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CITY OF WHEATLAND
WHEATLAND, CALIFORNIA
FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

CITY OF WHEATLAND
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Wheatland, California

Report on the Financial Statements

I have audited the accompanying financial statements of the City of Wheatland, California which comprise the Statement of Net Position and Governmental Fund Balance Sheet, as of June 30, 2015, and the related Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance for the year then ended, and the related notes to the financial statements.

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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I express no such opinion. An audit also includes evaluating the appropriateness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Wheatland, California as of June 30, 2015, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated November 5, 2015, on my consideration of the City of Wheatland's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-9 and the Required Supplementary Information as listed in the table of contents on page 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wheatland, California's government-wide basic financial statements. The fund financial statements and the accompanying supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Don Cole & Company

Don Cole & Company
Sacramento, California

November 5, 2015

CITY OF WHEATLAND
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2015

CITY OF WHEATLAND, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

This Management's Discussion and Analysis (MD&A) is a Government Accounting Standards Board Statement 34 (GASB 34) requirement. It should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements. The MD&A resents a narrative overview and analysis of the financial performance of the City.

FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year 2014/15 include the following:

Entity-wide:

- The City's net position decreased by $119,785 during the year. Net position of governmental activities increased by $216,786 and net position of business activities decreased by $(336,571). The increase in net position in governmental activities is primarily the result of the recognition of revenue from the Administrative Funding and Oliver Study deferred revenue items that were eliminated by terms of the agreement and are shown as Special Items in the amount of $182,771. The decrease in business activity net position is primarily the result of normal depreciation of the Water and Sewer equipment without significant new investment in the systems.
- The total revenues from all sources for the year were $3,970,492.
- The total cost of all City programs for the year was $4,090,277.

Fund level:

- Governmental Fund Balances increased to $1,679,436 from $1,447,096 for the prior year.
- Governmental Fund revenues totaled $2,349,445 for the year, a decrease of $736,404 from the prior year.
- Governmental Fund expenditures totaled $2,287,198 representing an increase of $166,415 compared to the prior year. This was spread over General Government, Public Safety functions and Capital Outlay.

General Fund:

- The General Fund reported revenues of $1,896,971, an increase of $258,751 from the prior year. General Fund expenditures of $1,678,477 represent an increase of $61,645 from the prior year.
- General Fund other financing sources and uses for the year were a transfer in of $370,051 which was largely the result of the indirect cost allocation process and a transfer out of $222,646 largely due to transfers for Street Maintenance.
- Actual resources received in the General Fund exceeded the final budget by $538,100. The actual expenditures were $112,391 over the budget. The positive revenue variance is largely due to Property, Sales and Transaction Tax revenue of $143,071 over budget and the write-off of the Deferred Revenue items related to the Administrative Funding and Oliver Study agreement. The City has reserved an additional $261,332 of Transaction Tax revenue this year pending potential future claims. The negative expenditure variance is primarily due to Planning and Engineering services on grant projects which are to be reimbursed.
- At the end of the fiscal year, unassigned fund balance for the General Fund was $1,290,188.

USING THIS ANNUAL REPORT

The discussion and analysis that follows is intended to serve as an introduction to the City's basic financial statements. These statements are comprised of three components: (1) Government-wide Financial Statements, (2) Fund Financial Statements and (3) Notes to Financial Statements. This report also contains required and other Supplementary information provided in addition to the basic financial statements.

Reporting the City as a Whole

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

The Statement of Net Position presents information on all of the City's assets and liabilities, with differences between the two reported as net position. Net position increase or decrease each year based on whether government-wide revenues exceeded the related expenses (increase), or government-wide expenditures exceeded revenues (decrease). The change in net position over time may provide a useful tool in measuring whether or not the financial position of the City is improving or deteriorating.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and inter-governmental revenues (government activity) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include public safety, public works and facilities, parks and recreation, and general city administration responsibilities. The business-type activities of the City include water and sewer utility operations.

The government-wide financial statements include the City only (known as the primary government). There are no component or blended component units that are part of the City's operations.

Reporting the City's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law and by bond covenants. The City also establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal or contractual responsibilities. All of the funds of the City can be divided into the following categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Most of the City's basic services are reported in governmental funds. These funds focus on how money flows into and out of these funds and balances left at year end that are available for subsequent expenditures. These funds are reported using an accounting method called modified accrual which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides.

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

The City of Wheatland maintains several individual government funds organized according to their type (special revenue, capital projects, etc.). The fund financial statements provide detailed information about each of the City's most significant funds, called major funds. Each major fund is presented individually, with all non-major funds summarized and presented only in a single column. Subordinate schedules present the detail of these non-major funds. Major funds present the major activities of the City for the year, and may change from year to year and result of changes in the pattern or the City's activities. Information is presented separately in the governmental funds balance sheet and in the governmental funds statements of revenues, expenditures and changes in fund balances for the following major funds:

- General Fund

Data from the remaining non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of "combining statements."

Proprietary Funds. Proprietary funds are generally used to account for services for which the City charges customers. Proprietary funds are meant to be financially self-supporting. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City's proprietary funds are presented as major funds and are used to account for the water and sewer services provided by the City.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties other than the City. The accounting used for fiduciary funds is much like that of the proprietary funds. The fiduciary fund activity is excluded from the City's other financial statements, because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to Financial Statements

The notes to the financial statements provide additional information for readers that are essential for a full understanding of the data provided in the government-wide and fund financial statements.

Combining Statements

The combining statements are presented immediately following the notes to the financial statements.

FINANCIAL ACTIVITY OF THE CITY AS A WHOLE

This analysis focuses on the net position and changes in net position of the City as a whole.

Table 1
SUMMARY OF NET POSITION
AS OF JUNE 30

	Governmental Activities		Business-type Activities		TOTALS	
	2015	2014	2015	2014	2015	2014
ASSETS:						
Current and other assets	$ 1,782,931	$ 1,746,066	$ 7,818,631	$ 7,894,585	$ 9,601,562	$ 9,640,651
Capital assets, net	4,473,210	4,498,022	8,048,471	8,424,058	12,521,681	12,922,080
TOTAL ASSETS	$ 6,256,141	$ 6,244,088	$15,867,102	$16,318,643	$22,123,243	$22,562,731
LIABILITIES:						
Liabilities due after one year	$ 201,578	$ 210,030	$ 6,848,353	$ 6,969,531	$ 7,049,931	$ 7,179,561
Other liabilities	158,010	354,291	237,121	230,913	395,131	585,204
TOTAL LIABILITIES	$ 359,588	$ 564,321	$ 7,085,474	$ 7,200,444	$ 7,445,062	$ 7,764,765
NET POSITION:						
Invested in capital assets	$ 4,554,902	$ 4,587,737	$ 5,280,931	$ 5,594,484	$ 9,835,833	$10,182,221
Restricted	162,168	186,290	7,798,583	7,791,512	7,960,751	7,977,802
Unrestricted	1,179,483	905,740	(4,297,886)	(4,267,797)	(3,118,403)	(3,362,057)
TOTAL NET POSITION	$ 5,896,553	$ 5,679,767	$ 8,781,628	$ 9,118,199	$14,678,181	$14,797,966

TABLE 2
CHANGE IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30

	Governmental Activities		Business-type Activities		TOTALS	
	2015	2014	2015	2014	2015	2014
PROGRAM REVENUES:						
Charges for services	$ 297,681	$ 417,685	$ 1,601,490	$1,588,786	$ 1,899,171	$ 2.006.471
Operating grants	102,167	155,972	-	-	102,167	155,972
Capital grants	-	-	-	-	-	-
GENERAL REVENUES:						
Property taxes	361,483	393,790	-	-	361,483	393,790
Sales and use taxes	423,612	379,573	-	-	423,612	379,573
Contingent transaction tax	236,267	235,001	-	-	236,267	235,001
Reimbursements	219,777	906	-	-	219,777	906
Intergovernmental	108,929	107,656	-	-	108,929	107,656
Impact fees	-	-	-	-	-	-
Motor vehicle in-lieu	254,181	243,322	-	-	254,181	243,322
Franchise fees	77,509	70,456	-	-	77,509	70,456
Other revenues	32,710	16,400	-	-	32,710	16,400
Investment income	52,358	69,592	156,298	19,459	208,656	89.051
TOTAL REVENUES	2,166,674	2,090,353	1,621,047	1,608,245	3,787,721	3,698.598
EXPENSES:						
Governmental activities:						
General government	528,117	470,903	-	-	528,117	470,903
Public safety	1,013,602	976,593	-	-	1,013,602	976,593
Public works	315,581	315,017	-	-	315,581	315,017
Parks and recreation	56,320	58,663	-	-	56,320	58,663
Community development	370,713	362,674	-	-	370,713	362,674
Interest expense	4,624	5,030	-	-	4,624	5,030
Business-type activities:						
Water	-	-	830,725	792,586	830,725	792,586
Sewer	-	-	970,595	965,785	970,595	965,785
TOTAL EXPENSES	2,288,957	2,188,880	1,801,320	1,758,371	4,090,277	3,947,251
DEFICIENCY OF REVENUES UNDER EXPENSES	(122,283)	(98,527)	(180,273)	(150,126)	(302,556)	(248,653)
TRANSFERS	156,298	122,319	(156,298)	(122,319)	-	-
SPECIAL ITEMS	182,771	812,725	-	-	182,771	812,725
CHANGE IN NET POSITION	34,015	836,517	(336,571)	(272,445)	(119,785)	564,072
NET POSITION, July 1	5,679,767	4,337,338	9,118,199	9,390,644	14,797,966	13,727,982
Prior period adjustment	-	505,912	-	-	-	505,912
NET POSITION, July 1 restated	5,679,767	4,843,250	9,118,199	9,390,644	14,797,966	14,233,894
NET POSITION, June 30	$ 5,896,553	$ 5,679,767	$ 8,781,628	$9,118,199	$14,678,181	$14,797,966

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, 2015 and 2014, the net costs are as follows:

TABLE 3a
NET COST OF MAJOR PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Total cost of services	Charges for services	Operating grants	Capital grants	Net (cost) revenue of services
GOVERNMENTAL ACTIVITIES:					
General government	$ 528,117	$ 169,566	$ -	$ -	$ (358,551)
Public safety	1,013,602	81,058	102,167	-	(830,377)
Public works	315,581	-	-	-	(315,581)
Parks & recreation	56,320	47,057	-	-	(9,263)
Community development	370,713	-	-	-	(370,713)
Interest expense	4,624	-	-	-	(4,624)
	$ 2,288,957	$ 417,685	$ 155,972	$ -	$ (1,889,109)

TABLE 3b
NET COST OF MAJOR PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Total cost of services	Charges for services	Operating grants	Capital grants	Net (cost) revenue of services
GOVERNMENTAL ACTIVITIES:					
General government	$ 470,903	$ 317,551	$ -	$ -	$ (153,352)
Public safety	976,593	68,305	155,972	-	(752,316)
Public works	315,017	-	-	-	(315,017)
Parks & recreation	58,663	31,829	-	-	(26,834)
Community development	362,674	-	-	-	(362,674)
Interest expense	5,030	-	-	-	(5,030)
	$ 2,188,880	$ 417,685	$ 155,972	$ -	$ (1,615,223)

TABLE 4
CHANGES IN BUSINESS-TYPE NET POSITION
NET REVENUES (EXPENSES) FROM SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30,

	2015			2014		
	Operating Expenses	Charges for services	Net (cost) revenue of services	Operating Expenses	Charges for services	Net (cost) revenue of services
Water	$ 830,725	$ 756,357	$ (74,368)	$ 792,586	$ 768,141	$ (24,445)
Sewer	970,595	845,133	(125,462)	965,785	820,645	(145,140)
	$ 1,801,320	$ 1,601,490	$ (199,830)	$ 1,758,371	$ 1,588,786	$ (169,585)

GOVERNMENTAL ACTIVITIES
Table 3a and 3b illustrate that general governmental services are funding primarily with tax revenues and not fees for services.

BUSINESS-TYPE ACTIVITIES
Both Water and Sewer utility revenues increased as a result of annual cost of living rate increases.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, is located in the Required Supplementary Information, and shows the difference between the budgeted revenues and expenditures and the actual amounts received and expended. In total, revenues were over budget by 40.64% and expenditures were over budget by 23.07%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The City has recorded all of its capital assets including infrastructure that were not recorded in prior years. Capital assets include police and fire equipment, buildings, park facilities, street and storm drainage improvements and water and sewer facilities.

The cost of infrastructure and other capital assets recorded on the City's financial statements was as shown below:

TABLE 5
CAPITAL ASSETS, NET OF DEPRECIATION
AS OF JUNE 30,

	Governmental Activities		Business-type Activities		TOTALS	
	2015	2014	2015	2014	2015	2014
Capital assets, not being depreciated:						
Land	$ 86,063	$ 86,063	$ 33,937	$ 33,937	$ 120,000	$ 120,000
Construction in progress	269,543	118,392	899,328	899,328	1,168,871	1,017,720
Depreciable capital assets, net:						
Buildings and improvements	1,994,927	2,075,869	145,493	156,339	2,140,420	2,232,208
Infrastructure	1,867,831	1,978,876	-	-	1,867,831	1,978,876
Water system improvements	-	-	2,816,428	2,859,830	2,816,428	2,859,830
Well rehab projects	-	-	432,368	470,810	432,368	470,810
Sewer system improvements	-	-	3,444,956	3,714,062	3,444,956	3,714,062
Vehicles	174,021	155,835	19,799	-	193,820	155,835
Machinery and equipment	80,825	82,987	256,161	289,752	336,986	372,739
TOTAL	$ 4,473,210	$ 4,498,022	$ 8,048,471	$8,424,058	$12,521,681	$12,922,080

Debt Administration

At year-end, the City had $7,179,561 in loans and leases payable outstanding compared to $7,303,818 at June 30, 2014. The City's construction loan with the US Department of Agriculture Rural Development (USDA) decreased $104,200 during the year.

The City entered into an infrastructure funding agreement with the Wheatland School District and Forecast Homes in October 2002. Through this agreement, City infrastructure was built by the Wheatland School District and Forecast Homes for the cost of the improvements that exceeds what was needed to serve their projects. Under the agreement, this debt is repaid as future impact fees are collected and does not bear interest.

TABLE 6
OUTSTANDING DEBT
AS OF JUNE 30,

	Governmental Activities		Business-type Activities		TOTALS	
	2015	2014	2015	2014	2015	2014
Payable to developer	$ 128,338	$ 128,338	$ -	$ -	$ 128,338	$ 128,338
US Department of Agriculture						
Loan #1	-	-	1,679,000	1,711,000	1,679,000	1,711,000
Loan #3	-	-	966,000	984,000	966,000	984,000
Sewer Loan	-	-	3,622,400	3,676,600	3,622,400	3,676,600
Obligations under capital lease	81,692	89,715	122,540	134,574	204,232	224,289
Wheatland Westside Infra-structure Funding Agreement	-	-	579,591	579,591	579,591	579,591
TOTAL	$ 210,030	$ 218,053	$ 6,969,531	$7,085,765	$ 7,179,561	$ 7,303,818

Economic Factors and Next Year's Budget

The City adopted a General Fund budget for 2015-2016 that reflected a negative balance of $7,100 for the year. This deficit was to be funded from the projected General Fund balance of $526,500. The 2015-2016 budget included an across the board 2.5 percent salary increase for all City employees. Property Tax revenues remain sluggish although there continues to be a slow upward trend. Sales and Use Tax revenues remain strong and the one-half percent Transactions Tax has been in effect over four years now and continues to provide revenues at an unanticipated level. The City has reserved a large portion of the Transactions Tax revenue as a hedge against future claims.

The City has completed the creation of two Mello Roos CFD's to facilitate the development and maintenance of a 390 unit single family unit subdivision. The developer has nearly completed the plans necessary to obtain approval of the final subdivision map but has refrained from moving ahead with the construction. As of the date of this report, work is expected to start in the spring of 2016 with units available for sale late in the 2016 calendar year. The City has completed the annexation of approximately 4,500 acres to the City. While preliminary planning is continuing for this annexation area there are no immediate development plans for any of the property.

The City is continuing to provide the basic level of services to the citizens of the City. It is not anticipated to increase this level of service until such time as development activity requires the City to increase the staffing level to provide the services required by such activity.

Contacting the City

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City at 111 C Street, Wheatland, California 95692, telephone (530) 633-2761.

CITY OF WHEATLAND
BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

CITY OF WHEATLAND, CALIFORNIA

GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS:			
CURRENT ASSETS:			
Cash and cash equivalents	$ 1,065,556	$ 4,842,431	$ 5,907,987
Receivables:			
Accounts receivable	337,447	40,895	378,342
Interest receivable	1,839	54,379	56,218
Due from other governments	1,413	-	1,413
Due from developers	15,323	-	15,323
Due from Agency funds	160,131	-	160,131
Internal balances	(1,759)	1,759	-
Restricted assets:			
Cash and cash equivalents	-	387,100	387,100
TOTAL CURRENT ASSETS	1,579,950	5,326,564	6,906,514
NONCURRENT ASSETS:			
Notes and loans receivable	202,981	2,492,067	2,695,048
Capital assets, net	4,473,210	8,048,471	12,521,681
TOTAL NONCURRENT ASSETS	4,676,191	10,540,538	15,216,729
TOTAL ASSETS	$ 6,256,141	$ 15,867,102	$ 22,123,243
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	$ 62,534	$ 24,386	$ 86,920
Accrued payroll liabilities	25,567	14,460	40,027
Interest payable	-	35,383	35,383
Compensated absences	46,063	41,714	87,777
Deferred revenue	15,394	-	15,394
Obligations under capital lease, due within one year	8,452	12,678	21,130
Long-term debt, due within one year	-	108,500	108,500
TOTAL CURRENT LIABILITIES	158,010	237,121	395,131
NONCURRENT LIABILITIES:			
Payable to developer	128,338	-	128,338
Infrastructure funding agreement	-	579,591	579,591
Obligations under capital lease, due after one year	73,240	109,862	183,102
Long-term debt, due after one year	-	6,158,900	6,158,900
TOTAL NONCURRENT LIABILITIES	201,578	6,848,353	7,049,931
TOTAL LIABILITIES	$ 359,588	$ 7,085,474	$ 7,445,062
NET POSITION:			
Invested in capital assets, net of related debt	$ 4,554,902	$ 5,280,931	$ 9,835,833
Restricted for:			
Restricted development impact fees	-	7,798,583	7,798,583
Capital projects	162,168	-	162,168
Unrestricted	1,179,483	(4,297,886)	(3,118,403)
TOTAL NET POSITION	$ 5,896,553	$ 8,781,628	$ 14,678,181

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

		Program Revenues		
			Grants and Other Contributions	
	Operating Expenses	Charges for Services	Operating	Capital
GOVERNMENTAL ACTIVITIES:				
General government	$ 528,117	$ 169,566	$ -	$ -
Public safety	1,013,602	81,058	102,167	-
Public works	315,581	-	-	-
Parks & recreation	56,320	47,057	-	-
Community development	370,713	-	-	-
Interest expense	4,624	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	2,288,957	297,681	102,167	-
BUSINESS-TYPE ACTIVITIES:				
Water	830,725	756,357	-	-
Sewer	970,595	845,133	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	1,801,320	1,601,490	-	-
TOTAL GOVERNMENT	$ 4,090,277	$ 1,899,171	$ 102,167	$ -

GENERAL REVENUES:
- Property taxes
- Sales and use taxes
- Contingent transaction tax
- Reimbursements
- Intergovernmental
- Motor vehicle in-lieu
- Franchise fees
- Other revenues
- Investment income

TRANSFERS

SPECIAL ITEMS

TOTAL GENERAL REVENUES AND OTHER

CHANGES IN NET POSITION

Net position, beginning of year

NET POSITION, END OF YEAR

Net (Expenses) Revenue		
Governmental Activities	Business-type Activities	Total
$ (358,551)	$ -	$ (358,551)
(830,377)	-	(830,377)
(315,581)	-	(315,581)
(9,263)	-	(9,263)
(370,713)	-	(370,713)
(4,624)	-	(4,624)
(1,889,109)	-	(1,889,109)
-	(74,368)	(74,368)
-	(125,462)	(125,462)
-	(199,830)	(199,830)
(1,889,109)	(199,830)	(2,088,939)
361,483	-	361,483
423,612	-	423,612
236,267	-	236,267
219,777	-	219,777
108,929	-	108,929
254,181	-	254,181
77,509	-	77,509
32,710	-	32,710
52,358	19,557	71,915
156,298	(156,298)	-
182,771	-	182,771
2,105,895	(136,741)	1,969,154
216,786	(336,571)	(119,785)
5,679,767	9,118,199	14,797,966
$ 5,896,553	$ 8,781,628	$ 14,678,181

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2015

	Major	Nonmajor	
	General Fund	Aggregate Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:			
Cash and cash equivalents	$ 760,231	305,325	$ 1,065,556
Receivables:			
Accounts receivable	158,966	178,481	337,447
Interest receivable	1,839	-	1,839
Loans receivable	202,981	-	202,981
Due from other governments	184	1,229	1,413
Due from developers	15,323	-	15,323
Due from other funds	476,217	218,900	695,117
TOTAL ASSETS	$ 1,615,741	$ 703,935	$ 2,319,676
LIABILITIES:			
Accounts payable	56,393	6,141	62,534
Accrued payroll liabilities	22,014	3,553	25,567
Deferred revenue	14,165	1,229	15,394
Due to other funds	-	536,745	536,745
TOTAL LIABILITIES	92,572	547,668	640,240
FUND BALANCES:			
Non-spendable for long-term receivables:			
General fund	202,981	-	202,981
Restricted for capital projects:			
Capital projects funds	-	162,168	162,168
Committed:			
Insurance reserve:			
General fund	30,000	-	30,000
Unassigned:			
General fund	1,290,188	-	1,290,188
Special revenue funds	-	5,901	5,901
TOTAL FUND BALANCES	1,523,169	156,267	1,679,436
TOTAL LIABILITIES AND FUND BALANCES	$ 1,615,741	$ 703,935	$ 2,319,676

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total fund balances, governmental funds		$ 1,679,436
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		4,473,210
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet:		
Developer deposits	(128,338)	
Obligations under capital lease	(81,692)	(210,030)
Compensated absences in the general fund are not due and payable in the current period and therefore are not reported in the general fund.		(46,063)
Total net position – governmental funds		$ 5,896,553

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Major	Nonmajor	
	General Fund	Aggregate Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Tax revenues	$ 1,265,125	$ 196,856	$ 1,461,981
Intergovernmental revenues	62,559	84,991	147,550
Licenses, fees and permits	119,012	9,205	128,217
Charges for services	4,098	-	4,098
Fines, forfeitures and penalties	17,816	-	17,816
Reimbursements and refunds	169,777	50,000	219,777
Use of money and property	52,036	322	52,358
Grant revenue	-	102,167	102,167
Other revenue	23,777	8,933	32,710
TOTAL REVENUES	1,714,200	452,474	2,166,674
EXPENDITURES:			
Current:			
General government	325,259	95,903	421,162
Public safety	860,884	103,325	964,209
Community development	370,713	-	370,713
Public works	-	214,216	214,216
Parks & recreation	56,320	-	56,320
Debt service:			
Principal	8,023	-	8,023
Interest	4,624	-	4,624
Capital outlay	52,654	195,277	247,931
TOTAL EXPENDITURES	1,678,477	608,721	2,287,198
EXCESS OF REVENUES OVER EXPENDITURES	35,723	(156,247)	(120,524)
OTHER FINANCING SOURCES (USES):			
Transfers in	370,051	281,689	651,740
Transfers out	(222,646)	(259,001)	(481,647)
TOTAL OTHER FINANCING	147,405	22,688	170,093
SPECIAL ITEMS:			
Administrative Funding Agreement surcharge	182,771	-	182,771
TOTAL SPECIAL ITEMS	182,771	-	182,771
NET CHANGE IN FUND BALANCES	365,899	(133,559)	232,340
FUND BALANCE (DEFICIT), July 1	1,157,270	289,826	1,447,096
FUND BALANCE (DEFICIT), June 30	$ 1,523,169	$ 156,267	$ 1,679,436

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

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, 2015

Total net change in fund balance, governmental funds	$ 232,340
Amounts reported for governmental activities in the statement of activities are different from amounts reported in government funds because:	
Capital outlays are reported in government funds as expenditures. However, in the government-wide Statement of Activities and changes in net position, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	
Capital asset additions and deletions	247,931
Depreciation expense on capital assets is reported in the government-wide Statement of Activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.	(272,743)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment and other reductions of principal are expenditures in the governmental funds, but in the Statement of Net Position the changes reduce long-term liabilities.	
Payments on lease obligation on City Hall	8,023
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Decrease in the compensated absences balance	1,235
Change in net position – governmental activities	$ 216,786

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

STATEMENT OF NET POSITION – PROPRIETARY FUNDS
AS OF JUNE 30, 2015

	Major Funds		
	Water	Sewer	Total
ASSETS:			
CURRENT ASSETS:			
Cash and cash equivalents	$ 55,557	$ 4,786,874	$ 4,842,431
Receivables:			
Accounts receivable	16,114	24,781	40,895
Interest receivable	-	54,379	54,379
Due from other funds	-	145,973	145,973
Restricted assets:			
Cash and cash equivalents	222,300	164,800	387,100
TOTAL CURRENT ASSETS	293,971	5,176,807	5,470,778
NONCURRENT ASSETS:			
Note receivable	-	2,492,067	2,492,067
Non-depreciable capital assets	16,969	916,297	933,266
Depreciable capital assets, net	3,411,449	3,703,756	7,115,205
TOTAL NON CURRENT ASSETS	3,428,418	7,112,120	10,540,538
TOTAL ASSETS	$ 3,722,389	$ 12,288,927	$ 16,011,316
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	21,789	2,597	24,386
Accrued payroll liabilities	7,156	7,304	14,461
Interest payable	10,106	25,277	35,383
Compensated absences	20,857	20,857	41,714
Due to other funds	144,214	-	144,214
Obligations under capital lease, due within one year	6,339	6,339	12,678
Long-term debt, due within one year	52,000	56,500	108,500
TOTAL CURRENT LIABILITIES	262,461	118,874	381,335
NONCURRENT LIABILITIES:			
Infrastructure funding agreement	87,769	491,822	579,591
Obligations under capital lease, due after one year	54,931	54,931	109,862
Long-term debt, due after one year	2,593,000	3,565,900	6,158,900
TOTAL NONCURRENT LIABILITIES	2,735,700	4,112,653	6,848,353
TOTAL LIABILITIES	2,998,161	4,231,527	7,229,688
NET POSITION:			
Invested in capital assets, net of related debt	722,148	4,558,783	5,280,931
Expendable restricted development impact fees	-	7,816,848	7,816,848
Unrestricted	2,080	(4,318,231)	(4,316,151)
TOTAL NET POSITION	724,228	8,057,400	8,781,628
TOTAL LIABILITIES AND NET POSITION	$ 3,722,389	$ 12,288,927	$ 16,011,316

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Major Funds		
	Water	Sewer	Total
OPERATING REVENUES:			
Utility revenue	$ 751,685	$ 841,160	$ 1,592,845
Other revenue	4,672	3,973	8,645
TOTAL OPERATING REVENUES	756,357	845,133	1,601,490
OPERATING EXPENSES:			
Salaries and benefits	294,950	303,178	598,128
Operations and maintenance	242,320	188,798	431,118
Depreciation and amortization expense	169,837	323,491	493,328
TOTAL OPERATING EXPENSES	707,107	815,467	1,522,574
OPERATING INCOME	49,250	29,666	78,916
NONOPERATING INCOME (EXPENSE):			
Interest revenue	725	18,832	19,557
Interest expense	(123,618)	(155,128)	(278,746)
TOTAL NONOPERATING INCOME (EXPENSE)	(122,893)	(136,296)	(259,189)
GAIN (LOSS) BEFORE TRANSFERS	(76,643)	(106,630)	(180,273)
TRANSFERS:			
Transfers in	-	-	-
Transfers out	(76,600)	(79,698)	(156,298)
CHANGE IN NET POSITION	(150,243)	(186,328)	(336,571)
NET POSITION, July 1	874,471	8,243,728	9,118,199
NET POSITION, June 30	$ 724,228	$ 8,057,400	$ 8,781,628

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Major Funds		
	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 754,536	$ 840,567	$ 1,595,103
Cash paid to suppliers	(236,541)	(195,397)	(431,938)
Cash paid to employees and related benefits	(294,385)	(301,659)	(596,044)
Interfund borrowings	144,214	2	144,216
NET CASH PROVIDED BY OPERATING ACTIVITIES	367,824	343,513	711,337
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Interest paid	(123,618)	(155,128)	(278,746)
Payments on long-term debt	(56,017)	(60,217)	(116,234)
Purchase of capital assets	(96,641)	(21,100)	(117,741)
NET CASH USED BY CAPITAL FINANCING ACTIVITIES	(276,276)	(236,445)	(512,721)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers out	(76,600)	(79,698)	(156,298)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	(76,600)	(79,698)	(156,298)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Principal repayment	-	-	-
Interest received	725	12,285	13,010
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15,673	39,655	55,328
Cash and cash equivalents, July 1	262,184	4,912,019	5,174,203
Cash and cash equivalents, June 30	$ 277,857	$ 4,951,674	$ 5,229,531
SUMMARY OF CASH AND CASH EQUIVALENTS:			
Cash and cash equivalents, unrestricted	$ 55,557	$ 4,786,874	$ 4,842,431
Cash and cash equivalents, restricted	222,300	164,800	387,100
	$ 277,857	$ 4,951,674	$ 5,229,531
Reconciliation of operating income from operations to cash provided (used) by operating activities:			
Operating income	$ 49,250	$ 29,666	$ 78,916
Adjustments to reconcile operating income to cash provided (used) by operating activities:			
Depreciation and amortization expense	169,837	323,491	493,328
(Increase) decrease in assets:			
Accounts receivable	(1,821)	(4,566)	(6,387)
Increase (decrease) in liabilities:			
Accounts payable	5,779	-	5,779
Accrued payroll liability	836	(6,599)	(5,763)
Compensated absences	(271)	1,790	1,519
Due to other funds	144,214	(269)	143,945
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 367,824	$ 343,513	$ 711,337

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION – AGENCY FUNDS
AS OF JUNE 30, 2015

	Agency
ASSETS:	
Cash and cash equivalents	$ 34,511
TOTAL ASSETS	$ 34,511
LIABILITIES:	
Accounts payable	$ 5,434
Due to other funds	160,131
TOTAL LIABILITIES	$ 165,565
NET POSITION	$ (131,054)

See accompanying notes to basic financial statements

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, sewer, 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.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. On June 15, 1987, the GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The City applies all GASB pronouncements. In addition, the City has elected not to apply to its proprietary activities Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued after November 30, 1989.

The City's main funding sources include property taxes, other inter-governmental revenue from state and federal sources, user fees, and federal and state financial assistance.

These financial statements are in compliance with GASB Statement No. 34, Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments. The financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations. This is required supplementary information.
- Government-wide financial statements prepared using the economic resources measurement focus and the accrual basis of accounting for all of the City's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements including these notes to the financial statements.

Reporting Entity

The reporting entity for the City of Wheatland includes all the funds and operations under the jurisdiction of the City Council. There are no component or blended component units that are part of the City's operations.

Basis of Accounting – Government-wide Financial Statements

The statement of net position and the statement of activities display information about the City and the primary government as a whole. These statements distinguish between the governmental and business-type activities of the City. The City's police and fire protection, parks, culture and recreation, public works, and general administrative services are classified as governmental activities. The City's sewer and water services are classified as business-type activities.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting – Government-wide Financial Statements (Continued)

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Revenues that are not classified as program revenues are presented as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenue. Taxes and other items not properly included amount program revenues are reported instead as general revenues.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. Fiduciary funds are not presented as part of the government-wide Statement of Net Position. 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Accounting Policies

The City operates as a self-governing governmental unit within the State of California. The accounting policies of the City of Wheatland conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and the Financial Accounting Standards Board.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements – Fund Financial Statements

The accounts of the City of Wheatland are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. City resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenue or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Governmental Funds

General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

The City reports the following major special revenue fund:

- General Plan Update Fund was established in the fiscal year ended June 30, 2004 to account for an initial general plan update project through an agreement with certain benefitting property owners.

Capital Projects Funds are used to account for revenues and expenditures restricted to the acquisition or construction of capital assets and are accounted for in a manner similar to the General Fund.

Proprietary Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis e financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City reports the following major enterprise funds:

- Sewer Fund is used to account for all activities associated with the acquisition or construction, operation and maintenance, and treatment of sanitary wastewater.

- Water Fund is used to account for all activities associated with the acquisition or construction, operation and maintenance, distribution and transmission of potable water to users.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements – Fund Financial Statements (Continued)

Fiduciary Funds

Agency Funds are used to account for assets held by the City in a purely custodial capacity.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other non-exchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measureable and available. “Available” means collectable within the current period or within 60 days after year end. Property taxes, franchise taxes, licenses, intergovernmental revenues, charges for services, 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. All other revenue items are considered to be measureable and available only when cash is received by the government. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Depreciation (Continued)

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. The City has made improvements to its water and sewer system through a federal grant. Acquisition, construction, and installation costs incurred have been charged to (or capitalized in) fixed assets.

Depreciation of capital assets is computed using the straight-line method. The estimated useful lives for these depreciable assets are as follows:

- Water and sewer system — 39 years
- Improvements — 50 years
- Equipment and other improvements — 5 to 20 years

General infrastructure assets acquired prior to July 1, 2003 are not reported in the basic financial statements.

Compensated Absences

Accumulated unpaid employee vacation benefits and sick leave are recognized as liabilities of the City. Unused vacation time accrued is payable at 100% of the accrual at termination of employment. At June 30, 2015, the unpaid vacation and sick leave liability of the City amounts to $87,777.

Terminated employees are eligible to be compensated for 25% of their accumulated sick leave at their then current hourly rate.

Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Deferred Revenues

Deferred revenue in governmental funds arise when a potential revenue does not meet both the “measureable” and “available” criteria for recognition in the current period. Deferred revenue also arise when resources are received by the City before it has legal claim to them (i.e., when grant monies are received prior to the incurrence of qualifying expenditures).

Fund Balance

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Revenues and Expenses in Proprietary Funds

The City's proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses of the City's water and sewer funds consist of charges for services (including tap fees for he water fund and systems development charges for the sewer fund) and the costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as nonoperating.

Net Position

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

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the City not restricted for any project or other purpose.

In the government-wide financial statements, 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.

Fund Equity

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

- *Non-spendable* – includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- *Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors of amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- *Assigned* – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance maybe assigned by the City Manager or Department Heads with City Council approval.
- *Unassigned* – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

The non-spendable fund balance is comprised of the long-term portion of loans receivable.

The City committed the following fund balance types by taking the following action:

Fund Balance Type	Amount	Action
Insurance reserve:		
Major funds:		
General fund	$ 30,000	Council budget resolution

The City uses restricted or committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City does not have a formal minimum fund balance policy.

Government-wide and Proprietary Fund Net Position

Government-wide and proprietary fund net position are divided into three components:

Invested in capital assets, net of related debt – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net position – consist of net position that are restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors. Restricted net position are as follows:

- Restricted development impact fees – resources restricted for the development impact fees collected by the water and sewer funds.
- Restricted for capital projects – resources restricted for future capital projects of the City.

Unrestricted – all other net position are reported in this category.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditure/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Property Tax

Secured property taxes attach as an enforceable lien on property as of July 1. Taxes are payable in two installments or November 1 and February 1. Yuba County bills and collects the taxes for the City. Tax revenue is recognized by the City when notification of collection is received.

Budgetary Policy and Data

The City Council annually adopts a city-wide budget resolution for the City. Department heads submit budget requests to the City Manager. City employees prepare estimates of revenue and recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution of the City Council on or before June 30. Budget appropriations lapse at the end of the year. The budget is prepared on a cash basis, which does not vary significantly from the basis of accounting used in the financial statements.

Allowance for Doubtful Accounts

An allowance for doubtful accounts has been provided for utilities receivable as follows:

	Amount
Water fund	$ 1,275
Sewer fund	3,443
	$ 4,718

Loans Receivable

As part of its participation in a Community Development Block Grant program, the City has loaned funds to qualifying property owners for the purpose of funding improvements to properties which have deteriorated significantly. In order to be eligible, property owners must meet certain income limitations. Loans bear not interest or nominal interest, and payment may be deferred for twenty to fifty years or until sale of the property.

Estimates and Assumptions

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

Note 2 CASH AND CASH EQUIVALENTS

The City Treasurer is responsible for maintaining a cash and investment pool for all funds in accordance with the City investment policy that is updated as necessary. The City maintains two checking accounts and one savings account with a bank and invests cash in excess of immediate needs with the State of California Local Agency Investment Fund (LAIF). Funds invested with LAIF are treated as cash equivalents since they are immediately available. Total cash and investments are allocated to the City's individual funds based on their equity in the pooled amount.

Interest income is allocated to those funds that are required by law or administrative action to receive interest. Interest is allocated quarterly based on the aggregate cash balances in each fund receiving interest.

Deposits at June 30, 2015 are:

	Statement Balance	Bank Balance
Pooled deposits:		
Pooled cash and cash equivalents	$ 463,083	$ 516,610
Money market funds	3,265,292	3,265,292
Local agency investment fund (uncategorized)	2,601,023	2,601,023
Non-pooled cash and cash equivalents:		
Petty cash	200	-
TOTAL DEPOSITS	$ 6,329,598	$ 6,382,925

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

	Government-wide Statement of Net Position		FiduciaryFund Statement of Net Position	
	Governmental Activities	Business-type Activities	Agency Fund	Total
Cash and cash equivalents	$ 1,065,556	$ 4,842,431	$ 34,511	$ 5,942,498
Restricted assets:				
Cash and cash equivalents	-	387,100	-	387,100
TOTAL	$ 1,065,556	$ 5,229,531	$ 34,511	$ 6,329,598

The restricted cash and cash equivalents are set aside as per the USDA loan requirements for the Water and Sewer Enterprise Funds.

Investment policy

Investments are reported at fair value. California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The investment types that are authorized by the City's council resolution no. 09-09 adopted on July 16, 2009 include United States treasury notes, bonds, bills; securities of the U.S. government; local agency investment funds; certificates of deposit; passbook savings and money market accounts.

Note 2 CASH AND CASH EQUIVALENTS (Continued)

Custodial credit risk

The California Government Code requires California banks and savings and loan associations to collateralize a City's deposits by pledging government securities. The market value of pledged securities must equal at least 110 percent of a City's deposits. California law also allows financial institutions to collateralize City deposits by pledging first trust deed mortgage notes having a value of 150 percent of a City's total deposits. The City may waive collateral requirements for deposits which are fully insured up to $250,000 by Federal Deposit insurance.

At year end, the carrying amount of the City's cash was $3,728,375 and the bank balance was $3,781,902. Differences between the bank balance and the carrying amount represents outstanding checks and deposits in transit. The bank balances are insured/collateralized as noted above.

Investment in Local Agency Investment Fund (LAIF)

LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. 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. At year end the carrying amount of the City's cash invested in LAIF was $2,601,023.

The City's investment in LAIF and the money market fund are unrated.

Note 3 CAPITAL ASSSETS AND DEPRECIATION

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Capital assets activity for the year ended June 30, 2015 was as follows:

GOVERNMENTAL ACTIVITIES:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Capital assets, not being depreciated:				
Construction in progress	$ 118,392	$ 151,151	$ -	$ 269,543
Land	86,063	-	-	86,063
Total capital assets, not being depreciated	204,455	151,151	-	355,606
Depreciable capital assets:				
Buildings and improvements	3,836,494	-	-	3,836,494
Infrastructure	2,904,380	33,820	-	2,938,200
Vehicles	668,937	56,001	-	724,938
Machinery and equipment	582,055	6,959	-	589,014
Total capital assets, being depreciated	7,991,866	96,780	-	8,088,646

Note 3 CAPITAL ASSSETS AND DEPRECIATION (Continued)

GOVERNMENTAL ACTIVITIES (Continued):

Less: accumulated depreciation				
Buildings and improvements	(1,760,625)	(80,942)	-	(1,841,567)
Infrastructure	(925,504)	(144,865)	-	(1,070,369)
Vehicles	(513,102)	(37,815)	-	(550,917)
Machinery and equipment	(499,068)	(9,121)	-	(508,189)
Total accumulated depreciation	(3,698,299)	(272,743)	-	(3,971,042)
Net capital assets, being depreciated	4,293,567	(175,963)	-	4,117,604
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 4,498,022	$ (24,812)	$ -	$ 4,473,210

The depreciation and amortization expense has been charged to the following functions in the statement of activities:

Governmental Activities:	
General government	$ 121,399
Safety	49,686
Public works	101,658
TOTAL	$ 272,743

BUSINESS-TYPE ACTIVITIES:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
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:				
Water system improvements	4,223,534	66,487		4,290,021
Well rehab projects	667,767	-		667,767
Buildings and improvements	106,045	-		106,045
Vehicles	65,891	11,000	-	76,891
Machinery and equipment	384,983	19,154	-	404,137
Total capital assets, being depreciated	5,448,220	96,641	-	5,544,861
Less: accumulated depreciation				
Water system improvements	(1,363,704)	(109,889)	-	(1,473,593)
Well rehab projects	(310,075)	(29,998)	-	(340,073)
Buildings and improvements	(27,875)	(5,423)	-	(33,298)
Vehicles	(65,891)	(1,100)	-	(66,991)
Machinery and equipment	(196,030)	(23,427)	-	(219,457)
Total accumulated depreciation	(1,963,575)	(169,837)	-	(2,133,412)
Net capital assets, being depreciated	3,484,645	(73,196)	-	3,411,449
TOTAL WATER FUND, NET	$ 3,501,614	$ (73,196)	$ -	$ 3,428,418

Note 3 CAPITAL ASSSETS AND DEPRECIATION (Continued)

BUSINESS-TYPE ACTIVITIES (Continued):

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
SEWER FUND:				
Capital assets, not being depreciated:				
Construction in progress	$ 899,328	$ -	$ -	$ 899,328
Land	16,969	-	-	16,969
Total capital assets, not being depreciated	916,296	-	-	916,296
Capital assets, being depreciated:				
Sewer system improvements	5,540,068	8,100	-	5,548,168
Well rehab projects	211,530	-	-	211,530
Buildings and improvements	106,045	-	-	106,045
Vehicles	2,065	11,000	-	13,065
Machinery and equipment	189,261	2,000	-	191,261
Total capital assets, being depreciated	6,048,969	21,100	-	6,070,069
Less: accumulated depreciation				
Water system improvements	(1,826,006)	(277,206)	-	(2,103,212)
Well rehab projects	(98,412)	(8,444)	-	(106,856)
Buildings and improvements	(27,876)	(5,423)	-	(33,299)
Vehicles	(2,066)	(1,100)	-	(3,166)
Machinery and equipment	(88,462)	(31,318)	-	(119,780)
Total accumulated depreciation	(2,042,822)	(323,491)	-	(2,366,313)
Net capital assets, being depreciated	4,006,147	(302,391)	-	3,703,756
TOTAL SEWER FUND, NET	$ 4,922,444	$ (302,391)	$ -	$ 4,620,053
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 8,424,058	$ (375,587)	$ -	$ 8,048,471

The depreciation and amortization expense has been charged to the following functions in the statement of activities:

Water Enterprise Fund	$ 169,837
Sewer Enterprise Fund	323,491
TOTAL	$ 493,328

Note 4 LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended June 30, 2015:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due in One Year
GOVERNMENTAL ACTIVITIES:					
Compensated absences	$ 47,298	$ -	$ (1,235)	$ 46,063	$ 46,063
Payable to developer	128,338	-	-	128,338	-
Obligations under capital lease	89,715	-	(8,023)	81,692	8,452
TOTAL GOVERNMENTAL ACTIVITIES	$ 265,351	$ -	$ (9,258)	$ 256,093	$ 54,515
BUSINESS-TYPE ACTIVITIES:					
Water Enterprise Fund:					
Compensated absences	$ 21,128	$ -	$ (271)	$ 20,857	$ 20,857
United States department of Agriculture (USDA) Loans:					
Water loan #1 (dated May 8, 2000)	1,711,000	-	(32,000)	1,679,000	33,000
Water loan #3 (dated October 31, 2002)	984,000	-	(18,000)	966,000	19,000
Wheatland Westside Infrastructure Funding Agreement	87,769	-	-	87,769	
Obligations under capital lease	67,287	-	(6,017)	61,270	6,339
TOTAL WATER ENTERPRISE FUND	2,871,184	-	(56,288)	2,814,896	79,196
Sewer Enterprise Fund:					
Compensated absences	21,128	-	(271)	20,857	20,857
United States department of Agriculture (USDA) Loans:					
Sewer loan (dated May 8, 2007)	3,676,600	-	(54,200)	3,622,400	56,500
Wheatland Westside Infrastructure Funding Agreement	491,822	-	-	491,822	-
Obligations under capital lease	67,287	-	(6,017)	61,270	6,339
TOTAL SEWER ENTERPRISE FUND	4,256,837	-	(60,488)	4,196,349	83,696
TOTAL BUSINESS-TYPE ACTIVITIES	$ 7,128,021	$ -	$(116,776)	$ 7,011,245	$ 162,892

Note 4 LONG-TERM DEBT (Continued)

Long-term debt as of June 30, 2015 is comprised of the following individual obligations:

GOVERNMENTAL ACTIVITIES:

Due to developer pursuant to a reimbursement agreement dated May 20, 1992. Payments are made periodically from storm drainage impact fees collected and does not include interest.	$ 128,338
On April 21, 2008, the City entered into a lease agreement for the purchase and installation of the City Hall. The lease is due in semi-annual installments including interest at 5.27%, through April 2023. The lease has been allocated as follows: general government, 40%; water operation, 30%; sewer operation 30%.	$ 81,692

BUSINESS-TYPE ACTIVITIES:

Water Enterprise Fund:

On May 8, 2000, the City obtained a Rural Utilities Service loan from the United States Department of Agriculture – Rural Development. The loan is to be repaid through Certificates of Participation issued December 18, 2001 with semi-annual payments due including interest at 4.5% through December 2041.	$ 1,679,000
On October 31, 2002, the City obtained a Rural Utilities Service loan from the United States Department of Agriculture – Rural Development. The loan is to be repaid through Certificates of Participation with semi-annual payments due with interest at 4.5% through December 2041.	$ 966,000
The City, the School District, and Forecast Homes entered into the Wheatland Westside Infrastructure Funding Agreement (WWIFA). The agreement requires the City to make payments to the School District and Forecast Homes as development impact fees are collected.	$ 87,769
This amount represents the allocated 30% share of the lease agreement dated April 21, 2008 for the purchase and installation of the City Hall. The lease is due in semi-annual installments including interest at 5.27% through April 2023.	$ 61,270

Sewer Enterprise Fund:

On October 31, 2002, the City obtained a Rural Utilities Service loan from the United States Department of Agriculture – Rural Development. The loan is to be repaid through Certificates of Participation with semi-annual payments due with interest at 4.5% through December 2041.	$ 3,622,400
The City, the School District, and Forecast Homes entered into the Wheatland Westside Infrastructure Funding Agreement (WWIFA). The agreement requires the City to make payments to the School District and Forecast Homes as development impact fees are collected.	$ 491,822
This amount represents the allocated 30% share of the lease agreement dated April 21, 2008 for the purchase and installation of the City Hall. The lease is due in semi-annual installments including interest at 5.27% through April 2023.	$ 61,270

Note 4 LONG-TERM DEBT (Continued)

Debt service requirements for the long-term debt are due as follows:

GOVERNMENTAL ACTIVITIES:

Obligations under capital lease:

Fiscal year Ended June 30,	City Hall Lease Principal	City Hall Lease Interest
2016	$ 8,452	$ 4,195
2017	8,903	3,744
2018	9,378	3,269
2019	9,879	2,768
2020	10,406	2,240
2021 – 23	34,674	3,267
	$ 81,692	$ 19,483

Fiscal year ended June 30,	United States Department of Agriculture: Water Loan 1 Principal	Water Loan 1 Interest	Water Loan 3 Principal	Water Loan 3 Interest	Sewer Loan Principal	Sewer Loan Interest	Total Principal	Total Interest
2016	$ 33,000	$ 74,813	$ 19,000	$ 43,042	$ 56,500	$ 149,424	$ 108,500	$ 267,279
2017	35,000	73,282	20,000	42,165	58,800	147,093	113,800	262,541
2018	36,000	71,685	21,000	41,243	61,200	144,668	118,200	257,595
2019	38,000	70,020	22,000	40,275	63,800	142,143	123,800	252,438
2020	40,000	68,265	23,000	39,263	66,400	139,512	129,400	247,039
2021 – 25	225,000	312,412	130,000	179,550	375,400	654,147	730,400	1,146,109
2026 – 30	282,000	255,510	162,000	146,835	459,400	570,071	903,400	972,416
2031 – 35	350,000	184,725	201,000	106,222	562,300	467,164	1,113,300	758,112
2036 – 40	436,000	96,660	251,000	55,553	688,300	341,216	1,375,300	493,428
2041 – 45	204,000	9,270	117,000	5,332	842,600	187,039	1,163,600	201,642
2046 – 47	-	-	-	-	387,700	24,152	387,700	24,152
	$1,679,000	$1,216,642	$ 966,000	$699,480	$3,622,400	$2,966,630	$6,267,400	$4,882,752

Obligations under capital lease:

Fiscal year ended June 30,	City Hall Lease: Water Fund Principal	Water Fund Interest	Sewer Fund Principal	Sewer Fund Interest	Total Principal	Total Interest
2016	$ 6,339	$ 3,146	$ 6,339	$ 3,146	$ 12,677	$ 6,293
2017	6,677	2,808	6,677	2,808	13,354	5,616
2018	7,034	2,451	7,034	2,451	14,067	4,903
2019	7,409	2,076	7,409	2,076	14,818	4,152
2020	7,805	1,680	7,805	1,680	15,610	3,361
2021 – 23	26,005	2,450	26,005	2,450	52,010	4,900
	$ 61,269	$ 14,612	$ 61,269	$ 14,612	$ 122,538	$ 29,225

Note 4 LONG-TERM DEBT (Continued)

ASSETS ACQUIRED UNDER CAPITAL LEASE:

The assets acquired under capital lease are as follows for the fiscal year ended June 30, 2015:

		Business-type activities		
	Governmental activities	Water Fund	Sewer Fund	TOTAL
City hall building	$ 130,000	$ 97,500	$ 97,500	$ 325,000
Less: accumulated depreciation	(15,600)	(31,687)	(31,687)	(78,974)
CAPITAL ASSET UNDER CAPITAL LEASE, NET	$ 114,400	$ 65,813	$ 65,813	$ 246,026

Note 5 OPERATING LEASES

The City entered into lease arrangements with five cellular telephone companies. The City rents space on towers so that the lessees may affix antennas and transmitters. The arrangements provide for monthly rent payments with renewals every five years. The current terms expire from July 2016 to May 2016. The agreements terminate from July 2016 to May 2016. Future rents to be received on the leases under the current lease term periods are as follows:

Fiscal year Ended June 30,	Metro PCS	T-Mobile	Sprint/ Nextel	AT&T	Total
2016	$ 8,414	$ 24,997	$ 6,232	$ 18,085	$ 57,728
	$ 8,414	$ 24,997	$ 6,232	$ 18,085	$ 57,728
Last re-newal date	May 10, 2010	July 2, 2014	February 1, 2010	November 14, 2014	

Note 6 FUND BALANCE

The following funds had deficit fund balances as of June 30, 2015:

Fund	Deficit
Special Revenue Funds (Non-major):	
Supplemental Law Enforcement	$ (14,343)
Gas Tax	(4,504)
Bear River Levee	(44,914)
Wheatland Ryantown Landscaping District	(2,428)
Park Place Landscaping District	(1,309)
Capital Projects Funds (Non-major):	
Construction	(37,558)
Infrastructure Committee	(297)
Public Meeting Facilities	(195,271)
Fire Department Facilities	(18,552)
Heritage Oaks East Community Facilities District	(30,555)

Note 7 EXPENDITURES IN EXCESS OF APPROPRIATIONS

Not all of the City's funds have a budget. Of the funds that have a budget, the following had expenditures in excess of the appropriations at June 30, 2015:

	Expenditures and transfers	Appropriations	Deficit
General Fund	$ 1,901,123	$ 1,629,800	$ (271,323)
Non-major special revenue funds:			
Supplemental Law Enforcement	103,325	100,000	(3,325)
Lighting and Landscaping Districts:			
Park Place	57,963	54,300	(3,663)
Water Fund	907,325	827,200	(80,125)
Sewer Fund	1,049,716	893,900	(155,816)

Note 8 INTERFUND BLANCES AND TRANSFERS

Summaries of the interfund receivables and payables for the fiscal year ended June 30, 2015 are as follows:

Interfund balances as of June 30, 2015 were as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	$ 476,217	$ -
Water Fund	-	144,214
Sewer Fund	145,973	-
Non-major funds:		
Special Revenue Funds	-	104,672
Capital Projects Funds	218,900	432,073
Agency Funds	-	160,131
	$ 841,090	$ 841,090

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended June 30, 2015 were as follows:

Fund	Transfers In	Transfers Out
General Fund	$ 370,051	$ 222,646
Water Fund	-	76,600
Sewer Fund	-	79,698
Non-major funds:		
Special Revenue Funds	126,189	240,101
Capital Projects Funds	155,500	18,900
Agency Funds	-	13,795
	$ 651,740	$ 651,740

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) subsidize operating losses.

Note 9 JOINT VENTURE

The City is a member of the Public Agency Risk Sharing Authority of California (PARSAC), a joint powers authority, for workers' compensation and liability insurance purposes. PARSAC is organized under a joint powers agreement pursuant to the California Government Code. The purpose of PARSAC is to arrange and administer programs of insurance of risk pooling of self-insured losses and to purchase excess liability coverage. An annual audit of PARSAC is available at the Authority's offices at 1525 Response Road, Suite One, Sacramento, California 95815 or at its website at www.parsac.org. There have been no significant reductions in insurance coverage in the prior year; and, settlements have not exceeded the insurance coverage for each of the past three fiscal years.

The City of Wheatland and the Plumas Brophy Fire District create 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 area as a joined fire fighting organization.

Note 10 SPECIAL ITEMS

Special Items are significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence. Unusual in nature means the underlying event or transaction possesses a high degree of abnormality and be of a type clearly unrelated to, or only incidentally related to, the ordinary and typical activities of the City. Infrequent in occurrence means the underlying event or transaction is of a type that would not reasonably be expected to recur in the foreseeable future, taking into account the environment in which the City operates.

In March or April 2005, the City entered into the City of Wheatland Funding Agreement for Administrative Consulting Services (Agreement) with several landowner/developers to fund the cost of studies by Oliver & Associates. In the Agreement, the City agreed that the developers could apply the amount of their advance funding as a credit against the City excise tax on new development (which is a tax collected at the time of building permit issuance, meaning that the credit is of no benefit to a developer/party until it starts building). Section 8 of the agreement provides that "This credit provision shall expire at the earlier of 10 years from the date of this Agreement or, for a particular Developer, five years from the issuance of the first building permit for Developer's property." There have been no building permits issued for any of the Developers' property that was included in the Agreement. Consequently, the Developers' credit rights under the Agreement expired in March 2015. The amount of advanced funding that was to be reimbursed totaled $182,771 and is recognized as revenue in the current year as Special Items.

Note 11 SUBSEQUENT EVENT

STATE OF CALIFORNIA

The state-wide economic slowdown has resulted in the State of California looking to municipalities as a mechanism for balancing its budget. As a result, certain revenue sources may be suspended or delayed. It is not determinable at this time the effects, if any, for such suspension or delay on the operations of the City. Other than this, management of the City has evaluated the events subsequent to June 30, 2015 for disclosure and has determined that as of December 18, 2015 there are no material subsequent events that should be disclosed. If events requiring disclosure have occurred between the balance sheet date and the date the financial statements were available to be issued they would be disclosed here.

CITY OF WHEATLAND
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

CITY OF WHEATLAND
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
GENERAL FUND
JUNE 30, 2015

	Budget Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES:				
Tax revenues	$ 950,000	$ 950,000	$ 1,265,125	$ 315,125
Intergovernmental revenues	7,500	7,500	62,559	55,059
Licenses, fees and permits	76,000	76,000	119,012	43,012
Charges for services	1,000	1,000	4,098	3,098
Fines, forfeitures and penalties	11,500	11,500	17,816	6,316
Reimbursements and refunds	4,200	4,200	169,777	165,577
Use of money and property	71,000	71,000	52,036	(18,964)
Grant revenue	50,900	50,900	-	(50,900)
Other revenue	4,000	4,000	23,777	19,777
TOTAL REVENUES	1,121,000	1,121,000	1,714,200	538,100
EXPENDITURES:				
Current:				
General government	276,100	276,100	325,259	(49,159)
Public safety	844,800	844,800	860,884	(16,084)
Community development	315,900	315,900	370,713	(54,813)
Public works	-	-	-	-
Parks & recreation	55,500	55,500	56,320	(820)
Debt service:				
Principal	7,300	7,300	8,023	(723)
Interest	6,000	6,000	4,624	1,376
Capital outlay	60,500	60,500	52,654	7,846
TOTAL EXPENDITURES	1,566,100	1,566,100	1,678,477	(112,377)
EXCESS OF REVENUES OVER EXPENDITURES	(445,100)	(445,100)	35,723	425,723
OTHER FINANCING SOURCES (USES):				
Transfers in	196,600	196,600	370,051	173,451
Transfers out	(63,700)	(63,700)	(222,646)	(158,946)
TOTAL OTHER FINANCING	132,900	132,900	147,405	14,505
Special Items	-	-	182,771	182,771
NET CHANGE IN FUND BALANCES	(312,200)	(312,200)	365,899	$ 622,999
FUND BALANCE, July 1:	1,157,270	1,157,270	1,157,270	
FUND BALANCE, June 30	$ 845,070	$ 845,070	$ 1,523,169	

CITY OF WHEATLAND
SUPPLEMENTARY INFORMATION SECTION
JUNE 30, 2015

CITY OF WHEATLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds	Capital Project Funds	Total
ASSETS:			
Cash and cash equivalents	$ 74,747	$ 230,578	$ 305,325
Receivables:			
Accounts receivable	35,208	145,973	178,481
Loans receivable	-	-	-
Due from other governments	1,229	-	1,229
Due from other funds	-	218,900	218,900
TOTAL ASSETS	$ 108,484	$ 595,451	$ 703,935
LIABILITIES:			
Accounts payable	4,931	1,210	6,141
Accrued payroll liabilities	3,553	-	3,553
Deferred revenue	1,229	-	1,229
Due to other funds	104,672	432,073	536,745
TOTAL LIABILITIES	114,385	433,283	547,668
FUND BALANCES:			
Non-spendable for long-term receivables:			
Special revenue funds	-	-	-
Restricted for capital projects:			
Capital projects funds	-	162,168	162,168
Committed:			
Subsequent year's expenditures:			
Special revenue funds	-	-	-
Unassigned:			
Special revenue funds	(5,901)	-	(5,901)
TOTAL FUND BALANCES	(5,901)	162,168	156,267
TOTAL LIABILITIES AND FUND BALANCES	$ 108,484	$ 595,451	$ 703,935

CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2015

	Special Revenue Funds	Capital Project Funds	Total
REVENUES:			
Tax revenues	$ 196,856	$ -	$ 196,856
Intergovernmental revenues	84,991	-	84,991
Licenses, fees and permits	203	9,002	9,205
Reimbursements and refunds	-	50,000	50,000
Use of money and property	249	571	332
Grant revenue	88,911	13,256	102,167
Other revenue	8,933	-	8,933
TOTAL REVENUES	379,645	72,829	452,474
EXPENDITURES:			
Current:			
General government	14,204	81,699	95,903
Public safety	103,325	-	103,325
Public works	213,515	701	214,216
Capital outlay	44,126	151,151	195,277
TOTAL EXPENDITURES	375,170	233,551	608,721
DEFICIT OF REVENUES OVER EXPENDITURES	4,475	(160,722)	(156,247)
OTHER FINANCING SOURCES (USES):			
Transfers in	126,189	155,500	281,689
Transfers out	(240,101)	(18,900)	(259,001)
TOTAL OTHER FINANCING	(113,912)	136,600	22,688
NET CHANGE IN FUND BALANCES	(109,437)	(24,122)	(133,559)
FUND BALANCE, July 1	103,536	186,290	289,826
FUND BALANCE, June 30	$ (5,901)	$ 162,168	$ 156,267

CITY OF WHEATLAND
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2015

	CDBG Grant 1989 Fund	Supplement Law Enforcement	Vehicle Abatement	General Plan Update
ASSETS:				
Cash and cash equivalents	$ 2	$ -	$ 17,823	$ 21,612
Receivables:				
Accounts receivable	4	17,618	5,343	-
Loans receivable	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
TOTAL ASSETS	$ 6	$ 17,618	$ 23,166	$ 21,612
LIABILITIES:				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	31,961	-	-
TOTAL LIABILITIES	-	31,961	-	-
FUND BALANCES:				
Non-spendable for long-term receivables	-	-	-	-
Committed:				
Subsequent year's expenditures	-	-	-	-
Unassigned	6	(14,343)	23,166	21,612
TOTAL FUND BALANCES	6	(14,343)	23,166	21,612
TOTAL LIABILITIES AND FUND BALANCES	$ 6	$ 17,618	$ 23,166	$ 21,612

CITY OF WHEATLAND
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2015

	Gas Taxes	Transportation Development Act Fund	Bear River Levee	Wheatland Community Gardens
ASSETS:				
Cash and cash equivalents	$ -	$ 23,579	$ -	$ 11,633
Receivables:				
Accounts receivable	4,791	4,282	-	-
Loans receivable	-	-	-	-
Due from other governments	-	1,229	-	-
Due from other funds	-	-	-	-
TOTAL ASSETS	$ 4,791	$ 29,090	$ -	$ 11,633
LIABILITIES:				
Accounts payable	2,884	-	-	50
Accrued payroll liabilities	1,620	-	-	-
Deferred revenue	-	1,229	-	-
Due to other funds	4,791	22,631	44,914	-
TOTAL LIABILITIES	9,295	23,860	44,914	50
FUND BALANCES:				
Non-spendable for long-term receivables			-	-
Committed:	-	-		
Subsequent year's expenditures			-	-
Unassigned	-	-	(44,914)	11,583
	(4,504)	5,230		
TOTAL FUND BALANCES	(4,504)	5,230	(44,914)	11,583
TOTAL LIABILITIES AND FUND BALANCES	$ 4,791	$ 29,090	$ -	$ 11,633

CITY OF WHEATLAND
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2015

	Lighting and Landscaping Districts		
	Wheatland Ryantown	Park Place	Totals
ASSETS:			
Cash and cash equivalents	$ -	$ 98	$ 74,747
Receivables:			
Accounts receivable	235	235	32,508
Loans receivable	-	-	-
Due from other governments	-	-	1,229
Due from other funds	-	-	-
TOTAL ASSETS	$ 235	$ 333	$ 108,484
LIABILITIES:			
Accounts payable	1,522	475	4,931
Accrued payroll liabilities	766	1,167	3,553
Deferred revenue	-	-	1,229
Due to other funds	375	-	104,672
TOTAL LIABILITIES	2,663	1,642	114,385
FUND BALANCES:			
Non-spendable for long-term receivables	-	-	-
Committed:			
Subsequent year's expenditures	-	-	-
Unassigned	(2,428)	(1,309)	(5,901)
TOTAL FUND BALANCES	(2,428)	(1,309)	(5,901)
TOTAL LIABILITIES AND FUND BALANCES	$ 235	$ 333	$ 108,484

CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED JUNE 30, 2015

	CDBG Grant 1989 Fund	Supplement Law Enforcement	Vehicle Abatement	General Plan Update
REVENUES:				
Tax revenues	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	18,856	-
Licenses, fees and permits	-	-	-	-
Reimbursements and refunds	-	-	-	-
Use of money and property	-	51	25	53
Grant revenue	-	88,911	-	-
Other revenue	-	-	-	-
TOTAL REVENUES	-	88,962	18,881	53
EXPENDITURES:				
Current:				
General government	-	-	-	68
Public safety	-	103,325	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	-	103,325	-	68
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	-	(14,363)	18,881	(15)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	30,800	-	-	-
TOTAL OTHER FINANCING	30,800	-	-	-
NET CHANGE IN FUND BALANCES	(30,800)	(14,363)	18,881	(15)
FUND BALANCE, July 1:	30,806	20	4,285	21,627
FUND BALANCE, June 30	$ 6	$ (14,343)	$ 23,166	$ 21,612

CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (Continued)
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
FISCAL YEAR ENDED JUNE 30, 2015

	Gas Taxes	Transportation Development Act Fund	Bear River Levee	Wheatland Community Gardens
REVENUES:				
Tax revenues	$ 108,929	$ -	$ -	$ -
Intergovernmental revenues	-	66,135	-	-
Licenses, fees and permits	-	-	203	-
Reimbursements and refunds	-	-	-	-
Use of money and property	(109)	(121)	(109)	28
Grant revenue	-	-	-	-
Other revenue	7,500	-	-	175
TOTAL REVENUES	116,320	66,014	94	203
EXPENDITURES:				
Current:				
General government	9,145	-	-	31
Public safety	-	-	-	-
Public works	132,507	-	-	-
Capital outlay	36,126	-	-	-
TOTAL EXPENDITURES	177,778	-	-	31
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(61,458)	66,014	94	172
OTHER FINANCING SOURCES (USES):				
Transfers in	86,289	-	-	-
Transfers out	(16,128)	(155,500)	-	-
TOTAL OTHER FINANCING	70,161	(155,500)	-	-
NET CHANGE IN FUND BALANCES	8,703	(89,486)	94	172
FUND BALANCE, July 1:	(13,207)	94,716	(45,008)	11,411
FUND BALANCE, June 30	$ (4,504)	$ 5,230	$ (44,914)	$ 11,583

CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (Continued)
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
FISCAL YEAR ENDED JUNE 30, 2015

	Lighting and Landscaping Districts		
	Wheatland Ryantown	Park Place	Totals
REVENUES:			
Tax revenues	$ 49,748	$ 38,179	$ 196,856
Intergovernmental revenues	-	-	84,991
Licenses, fees and permits	-	-	203
Reimbursements and refunds	-	-	-
Use of money and property	(32)	(35)	(249)
Grant revenue	-	-	88,911
Other revenue	1,258	-	8,933
TOTAL REVENUES	50,974	38,144	379,645
EXPENDITURES:			
Current:			
General government	2,395	2,565	14,204
Public safety	-	-	103,325
Public works	42,764	38,244	213,515
Capital outlay	4,000	4,000	44,126
TOTAL EXPENDITURES	49,159	44,809	375,170
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	1,815	(6,665)	4,475
OTHER FINANCING SOURCES (USES):			
Transfers in	20,500	19,400	126,189
Transfers out	(24,519)	(13,154)	(240,101)
TOTAL OTHER FINANCING	(4,019)	6,246	(13,912)
NET CHANGE IN FUND BALANCES	(2,204)	(419)	(109,437)
FUND BALANCE, July 1:	(204)	(890)	103,536
FUND BALANCE, June 30	$ (2,428)	$ (1,309)	$ (5,901)

CITY OF WHEATLAND
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2015

	Emergency Fire	Storm Drainage	Road Circulation	Community Center	City Hall
ASSETS:					
Cash and cash equivalents	$ 7,076	$ 37,452	$ 146,087	$ 4,239	$ 7,346
Receivables:					
Accounts receivable	-	-	-	-	-
Due from other funds	-	-	68,900	-	150,000
TOTAL ASSETS	$ 7,076	$ 37,452	$ 214,987	$ 4,239	$ 157,346
LIABILITIES:					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCES:					
Restricted for capital projects	7,076	37,452	214,987	4,239	157,346
TOTAL LIABILITIES AND FUND BALANCES	$ 7,076	$ 37,452	$ 214,987	$ 4,239	$ 157,346

CITY OF WHEATLAND
COMBINING BALANCE SHEET (Continued)
NONMAJOR CAPITAL PROJECT FUNDS (Continued)
JUNE 30, 2015

	Regional Bypass	Constr-uction	Parks Fund	Traffic Safety	Equipment
ASSETS:					
Cash and cash equivalents	$ 4,174	$ -	$ 12,636	$ 1,055	$ 3
Receivables:					
Accounts receivable	-	145,973	-	-	-
Due from other funds	-	-	-	-	-
TOTAL ASSETS	$ 4,174	$ 145,973	$ 12,636	$ 1,055	$ 3
LIABILITIES:					
Accounts payable	$ -	$ 1,210	$ -	$ -	$ -
Due to other funds	-	182,321	-	-	-
TOTAL LIABILITIES	-	183,531	-	-	-
FUND BALANCES:					
Restricted for capital projects	4,174	(37,558)	12,636	1,055	3
TOTAL LIABILITIES AND FUND BALANCES	$ 4,174	$ 145,973	$ 12,636	$ 1,055	$ 3

CITY OF WHEATLAND
COMBINING BALANCE SHEET (Continued)
NONMAJOR CAPITAL PROJECT FUNDS (Continued)
JUNE 30, 2015

		Facilities		
	Infrastructure Committee	Police	Public Works	Public Meeting
ASSETS:				
Cash and cash equivalents	$ -	$ 341	$ 3,416	$ 4,729
Receivables:				
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
TOTAL ASSETS	$ -	$ 341	$ 3,416	$ 4,729
LIABILITIES:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	297	-	-	200,000
TOTAL LIABILITIES	297	-	-	200,000
FUND BALANCES:				
Restricted for capital projects	(297)	341	3,416	(195,271)
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 341	$ 3,416	$ 4,729

CITY OF WHEATLAND
COMBINING BALANCE SHEET (Continued)
NONMAJOR CAPITAL PROJECT FUNDS (Continued)
JUNE 30, 2015

	Facilities	Community Facilities District		
	Fire Department	Jones Ranch	Heritage Oaks East	Total
ASSETS:				
Cash and cash equivalents	$ 348	$ 1,676	$ -	$ 230,578
Receivables:				
Accounts receivable	-	-	-	145,973
Due from other funds	-	-	-	218,900
TOTAL ASSETS	$ 348	$ 1,676	$ -	$ 595,451
LIABILITIES:				
Accounts payable	$ -	$ -	$ -	$ 1,210
Due to other funds	18,900	-	30,555	432,073
TOTAL LIABILITIES	18,900	-	30,555	433,283
FUND BALANCES:				
Restricted for capital projects	(18,552)	1,676	(30,555)	162,168
TOTAL LIABILITIES AND FUND BALANCES	$ 348	$ 1,676	$ -	$ 595,451

CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
FISCAL YEAR ENDED JUNE 30, 2015

	Emergency Fire	Storm Drainage	Road Circulation	Community Center	City Hall
REVENUES:					
Tax revenues	$ -	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	-	-
Licenses, fees and permits	-	1,045	2,117	-	496
Reimbursements and refunds	-	-	-	-	-
Use of money and property	17	91	373	11	17
Grant revenue	-	-	-	-	-
Other revenue	-	-	-	-	-
TOTAL REVENUES	17	1,136	2,490	11	513
EXPENDITURES:					
Current:					
General government	-	-	-	-	46
Public safety	-	-	-	-	-
Public works	-	-	-	211	-
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	211	46
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	17	1,136	2,490	(200)	467
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING	-	-	-	-	-
NET CHANGE IN FUND BALANCES	17	1,136	2,490	(200)	467
FUND BALANCE, July 1	7,059	36,316	212,497	4,439	156,879
FUND BALANCE, June 30	$ 7,076	$ 37,452	$ 214,987	$ 4,239	$ 157,346

CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (Continued)
NONMAJOR CAPITAL PROJECT FUNDS (Continued)
FISCAL YEAR ENDED JUNE 30, 2015

	Regional Bypass	Constr-uction	Parks Fund	Traffic Safety	Equip-ment
REVENUES:					
Tax revenues	$ -	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	-	-
Licenses, fees and permits	1,026	-	2,447	-	-
Reimbursements and refunds	-	-	-	-	-
Use of money and property	10	-	30	3	-
Grant revenue	-	13,256	-	-	-
Other revenue	-	-	-	-	-
TOTAL REVENUES	1,036	13,256	2,477	3	-
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	444	-	-	-
Capital outlay	-	151,151	-	-	-
TOTAL EXPENDITURES	-	151,595	-	-	-
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	1,036	(138,339)	2,477	3	-
OTHER FINANCING SOURCES (USES):					
Transfers in	-	155,500	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING	-	155,500	-	-	-
NET CHANGE IN FUND BALANCES	1,036	17,161	2,477	3	-
FUND BALANCE, July 1	3,138	(54,719)	10,159	1,052	3
FUND BALANCE, June 30	$ 4,174	$ (37,558)	$ 12,636	$ 1,055	$ 3

CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (Continued)
NONMAJOR CAPITAL PROJECT FUNDS (Continued)
FISCAL YEAR ENDED JUNE 30, 2015

		Facilities		
	Infrastructure Committee	Police	Public Works	Public Meeting
REVENUES:				
Tax revenues	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	-
Licenses, fees and permits	-	340	249	939
Reimbursements and refunds	-	-	-	-
Use of money and property	-	1	8	12
Grant revenue	-	-	-	-
Other revenue	-	-	-	-
TOTAL REVENUES	-	341	257	951
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	-	341	257	951
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING	-	-	-	-
NET CHANGE IN FUND BALANCES	-	341	257	951
FUND BALANCE, July 1	(297)	-	3,159	(196,222)
FUND BALANCE, June 30	$ (297)	$ 341	$ 3,416	$ (195,271)

CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (Continued)
NONMAJOR CAPITAL PROJECT FUNDS (Continued)
FISCAL YEAR ENDED JUNE 30, 2015

	Facilities	Community Facilities District		
	Fire Department	Jones Ranch	Heritage Oaks East	Total
REVENUES:				
Tax revenues	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	-
Licenses, fees and permits	343	-	-	9,002
Reimbursements and refunds	-	-	50,000	50,000
Use of money and property	1	4	(7)	571
Grant revenue	-	-	-	13,256
Other revenue	-	-	-	-
TOTAL REVENUES	344	4	49,993	72,829
EXPENDITURES:				
Current:				
General government	-	-	81,653	81,699
Public safety	-	-	-	-
Public works	-	46	-	701
Capital outlay	-	-	-	151,151
TOTAL EXPENDITURES	-	46	81,653	233,551
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	344	(42)	(31,660)	(160,722)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	155,500
Transfers out	(18,900)	-	-	(18,900)
TOTAL OTHER FINANCING	(18,900)	-	-	136,600
NET CHANGE IN FUND BALANCES	(18,556)	(42)	(31,660)	(24,122)
FUND BALANCE, July 1	4	1,718	1,105	186,290
FUND BALANCE, June 30	$ (18,552)	$ 1,676	$ (30,555)	$ 162,168

CITY OF WHEATLAND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2015

	Nicholas Ranch Application Process	Nicholas Ranch-Bishop	Eagle Meadows 1	Eagle Meadows 2&3
ASSETS:				
Cash and cash equivalents	$ -	$ -	$ 14,307	$ 15,830
TOTAL ASSETS	$ -	$ -	$ 14,307	$ 15,830
LIABILITIES:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	5,376	422	-	-
TOTAL LIABILITIES	$ 5,376	$ 422	$ -	$ -
NET POSITION	$ (5,376)	$ (422)	$ 14,307	$ 15,830

	Rodden Ranch	AKT Development	Northwest Quadrant	HOP Farm Project
ASSETS:				
Cash and cash equivalents	$ 631	$ -	$ -	$ 3,743
TOTAL ASSETS	$ 631	$ -	$ -	$ 3,743
LIABILITIES:				
Accounts payable	$ 2,321	$ 3,113	$ -	$ -
Due to other funds	-	100,391	12,976	-
TOTAL LIABILITIES	$ 2,321	$ 103,504	$ 12,976	$ -
NET POSITION	$ (1,690)	$ (103,504)	$ (12,976)	$ 3,743

	James Raney	Sunset Valley	Total
ASSETS:			
Cash and cash equivalents	$ -	$ -	$ 34,511
TOTAL ASSETS	$ -	$ -	$ 34,511
LIABILITIES:			
Accounts payable	$ -	$ -	$ 5,434
Due to other funds	6,687	34,279	160,131
TOTAL LIABILITIES	$ 6,687	$ 34,279	$ 165,565
NET POSITION	$ (6,687)	$ (34,279)	$ (131,054)

CITY OF WHEATLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2015

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
NICHOLAS RANCH APPLICATION PROCESS				
ASSETS:				
Cash and cash equivalents	$ -	$ 1,323	$ (1,323)	$ -
TOTAL ASSETS	$ -	$ 1,323	$ (1,323)	$ -
LIABILITIES:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	4,053	1,323	-	5,376
TOTAL LIABILITIES	$ 4,053	$ 1,323	$ -	$ 5,376
NET POSITION	$ (4,053)	$ (10)	$ (1,313)	$ (5,376)
NICHOLAS RANCH-BISHOP				
ASSETS:				
Cash and cash equivalents	$ -	$ 185	$ (185)	$ -
TOTAL ASSETS	$ -	$ 185	$ (185)	$ -
LIABILITIES:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	237	185	-	422
TOTAL LIABILITIES	$ 237	$ 185	$ -	$ 422
NET POSITION	$ (237)	$ -	$ (185)	$ (422)
EAGLE MEADOWS 1				
ASSETS:				
Cash and cash equivalents	$ 14,272	$ 35	$ -	$ 14,307
TOTAL ASSETS	$ 14,272	$ 35	$ -	$ 14,307
LIABILITIES:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-
TOTAL LIABILITIES	$ -	$ -	$ -	$ -
NET POSITION	$ 14,272	$ 35	$ -	$ 14,307

CITY OF WHEATLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (Continued)
AGENCY FUNDS (Continued)
JUNE 30, 2015

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
EAGLE MEADOWS 2 AND 3				
ASSETS:				
Cash and cash equivalents	$ 15,792	$ 38	$ -	$ 15,830
TOTAL ASSETS	$ 15,792	$ 38	$ -	$ 15,830
LIABILITIES:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-
TOTAL LIABILITIES	$ -	$ -	$ -	$ -
NET POSITION	$ 15,792	$ 38	$ -	$ 15,830
RODDEN RANCH				
ASSETS:				
Cash and cash equivalents	$ 8,643	$ 19	$ (8,031)	$ 631
TOTAL ASSETS	$ 8,643	$ 19	$ (8,031)	$ 631
LIABILITIES:				
Accounts payable	$ -	$ 2,321	$ -	$ 2,321
Due to other funds	-	-	-	-
TOTAL LIABILITIES	$ -	$ 2,321	$ -	$ 2,321
NET POSITION	$ 8,643	$ 19	$ (10,352)	$ 1,690
AKT DEVELOPMENT				
ASSETS:				
Cash and cash equivalents	$ -	$ 196	$ (196)	$ -
TOTAL ASSETS	$ -	$ 196	$ (196)	$ -
LIABILITIES:				
Accounts payable	$ 2,198	$ 915	$ -	$ 3,113
Due to other funds	62,911	37,480	-	100,391
TOTAL LIABILITIES	$ 65,109	$ 38,395	$ -	$ 103,504
NET POSITION	$ (65,109)	$ (196)	$ (38,199)	$ (103,504)

CITY OF WHEATLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (Continued)
AGENCY FUNDS (Continued)
JUNE 30, 2015

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
NORTHWEST QUADRANT				
ASSETS:				
Cash and cash equivalents	$ -	$ 32	$ (32)	$ -
TOTAL ASSETS	$ -	$ 32	$ (32)	$ -
LIABILITIES:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	12,944	32	-	12,976
TOTAL LIABILITIES	$ 12,944	$ 32	$ -	$ 12,976
NET POSITION	$ (12,944)	$ -	$ (32)	$ (12,976)
HOP FARM PROJECT				
ASSETS:				
Cash and cash equivalents	$ 3,734	$ 9	$ -	$ 3,743
TOTAL ASSETS	$ 3,734	$ 9	$ -	$ 3,743
LIABILITIES:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-
TOTAL LIABILITIES	$ -	$ -	$ -	$ -
NET POSITION	$ 3,734	$ 9	$ -	$ 3,743
JAMES RANEY				
ASSETS:				
Cash and cash equivalents	$ -	$ -	$ -	$ -
TOTAL ASSETS	$ -	$ -	$ -	$ -
LIABILITIES:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	6,152	535	-	6,687
TOTAL LIABILITIES	$ 6,152	$ 535	$ -	$ 6,687
NET POSITION	$ (6,152)	$ (80)	$ (455)	$ (6,687)

CITY OF WHEATLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (Continued)
AGENCY FUNDS (Continued)
JUNE 30, 2015

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
SUNSET VALLEY				
ASSETS:				
Cash and cash equivalents	$ -	$ 20,635	$ (20,635)	$ -
TOTAL ASSETS	$ -	$ 20,635	$ (20,635)	$ -
LIABILITIES:				
Accounts payable	$ 1,938	$ -	$ (1,938)	$ -
Due to other funds	11,706	20,635	1,938	34,279
TOTAL LIABILITIES	$ 13,644	$ 20,635	$ -	$ 34,279
NET POSITION	$ (13,644)	$ -	$ (20,635)	$ (34,279)
TOTAL OF ALL AGENCY FUNDS				
ASSETS:				
Cash and cash equivalents	$ 42,441	$ 1,228	$ (9,158)	$ 34,511
TOTAL ASSETS	$ 42,441	$ 1,228	$ (9,158)	$ 34,511
LIABILITIES:				
Accounts payable	$ 4,136	$ 3,236	$ (1,938)	$ 5,434
Due to other funds	98,003	60,190	1,938	160,131
TOTAL LIABILITIES	$ 102,139	$ 63,426	$ -	$ 165,565
NET POSITION	$ (59,698)	$ (185)	$ (71,171)	$ (131,054)

CITY OF WHEATLAND
OTHER REPORTS
JUNE 30, 2015

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the City Council
City of Wheatland, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the City of Wheatland, California, as of and for the year ended June 30, 2015, which collectively comprise the City of Wheatland, California's basic financial statements and have issued our report thereon dated November 5, 2015. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assuring about the City of Wheatland, California's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the City Council and management, and is not intended to be and should not be used by anyone other than these specified parties.

Don Cole & Company

Don Cole & Company
Sacramento, California

November 5, 2015