

CITY OF WHEATLAND, CALIFORNIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018



CITY OF WHEATLAND
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2018

CITY OF WHEATLAND
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2018

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INTRODUCTORY SECTION



111 C Street . Wheatland . California . 95692

December 11, 2018

To the Honorable Mayor and Members of the City Council and Citizens of the City of Wheatland:

We are pleased to submit the City of Wheatland's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. It is the policy of the Council to have a licensed certified public accountant conduct an annual audit at the end of each fiscal year and to issue a complete set of financial statements for the Council and all stakeholders of the City. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with the City. We believe the data presented in this report is accurate in material respects and all statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities have been included. Management of the City has established an internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information of the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

While traditionally addressed to the governing body of the City, this report is intended to provide relevant financial information to the citizens of the City of Wheatland, City staff, creditors, investors, and other concerned readers. We encourage all readers to contact the Finance Department with any questions or comments concerning this report.

The City's financial statements have been audited by Moss, Levy & Hartzheim CPAs, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2018 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditors concluded that there was a reasonable basis for rendering an unqualified opinion, which states that the City's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City can be part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. A Single Audit is required when a state, local government, or not-for-profit organizations expends more than \$750,000 per fiscal year in federal grant money. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. For the fiscal year ending June 30, 2018 the City was not required to issue a Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City of Wheatland

The City of Wheatland operates under a Council-Manager form of government and provides municipal services that include public safety, public works, parks and recreation, planning services, water and wastewater services, and general administration. This report includes all funds of the City of Wheatland. The City does not have Redevelopment Agency.

The City Council establishes an annual budget with a mid-year review for the General Fund and all other funds. Budgetary control is legally maintained at the fund level. Department heads submit budget requests to the City Manager and Finance Director. The Finance Director prepares an estimate of revenues and prepares recommendations for the next year's budget. After approval by the City Manager, the preliminary budget is presented to the City Council who may or may not make amendments. The budget is adopted by resolution by the City Council on or before June 30 in accordance with the municipal code.

The City of Wheatland, incorporated in 1874, is one of two incorporated cities in Yuba County. It is nestled at the northeastern edge of California's vast Sacramento Valley. Located 34 miles north of Sacramento, 107 miles northeast of San Francisco and 417 miles north west of Los Angeles. With a population of more than 4,100 in a 42.2 square-mile area, Wheatland is valued by its residents for its small-town atmosphere and rural setting.

The City of Wheatland City Council consists of five members, elected at-large to four-year overlapping terms. Council members must be residents of the City. The position of Mayor and Vice Mayor are chosen by the City Council. The Mayor conducts the Council meetings and represents the City on ceremonial occasions.

The City Council serves as the policy board for the municipality. As elected officials, the City Council provides policy direction, establishes goals, and sets priorities for the City government. In addition to serving as the policy makers for the community, the City Council is also responsible for numerous land

use decisions within its borders in accordance with the General Plan and the Wheatland Municipal Code. The City Council appoints the City Manager, City Attorney, and all members of advisory boards and commissions.

Current Economic Conditions and Outlook

The City's economic development efforts and implementation of the City's financial policies help to promote Wheatland's long-term fiscal stability. Each year, staff conducts a systematic review of operations to make sure the blend of contract services and in-house staffing promotes long-term savings and ensures long-term stability. The City anticipates significant growth in the next ten years in property tax revenue as planned subdivisions are being considered by several developers.

Acknowledgements

The preparation of this Financial Report could not be accomplished without the efficient and dedicated service of the entire staff of the Finance Department and the auditing firm of Moss, Levy & Hartzheim CPAs. I would like to express my appreciation to the members of the Finance Department who assisted and contributed to its preparation – Cindy Brumley, Senior Accountant; Rafaela Vargas, Senior Account Clerk; and Kaylie Rogers, Account Clerk.

I would also like to thank members of the City Council, the City Manager, and the various departments for their cooperation and support in planning and conducting the financial operations of the City during the fiscal year.

Respectfully submitted,

Susan Mahoney

Susan Mahoney
Finance Director

CITY OF WHEATLAND COUNCIL AND PRINCIPAL OFFICIALS

CITY COUNCIL

Joe Henderson, Mayor

Rick West, Vice Mayor

Bob Coe, Councilmember

Lisa McIntosh, Councilmember

Jay Pendergraph, Councilmember

CITY OFFICIALS

Jim Goodwin, City Manager

Susan Mahoney, Finance Director

Tim Raney, Planning Director (contract)

Dane Schilling, City Engineer (contract)

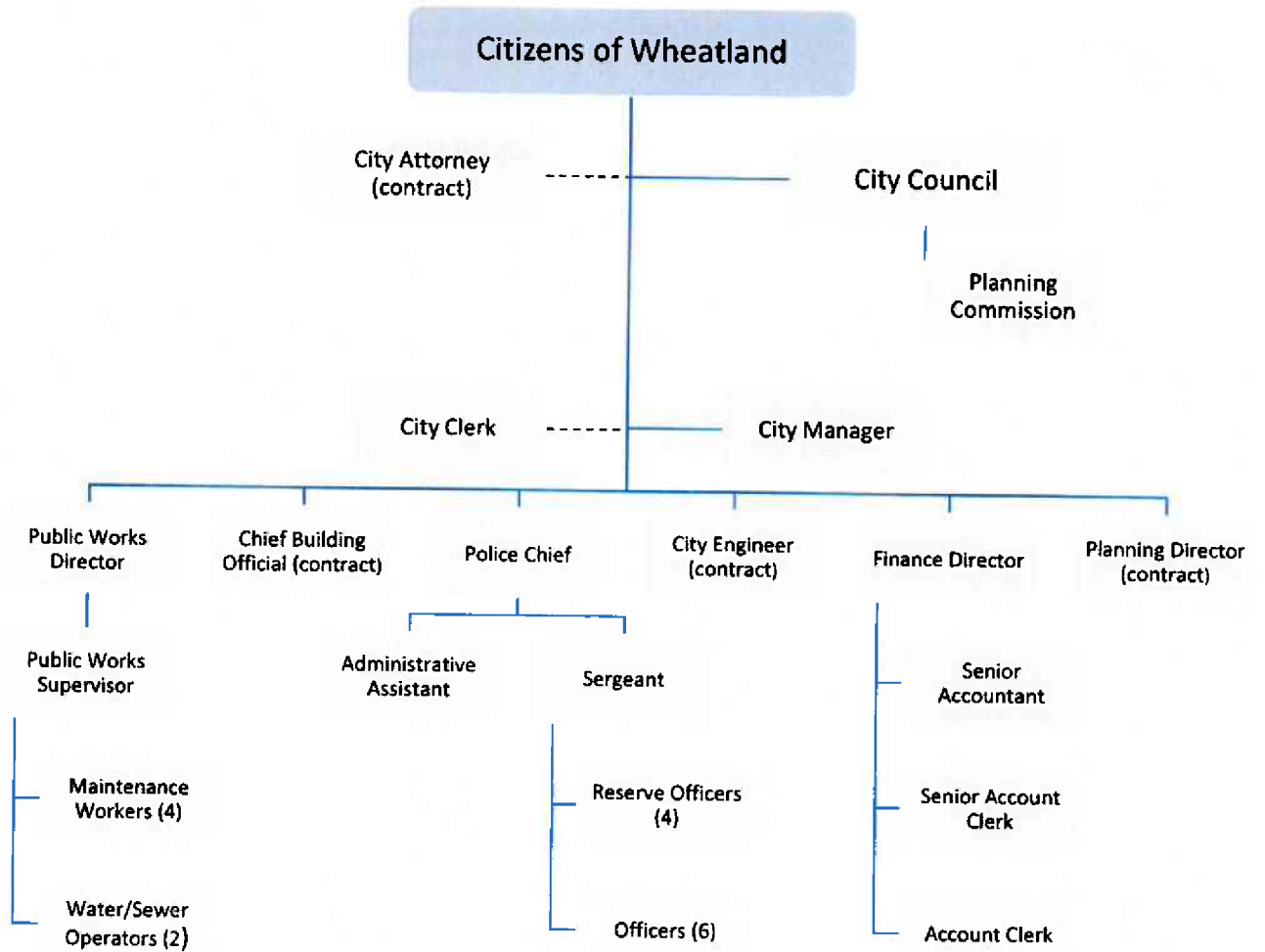
Don Scott, Public Works Director

Lisa Thomason, City Clerk

Allyn Wightman, Police Chief



CITY OF WHEATLAND ORGANIZATIONAL CHART



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FINANCIAL SECTION



PARTNERS
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INDEPENDENT AUDITOR'S REPORT

To the Members of the City Council City of
Wheatland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Wheatland, California as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wheatland, California, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, budgetary comparison schedules for the General fund, on pages 9 through 16 and 54 and 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wheatland's basic financial statements. The introductory section, governmental combining and individual non-major fund information, major capital project funds budgetary comparison schedules, fiduciary funds financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2018, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
December 10, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

INTRODUCTION

As management of the City of Wheatland (the City), we offer readers this discussion and analysis of the City's financial performance for the fiscal year ended June 30, 2018. Readers are encouraged to consider the information presented here in conjunction with additional information, which can be found in the City's financial statements that follow this discussion.

FINANCIAL HIGHLIGHTS

Government-wide:

- The City's total net position (assets minus liabilities) decreased by \$49,340 during the fiscal year ended June 30, 2018. Governmental activities increased the City's net position by \$77,151 without prior period adjustments and business-type activities decreased the City's net position by \$126,491.
- Government-wide *governmental* revenues include program revenues of \$855,550 and general revenues of \$1,863,547 for a total of \$2,719,097.
- Government-wide *governmental* expenses were \$2,641,946.
- Government-wide *business-type* revenues include program revenues of \$1,797,975 and general revenues of \$98,452 for a total of \$1,896,427.
- Government-wide *business-type* expenses were \$2,022,918.

Fund Level:

- Governmental Fund balance increased to \$2,370,565 in fiscal year 2017-18, up from \$2,135,520 in the prior year mainly due to an increase in cash reserved for street projects.
- Governmental Fund revenues were \$2,719,097 in fiscal year 2017-18 down \$175,465 from the prior year. This decrease was mainly due to a reduction of grant revenue (SRTS grant) offset by an increase in gas tax revenue.
- Governmental Fund expenditures were \$2,484,052 in fiscal year 2017-18, down \$292,227 from the prior year due to the SRTS grant expenditures incurred in fiscal year 2016-17.

General Fund:

- General Fund revenues of \$2,191,752 were \$351,538 higher than the prior year.
- General Fund expenditures of \$1,993,470 represented an increase of \$73,254 over the prior year.
- Other Financing Sources (Uses) was (\$133,989) in fiscal year 2017-18, which was \$236,325 lower than the prior year.
- The fund balance of the General Fund was 1,688,983 as of June 30, 2018 compared to the \$1,632,968 fiscal year 2016-17 fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements separate the City's activities into two areas:

Governmental Activities – these services are principally supported by taxes and intergovernmental revenues. Most of the City's basic services are considered governmental activities including public safety, community development, public works, parks and recreation, and general administration.

Business-Type Activities – these services rely upon user fees and charges to help cover all or most of their costs. The City's water and wastewater systems are reported here.

Within the framework of these activities, a Statement of Net Position and a Statement of Activities report information about the City as a whole. These statements include all assets and liabilities of the City (i.e., infrastructure and long-term debt) and use the accrual basis of accounting in which all the current year revenues and expenses are taken into account regardless of when the cash is received or paid. The two statements can be generally described as follows:

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

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Notably, these statements differ from the Fund Financial Statements in that they include all assets of the City (including infrastructure) and all liabilities (including long-term debt) and exclude certain interfund receivables, payables and other interfund activity as prescribed by GASB Statement No. 34. A reconciliation between the two is provided on pages 21 and 23 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 Wheatland, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds in the City of Wheatland can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. This information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds in the reconciliation at the bottom of the fund financial statements.

Proprietary Funds – when the City charges customers for services it provides, whether outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds provide the same type of information as shown in the government-wide financial statements (i.e. business-type activities), only in more detail. The City uses proprietary funds to account for its water and wastewater operations.

Fiduciary Funds – the City is the trustee, or fiduciary, for certain funds held on behalf of external parties. The City's fiduciary activities are reported in separate Statement of Fiduciary Net Position. These activities are excluded from the City's other financial statements because the resources of the funds are not available to support the City's own programs. The City is responsible for ensuring that the assets reported in these funds are used for the intended purposes.

NOTES TO BASIC 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.

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents the following required supplementary information: budgetary comparisons for the City's General Fund and major special revenue funds as well as a description of the City's accounting policies with regard to the annual budget.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements provide long-term and short-term information about the City's overall financial conditions. This analysis addresses the financial statements of the city as a whole.

Following is a summary of net position:

**Summary of Net Position
Fiscal Years 2017-18 and 2016-17**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>TOTALS</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
ASSETS:						
Current assets and outflows	\$ 2,584,170	\$ 2,222,932	\$ 8,925,927	\$ 7,907,271	\$11,510,097	\$10,130,203
Capital assets, net	<u>4,461,609</u>	<u>4,688,118</u>	<u>5,876,949</u>	<u>7,141,966</u>	<u>10,338,558</u>	<u>11,830,084</u>
TOTAL ASSETS	<u>\$ 7,045,779</u>	<u>\$ 6,911,050</u>	<u>\$14,802,876</u>	<u>\$15,049,237</u>	<u>\$21,848,655</u>	<u>\$21,960,287</u>
LIABILITIES:						
Long term liabilities	\$ 92,684	\$ 183,295	\$ 5,892,074	\$ 6,588,931	\$ 5,984,758	\$ 6,772,226
Other liabilities and inflows	<u>167,421</u>	<u>156,631</u>	<u>244,979</u>	<u>247,583</u>	<u>412,400</u>	<u>404,214</u>
TOTAL LIABILITIES	<u>\$ 260,105</u>	<u>\$ 339,926</u>	<u>\$ 6,137,053</u>	<u>\$ 6,836,514</u>	<u>\$ 6,397,158</u>	<u>\$ 7,176,440</u>
NET POSITION:						
Net investment in capital assets	\$ 4,492,713	\$ 4,752,455	\$ 800,875	\$ 1,501,882	\$ 5,293,588	\$ 6,254,337
Restricted	1,031,831		7,472,164	377,998	8,503,995	377,998
Unrestricted	<u>1,261,130</u>	<u>1,818,665</u>	<u>392,784</u>	<u>6,332,843</u>	<u>1,653,914</u>	<u>8,151,508</u>
TOTAL NET POSITION	<u>\$ 6,785,674</u>	<u>\$ 6,571,120</u>	<u>\$ 8,665,823</u>	<u>\$ 8,212,723</u>	<u>\$15,451,497</u>	<u>\$14,783,843</u>

Net position represents the difference between the City's resources and its obligations. At June 30, 2018, the largest portion of the City's total net position, 34.3 percent, reflects the net investment in capital assets. This component of net position, which reflects the total amount of funds used to acquire those assets less any outstanding debt used for such acquisition, was \$5.29 million at June 30, 2018. These capital assets are used by the City to provide services to the citizens.

Overall, the net position for the governmental portion of the City funds has improved due to both operating results and increase contributions from operating and capital grants. The net position of the business activities increased due to the expiration of an infrastructure funding agreement liability. When that liability is factored out, the net position of the business activities declined by \$126,491 due to a decreasing position in capital assets.

Restricted net position of \$8,503,995 represents resources subject to external restrictions as to how they may be used. A component of restricted net position, \$7.09 million, reflects the prepaid sewer collection impact fees the City received for future expansion of the City's wastewater system. The Governmental Activities Unrestricted net position of \$1.26 million represents amounts that may be used to meet the City's ongoing obligations to its residents, businesses, customers, and creditors.

Following is a summary of changes in net position:

**Summary of Change in Net Position
Fiscal Years 2017-18 and 2016-17**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>TOTALS</u>	
	2018	2017	2018	2017	2018	2017
PROGRAM REVENUES:						
Charges for services	\$415,276	\$262,570	\$ 1,786,569	\$1,680,239	\$2,201,845	\$1,942,809
Operating grants	440,274	130,309	11,406	-	451,680	130,309
Capital grants	-	701,280	-	-	-	701,280
GENERAL REVENUES:						
Property taxes	692,486	659,157	-	-	692,486	659,157
Sales and use taxes	809,867	745,094	-	-	809,867	745,094
Franchise fees	109,344	112,910	-	-	109,344	112,910
Other taxes	96,427	93,340	-	-	96,427	93,340
Use of money	78,758	59,361	98,452	53,697	177,210	113,058
Other revenues	76,665	130,541	-	-	76,665	130,541
TOTAL REVENUES	<u>2,719,097</u>	<u>2,894,562</u>	<u>1,896,427</u>	<u>1,733,936</u>	<u>4,615,524</u>	<u>4,628,498</u>
EXPENSES:						
Governmental activities:						
General government	569,454	634,638	-	-	569,454	634,638
Public safety	1,259,788	1,277,664	-	-	1,259,788	1,277,664
Public works	422,920	356,079	-	-	422,920	356,079
Parks and recreation	50,744	69,777	-	-	50,744	69,777
Community development	335,771	235,532	-	-	335,771	235,532
Interest expense	3,269	3,744	-	-	3,269	3,744
Business-type activities:						
Water	-	-	867,301	832,077	867,301	832,077
Wastewater	-	-	1,155,617	1,001,324	1,155,617	1,001,324
TOTAL EXPENSES	<u>2,641,946</u>	<u>2,577,434</u>	<u>2,022,918</u>	<u>1,833,401</u>	<u>4,664,864</u>	<u>4,410,835</u>
DEFICIENCY OF REVENUES UNDER EXPENSES	77,151	317,128	(126,491)	(99,465)	(49,340)	217,663
TRANSFERS	-	174,480	-	(174,480)	-	-
SPECIAL ITEMS	-	-	-	-	-	-
CHANGE IN NET POSITION	<u>77,151</u>	<u>491,608</u>	<u>(126,491)</u>	<u>(273,945)</u>	<u>(49,340)</u>	<u>217,663</u>
NET POSITION, July 1 (restated)	6,708,523	6,079,512	8,792,314	8,486,668	15,500,837	14,566,180
NET POSITION, June 30	<u>\$ 6,785,674</u>	<u>\$ 6,571,120</u>	<u>\$ 8,665,823</u>	<u>\$8,212,723</u>	<u>\$15,451,497</u>	<u>\$14,783,843</u>

Governmental Activities:

The City's governmental activities increased the City's net position by \$77,151 without taking prior period adjustments into account. Revenues were \$2,719,097 which represented a decrease of \$175,465 or 6.1 percent over the prior year. This decrease is attributed mainly to capital grant revenue. Expenses were \$2,641,946 which represented an increase of \$64,511 or 2.5 percent. Governmental activities highlights include the following:

- Taxes provided \$1,598,780 or 58.8 percent of the total governmental activity revenue of the City. This amount is an increase of \$101,189 from the prior year.
- Charges for services, operating grants and capital grants provided \$855,550 or 31.5 percent of the total governmental activity revenue of the City. This amount is a decrease of \$238,609 from the prior year.

The following tables show the cost of each of the City's major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenues generated by the activities. The net cost reflects the financial burden that was placed on the City's taxpayers by each of the programs. For the fiscal years ended June 30, 2018 and 2017, the net costs are as follows:

**NET COST OF MAJOR PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Total cost of services</u>	<u>Charges for services</u>	<u>Operating grants</u>	<u>Capital grants</u>	<u>Net (cost) revenue of services</u>
GOVERNMENTAL ACTIVITIES:					
General government	\$ 569,454	\$ 344,530	\$ 89,839	\$ -	\$ (135,085)
Public safety	1,259,788	8,529	188,163	-	(1,063,096)
Public works	422,920	34,852	162,272	-	(225,796)
Parks & recreation	50,744	26,553	-	-	(24,191)
Community development	335,771	812	-	-	(334,959)
Interest expense	3,269	-	-	-	(3,269)
	<u>\$ 2,641,946</u>	<u>\$ 415,276</u>	<u>\$ 440,274</u>	<u>\$ -</u>	<u>\$ (1,786,396)</u>

**NET COST OF MAJOR PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Total cost of services</u>	<u>Charges for services</u>	<u>Operating grants</u>	<u>Capital grants</u>	<u>Net (cost) revenue of services</u>
GOVERNMENTAL ACTIVITIES:					
General government	\$ 634,638	\$ 168,151	\$ -	\$ -	\$ (466,487)
Public safety	1,277,664	39,076	130,309	-	(1,108,279)
Public works	356,079	-	-	701,280	345,201
Parks & recreation	69,777	42,533	-	-	(27,244)
Community development	235,532	12,810	-	-	(222,722)
Interest expense	3,744	-	-	-	(3,744)
	<u>\$ 2,577,434</u>	<u>\$ 262,570</u>	<u>\$ 130,309</u>	<u>\$ 701,280</u>	<u>\$ (1,483,275)</u>

Business Type Activities:

The City's business type activities decreased the city's net position by \$126,491. Revenues were \$1,896,427 which represents an increase of \$162,491 primarily due to increased charges for services. Business type activities highlights include the following:

- Charges for services provided \$1,786,569 or 94.2 percent of the total business type activities revenue of the City.
- Charges for services revenue is not keeping up with depreciation expenses in both Water and Wastewater Funds. The net position of investment in capital assets continues to shrink and there are insufficient unrestricted reserves to replace aging capital assets.

**CHANGES IN BUSINESS-TYPE NET POSITION
NET REVENUES (EXPENSES) FROM SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2018</u>			<u>2017</u>		
	<u>Operating Expenses</u>	<u>Charges for services</u>	<u>Net (cost) revenue of services</u>	<u>Operating Expenses</u>	<u>Charges for services</u>	<u>Net (cost) revenue of services</u>
Water	\$ 867,301	\$ 877,371	\$ 10,070	\$ 832,077	\$ 803,989	\$ (28,088)
Wastewater	1,155,617	909,198	(246,419)	1,001,324	876,250	(125,074)
	<u>\$ 2,022,918</u>	<u>\$ 1,786,569</u>	<u>\$ (236,349)</u>	<u>\$ 1,833,401</u>	<u>\$ 1,680,239</u>	<u>\$ (153,162)</u>

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The City uses fund accounting to assure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operation in more detail than the government-wide statements. The City's governmental funds provide information on near-term inflows, outflows and balances of spendable resources. The City's governmental funds reported combined fund balance at June 30, 2018 of \$2,370,565. The General Fund increased by \$64,293 and other Governmental Funds increased by \$170,752. The General Fund increase was due to mainly to a one-time reimbursement of insurance premiums and the forfeiture of unearned deferred compensation. Within the Other Governmental Funds, the increase in fund balance was attributable to a decrease in capital outlay.

Analysis of the General Fund

The General Fund is the primary operating fund of the City. It accounts for revenues and expenditures associated with police services, public works, engineering, planning, building inspections, finance, parks, city clerk, city attorney, and administration.

General fund revenues totaled \$2,191,752 in fiscal year 2017-18, an increase of \$351,538 over the prior year. The increase was primarily caused by a reclassification of overhead charges. When this amount is factored out, the increase is \$113,432 which is attributable mainly to tax and interest earnings revenue increases. General fund expenditures totaled \$1,993,470 in fiscal year 2017-18, an increase of \$73,254 over last year. This increase was primarily in the public works department.

At the end of fiscal year 2017-18, the fund balance for the City's General Fund was \$1,688,983 an increase of \$64,293 from the restated balance of the prior year. The fund balance in the General Fund was comprised of \$171,109 which is non-spendable for long-term receivables and \$1,517,874 which is unassigned. The unassigned portion of the fund balance in the General Fund increased by \$79,671.

Analysis of Major Proprietary Funds

Water

The Water Fund is financed and operated in a manner similar to that of a private business. The Fund's net position went from \$486,646 in fiscal year 2016-17 to \$592,264 in fiscal year 2017-18 representing an increase of \$105,618 after prior period adjustments. Operating revenues were \$880,956, a 9.6 percent increase due to increased charges for services and increased water usage. Operating expenses were \$752,136, a 5.3 percent increase over the prior year. At present, the water charges are not recapturing funding for depreciation. The Fund's invested equity in capital assets went from \$559,375 in fiscal year 2016-17 to \$449,282 in fiscal year 2017-18. The Fund ended the year with a negative unrestricted net position of \$29,208. Due to the age of the water system infrastructure, significant investments will be required in future years to update water lines and equipment.

Wastewater

The Wastewater fund is financed and operated in a manner similar to that of a private business. The Fund's net position went from \$7,726,077 in fiscal year 2016-17 to \$8,073,559 in fiscal year 2017-18, representing an increase of \$347,482. This increase is mainly due to the elimination of a \$491,822 infrastructure funding agreement that expired. When this agreement is factored out, the net position decreased \$144,340. Operating revenues were \$917,019, a 4.65 percent increase over the prior year. Like the Water Fund, the wastewater charges are not recapturing funding for depreciation. The Fund's invested equity in capital assets went from \$440,714 in fiscal year 2016-17 (restated) to \$351,593 in fiscal year 2017-18. The Fund ended the year with a unrestricted reserve of \$7,516,158 mostly attributable to the sewer collection impact fee fund. Due to the age of the Wastewater system infrastructure, significant investments will be required in future years to update wastewater lines and equipment.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital assets

At the end of fiscal year 2017-18, the City had invested \$21,203,238 in a broad range of capital assets, including police and fire equipment, buildings, park facilities, street and storm drainage improvements and water and wastewater facilities. Additional detailed information on the City's capital assets is presented Note 7 to the financial statements on pages 44 and 45.

The financial statements summarize the City's accounting policies regarding capital assets in Note 1 of the note disclosures. In general terms, the city capitalizes assets in governmental funds at the \$5,000 level. These fixed assets are depreciated on a straight-line basis varied from 3 years to 50 years. At June 30, 2018, major construction in progress included:

- Sewer Treatment Plan design

Following is a summary of capital assets:

CAPITAL ASSETS, NET OF DEPRECIATION AS OF JUNE 30,

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>TOTALS</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Capital assets, not being depreciated:						
Land	\$ 86,063	\$ 86,063	\$ 33,938	\$ 33,938	\$ 120,000	\$ 120,000
Construction in progress	-	7,500	899,327	899,327	899,327	906,828
Depreciable capital assets, net:						
Buildings and improvements	1,938,959	1,849,099	123,456	135,702	2,062,415	1,984,801
Infrastructure	2,341,861	2,509,561	-	-	2,341,861	2,509,561
Water system improvements	-	-	2,776,564	2,921,314	2,776,564	2,921,314
Sewer system improvements	-	-	2,692,070	2,977,923	2,692,070	2,977,923
Machinery and equipment	<u>180,789</u>	<u>235,895</u>	<u>284,860</u>	<u>173,764</u>	<u>465,649</u>	<u>409,659</u>
TOTAL	<u>\$ 4,547,672</u>	<u>\$ 4,688,118</u>	<u>\$ 6,810,215</u>	<u>\$ 7,141,968</u>	<u>\$ 11,357,887</u>	<u>\$ 11,830,086</u>

Long-term Debt

At fiscal year-end, the City had \$6,183,255 in loans and leases payable outstanding compared to \$6,308,920 at June 30, 2017. Governmental activities long-term debt decreased \$8,383 due to a decrease in capital lease obligations. Business-type activities long-term debt decreased \$134,048 mainly due to a decrease in the amount owed for Water and Wastewater USDA loans.

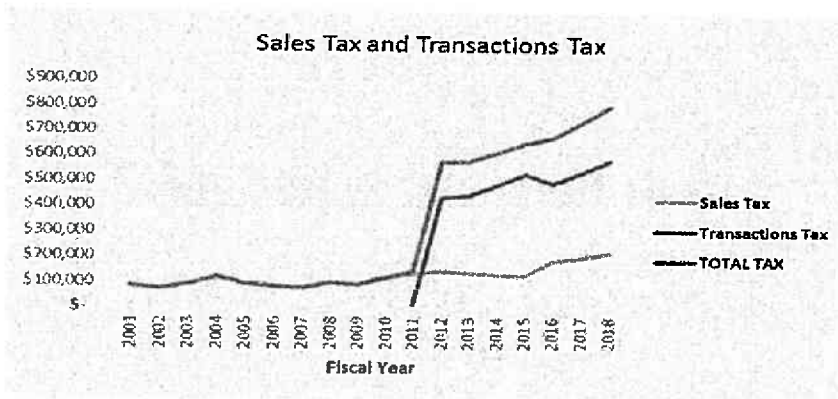
OUTSTANDING DEBT AS OF JUNE 30,

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>TOTALS</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Compensated Absences	\$ 77,604	\$ 59,843	\$ 41,352	\$ 43,132	\$ 118,956	\$ 102,975
US Department of Agriculture Loan #1	-	-	1,575,000	1,611,000	1,575,000	1,611,000
Loan #3	-	-	906,000	927,000	906,000	927,000
Wastewater Loan	-	-	3,445,900	3,507,100	3,445,900	3,507,100
Obligations under capital lease	<u>54,959</u>	<u>64,337</u>	<u>82,440</u>	<u>96,508</u>	<u>137,399</u>	<u>160,845</u>
TOTAL	<u>\$ 132,563</u>	<u>\$ 124,180</u>	<u>\$ 6,050,692</u>	<u>\$ 6,184,740</u>	<u>\$ 6,183,255</u>	<u>\$ 6,308,920</u>

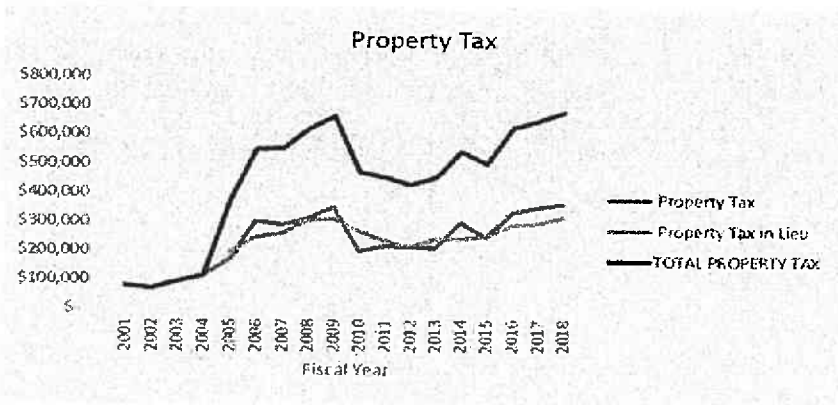
ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City continues to work with various developers on their mapping and other requirements. We anticipate a limited level of building activity in the 2019 building season and more substantial activity in future years. The City completed the annexation of approximately 4,500 acres to the City in 2014. While preliminary planning is continuing for this annexation area, there are no immediate development plans for any of the property.

The City's sales tax revenue has grown steadily in the past six years. The Measure S half cent Transactions Sales Tax has added over \$500,000 annually in additional sales tax revenue since its implementation in 2012. The City expects total sales tax to increase 7% in fiscal year 2018-19. A portion of the Transactions Tax revenue has been reserved as a hedge against possible future claims.



In fiscal year 2017-18, property tax revenues were greater than the pre-great recession peak for the first time. Property tax revenues are expected to increase 3% in fiscal year 2018-19. Anticipated new residential growth could increase budgeted estimates.



The fiscal year 2018-2019 budget included a 3.0 percent salary increase for all City employees and a part-time position to assist with public safety administration. Capital equipment expenditures for fiscal year 2018-19 total \$315,000, of which \$20,000 will be paid by the General Fund. Fiscal year 2018-19 service levels will remain the same as fiscal year 2017-18. It is anticipated that staffing levels will increase in future years as required by development activity.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any information provided in this report or request for additional financial information should be directed to:

City of Wheatland Finance Department
111 C Street Wheatland, California 95692
(530) 633-2761

Basic Financial Statements

CITY OF WHEATLAND
STATEMENT OF NET POSITION
June 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	\$ 1,957,363	\$ 5,169,013	\$ 7,126,376
Receivables:			
Accounts	360,099	40,285	400,384
Interest	23,601		23,601
Notes	328,153	2,612,254	2,940,407
Internal balances	(171,109)	171,109	
Capital assets not being depreciated	86,063	933,266	1,019,329
Capital assets, net of accumulated depreciation	4,461,609	5,876,949	10,338,558
Total Assets	7,045,779	14,802,876	21,848,655
Liabilities:			
Accounts payable	78,436	28,020	106,456
Accrued liabilities	45,206	25,346	70,552
Accrued interest payable		32,995	32,995
Deposits payable	3,900		3,900
Noncurrent liabilities:			
Due within one year	39,879	158,618	198,497
Due in more than one year	92,684	5,892,074	5,984,758
Total Liabilities	260,105	6,137,053	6,397,158
Net position:			
Net investment in capital assets	4,492,713	800,875	5,293,588
Restricted for:			
Community development	186,753		186,753
Debt service		377,998	377,998
Parks and recreation	124,912		124,912
Public safety	75,021		75,021
Streets and roads	488,101		488,101
Sewer impact fees		7,094,166	7,094,166
Housing	157,044		157,044
Unrestricted	1,261,130	392,784	1,653,914
Total Net Position	\$ 6,785,674	\$ 8,665,823	\$ 15,451,497

See Notes to Basic Financial Statements

CITY OF WHEATLAND
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Contributions and Grants
Primary Government:			
Governmental Activities:			
General government	\$ (569,454)	\$ 344,530	\$ 89,839
Public safety	(1,259,788)	8,529	188,163
Public works	(422,920)	34,852	162,272
Community development	(335,771)	812	
Parks and recreation	(50,744)	26,553	
Interest on long-term debt	(3,269)		
Total Governmental Activities	<u>(2,641,946)</u>	<u>415,276</u>	<u>440,274</u>
Business-type Activities:			
Water	(867,301)	877,371	3,585
Sewer	(1,155,617)	909,198	7,821
Total Business-type Activities	<u>(2,022,918)</u>	<u>1,786,569</u>	<u>11,406</u>
Total Primary Government	<u>\$ (4,664,864)</u>	<u>\$ 2,201,845</u>	<u>\$ 451,680</u>

General Revenues:

Taxes:

Property taxes

Sales taxes

Franchise taxes

Other taxes

Use of money and property

Other

Total General Revenues

Change in Net Position

Net Position at Beginning of Fiscal Year

Prior Period Adjustments

Net Position at Beginning of Fiscal Year, restated

Net Position at End of Fiscal Year

See Notes to Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position

<u>Capital Contributions and Grants</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ -	\$ (135,085)	\$ -	\$ (135,085)
	(1,063,096)		(1,063,096)
	(225,796)		(225,796)
	(334,959)		(334,959)
	(24,191)		(24,191)
	(3,269)		(3,269)
	<u>(1,786,396)</u>		<u>(1,786,396)</u>
		13,655	13,655
		(238,598)	(238,598)
		<u>(224,943)</u>	<u>(224,943)</u>
<u>\$ -</u>	<u>(1,786,396)</u>	<u>(224,943)</u>	<u>(2,011,339)</u>
	692,486		692,486
	809,867		809,867
	109,344		109,344
	96,427		96,427
	78,758	98,452	177,210
	76,665		76,665
	<u>1,863,547</u>	<u>98,452</u>	<u>1,961,999</u>
	77,151	(126,491)	(49,340)
	6,571,120	8,212,723	14,783,843
	137,403	579,591	716,994
	<u>6,708,523</u>	<u>8,792,314</u>	<u>15,500,837</u>
<u>\$ 6,785,674</u>	<u>\$ 8,665,823</u>	<u>\$ 15,451,497</u>	

**CITY OF WHEATLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018**

	General	Capital Projects Fund General Construction	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and investments	\$ 1,385,252	\$ 5,977	\$ 566,134	\$ 1,957,363
Receivables:				
Accounts	288,014		72,085	360,099
Interest	23,601			23,601
Loans	171,109		157,044	328,153
Due from other funds	101,139		275,510	376,649
Total Assets	<u>\$ 1,969,115</u>	<u>\$ 5,977</u>	<u>\$ 1,070,773</u>	<u>\$ 3,045,865</u>
Liabilities:				
Accounts payable	\$ 66,378	\$ -	\$ 12,058	\$ 78,436
Accrued liabilities	39,145		6,061	45,206
Due to other funds	171,109		376,649	547,758
Deposits payable	3,500		400	3,900
Total Liabilities	<u>280,132</u>		<u>395,168</u>	<u>675,300</u>
Fund Balances:				
Nonspendable	171,109		157,044	328,153
Restricted			874,787	874,787
Assigned		5,977		5,977
Unassigned	1,517,874		(356,226)	1,161,648
Total Fund Balances	<u>1,688,983</u>	<u>5,977</u>	<u>675,605</u>	<u>2,370,565</u>
Total Liabilities and Fund Balances	<u>\$ 1,969,115</u>	<u>\$ 5,977</u>	<u>\$ 1,070,773</u>	<u>\$ 3,045,865</u>

See Notes to Basic Financial Statements

CITY OF WHEATLAND
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2018

Fund balances of governmental funds	\$ 2,370,565
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets net of accumulated depreciation have not been included as financial resources in governmental funds.	4,547,672
Long-term debt has not been included in the governmental funds.	
Capital lease payable	(54,959)
Compensated absences	<u>(77,604)</u>
Net position of governmental activities	<u>\$ 6,785,674</u>

See Notes to Basic Financial Statements

**CITY OF WHEATLAND
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2018**

	General	Capital Projects Fund General Construction	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes and assessments	\$ 1,611,697	\$ -	\$ 203,849	\$ 1,815,546
Licenses and permits	29,320			29,320
Intergovernmental	89,839		243,013	332,852
Charges for services	106,424		70,746	177,170
Use of money and property	74,171		4,587	78,758
Fines and forfeitures	10,652			10,652
Overhead charges	238,106			238,106
Miscellaneous	31,543		5,150	36,693
Total Revenues	<u>2,191,752</u>		<u>527,345</u>	<u>2,719,097</u>
Expenditures:				
Current:				
General government	466,364			466,364
Public safety	1,091,348			1,091,348
Public works	97,652		283,159	380,811
Community development	293,661			293,661
Parks and recreation	27,382		23,362	50,744
Capital outlay	4,416	165,191	18,870	188,477
Debt service:				
Principal retirement	9,378			9,378
Interest and fiscal charges	3,269			3,269
Total Expenditures	<u>1,993,470</u>	<u>165,191</u>	<u>325,391</u>	<u>2,484,052</u>
Excess of Revenues Over (Under) Expenditures	<u>198,282</u>	<u>(165,191)</u>	<u>201,954</u>	<u>235,045</u>
Other Financing Sources (Uses):				
Transfers in	166,522	171,168	146,000	483,690
Transfers out	(300,511)		(183,179)	(483,690)
Total Other Financing Sources (Uses)	<u>(133,989)</u>	<u>171,168</u>	<u>(37,179)</u>	
Net Change in Fund Balances	<u>64,293</u>	<u>5,977</u>	<u>164,775</u>	<u>235,045</u>
Fund Balances, Beginning of Fiscal Year	<u>1,632,968</u>		<u>502,552</u>	<u>2,135,520</u>
Prior Period Adjustments	(8,278)		8,278	
Fund Balance, Beginning of Fiscal Year (Restated)	<u>1,624,690</u>		<u>510,830</u>	<u>2,135,520</u>
Fund Balances, End of Fiscal Year	<u>\$ 1,688,983</u>	<u>\$ 5,977</u>	<u>\$ 675,605</u>	<u>\$ 2,370,565</u>

See Notes to Basic Financial Statements

CITY OF WHEATLAND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2018

Net change in fund balances - total governmental funds \$ 235,045

Amounts reported for governmental activities in the statement of activities differ because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$169,607) is exceeded by depreciation (\$319,118) in the current period. (149,511)

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Issuance of bond principal is an other financing source and repayment of bond principal is an expenditure in governmental funds, but the issuance increases long-term liabilities and the repayment reduces long-term liabilities in the statement of net position.

Current year repayment 9,378

Compensated absence expenditures reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period. (17,761)

Change in net position of governmental activities \$ 77,151

See Notes to Basic Financial Statements

CITY OF WHEATLAND
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018

	Business-type Activities - Enterprise Funds		Totals
	Water	Sewer	
ASSETS			
Current Assets:			
Cash and cash investments	\$ 435,825	\$ 4,733,188	\$ 5,169,013
Accounts receivable, net	18,681	21,604	40,285
Due from other funds		421,109	421,109
Total Current Assets	454,506	5,175,901	5,630,407
Noncurrent Assets:			
Note receivable		2,612,254	2,612,254
Capital assets:			
Land	16,969	16,969	33,938
Depreciable infrastructure, net	2,776,564	2,692,070	5,468,634
Depreciable buildings and improvements, net	61,728	61,728	123,456
Depreciable equipment, net	116,241	168,618	284,859
Construction in progress		899,328	899,328
Total Noncurrent Assets	2,971,502	6,450,967	9,422,469
Total Assets	3,426,008	11,626,868	15,052,876
LIABILITIES			
Current Liabilities:			
Accounts payable	18,160	9,860	28,020
Accrued liabilities	10,998	14,348	25,346
Accrued interest payable	9,304	23,691	32,995
Due to other funds	250,000		250,000
Current portion of long-term obligations	77,409	81,209	158,618
Total Current Liabilities	365,871	129,108	494,979
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Compensated absences	13,062	8,290	21,352
Capital lease payable	33,811	33,811	67,622
Notes payable	2,421,000	3,382,100	5,803,100
Total Noncurrent Liabilities	2,467,873	3,424,201	5,892,074
Total Liabilities	2,833,744	3,553,309	6,387,053
NET POSITION			
Net investment in capital assets	449,282	351,593	800,875
Restricted impact fees		7,094,166	7,094,166
Restricted for debt service	172,190	205,808	377,998
Unrestricted	(29,208)	421,992	392,784
Total Net Position	\$ 592,264	\$ 8,073,559	\$ 8,665,823

See Notes to Basic Financial Statements

CITY OF WHEATLAND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds		Totals
	Water	Sewer	
Operating Revenues:			
Sales and service charges	\$ 877,371	\$ 909,198	\$ 1,786,569
Other	3,585	7,821	11,406
Total Operating Revenues	880,956	917,019	1,797,975
Operating Expenses:			
Salaries and benefits	277,420	336,788	614,208
Contractual services	29,035	24,965	54,000
Materials and supplies	48,791	83,900	132,691
Repairs and maintenance	6,311	49,555	55,866
Utilities	90,071	76,224	166,295
Insurance	39,493	39,493	78,986
Allocated overhead	82,600	98,900	181,500
Depreciation	178,415	299,093	477,508
Total Operating Expenses	752,136	1,008,918	1,761,054
Operating Income (Loss)	128,820	(91,899)	36,921
Nonoperating Revenues (Expenses):			
Interest revenue	4,194	94,258	98,452
Interest expense	(115,165)	(146,699)	(261,864)
Total Nonoperating Revenues (Expenses)	(110,971)	(52,441)	(163,412)
Changes in Net Position	17,849	(144,340)	(126,491)
Net Position (Deficit):			
Beginning of fiscal year	486,646	7,726,077	8,212,723
Prior year adjustments	87,769	491,822	579,591
Beginning of fiscal year, restated	574,415	8,217,899	8,792,314
End of fiscal year	\$ 592,264	\$ 8,073,559	\$ 8,665,823

See Notes to Basic Financial Statements

**CITY OF WHEATLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2018**

	Business-type Activities - Enterprise Funds		Totals
	Water	Sewer	
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 876,400	\$ 918,285	\$ 1,794,685
Cash paid to suppliers for goods and services	(203,967)	(263,554)	(467,521)
Cash paid to employees for services	(275,925)	(340,065)	(615,990)
Cash paid for allocated overhead	(82,600)	(98,900)	(181,500)
Net Cash Provided (Used) by Operating Activities	<u>313,908</u>	<u>215,766</u>	<u>529,674</u>
Cash Flows from Non-Capital Financing Activities:			
Cash payments (issuance) of notes		(120,187)	(120,187)
Due to other funds		(6,344)	(6,344)
Net Cash Provided (Used) by Non-Capital Financing Activities		<u>(126,531)</u>	<u>(126,531)</u>
Cash Flows from Capital and Related Financing Activities:			
Purchases of capital assets	(4,286)	(141,469)	(145,755)
Principal paid on long-term debt	(64,034)	(68,234)	(132,268)
Interest paid on long-term debt	(115,379)	(147,118)	(262,497)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(183,699)</u>	<u>(356,821)</u>	<u>(540,520)</u>
Cash Flows from Investing Activities:			
Interest received	4,194	177,681	181,875
Net Cash Provided (Used) by Investing Activities	<u>4,194</u>	<u>177,681</u>	<u>181,875</u>
Net Increase (Decrease) in Cash and Cash Equivalents	134,403	(89,905)	44,498
Cash and Cash Equivalents at Beginning of Fiscal Year	<u>301,422</u>	<u>4,823,093</u>	<u>5,124,515</u>
Cash and Cash Equivalents at End of Fiscal Year	<u>\$ 435,825</u>	<u>\$ 4,733,188</u>	<u>\$ 5,169,013</u>
Reconciliation to Statement of Net Position:			
Cash and investments	<u>\$ 435,825</u>	<u>\$ 4,733,188</u>	<u>\$ 5,169,013</u>

(Continued)

See Notes to Basic Financial Statements

**CITY OF WHEATLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2018
(Continued)**

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 128,820	\$ (91,899)	\$ 36,921
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	178,415	299,093	477,508
Adjustments:			
(Increase) decrease in prepaid expenses	2,753	2,753	5,506
(Increase) decrease in accounts receivable	(4,556)	1,266	(3,290)
Increase (decrease) in accounts payable	6,392	(1,166)	5,226
Increase (decrease) in accrued liabilities	589	8,996	9,585
Increase (decrease) in compensated absences	1,495	(3,277)	(1,782)
Total Adjustments	185,088	307,665	492,753
Net Cash Provided (Used) by Operating Activities	\$ 313,908	\$ 215,766	\$ 529,674

See Notes to Basic Financial Statements

CITY OF WHEATLAND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2018

	Agency Funds
Assets:	
Cash and investments	\$ 66,777
Accounts receivable	69,002
Total Assets	\$ 135,779
 Liabilities:	
Accounts payable	\$ 69,402
Other liabilities	66,377
Total Liabilities	\$ 135,779

See Notes to Basic Financial Statements

Notes to Basic Financial Statements

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1 Summary of Significant Accounting Policies

The financial statements of the City of Wheatland (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (USGAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

a. Reporting Entity

The City of Wheatland ("the City") was incorporated in 1874, under the laws and regulations of the State of California. The City operates under the City Council - Manager form of government and provides or contracts for the following services: public safety (Police and Fire), highways and streets, water, wastewater, culture-recreation, public improvements, planning and zoning, and general administration. Authority and responsibility for operations is given to the City Council by the voters of the City of Wheatland. The City Council has the authority to employ administrative and support personnel to carry out its directives. The primary method used to monitor the performance of the City's management is the financial budget which is adopted annually by the City Council. The City operates as a self-governing governmental unit within the State of California. There are no component or blended component units that are part of the City's operations.

b. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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.

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 latter 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.

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1 Summary of Significant Accounting Policies (Continued)

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In the Fund Financial Statements, fiduciary funds are presented using the accrual basis of accounting. The agency funds do not have a measurement focus.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

General Construction Fund – This fund accounts for major construction projects.

The City reports the following major proprietary funds:

The Water Enterprise Fund – This fund accounts for the operation and maintenance of the City's water distribution system.

The Sewer Enterprise Fund – This fund accounts for the operation and maintenance of the City's wastewater collection system including operating costs of the wastewater treatment facility.

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1 Summary of Significant Accounting Policies (Continued)

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Additionally, the City reports the following fund types:

The Fiduciary Funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. These funds are not included in the government-wide financial statements. These assets include refundable and expendable cash deposits, and retentions withheld pending satisfactory project completion. Please see page 75 for description of activities for each Agency Fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise are charges to customers for sales and services. Operating expenses for the Enterprises 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.

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

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Net Position or Equity

Cash and Investments

In order to maximize the flexibility of its investment program and to aid in cash budgeting, the City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund's equity share of the City's cash and investment pool. As the City places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1 Summary of Significant Accounting Policies (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Net Position or Equity (Continued)

Interest income earned on pooled cash and investments is allocated monthly to the various funds based on month-end balances. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

In accordance with the State of California Government Code, the City adopts an investment policy annually that, among other things, authorizes types and concentrations of investments and maximum investment terms.

The City's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. LAIF determines the fair value of its portfolio quarterly and reports a factor to the City; the City applies that factor to convert its share of LAIF from amortized cost to fair value. Changes in fair value are allocated to each participating fund.

For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be change and petty cash funds, equity in the City's cash and investment pool, and restricted non-pooled investments with initial maturities of three months or less.

Receivables and Payables

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

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

Property Taxes

Assessed values for purposes of property taxes are determined on an annual basis for the period July 1 to June 30 by the Yuba County Assessor as of January 1. Taxes are levied annually on July 1 and become a lien on real property at January 1. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively, at which time applicable penalties and interest are assessed. Unsecured taxes become delinquent if not paid by August 31.

Prepaid Items

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1 Summary of Significant Accounting Policies (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Net Position or Equity (Continued)

Restricted Assets

Certain proceeds of the City's long-term debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

In the absence of specific statutory provisions governing the issuance of bonds, certificates, or leases, these bond monies may be invested in accordance with the ordinance; resolutions and indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions, and indentures are generally more restrictive than the City's general investment policy. In no instance have additional types of investments been authorized that are not permitted by the City's general investment policy.

Capital Assets

Capital assets, which include property, plant, equipment, fine art, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital asset, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year ended June 30, 2018.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30 to 50
Improvements other than buildings	20 to 30
Infrastructure	20 to 39
Vehicles	5 to 15
Computer equipment	3 to 5
Other equipment and furnishings	3 to 5

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63,65, 68, 71, and 75 the City recognizes deferred outflows and inflows of resources. Deferred outflow and inflow of resources are defined as a consumption or resource of net position by the government that is applicable to a future reporting period.

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1 Summary of Significant Accounting Policies (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Net Position or Equity (Continued)

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation and sick leave benefits are accrued as earned by employees. Twenty-five percent of unused sick leave benefits is payable upon termination of employment with the City. For governmental activities and proprietary funds, a current liability is reported for that portion of the estimated value of vacation and sick leave benefits to be used during the subsequent fiscal year, and the estimated value of vested sick leave benefits of employees approaching or at their respective retirement ages.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method (which approximates the effective interest 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 life of the refunding debt or remaining life of the refunded debt. Amortization of bond premiums or discounts, and deferred amounts on refunding is included in interest expense.

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

Net Position and Fund Equity

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1 Summary of Significant Accounting Policies (Continued)

d. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Net Position or Equity (Continued)

Net Position and Fund Equity (Continued)

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of the City Council which includes the City Charter, ordinances and resolutions and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- *Assigned fund balance* – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Such intent should be expressed by the City Council or its designated officials to assign amounts to be used. Constraints imposed on the use of assigned amounts can be removed with no formal Council actions.
- *Unassigned fund balance* – the residual classification for the City's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution or other formal action. This is done through adoption of the budget, subsequent budget amendments, resolution or other formal actions when necessary that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, followed by unrestricted committed, assigned and unassigned resources as they are needed.

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1 Summary of Significant Accounting Policies (Continued)

f. Estimates

The preparation of basic 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 revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

g. Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position:

The governmental funds balance sheet includes a reconciliation between fund balances – governmental funds and net positions of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term debt and compensated absences have not been included in the governmental fund activity”. The detail of the long-term debt difference is as follows:

Long-term debt		
Compensated absences	\$	77,604
Capitalized leases payable		<u>54,959</u>
Net adjustment to reduce fund balances of total governmental funds to arrive at net position of governmental activities	\$	<u>132,563</u>

Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

The details of this difference are as follows:

Capital outlay	\$	169,607
Depreciation expense		<u>(319,118)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	<u>(149,511)</u>

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1 Summary of Significant Accounting Policies (Continued)

g. Reconciliation of Government-wide and Fund Financial Statements (Continued)

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds”. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this difference are as follows:

Principal repayments:	
Capital leases payable	9,378
Net adjustment to decrease net changes in fund balance of total governmental funds to arrive at changes in net position of governmental activities	\$ 9,378

h. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements.

Statement No. 83	"Certain Asset Retirement Obligations"	The provisions of this statement are effective for fiscal years beginning after June 15, 2018.
Statement No. 84	"Fiduciary Activities"	The provisions of this statement are effective for fiscal years beginning after December 15, 2018.
Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 88	"Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2018.
Statement No. 89	"Accounting for Interest Cost Incurred before the End of a Construction Period"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 90	"Majority Equity Interest-an Amendment of GASB Statements No. 14 and No. 61"	The provisions of this statement are effective for fiscal years beginning after December 15, 2018.

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 2 Stewardship, Compliance, and Accountability

a. General Budget Policies

1. The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.
2. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the fiscal year. All amendments made during the fiscal year are included in the budgetary amounts reported herein. The "appropriated budget" covers all City expenditures, with the exception of debt service on bond issues and capital improvement projects carried forward from prior fiscal years, which expenditures constitute legally authorized "non-appropriated budget". Actual expenditures may not exceed budgeted appropriations at the fund level, which is the legal level of control.

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

3. Budgets for the General and Special Revenue Funds are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America (USGAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items.

Budget comparisons are not presented for the Proprietary Funds, as the City is not legally required to adopt a budget for these type funds. Budgets were not adopted for the following special revenue funds: CDBG 1989 Grant, CDBG 1990 Grant, Emergency Fire, all impact fees, Caliterra Ranch AD, Heritage Oaks East AD, Pumpkin Patch Joint Admissions, and Wheatland Community Gardens.

4. Capital projects are budgeted through the Capital Projects Funds. Appropriations for capital projects authorized but not constructed or completed during the fiscal year are carried forward as continuing appropriations into the following fiscal year's budget.
5. Under Article XIII-B of the California constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset by a deficit in the following year. For the fiscal year ended June 30, 2018, based on calculations by City staff, proceeds of taxes did not exceed appropriations. Further, Section 5 of Article XIII-B allows the City to designate a portion of fund balance for general contingencies, to be used for any purpose.

**CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 2 Stewardship, Compliance, and Accountability (Continued)

b. Deficit Fund Balances and Net Position

The Bear River Levee Special Revenue Fund has deficit fund balance of \$44,031 which should be alleviated as additional revenues or transfers are received. The Public Meeting Facilities Impact Fees Fund has a deficit fund balance of \$191,721 which will be alleviated with interfund transfers or additional revenue. The Caliterra Ranch AD and Heritage Oaks East AD have deficit fund balances of \$(25,168) and \$(31,940) respectively, which will be alleviated when development starts on the properties.

c. Excess Expenditures over Appropriations

The following are funds in which certain expenditures exceeded appropriations for the fiscal year ended June 30, 2018:

Fund/Function	Final Appropriation	Expenditures	Excess
Major Fund:			
General Fund			
Current:			
General Government	\$ 355,500	\$ 466,364	\$ 110,864
Public Works	43,500	124,518	81,018
Parks & Recreation		27,382	27,382
Community Development	350,000	368,451	18,451
Debt Service	11,300	12,647	1,347

Note 3 Cash and Investments

Cash and investments as of June 30, 2018 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 7,126,376
Fiduciary funds:	
Cash and investments	<u>66,777</u>
Total cash and investments	<u>\$ 7,193,153</u>

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

Cash on hand	\$ 600
Deposits with financial institutions	1,773,924
Investments	<u>5,418,629</u>
Total cash and investments	<u>\$ 7,193,153</u>

A. Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City of Wheatland (City) by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California government Code or the City's investment policy.

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 3 Cash and Investments (Continued)

Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasuries and Other government obligations	5 years	none	none
Federal Agencies or U.S. Government-Sponsored Enterprise obligations	5 years	25%	none
Local Agency Investment Fund (LAIF)	N/A	none	none
Non-Negotiable Certificates of Deposit	5 years	20%	none
Negotiable Certificates of Deposit	5 years	30%	5%
Mutual Funds and Money Market Mutual Funds	N/A	20%	none
Bankers' Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	5%

The investment policy allows for the above investments which have equal safety and liquidity as all other allowed investments. Maturity depends on the cash needs of the City.

B. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Totals	Remaining maturity (in Months)			
		12 Months or Less	13 to 24 Months	25-60 Months	More Than 60 Months
LAIF	\$ 5,418,629	\$ 5,418,629	\$ -	\$ -	\$ -
Totals	\$ 5,418,629	\$ 5,418,629	\$ -	\$ -	\$ -

C. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

D. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 3 Cash and Investments (Continued)

D. Disclosures Relating to Credit Risk (Continued)

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>			
				<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
LAIF	\$ 5,418,629	N/A	\$ -	\$ -	\$ -	\$ -	\$ 5,418,629
Total	<u>\$ 5,418,629</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,418,629</u>

E. Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 40% or more of total City investments.

F. Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2018, all of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 3 Cash and Investments (Continued)

H. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy establish by generally accepted accounting principles. These principles recognize a three tiered fair value hierarchy as follows: Level 1 – Investments reflect prices quoted in active markets; Level 2 – Investments reflect prices that are based on similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active; and Level 3 – Investments reflect prices based upon unobservable sources. The City does not hold any marketable securities that are required to be measured at fair value.

Note 4 Notes Receivable

Notes receivable as of June 30, 2018, totaled \$2,940,407 and were recorded as follows:

General Fund	\$ 171,109
Special Revenue Funds	157,044
Enterprise Funds	<u>2,612,254</u>
Total Notes Receivable	<u>\$ 2,940,407</u>

Notes receivable by type are:

CDBG loans to assist low income residents to afford safe and sanitary housing, including improvements to the housing; non-interest; principal and interest generally due at maturity or change of home ownership; secured by deeds of trust. \$ 157,044

Notes from developers for the augmentation of water and sewer infrastructure to be paid to the City as part of development agreements; interest rates are matched to the Construction Cost Index annually. 2,612,254

Note from Rodan Property for the construction of traffic signals to be paid to the City as part of a development agreement; interest rates are matched to the Construction Cost Index annually. 171,109

Totals \$ 2,940,407

Note 5 Accounts Receivable

The following is a list of accounts receivable at June 30, 2018:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Governmental Activities - Accounts	<u>\$ 360,099</u>	<u>\$ -</u>	<u>\$ 360,099</u>
	<u>\$ 360,099</u>	<u>\$ -</u>	<u>\$ 360,099</u>
Business-type Activities - Accounts	<u>\$ 40,285</u>	<u>\$ -</u>	<u>\$ 40,285</u>
	<u>\$ 40,285</u>	<u>\$ -</u>	<u>\$ 40,285</u>
Fiduciary Funds Accounts	<u>\$ 69,002</u>	<u>\$ -</u>	<u>\$ 69,002</u>

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 6 Interfund Transactions

A. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The following presents a summary of current interfund balances at June 30, 2018.

Receivable Fund	Amount	Payable Fund	Amount
Major Governmental Fund:		Major Governmental Fund:	
General	\$ 101,139	General	\$ 171,109
Non-Major Governmental Funds		Non-Major Governmental Funds	
Road Circulation Impact Fees	125,510	Bear River Levee Impact Fees	44,031
City Hall Facilities Impact Fees	150,000	Fire Department Facilities Impact Fees	75,510
Major Enterprise Fund:		Public Meeting Facilities Impact Fees	200,000
Sewer	421,109	Caliterra Ranch AD	25,168
Total	\$ 797,758	Heritage Oaks East AD	31,940
		Major Enterprise Fund	
		Water	250,000
		Total	\$ 797,758

B. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made an expenditure on behalf of another fund, less often, an equity transfers may be made to open or close a fund.

Transfer in	Amount	Transfer out	Amount
Major Governmental:		Major Governmental:	
General	\$ 166,522	General	\$ 300,511
General Construction	171,168	Non-major Governmental	183,179
Non-major Governmental	146,000		
Totals	\$ 483,690		\$ 483,690

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 7 Capital Assets

a. Governmental Activities

Capital asset governmental activity for the fiscal year ended June 30, 2018 was as follows:

	Balance at July 1, 2017	Prior Period Adjustments	Additions	Deletions	Transfers	Balance at June 30, 2018
Capital Assets, not being depreciated:						
Land	\$ 86,063	\$ -	\$ -	\$ -	\$ -	\$ 86,063
Construction in progress	7,500				(7,500)	-
Total	<u>93,563</u>				<u>(7,500)</u>	<u>86,063</u>
Capital Assets, being depreciated:						
Buildings and improvements	3,855,386		165,191	(401,183)	7,500	3,626,894
Equipment and machinery	879,570		4,416			883,986
Infrastructure	3,897,711					3,897,711
Total	<u>8,632,667</u>		<u>169,607</u>	<u>(401,183)</u>	<u>7,500</u>	<u>8,408,591</u>
Less accumulated depreciation for:						
Buildings and improvements	(2,006,287)		(82,831)	401,183		(1,687,935)
Equipment and machinery	(643,675)	9,065	(68,587)			(703,197)
Infrastructure	(1,388,150)		(167,700)			(1,555,850)
Total	<u>(4,038,112)</u>	<u>9,065</u>	<u>(319,118)</u>	<u>401,183</u>		<u>(3,946,982)</u>
Total, net of accumulated depreciation	<u>4,594,555</u>	<u>9,065</u>	<u>(149,511)</u>		<u>7,500</u>	<u>4,461,609</u>
Total Capital Assets, Net	<u>\$ 4,688,118</u>	<u>\$ 9,065</u>	<u>\$ (149,511)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,547,672</u>

Depreciation expense was charged to functions/programs of the City's governmental activities as follows:

General Government	\$ 79,780
Public Safety	159,559
Public Works	39,889
Community development	39,890
Total	<u>\$ 319,118</u>

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 7 Capital Assets (Continued)

b. Business-type activities

Capital asset business-type activity for the fiscal year ended June 30, 2018 was as follows:

	Balance at July 1, 2017	Additions	Deletions	Transfer	Balance at June 30, 2018
Water Fund:					
Capital assets, not being depreciated:					
Land	\$ 16,969	\$ -	\$ -	\$ -	\$ 16,969
Total capital assets not being depreciated	16,969				16,969
Capital assets, being depreciated:					
Infrastructure	5,019,130				5,019,130
Buildings and improvements	113,045				113,045
Equipment and machinery	420,933	4,286			425,219
Total capital assets being depreciated	5,553,108	4,286			5,557,394
Less accumulated depreciation for:					
Infrastructure	(2,097,816)	(144,750)			(2,242,566)
Buildings and improvements	(45,194)	(6,123)			(51,317)
Equipment and machinery	(281,436)	(27,542)			(308,978)
Total accumulated depreciation	(2,424,446)	(178,415)			(2,602,861)
Total capital assets being depreciated, net	3,128,662	(174,129)			2,954,533
Water Fund Capital Assets, net	\$ 3,145,631	\$ (174,129)	\$ -	\$ -	\$ 2,971,502
Sewer Fund:					
Capital assets, not being depreciated:					
Land	\$ 16,969	\$ -	\$ -	\$ -	\$ 16,969
Construction in progress	899,327				899,327
Total capital assets not being depreciated	916,296				916,296
Capital assets, being depreciated:					
Infrastructure	5,759,698				5,759,698
Buildings and improvements	113,045				113,045
Equipment and machinery	203,713	141,469			345,182
Total capital assets being depreciated	6,076,456	141,469			6,217,925
Less accumulated depreciation for:					
Infrastructure	(2,781,775)	(285,853)			(3,067,628)
Buildings and improvements	(45,194)	(6,123)			(51,317)
Equipment and machinery	(169,446)	(7,117)			(176,563)
Total accumulated depreciation	(2,996,415)	(299,093)			(3,295,508)
Total capital assets being depreciated, net	3,080,041	(157,624)			2,922,417
Sewer Fund Capital Assets, net	\$ 3,996,337	\$ (157,624)	\$ -	\$ -	\$ 3,838,713

Depreciation expense was charged to functions/programs of the City's business-type activities as follows:

Business-Type Activities:	
Water	\$ 178,415
Sewer	299,093
Total	<u>\$ 477,508</u>

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 8 Long-Term Liabilities

a. The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2018:

	Balance at July 1, 2017	Additions	Repayments	Balance at June 30, 2018	Due Within One Year
Governmental Activities:					
Capital lease payable	\$ 64,337	\$ -	\$ (9,378)	\$ 54,959	\$ 9,879
Compensated absences	59,843	36,482	(18,721)	77,604	30,000
Total	\$ 124,180	\$ 36,482	\$ (28,099)	\$ 132,563	\$ 39,879
Business-type Activities:					
Water Fund:					
Compensated absences	\$ 21,566	\$ 12,018	\$ (10,522)	\$ 23,062	\$ 10,000
Notes payable	2,538,000		(57,000)	2,481,000	60,000
Capital lease payable	48,254		(7,034)	41,220	7,409
Sewer Fund:					
Compensated absences	21,566	6,969	(10,245)	18,290	10,000
Notes payable	3,507,100		(61,200)	3,445,900	63,800
Capital lease payable	48,254		(7,034)	41,220	7,409
Totals	\$ 6,184,740	\$ 18,987	\$ (153,035)	\$ 6,050,692	\$ 158,618

b. Governmental Activities

Capital Lease Payable

On April 21, 2008, the City entered into a lease agreement for the purchase and installation of the City Hall. The lease payments are due in semi-annual installments including interest at 5.27%, through April 2023. The lease has been allocated to Governmental Activities, Water Fund, and Sewer Fund at 40%, 30%, and 30% respectively.

The annual requirements to amortize long-term debt outstanding at June 30, 2018 (other than compensated absences) are as follows:

Fiscal Year Ended June 30,	Governmental Activities - Capital Lease Payable		
	Principal	Interest	Total
2019	\$ 9,879	\$ 2,768	\$ 12,647
2020	10,406	2,240	12,646
2021	10,962	1,685	12,647
2022	11,547	1,099	12,646
2023	12,165	483	12,648
	\$ 54,959	\$ 8,275	\$ 63,234

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 8 Long-Term Liabilities (Continued)

c. Business-Type Activities

Water Fund – Notes Payable.

On May 8, 2000, The United States Department of Agriculture – Rural Development issued a Rural Utilities Service note to the Water Fund of the City for upgrades to and expansion of the water infrastructure in the amount of \$1,981,030. The note is to be repaid through a Certificate of Participation issued on December 18, 2001 with semi-annual payments due including interest at 4.5% through December 2041. The balance at June 30, 2018 is \$ 1,575,000.

Water Fund – Notes Payable.

On October 31, 2002, The United States Department of Agriculture – Rural Development issued another Rural Utilities Service note to the Water Fund of the City for additional upgrades to and expansion of the water infrastructure in the amount of \$1,139,000. The note is to be repaid through a Certificate of Participation issued on December 21, 2002 with semi-annual payments due including interest at 4.5% through December 2041. The balance at June 30, 2018 is \$ 906,000.

Sewer Fund – Notes Payable.

On October 31, 2002, The United States Department of Agriculture – Rural Development issued another Rural Utilities Service note to the Sewer Fund of the City for additional upgrades to and expansion of the wastewater treatment plant in the amount of \$4,000,000. The note is to be repaid through a Certificate of Participation issued on December 21, 2002 with semi-annual payments due including interest at 4.125% through May 2047. The balance at June 30, 2018 is \$ 3,445,900.

Capital Lease Payable

On April 21, 2008, the City entered into a lease agreement for the purchase and installation of the City Hall. The lease payments are due in semi-annual installments including interest at 5.27%, through April 2023. The lease has been allocated to Governmental Activities, Water Fund, and Sewer Fund at 40%, 30%, and 30% respectively.

The annual requirements to amortize enterprise long-term debt outstanding at June 30, 2018 are as follows:

Fiscal Year Ending June 30,	Water Fund - Note Payable #1		
	Principal	Interest	Total
2019	\$ 38,000	\$ 70,021	\$ 108,021
2020	40,000	68,266	108,266
2021	41,000	66,443	107,443
2022	43,000	64,553	107,553
2023	45,000	62,573	107,573
2024-2028	258,000	279,811	537,811
2029-2033	321,000	214,900	535,900
2034-2038	399,000	134,214	533,214
2039-2042	390,000	36,091	426,091
	<u>\$ 1,575,000</u>	<u>\$ 996,872</u>	<u>\$ 2,571,872</u>

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 8 Long-Term Liabilities (Continued)

c. Business-Type Activities (Continued)

Fiscal Year Ending June 30,	Water Fund - Note Payable #2		
	Principal	Interest	Total
2019	\$ 22,000	\$ 40,275	\$ 62,275
2020	23,000	39,263	62,263
2021	24,000	38,206	62,206
2022	25,000	37,103	62,103
2023	26,000	35,955	61,955
2024-2028	148,000	160,788	308,788
2029-2033	184,000	123,526	307,526
2034-2038	230,000	77,175	307,175
2039-2042	224,000	22,746	246,746
	<u>\$ 906,000</u>	<u>\$ 575,037</u>	<u>\$ 1,481,037</u>

Fiscal Year Ending June 30,	Sewer - Note Payable		
	Principal	Interest	Total
2019	\$ 63,800	\$ 142,144	\$ 205,944
2020	66,400	139,512	205,912
2021	69,100	136,772	205,872
2022	72,000	133,922	205,922
2023	75,000	130,952	205,952
2024-2028	423,700	605,750	1,029,450
2029-2033	518,700	510,840	1,029,540
2034-2038	634,800	394,666	1,029,466
2039-2043	777,100	253,072	1,030,172
2044-2047	745,300	78,412	823,712
	<u>\$ 3,445,900</u>	<u>\$ 2,526,042</u>	<u>\$ 5,971,942</u>

Fiscal Year Ending June 30,	Water Fund - Capital Lease Payable		
	Principal	Interest	Total
2019	\$ 7,409	\$ 2,076	\$ 9,485
2020	7,805	1,680	9,485
2021	8,222	1,264	9,486
2022	8,660	825	9,485
2023	9,124	362	9,486
	<u>\$ 41,220</u>	<u>\$ 6,207</u>	<u>\$ 47,427</u>

Fiscal Year Ending June 30,	Sewer Fund - Capital Lease Payable		
	Principal	Interest	Total
2019	\$ 7,409	\$ 2,076	\$ 9,485
2020	7,805	1,680	9,485
2021	8,222	1,264	9,486
2022	8,660	825	9,485
2023	9,124	362	9,486
	<u>\$ 41,220</u>	<u>\$ 6,207</u>	<u>\$ 47,427</u>

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 8 Long-Term Liabilities (Continued)

c. Business-Type Activities (Continued)

Fiscal Year Ending June 30,	Total Business-type Activities		
	Principal	Interest	Total
2019	\$ 138,618	\$ 256,592	\$ 395,210
2020	145,010	250,401	395,411
2021	150,544	243,949	394,493
2022	157,320	237,228	394,548
2023	164,248	230,204	394,452
2024-2028	829,700	1,046,349	1,876,049
2029-2033	1,023,700	849,266	1,872,966
2034-2038	1,263,800	606,055	1,869,855
2039-2043	1,391,100	311,909	1,703,009
2044-2047	745,300	78,412	823,712
	<u>\$ 6,009,340</u>	<u>\$ 4,110,365</u>	<u>\$ 10,119,705</u>

k. Compensated Absences

Compensated absences in governmental activities have been liquidated in the past fiscal year in the general fund.

Note 9 Joint Venture

a. Risk Management - PARSAC

The City is self-insured for the first \$5,000 on each general liability claim. The City has no self-insured retention for workers' compensation liability claims. The insurance coverage in excess of the self-insured amount is provided by the Public Agency Risk Sharing Authority of California (PARSAC), a public entity risk pool currently operating as a common risk management and insurance program for 37 California cities, up to a limit of \$1,000,000 for general liability and \$500,000 for workers' compensation. The City pays an annual premium to the pool for its excess general liability insurance coverage. The agreement for formation of the PARSAC provides that the pool will be self-sustaining through member premiums. Losses that exceed \$1,000,000 for general liability and \$500,000 for workers' compensation are covered via the CSAC Excess Insurance Authority up to \$34,000,000 and the Local Worker's Compensation Excess Authority (LAWCX) up to \$4,500,000, respectively. The City is self-insured for the first \$5,000 for Employment Practices Liability (EPL) coverage and up to \$25,000 is covered by PARSAC. Coverage between \$25,000 - \$1,000,000 is provided by the Employment Risk Management Authority (ERMA); and excess coverage up to \$34,000,000 is provided by CSAC.

Claims, expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. The City funds all claims payable, including those incurred but not reported, in the yearly deposit it pays to PARSAC, except for its self-insured retention.

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 9 Joint Venture (Continued)

a. Risk Management – PARSAC (Continued)

In addition, the City purchases crime insurance coverage in the amount of \$1,000,000 with \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retroactive adjustments.

The PARSAC will publish its own financial report for the year ended June 30, 2018, which can be obtained from Public Agency Risk Sharing Authority of California, Sacramento, California.

As of June 30, 2018 the City did not have any significant claims liability; therefore, no accrual was required. Also, the City had no settlements in excess of the insurance coverage in any of the three prior years.

b. Wheatland Fire Authority

The City of Wheatland and the Plumas Brophy Fire District created a Joint Powers Authority called the Wheatland Fire Authority. Its purpose is to serve the City of Wheatland, whether developed or undeveloped and surrounding unincorporated areas as a joint fire fighting organization.

Note 10 Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific Purposes for which amounts in the funds can be spent. As of June 30, 2018, fund balances for governmental funds are made up of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- *Restricted Fund Balance* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally (for example: resolution and ordinance). Ordinance is the highest level of the City Council’s approval.
- *Assigned Fund Balance* – comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. *Intent* is expressed by (1) the City Council or (b) a body (for example: a budget or finance committee) or official to which the City Council has delegated through its fund balance policy the authority to assign amounts to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund, that are not classified as nonspendable, restricted or committed.

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 10 Fund Balances (Continued)

- *Unassigned Fund Balance* – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

	General Construction	General	Non-major Governmental	Totals
Nonspendable				
Notes	\$ -	\$ 171,109	\$ 157,044	\$ 328,153
Totals	<u> </u>	<u>171,109</u>	<u>157,044</u>	<u>328,153</u>
Restricted				
Public safety			75,021	75,021
Public works			488,101	488,101
Community development			186,753	186,753
Parks and recreation			124,912	124,912
Totals	<u> </u>	<u> </u>	<u>874,787</u>	<u>874,787</u>
Assigned				
Public works	5,977			5,977
Totals	<u>5,977</u>			<u>5,977</u>
Unassigned		1,517,874	(356,226)	1,161,648
Totals	<u>\$ 5,977</u>	<u>\$ 1,688,983</u>	<u>\$ 675,605</u>	<u>\$ 2,370,565</u>

Note 11 Net Position

GASB Statements No. 34 and 63 add the concept of Net Position, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

a. Net Position

Net position is divided into three captions under GASB Statements No. 34 and 63, and are described below:

Net investment in Capital Assets describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include debt service requirements and special revenue funding restrictions.

Unrestricted describes the portion of net assets which is not restricted as to use.

The government-wide statement of net position reports \$1,409,829 of restricted net position.

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 11 Net Position (Continued)

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES - NET POSITION
AS OF JUNE 30, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Net position			
Net investment in capital assets	\$ 4,492,713	\$ 800,875	\$ 5,293,588
Restricted for:			
Community development	186,753		186,753
Debt service		377,998	377,998
Parks and recreation	124,912		124,912
Public safety	75,021		75,021
Streets & roads	488,101		488,101
Housing	157,044		157,044
Total Restricted	<u>1,031,831</u>		<u>1,409,829</u>
Unrestricted	<u>1,261,130</u>	<u>7,486,950</u>	<u>8,748,080</u>
Total net position	<u>\$ 6,785,674</u>	<u>\$ 8,665,823</u>	<u>\$ 15,451,497</u>

Note 12 Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The City is subject to various lawsuits and claims involving public liability and other actions incidental to the ordinary course of City operations. In the aggregate, those claims seek monetary damages in significant amounts. To the extent the outcome of such litigation may be determined to result in financial loss to the City, in the opinion of City management, any potential liability for these actions is adequately provided for in the basic financial statements. The timing of potential payment of such losses cannot presently be determined.

Note 13 Pension Plan/Other Post Employment Benefits

The employees of the City accumulate retirement benefits through a defined contribution plan with the ICMA Retirement Corporation. The City makes bi-weekly contributions to a 401(a) plan amounting to 6% (General Employees) or 7% (Public Safety Employees) of the employee's base salary. A matching 3% contribution is required from the employee. Employees are 100% vested (employer portion) at five years of service, with the exception of those employees over 50 years old who are fully vested from the month of employment. The plan is administered and held in trust for the exclusive benefit of participants and are not assets of the City. The balance at June 30, 2018 is \$722,174.

The City does not offer other post employment benefits.

CITY OF WHEATLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 14 Prior Period Adjustments

Adjustments of \$(8,278) and \$8,278 were made in the General Fund and Gas Tax Special Revenue Fund respectively due to a prior year misclassification of revenue.

Adjustments of \$87,769 and \$491,822 were made in the Water and Sewer enterprise funds due to a prior year understatement of receivables.

Adjustment of \$9,065 was made on the Statement of Activities due to an overstatement of accumulated depreciation in the prior fiscal year.

Adjustment of \$128,338 was made on the Statement of Activities due to overstatement of developer deposits in the prior fiscal year.

Note 15 Commitments and Contingencies

The City is subject to litigation arising in the normal course of business. In the opinion of the City's management, there is no pending litigation that is likely to have a material adverse effect on the financial position of the City.

Required Supplementary Information

CITY OF WHEATLAND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments:				
Franchise tax	\$ 75,000	\$ 75,000	\$ 109,344	\$ 34,344
Property	657,500	657,500	692,486	34,986
Sales	403,000	403,000	809,867	406,867
Licenses and permits	18,000	18,000	29,320	11,320
Intergovernmental	13,600	13,600	89,839	76,239
Charges for services	117,500	117,500	106,424	(11,076)
Fines, forfeitures, and penalties	5,000	5,000	10,652	5,652
Use of money and property	58,000	58,000	74,171	16,171
Overhead charges	240,000	240,000	238,106	(1,894)
Miscellaneous	10,200	10,200	31,543	21,343
Total Revenues	1,597,800	1,597,800	2,191,752	593,952
Expenditures:				
Current:				
General government:				
City Council	14,100	14,100	10,743	3,357
Administrative services	257,400	257,400	327,396	(69,996)
Finance	84,400	84,400	128,225	(43,825)
Total general government	355,900	355,900	466,364	(110,464)
Public safety:				
Police services	986,700	986,700	946,848	39,852
Fire control	163,400	163,400	144,500	18,900
Total public safety	1,150,100	1,150,100	1,091,348	58,752
Public works:				
Streets and roads	43,500	43,500	97,652	(54,152)
Total public works	43,500	43,500	97,652	(54,152)
Parks and recreation:				
Parks & community services			27,382	(27,382)
Total parks and recreation			27,382	(27,382)
Community development:				
Planning services	275,000	275,000	218,871	56,129
Building inspection	75,000	75,000	74,790	210
Total community development	350,000	350,000	293,661	56,339

See Note to Required Supplementary Information

(Continued)

CITY OF WHEATLAND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2018
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
Capital outlay	\$ 84,000	\$ 154,000	\$ 4,416	\$ 149,584
Total capital outlay	<u>84,000</u>	<u>154,000</u>	<u>4,416</u>	<u>149,584</u>
Debt service:				
Principal retirement	6,800	6,800	9,378	(2,578)
Interest and fiscal charges	4,500	4,500	3,269	1,231
Total debt service	<u>11,300</u>	<u>11,300</u>	<u>12,647</u>	<u>(1,347)</u>
Total Expenditures	<u>1,994,800</u>	<u>2,064,800</u>	<u>1,993,470</u>	<u>71,330</u>
Excess of Revenues Over (Under) Expenditures	<u>(397,000)</u>	<u>(467,000)</u>	<u>198,282</u>	<u>665,282</u>
Other Financing Sources (Uses):				
Transfers in	564,100	564,100	166,522	(397,578)
Transfers out	(90,200)	(90,200)	(300,511)	(210,311)
Total Other Financing Sources (Uses)	<u>473,900</u>	<u>473,900</u>	<u>(133,989)</u>	<u>(607,889)</u>
Net Change in Fund Balance	<u>76,900</u>	<u>6,900</u>	<u>64,293</u>	<u>57,393</u>
Fund balance, beginning of fiscal year	1,632,968	1,632,968	1,632,968	
Prior period adjustments			(8,278)	(8,278)
Fund balance, beginning of fiscal year (restated)	<u>1,632,968</u>	<u>1,632,968</u>	<u>1,624,690</u>	<u>(8,278)</u>
Fund balance, end of fiscal year	<u>\$ 1,709,868</u>	<u>\$ 1,639,868</u>	<u>\$ 1,688,983</u>	<u>\$ 49,115</u>

See Note to Required Supplementary Information

CITY OF WHEATLAND
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2018

Note 1 Budgets and Budgetary Data

The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.

Budgets for the General and Special Revenue Funds are adopted on a basis substantially consistent with the accounting principles generally accepted in the United States of America (US GAAP). Accordingly, actual revenues and expenditures can be compared with the related budgeted amounts without any significant reconciling items.

Additional information concerning the General Budget policies is explained more thoroughly in the Notes to the Basic Financial Statements.

Other Supplemental Information

CITY OF WHEATLAND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL CONSTRUCTION CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Expenditures:			
Capital outlay	\$ 170,000	\$ 165,191	\$ 4,809
Total Expenditures	<u>170,000</u>	<u>165,191</u>	<u>4,809</u>
Excess of Revenues Over (Under) Expenditures	<u>(170,000)</u>	<u>(165,191)</u>	<u>4,809</u>
Other Financing Sources (Uses):			
Transfers in	<u>170,000</u>	<u>171,168</u>	<u>1,168</u>
Total Other Financing Sources (Uses)	<u>170,000</u>	<u>171,168</u>	<u>1,168</u>
Net Change in Fund Balance		5,977	5,977
Fund Balance, Beginning of Fiscal Year	<u> </u>	<u> </u>	<u> </u>
Fund Balance, End of Fiscal Year	<u>\$ -</u>	<u>\$ 5,977</u>	<u>\$ 5,977</u>

City of Wheatland

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue (other than those for major capital projects) that are restricted legally to expenditures for particular purposes.

GAS TAX FUND - accounts for the City's share of gas tax monies received from the State and expenses related to maintaining the City's road system.

TRANSPORTATION DEVELOPMENT FUND - accounts for sales tax monies allocated to the City through the Sacramento Area Council of Governments and expenses related to transit operations and local street, roadway, bicycle, and pedestrian projects.

CDBG 1989 GRANT FUND - This fund is used to account for loans issued to low income Wheatland homeowners for home repairs.

CDBG 1990 LOAN FUND- This fund is used to account for loans issued to low income Wheatland homeowners for home repairs.

EMERGENCY FIRE FUND- This fund accounts for State and Federal Grants that were allocated to the City as part of short term financial assistance as the result of a fire.

BEAR RIVER LEVEE IMPACT FEES FUND - This fund account for fees imposed on new development to offset the costs of Levee upgrades and maintenance that are necessary to mitigate the effects of new development projects.

REGIONAL BYPASS IMPACT FEES FUND - This fund account for fees imposed on new development to offset the costs of providing public infrastructure, improvements and facilities that are necessary to mitigate the effects of new development projects.

GENERAL PLAN UPDATE IMPACT FEES FUND - This fund account for fees imposed on new development to offset the costs of general plan updates that are necessary to mitigate the effects of new development projects.

STORM DRAINAGE IMPACT FEES FUND - This fund account for fees imposed on new development to offset the costs of constructing additional storm drainage that are necessary to mitigate the effects of new development projects.

ROAD CIRCULATION IMPACT FEES FUND - This fund account for fees imposed on new development to offset the costs road circulation improvements that are necessary to mitigate the effects of new development projects.

CITY HALL FACILITIES IMPACT FEES FUND - This fund account for fees imposed on new development to offset the costs of City Hall facility upgrades and maintenance that are necessary to mitigate the effects of new development projects.

VEHICLES AND EQUIPMENT IMPACT FEES FUND - This fund account for fees imposed on new development to offset the costs of providing for additional vehicles and equipment that are necessary to mitigate the effects of new development projects.

PUBLIC WORKS FACILITIES IMPACT FEES FUND - This fund account for fees imposed on new development to offset the costs of providing additional public works facilities that are necessary to mitigate the effects of new development projects.

City of Wheatland

Nonmajor Governmental Funds

Special Revenue Funds

LAW ENFORCEMENT FACILITIES IMPACT FEES FUND – This fund account for fees imposed on new development to offset the costs of providing additional law enforcement facilities that are necessary to mitigate the effects of new development projects.

FIRE DEPARTMENT FACILITIES IMPACT FEES FUND – This fund account for fees imposed on new development to offset the costs of providing additional fire department facilities that are necessary to mitigate the effects of new development projects.

PARKLAND FACILITIES IMPACT FEES FUND – This fund account for fees imposed on new development to offset the costs of providing additional park facilities that are necessary to mitigate the effects of new development projects.

PUBLIC MEETING FACILITIES IMPACT FEES FUND – This fund account for fees imposed on new development to offset the costs of providing additional public meeting facilities that are necessary to mitigate the effects of new development projects.

SLES FUND – This fund is for the purpose of accounting for revenues and expenditure associated with Supplemental Law Enforcement Services funding from the State of California which provides for local law enforcement services.

PUMPKIN PATCH JOINT ADMISSIONS FUND – This fund accounts for Admission Fee revenues received from an annual agricultural entertainment event and expenses for enhanced safety, signage and traffic control required during the event.

WHEATLAND COMMUNITY GARDENS FUND – This fund accounts for annual revenue from leased garden plots and expenses associated with providing operational oversight.

RYANTOWN LLD FUND-- This fund account for revenues received from benefitted parcels within a specific District and expenses related to the cost of maintaining streetlights and common area improvements.

PARK PLACE LLD FUND-- This fund account for revenues received from benefitted parcels within a specific District and expenses related to the cost of maintaining streetlights and common area improvements.

CALITERRA RANCH AD FUND-- This fund accounts for assessment revenue received from benefitted properties within a specific District and expenses related to the cost of providing public services and maintenance, operations, and replacement of public infrastructure within the District.

HERITAGE OAKS EAST AD FUND – This fund accounts for assessment revenue received from benefitted properties within a specific District and expenses related to bonded indebtedness associated with the construction and acquisition of certain improvements in the District.

**CITY OF WHEATLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018**

	Special Revenue Funds			
	Gas Tax	Transportation Development	CDBG 1989 Grant	CDBG 1990 Loan
Assets:				
Cash and investments	\$ 65,951	\$ 96,267	\$ -	\$ -
Receivables:				
Accounts	15,943	5,685		
Loans			71,038	86,006
Due from other funds				
Total Assets	\$ 81,894	\$ 101,952	\$ 71,038	\$ 86,006
Liabilities, Deferred Inflows, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 5,035	\$ 5,685	\$ -	\$ -
Accrued liabilities	3,141			
Due to other funds				
Deposit payable				
Total Liabilities	8,176	5,685		
Fund Balances:				
Nonspendable			71,038	86,006
Restricted	73,718	96,267		
Unassigned				
Total Fund Balances	73,718	96,267	71,038	86,006
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 81,894	\$ 101,952	\$ 71,038	\$ 86,006

Special Revenue Funds					
Emergency Fire	Bear River Levee Impact Fees	Regional Bypass Impact Fees	General Plan Update Impact Fees	Storm Drainage Impact Fees	Road Circulation Impact Fees
\$ -	\$ -	\$ 17,757	\$ 21,466	\$ 52,535	\$ 117,824
					125,510
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,757</u>	<u>\$ 21,466</u>	<u>\$ 52,535</u>	<u>\$ 243,334</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	44,031				
	44,031				
	(44,031)	17,757	21,466	52,535	243,334
	(44,031)	17,757	21,466	52,535	243,334
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,757</u>	<u>\$ 21,466</u>	<u>\$ 52,535</u>	<u>\$ 243,334</u>

(Continued)

CITY OF WHEATLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018
 (Continued)

	Special Revenue Funds			
	City Hall Facilities Impact Fees	Vehicles and Equipment Impact Fees	Public Works Facilities Impact Fees	Law Enforce. Fac. Impact Fees
Assets:				
Cash and investments	\$ 1,486	\$ 240	\$ 4,490	\$ 3,422
Receivables:				
Accounts				
Loans				
Due from other funds	150,000			
Total Assets	<u>\$ 151,486</u>	<u>\$ 240</u>	<u>\$ 4,490</u>	<u>\$ 3,422</u>
Liabilities, Deferred Inflows, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities				
Due to other funds				
Deposit payable				
Total Liabilities				
Fund Balances:				
Nonspendable				
Restricted	151,486	240	4,490	3,422
Unassigned				
Total Fund Balances	<u>151,486</u>	<u>240</u>	<u>4,490</u>	<u>3,422</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 151,486</u>	<u>\$ 240</u>	<u>\$ 4,490</u>	<u>\$ 3,422</u>

Special Revenue Funds

Fire Dept. Facilities Impact Fees	Parkland Facilities Impact Fees	Ryantown LLD	Park Place LLD	Caliterra Ranch AD	Heritage Oaks East AD
\$ 12,144	\$ 12,888	\$ 1,860	\$ 1,360	\$ -	\$ -
		1,027	684		
<u>\$ 12,144</u>	<u>\$ 12,888</u>	<u>\$ 2,887</u>	<u>\$ 2,044</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 761	\$ 577	\$ -	\$ -
75,510		1,453	1,467	25,168	31,940
<u>75,510</u>		<u>2,214</u>	<u>2,044</u>	<u>25,168</u>	<u>31,940</u>
(63,366)	12,888	673		(25,168)	(31,940)
<u>(63,366)</u>	<u>12,888</u>	<u>673</u>		<u>(25,168)</u>	<u>(31,940)</u>
<u>\$ 12,144</u>	<u>\$ 12,888</u>	<u>\$ 2,887</u>	<u>\$ 2,044</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**CITY OF WHEATLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2018

(Continued)

	Special Revenue Funds			
	Public Meeting Facilities Impact Fees	SLES	Pumpkin Patch Joint Admissions	Wheatland Community Gardens
Assets:				
Cash and investments	\$ 8,279	\$ 22,853	\$ 83,640	\$ 41,672
Receivables:				
Accounts		48,746		
Loans				
Due from other funds				
Total Assets	\$ 8,279	\$ 71,599	\$ 83,640	\$ 41,672
Liabilities, Deferred Inflows, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities				
Due to other funds	200,000			
Deposit payable				400
Total Liabilities	200,000			400
Fund Balances:				
Nonspendable				
Restricted		71,599	83,640	41,272
Unassigned	(191,721)			
Total Fund Balances	(191,721)	71,599	83,640	41,272
Total Liabilities, Deferred Inflows and Fund Balances	\$ 8,279	\$ 71,599	\$ 83,640	\$ 41,672

<u>Nonmajor Governmental Funds</u>	
\$	566,134
	72,085
	157,044
	<u>275,510</u>
\$	<u>1,070,773</u>
\$	12,058
	6,061
	376,649
	<u>400</u>
	<u>395,168</u>
	157,044
	874,787
	<u>(356,226)</u>
	<u>675,605</u>
\$	<u>1,070,773</u>

**CITY OF WHEATLAND
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2018**

	Special Revenue Funds			
	Gas Tax	Transportation Development	CDBG 1989 Grant	CDBG 1990 Loan
Revenues:				
Taxes and assessments	\$ 107,422	\$ -	\$ -	\$ -
Intergovernmental		54,850		
Charges for services				
Use of money and property	66	591	10	24
Miscellaneous				
Total Revenues	<u>107,488</u>	<u>55,441</u>	<u>10</u>	<u>24</u>
Expenditures:				
Current:				
Parks and recreation				
Public works	159,866			
Capital outlay				
Total Expenditures	<u>159,866</u>			
Excess of Revenues Over (Under) Expenditures	<u>(52,378)</u>	<u>55,441</u>	<u>10</u>	<u>24</u>
Other Financing Sources (Uses):				
Transfers in	77,700	1,945		
Transfers out		(9,489)	(7,798)	(18,724)
Total Other Financing Sources (Uses)	<u>77,700</u>	<u>(7,544)</u>	<u>(7,798)</u>	<u>(18,724)</u>
Net Change in Fund Balances	<u>25,322</u>	<u>47,897</u>	<u>(7,788)</u>	<u>(18,700)</u>
Fund Balances (Deficit), Beginning of Fiscal Year	40,118	48,370	78,826	104,706
Prior Period Adjustments	8,278			
Fund Balances (Deficit), Beginning of Fiscal Year (restated)	<u>48,396</u>	<u>48,370</u>	<u>78,826</u>	<u>104,706</u>
Fund Balances (Deficit), End of Fiscal Year	<u>\$ 73,718</u>	<u>\$ 96,267</u>	<u>\$ 71,038</u>	<u>\$ 86,006</u>

Special Revenue Funds

Emergency Fire	Bear River Levee Impact Fees	Regional Bypass Impact Fees	General Plan Update Impact Fees	Storm Drainage Impact Fees	Road Circulation Impact Fees
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	(470)	9,375 174	229	5,793 552	19,349 1,247
28	(470)	9,549	229	6,345	20,596
28	(470)	9,549	229	6,345	20,596
(7,168)					
(7,168)					
(7,140)	(470)	9,549	229	6,345	20,596
7,140	(43,561)	8,208	21,237	46,190	222,738
7,140	(43,561)	8,208	21,237	46,190	222,738
\$ -	\$ (44,031)	\$ 17,757	\$ 21,466	\$ 52,535	\$ 243,334

(Continued)

CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2018
(Continued)

	Special Revenue Funds			
	City Hall Facilities Impact Fees	Vehicles and Equipment Impact Fees	Public Works Facilities Impact Fees	Law Enforce. Fac. Impact Fees
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental				
Charges for services	733	79	335	2,096
Use of money and property	15	2	48	34
Miscellaneous				
Total Revenues	<u>748</u>	<u>81</u>	<u>383</u>	<u>2,130</u>
Expenditures:				
Current:				
Parks and recreation				
Public works				
Capital outlay				
Total Expenditures				
Excess of Revenues Over (Under) Expenditures	<u>748</u>	<u>81</u>	<u>383</u>	<u>2,130</u>
Other Financing Sources (Uses):				
Transfers in				
Transfers out				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	<u>748</u>	<u>81</u>	<u>383</u>	<u>2,130</u>
Fund Balances (Deficit), Beginning of Fiscal Year	150,738	159	4,107	1,292
Prior Period Adjustments				
Fund Balances (Deficit), Beginning of Fiscal Year (restated)	<u>150,738</u>	<u>159</u>	<u>4,107</u>	<u>1,292</u>
Fund Balances (Deficit), End of Fiscal Year	<u>\$ 151,486</u>	<u>\$ 240</u>	<u>\$ 4,490</u>	<u>\$ 3,422</u>

Special Revenue Funds

Fire Dept. Facilities Impact Fees	Parkland Facilities Impact Fees	Ryantown LLD	Park Place LLD	Caliterra Ranch AD	Heritage Oaks East AD
\$ -	\$ -	\$ 55,550	\$ 40,877	\$ -	\$ -
6,433					
119	138			(269)	(341)
<u>6,552</u>	<u>138</u>	<u>55,550</u>	<u>40,877</u>	<u>(269)</u>	<u>(341)</u>
		60,728	62,565		
18,870					
<u>18,870</u>		<u>60,728</u>	<u>62,565</u>		
(12,318)	138	(5,178)	(21,688)	(269)	(341)
		5,178	21,688		
		5,178	21,688		
(12,318)	138			(269)	(341)
(51,048)	12,750	673		(24,899)	(31,599)
<u>(51,048)</u>	<u>12,750</u>	<u>673</u>		<u>(24,899)</u>	<u>(31,599)</u>
<u>\$ (63,366)</u>	<u>\$ 12,888</u>	<u>\$ 673</u>	<u>\$ -</u>	<u>\$ (25,168)</u>	<u>\$ (31,940)</u>

CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2018
(Continued)

	Special Revenue Funds			
	Public Meeting Facilities Impact Fees	SLES	Pumpkin Patch Joint Admissions	Wheatland Community Gardens
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental		188,163		
Charges for services			26,553	
Use of money and property	88	1,112	842	348
Miscellaneous				5,150
Total Revenues	88	189,275	27,395	5,498
Expenditures:				
Current:				
Parks and recreation			17,062	6,300
Public works				
Capital outlay				
Total Expenditures			17,062	6,300
Excess of Revenues Over (Under) Expenditures	88	189,275	10,333	(802)
Other Financing Sources (Uses):				
Transfers in		9,489		30,000
Transfers out		(140,000)		
Total Other Financing Sources (Uses)		(130,511)		30,000
Net Change in Fund Balances	88	58,764	10,333	29,198
Fund Balances (Deficit), Beginning of Fiscal Year	(191,809)	12,835	73,307	12,074
Prior Period Adjustments				
Fund Balances (Deficit), Beginning of Fiscal Year (restated)	(191,809)	12,835	73,307	12,074
Fund Balances (Deficit), End of Fiscal Year	\$ (191,721)	\$ 71,599	\$ 83,640	\$ 41,272

Nonmajor Governmental Funds	
\$	203,849
	243,013
	70,746
	4,587
	<u>5,150</u>
	<u>527,345</u>
	23,362
	283,159
	<u>18,870</u>
	<u>325,391</u>
	<u>201,954</u>
	146,000
	<u>(183,179)</u>
	<u>(37,179)</u>
	<u>164,775</u>
	502,552
	<u>8,278</u>
	<u>510,830</u>
\$	<u><u>675,605</u></u>

**CITY OF WHEATLAND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAS TAX SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes and assessments	\$ 109,000	\$ 107,422	\$ (1,578)
Use of money and property		66	66
Total Revenues	<u>109,000</u>	<u>107,488</u>	<u>(1,512)</u>
Expenditures:			
Current:			
Public works	<u>196,100</u>	<u>159,866</u>	<u>36,234</u>
Total Expenditures	<u>196,100</u>	<u>159,866</u>	<u>36,234</u>
Excess of Revenues Over (Under) Expenditures	<u>(87,100)</u>	<u>(52,378)</u>	<u>34,722</u>
Other Financing Sources (Uses):			
Transfers in	<u>87,100</u>	<u>77,700</u>	<u>(9,400)</u>
Total Other Financing Sources (Uses)	<u>87,100</u>	<u>77,700</u>	<u>(9,400)</u>
Net Change in Fund Balance		<u>25,322</u>	<u>25,322</u>
Fund Balance, Beginning of Fiscal Year	40,118	40,118	
Prior Period Adjustment		<u>8,278</u>	<u>8,278</u>
Fund Balance, Beginning of Fiscal Year, Restated	<u>40,118</u>	<u>48,396</u>	<u>8,278</u>
Fund Balance, End of Fiscal Year	<u>\$ 40,118</u>	<u>\$ 73,718</u>	<u>\$ 33,600</u>

CITY OF WHEATLAND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION DEVELOPMENT SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 54,900	\$ 54,850	\$ (50)
Use of money and property		591	591
Total Revenues	<u>54,900</u>	<u>55,441</u>	<u>541</u>
Excess of Revenues Over (Under) Expenditures	<u>54,900</u>	<u>55,441</u>	<u>541</u>
Other Financing Sources (Uses):			
Transfers out		1,945	1,945
Transfers out		<u>(9,489)</u>	<u>(9,489)</u>
Total Other Financing Sources (Uses)		<u>(7,544)</u>	<u>(9,489)</u>
Net Change in Fund Balance	54,900	47,897	(7,003)
Fund Balance, Beginning of Fiscal Year	<u>48,370</u>	<u>48,370</u>	
Fund Balance, End of Fiscal Year	<u>\$ 103,270</u>	<u>\$ 96,267</u>	<u>\$ (7,003)</u>

**CITY OF WHEATLAND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SLES SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 100,000	\$ 188,163	\$ 88,163
Use of money and property		1,112	1,112
Total Revenues	<u>100,000</u>	<u>189,275</u>	<u>89,275</u>
Excess of Revenues Over (Under) Expenditures	<u>100,000</u>	<u>189,275</u>	<u>89,275</u>
Other Financing Sources (Uses):			
Transfers in		9,489	9,489
Transfers out	<u>(100,000)</u>	<u>(140,000)</u>	<u>(40,000)</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(130,511)</u>	<u>(30,511)</u>
Net Change in Fund Balance		58,764	58,764
Fund Balance, Beginning of Fiscal Year	<u>12,835</u>	<u>12,835</u>	
Fund Balance, End of Fiscal Year	<u>\$ 12,835</u>	<u>\$ 71,599</u>	<u>\$ 58,764</u>

City of Wheatland

Agency Funds

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other agencies, and/or other funds.

HERITAGE OAKS WEST– This agency fund accounts for developer deposits to be used for property development costs such as processing review and action on permits and other entitlements.

HERITAGE OAKS EAST – This agency fund accounts for amount owed by developer for City costs incurred for processing review and action on permits and other entitlements.

CALITERRA RANCH – This agency fund accounts for developer deposits used for processing review and action on permits and other entitlements for the Caliterra subdivision.

JOHNSON RANCHO – This agency fund accounts for developer deposits used for processing entitlements and planning documents for the Johnson Rancho subdivision.

CITY OF WHEATLAND
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS
June 30, 2018

	<u>Heritage Oaks West</u>	<u>Heritage Oaks East</u>	<u>Caliterra Ranch</u>	<u>Johnson Rancho</u>	<u>Totals</u>
<u>ASSETS</u>					
Cash and investments	\$ 3,177	\$ -	\$ -	\$ 63,600	\$ 66,777
Receivables		65,341	3,661		69,002
Total Assets	<u>\$ 3,177</u>	<u>\$ 65,341</u>	<u>\$ 3,661</u>	<u>\$ 63,600</u>	<u>\$ 135,779</u>
<u>LIABILITIES</u>					
Accounts payable	\$ -	\$ 65,341	\$ 3,661	\$ 400	\$ 69,402
Deposits payable	3,177			63,200	66,377
Total Liabilities	<u>\$ 3,177</u>	<u>\$ 65,341</u>	<u>\$ 3,661</u>	<u>\$ 63,600</u>	<u>\$ 135,779</u>

**CITY OF WHEATLAND
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS**

For the Fiscal Year Ended June 30, 2018

	June 30, 2017 Balance	Additions	Deductions	June 30, 2018 Balance
Heritage Oaks West				
Assets				
Cash and investments	\$ 3,632	\$ -	\$ 455	\$ 3,177
Total Assets	<u>\$ 3,632</u>	<u>\$ -</u>	<u>\$ 455</u>	<u>\$ 3,177</u>
Liabilities				
Accounts Payable	\$ 365	\$ -	\$ 365	\$ -
Deposits Payable	3,267		90	3,177
Total Liabilities	<u>\$ 3,632</u>	<u>\$ -</u>	<u>\$ 455</u>	<u>\$ 3,177</u>
Heritage Oaks East				
Assets				
Receivables	\$ 64,238	\$ 1,103	\$ -	\$ 65,341
Total Assets	<u>\$ 64,238</u>	<u>\$ 1,103</u>	<u>\$ -</u>	<u>\$ 65,341</u>
Liabilities				
Accounts Payable	\$ 64,238	\$ 1,103	\$ -	\$ 65,341
Total Liabilities	<u>\$ 64,238</u>	<u>\$ 1,103</u>	<u>\$ -</u>	<u>\$ 65,341</u>
Caliterra Ranch				
Assets				
Receivables	\$ 40,027	\$ 2,761	\$ 39,127	\$ 3,661
Total Assets	<u>\$ 40,027</u>	<u>\$ 2,761</u>	<u>\$ 39,127</u>	<u>\$ 3,661</u>
Liabilities				
Accounts Payable	\$ 16,692	\$ 2,761	\$ 15,792	\$ 3,661
Deposits Payable	23,335		23,335	
Total Liabilities	<u>\$ 40,027</u>	<u>\$ 2,761</u>	<u>\$ 39,127</u>	<u>\$ 3,661</u>
Johnson Rancho				
Assets				
Cash and investments	\$ -	\$ 63,759	\$ 159	\$ 63,600
Receivables	132,559		132,559	
Total Assets	<u>\$ 132,559</u>	<u>\$ 63,759</u>	<u>\$ 132,718</u>	<u>\$ 63,600</u>
Liabilities				
Accounts Payable	\$ 1,062	\$ 275	\$ 937	\$ 400
Deposits Payable	131,497	63,484	131,781	63,200
Total Liabilities	<u>\$ 132,559</u>	<u>\$ 63,759</u>	<u>\$ 132,718</u>	<u>\$ 63,600</u>
Grand Total All Agency Funds				
Assets				
Cash and investments	\$ 3,632	\$ 63,759	\$ 614	\$ 66,777
Receivables	236,824	3,864	171,686	69,002
Total Assets	<u>\$ 240,456</u>	<u>\$ 67,623</u>	<u>\$ 172,300</u>	<u>\$ 135,779</u>
Liabilities				
Accounts Payable	\$ 82,357	\$ 4,139	\$ 17,094	\$ 69,402
Deposits Payable	158,099	63,484	155,206	66,377
Total Liabilities	<u>\$ 240,456</u>	<u>\$ 67,623</u>	<u>\$ 172,300</u>	<u>\$ 135,779</u>

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STATISTICAL SECTION

City of Wheatland

Statistical Section

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

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

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City of Wheatland
 Net Position By Component
 Two Fiscal Years*
 (Accrual basis of accounting)

	<u>2017</u>	<u>2018</u>
Governmental activities		
Net investment in capital assets	\$ 4,752,455	\$ 4,492,713
Restricted	-	1,031,831
Unrestricted	1,818,667	1,452,851
Total governmental activities net position	<u>\$ 6,571,122</u>	<u>\$ 6,977,395</u>
Business-type activities		
Net investment in capital assets	\$ 1,000,358	\$ 800,875
Restricted	377,998	7,472,164
Unrestricted	6,834,367	392,784
Total business-type activities net position	<u>\$ 8,212,723</u>	<u>\$ 8,665,823</u>
Primary government		
Net investment in capital assets	\$ 5,752,813	\$ 5,293,588
Restricted	377,998	8,503,995
Unrestricted	8,653,034	1,845,635
Total primary government net position	<u>\$ 14,783,845</u>	<u>\$ 15,643,218</u>

*The City of Wheatland prepared its first CAFR for the fiscal year ended June 30, 2017

City of Wheatland
Changes in Net Position
Two Fiscal Years*
(Accrual basis of accounting)

	<u>2017</u>	<u>2018</u>
Expenses		
Governmental activities:		
General government	\$ 634,638	\$ 569,454
Public safety	1,277,664	1,259,788
Public works	356,079	422,920
Parks and recreation	69,777	50,744
Community development	235,532	335,771
Interest expense	3,744	3,269
Total governmental activities expenses	<u>\$ 2,577,434</u>	<u>\$ 2,641,946</u>
Business-type activities:		
Water	\$ 832,077	867,301
Wastewater	1,001,324	1,155,617
Total business-type activities expenses	<u>\$ 1,833,401</u>	<u>\$ 2,022,918</u>
Total primary government expenses	<u>\$ 4,410,835</u>	<u>\$ 4,664,864</u>
Program Revenues		
Governmental activities:		
Charges for services:		
General government	\$ 168,151	\$ 344,530
Public safety	39,076	8,529
Public works	-	34,852
Parks and recreation	42,533	26,553
Community development	12,810	812
Operating grants and contributions	130,309	440,274
Capital grants and contributions	701,280	-
Total governmental activities program revenues	<u>\$ 1,094,159</u>	<u>\$ 855,550</u>
Business-type activities:		
Charges for services:		
Water	\$ 803,989	877,371
Wastewater	876,250	909,198
Operating Contributions and Grants	-	11,406
Total business-type activities program revenues	<u>\$ 1,680,239</u>	<u>\$ 1,797,975</u>
Total primary government program revenues	<u>\$ 2,774,398</u>	<u>\$ 2,653,525</u>

City of Wheatland
 Changes in Net Position
 Two Fiscal Years*
 (Accrual basis of accounting)

Continued from previous page

	2017	2018
Net (Expense)/Revenue		
Governmental activities	\$ (1,483,275)	\$ (1,786,396)
Business-type activities	\$ (153,162)	\$ (224,943)
Total primary government net expense	<u>\$ (1,636,437)</u>	<u>\$ (2,011,339)</u>
General Revenues and Other Changes in Net Position		
Governmental activities:		
Taxes:		
Property taxes	659,157	\$ 692,486
Sales and use taxes	745,094	809,867
Franchise taxes	112,910	109,344
Other taxes	93,340	96,427
Other revenues	130,541	76,665
Transfers	174,480	-
Investment income	59,361	78,670
Total governmental activities	<u>\$ 1,974,883</u>	<u>\$ 1,863,459</u>
Business-type activities:		
Investment income	\$ 53,697	\$ 98,452
Transfers	(174,480)	-
Total business-type activities	<u>\$ (120,783)</u>	<u>\$ 98,452</u>
Total primary government	<u>\$ 1,854,100</u>	<u>\$ 1,961,911</u>
Changes in Net Position		
Governmental activities	\$ 491,608	\$ 77,063
Business-type activities	(273,945)	(126,491)
Total primary government	<u>\$ 217,663</u>	<u>\$ (49,428)</u>

Data Source: City of Wheatland Finance Department

City of Wheatland
Fund Balances, Governmental Funds
Two Fiscal Years*
(Modified accrual basis of accounting)

	<u>2017</u>	<u>2018</u>
General Fund:		
Nondisposable	\$ 164,765	171,109
Restricted	-	-
Committed	30,000	-
Assigned	-	-
Unassigned	1,438,203	1,517,874
Total general fund	<u>\$ 1,632,968</u>	<u>\$ 1,688,983</u>
All Other Governmental Funds:		
Nondisposable	\$ 183,532	157,044
Restricted	-	874,787
Assigned	-	5,977
Unassigned	319,020	(164,505)
Total all other governmental funds	<u>\$ 502,552</u>	<u>\$ 873,303</u>
Total all governmental funds	<u>\$ 2,135,520</u>	<u>\$ 2,562,286</u>

*The City of Wheatland prepared its first CAFR for the fiscal year ended June 30, 2017
Data Source: City of Wheatland Finance Department

City of Wheatland
 Changes in Fund Balances, Governmental Funds
 Two Fiscal Years*
 (Modified accrual basis of accounting)

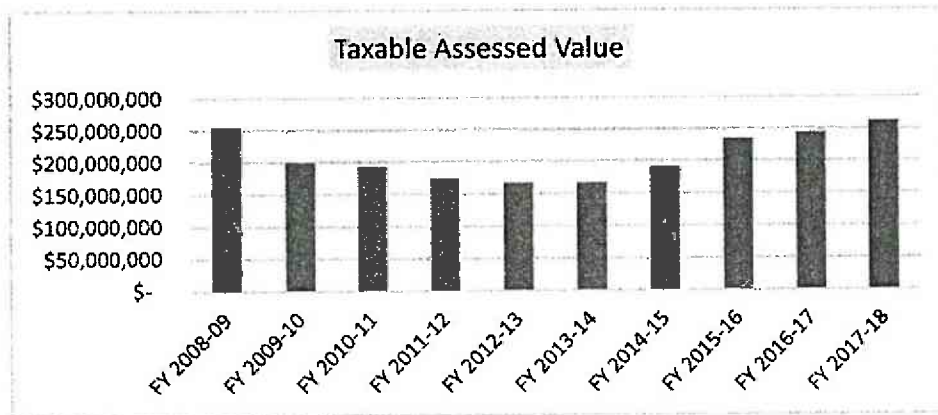
	<u>2017</u>	<u>2018</u>
Revenues:		
Taxes and assessments	\$ 1,689,215	1,815,546
Licenses, fees and permits	184,517	29,320
Intergovernmental revenues	61,567	332,852
Charges for services	11	177,170
Use of money and property	59,361	78,670
Fines and forfeitures	16,475	10,652
Overhead charges	167,507	238,106
Grant revenue	831,589	-
Miscellaneous	51,827	36,693
Total revenues	<u>3,062,069</u>	<u>2,719,009</u>
Expenditures:		
General government	503,767	466,364
Public safety	1,152,791	1,091,348
Community development	235,532	293,661
Public works and engineering	228,580	380,811
Parks and recreation	69,777	50,744
Capital Improvements	573,184	188,477
Debt service:		
Principal	8,903	9,378
Interest	3,744	3,269
Total expenditures	<u>2,776,278</u>	<u>2,484,052</u>
Excess of revenues over (under) expenditures	<u>285,791</u>	<u>234,957</u>
Other financing sources (uses):		
Transfers in	682,314	483,690
Transfers out	(682,314)	(483,690)
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 285,791</u>	<u>\$ 234,957</u>
Debt service as a percentage of noncapital expenditures	<u>0.57%</u>	<u>0.55%</u>

*The City of Wheatland prepared its first CAFR for the fiscal year ended June 30, 2017

Data Source: City of Wheatland Finance Department

City of Wheatland
Assessed Value and Actual Value of Taxable Property
For the last ten fiscal years

	<u>Secured</u>	<u>Unsecured</u>	<u>Less:</u> <u>Exemptions</u>	<u>Taxable</u> <u>Assessed Value</u>	<u>% Change</u>	<u>Total Direct</u> <u>Tax Rate</u>
FY 2008-09	\$ 252,383,040	\$ 3,943,412	\$ -	\$ 256,326,452	2.28%	0.17961
FY 2009-10	195,200,387	5,084,510	-	200,284,897	-21.86%	0.17574
FY 2010-11	188,342,984	5,128,091	-	193,471,075	-3.40%	0.17395
FY 2011-12	170,498,517	5,123,732	-	175,622,249	-9.23%	0.17419
FY 2012-13	161,954,723	5,282,470	-	167,237,193	-4.77%	0.17277
FY 2013-14	162,172,236	4,915,719	-	167,087,955	-0.09%	0.17204
FY 2014-15	187,241,765	4,582,604	-	191,824,369	14.80%	0.17159
FY 2015-16	229,813,378	4,638,696	-	234,452,074	22.22%	0.13888
FY 2016-17	238,789,220	4,892,773	-	243,681,993	3.94%	0.13966
FY 2017-18	256,022,742	5,103,873	-	261,126,615	7.16%	1.13966



Notes:

Exempt values are not included in Total.

In 1978 the voters of the State of California passed Proposition 13 which limited 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 of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value 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.

Source: Yuba County Assessor 2008/09 - 2017/18 Combined Tax Rolls

City of Wheatland
Direct and Overlapping Tax Rates
For the last ten fiscal years

City Assessed Valuation \$ 261,126,615

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Basic Levy¹	1.00000	1.00000	1.00000	1.00000	1.00000
Western Placer Unified 1993 Series A	0.01343	0.01343	0.02105	0.02609	0.02521
Wheatland Union High School 2012A	0.00000	0.00000	0.00000	0.00000	0.00000
Yuba Community College	0.01404	0.01404	0.01450	0.02510	0.02471
Total Direct and Overlapping² Tax Rates	1.02747	1.02747	1.03555	1.05119	1.04992
City's Share of 1% Levy Per Prop 13³	0.17092	0.17092	0.17092	0.17092	0.17092
Total Direct Rate⁴	0.13609	0.1333	0.17395	0.13219	0.13115
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Basic Levy¹	1.00000	1.00000	1.00000	1.00000	1.00000
Western Placer Unified 1993 Series A	0.02521	0.02504	0.02469	0.02526	0.02526
Wheatland Union High School 2012A	0.00000	0.02994	0.03000	0.03000	0.03000
Yuba Community College	0.02471	0.02500	0.02494	0.02635	0.02635
Total Direct and Overlapping² Tax Rates	1.04992	1.07998	1.07963	1.08161	1.08161
City's Share of 1% Levy Per Prop 13³	0.17092	0.17092	0.17092	0.17092	0.17092
Total Direct Rate⁴	0.13061	0.13021	0.13888	0.13966	0.14028

¹In 1978, California voters passed Proposition 13 which set the property tax rate at 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

²Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

³City's share of 1.00% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City.

⁴Total Direct Rate is the weighted average of all individual direct rates applied by the City /Agency preparing the statistical section information and excludes revenues derived from aircraft.

Data Source: Yuba County Assessor 2008/09 - 2017/18 Tax Rate Table

City of Wheatland
 Top Ten Property Tax Payers
 Current Year and Nine Years Ago

	FY 2017-18			FY 2008-09		
	Rank	Value	% of Net AV	Rank	Value	% of Net AV
Bear River Walnut Ranch	1	\$ 16,270,721	4.84%			
AKT Wheatland Ranch	2	8,751,562	3.44%			
Gibson Ranch	3	6,249,033	2.54%			
Dale Investments	4	3,819,741	1.54%			
Frank Dean and Frances Webb	5	2,729,208	1.10%	5	\$ 1,776,169	0.69%
Raj Kumar and Namarta Sharma	6	2,629,415	1.00%			
Settlers Village Center	7	2,399,750	0.98%	4	3,011,153	1.17%
Lennar Homes of California	8	2,354,831	0.95%			
Lewis Investment Company	9	2,352,734	0.95%			
Paradise Petro	10	1,883,675	0.77%			
Wheatland Heritage Oaks				1	15,994,380	6.24%
Lakemont Overland Crossing				2	6,435,079	2.51%
Trivest				3	3,335,020	1.30%
Thomas and Phyllis Dietrich				6	1,752,316	0.68%
Hovnanian Forecast Homes				7	1,695,309	0.66%
Joyce Boehm Trustee				8	1,257,145	0.49%
Church of Jesus Christ of LDS				9	1,089,000	0.42%
Wheatland River Associates				10	999,028	0.39%
Top Ten Total		\$ 49,440,670	18.11%		\$ 37,344,599	14.55%
City Total		\$ 261,126,615			\$ 256,326,452	

Source: Yuba County Assessor Combined Tax rolls

City of Wheatland
Property Tax Levies and Collections
For the last ten fiscal years

Fiscal Year	Collections within the Fiscal Year of the Levy			Total Collections to Date	
	Taxes for the Fiscal Year	Amount	Percent of Levy	Amount	Percent of Levy
2008-09	\$ 712,856	\$ 712,856	100.00%	\$ 712,856	100.00%
2009-10	502,364	502,364	100.00%	502,364	100.00%
2010-11	495,142	495,142	100.00%	495,142	100.00%
2011-12	491,184	491,184	100.00%	491,184	100.00%
2012-13	453,056	453,056	100.00%	453,056	100.00%
2013-14	542,753	542,753	100.00%	542,753	100.00%
2014-15	523,990	523,990	100.00%	523,990	100.00%
2015-16	629,472	629,472	100.00%	629,472	100.00%
2016-17	649,277	649,277	100.00%	649,277	100.00%
2017-18	679,878	679,878	100.00%	679,878	100.00%

Note: Amounts are reported and collected under the Teeter Plan in which all taxes are distributed to the City in the year of the levy with the County retaining any interest or penalties on uncollected balances.

Source: City Finance Department

City of Wheatland
Ratios of Outstanding Debt by Type
For the last ten fiscal years

Fiscal Year	USDA Water Loan #1		USDA Water Loan #3		USDA Wastewater Loan		Capital Lease		Percentage of Personal Income
	Debt Outstanding	Debt Per Capita	Debt Outstanding	Debt Per Capita	Debt Outstanding	Debt Per Capita	Debt Outstanding	Debt Per Capita	
2008-09	\$ 1,851,000	\$ 523	\$ 1,064,000	\$ 301	\$ 3,903,969	\$ 1,104	\$ 310,320	\$ 88	n/a
2009-10	1,825,000	512.93	1,049,000	294.83	3,873,000	1,088.53	294,856	82.87	2.0%
2010-11	1,798,000	518.30	1,034,000	298.07	3,826,800	1,103.14	278,566	80.30	2.5%
2011-12	1,770,000	506.73	1,018,000	291.44	3,778,700	1,081.79	261,404	74.84	2.6%
2012-13	1,741,000	498.14	1,001,000	286.41	3,728,700	1,066.87	243,328	69.62	2.5%
2013-14	1,711,000	500.44	984,000	287.80	3,676,600	1,075.34	224,289	65.60	2.5%
2014-15	1,679,000	477.12	966,000	274.51	3,622,400	1,029.38	204,232	58.04	2.5%
2015-16	1,646,000	469.08	947,000	269.88	3,565,900	1,016.22	183,102	52.18	2.3%
2016-17	1,611,000	392.93	927,000	226.10	3,507,100	855.39	160,845	39.23	1.8%
2017-18	1,575,000	384.15	906,000	220.98	3,445,900	840.46	137,399	33.51	1.7%

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

Source: City Finance Department

City of Wheatland
Direct and Overlapping Bonded Debt
Current Year

	<u>Percent Applicable</u>	<u>Outstanding Debt June 30, 2018</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Tax and Assessment Debt:			
Yuba Community College	0.867%	\$ 160,305,000	\$ 1,389,684
Wheatland Union High School 2016 Refunding	19.237%	6,065,000	1,166,724
Wheatland Union High School Series B	19.237%	3,000,000	577,110
Total Overlapping Tax and Assessment Debt		\$ 169,370,000	\$ 3,133,518

Source: Yuba County Auditor-Controller

City of Wheatland
 Legal Debt Margin Information
 For the last ten fiscal years

Fiscal Year	Assessed Value Secured	Adjusted Assessed Value*	Debt Limit Percentage	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Net Debt Applicable to the Limit as a % of Debt Limit
2007-08	\$ 246,994,752	\$ 61,748,688	15%	\$ 9,262,303	\$ 325,000	\$ 8,937,303	3.51%
2008-09	252,292,040	63,073,010	15%	9,460,952	310,320	9,150,632	3.28%
2009-10	195,109,387	48,777,347	15%	7,316,602	294,856	7,021,746	4.03%
2010-11	188,251,984	47,062,996	15%	7,059,449	278,566	6,780,883	3.95%
2011-12	170,407,517	42,601,879	15%	6,390,282	261,404	6,128,878	4.09%
2012-13	161,641,700	40,410,425	15%	6,061,564	243,328	5,818,236	4.01%
2013-14	162,023,838	40,505,960	15%	6,075,894	224,289	5,851,605	3.69%
2014-15	187,093,367	46,773,342	15%	7,016,001	204,232	6,811,769	2.91%
2015-16	229,664,980	57,416,245	15%	8,612,437	183,102	8,429,335	2.13%
2016-17	238,640,822	59,660,206	15%	8,949,031	160,845	8,788,186	1.80%
2017-18	256,022,742	64,005,686	15%	9,600,853	137,398	9,463,455	1.43%

*The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). This computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time the legal debt margin was enacted by the State of California for local governments.

Source: City Finance Department

City of Wheatland
 Demographic and Economic Statistics
 For the past ten calendar years
 Calendar year 2008 through 2017

Fiscal Year	Population	Personal Income		Unemployment		% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
		City of Wheatland (in thousands)	Per Capita Personal Income	Rate	Median Age		
2008	3,516	n/a	n/a	11.7%	n/a	n/a	n/a
2009	3,536	n/a	n/a	17.2%	n/a	n/a	n/a
2010	3,558	\$ 96,810	\$ 27,209	19.0%	32.6	79.9%	13.0%
2011	3,469	\$ 80,311	\$ 23,151	18.0%	33.2	79.3%	12.1%
2012	3,493	\$ 73,880	\$ 21,151	13.5%	32.9	83.7%	12.8%
2013	3,495	\$ 77,124	\$ 22,067	13.0%	32.3	84.0%	17.4%
2014	3,419	\$ 77,447	\$ 22,652	12.1%	33.2	83.6%	15.2%
2015	3,519	\$ 74,642	\$ 21,211	10.1%	35.9	83.5%	14.5%
2016	3,509	\$ 80,286	\$ 22,880	9.3%	34.3	84.3%	13.9%
2017	3,497	\$ 99,253	\$ 28,382	7.5%	37.5	84.7%	14.4%

Sources:

Population: California State Department of Finance

Income, Age, and Education Data: US Census Bureau, most recent American Community Survey

Unemployment Data: California Employment Development Department

City of Wheatland
Principal Employers in Yuba County¹
For the calendar year 2017

Employer	Range of Number of Employees	Rank
Marysville Joint Unified School District	1,000-4,999	1
Rideout Outpatient	1,000-4,999	1
Beale Air Force Base	500-999	2
Bishop's Pumpkin Farm	250-499	3
Toyota Amphitheatre	250-499	3
Walmart Supercenter	250-499	3
Yuba County Health & Human Services	250-499	3
Appeal Democrat	100-249	4
Aramark Sports & Entertainment	100-249	4
Lindhurst High School	100-249	4
Lone Tree School	100-249	4
Marysville Care & Rehab Center	100-249	4
Recology Yuba-Sutter	100-249	4
Shoei Food USA	100-249	4
Sutter Health	100-249	4
US Post Office	100-249	4

¹Information for the City of Wheatland is not available. Information presented is for the entire Yuba County

Source: California Employment Development Department

City of Wheatland
 Full-time and Part-time City Employees by Function
 For the last 5 fiscal years

Function	2014	2015	2016	2017	2018
General Government	4.3	4.3	5.3	5.3	4.8
Public Safety Non-Sworn	0.5	0.5	0.9	0.9	0.9
Public Safety Sworn	9.0	9.0	9.0	9.0	9.0
Engineering ¹	0.0	0.0	0.0	0.0	0.0
Community Development ²	0.0	0.0	0.0	0.0	0.0
Public Works ³	7.0	7.0	6.9	6.9	7.2
Total	20.8	20.8	22.1	22.1	21.9

¹The City contracts with Coastland Engineering for engineering services

²The City contracts with Raney and Associates for planning and building inspection services

³Public Works includes street, building, and park maintenance and water and sewer operations

Source: City Finance Department

City of Wheatland
 Capital Asset Statistics by Function
 For the last 5 years

Function	2014	2015	2016	2017	2018
Police Stations	1	1	1	1	1
Fire Stations*	1	1	1	1	1
Public Works					
Street Miles	18.4	22.4	22.4	22.4	22.4
Street Lights	234	234	234	234	234
Parks and Recreation					
Parks	5	5	5	5	5
Community centers	1	1	1	1	1
Ball fields	1	1	1	1	1
Utilities					
Miles of municipal sewer mains	18	18	18	18	18
Miles of water mains	18	18	18	18	18
Water wells	6	6	6	6	6
Water storage tanks	2	2	2	2	2

Note: in 2014 the City annexed 4,300 acres in to the City

*Fire services are provided by the Wheatland Fire Protection District

Source: City Public Works Department

City of Wheatland
Operating Indicators by Function
For the last 5 calendar years

Function	2013	2014	2015	2016	2017
Police					
Calls for service	1,525	1,452	1,427	1,461	1,625
911 calls per year	330	331	354	315	340
Public Works					
Street Resurfacing (miles)	0.31	0.00	0.00	0.00	0.00
Encroachment permits	21	10	8	9	9
Parks and recreation					
Facility rental hours	152	166	112	144	157
Sports field rental hours	750	750	750	750	750
Building Valuations					
Building permits issued per year	81	231	127	95	106
Building valuation	\$ 1,000,217	\$ 11,209,358	\$ 1,886,320	\$ 2,465,854	\$ 3,145,999
Utilities					
Gallons of wastewater treated per year (in millions)	122	118	115	124	125
Business Licenses					
Annual business licenses issued	177	210	231	273	313

Source: City Finance Department

City of Wheatland
 Top 25 Sales Tax Producers*
 Current Year and Nine Years Ago

FY 2017-18 (represents 100.00% of total sales tax)		FY 2008-09 (represents 97.47% of total sales tax)	
<u>Business Name</u>	<u>Business Category</u>	<u>Business Name</u>	<u>Business Category</u>
Big Al's Market	Grocery	Big Al's Market	Grocery
Bills Place	Casual Dining	Bills Place	Casual Dining
Bishops Pumpkin Farm	Specialty	City Grill Restaurant	Casual Dining
City Grill	Casual Dining	Dons Smog	Auto Repair
Dollar General	Variety	Elkins Frostie	Quick Svc Restaurant
Elkins Frosty	Quick Svc Restaurant	Hexagram	Light Industrial/Printer
Mi Pueblito Taqueria	Casual Dining	Hunter's Footwear	Shoe Store
Nicks Quality Autos	Used Auto	Jonathan Williamson Dealer	Automotive Supply
Primetime Pizza	Quick Svc Restaurant	Power Partners	Electrical Equipment
Raj's Mini Mart	Service Station	Primetime Pizza	Quick Svc Restaurant
Ready to Help Estate Sales	Business Service	Rajs Mini Mart (1)	Service Station
Robertos Restaurant	Casual Dining	Rajs Mini Mart (2)	Service Station
Southwire	Quick Svc Restaurant	Robertos Restaurant	Casual Dining
Subway	Quick Svc Restaurant	Stacey Ann Whelan	Specialty Store
Taco Bell	Quick Svc Restaurant	Subway (1)	Quick Svc Restaurant
Tobacco Shop	Cigarette/Cigar	Subway (2)	Quick Svc Restaurant
Vacation Rvs & Auto Sales	Used Auto	Tjs Coffee and Deli	Quick Svc Restaurant
Village Pharmacy	Drug Store	Tobacco Shop	Cigarette/Cigar Store
Wheatland 99 & Liquor	Convenience Store	Village Pharmacy	Drug Store
Wheatland Elementary School	Government	Wheatland 99 & Liquor	Convenience Store
Wheatland Florist	Florist Shop	Wheatland Auto Parts	Automotive Supply
Wheatland Smog & Repair	Auto Repair	Wheatland Chevron	Service Station
Wheatland Station	Service Station	Wheatland Elementary School	Government
Wheatland Tire Co	Auto Repair	Wheatland Smog & Repair	Auto Repair
Wonderful Chinese Restaurant	Casual Dining	Wonderful Chinese Restaurant	Casual Dining

*Firms listed alphabetically

Source: *Hinderliter, de Llamas & Associates, State Board of Equalization*

City of Wheatland, California
www.wheatland.ca.gov



