



CITY
OF
**WEST
SACRAMENTO
CALIFORNIA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For the Fiscal Year Ended
June 30, 2017*

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CITY OF WEST SACRAMENTO, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

Prepared by
FINANCE DEPARTMENT

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INTRODUCTORY SECTION

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December 22, 2017

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, 2017. 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 requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

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, 2017 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 three blended component units, the Sacramento-Yolo Port District, West Sacramento Redevelopment Successor Agency, and Enhanced Infrastructure Financing District.

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.

Pursuant to Government Code commencing 53398.50, the City of West Sacramento Enhanced Infrastructure Financing District No. 1 (the "EIFD") was formed on June 28, 2017 to assist with the financing of public infrastructure within a 4,127-acre district. The District allows the City to commit tax increment financing, or the growth in assessed valuation over a 2016/17 base year, to the District. The EIFD is a legally constituted governmental entity separate and distinct from the City, and its sole purpose is the financing of public facilities or projects. The EIFD Public Financing Authority ("the Authority") was formed on February 1, 2017, to act as the governing body to the EIFD. The Authority membership consists of five members: three members are public members of the City Council, and two members are public members appointed by the City Council. The EIFD has a 45-year term from the date that debt obligations are first authorized by the public financing authority.

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 2017 Mid-Year Review, published by the Sacramento Business Review, employment has continued to increase in the Sacramento Region; however, the rate of improvement has slowed. Employment increased just 1.10% over the past 12 months, down from a rate of 3.97% for the prior 12 month period. The State of California employment growth rate declined from 3.30% to 1.48% for the same period. The decline, as stated in the 2017 Mid-Year Update, may be attributable to seasonal factors especially given the winter storms and flooding that adversely impacted the local economy. The table below illustrates the employment growth rate for the Sacramento Region in comparison with the State of California.

	<u>Employment Growth</u>		
	Sacramento	California	Difference
Past 12 Months	1.10%	1.48%	-0.38%
Prior 12 Months	3.97%	3.30%	+0.67%
3 Year Average	2.62%	2.54%	+0.08%
5 Year Average	2.49%	2.62%	-0.13%

Source: Sacramento Business Review 2017 Mid-Year Update

The four major sectors of employment in the Sacramento Region reported an overall net decline in growth when compared to prior years. The Manufacturing and Construction sector reported a net decline of 7.34% over the past 12 months. Leisure and Hospitality employment increased 3.5% and now represents 11% of the region's employment. Government jobs, which represents nearly one out of every four local jobs, showed little improvement, increasing just 0.42% over the

past 12 months. Sacramento region labor market growth has been disadvantaged by its dependence on government jobs.

The 2017 Mid-Year Update forecasts the rate of employment growth in the Sacramento region to remain slow. The labor force growth in the region is likely due to demographic trends, job relocations, and migration. For example, recent job relocations and layoffs by large employers such as Aerojet, Intel, and Hewlett Packard are a negative on the local labor market. The labor force growth rate will increase if weather permits, so that new residential and commercial development and retail projects start to fill the real estate landscape.

Slow labor force growth resulted in a slow decrease in the unemployment rate. According to the recent report by the California Employment Development Department (EDD), between September 2017 and October 2017, combined employment in the counties of El Dorado, Placer, Sacramento, and Yolo increased by 7,000 to total 986,500 jobs. Between October 2017 and October 2017, total jobs in the region increased by 20,500, or 2.1 percent.

- Leisure and Hospitality continued to lead year-over growth with 5,900 jobs. Accommodation and food services led the expansion with 5,100 jobs; arts, entertainment, and recreation advanced 800 jobs.
- Education and health services gained 5,700 jobs from last October. Healthcare and social assistance were solely responsible for the growth.
- Professional and business services added 3,200 jobs from last October. Professional, scientific, and technical services grew by 2,000 jobs. Administrative and support and waste services gained 800 jobs. Management of companies picked up 400 jobs.
- Three major industries experienced job reductions from last October, led by manufacturing (down 1,000 jobs), information (down 500 jobs), and other services (down 300 jobs).

The Yolo County's unemployment rate decreased from the prior year by 1.5 percentage points. The unemployment rate of Yolo County posted by the California Employment Development Department as of June 2017 is 4.3 percent; 4,500 unemployed out of 106,600 total labor force.

The 2017 Mid-Year Update, published by Sacramento Business Review, stated that the median home sale price in the Sacramento Region in June 2017 was \$374,000, which is approximately a 7% increase from fourth quarter of 2016 (\$350,000) and June of 2016 (\$349,000). This makes it the 12th consecutive quarter with single-digit, year-over-year price increases with an 8.0 percent average increase in the past two years. Four years of significant price appreciation has meant that the median house price is currently only 11 percent below its 2006 peak. The median sale price per square foot increased by 9% year-over-year to \$220.00. Increase in price per square foot ranged from 5% in Yolo County to 10% in Sacramento County. The rise in the median home prices can be attributed to the limited supply of both existing and new housing. Other factors contributing to the increase in median home prices are declining unemployment rates, rising personal incomes, a flood of buyers from the Bay Area region, and low mortgage interest rates. Currently, the average home is on the market for only nine days. The projection of new home construction and sales have an upward trend.

The strength of the housing market is further demonstrated by the continuing decline in distress sales. The real estate owned by banks (REO) represented about 1 out of 40 of all sales in the first two quarters of 2017, while the number was 1 out of 20 just two years ago.

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
- Bridges Infrastructure Investment
 - Broadway
 - I Street
- Homelessness and Community Impacts (Measure E)

Each of these items is discussed below.

Flood Protection: Implementation

Important elements for the Flood Protection Program in 2017 included first year construction of the Southport Levee Improvement Project in partnership with the Department of Water Resources. An appropriations strategy was initiated for Preliminary Engineering and Design of the Federal Levee Improvement Project in FY2018 USACE Workplan as well as managing directed grant funding for continued engagement in the Lower Sacramento-Delta North Regional Flood Management Plan as part of the update to the Central Valley Flood Protection Plan in 2017. Staff also worked to 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

Projects: Southport Sacramento River levee construction is underway. Completion anticipated in December 2018.

Regional Flood Management Planning: Continue stakeholder engagement on planning efforts including the Corridor Management Framework (*Ongoing*)

Emergency Preparedness: Staff is processing an amendment to the Phase II Flood Emergency Response Plan Grant agreement with DWR to reallocate funding from the training/exercise plan which was done in-house to several flood and public safety mapping deliverables (*In Process*)

Training/exercise plan development (*Completed May 2017*)

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

Upcoming Actions or Milestones

- Develop Strategy: Federal Appropriations (*Completed*)
- Define FEMA 100-year projects as alternative in case of future FIRM (*Completed*)
- Refine local cost share projections, revenue and schedule (*In Progress*)
- Explore other flood project opportunities (*Ongoing*)
- Work on Integral Determination Report (*December 2018*)

- Work with USACE on project incremental selection and preliminary engineering design (*January 2018 and beyond*)
- Track progress on Southport Early Implementation (*Ongoing*)
- Report on ULOP (*Ongoing*)
- Seek common solutions to resolve flood system deficiencies (WSAFCA/City) (*Ongoing*)
- Report: National Flood Insurance Program Reform (*Ongoing*)
- Report: Federal Policy Guidelines Updates (*Ongoing*)
- Explore opportunities for levee certification (*Ongoing*)
- Site selection and design of the next project increment of the Federal project in coordination with USACE (*Begin effort in January 2018*)

Streetcar Development

The main goals for the streetcar in the upcoming fiscal year are obtaining a Small Starts Grant Agreement from the FTA, finalizing all utility agreements; completing 100% engineering design, including design of the Vehicle Maintenance Facility; to finalize the governance documentation and initiate Riverfront JPA regular meetings; and to secure the remaining local and federal match needed to support the implementation of a streetcar line from West Sacramento Civic Center to Midtown Sacramento on or before April 15, 2022.

Status of Item

- **Small Starts Grant Application (SSGA)** – On September 8, 2017, RT submitted the Streetcar FY19 Small Starts documentation to FTA. This documentation is required every year until execution of a SSGA. The submittal includes cost, schedule and scope information which is reviewed and incorporated into FTA’s annual project ratings. Staff continues to respond to FTA regarding project readiness. In August, approximately 170 items requested by FTA were submitted including revised scope, schedule, cost, and risk assessment documentation.
- **Project Engineering** – 85% engineering design submittal completed September 2017 and is currently under review by the Cities. Following review and approval, project consultants HDR will complete 100% design.
- **Vehicle Maintenance/Vehicle Procurement** – The streetcar vehicles and streetcar vehicle maintenance facility (VMF) procurements continue to advance. The VMF contract is expected to be awarded in December 2017, while the vehicles contract will be awarded in early 2018. On September 19, 2017, FTA provided comments on the Safety and Security Management Plan, as well as both the rail and bus fleet management plans. Staff will review comments and expects to submit revised documents, if necessary, to FTA by the end of the year. West Sacramento Transportation and Economic Development staff are working with HDR engineers on the siting and layout of the VMF with respect to the Riverfront Street Extension, Caltrans encroachment concerns, deference to maintaining bicycle/pedestrian connections between 5th Street and the Sacramento Riverwalk trail, and future urban development within the Bridge District.
- **Project Funding** – The cost estimate documentation was recently updated and continues to support a \$208.5 million project (\$8.5m is from early Project Development costs not previously included in the estimate but required to be identified by FTA). The \$200 million in remaining project funding is largely secured and includes: the Federal Transit Administration \$100 million (pending SSGA); State of California \$55 million (Cap and Trade + Proposition 1A funds) (pending SSGA); City of West Sacramento \$35 million (secured, includes \$3M of project development); City of Sacramento \$7 million (secured for capital expense \$2m project

development); and Sacramento County \$3 million (pending). . With the RT Board approval of the Proposition 1A funds, Sacramento County’s \$3 million is the only remaining local funds that must be secured prior to executing a SSGA.

- **Schedule** – The scope, schedule, cost reviews continue to advance. However, the Risk Assessment was moved from October to December in order to allow staff more time to address Governance formation and to secure additional utility agreements. An updated Project schedule and updated Basis of Schedule was provided to the FTA on September 20, 2017. The updated schedule shows a SSGA received by February 15, 2018 and the start of Revenue Service has been revised to April 15, 2022. All documents are currently being reviewed for approval by FTA.
- **Governance Structure** – Riverfront JPA was established and staff continues to work to hold the first meeting of the JPA. The JPA would acquire, plan, design, finance, construct, hold, operate, and maintain the Streetcar system. Management of Operations and Maintenance (O&M) of the streetcar system would be delegated to “Streetcar Inc.” a non-profit, by the JPA. The JPA board would consist of five directors; two regular members (plus two alternates) appointed by respective cities, with the fifth appointment selected by both cities’ representatives. FTA has indicated that the Governance structure must be in place prior to receiving a SSGA. Staff provided FTA the following Governance documents on September 8, 2017.
 - Joint Exercise of Power Agreement
 - Management Services Agreement
 - Operations and Maintenance MOU
 - Project Management Support Agreement
 - Small Starts Sub recipient Agreement

Staff also provided FTA a draft Design and Construction MOU for review on September 20, 2017.

Upcoming Actions or Milestones

- 35% Engineering Plans (*Completed*)
- Request Entry into Project Development (*Completed*)
- NEPA/CEQA Environmental Review (*Completed*)
- 50% Engineering Design (*Completed*)
- Complete Financing Plan (with Sacramento Vote) (*Completed*)
- 85% Engineering Design (*Completed*)
- Utility Agreements (*Spring 2018*)
- Complete Project Management Plan/Governance (*Spring 2018*)
- 100% Track Design (*Spring 2018*)
- FTA Awards Small Starts Grant Funding (*Spring/Summer 2018*)
- Property Acquisition (*Summer 2018*)
- Advertise for Construction/Award Bids (*Summer 2018*)
- Maintenance Facility Design (*Spring 2019*)
- Groundbreaking Ceremony (*Spring 2019*)
- Utility Relocation (*Spring 2019*)
- Streetcar Vehicle Procurement (*Fall 2020*)
- Mainline Construction Completed/Testing (*Fall 2021*)
- Revenue Service (*Spring 2022*)

Bridges Infrastructure Investment

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 complete. Advanced meetings have been conducted with Regulatory Oversight Agencies to preview identified environmental issues, mitigation requirements, and the various overlapping construction windows. Project staff received approvals from permitting agencies for extended construction windows to allow the in-water work to occur in one season in lieu of over several construction seasons.

I Street Bridge aesthetic design outreach continues to be coordinated with Congresswoman Matsui's office. Re-procurement of the architectural design for the bridge will take place in 2018 with emphasis on community engagement to yield an aesthetically iconic design within the confines of the HBP Program's functional design criteria.

- **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.

Upcoming Action or Milestones

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*)
- Release Public Review Draft environmental document (*Completed*)
- Complete environmental process (April 2018)
- Preliminary design for I Street Bridge Replacement Project (*Completed*)
- Aesthetic Design Public Engagement Process (*January 2018*)
- Final Project Report/Caltrans Permit Engineering Evaluation Report (PEER) (*March 2018*)

- Final Design/Right of Way Acquisition (*January 2019*)
- Initiate construction activity (*September 2019*)

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 Commenced (*Completed*)
- Community Outreach open house and follow-up design meeting (*Completed*)
- Alternatives Analysis Completed (*In Progress*)
- Preliminary Engineering Completed (*April 2019*)
- Community Outreach Completed (*July 2020*)
- Environmental Process Completed (*August 2020*)
- PA/ED Completion (*December 2020*)

Homelessness and Community Impacts (Measure E)

Addressing homelessness in the City is a multifaceted issue which causes us to balance the welfare and access to services of the homeless population with the legal and environmental implications of the behaviors commonly associated with homelessness. Measure E was passed which designates a total of \$750,000 to Reducing Homelessness (including providing access to services and housing and/or shelter, \$250,000) and Reducing Community Impacts of Homelessness (including clean up and enforcement, \$500,000). As such, this item proposes to continue the work undertaken through the Public and Open Space Clean-Up and Enforcement program by continuing a “services first” approach to enforcement to provide outreach and referrals to housing alternatives and social services to homeless persons in unauthorized campsites. The initiative also includes pursuit of a site for developing Permanent Supportive Housing.

Status of Item

Ongoing measures to maintain and sustain current efforts and investing in efforts to evaluate permanent supportive housing and other partnerships to strengthen the supportive services available to our homeless community. Refinements to the camp clean up and rapid response program are ongoing to address the impacts of homelessness.

Upcoming Action or Milestones

- Purchase STIR created Appledore camp tracking software. This software is fully implemented and provides an up to date view of the situation “on the ground” re homeless encampments in the City. (*Completed*)
- Establish monthly multi-disciplinary service team deployments with rotating locations. HHSA has contracted with 4th & Hope to provide onsite case management and linkage to other supportive services. Case managers meet weekly to assist the Homeless Coordinator with triage appointments, and assist SLOs and the Homeless Coordinator during encounters in the field. PD, PW and P & R meet regularly to discuss priority locations for camp clean ups. The Rapid Response Team has been formed and has already begun deployment. A shared calendar has been established for easy access by all parties involved to schedule regular clean ups and focus on targeted locations. (*Completed*)

- Develop metric system: success/failure. Homeless Coordinator continues to track any and all data related to homeless interactions. Data includes but is not limited to; number of interactions, number of individuals housed, number of services offered, county of origin, etc. Data shows the efficacy of homeless efforts as well as the number of individuals served in the city. In addition, to track output and outcomes related to counteracting the environmental impacts of homelessness, the Parks and Recreation Department is tracking camp clean ups, locations, and rapid response actions. *(Completed)*
- Outreach to motel owners to encourage better living conditions and cooperation with Law Enforcement and City to encourage compassionate treatment of vulnerable customers. The Motel Inspection Task Force was established and a Motel Grading system was established in an effort to improve overall conditions of City motels for clients. The task force efforts are ongoing. (For further info, see the Management Agenda – Top Priority – Motel Inspection Program below) *(Ongoing)*

Home Run Initiative (Measure E)

The objective of the Home Run initiative is to change the culture of the City into one where every young person is prepared for college and a career while creating a more robust workforce for local employers and enhancing the City’s economic development capacity and competitiveness. The Home Run program includes components for preschool, college savings accounts, career-ready internships and badges, and a college promise.

Status of Item

Since the approval of Measure E by the voters in November 2016, a number of implementation actions have been approved and/or initiated. A Home Run Program Manager was appointed. The City Manager was authorized to execute the Reimbursement Agreement between the City of West Sacramento and the Los Rios Community College District (LRCCD), by and through its college, Sacramento City College for the College Promise Program. Staff was authorized to issue an RFP for a financial institution to administer college savings accounts for resident preschool children entering kindergarten within the Washington Unified School District. The Council authorize dissolution of the UP4WS Executive Board. Council authorized the appropriation of \$250,000 from the Measure E fund to initiate implementation of one or more elements identified in the framework for the Home Run program, including up to \$125,000 for securing a marketing firm for the HR branding and marketing.

Upcoming Action or Milestones

- Hire Home Run program coordinator *(Completed)*
- Create RFQ for database management systems architecture consultant *(January 2018; scope of solicited services currently being considered for inclusion in RFQ)*
- Create RFP for database management systems provider *(March 2018; companies being solicited for blue sky proposals and key functionality of different programs being mapped)*
- Secure data sharing agreements with key stakeholder partners *(June 2018; examples of existing data sharing agreements between municipalities, school districts and institutions of higher education for promise programs are being aggregated)*
- Creation of a philanthropic solicitation dossier *(December 2017; staff compiling list of thirteen highest priority philanthropies giving priorities, area of focus and list of active grants for 2018 calendar year)*

- Creation of a pitch deck for philanthropic fundraising (*December 2017; currently being iterated with staff feedback by KP Public Affairs / Honey Agency as part of Home Run Marketing and Branding contract*)
- Secure Los Rios Community College or other for West Sacramento College Promise (*Completed*)
- Connect at least 50 CTE career pathway students to paid internships in their field of study (*June 2018' staff is working with FutureReady to solicit businesses for summer 2018 internships*)
- Support digital badge curation and content creation (*Ongoing; staff is working with FutureReady on securing grant funding to develop new digital badge content*)
- Secure financial institution to administer college savings accounts (*March 2018; RFP released for CSA program, will close by December 15*)

Law Enforcement and Youth Outreach

The intent of this item is to identify and implement opportunities that will serve as platforms for positive role modelling and mentorship, and will also work as a deterrent to gang and other youth at-risk activity. The goal is to enrich the call to civic duty and to grow leadership and life skills that are transferrable to education and career pursuits.

Status of Item

Planning, support, engagement of police department staff and leadership, along with the support of City leadership have ignited this project. Several activities and events are planned through Fiscal Year 2017/18.

Upcoming Action or Milestones

- Review current Gang Injunction and Gang Activities, Program Options (*Completed*)
- Council Direction (*April 2017*)
- DRAFT Program and Budget Submission (*March 2017*)
- Council Workshop: Budget (*May 2017*)
- Council Decision: Funding (*June 2017*)
- Issue paper for CMO/Council regarding sustainable financial support for Youth Outreach (*February 2018*)

MAJOR INITIATIVES

Broadband Infrastructure Action Plan

Since October 2013, representatives from Yolo County Local Agency Formation Commission (LAFCO), Yolo County and the cities have been working with Magellan Consultants to evaluate broadband services and develop the Yolo Broadband Strategic Plan (YBSP) to identify strategies to improve broadband service in Yolo County and its communities. City staff from Information Technology, Economic Development, Public Works and Community Development participated in the development of the YBSP as a working group. In 2016, the City began development of a West Sacramento action plan for broadband infrastructure.

Status of Item

The Action Plan is complete.

Upcoming Action or Milestones

- Finalize Draft Infrastructure Action Plan (*Completed*)
- Present Action Plan to Environmental Utilities Commission/Transportation Mobility Infrastructure (*Completed*)
- Council Decision: Fiber Proposal to Southport (*Completed*)
- Update City Standards and Specifications (*Ongoing*)
- Council Decision: Action Plan (*Completed*)

Smart City Framework and Implementation (Measure E)

A “Smart City” is one that uses information and communications technology, as well as intelligent management practices, in order to maximize the efficiency and effectiveness of municipal services. The purpose this item is to lay the groundwork and begin implementation of projects designed to position the City as a regional, and eventually national, leader in the Smart City movement.

Status of Item

The smart city movement is relatively new, and the most accomplished smart city practitioners have typically been cities much larger than West Sacramento. Therefore, staff is proposing a two-pronged approach for 2017, focusing on small implementation projects, internal capacity building and the preparation of a strategy to guide future smart city investments.

Upcoming Action or Milestones

- Workshop re: Smart City Vision (*March 2018*)
- Hire Data Specialist (*February 2018*)
- Implement “Smart Lighting” in Bryte Park Phase II (*August 2017*)
- Council Presentation: Updated Data Policy (*May 2018*)
- Complete STIR 2017 Process (*Completed*)
- Broadband Adoption Program (*March 2018*)
- Public Release of Engagement App (*December 2018*)
- Execute STIR Contracts (if any) (*January 2018*)
- Release RFP for Smart City Plan (*January 2018*)
- Execute Smart City Plan Contract (*March 2018*)
- Adopt Smart City Plan (*September 2018*)
- Senior Transportation Pilot (*April 2018*)

Bicycle, Pedestrian & Trail Improvements (Measure E)

Measure E is a unique opportunity to leverage resources to build and maintain the planned bicycle and pedestrian trails in the City. The measure identifies potential areas of focused investment including building and maintaining of bicycle and pedestrian trails.

Intended Measure E expenditures for building and maintaining bicycle and pedestrian trails, including the trails initiative, is \$600,000.

Funding is needed now for:

- Minor projects that increase bicycle and pedestrian safety that are typically too small for grant funding;

- Leveraging resources to maximize opportunities for trail planning and development;
- Matching funds for grant opportunities for building new bicycle and pedestrian infrastructure; and
- Maintenance of the City’s existing and future trail network
- Accelerated completion of the BPTMP
- Small-scale improvements to the City’s road network including striping can significantly reduce bicycle/pedestrian and vehicle conflicts and reduce gaps in the bicycle network.

Status of Item

Council approved policy and initial projects for Measure E Bicycle, Pedestrian and Trail Improvements funding on October 4 in the amount of \$140,000.

Upcoming Actions or Milestones

- Create implementation team with representatives from Public Works, Finance and Parks and Recreation *(Completed)*
- Complete the Bicycle, Pedestrian and Trails Master Plan *(Early 2018)*
- Develop an Implementation Plan for the utilization of the Measure E proceeds attributable to Bicycle, Pedestrian and Trails, including timelines and allocation (bonding, grant match, etc.) and long term maintenance considerations *(Completed)*

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.

1. **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 16.85% 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.
2. **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.
3. **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.

4. **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, 2017.

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, 2016. This was the 21th 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

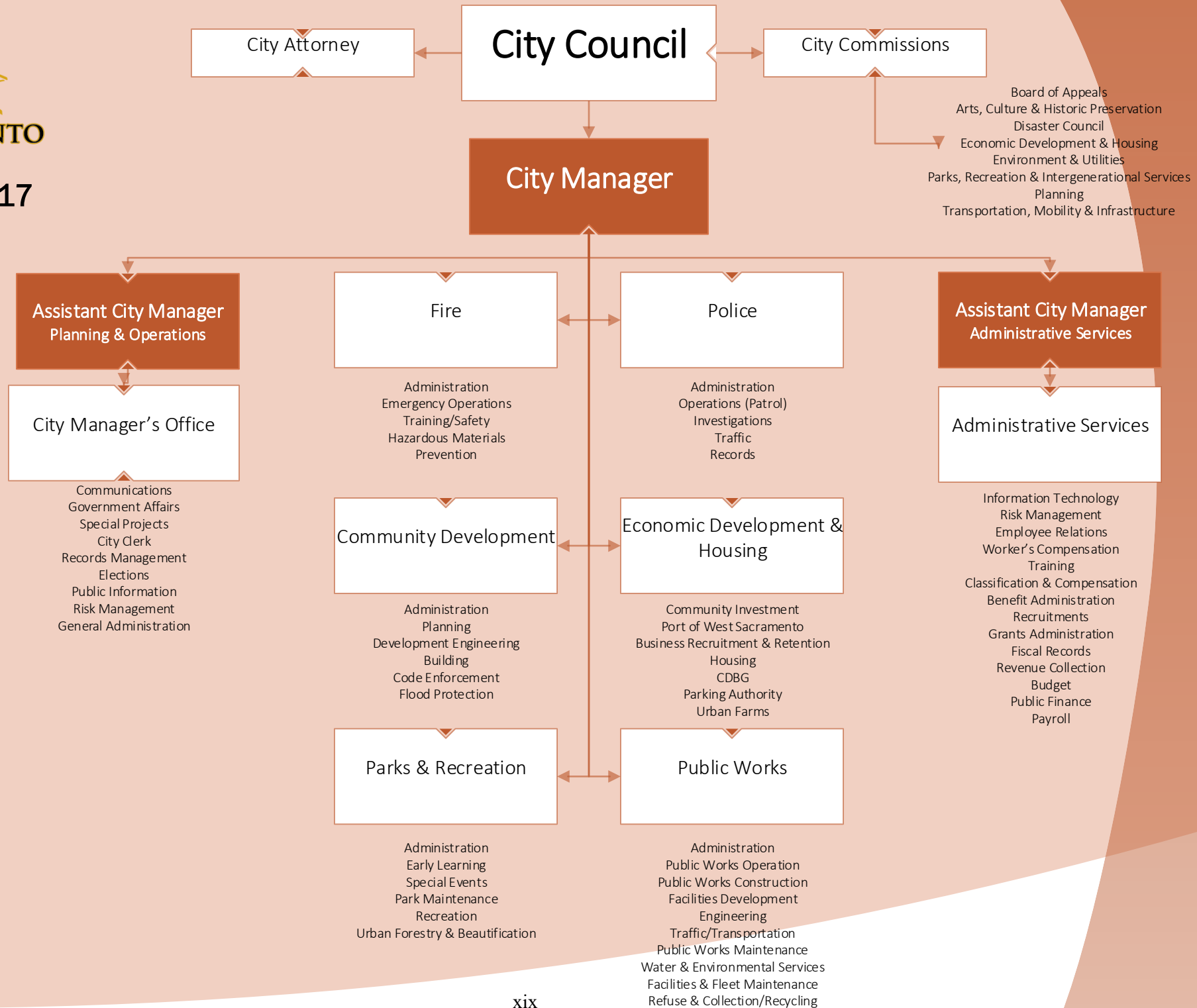
We would like to express our appreciation to the entire Finance Division of the Administrative Services Department for their effort in maintaining accurate and timely accounting records from which this report was prepared. We would also like to acknowledge the professional work and advice of Richardson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



Philip A Wright
Assistant City Manager
Administrative Services



Nitish V Sharma
Budget Manager



**LIST OF ELECTED AND APPOINTED OFFICIALS
2016-17**

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, 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, 2016

Executive Director/CEO

FINANCIAL SECTION

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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, 2017, 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, 2017, 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 – public 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 22, 2017 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 22, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017. 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 xviii 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 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

- **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, 2017, 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 for sewer, water, Port, and solid-waste activities. The Sewer Fund, Water Fund, Port Fund, and the Solid Waste Fund are major funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 98 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 104 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 \$552.2 million as of June 30, 2017, \$549.8 million as of June 30, 2016, and \$539.4 million as of June 30, 2015.

The net position in Fiscal Year 2017 increased by \$2.9 million for governmental activities and decreased by \$0.5 million for business-type activities, a combined net increase of \$2.4 million. Increase in governmental activities are primarily due to a new sales tax measure, Measure E, which reported a net increase of \$0.8 million, and an increase in property taxes of \$1.5 million. The net decrease of \$0.5 million in the business-type activities are primarily due to an increase in sewer treatment costs and waste hauler costs. The increase in service costs will be offset with the new utility rate adopted by the City Council in June of 2017.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 \$435.7 million in the current year; \$439.1 million in Fiscal Year 2016; and \$435.6 million in Fiscal Year 2015.

The recorded capital assets for the Fiscal Year 2017 decreased by \$3.4 million primarily due to the retirement of the construction in progress. The City reviewed all the costs in the construction in progress account and retired a number of project expenditures that were not considered an asset. The retirement of projects included various studies, master planning costs, and program costs.

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 \$116.5 million account for 21.1% of total net position in Fiscal Year 2017, \$110.7 million account for 20.1% of total net position in Fiscal Year 2016, and \$103.8 million account for 19.2% in Fiscal Year 2015.

The increase of \$5.8 million in Fiscal Year 2017 is primarily due to an increase in property tax revenues, a new sales tax measure, Measure E, and an increase in grants and contributions the City received for capital projects.

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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

CITY OF WEST SACRAMENTO, CALIFORNIA
SUMMARY OF NET POSITION
AS OF JUNE 30, 2017, 2016, and 2015

	Governmental Activities			Business-type Activities			Totals		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Current and other assets	\$166,014,421	\$162,198,294	\$158,678,998	\$26,523,450	\$28,544,406	\$29,264,343	\$192,537,871	\$190,742,700	\$187,943,341
Capital assets	\$347,115,821	\$350,229,778	\$345,063,073	\$167,196,463	\$169,939,973	\$169,020,033	\$514,312,284	\$520,169,751	\$514,083,106
Total Assets	\$513,130,242	\$512,428,072	\$503,742,071	\$193,719,913	\$198,484,379	\$198,284,376	\$706,850,155	\$710,912,451	\$702,026,447
Total Deferred Outflows of Resources	\$16,629,577	\$7,023,385	\$6,065,010	\$10,238,207	\$10,433,177	\$10,319,238	\$26,867,784	\$17,456,562	\$16,384,248
Current and other liabilities	\$5,575,416	\$11,856,394	\$10,415,847	\$3,153,735	\$0	\$6,696,407	\$8,729,151	\$11,856,394	\$17,112,254
Non-current liabilities	\$95,425,786	\$79,499,588	\$74,067,255	\$71,934,473	\$79,968,090	\$74,121,673	\$167,360,259	\$159,467,678	\$148,188,928
Total Liabilities	\$101,001,202	\$91,355,982	\$84,483,102	\$75,088,208	\$79,968,090	\$80,818,080	\$176,089,410	\$171,324,072	\$165,301,182
Total Deferred Inflows of Resources	\$3,602,878	\$5,848,702	\$12,144,888	\$1,871,037	\$1,435,588	\$1,580,183	\$5,473,915	\$7,284,290	\$13,725,071
Net investment in capital assets	\$327,460,777	\$332,044,492	\$330,739,156	\$108,233,792	\$107,080,192	\$104,891,915	\$435,694,569	\$439,124,684	\$435,631,071
Restricted	\$89,067,409	\$94,405,910	\$88,076,023	\$159,389	\$1,101,075	\$1,465,084	\$89,226,798	\$95,506,985	\$89,541,107
Unrestricted	\$8,627,553	(\$4,203,629)	(\$5,636,088)	\$18,605,694	\$19,332,611	\$19,848,352	\$27,233,247	\$15,128,982	\$14,212,264
Total Net Position	\$425,155,739	\$422,246,773	\$413,179,091	\$126,998,875	\$127,513,878	\$126,205,351	\$552,154,614	\$549,760,651	\$539,384,442

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Governmental Activities

Total governmental revenues reported for Fiscal Year 2017 were \$91.0 million, a net decrease of \$1.4 million. The decrease can be attributable to a combination of factors including a net increase in Property Taxes (\$1.5 million), a decrease in Sales and Use Tax (\$1.0 million), a decrease in Operating Grants and Contributions (\$4.8 million), a decrease in investment earning (\$0.7 million), and an increase in Miscellaneous revenues (\$1.7 million). Increase in property taxes can be attributable to new construction of homes (Newport Subdivision and the Bridge District) and the sale of properties higher than the assessed valuation. Decrease in sales taxes are due to a one-time sales tax receipt in the prior year related to the end of "triple flip", State actions to end the payment of sales tax through property tax distributions. Decrease in operating grants and contributions are due to closing of a number of projects funded from grant revenues. Decrease in investment earnings are due to the market value adjustment of securities held by the City. The securities will not lose value if sold at maturity. Increase in miscellaneous revenues is due to the recognition of revenues previously deemed as uncollectable for the Parkside affordable housing project.

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 activities expenses reported in Fiscal Year 2017 were \$87.5 million, an increase of \$5.3 million, or 6%. The activities in the public safety increased by \$6.0 million due to a combination of factors including an increase in pension costs (\$0.5 million), overtime expenditures in the fire department related to the wild fires in California (\$1.3 million), and the recognition of the increase in the pension liabilities from prior year (\$4.3 million). Increase in public works expenditures of \$2.9 million are due to increase in capital expenditures for the Mill Street Pier Rehabilitation Project (\$0.7 million), Pioneer Bluff Plan (\$0.6 million) and Grand Gateway Infrastructure Project (\$1.3 million).

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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.

Business-type Activities

Total business-type program revenues in Fiscal Year 2017 were reported as \$36.4 million, an increase of \$4.1 million, or 12.6%. The increase in revenues can be attributable to an increase in utility rates and new connections from development. The Sewer service charges increased by \$1.4 million primarily due to an increase in the sewer treatment charges provided by Sacramento Regional County Sanitation District. The Port operating revenues increased by \$0.5 million primarily due to the annual adjustment to lease agreements (\$0.25 million) and an increase in wharfage revenues from additional cargo ships (\$0.2 million).

Total business-type program 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 program 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.

The business-type activities expenses for Fiscal Year 2017 were \$37.8 million, an increase of \$4.4 million, or 11.6%. The Sewer Enterprise Fund operating expenses increased by \$1.6 million primarily due to an increase in the costs of sewer treatment. Increase in Water Fund expenses are related to the capital expenditures from the completion of the Water Master Plan (\$0.3 million) and multiple water meter installation project (\$0.5 million). There is no significant change in the Refuse Fund and the Port Operations Fund.

The business-type activities 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 increases 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED JUNE 30, 2017, 2016, and 2015

	Governmental Activities			Business-type Activities			Totals		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
REVENUES									
Program revenues:									
Charges for services	\$12,464,381	\$12,547,653	\$14,564,665	\$34,783,793	\$31,751,450	\$30,629,729	\$47,248,174	\$44,299,103	\$45,194,394
Operating grants and contributions	\$17,477,281	\$22,331,904	\$21,123,840	\$569,933	\$552,672	\$106,673	\$18,047,214	\$22,884,576	\$21,230,513
Capital grants and contributions	\$7,178,114	\$5,424,259	\$7,316,558	\$1,024,996	\$0	\$0	\$8,203,110	\$5,424,259	\$7,316,558
General revenues:									
Taxes:									
Property taxes	\$23,859,690	\$22,423,726	\$21,013,635				\$23,859,690	\$22,423,726	\$21,013,635
Sales and use tax	\$23,034,315	\$24,033,719	\$23,155,230				\$23,034,315	\$24,033,719	\$23,155,230
Transient Occupancy Tax	\$1,580,313	\$1,420,991	\$1,289,938				\$1,580,313	\$1,420,991	\$1,289,938
Other taxes	\$1,810,552	\$1,756,305	\$1,861,892				\$1,810,552	\$1,756,305	\$1,861,892
Intergovernmental, unrestricted	\$75,035	\$64,765	\$36,783	\$0	\$99,500	\$198,000	\$75,035	\$164,265	\$234,783
Investment earnings	\$1,555,714	\$2,214,583	\$1,410,291	\$192,396	\$219,040	\$124,243	\$1,748,110	\$2,433,623	\$1,534,534
Miscellaneous	\$1,974,050	\$208,632	\$730,543	\$0	\$52,709	(\$2,632)	\$1,974,050	\$261,341	\$727,911
Gain on sale of assets	\$0	\$0	\$0	\$0	\$882,360	\$0	\$0	\$882,360	\$0
TOTAL REVENUES	\$91,009,445	\$92,426,537	\$92,503,375	\$36,571,118	\$33,557,731	\$31,056,013	\$127,580,563	\$125,984,268	\$123,559,388
EXPENSES									
Governmental activities:									
General government	\$5,534,193	\$8,404,122	\$11,855,539				\$5,534,193	\$8,404,122	\$11,855,539
Public works	\$22,355,821	\$19,520,556	\$19,907,419				\$22,355,821	\$19,520,556	\$19,907,419
Public safety	\$40,119,002	\$34,171,324	\$29,330,714				\$40,119,002	\$34,171,324	\$29,330,714
Community development	\$6,566,785	\$7,001,512	\$6,373,041				\$6,566,785	\$7,001,512	\$6,373,041
Landscaping and street lighting	\$2,462,335	\$2,323,021	\$2,188,749				\$2,462,335	\$2,323,021	\$2,188,749
Culture and recreation	\$9,007,434	\$9,193,855	\$11,577,133				\$9,007,434	\$9,193,855	\$11,577,133
Housing rehabilitation	\$493,282	\$583,583	\$3,476,022				\$493,282	\$583,583	\$3,476,022
Interest on long-term debt	\$915,940	\$959,831	\$751,051				\$915,940	\$959,831	\$751,051

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Business-type activities									
Sewer				\$13,683,629	\$12,010,197	\$11,404,251	\$13,683,629	\$12,010,197	\$11,404,251
Water				\$13,673,098	\$11,283,460	\$11,460,195	\$13,673,098	\$11,283,460	\$11,460,195
Port				\$3,181,272	\$3,110,879	\$3,181,083	\$3,181,272	\$3,110,879	\$3,181,083
Refuse				\$7,193,809	\$7,045,719	\$6,527,544	\$7,193,809	\$7,045,719	\$6,527,544
TOTAL EXPENSES	\$87,454,792	\$82,157,804	\$85,459,668	\$37,731,808	\$33,450,255	\$32,573,073	\$125,186,600	\$115,608,059	\$118,032,741
EXCESS REVENUES BEFORE TRANSFERS AND SPECIAL ITEMS	\$3,554,653	\$10,268,733	\$7,043,707	\$(1,160,690)	\$107,476	\$(1,517,060)	\$2,393,963	\$10,376,209	\$5,526,647
SPECIAL ITEMS AND TRANSFERS									
Contribution of Capital Assets by Successor Agency	\$0	\$0	\$15,141,367	\$0	\$0	\$0	\$0	\$0	\$15,141,367
Contribution of Land to Successor Agency	\$0	\$0	\$(1,446,183)	\$0	\$0	\$0	\$0	\$0	\$(1,446,183)
Forgiven Lighthouse Assessment District Loan	\$0	\$0	\$1,400,000	\$0	\$0	\$0	\$0	\$0	\$1,400,000
Transfers	(\$645,687)	(\$1,201,051)	\$2,757,395	\$645,687	\$1,201,051	\$(2,757,395)	\$0	\$0	\$0
TOTAL SPECIAL ITEMS AND TRANSFERS	(\$645,687)	(\$1,201,051)	\$17,852,579	\$645,687	\$1,201,051	\$(2,757,395)	\$0	\$0	\$15,095,184
INCREASE IN NET POSITION	\$2,908,966	\$9,067,682	\$24,896,286	\$(515,003)	\$1,308,527	\$(4,274,455)	\$2,393,963	\$10,376,209	\$20,621,831
Net position at July 1	\$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
Restatement	\$0	\$0	\$(56,984,163)	\$0	\$0	\$(1,446,952)	\$0	\$0	\$(58,431,115)
NET POSITION AT JUNE 30	\$425,155,739	\$422,246,773	\$413,179,091	\$126,998,875	\$127,513,878	\$126,205,351	\$552,154,614	\$549,760,651	\$539,384,442

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Governmental Activities

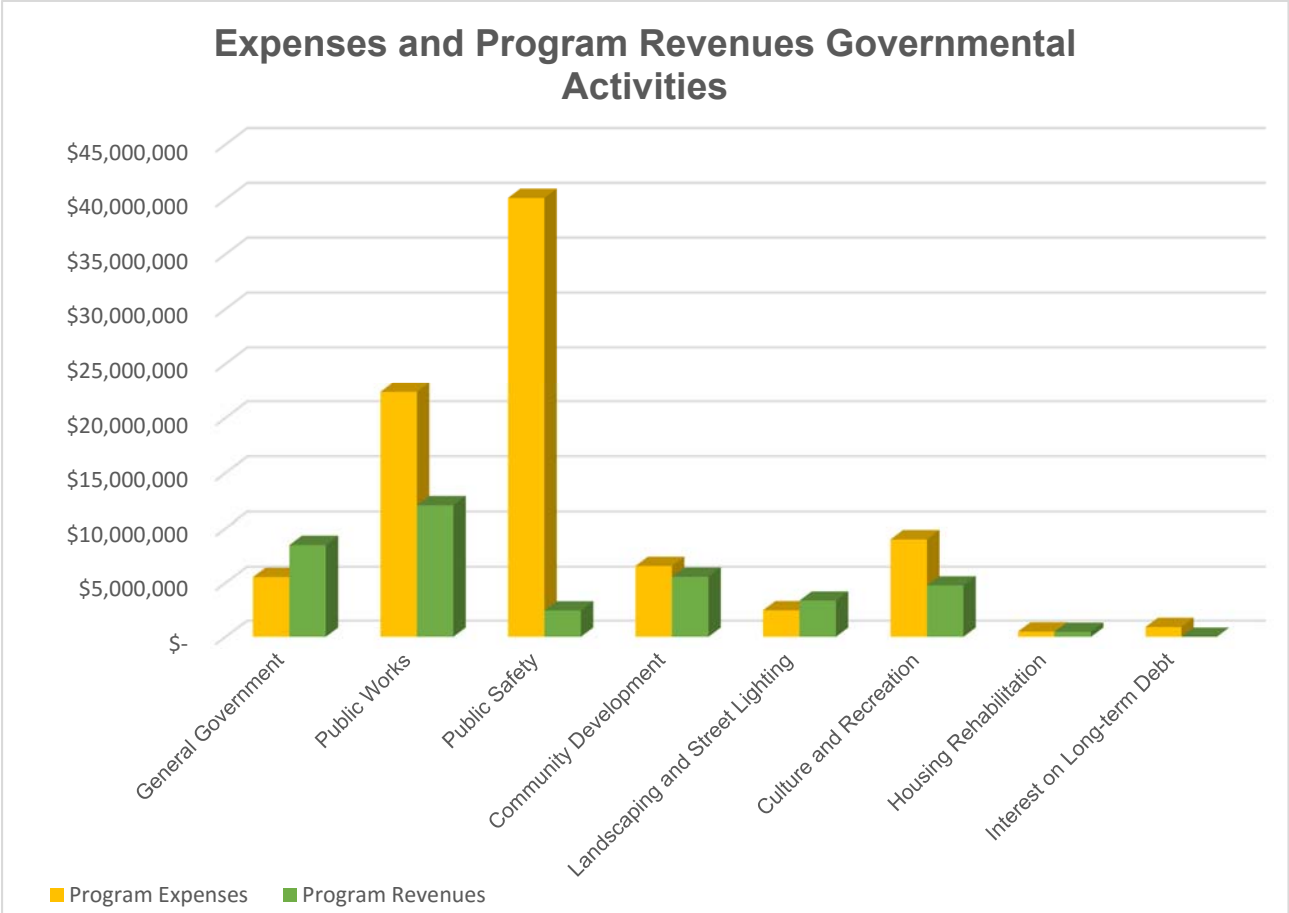
The following table shows the cost of each of the City's major programs and the net cost of the programs. Net revenues are the total cost less fees and other direct revenue generated by those activities. The net revenues reflect the financial burden that was placed on the City taxpayers by each of the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

	2017		2016		2015	
	Total Cost of Services	Net Revenues	Total Cost of Services	Net Revenues	Total Cost of Services	Net Revenues
General Government	\$5,534,193	\$2,953,108	\$8,404,122	\$1,325,242	\$11,855,539	\$(3,907,653)
Public Works	\$22,355,821	(\$10,310,466)	\$19,520,556	(\$9,628,864)	\$19,907,419	(\$2,655,623)
Public Safety	\$40,119,002	(\$37,672,422)	\$34,171,324	(\$32,750,555)	\$29,330,714	\$(27,401,969)
Community Development	\$6,566,785	(\$999,581)	\$7,001,512	(\$59,814)	\$6,373,041	\$(1,370,021)
Landscaping and Street Lighting	\$2,462,335	\$894,808	\$2,323,021	\$832,531	\$2,188,749	\$700,089
Culture and Recreation	\$9,007,434	(\$4,252,092)	\$9,193,855	(\$2,921,201)	\$11,577,133	\$(5,307,014)
Housing Rehabilitation	\$493,282	(\$32,431)	\$583,583	\$2,308,504	\$3,476,022	\$(1,761,363)
Interest on Long-term Debt	\$915,940	(\$915,940)	\$959,831	(\$959,831)	\$751,051	\$(751,051)
	\$87,454,792	(\$50,335,016)	\$82,157,804	(\$41,853,988)	\$85,459,668	\$(42,454,605)

All functions/programs of Governmental Activities except General Government, Landscaping and Street Lighting and Housing Rehabilitation, with a net cost of \$50.3 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.

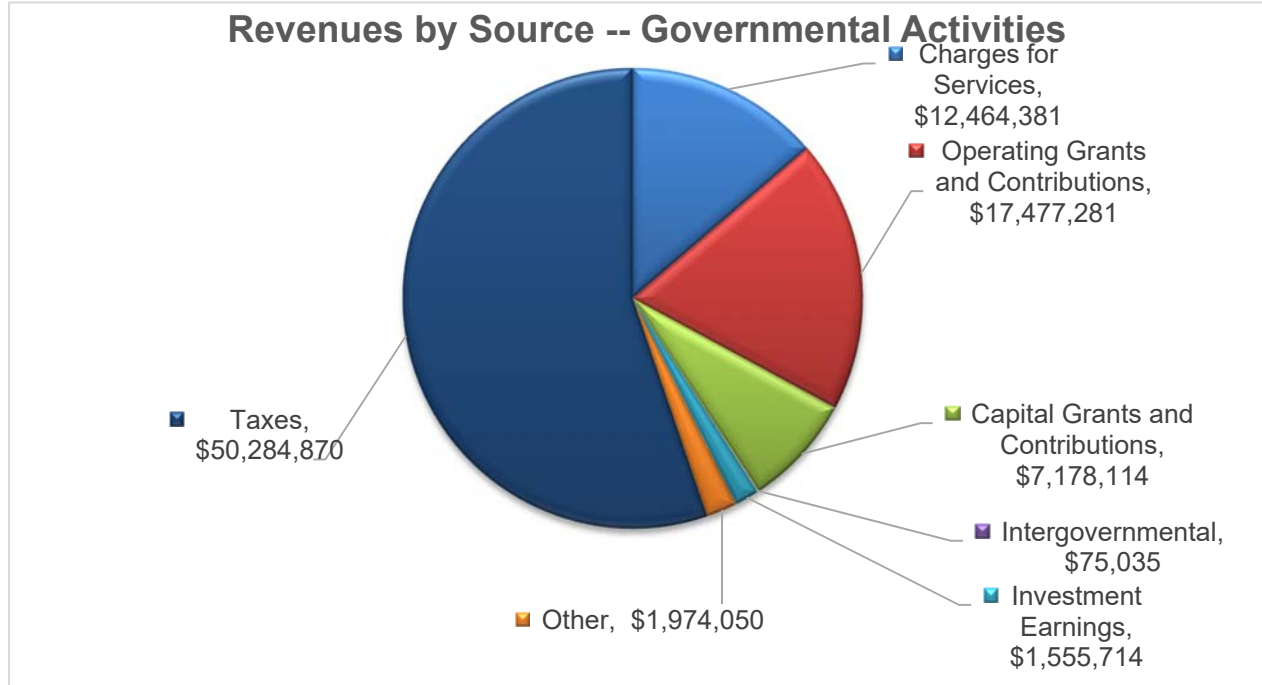
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017

The following chart illustrates sources of revenues for Governmental Activities:

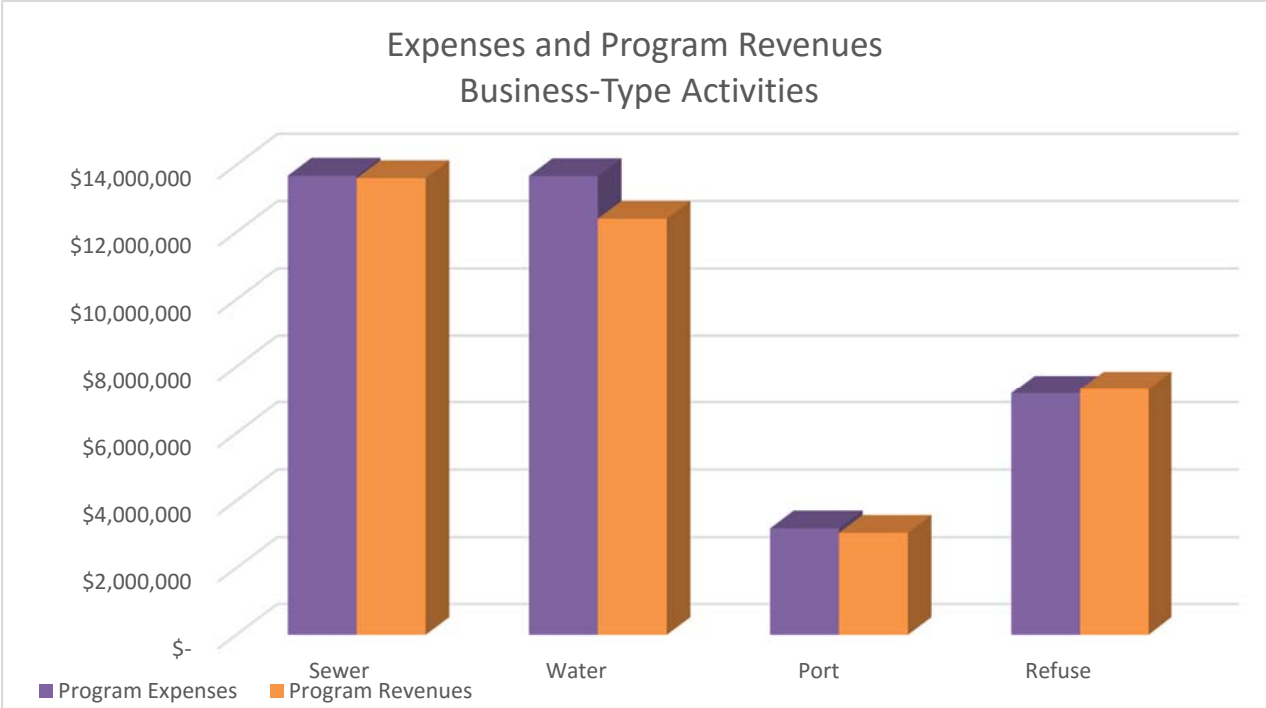


Business-type activities. Business-type activities decreased the City's net position by \$0.5 million (includes General Revenues). The net changes in business-type activities were due to the increase in sewer treatment costs and the timing of the capital expenditures that were approved in the biennial budget.

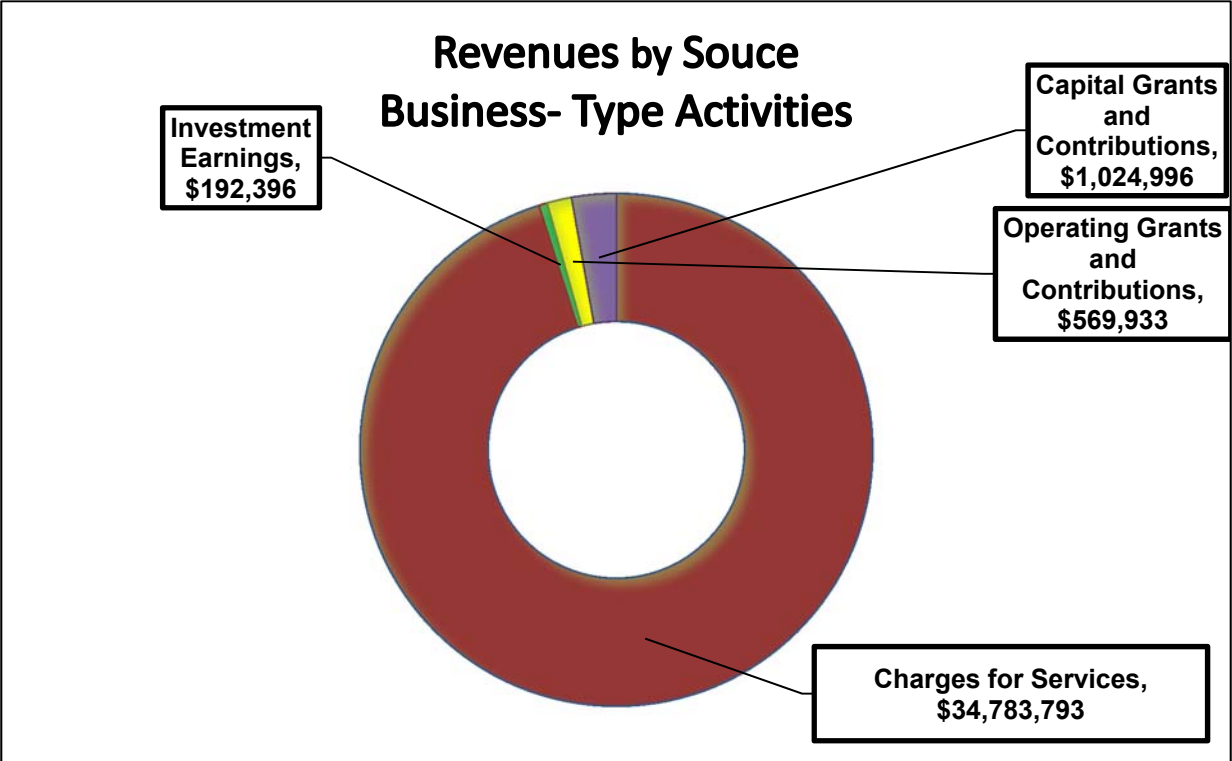
	2017		2016		2015	
	Total Cost of Services	Net Revenues	Total Cost of Services	Net Revenues	Total Cost of Services	Net Revenues
Sewer	\$13,683,629	(\$75,191)	\$12,010,197	(\$337,693)	\$11,404,251	\$(213,377)
Water	\$13,673,098	(\$1,270,248)	\$11,283,460	(\$476,553)	\$11,460,195	\$(884,654)
Port	\$3,181,272	(\$131,756)	\$3,110,879	(\$437,306)	\$3,181,083	\$(987,619)
Refuse	\$7,193,809	\$124,109	\$7,045,719	\$105,419	\$6,527,544	\$248,979
	\$37,731,808	(\$1,353,086)	\$33,450,255	(\$1,146,133)	\$32,573,073	\$(1,836,671)

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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:



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017, the City's governmental funds reported a combined fund balance of \$147.9 million, an increase of \$5.0 million. Total governmental fund revenues did not report any major changes; however, there were significant changes in the source of revenues. Property taxes increased by \$1.5 million while the sales taxes decreased by \$1.0 million. Intergovernmental revenues decreased by \$2.5 million whereas the fees, licenses, and permit revenues increased by \$1.3 million. As stated earlier, increase in property taxes are due to recent sales of existing real estate and new development. Decrease in sales taxes are due to loss of businesses, increase in online sales and a one-time payment in the prior year related to the end of the triple flip by the State of California. The total governmental fund expenditures decreased by \$7.3 million in Fiscal Year 2017. The expenditures reported in the public safety group increased by \$2.3 million primarily due to an increase in pension costs (\$0.6 million) and increase in overtime costs in the fire department (\$1.1 million). The majority of the decrease in governmental fund expenditures were reported in the capital outlay, a net of \$5.8 million. Decrease is due to a number of capital projects in the current year are in the design phase and will be ready for construction in 2018 or 2019. In prior fiscal year, the City completed a number of large capital projects. For example, the completion of the Michael McGowan Bridge and the Village Parkway Extension from McGowan Bridge to Stonegate.

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 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).

The fund balance reported in the HCD Block Grant Fund increased by \$0.1 million in Fiscal Year 2017. Change in fund balance is due to the program income received from low/moderate loans outstanding. The expenditures are related to the Homeless Coordinator position and the final payment on the Delta Lane loan. The fund balance reported in the HCD Block Grant Fund increased

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 Low Moderate Income Housing Fund in Fiscal Year 2017 increased by \$1.9 million, primarily due to the recognition of revenues previously recorded as allowance on doubtful account for the Parkside affordable housing project. 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 in the Non-Major Governmental Funds reported in Fiscal Year 2017 was \$47.7 million, a decrease of \$3.8 million. The decrease is primarily due to combination of factors including an increase in Landscaping and Street lighting Fund (\$0.7 million), a decrease in Road Fund (\$0.7 million), a decrease in General Facilities Fee Fund (\$0.8 million), a decrease in Triangle/Bridge District Fund (\$2.7 million) and a decrease in Community Investments- Measure G Fund (\$2.4 million). Increase in Landscaping and Street lighting Fund is attributable to an increase in special assessment in the Service District for capital rehabilitation and replacement expenditures. A decrease in Road Fund is primarily due to a decrease in gasoline tax revenues and the road rehabilitation of the Sutter Street project. A decrease in General Facilities Fee Fund is due to a combination of capital project expenditures. For example, the completion of the General Plan Update (\$0.2 million), Station 41& 42 Ramp Improvement (\$0.2 million) and ADA Compliance (\$0.2 million). A decrease in the Triangle/Bridge District fund is due to a payment of \$2.1 million to Smart Growth Investors for the Barn site lease. A decrease in Community Investment- Measure G Fund is due to the capital expenditures. For example, the work on the Pioneer Bluff Re-use Plan (\$0.7 million), Broadway Bridge Study (\$0.3 million), Citywide Bike Lane Gap Closure (\$0.3 million), and Grand Gateway Infrastructure Project (\$1.3 million).

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 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).

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Proprietary funds. The net position of the Sewer Fund was \$50.8 million in Fiscal Year 2017, \$50.8 million in Fiscal Year 2016, and \$50.8 million in Fiscal Year 2015. There were no significant change in the net position of the Sewer Fund in Fiscal Year 2017. The net position increased in Fiscal Year 2016 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 net position of the Water Fund was \$37.1 million in Fiscal Year 2017, \$37.7 million in Fiscal Year 2016, \$37.0 million in Fiscal Year 2015. The net decrease of \$0.6 million in Fiscal Year 2017 is primarily due to the water meter installation project. The City has a number of water meter installation project in the capital improvement budget for the completion. 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 capitalized.

The net position of the Port Fund was \$37.3 million in Fiscal Year 2017, \$37.1 million in Fiscal Year 2016, and \$36.7 million in Fiscal Year 2015. The net position for the Port fund did not have any major change in Fiscal Year 2017. 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.

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 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 \$34.0 million lower than actual. The difference in budget to actual is primarily 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 \$1.9 million higher than the final budget amounts. The actual property taxes exceeded the budget by \$0.7 million while sales taxes were below budget by \$0.5 million. 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.

The original budget for revenues were \$2.7 million lower than the final budget. The variance is primarily due to the mid-term budget adjustment to the property taxes and other revenues. The original projection for the property taxes were an increase of 2% from the base. The actual receipt in the first distribution and the projection for the final amended budget were increased by 3.9%. The increase in other revenues were due to the fire strike team reimbursement (\$0.6 million) for the State of California and other reimbursements for services.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The original budget for the total expenditures in the General Fund were \$34.8 million lower than final budget amount. The variance is due to the mid-term budget adjustment related to the Streetcar Project for \$32.0 million. Other variance is due to the savings from the vacant positions in the General Fund for the fiscal year.

Capital assets. The City's investment in capital assets, net of depreciation, for its governmental and business-type activities as of June 30, 2017, June 30, 2016, and June 30, 2015 were \$514.3 million, \$520.2 million, and \$514.1 million, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**CAPITAL ASSETS (NET OF DEPRECIATION)
AS OF JUNE 30, 2017, 2016, AND 2015**

	Governmental Activities			Business-type Activities			Totals		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Land	\$26,525,794	\$25,878,175	\$25,583,175	\$12,740,902	\$12,686,552	\$9,614,824	\$39,266,696	\$38,564,727	\$35,197,999
Construction in progress	\$6,865,931	\$32,875,123	\$17,599,789	\$1,098,427	\$3,108,014	\$1,433,605	\$7,964,358	\$35,983,137	\$19,033,394
Buildings and improvements	\$59,418,042	\$51,649,709	\$53,650,813	\$31,561,260	\$29,915,416	\$31,785,371	\$90,979,302	\$81,565,125	\$85,436,184
Machinery and equipment	\$4,914,050	\$4,776,011	\$3,233,615	\$3,864,993	\$2,817,710	\$1,345,288	\$8,779,043	\$7,593,721	\$4,578,903
Infrastructure	\$249,392,004	\$235,050,760	\$244,995,681	\$117,930,881	\$121,412,281	\$124,840,945	\$367,322,885	\$356,463,041	\$369,836,626
TOTAL	\$347,115,821	\$350,229,778	\$345,063,073	\$167,196,463	\$169,939,973	\$169,020,033	\$514,312,284	\$520,169,751	\$514,083,106

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

- Grand Gateway Infrastructure Project \$1.3 million,
- Mill Street Pier Rehabilitation Project \$0.7 million,
- Pioneer Bluff Reuse Plan \$0.7 million,
- Storm Drain Master Plan \$1.0 million, and
- Washington/Bridge District Parking Lot Project \$0.8 million.

Business-type activities of capital improvements included \$0.2 million for the Sewer Master Plan Study and \$0.7 million for the Water Meter Installation Project.

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, 2017, amounts to \$17.5 million and \$62.3 million, respectively, for a total of \$79.8 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 2018, the City will receive the property tax revenues as budgeted. 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 mid-term budget update. The City's has experienced a slight decline in sales tax revenues reported in the General Fund in the first quarter of 2017 Fiscal Year primarily due to the increase in online sales and loss of businesses.

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, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$82,421,825	\$21,128,801	\$103,550,626
Receivables:			
Accounts receivable and other assets	739,748	7,109,509	7,849,257
Interest receivable	5,845,977	56	5,846,033
Notes receivable	51,353,423	578,087	51,931,510
Grants receivable	1,603,847		1,603,847
Prepaid expenses	40,810	5,288	46,098
Prepaid lease	2,100,000		2,100,000
Internal balances	3,284,582	(3,284,582)	
Due from other governments	12,323,065	826,872	13,149,937
Restricted assets:			
Cash and investments		116,350	116,350
Cash and investments with fiscal agents	3,080,960	43,069	3,124,029
Land held for resale	3,220,184		3,220,184
Capital assets:			
Not being depreciated	33,391,725	13,839,329	47,231,054
Being depreciated, net	313,724,096	153,357,134	467,081,230
Total Assets	<u>513,130,242</u>	<u>193,719,913</u>	<u>706,850,155</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding of debt	470,564	2,474,384	2,944,948
Deferred wastewater plant decommissioning costs		7,328,793	7,328,793
Pensions	16,159,013	435,030	16,594,043
Total Deferred Outflows of Resources	<u>16,629,577</u>	<u>10,238,207</u>	<u>26,867,784</u>
LIABILITIES			
Accounts payable	1,973,894	1,123,470	3,097,364
Salaries and benefits payable	1,079,089	67,395	1,146,484
Interest payable	183,386	666,168	849,554
Due to other governments	314,068	940,481	1,254,549
Refundable deposits	1,580,063	239,469	1,819,532
Unearned revenue	444,916	116,752	561,668
Noncurrent liabilities, due within one year	4,363,744	2,695,668	7,059,412
Noncurrent liabilities, due after one year	91,062,042	69,238,805	160,300,847
Total Liabilities	<u>101,001,202</u>	<u>75,088,208</u>	<u>176,089,410</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows			
Deferred amount on refunding of debt		232,599	232,599
Service concession arrangement		1,532,440	1,532,440
Pensions	3,602,878	105,998	3,708,876
Total Deferred Inflows of Resources	<u>3,602,878</u>	<u>1,871,037</u>	<u>5,473,915</u>
NET POSITION			
Net investment in capital assets	327,460,777	108,233,792	435,694,569
Restricted for:			
Housing rehabilitation	58,959,028		58,959,028
Street, road and drainage projects	18,149,482		18,149,482
Community development	4,207,090		4,207,090
Capital projects	3,665,787	43,069	3,708,856
Parks and recreation	2,574,346		2,574,346
Public safety	1,393,003		1,393,003
Information Technology	118,673		118,673
Debt service		116,320	116,320
Unrestricted	8,627,553	18,605,694	27,233,247
Total Net Position	<u>\$ 425,155,739</u>	<u>\$ 126,998,875</u>	<u>\$ 552,154,614</u>

See accompanying notes to financial statements

CITY OF WEST SACRAMENTO
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

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	\$5,534,193	\$2,288,690	\$6,036,516	\$162,095	\$2,953,108		\$2,953,108
Public works	22,355,821	2,938,240	4,885,204	4,221,911	(10,310,466)		(10,310,466)
Public safety	40,119,002	639,593	1,504,782	302,205	(37,672,422)		(37,672,422)
Community development	6,566,785	3,486,693	1,702,502	378,009	(999,581)		(999,581)
Landscaping and street lighting	2,462,335	141,823	3,164,201	51,119	894,808		894,808
Culture and recreation	9,007,434	2,692,567		2,062,775	(4,252,092)		(4,252,092)
Housing rehabilitation	493,282	276,775	184,076		(32,431)		(32,431)
Interest on long term debt	915,940				(915,940)		(915,940)
Total Governmental Activities	<u>87,454,792</u>	<u>12,464,381</u>	<u>17,477,281</u>	<u>7,178,114</u>	<u>(50,335,016)</u>		<u>(50,335,016)</u>
Business-type Activities:							
Sewer	13,683,629	13,036,988	9,731	561,719		(\$75,191)	(75,191)
Water	13,673,098	11,693,566	246,007	463,277		(1,270,248)	(1,270,248)
Port	3,181,272	2,735,485	314,031			(131,756)	(131,756)
Refuse	7,193,809	7,317,754	164			124,109	124,109
Total Business-type Activities	<u>37,731,808</u>	<u>34,783,793</u>	<u>569,933</u>	<u>1,024,996</u>		<u>(1,353,086)</u>	<u>(1,353,086)</u>
Total	<u>\$125,186,600</u>	<u>\$47,248,174</u>	<u>\$18,047,214</u>	<u>\$8,203,110</u>	<u>(50,335,016)</u>	<u>(1,353,086)</u>	<u>(51,688,102)</u>
General revenues:							
Taxes:							
Property					23,859,690		23,859,690
Sales					23,034,315		23,034,315
Transient occupancy					1,580,313		1,580,313
Other					1,810,552		1,810,552
Intergovernmental, unrestricted					75,035		75,035
Investment earnings					1,555,714	192,396	1,748,110
Miscellaneous					1,974,050		1,974,050
Transfers					(645,687)	645,687	
Total general revenues and transfers					<u>53,243,982</u>	<u>838,083</u>	<u>54,082,065</u>
Change in Net Position					2,908,966	(515,003)	2,393,963
Net Position - Beginning					<u>422,246,773</u>	<u>127,513,878</u>	<u>549,760,651</u>
Net Position-Ending					<u>\$425,155,739</u>	<u>\$126,998,875</u>	<u>\$552,154,614</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. When loans accounted for in the Low and Moderate Income Housing Fund are repaid, if the resources are not used for housing activities within three years, 20% of the resulting residual funds are required to be provided to 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, 2017

	Special Revenue Funds			Non-Major Governmental Funds	Total Governmental Funds
	General Fund	HCD Block Grant Fund	Low Mod Income Housing Asset Fund		
ASSETS					
Cash and investments	\$36,252,159	\$2,201,900	\$365,705	\$43,602,061	\$82,421,825
Receivables:					
Accounts receivable and other assets	503,220			236,528	739,748
Interest receivable	238,978	2,744,774	9,858,323	3,397	12,845,472
Notes receivable	353,306	18,241,900	32,447,144	311,073	51,353,423
Grants receivable		164,258		1,439,589	1,603,847
Prepays	37,834			2,976	40,810
Prepaid lease				2,100,000	2,100,000
Due from other funds	30,000				30,000
Due from other governments	6,678,481			6,450,990	13,129,471
Advances to other funds	5,370,683			7,449,604	12,820,287
Restricted assets:					
Cash and investments with fiscal agents				3,080,960	3,080,960
Land held for resale	3,220,184				3,220,184
Total Assets	<u>\$52,684,845</u>	<u>\$23,352,832</u>	<u>\$42,671,172</u>	<u>\$64,677,178</u>	<u>\$183,386,027</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Accounts payable	\$552,500	\$59,795		\$1,361,599	\$1,973,894
Salaries and benefits payable	910,165	1,900		167,024	1,079,089
Due to other funds				30,000	30,000
Due to other governments	224,266			89,802	314,068
Refundable deposits	47,583			1,532,480	1,580,063
Unearned revenue				444,916	444,916
Compensated absences	58,445				58,445
Advances from other funds	3,106,661			6,429,044	9,535,705
Total Liabilities	<u>4,899,620</u>	<u>61,695</u>		<u>10,054,865</u>	<u>15,016,180</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	859,327	2,903,152	\$9,858,323	6,876,883	20,497,685
Total Deferred Inflows of Resources	<u>859,327</u>	<u>2,903,152</u>	<u>9,858,323</u>	<u>6,876,883</u>	<u>20,497,685</u>
FUND BALANCES					
Fund balances:					
Nonspendable	8,982,007	18,241,900	32,447,144	9,863,653	69,534,704
Restricted		2,146,085	365,705	24,998,302	27,510,092
Committed	9,613,141			19,010,038	28,623,179
Assigned	3,168,632			335,487	3,504,119
Unassigned	25,162,118			(6,462,050)	18,700,068
Total Fund Balances	<u>46,925,898</u>	<u>20,387,985</u>	<u>32,812,849</u>	<u>47,745,430</u>	<u>147,872,162</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$52,684,845</u>	<u>\$23,352,832</u>	<u>\$42,671,172</u>	<u>\$64,677,178</u>	<u>\$183,386,027</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, 2017

Total fund balances reported on the governmental funds balance sheet	\$147,872,162
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.	347,115,821
PENSIONS	
Pension contributions subsequent to the plan's measurement date and other deferrals will reduce the pension liability in the future and are reported as deferred outflows of resources on the statement of net position.	16,159,013
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	20,497,685
Less: Allowance for uncollectible accounts for:	
State mandates receivable	(806,406)
Interest receivable	(6,999,495)
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	470,564
Interest payable accrued on long-term liabilities	(183,386)
Long-term liabilities	(22,496,469)
Compensated absences not accrued in governmental funds	(4,647,928)
Net pension liability	(68,222,944)
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>(3,602,878)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$425,155,739</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, 2017

	Special Revenue Funds				Total Governmental Funds
	General	HCD Block Grant Fund	Low Mod Income Housing Asset Fund	Non-Major Governmental Funds	
REVENUES					
Taxes:					
Property	\$23,859,690				\$23,859,690
Sales and use	23,034,315				23,034,315
Transient occupancy	1,580,313				1,580,313
Real property transfer	200,790				200,790
Special benefit assessment for operations	5,346,978			\$3,186,500	8,533,478
Contributions from developers and homeowners	163,513		\$19,818	4,442,576	4,625,907
Franchise fees	916,387			418,193	1,334,580
Fees, licenses and permits	72,824			4,223,534	4,296,358
Fines and forfeitures	222,199			19,961	242,160
Use of money and property	(205,105)	\$103,672	27,872	437,889	364,328
Intergovernmental	331,133			8,484,772	8,815,905
Charges for services	1,972,086	271,775		6,489,836	8,733,697
Other revenues	858,259	6,750	1,900,000	1,131,026	3,896,035
Total Revenues	<u>58,353,382</u>	<u>382,197</u>	<u>1,947,690</u>	<u>28,834,287</u>	<u>89,517,556</u>
EXPENDITURES					
Current:					
General government	1,736,185			633,985	2,370,170
Public works	1,455,821			10,874,258	12,330,079
Public safety	34,092,562			2,383,018	36,475,580
Community development				6,258,308	6,258,308
Landscaping and street lighting				2,462,335	2,462,335
Culture and recreation	6,989,859			582,561	7,572,420
Housing rehabilitation		473,464	19,818		493,282
Capital outlay	164,452			12,328,065	12,492,517
Debt service:					
Principal payments				3,061,356	3,061,356
Interest and fiscal charges				889,178	889,178
Total Expenditures	<u>44,438,879</u>	<u>473,464</u>	<u>19,818</u>	<u>39,473,064</u>	<u>84,405,225</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>13,914,503</u>	<u>(91,267)</u>	<u>1,927,872</u>	<u>(10,638,777)</u>	<u>5,112,331</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	79,190			43,495	122,685
Issuance of capital leases and loans				352,687	352,687
Transfers in	970,170	229,571		10,670,374	11,870,115
Transfers (out)	(8,330,299)			(4,185,503)	(12,515,802)
Total Other Financing Sources (Uses)	<u>(7,280,939)</u>	<u>229,571</u>		<u>6,881,053</u>	<u>(170,315)</u>
NET CHANGE IN FUND BALANCES	6,633,564	138,304	1,927,872	(3,757,724)	4,942,016
BEGINNING 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>
ENDING FUND BALANCES	<u>\$46,925,898</u>	<u>\$20,387,985</u>	<u>\$32,812,849</u>	<u>\$47,745,430</u>	<u>\$147,872,162</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, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$4,942,016

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	12,492,517
Depreciation expense	(13,073,311)

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.

(2,533,163)

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	3,061,356
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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.

(352,687)

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	9,648,970
Change in accrued interest payable	16,016
Change in compensated absences not reported in the General Fund	(1,430,869)
Change in net pension liability	(13,031,178)
Change in deferred inflows of resources related to pension plan	2,245,824

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	(48,613)
Change in allowance for interest receivable	(477,023)
Deferred inflows - unavailable revenues recognized	1,491,889

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$2,908,966
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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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
Property	\$22,291,309	\$23,169,867	\$23,859,690	\$689,823
Sales and use	23,322,634	23,541,220	23,034,315	(506,905)
Transient occupancy	1,133,248	1,133,248	1,580,313	447,065
Real property transfer	146,134	146,134	200,790	54,656
Special benefit assessment for operations	3,500,000	3,500,000	5,346,978	1,846,978
Contributions from developers and homeowners	118,000	118,000	163,513	45,513
Franchise fees	765,000	765,000	916,387	151,387
Fees, licenses and permits	13,748	13,748	72,824	59,076
Fines and forfeitures	126,000	126,000	222,199	96,199
Use of money and property	109,060	109,060	(205,105)	(314,165)
Intergovernmental	314,279	314,279	331,133	16,854
Charges for services	1,476,200	1,476,200	1,972,086	495,886
Other revenues	398,500	2,012,893	858,259	(1,154,634)
Total Revenues	<u>53,714,112</u>	<u>56,425,649</u>	<u>58,353,382</u>	<u>1,927,733</u>
EXPENDITURES:				
Current:				
General government	410,852	33,303,690	1,736,185	31,567,505
Public works	1,699,229	1,666,358	1,455,821	210,537
Public safety	34,404,417	34,641,798	34,092,562	549,236
Culture and recreation	7,295,815	7,602,551	6,989,859	612,692
Capital outlay		164,452	164,452	
Debt service:				
Interest and fiscal charges		1,195,194		1,195,194
Total Expenditures	<u>43,810,313</u>	<u>78,574,043</u>	<u>44,438,879</u>	<u>34,135,164</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>9,903,799</u>	<u>(22,148,394)</u>	<u>13,914,503</u>	<u>36,062,897</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets			79,190	79,190
Transfers in	2,317,351	2,647,697	970,170	(1,677,527)
Transfers (out)	(5,862,555)	(9,144,303)	(8,330,299)	814,004
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,545,204)</u>	<u>(6,496,606)</u>	<u>(7,280,939)</u>	<u>(784,333)</u>
NET CHANGE IN FUND BALANCE				
	<u>\$6,358,595</u>	<u>(\$28,645,000)</u>	6,633,564	<u>\$35,278,564</u>
BEGINNING FUND BALANCE			<u>40,292,334</u>	
ENDING FUND BALANCE			<u>\$46,925,898</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$37,190	\$47,690	\$103,672	\$55,982
Intergovernmental		646,823		(646,823)
Charges for services	200,939	91,500	271,775	180,275
Other revenues			6,750	6,750
Total Revenues	238,129	786,013	382,197	(403,816)
EXPENDITURES:				
Current:				
Housing rehabilitation	449,534	1,357,272	473,464	883,808
Total Expenditures	449,534	1,357,272	473,464	883,808
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(211,405)	(571,259)	(91,267)	479,992
OTHER FINANCING SOURCES (USES)				
Transfers in	42,100	147,100	229,571	82,471
Transfers (out)	(42,100)	(42,100)		42,100
TOTAL OTHER FINANCING SOURCES (U	0	105,000	229,571	124,571
NET CHANGE IN FUND BALANCE	(\$211,405)	(\$466,259)	138,304	\$604,563
BEGINNING FUND BALANCE			20,249,681	
ENDING FUND BALANCE			\$20,387,985	

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, 2017

	Business-type Activities-Enterprise Funds				Total Proprietary Funds
	Major				
	Sewer Fund	Water Fund	Port Fund	Refuse Fund	
ASSETS					
Current Assets:					
Cash and investments	\$9,073,152	\$8,912,408	\$1,906,770	\$1,236,471	\$21,128,801
Receivables:					
Accounts receivable and other assets	1,622,619	1,413,319	3,038,103	1,035,468	7,109,509
Interest receivable	34	22			56
Prepaid expenses	2,308	2,980			5,288
Due from other governments	469,438	355,347		2,087	826,872
Restricted assets:					
Cash and investments	116,350				116,350
Cash and investments with fiscal agents		43,069			43,069
Total Current Assets	<u>11,283,901</u>	<u>10,727,145</u>	<u>4,944,873</u>	<u>2,274,026</u>	<u>29,229,945</u>
Noncurrent Assets:					
Notes receivable	564,851	13,236			578,087
Capital assets:					
Not being depreciated	1,663,813	2,022,463	10,153,053		13,839,329
Being depreciated, net	40,265,010	81,860,088	30,985,574	246,462	153,357,134
Total Noncurrent Assets	<u>42,493,674</u>	<u>83,895,787</u>	<u>41,138,627</u>	<u>246,462</u>	<u>167,774,550</u>
Total Assets	<u>53,777,575</u>	<u>94,622,932</u>	<u>46,083,500</u>	<u>2,520,488</u>	<u>197,004,495</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refunding of debt		2,474,384			2,474,384
Deferred wastewater plant decommissioning costs	7,328,793				7,328,793
Pensions	125,677	258,002	51,351		435,030
Total Deferred Outflows of Resources	<u>7,454,470</u>	<u>2,732,386</u>	<u>51,351</u>		<u>10,238,207</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	72,818	334,427	133,793	582,432	1,123,470
Salaries and benefits payable	19,874	39,874	7,647		67,395
Interest payable	7,749	625,609	32,810		666,168
Due to other governments	906,824	32,752	905		940,481
Refundable deposits	47,923	103,664	50,000	37,882	239,469
Unearned revenue			116,752		116,752
Noncurrent liabilities, due within one year	286,046	2,037,532	372,090		2,695,668
Total Current Liabilities	<u>1,341,234</u>	<u>3,173,858</u>	<u>713,997</u>	<u>620,314</u>	<u>5,849,403</u>
Noncurrent Liabilities:					
Advance from other funds			3,284,582		3,284,582
Noncurrent liabilities, due after one year	9,093,193	56,812,386	3,333,226		69,238,805
Total Noncurrent Liabilities	<u>9,093,193</u>	<u>56,812,386</u>	<u>6,617,808</u>		<u>72,523,387</u>
Total Liabilities	<u>10,434,427</u>	<u>59,986,244</u>	<u>7,331,805</u>	<u>620,314</u>	<u>78,372,790</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred amount on refunding of debt		232,599			232,599
Service concession arrangement			1,532,440		1,532,440
Pensions	30,622	62,864	12,512		105,998
Total Deferred Inflows of Resources	<u>30,622</u>	<u>295,463</u>	<u>1,544,952</u>		<u>1,871,037</u>
NET POSITION					
Net investment in capital assets	40,550,744	28,567,206	38,869,380	246,462	108,233,792
Restricted for:					
Capital projects		43,069			43,069
Debt service	116,320				116,320
Unrestricted	10,099,932	8,463,336	(1,611,286)	1,653,712	18,605,694
Total Net Position	<u>\$50,766,996</u>	<u>\$37,073,611</u>	<u>\$37,258,094</u>	<u>\$1,900,174</u>	<u>\$126,998,875</u>

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, 2017

	Business-type Activities-Enterprise Funds				Total
	Major				
	Sewer Fund	Water Fund	Port Fund	Refuse Fund	
OPERATING REVENUES					
Charges for current services	\$12,426,795	\$10,372,876	\$2,645,948	\$7,317,754	\$32,763,373
Connection fees	610,193	1,298,449			1,908,642
Other operating revenues		22,241	89,537		111,778
Total Operating Revenues	<u>13,036,988</u>	<u>11,693,566</u>	<u>2,735,485</u>	<u>7,317,754</u>	<u>34,783,793</u>
OPERATING EXPENSES					
Salaries and benefits	1,751,365	3,056,678	522,164	299,334	5,629,541
Operations and maintenance	9,654,655	4,146,318	1,010,749	6,894,475	21,706,197
Depreciation and amortization	1,628,130	3,277,611	1,522,588		6,428,329
Total Operating Expenses	<u>13,034,150</u>	<u>10,480,607</u>	<u>3,055,501</u>	<u>7,193,809</u>	<u>33,764,067</u>
Operating Income (Loss)	<u>2,838</u>	<u>1,212,959</u>	<u>(320,016)</u>	<u>123,945</u>	<u>1,019,726</u>
NONOPERATING REVENUES (EXPENSES)					
Interest revenue	80,184	84,051	13,213	14,948	192,396
Gain (loss) on disposal of capital assets	(621,429)	(864,317)			(1,485,746)
Other nonoperating revenues	9,731	246,007	314,031	164	569,933
Interest expense	(28,050)	(2,328,174)	(125,771)		(2,481,995)
Total Nonoperating Revenues (Expenses)	<u>(559,564)</u>	<u>(2,862,433)</u>	<u>201,473</u>	<u>15,112</u>	<u>(3,205,412)</u>
Income (Loss) Before Capital Contributions and	<u>(556,726)</u>	<u>(1,649,474)</u>	<u>(118,543)</u>	<u>139,057</u>	<u>(2,185,686)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital contributions	561,719	463,277			1,024,996
Transfers in	22,000	806,058	271,515	732	1,100,305
Transfers (out)	(87,708)	(291,223)		(75,687)	(454,618)
Net Capital Contributions and Transfers	<u>496,011</u>	<u>978,112</u>	<u>271,515</u>	<u>(74,955)</u>	<u>1,670,683</u>
Change in Net Position	<u>(60,715)</u>	<u>(671,362)</u>	<u>152,972</u>	<u>64,102</u>	<u>(515,003)</u>
NET POSITION, BEGINNING	<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>
ENDING NET POSITION	<u>\$50,766,996</u>	<u>\$37,073,611</u>	<u>\$37,258,094</u>	<u>\$1,900,174</u>	<u>\$126,998,875</u>

See accompanying notes to financial statements

CITY OF WEST SACRAMENTO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 For the Year Ended June 30, 2017

	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	\$12,681,910	\$11,308,251	3,099,353	\$7,260,290	\$34,349,804
Payments to suppliers	(10,771,316)	(4,360,768)	(815,710)	(6,897,498)	(22,845,292)
Payments to employees	(1,461,966)	(3,007,141)	(512,504)	(299,334)	(5,280,945)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	448,628	3,940,342	1,771,139	63,458	6,223,567
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers and subsidies from other funds	22,000	806,058	(50,000)	732	778,790
Transfers to other funds	(87,708)	(291,223)		(75,687)	(454,618)
Service concession amortization			846,864		846,864
Noncapital financing received	9,731	246,007	314,031	164	569,933
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(55,977)	760,842	1,110,895	(74,791)	1,740,969
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Repayments of notes receivable	53,389	1,663			55,052
Purchases of capital assets	(79,140)	(3,726,787)	(95,415)	(246,462)	(4,147,804)
Cash received on disposal of capital assets	2,235				2,235
Principal payments on long-term liabilities	(249,805)	(1,926,269)	(1,872,400)		(4,048,474)
Interest paid	(28,937)	(2,550,394)	(127,946)		(2,707,277)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(302,258)	(8,201,787)	(2,095,761)	(246,462)	(10,846,268)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	80,150	84,029	13,213	14,948	192,340
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	80,150	84,029	13,213	14,948	192,340
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	170,543	(3,416,574)	799,486	(242,847)	(2,689,392)
Cash and Cash Equivalents, Beginning of the Year	9,018,959	12,372,051	1,107,284	1,479,318	23,977,612
Cash and Cash Equivalents, End of the Year	<u>\$9,189,502</u>	<u>\$8,955,477</u>	<u>\$1,906,770</u>	<u>\$1,236,471</u>	<u>\$21,288,220</u>
Reconciliation:					
Cash and investments	\$9,073,152	\$8,912,408	\$1,906,770	\$1,236,471	\$21,128,801
Restricted assets:					
Cash and investments	116,350				116,350
Cash and investments with fiscal agents		43,069			43,069
Total Cash and Cash Equivalents	<u>\$9,189,502</u>	<u>\$8,955,477</u>	<u>\$1,906,770</u>	<u>\$1,236,471</u>	<u>\$21,288,220</u>

(Continued)

CITY OF WEST SACRAMENTO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (CONTINUED)
 For the Year Ended June 30, 2017

	Business-type Activities-Enterprise Funds				Total Proprietary Funds
	Sewer Fund	Water Fund	Port Fund	Refuse Fund	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$2,838	\$1,212,959	(\$320,016)	\$123,945	\$1,019,726
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	1,628,130	3,277,611	1,522,588		6,428,329
Other income amortized			(148,532)		(148,532)
Changes in assets and liabilities:					
Decrease (increase) in accounts receivable	96,954	(46,203)	395,648	(63,761)	382,638
Decrease (increase) in due from other governments	(452,032)	(339,112)		6,297	(784,847)
Increase (decrease) in prepaid expenses	159	133			292
Increase (decrease) in accounts payable	(58,980)	(209,723)	122,629	(12,614)	(158,688)
Increase (decrease) in due to other governments	(973,621)	17,510	67		(956,044)
Increase (decrease) in unearned revenue			116,752		116,752
Increase (decrease) in salaries and benefits payable	10,081	(41,882)	(11,229)		(43,030)
Increase (decrease) in refundable deposits	12,115	28,297	50,000	9,591	100,003
Increase (decrease) in net pension liability and related deferred inflows and outflows of resources	182,984	40,752	43,232		266,968
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$448,628	\$3,940,342	\$1,771,139	\$63,458	\$6,223,567
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES					
Amortization of deferred inflows of resources			\$698,332		
Amortization of deferred amount on refunding		\$60,208			
Amortization of discounts and premiums on debt		(\$263,527)			
Contributed capital assets	\$561,719	\$463,277			

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, 2017

	Private-Purpose Trust Funds	Agency Funds
ASSETS		
Cash and investments in City Treasury	\$9,625,298	\$21,985,545
Accounts receivable and other assets		19,369
Prepays	2,490	
Grants receivable		22,211,563
Due from other governments		1,586,433
Restricted assets:		
Cash and investments		27,305,049
Cash and investments with fiscal agent	271	19,048,013
Capital assets:		
Not being depreciated	1,142,925	
Total Assets	10,770,984	\$92,155,972
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding of debt	1,695,848	
Total Deferred Outflows of Resources	1,695,848	
LIABILITIES		
Accounts payable	34,206	\$4,212,071
Refundable deposits	11,358	
Interest payable	1,178,307	
Due to other governments		34,090,737
Unearned revenue		26,200,767
Due for special assessment debt service		27,652,397
Noncurrent liabilities, due within one year	4,869,783	
Noncurrent liabilities, due after one year	87,537,907	
Total Liabilities	93,631,561	\$92,155,972
NET POSITION (DEFICIT) HELD IN TRUST FOR OTHERS	(\$81,164,729)	

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, 2017

	<u>Private-Purpose Trust Funds</u>
ADDITIONS:	
Taxes:	
Property taxes	\$10,330,429
Fees, licenses and permits	4,505
Use of money and property	23,612
Gain on sale of capital assets	424,082
Other revenue	2,733
	<u>10,785,361</u>
DEDUCTIONS:	
Community Development	987,795
Debt service:	
Interest and fiscal charges	3,599,769
Debt Issuance Costs	451,612
	<u>5,039,176</u>
Total Deductions	<u>5,039,176</u>
Change in Net Position	5,746,185
BENINNING NET POSITION	<u>(86,910,914)</u>
ENDING NET POSITION	<u><u>(\$81,164,729)</u></u>

See accompanying notes to financial statements

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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 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

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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. 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.

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

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Joint Ventures – The City is a member of a number of joint powers authorities in which the City has only a residual equity interest in the related entity. The City is not liable for the liabilities of the entities if they dissolve. The City is a member of the following joint ventures: Regional Water Authority (advances water issues), River City Regional Stadium Financing Authority (used for Raley's Field debt), Riverfront Joint Powers Authority (used for Streetcar project described in Note 17.C), Sacramento Area Council of Governments (transportation planning agency), Sacramento Regional County Sanitation District (sewer treatment), West Sacramento Area Flood Control Agency Joint Powers Authority (levee improvements), Yolo County Transportation District (bus services), Yolo Habitat Conservancy (habitat conservation) and Yolo Subbasin Groundwater Authority (groundwater management). The financial statements of the joint powers authorities are available on the websites of the related entities, if applicable.

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.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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. When loans accounted for in the Low and Moderate Income Housing Fund are repaid, if the resources are not used for housing activities within three years, 20% of the resulting residual funds are required to be provided to the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund in accordance with AB 1484.

The City reports the following major enterprise funds:

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 \$806,406 at June 30, 2017 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, 2017, the utilities allowances were as follows:

Enterprise Funds			
Water	Sewer	Refuse	Total
\$ 1,479	\$ 2,821	\$ 656	\$ 4,956

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, 2017

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.

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 plan that will include decommissioning activities and will either set new sewer rates to provide resources for decommissioning or will sell the property to an external party subject to decommissioning requirements. 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, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned revenue in governmental funds represents unearned exchange 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.

**CITY OF WEST SACRAMENTO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments are reported at fair value. The General Fund and enterprise funds are generally used to liquidate pension liabilities.

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, 2017:

Fund	Deficit
Non-major Special Revenue Funds:	
Transit Fund	\$ (29,488)
Community Development Support Services Fund	(3,718)
Non-major Capital Projects Funds:	
Fire Facility Impact Fees Fund	(4,499,400)
Corporate Yard Impact Fees Fund	(1,927,591)

The deficit of the Transit Fund will be eliminated when the City claims and recognizes available Transportation Development Act revenues. The deficits of Community Development Support Services Special Revenue Fund and 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, 2017**

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, 2017; 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
Non-major Special Revenue Funds:			
Special Purposes Fund	\$ 2,414,284	\$ 2,501,064	\$ (86,780)
Road Fund	1,993,166	3,462,347	(1,469,181)
Economic Development Fund	9,000	24,923	(15,923)
Non-major Debt Service Funds:			
2012 Pension Obligation Bond Fund	1,672,084	1,673,684	(1,600)
2012 Refunding Lease Revenue Bond Fund	588,506	588,508	(2)
General Equipment Lease Fund	941,584	1,096,100	(154,516)
Non-major Capital Projects Funds:			
Fire Facility Impact Fees Fund	100,000	134,591	(34,591)
Drainage Impact Fees Fund	425,000	752,742	(327,742)
Corporate Yard Impact Fees Fund		14,948	(14,948)
Community Facilities District Fund		136,254	(136,254)
	\$ 8,143,624	\$ 10,385,161	\$ (2,241,537)

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017 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	\$ 82,421,825	\$ 21,128,801	\$ 9,625,298	\$ 21,985,545	\$ 135,161,469
Restricted assets:					
Cash and investments		116,350		27,305,049	27,421,399
Cash and investments with fiscal agents	3,080,960	43,069	271	19,048,013	22,172,313
Total	\$ 85,502,785	\$ 21,288,220	\$ 9,625,569	\$ 68,338,607	\$ 184,755,181

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

Cash on hand	\$ 9,365
Deposits with financial institutions	3,222,847
Total cash and deposits	<u>3,232,212</u>
Local Agency Investment Funds (LAIF)	104,172,887
U.S. Treasury Obligations	3,978,578
U.S. Agency Securities	9,522,182
Certificate of Deposits	9,912,345
Investment Agreements	2,378,268
State and Municipal Bonds	6,313,968
Medium Term Notes	10,039,590
Money Market Mutual Funds	14,934,423
Joint Powers Agreement (JPA) Pools (CAMP)	20,270,728
Total investments	<u>181,522,969</u>
Total cash and investments	<u>\$ 184,755,181</u>

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, 2017**

NOTE 3 - CASH AND INVESTMENTS (Continued)

During the year ended June 30, 2017, 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, 2017**

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, 2017

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	\$ 104,172,887	\$ 104,172,887			
U.S. Agency Securities	9,522,182	2,004,060	\$ 1,997,520	\$ 5,520,602	
Certificates of Deposits	8,949,223	1,737,217	1,749,340	5,462,666	
State and Municipal Bonds	6,313,968			6,313,968	
Medium Term Notes	10,039,590		1,009,040	9,030,550	
Money Market Mutual Funds	82,072	82,072			
JPA Pools (CAMP)	20,270,728	20,270,728			
Held by bond trustee:					
U.S. Treasury Obligations	3,978,578			3,978,578	
Certificates of Deposits	963,122	240,446	722,676		
Investment Agreements	2,378,268				\$ 2,378,268
Money Market Mutual Funds	14,852,351	14,852,351			
Total	\$ 181,522,969	\$ 143,359,761	\$ 5,478,576	\$30,306,364	\$ 2,378,268

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- /A1 to A3	
Local Agency Investment Fund	\$ 104,172,887					\$ 104,172,887
U.S. Agency Securities	9,522,182			\$ 9,522,182		
Certificates of Deposits	8,949,223	\$ 8,949,223				
State and Municipal Bonds	6,313,968		\$ 1,018,381	4,782,422	\$ 513,165	
Medium Term Notes	10,039,590		489,215	4,025,005	5,525,370	
Money Market Mutual Funds	82,072		82,072			
JPA Pools (CAMP)	20,270,728					20,270,728
Held by bond trustee:						
U.S. Treasury Obligations	3,978,578	3,978,578				
Certificates of Deposits	963,122	963,122				
Investment Agreements	2,378,268			2,378,268		
Money Market Mutual Funds	14,852,351		14,852,351			
Total	\$ 181,522,969	\$ 13,890,923	\$ 16,442,019	\$ 20,707,877	\$ 6,038,535	\$ 124,443,615

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, 2017**

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, 2017, the carrying amount of the City's deposits, including all certificates of deposit, was \$13,135,192 and the balance in financial institutions was \$14,261,146. Of the balance in financial institutions, \$10,143,463 was covered by federal depository insurance and \$4,117,683 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, 2017, City investments in investment agreements of \$2,378,268 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 \$77,616,683,602, which is managed by the State Treasurer. Of that amount, 2.89 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 194 days at June 30, 2017.

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, 2017**

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, 2017, these investments have an average maturity of 49 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, 2017:

	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	\$ 3,978,578		\$ 3,978,578	
U.S. Agency Securities	9,522,182		9,522,182	
Certificates of Deposit - Negotiable	9,912,345		9,912,345	
State and Municipal Bonds	6,313,968		6,313,968	
Medium Term Corporate Notes	10,039,590		10,039,590	
Investment Agreements	2,378,268			\$ 2,378,268
Total investments by fair value level	42,144,931	\$ -	\$ 39,766,663	\$ 2,378,268
Investments measured at net asset value or not categorized:				
Local Agency Investment Fund (LAIF)	104,172,887			
Money Market Mutual Funds	14,934,423			
California Asset Management Program (CAMP)	20,270,728			
Total investments measured at net asset value	139,378,038			
Total	\$ 181,522,969			

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, including for similar assets. 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 investment agreement classified as level 3 is valued using unobservable inputs as there are no active markets for the investment.

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 has not been marketable and is considered to have no value.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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	\$ 30,000
Total Due to/from Other Funds		<u>\$ 30,000</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, 2017, 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	3,284,582
Non-Major Governmental Funds	General Fund	3,106,661
	Non-Major Governmental Funds	<u>4,342,943</u>
Total Interfund Advances		<u>\$ 12,820,287</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. The General Fund also advanced \$2,100,000 and \$1,184,582 to the Port Enterprise Fund to provide cash needed to exercise the option to buy the Stone Lock property and to repay the Successor Agency to the Redevelopment Agency Private Purpose Trust Fund to unwind a transaction disallowed by the State Controller's Office, respectively. These amounts will be repaid with future wharfage and dockage revenue.

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 \$2,413,899 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 \$1,929,044 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, 2017**

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

C. Interfund Transfers

Fund Receiving Transfer	Fund Making Transfer	Amount
General Fund	Non-major Governmental Funds	\$ 970,170
HCD Block Grant Fund	Non-major Governmental Funds	229,571
Non-Major Governmental Funds	General Fund	7,502,241
	Non-major Governmental Funds	2,985,030
	Sewer Enterprise Fund	87,708
	Water Enterprise Fund	19,708
	Refuse Enterprise Fund	75,687
Sewer Enterprise Fund	General Fund	22,000
Water Enterprise Fund	General Fund	806,058
Port Enterprise Fund	Water Enterprise Fund	271,515
Refuse Enterprise Fund	Non-major Governmental Funds	732
		<u>\$ 12,970,420</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. A number of the notes are non-interest bearing and the remaining notes have 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 \$7,387,416 has been recorded in the governmental funds at June 30, 2017, and including \$5,487,416 for inclusionary housing receivables. Governmental activities interest receivable on loans of \$11,383,723 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 \$6,999,495 of the interest receivable that is deemed uncollectible and is offset with a valuation allowance at June 30, 2017.

A summary of governmental activities notes receivable at June 30, 2017 is as follows:

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 5 – NOTES RECEIVABLE (Continued)

Governmental- activities:	Balance at July 1, 2016	Additions	Repayments	Balance at June 30, 2017
General Fund	\$ 360,023		\$ (6,717)	\$ 353,306
HCD Block Grant Special Revneue Fund	17,789,578	\$ 698,501	(246,179)	18,241,900
Low Mod Income Housing Asset Special Revenue Fund	30,563,686	1,900,000	(16,542)	32,447,144
Non-Major Special Revenue Funds	434,755		(123,682)	311,073
Total	<u>\$ 49,148,042</u>	<u>\$ 2,598,501</u>	<u>\$ (393,120)</u>	<u>\$ 51,353,423</u>

During the fiscal year 2016/17, the City eliminated a \$1.9 million allowance for uncollectible loans receivable related to the Parkside Apartment Project in the Low Mod Income Housing Asset Special Revenue Fund because the State grant contingency period for the project ended during the year, resulting in the allowance being no longer necessary. The amount was recognized as other income in the Fund.

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, 2017 is as follows:

Business-type activities:	Balance at July 1, 2016	Additions	Repayments	Balance at June 30, 2017
Sewer Fund	\$ 618,240	\$ 22,841	\$ (76,230)	\$ 564,851
Water Fund	14,899		(1,663)	13,236
Total	<u>\$ 633,139</u>	<u>\$ 22,841</u>	<u>\$ (77,893)</u>	<u>\$ 578,087</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

CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 6 - CAPITAL ASSETS (Continued)

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.

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, 2017 is as follows:

Governmental Activities:	Balance at July 1, 2016	Additions	Retirements	Transfers	Balance at June 30, 2017
Capital assets, not being depreciated:					
Land	\$ 25,878,175	\$ 647,619			\$ 26,525,794
Construction in progress	32,875,123	7,308,666	(2,406,926)	\$(30,910,932)	6,865,931
Total capital assets, not being depreciated	<u>58,753,298</u>	<u>7,956,285</u>	<u>(2,406,926)</u>	<u>(30,910,932)</u>	<u>33,391,725</u>
Capital assets, being depreciated:					
Buildings	45,418,463				45,418,463
Improvements	30,712,165	136,254		9,695,090	40,543,509
Equipment	15,884,173	1,127,367	(258,880)		16,752,660
Infrastructure	442,382,964	3,272,611	(157,796)	21,215,842	466,713,621
Total capital assets, being depreciated	<u>534,397,765</u>	<u>4,536,232</u>	<u>(416,676)</u>	<u>30,910,932</u>	<u>569,428,253</u>
Less accumulated depreciation for:					
Buildings	(11,808,450)	(1,234,920)			(13,043,370)
Improvements	(12,672,469)	(828,091)			(13,500,560)
Equipment	(11,108,162)	(989,328)	258,880		(11,838,610)
Infrastructure	(207,332,204)	(10,020,972)	31,559		(217,321,617)
Total accumulated depreciation	<u>(242,921,285)</u>	<u>(13,073,311)</u>	<u>290,439</u>		<u>(255,704,157)</u>
Capital assets being depreciated, net	<u>291,476,480</u>	<u>(8,537,079)</u>	<u>(126,237)</u>	<u>30,910,932</u>	<u>313,724,096</u>
Governmental Activities Capital Assets, Net	<u>\$ 350,229,778</u>	<u>\$ (580,794)</u>	<u>\$ (2,533,163)</u>	<u>\$ -</u>	<u>\$ 347,115,821</u>

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 6 - CAPITAL ASSETS (Continued)

Business-type Activities:	Balance at July 1, 2016	Additions	Retirements	Transfers	Balance at June 30, 2017
Capital assets, not being depreciated:					
Land	\$ 12,686,552	\$ 54,350			\$ 12,740,902
Construction in progress	3,108,014	2,775,135	\$ (1,179,989)	\$ (3,604,733)	1,098,427
Total capital assets, not being depreciated	<u>15,794,566</u>	<u>2,829,485</u>	<u>(1,179,989)</u>	<u>(3,604,733)</u>	<u>13,839,329</u>
Capital assets, being depreciated:					
Buildings	32,971,533				32,971,533
Improvements	56,022,850	961,314	(44,085)	2,497,428	59,437,507
Equipment	6,319,012	357,005	(420,947)	1,057,703	7,312,773
Infrastructure	185,285,221	1,024,997	(414,973)	49,602	185,944,847
Total capital assets, being depreciated	<u>280,598,616</u>	<u>2,343,316</u>	<u>(880,005)</u>	<u>3,604,733</u>	<u>285,666,660</u>
Less accumulated depreciation for:					
Buildings	(26,122,427)	(409,029)			(26,531,456)
Improvements	(32,956,540)	(1,403,869)	44,085		(34,316,324)
Equipment	(3,501,302)	(367,425)	420,947		(3,447,780)
Infrastructure	(63,872,940)	(4,248,006)	106,980		(68,013,966)
Total accumulated depreciation	<u>(126,453,209)</u>	<u>(6,428,329)</u>	<u>572,012</u>		<u>(132,309,526)</u>
Capital assets being depreciated, net	<u>154,145,407</u>	<u>(4,085,013)</u>	<u>(307,993)</u>	<u>3,604,733</u>	<u>153,357,134</u>
Business-type Activities Capital Assets, Net	<u>\$ 169,939,973</u>	<u>\$ (1,255,528)</u>	<u>\$ (1,487,982)</u>	<u>\$ -</u>	<u>\$ 167,196,463</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. 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	\$ 1,923,342
Public works	9,177,353
Public safety	961,611
Community development	179,184
Culture and recreation	<u>831,821</u>
Total Governmental Activities	
Depreciation Expense	<u>\$ 13,073,311</u>

CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 6 - CAPITAL ASSETS (Continued)

Sewer	\$ 1,628,130
Water	3,277,611
Port	<u>1,522,588</u>
Total Business-type Activities	
Depreciation Expense	<u>\$ 6,428,329</u>

NOTE 7 - LONG TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017

	Balance at July 1, 2016	Transfer	Incurred	Retired	Balance at June 30, 2017	Due Within One Year
Governmental Activities:						
Revenue Bonds:						
2011 Refunding Lease Revenue Bonds 4.65%-5.530%, due 09/1/30	\$ 5,622,604			\$ (327,863)	\$ 5,294,741	\$ 340,106
2012 Refunding Lease Revenue Bonds 2.9%, due 03/1/30	6,711,363			(396,734)	6,314,629	409,865
Pension Obligation Bonds						
2012 Pension Obligation Bonds Part 1 4.10%, due 02/17/21	3,576,400			(568,300)	3,008,100	635,500
2012 Pension Obligation Bonds Part 2 4.42%, due 02/17/19	2,826,500			(844,600)	1,981,900	937,100
Other:						
US Bank Leases	1,586,630	\$ 297,209	\$ 352,687	(558,106)	1,678,420	212,153
Street Lighting Loans	1,112,638			(146,305)	966,333	150,330
Portable Radio Loan	519,086			(57,265)	461,821	59,293
Public Works Equipment Loan	297,209	(297,209)				
Solar Panels Lease	2,952,708			(162,183)	2,790,525	166,574
Total Governmental Activity Debt, Net	<u>25,205,138</u>		352,687	(3,061,356)	22,496,469	2,910,921
Compensated absences	3,508,911		2,059,377	(861,915)	4,706,373	1,452,823
Net pension liability	55,191,766		23,818,023	(10,786,845)	68,222,944	
	<u>83,905,815</u>	<u>\$ -</u>	<u>\$ 26,230,087</u>	<u>\$ (14,710,116)</u>	<u>95,425,786</u>	<u>\$ 4,363,744</u>
Less: Due within one year	<u>(4,406,227)</u>				<u>(4,363,744)</u>	
Due in More than One Year	<u>\$ 79,499,588</u>				<u>\$ 91,062,042</u>	

Note that the amount reported as a Public Works Equipment Loan was a US Bank lease. The amount was reclassified to be reported consistently with the current classification.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 7 – LONG TERM LIABILITIES (Continued)

	Balance at July 1, 2016	Incurred	Retired	Balance at June 30, 2017	Due Within One Year
Business-type Activities:					
Revenue Bonds:					
1978 Sewer Revenue Bonds, Series A 5.00%, due 07/1/19	\$ 320,000		\$ (100,000)	\$ 220,000	\$ 105,000
Water Revenue Bonds, Series 2012 2.00%-5.00%, due 04/1/35	40,135,000		(555,000)	39,580,000	575,000
Water Revenue Bonds, Series 2013 2.00%-5.00%, due 10/1/24	13,955,000		(1,295,000)	12,660,000	1,350,000
Other:					
Port Construction Note	2,419,698		(150,451)	2,269,247	155,673
Sewer Notes Payable	1,307,884		(149,805)	1,158,079	151,272
Water Leases Payable	1,200,163		(76,269)	1,123,894	77,664
Port Service Concession Arrangement	2,511,558		(1,350,929)	1,160,629	204,037
Other Port Liabilities	371,020		(371,020)		
	<u>62,220,323</u>		<u>(4,048,474)</u>	<u>58,171,849</u>	<u>2,618,646</u>
Unamortized bond premiums	4,456,763		(263,526)	4,193,237	
Total Business-type Activity Debt	<u>66,677,086</u>		<u>(4,312,000)</u>	<u>62,365,086</u>	<u>2,618,646</u>
Deferred Decommissioning Costs	7,328,793			7,328,793	
Compensated absences	194,111	\$ 82,113	(19,488)	256,736	77,022
Net pension liability	1,588,769	709,247	(314,158)	1,983,858	
	<u>75,788,759</u>	<u>\$ 791,360</u>	<u>\$ (4,645,646)</u>	<u>71,934,473</u>	<u>\$ 2,695,668</u>
Less: Due within one year	<u>(3,147,748)</u>			<u>(2,695,668)</u>	
Due in More than One Year	<u>\$ 72,641,011</u>			<u>\$ 69,238,805</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, 2017

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 entered into 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%. This lease was paid off in the current year.

On October 19, 2013, the City entered into 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%. This lease was paid off in the current year.

On October 14, 2015, the City entered into 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 entered into 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.

On February 21, 2017 the City entered into a \$352,686 lease to finance the purchase of police body cameras. Principal payments of \$71,822 to \$73,155 and interest payments of \$1,333 to \$5,187 are due annually February through 2021. The lease bears an interest rate of 1.86%.

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 \$1,230,598.

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, 2017

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 \$3,984,982 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 \$3,845,251 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 \$236,750. The Sewer Enterprise Fund's principal and interest paid for the current year and total customer net revenues less depreciation were \$116,000 and \$1,702,334, respectively; therefore, approximately 7% of Sewer Fund revenue is pledged for the bonds.

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 all bonds for which revenue is pledged is \$78,068,100. The Water Enterprise Fund's principal and interest paid for the current year on and total customer net revenues were \$4,350,900 and \$5,335,463, respectively; therefore, approximately 80% of Water Fund revenue is pledged for the bonds.

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

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 7 – LONG TERM LIABILITIES (Continued)

Enterprise Fund. Principal payments of \$1,200,000 to \$1,850,000 are due annually on October 1 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. See the disclosure of pledged revenues and payments under the Series 2012 Bonds footnote above.

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 \$2,773,623. The Port Enterprise Fund's principal and interest paid for the current year and total customer net revenues were \$229,629 and \$1,822,220, respectively; therefore, approximately 13% of the Port Fund's revenue is pledged.

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, 2017**

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.

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. 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, 2017**

NOTE 7 – LONG TERM LIABILITIES (Continued)

B. Debt Service Requirements

Debt service requirements are shown below except for the Lighthouse Assessment District Loan and deferred decommissioning costs as the repayment terms cannot be determined at this time:

Year Ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 2,910,921	\$ 728,364	\$ 2,618,646	\$ 2,631,090
2019	3,131,918	611,664	2,713,238	2,550,619
2020	2,205,494	513,697	2,672,989	2,459,288
2021	2,341,148	427,811	2,778,111	2,362,529
2022	1,429,092	361,690	2,888,609	2,260,767
2023-2027	6,646,644	1,157,381	15,072,610	8,983,110
2028-2032	3,831,252	211,856	17,412,645	5,011,274
2033-2035			12,015,000	900,500
	<u>\$ 22,496,469</u>	<u>\$ 4,012,464</u>	<u>\$ 58,171,849</u>	<u>\$ 27,159,177</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&B, were issued June 2006 to refund various previously issued special assessment bonds. The Special Tax Refunding Bonds, Series 2014 were issued February 2014 to refund previously issued CFD 8&9 Series “F” Special Tax Bonds. Balances of the agency bonds are as follows as of June 30, 2017:

Community Facilities District No. 12 Raley’s Field 2013	\$ 4,553,500
Community Facilities District No. 14 Newport 2004	6,485,000
Community Facilities District No. 20 Bridgeway Lakes	8,360,000
Community Facilities District No. 26 Yarbrough	4,000,000
Community Facilities District No. 27 Bridge District 2016 Special Tax Refunding	15,680,000
Special Tax Revenue Bonds - Series 2006A	34,810,000
Special Tax Revenue Bonds - Series 2006B	2,780,000
Special Tax Revenue Bonds - Series 2012	5,645,000
Special Tax Refunding Bonds, Series 2014	30,290,000
Special Tax Refunding Bonds, Senior Series 2016	8,680,000
Special Tax Refunding Bonds, Subordinate Series 2016	3,365,000
River City Regional Stadium Financing Authority	28,295,000
West Sacramento Area Flood Control Agency JPA Bond	12,230,000
West Sacramento Area Flood Control Agency 2015 Revenue Bonds	27,410,000
Total	<u>\$ 192,583,500</u>

In June 2017, the City Council authorized the issuance of Community Facilities District No. 27 Special Tax Revenue Bonds, Series 2017, not to exceed \$17,000,000 to be used for capital projects.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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.

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.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 9 – NET POSITION AND FUND BALANCE (Continued)

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, 2017**

NOTE 9 – NET POSITION AND FUND BALANCE (Continued)

Detailed classifications of the City’s governmental fund balances, as of June 30, 2017, 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	\$ 353,306	\$ 18,241,900	\$ 32,447,144	\$ 311,073	\$ 51,353,423
Prepays	37,834			2,976	40,810
Prepaid lease				2,100,000	2,100,000
Advances to other funds	5,370,683			7,449,604	12,820,287
Land held for sale	3,220,184				3,220,184
Total Nonspendable Fund Balances	8,982,007	18,241,900	32,447,144	9,863,653	69,534,704
Restricted for:					
Low income housing projects		2,146,085	365,705		2,511,790
Landscaping and street lighting projects				5,843,959	5,843,959
Hazardous materials enforcement				114,449	114,449
Information technology				118,673	118,673
Storm water maintenance projects				44,652	44,652
Educational activities				653,486	653,486
Public art projects				60,971	60,971
Economic development				54,401	54,401
Equipment				52,555	52,555
Public safety programs and projects				715,529	715,529
Childcare facilities				280,631	280,631
Construction and building improvement projects				374,846	374,846
Capital projects				1,975,130	1,975,130
Street projects and traffic improvements				3,397,561	3,397,561
Tree mitigation and park improvements				2,312,096	2,312,096
Community facilities districts				5,734,575	5,734,575
Flood protection projects				3,264,788	3,264,788
Total Restricted Fund Balances		2,146,085	365,705	24,998,302	27,510,092
Committed to:					
Operations and maintenance measure K	4,778,000				4,778,000
Capital improvements measure K	2,417,180				2,417,180
Community programs				1,390,403	1,390,403
Public safety programs and projects				738,026	738,026
Equipment and maintenance				6,884,413	6,884,413
Capital projects				365,646	365,646
Debt service				1,712,027	1,712,027
Construction and building improvement projects	2,417,961			7,287,770	9,705,731
Community investment measure G				94,872	94,872
Southport Mello-Roos District				536,881	536,881
Total Committed Fund Balances	9,613,141			19,010,038	28,623,179
Assigned to:					
Council projects	3,168,632			335,487	3,504,119
Total Assigned Fund Balances	3,168,632			335,487	3,504,119
Unassigned in:					
General Fund	25,162,118				25,162,118
Special Revenue Funds				(35,059)	(35,059)
Capital Project Funds				(6,426,991)	(6,426,991)
Total Unassigned Fund Balances	25,162,118			(6,462,050)	18,700,068
Total fund balances (deficit)	\$ 46,925,898	\$ 20,387,985	\$ 32,812,849	\$ 47,745,430	\$ 147,872,162

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 10 – PENSION PLANS

A. General Information about the Defined Benefit 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 during the year ended June 30, 2017, 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	19.341%	19.341%	19.341%

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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	15.211%	12.331%	12.082%
Total employer contribution rates	<u>19.536%</u>	<u>16.656%</u>	<u>12.082%</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	19.536%	16.656%	12.082%

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

Employees Covered – At the June 30, 2016 measurement date, the following employees were covered by the benefit terms for the Miscellaneous Plan:

Inactive employees or beneficiaries currently receiving benefits	203
Inactive employees entitled to but not yet receiving benefits	357
Active employees	<u>272</u>
 Total	 <u><u>832</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 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.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 10 – PENSION PLANS (Continued)

For the year ended June 30, 2017, the contributions recognized as part of pension expense were as follows:

	Miscellaneous Agent Plan	Public Safety Cost Sharing Plan	Total
Contributions	\$ 3,219,481	\$ 3,413,718	\$ 6,633,199

B. Net Pension Liability of Defined Benefit Pension Plans

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, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 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, 2017, 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	\$ 34,308,880
Public Safety Cost Sharing Plan - Proportionate Share	35,897,922
Total net pension liability	\$ 70,206,802
Reconciliation to Statement of Net Position:	
Governmental Activities	68,222,944
Business-type Activities	1,983,858
	\$ 70,206,802

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, 2016, 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, 2016 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.

**CITY OF WEST SACRAMENTO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 10 – PENSION PLANS (Continued)

The City’s proportionate share of the net pension liability for the Public Safety Plan as of June 30, 2016 and 2015 was as follows:

	Public Safety Cost Sharing Plan
Proportion - June 30, 2015	0.673117%
Proportion - June 30, 2016	0.693115%
Change - Increase (Decrease)	0.019998%

Actuarial Assumptions – The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions for all agent and cost sharing Plans:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
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.

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.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 10 – PENSION PLANS (Continued)

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	20.0%	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	1.0%	(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, 2017

NOTE 10 – PENSION PLANS (Continued)

C. Changes in the Net Pension Liability of the Defined Benefit Pension Plans

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	\$ 107,084,469	\$ 78,039,339	\$ 29,045,130
Changes in the year:			
Service cost	2,674,614		2,674,614
Interest on the total pension liability	8,066,337		8,066,337
Differences between actual and expected experience	(795,717)		(795,717)
Changes in assumptions			-
Differences between expected and actual experience			-
Plan to plan resource movement			-
Contribution - employer		3,052,035	(3,052,035)
Contribution - employee		1,261,639	(1,261,639)
Net investment income		415,371	(415,371)
Benefit payments, including refunds of employee contributions	(4,367,508)	(4,367,508)	-
Administrative expense		(47,561)	47,561
Net changes	<u>5,577,726</u>	<u>313,976</u>	<u>5,263,750</u>
Balance at June 30, 2016	<u>\$ 112,662,195</u>	<u>\$ 78,353,315</u>	<u>\$ 34,308,880</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	\$ 50,043,295	\$ 54,807,649
Current Discount Rate	7.65%	7.65%
Net Pension Liability	\$ 34,308,880	\$ 35,897,922
1% Increase	8.65%	8.65%
Net Pension Liability	\$ 21,336,233	\$ 20,374,975

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, 2017**

NOTE 10 – PENSION PLANS (Continued)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Defined Benefit Pension Plans

For the year ended June 30, 2017, the City recognized pension expense of \$8,036,551 for the agent and cost sharing Plans combined. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to all Plans combined from the following sources:

	Miscellaneous Plan		Public Safety Plan		Total Deferred Outflows of of Resources	Total Deferred Inflows of of Resources
	Deferred Outflows of of Resources	Deferred Inflows of of Resources	Deferred Outflows of of Resources	Deferred Inflows of of Resources		
Pension contributions subsequent to measurement date	\$ 3,219,481		\$ 3,413,718		\$ 6,633,199	
Differences between actual and expected experience		\$(1,022,058)		\$ (238,136)		\$ (1,260,194)
Changes in assumptions		(811,076)		(1,038,290)		(1,849,366)
Net differences between projected and actual earnings on plan investments	4,303,935		5,101,069		9,405,004	
Change in employer's proportion			555,840		555,840	
Difference between employer's contribution and proportionate share				(599,316)		(599,316)
Total	\$ 7,523,416	\$(1,833,134)	\$ 9,070,627	\$(1,875,742)	\$ 16,594,043	\$ (3,708,876)

The \$6,633,199 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, 2017. 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	Miscellaneous Plan	Public Safety Plan	Total
2018	\$ (505,146)	\$ 13,827	\$ (491,319)
2019	39,759	162,255	202,014
2020	1,828,570	2,277,128	4,105,698
2021	1,107,618	1,327,957	1,327,957
Total	\$ 2,470,801	\$ 3,781,167	\$ 5,144,350

E. Payables to the Defined Benefit Pension Plans

The City reported payables for the outstanding amount of contributions to the Plans required for the year ended June 30, 2017:

Miscellaneous Agent Plan	\$ 83,475
Public Safety Cost Sharing Plan	64,987
Total	\$ 148,462

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 10 – PENSION PLANS (Continued)

F. Defined Contribution Retirement Plans

IRC Section 401(a) Plans – The City makes four IRC Section 401(a) plans (the Plans) available to eligible participants. Participants are eligible to participate after 12 months of service unless indicated otherwise below. The Plans are administered by the City. Benefit terms, including contribution requirements, for the Plans are established and may be amended by the City Council. Participants are fully vested in employer (if applicable) and participant contributions at the contribution date. Contributions are deposited into self-directed investment accounts for each participant at the trust administrators. The Plans qualify as 401(a) tax-qualified multiple employer trust funds. The City has the following IRC Section 401(a) plans:

ICMA Plan 107768 – This Plan is available only to the City Manager. The City contributes 9% and the participant contributes 5.5% of participant compensation to the Plan.

ICMA Plan 109931 – This Plan is available only to Department Heads and City Council members. The City contributes 5.5% and the participants contribute 4.5% of participant compensation to the Plan.

ICMA Plan 109885 – This Plan is available only to management employees other than Department Heads and the City Manager. The City contributes 1.5% of participant compensation to the Plan. Participants are not required to contribute to the Plan.

The plans above are administered by the ICMA Retirement Corporation.

The PARS Alternate Retirement System (PARS-ARS) Plan - All part-time, seasonal and temporary employees that are not covered by social security or another retirement plan are allowed to participate in the PARS-ARS Plan. Employees are eligible to participate as of the employee's hire date. The PARS-ARS plan document does not allow employer contributions and requires participants to contribute 7.5% of their compensation. The PARS-ARS trustee is MUFG Union Bank.

During the year ending 2017, the City contributed \$82,102 to the plans above on a combined basis. The amount contributed to each plan and contributed by participants was not available at the issuance date of the financial statements.

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.

**CITY OF WEST SACRAMENTO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

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, 2017, are summarized as follows:

Eligibility: Service - age 50, 5 years of service and retire directly from City under CalPERS or disability retirement.

Medical and Dental			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
FFA	No	PEMHCA	100% of premiums		\$750
Dept. Head (Non-safety)	Yes	City	5-9 YOS \$75 + 30% of premiums		Retired < 7/1/11 or
			10-14 YOS \$100 + 50% of premiums		Employees with 20+
			15-19 YOS \$150 + 75% of premiums		YOS as of 7/1/11 no
			20+ YOS 100% of premiums		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:		Single \$737
			10-14 YOS 50% of premiums		2 party \$1,185
			15-19 YOS 75% of premiums		Family \$1,511
			20+ YOS 90% of premiums		
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			10-14 YOS \$50 + 25% of premiums		Lesser of 75% of Total
			15-19 YOS \$75 + 30% of premiums		Premiums or \$750
			20+ YOS \$100 + 50% of premiums		POA(Non-Safety) Not to exceed
Stationary Engineers	Yes	City			POA active cafeteria amounts
City Council	No	City	100% Self pay by the retiree		\$0

Vision

Benefit: None - City pays 100% of vision premiums for one former City Manager.

Surviving

Spouse

Benefit 100% of retiree benefit continues to surviving spouse if retiree elects survivor annuity under retirement plan.

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 be 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.

The General Fund and enterprise funds are generally used to liquidate OPEB liabilities.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

C. Annual OPEB Cost

For the year ended June 30, 2017, the City’s annual OPEB cost (expense) of \$2,151,000 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, 2017 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, 2015	\$ 2,518,000	100%	None
June 30, 2016	2,083,000	100%	None
June 30, 2017	2,151,000	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)	\$ (15,438,000)
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 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

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

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.

F. Section 115 Trust Fund

On June 14, 2017, the City Council approved establishing a IRC Section 115 trust fund with Public Agency Retirement Services (PARS) for the OPEB plan. The PARS trust is expected to provide advantages over the existing CalPERS CERBT due to the ability to diversify investments to allow for higher returns. Management recommended contributing 50% of its OPEB ARC to the PARS Section 115 trust and 50% to the CalPERS CERBT and to review the performance of the two trust funds on an annual basis for the first three years. No contributions were made to the PARS trust as of June 30, 2017.

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.

**CITY OF WEST SACRAMENTO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 12 – RISK MANAGEMENT (Continued)

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, 2017. 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.

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, 2017**

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.

On April 27, 2010, the City settled a lawsuit that alleged certain American's with Disabilities Act (ADA) access violations existed at certain City parks and intersections. Without admitting fault, the City settled the lawsuit by agreeing to make certain parks ADA compliant within 10 years and one park ADA compliant within 15 years. The remaining improvements are budgeted at approximately \$1,949,000 at June 30, 2017. The intersection improvements were completed in previous years.

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, 2017. 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, 2017**

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. While the State has required 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 Successor complied with these payments totaling \$8,657,818. The City completed required residual payments including: 1) the Low and Moderate Income Housing Fund payment, 2) the “July True Up” payment, and 3) the Other Funds and Accounts payment. The State Department of Finance issued a Finding of Completion letter on May 13, 2013.

E. Long-Term Commitments

The City had the following significant contract commitments as of June 30, 2017:

	<u>Appropriation</u>	<u>Expended June 30, 2017</u>	<u>Commitment</u>
Water Projects	\$ 13,047,692	\$ 6,361,607	\$ 6,686,085
City Park Improvements	9,818,434	5,606,356	4,212,078
Sewer Projects	2,008,539	1,457,799	550,740
City Facilities Projects	10,731,403	8,727,653	2,003,750
Drainage and Flood Control Projects	3,204,435	1,786,201	1,418,234
Transportation Projects	66,429,788	24,190,298	42,239,490
Community Investment Projects	18,075,260	4,133,503	13,941,757
Total commitments	<u>\$ 123,315,551</u>	<u>\$ 52,263,416</u>	<u>\$ 71,052,135</u>

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017 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, 2017 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.

H. Port District Agreement to Purchase Land

In April 2017, the Port District approved a Purchase and Sale Agreement (the Agreement) with Equilon Enterprises, Inc. d/b/a Shell Oil Products US (Equilon) where Equilon agreed to sell approximately 8.89 acres of land to the Port District for \$3 million. The Agreement requires Equilon to terminate operations at the property by March 31, 2021 and to demolish and remove the facility on the property by December 31, 2021. The property has been identified as contaminated under state and federal regulations and the Agreement requires the property to be remediated by May 31, 2025. The Port District may terminate the Agreement if the property has not been remediated by this date. Equilon is responsible for all expenses of the property prior to the close of escrow, which is required to occur no later than November 30, 2025.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 14 - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

I. 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, 2017.

Year Ending June 30:	Washington School District Lease	Port Leases	
	Payable	SSA Lease Receivable	Other Leases Receivable
2018	\$ 1,095,342	\$ 669,696	\$ 1,619,763
2019	1,095,342		1,163,823
2020	1,095,342		1,128,764
2021	1,095,342		1,022,190
2022	1,095,342		887,828
2023-2027	5,476,710		4,193,345
2028-2032	5,476,710		4,589,797
2033-2037	5,476,710		3,954,678
2038-2042	1,643,013		3,744,896
2043-2047			4,128,779
2048-2052			4,552,617
2052-2056			2,953,178
	<u>\$ 23,549,853</u>	<u>\$ 669,696</u>	<u>\$ 33,939,658</u>

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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. Pursuant to Senate Bill 107, on July 1, 2018, a single consolidated County Oversight Board was established for the four city Oversight Boards.

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. Currently, the last of the obligations of the former Redevelopment Agency will terminate in 2037.

The following disclosures of the Successor Agency as of June 30, 2017 are required by debt continuing disclosure requirements.

A. Capital Assets

Successor Agency capital asset activity was as follows for the year ended June 30, 2017:

	Balance at July 1, 2016	Additions	Retirements	Balance at June 30, 2017
<i>Governmental Activities</i>				
Capital Assets, not being depreciated:				
Land	\$ 1,151,308		\$ (8,383)	\$ 1,142,925
Governmental Activities				
Capital Assets, net	\$ 1,151,308	\$ -	\$ (8,383)	\$ 1,142,925

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017:

	Balance at July 1, 2016	Incurred	Retired	Balance at June 30, 2017	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	4,465,000		(1,410,000)	\$ 3,055,000	\$ 1,485,000
Tax Allocation Bonds:					
2004 Tax Allocation Bonds Series B, 2.3%-5.25%, due 09/1/2035	2,635,000		(610,000)	2,025,000	640,000
2014 Tax Allocation Refunding Bonds 3.91%, due 09/01/2029	55,293,416		(2,529,326)	52,764,090	2,603,184
2014 Subordinate Tax Allocation Refunding Bonds 3.91%, due 09/01/2029	8,768,315		(16,771)	8,751,544	17,494
2016 Subordinate Tax Allocation Refunding Bonds 3.0%-5.0%, due 09/01/2036		\$ 20,705,000		20,705,000	
	<u>93,991,731</u>	<u>20,705,000</u>	<u>(27,396,097)</u>	<u>87,300,634</u>	<u>4,745,678</u>
Notes Payable:					
Cemex 4%, due 10/1/2023	1,792,876		(119,332)	1,673,544	124,105
Unamortized bond (premiums)/discounts	(304,345)	3,617,191	120,666	3,433,512	
Total Debt, Net	<u>95,480,262</u>	<u>\$ 24,322,191</u>	<u>\$ (27,394,763)</u>	<u>92,407,690</u>	<u>\$ 4,869,783</u>
Less: Due within one year	<u>(4,685,429)</u>			<u>(4,869,783)</u>	
Due in more than one year	<u>\$ 90,794,833</u>			<u>\$ 87,537,907</u>	

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%.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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

The Series A debt was refunded in the current fiscal year by the 2016 Subordinate Tax Allocation Refunding Bonds. For the Series B principal payments of \$1,485,000 to \$1,570,000 are due annually on September 1 through 2019. Interest payments of \$43,175 to \$127,188 are due semiannually on March 1 and September 1 through September 1, 2019. Interest rates range from 5.0% to 5.5%.

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%.

2016 Subordinate Tax Allocation Refunding Bonds: On July 7, 2016, \$20,705,000 in 2016 Subordinate Tax Allocation Refunding Bonds were issued by the Successor Agency to refund the 2007 Series A Revenue Bonds. 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 \$755,000 to \$1,620,000 are due annually on September 1, 2019 through 2036. Interest payments of \$24,300 to \$456,125 are due semiannually on March 1 and September 1 through 2036. Interest rates range from 3.0% to 5.0%.

The net proceeds of the refunding bonds of \$24,268,263 were deposited into an irrevocable trust with an escrow agent until the 2007 Bonds were repaid on September 1, 2017. The Agency completed the advance refunding to reduce its total debt service payments by \$4,810,738, which resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$3,762,739.

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

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 15 – SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO (Continued)

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 \$119,325,292 at June 30, 2017. The Agency’s principal and interest paid during the current year for all Revenue and Tax Allocation Bonds combined was \$8,180,317 and the net pledged tax increment revenues were \$20,816,602 during the year ended June 30, 2017; therefore, approximately 39% of revenues were pledged.

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, 2017 were as follows:

Year Ending June 30:	Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2018	\$ 4,745,678	\$ 3,519,824	\$ 124,105	\$ 66,949
2019	4,983,980	3,295,716	129,069	61,985
2020	4,350,735	3,090,286	134,232	56,822
2021	4,495,769	2,911,418	139,601	51,453
2022	4,671,140	2,727,329	145,185	45,869
2023-2027	26,492,308	10,528,855	817,825	137,445
2028-2032	24,126,345	4,780,859	183,527	7,348
2033-2037	13,434,679	1,170,371		
	<u>\$ 87,300,634</u>	<u>\$ 32,024,658</u>	<u>\$ 1,673,544</u>	<u>\$ 427,871</u>

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. The

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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

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*

Pursuant to Health and Safety code section 34167.5, the activities of the former Redevelopment Agency and the Successor Agency were 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. In November 2012, the State Controller's Office completed the Asset Transfer Review for the period of January 1, 2011 through January 31, 2012. The State concluded that the City of West Sacramento did not need to reverse any transfer of assets.

3. *Long Range Property Management Plan*

Health and Safety Code 34191.5 (b) required that the Successor Agency, upon receipt of a Finding of Completion, prepare a Long Range Property Management Plan (LRPMP) to address the disposition and use of the 12 remaining real properties of the former redevelopment agency. The Oversight Board approved the LRPMP on October 23, 2013.

4. *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.

5. *Potential Contamination*

The Successor Agency identified a property known as the Tower Court property that is potentially contaminated and may need remediation. The property, formerly the site of an auto repair shop, was identified as having elevated lead concentrations in the soil. An Environmental Oversight Agreement exists between the Successor Agency and the California Department of Toxic Substances Control to coordinate to clean up the site prior to development. The potential remediation costs for the site are currently under investigation.

D. *Tax Abatement*

The Successor Agency has two agreements approved by the Successor Agency Board of Directors to rebate tax increment revenues collected on to two properties developed by two private entities. The agreement provided an incentive to make the improvements necessary to develop Raley's Field, a minor league baseball park, and a corporate headquarters of a local company. The tax increment is collected by the Successor Agency and returned to the entities under the agreement.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 15 – SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO (Continued)

One agreement ends May 6, 2037 and requires 100% of the tax increment collected on the related property to be rebated semi-annually and the second agreement is effective for the term of the special tax bonds for CFD 12 used to build Raley's Field that is payable through the fiscal year ending September 1, 2029 in the amount of the debt service payments that is paid within 10 days of the debt service payments being made. The agreement resulted in payments of \$1,338,243 being made by the Successor Agency during the year ended June 30, 2017. The City receives approximately 47% of the tax increment revenue distributed by the Successor Agency each year, which results in a loss of tax revenues by the City of approximately 47% of the payments above.

NOTE 16 – SERVICE CONCESSION ARRANGEMENT

A. Port Operating Agreement

Effective July 1, 2013, the Port executed a Master Lease and Terminal Operations Management Agreement (the Agreement) with SSA Pacific (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.

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 \$2,841,602 and the present value of the estimated operating and the maintenance expenses the Port is required to incur under the agreement of \$1,160,629 at June 30, 2017 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 are 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, 2017 were \$1,532,440. 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.

**CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 17 – SUBSEQUENT EVENTS

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

Enhanced Infrastructure Financing District – As a high priority action on its 2017 Strategic Plan, the City staff adopted the first Enhanced Infrastructure Financing District (EIFD), in the State of California. Pursuant to Government Code commencing 53398.50, the City of West Sacramento Enhanced Infrastructure Financing District No. 1 (the “EIFD”) was formed on June 28, 2017 to assist with the financing of public infrastructure within a 4,127-acre district. The district allows the City to commit tax increment financing, or the growth in assessed valuation over a 2016-2017 base year, to EIFD. The EIFD has a 45-year term from the date that debt obligations are first authorized by the public financing authority. The EIFD is a legally constituted governmental entity separate and distinct from the City, and its sole purpose is the financing of public facilities or projects.

The EIFD Public Financing Authority (“the Authority”) was formed on February 1, 2017, to act as the governing body to the EIFD. The Authority membership consists of five members: three members are public members of the City Council, and two members are public members appointed by the City Council. The Authority is a component unit of the City because its governing body is controlled by the City Council and is financially dependent on the City.

B. *Long-term Liability and Loan Commitments*

In September 2017, the City Council approved the issuance of the Water Revenue Bonds, Series 2017 in the amount of \$15,000,000 and Sewer Revenue Bonds, Series 2017 in the amount of \$9,000,000 to fund a series of capital improvement projects that have been identified as part of the water and sewer master plan.

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. 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, in March 2017, the City entered into the Riverfront Joint Powers Authority with the City of Sacramento to provide a governance structure necessary to receive federal funding. Implementation of the project is anticipated to commence spring 2018 with commencement of Streetcar operations in early 2022.

D. *Establishment of a New Enterprise Fund*

The Sacramento Regional County Sanitation District (Regional San) requested the City establish a new enterprise fund during the year ended June 30, 2018 to report the revenues and expenses related to the City’s participation in Regional San activities.

CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for component units to add an additional criterion that requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member per the articles of incorporation or by-laws and the component unit is included in the financial reporting entity pursuant to provisions in paragraphs 21-37 of Statement 14, as amended. The requirements of this Statement are effective for the years beginning after June 15, 2016.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset (example is decommissioning a water treatment plant). A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. This Statement requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. The best estimate should include probability weighting of all potential outcomes, when such information is available or can be obtained at reasonable cost. The requirements of this Statement are effective for periods beginning after June 15, 2018.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

CITY OF WEST SACRAMENTO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 18 – NEW PRONOUNCEMENTS (Continued)

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). Topics that may be applicable include criteria for an enterprise fund to blend a component unit, measuring certain money market investments at amortized cost, timing of pension and OPEB liabilities and

expenditures under the current financial resources measurement focus, presenting payroll related measures in RSI for OPEB plans, classifying employer paid member contributions for OPEB plans, accounting and financial reporting for multiple-employer defined benefit OPEB Plans. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. For governments that extinguish debt, whether through a legal extinguishment or through an in-substance defeasance, this Statement requires that any remaining prepaid insurance related to the extinguished debt be included in the net carrying amount of that debt for the purpose of calculating the difference between the reacquisition price and the net carrying amount of the debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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, 2017

	2017	2016	2015
Total Pension Liability			
Service cost	\$ 2,674,614	\$ 2,556,177	\$ 2,590,467
Interest on total pension liability	8,066,337	7,653,951	7,272,888
Changes in benefits	-	-	-
Differences between expected and actual experience	(795,717)	(1,118,053)	-
Changes in assumptions	-	(1,969,754)	-
Benefit payments, including refunds of employee contributions	(4,367,508)	(3,798,428)	(3,558,794)
Net change in total pension liability	5,577,726	3,323,893	6,304,561
Total pension liability - beginning	107,084,469	103,760,576	97,456,015
Total pension liability - ending (a)	<u>\$ 112,662,195</u>	<u>\$ 107,084,469</u>	<u>\$ 103,760,576</u>
Plan fiduciary net position			
Contributions - employer	\$ 3,052,035	\$ 2,795,566	\$ 2,491,490
Contributions - employee	1,261,639	1,228,203	1,284,689
Net investment income	415,371	1,744,308	11,269,598
Benefit payments	(4,367,508)	(87,310)	-
Administrative expenses and other	(47,561)	(3,798,428)	(3,558,794)
Net change in plan fiduciary net position	313,976	1,882,339	11,486,983
Plan fiduciary net position - beginning	78,039,339	76,157,000	64,670,017
Plan fiduciary net position - ending (b)	<u>\$ 78,353,315</u>	<u>\$ 78,039,339</u>	<u>\$ 76,157,000</u>
Net pension liability - ending (a)-(b)	<u>\$ 34,308,880</u>	<u>\$ 29,045,130</u>	<u>\$ 27,603,576</u>
Plan fiduciary net position as a percentage of the total pension liability	69.55%	72.88%	73.40%
Covered - employee payroll, measurement period	\$ 16,668,162	\$ 15,645,379	\$ 15,564,905
Net pension liability as percentage of covered - employee payroll	205.83%	185.65%	177.34%
<u>Notes to Schedule</u>			
Valuation date:	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date:	June 30, 2016	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. This schedule is intended to present ten years of information and additional years will be added prospectively as they become available.

CITY OF WEST SACRAMENTO

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN -
 MISCELLANEOUS PLAN (UNAUDITED)
 LAST TEN YEARS
 JUNE 30, 2017

	2017	2016	2015
Actuarially determined contribution, employer's fiscal year	\$ 3,219,481	\$ 3,249,114	\$ 2,881,871
Contributions in relation to the actuarially determined contributions	(3,219,481)	(3,249,114)	(2,881,871)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll, employer's fiscal year	\$ 16,772,692	\$ 16,668,162	\$ 15,645,379
Contributions as a percentage of covered - employee payroll	19.19%	19.49%	18.42%

Notes to Schedule

Valuation date:	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date:	June 30, 2016	June 30, 2015	June 30, 2014

Benefit changes: There were no changes in benefits.

Changes in assumptions: There were no changes in assumptions.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll
Remaining amortization period	Varies by plan, not more than 30 years.
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	Based on 2010 CalPERS Experience Study for the period 1997 to 2007.

The investment rate of return used at the valuation date to determine contribution rates was 7.5%, which is different than the investment rate of return used in the rollover of the valuation to the June 30, 2016 measurement date.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. This schedule is intended to present ten years of information and additional years will be added prospectively as it becomes available.

CITY OF WEST SACRAMENTO

SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY – PUBLIC SAFETY PLAN (UNAUDITED)
LAST TEN YEARS
JUNE 30, 2017

	2017	2016	2015
Proportion of the net pension liability	0.693115%	0.673117%	0.633916%
Proportionate share of the net pension liability	\$ 35,897,922	\$ 27,735,405	\$ 23,778,013
Covered - employee payroll, measurement period	\$ 12,302,810	\$ 11,735,360	\$ 12,111,651
Proportionate share of the net pension liability as a percentage of covered payroll	291.79%	236.34%	196.32%
Plan fiduciary net position	\$ 103,406,766	\$ 103,812,721	\$ 104,189,162
Plan fiduciary net position as a percentage of the total pension liability	74.23%	78.92%	81.42%
Notes to Schedule:			
Valuation date	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date	June 30, 2016	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.

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - PUBLIC SAFETY PLAN (UNAUDITED)
June 30, 2015
Last 10 Years

	2017	2016	2015
Contractually required contribution, employer's fiscal year (actuarially determined)	\$ 3,413,718	\$ 3,132,597	\$ 2,945,130
Contributions in relation to the actuarially determined contributions	(3,413,718)	(3,132,597)	(2,945,130)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll, employer's fiscal year	\$ 12,746,347	\$ 12,302,810	\$ 11,735,360
Contributions as a percentage of covered - employee payroll	26.78%	25.46%	25.10%
<u>Notes to Schedule</u>			
Valuation date:	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date:	June 30, 2016	June 30, 2015	June 30, 2014

Benefit changes: There were no changes in benefits.

Changes in assumptions: There were no changes in assumptions.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll
Remaining amortization period	Varies by plan, not more than 30 years.
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	Based on 2010 CalPERS Experience Study for the period 1997 to 2007.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. These schedules are intended to present ten years of information and additional years will be added prospectively as it becomes available.

CITY OF WEST SACRAMENTO

SCHEDULE OF FUNDING PROGRESS OF THE
 EMPLOYEE OTHER POSTEMPLOYMENT BENEFITS PLAN (UNAUDITED)
 JUNE 30, 2017

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, 2017

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
ASSETS							
Cash and investments	\$5,775,064	\$124,433	\$826	\$118,673	\$44,036	\$570,182	\$1,204,179
Receivables:							
Accounts receivable and other assets		(49)				85,304	35,948
Interest receivable							
Notes receivable							
Grants receivable							133,366
Prepays							
Prepaid lease							
Due from other governments	152,826		5,014,816		616		158,433
Advances to other funds							
Restricted assets:							
Cash and investments with fiscal agents							
Total Assets	<u>\$5,927,890</u>	<u>\$124,384</u>	<u>\$5,015,642</u>	<u>\$118,673</u>	<u>\$44,652</u>	<u>\$655,486</u>	<u>\$1,531,926</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Accounts payable	\$50,017	\$2,063	\$314			\$2,000	\$30,685
Salaries and benefits payable		7,872					11,832
Due to other funds			30,000				
Due to other governments	33,914						16,720
Refundable deposits							
Unearned revenue							82,286
Advances from other funds							
Total Liabilities	<u>83,931</u>	<u>9,935</u>	<u>30,314</u>			<u>2,000</u>	<u>141,523</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues			5,014,816				
Total Deferred Inflows of Resources			<u>5,014,816</u>				
FUND BALANCES (DEFICITS)							
Fund balances:							
Nonspendable							
Restricted	5,843,959	114,449		\$118,673	\$44,652	653,486	
Committed							1,390,403
Assigned							
Unassigned			(29,488)				
Total Fund Balances (deficits)	<u>5,843,959</u>	<u>114,449</u>	<u>(29,488)</u>	<u>118,673</u>	<u>44,652</u>	<u>653,486</u>	<u>1,390,403</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$5,927,890</u>	<u>\$124,384</u>	<u>\$5,015,642</u>	<u>\$118,673</u>	<u>\$44,652</u>	<u>\$655,486</u>	<u>\$1,531,926</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
\$656,568	\$60,971	\$293,609	\$6,897,896	\$211,849	\$329,877	\$114,701	\$337,525	\$356,579
		4,601			1,023	23,808	85,893	
34,959		773			349	400	1,454	
59,619			9,691	14,671				
			52,555					
<u>\$751,146</u>	<u>\$60,971</u>	<u>\$298,983</u>	<u>\$6,960,142</u>	<u>\$226,520</u>	<u>\$331,249</u>	<u>\$138,909</u>	<u>\$424,872</u>	<u>\$356,579</u>
\$2,585 9,496		\$28,580 9,647	\$23,174	\$4,456 2,689	\$8,123 22,809	\$40,633 51,841	\$73,007 33,370	\$343 16,250
						46,434	4,842 1,175 316,196	
<u>12,081</u>		<u>38,227</u>	<u>23,174</u>	<u>7,145</u>	<u>30,932</u>	<u>138,908</u>	<u>428,590</u>	<u>16,593</u>
<u>1,039</u> <u>1,039</u>								
738,026	\$60,971	773 259,983	52,555 6,884,413	219,375	349 299,968	400	1,454	339,986
<u>738,026</u>	<u>60,971</u>	<u>260,756</u>	<u>6,936,968</u>	<u>219,375</u>	<u>300,317</u>	<u>(399)</u> <u>1</u>	<u>(5,172)</u> <u>(3,718)</u>	<u>339,986</u>
<u>\$751,146</u>	<u>\$60,971</u>	<u>\$298,983</u>	<u>\$6,960,142</u>	<u>\$226,520</u>	<u>\$331,249</u>	<u>\$138,909</u>	<u>\$424,872</u>	<u>\$356,579</u>

(Continued)

CITY OF WEST SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
June 30, 2017

	SPECIAL REVENUE FUNDS					Total Special Revenue Funds	DEBT SERVICE FUNDS
	Community Development Performance Bonds Support Services Fund	Economic Development Fund	RD 811 Maintenace Fund	Parking Improvement Fund	Bridge District IFD Fund		2011 Lease Revenue Bond Fund
ASSETS							
Cash and investments	\$1,531,305	\$55,393	\$455,913	\$469,210	\$207,265	\$19,816,054	\$645,264
Receivables:							
Accounts receivable and other assets						236,528	
Interest receivable		226				226	
Notes receivable		274,656				274,656	
Grants receivable						168,325	
Prepays						2,976	
Prepaid lease							
Due from other governments			23,438	1,072		5,435,182	
Advances to other funds							
Restricted assets:							
Cash and investments with fiscal agents						52,555	
Total Assets	<u>\$1,531,305</u>	<u>\$330,275</u>	<u>\$479,351</u>	<u>\$470,282</u>	<u>\$207,265</u>	<u>\$25,986,502</u>	<u>\$645,264</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Accounts payable				\$103,590		\$369,570	
Salaries and benefits payable		\$1,218				167,024	
Due to other funds						30,000	
Due to other governments				1,046		56,522	
Refundable deposits	\$1,531,305					1,532,480	
Unearned revenue						444,916	
Advances from other funds							
Total Liabilities	<u>1,531,305</u>	<u>1,218</u>		<u>104,636</u>		<u>2,600,512</u>	
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues						5,015,855	
Total Deferred Inflows of Resources						<u>5,015,855</u>	
FUND BALANCES (DEFICITS)							
Fund balances:							
Nonspendable		274,656				277,632	
Restricted		54,401	\$479,351		\$207,265	8,749,074	
Committed				365,646		9,378,488	\$645,264
Assigned							
Unassigned						(35,059)	
Total Fund Balances (deficits)		<u>329,057</u>	<u>479,351</u>	<u>365,646</u>	<u>207,265</u>	<u>18,370,135</u>	<u>645,264</u>
Total Liabilities, deferred inflows of Resources and Fund Balances	<u>\$1,531,305</u>	<u>\$330,275</u>	<u>\$479,351</u>	<u>\$470,282</u>	<u>\$207,265</u>	<u>\$25,986,502</u>	<u>\$645,264</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
\$25,422	\$942,406	\$98,935	\$1,712,027	\$3,123,226	\$2,092,935	\$60,857	\$7,474,428	\$735,767
				819,168	4,570		11,936	
				442,571	211,665		7,449,604	
							83,983	
<u>\$25,422</u>	<u>\$942,406</u>	<u>\$98,935</u>	<u>\$1,712,027</u>	<u>\$4,384,965</u>	<u>\$2,309,170</u>	<u>\$60,857</u>	<u>\$15,019,951</u>	<u>\$735,767</u>
				\$150	\$4,784		\$198,594	\$20,238
				<u>150</u>	<u>4,784</u>		<u>198,594</u>	<u>20,238</u>
				<u>1,247,237</u>	<u>211,665</u>			
				<u>1,247,237</u>	<u>211,665</u>			
\$25,422	\$942,406	\$98,935	\$1,712,027	3,137,578	2,092,721	\$60,857	7,449,604 83,983 7,287,770	715,529
<u>25,422</u>	<u>942,406</u>	<u>98,935</u>	<u>1,712,027</u>	<u>3,137,578</u>	<u>2,092,721</u>	<u>60,857</u>	<u>14,821,357</u>	<u>715,529</u>
<u>\$25,422</u>	<u>\$ 942,406</u>	<u>\$ 98,935</u>	<u>\$1,712,027</u>	<u>\$4,384,965</u>	<u>\$2,309,170</u>	<u>\$60,857</u>	<u>\$15,019,951</u>	<u>\$735,767</u>

(Continued)

CITY OF WEST SACRAMENTO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
June 30, 2017

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/Bridge District Project Fund
ASSETS							
Cash and investments	\$600	\$280,631	\$290,863	\$233,573	\$1,453	\$274,630	\$1,553,884
Receivables:							
Accounts receivable and other assets							
Interest receivable							
Notes receivable							
Grants receivable							95,547
Prepays							
Prepaid lease							2,100,000
Due from other governments				300,529			
Advances to other funds							
Restricted assets:							
Cash and investments with fiscal agents							
Total Assets	<u>\$600</u>	<u>\$280,631</u>	<u>\$290,863</u>	<u>\$534,102</u>	<u>\$1,453</u>	<u>\$274,630</u>	<u>\$3,749,431</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Accounts payable							\$83,644
Salaries and benefits payable							
Due to other funds							
Due to other governments							
Refundable deposits							
Unearned revenue							
Advances from other funds	\$4,500,000				\$1,929,044		
Total Liabilities	<u>4,500,000</u>				<u>1,929,044</u>		<u>83,644</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues				\$300,529			25,459
Total Deferred Inflows of Resources				<u>300,529</u>			<u>25,459</u>
FUND BALANCES (DEFICITS)							
Fund balances:							
Nonspendable							2,100,000
Restricted		\$280,631	\$290,863	233,573			1,540,328
Committed							
Assigned						\$274,630	
Unassigned	(4,499,400)				(1,927,591)		
Total Fund Balances (deficits)	<u>(4,499,400)</u>	<u>280,631</u>	<u>290,863</u>	<u>233,573</u>	<u>(1,927,591)</u>	<u>274,630</u>	<u>3,640,328</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$600</u>	<u>\$280,631</u>	<u>\$290,863</u>	<u>\$534,102</u>	<u>\$1,453</u>	<u>\$274,630</u>	<u>\$3,749,431</u>

CAPITAL PROJECTS FUNDS

Community Investments (Measure G) Fund	Community Facilities District Fund	Southport Mello- Roos Fund	Flood Protection In Lieu Fund	Bridge District Fund	Total Capital Projects Funds	Total Nonmajor Governmental Funds
\$74,006	\$2,790,153	\$536,881	\$2,322,556	\$227,537	\$22,073,980	\$43,602,061
						236,528
3,171					3,171	3,397
36,417					36,417	311,073
340,043					1,271,264	1,439,589
						2,976
					2,100,000	2,100,000
61,043					1,015,808	6,450,990
					7,449,604	7,449,604
	2,944,422				3,028,405	3,080,960
<u>\$514,680</u>	<u>\$5,734,575</u>	<u>\$536,881</u>	<u>\$2,322,556</u>	<u>\$227,537</u>	<u>\$36,978,649</u>	<u>\$64,677,178</u>
\$273,973			\$410,646		\$992,029	\$1,361,599
						167,024
33,280					33,280	30,000
						89,802
						1,532,480
						444,916
					6,429,044	6,429,044
<u>307,253</u>			<u>410,646</u>		<u>7,454,353</u>	<u>10,054,865</u>
76,138					1,861,028	6,876,883
<u>76,138</u>					<u>1,861,028</u>	<u>6,876,883</u>
36,417					9,586,021	9,863,653
	\$5,734,575		1,911,910	\$227,537	16,249,228	24,998,302
94,872		\$536,881			7,919,523	19,010,038
					335,487	335,487
					(6,426,991)	(6,462,050)
<u>131,289</u>	<u>5,734,575</u>	<u>536,881</u>	<u>1,911,910</u>	<u>227,537</u>	<u>27,663,268</u>	<u>47,745,430</u>
<u>\$514,680</u>	<u>\$5,734,575</u>	<u>\$536,881</u>	<u>\$2,322,556</u>	<u>\$227,537</u>	<u>\$36,978,649</u>	<u>\$64,677,178</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, 2017

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	\$3,162,847				\$12,141		
Contributions from developers and homeowners							\$335,399
Franchise fees						\$418,193	
Fees, licenses and permits		\$203,973					366,382
Fines and forfeitures							
Use of money and property	39,562	1,433		\$177	497	6,186	69,634
Intergovernmental			\$2,066,987				268,435
Charges for services		195,594		41,683			482,726
Other revenues	22,630	12,772					584,762
Total Revenues	<u>3,225,039</u>	<u>413,772</u>	<u>2,066,987</u>	<u>41,860</u>	<u>12,638</u>	<u>424,379</u>	<u>2,107,338</u>
EXPENDITURES:							
Current:							
General government						117,400	
Public works			1,979,696		20,954		
Public safety		477,434					
Community development							1,985,006
Landscaping and street lighting	2,462,335						
Culture and recreation							
Capital outlay							
Debt service:							
Principal payments							
Interest and fiscal charges							
Total Expenditures	<u>2,462,335</u>	<u>477,434</u>	<u>1,979,696</u>	<u>41,860</u>	<u>20,954</u>	<u>117,400</u>	<u>1,985,006</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>762,704</u>	<u>(63,662)</u>	<u>87,291</u>	<u>41,860</u>	<u>(8,316)</u>	<u>306,979</u>	<u>122,332</u>
OTHER FINANCING SOURCES USES							
Proceeds from sale of capital assets							
Issuance of capital leases and loans							
Transfers in	687,115						209,590
Transfers (out)	(680,628)					(300,000)	(516,058)
Total Other Financing Sources (Uses)	<u>6,487</u>					<u>(300,000)</u>	<u>(306,468)</u>
NET CHANGE IN FUND BALANCES	769,191	(63,662)	87,291	41,860	(8,316)	6,979	(184,136)
BEGINNING 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>
ENDING FUND BALANCES (DEFICITS)	<u>\$5,843,959</u>	<u>\$114,449</u>	<u>(\$29,488)</u>	<u>\$118,673</u>	<u>\$44,652</u>	<u>\$653,486</u>	<u>\$1,390,403</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
		\$1,639,255		\$125,000		\$53,150	\$61,618	\$367,405
				51,150		25,233	1,016,393	
\$4,669	\$647	6,953	\$55,629	1,877	\$4,902	(2,244)	(1,679)	2,693
1,534,270		1,014,259		1,409	142	2,678,695	1,939,023	1,027,870
9,514		(6,013)		21,375	4,208	2,759	1,623	
299,152		33,304	20,581	21,375	4,208	2,759	1,623	
<u>1,847,605</u>	<u>647</u>	<u>2,687,758</u>	<u>76,210</u>	<u>200,811</u>	<u>9,252</u>	<u>2,757,593</u>	<u>3,016,978</u>	<u>1,397,968</u>
		349	25,415			223,118	66	
1,627,928		1,611,322	107,303	169,722		3,368,502	39,591	286,055
						1,243	3,372,351	900,951
312,524		1,755,676	661,924					
<u>1,940,452</u>		<u>3,367,347</u>	<u>794,642</u>	<u>169,722</u>		<u>3,592,863</u>	<u>3,412,008</u>	<u>1,187,006</u>
(92,847)	647	(679,589)	(718,432)	31,089	9,252	(835,270)	(395,030)	210,962
202,605		75,000	43,495					
(703)		(95,000)	352,687	62,002		848,385	930,073	
			597,875				(40,000)	
<u>201,902</u>		<u>(20,000)</u>	<u>994,057</u>	<u>62,002</u>		<u>848,385</u>	<u>890,073</u>	
109,055	647	(699,589)	275,625	93,091	9,252	13,115	495,043	210,962
628,971	60,324	960,345	6,661,343	126,284	291,065	(13,114)	(498,761)	129,024
<u>\$738,026</u>	<u>\$60,971</u>	<u>\$260,756</u>	<u>\$6,936,968</u>	<u>\$219,375</u>	<u>\$300,317</u>	<u>\$1</u>	<u>(\$3,718)</u>	<u>\$339,986</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, 2017

	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					\$11,512	\$3,186,500	
Contributions from developers and homeowners		\$5,000	\$51,119			2,637,946	
Franchise fees						418,193	
Fees, licenses and permits				\$2,725		1,665,856	\$371,844
Fines and forfeitures				19,961		19,961	
Use of money and property		3,407	4,737			199,080	5,674
Intergovernmental						4,883,951	
Charges for services						6,370,643	
Other revenues						1,003,166	
Total Revenues		8,407	55,856	22,686	11,512	20,385,296	377,518
EXPENDITURES:							
Current:							
General government				216,804		583,152	
Public works		10,677	7,678			7,494,197	
Public safety						2,213,908	
Community development						6,258,308	
Landscaping and street lighting						2,462,335	
Culture and recreation							
Capital outlay				2,061,377		4,791,501	
Debt service:							
Principal payments							327,862
Interest and fiscal charges							204,671
Total Expenditures		10,677	7,678	2,278,181		23,803,401	532,533
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(2,270)	48,178	(2,255,495)	11,512	(3,418,105)	(155,015)
OTHER FINANCING SOURCES USES							
Proceeds from sale of capital assets						43,495	
Issuance of capital leases and loans						352,687	
Transfers in				2,126,768		5,739,413	171,660
Transfers (out)		(14,246)				(1,646,635)	
Total Other Financing Sources (Uses)		(14,246)		2,126,768		4,488,960	171,660
NET CHANGE IN FUND BALANCES		(16,516)	48,178	(128,727)	11,512	1,070,855	16,645
BEGINNING FUND BALANCES (DEFICITS)		345,573	431,173	494,373	195,753	17,299,280	628,619
ENDING FUND BALANCES (DEFICITS)	\$ -	\$329,057	\$479,351	\$365,646	\$207,265	\$18,370,135	\$645,264

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
					\$1,315,784			
			\$371,844	\$308,608	705,505		\$11,559	\$86,368
\$12,457	\$7,193	\$4,692	30,016	31,124	10,836	\$646	49,919	7,208
				1,428,506	993,854		33,407	
				1,560	3,000		8,119	
12,457	7,193	4,692	401,860	1,769,798	3,028,979	646	103,004	93,576
							220	
				527,961			624,170	20,238
							148,872	
					582,334			
				1,893,116	1,410,839		548,502	
1,412,900	396,735	923,859	3,061,356					
260,784	191,773	172,241	829,469					
1,673,684	588,508	1,096,100	3,890,825	2,421,077	1,993,173		1,321,764	20,238
(1,661,227)	(581,315)	(1,091,408)	(3,488,965)	(651,279)	1,035,806	646	(1,218,760)	73,338
1,680,084	628,405	1,125,396	3,605,545	366,000			495,000	(20,400)
							(16,700)	
1,680,084	628,405	1,125,396	3,605,545	366,000			478,300	(20,400)
18,857	47,090	33,988	116,580	(285,279)	1,035,806	646	(740,460)	52,938
6,565	895,316	64,947	1,595,447	3,422,857	1,056,915	60,211	15,561,817	662,591
\$25,422	\$942,406	\$98,935	\$1,712,027	\$3,137,578	\$2,092,721	\$60,857	\$14,821,357	\$715,529

(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, 2017

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				\$317,572			
Franchise fees							
Fees, licenses and permits	\$215,837	\$41,486	\$41,567	246,797	\$56,829		
Fines and forfeitures							
Use of money and property	870	2,672	3,893	13,628	313	\$2,917	\$28,945
Intergovernmental							440,978
Charges for services							
Other revenues							11,161
Total Revenues	<u>216,707</u>	<u>44,158</u>	<u>45,460</u>	<u>577,997</u>	<u>57,142</u>	<u>2,917</u>	<u>481,084</u>
EXPENDITURES:							
Current:							
General government			50,613				
Public works							186,379
Public safety							
Community development							
Landscaping and street lighting							
Culture and recreation		227					
Capital outlay				317,572			974,710
Debt service:							
Principal payments							
Interest and fiscal charges	34,591			10,170	14,948		
Total Expenditures	<u>34,591</u>	<u>227</u>	<u>50,613</u>	<u>327,742</u>	<u>14,948</u>		<u>1,161,089</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>182,116</u>	<u>43,931</u>	<u>(5,153)</u>	<u>250,255</u>	<u>42,194</u>	<u>2,917</u>	<u>(680,005)</u>
OTHER FINANCING SOURCES USES							
Proceeds from sale of capital assets							
Issuance of capital leases and loans							
Transfers in							
Transfers (out)	(100,000)			(425,000)			(1,976,768)
Total Other Financing Sources (Uses)	<u>(100,000)</u>			<u>(425,000)</u>			<u>(1,976,768)</u>
NET CHANGE IN FUND BALANCES	82,116	43,931	(5,153)	(174,745)	42,194	2,917	(2,656,773)
BEGINNING FUND BALANCES (DEFICITS)							
	(4,581,516)	236,700	296,016	408,318	(1,969,785)	271,713	6,297,101
ENDING FUND BALANCES (DEFICITS)	<u>(\$4,499,400)</u>	<u>\$280,631</u>	<u>\$290,863</u>	<u>\$233,573</u>	<u>(\$1,927,591)</u>	<u>\$274,630</u>	<u>\$3,640,328</u>

CAPITAL PROJECTS FUNDS

Community Investments (Measure G) Fund	Community Facilities District Fund	Southport Mello-Roos Fund	Flood Protection In Lieu Fund	Bridge District Fund	Total Capital Projects Funds	Total Nonmajor Governmental Funds
						\$3,186,500
	\$136,254		\$35,020		\$1,804,630	4,442,576
		\$5,284	465,994		2,185,834	418,193
\$404	28,947	5,711	19,126	\$1,634	208,793	4,223,534
704,076					3,600,821	19,961
				119,193	119,193	437,889
103,270	750				127,860	8,484,772
807,750	165,951	10,995	520,140	120,827	8,047,131	6,489,836
						1,131,026
						28,834,287
					50,833	633,985
951,686			1,089,865		3,380,061	10,874,258
					169,110	2,383,018
						6,258,308
						2,462,335
					582,561	582,561
2,255,571	136,254				7,536,564	12,328,065
						3,061,356
					59,709	889,178
3,207,257	136,254		1,089,865		11,778,838	39,473,064
(2,399,507)	29,697	10,995	(569,725)	120,827	(3,731,707)	(10,638,777)
						43,495
						352,687
			464,416		1,325,416	10,670,374
					(2,538,868)	(4,185,503)
			464,416		(1,213,452)	6,881,053
(2,399,507)	29,697	10,995	(105,309)	120,827	(4,945,159)	(3,757,724)
2,530,796	5,704,878	525,886	2,017,219	106,710	32,608,427	51,503,154
\$131,289	\$5,734,575	\$536,881	\$1,911,910	\$227,537	\$27,663,268	\$47,745,430

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, 2017

SPECIAL REVENUE FUNDS				
LANDSCAPING AND STREET LIGHTING FUND				
	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Special benefit assessment for operations	\$2,847,841	\$2,847,841	\$3,162,847	\$315,006
Contributions from developers and homeowners				
Franchise fees				
Fees, licenses and permits				
Fines and forfeitures				
Use of money and property	1,190	1,190	39,562	38,372
Intergovernmental				
Charges for services				
Other revenues			22,630	22,630
Total Revenues	<u>2,849,031</u>	<u>2,849,031</u>	<u>3,225,039</u>	<u>376,008</u>
EXPENDITURES				
Current:				
General government				
Public works				
Public safety				
Community development				
Landscaping and street lighting	2,728,273	4,452,033	2,462,335	1,989,698
Culture and recreation				
Capital outlay				
Debt service:				
Principal payments				
Interest and fiscal charges				
Total Expenditures	<u>2,728,273</u>	<u>4,452,033</u>	<u>2,462,335</u>	<u>1,989,698</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>120,758</u>	<u>(1,603,002)</u>	<u>762,704</u>	<u>2,365,706</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets				
Issuance of capital leases and loans				
Payment to refunding escrow agent				
Transfers in	567,115	687,115	687,115	
Transfers (out)	(590,628)	(680,628)	(680,628)	
Total Other Financing Sources (Uses)	<u>(23,513)</u>	<u>6,487</u>	<u>6,487</u>	
NET CHANGE IN FUND BALANCES	<u>\$97,245</u>	<u>(\$1,596,515)</u>	769,191	<u>\$2,365,706</u>
BEGINNING FUND BALANCES (DEFICITS)			5,074,768	
ENDING FUND BALANCES (DEFICITS)			<u>\$5,843,959</u>	

SPECIAL REVENUE FUNDS

HAZARDOUS MATERIALS FUND				TRANSIT FUND			
Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
Original	Final			Original	Final		
\$215,600	\$215,600	\$203,973	(\$11,627)				
		1,433	1,433				
219,500	219,500	195,594	(23,906)	\$2,244,222	\$2,342,222	\$2,066,987	(\$275,235)
5,544	5,544	12,772	7,228				
<u>440,644</u>	<u>440,644</u>	<u>413,772</u>	<u>(26,872)</u>	<u>2,244,222</u>	<u>2,342,222</u>	<u>2,066,987</u>	<u>(275,235)</u>
				2,315,000	2,315,000	1,979,696	335,304
488,036	496,036	477,434	18,602				
<u>488,036</u>	<u>496,036</u>	<u>477,434</u>	<u>18,602</u>	<u>2,315,000</u>	<u>2,315,000</u>	<u>1,979,696</u>	<u>335,304</u>
<u>(47,392)</u>	<u>(55,392)</u>	<u>(63,662)</u>	<u>(8,270)</u>	<u>(70,778)</u>	<u>27,222</u>	<u>87,291</u>	<u>60,069</u>
				(25,000)	(25,000)		25,000
				(25,000)	(25,000)		25,000
<u>(\$47,392)</u>	<u>(\$55,392)</u>	(63,662)	<u>(\$8,270)</u>	<u>(\$95,778)</u>	<u>\$2,222</u>	87,291	<u>\$85,069</u>
		178,111				(116,779)	
		<u>\$114,449</u>				<u>(\$29,488)</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, 2017

	SPECIAL REVENUE FUNDS			
	TECHNOLOGY IMPACT FEE 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			\$177	\$177
Intergovernmental				
Charges for services	\$35,000	\$35,000	41,683	6,683
Other revenues				
Total Revenues	35,000	35,000	41,860	6,860
EXPENDITURES				
Current:				
General government				
Public works				
Public safety				
Community development				
Landscaping and street lighting				
Culture and recreation				
Capital outlay				
Debt service:				
Principal payments				
Interest and fiscal charges				
Total Expenditures	_____	_____	_____	_____
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	35,000	35,000	41,860	6,860
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	41,860	\$6,860
BEGINNING FUND BALANCES (DEFICITS)			76,813	
ENDING FUND BALANCES (DEFICITS)			\$118,673	

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	\$12,141	\$1,141				
				\$419,275	\$419,275	\$418,193	(\$1,082)
		497	497	1,000	1,000	6,186	5,186
<u>11,000</u>	<u>11,000</u>	<u>12,638</u>	<u>1,638</u>	<u>420,275</u>	<u>420,275</u>	<u>424,379</u>	<u>4,104</u>
				120,000	120,000	117,400	2,600
9,750	51,139	20,954	30,185				
<u>9,750</u>	<u>51,139</u>	<u>20,954</u>	<u>30,185</u>	<u>120,000</u>	<u>120,000</u>	<u>117,400</u>	<u>2,600</u>
				300,275	300,275	306,979	6,704
<u>1,250</u>	<u>(40,139)</u>	<u>(8,316)</u>	<u>31,823</u>	<u>300,275</u>	<u>300,275</u>	<u>306,979</u>	<u>6,704</u>
				(300,000)	(300,000)	(300,000)	
				(300,000)	(300,000)	(300,000)	
<u>\$1,250</u>	<u>(\$40,139)</u>	<u>(8,316)</u>	<u>\$31,823</u>	<u>\$275</u>	<u>\$275</u>	<u>6,979</u>	<u>\$6,704</u>
		<u>52,968</u>				<u>646,507</u>	
		<u>\$44,652</u>				<u>\$653,486</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, 2017

	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	\$400,819	\$335,399	(\$65,420)
Franchise fees				
Fees, licenses and permits	300,000	300,000	366,382	66,382
Fines and forfeitures				
Use of money and property	30	2,855	69,634	66,779
Intergovernmental	32,000	438,675	268,435	(170,240)
Charges for services	565,520	565,520	482,726	(82,794)
Other revenues	640,200	650,500	584,762	(65,738)
Total Revenues	<u>2,065,550</u>	<u>2,358,369</u>	<u>2,107,338</u>	<u>(251,031)</u>
EXPENDITURES				
Current:				
General government				
Public works				
Public safety				
Community development	1,958,703	1,805,959	1,985,006	(179,047)
Landscaping and street lighting				
Culture and recreation				
Capital outlay				
Debt service:				
Principal payments				
Interest and fiscal charges				
Total Expenditures	<u>1,958,703</u>	<u>1,805,959</u>	<u>1,985,006</u>	<u>(179,047)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>106,847</u>	<u>552,410</u>	<u>122,332</u>	<u>(430,078)</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	200,000	209,590	9,590
Transfers (out)	(300,000)	(608,325)	(516,058)	92,267
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(408,325)</u>	<u>(306,468)</u>	<u>101,857</u>
NET CHANGE IN FUND BALANCES	<u>(\$93,153)</u>	<u>\$144,085</u>	(184,136)	<u>(\$328,221)</u>
BEGINNING FUND BALANCES (DEFICITS)			<u>1,574,539</u>	
ENDING FUND BALANCES (DEFICITS)			<u>\$1,390,403</u>	

SPECIAL REVENUE FUNDS

PUBLIC SAFETY FUND				ROAD FUND			
Original	Final	Actual	Variance Positive (Negative)	Original	Final	Actual	Variance Positive (Negative)
						\$1,639,255	\$1,639,255
\$450	\$2,800	\$4,669	\$1,869	\$975	\$975	6,953	5,978
450,000	1,571,785	1,534,270	(37,515)	1,026,888	1,026,888	1,014,259	(12,629)
20,000	10,000	9,514	(486)	50,000	50,000	(6,013)	(56,013)
221,306	310,385	299,152	(11,233)	10,000	25,282	33,304	8,022
<u>691,756</u>	<u>1,894,970</u>	<u>1,847,605</u>	<u>(47,365)</u>	<u>1,087,863</u>	<u>1,103,145</u>	<u>2,687,758</u>	<u>1,584,613</u>
						349	(349)
875,183	1,899,005	1,627,928	271,077	1,398,945	1,827,906	1,611,322	216,584
	312,524	312,524			116,421	1,755,676	(1,639,255)
<u>875,183</u>	<u>2,211,529</u>	<u>1,940,452</u>	<u>271,077</u>	<u>1,398,945</u>	<u>1,944,327</u>	<u>3,367,347</u>	<u>(1,423,020)</u>
<u>(183,427)</u>	<u>(316,559)</u>	<u>(92,847)</u>	<u>223,712</u>	<u>(311,082)</u>	<u>(841,182)</u>	<u>(679,589)</u>	<u>161,593</u>
170,555	204,872	202,605	(2,267)	75,000	75,000	75,000	
(55,000)		(703)	(703)		(48,839)	(95,000)	(46,161)
<u>115,555</u>	<u>204,872</u>	<u>201,902</u>	<u>(2,970)</u>	<u>75,000</u>	<u>26,161</u>	<u>(20,000)</u>	<u>(46,161)</u>
<u>(\$67,872)</u>	<u>(\$111,687)</u>	109,055	<u>\$220,742</u>	<u>(\$236,082)</u>	<u>(\$815,021)</u>	(699,589)	<u>\$115,432</u>
		628,971				960,345	
		<u>\$738,026</u>				<u>\$260,756</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, 2017

SPECIAL REVENUE FUNDS				
GENERAL EQUIPMENT IMPROVEMENTS 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			\$55,629	\$55,629
Intergovernmental				
Charges for services				
Other revenues		\$19,691	20,581	890
Total Revenues		19,691	76,210	56,519
EXPENDITURES				
Current:				
General government	\$180,335	442,979	25,415	417,564
Public works				
Public safety	300,000	50,310	107,303	(56,993)
Community development				
Landscaping and street lighting				
Culture and recreation	67,540	110,822		110,822
Capital outlay		661,925	661,924	1
Debt service:				
Principal payments				
Interest and fiscal charges				
Total Expenditures	547,875	1,266,036	794,642	471,394
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(547,875)	(1,246,345)	(718,432)	527,913
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets			43,495	43,495
Issuance of capital leases and loans			352,687	352,687
Payment to refunding escrow agent				
Transfers in	547,875	597,875	597,875	
Transfers (out)				
Total Other Financing Sources (Uses)	547,875	597,875	994,057	396,182
NET CHANGE IN FUND BALANCES		(\$648,470)	275,625	\$924,095
BEGINNING FUND BALANCES (DEFICITS)			6,661,343	
ENDING FUND BALANCES (DEFICITS)			\$6,936,968	

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					
		51,150	\$51,150				
		1,877	1,877			\$4,902	\$4,902
	25,000		(25,000)				
62,000	62,000	1,409	(60,591)			142	142
		21,375	21,375			4,208	4,208
<u>187,000</u>	<u>212,000</u>	<u>200,811</u>	<u>(11,189)</u>			<u>9,252</u>	<u>9,252</u>
232,692	233,792	169,722	64,070	\$3,598	(\$169,427)		(169,427)
<u>232,692</u>	<u>233,792</u>	<u>169,722</u>	<u>64,070</u>	<u>3,598</u>	<u>(169,427)</u>		<u>(169,427)</u>
<u>(45,692)</u>	<u>(21,792)</u>	<u>31,089</u>	<u>52,881</u>	<u>(3,598)</u>	<u>169,427</u>	<u>9,252</u>	<u>(160,175)</u>
62,002	62,002	62,002		372,588	372,588		(372,588)
(12,171)	(12,171)		12,171	(371,318)	(371,318)		371,318
<u>49,831</u>	<u>49,831</u>	<u>62,002</u>	<u>12,171</u>	<u>1,270</u>	<u>1,270</u>		<u>(1,270)</u>
<u>\$4,139</u>	<u>\$28,039</u>	93,091	<u>\$65,052</u>	<u>(\$2,328)</u>	<u>\$170,697</u>	9,252	<u>(\$161,445)</u>
		126,284				291,065	
		<u>\$219,375</u>				<u>\$300,317</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, 2017

SPECIAL REVENUE FUNDS				
PUBLIC WORKS ENGINEERING SUPPORT SERVICES FUND				
	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES				
Special benefit assessment for operations				
Contributions from developers and homeowners	\$392,445	\$1,417,736	\$53,150	(\$1,364,586)
Franchise fees				
Fees, licenses and permits			25,233	25,233
Fines and forfeitures				
Use of money and property			(2,244)	(2,244)
Intergovernmental				
Charges for services	3,654,328	3,129,549	2,678,695	(450,854)
Other revenues		290	2,759	2,469
Total Revenues	<u>4,046,773</u>	<u>4,547,575</u>	<u>2,757,593</u>	<u>(1,789,982)</u>
EXPENDITURES				
Current:				
General government	3,396	263,600	223,118	40,482
Public works	3,776,389	3,779,063	3,368,502	410,561
Public safety	1,000	1,000	1,243	(243)
Community development				
Landscaping and street lighting				
Culture and recreation				
Capital outlay				
Debt service:				
Principal payments				
Interest and fiscal charges				
Total Expenditures	<u>3,780,785</u>	<u>4,043,663</u>	<u>3,592,863</u>	<u>450,800</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>265,988</u>	<u>503,912</u>	<u>(835,270)</u>	<u>(1,339,182)</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	2,158,062	848,385	(1,309,677)
Transfers (out)	(260,856)	(475,212)		475,212
Total Other Financing Sources (Uses)	<u>677,640</u>	<u>1,682,850</u>	<u>848,385</u>	<u>(834,465)</u>
NET CHANGE IN FUND BALANCES	<u>\$943,628</u>	<u>\$2,186,762</u>	13,115	<u>(\$2,173,647)</u>
BEGINNING FUND BALANCES (DEFICITS)			<u>(13,114)</u>	
ENDING FUND BALANCES (DEFICITS)			<u>\$1</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		
	\$49,022	\$61,618	\$12,596			\$367,405	\$367,405
\$1,561,117	1,246,908	1,016,393	(230,515)				
		(1,679)	(1,679)			2,693	2,693
3,153,103	1,918,597	1,939,023	20,426	\$1,028,640		1,027,870	(770)
2,249	2,249	1,623	(626)				
<u>4,716,469</u>	<u>3,216,776</u>	<u>3,016,978</u>	<u>(199,798)</u>	<u>1,028,640</u>		<u>1,397,968</u>	<u>369,328</u>
	900	66	834				
19,025	19,025	39,591	(20,566)	125,656		286,055	(160,399)
4,841,426	3,372,797	3,372,351	446	1,090,583		900,951	189,632
	100		100				
<u>4,860,451</u>	<u>3,392,822</u>	<u>3,412,008</u>	<u>(19,186)</u>	<u>1,216,239</u>		<u>1,187,006</u>	<u>29,233</u>
<u>(143,982)</u>	<u>(176,046)</u>	<u>(395,030)</u>	<u>(218,984)</u>	<u>(187,599)</u>		<u>210,962</u>	<u>398,561</u>
289,000	289,000	930,073	641,073				
(318,953)	(96,367)	(40,000)	56,367				
<u>(29,953)</u>	<u>192,633</u>	<u>890,073</u>	<u>697,440</u>				
<u>(\$173,935)</u>	<u>\$16,587</u>	495,043	<u>\$478,456</u>	<u>\$ -</u>	<u>(\$187,599)</u>	210,962	<u>\$398,561</u>
		(498,761)				129,024	
		<u>(\$3,718)</u>				<u>\$339,986</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, 2017

SPECIAL REVENUE FUNDS				
ECONOMIC DEVELOPMENT FUND				
	Budgeted Amounts		Variance Positive (Negative)	
	Original	Final		Actual
REVENUES				
Special benefit assessment for operations				
Contributions from developers and homeowners		\$5,000	\$5,000	
Franchise fees				
Fees, licenses and permits				
Fines and forfeitures				
Use of money and property		250	\$3,407	
Intergovernmental			\$3,157	
Charges for services				
Other revenues				
Total Revenues		5,250	8,407	3,157
EXPENDITURES				
Current:				
General government				
Public works		\$9,000	10,677	
Public safety			(1,677)	
Community development				
Landscaping and street lighting				
Culture and recreation				
Capital outlay				
Debt service:				
Principal payments				
Interest and fiscal charges				
Total Expenditures		9,000	10,677	(1,677)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(3,750)	(2,270)	1,480
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)			(14,246)	
Total Other Financing Sources (Uses)			(14,246)	(14,246)
NET CHANGE IN FUND BALANCES		\$ -	(\$3,750)	(16,516)
BEGINNING FUND BALANCES (DEFICITS)			345,573	
ENDING FUND BALANCES (DEFICITS)			\$329,057	

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		
						\$11,512	\$11,512
		\$2,725	\$2,725				
		19,961	19,961				
		<u>22,686</u>	<u>22,686</u>			<u>11,512</u>	<u>11,512</u>
	\$730,487	216,804	513,683				
	2,061,377	2,061,377					
	<u>2,791,864</u>	<u>2,278,181</u>	<u>513,683</u>				
	<u>(2,791,864)</u>	<u>(2,255,495)</u>	<u>536,369</u>			<u>11,512</u>	<u>11,512</u>
		2,126,768	2,126,768				
		<u>2,126,768</u>	<u>2,126,768</u>				
\$	-	(128,727)	\$2,663,137	\$	-	11,512	\$11,512
		494,373				195,753	
		<u>\$365,646</u>				<u>\$207,265</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, 2017

	DEBT SERVICE FUNDS			
	2011 LEASE REVENUE BOND FUND			
	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Special benefit assessment for operations				
Contributions from developers and homeowners				
Franchise fees				
Fees, licenses and permits	\$371,946	\$371,946	\$371,844	(\$102)
Fines and forfeitures				
Use of money and property			5,674	5,674
Intergovernmental				
Charges for services				
Other revenues				
Total Revenues	<u>371,946</u>	<u>371,946</u>	<u>377,518</u>	<u>5,572</u>
EXPENDITURES				
Current:				
General government				
Public works				
Public safety				
Community development				
Landscaping and street lighting				
Culture and recreation				
Capital outlay				
Debt service:				
Principal payments	327,862	327,862	327,862	
Interest and fiscal charges	205,031	205,031	204,671	360
Total Expenditures	<u>532,893</u>	<u>532,893</u>	<u>532,533</u>	<u>360</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(160,947)</u>	<u>(160,947)</u>	<u>(155,015)</u>	<u>5,932</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>\$10,713</u>	<u>\$10,713</u>	16,645	<u>\$5,932</u>
BEGINNING FUND BALANCES (DEFICITS)			<u>628,619</u>	
ENDING FUND BALANCES (DEFICITS)			<u>\$645,264</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		
	\$1,672,084		(\$1,672,084)				
		\$12,457	12,457			\$7,193	\$7,193
	<u>1,672,084</u>	<u>12,457</u>	<u>(1,659,627)</u>			<u>7,193</u>	<u>7,193</u>
\$1,412,900	1,412,900	1,412,900		\$396,734	\$396,734	396,735	(1)
259,184	259,184	260,784	(1,600)		191,772	191,773	(1)
<u>1,672,084</u>	<u>1,672,084</u>	<u>1,673,684</u>	<u>(1,600)</u>	<u>396,734</u>	<u>588,506</u>	<u>588,508</u>	<u>(2)</u>
<u>(1,672,084)</u>		<u>(1,661,227)</u>	<u>(1,661,227)</u>	<u>(396,734)</u>	<u>(588,506)</u>	<u>(581,315)</u>	<u>7,191</u>
	1,680,084	1,680,084		628,405	628,405	628,405	
	<u>1,680,084</u>	<u>1,680,084</u>		<u>628,405</u>	<u>628,405</u>	<u>628,405</u>	
<u>(\$1,672,084)</u>	<u>\$1,680,084</u>	18,857	<u>(\$1,661,227)</u>	<u>\$231,671</u>	<u>\$39,899</u>	47,090	<u>\$7,191</u>
		<u>6,565</u>				<u>895,316</u>	
		<u>\$25,422</u>				<u>\$942,406</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, 2017

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			\$4,692	\$4,692
Intergovernmental				
Charges for services				
Other revenues				
Total Revenues			4,692	4,692
EXPENDITURES				
Current:				
General government				
Public works				
Public safety				
Community development				
Landscaping and street lighting				
Culture and recreation				
Capital outlay				
Debt service:				
Principal payments	\$661,430	\$857,163	923,859	(66,696)
Interest and fiscal charges	84,421	84,421	172,241	(87,820)
Total Expenditures	745,851	941,584	1,096,100	(154,516)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(745,851)	(941,584)	(1,091,408)	(149,824)
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	1,116,896	1,125,396	8,500
Transfers (out)				
Total Other Financing Sources (Uses)	761,163	1,116,896	1,125,396	8,500
NET CHANGE IN FUND BALANCES	\$15,312	\$175,312	33,988	(\$141,324)
BEGINNING FUND BALANCES (DEFICITS)			64,947	
ENDING FUND BALANCES (DEFICITS)			\$98,935	

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		
						\$1,315,784	\$1,315,784
\$700,000	\$700,000	\$308,608	(\$391,392)	\$1,000,000	\$1,000,000	705,505	(294,495)
		31,124	31,124			10,836	10,836
		1,428,506	1,428,506			993,854	993,854
		1,560	1,560			3,000	3,000
<u>700,000</u>	<u>700,000</u>	<u>1,769,798</u>	<u>1,069,798</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>3,028,979</u>	<u>2,028,979</u>
	3,925,010	527,961	3,397,049				
	1,893,116	1,893,116		548,000	3,386,948 95,055	582,334 1,410,839	2,804,614 (1,315,784)
	<u>5,818,126</u>	<u>2,421,077</u>	<u>3,397,049</u>	<u>548,000</u>	<u>3,482,003</u>	<u>1,993,173</u>	<u>1,488,830</u>
<u>700,000</u>	<u>(5,118,126)</u>	<u>(651,279)</u>	<u>4,466,847</u>	<u>452,000</u>	<u>(2,482,003)</u>	<u>1,035,806</u>	<u>3,517,809</u>
		366,000	366,000				
		<u>366,000</u>	<u>366,000</u>				
<u>\$700,000</u>	<u>(\$5,118,126)</u>	<u>(285,279)</u>	<u>\$4,832,847</u>	<u>\$452,000</u>	<u>(\$2,482,003)</u>	<u>1,035,806</u>	<u>\$3,517,809</u>
		<u>3,422,857</u>				<u>1,056,915</u>	
		<u>\$3,137,578</u>				<u>\$2,092,721</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, 2017

CAPITAL PROJECTS FUNDS			
GENERAL FACILITIES IMPROVEMENT 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			\$11,559
Fines and forfeitures			\$11,559
Use of money and property		\$2,500	49,919
Intergovernmental		425,000	33,407
Charges for services			
Other revenues			8,119
Total Revenues		427,500	103,004
			(324,496)
EXPENDITURES			
Current:			
General government			220
Public works		2,981,480	624,170
Public safety		217,064	148,872
Community development			68,192
Landscaping and street lighting			
Culture and recreation			
Capital outlay		548,502	548,502
Debt service:			
Principal payments			
Interest and fiscal charges			
Total Expenditures		3,747,046	1,321,764
			2,425,282
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(3,319,546)	(1,218,760)
			2,100,786
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets			
Issuance of capital leases and loans			
Payment to refunding escrow agent		475,000	495,000
Transfers in			(16,700)
Transfers (out)			(16,700)
Total Other Financing Sources (Uses)		475,000	478,300
			3,300
NET CHANGE IN FUND BALANCES		\$ -	(\$2,844,546)
			(740,460)
BEGINNING FUND BALANCES (DEFICITS)			15,561,817
ENDING FUND BALANCES (DEFICITS)			\$14,821,357

CAPITAL PROJECTS FUNDS

<u>POLICE FACILITY IMPACT FEES FUND</u>				<u>FIRE FACILITY IMPACT FEES FUND</u>			
<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
\$100,000	\$100,000	\$86,368	(\$13,632)	\$100,000	\$100,000	\$215,837	\$115,837
		7,208	7,208			870	870
<u>100,000</u>	<u>100,000</u>	<u>93,576</u>	<u>(6,424)</u>	<u>100,000</u>	<u>100,000</u>	<u>216,707</u>	<u>116,707</u>
	273,809	20,238	253,571				
						34,591	(34,591)
	<u>273,809</u>	<u>20,238</u>	<u>253,571</u>			<u>34,591</u>	<u>(34,591)</u>
<u>100,000</u>	<u>(173,809)</u>	<u>73,338</u>	<u>247,147</u>	<u>100,000</u>	<u>100,000</u>	<u>182,116</u>	<u>82,116</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>(\$194,209)</u>	52,938	<u>\$247,147</u>	<u>\$ -</u>	<u>\$ -</u>	82,116	<u>\$82,116</u>
		<u>662,591</u>				<u>(4,581,516)</u>	
		<u>\$715,529</u>				<u>(\$4,499,400)</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, 2017

	CAPITAL PROJECTS FUNDS			
	CHILDCARE IMPACT FEES 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	\$20,000	\$20,000	\$41,486	\$21,486
Fines and forfeitures				
Use of money and property	40	40	2,672	2,632
Intergovernmental				
Charges for services				
Other revenues				
Total Revenues	<u>20,040</u>	<u>20,040</u>	<u>44,158</u>	<u>24,118</u>
EXPENDITURES				
Current:				
General government				
Public works				
Public safety				
Community development				
Landscaping and street lighting				
Culture and recreation		30,000	227	29,773
Capital outlay				
Debt service:				
Principal payments				
Interest and fiscal charges				
Total Expenditures		<u>30,000</u>	<u>227</u>	<u>29,773</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>20,040</u>	<u>(9,960)</u>	<u>43,931</u>	<u>53,891</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>\$20,040</u>	<u>(\$9,960)</u>	43,931	<u>\$53,891</u>
BEGINNING FUND BALANCES (DEFICITS)			<u>236,700</u>	
ENDING FUND BALANCES (DEFICITS)			<u>\$280,631</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		
						\$317,572	\$317,572
\$50,000	\$50,000	\$41,567	(\$8,433)			246,797	246,797
35	35	3,893	3,858			13,628	13,628
<u>50,035</u>	<u>50,035</u>	<u>45,460</u>	<u>(4,575)</u>			<u>577,997</u>	<u>577,997</u>
	51,739	50,613	1,126				
						317,572	(317,572)
						10,170	(10,170)
	51,739	50,613	1,126			327,742	(327,742)
<u>50,035</u>	<u>(1,704)</u>	<u>(5,153)</u>	<u>(3,449)</u>			<u>250,255</u>	<u>250,255</u>
					(\$425,000)	(425,000)	
					(425,000)	(425,000)	
<u>\$50,035</u>	<u>(\$1,704)</u>	<u>(5,153)</u>	<u>(\$3,449)</u>	<u>\$ -</u>	<u>(\$425,000)</u>	<u>(174,745)</u>	<u>\$250,255</u>
		296,016				408,318	
		<u>\$290,863</u>				<u>\$233,573</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, 2017

CAPITAL PROJECTS FUNDS				
CORPORATE YARD IMPACT FEES FUND				
	Budgeted Amounts		Variance	
	Original	Final	Positive (Negative)	
REVENUES				
Special benefit assessment for operations				
Contributions from developers and homeowners				
Franchise fees				
Fees, Licenses and permits			\$56,829	
Fines and forfeitures			\$56,829	
Use of money and property			313	
Intergovernmental				
Charges for services				
Other revenues				
Total Revenues			57,142	57,142
EXPENDITURES				
Current:				
General government				
Public works				
Public safety				
Community development				
Landscaping and street lighting				
Culture and recreation				
Capital outlay				
Debt service:				
Principal payments				
Interest and fiscal charges			14,948	
Total Expenditures			14,948	(14,948)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			42,194	42,194
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	\$ -	\$ -	42,194	\$42,194
BEGINNING FUND BALANCES (DEFICITS)			(1,969,785)	
ENDING FUND BALANCES (DEFICITS)			(\$1,927,591)	

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		
		\$28,945	\$28,945			\$404	\$404
		440,978	440,978			704,076	704,076
		11,161	11,161			103,270	103,270
		<u>481,084</u>	<u>481,084</u>			<u>807,750</u>	<u>807,750</u>
	\$10,717,730	186,379	10,531,351		\$14,734,984	951,686	13,783,298
	974,710	974,710			2,255,571	2,255,571	
	<u>11,692,440</u>	<u>1,161,089</u>	<u>10,531,351</u>		<u>16,990,555</u>	<u>3,207,257</u>	<u>13,783,298</u>
	<u>(11,692,440)</u>	<u>(680,005)</u>	<u>11,012,435</u>		<u>(16,990,555)</u>	<u>(2,399,507)</u>	<u>14,591,048</u>
		<u>(1,976,768)</u>	<u>(1,976,768)</u>				
		<u>(1,976,768)</u>	<u>(1,976,768)</u>				
\$	<u>-</u>	<u>(2,656,773)</u>	<u>\$9,035,667</u>	\$	<u>-</u>	<u>(2,399,507)</u>	<u>\$14,591,048</u>
		<u>6,297,101</u>				<u>2,530,796</u>	
		<u>\$3,640,328</u>				<u>\$131,289</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, 2017

	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			\$136,254	\$136,254
Franchise fees				
Fees, Licenses and permits				
Fines and forfeitures				
Use of money and property			28,947	28,947
Intergovernmental				
Charges for services				
Other revenues			750	750
Total Revenues			<u>165,951</u>	<u>165,951</u>
EXPENDITURES				
Current:				
General government				
Public works				
Public safety				
Community development				
Landscaping and street lighting				
Culture and recreation				
Capital outlay			136,254	(136,254)
Debt service:				
Principal payments				
Interest and fiscal charges				
Total Expenditures			<u>136,254</u>	<u>(136,254)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			<u>29,697</u>	<u>29,697</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	\$ -	\$ -	29,697	<u>\$29,697</u>
BEGINNING FUND BALANCES (DEFICITS)			<u>5,704,878</u>	
ENDING FUND BALANCES (DEFICITS)			<u>\$5,734,575</u>	

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		
					\$330,700	\$35,020	(\$295,680)
		\$5,284	\$5,284			465,994	465,994
		5,711	5,711			19,126	19,126
		<u>10,995</u>	<u>10,995</u>		<u>330,700</u>	<u>520,140</u>	<u>189,440</u>
				\$90,704	3,790,162	1,089,865	2,700,297
				<u>90,704</u>	<u>3,790,162</u>	<u>1,089,865</u>	<u>2,700,297</u>
		<u>10,995</u>	<u>10,995</u>	<u>(90,704)</u>	<u>(3,459,462)</u>	<u>(569,725)</u>	<u>2,889,737</u>
				(6,911)	464,416	464,416	6,911
				(6,911)	(6,911)	464,416	6,911
\$ -	\$ -	10,995	\$10,995	(\$97,615)	(\$3,001,957)	(105,309)	\$2,896,648
		<u>525,886</u>				<u>2,017,219</u>	
		<u>\$536,881</u>				<u>\$1,911,910</u>	

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, 2017

	<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	\$9,118	\$9,616,180	\$9,625,298	\$21,985,545
Accounts receivable				19,369
Prepays		2,490	2,490	
Grants receivable				22,211,563
Due from other governments				1,586,433
Restricted assets:				
Cash and investments				27,305,049
Cash and investments with fiscal agent		271	271	19,048,013
Capital assets:				
Not being depreciated		1,142,925	1,142,925	
		<u>10,761,866</u>	<u>10,770,984</u>	
Total Assets	<u>9,118</u>	<u>10,761,866</u>	<u>10,770,984</u>	<u>\$92,155,972</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding of debt		1,695,848	1,695,848	
Total Deferred Outflows of Resources		<u>1,695,848</u>	<u>1,695,848</u>	
LIABILITIES				
Accounts payable		34,206	34,206	\$4,212,071
Refundable deposits		11,358	11,358	
Interest payable		1,178,307	1,178,307	
Due to other governments				34,090,737
Unearned revenue				26,200,767
Due for special assessment debt service				27,652,397
Noncurrent liabilities, due within one year		4,869,783	4,869,783	
Noncurrent liabilities, due after one year		87,537,907	87,537,907	
		<u>93,631,561</u>	<u>93,631,561</u>	
Total Liabilities		<u>93,631,561</u>	<u>93,631,561</u>	<u>\$92,155,972</u>
NET POSITION (DEFICITS)				
HELD IN TRUST FOR OTHERS	<u>\$9,118</u>	<u>(\$81,173,847)</u>	<u>(\$81,164,729)</u>	

CITY OF WEST SACRAMENTO
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 For the Year Ended June 30, 2017

	<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		\$10,330,429	\$10,330,429
Fees, licenses and permits		4,505	4,505
Use of money and property	\$97	23,515	23,612
Gain on sale of capital assets		424,082	424,082
Other revenues		2,733	2,733
Total Additions	<u>97</u>	<u>10,785,264</u>	<u>10,785,361</u>
DEDUCTIONS			
Public safety			
Community development		987,795	987,795
Debt service:			
Interest and fiscal charges		3,599,769	3,599,769
Debt Issuance Cost		451,612	451,612
Total Deductions		<u>5,039,176</u>	<u>5,039,176</u>
Change in Net Position	97	5,746,088	5,746,185
NET POSITION, BEGINNING	<u>9,021</u>	<u>(86,919,935)</u>	<u>(86,910,914)</u>
NET POSITION (DEFICITS), END OF YEAR	<u><u>\$9,118</u></u>	<u><u>(\$81,173,847)</u></u>	<u><u>(\$81,164,729)</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, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<u>No. 8 Series 1999</u>				
Assets:				
Cash and investments	\$3,048,962	\$3,070,230	(\$3,048,962)	\$3,070,230
Due from other governments	146,407	158,656	(146,407)	158,656
Total Assets	<u>\$3,195,369</u>	<u>\$3,228,886</u>	<u>(\$3,195,369)</u>	<u>\$3,228,886</u>
Liabilities:				
Accounts payable	\$3,160	\$11	(\$3,160)	\$11
Due for special assessment debt service	3,192,209	3,228,875	(3,192,209)	3,228,875
Total Liabilities	<u>\$3,195,369</u>	<u>\$3,228,886</u>	<u>(\$3,195,369)</u>	<u>\$3,228,886</u>
<u>No. 9 Staples</u>				
Assets:				
Cash and investments	\$26,337	\$30,623	(\$26,337)	\$30,623
Due from other governments	805	1,059	(805)	1,059
Total Assets	<u>\$27,142</u>	<u>\$31,682</u>	<u>(\$27,142)</u>	<u>\$31,682</u>
Liabilities:				
Accounts payable	\$1,285		(\$1,285)	
Due for special assessment debt service	25,857	\$31,682	(25,857)	\$31,682
Total Liabilities	<u>\$27,142</u>	<u>\$31,682</u>	<u>(\$27,142)</u>	<u>\$31,682</u>
<u>No. 12 Raley's Field</u>				
Assets:				
Cash and investments	\$792,784	\$804,805	(\$792,784)	\$804,805
Due from other governments	14,968	14,975	(14,968)	14,975
Total Assets	<u>\$807,752</u>	<u>\$819,780</u>	<u>(\$807,752)</u>	<u>\$819,780</u>
Liabilities:				
Accounts payable	\$1,410		(\$1,410)	
Due for special assessment debt service	806,342	\$819,780	(806,342)	\$819,780
Total Liabilities	<u>\$807,752</u>	<u>\$819,780</u>	<u>(\$807,752)</u>	<u>\$819,780</u>

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<hr/> No. 14 Newport Estates <hr/>				
Assets:				
Cash and investments	\$497,438	\$552,818	(\$497,438)	\$552,818
Due from other governments	36,090	40,042	(36,090)	40,042
Restricted assets:				
Cash and investments with fiscal agents	596,149	587,103	(596,149)	587,103
Total Assets	\$1,129,677	\$1,179,963	(\$1,129,677)	\$1,179,963
Liabilities:				
Accounts payable	\$3,554		(\$3,554)	
Due for special assessment debt service	1,126,123	\$1,179,963	(1,126,123)	\$1,179,963
Total Liabilities	\$1,129,677	\$1,179,963	(\$1,129,677)	\$1,179,963
<hr/> No. 8 Series 2001 <hr/>				
Assets:				
Due from other governments		\$43,443		\$43,443
Restricted assets:				
Cash and investments with fiscal agents	\$3,430,904	3,511,463	(\$3,430,904)	3,511,463
Total Assets	\$3,430,904	\$3,554,906	(\$3,430,904)	\$3,554,906
Liabilities:				
Accounts payable		\$63		\$63
Due for special assessment debt service	\$3,430,904	3,554,843	(\$3,430,904)	3,554,843
Total Liabilities	\$3,430,904	\$3,554,906	(\$3,430,904)	\$3,554,906
<hr/> No. 15 Pheasant Hollow <hr/>				
Assets:				
Cash and investments	\$121,794	\$125,798	(\$121,794)	\$125,798
Due from other governments	7,621	7,821	(7,621)	7,821
Total Assets	\$129,415	\$133,619	(\$129,415)	\$133,619
Liabilities:				
Accounts payable	\$2,805	\$10	(\$2,805)	\$10
Due for special assessment debt service	126,610	133,609	(126,610)	133,609
Total Liabilities	\$129,415	\$133,619	(\$129,415)	\$133,619

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<hr/> No. 16 Bridgeway Lakes <hr/>				
Assets:				
Cash and investments	\$467,260	\$573,774	(\$467,260)	\$573,774
Due from other governments	49,572	50,043	(49,572)	50,043
Restricted assets:				
Cash and investments with fiscal agents	529,620	42,364	(529,620)	42,364
Total Assets	\$1,046,452	\$666,181	(\$1,046,452)	\$666,181
Liabilities:				
Accounts payable	\$3,875		(\$3,875)	
Due for special assessment debt service	1,042,577	\$666,181	(1,042,577)	\$666,181
Total Liabilities	\$1,046,452	\$666,181	(\$1,046,452)	\$666,181
<hr/> No. 17 Parella <hr/>				
Assets:				
Cash and investments	\$313,201	\$327,082	(\$313,201)	\$327,082
Due from other governments	19,602	18,943	(19,602)	18,943
Restricted assets:				
Cash and investments with fiscal agents	164,854		(164,854)	
Total Assets	\$497,657	\$346,025	(\$497,657)	\$346,025
Liabilities:				
Accounts payable	\$3,949	\$230	(\$3,949)	\$230
Due for special assessment debt service	493,708	345,795	(493,708)	345,795
Total Liabilities	\$497,657	\$346,025	(\$497,657)	\$346,025
<hr/> No. 18 Gateway Unit 4 <hr/>				
Assets:				
Cash and investments	\$55,651	\$57,875	(\$55,651)	\$57,875
Due from other governments	3,203	3,197	(3,203)	3,197
Total Assets	\$58,854	\$61,072	(\$58,854)	\$61,072
Liabilities:				
Accounts payable	\$1,592		(\$1,592)	
Due for special assessment debt service	57,262	\$61,072	(57,262)	\$61,072
Total Liabilities	\$58,854	\$61,072	(\$58,854)	\$61,072

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<hr/> No. 19 River Ranch <hr/>				
Assets:				
Cash and investments	\$184,557	\$189,235	(\$184,557)	\$189,235
Due from other governments	10,066	10,399	(10,066)	10,399
Total Assets	\$194,623	\$199,634	(\$194,623)	\$199,634
Liabilities:				
Accounts payable	\$2,189	\$46	(\$2,189)	\$46
Due for special assessment debt service	192,434	199,588	(192,434)	199,588
Total Liabilities	\$194,623	\$199,634	(\$194,623)	\$199,634
<hr/> No. 20 Bridgeway II <hr/>				
Assets:				
Cash and investments	\$652,355	\$678,533	(\$652,355)	\$678,533
Due from other governments	36,131	36,523	(36,131)	36,523
Restricted assets:				
Cash and investments with fiscal agents	737,716	710,596	(737,716)	710,596
Total Assets	\$1,426,202	\$1,425,652	(\$1,426,202)	\$1,425,652
Liabilities:				
Accounts payable	\$2,613	\$102	(\$2,613)	\$102
Due for special assessment debt service	1,423,589	1,425,550	(1,423,589)	1,425,550
Total Liabilities	\$1,426,202	\$1,425,652	(\$1,426,202)	\$1,425,652
<hr/> No. 21 Parlin Ranch Debt <hr/>				
Assets:				
Cash and investments	\$179,689	\$201,504	(\$179,689)	\$201,504
Due from other governments	11,976	10,570	(11,976)	10,570
Total Assets	\$191,665	\$212,074	(\$191,665)	\$212,074
Liabilities:				
Accounts payable	\$2,077	\$36	(\$2,077)	\$36
Due for special assessment debt service	189,588	212,038	(189,588)	212,038
Total Liabilities	\$191,665	\$212,074	(\$191,665)	\$212,074

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<hr/> No. 23 Triangle Area Debt <hr/>				
Assets:				
Cash and investments	\$389,727	\$444,913	(\$389,727)	\$444,913
Due from other governments	22,588	19,535	(22,588)	19,535
Total Assets	\$412,315	\$464,448	(\$412,315)	\$464,448
Liabilities:				
Accounts payable	\$975	\$35	(\$975)	\$35
Due for special assessment debt service	411,340	464,413	(411,340)	464,413
Total Liabilities	\$412,315	\$464,448	(\$412,315)	\$464,448
<hr/> 2006 Special Tax Revenue Bond <hr/>				
Assets:				
Cash and investments	\$5		(\$5)	
Restricted assets:				
Cash and investments with fiscal agents	\$2,228,560	\$2,146,495	(\$2,228,560)	\$2,146,495
Total Assets	\$2,228,565	\$2,146,495	(\$2,228,565)	\$2,146,495
Liabilities:				
Accounts payable	\$500	\$100	(\$500)	\$100
Due for special assessment debt service	2,228,065	2,146,395	(2,228,065)	2,146,395
Total Liabilities	\$2,228,565	\$2,146,495	(\$2,228,565)	\$2,146,495
<hr/> No. 10 Bridgeway Series 2006 <hr/>				
Assets:				
Cash and investments	\$1,709,610	\$1,731,413	(\$1,709,610)	\$1,731,413
Due from other governments	96,900	97,907	(96,900)	97,907
Total Assets	\$1,806,510	\$1,829,320	(\$1,806,510)	\$1,829,320
Liabilities:				
Accounts payable	\$5,551	\$339	(\$5,551)	\$339
Due for special assessment debt service	1,800,959	1,828,981	(1,800,959)	1,828,981
Total Liabilities	\$1,806,510	\$1,829,320	(\$1,806,510)	\$1,829,320

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<hr/> <u>No. 11 Gateway Series 2006</u> <hr/>				
Assets:				
Cash and investments	\$332,421	\$337,137	(\$332,421)	\$337,137
Due from other governments	18,154	18,339	(18,154)	18,339
	<u>\$350,575</u>	<u>\$355,476</u>	<u>(\$350,575)</u>	<u>\$355,476</u>
Total Assets				
Liabilities:				
Accounts payable	\$2,966	\$57	(\$2,966)	\$57
Due for special assessment debt service	347,609	355,419	(347,609)	355,419
	<u>\$350,575</u>	<u>\$355,476</u>	<u>(\$350,575)</u>	<u>\$355,476</u>
Total Liabilities				
<hr/> <u>No. 24 Bridgeway</u> <hr/>				
Assets:				
Cash and investments	\$98,418	\$110,480	(\$98,418)	\$110,480
Due from other governments	5,438	4,155	(5,438)	4,155
	<u>\$103,856</u>	<u>\$114,635</u>	<u>(\$103,856)</u>	<u>\$114,635</u>
Total Assets				
Liabilities:				
Accounts payable	\$1,213		(\$1,213)	
Due for special assessment debt service	102,643	\$114,635	(102,643)	\$114,635
	<u>\$103,856</u>	<u>\$114,635</u>	<u>(\$103,856)</u>	<u>\$114,635</u>
Total Liabilities				
<hr/> <u>No. 26 Yarborough</u> <hr/>				
Assets:				
Cash and investments	\$156,067	\$157,751	(\$156,067)	\$157,751
Due from other governments	16,483	16,460	(16,483)	16,460
Restricted assets:				
Cash and investments with fiscal agents	318,850	313,605	(318,850)	313,605
	<u>\$491,400</u>	<u>\$487,816</u>	<u>(\$491,400)</u>	<u>\$487,816</u>
Total Assets				
Liabilities:				
Accounts payable	\$2,280		(\$2,280)	
Due for special assessment debt service	489,120	\$487,816	(489,120)	\$487,816
	<u>\$491,400</u>	<u>\$487,816</u>	<u>(\$491,400)</u>	<u>\$487,816</u>
Total Liabilities				

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2017

No. 27 Bridge	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Assets:				
Cash and investments	\$971,802	\$1,077,216	(\$971,802)	\$1,077,216
Due from other governments	44,932	45,826	(44,932)	45,826
Restricted assets:				
Cash and investments with fiscal agents	1,020,549	1,034,950	(1,020,549)	1,034,950
Total Assets	\$2,037,283	\$2,157,992	(\$2,037,283)	\$2,157,992
Liabilities:				
Accounts payable	\$2,342	\$36	(\$2,342)	\$36
Due for special assessment debt service	2,034,941	2,157,956	(2,034,941)	2,157,956
Total Liabilities	\$2,037,283	\$2,157,992	(\$2,037,283)	\$2,157,992
No. 28 Rivers II				
Assets:				
Cash and investments	\$18,121	\$18,149	(\$18,121)	\$18,149
Total Assets	\$18,121	\$18,149	(\$18,121)	\$18,149
Liabilities:				
Due for special assessment debt service	\$18,121	\$18,149	(\$18,121)	\$18,149
Total Liabilities	\$18,121	\$18,149	(\$18,121)	\$18,149
No. 21, 23, and 24 Special Tax Refund				
Assets:				
Restricted assets:				
Cash and investments with fiscal agents	\$693,711	\$860,062	(\$693,711)	\$860,062
Total Assets	\$693,711	\$860,062	(\$693,711)	\$860,062
Liabilities:				
Due for special assessment debt service	\$693,711	\$860,062	\$693,711	\$860,062
Total Liabilities	\$693,711	\$860,062	\$693,711	\$860,062

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<u>2012 Special Tax Refunding Bond</u>				
Assets:				
Cash and investments	\$75,248	\$64,199	(\$75,248)	\$64,199
Restricted assets:				
Cash and investments with fiscal agents	490,388	498,937	(490,388)	498,937
Total Assets	<u>\$565,636</u>	<u>\$563,136</u>	<u>(\$565,636)</u>	<u>\$563,136</u>
Liabilities:				
Due to other governments				
Due for special assessment debt service	\$565,636	\$563,136	(\$565,636)	\$563,136
Total Liabilities	<u>\$565,636</u>	<u>\$563,136</u>	<u>(\$565,636)</u>	<u>\$563,136</u>
<u>Sacramento Regional County Sanitation District Fund</u>				
Assets:				
Cash and investments	\$23,000	\$76,176	(\$23,000)	\$76,176
Total Assets	<u>\$23,000</u>	<u>\$76,176</u>	<u>(\$23,000)</u>	<u>\$76,176</u>
Liabilities:				
Due to other governments	\$23,000	\$76,176	(\$23,000)	\$76,176
Total Liabilities	<u>\$23,000</u>	<u>\$76,176</u>	<u>(\$23,000)</u>	<u>\$76,176</u>
<u>Washington School District Impact Fees Fund</u>				
Assets:				
Cash and investments	\$20,100	\$56,592	(\$20,100)	\$56,592
Total Assets	<u>\$20,100</u>	<u>\$56,592</u>	<u>(\$20,100)</u>	<u>\$56,592</u>
Liabilities:				
Due to other governments	\$20,100	\$56,592	(\$20,100)	\$56,592
Total Liabilities	<u>\$20,100</u>	<u>\$56,592</u>	<u>(\$20,100)</u>	<u>\$56,592</u>

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<u>Raleys Landing Fund</u>				
Assets:				
Cash and investments	\$3,155	\$6,365	(\$3,155)	\$6,365
Total Assets	<u>\$3,155</u>	<u>\$6,365</u>	<u>(\$3,155)</u>	<u>\$6,365</u>
Liabilities:				
Accounts payable	\$3,155	\$6,365	(\$3,155)	\$6,365
Total Liabilities	<u>\$3,155</u>	<u>\$6,365</u>	<u>(\$3,155)</u>	<u>\$6,365</u>
<u>Yolo County Impact Fees Fund</u>				
Assets:				
Cash and investments	\$25,222	\$55,487	(\$25,222)	\$55,487
Total Assets	<u>\$25,222</u>	<u>\$55,487</u>	<u>(\$25,222)</u>	<u>\$55,487</u>
Liabilities:				
Accounts payable	\$1,146		(\$1,146)	
Due to other governments	24,076	\$55,487	(24,076)	\$55,487
Total Liabilities	<u>\$25,222</u>	<u>\$55,487</u>	<u>(\$25,222)</u>	<u>\$55,487</u>
<u>Yolo County Environmental Health</u>				
Assets:				
Cash and investments	\$3,776	\$2,141	(\$3,776)	\$2,141
Total Assets	<u>\$3,776</u>	<u>\$2,141</u>	<u>(\$3,776)</u>	<u>\$2,141</u>
Liabilities:				
Accounts payable		\$109		\$109
Due to other governments	\$3,776	2,032	(\$3,776)	2,032
Total Liabilities	<u>\$3,776</u>	<u>\$2,141</u>	<u>(\$3,776)</u>	<u>\$2,141</u>

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<hr/> Business Improvement Fund <hr/>				
Assets:				
Cash and investments	\$7,883	\$7,968	(\$7,883)	\$7,968
Total Assets	\$7,883	\$7,968	(\$7,883)	\$7,968
Liabilities:				
Accounts payable				
Due for special assessment debt service	\$7,883	\$7,968	(\$7,883)	\$7,968
Total Liabilities	\$7,883	\$7,968	(\$7,883)	\$7,968
<hr/> River City Stadium Financing Authority Fund <hr/>				
Assets:				
Cash and investments	\$11,142	\$13,410	(\$11,142)	\$13,410
Accounts receivable	11,200	4,562	(11,200)	4,562
Restricted assets:				
Cash and investments with fiscal agents	7,047,632	6,783,676	(7,047,632)	6,783,676
Total Assets	\$7,069,974	\$6,801,648	(\$7,069,974)	\$6,801,648
Liabilities:				
Accounts payable	\$17,736	\$14,466	(\$17,736)	\$14,466
Due for special assessment debt service	7,052,238	6,787,182	(7,052,238)	6,787,182
Total Liabilities	\$7,069,974	\$6,801,648	(\$7,069,974)	\$6,801,648
<hr/> Sacramento Yolo Finance Authority Fund <hr/>				
Assets:				
Cash and investments	\$121,951	\$123,261	(\$121,951)	\$123,261
Total Assets	\$121,951	\$123,261	(\$121,951)	\$123,261
Liabilities:				
Due to other governments	\$120,737	\$121,952	(\$120,737)	\$121,952
Due for special assessment debt service	1,214	1,309	(1,214)	1,309
Total Liabilities	\$121,951	\$123,261	(\$121,951)	\$123,261

CITY OF WEST SACRAMENTO
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<u>West Sacramento Area Flood Control Agency Fund</u>				
Assets:				
Cash and investments	\$6,360,492	\$11,090,610	(\$6,360,492)	\$11,090,610
Accounts receivable	27,526	14,807	(27,526)	14,807
Grants receivable	27,366,333	22,211,563	(27,366,333)	22,211,563
Due from other governments	219,032	988,540	(219,032)	988,540
Restricted assets:				
Cash and investments		27,305,049		27,305,049
Cash and investments with fiscal agents	2,621,034	2,558,762	(2,621,034)	2,558,762
Total Assets	<u>\$36,594,417</u>	<u>\$64,169,331</u>	<u>(\$36,594,417)</u>	<u>\$64,169,331</u>
Liabilities:				
Accounts payable and other liabilities	\$2,888,934	\$4,190,066	(\$2,888,934)	\$4,190,066
Due to other governments	33,705,483	33,778,498	(33,705,483)	33,778,498
Unearned revenue		26,200,767		26,200,767
Total Liabilities	<u>\$36,594,417</u>	<u>\$64,169,331</u>	<u>(\$36,594,417)</u>	<u>\$64,169,331</u>
 <u>Total Agency Funds</u>				
Assets:				
Cash and investments	\$16,668,168	\$21,985,545	(\$16,668,168)	\$21,985,545
Accounts receivable	38,726	19,369	(38,726)	19,369
Grants receivable	27,366,333	22,211,563	(27,366,333)	22,211,563
Due from other governments	759,968	1,586,433	(759,968)	1,586,433
Restricted assets:				
Cash and investments		27,305,049		27,305,049
Cash and investments with fiscal agents	19,879,967	19,048,013	(19,879,967)	19,048,013
Total Assets	<u>\$64,713,162</u>	<u>\$92,155,972</u>	<u>(\$64,713,162)</u>	<u>\$92,155,972</u>
Liabilities:				
Accounts payable and other liabilities	\$2,955,307	\$4,212,071	(\$2,955,307)	\$4,212,071
Due to other governments	33,897,172	34,090,737	(33,897,172)	34,090,737
Unearned revenue		26,200,767		26,200,767
Due for special assessment debt service	27,860,683	27,652,397	(27,860,683)	27,652,397
Total Liabilities	<u>\$64,713,162</u>	<u>\$92,155,972</u>	<u>(\$64,713,162)</u>	<u>\$92,155,972</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.

CITY OF WEST SACRAMENTO

NET POSITION BY COMPONENTS
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year 2017	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
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 327,460	\$ 332,044	\$ 330,739	\$ 314,738	\$ 320,836	\$ 303,784	\$ 228,003	\$ 204,839	\$ 206,618	\$ 187,181
Restricted	89,067	94,407	88,076	80,814	78,615	64,432	85,535	89,176	110,414	123,720
Unrestricted	8,628	(4,204)	(5,636)	49,714	43,752	63,536	40,441	28,051	2,894	(7,264)
Total governmental activities net position	\$ 425,155	\$ 422,247	\$ 413,179	\$ 445,266	\$ 443,203	\$ 431,752	\$ 353,979	\$ 322,066	\$ 319,926	\$ 303,637
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 108,234	\$ 107,080	\$ 104,892	\$ 109,835	\$ 118,850	\$ 111,529	\$ 106,994	\$ 91,901	\$ 98,769	\$ 91,063
Restricted	159	1,101	1,465	1,466	132	9,959	10,001	10,001	10,163	2,533
Unrestricted	18,606	19,333	19,848	20,626	14,273	14,042	12,578	27,977	21,040	41,950
Total business-type activities net position	\$ 126,999	\$ 127,514	\$ 126,205	\$ 131,927	\$ 133,255	\$ 135,530	\$ 129,573	\$ 129,879	\$ 129,972	\$ 135,546
PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 435,694	\$ 439,124	\$ 435,631	\$ 424,573	\$ 439,686	\$ 415,313	\$ 334,997	\$ 296,740	\$ 305,387	\$ 278,244
Restricted	89,226	95,508	89,541	82,280	78,747	74,391	95,536	99,177	120,577	126,253
Unrestricted	27,234	15,129	14,212	70,340	58,025	77,578	53,019	56,028	23,934	34,686
Total primary government net position	\$ 552,154	\$ 549,761	\$ 539,384	\$ 577,193	\$ 576,458	\$ 567,282	\$ 483,552	\$ 451,945	\$ 449,898	\$ 439,183

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 2017	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
EXPENSES										
Governmental activities:										
General government	\$ 5,534	\$ 8,404	\$ 11,856	\$ 11,478	\$ 10,228	\$ 20,854	\$ 10,692	\$ 10,800	\$ 9,304	\$ 8,056
Public works	22,356	19,521	19,907	24,286	19,863	18,821	25,643	30,234	25,096	27,454
Public safety	40,119	34,171	29,331	29,167	29,763	30,905	30,295	32,588	33,303	32,212
Community development	6,567	7,002	6,373	5,924	5,684	4,359	4,838	4,551	8,567	14,118
Landscaping and street lighting	2,462	2,323	2,189	2,359	2,226	9,844	10,010	9,166	8,364	7,941
Culture and recreation	9,008	9,194	11,577	7,332	4,429	6,319	6,069	5,408	5,575	6,959
Housing rehabilitation	493	584	3,476	1,821	1,008	5,741	5,791	1,595	2,948	5,059
Interest on long-term debt	916	959	751	1,282	1,063	3,789	6,454	6,370	7,269	6,477
	<u>87,455</u>	<u>82,158</u>	<u>85,460</u>	<u>83,649</u>	<u>74,264</u>	<u>100,632</u>	<u>99,792</u>	<u>100,712</u>	<u>100,426</u>	<u>108,276</u>
Business-type activities:										
Sewer	13,684	12,010	11,404	9,727	8,738	8,331	7,877	7,873	9,536	5,892
Water	13,673	11,283	11,460	10,080	11,020	10,321	10,312	9,625	10,665	11,733
Port	3,181	3,111	3,181	3,218	6,584	4,637	2,301	3,781	6,032	5,770
Refuse	7,194	7,046	6,528	6,338	6,228	6,127	6,051	6,165	6,058	5,863
	<u>37,732</u>	<u>33,450</u>	<u>32,573</u>	<u>29,363</u>	<u>32,570</u>	<u>29,416</u>	<u>26,541</u>	<u>27,444</u>	<u>32,291</u>	<u>29,258</u>
	<u>125,187</u>	<u>115,608</u>	<u>118,033</u>	<u>113,012</u>	<u>106,834</u>	<u>130,048</u>	<u>126,333</u>	<u>128,156</u>	<u>132,717</u>	<u>137,534</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	2,289	2,984	2,772	2,871	4,154	2,724	3,825	2,494	2,927	1,986
Public works	2,938	3,041	4,939	4,303	3,168	3,349	6,558	3,144	3,147	3,299
Public safety	639	748	578	541	668	571	814	841	876	1,148
Community development	3,487	2,884	3,122	2,859	2,409	1,650	1,926	3,131	1,777	3,204
Landscaping and street lighting	142	-	124	1	-	-	4	4	14	4
Culture and recreation	2,692	2,724	2,460	2,564	2,139	2,516	2,209	1,930	1,690	1,145
Housing rehabilitation	277	167	569	1,181	207	271	287	323	42	154
Operating grants and contributions	17,477	22,332	21,124	17,977	16,524	21,789	32,051	12,827	7,562	10,917
Capital grants and contributions	7,178	5,424	7,317	4,415	13,179	11,622	14,421	9,644	17,774	34,100
	<u>\$ 37,119</u>	<u>\$ 40,304</u>	<u>\$ 43,005</u>	<u>\$ 36,712</u>	<u>\$ 42,448</u>	<u>\$ 44,492</u>	<u>\$ 62,095</u>	<u>\$ 34,338</u>	<u>\$ 35,809</u>	<u>\$ 55,957</u>

CITY OF WEST SACRAMENTO

CHANGES IN NET POSITION (Continued)
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year 2017	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
Business-type activities:										
Charges for services:										
Sewer	\$ 13,037	\$ 11,613	\$ 11,191	\$ 9,697	\$ 8,873	\$ 7,968	\$ 7,346	\$ 7,215	\$ 7,373	\$ 7,284
Water	11,693	10,719	10,564	11,523	11,606	10,970	9,405	9,444	9,905	11,026
Port	2,736	2,268	2,098	2,573	3,272	2,879	2,760	3,089	4,235	3,815
Refuse	7,318	7,151	6,777	6,323	6,336	6,366	6,334	6,351	6,381	6,308
Operating grants and contributions	570	553	107	173	2,636	-	-	-	-	-
Capital grants and contributions	1,025	-	-	-	919	-	-	-	274	8,164
	<u>36,379</u>	<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>
	73,498	72,608	73,742	67,001	76,090	72,675	87,940	60,437	63,977	92,554
NET (EXPENSES) REVENUES										
Governmental activities	(50,336)	(41,854)	(42,455)	(46,937)	(31,816)	(56,140)	(37,697)	(66,374)	(64,617)	(52,319)
Business-type activities	(1,353)	(1,146)	(1,836)	926	1,072	(1,233)	(696)	(1,345)	(4,123)	7,339
	<u>(51,689)</u>	<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>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property Taxes	23,860	22,424	21,014	19,096	18,039	31,904	42,563	43,853	45,646	44,781
Sales and use tax	23,034	24,034	23,156	22,339	21,679	18,959	17,056	18,037	20,184	18,692
Transient occupancy tax	1,580	1,421	1,290	1,129	1,019	901	932	827	863	886
Other taxes	1,811	1,756	1,862	1,627	1,541	1,380	1,576	1,398	1,401	2,119
Intergovernmental, unrestricted	75	65	37	22	25	70	599	132	1,145	1,347
Investment earnings	1,556	2,215	1,410	2,122	1,244	1,950	3,471	2,292	8,688	8,320
Miscellaneous	1,974	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	(646)	(1,201)	2,757	2,427	2,143	3,889	1,878	1,357	2,243	2,653
Total governmental activities	<u>\$ 53,244</u>	<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>

CITY OF WEST SACRAMENTO

CHANGES IN NET POSITION (Continued)
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year 2017	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
Business-type activities:										
Intergovernmental, unrestricted	\$ -	\$ 100	\$ 198	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	192	219	124	95	95	83	183	158	630	1,995
Miscellaneous	-	53	(3)	58	184	10,995	2,085	2,450	163	-
Gain on disposal of capital assets	-	882	-	19	-	-	-	-	-	-
Special Items: Treatment plant impairment loss	-	-	-	-	-	-	-	(1,357)	-	(9,766)
Transfers	646	1,201	(2,757)	(2,427)	(2,144)	(3,889)	(1,878)	-	(2,243)	(2,653)
Total business-type activities	838	2,455	(2,438)	(2,255)	(1,865)	7,189	390	1,251	(1,450)	(10,424)
Total primary government	54,082	53,377	64,913	46,746	44,118	154,375	70,000	127,185	79,456	69,021
Changes in Net Position										
Governmental activities	2,909	9,068	24,896	2,064	14,167	91,046	31,913	59,560	16,289	27,126
Business-type activities	(515)	1,309	(4,274)	(1,329)	(793)	5,956	(306)	(94)	(5,573)	(3,085)
Total primary government	\$ 2,394	\$ 10,377	\$ 20,622	\$ 735	\$ 13,374	\$ 97,002	\$ 31,607	\$ 59,466	\$ 10,716	\$ 24,041

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 2017	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
GENERAL FUND										
Nonspendable	\$ 8,982	\$ 9,353	\$ 12,829	\$ 8,560	\$ 4,162	\$ 5,118	\$ 9,890	\$ 6,171	\$ 7,708	\$ 4,563
Restricted	-	1,900	1,900	1,900	1,900	24,879	13,921	16,998	18,854	14,164
Committed	9,613	9,293	8,493	7,600	5,400	-	-	-	-	-
Assigned	3,169	3,716	4,264	-	-	-	-	-	-	-
Unassigned	25,162	16,030	12,913	21,703	24,422	-	-	-	-	-
TOTAL GENERAL FUND	\$ 46,926	\$ 40,292	\$ 40,399	\$ 39,763	\$ 35,884	\$ 29,997	\$ 23,811	\$ 23,169	\$ 26,562	\$ 18,727
ALL OTHER GOVERNMENTAL FUNDS										
Reserved						\$ 102,847	\$ 42,668	\$ 80,663	\$ 76,496	\$ 50,036
Nonspendable	\$ 60,553	\$ 56,403	\$ 54,195	\$ 53,317	\$ 49,399	-	-	-	-	-
Restricted	27,510	33,085	32,625	26,159	31,009	-	-	-	-	-
Committed	19,010	20,000	22,284	24,826	26,819	-	-	-	-	-
Assigned	335	332	328	328	327	-	-	-	-	-
Unassigned, reported in										
Special revenue funds	(35)	(631)	(200)	(6,117)	(5,229)	(5,360)	-	10,802	9,716	17,837
Debt service funds	-	-	-	-	-	(42)	-	84	-	-
Capital projects funds	(6,427)	(6,551)	(6,461)	(6,966)	(6,961)	(7,270)	-	9,248	26,749	59,693
TOTAL ALL OTHER										
GOVERNMENTAL FUNDS	\$ 100,946	\$ 102,638	\$ 102,771	\$ 91,547	\$ 95,364	\$ 90,175	\$ 42,668	\$ 100,797	\$ 112,961	\$ 127,566

NOTE 1: The City implemented GASB statement No. 54 during Fiscal Year 2013, resulting in reserved fund balances in governmental funds being reclassified into the current categories. This change was implemented prospectively.

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 2017	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
REVENUES										
Taxes	\$ 48,675	\$ 48,106	\$ 45,659	\$ 42,732	\$ 40,896	\$ 51,631	\$ 60,547	\$ 62,576	\$ 66,580	\$ 64,305
Special benefit assessment for operations	8,533	8,590	6,011	6,843	8,956	3,724	2,495	2,182	2,103	2,538
Contributions from developers and homeowners	4,626	6,006	4,859	5,263	6,615	10,342	22,789	4,486	11,821	27,565
Franchise fees	1,335	1,252	1,267	1,191	1,144	1,136	1,097	1,026	1,030	1,048
Fees, licenses and permits	4,296	2,944	9,133	4,759	4,550	2,975	2,532	4,704	5,874	6,809
Fines and forfeitures	242	286	216	187	126	135	207	207	251	329
Use of money and property	364	1,076	418	272	546	2,003	3,475	2,307	8,700	8,502
Intergovernmental revenues	8,816	11,334	12,991	7,243	10,523	19,698	22,488	15,890	12,895	16,941
Charges for services	8,734	7,542	7,456	7,989	6,196	5,995	5,484	5,659	4,368	2,818
Contributions from Successor Agency	-	-	-	-	4,059	-	-	-	-	-
Program income	-	-	-	-	-	-	-	-	-	-
Other revenues	3,896	2,240	2,665	1,892	5,992	6,013	7,670	2,825	2,382	2,083
	<u>89,517</u>	<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>
EXPENDITURES										
General government	2,370	6,803	11,007	8,948	9,282	19,958	9,410	10,332	8,716	7,579
Public works	12,330	10,924	11,600	13,092	11,386	20,265	25,533	27,521	24,517	25,483
Public safety	36,476	34,155	28,683	29,063	28,864	29,950	29,802	31,192	31,971	31,089
Community development	6,258	6,896	6,221	5,804	5,444	4,261	4,011	3,978	7,997	9,017
Landscaping and street lighting	2,462	2,315	2,176	2,330	2,226	2,131	2,196	1,974	1,967	1,986
Culture and recreation	7,573	8,089	6,881	6,643	5,433	5,592	5,415	5,367	5,461	5,516
Housing rehabilitation	493	593	2,010	1,821	813	11,916	5,465	3,757	8,488	4,701
Capital outlay	12,493	18,340	12,928	10,634	18,141	20,005	34,455	26,677	24,709	49,330
Debt service:										
Principal payments	3,061	2,686	2,480	2,577	1,431	11,000	3,779	3,653	4,129	2,310
Issuance costs paid	-	35	-	-	89	-	-	-	-	-
Interest and fiscal charges	889	922	919	1,179	960	9,119	6,527	6,731	7,066	7,079
	<u>84,405</u>	<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>
Excess (deficiency) of revenues over expenditures	5,112	(2,382)	5,770	(3,720)	5,534	(30,545)	2,191	(19,320)	(9,017)	(11,152)

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 2017	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
OTHER FINANCING SOURCES (USES)										
Payment to refunding escrow agent	\$ -	\$ -	\$ -	\$ -	\$ (7,822)	\$ -	\$ -	\$ -	\$ -	\$ -
Refunding of bond issue costs	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	123	22	1,840	55	867	766	440	38	3	13
Proceeds from issuance of debt	353	3,323	1,492	1,300	10,354	17,627	-	2,368	-	36,285
Transfers in	11,870	16,815	24,479	22,046	21,372	29,026	22,452	28,683	35,583	69,578
Transfers out	(12,516)	(18,016)	(21,722)	(19,620)	(19,228)	(25,136)	(20,573)	(27,326)	(33,339)	(66,925)
	(170)	2,144	6,089	3,781	5,543	22,283	2,319	3,763	2,247	38,951
Net change in fund balances	\$ 4,942	\$ (238)	\$ 11,859	\$ 61	\$ 11,077	\$ (8,262)	\$ 4,510	\$ (15,557)	\$ (6,770)	\$ 27,799
Debt service as a percentage of noncapital expenditures	5.5%	5.0%	4.7%	5.3%	3.8%	17.6%	11.2%	11.0%	11.2%	9.9%

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
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
2017	\$ 3,418,952,537	\$ 876,707,082	\$ 1,210,252,185	\$ 462,111,815	\$ 5,968,023,619	1.0000

⁽¹⁾ Includes the assessed value of the Redevelopment Agency of \$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); \$2,670,024,211 (2016) and \$3,270,136,086 (2017).

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	
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
2017	1.0000	-	1.0000	0.1082	0.0141	1.1223	1.2446

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	2017		Taxpayer	2008	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
MSHQ LLC	\$ 119,674,917	2.01%	Harsch Investment Corp.	\$ 108,955,197	2.09%
Harsch Investment Corp.	114,210,517	1.91%	MSHQ LLC	106,540,137	2.04%
Bayer Cropscience LP	81,844,877	1.37%	Affymetrix Inc.	66,979,189	1.28%
Westcore West Sac LP	73,215,611	1.23%	JB Management LP	60,965,621	1.17%
West Capitol Commons LLC	63,201,586	1.06%	Sacramento Foodco. Inv. LLC	56,213,076	1.08%
Farmer Rice Co-Op	57,426,092	0.96%	IKEA Property Inc.	50,157,581	0.96%
Tony's Fine Foods	53,889,048	0.90%	River City Land Holding Co. LLC	44,472,595	0.85%
River City Land Holding Co. LLC	52,222,545	0.88%	Frank C. & Joanne M. Ramos	43,334,840	0.83%
Excel Riverpoint LLC	44,116,900	0.74%	Farmers' Rice Co-Op	36,819,859	0.71%
Ikea Property Inc.	43,904,125	0.74%	Capitol Place Apartment Associates	30,643,233	0.59%
Total	\$ 703,706,218	11.80%	Total	\$ 605,081,328	11.60%

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
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%
2017	\$ 36,961,272	\$ 36,961,272	100.0%	N/A	\$ 36,961,272	100.0%

⁽¹⁾ Excludes property taxes exchanges with state for sales, VLF and ERAF totaling \$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); \$3,909,504 (2016) and \$4,109,395 (2017). 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			
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	\$ 65,065	\$ 675	\$ 3,840	\$ 7,926	\$ 103,998	11.09%	\$ 2,120
2013 ^[1]	\$ -	\$ 14,385	\$ 3,604	\$ -	\$ 10,246	\$ 63,001	\$ 590	\$ -	\$ 6,143	\$ 97,969	9.98%	\$ 1,978
2014 ^[1]	\$ -	\$ 13,721	\$ 4,376	\$ -	\$ 8,797	\$ 62,564	\$ 505	\$ -	\$ 4,944	\$ 94,907	9.32%	\$ 1,874
2015 ^[1]	\$ -	\$ 13,038	\$ 3,862	\$ -	\$ 7,669	\$ 60,585	\$ 415	\$ -	\$ 2,346	\$ 87,915	8.20%	\$ 1,724
2016 ^[1]	\$ -	\$ 12,334	\$ 6,468	\$ -	\$ 6,403	\$ 58,547	\$ 320	\$ -	\$ 7,810	\$ 91,882	8.57%	\$ 1,731
2017 ^[1]	\$ -	\$ 11,610	\$ 5,897	\$ -	\$ 4,990	\$ 56,433	\$ 220	\$ -	\$ 5,712	\$ 84,862	6.75%	\$ 1,596

[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		
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
2017	\$ -	\$ -	\$ 4,990	\$ 4,990	1.46%	\$ 94

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, 2017

2016/17 Assessed Valuation \$ 6,429,623,688

OVERLAPPING TAX AND ASSESSMENT DEBT	% Applicable ⁽¹⁾	Debt as of June 30, 2017	Estimated share of overlapping debt
Los Rios Community College District	3.721%	\$ 340,100,000	\$ 12,655,121
River Delta Joint Unified School District School Facilities Improvement District	1.346%	7,670,792	103,249
Washington Unified School District	99.930%	73,183,895	73,132,666
City of West Sacramento Community Facilities District No. 8	100	30,140,000	30,140,000
City of West Sacramento Community Facilities District No. 9	100	150,000	150,000
City of West Sacramento Community Facilities District No. 10	100	16,854,522	16,854,522
City of West Sacramento Community Facilities District No. 11	100	3,038,319	3,038,319
City of West Sacramento Community Facilities District No. 12	100	4,553,500	4,553,500
City of West Sacramento Community Facilities District No. 14	100	6,485,000	6,485,000
City of West Sacramento Community Facilities District No. 15	100	1,444,290	1,444,290
City of West Sacramento Community Facilities District No. 16	100	10,733,628	10,733,628
City of West Sacramento Community Facilities District No. 17	100	4,470,000	4,470,000
City of West Sacramento Community Facilities District No. 18	100	631,242	631,242
City of West Sacramento Community Facilities District No. 19	100	2,131,933	2,131,933
City of West Sacramento Community Facilities District No. 20	100	8,360,000	8,360,000
City of West Sacramento Community Facilities District No. 21	100	2,735,000	2,735,000
City of West Sacramento Community Facilities District No. 23	100	6,035,000	6,035,000
City of West Sacramento Community Facilities District No. 24	100	1,135,000	1,135,000
City of West Sacramento Community Facilities District No. 26	100	4,000,000	4,000,000
City of West Sacramento Community Facilities District No. 27	100	15,680,000	15,680,000
California Statewide Communities Development Authority 1915 Act Bonds	100	3,168,455	3,168,455
West Sacramento Area Flood Control District Assessment District	100	39,640,000	39,640,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		582,340,576	247,276,925
OVERLAPPING GENERAL FUND DEBT			
Yolo County Certificates of Participation	26.074%	22,945,000	5,982,679
Yolo County Board of Education Certificates of Participation	26.074%	5,785,000	1,508,381

CITY OF WEST SACRAMENTO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (Continued)
As of June 30, 2017

	% Applicable ⁽¹⁾	Debt as of June 30, 2017	Estimated share of overlapping debt
Los Rios Community College District Certificates of Participation	3.721%	\$ 700,000	\$ 26,047
Washington Unified School District Certificates of Participation	99.930%	84,773,556	84,714,215
City of West Sacramento General Fund Obligations	100	17,506,469	17,506,469
City of West Sacramento Pension Obligation Bonds	100	4,990,000	4,990,000
TOTAL OVERLAPPING GENERAL FUND DEBT		<u>136,700,025</u>	<u>114,727,791</u>
OVERLAPPING TAX INCREMENT DEBT			
City of West Sacramento Successor Agency	100	87,300,634	87,300,634
TOTAL OVERLAPPING DEBT		<u>\$ 806,341,235 ⁽²⁾</u>	<u>449,305,350</u>
CITY DIRECT DEBT			<u>22,496,469</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 471,801,819</u>

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2016-17 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	3.91%
Total Direct Debt (\$29,750,750)	0.46%
Combined Total Debt	7.16%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$2,800,714,430):

Total Overlapping Tax Increment Debt	3.12%
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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 2017	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
Assessed valuation	\$5,968,023,619	\$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
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,492,005,905	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
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	223,800,886	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
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	\$ 223,800,886	\$ 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
Total debt applicable to the limit as a percentage of debt limit	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		
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	
2017 ⁽³⁾	\$ 12,851	\$ 7,451	\$ 5,335	\$ 1,850	\$ 2,501	1.23	\$ 20,817	\$ 4,566	\$ 3,614	2.54	

⁽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 2017.

⁽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
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%
2017	53,163	\$ 1,257,503	\$ 26,414	5.0%

* Data was not available for the 2016 year and 2015 data was used.

Sources: State Department of Finance and City Finance Division

CITY OF WEST SACRAMENTO
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 Calendar Year

Employer	2017*		Employer	2008	
	Number of Employees	Percentage of Total City Employment		Number of Employees	Percentage of Total City Employment
University of California Davis	9,774	34.95%	United States Postal Service	1,620	5.79%
State of California	3,177	11.36%	United Parcel Services	1,397	5.00%
U.S. Government	2,414	8.63%	State of California, General Services	1,200	4.29%
Cache Creek Casino Resort	2,150	7.69%	Raley's/Bel Air	818	2.93%
Yolo County	1,406	5.03%	Washington Unified School District	802	2.87%
Woodland Joint Unified School District	1,145	4.09%	Nor-Cal Beverage	542	1.94%
Walgreens	803	2.87%	Wal-Mart	500	1.79%
Woodland memorial Hospital	737	2.64%	C&S Wholesale Grocers	499	1.78%
Raley's Inc.	732	2.62%	FedEx Freight West, Inc.	492	1.76%
Sutter Health	721	2.58%	Coventry Health Care	400	1.43%
Pacific Gas and Electric Co.	645	2.31%	IKEA	400	1.43%
City of West Sacramento	550	1.97%	Xyratex International	390	1.39%
Clark Pacific Corp.	535	1.91%	City of West Sacramento	385	1.38%
Nugget Market Inc.	442	1.58%	Tony's Fine Foods	340	1.22%
City of Davis	365	1.31%	Dade Behring, Inc.	335	1.20%
Hunter Douglas Inc.	359	1.28%	Roadway Express	302	1.08%
Beckman Coulter	300	1.07%	Citibank	280	1.00%
Nor-Cal Beverage Co. Inc.	298	1.07%	KOVR TV 13	260	0.93%
Yolo County office of Education	248	0.89%	All Phase Security, Inc.	250	0.89%
Monsanto Co., Vegetable Seeds Division	244	0.87%	Carson Landscape Industries	210	0.75%
Safeway	238	0.85%	Farmers' Rice Cooperative	200	0.72%
City of Woodland	231	0.83%	Affymetrix Inc.	200	0.72%
CommuniCare Health Centers	231	0.83%	Idexx Veterinary Services	186	0.67%
University Retirement Community at Davis	220	0.79%	Target	185	0.66%
	27,965			12,193	

*The 2017 employer data is for Yolo County.

Sources: Sacramento Business Journal, June 2,2017 Vol. 34 No. 15 and City Economic Development Department.

CITY OF WEST SACRAMENTO

PRINCIPAL SALES TAX REMITTERS
CURRENT YEAR AND NINE YEARS AGO

2017	2008
Top Ten Tax Remitters Representing 32.94% of Total Sales Tax	Top Ten Tax Remitters Representing 31.8% of Total Sales Tax
IKEA Home Furnishings Walmart Stores Western Truck Parts-Equ Ramos Oil Company Holt of California Riverview International Home Depot Independent Electric Sup Lowe's Home Centers Target Stores	Ramos Oil Company IKEA Home Furnishings Walmart Stores W.W. Grainger ASC Profiles Holt of California CALPLY River City Petroleum L&W Supply Target Stores

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 2017	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
General Government	69.67	81.15	76.3	72.3	63.4	62.4	63.1	101.73	118.8	128
Police	102	97	94	93	93	97	97	112	118	114
Fire	65	64	67	65	65	68	68	72.25	76	73
Refuse collection	0	0	0	0	0	0	2	3	3	3
Other public works	53.34	53.74	56.34	54.34	52.75	45	31.1	19	21.7	14.5
Redevelopment	0	0	0	0	0	0	15.4	12.22	12	12
Culture and recreation	44.55	33	32	29	29	31	32	34	37	35
Port	2.5	2.5	0	0	3.75	6.5	6.2	5.3	4	6.5
Water	20.08	21.08	18.58	18.08	19	18	19	22	23	22.5
Wastewater (Sewer)	9.58	9.58	8.58	8.08	7.5	7.5	7.5	8.5	8.5	9.5
Total	366.72	362.05	352.8	339.8	333.4	335.4	341.3	390	422	418

Source: City Finance Division

CITY OF WEST SACRAMENTO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year 2017	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
General government:										
Building permits issued	2,274	2,181	2,062	1,697	1,615	1,191	1,099	1,368	1,365	1,641
Building inspections conducted	8,330	6,984	8,994	7,743	6,996	4,173	5,199	5,915	5,776	7,385
Police:										
Calls for service	64,949	67,574	72,906	49,701	60,487	55,916	57,355	63,220	48,021	53,831
Parking violations	4,013	2,575	1,137	1,567	1,980	1,601	2,947	2,261	2,007	2,816
Traffic violations	6,181	6,101	5,588	4,803	3,807	3,540	6,276	6,843	5,542	6,696
Fire:										
Total emergency responses	9,596	9,047	8,544	8,021	7,924	7,712	6,911	6,872	6,591	6,405
Medical responses	6,218	5,414	5,710	5,396	5,338	5,184	4,597	4,725	4,428	4,326
Fires extinguished	394	470	315	339	356	297	278	262	382	341
Inspections	2,786	2,764	2,769	2,922	2,893	2,817	3,154	1,642	1,628	1,584
Refuse collection:										
Refuse collected (annual tons)	23,387	23,459	23,394	21,806	24,631	24,492	25,265	25,193	26,639	27,169
Recyclables collected (annual tons)	10,988	11,671	11,572	11,449	11,895	11,807	12,840	12,193	12,122	11,869
Parks and recreation:										
Recreation program attendees	16,365	16,084	12,946	13,262	14,749	11,188	9,017	8,814	6,500	5,255
Recreation Center pass holders	12,714	11,882	12,027	11,810	10,577	9,096	8,843	8,082	8,330	0.00
Port:										
Tonnage (short tons)	697,187	516,040	342,726	389,091	358,307	311,756	464,955	551,510	618,151	584,913
Vessel calls	35	26	19	26	26	22	21	26	42	34
Water:										
Water main breaks	23	58	16	35	37	90	33	31	25	81
Average daily consumption (millions of gallons)	17	11	11	13	13	12	13	13	13	15
Peak daily consumption (millions of gallons)	19	24	21	24	27	28	26	26	25	27
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	0.00	5.85

* 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 2017	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
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units per shift	14	14	9	10	10	10	10	10	10	10
Fire stations	5	5	5	5	5	5	5	5	5	5
Other public works:										
Streets (miles)	199	220**	220**	220	205	200	198	198	191	191
Street lights	5,368	4,968	4,933	4,899	4,305	4,300	2,947	2,947	2,940	2,425
Traffic signals	52	52	52	49	47	47	47	47	46	44
Parks and recreation:										
Acreage	167	167	167	164	159	144	144	144	149	146
Playgrounds	24	24	24	23	21	17	17	17	18	18
Baseball/softball diamonds	24	24	24	24	24	17	17	17	13	13
Soccer/football fields	14	14	14	14	14	9	9	9	9	9
Skateparks	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	188	200	200	192	198	200	197	197	197	197
Fire hydrants	2,761	2,523	2,517	2,621	3,400	3,400	2,541	2,541	2,541	2,488
Storage capacity (millions of gallons)	26.00	26.00	26.00	24.50	22.75	22.75	22.75	22.75	22.75	22.75
Wastewater:										
Sanitary sewers (miles)	181	190	190	194	193	193	193	193	193	193
Storm sewers (miles)	115	130	130	165	165	165	129	129	129	128
Treatment capacity (millions of gallons)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.50

* Beginning November 1, 2007, the sewage treatment is provided by Sacramento Regional County Sanitation District.

** 2014 data is used for 2015 and 2016.

Sources: Various city departments