

CITY OF WEST SACRAMENTO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2016

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**CITY OF WEST SACRAMENTO, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016**

**Prepared by
FINANCE DEPARTMENT**

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INTRODUCTORY SECTION

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December 28, 2016

To the City Council and Citizens of the City of West Sacramento:

It is a pleasure to submit for your information the Comprehensive Annual Financial Report (CAFR) of the City of West Sacramento (City) for the fiscal year ended June 30, 2016. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the City's management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

FORMAL TRANSMITTAL OF THE CAFR

State statutes require an annual audit by independent certified public accountants. The firm Richardson & Company, LLP was selected to audit the City's financial records. The auditor's report on the basic financial statement is included in the financial section of this report. The auditor's report related specifically to the single audit is presented as a separate document.

The CAFR is prepared in accordance with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and includes the report of the independent public accounting firm of Richardson & Company, LLP. Organization of the financial report follows the guidelines set forth by the Government Finance Officers Association of the United States and Canada (GFOA).

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

INTERNAL CONTROLS

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. Responsibility for the City's financial management is located in the Department of Administrative Services, Finance Division. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and, (2) the valuation of costs and benefits requires estimates and judgments by management. Management relies on and is confident that the internal controls in place are adequate to ensure the accuracy of the financial data provided herein.

As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that adequate internal controls are in place to ensure document compliance with applicable laws and regulations related to these programs. These internal controls are subject to periodic evaluation by management and the internal audit staff of the City.

As part of the City's single audit, tests were made of the City's internal controls and of its compliance with applicable laws and regulations, including those related to federal financial assistance programs. Although this testing was not sufficient to support an opinion on the City's internal control system or its compliance with laws and regulations related to non-major federal financial assistance programs, the audit for the year ended June 30, 2016 disclosed no material internal control weaknesses or material violations of laws and regulations.

In addition, the City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities for all funds are included in the annual appropriated budget.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

PROFILE OF THE GOVERNMENT

The City operates under a council-manager form of government and provides municipal services that include public safety, public works, community services, and community development. This report includes all funds of the City and its two blended component units, the Sacramento-Yolo Port District and the West Sacramento Redevelopment Successor Agency.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

The City was incorporated on January 1, 1987 as a general law city. The driving force behind the decision to incorporate was a need for improved community services and a desire by the people to control their own destiny.

The West Sacramento City Council consists of five members, elected at-large. The position of Mayor is separately elected for a two-year term in even years. The other members are elected to four-year, overlapping terms. The position of Mayor Pro Tem is chosen by the City Council for a one-year term.

The City Council serves as the policy board for the municipality. As an elected "Board of Directors," the City Council provides policy direction, establishes goals, and sets priorities for the City government. In addition to serving as the policymakers for the community, the City Council is also responsible for numerous land use decisions within its borders, including the General Plan. The City Council appoints the City Manager, City Attorney, and all members of the advisory boards and commissions.

COMPONENT UNITS

The City Council also served as the Board for the West Sacramento Redevelopment Agency, and the City Manager served as the Executive Director. The Agency's project area included approximately 5,416 acres, or 46 percent of the total land area of the City. The Agency's goal was to maximize the abundant potential of West Sacramento's land, assets and people, with positive physical change that creates vibrant retail commerce, a prestigious office address, diverse and highly desirable residential neighborhoods, and quality employment opportunities. The State Legislature passed Assembly Bill X1 26 to eliminate redevelopment agencies, which became

effective January 31, 2012. The State designated “Successor Agencies” to implement the dissolution of redevelopment agencies, and wind down the affairs of the now dissolved redevelopment agency. Accordingly, the City Council now serves as the Board for the West Sacramento Redevelopment Successor Agency and the City Manager serves as its Executive Director.

The Sacramento-Yolo Port District was formed in 1947 under Section 6800, *et seq.*, of the California Harbors and Navigation Code. Historically, the district’s seven-member commission was appointed by the City and County of Sacramento (five members), Yolo County (one member), and the City (one member). In January 2006, the governance of the Port was amended (Governance Agreement), and both the City of Sacramento and County of Sacramento agreed to allow the City to appoint a majority of the Commission members. In September 2006, state legislation was passed modifying the district’s enabling act (Harbor and Navigations Act – River Port Districts) from the above-mentioned seven-member commission to a five-member commission appointed by the City (four members) and Yolo County (one member). The commissioners appointed by the City may be members of the City Council, but are not required to be City Council members. The City Manager serves as CEO of the Port.

BUDGET

The City legally adopts biennial budgets for all General and Special Revenue Funds.

The Council, on a multiyear basis, has initially covenanted debt service and capital projects with bond proceeds. Other projects in the capital projects funds are budgeted by the Council on a multiyear basis. The legal level of control is the fund as stated in 7) below. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- 1) Department Heads prepare and submit a budget request based upon the previous years’ expenditures and available resources to the City Manager.
- 2) A meeting is held between the Department Heads, Assistant City Manager-Administrative Services, and the City Manager for the purpose of reviewing and prioritizing the budget request.
- 3) The City Manager approves an estimate of revenues and prepares recommendations for the next biennial budget.
- 4) The biennial budget may or may not be amended by the City Council and is adopted by the City Council on or before June 30th in accordance with the municipal code.
- 5) The approved budget is placed in the City accounting system and monitored by the Finance Division of the Administrative Services Department.
- 6) The City Manager is authorized to transfer budgeted amounts within and between activities, within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council.
- 7) Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted and as further amended by the City Council. The legal level of control (level at which expenditures may not exceed budget) is the fund.

Budget information is presented for the General and Special Revenue Funds in the fund financial statements. The budget information is presented on a basis consistent with generally accepted accounting principles.

Appropriations, except open project appropriations and unexpended grant appropriations, lapse at the end of each two-year biennial cycle.

ECONOMIC CONDITION

LOCAL/REGIONAL ECONOMY

The rate of annual job gains in the six-county Sacramento region, of which the City is an integral part, is an essential component of the local/regional economic analysis. According to the 2016 Mid-Year Update on Labor Market and Regional Economy, published by the Sacramento Business Review, the Sacramento region has had a modest, yet lackluster, 2016 with stabilizing employment in the face of a deteriorating job mix. California has led the Western region in job growth and reduction in the unemployment rate. Despite these recent gains, job and wage growth in the Sacramento region has lagged growth in most other California regions over the past three to five years due to industry mix. The Sacramento Business Review believes the Sacramento region lagging in employment growth to be due to the industry mix and associated growth rates. They forecast the Sacramento region's unemployment to stabilize in the 5-6 percent range over the next six month period. The top three categories expected to show growth are construction, healthcare and professional services.

According the recent report by the California Employment Development Department (EDD), between October 2016 and November 2016, combined employment in the counties of El Dorado, Placer, Sacramento, and Yolo increased by 3,000 to total 964,200 jobs. Between November 2015 and November 2016, total jobs in the region increased by 26,100, or 2.8 percent.

- Private education and health services continued to lead year-over growth, adding 7,000 jobs. Health care and social assistance led the expansion by adding 6,300 jobs.
- Professional and business services added 6,500 jobs from last November. Professional, scientific, and technical services grew by 3,400 jobs. Administrative and support and waste services gained 2,800 jobs.
- Construction gained 6,400 jobs, with the majority of the increase in specialty trade contractors (up 4,700 jobs). Construction of buildings contributed 1,600 jobs over the year.
- Five major industries experienced job reductions from last November, led by other services (down 900 jobs), information (down 200 jobs), and leisure and hospitality (down 200 jobs).

The Yolo County's unemployment rate decreased from the prior year by 0.6 percentage points. According to preliminary data, over 6,100 Yolo County residents were officially considered unemployed in June 2016 (Source: California Employment Development Department (EDD)). The unemployment rate of Yolo County posted by the California Employment Development Department as of June 2016 is 5.8 percent; 6,100 unemployed out of 105,100 total labor force. The annual average for 2015 in Yolo County was 6.4 percent; 6,700 unemployed out of 103,900 total labor force.

For the Sacramento region, the median home sale price in June 2016 was \$349,000, which is approximately a 7 percent increase from the fourth quarter of 2015 (\$325,000) and 9 percent year-over-year (\$320,000). This makes it the eighth consecutive quarter with single-digit year-over-year price increases with an 8.4 percent average increase in the past two years. Four years of significant price appreciation has meant that the median house price is currently only 17 percent below its 2006 peak. The real estate owned by banks represented an average of 3.9 percent of all sales in the first two quarters of 2016, down from 5.8 percent in 2015 and 8 percent in 2014. The median sale price per square foot increased by 10% year-over-year to \$202.00. Increase in

price per square foot range from 8% in Yolo County and to 11% in Sacramento County. The modest rise in the median home price can be attributable to the lack of inventory, particularly of new homes, and the continued decline in the distress sales and slight increase in the proportion of higher-priced homes.

LONG-TERM FINANCIAL PLANNING

The City Council has established a Policy Agenda that has long-term financial implications affecting the City. These include:

- Flood Protection: Implementation
- Streetcar Development
- Pioneer Bluff/Stone Lock De-Industrialization and Re-Use
- Bridges Infrastructure Investment
 - Broadway
 - I Street
- Public Transportation Strategy

Each of these items is discussed below.

Flood Protection: Implementation

Important elements for the Flood Protection Program in 2016 include: completion of the Army Corps of Engineers Chief's report for the West Sacramento General Reevaluation Report; federal authorization in Water Resources Development Act 2016; begin construction of the Southport Levee Project, obtain funding for future projects under the Urban Flood Risk Reduction program; manage directed grant funding for continued engagement with the LS-DN Regional Planning Area through update of the CVFPP in 2017; continue close dialogue with FEMA (regional office and headquarters) to best manage timing and outcome of remapping; complete update to the City's Flood Emergency Response Plan; work with Public Works utilities to establish a plan for local storm water operation and maintenance; and identify opportunities throughout the year to educate the public on flood risk and the city's efforts to minimize that risk.

Status of Item

General Reevaluation Report

- US Army Corps of Engineers Chief's report completed
- WS GRR listed in draft WRDA for both Senate and House bills

Projects – Early Implementation (EIP)/Urban Flood Risk Reduction (UFRR) Programs

- Southport Levee Project: Construction of Phase I – Village Parkway South completed; Phase II- completed 100% design, obtaining property rights, PG&E utility relocations are complete, AT&T beginning their relocations, required permits have been obtained, and preparing for bid of project.
- DWR awarded UFRR application for balance of Southport funding.
- North area UFRR application not awarded due to limited Prop 1E funds. DWR will keep proposal in the event additional funding received or other urban agencies fail to implement.

Regional Flood Planning

- Completed the Regional Flood Plain Management Plan and executed a grant amendment with DWR to fund additional work for stakeholder engagement and local governance

Emergency Preparedness

- Received grant for additional emergency response funding for training and exercises.

Upcoming Actions or Milestones

Proposed actions for fiscal year 2017:

General Reevaluation Report

- Facilitate USACE Chief's Report (Completed)
- Lobby for WS GRR to be authorized in WRDA 2016 (Sep 2016)

Projects – Early Implementation (EIP)/Urban Flood Risk Reduction (UFRR) Programs

- Southport Levee Project:
 - Village Parkway (south) construction completion (Completed)
 - Levee permits complete (Completed)
 - Levee construction begin (Fall 2016-- Federal Section 106 cultural resources consultation process moving into report phase. Construction contract award scheduled for November 29, 2016)

Regional Flood Management Planning

- Continue stakeholder engagement on planning efforts including the Corridor Management Framework. (Ongoing)

Emergency Preparedness

- Phase II Flood Emergency Response Plan:
- Execute agreement with DWR (Completed in October 2016)
- Issue RFP for training/exercise plan development and award contract (December 2016, possibly keep process in-house)

Floodplain Mapping

- Continue dialogue with FEMA staff (regional office and headquarters) to best manage the timing and outcome of remapping (Ongoing)

Streetcar Development

The main goals for the streetcar in the upcoming fiscal year are obtaining an affirmative project funding vote from Sacramento voters in the project area; obtaining financial commitments from the State through Cap and Trade; acquiring utility agreements; engaging final engineering design consultant; and achieving a minimum “medium” rating from the FTA to ensure the federal match to support the implementation of a streetcar line from the West Sacramento Civic Center to the Sacramento Valley Intermodal Station, the Capitol, Sacramento Convention Center and Midtown Sacramento.

Status of Item

Environmental Review –The SACOG Transportation Committee certified the environmental document August 6, 2015 finalizing the CEQA process. On February 12, 2016, the FTA issued a Finding of No Significant Impact (FONSI) finalizing the NEPA process for the Streetcar project.

FTA Grant Agreement – The Project Management Team (PMT) completed the revised Small Starts application FY17 that was submitted to the FTA in an effort to successfully improve the project's rating by the FTA. Application was successful and project was added to the Presidents FY17 budget. FTA unofficially expressed that the project will ultimately receive a full funding grant agreement by December 2016.

Project Engineering– In an effort to demonstrate continued progress to the FTA, the PMT authorized Regional Transit (RT) to complete the Streetcar final engineering design RFP. The HDR led team was selected as the final design consultant on December 2nd. The PMT continues to work closely with utility companies to identify and address existing infrastructure within the streetcar alignment.

Project Funding - As a follow up to the Measure B vote, the City of Sacramento continues to explore alternative financing mechanisms, including agreements with RT to fund City's share through Prop 1A funds, as required to move the streetcar project forward. West Sacramento has taken the lead in preparing an interagency grant agreement for all parties to execute which will cover the Project Development phase. Gap funding for the project's State share, as well as funding for the Riverfront extension and LRT extension to Raley Field was applied for through Cap and Trade TIRCP funds in April 2016. CAL STA announced \$30 million in funding for the project. Schedule for construction of the initial streetcar segment continues to be extended. Current projections schedule revenue service by 2020.

Upcoming Actions or Milestones

Proposed actions for fiscal year 2017 and beyond:

- 35% Engineering Plans (Completed)
- Request Entry into Project Development (Completed)
- NEPA/CEQA Environmental Review (Completed)
- Complete Project Management Plan (Spring 2017)
- Complete Financing Plan (Spring 2017)
- Utility Agreements/80% Engineering Plans (Fall 2017)
- 100% Engineering Plans (Spring 2018)
- Advertise for Construction/Award Bids (Winter 2018)
- Construction Start (Spring 2019)
- Construction Completed/Testing (Fall 2020)
- Revenue Service (Winter 2020 or Spring 2021)

Pioneer Bluff/Stone Lock De-Industrialization and Re-Use

The Pioneer Bluff Transition Plan was adopted in December 2014. The plan's goals are to guide de-industrialization and to lay the foundation for future planning of the riverfront Pioneer Bluff area in order to transition the district from industrial use to mixed-use development. The Transition Plan included an action plan and recommendations to be carried out over the next several years.

The plan also identified the Stone Lock property to be included in the re-use planning for this southern riverfront area.

Status of Item

Simultaneous de-industrialization and re-use planning activities are underway, many of which are carrying over from last year.

Upcoming Actions or Milestones

Proposed actions for fiscal year 2017:

Transition Land Use Economics

- City Council approval of amendments to the Pioneer Bluff Transition Plan to refine assumptions. (August 2016)
- Complete levee analysis and determine buildable area. (1st Quarter 2017)
- Complete market and demographics analysis for reuse planning. (October 2016)
- Complete Strategic Growth Council work plan tasks for 2016 (begin land use visioning and access/circulation planning). (December 2016)

Broadway Bridge Coordination

- Develop land use and circulation inputs for the Broadway Bridge PA/ED phase & reuse planning. (September 2016)
- Determine final design and scope for Riverfront Road/15th Street project. (September 2016)

De-Industrialization Activities

- Negotiate closure, cleanup, and acquisition agreement with industrial use. (June 2016)
- Advance corporation yard relocation project. (see Corp Yard item)

Bridges Infrastructure Investment

- **Broadway**
- **I Street**

Two neighborhood-serving bridges connecting riverfront districts of West Sacramento and Sacramento will be designed to accommodate future phases of the streetcar project. Two bridge projects were approved in the SACOG 2035 Metropolitan Transportation Improvement Plan (MTIP), the replacement of the I-Street Bridge (located between C-Street and Railyards Avenue) and the creation of a new bridge between Broadway Avenue and South River Road/15th Street.

I-Street Bridge Replacement Project - project was fully funded by the Federal Highway Bridge Replacement Program. The first phase of the project commenced in 2014-2015 and includes preliminary engineering and environmental review. Completion of the project is currently estimated during 2019-2020.

Broadway/15th Street Bridge Feasibility Project-project was funded by SACOG in December 2014 to complete a preliminary feasibility study.

Status of Item

I Street Bridge - The preliminary Administrative Draft Environmental Document has been completed. Public distribution of the Draft EIR is anticipated in Fall/Winter 2016. Advanced meetings have been conducted with Regulatory Oversight Agencies to preview identified

environmental issues, mitigation requirements, and the various overlapping construction windows. Project staff also presented a request for some allowances within the various agency construction windows and received tentative approval. The intent is to allow the in-water work to occur in one season in lieu of over several construction seasons.

Value Analysis (VA) Study requirements placed on the project by Caltrans (Cost/Benefit Analysis) included analyzing alternatives for a Fixed bridge Alternative (rejected), and revised design elements for the proposed movable bridge. The Bridge Type Selection Report has been advanced to determine project eligibility/participation limits for funding. Current Bridge cost projections following the VA study is \$121.3 million. Additional meetings with Caltrans to finalize participating and non-participating costs will take place in the coming week. Bridge cost estimates are expected to be revised.

Meetings have been held with WSAFCA, State Maintenance Area 4 staff, and DWR staff to determine levee requirements for the construction of the bridge. Additional meetings will be scheduled with the DWR Board and the Corps of Engineers to confirm and finalize levee improvement requirements and limits of work. Studies are taking place in an effort to reduce costs. This information will then be presented to Caltrans for consideration for inclusion into the eligibility/participation limits for funding.

Conformance issues with the Washington Realized document are currently being resolved and it is anticipated that these issues will be finalized shortly.

Broadway Bridge- The City, with support from the City of Sacramento obtained \$462,500 in funding from the SACOG Regional Funding Program to prepare a feasibility study for the project. As the lead agency, the City selected the consultant team CH2M to analyze preliminary alignments, provide cost estimates, lead community outreach and assess potential bridge and approach alternatives for the project. The study successfully concluded on-time and within budget, and provided several clearly defined alternatives for assessment in the subsequent PA/ED phase.

Over the course of the year, staff worked with the Federal Highway Administration (FHWA) and Caltrans to draft a grant agreement for TIGER discretionary grant funds awarded to the City in 2014. The \$1.5 million, in addition to a \$1.5 million local match split between the City of Sacramento and West Sacramento will provide \$3 million total to complete PA/ED. On December 15, 2015, the Local Programs Manager for FHWA announced that the Office of the Secretary of Transportation (OST) had cleared for execution the FY 2014 TIGER Discretionary Grant Agreement (No. P-15) for the Broadway Bridge. On December 16, 2015 Council adopted Resolution 15-69 which accepted the completed Feasibility Study, authorized execution of the agreement, and enabled the PA/ED phase to advance, and on June 15, 2016, Caltrans authorized expenditure of funds on the Broadway Bridge PA/ED phase.

Upcoming Action or Milestones

Proposed actions for fiscal year 2017 and beyond:

Broadway Bridge Feasibility Study

- Caltrans authorization to proceed with Feasibility Study (Completed)
- RFP for consultant team Broadway Bridge Feasibility Project (Completed)
- Council approves contract for Broadway Bridge Feasibility Project (Completed)
- Feasibility study acceptance by City Council (Completed)

- PA/ED Phase Commences (Completed)
- PA/ED Completion (August 2019)

I Street Bridge Replacement Project

- Traffic operation analysis, Final Report (Completed)
- Prepare Geometric Approval Drawings (Completed)
- Advance Planning Studies (Movable and Approach bridges) (Completed)
- Technical Studies/Reports, NEPA/CEQA (Completed)
- Draft Environmental Document (Completed)
- Complete Public Review Draft environmental document (January 2017)
- Preliminary design for I Street Bridge Replacement Project (February 2017)
- Final Project Report/Caltrans Permit Engineering Evaluation Report (PEER) (April 2017)
- Initiate construction activity (May 2018)

Public Transportation Strategy

The Council's selection of public transportation enhancements as one of its priorities reflects its desire to increase uses of public transportation to achieve a lower carbon footprint and savings in yearly allocations for bus service.

This strategy will look at current bus services (fixed and para transit routes), regional options, alternative modes of public transit and synergies between public transportation and commerce.

Status of Item

Organize New Transportation Strategy Team

- Under the direction of the new Transportation/Traffic Manager, the Transportation team collected ridership data, reviewed guiding plans and documents, and conducted a best practices review to inform the strategy.
- Based on new staffing, additional research and new funding opportunities, staff has developed a framework for a Mobility Action Plan and two pilot projects.

Identify Transit Streamlining & Mobility Opportunities

- YCTD and City staff met in early 2016 to discuss modifications to routes 35 and 39. In July, YCTD implemented minor modifications to route 35, but made no changes to route 39.

City staff has identified (2) pilot projects aimed at further streamlining the transit network:

- Proposal to replace Route 340A CalSTRS/Zigg service with regular Downtown Shuttle service by leveraging redundancies in the new "Y shuttle".
- Proposal to replace routes 35 and 39 through integration of a shared mobility model, such as micro-transit or Uber/Lyft. New services would supplement ridership on trunk routes and Downtown Shuttle.

Identify Regional Opportunities

- City staff has identified potential SACOG grant funding opportunities and UC Davis' Institute for Transportation Studies technical assistance resources to support MAP development.

Identify Alternative Transportation Models

- Staff has conducted a comprehensive best practices review of new and shared mobility models and conducted extensive outreach with peer local and regional governments, research institutes, private industry experts, and service providers.

Upcoming Action or Milestones

Proposed actions for fiscal year 2017:

YCTD Streamlining Efforts

- Three public workshops and presentation of results to Council and YCTD. (Completed)
- Presentation to YCTD Transportation Commission (Completed)
- Meeting with YCTD and New City Transportation team (Completed)
- Park and Ride pilot. (Discontinued)
- Village parkway route opening (Completed)
- Print new informational materials. (Completed)

Identify Regional Opportunities

- Determine opportunities with other regional entities. (Completed)
- Attend events that facilitate strategic conversations with new partners. (Completed)
- Attend strategic networks to engage potential partners in conversations and planning. (Ongoing)

Identify Alternative Transportation Models

- Research and outreach on municipal partnerships with Uber, Lyft and similar partners. (Completed)
- Involve private sector partners as needed. (Ongoing)

Develop Mobility Action Plan and Deploy Pilot Projects

- Prepare grant application for SACOG TDM Grant Program (Spring 2017)
- Pilot Development and Launch (Summer 2017)
- Define Scope of the Mobility Action Plan & Identify Funding/Staffing (Summer 2017)
- Kick-off Mobility Action Plan (Summer 2017)
- Bridge District IFD
- Staff has met with the County Auditor Controller; follow up meeting scheduled in September to determine amount of increment available for distribution this year and that it is properly segregated.

MAJOR INITIATIVES

EIFD Formation (Measure G Implementation)

In May 2012, the City Council adopted the Community Investment Action Plan (CIAP). This plan set forth a strategy for the City to continue its historic role of investing in infrastructure and economic development activities in the post-redevelopment environment. The CIAP led to the passage of Measure G by voters in November 2012, which provided a dedicated funding stream for various infrastructure and economic development-related projects. The CIAP also recommended establishing Enhanced Infrastructure Financing Districts (EIFDs) as a new tax increment financing tool for those projects. For the past year, the City has been exploring the feasibility of forming EIFDs.

Status of Item

The City is moving ahead with the formation of a single EIFD covering most of the former Redevelopment Project Area.

Upcoming Action or Milestones

Proposed actions for fiscal year 2017:

EIFD Feasibility

- Complete EIFD Feasibility Study including tax increment projections for potential district areas. (August 2016)
- Present Feasibility Study to City Council with recommendations on number of districts and boundaries. (September 2016)
- PFA adoption of Resolution of Intent to form EIFD(s). (December 2016)

Resolution of Intent to Form EIFD(s) & Establishment of Public Financing Authorities

- City Council approval of Resolution of Intent to form EIFD(s) and establishment of PFA(s). (December 2016)
- Completion and PFA approval of Infrastructure Financing Plan(s). (April 2017)

CEQA Documentation

- Complete CEQA documentation for EIFD(s) in coordination with General Plan. (December 2016)

EIFD Formation

- PFA adoption of Ordinance(s) to form EIFD(s). (April 2017)

Comment

The timeframe to complete the formation of the EIFD is largely dependent on the schedule for completing the General Plan EIR in order to meet CEQA requirements for forming an EIFD. In addition, the Infrastructure Financing Plan is to integrate in the project list from the various infrastructure master plans (water, storm drain, etc.) now under way.

I Street Bridge Deck Conversion

With the construction of the I Street Replacement Bridge moving forward, to secure the remaining connection into the Downtown area of Sacramento, the City is seeking to convert the existing roadway of the I Street Bridge to a bicycle and pedestrian only crossing. In addition, this project will include several features that will make this bridge a regional attraction. Those features could include park elements that would embrace the view sheds and connections to the water front.

Status of Item

As of July 2016, staff submitted an application to fund a feasibility study for the project to Caltrans. The project was recommended for funding in June of 2016. Legal review of project by City Attorney, finds legal basis to recommend pursuit of bike/ped conversion of existing Bridge. Once the City has the funding programmed through Caltrans we will seek a consultant to complete the feasibility study.

Upcoming Action or Milestones

Proposed actions for fiscal year 2017:

- Application submitted to Caltrans to fund feasibility study (Completed)
- Legal Determination of Feasibility (Completed)
- Private/Public Consortium (April 2017)
- Internal staff task force created (Completed)
- Funding Recommendation expected (Completed)
- Secure funding and begin Feasibility Study (January 2017)
- Feasibility Study to be completed (December 2017)
- Present results of feasibility study to Council workshop (December 2017)

General Plan Update

The General Plan is the overarching policy document that guides land use, circulation, housing, public safety, public facilities, community design and other policy decisions in the City. In 2007, the City started work on a major update to the General Plan. In 2010, the update was put on hold due to budgetary constraints and to allow the City's levee improvement program to take precedence to better inform the update to the General Plan. In 2015, the update to the General Plan recommenced.

Status of Item

In 2015, the Council considered drafts of every element. Technical analyses on traffic, water, sewer, and storm drainage are underway for the EIR. Public release of the draft EIR is anticipated in early 2016 pending required consultations with Native American listed tribes in Yolo County. Staff have commenced SB18/AB52 consultations with two of the three listed tribes and have sent final notice that City considers the consultations concluded since city staff have been unable to get the tribes to provide written conclusion response. The Liberty project has been separated from the General Plan Update and is pursuing a more traditional entitlement process. The North Area Expansion has also been removed from the General Plan Update. Additional climate action work is underway per the Council approved contract amendment for the General Plan EIR. The Admin Draft EIR is 95% complete and staff/city attorney are in process of reviewing and preparing for public release as soon as additional climate action work is complete.

Upcoming Actions or Milestones

Proposed actions for fiscal year 2017:

- Public release of draft EIR (Completed)
- Commission(s) recommendation and Council adoption of General Plan 2035 and Climate Action Plan (Completed)
- Prepare for implementing actions beginning in 2016: Zoning Ordinance modernization, Washington Specific Plan amendment, development impact fee updates, Crime Prevention Through Environmental Design ordinance (CPTED), etc. (Preparation in process)
- Prepare draft CPTED ordinance (Jan 2017)
- Planning Commission recommendation on CPTED ordinance (Feb 2017)
- Council consideration of CPTED ordinance (Apr 2017)

Education and Workforce Collaboration

The goal of this Strategic Plan initiative is for the City to find, promote, and implement work-based, connected learning opportunities for students, particularly those in West Sacramento.

Status of Item

Staff submitted its first grant application in February in collaboration with FutureReady. The application was for the City to join LRNG's 1.0 Cohort of Cities and served as an application for a grant from the Fossil Foundation to support LRNG in 2016. On March 10, LRNG announced that the City was accepted into the 1.0 Cohort. Additionally, FutureReady was awarded \$30,000 through the LRNG Fossil Foundation City Challenge to fund this work in West Sacramento.

The City launched the 2016 Summer STEPS (Strides Towards Entering Public Service) internship program, which runs from June through August. The City has used its participation in LRNG to enhance the Summer STEPS program through each department creating XPs, Playlists and Badges. When the Summer STEPS program ended, all 19 of the interns earned their department / division level badge, while 14 earned the 2016 Summer STEPS Internship Badge through the LRNG platform. Of those 14, 6 were hired on for the NEXT STEPS program.

Also completed and submitted a grant application for award of up to \$50,000 for Playlists for Learning which was not awarded to the City.

The first Youth Fire Academy 16-1 commenced February 23 and runs through April 24. Thirteen high school students from West Sacramento and neighboring cities were taken through a mock hiring process including a written exam, oral interview, and physical agility course. The cadets will go through a week-long Tower where they learn and practice basic firefighting skills. Students will have the opportunity to be assigned to a fire station for multiple ride-alongs where they will be exposed to station life and emergency responses. Youth Fire Academy generated 14 applications, 12 of which were from WUSD. The second Youth Fire Academy 16-2 commenced on June 13 and graduation is scheduled for August 4.

Upcoming Actions or Milestones

Proposed actions for 2016:

- Submit first collaborative grant application (Completed)
- Meet with School District (2x2) (Ongoing)
- Additional Career Tech Opportunities (Mayor)
- Youth Fire Academy (MIP) (Completed)
- Summer STEPS (MIP) (Completed)

21st Century Policing

The President's Task Force on 21st Century Policing stresses the importance of building strong relationships between law enforcement and the communities they protect. It endorses a series of new measures to promote transparency and accountability in order to maintain public trust. As part of this initiative, the Department of Justice is reviewing patterns, practices, and protocols to prevent racial and identity profiling and has enacted the new legislative mandate AB 953. This will require law enforcement agencies to submit annual reports with specified information regarding contact and enforcement activities as they pertain to race and various other demographics. In response to this new mandate, the Police Department has identified the criteria

needed for compliance. The Police Department is looking for ways to track and implement these protocols prior to the DOJ's mandate, which will take effect in 2024.

Status of Item

In April of 2016 the Police Department conducted a presentation to the City Council regarding 21st century policing data collection/reporting. The Department has since increased its understanding of the objectives of the 21st century policing model. As such, goals and actions are aligned with the 6 pillars:

Building trust and legitimacy

- Created the Constitutional Policing Division
- Continuing to pursue Racial and Identity Profiling Act of 2015 (RIPA) data reporting:
 - researching data collection methods and best practices of other law enforcement agencies including those that are using Code for America
 - created dashboard for quarterly reporting with existing data
 - included professional standards reporting with the dashboard
- Seeking additional survey mechanisms designed for collecting community perceptions
- Researching the potential models of independent review

Policy and Oversight

- Appointed a CALEA coordinator
- Ongoing policy review and update to ensure law enforcement best practices
- Continuing progress toward CALEA accreditation

Technology and Social media

- Body worn camera vendor assessment completed
- Social Media presence is being maintained and bolstered with publishing COMPSTAT tasks to increase public awareness
- Publishing employee profiles in an effort to further humanize officers to the community
- Continuing to beta-test dashboard software

Community Policing and Crime Reduction

- Appointed a Community Services Coordinator to facilitate community outreach efforts which included:
 - Summer Night Lights
 - General community meetings and specific meetings with key stakeholders and other active community groups
- Coffee with a Cop
- Senior Lead Officers have been continuing business community partnerships initiatives to address blight and enhance safety through CPTED principles
- Conducted an internal survey of staff regarding perceptions related to:
 - Community partnerships
 - Problem solving
 - Organizational transformation
- Analysis and results will be incorporated into the Department's community policing and organizational strategies

Training and Education

- Leadership and mentoring for supervisory staff

- Critical Incident Management
- Tactical communications
- Biased based policing
- A Commanders Retreat was conducted to align goals with City/Council strategic plan for 21st policing

Officer Wellness and Safety

- Below 100/Safe Driving campaigns were implemented to enhance safe driving and reduce occurrences of on duty collisions

At Council's request, an ad hoc committee was formed to include the Mayor, the City Manager, Council Member Ledesma and a representative of the Police Department.

Upcoming Actions or Milestones

Proposed actions for 2016:

- Collect data and analysis, best practices, trends, public perception (Ongoing)
- Feedback from Mayor and City Councilmembers (Completed)
- Create dashboard – external complaint allegations of biased-based policing (Completed)
- Council Workshop: Presentation of Dashboard (Completed)
- Quarterly dashboard reports (Ongoing)
- Body cameras to be purchased (Completed)
- Preparation for CALEA mock assessment (Completed)
- Explore additional 21st Century Policing methodologies (Ongoing)

RELEVANT FINANCIAL POLICIES

Cash Management Policies and Practices. It is the policy of the City and the Treasurer of the City to invest idle funds in a manner that provides the highest safety and security while matching maturities to future liabilities and daily cash flow demands. Investments are made according to California Government Code section 53600, *et seq.*, and the adopted City Investment Policy.

The City's cash management practices include the establishment of reserves and designations to 1) stabilize the City's fiscal base for anticipated fluctuations in revenues and expenditures; 2) provide for nonrecurring, unanticipated expenditures; and 3) provide for innovative opportunities for the betterment of the community. The following reserves and designations have been established.

General Fund. Included in this fund are the following two accounts:

- General Reserve. The City seeks to maintain a cash reserve for the General Fund equal to between 10% and 20% of annual revenues. The City's current General Fund reserve is at 17% of annual revenues.
- General Long-term Debt Account. This account is used to partially fund liabilities for paid employee leave and partial lease payments on the Recreation Center. Interest earnings on the reserve are used to fund these programs.

General Equipment Replacement. The City seeks to maintain a cash reserve of \$6.0 million. Interest earnings are used to replace equipment used for public safety.

General Facilities Fund. Funding for this reserve comes from surplus general taxes, one-time general revenues and interest earned on the fund balance. The reserve may be used for the following purposes only:

- to provide working capital to finance expenditures from the beginning of the budget year until other revenue sources are collected;
- to provide resources to meet requirements in the event of a disaster, such as fire, flood or earthquake;
- to cover a pending year-end excess of expenditures over revenues from unavoidable shortfalls in revenues;
- to advance funding for capital improvements; and, finally,
- to finance general-purpose buildings, improvements and equipment.

Risk Management. The City is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In March 1987, the City joined together with other agencies in the state to form the Yolo County Public Agency Risk Management Insurance Authority (PARMIA), a public-entity risk pool that is currently operating as a common risk-management 10-member agency. The City pays an annual premium to PARMIA for its general insurance coverage. The Agreement for the formation of PARMIA provides that PARMIA will be self-sustaining through member premiums and will reinsure through the California Joint Power Insurance Authority (CAJPIA) for claims in excess of \$500,000 for general liability, \$25,000 for property, and \$500,000 for workers' compensation for each insured event.

The CAJPIA is a large risk pool that covers large claims for smaller risk pools such as PARMIA. The City has no accrued liability or reserve as of June 30, 2016.

AWARDS

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the 20th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

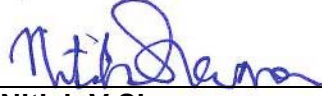
A Certificate of Achievement is valid for a period of one year only. In our opinion, the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and it will be submitted to the GFOA to determine its eligibility for recognition.

ACKNOWLEDGMENTS

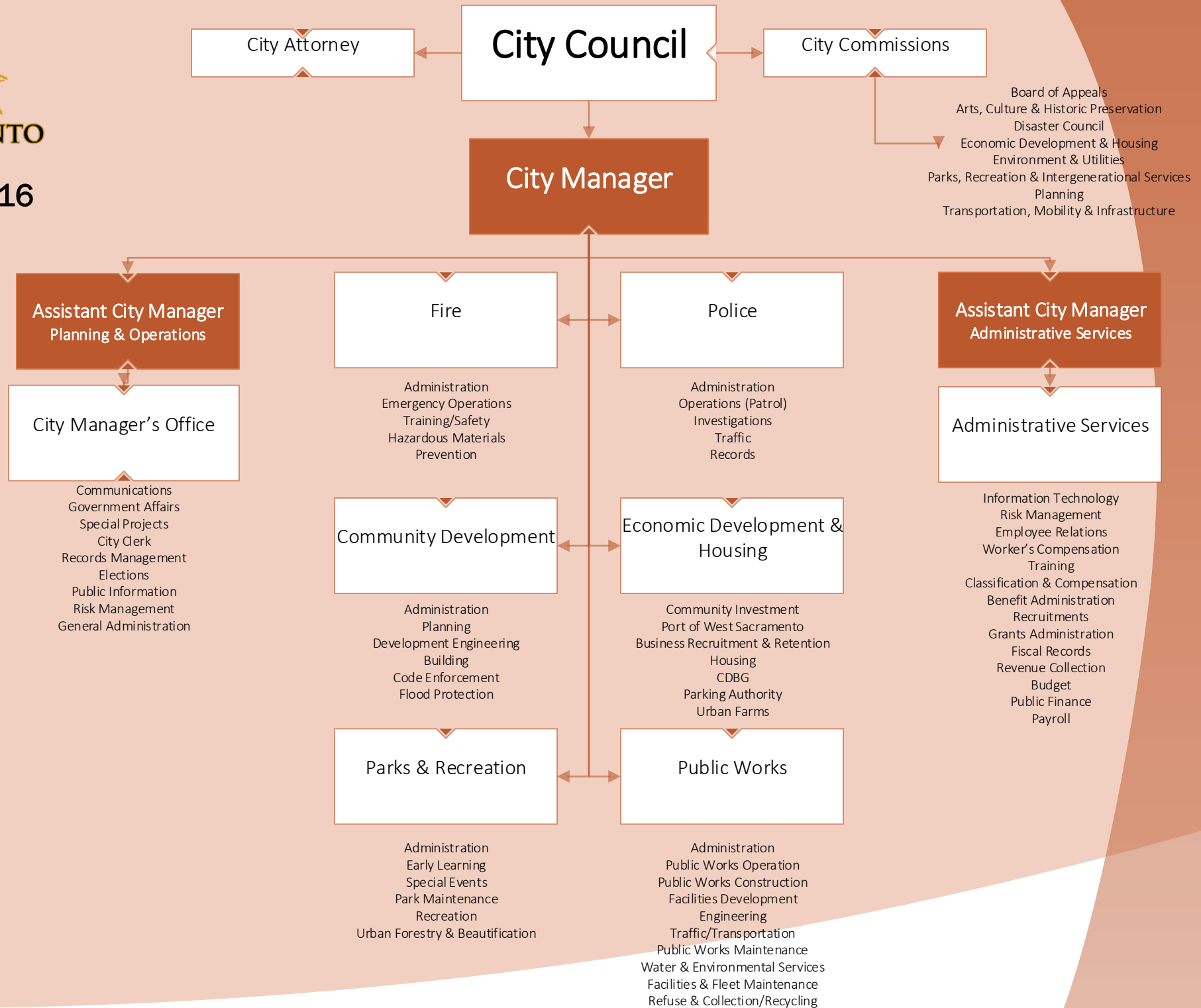
We would like to express our appreciation to the entire Finance Division of the Administrative Services Department for their effort in maintaining accurate and timely accounting records from which this report was prepared. We would also like to acknowledge the professional work and advice of Richardson & Company, LLP.



Philip A Wright
Assistant City Manager
Administrative Services



Nitish V Sharma
Budget Manager



**LIST OF ELECTED AND APPOINTED OFFICIALS
2015-16**

Elected Officials

Mayor	Christopher L. Cabaldon
Mayor Pro Tem	Beverly Sandeen
Council Member	Christopher Ledesma
Council Member	Mark F. Johannessen
Council Member	William G. Kristoff

Appointed Officials

City Manager	Martin Tuttle
City Attorney	Jeffrey Mitchell

Executive Team

Assistant City Manager, Planning & Operations	Amanda Berlin
Assistant City Manager, Administrative Services	Philip A. Wright
Director of Community Development	Charline Hamilton
Director of Economic Development & Housing	Aaron Laurel
Director of Parks & Recreation	Cindy Tuttle
Director of Public Works	Denix Anbiah
Fire Chief	John Heilmann
Police Chief	Tom McDonald



Government Finance Officers Association

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

Presented to

**City of West Sacramento
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

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FINANCIAL SECTION

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Telephone: (916) 564-8727
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of West Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Sacramento, California (the City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

To the Honorable Mayor and Members of the City Council
City of West Sacramento, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of West Sacramento, California, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and HCD Block Grant Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

To the Honorable Mayor and Members of the City Council
City of West Sacramento, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Richardson & Company, LLP

December 28, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

As management of the City of West Sacramento (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iv to xxi of this report.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report is in three major parts:

- 1) The **Introductory section**, which includes the Transmittal Letter and general information;
- 2) The **Financial section**, which includes the Management's Discussion and Analysis (this part), the Basic Financial Statements, including the Government-wide and Fund Financial Statements with the notes to these Financial Statements, and the Combining and Individual Fund Financial Statements and Schedules; and
- 3) The **Statistical section**.

The Basic Financial Statements

The Basic Financial Statements consist of the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the City's financial activities and financial position.

The Government-wide Financial Statements

The Government-wide Financial Statements provide a broad overview of the City's activities as a whole, and consist of the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all its capital assets and long-term liabilities on the full-accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the City's revenues and all its expenses, also on the full-accrual basis, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in net position for the year.

All of the City's activities are grouped into government activities and business-type activities, as explained below. All of the amounts in the Statement of Net Position and the Statement of Activities are separated into governmental activities and business-type activities in order to provide a summary of these two activities of the City as a whole.

- **Government activities** – All of the City's basic services are considered to be governmental activities, including general government, community development, economic development, public safety, animal control, engineering, community events, public improvements, planning and zoning, building inspections, and general administration. These services are supported by general City revenues such as taxes, and by specific program revenues such as developer fees.
- The City's governmental activities include the activities of a separate legal entity, the Successor Agency to the City of West Sacramento Redevelopment Agency (Agency), because the City is financially accountable for the Agency. As of February 1, 2012, the State of California eliminated the Redevelopment Agency. The former redevelopment fund is now

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

reported as a trust and agency fund. The component unit financial statements of the Agency are available from the Administrative Services Department, Finance Division of the City.

- **Business-type activities** – All the City's enterprise activities are reported here, including sewer, water, Port, and solid-waste activity. Unlike governmental services, these services are supported by charges paid by users based on the amount of service they use.

Fund Financial Statements

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

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

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

The Governmental Funds Financial Statements provide detailed information about each of the City's most significant funds, called *major funds*. The concept of *major funds*, and the determination of which are *major funds*, was established by Governmental Accounting Standards Board (GASB) Statement 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each *major fund* is presented individually, with all *non-major funds* summarized and presented only in a single column. Subordinate schedules present the details of these *non-major funds*. *Major funds* present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City's activities. For the fiscal year ending June 30, 2016, the City's *major governmental funds* are as follows:

- General Fund
- HCD Block Grant Fund – Special Revenue Fund
- Low Moderate Income Housing Fund – Special Revenue Fund

The Council, on a multi-year basis, has initially covenanted debt service and projects with bond proceeds. Other projects in the capital projects funds are budgeted by the Council on a multi-year basis.

Proprietary funds. The City maintains four proprietary funds, all of which are reported as enterprise fund types. *Enterprise funds* are used to report the same functions presented as business-type activities in the Government-wide Financial Statements. The City uses *enterprise funds* to account

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

for sewer, water, Port, and solid-waste activities. The Sewer Fund, Water Fund, Port Fund, and the Solid Waste Fund are major funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the financial statements can be found starting on page 41 of this report.

Required Supplementary Information

Required supplementary information regarding the funding progress of the City's pension and postemployment benefits plans can be found starting on page 96 of this report.

Combining and Individual Fund Financial Statements and Schedules

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the Notes to the Financial Statements. Combining and individual fund statements can be found starting on page 103 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City presents its financial statements under the reporting model required by the GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis (MD&A) – for State and Local Governments. For comparison purposes, three years of financial information is provided in the GASB 34 format.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$549.8 million as of June 30, 2016, \$539.4 million as of June 30, 2015, and \$577.2 million as of June 30, 2014.

The net position in Fiscal Year 2016 increased by \$10.4 million primarily due to a combination of factors including a net decreases in governmental program expenditures of \$3.3 million and \$2.3 million increase in general revenues (property taxes: \$1.4 million; sales taxes: \$.9 million). In addition, the net capital assets increased by \$5.4 million primarily due to a combination of factors including an increase in total capital additions of \$18.2 million offset by an increase in accumulated depreciation expense of \$12.8 million.

The net position in Fiscal Year 2015 decreased by \$37.8 million primarily due to a combination of factors including the transfer of governmental assets from the Redevelopment Successor Agency to the City of West Sacramento of \$15.1 million and an increase in operating grants and contributions related to capital projects. In the prior year, the City received grants from Department of Transportation for the construction of the Michael McGowan Bridge. A restatement was also recorded due to the implementation of GASB Statement No. 68 that resulted in pension liabilities being recorded for the first time, offset by deferred outflows of resources for contributions after the measurement date of the plan, which resulted in a decrease in net position of \$58.4 million at July 1, 2014. There were no significant changes in revenues and expenditures in Fiscal Year 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Recorded capital assets, including infrastructure, represent a large portion of the City's non-business-type assets. Of the total net position, capital assets include \$439.1 million in the current year; \$435.6 million in Fiscal Year 2015; and \$424.6 million in Fiscal Year 2014.

The net increase of \$3.5 million in Fiscal Year 2016 is due to a combination of factors, including a net increase in capital additions (\$18.2 million) offset by an increase in accumulated depreciation (\$12.8 million). In the current year, the City completed the construction of the Village Parkway Extension Project (\$4.4 million), Alternate Power Supply Project (\$2.5 million), Joey Lopes Park (\$3.2 million), Community Investment Projects (\$1.1 million), Michael McGowan Bridge Completion (\$1.0 million), and Westfield Pavement Rehabilitation Project (\$1.8 million).

The net increase of \$16.0 million in Fiscal Year 2015 is primarily due to the transfer of capital assets from Redevelopment Successor Agency to the City. The Department of Finance approved the Long Range Management Plan related to the disposal of Agency assets in the current fiscal year. This allowed the City to transfer the governmental use assets from the Successor Agency to the City. The decrease of \$6.1 million in Fiscal Year 2014 is primarily due to a combination of factors including an increase in accumulated depreciation net of capital additions (\$5.5 million), an increase in retirements in construction in progress account (\$3.8 million), and the retirement of the outstanding debt (\$2.5 million).

Restricted and unrestricted net position of \$110.7 million account for 20.1% of total net position in Fiscal Year 2016, \$103.8 million account for 19.2% in Fiscal Year 2015, and \$152.6 million account for 18.2% in Fiscal Year 2014.

The increase of \$6.9 million in Fiscal Year 2016 is primarily due to the increase in the restricted fund balance in the streets, road and drainage category (\$1.0 million), Community Development (\$2.6 million), and Housing rehabilitation (\$3.2 million). The increase in restricted net position is due to the commitment to approved capital projects. For example, the housing rehabilitation is restricted for the construction of the Delta Lane Housing Project. The unrestricted net position increased by \$0.9 million. The decrease of \$48.8 million in Fiscal Year 2015 is primarily due to the restricted fund balance in the streets, road and drainage category that is being set aside for the construction of the Village Parkway Extension Project - McGowan Bridge to Stonegate. The increase of \$15.8 million in Fiscal Year 2014 is due to the restatement of fund balance to account for the pension liabilities of \$58.4 million. There was also an increase in the net position resulting from increases reported in the General Fund Account Group (Measure G, Measure K and Measure V, fund).

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

CITY OF WEST SACRAMENTO, CALIFORNIA
SUMMARY OF NET POSITION
AS OF JUNE 30, 2016, 2015 and 2014

	Governmental Activities			Business-type Activities			Totals		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
Current and other assets	\$162,198,294	\$158,678,998	\$151,103,900	\$28,544,406	\$29,264,343	\$29,209,325	\$190,742,700	\$187,943,341	\$180,313,225
Capital assets	\$350,229,778	\$345,063,073	\$332,156,186	\$169,939,973	\$169,020,033	\$176,752,033	\$520,169,751	\$514,083,106	\$508,908,219
Total Assets	\$512,428,072	\$503,742,071	\$483,260,086	\$198,484,379	\$198,284,376	\$205,961,358	\$710,912,451	\$702,026,447	\$689,221,444
Total Deferred Outflows of Resources	\$7,023,385	\$6,065,010	\$598,898	\$10,433,177	\$10,319,238	\$10,100,102	\$17,456,562	\$16,384,248	\$10,699,000
Current and other liabilities	\$11,856,394	\$10,415,847	\$12,365,306	\$0	\$6,696,407	\$6,505,864	\$11,856,394	\$17,112,254	\$18,871,170
Non-current liabilities	\$79,499,588	\$74,067,255	\$26,226,710	\$79,968,090	\$74,121,673	\$75,913,003	\$159,467,678	\$148,188,928	\$102,144,713
Total Liabilities	\$91,355,982	\$84,483,102	\$38,592,016	\$79,968,090	\$80,818,080	\$82,423,867	\$171,324,072	\$165,301,182	\$121,015,883
Total Deferred Inflows of Resources	\$5,848,702	\$12,144,888	\$0	\$1,435,588	\$1,580,183	\$1,710,835	\$7,284,290	\$13,725,071	\$1,710,835
Net investment in capital assets	\$332,044,492	\$330,739,156	\$314,738,447	\$107,080,192	\$104,891,915	\$109,834,674	\$439,124,684	\$435,631,071	\$424,573,121
Restricted	\$94,405,910	\$88,076,023	\$80,814,368	\$1,101,075	\$1,465,084	\$1,466,076	\$95,506,985	\$89,541,107	\$82,280,444
Unrestricted	\$(4,203,629)	\$(5,636,088)	\$49,714,153	\$19,332,611	\$19,848,352	\$20,626,008	\$15,128,982	\$14,212,264	\$70,340,161
Total Net Position	\$422,246,773	\$413,179,091	\$445,266,968	\$127,513,878	\$126,205,351	\$131,926,758	\$549,760,651	\$539,384,442	\$577,193,726

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Governmental Activities

Total governmental revenues reported for Fiscal Year 2016 were \$92.4 million, a net decrease of \$0.1 million. The decrease can be attributable to a combination of factors including a net decrease reported in charges for services (\$2.0 million), capital grants and contributions (\$1.9 million), miscellaneous revenues (\$0.5 million) and an increase in property taxes (\$1.4 million), sales taxes (\$0.9 million), operating grants and contributions (\$1.2 million), and investment earnings (\$0.8 million). The decrease in charges for services is due to a decline in building activities, development fees and permit revenues in the current year.

Total governmental revenues reported for Fiscal Year 2015 were \$92.5 million, a net increase of \$9.2 million. The increase is mostly attributable to an increase in property taxes (\$1.9 million), sales taxes (\$.8 million), contributions to the Traffic Improvement Fund for the construction of the Village Parkway North Extension Project from McGowan Bridge to Stonegate (\$4.0 million), and an increase in park impact fees due to one-time payment from Capital Commons project (\$3.1 million).

Total governmental revenues decreased by \$3.0 million in Fiscal 2014. The major decrease in revenues was reported under capital grants and contributions. The decrease in capital grants and contributions is related to the bonds proceeds expended to complete the Tower Bridge Gateway project and other Bridge District 2014 Plan projects (\$4.8 million) and a one-time \$4.1 million contribution from the Successor Agency in 2013 that resulted in lower 2014 grants and contributions.

Property tax revenues, not including Agency, have increased by \$1.4 million or 6.7% and sales tax revenues increased by \$0.8 million in Fiscal Year 2016. The growth in property tax revenues can be attributed to the inflationary adjustment of 2% and new development that were added to the tax roll in the current year. Some of the recent development were Capitol Yards Apartments, West Sacramento Self Storage, Extra Space Storage, and the Arco Station on West Capitol Avenue that contributed to an increase in the tax base. In addition, the final capture of the loss values realized in Fiscal Year 2008 through 2013 under the Proposition 8 also had some impact on the increase. Staff continues to monitor the appeals of property tax values with the Yolo County Assessor's Office.

Total governmental activities expenses reported in Fiscal Year 2016 were \$82.2 million, a decrease of \$3.3 million, or 4%. The activities in general government and culture and recreation decreased by \$3.5 million and \$2.4 million, respectively due to a significant decrease in the development activities. Permit revenues, including impact fee revenues were reported significantly lower in the current year than prior year. The activities in housing rehabilitation decreased by \$2.9 million primarily due to a significant decrease in the Home grant program and the first time home buyer program. The activities in Public Safety increased by \$4.8 million primarily due a combination of factors including the new positions added in the fire and police departments, overtime in the fire department from the deployment of the strike team, and pension expense increase.

Total governmental activities expenses reported in Fiscal Year 2015 were \$85.4 million, an increase of \$1.8 million or 2%. Majority of the increase is due to an increase in operations and maintenance costs related to enhance and restoration of services by the City. Total governmental activities expenses increased by \$9.3 million in Fiscal Year 2014. Major increases in expenses were reported in the categories of general government (\$1.3 million) and culture and recreation (\$2.9 million). Increase in general government are due to a combination of factors including the allocation of staff expenses funded from Measure G (General Special Tax Fund) of \$1.2 million and an increase in debt service payments totaling \$0.8 million related to the loan for the mobile data computers and

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

portable radios. The increase in culture and recreation category is primarily related to the construction of the Ironworks Park and the completion of the streetlight retrofit project.

Business-type Activities

Total business-type operating revenues in Fiscal Year 2016 were reported as \$32.3 million, an increase of \$1.6 million, or 4.85%. The increase in revenues can be attributable to an increase in the utility rates and an increase in the customer base from the recent developments in the Newport Estates, The Habitat in the Bridge District and other small infill projects. The operating grants and contributions and other revenues increased by \$3.9 million when compared to the prior year. The increase is primarily due to the changes in the gain (loss) on the sale of assets in the prior year. The City had a number of capital improvement projects reported in the capital assets not being depreciated that were not capitalized and were recorded as an expense or loss on the disposal of the assets.

Total business-type operating revenues in Fiscal Year 2015 were reported as \$30.7 million, an increase of \$0.5 million or 2%. The increase in revenues can be attributable to a minor increase in the utility rate charges. Total business-type revenues decreased by \$3.5 million in Fiscal Year 2014. There were significant decreases reported in the operating grants and contributions (\$2.5 million) and capital grants and contributions (\$0.9 million). The decrease in operating grants and contributions is related to the new money from the refinancing of the 2003 Water Revenue Bonds in the prior fiscal year. The decrease in capital grants and contributions is related to the grant received from the federal government to fund a portion of the water meter retrofit implementation project in the prior year.

The business-type activities operating expenses for Fiscal Year 2016 were \$33.4 million, an increase of \$0.8 million, or 2.46%. The increase is due to a combination of factors including an increase in the costs of services related to the Waste Hauler Contract (\$0.5 million), an increase in Regional San sewer treatment costs (\$0.6 million) and increases in the capital projects expenditures for the water enterprise fund (\$1.0 million) and the sewer enterprise fund (\$0.4 million).

The business-type activities operating expenses for Fiscal Year 2015 were \$32.6 million, an increase of \$3.2 million, or 10.88%. The increase is due to a 2% increase approved by City Council related to operations and maintenance and a loss on disposal of capital assets of \$3.0 million. The business-type activities posted a net decrease of \$4.5 million in expenses in Fiscal Year 2014. There were decreases in expenses reported in the Water Fund and Port Fund and increases reported in the Sewer and Solid Waste Funds. The decrease of \$1.0 million in the Water Fund is due to a decrease in capital expenditures in the year. A number of water improvement projects are in the design phase and will be out for construction the following year. The decrease of \$3.4 million in the Port Fund in the year is due to a payment made to the Yolo County Auditor-Controller pursuant to the demand letter from the State Department of Finance related to the funds received from the sale of Port property to Redevelopment. The increase in the Sewer Fund of \$1.0 million is related to an increase in the charges for services for sewer treatment services provided by the Sacramento County Sanitation District. The increase in solid waste of \$0.1 million is due to an increase in Waste Management services related to refuse and recycling.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED JUNE 30, 2016, 2015, and 2014

	Governmental Activities			Business-type Activities			Totals		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
REVENUES									
Program revenues:									
Charges for services	\$12,547,653	\$14,564,665	\$14,319,813	\$31,751,450	\$30,629,729	\$30,115,623	\$44,299,103	\$45,194,394	\$44,435,436
Operating grants and contributions	\$22,331,904	\$21,123,840	\$17,976,911	\$552,672	\$106,673	\$172,796	\$22,884,576	\$21,230,513	\$18,149,707
Capital grants and contributions	\$5,424,259	\$7,316,558	\$4,414,808	\$0	\$0	\$0	\$5,424,259	\$7,316,558	\$4,414,808
General revenues:									
Taxes:									
Property taxes	\$22,423,726	\$21,013,635	\$19,095,827	\$0	\$0	\$0	\$22,423,726	\$21,013,635	\$19,095,827
Sales and use tax	\$24,033,719	\$23,155,230	\$22,339,028	\$0	\$0	\$0	\$24,033,719	\$23,155,230	\$22,339,028
Transient Occupancy Tax	\$1,420,991	\$1,289,938	\$1,128,789	\$0	\$0	\$0	\$1,420,991	\$1,289,938	\$1,128,789
Other taxes	\$1,756,305	\$1,861,892	\$1,627,325	\$0	\$0	\$0	\$1,756,305	\$1,861,892	\$1,627,325
Intergovernmental, unrestricted	\$64,765	\$36,783	\$21,628	\$99,500	\$198,000	\$0	\$164,265	\$234,783	\$21,628
Investment earnings	\$2,214,583	\$1,410,291	\$2,122,532	\$219,040	\$124,243	\$94,695	\$2,433,623	\$1,534,534	\$2,217,227
Miscellaneous	\$208,632	\$730,543	\$239,172	\$52,709	\$(2,632)	\$58,311	\$261,341	\$727,911	\$297,483
Gain on sale of assets	\$0	\$0	\$0	\$882,360	\$0	\$19,799	\$882,360	\$0	\$19,799
TOTAL REVENUES	\$92,426,537	\$92,503,375	\$83,285,833	\$33,557,731	\$31,056,013	\$30,461,224	\$125,984,268	\$123,559,388	\$113,747,057
EXPENSES									
Governmental activities:									
General government	\$8,404,122	\$11,855,539	\$11,478,334	\$0	\$0	\$0	\$8,404,122	\$11,855,539	\$11,478,334
Public works	\$19,520,556	\$19,907,419	\$24,285,293	\$0	\$0	\$0	\$19,520,556	\$19,907,419	\$24,285,293
Public safety	\$34,171,324	\$29,330,714	\$29,167,006	\$0	\$0	\$0	\$34,171,324	\$29,330,714	\$29,167,006
Community development	\$7,001,512	\$6,373,041	\$5,923,421	\$0	\$0	\$0	\$7,001,512	\$6,373,041	\$5,923,421
Landscaping and street lighting	\$2,323,021	\$2,188,749	\$2,359,160	\$0	\$0	\$0	\$2,323,021	\$2,188,749	\$2,359,160
Culture and recreation	\$9,193,855	\$11,577,133	\$7,332,245	\$0	\$0	\$0	\$9,193,855	\$11,577,133	\$7,332,245
Housing rehabilitation	\$583,583	\$3,476,022	\$1,820,872	\$0	\$0	\$0	\$583,583	\$3,476,022	\$1,820,872
Interest on long-term debt	\$959,831	\$751,051	\$1,282,135	\$0	\$0	\$0	\$959,831	\$751,051	\$1,282,135

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Business-type activities									
Sewer	\$0	\$0	\$0	\$12,010,197	\$11,404,251	\$9,727,250	\$12,010,197	\$11,404,251	\$9,727,250
Water	\$0	\$0	\$0	\$11,283,460	\$11,460,195	\$10,079,584	\$11,283,460	\$11,460,195	\$10,079,584
Port	\$0	\$0	\$0	\$3,110,879	\$3,181,083	\$3,218,006	\$3,110,879	\$3,181,083	\$3,218,006
Solid waste	\$0	\$0	\$0	\$7,045,719	\$6,527,544	\$6,338,426	\$7,045,719	\$6,527,544	\$6,338,426
TOTAL EXPENSES	\$82,157,804	\$85,459,668	\$83,648,466	\$33,450,255	\$32,573,073	\$29,363,266	\$115,608,059	\$118,032,741	\$113,011,732
EXCESS REVENUES BEFORE TRANSFERS AND SPECIAL ITEMS	\$10,268,733	\$7,043,707	\$(362,633)	\$107,476	\$(1,517,060)	\$1,097,958	\$10,376,209	\$5,526,647	\$735,325
SPECIAL ITEMS AND TRANSFERS									
Contribution of Capital Assets by Successor Agency	\$0	\$15,141,367	\$0	\$0	\$0	\$0	\$0	\$15,141,367	\$0
Contribution of Land to Successor Agency	\$0	\$(1,446,183)	\$0	\$0	\$0	\$0	\$0	\$(1,446,183)	\$0
Forgiven Lighthouse Assessment District Loan	\$0	\$1,400,000	\$0	\$0	\$0	\$0	\$0	\$1,400,000	\$0
Transfers	<u>\$(1,201,051)</u>	<u>\$2,757,395</u>	<u>\$2,426,586</u>	<u>\$1,201,051</u>	<u>\$(2,757,395)</u>	<u>\$(2,426,586)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL SPECIAL ITEMS AND TRANSFERS	\$(1,201,051)	\$17,852,579	\$2,426,586	\$1,201,051	\$(2,757,395)	\$(2,426,586)	\$0	\$15,095,184	\$0
INCREASE IN NET POSITION	\$9,067,682	\$24,896,286	\$2,063,953	\$1,308,527	\$(4,274,455)	\$(1,328,628)	\$10,376,209	\$20,621,831	\$735,325
Net position at July 1	\$413,179,091	\$445,266,968	\$443,203,015	\$126,205,351	\$131,926,758	\$133,255,386	\$539,384,442	\$577,193,726	\$576,458,401
Restatement	<u>\$0</u>	<u>\$(56,984,163)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$(1,446,952)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$(58,431,115)</u>	<u>\$0</u>
NET POSITION AT JUNE 30	\$422,246,773	\$413,179,091	\$445,266,968	\$127,513,878	\$126,205,351	\$131,926,758	\$549,760,651	\$539,384,442	\$577,193,726

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Governmental Activities

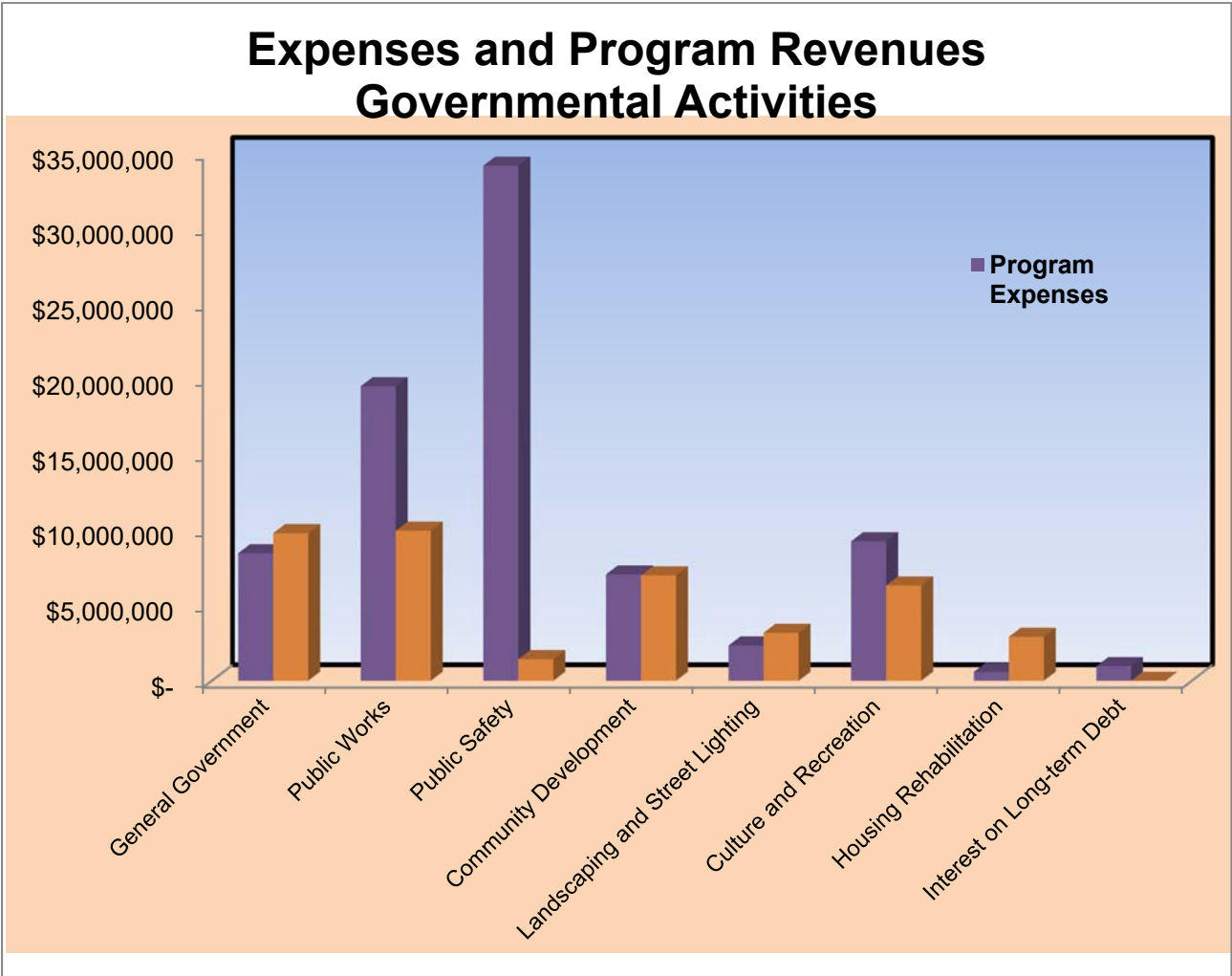
The following table shows the cost of each of the City's major programs and the net cost of the programs. Net revenues are the total cost less fees and other direct revenue generated by those activities. The net revenues reflect the financial burden that was placed on the City taxpayers by each of the programs.

	2016		2015		2014	
	Total Cost of Services	Net Revenues	Total Cost of Services	Net Revenues	Total Cost of Services	Net Revenues
General Government	\$8,404,122	\$1,325,242	\$11,855,539	\$(3,907,653)	\$11,478,334	\$(1,835,271)
Public Works	\$19,520,556	(\$9,628,864)	\$19,907,419	(\$2,655,623)	\$24,285,293	\$(11,003,260)
Public Safety	\$34,171,324	(\$32,750,555)	\$29,330,714	\$(27,401,969)	\$29,167,006	\$(27,652,017)
Community Development	\$7,001,512	(\$59,814)	\$6,373,041	\$(1,370,021)	\$5,923,421	\$(2,537,482)
Landscaping and Street Lighting	\$2,323,021	\$832,531	\$2,188,749	\$700,089	\$2,359,160	\$265,072
Culture and Recreation	\$9,193,855	(\$2,921,201)	\$11,577,133	\$(5,307,014)	\$7,332,245	\$(3,768,362)
Housing Rehabilitation	\$583,583	\$2,308,504	\$3,476,022	\$(1,761,363)	\$1,820,872	\$876,521
Interest on Long-term Debt	\$959,831	(\$959,831)	\$751,051	\$(751,051)	\$1,282,135	\$(1,282,135)
	\$82,157,804	(\$41,853,988)	\$85,459,668	\$(42,454,605)	\$83,648,466	\$(46,936,934)

All functions/programs of Governmental Activities except General Government, Landscaping and Street Lighting and Housing Rehabilitation, with a net cost of \$41.8 million, demand the most resources from City taxpayers. The City's growing population has required significant capital investment, including service programs for fire and police protection as well as public works for new residential areas. Very few direct revenues (charges for these services) can be garnered to offset these expenditures, thereby requiring taxes to fund these services.

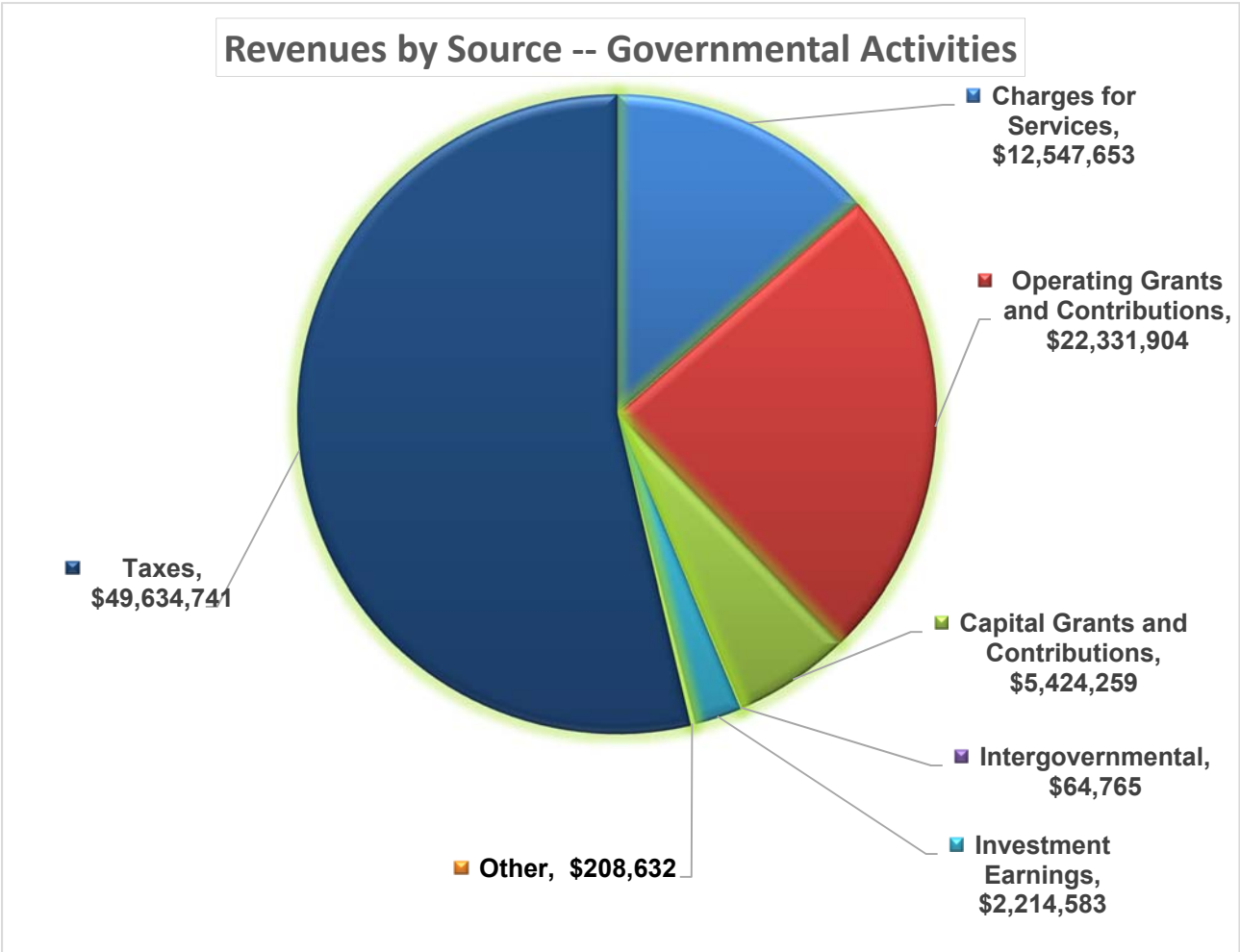
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The following chart illustrates the comparison between expenses and program revenues for Governmental Activities:



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The following chart illustrates sources of revenues for Governmental Activities:

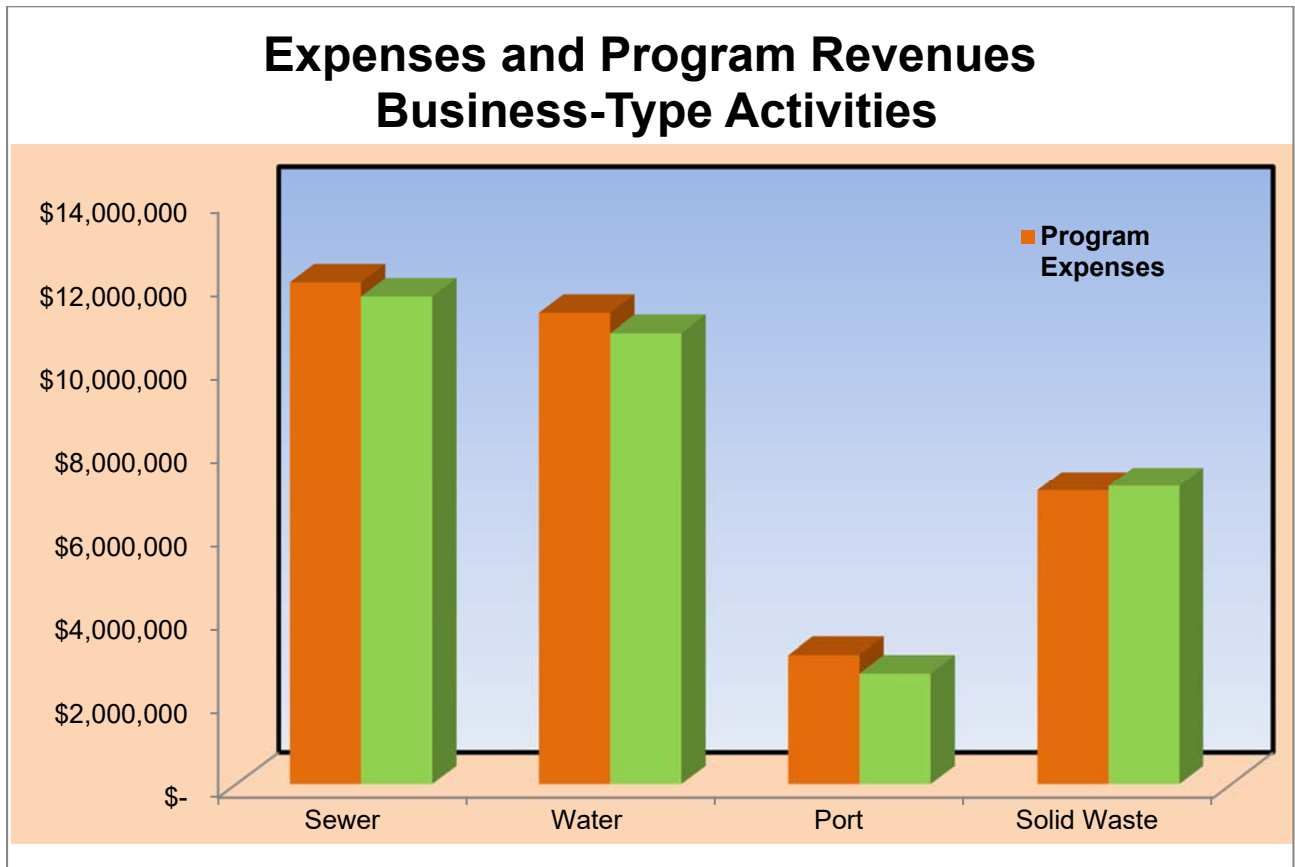


Business-type activities. Business-type activities increased the City's net position by \$1.4 million (includes General Revenues). The net changes in business-type activities were due to the increase in utility rate revenues and the timing of the capital expenditures that were approved in the biennial budget.

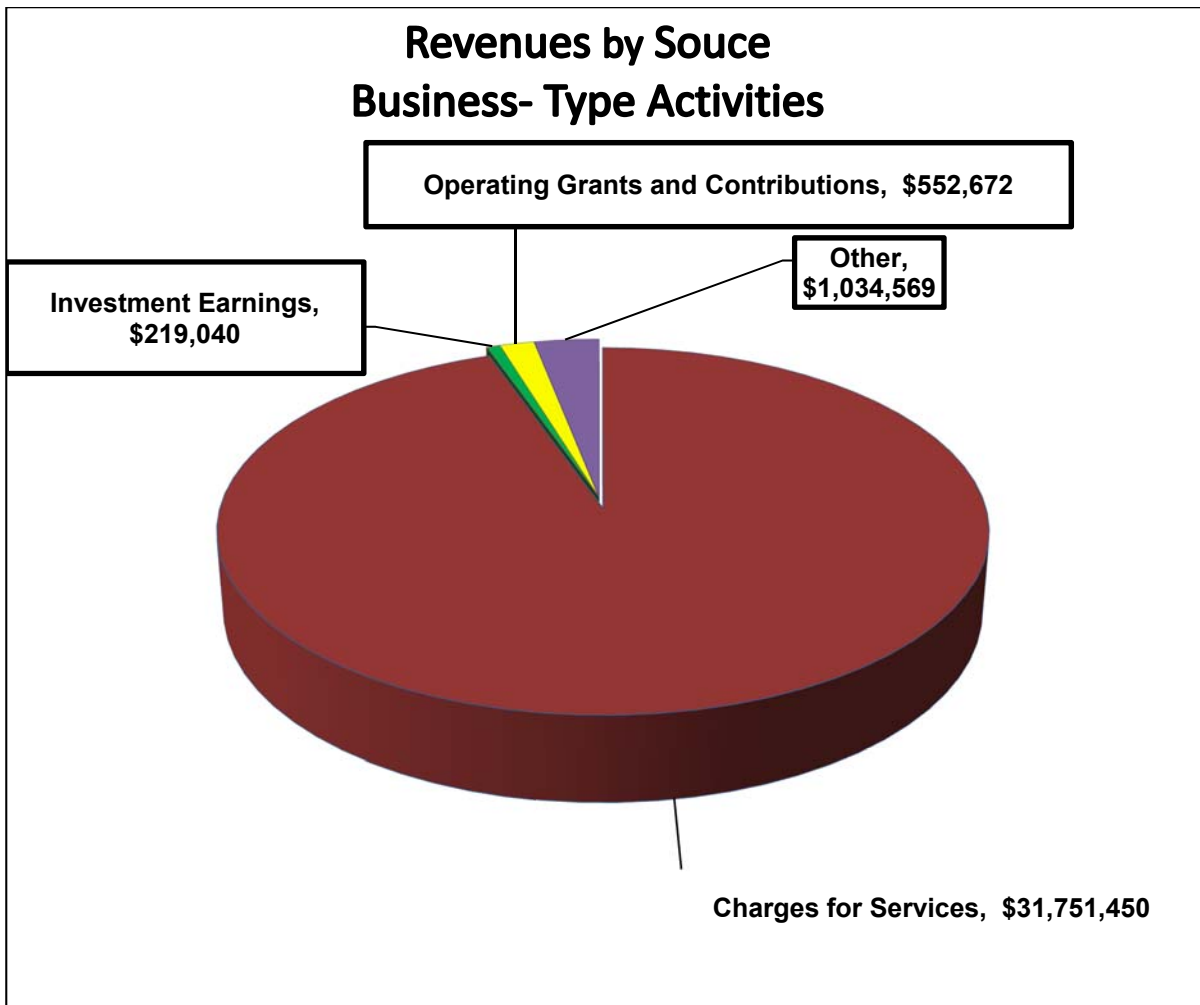
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	2016		2015		2014	
	Total Cost of Services	Net Revenues	Total Cost of Services	Net Revenues	Total Cost of Services	Net Revenues
Sewer	\$12,010,197	(\$337,693)	\$11,404,251	\$(213,377)	\$9,727,250	\$(27,572)
Water	\$11,283,460	(\$476,553)	\$11,460,195	\$(884,654)	\$10,079,584	\$1,457,356
Port	\$3,110,879	(\$437,306)	\$3,181,083	\$(987,619)	\$3,218,006	\$(489,037)
Solid Waste	\$7,045,719	\$105,419	\$6,527,544	\$248,979	\$6,338,426	\$(15,594)
	\$33,450,255	(\$1,146,133)	\$32,573,073	\$(1,836,671)	\$29,363,266	\$925,153

The following chart illustrates the comparison between program expenses and program revenues for business-type activities.



The following chart illustrates revenues by source for business-type activities:



Financial Analysis of the Government's Funds

The City uses fund accounting to assure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements.

Governmental funds.

At the fiscal year-end June 30, 2016, the City's governmental funds reported a combined fund balance of \$142.9 million, a decrease of \$0.2 million. The total revenues decreased by \$1.3 million. There was an increase in property taxes (\$1.4 million), sales taxes (\$0.9 million), contributions from developers and homeowners (\$1.2 million), use of money (\$0.6 million), and special benefit from assessment for operations (\$2.6 million). There was a decrease in revenues reported in intergovernmental revenue (\$1.7 million) and fees licenses and permits (\$6.2 million). The expenditures reported in the governmental funds increased by \$6.9 million. The expenditures reported in public safety group increased by \$5.4 million, primarily due to new positions added in this category, pension cost increases, and overtime related to strike team deployment. The capital outlay

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

also increased by a net \$5.4 million in Fiscal Year 2016. The expenditures reported in the general government category decreased by \$4.2 million.

At the fiscal year-end June 30, 2015, the City's governmental funds reported a combined fund balance of \$143.2 million, an increase of \$11.8 million or 9%. The majority of the increase was reported in non-major governmental funds of \$10.0 million. The increase in non-major governmental fund is discussed below. The fund balance reported in General Fund increased by \$0.6 million. The increase is due to a combination of factors including an increase in property taxes (\$1.9 million), sales taxes (\$1.1 million) and an increase in transfers out of expenditures related to the writing off of the negative fund balances reported in the Public Works Engineering Fund (\$1.2 million) and Community Development Support Services Fund (\$2.9 million).

At the fiscal year-end June 30, 2014, the City's governmental funds reported a combined fund balance of \$131.3 million, an increase of \$0.06 million. There were no significant changes in revenues and expenditures in the year. The fund balance reported in the General Fund increased by \$3.9 million in Fiscal Year 2014. There were increases reported in property tax revenues (\$1.1 million), sales taxes (\$0.8 million), and charges for services (\$0.2 million); whereas, there were decreases reported in special benefit assessment for operations (\$2.2 million) and other revenues (\$3.7 million). The increase in property taxes and sales taxes are a result of the new construction and the economic recovery. The decrease in special benefit assessment is a result of a one-time distribution in Fiscal Year 2013 resulting from the dissolution of the former Redevelopment Agency of West Sacramento. The decrease in other revenues in Fiscal Year 2014 is a result of the settlement with West Riverview LLC in the prior year related to the mitigation of the Lighthouse Assessment District.

The fund balance reported in the HCD Block Grant Fund increased by \$2.5 million in Fiscal Year 2016. The increase in fund balance can be attributable to an increase in intergovernmental revenue of \$1.2 million related to the Delta Lane affordable housing project and a net decrease in housing rehabilitation expenditures of \$1.4 million. The fund balance reported in HCD Block Grant Fund increased by \$1.2 million to a total reported at \$17.7 million in Fiscal Year 2015. The increase is related to the grant revenue from State of California for the NSP3 Grant of \$1.1 million. The City made loans of that amount and recorded a revenue and receivables. The fund balance reported in the HCD Block Grant Fund decreased by \$5.2 million in Fiscal Year 2014 primarily due to the reclassification of the Bridge Housing loan from this fund to the Low Mod Income Housing Asset Fund.

The fund balance reported in the Low Moderate Income Housing Fund in Fiscal Year 2016 increased by \$0.01 million primarily due to interest earnings in the year. There were no other transactions reported in this fund in the current fiscal year. The fund balance reported in the Low Moderate Income Housing Fund in Fiscal Year 2015 was \$30.9 million, a slight change of \$0.01 million. There were no major changes in the fund balance except interest earning of \$10,000 that was reported in fund balance. The fund balance reported in the Low Moderate Income Housing Fund Asset Fund increased by \$7.4 million in Fiscal Year 2014 was primarily due to the transfer of the assets from the HCD Block Grant Fund. The Low Moderate Income Housing Asset Fund was created in Fiscal Year 2012 to record the housing assets transferred from the former Redevelopment Agency to the City as Successor Agency.

The fund balance in Non-Major Governmental Funds reported in Fiscal Year 2016 was \$51.5 million, a decrease of \$2.7 million. The total Non-Major Special Revenue Funds decreased by \$0.5 million. A majority of the decrease can be attributable to the decrease in permit and development revenues

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

reported in the Community Development Support Services Fund. The total fund balance reported in the Non-Major Capital Improvement Funds was \$2.2 million lower in Fiscal Year 2016. A majority of the decrease can be attributable to the in the Traffic Improvement Fund (\$0.6 million) and Park Improvement Fund (\$1.1 million) primarily due to significant decrease in impact fee revenues.

The fund balance in Non-Major Governmental Funds reported in Fiscal Year 2015 was \$54.2 million, an increase of \$10.0 million. The increase in the non-major fund can be attributed to the intergovernmental revenue reported in the Traffic Improvement Fund (\$6.0 million), Capital Yard one-time impact fee revenue reported in the Park Improvement Fund (\$2.7 million), and transfer of funds from the General Fund to eliminate the negative fund balance in the Public Works Engineering Support Services and Community Development Support Services Funds (\$1.2 million and \$2.9 million, respectively).

The fund balance reported in the Non-Major Governmental Fund decreased by \$5.9 million in Fiscal Year 2014. There were significant decreases reported in the Transit Fund (\$1.9 million), Triangle/Bridge District Fund (\$1.9 million), and Community Facilities District Funds (\$1.5 million). The decrease in the Transit Fund is due to the fact the current year revenues of \$2.9 million were recorded as receivable and deferred due to not being received within the availability period. The decrease in the Triangle/Bridge District Fund and Community Facilities District Funds is primarily due to the use of bond proceeds on capital projects.

Proprietary funds. The net position of the Sewer Fund was \$50.8 million in Fiscal Year 2016, \$50.8 million in Fiscal Year 2015, and \$52.4 million in Fiscal Year 2014. The net position increased by \$0.01 million primarily due to an increase in sewer charges for services and a corresponding increase in the sewer collection and treatment costs. The net position decreased by \$1.3 million in Fiscal Year 2015 primarily due to loss on disposal of capital assets. The City disposed of a number of construction in progress assets that had predevelopment costs that could not be capitalized. The fund balance decrease of \$1.1 million in Fiscal Year 2014 is primarily due to the increases in the sewer treatment services provided by the Sacramento County Sanitation District.

The net position of the Water Fund was \$37.7 million in Fiscal Year 2016, \$37.0 million in Fiscal Year 2015, and \$39.6 million in Fiscal Year 2014. The net increase of \$0.7 million in Fiscal Year 2016 can be attributable to an increase in water charges for services and a decrease in the capital improvement expenditures. The net decrease of net position of \$1.6 million in Fiscal Year 2015 is due to the disposal of construction in progress assets that were predevelopment costs that could not be capitalized. The net increase of \$0.8 million in Fiscal Year 2014 is primarily due to an increase in water service charges.

The net position of the Port Fund was \$37.1 million in Fiscal Year 2016, \$36.7 million in Fiscal Year 2015, and \$37.9 million in Fiscal Year 2014. The net position increased by \$0.5 million Fiscal Year 2016 due to an increase in charges of services and a decrease in operating expenses. The decrease of net position in Fiscal Year 2015 is due to accumulated depreciation on current capital assets. The current revenues are not adequate to fully fund the annual depreciation expense. The decrease of \$0.5 million in Fiscal Year 2014 is primarily due to the total principal outstanding on the loan from P.G.E. for the channel deepening project.

General Fund Budgetary Highlights

The City has historically adopted two budgets. The first is an operational biennial budget that includes operational costs, staffing, vehicles, and minor departmental capital expenditures. The second is a capital improvement program biennial budget approved by City Council separately from the

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

operating budget. The current biennial budget consolidates both the operational and capital improvement budget and was adopted by the City Council as one budget.

Actual capital outlay expenditures were budgeted under each General governmental activity. The final budget for expenditures reported in the General Fund was \$32.0 million lower than actual. The difference in budget to actual is primary due to the delay in construction of the streetcar project that is budgeted (\$27.5 million) and the City's share of the streetcar design (\$3.0 million).

Actual revenues were \$3.5 million higher than the final budget amounts. The actual property taxes exceeded the budget by \$0.6 million while sales taxes exceeded the budget by \$0.5 million. The City projected a 5% increase in property taxes for Fiscal Year 2015; however, the actual property taxes received were 6.7% higher than final budget. Sales taxes remained flat for the General Fund; however, there was a substantial increase in actual sales taxes for the District sales taxes primarily due to the economic recovery. Special benefit assessment for operations exceeded the budget by \$1.8 million. The increase in special benefit assessments for operations is primarily due to the increase in growth in the former redevelopment area that resulted in a higher distribution to the City from the Redevelopment Property Tax Trust Fund.

Capital assets. The City's investment in capital assets, net of depreciation, for its governmental and business-type activities as of June 30, 2016, June 30, 2015, and June 30, 2014 were \$520.2 million, \$514.1 million, and \$508.9 million, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**CAPITAL ASSETS (NET OF DEPRECIATION)
AS OF JUNE 30, 2016, 2015, AND 2014**

	<u>Governmental Activities</u>			<u>Business-type Activities</u>			<u>Totals</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Land	\$25,878,175	\$25,583,175	\$23,833,274	\$12,686,552	\$9,614,824	\$9,614,824	\$38,564,727	\$35,197,999	\$33,448,098
Construction in progress	\$32,875,123	\$17,599,789	\$47,650,390	\$3,108,014	\$1,433,605	\$20,325,259	\$35,983,137	\$19,033,394	\$67,975,649
Buildings and improvements	\$51,649,709	\$53,650,813	\$44,776,682	\$29,915,416	\$31,785,371	\$29,915,271	\$81,565,125	\$85,436,184	\$74,691,953
Machinery and equipment	\$4,776,011	\$3,233,615	\$2,725,165	\$2,817,710	\$1,345,288	\$1,582,447	\$7,593,721	\$4,578,903	\$4,307,612
Infrastructure	\$235,050,760	\$244,995,681	\$213,170,675	\$121,412,281	\$124,840,945	\$115,314,232	\$356,463,041	\$369,836,626	\$328,484,907
TOTAL	<u>\$350,229,778</u>	<u>\$345,063,073</u>	<u>\$332,156,186</u>	<u>\$169,939,973</u>	<u>\$169,020,033</u>	<u>\$176,752,033</u>	<u>\$520,169,751</u>	<u>\$514,083,106</u>	<u>\$508,908,219</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Major capital asset events during the year included governmental infrastructure improvements with the following costs:

- Michael McGowan Bridge construction increase of \$1.0 million,
- Village Parkway North Extension from McGowan Bridge to Stonegate increase of \$4.4 million,
- Westfield Pavement Rehabilitation increase of \$1.8 million,
- Joey Lopes Park of increase of \$3.2 million, and
- Alternate Power Source (Solar Project) increase of \$2.6 million

Business-type activities of capital improvements included \$0.3 million for the Sewer Master Plan Study and \$0.3 million for the Water Master Plan Study.

More detail of the capital assets and current transactions can be found in Note 6 of the Financial Statements.

Long-term debt. The City's debt financing of capital assets for its governmental and business-type activities as of June 30, 2016, amounts to \$18.8 million and \$62.2 million, respectively, for a total of \$81.0 million.

More detail of the long-term liabilities and current transactions can be found in Note 7 of the Financial Statements.

Economic Outlook

We believe for Fiscal Year 2017, the City will receive the property tax revenues as budgeted; however, there may be a very minimal growth in revenues in the next biennial budget. The City's expenditures related to employee salaries and benefits and operations and maintenance continues to increase at a higher rate. The City will review the outlook for revenues and expenditures are part of the next biennial budget. The City's has experienced a slight decline in sales tax revenues reported in the General Fund in the first quarter of 2016 primarily due to the full impact of the loss of HD Supply and Macys.com.

Requests for Information

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. If you have any questions about this report, need additional financial information, or would like to obtain component unit financial statements, contact the City of West Sacramento Administrative Services Department, 1110 West Capitol Avenue, West Sacramento, CA 95691, or visit the City's web page at www.cityofwestsacramento.org.

CITY OF WEST SACRAMENTO

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The statement of net position and the statement of activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets, liabilities, revenues and expenses, as well as deferred outflows of resources and deferred inflows of resources. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The statement of net position reports the difference

between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The statement of net position presents similar information to the old balance sheet format, but presents it in a way that focuses the reader on the composition of the City's net position, by subtracting total liabilities and deferred inflows of resources from total assets and deferred outflows of resources.

The statement of net position summarizes the financial position of all of the City's governmental activities in a single column, and the financial position of all the City's business-type activities in a single column; these columns are followed by a total column that presents the financial position of the entire City.

The City's governmental activities include the activities of its General Fund, along with all its special revenue, capital projects and debt service Funds. The City's business-type activities include all its enterprise fund activities.

The statement of activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, deferred outflows, liabilities and deferred inflows, available revenues and measurable expenditures.

The format of the statement of activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the governmental activities or business-type activities column, as appropriate, and the change in net position is computed and reconciled with the statement of net position.

These financial statements along with the fund financial statements and footnotes are called *basic financial statements*.

CITY OF WEST SACRAMENTO
STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$83,175,243	\$22,876,537	\$106,051,780
Receivables:			
Accounts receivable and other assets	656,777	7,492,147	8,148,924
Interest receivable	4,949,084		4,949,084
Notes receivable	49,148,042	633,139	49,781,181
Grants receivable	3,026,769		3,026,769
Prepaid expenses	86,057	5,580	91,637
Internal balances	3,606,097	(3,606,097)	
Due from other governments	12,012,562	42,025	12,054,587
Restricted assets:			
Cash and investments	1,900,000	116,350	2,016,350
Cash and investments with fiscal agents	417,479	984,725	1,402,204
Land held for resale	3,220,184		3,220,184
Capital assets:			
Not being depreciated	58,753,298	15,794,566	74,547,864
Being depreciated, net	291,476,480	154,145,407	445,621,887
Total Assets	<u>512,428,072</u>	<u>198,484,379</u>	<u>710,912,451</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding of debt	513,342	2,573,359	3,086,701
Deferred wastewater plant decommissioning costs		7,328,793	7,328,793
Pensions	6,510,043	531,025	7,041,068
Total Deferred Outflows of Resources	<u>7,023,385</u>	<u>10,433,177</u>	<u>17,456,562</u>
LIABILITIES			
Accounts payable	2,332,116	1,282,158	3,614,274
Salaries and benefits payable	2,823,421	173,051	2,996,472
Interest payable	199,402	688,131	887,533
Internal balances			
Due to other governments	313,161	1,896,525	2,209,686
Refundable deposits	1,273,327	139,466	1,412,793
Unearned revenue	508,740		508,740
Noncurrent liabilities, due within one year	4,406,227	3,147,748	7,553,975
Noncurrent liabilities, due after one year	79,499,588	72,641,011	152,140,599
Total Liabilities	<u>91,355,982</u>	<u>79,968,090</u>	<u>171,324,072</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amount on refunding of debt		271,366	271,366
Service concession arrangement		834,108	834,108
Pensions	5,848,702	330,114	6,178,816
Total Deferred Inflows of Resources	<u>5,848,702</u>	<u>1,435,588</u>	<u>7,284,290</u>
NET POSITION			
Net investment in capital assets	332,044,492	107,080,192	439,124,684
Restricted for:			
Housing rehabilitation	57,784,690		57,784,690
Street, road and drainage projects	18,492,930		18,492,930
Community development	6,999,421		6,999,421
Capital projects	6,297,101	984,725	7,281,826
Parks and recreation	2,184,965		2,184,965
Public safety	1,356,475		1,356,475
Debt service	1,213,515	116,350	1,329,865
Information Technology	76,813		76,813
Unrestricted	(4,203,629)	19,332,611	15,128,982
Total Net Position	<u>\$422,246,773</u>	<u>\$127,513,878</u>	<u>\$549,760,651</u>

See accompanying notes to financial statements

CITY OF WEST SACRAMENTO
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Business-type Activities
Governmental Activities:							
General government	\$8,404,122	\$2,984,291	\$5,726,525	\$1,018,548	\$1,325,242	\$1,325,242	
Public works	19,520,556	3,040,542	6,041,257	809,893	(9,628,864)	(9,628,864)	
Public safety	34,171,324	748,294	493,955	178,520	(32,750,555)	(32,750,555)	
Community development	7,001,512	2,883,821	1,090,419	2,967,458	(59,814)	(59,814)	
Landscaping and street lighting	2,323,021	290	3,027,761	127,501	832,531	832,531	
Culture and recreation	9,193,855	2,723,351	3,226,964	322,339	(2,921,201)	(2,921,201)	
Housing rehabilitation	583,583	167,064	2,725,023		2,308,504	2,308,504	
Interest on long term debt	959,831				(959,831)	(959,831)	
Total Governmental Activities	<u>82,157,804</u>	<u>12,547,653</u>	<u>22,331,904</u>	<u>5,424,259</u>	<u>(41,853,988)</u>	<u>(41,853,988)</u>	
Business-type Activities:							
Sewer	12,010,197	11,612,965	59,539		(\$337,693)	(337,693)	
Water	11,283,460	10,719,374	87,533		(476,553)	(476,553)	
Port	3,110,879	2,267,973	405,600		(437,306)	(437,306)	
Refuse	7,045,719	7,151,138			105,419	105,419	
Total Business-type Activities	<u>33,450,255</u>	<u>31,751,450</u>	<u>552,672</u>		<u>(1,146,133)</u>	<u>(1,146,133)</u>	
Total	<u>\$115,608,059</u>	<u>\$44,299,103</u>	<u>\$22,884,576</u>	<u>\$5,424,259</u>	<u>(41,853,988)</u>	<u>(1,146,133)</u>	<u>(43,000,121)</u>
General revenues:							
Taxes:							
Property					22,423,726	22,423,726	
Sales					24,033,719	24,033,719	
Transient occupancy					1,420,991	1,420,991	
Other					1,756,305	1,756,305	
Intergovernmental, unrestricted					64,765	99,500	164,265
Investment earnings					2,214,583	219,040	2,433,623
Miscellaneous					208,632	52,709	261,341
Gains on sale of capital assets						882,360	882,360
Transfers					(1,201,051)	1,201,051	
Total general revenues and transfers					<u>50,921,670</u>	<u>2,454,660</u>	<u>53,376,330</u>
Change in Net Position					9,067,682	1,308,527	10,376,209
Net Position - Beginning					<u>413,179,091</u>	<u>126,205,351</u>	<u>539,384,442</u>
Net Position-Ending					<u>\$422,246,773</u>	<u>\$127,513,878</u>	<u>\$549,760,651</u>

See accompanying notes to financial statements

CITY OF WEST SACRAMENTO

FUND FINANCIAL STATEMENTS

Fund financial statements are presented by individual major funds, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year.

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be major funds by the City. Individual non-major funds may be found in the Supplemental section.

GENERAL FUND – to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as police protection, planning, engineering, public works operations and maintenance, and legal and administrative services.

HCD BLOCK GRANT SPECIAL REVENUE FUND – to account for revenues and the associated expenditures of appropriated HCD Block Grant funds, which are specifically restricted to benefit low-income persons by eliminating substandard housing throughout the community.

LOW MOD INCOME HOUSING ASSET SPECIAL REVENUE FUND – to account for the activities of the housing assets of the former Redevelopment Agency of the City of West Sacramento, including loans receivable and payments thereon, state and federal grants and reimbursements from other agencies received for low income housing activities as allowed by AB 1484. The City must use the assets for low and moderate income housing activities and must share 20% of the unencumbered loan repayments with the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund in accordance with AB 1484.

CITY OF WEST SACRAMENTO
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2016

	Special Revenue Funds				Total Governmental Funds
	General Fund	HCD Block Grant Fund	Low Mod Income Housing Asset Fund	Non-Major Governmental Funds	
ASSETS					
Cash and investments	\$27,095,678	\$2,467,857	\$321,292	\$53,290,416	\$83,175,243
Receivables:					
Accounts receivable and other assets	462,956			193,821	656,777
Interest receivable	142,219	2,368,246	8,909,771	51,320	11,471,556
Notes receivable	360,023	17,789,578	30,563,686	434,755	49,148,042
Grants receivable				3,026,769	3,026,769
Prepaid expenses	80,099			5,958	86,057
Due from other funds	558,000			20,000	578,000
Due from other governments	7,980,596	8,836		4,780,923	12,770,355
Advances to other funds	5,692,198			7,608,990	13,301,188
Restricted assets:					
Cash and investments	1,900,000				1,900,000
Cash and investments with fiscal agents				417,479	417,479
Land held for resale	3,220,184				3,220,184
Total Assets	<u>\$47,491,953</u>	<u>\$22,634,517</u>	<u>\$39,794,749</u>	<u>\$69,830,431</u>	<u>\$179,751,650</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Accounts payable	\$370,017	\$19,870		\$1,942,229	\$2,332,116
Salaries and benefits payable	2,294,153	2,234		527,034	2,823,421
Due to other funds				578,000	578,000
Due to other governments	268,298			44,863	313,161
Refundable deposits	50,711			1,222,616	1,273,327
Unearned revenue				508,740	508,740
Compensated absences	291,852				291,852
Advances from other funds	3,106,661			6,588,430	9,695,091
Total Liabilities	<u>6,381,692</u>	<u>22,104</u>		<u>11,411,912</u>	<u>17,815,708</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	817,927	2,362,732	\$8,909,772	6,915,365	19,005,796
Total Deferred Inflows of Resources	<u>817,927</u>	<u>2,362,732</u>	<u>8,909,772</u>	<u>6,915,365</u>	<u>19,005,796</u>
FUND BALANCES					
Fund balances:					
Nonspendable	9,352,504	17,789,578	30,563,686	8,049,703	65,755,471
Restricted	1,900,000	2,460,103	321,291	30,303,108	34,984,502
Committed	9,292,544			20,000,925	29,293,469
Assigned	3,716,303			331,924	4,048,227
Unassigned	16,030,983			(7,182,506)	8,848,477
Total Fund Balances	<u>40,292,334</u>	<u>20,249,681</u>	<u>30,884,977</u>	<u>51,503,154</u>	<u>142,930,146</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$47,491,953</u>	<u>\$22,634,517</u>	<u>\$39,794,749</u>	<u>\$69,830,431</u>	<u>\$179,751,650</u>

See accompanying notes to financial statements

CITY OF WEST SACRAMENTO
 Reconciliation of the
 GOVERNMENTAL FUNDS -- BALANCE SHEET
 with the
 STATEMENT OF NET POSITION
 June 30, 2016

Total fund balances reported on the governmental funds balance sheet	\$142,930,146
Amounts reported for governmental activities in the statement of net position are different because:	
CAPITAL ASSETS	
Capital assets used in governmental activities are not current assets or financial resources and, therefore, are not reported in the governmental funds.	350,229,778
PENSIONS	
Pension contributions subsequent to the plan's measurement date will reduce the pension liability in the future and are reported as deferred outflows of resources on the statement of net position.	6,510,043
LONG TERM RECEIVABLES	
Long-term receivables are not available to pay current period expenditures and therefore are deferred in the governmental funds. An allowance for uncollectible accounts is needed in the government-wide statement of net position due to uncertainty as to the collectability of the receivables:	
Recognize deferred inflows on long-term receivables	19,005,796
Less: Allowance for uncollectible accounts for:	
State mandates receivable	(757,793)
Interest receivable	(6,522,472)
LONG TERM ASSETS AND LIABILITIES	
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. Those liabilities consist of:	
Deferred amount on refunding of debt	513,342
Interest payable accrued on long-term liabilities	(199,402)
Long-term liabilities	(25,205,138)
Compensated absences not accrued in governmental funds	(3,217,059)
Net pension liability	(55,191,766)
PENSIONS	
Net differences between projected and actual earnings on pension plan investments are reported as deferred inflows of resources on the statement of net position.	<u>(5,848,702)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$422,246,773</u></u>

See accompanying notes to financial statements

CITY OF WEST SACRAMENTO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2016

	Special Revenue Funds				Total Governmental Funds
	General	HCD Block Grant Fund	Low Mod Income Housing Asset Fund	Non-Major Governmental Funds	
REVENUES					
Taxes:					
Property	\$22,423,726				\$22,423,726
Sales and use	24,033,719				24,033,719
Transient occupancy	1,420,991				1,420,991
Real property transfer	227,482				227,482
Special benefit assessment for operations	5,354,526			\$3,235,646	8,590,172
Contributions from developers and homeowners	480,289			5,525,247	6,005,536
Franchise fees	888,612			363,378	1,251,990
Fees, licenses and permits	10,437			2,933,944	2,944,381
Fines and forfeitures	247,096			38,429	285,525
Use of money and property	329,527	\$190,316	\$25,183	531,286	1,076,312
Intergovernmental	506,580	2,725,023		8,102,876	11,334,479
Charges for services	1,821,007	146,567		5,574,618	7,542,192
Other revenues	863,527	20,497		1,355,582	2,239,606
Total Revenues	<u>58,607,519</u>	<u>3,082,403</u>	<u>25,183</u>	<u>27,661,006</u>	<u>89,376,111</u>
EXPENDITURES					
Current:					
General government	6,436,510			366,836	6,803,346
Public works	1,644,014			9,280,462	10,924,476
Public safety	32,676,574			1,478,064	34,154,638
Community development				6,895,932	6,895,932
Landscaping and street lighting				2,314,817	2,314,817
Culture and recreation	7,483,609			605,607	8,089,216
Housing rehabilitation		592,805			592,805
Capital outlay	55,510			18,284,295	18,339,805
Debt service:					
Principal payments				2,686,439	2,686,439
Debt issuance costs				34,563	34,563
Interest and fiscal charges				922,471	922,471
Total Expenditures	<u>48,296,217</u>	<u>592,805</u>		<u>42,869,486</u>	<u>91,758,508</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>10,311,302</u>	<u>2,489,598</u>	<u>25,183</u>	<u>(15,208,480)</u>	<u>(2,382,397)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	2,757			19,005	21,762
Issuance of capital leases and loans				3,322,763	3,322,763
Transfers in	595,263	14,246		16,205,555	16,815,064
Transfers (out)	(11,015,539)			(7,000,576)	(18,016,115)
Total Other Financing Sources (Uses)	<u>(10,417,519)</u>	<u>14,246</u>		<u>12,546,747</u>	<u>2,143,474</u>
NET CHANGE IN FUND BALANCES	<u>(106,217)</u>	<u>2,503,844</u>	<u>25,183</u>	<u>(2,661,733)</u>	<u>(238,923)</u>
BEGINNING FUND BALANCES	<u>40,398,551</u>	<u>17,745,837</u>	<u>30,859,794</u>	<u>54,164,887</u>	<u>143,169,069</u>
ENDING FUND BALANCES	<u>\$40,292,334</u>	<u>\$20,249,681</u>	<u>\$30,884,977</u>	<u>\$51,503,154</u>	<u>\$142,930,146</u>

See accompanying notes to financial statements

CITY OF WEST SACRAMENTO
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	(\$238,923)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets when completed is allocated over their estimated useful lives as depreciation expense. These are the changes in capital assets during the year.	
Capital outlay expense	18,339,805
Depreciation expense	(12,855,808)
Governmental funds report proceeds from disposal of capital assets as revenues. However, in the government-wide statement of activities only the gain or (loss) on the sale of capital assets is reported. This is the difference between the gain or (loss) and proceeds.	
	(317,292)
Repayment of principal is an expenditure in the governmental funds, or as an other financing use when debt is refunded in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal payments on long-term liabilities	2,686,439
Issuance of long-term debt, is reported as other financing sources in the governmental funds and thus, increases fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.	
	(3,322,763)
Forgiveness of loan principal is not reflected in the governmental funds because it does not represent current financial resources, but it is a special item that increases net position in the statement of activities.	
Some expenses reported in the government-wide statement of activities do not require the use of current financial resources and therefore are not expenditures in the governmental funds.	
Amortization of deferred amounts on refunding	(42,778)
Change in deferred outflows of resources related to pension plans	1,001,153
Change in accrued interest payable	5,418
Change in compensated absences not reported in the General Fund	187,181
Change in net pension liability	(5,292,489)
Change in deferred inflows of resources related to pension plan	6,296,186
Some receivables are deferred in the governmental funds because the amounts do not represent current financial resources that are recognized under the accrual basis in the statement of activities. An allowance for uncollectible accounts is needed in the government-wide statement of net position due to the uncertainty as to the collectability of the receivables. Amounts below represent changes in the amounts below.	
Change in allowance for state mandates receivable	100,718
Change in allowance for interest receivable	(529,590)
Deferred inflows - unavailable revenues recognized	3,050,425
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$9,067,682

See accompanying notes to financial statements

CITY OF WEST SACRAMENTO
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
Property	\$21,348,164	\$21,829,543	\$22,423,726	\$594,183
Sales and use	23,524,976	23,524,976	24,033,719	508,743
Transient occupancy	1,116,500	1,116,500	1,420,991	304,491
Real property transfer	139,175	139,175	227,482	88,307
Special benefit assessment for operations	3,500,000	3,500,000	5,354,526	1,854,526
Contributions from developers and homeowners	118,000	194,500	480,289	285,789
Franchise fees	765,000	765,000	888,612	123,612
Fees, licenses and permits	13,748	14,788	10,437	(4,351)
Fines and forfeitures	122,000	122,000	247,096	125,096
Use of money and property	108,035	108,035	329,527	221,492
Intergovernmental	311,442	311,442	506,580	195,138
Charges for services	1,449,970	1,449,970	1,821,007	371,037
Other revenues	418,001	2,037,146	863,527	(1,173,619)
Total Revenues	<u>52,935,011</u>	<u>55,113,075</u>	<u>58,607,519</u>	<u>3,494,444</u>
EXPENDITURES:				
Current:				
General government	1,266,579	37,390,463	6,436,510	30,953,953
Public works	1,700,111	1,717,012	1,644,014	72,998
Public safety	33,221,644	32,678,094	32,676,574	1,520
Culture and recreation	7,281,077	7,294,937	7,483,609	(188,672)
Capital outlay			55,510	(55,510)
Debt service:				
Interest and fiscal charges		1,195,194		1,195,194
Total Expenditures	<u>43,469,411</u>	<u>80,275,700</u>	<u>48,296,217</u>	<u>31,979,483</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>9,465,600</u>	<u>(25,162,625)</u>	<u>10,311,302</u>	<u>35,473,927</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets			2,757	2,757
Transfers in	1,847,122	595,286	595,263	(23)
Transfers (out)	<u>(4,406,346)</u>	<u>(10,895,007)</u>	<u>(11,015,539)</u>	<u>(120,532)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,559,224)</u>	<u>(10,299,721)</u>	<u>(10,417,519)</u>	<u>(117,798)</u>
NET CHANGE IN FUND BALANCE				
	<u>\$6,906,376</u>	<u>(\$35,462,346)</u>	(106,217)	<u>\$35,356,129</u>
BEGINNING FUND BALANCE			<u>40,398,551</u>	
ENDING FUND BALANCE			<u>\$40,292,334</u>	

See accompanying notes to financial statements

CITY OF WEST SACRAMENTO
HCD BLOCK GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Use of money and property	\$37,990	\$38,340	\$190,316	\$151,976
Intergovernmental		2,597,637	2,725,023	127,386
Charges for services	200,939	200,939	146,567	(54,372)
Other revenues			20,497	20,497
Total Revenues	<u>238,929</u>	<u>2,836,916</u>	<u>3,082,403</u>	<u>245,487</u>
EXPENDITURES:				
Current:				
Housing rehabilitation	4,287,864	4,720,413	592,805	4,127,608
Total Expenditures	<u>4,287,864</u>	<u>4,720,413</u>	<u>592,805</u>	<u>4,127,608</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,048,935)</u>	<u>(1,883,497)</u>	<u>2,489,598</u>	<u>4,373,095</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets				
Transfers in	14,246	14,246	14,246	
Transfers (out)	356,173			
TOTAL OTHER FINANCING SOURCES (USES)	<u>370,419</u>	<u>14,246</u>	<u>14,246</u>	
NET CHANGE IN FUND BALANCE	<u>(\$3,678,516)</u>	<u>(\$1,869,251)</u>	2,503,844	<u>\$4,373,095</u>
BEGINNING FUND BALANCE			<u>17,745,837</u>	
ENDING FUND BALANCE			<u>\$20,249,681</u>	

See accompanying notes to financial statements

MAJOR PROPRIETARY FUNDS

Proprietary Funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City has identified the funds below as major proprietary funds.

SEWER FUND – to account for sanitary sewer services provided to the citizens of West Sacramento. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, treatment, maintenance, capital improvement, and billing and collection.

WATER FUND – to account for all activities associated with the acquisition or construction, operation and maintenance, distribution and transmission of potable water to users.

PORT FUND – to account for all activities associated with the Sacramento-Yolo Port District, which operates the Port of Sacramento.

REFUSE FUND – to account for all activities associated with the collection and disposal of solid waste.

CITY OF WEST SACRAMENTO
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 June 30, 2016

	Business-type Activities-Enterprise Funds				Total Proprietary Funds
	Major				
	Sewer Fund	Water Fund	Port Fund	Refuse Fund	
ASSETS					
Current Assets:					
Cash and investments	\$8,902,609	\$11,387,326	\$1,107,284	\$1,479,318	\$22,876,537
Receivables:					
Accounts receivable and other assets	1,719,573	1,367,116	3,433,751	971,707	7,492,147
Grants receivable					
Prepaid expenses	2,467	3,113			5,580
Due from other governments	17,406	16,235		8,384	42,025
Restricted assets:					
Cash and investments	116,350				116,350
Cash and investments with fiscal agents		984,725			984,725
Total Current Assets	10,758,405	13,758,515	4,541,035	2,459,409	31,517,364
Noncurrent Assets:					
Notes receivable	618,240	14,899			633,139
Capital assets:					
Not being depreciated	2,233,127	3,503,801	10,057,638		15,794,566
Being depreciated, net	41,306,631	80,330,614	32,508,162		154,145,407
Total Noncurrent Assets	44,157,998	83,849,314	42,565,800		170,573,112
Total Assets	54,916,403	97,607,829	47,106,835	2,459,409	202,090,476
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refunding of debt		2,573,359			2,573,359
Deferred wastewater plant decommissioning costs	7,328,793				7,328,793
Pensions	132,896	336,246	61,883		531,025
Total Deferred Outflows of Resources	7,461,689	2,909,605	61,883		10,433,177
LIABILITIES					
Current Liabilities:					
Accounts payable	131,798	544,150	11,164	595,046	1,282,158
Salaries and benefits payable	47,831	104,010	21,210		173,051
Interest payable	8,636	644,510	34,985		688,131
Due to other governments	1,880,445	15,242	838		1,896,525
Refundable deposits	35,808	75,367		28,291	139,466
Noncurrent liabilities, due within one year	271,304	1,958,880	917,564		3,147,748
Total Current Liabilities	2,375,822	3,342,159	985,761	623,337	7,327,079
Noncurrent Liabilities:					
Advance from other funds			3,606,097		3,606,097
Noncurrent liabilities, due after one year	9,100,932	58,939,262	4,600,817		72,641,011
Total Noncurrent Liabilities	9,100,932	58,939,262	8,206,914		76,247,108
Total Liabilities	11,476,754	62,281,421	9,192,675	623,337	83,574,187
DEFERRED INFLOWS OF RESOURCES					
Deferred amount on refunding of debt		271,366			271,366
Service concession arrangement			834,108		834,108
Pensions	73,627	219,674	36,813		330,114
Total Deferred Inflows of Resources	73,627	491,040	870,921		1,435,588
NET POSITION					
Net investment in capital assets	41,911,874	25,393,236	39,775,082		107,080,192
Restricted for:					
Capital projects		984,725			984,725
Debt service	116,350				116,350
Unrestricted	8,799,487	11,367,012	(2,669,960)	1,836,072	19,332,611
Total Net Position	\$50,827,711	\$37,744,973	\$37,105,122	\$1,836,072	\$127,513,878

See accompanying notes to financial statements

CITY OF WEST SACRAMENTO
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 For the Year Ended June 30, 2016

	Business-type Activities-Enterprise Funds				Total Proprietary Funds
	Major				
	Sewer Fund	Water Fund	Port Fund	Refuse Fund	
OPERATING REVENUES					
Charges for current services	\$11,539,426	\$10,497,780	\$2,216,697	\$7,151,138	\$31,405,041
Connection fees	73,942	130,661			204,603
Other operating revenues	(403)	90,933	51,276		141,806
Total Operating Revenues	<u>11,612,965</u>	<u>10,719,374</u>	<u>2,267,973</u>	<u>7,151,138</u>	<u>31,751,450</u>
OPERATING EXPENSES					
Salaries and benefits	1,482,128	2,927,165	461,910	266,676	5,137,879
Operations and maintenance	8,930,230	2,758,430	668,540	6,779,043	19,136,243
Depreciation and amortization	1,568,720	3,204,063	1,580,950		6,353,733
Total Operating Expenses	<u>11,981,078</u>	<u>8,889,658</u>	<u>2,711,400</u>	<u>7,045,719</u>	<u>30,627,855</u>
Operating Income (Loss)	<u>(368,113)</u>	<u>1,829,716</u>	<u>(443,427)</u>	<u>105,419</u>	<u>1,123,595</u>
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental		99,500			99,500
Interest revenue	87,092	100,457	13,938	17,553	219,040
Gain (loss) on disposal of capital assets	158	4,740	877,462		882,360
Other nonoperating revenues	59,539	87,533	405,600	52,709	605,381
Other nonoperating expenses			(256,000)		(256,000)
Debt issuance costs		(11,521)			(11,521)
Interest expense	(29,119)	(2,382,281)	(143,479)		(2,554,879)
Total Nonoperating Revenues (Expenses)	<u>117,670</u>	<u>(2,101,572)</u>	<u>897,521</u>	<u>70,262</u>	<u>(1,016,119)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(250,443)</u>	<u>(271,856)</u>	<u>454,094</u>	<u>175,681</u>	<u>107,476</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Transfers in	332,909	1,021,378			1,354,287
Transfers (out)	(68,000)	(10,236)		(75,000)	(153,236)
Net Capital Contributions and Transfers	<u>264,909</u>	<u>1,011,142</u>		<u>(75,000)</u>	<u>1,201,051</u>
Change in Net Position	<u>14,466</u>	<u>739,286</u>	<u>454,094</u>	<u>100,681</u>	<u>1,308,527</u>
NET POSITION, BEGINNING	<u>50,813,245</u>	<u>37,005,687</u>	<u>36,651,028</u>	<u>1,735,391</u>	<u>126,205,351</u>
ENDING NET POSITION	<u>\$50,827,711</u>	<u>\$37,744,973</u>	<u>\$37,105,122</u>	<u>\$1,836,072</u>	<u>\$127,513,878</u>

See accompanying notes to financial statements

CITY OF WEST SACRAMENTO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 For the Year Ended June 30, 2016

	Business-type Activities-Enterprise Funds				Total Proprietary Funds
	Major				
	Sewer Fund	Water Fund	Port Fund	Refuse Fund	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$11,423,481	\$10,710,143	\$2,669,894	\$7,627,996	\$32,431,514
Payments to suppliers	(8,089,104)	(2,333,421)	(654,431)	(7,944,716)	(19,021,672)
Payments to employees	(1,451,886)	(2,954,284)	(448,080)	(12,920)	(4,867,170)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,882,491</u>	<u>5,422,438</u>	<u>1,567,383</u>	<u>(329,640)</u>	<u>8,542,672</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental		99,500			99,500
Transfers and subsidies from other funds	332,909	1,021,378	2,050,000		3,404,287
Transfers to other funds	(68,000)	(10,236)		(75,000)	(153,236)
Service concession amortization			(77,431)		(77,431)
Noncapital financing received	59,539	87,533	405,600	52,709	605,381
Option payment to successor agency			(256,000)		(256,000)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>324,448</u>	<u>1,198,175</u>	<u>2,122,169</u>	<u>(22,291)</u>	<u>3,622,501</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Repayments of notes receivable	46,049	(14,899)			31,150
Purchases of capital assets	(929,845)	(3,098,100)	(2,368,266)		(6,396,211)
Cash received on disposal of capital assets	158	4,740			4,898
Proceeds from long-term liabilities	652,111	1,238,920			1,891,031
Issuance costs		(11,521)			(11,521)
Principal payments on long-term liabilities	(313,786)	(1,813,757)	(889,218)		(3,016,761)
Interest paid	(20,483)	(2,597,930)	(145,581)		(2,763,994)
Capital contributions			62,984		62,984
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(565,796)</u>	<u>(6,292,547)</u>	<u>(3,340,081)</u>		<u>(10,198,424)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	87,092	100,457	13,938	17,553	219,040
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>87,092</u>	<u>100,457</u>	<u>13,938</u>	<u>17,553</u>	<u>219,040</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,728,235	428,523	363,409	(334,378)	2,185,789
Cash and Cash Equivalents, Beginning of the Year	7,290,724	11,943,528	743,875	1,813,696	21,791,823
Cash and Cash Equivalents, End of the Year	<u>\$9,018,959</u>	<u>\$12,372,051</u>	<u>\$1,107,284</u>	<u>\$1,479,318</u>	<u>\$23,977,612</u>
Reconciliation:					
Cash and investments	\$8,902,609	\$11,387,326	\$1,107,284	\$1,479,318	\$22,876,537
Restricted assets:					
Cash and investments	116,350				116,350
Cash and investments with fiscal agents		984,725			984,725
Total Cash and Cash Equivalents	<u>\$9,018,959</u>	<u>\$12,372,051</u>	<u>\$1,107,284</u>	<u>\$1,479,318</u>	<u>\$23,977,612</u>

(Continued)

CITY OF WEST SACRAMENTO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (CONTINUED)
 For the Year Ended June 30, 2016

	Business-type Activities-Enterprise Funds				Total Proprietary Funds
	Major				
	Sewer Fund	Water Fund	Port Fund	Refuse Fund	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(\$368,113)	\$1,829,716	(\$443,427)	\$105,419	\$1,123,595
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	1,568,720	3,204,063	1,580,950		6,353,733
Other income amortized			(82,468)		(82,468)
Changes in assets and liabilities:					
Decrease (increase) in accounts receivable	(203,364)	(5,583)	484,389	478,415	753,857
Decrease (increase) in due from other governments	13,880	(3,648)		(1,557)	8,675
Increase (decrease) in prepaid expenses	(59)	(881)			(940)
Increase (decrease) in accounts payable	75,031	411,454	(875)	(920,410)	(434,800)
Increase (decrease) in due to other governments	818,257	15,242	838		834,337
Increase (decrease) in salaries and benefits payable	30,242	(27,119)	13,830		16,953
Increase (decrease) in refundable deposits	10,728	2,895		8,493	22,116
Increase (decrease) in net pension liability and related deferred inflows and outflows of resources	(62,831)	(3,701)	14,146		(52,386)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$1,882,491</u>	<u>\$5,422,438</u>	<u>\$1,567,383</u>	<u>(\$329,640)</u>	<u>\$8,542,672</u>

SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES

Amortization of deferred inflows of resources		(\$159,899)
Amortization of deferred amount on refunding	\$60,208	
Amortization of discounts and premiums on debt	(\$263,527)	
Fair value adjustment on land swap		\$887,462

See accompanying notes to financial statements

FIDUCIARY FUNDS

Private-Purpose Trust Funds are used to account for fiduciary activities not required to be reported in another fiduciary fund type. The City's private purpose trust funds are used to account for two trusts that include a scholarship fund where the principal and interest will benefit City and/or individuals, and the activities of the Successor Agency to the City of West Sacramento Redevelopment Agency that assumed the remaining assets and liabilities of the City of West Sacramento Redevelopment Agency when it was dissolved on January 31, 2012.

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the entity – wide financial statements, but are presented in separate fiduciary fund financial statements.

CITY OF WEST SACRAMENTO
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 June 30, 2016

	Private-Purpose Trust Funds	Agency Funds
ASSETS		
Cash and investments in City Treasury	\$8,807,014	\$16,668,168
Accounts receivable and other assets		38,726
Prepays	1,853	
Grants receivable		27,366,333
Due from other governments		759,968
Restricted assets:		
Cash and investments with fiscal agent	235	19,879,967
Capital assets:		
Not being depreciated	1,151,308	
Total Assets	9,960,410	\$64,713,162
LIABILITIES		
Accounts payable	24	\$2,955,307
Refundable deposits	11,358	
Interest payable	1,379,680	
Due to other governments		33,897,172
Due for special assessment debt service		27,860,683
Noncurrent liabilities, due within one year	4,685,429	
Noncurrent liabilities, due after one year	90,794,833	
Total Liabilities	96,871,324	\$64,713,162
NET POSITION (DEFICIT) HELD IN TRUST FOR OTHERS	(\$86,910,914)	

See accompanying notes to financial statements

CITY OF WEST SACRAMENTO
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 For the Year Ended June 30, 2016

	<u>Private-Purpose Trust Funds</u>
ADDITIONS:	
Taxes:	
Property taxes	\$8,507,379
Fees, licenses and permits	3,978
Use of money and property	48,055
Gain on sale of capital assets	829,689
	<u>9,389,101</u>
Total Additions	
DEDUCTIONS:	
Community Development	2,044,300
Debt service:	
Interest and fiscal charges	4,215,362
	<u>6,259,662</u>
Total Deductions	
Change in Net Position	3,129,439
BENINNING NET POSITION	<u>(90,040,353)</u>
ENDING NET POSITION	<u><u>(\$86,910,914)</u></u>

See accompanying notes to financial statements

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of West Sacramento, California (the City) was incorporated in 1987 under the laws and regulations of the State of California. The City operates under a City Manager - Council form of government and provides the following services: general administration, highways and streets, public improvements, public safety (Police and Fire), planning and zoning, culture and recreation, housing rehabilitation, sewer, water, port operations, and solid waste. The voters of the City give authority and responsibility for operations to the City Council. 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 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. The City applies all GASB pronouncements. The more significant of these accounting policies are described below:

A. *Reporting Entity*

The City operates as a self-governing local government unit within the State of California. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. Voters elect a five member City Council, elected at large to four-year overlapping terms, that passes laws and determines broad policies. The Council also oversees the operations of the City and approves all budgets, fund transfers and fund balance reserves. The City's main funding sources include property taxes, sales taxes, other intergovernmental revenue from state and federal sources, user fees, developer fees and federal and state financial assistance.

The financial reporting entity consists of (a) the primary government, the City, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (a) the City has the ability to impose its will on the organization or (b) there is a potential for the organization to provide a financial benefit to or impose a financial burden on the City.

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government.

The City's reporting entity includes the following blended component units:

The **West Sacramento Landscaping and Lighting District #1** (WSLLC) provides street lighting, landscape and park maintenance, construction and operation services for property within the City. The WSLLC governing board is comprised of the City Council members. Fees are set

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

each year by the City Council and are collected by Yolo County on the regular property tax bill. WSLLC is reported as a blended component unit because the City may impose its will on the WSLLC and it has the potential to provide financial benefits or burdens to the City. The WSLLC is reported as a special revenue fund. No separate financial statements are issued.

The **West Sacramento Financing Authority** (the Authority) was formed on August 1, 1991, by a joint exercise of powers agreement between the City and the former Redevelopment Agency, which was dissolved on January 31, 2012. The City Council acts as the governing board in a concurrent session, as necessary. The City's Director of Finance acts as the Authority's Treasurer, Auditor and Controller. The Authority's purpose is to assist only the City in financing certain improvement projects within the City. The Authority does not have any asset or liabilities and is financially dependent upon the City. Its activity has been blended with the appropriate City funds. No separate financial statements are issued.

The **Sacramento-Yolo Port District** (the Port) was formed under the California Harbors and Navigation Code Section 6800 et seq. in 1947 to operate the Port of Sacramento, a deep-water port opened to commerce in 1963. The Port is 79 nautical miles inland of the Golden Gate and possesses a comprehensive infrastructure with flexible bulk and general cargo handling facilities. Prior to the change in governance described below, the Port Commission was made up of 7 members, two of which were appointed by the City Council of the City of Sacramento and Board of Supervisors of the County of Sacramento and County of Yolo, with one member appointed by the City Council of the City of West Sacramento. On December 5, 2005, the Port Commission approved governing changes to the composition of the Port Commission, which resulted in the City having the authority to appoint four of seven of the Port Commission members rather than one of seven members prior to the change. These governing changes were approved by the City Councils of the City of West Sacramento and the City of Sacramento and the Boards of Supervisors of Sacramento and Yolo Counties through the execution of a Joint Port Governance Agreement (the Agreement) with an effective date of January 15, 2006.

The Agreement included a provision that the Port Commission pursue legislation with the California State Legislature to modify the Harbors and Navigation Code under which the Port was organized to allow the number of Port Commission members to be reduced from seven to five, of which the City would appoint four. This provision was approved by the California State Legislature in September 2006. The Agreement also requires approval of leases and sales of land held by the Port and the sharing of proceeds from such sales with the former members using formulas specified in the Agreement.

Due to the change in governance described above, the City Council elects a voting majority of the Port Commission, appoints the Port's management, and approves the Port's budget as part of the City's budget process. The City's management is also responsible for the administration, accounting and finance functions of the Port and there is a potential for the Port to provide financial benefits or burdens to the City under its operating agreement. Because the Port has substantively the same governing body as the City, the City is responsible for administration of the Port, the City can impose its will on the Port and there is a potential for a benefit and burden relationship, the Port is reported as a blended component unit of the City. The Port's activities are reported as the Port Enterprise Fund in the City's financial statements. Separate financial statements are not issued for the Port.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The **Sacramento-Yolo Port District Financing Corporation** (the Corporation) was formed in 1997 by the Port Commission to lease two warehouses built with the proceeds of Port's Remarketable Customized Port Improvement Lease Revenue Bonds, Series 1990. The lease payments are pledged to repay the Sacramento-Yolo Port District Variable Rate Demand Port Improvement Lease Revenue Refunding Bonds (California Free Trade Zone Project), 1997 Series A, used to refund the Series 1990 Bonds. The aforementioned agency bonds payable were paid off in 2010. The Port Commission acts as the Corporation's governing board in concurrent session, as necessary. The Corporation does not have any assets or liabilities and is financially dependent upon the Port. No separate financial statements are issued by the Corporation. The Corporation was financially defunct as of June 30, 2010.

B. *Basis of Presentation*

The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The City does not eliminate interfund services provided and used from the financial statements. Internal transactions within governmental and business-type activities are eliminated in the government-wide statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are included in the program expenses of most business-type activities. 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.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds, with the exception of agency funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales taxes are recognized when the underlying sales transaction takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met.

C. *Basis of Accounting*

The accounts of the City are organized on the basis of funds. A fund is a separate self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Major individual

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of sales and use taxes and Federal and state grants. Sales and use taxes and Federal and state grant revenues are considered to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as capital outlay expenditures in governmental funds.

Property taxes, franchise taxes, licenses, 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 measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

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

HCD Block Grant Special Revenue Fund – the HCD Block Grant Special Revenue Fund is used to account for revenues and the associated expenditures of appropriated HCD Block Grant funds, which are specifically restricted to benefit low-income persons by eliminating substandard housing throughout the community.

Low Mod Income Housing Asset Special Revenue Fund – The Low Mod Income Housing Asset Special Revenue Fund is used to account for the activities of the housing assets of the former Redevelopment Agency of the City of West Sacramento, including loans receivable and payments thereon, state and federal grants and reimbursements from other agencies received for low income housing activities as allowed by AB 1484. The City must use the assets for low and moderate income housing activities and must share 20% of the unencumbered loan repayments with the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund in accordance with AB 1484.

The City reports the following major enterprise funds:

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

Water Enterprise Fund – The Water Enterprise 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.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Port Enterprise Fund – The Port Enterprise Fund is used to account for all activities associated with the Sacramento-Yolo Port District, which operates the Port of Sacramento.

Refuse Fund – to account for all activities associated with the collection and disposal of solid waste.

Additionally, the City reports the following fund types:

D. Governmental Funds

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds – Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds – Capital project funds are used to account for financial resources used for the acquisition or construction of major capital facilities.

E. Proprietary Funds

Enterprise Funds – Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Costs are financed or recovered primarily through user charges.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principle operating revenues of the City's enterprise funds are charges to customers for sales and services and connection fees. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

F. Fiduciary Funds

Private-Purpose Trust Funds - Private purpose trust funds are used to account for fiduciary activities not required to be reported in another fiduciary fund type. The City's private purpose trust funds are used to account for the trusts that include a scholarship fund where the principal and interest will benefit the City and/or individuals and a fund formerly used for donations collected from petroleum companies for fire prevention services. A private purpose trust fund is also used for the Successor Agency of the Redevelopment Agency of the City of West Sacramento, which accounts for the accumulation of tax revenues and other resources to be used for bond payments and other expenses related to the former Redevelopment Agency activities at appropriate amounts and times in the future.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Agency Funds - Agency funds account for assets held by the City in a purely custodial capacity. Agency funds typically involve only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments. The City's agency funds account for assets held by the City as an agent for bonded assessment districts, private organizations, pass through funds to the County of Yolo and school districts and a financing authority.

The financial activity of these funds are excluded from the City-wide financial statements but are presented in separate fiduciary fund financial statements.

G. *Cash & Cash Equivalents*

For purposes of the accompanying Statement of Cash Flows, cash and cash equivalents are defined as deposits and highly liquid investments with original maturities of 90 days or less, and are readily convertible to known amounts of cash and not subject to significant changes in value from interest rate fluctuations. Cash and cash equivalents include: demand deposits, short-term, highly liquid investments including Treasury bills, commercial paper, certificates of deposit, money market funds, and cash management pools, including California Local Agency Investment Fund (LAIF) and California Asset Management Program (CAMP).

H. *Allocations of Interest Income Among Funds*

Interest income from pooled investments is allocated 1) to those funds which are required by law or administrative action to receive interest and 2) the proprietary funds. Interest is allocated on a monthly basis based on the weighted average cash balances in each fund receiving interest.

I. *Receivables & Payables*

Revenues are accrued as revenue and accounts receivable and considered available if received within 60 days of year-end, with the exception of sales and use taxes. Sales and use taxes and Federal and state grants are accrued as revenue and accounts receivable and considered available if received within 90 days of year-end. Federal and state grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net position. The amount recognized as revenue under the modified accrual basis is limited to the amount that is deemed measurable and available.

Inclusionary housing receivables represent amounts due to the City from home owners resulting from qualified individuals being provided a home by a developer at a subsidized price below market value. This program allows qualified homeowners to obtain financing to help the City satisfy low income housing requirements. If the home owner obtaining this subsidy subsequently sells the home to a nonqualified person, the amount of the subsidy must be repaid to the City from the home sale proceeds. The City records potential amounts due under this program as loans receivable. The City considers amounts to be uncollectible due to the borrower having an incentive to find a qualifying buyer and offsets them with a valuation allowance.

Long-term loans in governmental funds are recognized as revenue in the year advanced and are reported as nonspendable fund balance to indicate they do not constitute resources available for appropriation. Loans are recognized when advanced in the government-wide statements.

**CITY OF WEST SACRAMENTO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Advances between funds are reported as nonspendable fund balance in governmental funds to indicate they do not constitute resources available for appropriation.

An allowance for doubtful accounts has been provided for uncollectible state mandates receivable of \$757,793 at June 30, 2016 for governmental activities in the government-wide statement of net position. An allowance for doubtful accounts has also been provided for those enterprise fund utilities accounts that were forwarded to a collection agency and for inactive accounts. All other receivables in the opinion of management are fully collectible. At June 30, 2016, the utilities allowances were as follows:

Enterprise Funds			
Water	Sewer	Refuse	Total
\$ 1,111	\$ 886	\$ 569	\$ 2,566

At June 30, 2016, there were no significant unbilled service receivables of the City.

J. Property Taxes

The County of Yolo (the County) is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The City recognizes property taxes when the individual installments are due provided they are collected within 60 days after year-end. Secured property taxes are levied on or before September 30 of each year. They become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, costs and interest when paid.

The term “unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end. The County apportions secured property tax revenue in accordance with the alternate methods of distribution, the “Teeter Plan,” as prescribed by Section 4717 of the California Revenue and Taxation code. Therefore, the City receives 100% of the secured property tax levies to which it is entitled, whether or not collected. Unsecured delinquent taxes are considered fully collectible.

CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. *Restricted Assets*

Certain proceeds of the City's long-term debt are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "reserve" account is used to report resources set aside to make up potential future deficiencies in the bond's debt service. Certain unspent debt proceeds are also restricted to specific capital projects by the applicable debt covenant. The City received \$1,900,000 in the General Fund from the State of California to offset an expected loss on a loan receivable that is restricted for future housing activities.

L. *Capital Assets*

The cost of assets sold or retired (and related accumulated depreciation) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement of the related fund. In governmental funds, the sale of general capital assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale.

M. *Deferred Decommissioning Costs*

The City accrued \$8,700,000 of long-term decommissioning costs in the Sewer Fund for the City's waste water treatment plant and reported the amount as deferred outflows of resources according to Statement of Financial Accounting Standards No. 71, *Accounting for the Effects of Certain Types of Regulations*. This Standard allows expenses of regulated entities to defer costs that will be collected from customers in future periods. The City is in the process of developing a long-term capital plan that will include rates for decommissioning activities and will set new sewer rates when the capital plan is complete. These deferred outflows of resources will be recognized as the new rates are collected from customers in future periods. The City is also actively marketing the property and the property may be sold subject to decommissioning requirements. If the City is able to transfer its decommissioning responsibility upon sale of the asset, the deferred outflows for decommissioning costs and related liability will be written-off at the sale date.

N. *Land Held for Resale*

The City purchased a motel at 820 and 824 West Capitol Avenue in West Sacramento to demolish and make the land available for private development in the future in the amount of \$3,220,184. The land held for resale is recorded in the Special Purpose Special Revenue Fund.

O. *Compensated Absences*

Employees accrue vacation, sick leave, floating holiday, management and compensatory time off benefits. City employees have vested interests in the amount of annual leave accrued and are paid on termination. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements and is currently payable. The General Fund is generally used to liquidate compensated absences.

P. *Unearned Revenue*

Unearned revenues arise when resources are received by the City before it has legal claim to them (i.e., when cost reimbursement grant revenues are received prior to the incurrence of qualifying expenditures) or when exchange revenues are received before the exchange takes place.

CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned revenue in governmental funds represents revenue received before it was earned and unearned revenue in enterprise funds represents lease revenues received prior to the period when they were due and earned by the City.

Q. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until the earnings process is complete. As described in Note 1.M. above, the City recorded deferred outflows of resources in the Sewer Fund for treatment plant decommissioning costs. Deferred amounts on refunding result from the difference in carrying amount of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources are also reported related to the City's pension plans as described in Note 10.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until the earnings process is complete. Governmental fund revenues that are not received within the City's availability period under modified accrual accounting are reported as deferred inflows of resources until available. Such amounts are recognized as revenue in the government-wide statements. Deferred amounts on refunding may be reported as deferred inflows of resources. Deferred inflows of resources are also reported related to the City's pension plans as described in Note 10.

R. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are expensed when incurred.

S. Pension Plans

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF WEST SACRAMENTO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. *Estimates and Assumptions*

The preparation of the 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.

U. *Deficit Fund Equity*

The following funds reported deficits at June 30, 2016:

Fund	Deficit
Non-major Special Revenue Funds:	
Transit Fund	\$ (116,779)
Public Works Engineering Support Services Fund	(13,114)
Community Development Support Services Fund	(498,761)
Non-major Capital Projects Funds:	
Fire Facility Impact Fees Fund	(4,581,516)
Corporate Yard Impact Fees Fund	(1,969,785)

The deficit of the Transit Fund will be eliminated when the City claims and recognizes available Transportation Development Act revenues. The deficits of the Publics Works Engineering and Community Development Support Services Funds will be eliminated by charges for services and franchise fees when expenses normalize. The remaining deficits of non-major capital projects funds will be eliminated with future contributions from other sources/funds and future developer fees.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

The City Council establishes budgets for all governmental funds except the Low Mod Income Housing Asset Special Revenue Fund, Public Art Special Revenue Fund, Community Development Performance Bonds Support Services Special Revenue Fund, RD 811 Maintenance Special Revenue Fund, Underground Improvements Capital Projects Fund, Senior Center Construction Capital Projects Fund and Bridge District Capital Projects Fund. Debt-funded and other capital projects are also budgeted on a multi-year basis by the City Council.

Budgetary control is legally maintained at the fund level. Department heads submit budget requests to the City Manager. A meeting is held between the Department Heads, Finance Director and City Manager for the purpose of reviewing and prioritizing budget requests. The City Manager prepares an estimate of revenues and prepares 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 in accordance with the municipal code. The approved budget is placed in the City's accounting system and is monitored by the Finance Department. The City Council may amend the budget by motion during the fiscal year. The City Manager is authorized to transfer budgeted amounts within an activity, within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council. The City Manager has the ability to delay implementation of City Council approved expenditures in the event of negative impact on budgeted revenues.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. All budget amounts presented in the accompanying financial statements and supplementary information have been adjusted for legally authorized revisions of the annual budgets during the year. Amounts represent the original budgeted amounts and all supplemental appropriations. The supplemental appropriations were immaterial.

Budget information is presented for all governmental funds, with the exception of the unbudgeted funds discussed above. The governmental fund budgets are maintained on the modified accrual basis of accounting.

Appropriations, except open project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The budgetary data is prepared on the modified accrual basis consistent with the related "actual" amounts.

A. Excess Expenditures Over Appropriations:

The following major funds had expenditures and transfers in excess of the final appropriation for the fiscal year ended June 30, 2016; expenditures may not legally exceed appropriations at the fund level, which is the legal level of control.

These over expenditures were funded by greater than anticipated revenues and/or available fund balance (unbudgeted funds described above are omitted):

Fund	Appropriations	Total Expenditures and Transfers	Excess Expenditures and Transfers
Major Special Revenue Funds:			
Non-major Special Revenue Funds:			
Road Fund	\$ 1,678,722	\$ 1,807,091	\$ (128,369)
General Equipment Improvements Fund	2,236,993	2,392,534	(155,541)
Public Works Support Services Fund	6,395	11,408	(5,013)
Economic Development Fund	2,236,993	2,392,534	(155,541)
Parking Improvement Fund		157,996	(157,996)
Non-major Debt Service Funds:			
2012 Pension Obligation Bond Fund	1,579,527	1,581,127	(1,600)
General Equipment Lease Fund	745,852	836,791	(90,939)
Non-major Capital Projects Funds:			
Fire Facility Impact Fees Fund	100,000	237,354	(137,354)
Drainage Impact Fees Fund		8,376	(8,376)
Corporate Yard Impact Fees Fund		11,753	(11,753)
Community Facilities District Fund	80,408	510,747	(430,339)
	\$ 8,664,890	\$ 9,947,711	\$ (1,282,821)

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 3 - CASH AND INVESTMENTS

The City follows the practice of pooling cash and investments of all funds. Cash and investments as of June 30, 2016 are classified in the accompanying financial statements as follows:

	Government-wide Statement of Net Position		Fiduciary Fund Statement of Net Position		Total
	Governmental Activities	Business- Type Activities	Private- Purpose Trust Fund	Agency Funds	
Cash and investments	\$ 83,175,243	\$ 22,876,537	\$ 8,807,014	\$ 16,668,168	\$ 131,526,962
Restricted assets:					
Cash and investments	1,900,000	116,350			2,016,350
Cash and investments with fiscal agents	417,479	984,725	235	19,879,967	21,282,406
Total	\$ 85,492,722	\$ 23,977,612	\$ 8,807,249	\$ 36,548,135	\$ 154,825,718

Cash and investments are categorized as follows under GASB Statement No. 40:

Cash on hand	\$ 9,415
Deposits with financial institutions	9,704,042
Total cash and deposits	9,713,457
Local Agency Investment Funds (LAIF)	66,871,673
U.S. Treasury Obligations	4,244,495
U.S. Agency Securities	9,207,592
Certificate of Deposits	11,515,449
Investment Agreements	2,421,711
State and Municipal Bonds	5,450,424
Medium Term Notes	10,273,280
Money Market Mutual Funds	15,015,063
Joint Powers Agreement (JPA) Pools (CAMP)	20,112,574
Total investments	145,112,261
Total cash and investments	\$ 154,825,718

A. Investments Authorized by the California Government Code and the City's 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 table below identifies the investment types that are authorized for the City by the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. The City's investment policy does not provide for additional restrictions as to the investment type, maximum maturity, percentage of portfolio or maximum in a single issuer. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 3 - CASH AND INVESTMENTS (Continued)

During the year ended June 30, 2016, the City's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum % of Portfolio *	Maximum Investment in One Issuer
California Local Agency Investment Fund (LAIF)	N/A	N/A	None	None
U.S. Treasury Obligations	5 years	N/A	None	None
U.S. Agency Securities	5 years	N/A	None	None
Banker's Acceptances	180 days	N/A	40%	30%
Non-Negotiable Certificates of Deposit	5 years	N/A	None	None
Negotiable Certificates of Deposit	5 years	N/A	30%	30%
Commercial Paper	270 days	A-1	25%	10%
Repurchase Agreements	1 year	N/A	None	None
Municipal Bonds	5 years	N/A	None	None
Corporate Bonds	5 years	A	30%	30%
Money Market Mutual Funds	N/A	AAA	20%	None
JPA Pools, including CAMP	N/A	N/A	None	None

Authorized investments above exclude amounts held by bond trustee that are not subject to California Government Code restrictions. The City complied with the provisions of California Government Code pertaining to the types of investments held, institutions in which deposits were made and security requirements. The City will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

B. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 3 - CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
California Local Agency Investment Fund (LAIF)	N/A	N/A
U.S. Treasury Obligations	5 years	N/A
U.S. Agency Securities	5 years	AAA
Banker's Acceptances	270 to 360 days	A1
Collateralized Certificates of Deposit	5 years	N/A
Negotiable Certificates of Deposit	365 days	A1
Commercial Paper	180 to 270 days	A1+
Repurchase Agreements	30 to 365 days	A2
California Local Agency Debt	5 years	A
Local Agency Bonds	5 years	AAA
Medium Term Notes	5 years	A
Mortgage Pass-through Securities	5 years	AA
Money Market Mutual Funds	1 year	AAAm

The debt agreements also authorize debt proceeds to be invested in guaranteed investment contracts that are guaranteed by a financial institution which has an unsecured rating or the agreement itself is rated in one of the two highest rating categories by two or more rating agencies and is secured at all times by securities consisting of United States Obligations with a market value of 105% of the principal amount of the obligation. The debt agreements do not specify a maximum percentage of the portfolio or maximum amount in one issuer for guaranteed investment contracts.

C. Interest Rate Risk

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

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

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 3 - CASH AND INVESTMENTS (Continued)

Type of Investment	Total	Maturities as of Year-end			
		12 Months or Less	13-24 Months	24-60 Months	More than 60 Months
Local Agency Investment Fund	\$ 66,871,673	\$ 66,871,673			
U.S. Agency Securities	9,207,592		\$ 2,037,460	\$ 7,170,132	
Certificates of Deposits	8,849,883	3,751,706	1,753,148	3,345,029	
State and Municipal Bonds	5,450,424			5,450,424	
Medium Term Notes	10,273,280	506,570		9,766,710	
Money Market Mutual Funds	4,469,962	4,469,962			
JPA Pools (CAMP)	20,112,574	20,112,574			
Held by bond trustee:					
U.S. Treasury Obligations	4,244,495	260,689		3,983,806	
Certificates of Deposits	2,665,566	961,466	242,446	1,461,654	
Investment Agreements	2,421,711				\$ 2,421,711
Money Market Mutual Funds	10,545,101	10,545,101			
Total	\$ 145,112,261	\$ 107,479,741	\$ 4,033,054	\$31,177,755	\$ 2,421,711

D. Credit Risk

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

Type of Investment	Total	Exempt from Disclosure	Ratings as of Year-end			Unrated
			AAA/Aaa	AA- to AA+ / Aa1 to Aa3	A- to A+ /A3 to A1	
Local Agency Investment Fund	\$ 66,871,673					\$ 66,871,673
U.S. Agency Securities	9,207,592			\$ 9,207,592		
Certificates of Deposits	8,849,883	\$ 8,849,883				
State and Municipal Bonds	5,450,424			4,922,014	\$ 528,410	
Medium Term Notes	10,273,280			3,598,805	6,674,475	
Money Market Mutual Funds	4,469,962		\$ 4,469,962			
JPA Pools (CAMP)	20,112,574					20,112,574
Held by bond trustee:						
U.S. Treasury Obligations	4,244,495	4,244,495				
Certificates of Deposits	2,665,566	2,665,566				
Investment Agreements	2,421,711				2,421,711	
Money Market Mutual Funds	10,545,101		10,545,101			
Total	\$ 145,112,261	\$ 15,759,944	\$ 15,015,063	\$ 17,728,411	\$ 9,624,596	\$ 86,984,247

E. Concentration of Credit Risk

The City's investment policy contains no limitations on the amount that may be invested in any issuer beyond that stipulated by the California Government Code. The City has no investments in any one issuer (other than U.S. Treasury Securities, mutual funds and external investment pools) that represent 5% or more of the City's investments.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 3 - CASH AND INVESTMENTS (Continued)

F. Custodial Credit Risk

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

At June 30, 2016, the carrying amount of the City's deposits, including all certificates of deposit, was \$21,219,491 and the balance in financial institutions was \$21,795,778. Of the balance in financial institutions, \$11,844,746 was covered by federal depository insurance and \$9,951,032 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the City and other governmental agencies, but not in the name of the City. As of June 30, 2016, City investments in investment agreements of \$2,421,711 were held by the same broker-dealer (counterparty) that was used by the City to buy the securities.

G. Investment in LAIF

LAIF is stated at fair value. LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The total fair value amount invested by all public agencies in LAIF is \$75,497,087,667, which is managed by the State Treasurer. Of that amount, 2.81 percent is invested in derivative financial products and structured financial instruments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The weighted average maturity of investments held by LAIF was 167 days at June 30, 2016.

H. Investment in JPA Pool

The City is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Section 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool's investments are limited to

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 3 - CASH AND INVESTMENTS (Continued)

investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2016, these investments have an average maturity of 45 days.

I. Fair Value Measurements:

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2016:

	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
U.S. Treasury Obligations	\$ 4,244,495		\$ 4,244,495	
U.S. Agency Securities	9,207,592		9,207,592	
Certificates of Deposit	11,515,449		11,515,449	
State and Municipal Bonds	5,450,424		5,450,424	
Medium Term Corporate Notes	10,273,280		10,273,280	
Investment Agreements	2,421,711			\$ 2,421,711
Total investments by fair value level	43,112,951	\$ -	\$ 40,691,240	\$ 2,421,711
Investments measured at net asset value:				
Local Agency Investment Fund (LAIF)	66,871,673			
Money Market Mutual Funds	15,015,063			
California Asset Management Program (CAMP)	20,112,574			
Total investments measured at net asset value	101,999,310			
Total	\$ 145,112,261			

All securities classified in Level 2 are valued using pricing models based on market data, such as matrix or model pricing from outside pricing services. These valuation techniques include third party benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two sided markets, benchmark securities, bids, offers and reference data including market research publications. The certificates of deposit and investment agreements are valued using discounted cash flows techniques.

The City also has a nonrecurring fair value measurement as of June 30, 2016 for a sewer treatment plant that has been decommissioned and will not be used by the government. The land associated with the property is valued at \$4,100,000 based on an internal valuation using comparable land sales (level 3 inputs), but due to demolition and cleanup costs needed in order to sell the property exceeding the value of the land, the property is considered to have no value.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 4 - INTERFUND TRANSACTIONS

A. Due to/Due From Other Funds

Due From Other Funds	Due to Other Funds	Amount
General Fund	Non-Major Governmental Funds	\$ 558,000
Non-Major Governmental Funds	Non-Major Governmental Funds	20,000
Total Due to/from Other Funds		<u>\$ 578,000</u>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur. All interfund receivables are expected to be paid back within the next fiscal year.

B. Long-Term Interfund Advances

At June 30, 2016, the funds below had made advances which were not expected to be repaid within the next year. The funds with the advance to other funds report nonspendable fund balance to indicate the amounts are not available for appropriation.

Advances to Other Funds	Advances from Other Funds	Amount
General Fund	Non-Major Governmental Funds	\$ 2,086,101
	Port Enterprise Fund	3,606,097
Non-Major Governmental Funds	General Fund	3,106,661
	Non-Major Governmental Funds	<u>4,502,329</u>
Total Interfund Advances		<u>\$ 13,301,188</u>

The General Fund advanced \$2,086,101 to the Fire Facility Impact Fee Capital Projects Fund to cover a debt service payment that will be repaid with future fire impact fees and \$1,506,097 to the Port Enterprise Fund to provide cash needed to repay the Successor Agency to the Redevelopment Agency Private Purpose Trust Fund to unwind a transaction disallowed by the State Controller's Office. This amount will be repaid with future wharfage and dockage revenue. The General fund also advanced \$2,100,000 to the Sacramento-Yolo Port District for the acquisition of the Stone Lock property.

The advances between non-major special revenue funds and other non-major funds consisted of advances from the General Facilities Improvements Capital Projects Fund to other funds. The General Fund was advanced \$3,106,661 to finance the purchase and demolition of a motel and provide the land for private development recorded as land held for resale, which will be repaid when the property is sold. The Fire Facility Impact Fee Capital Projects Fund was advanced \$2,514,285 to finance the construction of Fire Station 45, which will be repaid with future fire impact fees. The Corporate Yard Impact Fees Capital Projects Fund was advanced \$1,988,044 to finance the acquisition of the West Sacramento corporation yard site, which will be repaid with future corporate yard impact fees. Funds receiving advances are paying interest on the advances at the average LAIF rate. None of the advances require scheduled payments.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

C. Interfund Transfers

Fund Receiving Transfer	Fund Making Transfer	Amount
General Fund	Non-major Governmental Funds	\$ 595,263
Non-Major Governmental Funds	General Fund	10,240,124
	Non-major Governmental Funds	5,812,195
	Sewer Enterprise Fund	68,000
	Water Enterprise Fund	10,236
	Refuse Enterprise Fund	75,000
HCD Block Grant Fund	Non-major Governmental Funds	14,246
Water Enterprise Fund	General Fund	775,415
	Non-major Governmental Funds	245,963
Sewer Enterprise Fund	Non-major Governmental Funds	332,909
		<u>\$ 18,169,351</u>
Total Interfund Transfers		

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the funds that statute or budget requires to expend them, (2) move receipts restricted to debt service from the Funds collecting the receipts to the debt service fund as debt service payments become due and (3) subsidize operating losses.

D. Internal Balances

Internal balances are presented in the Government-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

NOTE 5 – NOTES RECEIVABLE

The City has various notes receivable from individuals, partnerships, and corporations for housing and rehabilitation projects, reimbursement agreements, and loans. The notes have varying maturity dates through April 30, 2055 with interest rates ranging from 3.00% to 7.50%. Certain notes receivable payments are deferred with interest being capitalized into the respective principal balances. Interest receivable of governmental activity notes not collected within the 60 day availability period is offset with deferred inflows to recognize that the interest receivable does not represent available spendable resources. The interest receivable is recognized for government-wide purposes unless management determines the amount to be uncollectible. An allowance for uncollectible notes receivable of \$7,404,509 has been established in the governmental funds at June 30, 2016, including \$5,504,509 for inclusionary housing receivables and \$1,900,000 for a Low Mod Income Housing Asset Special Revenue Fund apartment loan with poor cash flows. Governmental activities interest receivable of \$11,383,473 is not expected to be collected within the availability period and is offset with deferred inflows of resources. The interest receivable is recognized for government-wide purposes with the exception of \$6,522,472 of the interest receivable that is deemed uncollectible and is offset with a valuation allowance at June 30, 2016.

A summary of governmental activities notes receivable at June 30, 2016 is as follows:

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 5 – NOTES RECEIVABLE (Continued)

Governmental- activities:	Balance at July 1, 2015	Additions	Repayments	Balance at June 30, 2016
General Fund	\$ 414,669		\$ (54,646)	\$ 360,023
HCD Block Grant Special Revenue Fund	14,145,336	\$ 4,523,640	(879,398)	17,789,578
Low Mod Income Housing Asset Special Revenue Fund	30,576,711		(13,025)	30,563,686
Non-Major Special Revenue Funds	409,653	36,417	(11,315)	434,755
Total	<u>\$ 45,546,369</u>	<u>\$ 4,560,057</u>	<u>\$ (958,384)</u>	<u>\$ 49,148,042</u>

With the dissolution of the Redevelopment Agency as discussed in Note 15, the City agreed to become the successor to the Redevelopment Agency’s housing activities and as a result the Low Mod Income Housing Asset Special Revenue Fund assumed the loans receivable of the Redevelopment Agency.

Loans receivable in enterprise funds represent amounts due from the homeowner for water and sewer system improvements that were allowed to be paid over time. The Sewer Fund loans are due when the home is sold and the Water Fund loans are payable over five years. None of the loans bear interest. A summary of business-type activities notes receivable at June 30, 2016 is as follows:

Business-type activities:	Balance at July 1, 2015	Additions	Repayments	Balance at June 30, 2016
Sewer Fund	\$ 664,289		\$ (46,049)	\$ 618,240
Water Fund		\$ 14,899		14,899
Total	<u>\$ 664,289</u>	<u>\$ 14,899</u>	<u>\$ (46,049)</u>	<u>\$ 633,139</u>

NOTE 6 - CAPITAL ASSETS

Capital assets, which include land, buildings, improvements, equipment and infrastructure assets (e.g., roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. For certain older assets, including infrastructure, estimated historical costs are used. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 6 - CAPITAL ASSETS (Continued)

Depreciable lives of capital assets are as follows:

Buildings	50 years
Improvements	10-40 years
Equipment	5-25 years
Infrastructure	25-80 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

A. Capital Asset Additions and Retirements

Capital assets activity for the year ended June 30, 2016 is as follows:

	Balance at July 1, 2015	Additions	Retirements	Transfers	Balance at June 30, 2016
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 25,583,175	\$ 295,000			\$ 25,878,175
Construction in progress	17,599,789	15,810,349	\$ (317,292)	\$ (217,723)	32,875,123
Total capital assets, not being depreciated	<u>43,182,964</u>	<u>16,105,349</u>	<u>(317,292)</u>	<u>(217,723)</u>	<u>58,753,298</u>
Capital assets, being depreciated:					
Buildings	45,356,200			62,263	45,418,463
Improvements	30,751,574		(134,409)	95,000	30,712,165
Equipment	14,319,118	2,234,456	(689,833)	20,432	15,884,173
Infrastructure	442,342,936			40,028	442,382,964
Total capital assets, being depreciated	<u>532,769,828</u>	<u>2,234,456</u>	<u>(824,242)</u>	<u>217,723</u>	<u>534,397,765</u>
Less accumulated depreciation for:					
Buildings	(10,578,111)	(1,230,339)			(11,808,450)
Improvements	(11,878,850)	(851,918)	134,409	(76,110)	(12,672,469)
Equipment	(11,085,503)	(788,602)	689,833	76,110	(11,108,162)
Infrastructure	(197,347,255)	(9,984,949)			(207,332,204)
Total accumulated depreciation	<u>(230,889,719)</u>	<u>(12,855,808)</u>	<u>824,242</u>		<u>(242,921,285)</u>
Capital assets being depreciated, net	<u>301,880,109</u>	<u>(10,621,352)</u>		<u>217,723</u>	<u>291,476,480</u>
Governmental Activities Capital Assets, Net	<u>\$ 345,063,073</u>	<u>\$ 5,483,997</u>	<u>\$ (317,292)</u>	<u>\$ -</u>	<u>\$ 350,229,778</u>

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 6 - CAPITAL ASSETS (Continued)

Business-type Activities:	Balance at July 1, 2015	Additions	Retirements	Transfers	Balance at June 30, 2016
Capital assets, not being depreciated:					
Land	\$ 9,614,824	\$ 3,734,392	\$ (662,664)		\$ 12,686,552
Construction in progress	1,433,605	2,529,507		\$ (855,098)	3,108,014
Total capital assets, not being depreciated	<u>11,048,429</u>	<u>6,263,899</u>	<u>(662,664)</u>	<u>(855,098)</u>	<u>15,794,566</u>
Capital assets, being depreciated:					
Buildings	32,971,533				32,971,533
Improvements	56,022,850				56,022,850
Equipment	4,664,398	1,672,438	(17,824)		6,319,012
Infrastructure	184,430,123			855,098	185,285,221
Total capital assets, being depreciated	<u>278,088,904</u>	<u>1,672,438</u>	<u>(17,824)</u>	<u>855,098</u>	<u>280,598,616</u>
Less accumulated depreciation for:					
Buildings	(25,706,483)	(415,944)			(26,122,427)
Improvements	(31,502,529)	(1,454,011)			(32,956,540)
Equipment	(3,319,110)	(200,016)	17,824		(3,501,302)
Infrastructure	(59,589,178)	(4,283,762)			(63,872,940)
Total accumulated depreciation	<u>(120,117,300)</u>	<u>(6,353,733)</u>	<u>17,824</u>		<u>(126,453,209)</u>
Capital assets being depreciated, net	<u>157,971,604</u>	<u>(4,681,295)</u>		<u>855,098</u>	<u>154,145,407</u>
Business-type Activities Capital Assets, Net	<u>\$ 169,020,033</u>	<u>\$ 1,582,604</u>	<u>\$ (662,664)</u>	<u>\$ -</u>	<u>\$ 169,939,973</u>

B. Capital Asset Contributions

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. These contributions are required to be accounted for as revenues at the time the capital assets are contributed.

C. Land Swap

During 2016, the Port swapped Decker Island owned by the Port for a parcel of land owned by the California Department of Water Resources on West Capital Avenue. The land swapped had a book value of \$662,664 and the value of the land received was estimated to be approximately \$1,623,000. The difference in value, less sales costs of approximately \$83,000, was reported as a gain on disposal of capital assets in the Port Enterprise Fund.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 6 - CAPITAL ASSETS (Continued)

C. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program was as follows:

General government	\$ 1,932,715
Public works	9,138,477
Public safety	800,124
Community development	179,184
Culture and recreation	805,308
Total Governmental Activities	805,308
Depreciation Expense	\$ 12,855,808
Sewer	\$ 1,568,720
Water	3,204,063
Port	1,580,950
Total Business-type Activities	1,580,950
Depreciation Expense	\$ 6,353,733

NOTE 7 - LONG TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016

	Balance at July 1, 2015	Incurred	Retired	Balance at June 30, 2016	Due Within One Year
Governmental Activities:					
Revenue Bonds:					
2011 Refunding Lease Revenue Bonds 4.65%-5.530%, due 09/1/30	\$ 5,938,663		\$ (316,059)	\$ 5,622,604	\$ 327,862
2012 Refunding Lease Revenue Bonds 2.9%, due 03/1/30	7,099,424		(388,061)	6,711,363	396,735
Pension Obligation Bonds					
2012 Pension Obligation Bonds Part 1 4.10%, due 02/17/21	4,082,600		(506,200)	3,576,400	568,300
2012 Pension Obligation Bonds Part 2 4.42%, due 02/17/19	3,585,600		(759,100)	2,826,500	844,600
Other:					
US Bank Leases	2,033,107		(446,477)	1,586,630	454,972
Street Lighting Loans	1,255,026		(142,388)	1,112,638	146,305
Portable Radio Loan	574,394		(55,308)	519,086	57,265
Public Works Equipment Loan		\$ 334,027	(36,818)	297,209	30,183
Solar Panels Lease		2,988,736	(36,028)	2,952,708	162,182
Total Governmental Activity Debt, Net	24,568,814	3,322,763	(2,686,439)	25,205,138	2,988,404
Compensated absences	3,513,108	396,244	(400,441)	3,508,911	1,417,823
Net pension liability	49,899,277	13,943,605	(8,651,116)	55,191,766	
	77,981,199	\$ 17,662,612	\$(11,737,996)	83,905,815	\$ 4,406,227
Less: Due within one year	(3,913,944)			(4,406,227)	
Due in More than One Year	\$ 74,067,255			\$ 79,499,588	

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 7 – LONG TERM LIABILITIES (Continued)

	Balance at July 1, 2015	Incurred	Retired	Balance at June 30, 2016	Due Within One Year
Business-type Activities:					
Revenue Bonds:					
1978 Sewer Revenue Bonds, Series A 5.00%, due 07/1/19	\$ 415,000		\$ (95,000)	\$ 320,000	\$ 100,000
Water Revenue Bonds, Series 2012 2.00%-5.00%, due 04/1/35	40,665,000		(530,000)	40,135,000	555,000
Water Revenue Bonds, Series 2013 2.00%-5.00%, due 10/1/24	15,200,000		(1,245,000)	13,955,000	1,295,000
Other:					
Port Construction Note	2,565,105		(145,407)	2,419,698	150,453
Sewer Notes Payable	874,559	\$ 652,111	(218,786)	1,307,884	149,881
Water Leases Payable		1,238,920	(38,757)	1,200,163	75,989
Port Service Concession Arrangement	2,902,380		(390,822)	2,511,558	382,467
Other Port Liabilities	724,009		(352,989)	371,020	371,019
	<u>63,346,053</u>	<u>1,891,031</u>	<u>(3,016,761)</u>	<u>62,220,323</u>	<u>3,079,809</u>
Unamortized bond premiums	4,720,290		(263,527)	4,456,763	
Total Business-type Activity Debt	68,066,343	1,891,031	(3,280,288)	66,677,086	3,079,809
Deferred Decommissioning Costs	7,328,793			7,328,793	
Compensated absences	230,189	33,843	(69,921)	194,111	67,939
Net pension liability	1,482,312	657,196	(550,739)	1,588,769	
	<u>77,107,637</u>	<u>\$ 2,582,070</u>	<u>\$ (3,900,948)</u>	<u>75,788,759</u>	<u>\$ 3,147,748</u>
Less: Due within one year	<u>(2,985,964)</u>			<u>(3,147,748)</u>	
Due in More than One Year	<u>\$ 74,121,673</u>			<u>\$ 72,641,011</u>	

A. Description of Long-Term Debt

Governmental Activities:

2011 Refunding Lease Obligation Bonds: In December 2011, \$6,820,200 Refunding Lease Revenue Bonds, Series 2011 were issued by the West Sacramento Financing Authority to refund the remaining 1997 Lease Revenue Bonds. To provide for repayment of the bonds, the City entered into an agreement to lease the administration facilities from the West Sacramento Financing Authority. Principal payments of \$140,273 to \$261,607 are due annually on September 1 through 2029. Interest payments of \$4,840 to \$126,174 are due semiannually on March 1 and September 1 through September 1, 2029. The bonds bear an interest rate of 3.7%.

2012 Refunding Lease Revenue Bonds: On December 21, 2012, \$7,954,988 in Refunding Lease Revenue Bonds, Series 2012, were issued by the West Sacramento Financing Authority to refund the remaining 2004 Lease Revenue Bonds. The proceeds are to finance a portion of the cost of construction of a fire station facility, including fixtures and equipment. To provide for repayment of the bonds, the City entered into an agreement to lease its City Hall. Principal payments of \$107,394 to \$285,158 are due semiannually on March 1 and September 1, through March 1, 2030. Interest payments of \$4,135 to \$113,790 are due semiannually on March 1 and September 1 through March 1, 2030. The bonds bear an interest rate of 2.9%.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 7 – LONG TERM LIABILITIES (Continued)

2012 Taxable Pension Obligation Bonds Part 1 and 2: On November 1, 2011, \$10,806,700 in 2012 Taxable Pension Obligation Bonds were issued by the City to refinance the side fund obligations to the California Public Employees Retirement System (PERS). Principal payments for Part 1 of the Bonds of \$32,500 to \$440,300 are due semiannually on June 30 and December 30 through February 17, 2021 and bear an interest rate of 4.42%. Principal payments for Part 2 of the Bonds of \$90,100 to \$523,800 are due semiannually on June 30 and December 30 through February 17, 2019 and bear an interest rate of 4.10%.

US Bank Leases: On November 12, 2012, the City issued a \$938,703 lease that provides the City with software upgrades and applications. Principal payments of \$195,136 are due annually on November 19 through 2016. Interest payments of \$3,770 to \$14,648 are due annually on November 19 through 2016 and bear an interest rate of 1.97%.

On October 19, 2013, the City issued a \$609,566 lease that provides the City with mobile data computer equipment. Principal payments of \$155,380 are due annually on October 19 through 2016. Interest payments of \$2,010 to \$5,951 are due annually on November 19 through 2016 and bear an interest rate of 1.31%.

On October 14, 2015, the City issued a \$1,492,100 lease that provides the City with fire equipment. Principal payments of \$139,139 to \$142,785 are due annually on October 15 through 2025. Interest payments of \$3,647 to \$35,365 are due annually on October 15 through 2025 and bear an interest rate of 2.62%.

On October 30, 2015 the City issued a \$1,228,812 lease to finance the purchase of Public Works equipment. Principal payments of \$111,036 to \$135,445 and interest payments of \$2,958 to \$24,409 are due annually on October 30 through 2024. The lease bears an interest rate of 2.23%. The Sewer Fund and Water Fund have an interest in the leased equipment and related lease obligation of fifty-three percent (53%) and twenty percent (20%), respectively.

The US Bank leases are secured with a first lien on the leased equipment. Equipment leased had a cost of \$4,036,689 and accumulated depreciation of \$710,245.

Street Lighting Loans: On March 15, 2013, the City executed a loan agreement of \$1,460,000 to finance City-wide street lighting replacements. Principal payments of \$128,824 to \$164,464 are due annually on March 15 through 2023. Interest payments of \$4,524 to \$40,165, are due annually on March 15 through 2023 and bear an interest rate of 2.75%.

On March 14, 2014, the City executed an additional loan agreement of \$62,425 to finance additional City-wide street lighting replacements. Principal payments of \$6,207 to \$7,713 are due annually on March 15 through 2023. Interest payments of \$212 to \$1,717 are due annually on March 15 through 2023 and bear an interest rate of 2.75%.

Portable Radio Loan: On June 25, 2014 the City executed a loan agreement with the County of Sacramento in the amount of \$627,810 to finance the purchase of radio equipment from the Sacramento Regional Communications System. Principal payments of \$75,641 are due annually on July 1 through 2023. Interest payments of \$2,586 to \$22,224 are due annually on July 1 through 2023 and bear an interest rate of 3.54%.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 7 – LONG TERM LIABILITIES (Continued)

Solar Panels Lease: On March 10, 2016 the City executed a lease agreement with Banc of America Public Capital in the amount of \$9,984,982 to finance the purchase of solar panels installed at City Hall. Principal payments of \$48,037 to \$157,175 and interest payments of \$2,114 to \$24,119 are due semi-annually on June 1 and December 1 through June 1, 2031. The lease bears an interest rate of 2.69%. The Water Fund has a twenty-five percent (25%) interest in the leased equipment and related lease obligation.

The lease is secured with a first lien on the leased equipment. The solar panels leased had a cost of \$3,984,982 and no accumulated depreciation.

Business-type Activities:

1978 Sewer Revenue Bonds, Series A: In July 1978, \$2,000,000 in 1978 Sewer Revenue Bonds, Series A were issued by the City to finance the construction and acquisition of the City's wastewater treatment system. The bonds are secured by a pledge on all gross revenues of the Sewer Enterprise Fund. Principal payments of \$15,000 to \$115,000 are due annually through July 1, 2019. Interest payments of \$5,750 to \$51,750 are due semiannually on July 1 and January 1 through July 1, 2019 at an interest rate of 5.00%.

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay the Sewer Revenue Bonds through 2019. The Sewer Enterprise Fund's total principal and interest remaining to be paid on the bonds is \$362,750. The Sewer Enterprise Fund's principal and interest paid for the current year and total customer net revenues less depreciation were \$115,250 and \$850,560, respectively.

Revenue Bonds (Refunding and Water System Improvement Project), Series 2012: In June 2012, \$41,930,000 in West Sacramento Financing Authority Revenue Bonds (Refunding and Water System Improvement Project), Series 2012 were issued to finance the acquisition, construction and improvement of certain capital improvements to the water system and to fully refund the outstanding principal amount of the Authority's Revenue Bonds (Water System Improvement Project, Series 2002), and to partially refund the Authority's Water Revenue Bonds (Pooled Financing Program), Series 2003C. The bonds are secured by the revenues of the Water Enterprise Fund. Principal payments of \$195,000 to \$4,195,000 are due annually on October 1 through October 1, 2034. Interest payments of \$104,875 to \$981,675 are due semiannually on October 1 and April 1 through October 1, 2034. Interest rates range from 2.00% to 5.00%.

The City has pledged future water customer revenues, net of specified operating expenses, to repay all of the City's Water Revenue Bonds through 2034. The Water Enterprise Fund's total principal and interest remaining to be paid on the bonds is \$65,351,475. The Water Enterprise Fund's principal and interest paid for the current year and total customer net revenues were \$2,464,150 and \$3,204,063, respectively.

Revenue Bonds (Refunding and Water System Improvement Project), Series 2013: In July 2013, \$18,130,000 in West Sacramento Financing Authority Revenue Bonds (Refunding and Water System Improvement Project), Series 2013 were issued to finance the acquisition, construction and improvement of certain capital improvements to the water system and to fully refund the outstanding principal amount of the Authority's Water Revenue Bonds (Pooled Financing Program), Series 2003C. The bonds are secured by the revenues of the Water Enterprise Fund. Principal payments of \$1,200,000 to \$1,850,000 are due annually on October 1

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 7 – LONG TERM LIABILITIES (Continued)

through October 1, 2024. Interest payments of \$37,000 to \$356,275 are due semiannually on October 1 and April 1 through October 1, 2024. Interest rates range from 2.00% to 5.00%.

The City has pledged future water customer revenues, net of specified operating expenses, to repay all of the City's Water Revenue Bonds through 2024. The Water Enterprise Fund's total principal and interest remaining to be paid on the bonds is \$17,086,025. The Water Enterprise Fund's principal and interest paid for the current year and total customer net revenues were \$1,908,650 and \$3,204,063, respectively.

Port Construction Note: On August 1, 2003, the Sacramento-Yolo Port District entered into a construction note with a bank in the amount of \$4,294,183 to finance a storm water collection and treatment system. The Port is required to collect net operating and other revenues equal to 125% of the debt service payments on the note. Principal payments ranging from \$98,562 to \$239,267 are due annually on August 1 through 2030. Interest payments of \$4,151 to \$61,868 are due semiannually on February 1 and August 1 through August 1, 2030 at an interest rate of 3.73%.

The Port has pledged future operating and other revenues, net of specified operating expenses, to repay the Port Construction Note through August 2030. The Port Enterprise Fund's total principal and interest remaining to be paid on the notes is \$3,005,427. The Port Enterprise Fund's principal and interest paid for the current year and total customer net revenues were \$231,813 and \$2,035,044, respectively.

Sewer Notes Payable: On November 1, 2003, the West Sacramento Financing Authority entered into an installment purchase agreement for the purchase of real property from Sierra Railroad Company. The \$750,000 note is due in monthly principal and interest payments of \$7,955 per month at a simple interest rate of 5% per annum through October 1, 2015.

On November 1, 2003, the West Sacramento Financing Authority entered into an installment purchase agreement for the purchase of real property from Sierra Railroad Company. The \$1,000,000 note is due in monthly principal and interest installments of \$10,607 at a simple interest rate of 5% per annum through October 1, 2015.

In April 2004, the City entered into an agreement for sewer improvements with the State of California State Water Resources Control Board in the amount of \$1,819,129. The note is due in annual installments of \$90,956 through July 7, 2024. Interest has been capitalized as part of the note amount.

Solar Panels Lease: On March 10, 2016 the City executed a lease agreement with Banc of America Public Capital in the amount of \$3,984,982 to finance the purchase of solar panels installed at City Hall. As indicated in the Governmental Activities section above the Water Fund has a twenty-five percent (25%) interest in leased equipment representing solar panels on water tanks and the related lease obligation. The Water Fund's share of the lease amount is \$996,246. Its share of the principal payments are \$12,009 to \$39,294 and interest payments of \$529 to \$6,030, which are due semi-annually on June 1 and December 1 through June 1, 2031. The lease bears an interest rate of 2.69%.

CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 7 – LONG TERM LIABILITIES (Continued)

US Bank Lease: On October 30, 2015 the City issued \$1,228,812 of debt to finance the purchase of Public Works equipment. As indicated in the Governmental Activities section above the Sewer Fund and Water Fund have an interest in the leased equipment and related lease obligation of fifty-three percent (53%) and twenty percent (20%) respectively. The Sewer Fund's share of the lease amount is \$652,111 and the Water Funds Share is \$242,674. The Sewer Fund's share of the principal payments are \$58,849 to \$71,786 with interest payments of \$1,568 to \$12,937. The Water Fund's share of the principal payments are \$22,207 to \$27,089 with interest payments of \$592 to \$4,882. The payments are due annually on October 30 through 2024. The loan bears an interest rate of 2.23%.

Port Service Concession Arrangement: Effective July 1, 2013, the Sacramento-Yolo Port District entered into a lease agreement with SSA Pacific, Inc. for the Port's North Terminal that qualifies as a service concession arrangement under GASB Statement No. 60, as described in Note 16. As part of the agreement, SSA forgave \$850,000 in existing debt from the Port. In accordance with GASB 60, a liability of \$3,523,797 was accrued representing the net present value of future operating and maintenance expenses required to be paid by the Port under the agreement. The liability was discounted at the Port's cost of funds of rate 5.25% as of the date the agreement was entered into. The liability will be extinguished over the 10 year lease term and the difference between cash paid for expenses and the principal amount accrued will be trued-up through the deferred inflows of resources recognized when the lease was recorded, as described in Note 16.

Other Port Liabilities: In May 2005, the Sacramento-Yolo Port District entered into a Development Cooperation Agreement with Taylor Village Sacramento Investments Partners L.P. for certain infrastructure improvements for the Westbridge Project. The actual cost of improvement accepted was \$1,742,309, plus 1% of interest due 5 years from February 6, 2011. Net of partial payment made in March 2010 in the amount of \$347,742, the City owes \$371,019 as of June 30, 2016.

Deferred Decommissioning Costs: The City accrued a long-term wastewater treatment plant decommissioning and demolition liability of \$8,700,000 during the year ended June 30, 2008 under Statement of Financial Accounting Standards No. 5 due to the decision to no longer use the treatment plant once Sacramento Regional Sanitation District began to treat the City's wastewater beginning November 2007. The liability was estimated as part of the City's capital improvement program and the decommissioning activities began during the year ended June 30, 2010. During the fiscal year ended June 30, 2013, the City suspended decommissioning activities. Should decommissioning activities resume the liability will be reduced as costs are recovered through decommissioning activity rates. The liability may also be reversed upon sale of the property if decommissioning costs are assumed by the buyer.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 7 – LONG TERM LIABILITIES (Continued)

B. Debt Service Requirements

Debt service requirements are shown below for all long-term debt except for the Lighthouse Assessment District Loan and deferred decommissioning costs because the repayment terms cannot be determined at this time:

Year Ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 2,988,405	\$ 828,274	\$ 3,079,809	\$ 2,766,985
2018	2,842,749	723,222	2,789,103	2,680,682
2019	3,062,689	607,737	2,879,853	2,610,793
2020	2,134,981	511,056	2,836,043	2,529,518
2021	2,269,327	426,479	3,616,932	2,868,486
2022-2026	6,865,428	1,370,884	14,433,705	9,515,758
2027-2031	5,041,559	360,046	16,904,878	5,853,458
2032-2035			15,680,000	1,554,625
	<u>\$ 25,205,138</u>	<u>\$ 4,827,697</u>	<u>\$ 62,220,323</u>	<u>\$ 30,380,305</u>

NOTE 8 – AGENCY BONDS PAYABLE AND OTHER CONDUIT DEBT

Special assessment bonds have been issued under the 1915 Bond Act. The City is in no way liable for repayment of any bonds of the funds reflected in the agency funds, according to bond counsel, but is acting only as an agent for the property owners/bond holders in collecting and forwarding the special assessments. These debt agreements are accounted for as agency funds. The Special Tax Revenue Bonds, 2006 Series A and B, were issued in June 2006 to refund various previously issued special assessment bonds. The Special Tax Refunding Bonds, Series 2014 were issued in February 2014 to refund previously issued CFD 8 and 9 Series “F” Special Tax Bonds.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 8 – AGENCY BONDS PAYABLE AND OTHER CONDUIT DEBT (Continued)

Balances of the agency bonds are as follows as of June 30, 2016:

Community Facilities District No. 12 Raley’s Field 2013	\$ 4,854,035
Community Facilities District No. 14 Newport 2004	6,660,000
Community Facilities District No. 20 Bridgeway Lakes	8,695,000
Community Facilities District No. 26 Yarbrough	4,000,000
Community Facilities District No. 27 Bridge District 2016 Special Tax Refunding	16,075,000
Special Tax Revenue Bonds - Series 2006A	36,420,000
Special Tax Revenue Bonds - Series 2006B	2,890,000
Special Tax Revenue Bonds - Series 2012	5,915,000
Special Tax Refunding Bonds, Series 2014	31,920,000
Special Tax Refunding Bonds, Senior Series 2016	8,875,000
Special Tax Refunding Bonds, Subordinate Series 2016	3,450,000
River City Regional Stadium Financing Authority	29,505,000
West Sacramento Area Flood Control Agency JPA Bond	12,705,000
West Sacramento Area Flood Control Agency 2015 Revenue Bonds	27,605,000
Total	\$ 199,569,035

NOTE 9 – NET POSITION AND FUND BALANCE

A. Net Position

The government-wide and business type activities financial statements report net position. Net position is reported as the net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets – 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.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 9 – NET POSITION AND FUND BALANCE (Continued)

B. Fund Balances

Governmental fund balances represent the net current assets and deferred outflows less liabilities and deferred inflows of each fund.

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable fund balances represent balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as permanent funds, and assets not expected to be converted to cash, such as prepaids, notes receivable and land held for resale are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action of the City Council (i.e. a Resolution) which may be altered only by formal action of the City Council (i.e. another Resolution). Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or City Manager and may be changed at the discretion of the City Council or City Manager. This category includes encumbrances; nonspendable, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of special revenue, capital projects or debt service funds which have not been restricted or committed. It is the policy of the City Council to provide authority to assign fund balance to the City Manager through the budget process on Resolution and to authorize use of the assignment through the same action.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 9 – NET POSITION AND FUND BALANCE (Continued)

Detailed classifications of the City’s governmental fund balances, as of June 30, 2016, are below:

Fund Balance Classifications	General Fund	Major Special Revenue		Non-major Governmental Funds	Total
		HCD Block Grant Fund	Low Mod Income Housing Asset Fund		
Nonspendable					
Items not in spendable form:					
Loans receivable	\$ 360,023	\$ 17,789,578	\$ 30,563,686	\$ 434,755	\$ 49,148,042
Prepays	80,099			5,958	86,057
Advances to other funds	5,692,198			7,608,990	13,301,188
Land held for sale	3,220,184				3,220,184
Total Nonspendable Fund Balances	9,352,504	17,789,578	30,563,686	8,049,703	65,755,471
Restricted for:					
Parkside apartment loan forgiveness	1,900,000				1,900,000
Capital projects				7,093,937	7,093,937
Debt service				901,881	901,881
Low income housing projects		2,460,103	321,291		2,781,394
Landscaping and street lighting projects				5,074,768	5,074,768
Hazardous materials enforcement				178,111	178,111
Storm water maintenance projects				52,968	52,968
Educational activities				646,507	646,507
Public safety programs and projects				662,591	662,591
Public art projects				60,324	60,324
Street projects and traffic improvements				4,382,939	4,382,939
Tree mitigation and park improvements				1,183,199	1,183,199
Economic development				59,479	59,479
Information technology				76,813	76,813
Construction and building improvement projects				296,016	296,016
Childcare facilities				236,700	236,700
Community facilities districts				5,704,878	5,704,878
Flood protection projects				3,276,522	3,276,522
Solar project				415,475	415,475
Total Restricted Fund Balances	1,900,000	2,460,103	321,291	30,303,108	34,984,502
Committed to:					
Operations and maintenance measure K	4,778,351				4,778,351
Capital improvements measure K	2,417,961				2,417,961
Community investment measure G				2,494,379	2,494,379
Public safety programs and projects				628,971	628,971
Equipment and maintenance				6,661,343	6,661,343
Debt service				693,566	693,566
Community programs				1,459,428	1,459,428
Southport Mello-Roos District				525,886	525,886
Construction and building improvement projects	2,096,232			7,537,352	9,633,584
Total Committed Fund Balances	9,292,544			20,000,925	29,293,469
Assigned to:					
Council projects	3,716,303			331,924	4,048,227
Total Assigned Fund Balances	3,716,303			331,924	4,048,227
Unassigned in:					
General Fund	16,030,983				16,030,983
Special Revenue Funds				(631,205)	(631,205)
Capital Project Funds				(6,551,301)	(6,551,301)
Total Unassigned Fund Balances	16,030,983			(7,182,506)	8,848,477
Total fund balances (deficit)	\$ 4,292,334	\$ 20,249,681	\$ 30,884,977	\$ 51,503,154	\$ 142,930,146

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 10 – PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the multiple-employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). The City has a Miscellaneous Agent Plan and a Public Safety Cost Sharing Pension Plan made up of the following rate plans:

- Safety Police Plan – cost sharing plan
- Safety Police Second Tier Plan – cost sharing plan
- PEPRA Safety Police Plan – cost sharing plan
- Safety Fire Plan – cost sharing plan
- Safety Fire Second Tier Plan – cost sharing plan
- PEPRA Safety Fire Plan – cost sharing plan

CalPERS acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City Council resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. Standard death benefit include the Basic Death Benefit, 1957 Survivor Benefit, and Special Death Benefit (for Safety members). There is also an Optional Settlement 2W Death Benefit offered to Safety members. The 1959 Survivor Benefit is provided to level 3 and level 4. Cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2015, are summarized as follows:

Hire date	Miscellaneous Plan		
	Prior to February 11, 2012	February 11, 2012 to December 31, 2012	On or after January 1, 2013
Benefit formula (at full retirement)	2.5% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.09% to 2.42%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	6.25%
Required employer contribution rates	18.692%	18.692%	18.692%

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 10 – PENSION PLANS (Continued)

	Safety Police Plan	Safety Police Second Tier Plan	PEPRA Safety Police Plan
	Prior to October 8, 2011	October 8, 2011 to December 31, 2012	On or after January 1, 2013
Benefit formula (at full retirement)	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.40% to 3.00%	2.00% to 2.70%
Required employee contribution rates	9.00%	9.00%	11.50%
Required employer contribution rates			
Paid by employee	4.325%	4.325%	
Paid by employer	14.199%	11.302%	11.153%
Total employer contribution rates	<u>18.524%</u>	<u>15.627%</u>	<u>11.153%</u>

	Safety Fire Plan	Safety Fire Second Tier Plan	PEPRA Safety Fire Plan
	Prior to January 1, 2013	October 8, 2011 to December 31, 2012	On or after January 1, 2013
Benefit formula (at full retirement)	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.40% to 3.00%	2.00% to 2.70%
Required employee contribution rates	9.000%	9.000%	11.500%
Required employer contribution rates	18.524%	15.627%	11.153%

All plans except the PEPRA plans are closed to new members that are not already CalPERS participants.

Employees Covered – At June 30, 2015, the following employees were covered by the benefit terms for the Miscellaneous Plan:

Inactive employees or beneficiaries currently receiving benefits	173
Inactive employees entitled to but not yet receiving benefits	332
Active employees	<u>258</u>
Total	<u><u>763</u></u>

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 10 – PENSION PLANS (Continued)

contributions for all Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2016, the contributions recognized as part of pension expense were as follows:

	Miscellaneous Agent Plan	Public Safety Cost Sharing Plan	Total
Contributions	\$ 3,249,114	\$ 3,132,597	\$ 6,381,711

B. Net Pension Liability

The City’s net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Miscellaneous Plan is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

As of June 30, 2016, the City’s reported net pension liabilities for its Miscellaneous Agent Plan and the proportionate share of the net pension liability of the Public Safety Cost Sharing Plan were as follows:

	Net Pension Liability
Miscellaneous Agent Plan	\$ 29,045,130
Public Safety Cost Sharing Plan - Proportionate Share	27,735,405
Total net pension liability	\$ 56,780,535
Reconciliation to Statement of Net Position:	
Governmental Activities	\$ 55,191,766
Business-type Activities	1,588,769
	\$ 56,780,535

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 10 – PENSION PLANS (Continued)

The City’s net pension liability for each cost sharing plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the cost sharing Plans is measured as of June 30, 2015, and the total pension liability for each cost sharing Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City’s proportionate share of the net pension liability for the Public Safety Plan as of June 30, 2015 and 2014 was as follows:

	Public Safety Cost Sharing Plan
Proportion - June 30, 2014	0.633916%
Proportion - June 30, 2015	0.673117%
Change - Increase (Decrease)	0.039201%

Actuarial Assumptions – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions for all agent and cost sharing Plans:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.0%
Investment Rate of Return	7.65%

The mortality table used was developed based on CalPERS specific Data. The table uses 20 years of mortality improvements using Society of Actuaries Scale BB. The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an April 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 10 – PENSION PLANS (Continued)

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.65 percent discount rate used in the June 30, 2014 valuation no longer includes a reduction for administrative expenses. The 7.5 percent investment return assumption used in the June 30, 2013 valuation was net of administrative expenses. Administrative expenses were assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent in the June 30, 2013 valuation. Using this lower discount rate resulted in a slightly higher Total Pension Liability and Net Pension Liability in the June 30, 2013 valuation. CalPERS assessed the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for all Plans. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	Current Target Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.0%	5.25%	5.71%
Global Debt Securities	19.0%	0.99%	2.43%
Inflation Assets	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	(0.55)%	(1.05)%
Total	<u>100.0%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 10 – PENSION PLANS (Continued)

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for the Miscellaneous Plan were as follows:

Miscellaneous Plan:	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2015	\$ 103,760,576	\$ 76,157,000	\$ 27,603,576
Changes in the year:			
Service cost	2,556,177		2,556,177
Interest on the total pension liability	7,653,951		7,653,951
Differences between actual and expected experience			
Changes in assumptions	(1,969,754)		(1,969,754)
Differences between expected and actual experience	(1,118,053)		(1,118,053)
Plan to plan resource movement		526	(526)
Contribution - employer		2,795,566	(2,795,566)
Contribution - employee		1,228,203	(1,228,203)
Net investment income		1,744,308	(1,744,308)
Benefit payments, including refunds of employee contributions	(3,798,428)	(3,798,428)	
administrative expense		(87,836)	87,836
Net changes	<u>3,323,893</u>	<u>1,882,339</u>	<u>1,441,554</u>
Balance at June 30, 2016	<u>\$ 107,084,469</u>	<u>\$ 78,039,339</u>	<u>\$ 29,045,130</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous Agent Plan	Public Safety Cost Sharing Plan
1% Decrease	6.65%	6.65%
Net Pension Liability	\$ 44,261,386	\$ 45,771,995
Current Discount Rate	7.65%	7.65%
Net Pension Liability	\$ 29,045,130	\$ 27,735,405
1% Increase	8.65%	8.65%
Net Pension Liability	\$ 16,519,625	\$ 12,945,732

Pension Plan Fiduciary Net Position – Detailed information about each Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 10 – PENSION PLANS (Continued)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the City recognized pension expense of \$4,324,475 for the agent and cost sharing Plans combined. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to all Plans combined from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 6,381,711	
Differences between actual and expected experience		\$ 1,163,691
Changes in assumptions		3,112,772
Net differences between projected and actual earnings on plan investments		1,469,998
Change in employer's proportion	659,357	
Difference between employer's contribution and proportionate share		432,355
	\$ 7,041,068	\$ 6,178,816
Total		

The \$6,381,711 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. The difference between the proportionate share of aggregate employer contributions and actual employer contributions was determined to be immaterial at the measurement date and was not recognized as additional deferred outflows/inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2016	\$ (2,707,547)
2017	(2,700,340)
2018	(1,997,682)
2019	1,886,110
	\$ (5,519,459)

E. Payables to the Pension Plans

At June 30, 2016, the City reported payables for the outstanding amount of contributions to the Plans required for the year ended June 30, 2016:

Miscellaneous Agent Plan	\$ 183,998
Public Safety Cost Sharing Plan	247,354
Total	\$ 431,352

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS PLAN

A. Plan Description

In addition to the pension benefits described above, the City provides post-employment health care benefits to eligible employees. CalPERS invests the Plan’s assets as part of the California Employer’s Retiree Benefit Trust (CERBT), resulting in its classification as an agent plan. The City Council has the authority to establish and amend benefit provisions of the plan according to existing bargaining arrangements. In accordance with City Council Resolution, the plan is available to all employees who retire under CalPERS while working for the City. The City pays a percentage of health insurance premiums of non-safety employees with over ten years of service and 100% of safety employee’s health insurance premiums up to the limit specified in the City’s Memorandums of Understanding. Two ex-council members and an ex-contract city attorney are eligible. No separate financial statements are available for the plan.

B. Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council according to existing bargaining arrangements. The OPEB Plan provisions and benefits in effect at June 30, 2016, are summarized as follows:

<u>Eligibility:</u>		Service - age 50, 5 years of service and retire directly from City under CalPERS or disability retirement.		
<u>Medical and Dental</u>			Medical	Contribution
City Manager	No	PEMHCA	100% of premiums	No Cap
Dept. Head (Fire Chief)	No	PEMHCA	100% of premiums	\$800
Fire Management	No	PEMHCA	100% of premiums	\$800
FPA	No	PEMHCA	100% of premiums	\$750
Dept. Head (Non-safety)	Yes	City	5-9 YOS \$75 + 30% of premiums 10-14 YOS \$100 + 50% of premiums 15-19 YOS \$150 + 75% of premiums 20+ YOS 100% of premiums	Retired < 7/1/11 or Employees with 20+ YOS as of 7/1/11 no cap. All others \$1,500
Dept. Head (Police Chief)	No	City	100% Premiums	Up to Blue Shield Access+ plan
Police Management	No	City	100% Premiums if DOH > 7/1/10, need 10 yrs City service	\$800
POA (Safety) Hired ≤ 6/30/14	No	City	Retired < 1/1/09 or have 7+ YOS as of 1/1/09: 100% PORAC(family) All other retirees: 10-14 YOS 50% of premiums 15-19 YOS 75% of premiums 20+ YOS 90% of premiums	Single \$737 2 party \$1,185 Family \$1,511
POA (Safety) Hired > 6/30/14	No	City	Same as POA(Safety) hired ≤ 6/30/14	\$1,200
Non-Safety Management, POA (Non-Safety), Specialists & Professionals, Confidential Stationary Engineers	No	City	10-14 YOS \$50 + 25% of premiums 15-19 YOS \$75 + 30% of premiums 20+ YOS \$100 + 50% of premiums	Lesser of 75% of Total Premiums or \$750 POA(Non-Safety) Not to exceed POA active cafeteria amounts
City Council	No	City	100% Self pay by the retiree	\$0
<u>Vision Benefit:</u>	None - City pays 100% of vision premiums for one former City Manager.			
<u>Surviving Spouse Benefit:</u>	100% of retiree benefit continues to surviving spouse if retiree elects survivor annuity under retirement plan.			

**CITY OF WEST SACRAMENTO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Except for the fire group, the City contribution cap amounts may increase each year based on premiums for active employees. For the fire group, the City contribution cap amounts increase each year in accordance with Government Code Section 22825.

In accordance with the City’s budget, the annual required contribution (ARC) is approved and funded each year. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. Concurrent with implementing GASB Statement No. 45, the City Council passed a resolution to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administered by CalPERS, and is managed by an appointed board that is not under the control of City Council and the Trust is not a component unit of the City. Separately issued financial statements for CERBT may be obtained from CalPERS at P.O. Box 942709, Sacramento, CA, 94229-2709.

C. Annual OPEB Cost

For the year ended June 30, 2016, the City’s annual OPEB cost (expense) of \$2,083,000 was equal to the ARC. The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2016 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2014	\$ 2,439,000	100%	None
June 30, 2015	2,518,000	100%	None
June 30, 2016	2,083,000	100%	None

D. Funded Status and Funding Progress

As of June 30, 2015, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 29,884,000
Actuarial value of plan assets	14,446,000
Unfunded actuarial accrued liability (asset) (UAAL)	<u>\$ (15,438,000)</u>
Funded ratio (actuarial value of plan assets/AAL)	48.34%
Covered payroll (active plan members)	\$ 26,765,000
UAAL as a percentage of covered payroll	57.68%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2015 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and annual healthcare cost trend rate of 7.0% or 7.2% for non-Medicare and Medicare eligible employees, respectively, initially and then reduced by decrements to 5% in 2021 and after. Both rates include a 3% inflation assumption. The dental trend rate is 4% for all years. Mortality, withdrawal, disability and service retirement trends used were based on CalPERS studies. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the June 30, 2015 valuation date was 24 years.

NOTE 12 – RISK MANAGEMENT

A. Participation in YCPARMIA

The City of West Sacramento, California is a member of the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), a public entity risk pool that is currently operating as a common risk management agency. There are six members on the Board of Directors including 1 member from the City. The Board of Directors elects officers of the YCPARMIA annually. The City pays an annual premium to YCPARMIA for its insurance coverage. The Agreement for Formation of YCPARMIA provides that YCPARMIA will be self-sustaining through member premiums and will be re-insured through California Joint Powers Insurance Authority (CAJPIA) for claims in excess of YCPARMIA limits indicated below for each insured event.

The CAJPIA is a large risk pool that covers claims for smaller risk pools such as YCPARMIA. The City has no accrued liability or reserves as of June 30, 2016. The City does not retain risk of loss in the pool above the self-funded retention amount for the general liability, property, and workers' compensation.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 12 – RISK MANAGEMENT (Continued)

The City has had no settlements which exceeded insurance coverage in the last three fiscal years, and no changes in insurance coverage have occurred from the prior year.

Amount	Coverage provider	Payment Source
<i>FIDELITY</i>		
\$ 0 - \$ 1,000	Self-insured	City funds
1,001 - 25,000	Yolo County Public Agency Risk Management Insurance Authority	Shared risk pool
25,001 - 2,000,000	Fidelity & Deposit of Maryland	Shared risk pool
<i>GENERAL AND AUTO LIABILITY CLAIMS:</i>		
\$ 0 - \$ 5,000	Self-insured	City funds
5,001 - 500,000	Yolo County Public Agency Risk Management Insurance Authority	Shared risk pool
500,001 - 40,000,000	California Joint Powers Insurance Authority	Shared risk pool
<i>POLLUTION LEGAL LIABILITY</i>		
\$ 0 - 100,000	Yolo County Public Agency Risk Management Insurance Authority	Shared risk pool
100,001 - 10,000,000	Commercial insurance	Shared risk pool
<i>PROPERTY PROTECTION CLAIMS:</i>		
\$ 0 - \$ 1,000	Self-insured	City funds
1,001 - 25,000	Yolo County Public Agency Risk Management Insurance Authority	Shared risk pool
25,001 - 959,357,100	Commercial insurance	Shared risk pool
<i>WORKERS' COMPENSATION:</i>		
\$ 0 - \$ 1,000	Self-insured	City funds
1,001 - 500,000	Yolo County Public Agency Risk Management Insurance Authority	Shared risk pool
500,001 - 50,000,000	Commercial insurance	Shared risk pool
<i>CYBER LIABILITY:</i>		
\$ 0 - \$ 100,000	Catastrophic retention	City funds
100,001 - 1,000,000	Commercial insurance	Shared risk pool

The City also maintains a smaller policy with YCPARMIA for Marine Hull and Machinery Coverage. Complete financial information for YCPARMIA is available at Yolo County Public Agency Risk Management Insurance Authority, 77 West Lincoln Avenue, Woodland, CA 95695.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 13 – JOINT POWERS AUTHORITY

The City also participates in the West Sacramento Area Flood Control Agency (the Flood Control Agency). The Flood Control Agency was established on July 20, 1994 under a joint exercise of powers agreement between the City, Reclamation District No. 900 and Reclamation District 537 to provide a coordinated regional effort to finance and provide facilities and works necessary to ensure not less than the minimum level of flood protection, as defined by the Federal Emergency Management Agency, exists within the boundaries of the Flood Control Agency. The Board of Directors is comprised of a City Council member and one trustee from each of the participating Reclamation Districts. Upon termination of the joint exercise of powers agreement, any surplus funds on hand will be returned to the participants in proportion to the contributions made to the Flood Control Agency. The Flood Control Agency is authorized, through its participants, to impose special assessments for flood control purposes. The City accounts for the special assessments as well as a reimbursement payable to the Flood Control Agency for costs incurred by its members prior to its formation in the Flood Control Agency Fund. The Flood Control Agency does not meet the definition of a component unit because it has a separate governing body, the City is not financially accountable for it, there is no financial benefit or burden relationship and it does not operate solely for the benefit of the City. Separate financial statements are issued by the Flood Control Agency and are available at the City's Finance Department or at cityofwestsacramento.org.

NOTE 14 - COMMITMENTS AND CONTINGENT LIABILITIES

A. *Lawsuits*

The City is a defendant in a number of lawsuits, which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of management and the City Attorney, these actions, when finally adjudicated will not have a material adverse effect on the financial position of the City.

Possible litigation: Yolo County Department of Health, Environmental Health Services issued a Notice of Violation (NOV) to the City of West Sacramento alleging criminal and administrative violations for the release of hazardous material by the City's Water Treatment Plant. The matter was settled during the year ended June 30, 2016 for the County's investigation costs.

B. *Grant Contingencies*

The City participates in various federal and state assisted grant programs. These programs are subject to compliance audits by the grantors. No audits by the grantors have been conducted during the year ended June 30, 2016. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 14 - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

C. Central Valley Regional Water Quality Control Board

Groundwater: As part of the Groundwater Extraction Pilot Study accepted by the Regional Water Quality Control Board (RWQCB), which is in connection with the investigation of the distribution of nitrate and ammonia in the soil and groundwater with the Port, the Port installed three groundwater extraction wells and began pumping the ground water to the Port storm water treatment system on June 28, 2002. Based on the favorable results of the treatment of the pumped groundwater in the Port storm water treatment system and with the concurrence of the RWQCB, the Port installed two additional groundwater pumping wells in June 2004. Further negotiations with the RWQCB will determine the requirement for additional wells, the year-round treatment plan and the amount of overall facility groundwater extraction required. Based on the investigations performed by professional consultants, in the opinion of the Port's management, there is no threat to any drinking water supply.

Storm Water: In connection with an August 1, 1999 Cease and Desist Order (CDO) issued by the RWQCB, the construction of an innovative storm water collection and treatment system was completed in December 2001. The total cost of the project was \$3,665,052 and was partially financed by an unsecured note payable described in Note 7. During each storm event, the system collects surface run-off from the Port's terminal and removes nitrates and ammonia prior to the release of the water into the harbor. The system has operated as anticipated and the requesting recession of the CDO is still under legal consideration.

D. Contingencies Related to the Termination of the Redevelopment Agency

As indicated in Note 15.C, certain transfers made by the Successor Agency of the Redevelopment Agency of the City of West Sacramento to other governments are subject to review by departments of the State of California, including transfers made to other City funds. The State may require any previous unnecessary transfers to other City funds to be reversed and paid to the Successor Agency for distribution to other jurisdictions as residual payments under AB 1484. The City believes all reviews by the State of have been completed and all required residual payments have been made. However, it is possible that the State of California may perform additional reviews of the transfers made by the former Redevelopment Agency to other City funds and may require additional payments be made to the Successor Agency.

E. Long-Term Commitments

The City had the following significant contract commitments as of June 30, 2016:

	Appropriation	Expended June 30, 2016	Commitment
Water Projects	\$ 11,873,805	\$ 1,795,116	\$ 10,078,689
Drainage and Flood Control Projects	116,672,966	76,349,801	40,323,165
Sewer Projects	4,121,544	907,777	3,213,767
Port Projects	388,310	242,309	146,001
Total commitments	\$ 133,056,625	\$ 79,295,003	\$ 53,761,622

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 14 - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

F. *Port Deepwater Ship Channel Project*

In June 1986, the Port entered into an agreement with the U.S. Department of the Army for the deepening of the Sacramento Deep Water Ship Channel. During this construction, the Port is required to fund an amount equal to 25% of the total cost of construction of the general navigation facilities. The Port must also contribute land, material disposal areas, easements, rights-of-way and relocation facilities. As Port funds were not available to complete the project, the U.S. Department of the Army placed the project on hold, but not in deferred status. Should the U.S. Department of the Army later decide to place the project in deferred status, it would have up to 10 years to restart the project without seeking project reauthorization from the United States Congress. The U.S. Department of the Army is currently performing a study to determine if the Port's operations justify the cost of completing the project. An additional \$12 million is needed to finance the local share of the project. The U.S. Congress will need to appropriate the funds for the project to restart. Currently, two funding alternatives are being pursued for the local share of this project. The first is the sale of land owned by the Port in the Southport Area of the City of West Sacramento. Secondly, and concurrent with the first alternative, a letter of interest has been obtained from the State of California Department of Water resources for its purchase and use of dredge materials for levee repair and habitat construction projects.

Should the project not be restarted, the costs capitalized in construction in progress related to the channel deepening project totaling \$7.75 million at June 30, 2015 would be considered impaired under GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, and an impairment loss would be required to be recognized.

Additionally, as a result of a 1995 settlement agreement reached with Pacific Gas & Electric Company, the Port is required to contribute up to \$3 million toward the cost of construction for protection of gas lines under the channel when the project is restarted.

G. *Stone Lock Property*

The sale of the Stone Lock property to the Port District was consummated, however asbestos contamination was found in the damaged buildings and responsibility for remediation is being determined. It is currently unknown how much the remediation of the contamination discovered will cost and it is unclear whether the State will approve funding for remediation efforts on the Successor Agency's ROPS. Since the amount is not estimable at June 30, 2016 and responsibility for the costs has not been determined, the Successor Agency and Port Fund have not accrued a liability for the asbestos remediation costs.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 14 - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

H. Operating Leases Receivable and Payable

1. Lease Payable

In October 2006, the City entered into an agreement with the Washington Unified School District (District) to lease a joint use recreation center. The agreement states that the District has agreed to pay all up-front capital costs for the construction of the recreation center facility and the City will make payments to the District for the City's portion of these costs, including interest, over the course of a thirty year period. In the year ended June 30, 2010, the project was completed and the City began making payments starting February 1, 2009 through August 1, 2038. Future payments for the project are listed below.

2. Leases Receivable

A significant portion of the Port's assets are leased to tenants under operating lease agreements. Leased assets include maritime facilities, office and commercial space and land. Lease agreement terms range from June 30, 2010 to June 30, 2055. The City and SSA Pacific entered into a long-term concession and lease agreement on July 1, 2013 for operation of the Port's North Facility as discussed in Note 16. The lease may be extended for three additional five year periods. Future payments are listed below.

Future minimum lease payments payable and receivable are as follows as of June 30, 2016.

Year Ending June 30:	Washington School	Port Leases	
	District Lease Payable	SSA Lease Receivable	Other Leases Receivable
2017	\$ 1,095,342	\$ 676,393	\$ 1,274,766
2018	1,095,342	676,393	1,198,860
2019	1,095,342		921,092
2020	1,095,342		870,018
2021	1,095,342		753,465
2022-2026	5,476,710		3,667,106
2027-2031	5,476,710		3,833,401
2032-2036	5,476,710		3,073,647
2037-2041	2,738,355		2,276,575
2042-2046			2,276,575
2047-2051			2,276,575
2051-2055			1,821,260
	<u>\$ 24,645,195</u>	<u>\$ 1,352,786</u>	<u>\$ 24,243,340</u>

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 15 – SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, as amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

Under the provisions of AB 1484, the City may elect to become the Housing Successor and retain the housing assets. The City elected to become the Housing Successor and on February 1, 2012, certain housing assets were transferred to the City’s Low Mod Income Housing Asset Special Revenue Fund. The activities of the Housing Successor are reported in the Low Mod Income Housing Assets Special Revenue Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

The City also elected to become the Successor Agency and on February 1, 2012 the Redevelopment Agency’s remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established in April 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including one member of City Council, one former Redevelopment Agency employee appointed by the Mayor and the remaining members are appointed by external agencies with an interest in Successor Agency assets.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency, including paying debt service payments of existing Redevelopment Agency debt agreements.

The following disclosures of the Successor Agency as of June 30, 2016 are required by debt continuing disclosure requirements.

A. Capital Assets

Successor Agency capital asset activity was as follows for the year ended June 30, 2016:

	Balance at July 1, 2015	Additions	Retirements	Balance at June 30, 2016
<i>Governmental Activities</i>				
Capital Assets, not being depreciated:				
Land	\$ 2,731,619		\$ (1,580,311)	\$ 1,151,308
Governmental Activities				
Capital Assets, net	\$ 2,731,619	\$ -	\$ (1,580,311)	\$ 1,151,308

During the year ended June 30, 2016, the Successor Agency sold capital assets to the City of West Sacramento for \$2,410,000, resulting in a gain on sale of \$829,689.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 15 – SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO (Continued)

B. Long-term Liabilities

The following is a summary of changes in the Successor Agency’s long-term liabilities for the year ended June 30, 2016:

	Balance at July 1, 2015	Incurred	Retired	Balance at June 30, 2016	Due Within One Year
Revenue Bonds:					
2007 Revenue Bonds, Series A					
3.25%-4.75%, due 09/1/2036	\$ 22,830,000			\$ 22,830,000	
2007 Revenue Bonds, Taxable Series B					
5.00%-5.50%, due 09/1/2018	5,800,000		\$ (1,335,000)	4,465,000	\$ 1,410,000
Tax Allocation Bonds:					
2004 Tax Allocation Bonds					
Series B, 2.3%-5.25%, due 09/1/2035	3,210,000		(575,000)	2,635,000	610,000
2014 Tax Allocation Refunding Bonds					
3.91%, due 09/01/2029	57,707,609		(2,414,193)	55,293,416	2,529,326
2014 Subordinate Tax Allocation Refunding Bonds					
3.91%, due 09/01/2029	8,813,730		(45,415)	8,768,315	16,771
	<u>98,361,339</u>		<u>(4,369,608)</u>	<u>93,991,731</u>	<u>4,566,097</u>
Notes Payable:					
Cemex					
4%, due 10/1/2023	2,009,623		(216,747)	1,792,876	119,332
Unamortized bond discounts	(328,375)		24,030	(304,345)	
Total Debt, Net	<u>100,042,587</u>	<u>\$ -</u>	<u>\$ (4,562,325)</u>	<u>95,480,262</u>	<u>\$ 4,685,429</u>
Less: Due within one year	<u>(4,484,350)</u>			<u>(4,685,429)</u>	
Due in more than one year	<u>\$ 95,558,237</u>			<u>\$ 90,794,833</u>	

2007 Revenue Bonds, Series A & B: On November 27, 2007, the Redevelopment Agency signed an agreement to participate with two other redevelopment agencies and the Association of Bay Area Governments (the Association) to receive \$22,830,000 and \$13,455,000 to finance redevelopment projects of benefit to the City’s redevelopment project area. The bonds are special obligations of the issuer payable from and secured by an irrevocable pledge of property tax revenues. See below for a summary of future principal and interest payments to be made on this and other Agency debt as well as tax revenues recognized and principal and interest payments made during the year. Principal payments of \$850,000 to \$1,830,000 are due annually on September 1 through 2036. Interest payments of \$534,450 to \$43,463 are due semiannually on March 1 and September 1 through September 1, 2036. Interest rates range from 3.25% to 5.5%.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 15 – SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO (Continued)

2004 Tax Allocation Revenue Bonds, Taxable Series B: (California Redevelopment Agency Pools) On December 1, 2004, the Redevelopment Agency signed an agreement to participate with two other redevelopment agencies and the Association of Bay Area Governments (the Association) to receive \$7,705,000 of the proceeds of the Association's 2004 Tax Allocation Revenue Bonds, Series B to provide moneys to purchase tax allocation bonds issued by the Redevelopment Agency to finance various redevelopment capital projects within, or of benefit to the Project Area. The bonds are secured by a pledge of the Redevelopment Agency's tax increment revenue. The Agency is required to collect tax increment revenue equal to 125% of the debt service payments on this issuance and all other parity debt payable from the Agency's tax increment revenue. Principal payments of \$550,000 to \$710,000 are due annually on September 1 through 2020. Interest payments of \$19,028 to \$99,943 are due semiannually on March 1 and September 1, through September 1, 2019. Interest rates range from 5.06% to 5.36%.

2014 Tax Allocation Refunding Bonds: On January 15, 2014, \$58,766,588 in 2014 Tax Allocation Refunding Bonds were issued by the Successor to the Redevelopment Agency to refund the 1998 Tax Allocation Bonds maturing on or after September 1, 2015, and the portion of the 2004 Tax Allocation Revenue Bonds, Series A maturing on or before September 1, 2029. The bonds are secured by a lien on tax revenues. Principal payments of \$1,058,994 to \$5,414,106 are due annually on September 1 through 2029. Interest payments of \$105,846 to \$1,148,887 are due semiannually on March 1 and September 1 through September 1, 2029. Interest rate is 3.91%.

2014 Subordinate Tax Allocation Refunding Bonds: On September 30, 2014, \$8,813,730 in 2014 Subordinate Tax Allocation Refunding Bonds were issued by the Successor Agency to refund the remaining 2004 Series A Tax Allocation Revenue Bonds maturing after September 1, 2029. The bonds are secured by a lien on Successor Agency tax revenues, which is subordinate to the lien on tax revenues that secure Senior Obligations, as defined. Principal payments of \$16,771 to \$1,562,456 are due annually on September 1, 2015 through 2035. Interest payments of \$33,671 to \$189,936 are due semiannually on March 1 and September 1 through September 1, 2035. Interest rate is 4.31%.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 15 – SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO (Continued)

With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed and housing set-aside amounts are no longer required, and instead the Successor Agency receives payments from the County’s Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. The Agency has pledged future tax revenues to repay all of the Agency’s Revenue and Tax Allocation Bonds through 2036. The Agency’s total principal and interest remaining to be paid on all Revenue and Tax Allocation Bonds combined was \$132,514,467 at June 30, 2016. The Agency’s principal and interest paid during the current year for all Revenue and Tax Allocation Bonds combined was \$8,465,505 and the net pledged tax increment revenues were \$19,742,310 during the year ended June 30, 2016.

The pledged revenues reported above represents tax revenues deposited into the Redevelopment Property Tax Trust Fund administered by the County of Yolo Auditor-Controller’s Office, less property tax administration fees and tax sharing payments made to other local agencies as required under Community Redevelopment Law (net pledged tax increment revenues). A portion of the net pledged tax increment revenues are made available to the Agency under the ROPS process described in Note 15.C.1 below. The net pledged tax increment revenues reported above are not intended to represent the amount received by the Agency and reported in the Successor Agency Private-Purpose Trust Fund. Although the Agency does not receive all of the net pledged tax increment revenues, additional revenues would be available to the Agency in the future if necessary to make debt service payments.

Notes Payable: On July 12, 2006, the Redevelopment Agency entered into an agreement with RMC Pacific Materials, Inc. to relocate and relinquish the right to receive rail service at the Cemex cement plant located at 1501 South River Road in exchange for 20 annual payments of \$191,054 beginning November 7, 2009. The payments include interest imputed at 4%.

Debt service requirements as of June 30, 2016 were as follows:

Year Ending June 30:	Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2017	\$ 4,566,097	\$ 3,890,665	\$ 119,332	\$ 71,722
2018	4,745,678	3,676,474	124,105	66,949
2019	4,983,980	3,452,366	129,069	61,985
2020	4,445,735	3,244,505	134,232	56,822
2021	4,595,769	3,060,100	139,601	51,453
2022-2026	25,932,569	12,328,592	786,370	168,900
2026-2031	27,737,250	6,590,948	360,167	21,762
2032-2036	15,154,653	2,235,624		
2037-2041	1,830,000	43,463		
	<u>\$ 93,991,731</u>	<u>\$ 38,522,736</u>	<u>\$ 1,792,876</u>	<u>\$ 499,593</u>

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 15 – SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO (Continued)

C. *Commitments and Contingencies*

1. *State Approval of Enforceable Obligations*

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semiannually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

2. *State Asset Transfer Review*

The activities of the former Redevelopment Agency and the Successor Agency are subject to further examination by the State of California and the amount, if any, of expenditures which may be disallowed by the State cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

3. *Pledged Revenue*

In addition to the pledge of revenues for all Bonds described above, the former Redevelopment Agency pledged certain revenues for the payment of debt service on bonds issued by Community Facilities District No. 12 (Raley's Field), which is reported as an agency fund in the City's financial statements. As stated in Note 8, the bond is a special assessment bond and the City and Successor Agency are in no way liable for repayment of this Bond. Beginning in 2000, the former Redevelopment Agency agreed to pay an amount equal to \$189,057, less the amount of special taxes levied during each year through 2029. In addition, beginning in 2002, the Redevelopment Agency agreed to pay \$224,000 through 2029. This amount will be increased or decreased by the percentage change in assessed valuation of property within CFD No. 12 from the prior year's valuation. The revenue is now collected by the Successor Agency Private Purpose Trust Fund and the pledge of revenues has been assumed by the Successor Agency.

NOTE 16 – SERVICE CONCESSION ARRANGEMENT

A. *Port Operating Agreement*

Effective July 1, 2013, the Port terminated the operating agreement with SSA Pacific (SSA) and executed a Master Lease and Terminal Operations Management Agreement (the Agreement) with SSA for the Port's North Terminal developed maritime facilities. Control of the Port's real estate operations and related real estate lease agreements were retained by the Port. Under the Agreement, the wharfage and dockage revenue is retained by SSA and SSA is responsible for all operating and maintenance costs of the leased facilities. Agreements with outside parties related to operating the leased facilities were assigned to SSA. The Port was responsible for payment of one-half of the cost of perimeter fencing around the leased facilities as well as insurance and maintenance costs under the Agreement.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 16 – SERVICE CONCESSION ARRANGEMENT (Continued)

The Port is entitled to receive \$650,000 per year in rent for five years plus 25% of the SSA's wharfage and dockage revenues exceeding \$2 million under the Agreement. The rent is due on a monthly basis on the first day of each month and is subject to yearly increases of 1%. SSA agreed to forgive \$900,000 in Port debt related to previous improvements to the maritime facilities, and to purchase the Port's PM10 air credits for \$50,000 under the Agreement. The Agreement may be extended for three additional five year periods, including one five year period at the option of SSA, assuming SSA is not in default, and two five year periods upon the mutual consent of the Port and SSA. The Port has also agreed to consider the value of any significant capital investments by SSA in the leased facilities when making the decision whether to further extend the agreement with SSA, but in no case will the term of the agreement exceed fifty years.

The City accrued the net present value of the lease payments of \$3,387,346 and the present value of the estimated operating and the maintenance expenses the Port is required to incur under the agreement of \$2,511,558 at June 30, 2016 and recorded deferred inflows of resources for the net difference between these two amounts under GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The City determined the most likely lease term was ten years and used the lease revenue and operating and maintenance expenses through June 30, 2023 in this transaction. The deferred inflows of resources is also being amortized over the same ten year period and the net difference in the principal portion of the cash received for lease payments and cash paid for operating and maintenance expenses is true-up through the deferred inflows of resources each year and amortized over the remaining portion of the ten year period. Unamortized deferred inflows of resources under the agreement at June 30, 2016 were \$834,108. SSA must return the facilities to the Port at the end of the agreement, so the Port will not depreciate the facilities under the lease and will record any capital additions made by SSA during the lease term according to GASB Statement No. 60.

NOTE 17 – SUBSEQUENT EVENTS

A. *Establishment of a New Enhanced Infrastructure Financing District*

Enhanced Infrastructure Financing District – As a high priority action on its 2016 Strategic Plan, the City staff completed a feasibility analysis that looked at areas of the City to be included in the proposed Enhanced Infrastructure Financing District (EIFD), evaluated potential future development and the estimated amount of tax increment that could be generated at built out within those areas. The City Council directed staff to focus on 14 subareas of the former redevelopment area, totaling 4,125 acres. On November 16, 2016, the City Council adopted a Resolution of Intent (Resolution 16-58) to form the EIFD and directed formation of a Public Financing Authority to be the governing board for the Enhanced Infrastructure District. A public hearing has been scheduled for April 2017 to consider approval of an Infrastructure Financing Plan and adoption of an ordinance forming the EIFD.

B. *Long-term Liability and Loan Commitments*

In July 2016, the City Council and Successor Agency Oversight Board authorized the issuance of 2016 Subordinate Tax Allocation Refunding Revenue Bonds in the amount of \$20,207,000 to advance refund the 2007 Tax Allocation Bonds, Series A with an outstanding principal amount of \$22,830,000. The issuance of the refunding bonds was expected to result in a net present value savings of \$3,762,739.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 17 – SUBSEQUENT EVENTS (Continued)

C. *Streetcar Project*

In 2016, the Streetcar Project achieved a number of key milestones. An Inter-Agency Agreement was executed between the City of Sacramento, the City of West Sacramento, and Sacramento Regional Transit, in order to fund final design of the project and advance vehicle procurement. The Agreement provides for a \$6 million commitment split evenly between the two cities for the design phase. Also, the State of California awarded the project \$30 million in “cap and trade” funds under a State funding program intended to reduce greenhouse gas emissions. The Federal Transportation Agency unofficially awarded a \$150 million grant to the project in the FY 2017 budget, funding that will require a 50% local match from the two cities. To provide the City’s share of the match, on July 15, 2015, the City Council authorized up to \$47 million in lease revenue bonds to be issued, with the intent that \$25 million will be dedicated to the Street Car project. An additional \$50 million grant request was also submitted to the FTA for FY 2018 that would allow the total project budget to reach \$200 million, and route improvements beyond what is anticipated in the Starter Line. Finally, the two cities advanced proposals for a governance structure for construction and operation of the project. Draft documents have been prepared that would involve creation of a Joint Powers Authority, and workshops on governance are currently planned for early-2017. Implementation of the project is anticipated to commence in late-2017 with commencement of Streetcar operations in early 2021.

NOTE 18 – NEW PRONOUNCEMENTS

In June 2015, the GASB approved Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to other postemployment benefits other than pensions (OPEB). This Statement also addresses footnote disclosures and required supplementary information requirements for defined benefit OPEB plans. The alternative measurement method for OPEB plans will still be available under this Statement for employers with fewer than 100 employees (active and inactive). The provisions of this Statement are effective for periods beginning after June 15, 2017.

In June 2015, the GASB approved Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement identifies the hierarchy of generally accepted accounting principles (GAAP) for state and local governments, reducing the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement is effective for periods beginning after June 15, 2015.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the abatement agreements, including the authority for the abatement, eligibility criteria, the mechanism by which the taxes are abated, provisions for recapturing abated taxes, the types of commitments made by tax abatement recipients, gross dollar amount of taxes abated during the period and commitments made by a government, other than the taxes abated, that are part of the agreement.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 18 – NEW PRONOUNCEMENTS (Continued)

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement establishes criteria allowing investment pools meeting certain maturity, quality, diversification and other criteria to measure its investments at amortized cost for financial reporting purposes rather than at fair value and allowing the pool's users to measure their investment in the pool at amortized cost. This Statement is effective for periods beginning after June 15, 2015 with some provisions effective for periods beginning after December 15, 2015.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. This agreement defines a tax abatement as an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to the economic development or otherwise benefits the government or its citizens. This Statement requires reporting not-for-profit component units on a blended basis if the primary government is the sole corporate member and the component unit is required to be included in the financial reporting entity under paragraphs 21-37 of GASB Statement No. 14, as amended. This statement is effective for reporting periods beginning after June 15, 2016.

In March 2016, the GASB issued Statement No. 82, *Pension Issues, an Amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement clarifies certain accounting and reporting issues related to pension plans, including the presentation of payroll related measures in required supplementary information, clarifies the use of the term *deviation* for the selection of assumptions, and clarifies the classification of employer-paid member contributions and the period in which they should be recognized. The requirements of this Statement are effective for periods beginning after June 15, 2015, and should be applied retroactively.

The City is currently evaluating the impact of these new Statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF WEST SACRAMENTO

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS – MISCELLANEOUS PLAN (UNAUDITED)
LAST TEN YEARS
JUNE 30, 2016

	2016	2015
Total Pension Liability		
Service cost	\$ 2,556,177	\$ 2,590,467
Interest on total pension liability	7,653,951	7,272,888
Changes in benefits	-	-
Differences between expected and actual experience	(1,118,053)	-
Changes in assumptions	(1,969,754)	-
Benefit payments, including refunds of employee contributions	(3,798,428)	(3,558,794)
Net change in total pension liability	3,323,893	6,304,561
Total pension liability - beginning	103,760,576	97,456,015
Total pension liability - ending (a)	<u>\$ 107,084,469</u>	<u>\$ 103,760,576</u>
Plan fiduciary net position		
Contributions - employer	\$ 2,795,566	\$ 2,491,490
Contributions - employee	1,228,203	1,284,689
Net investment income	1,744,308	11,269,598
Administrative expenses and other	(3,798,428)	(3,558,794)
Benefit payments	(87,310)	-
Net change in plan fiduciary net position	1,882,339	11,486,983
Plan fiduciary net position - beginning	76,157,000	64,670,017
Plan fiduciary net position - ending (b)	<u>\$ 78,039,339</u>	<u>\$ 76,157,000</u>
Net pension liability - ending (a)-(b)	<u>\$ 29,045,130</u>	<u>\$ 27,603,576</u>
Plan fiduciary net position as a percentage of the total pension liability	72.88%	73.40%
Covered - employee payroll, measurement period	\$ 15,645,379	\$ 15,564,905
Net pension liability as percentage of covered - employee payroll	185.65%	177.34%
Notes to Schedule:		
Valuation date:	June 30, 2014	June 30, 2013
Measurement date:	June 30, 2015	June 30, 2014

Benefit changes: There were no changes in benefits.

Changes in assumptions: The discount rate was changed to 7.65% from 7.5% in the June 30, 2015 valuation.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

CITY OF WEST SACRAMENTO

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN -
 MISCELLANEOUS PLAN (UNAUDITED)
 LAST TEN YEARS
 JUNE 30, 2016

	2016	2015
Actuarially determined contribution, employer's fiscal year	\$ 3,249,114	\$ 2,881,871
Contributions in relation to the actuarially determined contributions	(3,249,114)	(2,881,871)
Contribution deficiency (excess)	\$ -	\$ -
Covered - employee payroll, employer's fiscal year	\$ 16,668,162	\$ 15,645,379
Contributions as a percentage of covered - employee payroll	19.49%	18.42%
Notes to Schedule:		
Valuation date:	June 30, 2014	June 30, 2013
Measurement date:	June 30, 2015	June 30, 2014

Benefit changes: There were no changes in benefits.

Changes in assumptions: The discount rate was changed to 7.65% from 7.5% in the June 30, 2015

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over average remaining service life of participants.
Remaining amortization period	Not stated
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies depending on entry age and service
	7.65% (2015) and 7.50% (2015,, net of administrative expenses), includes inflation.
Investment rate of return	
Retirement age	50-67 years. Probabilities of retirement are based on the 2010 CalPERS Experience Study for the period 1997 to 2007.
Mortality	CalPERS specific data from January 2014 actuarial experience study for the period 1997 to 2011 that uses 20 years of mortality improvements using Society of Actuaries Scale BB.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

CITY OF WEST SACRAMENTO

SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY – PUBLIC SAFETY PLAN (UNAUDITED)
LAST TEN YEARS
JUNE 30, 2016

	2016	2015
Proportion of the net pension liability	0.673117%	0.633916%
Proportionate share of the net pension liability	\$ 27,735,405	\$ 23,778,013
Covered - employee payroll, measurement period	\$ 11,735,360	\$ 12,111,651
Proportionate share of the net pension liability as a percentage of covered payroll	236.34%	196.32%
Plan fiduciary net position	\$ 103,812,721	\$ 104,189,162
Plan fiduciary net position as a percentage of the total pension liability	78.92%	81.42%
Notes to Schedule:		
Valuation date:	June 30, 2014	June 30, 2013
Measurement date:	June 30, 2015	June 30, 2014

Benefit changes: There were no changes to benefit terms.

Changes in assumptions: The discount rate was changed to 7.65% from 7.5% in the June 30, 2015 valuation.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - PUBLIC SAFETY PLAN (UNAUDITED)

June 30, 2015

Last 10 Years

	2016	2015
Contractually required contribution, employer's fiscal year (actuarially determined)	\$ 3,132,597	\$ 2,945,130
Contributions in relation to the actuarially determined contributions	(3,132,597)	(2,945,130)
Contribution deficiency (excess)	\$ -	\$ -
Covered - employee payroll, employer's fiscal year	\$ 12,302,810	\$ 11,735,360
Contributions as a percentage of covered - employee payroll	25.46%	25.10%
Notes to Schedule:		
Valuation date:	June 30, 2014	June 30, 2013
Measurement date:	June 30, 2015	June 30, 2014

Benefit changes: There were no changes in benefits.

Changes in assumptions: The discount rate was changed to 7.65% from 7.5% in the June 30, 2015 valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over average remaining service life of participants.

Remaining amortization period	Not stated
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies depending on entry age and service
Investment rate of return	7.50%, net of administrative expenses; includes inflation.
Retirement age	50-67 years. Probabilities of retirement are based on the 2010 CalPERS Experience Study for the period 1997 to 2007.
Mortality	CalPERS specific data from January 2014 actuarial experience study for the period 1997 to 2011 that uses 20 years of mortality improvements using Society of Actuaries Scale BB.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

CITY OF WEST SACRAMENTO

SCHEDULE OF FUNDING PROGRESS OF THE
 EMPLOYEE OTHER POSTEMPLOYMENT BENEFITS PLAN (UNAUDITED)
 JUNE 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Actuarial Accrued (Liability) Asset (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2011	\$ 6,312,000	\$ 25,919,000	\$ (19,607,000)	24.35%	\$ 26,426,000	74.20%
June 30, 2013	\$ 10,163,000	\$ 31,310,000	\$ (21,147,000)	32.46%	\$ 25,695,000	82.30%
June 30, 2015	\$ 14,446,000	\$ 29,884,000	\$ (15,438,000)	48.34%	\$ 26,765,000	57.68%

The most recent valuation as of June 30, 2015 only reported the years above.

SUPPLEMENTAL INFORMATION

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NON-MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The non-major special revenue funds of the City are outlined as follows:

LANDSCAPING AND STREET LIGHTING FUND – to account for revenues and the associated expenditures of fees levied on property owners of the City which are specifically restricted to landscaping, street lighting and maintenance.

HAZARDOUS MATERIALS FUND – to account for revenues and the associated expenditures of fees collected specifically for the inspection and enforcement of hazardous materials storage.

TRANSIT FUND – to account for revenues and the associated expenditures of Transportation Development Act funds, which are restricted for public transit services or streets and roads projects.

TECHNOLOGY IMPACT FEE FUND – To account for revenues and the associated expenditures of technology impact fees specifically restricted for acquisition and improvement of technology for the City.

STORM WATER MAINTENANCE DISTRICT FUND – to account for revenues and the associated expenditures of fees levied on property owners of the City, which are specifically restricted to the maintenance of pumps to control storm water runoff.

CABLE FUND – to account for revenues and the associated expenditures of franchise fees, received from cable television franchises, which are specifically restricted to activities for educational and governmental use.

SPECIAL PURPOSE FUND – to account for revenues and the associated expenditures of various minor programs specifically restricted for community programs, traffic regulation, and disaster reimbursements.

PUBLIC SAFETY FUND – to account for revenues and the associated expenditures of various minor grants specifically restricted for public safety.

PUBLIC ART FUND - to account for the revenues and expenditures associated with the public art projects in the City.

ROAD FUND - to account for revenues and expenditures of appropriated gas tax, which are specifically restricted for the construction and maintenance of streets.

IMPROVEMENTS FUNDS:

GENERAL EQUIPMENT IMPROVEMENTS FUND – to account for revenues and the associated expenditures of funds restricted to acquiring equipment.

TREE MITIGATION IMPROVEMENTS FUND – to account for revenues and associated expenditures of tree mitigation fees restricted to replace trees destroyed by development activities.

PUBLIC WORKS SUPPORT SERVICES FUND – to account for revenues and the associated expenditures for the activities of the Public Works Administration and Equipment Maintenance.

PUBLIC WORKS ENGINEERING SUPPORT SERVICES FUND – to account for revenues and the associated expenditures for the activities of the Public Works Engineering division.

COMMUNITY DEVELOPMENT SUPPORT SERVICES FUND – to account for the revenues and the associated expenditures of the Department of Community Development, consisting of planning, engineering, and building inspection.

CITY OF WEST SACRAMENTO

FLOOD PROGRAM SUPPORT FUND – to account for the revenues and the associated expenditures of flood administration and management activities.

COMMUNITY DEVELOPMENT PERFORMANCE BONDS SUPPORT SERVICES FUND – to account for refundable community development performance bonds received from developers.

ECONOMIC DEVELOPMENT FUND – The Economic Development Fund accounts for the revenues and expenditures associated with recruitment to the city of targeted industries and the retention and expansion of West Sacramento businesses.

RD811 MAINTENANCE FUND – to account for the revenues and the associated expenditures of maintenance programs within Reclamation District 811.

PARKING IMPROVEMENT FUND – to account for the revenues and the associated expenditures of parking improvements within the City.

BRIDGE DISTRICT IFD FUND – to account for the revenues and the associated expenditures of the Infrastructure Financing District established to fund improvements in the Bridge District.

NON-MAJOR DEBT SERVICE FUNDS

The debt service funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest. The non-major debt service funds of the City are outlined as follows:

2011 LEASE REVENUE BOND FUND – to account for the accumulation of resources and payment of revenue bond principal and interest for an administrative facility.

2012 PENSION OBLIGATION BONDS FUND – to account for the refunding of the CALPERs side fund obligation related to the Police Safety plan and Fire Safety Plan. Annual debt service for the bond will be paid from this fund.

2012 REFUNDING LEASE REVENUE REFUND BONDS FUND – to account for the refinancing of the 1997 City Hall Lease Revenue Bond and lower the annual debt service payment. Annual debt service for this obligation will be paid from this fund.

GENERAL EQUIPMENT LEASE FUND – to account for expenditures related to the streetlight improvement project changing the current streetlights with high energy efficient LED lights. This project is funded from the loan proceeds received from PNC Financial Capital. The Accela lease was also added to this fund to account for expenditures related to the online permit system, Accela, from the loan proceeds received from U.S Bank Trust.

NON-MAJOR CAPITAL PROJECTS FUNDS

The capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities. The non-major capital projects funds of the City are as follows:

TRAFFIC IMPROVEMENT FUND – to account for the construction of traffic improvements.

PARK IMPROVEMENT FUND – to account for revenues and the associated expenditures of the park impact fees specifically restricted for park acquisitions, construction and improvements.

UNDERGROUND IMPROVEMENTS FUND – to account acquisition and construction of underground improvements.

CITY OF WEST SACRAMENTO

GENERAL FACILITIES IMPROVEMENTS FUND – to account for revenues and the associated expenditures of funds specifically restricted to finance building and improvements associated with general municipal services.

POLICE FACILITY IMPACT FEES FUND – to account for revenues and the associated expenditures of the police impact fees specifically restricted acquisition and construction of police facilities.

FIRE FACILITY IMPACT FEES FUND – to account for revenues and the associated expenditures of the fire impact fees specifically restricted acquisition and construction of fire facilities.

CHILDCARE IMPACT FEES FUND – to account for revenues and the associated expenditures of the childcare impact fees specifically restricted acquisition and construction of childcare facilities.

CITY HALL IMPACT FEES FUND – to account for revenues and the associated expenditures of the City Hall impact fees specifically restricted acquisition and construction of City Hall.

DRAINAGE IMPACT FEES FUND – to account for revenues and the associated expenditures of the storm drain impact fees specifically restricted for drain enhancement and maintenance projects.

CORPORATE YARD IMPACT FEES FUND – to account for revenues and the associated expenditures of the corporate yard impact fees specifically restricted acquisition and construction of the corporate yard.

SENIOR CENTER CONSTRUCTION FUND – to account for the acquisition and construction of a senior center.

TRIANGLE/BRIDGE DISTRICT PROJECT CAPITAL PROJECTS FUND – to account for the construction of the infra-structure in the Bridge District.

COMMUNITY INVESTMENT (MEASURE G) FUND – to account for revenues from the former Redevelopment Agency that committed for infrastructure improvements and economic development activities within the City under Measure G.

COMMUNITY FACILITIES DISTRICT FUND – to account for acquisition and construction activity of various community facilities districts of the City.

SOUTHPORT MELLO-ROOS FUND – to account for the acquisition and construction of improvements within the Southport Mello-Roos District from developer impact fees.

FLOOD PROTECTION IN LIEU FUND –to account for revenues and associated expenditures of flood protection fees restricted to finance the maintenance and construction of levee and storm drain in the City.

BRIDGE DISTRICT FUND – to account for revenues and expenditures related to the infrastructure improvements in the Bridge District area of the City. The City received \$23.0 million in Proposition 1C grant and formed a Community Facilities District No. 27 to fund the backbone infrastructure improvements.

CITY OF WEST SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
June 30, 2016

SPECIAL REVENUE FUNDS

	Landscaping and Street Lighting Fund	Hazardous Materials Fund	Transit Fund	Techonology Impact Fee Fund	Storm Water Maintenance District Fund	Cable Fund	Special Purpose Fund
ASSETS							
Cash and investments	\$4,947,611	\$197,943	\$516	\$76,813	\$52,351	\$606,946	\$1,509,853
Receivables:							
Accounts receivable and other assets		501				43,561	28,198
Interest receivable							51,085
Notes receivable							112,244
Grants receivable							86,028
Prepaid expenses							2,867
Due from other funds			20,000				
Due from other governments	146,036	394	4,415,587		617		141,527
Advances to other funds							
Restricted assets:							
Cash and investments with fiscal agents							
Total Assets	<u>\$5,093,647</u>	<u>\$198,838</u>	<u>\$4,436,103</u>	<u>\$76,813</u>	<u>\$52,968</u>	<u>\$650,507</u>	<u>\$1,931,802</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Accounts payable	\$18,879	\$120	\$295			\$4,000	\$124,918
Salaries and benefits payable		20,607					46,009
Due to other funds			137,000				
Due to other governments							32,210
Refundable deposits							
Unearned revenue							103,041
Compensated absences							
Advances from other funds							
Total Liabilities	<u>18,879</u>	<u>20,727</u>	<u>137,295</u>			<u>4,000</u>	<u>306,178</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues			4,415,587				51,085
Total Deferred Inflows of Resources			<u>4,415,587</u>				<u>51,085</u>
FUND BALANCES (DEFICITS)							
Fund balances:							
Nonspendable							115,111
Restricted	5,074,768	178,111		\$76,813	\$52,968	646,507	
Committed							1,459,428
Assigned							
Unassigned			(116,779)				
Total Fund Balances (deficits)	<u>5,074,768</u>	<u>178,111</u>	<u>(116,779)</u>	<u>76,813</u>	<u>52,968</u>	<u>646,507</u>	<u>1,574,539</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$5,093,647</u>	<u>\$198,838</u>	<u>\$4,436,103</u>	<u>\$76,813</u>	<u>\$52,968</u>	<u>\$650,507</u>	<u>\$1,931,802</u>

SPECIAL REVENUE FUNDS

Public Safety Fund	Public Art Fund	Road Fund	General Equipment Improvements Fund	Tree Mitigation Improvements Fund	Public Works Support Services Fund	Public Works Engineering Support Services Fund	Community Development Support Services Fund	Flood Program Support Fund
\$559,001	\$60,324	\$1,023,639	\$6,686,875	\$126,990	\$370,364	\$201,488	\$363,638	\$182,695
		8,204			101	2,569	110,223	
101,609		263			277	393	2,158	
57,611				7,312				
<u>\$718,221</u>	<u>\$60,324</u>	<u>\$1,032,106</u>	<u>\$6,686,875</u>	<u>\$134,302</u>	<u>\$370,742</u>	<u>\$204,450</u>	<u>\$476,019</u>	<u>\$182,695</u>
\$272		\$39,704	\$25,532		\$3,158	\$1,070	\$69,460	\$18
19,530		32,057		\$8,018	76,519	150,060	117,756	53,653
5,514						20,000	421,000	
							6,124	
							1,175	
						46,434	359,265	
<u>25,316</u>		<u>71,761</u>	<u>25,532</u>	<u>8,018</u>	<u>79,677</u>	<u>217,564</u>	<u>974,780</u>	<u>53,671</u>
63,934								
<u>63,934</u>								
628,971	\$60,324	263 960,082	6,661,343	126,284	277 290,788	393	2,158	129,024
						(13,507)	(500,919)	
<u>628,971</u>	<u>60,324</u>	<u>960,345</u>	<u>6,661,343</u>	<u>126,284</u>	<u>291,065</u>	<u>(13,114)</u>	<u>(498,761)</u>	<u>129,024</u>
<u>\$718,221</u>	<u>\$60,324</u>	<u>\$1,032,106</u>	<u>\$6,686,875</u>	<u>\$134,302</u>	<u>\$370,742</u>	<u>\$204,450</u>	<u>\$476,019</u>	<u>\$182,695</u>

(Continued)

CITY OF WEST SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
June 30, 2016

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUNDS	
	Community Development Performance Bonds Support Services Fund	Economic Development Fund	RD 811 Maintenance Fund	Parking Improvement Fund	Bridge District IFD Fund	Total Special Revenue Funds	2011 Lease Revenue Bond Fund
ASSETS							
Cash and investments	\$1,224,941	\$62,069	\$431,173	\$494,420	\$195,753	\$19,375,403	\$628,619
Receivables:							
Accounts receivable and other assets				464		193,821	
Interest receivable		235				51,320	
Notes receivable		286,094				398,338	
Grants receivable						187,637	
Prepaid expenses						5,958	
Due from other funds						20,000	
Due from other governments				464		4,769,548	
Advances to other funds							
Restricted assets:							
Cash and investments with fiscal agents							
Total Assets	<u>\$1,224,941</u>	<u>\$348,398</u>	<u>\$431,173</u>	<u>\$495,348</u>	<u>\$195,753</u>	<u>\$25,002,025</u>	<u>\$628,619</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Accounts payable	\$3,500					\$290,926	
Salaries and benefits payable		\$2,825				527,034	
Due to other funds						578,000	
Due to other governments				\$975		44,823	
Refundable deposits	1,221,441					1,222,616	
Unearned revenue						508,740	
Compensated absences							
Advances from other funds							
Total Liabilities	<u>1,224,941</u>	<u>2,825</u>	<u></u>	<u>975</u>	<u></u>	<u>3,172,139</u>	<u></u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues						4,530,606	
Total Deferred Inflows of Resources						<u>4,530,606</u>	
FUND BALANCES (DEFICITS)							
Fund balances:							
Nonspendable		286,094				404,296	
Restricted		59,479	\$431,173	494,373	\$195,753	8,776,447	
Committed						8,749,742	\$628,619
Assigned							
Unassigned						(631,205)	
Total Fund Balances (deficits)		<u>345,573</u>	<u>431,173</u>	<u>494,373</u>	<u>195,753</u>	<u>17,299,280</u>	<u>628,619</u>
Total Liabilities, deferred inflows of Resources and Fund Balances	<u>\$1,224,941</u>	<u>\$348,398</u>	<u>\$431,173</u>	<u>\$495,348</u>	<u>\$195,753</u>	<u>\$25,002,025</u>	<u>\$628,619</u>

DEBT SERVICE FUNDS				CAPITAL PROJECTS FUNDS				
2012 Pension Obligation Bonds Fund	2012 Refunding Lease Revenue Bonds Fund	General Equipment Lease Fund	Total Debt Service Funds	Traffic Improvement Fund	Park Improvement Fund	Under- ground Improvements Fund	General Facilities Improvements Fund	Police Facility Impact Fees Fund
\$4,561	\$895,316	\$64,947	\$1,593,443	\$4,061,097	\$1,161,464	\$60,211	\$7,780,234	\$662,702
				1,856,654	961,007		21,471	
							7,608,990	
2,004			2,004				415,475	
<u>\$6,565</u>	<u>\$ 895,316</u>	<u>\$ 64,947</u>	<u>\$1,595,447</u>	<u>\$5,917,751</u>	<u>\$2,122,471</u>	<u>\$60,211</u>	<u>\$15,826,170</u>	<u>\$662,702</u>
				\$1,080,890	\$116,232		\$242,882	\$111
				<u>1,080,890</u>	<u>116,272</u>		<u>242,882</u>	<u>111</u>
				<u>1,414,004</u>	<u>949,284</u>		<u>21,471</u>	
				<u>1,414,004</u>	<u>949,284</u>		<u>21,471</u>	
							7,608,990	
\$6,565	\$895,316	\$64,947	\$901,881	3,422,857	1,056,915		415,475	662,591
			693,566				7,537,352	
						\$60,211		
<u>6,565</u>	<u>895,316</u>	<u>64,947</u>	<u>1,595,447</u>	<u>3,422,857</u>	<u>1,056,915</u>	<u>60,211</u>	<u>15,561,817</u>	<u>662,591</u>
<u>\$6,565</u>	<u>\$ 895,316</u>	<u>\$ 64,947</u>	<u>\$1,595,447</u>	<u>\$5,917,751</u>	<u>\$2,122,471</u>	<u>\$60,211</u>	<u>\$15,826,170</u>	<u>\$662,702</u>

(Continued)

CITY OF WEST SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
June 30, 2016

CAPITAL PROJECTS FUNDS

	Fire Facility Impact Fees Fund	Childcare Impact Fees Fund	City Hall Impact Fees Fund	Drainage Impact Fees Fund	Corporate Yard Impact Fees Fund	Senior Center Construction Fund	Triangle/Bridg District Projec Fund
ASSETS							
Cash and investments	\$18,870	\$236,700	\$296,016	\$408,318	\$18,259	\$271,713	\$6,315,426
Receivables:							
Accounts receivable and other assets							
Interest receivable							
Notes receivable							
Grants receivable							
Prepaid expenses							
Due from other funds							
Due from other governments							
Advances to other funds							
Restricted assets:							
Cash and investments with fiscal agents							
Total Assets	<u>\$18,870</u>	<u>\$236,700</u>	<u>\$296,016</u>	<u>\$408,318</u>	<u>\$18,259</u>	<u>\$271,713</u>	<u>\$6,315,426</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Accounts payable							\$18,325
Salaries and benefits payable							
Due to other funds							
Due to other governments							
Refundable deposits							
Unearned revenue							
Compensated absences							
Advances from other funds	\$4,600,386				\$1,988,044		
Total Liabilities	<u>4,600,386</u>				<u>1,988,044</u>		<u>18,325</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues							
Total Deferred Inflows of Resources							
FUND BALANCES (DEFICITS)							
Fund balances:							
Nonspendable							
Restricted		\$236,700	\$296,016	\$408,318			6,297,101
Committed							
Assigned						\$271,713	
Unassigned	(4,581,516)				(1,969,785)		
Total Fund Balances (deficits)	<u>(4,581,516)</u>	<u>236,700</u>	<u>296,016</u>	<u>408,318</u>	<u>(1,969,785)</u>	<u>271,713</u>	<u>6,297,101</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$18,870</u>	<u>\$236,700</u>	<u>\$296,016</u>	<u>\$408,318</u>	<u>\$18,259</u>	<u>\$271,713</u>	<u>\$6,315,426</u>

CAPITAL PROJECTS FUNDS

<u>Community Investments (Measure G) Fund</u>	<u>Community Facilities District Fund</u>	<u>Southport Mello-Roos Fund</u>	<u>Flood Protection In Lieu Fund</u>	<u>Bridge District Fund</u>	<u>Total Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
\$2,564,103	\$5,704,878	\$525,886	\$2,128,983	\$106,710	\$32,321,570	\$53,290,416
						193,821
						51,320
36,417					36,417	434,755
					2,839,132	3,026,769
						5,958
						20,000
11,375					11,375	4,780,923
					7,608,990	7,608,990
					415,475	417,479
<u>\$2,611,895</u>	<u>\$5,704,878</u>	<u>\$525,886</u>	<u>\$2,128,983</u>	<u>\$106,710</u>	<u>\$43,232,959</u>	<u>\$69,830,431</u>
\$81,099			\$111,764		\$1,651,303	\$1,942,229
						527,034
						578,000
					40	44,863
						1,222,616
						508,740
					6,588,430	6,588,430
<u>81,099</u>			<u>111,764</u>		<u>8,239,773</u>	<u>11,411,912</u>
					2,384,759	6,915,365
					2,384,759	6,915,365
36,417					7,645,407	8,049,703
	\$5,704,878		2,017,219	\$106,710	20,624,780	30,303,108
2,494,379		\$525,886			10,557,617	20,000,925
					331,924	331,924
					(6,551,301)	(7,182,506)
<u>2,530,796</u>	<u>5,704,878</u>	<u>525,886</u>	<u>2,017,219</u>	<u>106,710</u>	<u>32,608,427</u>	<u>51,503,154</u>
<u>\$2,611,895</u>	<u>\$5,704,878</u>	<u>\$525,886</u>	<u>\$2,128,983</u>	<u>\$106,710</u>	<u>\$43,232,959</u>	<u>\$69,830,431</u>

CITY OF WEST SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2016

SPECIAL REVENUE FUNDS

	Landscaping and Street Lighting Fund	Hazardous Materials Fund	Transit Fund	Technology Impact Fee Fund	Storm Water Maintenance District Fund	Cable Fund	Special Purpose Fund
REVENUES:							
Special benefit assessment for operations	\$3,027,761				\$12,132		
Contributions from developers and homeowners	48,000						\$807,495
Franchise fees						\$363,378	
Fees, licenses and permits		\$207,462				3,000	325,876
Fines and forfeitures		60					
Use of money and property	46,762	1,797			525	5,922	12,141
Intergovernmental			\$2,026,947				349,119
Charges for services		216,271		\$28,738			520,887
Other revenues	290	17,133					721,909
Total Revenues	<u>3,122,813</u>	<u>442,723</u>	<u>2,026,947</u>	<u>28,738</u>	<u>12,657</u>	<u>372,300</u>	<u>2,737,427</u>
EXPENDITURES:							
Current:							
General government						119,066	8,171
Public works			1,938,623		12,075		
Public safety		469,479					
Community development							2,547,373
Landscaping and street lighting	2,314,817						
Culture and recreation							
Capital outlay	38,006				2,713		
Debt service:							
Principal payments							
Debt issuance costs							
Interest and fiscal charges							
Total Expenditures	<u>2,352,823</u>	<u>469,479</u>	<u>1,938,623</u>	<u></u>	<u>14,788</u>	<u>119,066</u>	<u>2,555,544</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>769,990</u>	<u>(26,756)</u>	<u>88,324</u>	<u>28,738</u>	<u>(2,131)</u>	<u>253,234</u>	<u>181,883</u>
OTHER FINANCING SOURCES USES							
Proceeds from sale of capital assets							
Issuance of capital leases and loans							
Transfers in	527,049				(500)		404,642
Transfers (out)	(550,085)		(5,000)			(300,000)	(594,509)
Total Other Financing Sources (Uses)	<u>(23,036)</u>		<u>(5,000)</u>		<u>(500)</u>	<u>(300,000)</u>	<u>(189,867)</u>
NET CHANGE IN FUND BALANCES	746,954	(26,756)	83,324	28,738	(2,631)	(46,766)	(7,984)
BEGINNING FUND BALANCES (DEFICITS)							
	<u>4,327,814</u>	<u>204,867</u>	<u>(200,103)</u>	<u>48,075</u>	<u>55,599</u>	<u>693,273</u>	<u>1,582,523</u>
ENDING FUND BALANCES (DEFICITS)	<u>\$5,074,768</u>	<u>\$178,111</u>	<u>(\$116,779)</u>	<u>\$76,813</u>	<u>\$52,968</u>	<u>\$646,507</u>	<u>\$1,574,539</u>

SPECIAL REVENUE FUNDS

Public Safety Fund	Public Art Fund	Road Fund	General Equipment Improvements Fund	Tree Mitigation Improvements Fund	Public Works Support Services Fund	Public Works Engineering Support Services Fund	Community Development Support Services Fund	Flood Program Support Fund
				\$125,000		\$190,579	\$64,234	\$390,749
				8,175		31,780	854,631	
\$4,182	\$601	\$11,953	\$65,837	482	\$4,080	(255)	(855)	
575,060		1,118,035				(1,614)		
19,833		406		456	30	2,567,917	1,603,826	616,254
210,101		96,238	24,787	102,200	29,893	2,160	3,794	
<u>809,176</u>	<u>601</u>	<u>1,226,632</u>	<u>90,624</u>	<u>236,313</u>	<u>34,003</u>	<u>2,790,567</u>	<u>2,525,630</u>	<u>1,007,003</u>
		341	200,343			4,420	354	
830,018		1,753,381	58,724	187,979	11,408	3,357,669	44,192	195,013
							3,709,960	638,599
76,251		16,551	21,179	2,112,288				29,367
<u>906,269</u>		<u>1,770,273</u>	<u>2,392,534</u>	<u>187,979</u>	<u>11,408</u>	<u>3,362,089</u>	<u>3,754,506</u>	<u>862,979</u>
(97,093)	601	(543,641)	(2,301,910)	48,334	22,595	(571,522)	(1,228,876)	144,024
		8,220	10,080		705			
430,403		75,000	334,027	62,002		511,974	499,820	(15,000)
(55,000)		(36,818)	712,378					
<u>375,403</u>		<u>46,402</u>	<u>1,056,485</u>	<u>62,002</u>	<u>705</u>	<u>511,974</u>	<u>499,820</u>	<u>(15,000)</u>
278,310	601	(497,239)	(1,245,425)	110,336	23,300	(59,548)	(729,056)	129,024
350,661	59,723	1,457,584	7,906,768	15,948	267,765	46,434	230,295	
<u>\$628,971</u>	<u>\$60,324</u>	<u>\$960,345</u>	<u>\$6,661,343</u>	<u>\$126,284</u>	<u>\$291,065</u>	<u>(\$13,114)</u>	<u>(\$498,761)</u>	<u>\$129,024</u>

(Continued)

CITY OF WEST SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2016

	SPECIAL REVENUE FUNDS					Total Special Revenue Funds	DEBT SERVICE FUNDS
	Community Development Performance Bonds Support Services Fund	Economic Development Fund	RD 811 Maintenance Fund	Parking Improvement Fund	Bridge District IFD Fund		2011 Lease Revenue Bond Fund
REVENUES:							
Special benefit assessment for operations					\$195,753	\$3,235,646	
Contributions from developers and homeowners			\$79,501			1,705,558	
Franchise fees						363,378	
Fees, licenses and permits						1,430,924	\$371,898
Fines and forfeitures				\$38,369		38,429	
Use of money and property		\$3,576	3,830			160,578	5,679
Intergovernmental						4,067,547	
Charges for services						5,574,618	
Other revenues		5,000				1,213,505	
Total Revenues		<u>8,576</u>	<u>83,331</u>	<u>38,369</u>	<u>195,753</u>	<u>17,790,183</u>	<u>377,577</u>
EXPENDITURES:							
Current:							
General government				9,092		341,787	
Public works		14,539				7,514,879	
Public safety						1,358,221	
Community development						6,895,932	
Landscaping and street lighting						2,314,817	
Culture and recreation						21,179	
Capital outlay				148,904		2,424,080	
Debt service:							
Principal payments							316,059
Debt issuance costs							
Interest and fiscal charges							216,673
Total Expenditures		<u>14,539</u>		<u>157,996</u>		<u>20,870,895</u>	<u>532,732</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>(5,963)</u>	<u>83,331</u>	<u>(119,627)</u>	<u>195,753</u>	<u>(3,080,712)</u>	<u>(155,155)</u>
OTHER FINANCING SOURCES USES							
Proceeds from sale of capital assets						19,005	
Issuance of capital leases and loans						334,027	
Transfers in				614,000		3,836,768	171,660
Transfers (out)		(14,245)				(1,570,657)	
Total Other Financing Sources (Uses)		<u>(14,245)</u>		<u>614,000</u>		<u>2,619,143</u>	<u>171,660</u>
NET CHANGE IN FUND BALANCES		(20,208)	83,331	494,373	195,753	(461,569)	16,505
BEGINNING FUND BALANCES (DEFICITS)		<u>365,781</u>	<u>347,842</u>			<u>17,760,849</u>	<u>612,114</u>
ENDING FUND BALANCES (DEFICITS)	\$ -	<u>\$345,573</u>	<u>\$431,173</u>	<u>\$494,373</u>	<u>\$195,753</u>	<u>\$17,299,280</u>	<u>\$628,619</u>

DEBT SERVICE FUNDS				CAPITAL PROJECTS FUNDS				
2012 Pension Obligation Bonds Fund	2012 Refunding Lease Revenue Bonds Fund	General Equipment Lease Fund	Total Debt Service Funds	Traffic Improvement Fund	Park Improvements Fund	Under- ground Improvements Fund	General Facilities Improvement Fund	Police Facility Impact Fees Fund
				\$319,376			\$567,269	
			\$371,898	98,859	\$282,906		46,236	\$88,466
\$6,165	\$8,533	(\$898)	19,479	46,394	6,995	\$600	83,667	6,577
				1,259,533	2,380,946			
				18,000				
<u>6,165</u>	<u>8,533</u>	<u>(898)</u>	<u>391,377</u>	<u>1,742,162</u>	<u>2,670,847</u>	<u>600</u>	<u>697,172</u>	<u>95,043</u>
				486,721			225 22,334 (3,766)	123,609
				5,341,999	584,428 3,853,583		4,564,090	
1,265,300	388,061	717,019	2,686,439				34,563	
<u>315,827</u>	<u>203,089</u>	<u>119,772</u>	<u>855,361</u>	<u>20,452</u>				
<u>1,581,127</u>	<u>591,150</u>	<u>836,791</u>	<u>3,541,800</u>	<u>5,849,172</u>	<u>4,438,011</u>		<u>4,617,446</u>	<u>123,609</u>
<u>(1,574,962)</u>	<u>(582,617)</u>	<u>(837,689)</u>	<u>(3,150,423)</u>	<u>(4,107,010)</u>	<u>(1,767,164)</u>	<u>600</u>	<u>(3,920,274)</u>	<u>(28,566)</u>
							2,988,736 969,633	
1,579,528	628,405	852,099	3,231,692	3,825,331 (294,382)	678,870			(20,400)
<u>1,579,528</u>	<u>628,405</u>	<u>852,099</u>	<u>3,231,692</u>	<u>3,530,949</u>	<u>678,870</u>		<u>3,958,369</u>	<u>(20,400)</u>
4,566	45,788	14,410	81,269	(576,061)	(1,088,294)	600	38,095	(48,966)
<u>1,999</u>	<u>849,528</u>	<u>50,537</u>	<u>1,514,178</u>	<u>3,998,918</u>	<u>2,145,209</u>	<u>59,611</u>	<u>15,523,722</u>	<u>711,557</u>
<u>\$6,565</u>	<u>\$895,316</u>	<u>\$64,947</u>	<u>\$1,595,447</u>	<u>\$3,422,857</u>	<u>\$1,056,915</u>	<u>\$60,211</u>	<u>\$15,561,817</u>	<u>\$662,591</u>

(Continued)

CITY OF WEST SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2016

CAPITAL PROJECTS FUNDS

	Fire Facility Impact Fees Fund	Child- Care Impact Fees Fund	City Hall Impact Fees Fund	Drainage Impact Fees Fund	Corporate Yard Impact Fees Fund	Senior Center Construction Fund	Triangle/Bridge District Project Fund
REVENUES:							
Special benefit assessment for operations							
Contributions from developers and homeowners							
Franchise fees							
Fees, licenses and permits	\$90,054	\$39,433	\$49,961	\$47,506	\$68,313		
Fines and forfeitures							
Use of money and property	433	2,174	3,508	10,569	467	\$2,705	\$81,983
Intergovernmental							394,850
Charges for services							
Other revenues							
Total Revenues	<u>90,487</u>	<u>41,607</u>	<u>53,469</u>	<u>58,075</u>	<u>68,780</u>	<u>2,705</u>	<u>476,833</u>
EXPENDITURES:							
Current:							
General government			24,824				
Public works							295,071
Public safety							
Community development							
Landscaping and street lighting							
Culture and recreation							
Capital outlay	110,825						472,428
Debt service:							
Principal payments							
Debt issuance costs							
Interest and fiscal charges	26,529			8,376	11,753		
Total Expenditures	<u>137,354</u>		<u>24,824</u>	<u>8,376</u>	<u>11,753</u>		<u>767,499</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(46,867)</u>	<u>41,607</u>	<u>28,645</u>	<u>49,699</u>	<u>57,027</u>	<u>2,705</u>	<u>(290,666)</u>
OTHER FINANCING SOURCES USES							
Proceeds from sale of capital assets							
Issuance of capital leases and loans							
Transfers in				171,835			
Transfers (out)	(100,000)						(164,000)
Total Other Financing Sources (Uses)	<u>(100,000)</u>			<u>171,835</u>			<u>(164,000)</u>
NET CHANGE IN FUND BALANCES	<u>(146,867)</u>	<u>41,607</u>	<u>28,645</u>	<u>221,534</u>	<u>57,027</u>	<u>2,705</u>	<u>(454,666)</u>
BEGINNING FUND BALANCES (DEFICITS)							
	<u>(4,434,649)</u>	<u>195,093</u>	<u>267,371</u>	<u>186,784</u>	<u>(2,026,812)</u>	<u>269,008</u>	<u>6,751,767</u>
ENDING FUND BALANCES (DEFICITS)	<u><u>(\$4,581,516)</u></u>	<u><u>\$236,700</u></u>	<u><u>\$296,016</u></u>	<u><u>\$408,318</u></u>	<u><u>(\$1,969,785)</u></u>	<u><u>\$271,713</u></u>	<u><u>\$6,297,101</u></u>

CAPITAL PROJECTS FUNDS

<u>Community Investments (Measure G) Fund</u>	<u>Community Facilities District Fund</u>	<u>Southport Mello-Roos Fund</u>	<u>Flood Protection In Lieu Fund</u>	<u>Bridge District Fund</u>	<u>Total Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
						\$3,235,646
	\$2,933,044				\$3,819,689	5,525,247
		\$4,642	\$314,746		1,131,122	363,378
	28,807	52,023	23,264	\$1,063	351,229	2,933,944
					4,035,329	38,429
						531,286
						8,102,876
						5,574,618
\$124,077					142,077	1,355,582
<u>124,077</u>	<u>2,961,851</u>	<u>56,665</u>	<u>338,010</u>	<u>1,063</u>	<u>9,479,446</u>	<u>27,661,006</u>
					25,049	366,836
327,251	430,339		203,867		1,765,583	9,280,462
					119,843	1,478,064
						6,895,932
						2,314,817
					584,428	605,607
757,456			759,834		15,860,215	18,284,295
						2,686,439
					34,563	34,563
					67,110	922,471
<u>1,084,707</u>	<u>430,339</u>		<u>963,701</u>		<u>18,456,791</u>	<u>42,869,486</u>
(960,630)	2,531,512	56,665	(625,691)	1,063	(8,977,345)	(15,208,480)
						19,005
3,491,426					2,988,736	3,322,763
	(80,408)	(4,770,729)			9,137,095	16,205,555
					(5,429,919)	(7,000,576)
<u>3,491,426</u>	<u>(80,408)</u>	<u>(4,770,729)</u>			<u>6,695,912</u>	<u>12,546,747</u>
2,530,796	2,451,104	(4,714,064)	(625,691)	1,063	(2,281,433)	(2,661,733)
	3,253,774	5,239,950	2,642,910	105,647	34,889,860	54,164,887
<u>\$2,530,796</u>	<u>\$5,704,878</u>	<u>\$525,886</u>	<u>\$2,017,219</u>	<u>\$106,710</u>	<u>\$32,608,427</u>	<u>\$51,503,154</u>

CITY OF WEST SACRAMENTO
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2016

	SPECIAL REVENUE FUNDS			
	LANDSCAPING AND STREET LIGHTING FUND			
	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Special benefit assessment for operations	\$2,753,615	\$2,753,615	\$3,027,761	\$274,146
Contributions from developers and homeowners			48,000	48,000
Franchise fees				
Fees, licenses and permits				
Fines and forfeitures				
Use of money and property	1,143	1,143	46,762	45,619
Intergovernmental				
Charges for services				
Other revenues			290	290
Total Revenues	2,754,758	2,754,758	3,122,813	368,055
EXPENDITURES				
Current:				
General government				
Public works				
Public safety				
Community development				
Landscaping and street lighting	2,614,447	4,250,762	2,314,817	1,935,945
Culture and recreation				
Housing rehabilitation				
Capital outlay	38,006	38,006	38,006	
Debt service:				
Principal payments				
Debt issuance costs				
Interest and fiscal charges				
Total Expenditures	2,652,453	4,288,768	2,352,823	1,935,945
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	102,305	(1,534,010)	769,990	2,304,000
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets				
Issuance of capital leases and loans				
Payment to refunding escrow agent				
Transfers in	527,049	527,049	527,049	
Transfers (out)	(550,085)	(550,085)	(550,085)	
Total Other Financing Sources (Uses)	(23,036)	(23,036)	(23,036)	
NET CHANGE IN FUND BALANCES				
	\$79,269	(\$1,557,046)	746,954	\$2,304,000
BEGINNING FUND BALANCES (DEFICITS)				
			4,327,814	
ENDING FUND BALANCES (DEFICITS)				
			\$5,074,768	

SPECIAL REVENUE FUNDS

HAZARDOUS MATERIALS FUND				TRANSIT FUND			
Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
Original	Final			Original	Final		
\$198,600	\$198,600	\$207,462	\$8,862				
		60	60				
		1,797	1,797				
206,000	206,000	216,271	10,271	\$2,269,222	\$2,269,222	\$2,026,947	(\$242,275)
5,544	5,544	17,133	11,589				
<u>410,144</u>	<u>410,144</u>	<u>442,723</u>	<u>32,579</u>	<u>2,269,222</u>	<u>2,269,222</u>	<u>2,026,947</u>	<u>(242,275)</u>
482,528	490,528	469,479	21,049	2,243,000	2,243,000	1,938,623	304,377
<u>482,528</u>	<u>490,528</u>	<u>469,479</u>	<u>21,049</u>	<u>2,243,000</u>	<u>2,243,000</u>	<u>1,938,623</u>	<u>304,377</u>
(72,384)	(80,384)	(26,756)	53,628	26,222	26,222	88,324	62,102
(59,817)				(25,000)	(25,000)	(5,000)	20,000
<u>(59,817)</u>				<u>(25,000)</u>	<u>(25,000)</u>	<u>(5,000)</u>	<u>20,000</u>
<u>(\$132,201)</u>	<u>(\$80,384)</u>	(26,756)	<u>\$53,628</u>	<u>\$1,222</u>	<u>\$1,222</u>	83,324	<u>\$82,102</u>
		<u>204,867</u>				(200,103)	
		<u>\$178,111</u>				<u>(\$116,779)</u>	

(Continued)

CITY OF WEST SACRAMENTO
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2016

SPECIAL REVENUE FUNDS			
TECHNOLOGY IMPACT FEE FUND			
	Budgeted Amounts		Variance Positive (Negative)
	Original	Final	
REVENUES			
Special benefit assessment for operations			
Contributions from developers and homeowners			
Franchise fees			
Fees, licenses and permits			
Fines and forfeitures			
Use of money and property			
Intergovernmental			
Charges for services	\$35,000	\$35,000	\$28,738
Other revenues			
Total Revenues	35,000	35,000	28,738
EXPENDITURES			
Current:			
General government			
Public works			
Public safety			
Community development			
Landscaping and street lighting			
Culture and recreation			
Housing rehabilitation			
Capital outlay			
Debt service:			
Principal payments			
Debt issuance costs			
Interest and fiscal charges			
Total Expenditures	_____	_____	_____
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	35,000	35,000	28,738
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets			
Issuance of capital leases and loans			
Payment to refunding escrow agent			
Transfers in			
Transfers (out)			
Total Other Financing Sources (Uses)	_____	_____	_____
NET CHANGE IN FUND BALANCES	\$35,000	\$35,000	28,738
BEGINNING FUND BALANCES (DEFICITS)			48,075
ENDING FUND BALANCES (DEFICITS)			\$76,813

SPECIAL REVENUE FUNDS

STORM WATER MAINTENANCE DISTRICT FUND				CABLE FUND			
Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
Original	Final			Original	Final		
\$11,000	\$11,000	\$12,132	\$1,132				
				\$420,000	\$420,000	\$363,378	(\$56,622)
						3,000	3,000
		525	525	800	800	5,922	5,122
<u>11,000</u>	<u>11,000</u>	<u>12,657</u>	<u>1,657</u>	<u>420,800</u>	<u>420,800</u>	<u>372,300</u>	<u>(48,500)</u>
				120,000	120,000	119,066	934
7,787	50,638	12,075	38,563				
2,713	2,713	2,713					
<u>10,500</u>	<u>53,351</u>	<u>14,788</u>	<u>38,563</u>	<u>120,000</u>	<u>120,000</u>	<u>119,066</u>	<u>934</u>
500	(42,351)	(2,131)	40,220	300,800	300,800	253,234	(47,566)
(500)	(500)	(500)		(300,000)	(300,000)	(300,000)	
<u>(500)</u>	<u>(500)</u>	<u>(500)</u>		<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	
	<u>(\$42,851)</u>	(2,631)	<u>\$40,220</u>	<u>\$800</u>	<u>\$800</u>	(46,766)	<u>(\$47,566)</u>
		<u>55,559</u>				<u>693,273</u>	
		<u>\$52,928</u>				<u>\$646,507</u>	

(Continued)

CITY OF WEST SACRAMENTO
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2016

	SPECIAL REVENUE FUNDS			
	SPECIAL PURPOSE FUND			Variance Positive (Negative)
	Budgeted Amounts		Actual	
Original	Final			
REVENUES				
Special benefit assessment for operations				
Contributions from developers and homeowners	\$527,800	\$535,800	\$807,495	\$271,695
Franchise fees				
Fees, licenses and permits	300,000	300,000	325,876	25,876
Fines and forfeitures				
Use of money and property	25	25	12,141	12,116
Intergovernmental	45,098	45,098	349,119	304,021
Charges for services	611,920	611,920	520,887	(91,033)
Other revenues	640,200	640,200	721,909	81,709
Total Revenues	<u>2,125,043</u>	<u>2,133,043</u>	<u>2,737,427</u>	<u>604,384</u>
EXPENDITURES				
Current:				
General government	20,000	684,000	8,171	675,829
Public works				
Public safety				
Community development	2,311,098	2,412,720	2,547,373	(134,653)
Landscaping and street lighting				
Culture and recreation				
Housing rehabilitation				
Capital outlay				
Debt service:				
Principal payments				
Debt issuance costs				
Interest and fiscal charges				
Total Expenditures	<u>2,331,098</u>	<u>3,096,720</u>	<u>2,555,544</u>	<u>541,176</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(206,055)</u>	<u>(963,677)</u>	<u>181,883</u>	<u>1,145,560</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets				
Issuance of capital leases and loans				
Payment to refunding escrow agent				
Transfers in	100,000	404,642	404,642	
Transfers (out)	(300,000)	(631,762)	(594,509)	37,253
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(227,120)</u>	<u>(189,867)</u>	<u>37,253</u>
NET CHANGE IN FUND BALANCES	<u>(\$406,055)</u>	<u>(\$1,190,797)</u>	<u>(7,984)</u>	<u>\$1,182,813</u>
BEGINNING FUND BALANCES (DEFICITS)			<u>1,582,523</u>	
ENDING FUND BALANCES (DEFICITS)			<u>\$1,574,539</u>	

SPECIAL REVENUE FUNDS

PUBLIC SAFETY FUND				ROAD FUND			
Original	Final	Actual	Variance Positive (Negative)	Original	Final	Actual	Variance Positive (Negative)
\$530	\$530	\$4,182	\$3,652	\$1,000	\$1,000	\$11,953	\$10,953
456,240	476,940	575,060	98,120	1,448,848	1,448,848	1,118,035	(330,813)
20,000	20,000	19,833	(167)	50,000	50,000	406	(49,594)
217,146	219,146	210,101	(9,045)	10,000	10,000	96,238	86,238
<u>693,916</u>	<u>716,616</u>	<u>809,176</u>	<u>92,560</u>	<u>1,509,848</u>	<u>1,509,848</u>	<u>1,226,632</u>	<u>(283,216)</u>
						341	(341)
694,419	946,825	830,018	116,807	1,433,205	1,625,353	1,753,381	(128,028)
76,251	76,251	76,251		16,551	16,551	16,551	
<u>770,670</u>	<u>1,023,076</u>	<u>906,269</u>	<u>116,807</u>	<u>1,449,756</u>	<u>1,641,904</u>	<u>1,770,273</u>	<u>(128,369)</u>
<u>(76,754)</u>	<u>(306,460)</u>	<u>(97,093)</u>	<u>209,367</u>	<u>60,092</u>	<u>(132,056)</u>	<u>(543,641)</u>	<u>(411,585)</u>
						8,220	8,220
166,654	430,403	430,403		75,000	75,000	75,000	
(55,000)	(55,000)	(55,000)			(36,818)	(36,818)	
<u>111,654</u>	<u>375,403</u>	<u>375,403</u>		<u>75,000</u>	<u>38,182</u>	<u>46,402</u>	<u>8,220</u>
<u>\$34,900</u>	<u>\$68,943</u>	278,310	<u>\$209,367</u>	<u>\$135,092</u>	<u>(\$93,874)</u>	(497,239)	<u>(\$403,365)</u>
		<u>350,661</u>				<u>1,457,584</u>	
		<u>\$628,971</u>				<u>\$960,345</u>	

(Continued)

CITY OF WEST SACRAMENTO
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2016

SPECIAL REVENUE FUNDS			
GENERAL EQUIPMENT IMPROVEMENTS FUND			
	Budgeted Amounts		Variance Positive (Negative)
	Original	Final	
REVENUES			
Special benefit assessment for operations			
Contributions from developers and homeowners			
Franchise fees			
Fees, licenses and permits			
Fines and forfeitures			
Use of money and property			\$65,837
Intergovernmental			
Charges for services			
Other revenues			24,787
Total Revenues			90,624
EXPENDITURES			
Current:			
General government		\$200,343	200,343
Public works			
Public safety	\$300,000	58,724	58,724
Community development			
Landscaping and street lighting			
Culture and recreation	67,540	21,179	21,179
Housing rehabilitation			
Capital outlay		1,956,747	2,112,288
Debt service:			
Principal payments			
Debt issuance costs			
Interest and fiscal charges			
Total Expenditures	367,540	2,236,993	2,392,534
Total Expenditures			(155,541)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(367,540)	(2,236,993)	(2,301,910)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets			10,080
Issuance of capital leases and loans			334,027
Payment to refunding escrow agent			
Transfers in	647,875	712,378	712,378
Transfers (out)			
Total Other Financing Sources (Uses)	647,875	712,378	1,056,485
Total Other Financing Sources (Uses)			344,107
NET CHANGE IN FUND BALANCES	\$280,335	(\$1,524,615)	(1,245,425)
BEGINNING FUND BALANCES (DEFICITS)			7,906,768
ENDING FUND BALANCES (DEFICITS)			\$6,661,343

SPECIAL REVENUE FUNDS

TREE MITIGATION IMPROVEMENTS FUND				PUBLIC WORKS SUPPORT SERVICES FUND			
Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
Original	Final			Original	Final		
\$125,000	\$125,000	\$125,000					
		8,175	\$8,175				
		482	482			\$4,080	\$4,080
	25,000		(25,000)				
62,000	62,000	456	(61,544)			30	30
		102,200	102,200			29,893	29,893
<u>187,000</u>	<u>212,000</u>	<u>236,313</u>	<u>24,313</u>			<u>34,003</u>	<u>34,003</u>
213,320	230,120	187,979	42,141	\$4,015	\$6,395	11,408	(5,013)
<u>213,320</u>	<u>230,120</u>	<u>187,979</u>	<u>42,141</u>	<u>4,015</u>	<u>6,395</u>	<u>11,408</u>	<u>(5,013)</u>
(26,320)	(18,120)	48,334	66,454	(4,015)	(6,395)	22,595	28,990
						705	705
62,002	62,002	62,002		(39,364)			
(10,701)				(39,364)			
<u>51,301</u>	<u>62,002</u>	<u>62,002</u>				<u>705</u>	<u>705</u>
<u>\$24,981</u>	<u>\$43,882</u>	110,336	<u>\$66,454</u>	<u>(\$43,379)</u>	<u>(\$6,395)</u>	23,300	<u>\$29,695</u>
		15,948				267,765	
		<u>\$126,284</u>				<u>\$291,065</u>	

(Continued)

CITY OF WEST SACRAMENTO
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2016

SPECIAL REVENUE FUNDS

PUBLIC WORKS ENGINEERING SUPPORT SERVICES FUND

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special benefit assessment for operations				
Contributions from developers and homeowners	\$384,750	\$28,140	\$190,579	\$162,439
Franchise fees				
Fees, licenses and permits			31,780	31,780
Fines and forfeitures				
Use of money and property			(255)	(255)
Intergovernmental			(1,614)	(1,614)
Charges for services	3,589,415	3,005,419	2,567,917	(437,502)
Other revenues			2,160	2,160
Total Revenues	<u>3,974,165</u>	<u>3,033,559</u>	<u>2,790,567</u>	<u>(242,992)</u>
EXPENDITURES				
Current:				
General government	3,153	3,903	4,420	(517)
Public works	4,514,212	3,909,103	3,357,669	551,434
Public safety		1,000		1,000
Community development				
Landscaping and street lighting				
Culture and recreation				
Housing rehabilitation				
Capital outlay				
Debt service:				
Principal payments				
Debt issuance costs				
Interest and fiscal charges				
Total Expenditures	<u>4,517,365</u>	<u>3,914,006</u>	<u>3,362,089</u>	<u>551,917</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(543,200)</u>	<u>(880,447)</u>	<u>(571,522)</u>	<u>308,925</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets				
Issuance of capital leases and loans				
Payment to refunding escrow agent				
Transfers in	938,496	531,974	511,974	(20,000)
Transfers (out)	(210,235)			
Total Other Financing Sources (Uses)	<u>728,261</u>	<u>531,974</u>	<u>511,974</u>	<u>(20,000)</u>
NET CHANGE IN FUND BALANCES	<u>\$185,061</u>	<u>(\$348,473)</u>	<u>(59,548)</u>	<u>\$288,925</u>
BEGINNING FUND BALANCES (DEFICITS)			<u>46,434</u>	
ENDING FUND BALANCES (DEFICITS)			<u>(\$13,114)</u>	

SPECIAL REVENUE FUNDS

COMMUNITY DEVELOPMENT SUPPORT SERVICES FUND				FLOOD PROGRAM SUPPORT FUND			
Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
Original	Final			Original	Final		
		\$64,234	\$64,234		\$356,610	\$390,749	\$34,139
\$1,457,729	\$1,457,729	854,631	(603,098)				
		(855)	(855)				
3,028,983	2,141,512	1,603,826	(537,686)		583,996	616,254	32,258
2,084	2,084	3,794	1,710				
<u>4,488,796</u>	<u>3,601,325</u>	<u>2,525,630</u>	<u>(1,075,695)</u>		<u>940,606</u>	<u>1,007,003</u>	<u>66,397</u>
720	900	354	546				
18,500	15,500	44,192	(28,692)	\$153,394	277,283	195,013	82,270
4,695,008	3,807,765	3,709,960	97,805		625,779	638,599	(12,820)
	100		100		29,367	29,367	
<u>4,714,228</u>	<u>3,824,265</u>	<u>3,754,506</u>	<u>69,759</u>	<u>153,394</u>	<u>932,429</u>	<u>862,979</u>	<u>69,450</u>
<u>(225,432)</u>	<u>(222,940)</u>	<u>(1,228,876)</u>	<u>(1,005,936)</u>	<u>(153,394)</u>	<u>8,177</u>	<u>144,024</u>	<u>135,847</u>
338,022	499,820	499,820			(15,000)	(15,000)	
(205,313)					(15,000)	(15,000)	
<u>132,709</u>	<u>499,820</u>	<u>499,820</u>			<u>(15,000)</u>	<u>(15,000)</u>	
<u>(\$92,723)</u>	<u>\$276,880</u>	<u>(729,056)</u>	<u>(\$1,005,936)</u>	<u>(\$153,394)</u>	<u>(\$6,823)</u>	129,024	<u>\$135,847</u>
		230,295					
		<u>(\$498,761)</u>				<u>\$129,024</u>	

CITY OF WEST SACRAMENTO
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2016

SPECIAL REVENUE FUNDS

ECONOMIC DEVELOPMENT FUND

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
	REVENUES			
Special benefit assessment for operations				
Contributions from developers and homeowners				
Franchise fees				
Fees, licenses and permits				
Fines and forfeitures				
Use of money and property			\$3,576	\$3,576
Intergovernmental				
Charges for services				
Other revenues			5,000	5,000
Total Revenues			<u>8,576</u>	<u>8,576</u>
EXPENDITURES				
Current:				
General government				
Public works			14,539	(14,539)
Public safety				
Community development				
Landscaping and street lighting				
Culture and recreation				
Housing rehabilitation				
Capital outlay				
Debt service:				
Principal payments				
Debt issuance costs				
Interest and fiscal charges				
Total Expenditures			<u>14,539</u>	<u>(14,539)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			<u>(5,963)</u>	<u>(5,963)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets				
Issuance of capital leases and loans				
Payment to refunding escrow agent				
Transfers in				
Transfers (out)		(\$14,245)	(14,245)	
Total Other Financing Sources (Uses)		<u>(14,245)</u>	<u>(14,245)</u>	
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>(\$14,245)</u>	(20,208)	<u>(\$5,963)</u>
BEGINNING FUND BALANCES (DEFICITS)			<u>365,781</u>	
ENDING FUND BALANCES (DEFICITS)			<u>\$345,573</u>	

(Continued)

SPECIAL REVENUE FUNDS

PARKING IMPROVEMENT FUNDS				BRIDGE DISTRICT IFD FUND			
Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
Original	Final			Original	Final		
						\$195,753	\$195,753
		\$38,369	\$38,369				
		<u>38,369</u>	<u>38,369</u>			<u>195,753</u>	<u>195,753</u>
		9,092	(9,092)				
		148,904	(148,904)				
		<u>157,996</u>	<u>(157,996)</u>				
		(119,627)	(119,627)			195,753	195,753
	\$614,000	614,000					
	<u>614,000</u>	<u>614,000</u>					
\$	-	494,373	<u>(\$119,627)</u>	\$	-	195,753	<u>\$195,753</u>
		<u>\$494,373</u>				<u>\$195,753</u>	

CITY OF WEST SACRAMENTO
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2016

DEBT SERVICE FUNDS				
2011 LEASE REVENUE BOND FUND				
	Budgeted Original	Amounts Final	Actual	Variance Positive (Negative)
REVENUES				
Special benefit assessment for operations				
Contributions from developers and homeowners				
Franchise fees				
Fees, licenses and permits	\$371,946	\$371,946	\$371,898	(\$48)
Fines and forfeitures				
Use of money and property			5,679	5,679
Intergovernmental				
Charges for services				
Other revenues				
Total Revenues	<u>371,946</u>	<u>371,946</u>	<u>377,577</u>	<u>5,631</u>
EXPENDITURES				
Current:				
General government				
Public works				
Public safety				
Community development				
Landscaping and street lighting				
Culture and recreation				
Housing rehabilitation				
Capital outlay				
Debt service:				
Principal payments	316,059	316,059	316,059	
Debt issuance costs				
Interest and fiscal charges	216,833	216,833	216,673	160
Total Expenditures	<u>532,892</u>	<u>532,892</u>	<u>532,732</u>	<u>160</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(160,946)</u>	<u>(160,946)</u>	<u>(155,155)</u>	<u>5,791</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets				
Issuance of capital leases and loans				
Payment to refunding escrow agent				
Transfers in	171,660	171,660	171,660	
Transfers (out)				
Total Other Financing Sources (Uses)	<u>171,660</u>	<u>171,660</u>	<u>171,660</u>	
NET CHANGE IN FUND BALANCES	<u>\$10,714</u>	<u>\$10,714</u>	16,505	<u>\$5,791</u>
BEGINNING FUND BALANCES (DEFICITS)			612,114	
ENDING FUND BALANCES (DEFICITS)			<u>\$628,619</u>	

DEBT SERVICE FUNDS

2012 PENSION OBLIGATION BOND FUND				2012 REFUNDING LEASE REVENUE BOND FUND			
Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
Original	Final			Original	Final		
	\$1,579,527		(\$1,579,527)				
		\$6,165	6,165			\$8,533	\$8,533
	<u>1,579,527</u>	<u>6,165</u>	<u>(1,573,362)</u>			<u>8,533</u>	<u>8,533</u>
\$1,265,300	1,265,300	1,265,300		\$388,061	\$388,061	388,061	
314,227	314,227	315,827	(1,600)		203,089	203,089	
<u>1,579,527</u>	<u>1,579,527</u>	<u>1,581,127</u>	<u>(1,600)</u>	<u>388,061</u>	<u>591,150</u>	<u>591,150</u>	
<u>(1,579,527)</u>		<u>(1,574,962)</u>	<u>(1,574,962)</u>	<u>(388,061)</u>	<u>(591,150)</u>	<u>(582,617)</u>	<u>8,533</u>
	1,579,528	1,579,528		628,405	628,405	628,405	
	<u>1,579,528</u>	<u>1,579,528</u>		<u>628,405</u>	<u>628,405</u>	<u>628,405</u>	
<u>(1,579,527)</u>	<u>1,579,528</u>	4,566	<u>(1,574,962)</u>	<u>\$240,344</u>	<u>\$37,255</u>	45,788	<u>\$8,533</u>
		<u>1,999</u>				<u>849,528</u>	
		<u>\$6,565</u>				<u>\$895,316</u>	

CITY OF WEST SACRAMENTO
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2016

	DEBT SERVICE FUNDS			
	GENERAL EQUIPMENT LEASE FUND			
	Budgeted Amounts		Actual	Variance Positive (Negative)
Original	Final			
REVENUES				
Special benefit assessment for operations				
Contributions from developers and homeowners				
Franchise fees				
Fees, licenses and permits				
Fines and forfeitures				
Use of money and property			(\$898)	(\$898)
Intergovernmental				
Charges for services				
Other revenues				
Total Revenues			(898)	(898)
EXPENDITURES				
Current:				
General government				
Public works				
Public safety				
Community development				
Landscaping and street lighting				
Culture and recreation				
Housing rehabilitation				
Capital outlay				
Debt service:				
Principal payments	\$646,985	\$646,985	717,019	(70,034)
Debt issuance costs				
Interest and fiscal charges	98,867	98,867	119,772	(20,905)
Total Expenditures	745,852	745,852	836,791	(90,939)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(745,852)	(745,852)	(837,689)	(91,837)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets				
Issuance of capital leases and loans				
Payment to refunding escrow agent				
Transfers in	761,163	968,765	852,099	(116,666)
Transfers (out)				
Total Other Financing Sources (Uses)	761,163	968,765	852,099	(116,666)
NET CHANGE IN FUND BALANCES	\$15,311	\$222,913	14,410	(\$208,503)
BEGINNING FUND BALANCES (DEFICITS)			50,537	
ENDING FUND BALANCES (DEFICITS)			\$64,947	

CAPITAL PROJECTS FUNDS

TRAFFIC IMPROVEMENT FUND				PARK IMPROVEMENTS FUND			
Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
Original	Final			Original	Final		
		\$319,376	\$319,376				
\$700,000	\$700,000	98,859	(601,141)	\$1,000,000	\$1,000,000	\$282,906	(\$717,094)
		46,394	46,394			6,995	6,995
		1,259,533	1,259,533			2,380,946	2,380,946
		18,000	18,000				
<u>700,000</u>	<u>700,000</u>	<u>1,742,162</u>	<u>1,042,162</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>2,670,847</u>	<u>1,670,847</u>
	2,550,915	486,721	2,064,194				
				548,000	3,447,316	584,428	2,862,888
	5,341,999	5,341,999			3,853,583	3,853,583	
		20,452	(20,452)				
	<u>7,892,914</u>	<u>5,849,172</u>	<u>2,043,742</u>	<u>548,000</u>	<u>7,300,899</u>	<u>4,438,011</u>	<u>2,862,888</u>
<u>700,000</u>	<u>(7,192,914)</u>	<u>(4,107,010)</u>	<u>3,085,904</u>	<u>452,000</u>	<u>(6,300,899)</u>	<u>(1,767,164)</u>	<u>4,533,735</u>
	3,825,331	3,825,331			678,870	678,870	
	(294,382)	(294,382)					
	<u>3,530,949</u>	<u>3,530,949</u>			<u>678,870</u>	<u>678,870</u>	
<u>\$700,000</u>	<u>(\$3,661,965)</u>	<u>(576,061)</u>	<u>\$3,085,904</u>	<u>\$452,000</u>	<u>(\$5,622,029)</u>	<u>(1,088,294)</u>	<u>\$4,533,735</u>
		3,998,918				2,145,209	
		<u>\$3,422,857</u>				<u>\$1,056,915</u>	

CITY OF WEST SACRAMENTO
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2016

CAPITAL PROJECTS FUNDS				
GENERAL FACILITIES IMPROVEMENT FUND				
	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Special benefit assessment for operations				
Contributions from developers and homeowners			\$567,269	\$567,269
Franchise fees				
Fees, licenses and permits			46,236	46,236
Fines and forfeitures				
Use of money and property		\$2,200	83,667	81,467
Intergovernmental				
Charges for services				
Other revenues				
Total Revenues		<u>2,200</u>	<u>697,172</u>	<u>694,972</u>
EXPENDITURES				
Current:				
General government			225	(225)
Public works		2,332,991	22,334	2,310,657
Public safety			(3,766)	3,766
Community development				
Landscaping and street lighting				
Culture and recreation				
Housing rehabilitation				
Capital outlay		4,564,090	4,564,090	
Debt service:				
Principal payments				
Debt issuance costs			34,563	
Interest and fiscal charges				
Total Expenditures		<u>6,897,081</u>	<u>4,617,446</u>	<u>2,314,198</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>(6,894,881)</u>	<u>(3,920,274)</u>	<u>3,009,170</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets			2,988,736	2,988,736
Issuance of capital leases and loans				
Payment to refunding escrow agent	\$50,000	869,633	969,633	100,000
Transfers in				
Transfers (out)				
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>869,633</u>	<u>3,958,369</u>	<u>3,088,736</u>
NET CHANGE IN FUND BALANCES	<u>\$50,000</u>	<u>(\$6,025,248)</u>	38,095	<u>\$6,097,906</u>
BEGINNING FUND BALANCES (DEFICITS)			<u>15,523,722</u>	
ENDING FUND BALANCES (DEFICITS)			<u>\$15,561,817</u>	

CAPITAL PROJECTS FUNDS

POLICE FACILITY IMPACT FEES FUND				FIRE FACILITY IMPACT FEES FUND			
Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
Original	Final			Original	Final		
\$100,000	\$100,000	\$88,466	(\$11,534)	\$100,000	\$100,000	\$90,054	(\$9,946)
		6,577	6,577			433	433
<u>100,000</u>	<u>100,000</u>	<u>95,043</u>	<u>(4,957)</u>	<u>100,000</u>	<u>100,000</u>	<u>90,487</u>	<u>(9,513)</u>
	397,418	123,609	273,809				
						110,825	(110,825)
						26,529	(26,529)
	<u>397,418</u>	<u>123,609</u>	<u>273,809</u>			<u>137,354</u>	<u>(137,354)</u>
<u>100,000</u>	<u>(297,418)</u>	<u>(28,566)</u>	<u>268,852</u>	<u>100,000</u>	<u>100,000</u>	<u>(46,867)</u>	<u>(146,867)</u>
<u>(20,400)</u>	<u>(20,400)</u>	<u>(20,400)</u>		<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	
<u>(20,400)</u>	<u>(20,400)</u>	<u>(20,400)</u>		<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	
<u>\$79,600</u>	<u>(\$317,818)</u>	(48,966)	<u>\$268,852</u>	<u>\$ -</u>	<u>\$ -</u>	(146,867)	<u>(\$146,867)</u>
		711,557				(4,434,649)	
		<u>\$662,591</u>				<u>(\$4,581,516)</u>	

(Continued)

CITY OF WEST SACRAMENTO
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2016

<u>CAPITAL PROJECTS FUNDS</u>				
<u>CHILDCARE IMPACT FEES FUND</u>				
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special benefit assessment for operations				
Contributions from developers and homeowners				
Franchise fees				
Fees, Licenses and permits	\$20,000	\$20,000	\$39,433	\$19,433
Fines and forfeitures				
Use of money and property	35	35	2,174	2,139
Intergovernmental				
Charges for services				
Other revenues				
Total Revenues	<u>20,035</u>	<u>20,035</u>	<u>41,607</u>	<u>21,572</u>
EXPENDITURES				
Current:				
General government				
Public works				
Public safety				
Community development				
Landscaping and street lighting				
Culture and recreation		30,000		30,000
Housing rehabilitation				
Capital outlay				
Debt service:				
Principal payments				
Debt issuance costs				
Interest and fiscal charges				
Total Expenditures		<u>30,000</u>		<u>30,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>20,035</u>	<u>(9,965)</u>	<u>41,607</u>	<u>51,572</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets				
Issuance of capital leases and loans				
Transfers in				
Transfers (out)				
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCES	<u>\$20,035</u>	<u>(\$9,965)</u>	41,607	<u>\$51,572</u>
BEGINNING FUND BALANCES (DEFICITS)			<u>195,093</u>	
ENDING FUND BALANCES (DEFICITS)			<u>\$236,700</u>	

CAPITAL PROJECTS FUNDS

CITY HALL IMPACT FEES FUND				DRAINAGE IMPACT FEES FUND			
Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
Original	Final			Original	Final		
\$50,000	\$50,000	\$49,961	(\$39)			\$47,506	\$47,506
30	30	3,508	3,478			10,569	10,569
<u>50,030</u>	<u>50,030</u>	<u>53,469</u>	<u>3,439</u>			<u>58,075</u>	<u>58,075</u>
	72,155	24,824	47,331				
	<u>72,155</u>	<u>24,824</u>	<u>47,331</u>			<u>8,376</u>	<u>(8,376)</u>
<u>50,030</u>	<u>(22,125)</u>	<u>28,645</u>	<u>50,770</u>			<u>49,699</u>	<u>49,699</u>
					171,835	171,835	
					<u>171,835</u>	<u>171,835</u>	
<u>\$50,030</u>	<u>(\$22,125)</u>	<u>28,645</u>	<u>\$50,770</u>	<u>\$ -</u>	<u>\$171,835</u>	<u>221,534</u>	<u>\$49,699</u>
		267,371				186,784	
		<u>\$296,016</u>				<u>\$408,318</u>	

(Continued)

CITY OF WEST SACRAMENTO
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2016

CAPITAL PROJECTS FUNDS

CORPORATE YARD IMPACT FEES FUND

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special benefit assessment for operations				
Contributions from developers and homeowners				
Franchise fees				
Fees, Licenses and permits			\$68,313	\$68,313
Fines and forfeitures				
Use of money and property			467	467
Intergovernmental				
Charges for services				
Other revenues				
Total Revenues			<u>68,780</u>	<u>68,780</u>
EXPENDITURES				
Current:				
General government				
Public works				
Public safety				
Community development				
Landscaping and street lighting				
Culture and recreation				
Housing rehabilitation				
Capital outlay				
Debt service:				
Principal payments				
Debt issuance costs				
Interest and fiscal charges			11,753	(11,753)
Total Expenditures			<u>11,753</u>	<u>(11,753)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			<u>57,027</u>	<u>57,027</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets				
Issuance of capital leases and loans				
Transfers in				
Transfers (out)				
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	57,027	<u>\$57,027</u>
BEGINNING FUND BALANCES (DEFICITS)			<u>(2,026,812)</u>	
ENDING FUND BALANCES (DEFICITS)			<u>(\$1,969,785)</u>	

CAPITAL PROJECTS FUNDS

TRIANGLE/BRIDGE DISTRICT PROJECT FUND				COMMUNITY INVESTMENTS (MEASURE G) FUND			
Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
Original	Final			Original	Final		
		\$81,983	\$81,983				
		394,850	394,850				
						\$124,077	\$124,077
		<u>476,833</u>	<u>476,833</u>			<u>124,077</u>	<u>124,077</u>
	\$7,837,840	295,071	7,542,769		\$8,700,000	327,251	8,372,749
	472,428	472,428			757,456	757,456	
	<u>8,310,268</u>	<u>767,499</u>	<u>7,542,769</u>		<u>9,457,456</u>	<u>1,084,707</u>	<u>8,372,749</u>
	<u>(8,310,268)</u>	<u>(290,666)</u>	<u>8,019,602</u>		<u>(9,457,456)</u>	<u>(960,630)</u>	<u>8,496,826</u>
					3,491,426	3,491,426	
	<u>(164,000)</u>	<u>(164,000)</u>			<u>3,491,426</u>	<u>3,491,426</u>	
	<u>(164,000)</u>	<u>(164,000)</u>			<u>3,491,426</u>	<u>3,491,426</u>	
<u>\$</u>	<u>-</u>	<u>(454,666)</u>	<u>\$8,019,602</u>	<u>\$</u>	<u>-</u>	<u>2,530,796</u>	<u>\$8,496,826</u>
		<u>6,751,767</u>					
		<u>\$6,297,101</u>				<u>\$2,530,796</u>	

CITY OF WEST SACRAMENTO
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2016

CAPITAL PROJECTS FUNDS				
COMMUNITY FACILITIES DISTRICT FUND				
	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Special benefit assessment for operations				
Contributions from developers and homeowners			\$2,933,044	\$2,933,044
Franchise fees				
Fees, Licenses and permits				
Fines and forfeitures				
Use of money and property			28,807	28,807
Intergovernmental				
Charges for services				
Other revenues				
Total Revenues			2,961,851	2,961,851
EXPENDITURES				
Current:				
General government				
Public works			430,339	(430,339)
Public safety				
Community development				
Landscaping and street lighting				
Culture and recreation				
Housing rehabilitation				
Capital outlay				
Debt service:				
Principal payments				
Debt issuance costs				
Interest and fiscal charges				
Total Expenditures			430,339	(430,339)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
			2,531,512	2,531,512
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets				
Issuance of capital leases and loans				
Transfers in				
Transfers (out)		(80,408)	(80,408)	
Total Other Financing Sources (Uses)		(80,408)	(80,408)	
NET CHANGE IN FUND BALANCES				
	\$ -	(\$80,408)	2,451,104	\$2,531,512
BEGINNING FUND BALANCES (DEFICITS)				
			3,253,774	
ENDING FUND BALANCES (DEFICITS)				
			\$5,704,878	

CAPITAL PROJECTS FUNDS

SOUTHPORT MELLO-ROOS FUND				FLOOD PROTECTION IN LIEU FUND			
Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
Original	Final			Original	Final		
		\$4,642	\$4,642			\$314,746	\$314,746
		52,023	52,023			23,264	23,264
		56,665	56,665			338,010	338,010
				\$95,393	\$1,125,540	203,867	921,673
					759,834	759,834	
				95,393	1,885,374	963,701	921,673
		56,665	56,665	(95,393)	(1,885,374)	(625,691)	1,259,683
	(4,770,729)	(4,770,729)					
	(4,770,729)	(4,770,729)					
\$ -	(\$4,770,729)	(4,714,064)	\$56,665	(\$95,393)	(\$1,885,374)	(625,691)	\$1,259,683
		5,239,950				2,642,910	
		\$525,886				\$2,017,219	

CITY OF WEST SACRAMENTO

FIDUCIARY FUNDS

Private purpose trust funds are used to account for fiduciary activities not required to be reported in another fiduciary fund type. Private purpose trust funds of the City are as follows:

MCKNIGHT SCHOLARSHIP FUND – account for donations collected for the fallen officer and used for the scholarship program.

SAC PETRO CO-OP FUND – to account for donations collected from the petroleum companies for fire prevention services.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FUND – to account for the activities of the Successor Agency to the former Redevelopment Agency of the City of West Sacramento.

CITY OF WEST SACRAMENTO
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 June 30, 2016

	<u>Private-Purpose Trust Funds</u>		Total Private- Purpose Trust Funds	Total Agency Funds
	McKnight Fund Fund	Successor Agency to the Redevelopment Agency Fund		
ASSETS				
Cash and investments in City Treasury	\$9,021	\$8,797,993	\$8,807,014	\$16,668,168
Accounts receivable and other assets				38,726
Prepays		1,853	1,853	
Grants receivable				27,366,333
Due from other governments				759,968
Restricted assets:				
Cash and investments with fiscal agent		235	235	19,879,967
Capital assets:				
Not being depreciated		1,151,308	1,151,308	
Total Assets	<u>9,021</u>	<u>9,951,389</u>	<u>9,960,410</u>	<u>\$64,713,162</u>
LIABILITIES				
Accounts payable		24	24	\$2,955,307
Refundable deposits		11,358	11,358	
Interest payable		1,379,680	1,379,680	
Due to other governments				33,897,172
Due for special assessment debt service				27,860,683
Noncurrent liabilities, due within one year		4,685,429	4,685,429	
Noncurrent liabilities, due after one year		90,794,833	90,794,833	
Total Liabilities		<u>96,871,324</u>	<u>96,871,324</u>	<u>\$64,713,162</u>
NET POSITION (DEFICITS)				
HELD IN TRUST FOR OTHERS	<u>\$9,021</u>	<u>(\$86,919,935)</u>	<u>(\$86,910,914)</u>	

CITY OF WEST SACRAMENTO
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 For the Year Ended June 30, 2016

	<u>Private-Purpose Trust Funds</u>		Total Private- Purpose Trust Funds
	McKnight Fund Fund	Successor Agency to the Redevelopment Agency Fund	
ADDITIONS			
Taxes			
Property taxes		\$8,507,379	\$8,507,379
Fees, licenses and permits		3,978	3,978
Use of money and property	\$89	47,966	48,055
Gain on sale of capital assets		829,689	829,689
		<u> </u>	<u> </u>
Total Additions	<u>89</u>	<u>9,389,012</u>	<u>9,389,101</u>
DEDUCTIONS			
Public safety			
Community development		2,044,300	2,044,300
Debt service:			
Interest and fiscal charges		4,215,362	4,215,362
		<u> </u>	<u> </u>
Total Deductions		<u>6,259,662</u>	<u>6,259,662</u>
Change in Net Position	89	3,129,350	3,129,439
NET POSITION, BEGINNING	<u>8,932</u>	<u>(90,049,285)</u>	<u>(90,040,353)</u>
NET POSITION (DEFICITS), END OF YEAR	<u><u>\$9,021</u></u>	<u><u>(\$86,919,935)</u></u>	<u><u>(\$86,910,914)</u></u>

CITY OF WEST SACRAMENTO

AGENCY FUNDS

Agency Funds are used to account for assets held by the government as an agent for individual, private organizations and other governments.

The Agency Funds of the City are outlined as follows:

1998 REFUNDING DISTRICT FUND – to account for revenue and the associated expenditures for billing and collections of the 1998 Refunding District debt service payments.

LIGHTHOUSE MARINA FUND – to account for 1915 Act assessment district bond debt service payments.

COMMUNITY FACILITIES DISTRICT FUNDS – to account for the collection and payment of assessment district bonded debt service of the following Community Facilities Districts in the City:

- | | |
|--------------------------|--------------------------------------|
| No. 8 – Series 1999 | No. 21– Parlin Ranch Debt |
| No. 9 – Staples Project | No. 23 – Triangle Area Debt |
| No. 12 – Raley Field | 2006 Special Tax Revenue Bond |
| No. 14 – Newport Estates | No. 10 – Bridgeway Series 2006 |
| No. 8 – Series 2001 | No. 11 – Gateway Series 2006 |
| No. 15 – Pheasant Hollow | No. 24 – Bridgeway |
| No. 16 – Bridgeway Lakes | No. 26 – Yarborough |
| No. 17 – Parella | No. 27 – Bridge |
| No. 18 – Gateway Unit 4 | No. 28 – Rivers II |
| No. 19 – River Ranch | No. 21, 23 and 24 Special Tax Refund |
| No. 20 – Bridgeway II | |

2012 SPECIAL TAX REFUNDING BOND FUND – to account for collection and payment of the refunding of the Community Facilities District No. 14. Series 2001 Bonds and Community Facilities District No. 17 Series 2003 Bonds.

SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT FUND – to account for a special district formed under the laws of California to provide wastewater treatment services for its member agencies.

WASHINGTON SCHOOL DISTRICT IMPACT FEES FUND – to account for developer fees, which are collected and remitted to the school district for the construction of a school.

RALEY’S LANDING FUND – to account for developer impact fees used for improvements in the Raley’s Landing district.

YOLO COUNTY IMPACT FEES FUND – to account for developer fees, which are collected and remitted to the county for road development.

SENIOR CLUBHOUSE FUND – to account for donations that are collected on behalf of a senior organization.

YOLO COUNTY ENVIRONMENTAL HEALTH FUND– This fund is to account for the environmental fees collected by the City and passed-thru to the County of Yolo.

BUSINESS IMPROVEMENT FUND – to account for special benefit assessments for improvements in a business improvements district.

CITY OF WEST SACRAMENTO

AGENCY FUNDS (Continued)

RIVER CITY STADIUM FINANCING AUTHORITY FUND – to account for the activity related to the issuance of the bonds in conjunction with the City of Sacramento, California and the River City Stadium Financing Authority.

SACRAMENTO YOLO FINANCE AUTHORITY FUND – to account for the activity related to the issuance of bonds in conjunction with the Sacramento Yolo Financing Authority.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY FUND – to account for revenues and associated expenditures of flood assessment levied on property owners for maintenance and construction of levee, and prevention of flood in the City.

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<u>1998 Refunding District Fund</u>				
Assets:				
Cash and investments	\$665,147		(\$665,147)	
Total Assets	<u>\$665,147</u>	<u>\$ -</u>	<u>(\$665,147)</u>	<u>\$ -</u>
Liabilities:				
Due for special assessment debt service	\$665,147		(\$665,147)	
Total Liabilities	<u>\$665,147</u>	<u>\$ -</u>	<u>(\$665,147)</u>	<u>\$ -</u>
<u>Lighthouse Marina Fund</u>				
Assets:				
Cash and investments	\$43,600		(\$43,600)	
Total Assets	<u>\$43,600</u>	<u>\$ -</u>	<u>(\$43,600)</u>	<u>\$ -</u>
Liabilities:				
Due for special assessment debt service	\$43,600		(\$43,600)	
Total Liabilities	<u>\$43,600</u>	<u>\$ -</u>	<u>(\$43,600)</u>	<u>\$ -</u>
<u>No. 8 Series 1999</u>				
Assets:				
Cash and investments	\$2,970,949	\$3,048,962	(\$2,970,949)	\$3,048,962
Due from other governments	158,513	146,407	(158,513)	146,407
Restricted assets:				
Cash and investments with fiscal agents	3		(3)	
Total Assets	<u>\$3,129,465</u>	<u>\$3,195,369</u>	<u>(\$3,129,465)</u>	<u>\$3,195,369</u>
Liabilities:				
Accounts payable	\$21	\$3,160	(\$21)	\$3,160
Due for special assessment debt service	3,129,444	3,192,209	(3,129,444)	3,192,209
Total Liabilities	<u>\$3,129,465</u>	<u>\$3,195,369</u>	<u>(\$3,129,465)</u>	<u>\$3,195,369</u>

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2016

No. 9 Staples	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Assets:				
Cash and investments	\$25,649	\$26,337	(\$25,649)	\$26,337
Due from other governments	818	805	(818)	805
Restricted assets:				
Cash and investments with fiscal agents	2		(2)	
Total Assets	\$26,469	\$27,142	(\$26,469)	\$27,142
Liabilities:				
Accounts payable		\$1,285		\$1,285
Due for special assessment debt service	\$26,469	25,857	(\$26,469)	25,857
Total Liabilities	\$26,469	\$27,142	(\$26,469)	\$27,142
No. 12 Raley's Field				
Assets:				
Cash and investments	\$407,848	\$792,784	(\$407,848)	\$792,784
Due from other governments	15,052	14,968	(15,052)	14,968
Total Assets	\$422,900	\$807,752	(\$422,900)	\$807,752
Liabilities:				
Accounts payable		\$1,410		\$1,410
Due for special assessment debt service	\$422,900	806,342	(\$422,900)	806,342
Total Liabilities	\$422,900	\$807,752	(\$422,900)	\$807,752
No. 14 Newport Estates				
Assets:				
Cash and investments	\$390,254	\$497,438	(\$390,254)	\$497,438
Due from other governments	411,993	36,090	(411,993)	36,090
Restricted assets:				
Cash and investments with fiscal agents	610,269	596,149	(610,269)	596,149
Total Assets	\$1,412,516	\$1,129,677	(\$1,412,516)	\$1,129,677
Liabilities:				
Accounts payable	\$56	\$3,554	(\$56)	\$3,554
Due for special assessment debt service	1,412,460	1,126,123	(1,412,460)	1,126,123
Total Liabilities	\$1,412,516	\$1,129,677	(\$1,412,516)	\$1,129,677

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2016

No. 8 Series 2001	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Assets:				
Restricted assets:				
Cash and investments with fiscal agents	\$3,274,563	\$3,430,904	(\$3,274,563)	\$3,430,904
Total Assets	\$3,274,563	\$3,430,904	(\$3,274,563)	\$3,430,904
Liabilities:				
Due for special assessment debt service	\$3,274,563	\$3,430,904	(\$3,274,563)	\$3,430,904
Total Liabilities	\$3,274,563	\$3,430,904	(\$3,274,563)	\$3,430,904
<hr/>				
No. 15 Pheasant Hollow				
Assets:				
Cash and investments	\$125,725	\$121,794	(\$125,725)	\$121,794
Due from other governments	7,724	7,621	(7,724)	7,621
Total Assets	\$133,449	\$129,415	(\$133,449)	\$129,415
Liabilities:				
Accounts payable		\$2,805		\$2,805
Due for special assessment debt service	\$133,449	126,610	(\$133,449)	126,610
Total Liabilities	\$133,449	\$129,415	(\$133,449)	\$129,415
<hr/>				
No. 16 Bridgeway Lakes				
Assets:				
Cash and investments	\$358,925	\$467,260	(\$358,925)	\$467,260
Due from other governments	225,540	49,572	(225,540)	49,572
Restricted assets:				
Cash and investments with fiscal agents	522,291	529,620	(522,291)	529,620
Total Assets	\$1,106,756	\$1,046,452	(\$1,106,756)	\$1,046,452
Liabilities:				
Accounts payable	\$21	\$3,875	(\$21)	\$3,875
Due for special assessment debt service	1,106,735	1,042,577	(1,106,735)	1,042,577
Total Liabilities	\$1,106,756	\$1,046,452	(\$1,106,756)	\$1,046,452

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2016

No. 17 Parella	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Assets:				
Cash and investments	\$451,168	\$313,201	(\$451,168)	\$313,201
Due from other governments	19,953	19,602	(19,953)	19,602
Restricted assets:				
Cash and investments with fiscal agents	190,229	164,854	(190,229)	164,854
Total Assets	\$661,350	\$497,657	(\$661,350)	\$497,657
Liabilities:				
Accounts payable	\$163	\$3,949	(\$163)	\$3,949
Due for special assessment debt service	661,187	493,708	(661,187)	493,708
Total Liabilities	\$661,350	\$497,657	(\$661,350)	\$497,657
No. 18 Gateway Unit 4				
Assets:				
Cash and investments	\$54,091	\$55,651	(\$54,091)	\$55,651
Due from other governments	3,189	3,203	(3,189)	3,203
Total Assets	\$57,280	\$58,854	(\$57,280)	\$58,854
Liabilities:				
Accounts payable		\$1,592		\$1,592
Due for special assessment debt service	\$57,280	57,262	(\$57,280)	57,262
Total Liabilities	\$57,280	\$58,854	(\$57,280)	\$58,854
No. 19 River Ranch				
Assets:				
Cash and investments	\$184,880	\$184,557	(\$184,880)	\$184,557
Due from other governments	10,176	10,066	(10,176)	10,066
Total Assets	\$195,056	\$194,623	(\$195,056)	\$194,623
Liabilities:				
Accounts payable		\$2,189		\$2,189
Due for special assessment debt service	\$195,056	192,434	(\$195,056)	192,434
Total Liabilities	\$195,056	\$194,623	(\$195,056)	\$194,623

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2016

No. 20 Bridgeway II	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Assets:				
Cash and investments	\$641,894	\$652,355	(\$641,894)	\$652,355
Due from other governments	36,576	36,131	(36,576)	36,131
Restricted assets:				
Cash and investments with fiscal agents	719,743	737,716	(719,743)	737,716
Total Assets	\$1,398,213	\$1,426,202	(\$1,398,213)	\$1,426,202
Liabilities:				
Accounts payable	\$215	\$2,613	(\$215)	\$2,613
Due for special assessment debt service	1,397,998	1,423,589	(1,397,998)	1,423,589
Total Liabilities	\$1,398,213	\$1,426,202	(\$1,398,213)	\$1,426,202
No. 21 Parlin Ranch Debt				
Assets:				
Cash and investments	\$172,920	\$179,689	(\$172,920)	\$179,689
Due from other governments	12,124	11,976	(12,124)	11,976
Restricted assets:				
Cash and investments with fiscal agents	233,151		(233,151)	
Total Assets	\$418,195	\$191,665	(\$418,195)	\$191,665
Liabilities:				
Accounts payable	\$152	\$2,077	(\$152)	\$2,077
Due for special assessment debt service	418,043	189,588	(418,043)	189,588
Total Liabilities	\$418,195	\$191,665	(\$418,195)	\$191,665
No. 23 Triangle Area Debt				
Assets:				
Cash and investments	\$371,207	\$389,727	(\$371,207)	\$389,727
Due from other governments	22,376	22,588	(22,376)	22,588
Restricted assets:				
Cash and investments with fiscal agents	475,730		(475,730)	
Total Assets	\$869,313	\$412,315	(\$869,313)	\$412,315
Liabilities:				
Accounts payable	\$18	\$975	(\$18)	\$975
Due for special assessment debt service	869,295	411,340	(869,295)	411,340
Total Liabilities	\$869,313	\$412,315	(\$869,313)	\$412,315

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<u>2006 Special Tax Revenue Bond</u>				
Assets:				
Cash and investments		\$5		\$5
Restricted assets:				
Cash and investments with fiscal agents	\$2,271,906	2,228,560	(\$2,271,906)	2,228,560
Total Assets	<u>\$2,271,906</u>	<u>\$2,228,565</u>	<u>(\$2,271,906)</u>	<u>\$2,228,565</u>
Liabilities:				
Accounts payable		\$500		\$500
Due to other governments	\$175,401		(\$175,401)	
Due for special assessment debt service	2,096,505	2,228,065	(2,096,505)	2,228,065
Total Liabilities	<u>\$2,271,906</u>	<u>\$2,228,565</u>	<u>(\$2,271,906)</u>	<u>\$2,228,565</u>
<u>No. 10 Bridgeway Series 2006</u>				
Assets:				
Cash and investments	\$1,755,154	\$1,709,610	(\$1,755,154)	\$1,709,610
Due from other governments	97,393	96,900	(97,393)	96,900
Total Assets	<u>\$1,852,547</u>	<u>\$1,806,510</u>	<u>(\$1,852,547)</u>	<u>\$1,806,510</u>
Liabilities:				
Accounts payable	\$457	\$5,551	(\$457)	\$5,551
Due for special assessment debt service	1,852,090	1,800,959	(1,852,090)	1,800,959
Total Liabilities	<u>\$1,852,547</u>	<u>\$1,806,510</u>	<u>(\$1,852,547)</u>	<u>\$1,806,510</u>
<u>No. 11 Gateway Series 2006</u>				
Assets:				
Cash and investments	\$336,720	\$332,421	(\$336,720)	\$332,421
Due from other governments	18,154	18,154	(18,154)	18,154
Total Assets	<u>\$354,874</u>	<u>\$350,575</u>	<u>(\$354,874)</u>	<u>\$350,575</u>
Liabilities:				
Accounts payable	\$152	\$2,966	(\$152)	\$2,966
Due for special assessment debt service	354,722	347,609	(354,722)	347,609
Total Liabilities	<u>\$354,874</u>	<u>\$350,575</u>	<u>(\$354,874)</u>	<u>\$350,575</u>

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2016

No. 24 Bridgeway	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Assets:				
Cash and investments	\$94,414	\$98,418	(\$94,414)	\$98,418
Due from other governments	5,475	5,438	(5,475)	5,438
Restricted assets:				
Cash and investments with fiscal agents	100,727		(100,727)	
Total Assets	\$200,616	\$103,856	(\$200,616)	\$103,856
Liabilities:				
Accounts payable		\$1,213		\$1,213
Due for special assessment debt service	\$200,616	102,643	(\$200,616)	102,643
Total Liabilities	\$200,616	\$102,643	(\$200,616)	\$102,643
No. 26 Yarborough				
Assets:				
Cash and investments	\$152,689	\$156,067	(\$152,689)	\$156,067
Due from other governments	16,403	16,483	(16,403)	16,483
Restricted assets:				
Cash and investments with fiscal agents	310,047	318,850	(310,047)	318,850
Total Assets	\$479,139	\$491,400	(\$479,139)	\$491,400
Liabilities:				
Accounts payable		\$2,280		\$2,280
Due for special assessment debt service	\$479,139	489,120	(\$479,139)	489,120
Total Liabilities	\$479,139	\$491,400	(\$479,139)	\$491,400
No. 27 Bridge				
Assets:				
Cash and investments	\$955,213	\$971,802	(\$955,213)	\$971,802
Due from other governments	44,800	44,932	(44,800)	44,932
Restricted assets:				
Cash and investments with fiscal agents	1,032,974	1,020,549	(1,032,974)	1,020,549
Total Assets	\$2,032,987	\$2,037,283	(\$2,032,987)	\$2,037,283
Liabilities:				
Accounts payable	\$18	\$2,342	(\$18)	\$2,342
Due for special assessment debt service	2,032,969	2,034,941	(2,032,969)	2,034,941
Total Liabilities	\$2,032,987	\$2,037,283	(\$2,032,987)	\$2,037,283

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<hr/> No. 28 Rivers II <hr/>				
Assets:				
Cash and investments		\$18,121		\$18,121
Total Assets	\$ -	\$18,121	\$ -	\$18,121
Liabilities:				
Due for special assessment debt service		\$18,121		\$18,121
Total Liabilities	\$ -	\$18,121	\$ -	\$18,121
<hr/> No. 21, 23, and 24 Special Tax Refund <hr/>				
Assets:				
Restricted assets:				
Cash and investments with fiscal agents		\$693,711		\$693,711
Total Assets	\$ -	\$693,711	\$ -	\$693,711
Liabilities:				
Due for special assessment debt service		\$693,711		\$693,711
Total Liabilities	\$ -	\$693,711	\$ -	\$693,711
<hr/> 2012 Special Tax Refunding Bond <hr/>				
Assets:				
Cash and investments		\$75,248		\$75,248
Restricted assets:				
Cash and investments with fiscal agents	\$802,425	490,388	(\$802,425)	490,388
Total Assets	\$802,425	\$565,636	(\$802,425)	\$565,636
Liabilities:				
Due to other governments	\$376,216		(\$376,216)	
Due for special assessment debt service	426,209	\$565,636	(426,209)	\$565,636
Total Liabilities	\$802,425	\$565,636	(\$802,425)	\$565,636
<hr/> Sacramento Regional County Sanitation District Fund <hr/>				
Assets:				
Cash and investments	\$28,374	\$23,000	(\$28,374)	\$23,000
Total Assets	\$28,374	\$23,000	(\$28,374)	\$23,000
Liabilities:				
Accounts payable	\$28,374		(\$28,374)	
Due to other governments		\$23,000		\$23,000
Total Liabilities	\$28,374	\$23,000	(\$28,374)	\$23,000

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<u>Washington School District Impact Fees Fund</u>				
Assets:				
Cash and investments	\$250,561	\$20,100	(\$250,561)	\$20,100
Total Assets	<u>\$250,561</u>	<u>\$20,100</u>	<u>(\$250,561)</u>	<u>\$20,100</u>
Liabilities:				
Accounts payable	\$250,561		(\$250,561)	
Due to other governments		\$20,100		\$20,100
Total Liabilities	<u>\$250,561</u>	<u>\$20,100</u>	<u>(\$250,561)</u>	<u>\$20,100</u>
 <u>Raleys Landing Fund</u>				
Assets:				
Cash and investments	\$70,974	\$3,155	(\$70,974)	\$3,155
Total Assets	<u>\$70,974</u>	<u>\$3,155</u>	<u>(\$70,974)</u>	<u>\$3,155</u>
Liabilities:				
Accounts payable	\$70,974	\$3,155	(\$70,974)	\$3,155
Total Liabilities	<u>\$70,974</u>	<u>\$3,155</u>	<u>(\$70,974)</u>	<u>\$3,155</u>
 <u>Yolo County Impact Fees Fund</u>				
Assets:				
Cash and investments	\$228,141	\$25,222	(\$228,141)	\$25,222
Total Assets	<u>\$228,141</u>	<u>\$25,222</u>	<u>(\$228,141)</u>	<u>\$25,222</u>
Liabilities:				
Accounts payable	\$228,141	\$1,146	(\$228,141)	\$1,146
Due to other governments		24,076		24,076
Total Liabilities	<u>\$228,141</u>	<u>\$25,222</u>	<u>(\$228,141)</u>	<u>\$25,222</u>

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<u>Senior Clubhouse Fund</u>				
Assets:				
Cash and investments	\$23		(\$23)	
Total Assets	\$23	\$ -	(\$23)	\$ -
Liabilities:				
Due for special assessment debt service	\$23		(\$23)	
Total Liabilities	\$23	\$ -	(\$23)	\$ -
<u>Yolo County Environmental Health</u>				
Assets:				
Cash and investments	\$828	\$3,776	(\$828)	\$3,776
Total Assets	\$828	\$3,776	(\$828)	\$3,776
Liabilities:				
Accounts payable	\$828		(\$828)	
Due to other governments		\$3,776		\$3,776
Total Liabilities	\$828	\$3,776	(\$828)	\$3,776
<u>Business Improvement Fund</u>				
Assets:				
Cash and investments	\$7,805	\$7,883	(\$7,805)	\$7,883
Total Assets	\$7,805	\$7,883	(\$7,805)	\$7,883
Liabilities:				
Due for special assessment debt service	\$7,805	\$7,883	(\$7,805)	\$7,883
Total Liabilities	\$7,805	\$7,883	(\$7,805)	\$7,883
<u>River City Stadium Financing Authority Fund</u>				
Assets:				
Cash and investments	\$4,627	\$11,142	(\$4,627)	\$11,142
Accounts receivable	5,164	11,200	(5,164)	11,200
Restricted assets:				
Cash and investments with fiscal agents	7,043,017	7,047,632	(7,043,017)	7,047,632
Total Assets	\$7,052,808	\$7,069,974	(\$7,052,808)	\$7,069,974
Liabilities:				
Accounts payable	\$9,791	\$17,736	(\$9,791)	\$17,736
Due for special assessment debt service	7,043,017	7,052,238	(7,043,017)	7,052,238
Total Liabilities	\$7,052,808	\$7,069,974	(\$7,052,808)	\$7,069,974

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<u>Sacramento Yolo Finance Authority Fund</u>				
Assets:				
Cash and investments	\$120,737	\$121,951	(\$120,737)	\$121,951
Total Assets	<u>\$120,737</u>	<u>\$121,951</u>	<u>(\$120,737)</u>	<u>\$121,951</u>
Liabilities:				
Due to other governments	\$120,410	\$120,737	(\$120,410)	\$120,737
Due for special assessment debt service	327	1,214	(327)	1,214
Total Liabilities	<u>\$120,737</u>	<u>\$121,951</u>	<u>(\$120,737)</u>	<u>\$121,951</u>
<u>West Sacramento Flood Control Area Agency</u>				
Assets:				
Cash and investments	\$18,127,458	\$6,360,492	(\$18,127,458)	\$6,360,492
Accounts receivable	21,330	27,526	(21,330)	27,526
Prepays	300,000		(300,000)	
Grants receivable	5,100,000	27,366,333	(5,100,000)	27,366,333
Due from other governments	334,197	219,032	(334,197)	219,032
Restricted assets:				
Cash and investments with fiscal agents	4,897,612	2,621,034	(4,897,612)	2,621,034
Total Assets	<u>\$28,780,597</u>	<u>\$36,594,417</u>	<u>(\$28,780,597)</u>	<u>\$36,594,417</u>
Liabilities:				
Accounts payable and other liabilities	\$1,424,612	\$2,888,934	(\$1,424,612)	\$2,888,934
Due to other governments	27,355,985	33,705,483	(27,355,985)	33,705,483
Total Liabilities	<u>\$28,780,597</u>	<u>\$36,594,417</u>	<u>(\$28,780,597)</u>	<u>\$36,594,417</u>
<u>Total Agency Funds</u>				
Assets:				
Cash and investments	\$28,997,975	\$16,668,168	(\$28,997,975)	\$16,668,168
Accounts receivable	26,494	38,726	(26,494)	38,726
Prepays	300,000		(300,000)	
Grants receivable	5,100,000	27,366,333	(5,100,000)	27,366,333
Due from other governments	1,440,456	759,968	(1,440,456)	759,968
Restricted assets:				
Cash and investments with fiscal agents	22,484,689	19,879,967	(22,484,689)	19,879,967
Total Assets	<u>\$58,349,614</u>	<u>\$64,713,162</u>	<u>(\$58,349,614)</u>	<u>\$64,713,162</u>
Liabilities:				
Accounts payable and other liabilities	\$2,014,554	\$2,955,307	(\$2,014,554)	\$2,955,307
Due to other governments	28,028,012	33,897,172	(28,028,012)	33,897,172
Due for special assessment debt service	28,307,048	27,860,683	(28,307,048)	27,860,683
Total Liabilities	<u>\$58,349,614</u>	<u>\$64,713,162</u>	<u>(\$58,349,614)</u>	<u>\$64,713,162</u>

STATISTICAL SECTION

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

Financial Trends

These schedules contain financial trend information for assessing the City's financial performance and well-being over time.

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules present revenue capacity information to assess the City's ability to generate revenues. Property taxes, sales and use taxes, charges for services and developer fees and contributions are the City's most significant revenue sources.

1. Assessed Value of Taxable Property
2. Direct and Overlapping Property Tax Rates
3. Principal Property Taxpayers
4. Property Tax Levies and Collections

Debt Capacity

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

1. Ratio of Outstanding Debt by Type
2. Ratio of General Bonded Debt Outstanding
3. Computation of Direct and Overlapping Debt
4. Computation of Legal Bonded Debt Margin
5. Bonded Debt Pledged Revenue Coverage:
 - a. Water Revenue Bonds
 - b. Redevelopment Agency and Successor Agency Tax Allocation Bonds

Demographic and Economic Information

These schedules provide information on the demographic and economic environment in which the City conducts business.

1. Demographic and Economic Statistics
2. Principal Employers

STATISTICAL SECTION (Continued)
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Operating Information

These schedules provide information on the City's service infrastructure to assist the reader in understanding how the information in the City's financial report relates to the services the City provides and the activities it performs

1. Principle Sales Tax Remitters
2. Full-Time Equivalent City Government Employees by Function
3. Operating Indicators by Function/Program
4. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports of the relevant years. The City implemented GASB Statement 34 during the year ended June 30, 2006; schedules presenting net asset information include information beginning that year.

CITY OF WEST SACRAMENTO

NET POSITION BY COMPONENTS
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 332,044	\$ 330,739	\$ 314,738	\$ 320,836	\$ 303,784	\$ 228,003	\$ 204,839	\$ 206,618	\$ 187,181	\$ 154,694
Restricted	94,407	88,076	80,814	78,615	64,432	85,535	89,176	110,414	123,720	74,812
Unrestricted	(4,204)	(5,636)	49,714	43,752	63,536	40,441	28,051	2,894	(7,264)	44,083
Total governmental activities net position	\$ 422,247	\$ 413,179	\$ 445,266	\$ 443,203	\$ 431,752	\$ 353,979	\$ 322,066	\$ 319,926	\$ 303,637	\$ 273,589
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 107,080	\$ 104,892	\$ 109,835	\$ 118,850	\$ 111,529	\$ 106,994	\$ 91,901	\$ 98,769	\$ 91,063	\$ 90,920
Restricted	1,101	1,465	1,466	132	9,959	10,001	10,001	10,163	2,533	2,504
Unrestricted	19,333	19,848	20,626	14,273	14,042	12,578	27,977	21,040	41,950	45,206
Total business-type activities net position	\$ 127,514	\$ 126,205	\$ 131,927	\$ 133,255	\$ 135,530	\$ 129,573	\$ 129,879	\$ 129,972	\$ 135,546	\$ 138,630
PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 439,124	\$ 435,631	\$ 424,573	\$ 439,686	\$ 415,313	\$ 334,997	\$ 296,740	\$ 305,387	\$ 278,244	\$ 245,614
Restricted	95,508	89,541	82,280	78,747	74,391	95,536	99,177	120,577	126,253	77,316
Unrestricted	15,129	14,212	70,340	58,025	77,578	53,019	56,028	23,934	34,686	89,289
Total primary government net position	\$ 549,761	\$ 539,384	\$ 577,193	\$ 576,458	\$ 567,282	\$ 483,552	\$ 451,945	\$ 449,898	\$ 439,183	\$ 412,219

NOTE: Information was not available from the City's pension plan to report both the pension liability and changes in pension liability under GASB Statement No. 68 prior to 2015. Consequently, the amounts reported above are prior to restatement.

Source: City Finance Division

CITY OF WEST SACRAMENTO

CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007
EXPENSES										
Governmental activities:										
General government	\$ 8,404	\$ 11,856	\$ 11,478	\$ 10,228	\$ 20,854	\$ 10,692	\$ 10,800	\$ 9,304	\$ 8,056	\$ 13,802
Public works	19,521	19,907	24,286	19,863	18,821	25,643	30,234	25,096	27,454	34,691
Public safety	34,171	29,331	29,167	29,763	30,905	30,295	32,588	33,303	32,212	26,303
Community development	7,002	6,373	5,924	5,684	4,359	4,838	4,551	8,567	14,118	7,553
Landscaping and street lighting	2,323	2,189	2,359	2,226	9,844	10,010	9,166	8,364	7,941	1,737
Culture and recreation	9,194	11,577	7,332	4,429	6,319	6,069	5,408	5,575	6,959	4,369
Housing rehabilitation	584	3,476	1,821	1,008	5,741	5,791	1,595	2,948	5,059	1,971
Interest on long-term debt	959	751	1,282	1,063	3,789	6,454	6,370	7,269	6,477	5,171
	82,158	85,460	83,649	74,264	100,632	99,792	100,712	100,426	108,276	95,597
Business-type activities:										
Sewer	12,010	11,404	9,727	8,738	8,331	7,877	7,873	9,536	5,892	5,975
Water	11,283	11,460	10,080	11,020	10,321	10,312	9,625	10,665	11,733	8,193
Port	3,111	3,181	3,218	6,584	4,637	2,301	3,781	6,032	5,770	5,863
Refuse	7,046	6,528	6,338	6,228	6,127	6,051	6,165	6,058	5,863	5,570
	33,450	32,573	29,363	32,570	29,416	26,541	27,444	32,291	29,258	25,601
	115,608	118,033	113,012	106,834	130,048	126,333	128,156	132,717	137,534	121,198
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	2,984	2,772	2,871	4,154	2,724	3,825	2,494	2,927	1,986	1,178
Public works	3,041	4,939	4,303	3,168	3,349	6,558	3,144	3,147	3,299	224
Public safety	748	578	541	668	571	814	841	876	1,148	1,029
Community development	2,884	3,122	2,859	2,409	1,650	1,926	3,131	1,777	3,204	7,225
Landscaping and street lighting	-	124	1	-	-	4	4	14	4	8
Culture and recreation	2,724	2,460	2,564	2,139	2,516	2,209	1,930	1,690	1,145	901
Housing rehabilitation	167	569	1,181	207	271	287	323	42	154	45
Operating grants and contributions	22,332	21,124	17,977	16,524	21,789	32,051	12,827	7,562	10,917	10,173
Capital grants and contributions	5,424	7,317	4,415	13,179	11,622	14,421	9,644	17,774	34,100	32,130
	\$ 40,304	\$ 43,005	\$ 36,712	\$ 42,448	\$ 44,492	\$ 62,095	\$ 34,338	\$ 35,809	\$ 55,957	\$ 52,913

CITY OF WEST SACRAMENTO

CHANGES IN NET POSITION (Continued)
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007
Business-type activities:										
Charges for services:										
Sewer	\$ 11,613	\$ 11,191	\$ 9,697	\$ 8,873	\$ 7,968	\$ 7,346	\$ 7,215	\$ 7,373	\$ 7,284	\$ 8,219
Water	10,719	10,564	11,523	11,606	10,970	9,405	9,444	9,905	11,026	14,229
Port	2,268	2,098	2,573	3,272	2,879	2,760	3,089	4,235	3,815	4,636
Refuse	7,151	6,777	6,323	6,336	6,366	6,334	6,351	6,381	6,308	5,896
Operating grants and contributions	553	107	173	2,636	-	-	-	-	-	-
Capital grants and contributions	-	-	-	919	-	-	-	274	8,164	5,533
	<u>32,304</u>	<u>30,737</u>	<u>30,289</u>	<u>33,642</u>	<u>28,183</u>	<u>25,845</u>	<u>26,099</u>	<u>28,168</u>	<u>36,597</u>	<u>38,513</u>
	<u>72,608</u>	<u>73,742</u>	<u>67,001</u>	<u>76,090</u>	<u>72,675</u>	<u>87,940</u>	<u>60,437</u>	<u>63,977</u>	<u>92,554</u>	<u>91,426</u>
NET (EXPENSES) REVENUES										
Governmental activities	(41,854)	(42,455)	(46,937)	(31,816)	(56,140)	(37,697)	(66,374)	(64,617)	(52,319)	(42,684)
Business-type activities	(1,146)	(1,836)	926	1,072	(1,233)	(696)	(1,345)	(4,123)	7,339	12,912
	<u>(43,000)</u>	<u>(44,291)</u>	<u>(46,011)</u>	<u>(30,744)</u>	<u>(57,373)</u>	<u>(38,393)</u>	<u>(67,719)</u>	<u>(68,740)</u>	<u>(44,980)</u>	<u>(29,772)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property Taxes	22,424	21,014	19,096	18,039	31,904	42,563	43,853	45,646	44,781	39,273
Sales and use tax	24,034	23,156	22,339	21,679	18,959	17,056	18,037	20,184	18,692	18,039
Transient occupancy tax	1,421	1,290	1,129	1,019	901	932	827	863	886	872
Other taxes	1,756	1,862	1,627	1,541	1,380	1,576	1,398	1,401	2,119	1,596
Intergovernmental, unrestricted	65	37	22	25	70	599	132	1,145	1,347	254
Investment earnings	2,215	1,410	2,122	1,244	1,950	3,471	2,292	8,688	8,320	5,845
Miscellaneous	208	730	239	293	3,596	1,535	58,038	736	647	
Special Items:										
Successor Agency assets and liabilities	-	-	-	-	84,537	-	-	-	-	-
Contribution of assets by Successor Agency	-	15,141	-	-	-	-	-	-	-	-
Contribution of land to Successor Agency	-	(1,446)	-	-	-	-	-	-	-	-
Forgiven Lighthouse Assessment District loan	-	1,400	-	-	-	-	-	-	-	-
Transfers	(1,201)	2,757	2,427	2,143	3,889	1,878	1,357	2,243	2,653	633
Total governmental activities	<u>\$ 50,922</u>	<u>\$ 67,351</u>	<u>\$ 49,001</u>	<u>\$ 45,983</u>	<u>\$ 147,186</u>	<u>\$ 69,610</u>	<u>\$ 125,934</u>	<u>\$ 80,906</u>	<u>\$ 79,445</u>	<u>\$ 66,512</u>

CITY OF WEST SACRAMENTO

CHANGES IN NET POSITION (Continued)
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007
Business-type activities:										
Intergovernmental, unrestricted	\$ 100	\$ 198	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	219	124	95	95	83	183	158	630	1,995	2,645
Miscellaneous	53	(3)	58	184	10,995	2,085	2,450	163	-	970
Gain on disposal of capital assets	882		19	-	-	-	-	-	-	1,071
Special Items: Treatment plant impairment loss	-	-	-	-	-	-	(1,357)	-	(9,766)	(4,304)
Transfers	1,201	(2,757)	(2,427)	(2,144)	(3,889)	(1,878)	-	(2,243)	(2,653)	(633)
Total business-type activities	<u>2,455</u>	<u>(2,438)</u>	<u>(2,255)</u>	<u>(1,865)</u>	<u>7,189</u>	<u>390</u>	<u>1,251</u>	<u>(1,450)</u>	<u>(10,424)</u>	<u>(251)</u>
Total primary government	<u>53,377</u>	<u>64,913</u>	<u>46,746</u>	<u>44,118</u>	<u>154,375</u>	<u>70,000</u>	<u>127,185</u>	<u>79,456</u>	<u>69,021</u>	<u>66,261</u>
Changes in Net Position										
Governmental activities	9,068	24,896	2,064	14,167	91,046	31,913	59,560	16,289	27,126	23,828
Business-type activities	1,309	(4,274)	(1,329)	(793)	5,956	(306)	(94)	(5,573)	(3,085)	12,661
Total primary government	<u>\$ 10,377</u>	<u>\$ 20,622</u>	<u>\$ 735</u>	<u>\$ 13,374</u>	<u>\$ 97,002</u>	<u>\$ 31,607</u>	<u>\$ 59,466</u>	<u>\$ 10,716</u>	<u>\$ 24,041</u>	<u>\$ 36,489</u>

NOTE: Information was not available from the City's pension plan to report both the pension liability and changes in pension liability under GASB Statement No. 68 prior to 2015. Consequently, the amounts reported above are prior to restatement.

Source: City Finance Division

CITY OF WEST SACRAMENTO

FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007
GENERAL FUND										
Nonspendable	\$ 9,353	\$ 12,829	\$ 8,560	\$ 4,162	\$ 5,118	\$ 9,890	\$ 6,171	\$ 7,708	\$ 4,563	\$ 4,932
Restricted	1,900	1,900	1,900	1,900	24,879	13,921	16,998	18,854	14,164	11,943
Committed	9,293	8,493	7,600	5,400	-	-	-	-	-	-
Assigned	3,716	4,264	-	-	-	-	-	-	-	-
Unassigned	16,030	12,913	21,703	24,422	-	-	-	-	-	-
TOTAL GENERAL FUND	\$ 40,292	\$ 40,399	\$ 39,763	\$ 35,884	\$ 29,997	\$ 23,811	\$ 23,169	\$ 26,562	\$ 18,727	\$ 16,875
ALL OTHER GOVERNMENTAL FUNDS										
Reserved					\$ 102,847	\$ 42,668	\$ 80,663	\$ 76,496	\$ 50,036	\$ 75,695
Nonspendable	\$ 56,403	\$ 54,195	\$ 53,317	\$ 49,399	-	-	-	-	-	-
Restricted	33,085	32,625	26,159	31,009	-	-	-	-	-	-
Committed	20,000	22,284	24,826	26,819	-	-	-	-	-	-
Assigned	332	328	328	327	-	-	-	-	-	-
Unassigned, reported in										
Special revenue funds	(631)	(200)	(6,117)	(5,229)	(5,360)	-	10,802	9,716	17,837	11,651
Debt service funds	-	-	-	-	(42)	-	84	-	-	-
Capital projects funds	(6,551)	(6,461)	(6,966)	(6,961)	(7,270)	-	9,248	26,749	59,693	11,351
TOTAL ALL OTHER										
GOVERNMENTAL FUNDS	\$ 102,638	\$ 102,771	\$ 91,547	\$ 95,364	\$ 90,175	\$ 42,668	\$ 100,797	\$ 112,961	\$ 127,566	\$ 98,697

Source: City Finance Division

CITY OF WEST SACRAMENTO

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

(amounts expressed in thousands)

	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007
REVENUES										
Taxes	\$ 48,106	\$ 45,659	\$ 42,732	\$ 40,896	\$ 51,631	\$ 60,547	\$ 62,576	\$ 66,580	\$ 64,305	\$ 58,545
Special benefit assessment for operations	8,590	6,011	6,843	8,956	3,724	2,495	2,182	2,103	2,538	2,322
Contributions from developers and homeowners	6,006	4,859	5,263	6,615	10,342	22,789	4,486	11,821	27,565	20,709
Franchise fees	1,252	1,267	1,191	1,144	1,136	1,097	1,026	1,030	1,048	982
Fees, licenses and permits	2,944	9,133	4,759	4,550	2,975	2,532	4,704	5,874	6,809	15,450
Fines and forfeitures	286	216	187	126	135	207	207	251	329	251
Use of money and property	1,076	418	272	546	2,003	3,475	2,307	8,700	8,502	5,482
Intergovernmental revenues	11,334	12,991	7,243	10,523	19,698	22,488	15,890	12,895	16,941	5,628
Charges for services	7,542	7,456	7,989	6,196	5,995	5,484	5,659	4,368	2,818	6,940
Contributions from Successor Agency	-	-	-	4,059	-	-	-	-	-	-
Program income	-	-	-	-	-	-	-	-	-	88
Other revenues	2,240	2,665	1,892	5,992	6,013	7,670	2,825	2,382	2,083	1,215
	<u>89,376</u>	<u>90,675</u>	<u>78,371</u>	<u>89,603</u>	<u>103,652</u>	<u>128,784</u>	<u>101,862</u>	<u>116,004</u>	<u>132,938</u>	<u>117,612</u>
EXPENDITURES										
General government	6,803	11,007	8,948	9,282	19,958	9,410	10,332	8,716	7,579	12,899
Public works	10,924	11,600	13,092	11,386	20,265	25,533	27,521	24,517	25,483	24,291
Public safety	34,155	28,683	29,063	28,864	29,950	29,802	31,192	31,971	31,089	25,173
Community development	6,896	6,221	5,804	5,444	4,261	4,011	3,978	7,997	9,017	7,344
Landscaping and street lighting	2,315	2,176	2,330	2,226	2,131	2,196	1,974	1,967	1,986	1,646
Culture and recreation	8,089	6,881	6,643	5,433	5,592	5,415	5,367	5,461	5,516	4,091
Housing rehabilitation	593	2,010	1,821	813	11,916	5,465	3,757	8,488	4,701	1,634
Capital outlay	18,340	12,928	10,634	18,141	20,005	34,455	26,677	24,709	49,330	38,843
Debt service:										
Principal payments	2,686	2,480	2,577	1,431	11,000	3,779	3,653	4,129	2,310	2,210
Issuance costs paid	35	-	-	89	-	-	-	-	-	-
Interest and fiscal charges	922	919	1,179	960	9,119	6,527	6,731	7,066	7,079	5,194
	<u>91,758</u>	<u>84,905</u>	<u>82,091</u>	<u>84,069</u>	<u>134,197</u>	<u>126,593</u>	<u>121,182</u>	<u>125,021</u>	<u>144,090</u>	<u>123,325</u>
Excess (deficiency) of revenues over expenditures	(2,382)	5,770	(3,720)	5,534	(30,545)	2,191	(19,320)	(9,017)	(11,152)	(5,713)

CITY OF WEST SACRAMENTO

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007
OTHER FINANCING SOURCES (USES)										
Payment to refunding escrow agent	\$ -	\$ -	\$ -	\$ (7,822)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Refunding of bond issue costs	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	22	1,840	55	867	766	440	38	3	13	106
Proceeds from issuance of debt	3,323	1,492	1,300	10,354	17,627	-	2,368	-	36,285	-
Transfers in	16,815	24,479	22,046	21,372	29,026	22,452	28,683	35,583	69,578	47,086
Transfers out	(18,016)	(21,722)	(19,620)	(19,228)	(25,136)	(20,573)	(27,326)	(33,339)	(66,925)	(46,453)
	<u>2,144</u>	<u>6,089</u>	<u>3,781</u>	<u>5,543</u>	<u>22,283</u>	<u>2,319</u>	<u>3,763</u>	<u>2,247</u>	<u>38,951</u>	<u>739</u>
Net change in fund balances	\$ (238)	\$ 11,859	\$ 61	\$ 11,077	\$ (8,262)	\$ 4,510	\$ (15,557)	\$ (6,770)	\$ 27,799	\$ (4,974)
Debt service as a percentage of noncapital expenditures	5.0%	4.7%	5.3%	3.8%	17.6%	11.2%	11.0%	11.2%	9.9%	8.8%

Source: City Finance Division

CITY OF WEST SACRAMENTO

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (tax rate per \$100 of assessed value)

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Rural Property	Total Taxable Assessed Value ⁽¹⁾	Total Direct Tax Rate
2007	\$ 2,710,849,982	\$ 705,390,121	\$ 1,014,715,715	\$ 172,979,759	\$ 4,603,935,577	1.0000
2008	\$ 2,931,533,700	\$ 753,401,961	\$ 1,099,942,969	\$ 435,396,320	\$ 5,220,274,950	1.0000
2009	\$ 3,083,112,185	\$ 746,177,650	\$ 1,046,399,275	\$ 495,702,205	\$ 5,371,391,315	1.0000
2010	\$ 2,713,391,487	\$ 736,892,179	\$ 1,190,684,052	\$ 428,494,305	\$ 5,069,462,023	1.0000
2011	\$ 2,611,728,813	\$ 770,362,958	\$ 1,090,248,638	\$ 466,530,830	\$ 4,938,871,239	1.0000
2012	\$ 2,521,019,014	\$ 762,460,367	\$ 1,084,902,102	\$ 460,443,882	\$ 4,828,825,365	1.0000
2013	\$ 2,390,456,495	\$ 826,461,975	\$ 1,081,749,090	\$ 387,557,652	\$ 4,686,225,212	1.0000
2014	\$ 2,527,440,451	\$ 861,097,407	\$ 1,067,256,406	\$ 415,021,042	\$ 4,870,815,306	1.0000
2015	\$ 2,911,448,351	\$ 852,966,247	\$ 1,086,329,095	\$ 391,518,816	\$ 5,242,262,509	1.0000
2016	\$ 3,198,076,385	\$ 872,281,981	\$ 1,170,227,505	\$ 407,490,615	\$ 5,648,076,486	1.0000

⁽¹⁾ Includes the assessed value of the Redevelopment Agency of \$2,309,269,173 (2007); \$2,584,149,932(2008) ; \$2,816,329,249 (2009) ; \$2,893,961,153 (2010) ;\$2,077,868,964 (2013); \$2,424,781,608 (2014); \$2,449,410,832 (2015) ; and \$2,670,024,211 (2016).

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

Sources: Assessed value data provided by the California Municipal Statistics, Inc.

CITY OF WEST SACRAMENTO

DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (rate per \$100 of assessed value)

Fiscal Year Ended June 30	City Direct Rates			Overlapping Rates			Total Direct Rate
	Basic Rate	General Obligation Debt Service	Total City Direct Rate	Washington Unified School District	Los Rios Community College District	Yolo County	
2007	1.0000	-	1.0000	0.0525	0.0072	1.0597	1.1194
2008	1.0000	-	1.0000	0.0525	0.0066	1.0591	1.1182
2009	1.0000	-	1.0000	0.0475	0.0074	1.0549	1.1098
2010	1.0000	-	1.0000	0.0475	0.0124	1.0599	1.1198
2011	1.0000	-	1.0000	0.0595	0.0090	1.0685	1.1370
2012	1.0000	-	1.0000	0.0595	0.0192	1.0787	1.1574
2013	1.0000	-	1.0000	0.0595	0.0193	1.0788	1.1576
2014	1.0000	-	1.0000	0.0695	0.0181	1.0876	1.1752
2015	1.0000	-	1.0000	0.0695	0.0113	1.0808	1.1616
2016	1.0000	-	1.0000	0.1083	0.0091	1.1174	1.2348

NOTE 1: In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of Washington Unified School District and Los Rios Community College District bonds.

Sources: Assessed value data provided by the California Municipal Statistics, Inc.

CITY OF WEST SACRAMENTO

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
Calendar Year

Taxpayer	2016		Taxpayer	2007	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
MSHQLLC	\$ 119,242,883	2.11%	MSHQLLC	\$ 103,667,590	2.25%
Harsch Investment Corp.	107,622,571	1.91%	Harsch Investment Corp.	84,783,537	1.84%
Bayer Cropscience LP	73,436,207	1.30%	JB Management LP	57,175,496	1.24%
Westcore Delta LLC	72,482,062	1.28%	Sacramento Foodco. Inv. LLC	55,110,859	1.20%
Tony Ingoglia Salami & Cheese Co. Inc.	54,726,772	0.97%	Farmers' Rice Co-op	44,497,612	0.97%
Farmers' Rice Co-op	51,988,242	0.92%	River City Land Holding Co.	43,702,618	0.95%
River City Land Holding Co. LLC	50,288,352	0.89%	Ramos, Frank C. Trust	43,403,991	0.94%
West Capitol Commons LLC	49,314,923	0.87%	Affymetrix	39,346,163	0.85%
Excel Riverpoint LLC	44,134,030	0.78%	IKEA Property Inc.	32,701,004	0.71%
IKEA Property Inc.	43,631,468	0.77%	Raley's/Raley Trust	31,675,378	0.69%
Total	<u>\$ 666,867,510</u>	<u>11.80%</u>	Total	<u>\$ 536,064,248</u>	<u>11.64%</u>

NOTE 1: The amounts shown above include the assessed value data for both the City and the Redevelopment Agency.

Sources: Assessed value data provided by the California Municipal Statistics, Inc.

CITY OF WEST SACRAMENTO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ⁽¹⁾	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 35,950,126	\$ 35,950,126	100.0%	N/A	\$ 35,950,126	109.9%
2008	\$ 40,988,515	\$ 40,988,515	100.0%	N/A	\$ 40,988,515	100.0%
2009	\$ 41,243,095	\$ 41,243,095	100.0%	N/A	\$ 41,243,095	100.0%
2010	\$ 37,728,254	\$ 37,728,254	100.0%	N/A	\$ 37,728,254	100.0%
2011	\$ 37,571,050	\$ 37,571,050	100.0%	N/A	\$ 37,571,050	100.0%
2012	\$ 27,222,073	\$ 27,222,073	100.0%	N/A	\$ 27,222,073	100.0%
2013	\$ 31,570,509	\$ 31,570,509	100.0%	N/A	\$ 31,570,509	100.0%
2014	\$ 32,778,198	\$ 32,778,198	100.0%	N/A	\$ 32,778,198	100.0%
2015	\$ 33,614,301	\$ 33,614,301	100.0%	N/A	\$ 33,614,301	100.0%
2016	\$ 33,881,865	\$ 33,881,865	100.0%	N/A	\$ 33,881,865	100.0%

⁽¹⁾ Excludes property taxes exchanges with state for sales, VLF and ERAF totaling \$6,813,363 (2007); \$6,513,656 (2008); \$7,967,784 (2009); \$3,560,856 (2010); \$3,469,046 (2011); \$3,385,982 (2012); \$3,405,087 (2014); \$3,645,733 (2015); and \$3,909,504 (2016). The amounts presented include City property taxes and Redevelopment Agency tax increment. On February 1, 2012, the State of California Legislator eliminated the Redevelopment Agency. Redevelopment tax increment is collected and reported in a Redevelopment Property Tax Trust Fund (RPTTF).

Sources: Yolo County Auditor-Controller and City Finance Division

CITY OF WEST SACRAMENTO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(dollars in thousands, except per capita)

Fiscal Year Ended June 30	Governmental Activities					Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	Tax Allocation Bonds	Lease Revenue Bonds	Other Debt	General Obligation Bonds	Pension Obligation Bonds	Water Revenue Bonds	Sewer Revenue Bonds	Port Revenue Bonds	Other Debt				
2007	\$ 86,360	\$ 16,855	\$ 3,214	\$ -	\$ -	\$ 66,090	\$ 1,035	\$ 9,135	\$ 7,140	\$ 189,829	25.18%	\$ 4,225	
2008	\$ 120,755	\$ 16,435	\$ 3,305	\$ -	\$ -	\$ 64,800	\$ 970	\$ 8,175	\$ 6,714	\$ 221,154	25.64%	\$ 4,699	
2009	\$ 117,815	\$ 16,000	\$ 2,551	\$ -	\$ -	\$ 63,480	\$ 900	\$ 7,165	\$ 6,269	\$ 214,180	22.36%	\$ 4,508	
2010	\$ 114,755	\$ 15,540	\$ 4,786	\$ -	\$ -	\$ 62,130	\$ 830	\$ 6,105	\$ 5,814	\$ 209,960	21.54%	\$ 4,394	
2011	\$ 111,550	\$ 15,060	\$ 3,724	\$ -	\$ -	\$ 60,745	\$ 755	\$ 5,000	\$ 5,333	\$ 202,167	21.25%	\$ 4,148	
2012 ^[1]	\$ -	\$ 14,285	\$ 1,400	\$ -	\$ 10,807	\$ 60,735	\$ 675	\$ 3,840	\$ 7,926	\$ 99,668	10.63%	\$ 2,032	
2013 ^[1]	\$ -	\$ 14,385	\$ 3,604	\$ -	\$ 10,246	\$ 58,830	\$ 590	\$ -	\$ 6,143	\$ 93,798	9.55%	\$ 1,894	
2014 ^[1]	\$ -	\$ 13,721	\$ 4,376	\$ -	\$ 8,797	\$ 57,580	\$ 505	\$ -	\$ 4,944	\$ 89,923	8.83%	\$ 1,776	
2015 ^[1]	\$ -	\$ 13,038	\$ 3,862	\$ -	\$ 7,669	\$ 55,865	\$ 415	\$ -	\$ 7,066	\$ 87,915	8.20%	\$ 1,724	
2016 ^[1]	\$ -	\$ 12,334	\$ 6,468	\$ -	\$ 6,403	\$ 54,090	\$ 320	\$ -	\$ 7,810	\$ 87,425	8.15%	\$ 1,647	

[1] On February 1, 2012, the State of California eliminated the Redevelopment Agencies in California pursuant to Assembly Bill 1x26. The liabilities of the Redevelopment Agencies are reported as Redevelopment Obligation Retirement Fund, a private purpose trust fund.

Source: City Finance Division

CITY OF WEST SACRAMENTO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS
 (dollars in thousands, except per capita)

Fiscal Year June 30	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds ^[1]	Tax Allocation Bonds	Pension Obligation Bonds	Total		
2007	\$ -	\$ 86,360	\$ -	\$ 86,360	1.88%	\$ 1,922
2008	\$ -	\$ 120,755	\$ -	\$ 120,755	2.31%	\$ 2,566
2009	\$ -	\$ 117,815	\$ -	\$ 117,815	2.19%	\$ 2,480
2010	\$ -	\$ 114,755	\$ -	\$ 114,755	2.26%	\$ 2,402
2011	\$ -	\$ 111,550	\$ -	\$ 111,550	2.26%	\$ 2,288
2012	\$ -	\$ -	\$ 10,807	\$ 10,807	2.24%	\$ 220
2013	\$ -	\$ -	\$ 10,246	\$ 10,246	2.19%	\$ 207
2014	\$ -	\$ -	\$ 8,797	\$ 8,797	1.81%	\$ 174
2015	\$ -	\$ -	\$ 7,669	\$ 7,669	1.46%	\$ 150
2016	\$ -	\$ -	\$ 6,403	\$ 6,403	1.46%	\$ 121

NOTE 1: General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

NOTE 2: On February 1, 2012, the State of California eliminated the Redevelopment Agencies in California pursuant to Assembly Bill 1x26. The liabilities of the Redevelopment Agencies are reported as Redevelopment Obligation Retirement Fund, a private purpose trust fund.

Source: City Finance Division

CITY OF WEST SACRAMENTO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2016

2015/16 Assessed Valuation \$ 6,116,870,546

OVERLAPPING TAX AND ASSESSMENT DEBT	% Applicable ⁽¹⁾	Debt as of June 30, 2016	Estimated share of overlapping debt
Los Rios Community College District	3.732%	\$ 350,740,000	\$ 13,089,618
Washington Unified School District	99.927%	77,133,895	77,077,587
City of West Sacramento Community Facilities District No. 8	100.000	31,765,000	31,765,000
City of West Sacramento Community Facilities District No. 9	100.000	155,000	155,000
City of West Sacramento Community Facilities District No. 10	100.000	17,680,831	17,680,831
City of West Sacramento Community Facilities District No. 11	100.000	3,192,439	3,192,439
City of West Sacramento Community Facilities District No. 12	100.000	4,854,035	4,854,035
City of West Sacramento Community Facilities District No. 14 (Series 2004)	100.000	10,040,000	10,040,000
City of West Sacramento Community Facilities District No. 15	100.000	1,498,683	1,498,683
City of West Sacramento Community Facilities District No. 16	100.000	11,116,388	11,116,388
City of West Sacramento Community Facilities District No. 17	100.000	4,625,000	4,625,000
City of West Sacramento Community Facilities District No. 18	100.000	652,402	652,402
City of West Sacramento Community Facilities District No. 19	100.000	2,201,605	2,201,605
City of West Sacramento Community Facilities District No. 20	100.000	9,405,000	9,405,000
City of West Sacramento Community Facilities District No. 21	100.000	2,800,000	2,800,000
City of West Sacramento Community Facilities District No. 23	100.000	6,180,000	6,180,000
City of West Sacramento Community Facilities District No. 24	100.000	1,155,000	1,155,000
City of West Sacramento Community Facilities District No. 26	100.000	4,000,000	4,000,000
City of West Sacramento Community Facilities District No. 27	100.000	16,075,000	16,075,000
California Statewide Communities Dev Authority 1915 Act Bonds	100.000	452,523	452,523
West Sacramento Area Flood Control Agency 1915 Act Bonds	100.000	40,310,000	40,310,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		596,032,801	258,326,111
OVERLAPPING GENERAL FUND DEBT			
Yolo County Certificates of Participation	26.100%	23,940,000	6,248,340
Yolo County Board of Education Certificates of Participation	26.100%	5,890,000	1,537,290

CITY OF WEST SACRAMENTO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (Continued)

As of June 30, 2016

	% Applicable ⁽¹⁾	Debt as of June 30, 2016	Estimated share of overlapping debt
Los Rios Community College District Certificates of Participation	3.732%	\$ 950,000	\$ 35,454
Washington Unified School District	99.927%	68,265,000	68,215,167
City of West Sacramento General Fund Obligation	100.000	18,802,238	18,802,238
City of West Sacramento Pension Obligations	100.000	6,402,900	6,402,900
TOTAL OVERLAPPING GENERAL FUND DEBT		<u>124,250,138</u>	<u>101,241,389</u>
OVERLAPPING TAX INCREMENT DEBT			
City of West Sacramento Successor Agency	100.000	93,991,731	93,991,731
TOTAL OVERLAPPING DEBT		<u>\$ 814,274,670</u> ⁽²⁾	<u>453,559,231</u>
CITY DIRECT DEBT			
			<u>25,205,138</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 478,764,369</u>

⁽¹⁾ Based on 2009-10 ratios.

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

NOTE 1: For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another government unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

NOTE 2: On February 1, 2012, the State of California eliminated the Redevelopment Agencies in California pursuant to Assembly Bill 1x26. The liabilities of the Redevelopment Agencies are reported as Redevelopment Obligation Retirement Fund, a private purpose trust fund.

Sources: Assessed value data used to estimate applicable percentages provided by the California Municipal Statistics, Inc. Debt outstanding data provided by City Finance Department.

CITY OF WEST SACRAMENTO

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007
Assessed valuation	\$ 5,648,076,486	\$ 5,242,262,509	\$ 4,870,815,306	\$ 4,686,225,212	\$ 4,828,825,365	\$ 4,938,871,239	\$ 5,069,462,023	\$ 5,371,391,315	\$ 5,220,274,950	\$ 4,603,935,577
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,412,019,122	1,310,565,627	1,217,703,827	1,171,556,303	1,207,206,341	1,234,717,810	1,267,365,506	1,342,847,829	1,305,068,738	1,150,983,894
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	211,802,868	196,584,844	182,655,574	175,733,445	181,080,951	185,207,671	190,104,826	201,427,174	195,760,311	172,647,584
Debt applicable to limit:										
General obligations bonds										
Less: Amount set aside for repayment of general obligation debt										
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 211,802,868	\$ 196,584,844	\$ 182,655,574	\$ 175,733,445	\$ 181,080,951	\$ 185,207,671	\$ 190,104,826	\$ 201,427,174	\$ 195,760,311	\$ 172,647,584
Total debt applicable to the limit as a perc	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NOTE 1: The Government Code of the State of California provides for a legal limit of grossed assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City Finance Division

CITY OF WEST SACRAMENTO

PLEDGED-REVENUE COVERAGE - CITY
 LAST TEN FISCAL YEARS
 (dollars in thousands)

Fiscal Year	Water Revenue Bonds						Redevelopment Tax Allocation Bonds			
	Operating Revenues ⁽¹⁾	Less Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		Coverage	Tax Increment Collections ⁽⁴⁾	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
2007	\$ 14,229	\$ 3,391	\$ 10,838	\$ 1,260	\$ 3,129	2.47	\$ 18,140	\$ 1,805	\$ 4,259	2.99
2008	\$ 11,026	\$ 4,544	\$ 6,482	\$ 1,290	\$ 3,101	1.48	\$ 21,665	\$ 1,890	\$ 5,135	3.08
2009	\$ 9,882	\$ 4,304	\$ 5,578	\$ 1,320	\$ 3,070	1.27	\$ 23,126	\$ 2,940	\$ 5,869	2.63
2010	\$ 9,420	\$ 4,493	\$ 4,927	\$ 1,352	\$ 3,021	1.13	\$ 23,312	\$ 3,060	\$ 5,730	2.65
2011	\$ 10,187	\$ 4,542	\$ 5,645	\$ 1,473	\$ 3,004	1.26	\$ 23,006	\$ 3,205	\$ 5,549	2.63
<u>Successor Agency Bonds</u>										
2012 ⁽³⁾	\$ 10,865	\$ 4,024	\$ 6,841	\$ 1,430	\$ 2,236	1.87	\$ 22,217	\$ 3,405	\$ 5,387	2.53
2013 ⁽³⁾	\$ 11,606	\$ 4,426	\$ 7,180	\$ 1,905	\$ 3,498	1.33	\$ 22,092	\$ 3,550	\$ 5,218	2.52
2014 ⁽³⁾	\$ 12,427	\$ 4,198	\$ 8,229	\$ 1,925	\$ 2,876	1.71	\$ 17,657	\$ 3,715	\$ 5,587	1.90
2015 ⁽³⁾	\$ 11,448	\$ 4,075	\$ 7,373	\$ 1,715	\$ 2,650	1.69	\$ 17,410	\$ 4,968	\$ 4,539	1.83
2016 ⁽³⁾	\$ 11,787	\$ 5,696	\$ 6,091	\$ 1,775	\$ 2,592	1.39	\$ 19,742	\$ 4,370	\$ 4,096	2.33

⁽¹⁾ Total operating revenues, including transfers in from General Fund to subsidize utility service charges and transfers in for rate stabilization fund.

⁽²⁾ Total operating expenses, excluding depreciation and amortization and including transfers out for administrative costs prior to 2016.

⁽³⁾ On February 1, 2012, the State of California eliminated the Redevelopment Agencies in California pursuant to Assembly Bill 1x26. The liabilities of the Redevelopment Agencies are reported as Redevelopment Obligation Retirement Fund, a private purpose trust fund.

⁽⁴⁾ Pledged tax increment beginning in 2012 is based on gross receipts net of County of Yolo administration expenses and statutory pass-through payments; these are the funds deposited into the Redevelopment Property Tax Trust Fund (RPTTF). Only a portion of the tax increment is distributed to the Successor Agency.

Source: City Finance Division

CITY OF WEST SACRAMENTO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Calendar Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2007	44,928	\$ 753,776	\$ 16,777	5.6%
2008	47,068	\$ 862,473	\$ 18,324	6.9%
2009	47,511	\$ 957,852	\$ 20,161	10.9%
2010	47,782	\$ 974,759	\$ 20,400	11.6%
2011	48,744	\$ 951,471	\$ 19,519	12.2%
2012	49,045	\$ 937,725	\$ 19,120	9.7%
2013	49,523	\$ 982,077	\$ 19,830	12.9%
2014	50,640	\$ 1,018,596	\$ 20,114	6.7%
2015	51,005	\$ 1,072,329	\$ 21,024	6.0%
2016	53,082	\$ 1,072,329 *	\$ 20,201	5.8%

* data was not available for current year.

Sources: State Department of Finance and City Finance Division

CITY OF WEST SACRAMENTO
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 Calendar Year

	2015			2006	
	Number of Employees	Percentage of Total City Employment		Number of Employees	Percentage of Total City Employment
United State Postal Service	1,605	11.92%	United Parcel Service (UPS)	1,673	13.59%
State of California, General Services	1,960	14.55%	U.S. Postal Service	1,620	13.16%
California State Teachers' Retirement System	1,215	9.02%	State of California, General Services	1,000	8.13%
United Parcel Service (UPS)	1,182	8.78%	Washington Unified School District	813	6.61%
Affiliated Computer Services	900	6.68%	Raley's/Bel Air	796	6.47%
Washington Unified School District	750	5.57%	C&S Wholesale Grocers	581	4.72%
Raley's/Bel Air	634	4.71%	Citibank	500	4.06%
Tony's Fine Food	500	3.71%	FedEx Freight West, Inc.	480	3.90%
Nor-Cal Beverage	500	3.71%	Wal-Mart	450	3.66%
Clark Pacific	439	3.26%	Nor-Cal Beverage	425	3.45%
Conventry Healthcare	400	2.97%	First Health Group Corp.	400	3.25%
ABM Janitorial	400	2.97%	City of West Sacramento	354	2.88%
Hunter Douglas/Bytheways Inc.	400	2.97%	IKEA	350	2.84%
Walmart	391	2.90%	Rex Moore Electrical	350	2.84%
City of West Sacramento	362	2.69%	Tony's Fine Foods	350	2.84%
Siemens Healthcare Diagnostics	286	2.12%	Dade Behring, Inc.	335	2.72%
Xyratex International	282	2.09%	Roadway Express	310	2.52%
West Sacramento IKEA Home Furnishings	256	1.90%	KOVR TV 13	250	2.03%
Farmers' Rice Cooperative	250	1.86%	Farmers' Rice Cooperative	248	2.02%
KOVR TV 13	231	1.72%	Idexx Veterinary Services	219	1.78%
Idexx Veterinary Services	171	1.27%	Xyratex International	202	1.64%
Target Corporation	150	1.11%	All Phase Security, Inc.	200	1.63%
Home Depot	103	0.76%	Carson Landscape Industries	200	1.63%
Lowe's Home Improvement	100	0.74%	Home Depot	200	1.63%
	<u>13,467</u>			<u>12,306</u>	

Note: Principal employers for 2016 were not available at the CAFR completion date, therefore, 2015 information was used.

Source: City Economic Development Department

CITY OF WEST SACRAMENTO

PRINCIPAL SALES TAX REMITTERS
CURRENT YEAR AND NINE YEARS AGO

2016	2007
Top Ten Tax Remitters Representing 19.98% of Total Sales Tax	Top Ten Tax Remitters Representing 28.4% of Total Sales Tax
IKEA Home Furnishings	CALPLY
Xerox State Healthcare	Cummins West
Western Truck Parts-Equipment	Holt of California
Walmart Stores	IKEA Home Furnishings
Ramos Oil Company	Independent Electric Supply
Riverview International Trucks	L&W Supply
Holt of California	Ramos Oil Company
Home Depot	River City Petroleum
Independent Electric Supply	Riverview International Trucks
Target Stores	W.W. Grainger

Source: City Finance Division

CITY OF WEST SACRAMENTO

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN CALENDAR YEARS

As of June 30

Function/Program	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007
General Government	81.15	76.3	72.3	63.4	62.4	63.1	101.73	118.8	128	112
Police	97	94	93	93	97	97	112	118	114	116
Fire	64	67	65	65	68	68	72.25	76	73	70
Refuse collection	0	0	0	0	0	2	3	3	3	2
Other public works	53.74	56.34	54.34	52.75	45	31.1	19	21.7	14.5	16
Redevelopment	0	0	0	0	0	15.4	12.22	12	12	11
Culture and recreation	33	32	29	29	31	32	34	37	35	28
Port	2.5	0	0	3.75	6.5	6.2	5.3	4	6.5	9
Water	21.08	18.58	18.08	19	18	19	22	23	22.5	21.5
Wastewater (Sewer)	9.58	8.58	8.08	7.5	7.5	7.5	8.5	8.5	9.5	25.5
Total	362.05	352.8	339.8	333.4	335.4	341.3	390	422	418	411

Source: City Finance Division

CITY OF WEST SACRAMENTO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007
General government:										
Building permits issued	2,181	2,062	1,697	1,615	1,191	1,099	1,368	1,365	1,641	2,160
Building inspections conducted	6,984	8,994	7,743	6,996	4,173	5,199	5,915	5,776	7,385	11,834
Police:										
Calls for service	67,574	72,906	49,701	60,487	55,916	57,355	63,220	48,021	53,831	51,946
Parking violations	2,575	1,137	1,567	1,980	1,601	2,947	2,261	2,007	2,816	3,419
Traffic violations	6,101	5,588	4,803	3,807	3,540	6,276	6,843	5,542	6,696	5,037
Fire:										
Total emergency responses	9,047	8,544	8,021	7,924	7,712	6,911	6,872	6,591	6,405	6,154
Medical responses	5,414	5,710	5,396	5,338	5,184	4,597	4,725	4,428	4,326	4,197
Fires extinguished	470	315	339	356	297	278	262	382	341	406
Inspections	2,764	2,769	2,922	2,893	2,817	3,154	1,642	1,628	1,584	1,406
Refuse collection:										
Refuse collected (annual tons)	23,459	23,394	21,806	24,631	24,492	25,265	25,193	26,639	27,169	28,369
Recyclables collected (annual tons)	11,671	11,572	11,449	11,895	11,807	12,840	12,193	12,122	11,869	10,929
Parks and recreation:										
Recreation program attendees	16,084	12,946	13,262	14,749	11,188	9,017	8,814	6,500	5,255	5,809
Recreation Center passholders	11,882	12,027	11,810	10,577	9,096	8,843	8,082	8,330	0.00	0.00
Port:										
Tonnage (short tons)	516,040	342,726	389,091	358,307	311,756	464,955	551,510	618,151	584,913	552,973
Vessel calls	26	19	26	26	22	21	26	42	34	34
Water:										
Water main breaks	58	16	35	37	90	33	31	25	81	244
Average daily consumption (millions of gallons)	11	11	13	13	12	13	13	13	15	15
Peak daily consumption (millions of gallons)	24	21	24	27	28	26	26	25	27	29
Effluent Solid Waste:										
Average daily sewage treatment (millions of gallons)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.85	5.53

* Beginning November 1, 2007, the sewage treatment is provided by Sacramento Regional County Sanitation District.

Source: Various city departments

CITY OF WEST SACRAMENTO

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units per shift	14	9	10	10	10	10	10	10	10	10
Fire stations	5	5	5	5	5	5	5	5	5	5
Other public works:										
Streets (miles)	406	406	220	205	200	198	198	191	191	160
Street lights	4,968	4,933	4,899	4,305	4,300	2,947	2,947	2,940	2,425	2,314
Traffic signals	52	52	49	47	47	47	47	46	44	42
Parks and recreation:										
Acreage	167	167	164	159	144	144	144	149	146	146
Playgrounds	24	24	23	21	17	17	17	18	18	16
Baseball/softball diamonds	24	24	24	24	17	17	17	13	13	13
Soccer/football fields	14	14	14	14	9	9	9	9	9	9
Skateparks	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	200	200	192	198	200	197	197	197	197	191
Fire hydrants	2,523	2,517	2,621	3,400	3,400	2,541	2,541	2,541	2,488	2,399
Storage capacity (millions of gallons)	26.00	26.00	24.50	22.75	22.75	22.75	22.75	22.75	22.75	22.75
Wastewater:										
Sanitary sewers (miles)	190	190	194	193	193	193	193	193	193	192
Storm sewers (miles)	130	130	165	165	165	129	129	129	128	121
Treatment capacity (millions of gallons)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.50	7.50

* Beginning November 1, 2007, the sewage treatment is provided by Sacramento Regional County Sanitation District.

Sources: Various city departments