

West Patterson Financing Authority

Patterson, California

Basic Financial Statements and Independent Auditors' Report

For the Year Ended June 30, 2017



West Patterson Financing Authority
Basic Financial Statements
For the Year Ended June 30, 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the West Patterson Financing Authority
Patterson, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the West Patterson Financing Authority (the "Authority") as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Authority, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Prior Period Adjustments

As discussed in Note 6 to the basic financial statements, the net position at July 1, 2016 for the governmental activities was restated to \$(2,919,427), as a result of correcting the accrued interest payable as of June 30, 2016. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the Management’s Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Budgetary Information, the Budgetary Comparison Schedules 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2018, on our consideration of the Authority’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 Authority’s internal control over financial reporting and compliance.



Walnut Creek, California
March 23, 2018



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

To the Board of Directors
of the West Patterson Financing Authority
Patterson, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the West Patterson Financing Authority (the "Authority") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Authority's basic financial statements and have issued our report thereon dated March 23, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies as item number 2017-001.

Compliance and Other Matters

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

To the Board of Directors
of the West Patterson Financing Authority
Patterson, California
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The Authority’s Response to Findings

The Authority’s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "The Per Group, LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California
March 23, 2018

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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West Patterson Financing Authority
Statement of Net Position
June 30, 2017

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 6,620,606
Accounts receivable	113,219
Interest receivable	6,179
Total current assets	6,740,004
Noncurrent assets:	
Restricted cash and investments	11,506,502
Total noncurrent assets	11,506,502
Total assets	18,246,506
LIABILITIES	
Current liabilities:	
Accrued interest payable	1,607,431
Due to City of Patterson	75,226
Due within one year:	
Long-term debt	1,090,550
Total current liabilities	2,773,207
Noncurrent liabilities:	
Due in more than one year:	
Long-term debt	79,568,948
Total noncurrent liabilities	79,568,948
Total liabilities	82,342,155
NET POSITION	
Unrestricted (deficit)	(64,095,649)
Total net position	\$ (64,095,649)

West Patterson Financing Authority
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Governmental activities:		
General government	\$ 110,688	\$ (110,688)
Interest and fiscal charges	4,794,646	(4,794,646)
Total governmental activities	4,905,334	(4,905,334)
Total primary government	\$ 4,905,334	\$ (4,905,334)
General revenues and transfers:		
General revenues:		
Assessment fee		6,244,296
Investment earnings		89,091
Transfers to City of Patterson		(250,872)
Total general revenues and transfers		6,082,515
Changes in net position		1,177,181
Net Position:		
Beginning of year, as restated (Note 6)		(65,272,830)
End of year		\$ (64,095,649)

FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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West Patterson Financing Authority
Balance Sheet
Governmental Funds
June 30, 2017

	<u>CFD 2001-1 Special Tax Bonds</u>	<u>CFD 2005-1 Special Tax Bonds</u>	<u>CFD 2015-1 Special Tax Bonds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 3,575,584	\$ 2,965,718	\$ 79,304	\$ 6,620,606
Restricted cash and investments with fiscal agents	4,063,355	7,013,426	429,721	11,506,502
Accounts receivable	101,078	12,141	-	113,219
Interest receivable	3,296	2,883	-	6,179
Total assets	<u>\$ 7,743,313</u>	<u>\$ 9,994,168</u>	<u>\$ 509,025</u>	<u>\$ 18,246,506</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Due to City of Patterson	\$ -	\$ -	\$ 75,226	\$ 75,226
Total liabilities	<u>-</u>	<u>-</u>	<u>75,226</u>	<u>75,226</u>
FUND BALANCES				
Restricted for debt service	<u>7,743,313</u>	<u>9,994,168</u>	<u>433,799</u>	<u>18,171,280</u>
Total Fund Balances	<u>7,743,313</u>	<u>9,994,168</u>	<u>433,799</u>	<u>18,171,280</u>
Total Liabilities and Fund Balances	<u>\$ 7,743,313</u>	<u>\$ 9,994,168</u>	<u>\$ 509,025</u>	<u>\$ 18,246,506</u>

West Patterson Financing Authority
Reconciliation of the Governmental Funds
Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2017

Total fund balances of governmental funds	<u>\$ 18,171,280</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.	(1,607,431)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet.	
Long-term debt	<u>(80,659,498)</u>
Net position of governmental activities	<u><u>\$ (64,095,649)</u></u>

West Patterson Financing Authority
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2017

	<u>CFD 2001-1 Special Tax Bonds</u>	<u>CFD 2005-1 Special Tax Bonds</u>	<u>CFD 2015-1 Special Tax Bonds</u>	<u>Total Governmental Funds</u>
REVENUES:				
Assessment Fee	\$ 5,518,060	\$ 467,397	\$ 258,839	6,244,296
Interest	71,080	17,021	990	89,091
Total revenues	<u>5,589,140</u>	<u>484,418</u>	<u>259,829</u>	<u>6,333,387</u>
EXPENDITURES:				
General administration	663	-	110,025	110,688
Debt service:				
Principal	887,100	75,000	20,000	982,100
Interest and fiscal charges	4,099,005	418,858	250,962	4,768,825
Total expenditures	<u>4,986,768</u>	<u>493,858</u>	<u>380,987</u>	<u>5,861,613</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>602,372</u>	<u>(9,440)</u>	<u>(121,158)</u>	<u>471,774</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(250,872)	-	(250,872)
Total other financing sources (uses)	<u>-</u>	<u>(250,872)</u>	<u>-</u>	<u>(250,872)</u>
Net change in fund balances	602,372	(260,312)	(121,158)	220,902
FUND BALANCES:				
Beginning of year, as originally reported	7,383,006	10,972,791	-	18,355,797
Prior period adjustments	(242,065)	(718,311)	554,957	(405,419)
Beginning of year, as restated	<u>7,140,941</u>	<u>10,254,480</u>	<u>554,957</u>	<u>17,950,378</u>
End of year	<u>\$ 7,743,313</u>	<u>\$ 9,994,168</u>	<u>\$ 433,799</u>	<u>\$ 18,171,280</u>

West Patterson Financing Authority
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2017

Net change in fund balances - total governmental funds:	\$	220,902
 Amounts reported for governmental activities in the Statement of Activities are different because:		
 Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position		
Principal payment of long-term debt		982,100
Amortization of bond premium and discount		(12,256)
 Interest expenses on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. This amount represented the changes in accrued interest from prior year		
		<u>(13,565)</u>
Change in net position of governmental activities	\$	<u><u>1,177,181</u></u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

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West Patterson Financing Authority
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For the Year Ended June 30, 2017

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West Patterson Financing Authority
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the West Patterson Financing Authority (the “Authority”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

A. Financial Reporting Entity

The Authority was formed in 2001 pursuant to a joint exercise of powers agreement between the City of Patterson and the former Redevelopment Agency of the City of Patterson. The primary activity of the Authority is issuing special tax bonds on behalf of the West Patterson Financing Authority Community Facilities District No. 2001-1 (Public Improvements). The proceeds of the special tax bonds are used to finance the costs of certain engineering, design, construction and other expenses related to public infrastructure improvements.

On October 18, 2005, pursuant to Resolution No. 2005-04 of the Board of Directors of the Authority, the Authority founded its Community Facilities District No. 2005-1 (West Patterson Business Park) and authorized special tax levies therein.

On June 2, 2016, pursuant to Resolution No. 2015-03 of the Board of the Board of Directors of the Authority, the Authority founded its Community Facilities District No. 2015-1 (Arambel-KND) and authorized special tax levies therein.

B. Basis of Accounting and Measurement Focus

Fund Accounting

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

Government–Wide Financial Statements

The Authority’s government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental activities for the Authority.

These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the Authority’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

West Patterson Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Government–Wide Financial Statements (Continued)

Certain types of transactions are reported as program revenues for the Authority in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the statement of net position have been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The Authority has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

The primary revenue sources, which have been treated as susceptible to accrual by the Authority is interest income. Certain indirect costs are included in program expenses reported for individual functions and activities. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences.

Governmental funds of the Authority are outlined below:

CFD 2001-1 Special Tax Bonds – This fund is used to account for the debt service payments, investment income, and projects related to the 2013 Special Tax Bonds.

CFD 2005-1 Special Tax Bonds - This fund is used to account for the debt service payments, investment income, and projects related to the Community Facilities District 2005-1 (West Patterson Business Park) Special Tax Bonds.

CFD 2005-1 Special Tax Bonds - This fund is used to account for the debt service payments, investment income, and projects related to the Community Facilities District 2015-1 (Arambel-KND) Special Tax Bonds.

West Patterson Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Cash, Cash Equivalents and Investment

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The Authority follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

D. Restricted Cash and Investments

Certain restricted cash and investments are held by a fiscal agent for the redemption of bonded debt and for acquisition and construction of capital projects.

E. Long-Term Debt

In the government-wide financial statements and the proprietary fund financial statements, long-term liabilities, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Initial issue bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bond issuance costs except for insurance, are expenses in the period incurred. Amortization of bond premiums or discounts, issuance costs, and deferred amounts on refunding is included in interest expense.

West Patterson Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Long-Term Debt (Continued)

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

F. Special Tax

The Community Facilities Districts established by the Authority are authorized to levy special taxes annually on real property located within the Community Facilities Districts. The County of Stanislaus levies, bills, and collects the special property taxes for the Authority. The County of Stanislaus remits Community Facilities District special taxes collected on the County tax roll to the Authority in three installments during the months of December, April, and July.

Tax collections of special taxes on the County tax roll are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, are levied and payable in two installments; the first is due November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Significant penalties are imposed under State law for late payment.

Tax levy dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on real property, as it exists at that time. Liens against real estate are not relieved by subsequent renewal or change in ownership.

In order to collect delinquent special tax levies, the Authority may conduct foreclosure actions against the property on which the special taxes are levied. In some cases, the Authority will "strip" the delinquent special tax amount from the County ad valorem tax roll, and proceed to enforce the payment of the special taxes itself through collection efforts including possible judicial foreclosure.

G. Net Position

For government-wide and proprietary fund financial statements, net position is categorized as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes for which both restricted and unrestricted net position is available, the Authority's policy is to apply restricted net position first.

West Patterson Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Fund Balances

For governmental fund financial statements, fund balances are categorized as follows:

Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories and long term receivables, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations imposed by the formal action of the government’s highest level of decision making authority normally through resolutions, etc., and that remain binding unless rescinded or modified in the same manner. The City Council is considered the highest authority for the Authority.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government’s intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The Authority’s policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Manager and the Finance Director for the purpose of reporting these amounts in the annual financial statements.

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned for those purposes, it may be necessary to report negative unassigned fund balance in that particular fund.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the Authority’s policy is to apply restricted fund balances first, then unrestricted fund balances as they are needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the Authority uses the unrestricted resources in the following order: committed, assigned, and unassigned.

I. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

West Patterson Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 2 – Cash and Investments

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2017:

	Governmental Activities
Cash and investments	\$ 6,620,606
Restricted cash and investments	11,506,502
Total cash and investments	\$ 18,127,108

Cash, cash equivalents, and investments, consisted of the following at June 30, 2017:

Cash and cash equivalents:	
Pooled cash with City of Patterson	\$ 6,620,606
Total cash and cash equivalents	6,620,606
Investments:	
Money market mutual funds	11,506,502
Total investments	11,506,502
Total cash and investments	\$ 18,127,108

At June 30, 2017, investments, are reported at fair value based on quoted market prices. The following table represents the fair value measurements of investments recognized in the accompanying Statement of Net Position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2017:

	Fair Value	Measurement Input	Valuation Technique
Investments:			
Money market mutual funds	\$ 11,506,502	Uncategorized	N/A
Total investments	\$ 11,506,502		

A. Cash Deposits

The carrying amounts of the Authority's pooled cash and investment with the City was \$6,620,606 at June 30, 2017. The total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name is discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits; however, the City has not waived the collateralization requirements.

West Patterson Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 2 – Cash and Investments (Continued)

B. Investments

Investments Authorized by the California Code and the Authority's Investments Policy

The table below identifies the investment types that are authorized by the Authority's investment policy. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Authority, rather than the general provisions of the California Government Code or the Authority's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
U.S. Treasury Obligation	5 years	None	None
U.S. Agency Securities	5 years	None	None
Certificates of Deposit	2 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Money market Funds	N/A	None	None
Annuities	N/A	None	None
Mutual Funds	N/A	5%	None
Corporate Notes (Minimum rating of "AAA")	5 years	5%	None

* The table is based on state law requirements or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investment of debt issuances held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Authority's investment policy. The table below identifies the investment types that are authorized by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
U.S. Treasury Obligation	5 years	None	None
U.S. Agency Securities	5 years	None	None
Certificates of Deposit	2 years	None	None
Local Agency Investment Fund (LAIF)	None	None	None
Money market Funds	None	None	None
Annuities	None	None	None
Mutual Funds	None	5%	None
Corporate Notes (Minimum rating of "AAA")	5 years	5%	None

West Patterson Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 2 – Cash and Investments (Continued)

C. Risk Disclosures

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Authority's interest rate risk is mitigated 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 Authority's investments to market rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity as of June 30, 2017:

	<u>Fair Value</u>	<u>Maturity 12 Months or Less</u>
Investments:		
Money market mutual funds	\$ 11,506,502	\$ 11,506,502
Total investments	<u>\$ 11,506,502</u>	<u>\$ 11,506,502</u>

Disclosures Relating to Credit Risk

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

	<u>Fair Value</u>	<u>Minimum Legal Rating</u>	<u>Credit Rating</u>	
			<u>S&P</u>	<u>Moody's</u>
Investments:				
Money market mutual funds	11,506,502	N/A	AAAm	Aaa-mf
Total investments	<u>\$ 11,506,502</u>			

Disclosures Relating to Concentration of Credit Risk

The Authority complies with the limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. The Authority held no investments in a single issuer (other than U.S. Treasury securities, external investment pools and mutual funds) that represented 5% or more of total Authority investment as of June 30, 2017.

Disclosures Relating to Custodial Credit Risk

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. None of the Authority's investments was subject to custodial credit risk.

West Patterson Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 3 – Due to City of Patterson

At June 30, 2017, the Authority owes the City in the amount of \$75,226 to cover the cash overdrawn.

Note 4 – Transfer to City of Patterson

For the year ended June 30, 2017, the Authority transferred \$250,872 to the City of Patterson for funding the water and sewer capital projects within the West Patterson Business Park area.

Note 5 – Long-term Obligations

A. Governmental Activities

The Authority issued each of the respective bonds and notes on behalf of CFD 2001-1, CFD 2005-1, and 2015-1. Summary of changes in long-term liabilities for the governmental activities for the year ended June 30, 2017 is as follows:

	Original Issuance	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year	Due In More Than One Year
CFD 2001-1 Series:							
Series 2013 A-1 Special Tax Bonds	\$ 35,714,049	\$ 34,720,569	\$ -	\$ (432,192)	\$ 34,288,377	\$ 485,635	\$ 33,802,742
Series 2013 A-2 Special Tax Bonds	29,486,669	28,603,119	-	(378,912)	28,224,207	471,402	27,752,805
Series 2013 B Special Tax Bonds	4,353,803	4,192,590	-	(75,996)	4,116,594	80,769	4,035,825
CFD 2005-1 Business Park Special Tax Bonds	9,630,000	9,630,000	-	(75,000)	9,555,000	55,000	9,500,000
Less: Bond Discount	(302,797)	(302,797)	-	12,618	(290,179)	(12,618)	(277,561)
CFD 2015-1 Arambel-KND Special Tax Bonds	4,775,000	4,775,000	-	(20,000)	4,755,000	10,000	4,745,000
Add: Bond Premium	10,861	10,861	-	(362)	10,499	362	10,137
Total long-term debt	\$ 83,667,585	\$ 81,629,342	\$ -	\$ (969,844)	\$ 80,659,498	\$ 1,090,550	\$ 79,568,948

Special Tax Refunding Bonds, Series 2013-A-1

On August 14, 2013, the Authority issued \$35,714,049 of special tax refunding bonds (Series 2013-A-1) to repay, in part, the principal of the Authority's Special Tax Bond Series 2002-A, 2003-A, 2003-B, 2004-A, 2004-B, 2009-A, and 2009-B. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 1, 2039, beginning on March 1, 2014. The interest rates on the bonds is 5.62%. Principal payments are due annually beginning on September 1, 2014. The notes are secured by a first pledge of the special tax revenues and funds on deposit in the Bond Fund, Reserve Fund, and Special Tax Fund. The outstanding balance of the Series 2013-A-1 bonds at June 30, 2017 was \$34,288,377.

West Patterson Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 5 – Long-term Obligations (Continued)

A. Governmental Activities (Continued)

Special Tax Refunding Bonds, Series 2013-A-1 (Continued)

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 485,635	\$ 1,907,461	\$ 2,393,096
2019	544,750	1,878,507	2,423,257
2020	608,631	1,846,097	2,454,728
2021	676,930	1,809,973	2,486,903
2022	744,564	1,770,029	2,514,593
2023-2027	4,705,871	7,381,707	12,087,578
2028-2032	5,933,892	6,776,138	12,710,030
2033-2037	9,512,924	5,177,253	14,690,177
2038-2040	11,075,180	1,036,989	12,112,169
Total	<u>\$ 34,288,377</u>	<u>\$ 29,584,154</u>	<u>\$ 63,872,531</u>

Special Tax Refunding Bonds, Series 2013-A-2

On August 14, 2013, the Authority issued \$29,486,669 of special tax refunding bonds (Series 2013-A-2) to repay, in part, the principal of the Authority's Special Tax Bond Series 2002-A, 2003-A, 2003-B, 2004-A, 2004-B, 2009-A, and 2009-B. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 1, 2039, beginning on March 1, 2014. The interest rates on the bonds are 6.61%. Principal payments are due annually beginning on September 1, 2014. The notes are secured by a first pledge of the special tax revenues and funds on deposit in the Bond Fund, Reserve Fund, and Special Tax Fund. The outstanding balance of the Series 2013-A-1 bonds at June 30, 2017 was \$28,224,207.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 471,402	\$ 1,844,328	\$ 2,315,730
2019	538,720	1,810,943	2,349,663
2020	605,319	1,773,133	2,378,452
2021	670,449	1,730,969	2,401,418
2022	749,907	1,684,026	2,433,933
2023-2027	5,074,769	6,859,917	11,934,686
2028-2032	7,913,415	5,661,497	13,574,912
2033-2037	8,399,782	2,934,897	11,334,679
2038-2040	3,800,444	290,426	4,090,870
Total	<u>\$ 28,224,207</u>	<u>\$ 24,590,136</u>	<u>\$ 52,814,343</u>

West Patterson Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 5 – Long-term Obligations (Continued)

A. Governmental Activities (Continued)

Special Tax Refunding Bonds, Series 2013-B

On August 14, 2013, the Authority issued \$4,353,803 of special tax refunding bonds (Series 2013-B) to repay, in part, the principal of the Authority's Special Tax Bond Series 2002-A, 2003-A, 2003-B, 2004-A, 2004-B, 2009-A, and 2009- B. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 1, 2039, beginning on March 1, 2014. The interest rate on the bonds is 6.61%. Principal payments are due annually beginning on September 1, 2014. The notes are secured by a first pledge of the special tax revenues and funds on deposit in the Bond Fund, Reserve Fund, and Special Tax Fund. The outstanding balance of the Series 2013-A-1 bonds at June 30, 2017 was \$4,116,594.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 80,769	\$ 268,603	\$ 349,372
2019	86,107	263,088	349,195
2020	91,798	257,208	349,006
2021	97,866	250,940	348,806
2022	104,336	244,257	348,593
2023-2027	634,709	1,005,094	1,639,803
2028-2032	874,106	886,100	1,760,206
2033-2037	1,203,802	587,160	1,790,962
2038-2040	943,101	94,880	1,037,981
Total	<u>\$ 4,116,594</u>	<u>\$ 3,857,330</u>	<u>\$ 7,973,924</u>

Community Facilities District No. 2005-1 (West Patterson Business Park) Special Tax Bonds

On September 29, 2015, the Authority issued \$9,630,000 of special tax refunding bonds (Series 2015) to finance a portion of the costs of acquiring and constructing certain public infrastructure improvements necessary for development of property within the District. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 1, 2045, beginning on March 1, 2016. The bonds bear interest ranging from 2.00% to 4.50%. Principal payments are due annually beginning on September 1, 2016. The notes are secured by a first pledge of the special tax revenues and funds on deposit in the Bond Fund, Reserve Fund, and Special Tax Fund. The outstanding balance of the CFD 2005-1 Special Tax Bonds at June 30, 2017 was \$9,555,000.

West Patterson Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 5 – Long-term Obligations (Continued)

A. Governmental Activities (Continued)

Community Facilities District No. 2005-1 (West Patterson Business Park) Special Tax Bonds (Continued)

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 55,000	\$ 410,618	\$ 465,618
2019	65,000	409,337	474,337
2020	80,000	407,606	487,606
2021	90,000	405,368	495,368
2022	100,000	402,506	502,506
2023-2027	730,000	1,943,150	2,673,150
2028-2032	1,185,000	1,755,884	2,940,884
2033-2037	1,800,000	1,437,956	3,237,956
2038-2042	2,615,000	948,937	3,563,937
2043-2046	2,835,000	265,612	3,100,612
Total	<u>\$ 9,555,000</u>	<u>\$ 8,386,974</u>	<u>\$ 17,941,974</u>

Community Facilities District No. 2015-1 (Arambel-KND) Special Tax Bonds

On September 29, 2015, the Authority issued \$4,775,000 of special tax refunding bonds (Series 2015) to finance a portion of the costs of acquiring and constructing certain public infrastructure improvements necessary for development of property within the District. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 1, 2045, beginning on March 1, 2016. The bonds bear interest ranging from 5.00% to 5.25%. Principal payments are due annually beginning on September 1, 2016. The notes are secured by a first pledge of the special tax revenues and funds on deposit in the Bond Fund, Reserve Fund, and Special Tax Fund. The outstanding balance of the CFD 2015-1 Special Tax Bonds at June 30, 2017 was \$4,755,000.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 10,000	\$ 248,838	\$ 258,838
2019	15,000	248,838	263,838
2020	20,000	247,588	267,588
2021	25,000	246,588	271,588
2022	35,000	245,388	280,388
2023-2027	290,000	1,193,188	1,483,188
2028-2032	545,000	1,093,838	1,638,838
2033-2037	905,000	914,813	1,819,813
2038-2042	1,365,000	632,363	1,997,363
2043-2046	1,545,000	210,263	1,755,263
Total	<u>\$ 4,755,000</u>	<u>\$ 5,281,705</u>	<u>\$ 10,036,705</u>

West Patterson Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Prior Period Adjustments

On July 1, 2016, the Authority recorded certain prior period adjustments to correct a misstatement from prior year. Accordingly, net position is restated as follows:

Government-Wide Financial Statements

	Governmental Activities
Beginning net position, as originally reported	\$ (63,273,545)
Prior period adjustments:	
Principal payments not properly accounted for	(405,419)
Interest payable was not properly accrued	(1,593,866)
Beginning net position, as restated	\$ (65,272,830)

Governmental Fund Financial Statements

	CFD 2001-1 Special Tax Bonds	CFD 2005-1 Special Tax Bonds	CFD 2015-1 Special Tax Bonds	Total
Beginning fund balances, as originally reported	\$ 7,383,006	\$ 10,972,791	\$ -	\$ 18,355,797
Prior period adjustments:				
Reclassify fund balance to CFD 2015-1	-	(554,957)	554,957	-
Principal payments not properly accounted for	(242,065)	(163,354)	554,957	149,538
Beginning fund balances, as restated	\$ 7,140,941	\$ 10,254,480	\$ 1,109,914	\$ 18,505,335

Note 7 – Other Required Disclosures

A. Unrestricted Net Position Deficit

At June 30, 2017, the Governmental Activities of the Authority had an unrestricted net position deficit of \$64,095,649. The deficit will be eliminated through future revenues.

B. Expenditures Exceed Appropriation

For the year ended June 30, 2017, the CFD 2001-1 Special Tax Bonds Fund, CFD 2005-1 (West Patterson Business Park) Special Tax Bonds Fund, and CFD 2015-1 (Arambel-KND) Special Tax Bonds Fund incurred expenditures in excess of budgets by \$5,287, \$27,690, and \$104,149, respectively. Sufficient resources were available in the fund balance of the funds to cover the excess of expenditures.

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REQUIRED SUPPLEMENTARY INFORMATION

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West Patterson Financing Authority
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2017

Note 1 – Budgetary Information

The Authority maintains budgetary controls in order to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The Authority maintains an encumbrance accounting system to provide management with information regarding obligations against appropriations. Budgetary compliance is based on expenditures during the period (U.S.GAAP), rather than expenditures and encumbrances (non-GAAP). Because appropriations lapse at June 30, encumbrances outstanding at June 30, 2017 are disclosed in the notes to the financial statements. Appropriations for fiscal year 2017 will provide authority to complete those transactions.

The Authority is required by its municipal code to adopt an annual budget on or before June 30 for the ensuing fiscal year. From the effective date of the budget, the amounts become the "annual appropriated budget".

The following procedures are performed by the Authority in establishing the budgetary data reflected in the financial statements:

1. The Finance Director submits a preliminary budget by June 30 of each year to Board of Directors. This allows the Authority to continue normal operations until the final budget is adopted in July. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers' comments.
3. The appropriated budget is prepared by fund, department, and division. The government department heads may make transfers of appropriation within a department. Transfers of appropriations between departments requires approval of the City Manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.
4. The budget is legally adopted through the passage of a council resolution.
5. The Board of Directors may amend the budget by resolution during the fiscal year. The City Manager may transfer appropriations from one program, activity, or object to another within the same fund. All appropriations lapse at the end of the fiscal year to the extent they have not been expended. Capital project funds are based on a project time frame, rather than a fiscal year "operating" time frame reappropriating unused appropriations from year to year until project completion.
6. A budget review is presented to the City Council by the City Manager mid-year and approved additions or changes are legally adopted through Council resolution.
7. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the Capital Project Funds.
8. Budgets for the General, Special Revenue, and Capital Project Funds are adopted on a basis consistent with United States generally accepted accounting principles.

West Patterson Financing Authority
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2017

Note 1 – Budgetary Information (Continued)

Budgetary Comparison Schedule – CFD 2001-1 Special Tax Bonds

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Assessment Fee	\$ 5,279,266	\$ 5,353,688	\$ 5,518,060	\$ 164,372
Interest	15,000	15,000	71,080	56,080
Total revenues	<u>5,294,266</u>	<u>5,368,688</u>	<u>5,589,140</u>	<u>220,452</u>
EXPENDITURES:				
General administration	750	1,293	663	630
Debt service:				
Principal	889,343	889,343	887,100	2,243
Interest and fiscal charges	2,064,762	4,090,845	4,099,005	(8,160)
Total expenditures	<u>2,954,855</u>	<u>4,981,481</u>	<u>4,986,768</u>	<u>(5,287)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,339,411</u>	<u>387,207</u>	<u>602,372</u>	<u>215,165</u>
Net change in fund balances	<u>\$ 2,339,411</u>	<u>\$ 387,207</u>	<u>602,372</u>	<u>\$ 215,165</u>
FUND BALANCE:				
Beginning of year, as restated			<u>7,140,941</u>	
End of year			<u>\$ 7,743,313</u>	

West Patterson Financing Authority
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2017

Note 1 – Budgetary Information (Continued)

Budgetary Comparison Schedule – CFD 2005-1 (West Patterson Business Park) Special Tax Bonds

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Assessment Fee	\$ 525,039	\$ 525,039	\$ 467,397	\$ (57,642)
Interest	8,200	8,200	17,021	8,821
Total revenues	<u>533,239</u>	<u>533,239</u>	<u>484,418</u>	<u>(48,821)</u>
EXPENDITURES:				
Debt service:				
Principal	75,000	55,000	75,000	(20,000)
Interest and fiscal charges	206,334	411,168	418,858	(7,690)
Total expenditures	<u>281,334</u>	<u>466,168</u>	<u>493,858</u>	<u>(27,690)</u>
REVENUES OVER (UNDER)	<u>251,905</u>	<u>67,071</u>	<u>(9,440)</u>	<u>(76,511)</u>
EXPENDITURES				
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	(250,872)	(250,872)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(250,872)</u>	<u>(250,872)</u>
Net change in fund balances	<u>\$ 251,905</u>	<u>\$ 67,071</u>	<u>(260,312)</u>	<u>\$ (327,383)</u>
FUND BALANCE:				
Beginning of year, as restated			<u>10,254,480</u>	
End of year			<u>\$ 9,994,168</u>	

West Patterson Financing Authority
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2017

Note 1 – Budgetary Information (Continued)

Budgetary Comparison Schedule – CFD 2015-1 (Arambel-KND) Special Tax Bonds

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Assessment Fee	\$ 286,600	\$ 286,600	\$ 258,839	\$ (27,761)
Interest	2,500	2,500	990	(1,510)
Total revenues	<u>289,100</u>	<u>289,100</u>	<u>259,829</u>	<u>(29,271)</u>
EXPENDITURES:				
General administration	8,000	8,000	110,025	(102,025)
Capital outlay	-	-	-	-
Debt service:				
Principal	20,000	20,000	20,000	-
Interest and fiscal charges	124,919	248,838	250,962	(2,124)
Total expenditures	<u>152,919</u>	<u>276,838</u>	<u>380,987</u>	<u>(104,149)</u>
REVENUES OVER (UNDER)	<u>136,181</u>	<u>12,262</u>	<u>(121,158)</u>	<u>(133,420)</u>
EXPENDITURES				
Net change in fund balances	<u>\$ 136,181</u>	<u>\$ 12,262</u>	<u>(121,158)</u>	<u>\$ (133,420)</u>
FUND BALANCE:				
Beginning of year, as restated			<u>554,957</u>	
End of year			<u>\$ 433,799</u>	