,864,043</b>	<b>5,762,217</b>	<b>5,513,003</b>	<b>(249,214)</b>
Excess of Revenues Over Expenditures	(100,793)	(303,467)	(349,203)	(45,736)
<b>Other Financing Sources (Uses):</b>				
Transfers In	444,410	568,290	770,058	201,768
Transfers Out	(215,987)	(218,487)	(194,904)	23,583
<b>Total Other Financing Sources (Uses)</b>	<b>228,423</b>	<b>349,803</b>	<b>575,154</b>	<b>225,351</b>
Net Change in Fund Balances	127,630	46,336	225,951	179,615
Fund Balances - Beginning	712,747	712,747	712,747	-
Fund Balances - Ending	<b>\$ 840,377</b>	<b>\$ 759,083</b>	<b>\$ 938,698</b>	<b>\$ 179,615</b>

**City of Wasco**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**STREETS FUND**  
**Year ended June 30, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$ 430,000	\$ 323,500	\$ 307,184	\$ (16,316)
Licenses & Permits	-	-	352	352
Intergovernmental	3,825,449	3,844,758	1,840,494	(2,004,264)
Charges for Services	53,000	52,000	13,375	(38,625)
Use of Money or Property	14,000	14,000	10,056	(3,944)
Miscellaneous	55,000	56,000	4,603	(51,397)
<b>Total Revenues</b>	<b>4,377,449</b>	<b>4,290,258</b>	<b>2,176,064</b>	<b>(2,114,194)</b>
<b>Expenditures:</b>				
Current:				
Public Works	1,514,191	1,351,139	1,157,095	(194,044)
Capital Outlay:				
General Capital Outlay	70,000	15,975	15,974	(1)
Street Improvements	4,712,945	4,830,017	1,793,346	(3,036,671)
Pricipal Retirement	24,542	24,543	19,837	(4,706)
<b>Total Expenditures</b>	<b>6,321,678</b>	<b>6,221,674</b>	<b>2,986,252</b>	<b>(3,235,422)</b>
Excess of Revenues Over Expenditures	(1,944,229)	(1,931,416)	(810,188)	1,121,228
<b>Other Financing Sources (Uses):</b>				
Transfers In	2,364,642	2,246,910	1,357,837	(889,073)
Transfers Out	(420,413)	(310,431)	(523,423)	(212,992)
Loan Proceeds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,944,229</b>	<b>1,936,479</b>	<b>834,414</b>	<b>(1,102,065)</b>
Net Change in Fund Balances	-	5,063	24,226	19,163
Fund Balances - Beginning	839,681	839,681	839,681	-
Fund Balances - Ending	\$ 839,681	\$ 844,744	\$ 863,907	\$ 19,163

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-
Intergovernmental	-	-	81,879	81,879
Charges for Services	-	-	-	-
Use of Money or Property	-	-	15,270	15,270
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>97,149</b>	<b>97,149</b>
<b>Expenditures:</b>				
Current:				
Public Works	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
Street Improvements	-	-	-	-
Principal Retirement	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues Over Expenditures	-	-	97,149	97,149
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Loan Proceeds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	-	-	97,149	97,149
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 97,149</b>	<b>\$ 97,149</b>

**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**

**Shop Maintenance Fund** – Accounts for the cost of repairs and maintenance of City vehicles and equipment. Also accounts for the reimbursement from other funds for these costs.

**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.

**Facilities Maintenance** – Accounts for the maintenance and repair of all City owned buildings, structures, and facilities.

**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

**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.

**SPECIAL REVENUE FUNDS – (continued)**

**School Community Policing Partnership Fund** – Accounts for grant proceeds received from the State of California in partnership with the Wasco Union Elementary School District. These funds will be used to pay for a sheriff’s deputy assigned to the Elementary and High Schools in Wasco.

**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.

**Universal Hiring Grant – COPS** – The Universal Hiring Program (IHP) Community Oriented Policing Services (COPS) is a three year grant that is funding for the hiring and development of career law enforcement officers into community policing roles.

**Universal Hiring Grant – Schools** – The Universal Hiring Program (IHP) Community Oriented Policing Services (COPS) in schools is a three year grant that is funding for the hiring and development of career law enforcement officers in and around primary and secondary schools. UHP COPS in schools was designed to provide an incentive for law enforcement agencies to build working relationships with schools in order to use community policing efforts to combat school violence.

**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 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)**

**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.

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

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

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

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

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

**City of Wasco**  
SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUNDS – (continued)**

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

**Public Finance Authority (component unit)** – Accounts for the general fund the Wasco Public Finance Authority (a component unit of the City). The Wasco Public Finance Authority was created for the purpose of issuing its bonds to be used to provide financial assistance to the City, the Agency or any other public entity of the State of California. The Public Finance Authority does not prepare an annual budget.

**City of Wasco**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**June 30, 2008**

	Shop Maintenance	TDA Streets	Lighting & Landscape	Emergency Response	Facilities Maintenance	Traffic Safety	Traffic Impact	1993 CDBG Grant Fund	COPS Grant Fund	2002 Cal Home Grant Fund	School Community Policing Ptshp.	CHFA Rehab Grant	2003 CDBG Grant Fund
<b>Assets:</b>													
Cash and Investments	\$ -	\$ 14,211	\$ 63,305	\$ 2,801	\$ -	\$ 157,140	\$ 482,816	\$ 91,083	\$ 28,608	\$ -	\$ -	\$ 228,765	\$ 31,875
Receivables, net	-	-	315	-	-	850	14,528	531	-	-	-	1,009	229
Prepaid Costs	-	-	563	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes Receivable	-	-	-	-	-	-	-	245,269	-	202,706	-	125,217	184,064
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 14,211</b>	<b>\$ 64,183</b>	<b>\$ 2,801</b>	<b>\$ -</b>	<b>\$ 157,990</b>	<b>\$ 497,344</b>	<b>\$ 336,883</b>	<b>\$ 28,608</b>	<b>\$ 202,706</b>	<b>\$ -</b>	<b>\$ 354,991</b>	<b>\$ 216,168</b>
<b>Liabilities:</b>													
Accounts Payable	\$ -	\$ -	\$ 485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	1,996	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>2,481</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>													
Reserved For:													
Prepaid Costs	-	-	563	-	-	-	-	-	-	-	-	-	-
Notes Receivable	-	-	-	-	-	-	-	245,269	-	202,706	-	125,217	184,064
Unreserved:													
Undesignated	-	14,211	61,139	2,801	-	157,990	497,344	91,614	28,608	-	-	229,774	32,104
<b>Total Fund Balances (Deficit)</b>	<b>-</b>	<b>14,211</b>	<b>61,702</b>	<b>2,801</b>	<b>-</b>	<b>157,990</b>	<b>497,344</b>	<b>336,883</b>	<b>28,608</b>	<b>202,706</b>	<b>-</b>	<b>354,991</b>	<b>216,168</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ -</b>	<b>\$ 14,211</b>	<b>\$ 64,183</b>	<b>\$ 2,801</b>	<b>\$ -</b>	<b>\$ 157,990</b>	<b>\$ 497,344</b>	<b>\$ 336,883</b>	<b>\$ 28,608</b>	<b>\$ 202,706</b>	<b>\$ -</b>	<b>\$ 354,991</b>	<b>\$ 216,168</b>

**City of Wasco**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**June 30, 2008**

Universal Hiring Grant - COPS	Universal Hiring Grant - Schools	2003 Cal Home Grant Fund	2004 CDBG Grant Fund	2005 Cal Home Grant Fund	Miscellaneous Grants	2005 Cal Home Grant Fund	2006 HOME Grant Fund	2005 CDBG Grant Fund	CDBG Revolving Loan Fund	Cal Home Grant Reuse	2006 Cal Home Grant Fund	RDA Low and Moderate Income Housing	Public Financing Authority	Total Non-Major Special Revenue Funds
\$ -	\$ -	\$ -	\$ 62,409	\$ -	\$ 15,733	\$ 124,576	\$ -	\$ -	\$ 3,057	\$ 420,577	\$ 123,141	\$ 643,327	\$ 37,899	\$ 2,531,323
-	-	-	2,500	-	-	-	-	86,953	202	1,876	759	2,734	-	112,486
-	-	-	-	-	-	-	-	-	-	-	400	-	-	963
-	-	368,027	133,436	459,434	-	203,537	-	-	145,263	20,000	25,700	32,176	-	2,144,829
<b>\$ -</b>	<b>\$ -</b>	<b>\$ 368,027</b>	<b>\$ 198,345</b>	<b>\$ 459,434</b>	<b>\$ 15,733</b>	<b>\$ 328,113</b>	<b>\$ -</b>	<b>\$ 86,953</b>	<b>\$ 148,522</b>	<b>\$ 442,453</b>	<b>\$ 150,000</b>	<b>\$ 678,237</b>	<b>\$ 37,899</b>	<b>\$ 4,789,601</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,654	\$ 11,139
-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,996
-	-	-	-	-	-	-	-	96,147	-	-	-	1,223	-	97,370
-	-	-	-	-	17,250	143,642	-	-	-	-	124,300	-	-	285,192
-	-	-	-	-	17,250	143,642	-	96,147	-	-	124,300	1,223	10,654	395,697
-	-	-	-	-	-	-	-	-	-	-	400	-	-	963
-	-	368,027	133,436	459,434	-	203,537	-	-	145,263	20,000	25,700	32,176	-	2,144,829
-	-	-	64,909	-	(1,517)	(19,066)	-	(9,194)	3,259	422,453	(400)	644,838	27,245	2,248,112
-	-	368,027	198,345	459,434	(1,517)	184,471	-	(9,194)	148,522	442,453	25,700	677,014	27,245	4,393,904
<b>\$ -</b>	<b>\$ -</b>	<b>\$ 368,027</b>	<b>\$ 198,345</b>	<b>\$ 459,434</b>	<b>\$ 15,733</b>	<b>\$ 328,113</b>	<b>\$ -</b>	<b>\$ 86,953</b>	<b>\$ 148,522</b>	<b>\$ 442,453</b>	<b>\$ 150,000</b>	<b>\$ 678,237</b>	<b>\$ 37,899</b>	<b>\$ 4,789,601</b>

**City of Wasco**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (DEFICITS)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**Year ended June 30, 2008**

	Shop Maintenance	TDA Streets	Lighting & Landscape	Emergency Response	Facilities Maintenance	Traffic Safety	Traffic Impact	1993 CDBG Grant Fund	COPS Grant Fund	2002 Cal Home Grant Fund	School Community Policing Ptshp.	CHFA Rehab Grant	2003 CDBG Grant Fund
<b>Revenues:</b>													
Taxes	\$ -	\$ -	\$ 73,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	768,925	-	-	-	-	-	-	112,248	-	-	-	-
Charges for Services	-	-	-	-	-	-	128,751	-	-	-	-	-	-
Fines, Forfeitures & Assessments	-	-	-	-	-	41,726	-	-	-	-	-	-	-
Use of Money or Property	-	294	-	-	-	5,135	21,908	813	-	8,625	5	9,658	5,595
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>769,219</b>	<b>73,129</b>	<b>-</b>	<b>-</b>	<b>46,861</b>	<b>150,659</b>	<b>813</b>	<b>112,248</b>	<b>8,625</b>	<b>5</b>	<b>9,658</b>	<b>5,595</b>
<b>Expenditures:</b>													
Current:													
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Works	-	-	130,136	122	-	24,720	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-	1,000	-	-	32,950
Capital Outlay:													
General Capital Outlay	-	-	-	1,583	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>130,136</b>	<b>1,705</b>	<b>-</b>	<b>24,720</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>32,950</b>
Excess of Revenues Over Expenditures	-	769,219	(57,007)	(1,705)	-	22,141	150,659	813	112,248	7,625	5	9,658	(27,355)
<b>Other Financing Sources (Uses):</b>													
Transfers In	-	-	57,007	1,705	1,414	-	-	-	-	-	-	-	-
Transfers Out	(9,865)	(774,355)	-	-	-	-	(197,962)	-	(104,000)	(294,764)	(9,580)	-	(171,072)
<b>Total Other Financing Sources (Uses)</b>	<b>(9,865)</b>	<b>(774,355)</b>	<b>57,007</b>	<b>1,705</b>	<b>1,414</b>	<b>-</b>	<b>(197,962)</b>	<b>-</b>	<b>(104,000)</b>	<b>(294,764)</b>	<b>(9,580)</b>	<b>-</b>	<b>(171,072)</b>
Net Change in Fund Balances	(9,865)	(5,136)	-	-	1,414	22,141	(47,303)	813	8,248	(287,139)	(9,575)	9,658	(198,427)
Fund Balances - Beginning	9,865	19,347	61,702	2,801	(1,414)	135,849	544,647	336,070	20,360	489,845	9,575	345,333	414,595
Fund Balances - Ending	\$ -	\$ 14,211	\$ 61,702	\$ 2,801	\$ -	\$ 157,990	\$ 497,344	\$ 336,883	\$ 28,608	\$ 202,706	\$ -	\$ 354,991	\$ 216,168

**City of Wasco**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (DEFICITS)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**Year ended June 30, 2008**

Universal Hiring Grant - COPS	Universal Hiring Grant - Schools	2003 Cal Home Grant Fund	2004 CDBG Grant Fund	2004 Cal Home Grant Fund	Miscellaneous Grants	2005 Cal Home Grant Fund	2006 HOME Grant Fund	2005 CDBG Grant Fund	CDBG Revolving Loan Fund	Cal Home Grant Reuse	2006 Cal Home Grant Fund	RDA Low and Moderate Income Housing	Public Financing Authority	Total Non-Major Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,129
-	-	-	-	21,256	2,302	203,833	-	316,140	-	-	25,700	-	-	1,450,404
-	-	-	-	-	-	27,526	-	-	-	-	-	-	-	156,277
-	-	-	-	-	-	-	-	-	-	-	-	-	-	78,469
-	-	860	3,995	304	-	274	-	-	7,803	8,193	1,739	14,628	36,743	89,829
-	-	-	-	-	-	-	-	-	335	-	-	-	-	335
-	-	860	3,995	21,560	2,302	231,633	-	316,140	8,138	8,193	27,439	14,628	36,743	1,848,443
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	800	-	-	-	-	-	-	-	6	-	16,372	28,803	154,978
-	-	-	-	-	-	-	-	-	-	-	-	-	-	79,931
-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,583
-	-	800	-	-	-	-	-	-	-	6	-	16,372	28,803	236,492
-	-	60	3,995	21,560	2,302	231,633	-	316,140	8,138	8,187	27,439	(1,744)	7,940	1,611,951
-	-	-	-	-	-	-	-	-	179,459	434,266	-	269,393	-	943,244
(127,994)	(14,828)	(110,936)	(8,386)	(19,512)	(4,420)	(40,599)	(7,117)	(324,411)	(39,075)	-	(1,739)	-	-	(2,260,615)
(127,994)	(14,828)	(110,936)	(8,386)	(19,512)	(4,420)	(40,599)	(7,117)	(324,411)	140,384	434,266	(1,739)	269,393	-	(1,317,371)
(127,994)	(14,828)	(110,876)	(4,391)	2,048	(2,118)	191,034	(7,117)	(8,271)	148,522	442,453	25,700	267,649	7,940	294,580
127,994	14,828	478,903	202,736	457,386	601	(6,563)	7,117	(923)	-	-	-	409,365	19,305	4,099,324
\$ -	\$ -	\$ 368,027	\$ 198,345	\$ 459,434	\$ (1,517)	\$ 184,471	\$ -	\$ (9,194)	\$ 148,522	\$ 442,453	\$ 25,700	\$ 677,014	\$ 27,245	\$ 4,393,904

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>Expenditures:</b>				
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(9,865)	(9,865)
Total Other Financing Sources (Uses)	-	-	(9,865)	(9,865)
Net Change in Fund Balances	-	-	(9,865)	(9,865)
Fund Balances - Beginning	9,865	9,865	9,865	-
Fund Balances - Ending	\$ 9,865	\$ 9,865	\$ -	\$ (9,865)

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Intergovernmental	\$ 959,161	\$ 959,161	\$ 768,925	\$ (190,236)
Use of Money or Property	4,000	4,000	294	(3,706)
	<hr/>			
Total Revenues	963,161	963,161	769,219	(193,942)
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(1,134,492)	(1,134,492)	(774,355)	360,137
	<hr/>			
Total Other Financing Sources (Uses)	(1,134,492)	(1,134,492)	(774,355)	360,137
	<hr/>			
Net Changes in Fund Balances	(171,331)	(171,331)	(5,136)	166,195
Fund Balances - Beginning	19,347	19,347	19,347	-
	<hr/>			
Fund Balances - Ending	\$ (151,984)	\$ (151,984)	\$ 14,211	\$ 166,195
	<hr/>			

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$ 65,300	\$ 65,300	\$ 73,129	\$ 7,829
Total Revenues	65,300	65,300	73,129	7,829
<b>Expenditures:</b>				
Current:				
Public Works	140,609	140,388	130,136	(10,252)
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	140,609	140,388	130,136	(10,252)
Excess of Revenues Over Expenditures	(75,309)	(75,088)	(57,007)	18,081
<b>Other Financing Sources (Uses):</b>				
Transfers In	75,310	75,310	57,007	(18,303)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	75,310	75,310	57,007	(18,303)
Net Change in Fund Balances	1	222	-	(222)
Fund Balances - Beginning	61,702	61,702	61,702	-
Fund Balances - Ending	\$ 61,703	\$ 61,924	\$ 61,702	\$ (222)

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>Expenditures:</b>				
Current:				
Public Works	4,100	4,100	122	(3,978)
Capital Outlay:				
General Capital Outlay	1,800	1,800	1,583	(217)
Total Expenditures	5,900	5,900	1,705	(4,195)
Excess of Revenues Over Expenditures	(5,900)	(5,900)	(1,705)	4,195
<b>Other Financing Sources (Uses):</b>				
Transfers In	5,900	5,900	1,705	(4,195)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	5,900	5,900	1,705	(4,195)
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**  
**FACILITIES MAINTENANCE**  
**Year ended June 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Use of Money or Property	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>Expenditures:</b>				
Current:				
Public Works	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	-
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	1,414	-
Transfers Out	-	-	-	-
Fund Balances - Beginning	(1,414)	(1,414)	(1,414)	-
Fund Balances - Ending	\$ (1,414)	\$ (1,414)	\$ -	\$ -

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Fines, Forfeitures & Assessments	\$ 36,000	\$ 36,000	\$ 41,726	\$ 5,726
Use of Money or Property	5,000	5,000	5,135	135
<b>Total Revenues</b>	<b>41,000</b>	<b>41,000</b>	<b>46,861</b>	<b>5,861</b>
<b>Expenditures:</b>				
Current:				
Public Works	41,000	41,000	24,720	(16,280)
<b>Total Expenditures</b>	<b>41,000</b>	<b>41,000</b>	<b>24,720</b>	<b>(16,280)</b>
Excess of Revenues Over Expenditures	-	-	22,141	22,141
Fund Balances - Beginning	135,849	135,849	135,849	-
Fund Balances - Ending	<b>\$ 135,849</b>	<b>\$ 135,849</b>	<b>\$ 157,990</b>	<b>\$ 22,141</b>

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Charges for Services	\$ 150,000	\$ 150,000	\$ 128,751	\$ (21,249)
Use of Money or Property	17,000	17,000	21,908	4,908
<b>Total Revenues</b>	<b>167,000</b>	<b>167,000</b>	<b>150,659</b>	<b>(16,341)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(180,763)	(361,057)	(197,962)	163,095
<b>Total Other Financing Sources (Uses)</b>	<b>(180,763)</b>	<b>(361,057)</b>	<b>(197,962)</b>	<b>163,095</b>
<b>Net Change in Fund Balances</b>	<b>(13,763)</b>	<b>(194,057)</b>	<b>(47,303)</b>	<b>146,754</b>
Fund Balances - Beginning	544,647	544,647	544,647	-
<b>Fund Balances - Ending</b>	<b>\$ 530,884</b>	<b>\$ 350,590</b>	<b>\$ 497,344</b>	<b>\$ 146,754</b>

**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, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ -	\$ -	\$ 813	\$ 813
Total Revenues	-	-	813	813
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	813	813
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	813	813
Fund Balances - Beginning	336,070	336,070	336,070	-
Fund Balances - Ending	\$ 336,070	\$ 336,070	\$ 336,883	\$ 813

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 112,248	\$ 12,248
Use of Money or Property	4,000	4,000	-	(4,000)
<b>Total Revenues</b>	<b>104,000</b>	<b>104,000</b>	<b>112,248</b>	<b>8,248</b>
<b>Expenditures:</b>				
Current:				
Public Safety	-	-	-	-
Capital Outlay:				
General Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues Over Expenditures	104,000	104,000	112,248	8,248
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(104,000)	(104,000)	(104,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(104,000)</b>	<b>(104,000)</b>	<b>(104,000)</b>	<b>-</b>
Net Change in Fund Balances	-	-	8,248	8,248
Fund Balances - Beginning	20,360	20,360	20,360	-
Fund Balances - Ending	\$ 20,360	\$ 20,360	\$ 28,608	\$ 8,248

**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, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Use of Money or Property	-	-	8,625	8,625
<b>Total Revenues</b>	-	-	8,625	8,625
<b>Expenditures:</b>				
Current:				
Community Development	-	-	1,000	1,000
Capital Outlay:				
General Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	-	-	1,000	1,000
Excess of Revenues Over Expenditures	-	-	7,625	7,625
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(294,764)	(294,764)
<b>Total Other Financing Sources (Uses)</b>	-	-	(294,764)	(294,764)
Net Change in Fund Balances	-	-	(287,139)	(287,139)
Fund Balances - Beginning	489,845	489,845	489,845	-
Fund Balances - Ending	\$ 489,845	\$ 489,845	\$ 202,706	\$ (287,139)

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**SCHOOL COMMUNITY POLICING PARTNERSHIP FUND**  
Year ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Use of Money or Property	\$ -	\$ 5	\$ 5	\$ -
Total Revenues	-	5	5	-
<b>Expenditures:</b>				
Current:				
Public Safety	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	5	5	-
<b>Other Financing Sources (Uses):</b>				
Transfers Out	-	(9,580)	(9,580)	-
Total Other Financing Sources (Uses)	-	(9,580)	(9,580)	-
Net Change in Fund Balances	-	(9,575)	(9,575)	-
Fund Balances - Beginning	9,575	9,575	9,575	-
Fund Balances - Ending	\$ 9,575	\$ -	\$ -	\$ -

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ 23,115	\$ 38,165	\$ 9,658	\$ (28,507)
Intergovernmental	-	-	-	-
Total Revenues	23,115	38,165	9,658	(28,507)
<b>Expenditures:</b>				
Current:				
Community Development	23,115	28,165	-	(28,165)
Total Expenditures	23,115	28,165	-	(28,165)
Excess of Revenues Over Expenditures	-	10,000	9,658	(342)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	10,000	9,658	(342)
Fund Balances - Beginning	345,333	345,333	345,333	-
Fund Balances - Ending	\$ 345,333	\$ 355,333	\$ 354,991	\$ (342)

**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, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of Money or Property	-	-	5,595	5,595
<b>Total Revenues</b>	-	-	5,595	5,595
<b>Expenditures:</b>				
Current:				
Community Development	-	-	32,950	32,950
Capital Outlay:				
General Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	-	-	32,950	32,950
Excess of Revenues Over Expenditures	-	-	(27,355)	(27,355)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(171,072)	(171,072)
<b>Total Other Financing Sources (Uses)</b>	-	-	(171,072)	(171,072)
Net Change in Fund Balances	-	-	(198,427)	(198,427)
Fund Balances - Beginning	414,595	414,595	414,595	-
Fund Balances - Ending	\$ 414,595	\$ 414,595	\$ 216,168	\$ (198,427)

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>Expenditures:</b>				
Current:				
Public Safety	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	-
<b>Other Financing Sources (Uses):</b>				
Transfers Out	-	-	(127,994)	(127,994)
Total Other Financing Sources (Uses)	-	-	(127,994)	(127,994)
Net Change in Fund Balances	-	-	(127,994)	(127,994)
Fund Balances - Beginning	127,994	127,994	127,994	-
Fund Balances - Ending	\$ 127,994	\$ 127,994	\$ -	\$ (127,994)

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**UNIVERSAL HIRING GRANT – COPS IN SCHOOLS**  
Year ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
<b>Total Revenues</b>	-	-	-	-
<b>Expenditures:</b>				
Current:				
Public Safety	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	-
<b>Other Financing Sources (Uses):</b>				
Transfers Out	-	-	(14,828)	(14,828)
<b>Total Other Financing Sources (Uses)</b>	-	-	(14,828)	(14,828)
<b>Net Change in Fund Balances</b>	-	-	(14,828)	(14,828)
Fund Balances - Beginning	14,828	14,828	14,828	-
<b>Fund Balances - Ending</b>	<b>\$ 14,828</b>	<b>\$ 14,828</b>	<b>\$ -</b>	<b>\$ (14,828)</b>

**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, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Use of Money or Property	-	-	860	860
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>860</b>	<b>860</b>
<b>Expenditures:</b>				
Current:				
Community Development	-	-	800	800
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>800</b>	<b>800</b>
Excess of Revenues Over Expenditures	-	-	60	60
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(110,936)	(110,936)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(110,936)</b>	<b>(110,936)</b>
Net Change in Fund Balances	-	-	(110,876)	(110,876)
Fund Balances - Beginning	478,903	478,903	478,903	-
Fund Balances - Ending	\$ 478,903	\$ 478,903	\$ 368,027	\$ (110,876)

**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, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Use of Money or Property	-	-	3,995	3,995
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>3,995</b>	<b>3,995</b>
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues Over Expenditures	-	-	3,995	3,995
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(8,386)	(8,386)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(8,386)</b>	<b>(8,386)</b>
Net Change in Fund Balances	-	-	(4,391)	(4,391)
Fund Balances - Beginning	202,736	202,736	202,736	-
Fund Balances - Ending	\$ 202,736	\$ 202,736	\$ 198,345	\$ (4,391)

**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, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 90,000	\$ 90,000	\$ 21,256	\$ (68,744)
Charges for Services	-	-	-	-
Use of Money or Property	-	-	304	304
<b>Total Revenues</b>	<b>90,000</b>	<b>90,000</b>	<b>21,560</b>	<b>(68,440)</b>
<b>Expenditures:</b>				
Current:				
Community Development	90,000	90,000	-	(90,000)
<b>Total Expenditures</b>	<b>90,000</b>	<b>90,000</b>	<b>-</b>	<b>(90,000)</b>
Excess of Revenues Over Expenditures	-	-	21,560	21,560
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(19,512)	(19,512)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(19,512)</b>	<b>(19,512)</b>
Net Change in Fund Balances	-	-	2,048	2,048
Fund Balances - Beginning	457,386	457,386	457,386	-
Fund Balances - Ending	\$ 457,386	\$ 457,386	\$ 459,434	\$ 2,048

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 2,302	\$ (57,698)
Total Revenues	60,000	60,000	2,302	(57,698)
<b>Expenditures:</b>				
Current:				
Community Development	60,000	60,000	-	(60,000)
Total Expenditures	60,000	60,000	-	(60,000)
Excess of Revenues Over Expenditures	-	-	2,302	2,302
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(4,420)	(4,420)
Total Other Financing Sources (Uses)	-	-	(4,420)	(4,420)
Net Change in Fund Balances	-	-	(2,118)	(2,118)
Fund Balances - Beginning	601	601	601	-
Fund Balances - Ending	\$ 601	\$ 601	\$ (1,517)	\$ (2,118)

**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, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 203,833	\$ (46,167)
Charges for Services	-	-	27,526	27,526
Use of Money or Property	-	-	274	274
<b>Total Revenues</b>	<b>250,000</b>	<b>250,000</b>	<b>231,633</b>	<b>(18,367)</b>
<b>Expenditures:</b>				
Current:				
Community Development	250,000	250,000	-	(250,000)
<b>Total Expenditures</b>	<b>250,000</b>	<b>250,000</b>	<b>-</b>	<b>(250,000)</b>
Excess of Revenues Over Expenditures	-	-	231,633	231,633
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(40,599)	(40,599)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(40,599)</b>	<b>(40,599)</b>
Net Change in Fund Balances	-	-	191,034	191,034
Fund Balances - Beginning	(6,563)	(6,563)	(6,563)	-
Fund Balances - Ending	\$ (6,563)	\$ (6,563)	\$ 184,471	\$ 191,034

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**2006 HOME GRANT FUND**  
**Year ended June 30, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	16,248	16,248	-	(16,248)
Use of Money or Property	-	-	-	-
<b>Total Revenues</b>	<b>16,248</b>	<b>16,248</b>	<b>-</b>	<b>(16,248)</b>
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues Over Expenditures	16,248	16,248	-	(16,248)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(16,248)	(16,248)	(7,117)	9,131
<b>Total Other Financing Sources (Uses)</b>	<b>(16,248)</b>	<b>(16,248)</b>	<b>(7,117)</b>	<b>9,131</b>
Net Change in Fund Balances	-	-	(7,117)	(7,117)
Fund Balances - Beginning	7,117	7,117	7,117	-
Fund Balances - Ending	\$ 7,117	\$ 7,117	\$ -	\$ (7,117)

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**2005 CDBG GRANT FUND**  
**Year ended June 30, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 1,195,463	\$ 316,140	\$ (879,323)
Charges for Services	-	-	-	-
Use of Money or Property	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>1,195,463</b>	<b>316,140</b>	<b>(879,323)</b>
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues Over Expenditures	-	1,195,463	316,140	(879,323)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	(1,195,463)	(324,411)	871,052
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(1,195,463)</b>	<b>(324,411)</b>	<b>871,052</b>
Net Change in Fund Balances	-	-	(8,271)	(8,271)
Fund Balances - Beginning	(923)	(923)	(923)	-
Fund Balances - Ending	\$ (923)	\$ (923)	\$ (9,194)	\$ (8,271)

**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, 2008

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 202,456	\$ 202,456	\$ -	\$ (202,456)
Charges for Services	-	-	-	-
Use of Money or Property	28,050	28,050	7,803	(20,247)
Miscellaneous	-	-	335	335
	<hr/>			
Total Revenues	230,506	230,506	8,138	(222,368)
<b>Expenditures:</b>				
Current:				
Community Development	202,456	202,456	-	(202,456)
	<hr/>			
Total Expenditures	202,456	202,456	-	(202,456)
	<hr/>			
Excess of Revenues Over Expenditures	28,050	28,050	8,138	(19,912)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	179,459	179,459
Transfers Out	-	-	(39,075)	(39,075)
	<hr/>			
Total Other Financing Sources (Uses)	-	-	140,384	140,384
	<hr/>			
Net Change in Fund Balances	28,050	28,050	148,522	120,472
	<hr/>			
Fund Balances - Beginning	-	-	-	-
	<hr/>			
Fund Balances - Ending	\$ 28,050	\$ 28,050	\$ 148,522	\$ 120,472
	<hr/> <hr/>			

**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, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 352,452	\$ 352,452	\$ -	\$ (352,452)
Charges for Services	-	-	-	-
Use of Money or Property	12,500	12,500	8,193	(4,307)
<b>Total Revenues</b>	<b>364,952</b>	<b>364,952</b>	<b>8,193</b>	<b>(356,759)</b>
<b>Expenditures:</b>				
Current:				
Community Development	352,452	352,452	6	(352,446)
<b>Total Expenditures</b>	<b>352,452</b>	<b>352,452</b>	<b>6</b>	<b>(352,446)</b>
Excess of Revenues Over Expenditures	12,500	12,500	8,187	(4,313)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	434,266	434,266
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>434,266</b>	<b>434,266</b>
Net Change in Fund Balances	12,500	12,500	442,453	429,953
Fund Balances - Beginning	-	-	-	-
<b>Fund Balances - Ending</b>	<b>\$ 12,500</b>	<b>\$ 12,500</b>	<b>\$ 442,453</b>	<b>\$ 429,953</b>

**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, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 25,700	\$ 25,700
Charges for Services	-	-	-	-
Use of Money or Property	-	-	1,739	1,739
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>27,439</b>	<b>27,439</b>
<b>Expenditures:</b>				
Current:				
Community Development	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues Over Expenditures	-	-	27,439	27,439
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(1,739)	(1,739)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(1,739)</b>	<b>(1,739)</b>
Net Change in Fund Balances	-	-	25,700	25,700
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ 25,700	\$ 25,700

**City of Wasco**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL**  
**RDA LOW AND MODERATE INCOME HOUSING**  
**Year ended June 30, 2008**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Use of Money or Property	\$ 15,200	\$ 15,200	\$ 14,628	\$ (572)
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>15,200</b>	<b>15,200</b>	<b>14,628</b>	<b>(572)</b>
<b>Expenditures:</b>				
Current:				
Community Development	58,463	58,463	16,372	(42,091)
<b>Total Expenditures</b>	<b>58,463</b>	<b>58,463</b>	<b>16,372</b>	<b>(42,091)</b>
Excess of Revenues Over Expenditures	(43,263)	(43,263)	(1,744)	41,519
<b>Other Financing Sources (Uses):</b>				
Transfers In	246,444	246,444	269,393	22,949
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>246,444</b>	<b>246,444</b>	<b>269,393</b>	<b>22,949</b>
Net Change in Fund Balances	203,181	203,181	267,649	64,468
Fund Balances - Beginning	409,365	409,365	409,365	-
<b>Fund Balances - Ending</b>	<b>\$ 612,546</b>	<b>\$ 612,546</b>	<b>\$ 677,014</b>	<b>\$ 64,468</b>

**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, 2008**

	General Fund		
	Original & Final Budget	Actual	Actual Over (Under) Budget
<b>Revenues:</b>			
Use of Money or Property	\$ 15,000	\$ 6,756	\$ (8,244)
Misellaneous	30,193	10,107	(20,086)
Sale of Inventory	193,406	-	(193,406)
<b>Total Revenues</b>	<b>238,599</b>	<b>16,863</b>	<b>(221,736)</b>
<b>Expenditures:</b>			
Community Development	551,599	386,292	(165,307)
Debt Service:			
Interest & Finance Charges	-	37,494	37,494
<b>Total Expenditures</b>	<b>551,599</b>	<b>423,786</b>	<b>(127,813)</b>
Excess of Revenues Over (Under) Expenditures	(313,000)	(406,923)	(93,923)
<b>Other Financing Sources (Uses):</b>			
Transfers In (Out)	243,000	325,208	82,208
Loan Proceeds	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>243,000</b>	<b>325,208</b>	<b>82,208</b>
<b>Net Changes in Fund Balance</b>	<b>(70,000)</b>	<b>(81,715)</b>	<b>(11,715)</b>
Fund Balance - Beginning	3,149,952	3,149,952	-
<b>Fund Balance - Ending</b>	<b>\$ 3,079,952</b>	<b>\$ 3,068,237</b>	<b>\$ (11,715)</b>

**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, 2008**

	General Fund		
	Original & Final Budget	Actual	Actual Over (Under) Budget
<b>Revenues:</b>			
Property Taxes	\$ 1,232,220	\$ 1,343,953	\$ 111,733
Use of Money or Property	8,300	9,122	822
<b>Total Revenues</b>	<b>1,240,520</b>	<b>1,353,075</b>	<b>112,555</b>
<b>Expenditures:</b>			
Community Development	5,000	16,746	11,746
Debt Service:			
Principal Retirement	235,000	175,000	(60,000)
Tax Increment Pass-Through Payments	325,626	343,955	18,329
Interest and Finance Charges	162,025	163,775	1,750
<b>Total Expenditures</b>	<b>727,651</b>	<b>699,476</b>	<b>(28,175)</b>
Excess of Revenues Over (Under) Expenditures	512,869	653,599	140,730
Other Financing Sources (Uses):			
Transfers In (Out)	(344,444)	(449,601)	(105,157)
<b>Total Other Financing Sources (Uses)</b>	<b>(344,444)</b>	<b>(449,601)</b>	<b>(105,157)</b>
Net Changes in Fund Balance	168,425	203,998	35,573
Fund Balance - Beginning	223,555	223,555	-
Fund Balance - Ending	<b>\$ 391,980</b>	<b>\$ 427,553</b>	<b>\$ 35,573</b>

**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, 2008**

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
<b>Assets:</b>				
Cash and Investments	\$ 668,758	\$ 647,173	\$ (630,247)	\$ 685,684
Investments with Fiscal Agents - Restricted	500,674	15,462	(4,402)	511,734
Receivables	5,406	7,351	(4,767)	7,990
<b>Total Assets</b>	<b>\$ 1,174,838</b>	<b>\$ 669,986</b>	<b>\$ (639,416)</b>	<b>\$ 1,205,408</b>
<b>Liabilities:</b>				
Due to Bondholders	\$ 1,174,838	\$ 669,986	\$ (639,416)	1,205,408
<b>Total Liabilities</b>	<b>\$ 1,174,838</b>	<b>\$ 669,986</b>	<b>\$ (639,416)</b>	<b>\$ 1,205,408</b>

## 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.

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

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

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
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
Restricted	33,736	454,128	-	-	-	-
Unrestricted	3,008,562	1,998,259	4,146,304	5,550,028	5,635,602	7,003,987
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>
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
Restricted	2,274,650	2,850,967	2,765,250	3,408,935	3,124,665	3,155,468
Unrestricted	(3,410,201)	(3,466,106)	(2,469,080)	(2,128,531)	1,772,757	2,196,051
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>
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
Restricted	2,308,386	3,305,095	2,765,250	3,408,935	3,124,665	3,155,468
Unrestricted	(401,639)	(1,467,847)	1,677,224	3,421,497	7,408,359	9,200,038
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>

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

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<b>Expenses</b>						
Governmental activities:						
General government	\$ 991,642	\$ 975,433	\$ 1,113,205	\$ 828,505	\$ 1,617,100	\$ 513,373
Public safety	1,914,842	2,126,447	2,715,804	2,633,693	3,331,662	3,123,956
Public works	896,723	1,557,534	1,056,748	1,552,356	1,781,623	1,699,290
Community development	844,130	583,308	764,896	1,115,011	1,941,075	2,933,556
Interest on long-term debt	239,953	289,953	10,260	215,937	217,746	10,036
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>
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
Water utility	1,047,739	1,011,590	1,046,063	1,143,306	1,496,483	1,811,774
Refuse collection and disposal	1,037,197	1,072,572	1,211,532	1,379,554	1,677,105	2,086,186
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
CNG Fueling Station	-	-	-	65	60,446	71,267
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>
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>
<b>Program Revenues</b>						
Governmental activities:						
Charges for service:						
General government	\$ 181,370	\$ 71,666	\$ 75,283	\$ 79,049	\$ 102,515	\$ 91,167
Public safety	238,387	312,962	347,346	375,852	375,115	125,604
Public works	81,428	584,476	386,155	351,148	856,014	510,125
Community development	109,437	38,467	198,994	394,214	298,143	657,515
Operating contributions and grants	223,001	337,520	519,744	377,824	1,121,182	763,357
Capital contributions and grants	347,750	71,245	2,431,596	1,545,108	1,211,349	1,557,424
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>
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
Water utility	1,335,985	1,469,311	1,662,442	2,056,043	2,480,917	2,245,359
Refuse collection and disposal	1,256,222	1,357,344	1,465,586	1,478,915	1,515,649	2,186,430
Golf course	101,368	22,643	44,087	6,407	-	-
Public transportation	197,405	224,222	344,939	251,125	430,468	68,576
CNG Fueling Station	-	-	-	3,470	31,183	35,390
Operating contributions and grants	37,583	23,169	23,480	24,631	-	156,685
Capital contributions and grants	-	31,000	-	175,340	31,000	245,939
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>
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>
Net (expense)/revenue						
Governmental activities	\$ (3,705,917)	\$ (4,116,339)	\$ (1,701,795)	\$ (3,222,307)	\$ (4,924,888)	\$ (4,575,019)
Business-type activities	825,722	988,037	1,448,160	1,953,531	1,410,860	1,542,608
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>

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

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

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

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Motor Vehicle In-Lieu Tax</b>	<b>State Allocation of Gas Tax</b>	<b>Other Tax</b>	<b>Total</b>
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

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

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

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

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

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

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

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

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

Fiscal Year	Real Property				Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other Property	Unsecured Property			
1999	179,425,290	29,694,596	24,515,790	13,863,856	8,050,447	-	255,549,979	2.78
2000	187,639,106	30,109,437	25,241,002	15,223,901	8,683,880	-	266,897,326	2.84
2001	197,340,887	34,785,419	24,627,863	15,115,640	9,798,540	(1,744)	281,666,605	2.73
2002	208,586,782	36,362,305	24,863,523	14,635,558	9,865,801	(35,331)	294,278,638	2.74
2003	215,040,647	51,883,848	12,658,765	15,754,157	10,411,744	(619,817)	305,129,344	2.70
2004	241,650,696	51,084,016	4,805,347	23,593,710	9,500,145	(596,393)	330,037,521	2.45
2005	250,204,533	52,289,623	8,611,090	25,899,684	9,223,450	(619,675)	345,608,705	2.54
2006	280,722,875	57,792,213	12,081,256	29,485,770	11,429,075	(49,384)	391,461,805	2.96
2007	331,758,057	62,099,887	18,350,449	50,175,007	11,401,146	(90,183)	473,694,363	3.26
2008	378,557,857	64,190,867	13,806,003	88,875,398	12,096,892	(166,340)	557,527,017	3.13

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Source: Kern County Auditor Controller's Office

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

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

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>City Direct Rate:</b>	0.0908	0.0908	0.0908	0.0908	0.0908	0.0908	0.0908	0.0908	0.0908	0.0908
<b>Overlapping Rates</b>										
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	0.1552	0.1552
Kern County Fire Department	0.0861	0.0861	0.0861	0.0861	0.0861	0.0861	0.0861	0.0861	0.0861	0.0861
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	0.1628
Kern County Water Agency	0.0059	0.0059	0.0059	0.0059	0.0059	0.0059	0.0059	0.0059	0.0059	0.0059
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>									
<b>Overlapping Debt Assessment Rates</b>										
Kern County Cemetery District: Srid #1	0.0000	0.0000	0.0000	0.0000	0.0000	0.0118	0.0092	0.0096	0.0000	0.0060
Kern County Cemetery District: Srid 03A Rfd	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0037	0.0019
Kern County Cemetery District: Srid 2003B	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0016	0.0001
Shafter-Wasco Irrigation District: Debt	0.3125	0.3125	0.3125	0.3125	0.3125	0.3125	0.3125	0.3125	0.3125	0.3125
Wasco Union Elementary School District: 2004A	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0033	0.0046
Wasco Union Elementary School District: 2001A	0.0000	0.0000	0.0000	0.0000	0.0294	0.0327	0.0366	0.0349	0.0267	0.0234
Total Overlapping Debt Assessment Rates	<u>0.3125</u>	<u>0.3125</u>	<u>0.3125</u>	<u>0.3125</u>	<u>0.3419</u>	<u>0.3570</u>	<u>0.3583</u>	<u>0.3570</u>	<u>0.3477</u>	<u>0.3486</u>
<b>Total Tax Rates:</b>	<u><u>1.3125</u></u>	<u><u>1.3125</u></u>	<u><u>1.3125</u></u>	<u><u>1.3125</u></u>	<u><u>1.3419</u></u>	<u><u>1.3570</u></u>	<u><u>1.3583</u></u>	<u><u>1.3570</u></u>	<u><u>1.3477</u></u>	<u><u>1.3486</u></u>

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

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

**City of Wasco  
Principal Property Taxpayers  
June 30, 2008**

<u>Taxpayer</u>	<u>2007</u>				<u>1998</u>			
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Estimated Total Tax</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Estimated Total Tax</u>	<u>Percentage of Total Taxable Assessed Value</u>
Certis USA LLC	\$ 13,323,235	1	\$ 112,239	2.39%	-	-	-	-
Sunnygen LLC	7,424,425	2	61,164	1.33%	-	-	-	-
Savage Industries Inc.	8,187,614	3	52,558	1.47%	-	-	-	-
Lotus Developments	2,078,764	4	19,767	0.37%	-	-	-	-
F & Poso St. Investors	1,691,500	5	14,477	0.30%	-	-	-	-
Reynen & Bardis Communications Inc.	19,150,242	6	14,276	3.43%	-	-	-	-
Heller Development Company Inc.	11,350,412	7	10,094	2.04%	-	-	-	-
Sarno Sarno Test Trust	6,521,225	8	8,262	1.17%	-	-	-	-
West Family Trust	767,740	9	6,855	0.14%	-	-	-	-
Howard Hay Company Inc.	816,199	10	6,724	0.15%	-	-	-	-
Thermo Trilogy Corporation	-	-	-	-	12,756,126	1	82,292	4.99%
Newco Corporation	-	-	-	-	8,953,027	2	57,758	3.50%
Delmar Asscs Limited Partnership	-	-	-	-	5,160,811	3	4,591	2.02%
Jeffries Bros. Inc.	-	-	-	-	1,065,135	4	4,556	0.42%
Wasco Commercial Group	-	-	-	-	3,487,412	5	4,328	1.36%
Western Ag Investment Inc.	-	-	-	-	651,554	6	4,217	0.25%
Petrini Construction Company	-	-	-	-	643,223	7	4,150	0.25%
Wasco Arms Apartments	-	-	-	-	4,547,584	8	4,046	1.78%
Kenneth M. & Pamela L. Byrum	-	-	-	-	587,630	9	3,791	0.23%
Revocable Living Childress Trust	-	-	-	-	647,358	10	3,756	0.25%

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

<b>Fiscal Year Ended June 30</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
1999	333,042	310,399	93%	1,183	311,582	94%
2000	311,762	296,214	95%	222	296,436	95%
2001	311,801	308,787	99%	(20,972)	287,815	92%
2002	322,190	318,491	99%	20,965	339,456	105%
2003	335,078	332,246	99%	647	332,893	99%
2004	353,858	348,587	99%	757	349,344	99%
2005	417,794	414,428	99%	4,908	419,336	100%
2006	493,785	492,111	100%	7,339	499,450	101%
2007	583,214	564,574	97%	14,933	579,507	99%
2008	647,030	647,007	100%	-	647,007	100%

Source: Kern County Auditor Controllers Office

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

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

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

\* 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.

<sup>1</sup> 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, 2008**

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Total Debt</u> <u>6/30/2008</u>	<u>% Applicable(1)</u>	<u>City's Share of</u> <u>Debt 6/30/08</u>
Kern Community College District Safety, Repair and Improvement District	\$118,671,213	0.647%	\$767,803
Wasco Union School District	6,319,127	54.305	3,356,953
City of Wasco 1915 Act Bonds	4,900,000	100	4,900,000
Kern Community College District Assessment District	5,560,000	0.698	38,809
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$9,063,565</b>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Kern County Certificates of Participation	\$50,040,000	0.593%	\$296,737
Kern County Pension Obligations	480,101,067	0.593	2,846,999
Kern County Board of Education Certificates of Participation	55,955,000	0.593	331,813
Kern County Joint Community College District Certificates of Participation	86,675,000	0.578	500,982
Wasco Union High School District Certificates of Participation	165,000	13.400	22,110
<b>City of Wasco</b>	<b>0</b>	<b>100</b>	<b>0</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$3,998,641</b>
<b>COMBINED TOTAL DEBT</b>			<b>\$13,062,206 (2)</b>

(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 2007-08 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.63%

Ratios to Adjusted Assessed Valuation:

**Combined Direct Debt 0.00%**

Combined Total Debt 2.95%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/08: \$0

Source: California Municipal Statistics, Inc.

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

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

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**

<b>Fiscal Year<sup>1</sup></b>	<b>City Population</b>	<b>County Population</b>	<b>Personal Income in Thousands<sup>2</sup></b>	<b>Per Capita Personal Income<sup>2</sup></b>	<b>School Enrollment<sup>4</sup></b>	<b>Unemployment Rate<sup>5</sup></b>
1998	20,450	639,800	\$ 285,333.34	\$ 13,953	3,971	21.9%
1999	20,650	637,227	\$ 293,808.20	\$ 14,228	4,042	20.7%
2000	21,263	658,935	\$ 312,772.82	\$ 14,710	4,023	20.6%
2001	21,450	686,000	\$ 330,100.35	\$ 15,389	4,141	19.6%
2002	21,700	687,600	\$ 339,547.69	\$ 15,647	4,165	18.3%
2003	22,250	702,837	\$ 356,575.27	\$ 16,026	4,431	19.2%
2004	22,858	724,883	\$ 380,869.50	\$ 16,662	4,613	18.5%
2005	23,708	753,070	\$ 409,308.39	\$ 17,265	4,743	15.7%
2006	24,303	779,869	\$ 441,322.91	\$ 18,159	4,893	14.4%
2007	24,156 *	801,648	\$ 451,480.64	\$ 18,690 *	4,971	15.6%
2008	24,999	817,517	\$ 492,525.87	\$ 19,702	4,939	18.2%**

<sup>1</sup>Dates reflect calendar years January through December

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

<sup>3</sup>Source: US Census Bureau, Population 25 years and over

<sup>4</sup>Source: California Department of Education

<sup>5</sup>Source: California Employment Development Dept.

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

\*\*Average January through September

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

<b>Employer</b>	<b>2008</b>			<b>Employer</b>	<b>1999*</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of Total City Employment</b>		<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of Total City Employment</b>
Wasco State Prison	1,780	1	27.38%	-	1	0.00%	
Western Horticulture	700	2	10.77%	-	2	0.00%	
Wasco Union Elementary School District	383	3	5.89%	-	3	0.00%	
SunnyGem	203	4	3.12%	-	4	0.00%	
Wasco Union High School District	160	5	2.46%	-	5	0.00%	
K-Mart	155	6	2.38%	-	6	0.00%	
City of Wasco	76	7	1.17%	-	7	0.00%	
Semi-Tropic Water Storage District	44	8	0.68%	-	8	0.00%	
Certis	40	9	0.62%	-	9	0.00%	
Save Mart Supermarket	35	10	0.54%	-	10	0.00%	
<b>Total</b>	<b>3,576</b>		<b>55.02%</b>	<b>Total</b>	<b>-</b>	<b>0.00%</b>	

Source: City of Wasco, Wasco Chamber of Commerce

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

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

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

Source: City of Wasco

<sup>1</sup> Police Services are provided by Kern County under a service contract.

<sup>2</sup> Fire Services are provided by Kern County under a service contract.

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

<b>Function</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
City Manager										
Ordinances passed	n/a	n/a	n/a	n/a	n/a	n/a	7	35	40	35
Resolutions processed	n/a	n/a	n/a	n/a	n/a	n/a	110	85	90	85
Public hearings noticed	n/a	n/a	n/a	n/a	n/a	n/a	65	110	100	105
Finance & accounting										
A/P checks processed	n/a	1,900	1,850	2,200	2,421	2,376	2,507	2,583	2,703	2,587
Payroll checks processed	n/a	1,000	1,100	1,200	1,426	1,516	1,619	1,859	2,280	2,447
Purchase orders issued					776	860	1,151	1,401	1,768	2,330
Planning										
Residential site plans	n/a	n/a	n/a	n/a	n/a	140	300	326	400	125
Combined site plans	n/a	n/a	n/a	n/a	n/a	25	12	9	10	20
Engineering										
Completed projects	n/a	n/a	n/a	n/a	n/a	4	6	10	11	15
Police Department										
Calls responded to	10,672	12,195	15,263	16,698	18,296	16,367	16,786	17,502	18,741	26,229
Traffic citations issued	1,597	1,495	1,674	1,427	1,807	1,986	1,128	1,166	2,431	3,011
Animal Services										
Animals processed	n/a	n/a	n/a	n/a	1,286	1,286	1,131	1,304	1,111	1,151
Animals adopted/returned	n/a	n/a	n/a	n/a	721	721	710	480	383	332
Building Inspection										
Permits requested	n/a	n/a	n/a	n/a	n/a	600	596	754	427	550
Inspections completed	n/a	n/a	n/a	n/a	n/a	4,273	4,800	5,200	4,400	2,400
Code Compliance										
Cases	n/a	n/a	n/a	n/a	n/a	1,460	1,490	1,460	1,490	887
Streets & roads										
Street signs replaced	n/a	n/a	n/a	n/a	n/a	n/a	100	85	140	114
Sq. Feet of graffiti removed	n/a	n/a	n/a	n/a	n/a	n/a	5,800	10,000	8,246	15,165
Miles of street rejuvenated	n/a	n/a	n/a	n/a	n/a	n/a	-	9	4	8
Public Transit										
Total customers	n/a	n/a	n/a	n/a	22,600	n/a	n/a	26,053	31,386	28,594
Total Mileage	n/a	34,084	40,666	37,354						
Wastewater										
Effluent BOD requirement	n/a	n/a	n/a	n/a	n/a	n/a	98%	100%	100%	100%
Suspended solids requirement	n/a	n/a	n/a	n/a	n/a	n/a	99%	100%	100%	100%
Dissolved oxygen level requirement	n/a	n/a	n/a	n/a	n/a	n/a	99%	100%	100%	100%
Sewage overflow	n/a	n/a	n/a	n/a	n/a	n/a	-	-	-	-
Water										
Pumping cost per MGAL	\$ 180	\$ 170	\$ 160	\$ 175	\$ 275	\$ 275	\$ 250	\$ 240	\$ 225	\$ 275
Million gallons pumped	1,200	1,300	1,375	1,400	1,400	1,425	1,500	1,425	1,450	1,546
Sanitation										
Traffic accidents	n/a	n/a	n/a	n/a	n/a	n/a	1	-	-	-
Landfill trips	n/a	n/a	n/a	n/a	n/a	n/a	2,964	3,200	4,216	4,103

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

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

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

Source: City of Wasco

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

<sup>1</sup> 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.