



WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

WEST SACRAMENTO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Jelaina Rosalejos, 5th Grade

**WEST SACRAMENTO AREA FLOOD
CONTROL AGENCY
JOINT POWERS AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015**

Prepared by the Department of Administrative Services
1110 West Capitol Avenue
West Sacramento, California 95691, (916) 617-4575

INTRODUCTORY SECTION

**WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Year Ended June 30, 2015**

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**WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
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Letter of Transmittal

West Sacramento Area Flood Control Agency

December 18, 2015

To the West Sacramento Area Flood Control Area (WSAFCA) Board and Citizens served by the Agency:

Formal Transmittal of the Comprehensive Annual Financial Report (CAFR)

State law requires that every general government publish within six months of the end of each fiscal year a complete set of audited financial statements. The WSAFCA (the Agency or WSAFCA) is a component unit of the City of West Sacramento, California. The report is published to fulfill that requirement for the fiscal year ended June 30, 2015.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Richardson and Company, Certified Public Accountants, have issued an unqualified ("clean") opinion on the Agency's financial statements for the year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's discussion and analysis complement the letter of transmittal and should be read in conjunction with it.

Internal Controls

WSAFCA's management is responsible for establishing and maintaining internal controls designed to ensure that the Agency's assets 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 of America. 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 Agency 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 staff of the City of West Sacramento Finance Division. In addition, the Agency 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 Agency Board. 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 Agency continues to meet its responsibility for sound financial management.

Governmental Structure, Local Economic Condition Outlook

WSAFCA is a joint powers authority created by agreement between the City of West Sacramento (the "City"), Reclamation District No. 900 and Reclamation District No. 537. The Agency was created for the purpose of comprehensively managing the levee systems which provide protection to West Sacramento's citizens, businesses, and assets.

The three member WSAFCA Board formulates and enacts policy for the Agency. The elected boards of RD 900, RD 537, and the West Sacramento City Council each appoint a director and alternate director to serve as the WSAFCA Board.

The Agency provides services related to the construction, maintenance, and regulation of West Sacramento's levee system. Services include the capital expansion and improvement of levee facilities, regulatory services to fulfill legal requirements associated with federal and state programs that relate to the Agency's activities, surveying and mapping services, and planning services that relate to and provide for the public's health and safety in regard to flood prevention, control, and emergency response.

The Agency is required to adopt by resolution a final biennial budget by June 30th. The current budget was adopted on June 11, 2015. The biennial budget serves as the foundation for the Agency's financial planning and control. The Agency's budget is prepared by fund and activity or appropriation level within each category present in the financial statements. The Agency may transfer appropriations and establish new appropriation levels as resources allow.

At this point in time, the Agency is focused on an ambitious capital improvement of the levee system as outlined in the West Sacramento Levee Improvement Program (WSLIP). Typically, staff develops budget proposals for Board consideration based on project hierarchy and phase as identified by the WSLIP with allocation requests reflecting the design, environmental, and construction activity of the selected projects.

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 2015 Mid-Year Update on Labor Market and Regional Economy, published by the Sacramento Business Review, annual nonfarm job growth increase equates to 2.2 percent in June 2015 in the six-county Sacramento region. This rate of growth has not recovered all the 110,000 jobs lost between 2007 and 2011. The uptick in the regional job growth is a result of improvements in three of Sacramento's five largest sectors, coupled with steady growth in the other two. The government sector, the region's largest employer, continues to report a growth rate that lags behind that of the region as a

whole. The State revenues stabilization in the last three years has resulted in a growth rate of 1% per year. The regions second largest employment sector, Educational & Health Services and Professional & Business Services, has posted a steady increase of 2-4 percent per year over the last three years. A total of 2,600 jobs were added in this sector in 2015. The health care sector, now the third highest employer, reported a slowing rate of job growth in the region. This sector reported an increase of 1.8% or 2,200 jobs in 2015 over the past year. The leisure and hospitality sector exhibited a well above average growth job rate, an increase of 6.7% or 6,300 jobs over last year. The construction sector, fueled by the increase in housing- related activities, added more than 1,600 jobs, or an increase of 3.4% over last year. A total of 23,100 nonfarm jobs were added in the Sacramento region in the past year. Overall, during the past year, California has added 444,300 jobs, an increase of 2.8% (source: California Employment Development Department).

The Sacramento region's unemployment rate decreased from the prior year by 1.6 percentage points. According to preliminary data, over 39,200 Sacramento region residents were officially considered unemployed in June 2015, leading to a seasonally adjusted average unemployment rate of 5.7 percent (Source: California Employment Development Department (EDD)). The unemployment rate of the City posted by the California Employment Development Department as of June 2015 is 6.9 percent, 1,700 unemployed out of 24,700 total labor force.

According to Sacramento Business Review 2015 Mid-term report, the region's residential real estate market saw an increase of 7% year-over-year. The median home sale price came in at \$232,000 in June 2015. The majority of the increase in median home prices came in 2013, 2014 and 2015, but it still remains 23% below its peak in 2005. The median sale price per square foot increased by 6% year-over-year, to \$186.00. The largest year-over-year increase in price per square foot were in Yolo County (10.5%), followed by Sacramento County (7.6%), Placer County (3.7%), and El Dorado County (2.8%).

According to California Association of Realtors (www.car.org), the Sacramento region is again one of the most affordable housing regions in the State. With just over 49 percent of homes sold in the second quarter of 2015 affordable to a family earning a median income, Sacramento ranks well above the statewide averages of 31 percent and below the national average of 59 percent. The minimum qualifying income of \$54,670 is required to purchase a median home. The Central Valley is still one of the most affordable regions in the State.

Long-Term Financial Planning

The Agency's planning and project development are informed and greatly facilitated by state and federal funding. The current cash flow model is premised on near term participation of the State of California through its Early Implementation Program and eventual federal participation with acceptance of the General Reevaluation Report by the United States Army Corps of Engineers. WSAFCA anticipates a federal budget allocation for the WSLIP with the next Water Resources Development Act appropriation in 2017.

Relevant Financial Policies

The Agency's cash and investments, stated at fair value, are on account with and pooled with other governmental agencies by the City of West Sacramento's Finance Division for the purpose of capital preservation through conservative investment activity. Union Bank of California Trust Services serves as the Agency's fiscal agent for special assessment debt, i.e. bond proceeds that fund capital projects.

Major Initiatives

During the fiscal year the Agency completed its second and third major projects under the State's Early Implementation Program (EIP).

Southport Sacramento River EIP

WSAFCA identified the Sacramento River right levee between levee mile 2.2 and 7.8 as the next levee improvement project in its ongoing upgrade of the West Sacramento flood protection system. The reach is a federal project levee that extends from the termination of the U.S. Army Corps of Engineers Sacramento River Erosion Repair Site RM 57.2R levee project south 5.6 miles to the South Cross Levee. What distinguishes this project from others is that, unlike WSAFCA's recently completed levee upgrades and those planned for the near future, the Southport Sacramento River EIP (SPEIP) presents potential opportunities for ecosystem restoration and recreation beyond the primary program objective of improving flood protection in the City. These factors combine with the potential for elimination of seismic deficiencies and a reduction in erosion related operation and maintenance costs. Project development attained 65% design point in January 2013. The Project's Environmental Impact Report (CEQA) was approved by the WSAFCA Board in August 2014. The Project attained 90% design in July 2015. The Project relocates South River Road from its current location on the levee crown to a more desirable alignment that is consistent with the City's General Plan and which removes vehicle circulation from the levee. Construction for the relocated road, named Village Parkway, mobilized in September 2015. 100% PS&E is scheduled for March 2016 with project bidding and award thereafter. Construction mobilization is anticipated to begin in late summer 2016.

North Area Project Close Out

The North Area projects were the Agency's first levee improvement projects to advance the WSLIP. The projects were constructed in partnership with the Department of Water Resources under the State's Early Implementation Program. The three projects: I Street Bridge South, CHP Academy, and Rivers have completed construction. Remaining work includes project close out documentation and the transfer of real estate rights to the Central Valley Flood Protection Board. Staff anticipates final project close out in 2016.

General Reevaluation Report

The General Reevaluation Report (GRR), performed by the US Army Corps of Engineers (USACE) in partnership with state and local partners, is a process to determine the Federal interest in improving West Sacramento's levee system and the first step in securing federal cost share for levee improvement projects. The Report has been prepared and scheduled for consideration by the Civil Works Review Board in December 2015. After approval of the Chief's Report the WSLIP will seek a congressional budget allocation in the 2017 Water Resources Development Act bill as part of the federal budget process.

Future Projects- Problem Identification Report & Regional Flood Management Plan

On December 11, 2014, the WSAFCA Board was presented information on potential future projects selected through an updated screening and selection process in accordance with the principles and objectives of the WSLIP. The updated process included weighted alternative project screening criteria based on changes in the overall national, regional, and local economic and regulatory climate, new or updated financial assistance opportunities available for project implementation, and the significant volume of additional technical data available within the project area. The project

screening criteria will be influenced in the near term by a number of local and regional considerations. The City of West Sacramento approved an update to the Problem Identification Report in Oct 2015. The update will utilize field engineering developed for EIP project design and construction. The update will also integrate recent system data. On a separate track the Regional Flood Management Plan is developing a regional project list that will feed into the Central Valley Flood Protection Plan Update in 2017. These efforts will assist WSAFCA in determining the most efficient and effective levee improvement strategy and identify opportunities to improve both West Sacramento's levees and flood protection and conveyance within the regional system.

AWARDS

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the WSAFCA for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the first 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.

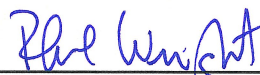
ACKNOWLEDGMENTS

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

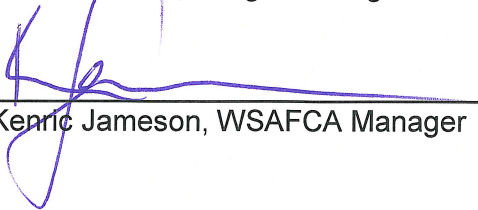
Respectfully submitted,



Nitish Sharma, Budget Manager



Phil Wright, WSAFCA Treasurer



Kenric Jameson, WSAFCA Manager

West Sacramento Area Flood Control Agency

List of Principal Appointed Officials

June 30, 2015

Title	Name	Represented Agency
William Denton	President	RD 900
William Kristoff	Director	City of West Sacramento
Tom Ramos	Director	RD 537
Brian Turner	Alternate Director	RD 900
Beverly Sandeen	Alternate Director	City of West Sacramento
Kent Lang	Alternate Director	RD 537

West Sacramento Area Flood Control Agency

Administrative Staff

June 30, 2015

Name	Title	Agency
Kenrich Jameson	WSAFCA General Manager	RD 900
Martin Tuttle	City Manager	City of West Sacramento
Carol Richardson	Assistant City Manager	City of West Sacramento
Denix Anbiah	Director Public Works	City of West Sacramento
Phil Wright	Director Administrative Services	City of West Sacramento
Nitish Sharma	Budget Manager	City of West Sacramento
Greg Fabun	Flood Protection Manager	City of West Sacramento
Paul Dirksen	Flood Protection Planner	City of West Sacramento
Toby Wong	Construction Engineer	City of West Sacramento
Mark Zollo	Senior Analyst	City of West Sacramento



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For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

Members of the Board of the
West Sacramento Area Flood Control Agency Joint Powers Authority
West Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the West Sacramento Area Flood Control Agency Joint Powers Authority (the Agency), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Agency'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 and the State Controller's Minimum Audit Requirements for California Special Districts. 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.

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 West Sacramento Area Flood Control Agency Joint Powers Authority as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the General Fund and DWR/Flood Protection Grant Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 Agency'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.

Members of the Board of the
West Sacramento Area Flood Control Agency Joint Powers Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015 on our consideration of the Agency'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 Agency's internal control over financial reporting and compliance.

Richardson & Company, LLP

December 18, 2015

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

As management of the West Sacramento Area Flood Control Agency (WSAFCA), a Joint Powers Authority, we offer readers of the WSAFCA's financial statements this narrative overview and analysis of the financial activities of the WSAFCA for the fiscal year ended June 30, 2015. 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 iii to viii of this report.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report is in three major parts:

- 1) **Introductory section**, which includes the Transmittal Letter and general information,
- 2) **Financial section**, the Management's Discussion and Analysis (this section), the Basic Financial Statements, which include the Government-wide and Fund Financial Statements, along with the notes to these Financial Statements, and
- 3) **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 Agency's financial activities and financial position.

The Government-wide Financial Statements

The Government-wide Financial Statements provide a broad overview of the Agency'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 Agency 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 the Agency's revenues and all its expenses, as well as the full-accrual basis, with the emphasis on measuring net revenues or expenses of each of the Agency's programs. The Statement of Activities explains in detail the change in Net Position for the year.

The Statement of Net Position summarizes the financial position of all the Authority's Governmental Activities in a single column and includes the activities of the Authority's General Fund.

The format of the Statement of Activities presents the Authority's expenses first, listed by program. Program revenues are then deducted from program expenses to arrive at the change in net position.

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 WSAFCA, like other state and local agencies, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. WSAFCA utilizes four fund categories, each with a distinct purpose.

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

General Fund is used for all financial resources other than those that require accounting in another fund. The General Fund is used to pay all administrative, operating, and other expenditures incurred by the Authority, and to account for special benefit assessment and contribution revenues.

Debt Service Fund accounts for the accumulation of resources and payments of bond principal and interest of the Assessment Revenue Bonds (2008, 2011 and 2015) to finance construction of certain public capital improvements related to flood protection.

DWR/Flood Protection Grant/WSAFCA Special Revenue Fund accounts for revenues and expenditures associated with the grant funds received from the State of California Department of Water Resources.

JPA Construction Capital Projects Fund accounts for revenues and expenditures associated with the funding from various sources and expenditures to various approved capital improvement projects.

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 as similarly presented for 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 the Agency's most significant funds, called the *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 detail of these *non-major funds*. *Major funds* present the major activities of the Agency for the year, and may change from year to year as a result of changes in the pattern of the Agency's activities. For the fiscal year ending June 30, 2015, the WSAFCA's *major Governmental funds* are as follows:

- General Fund - Fund 870
- Debt Service Funds - Fund 881, Fund 882, and Fund 883
- Special Revenue Fund - Fund 257
- Capital Projects Fund - Fund 871

The Board, 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 Board on a multi-year basis.

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

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 on pages 21 to 31 of this report.

Supplemental Section

The schedules of revenues, expenditures and changes in fund balances – budget and actual of debt service and capital projects funds are presented immediately following the Notes to the Financial Statements. The Supplemental Section can be found on pages 32 to 35 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Authority 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.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the WSAFCA, assets exceeded liabilities by \$58.9 million in Fiscal Year 2015, \$54.4 million in Fiscal Year 2014, and \$44.3 million in Fiscal Year 2013. The increase of \$4.5 million in Fiscal Year 2015 is primarily due to the contribution by the State of California of \$3.5 million for the design of the Southport Levee Project. The increase of \$10.1 million in Fiscal Year 2014 is primarily due to the continuation of the design of the Southport Early Implementation Project. The increase of \$10.4 million in Fiscal Year 2013 is primarily due to the increase in the design of the Southport Early Implementation Project. The other increases are due to an increase in all other capital projects.

CONDENSED STATEMENT OF NET POSITION
AS OF JUNE 30, 2015, 2014 and 2013

	Governmental Activities		
	2015	2014	2013
Current and other assets	\$28,780,597	\$15,792,101	\$12,587,812
Capital assets	\$75,338,831	\$62,741,646	\$55,525,978
Total Assets	\$104,119,428	\$78,533,747	\$68,113,790
Deferred amount on refunding of debt	\$618,707	\$0	\$0
Total Deferred Outflows of Resources	\$618,707		
Current and other liabilities	\$2,528,265	\$2,474,163	\$1,730,624
Non-current liabilities	\$43,303,150	\$21,680,000	\$22,130,000
Total Liabilities	\$45,831,415	\$24,154,163	\$23,860,624
Net investment in capital assets	\$31,525,681	\$40,611,646	\$32,955,978
Restricted	\$5,330,310	\$1,577,016	\$1,185,822
Unrestricted	\$22,050,729	\$12,190,922	\$10,111,366
Total Net Position	\$58,906,720	\$54,379,584	\$44,253,166

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

Governmental Activities

Special flood assessments have increased by 2% each year since Fiscal Year 2008. The special assessment levied on each parcel is a direct tax that is not subject to any changes in the property value. Total governmental activities revenues decreased by \$4.5 million in Fiscal Year 2015. The decrease is primarily due to a decrease in revenues reported under the intergovernmental category. The Agency was spending a lot of resources on the design of the Southport Levee Project in the current year; whereas, there was a lot of levee construction in the prior years. Total governmental activities revenues increased by \$0.5 million in Fiscal Year 2014. The increase is due to a combination of additional assessments of \$0.2 million and the recognition of additional revenues from the State of California for the Southport EIP project (\$0.3 million). Total governmental activities revenues decreased by \$36.8 million in Fiscal Year 2013. The decrease is due to a combination of factors including a significant decrease in State of California funding.

Total governmental activities expenses have increased by \$1.1 million in Fiscal Year 2015. The increase was due to a combination of factors including an increase of 2 percent in pass-thru payments to the three member agencies of the WSAFCA as authorized under the flood assessment ballot and an increase in the staff reimbursement costs due to an indirect cost allocation plan. Total governmental activities expenses have increased by \$0.8 million in Fiscal Year 2014. The primary reason for the increase is due to an increase in operations and maintenance program expenses. Total governmental activities expenses have decreased by \$28.8 million in Fiscal Year 2013. The decrease is due to the completion of the Rivers EIP Levee project and the CHP Bypass Levee improvement project. This combined for a net total cost of \$26.2 million change in Fiscal Year 2013.

CONDENSED STATEMENT OF ACTIVITIES			
Governmental Activities			
	2015	2014	2013
REVENUES			
Program revenues:			
Special benefit assessment for operations	\$4,565,090	\$4,452,137	\$4,270,716
Intergovernmental	\$3,493,827	\$8,134,436	7,807,516
General revenues:			
Investment Earnings	\$67,422	\$22,199	\$10,946
Other	\$2,728	\$2,000	
TOTAL REVENUES	\$8,129,067	\$12,610,772	\$12,089,178
EXPENSES			
Program expenses:			
Operations and maintenance	\$2,447,462	\$1,376,893	\$216,731
Interest and fiscal charges	\$1,154,469	\$1,107,461	\$1,495,376
TOTAL EXPENSES	\$3,601,931	\$2,484,354	\$1,712,107
INCREASE IN NET POSITION	\$4,527,136	\$10,126,418	\$10,377,071
Net position at July 1	\$54,379,584	\$44,253,166	\$33,876,095
NET POSITION AT JUNE 30	\$58,906,720	\$54,379,584	\$44,253,166

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

Financial Analysis of the Agency's Funds

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

Governmental Funds

The governmental funds reported a combined fund balance of \$22.1 million at fiscal year end June 30, 2015, an increase of \$16.6 million. The increase is primarily due to the net proceeds from the issuance of the 2015 WSAFCA Bond of \$21.1 million (\$30.1 million total proceeds less refunding of the 2008 WSAFCA Bond of \$9.0 million, including cost of issuances). There was also an increase in capital outlay \$5.4 million that resulted in a net increase in combined fund balance of \$16.6 million. The governmental funds reported a combined fund balance of \$5.5 million at fiscal year end June 30, 2014, a decrease of \$1.2 million. The decrease is due to the continuation of the design of the Southport EIP project. The governmental fund reported a combined fund balance of \$6.7 million at the fiscal year-end June 30, 2013, a decrease of \$4.6 million. The decrease is due to a combination of factors including the amount of funds being expended on the design of the Southport EIP project and the delay in State share of the project expenditures. Currently the State share of the project is divided equally.

General Fund Budgetary Highlights

The Agency 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 approved by Agency Board separately from the original operating budget on a project by project basis. The capital program prioritizes projects by their ability to minimize risk to the community and leverage available grant funding opportunities at the State and Federal levels. Each month, a report of actual revenue and expenditures are provided to the Board to monitor the fund balance.

Capital assets

The WSAFCA's investment in capital assets, net of depreciation, for its governmental activities as of June 30, 2015, June 30, 2014, and June 30, 2013 were \$75.3 million, \$62.7 million, and \$55.5 million, respectively. The Agency's capital assets were reported as construction in progress and land in each of the last three years for land purchases for and construction of levee improvements. More detail about the capital assets can be found in Note 3 of the Financial Statements.

Major capital asset projects during the year included the design of the Southport EIP project and the USACE General Levee Re-evaluation Report.

Long-term debt

The Agency's debt financing of capital assets for its governmental activities as of June 30, 2015, June 30, 2014, and June 30, 2013 were \$43.8 million, \$22.1 million, and \$22.6 million,

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

respectively. All debt proceeds were used to finance levee improvements or to refund previous debt issues for levee improvements.

More detail of the long-term liabilities and current transactions can be found in Note 4 of the Financial Statements.

Economic Outlook

We believe the economy is slowly recovering from the downturn we experienced for the past ten years. West Sacramento has recently experienced significant growth in commercial establishments. We anticipate that the Agency will experience an increase in the flood in-lieu fee revenue from the growth. The special assessment will continue to increase on an average of 2% each year due to the anticipated increase in the flood program.

Requests for Information

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the Agency'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 WSAFCA Administrative Services Department, 1110 West Capitol Avenue, West Sacramento, CA 95691, or visit the Agency's web page at <http://www.cityofwestsacramento.org/city/flood/default.asp>.

**WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
JOINT POWERS AUTHORITY**

**STATEMENT OF NET POSITION
AND
STATEMENT OF ACTIVITIES**

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

The statement of net position reports the difference between the Agency's total assets and deferred outflows of resources total liabilities and deferred inflows of resources, including all the Agency's capital assets and all its long-term debt. The statement of net position focuses the reader on the composition of the Agency'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 the Agency's governmental activities in a single column. The Agency's governmental activities include the activities of its General Fund.

The statement of activities reports increases and decreases in the Agency's net position. It is also prepared on the full accrual basis, which means it includes all the Agency'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 of resources, liabilities and deferred inflows of resources, available revenues and measurable expenditures.

The format of the statement of activities presents the Agency's expenses first, listed by program. 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 program. The Agency's general revenues are then listed in the governmental activities column, as appropriate, and the change in net position is computed and reconciled with the statement of net position.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 STATEMENT OF NET POSITION
 June 30, 2015

ASSETS	
Cash and investments in City Treasury	\$ 18,127,458
Cash and investments with fiscal agents	4,897,612
Accounts receivable	21,330
Prepaid expenses	300,000
Grants receivable	5,100,000
Due from other governments	334,197
Capital assets	
Not being depreciated	74,171,070
Being depreciated, net	1,167,761
Total Assets	<u>104,119,428</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding of debt	<u>618,707</u>
LIABILITIES	
Accounts payable	1,424,612
Due to other governments	125,921
Interest payable	467,732
Long-term liabilities:	
Due within one year	510,000
Due in more than one year	43,303,150
Total Liabilities	<u>45,831,415</u>
NET POSITION	
Net investment in capital assets	31,525,681
Restricted for debt service	3,042,071
Restricted for levee projects	2,288,239
Unrestricted	<u>22,050,729</u>
Total Net Position	<u>\$ 58,906,720</u>

See accompanying notes to financial statements

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2015

Program Expenses:	
Flood Control	\$ 2,447,462
Interest	1,154,469
Total Program Expenses	<u>3,601,931</u>
Program revenues:	
Operating grants and contributions	4,565,090
Capital grants and contributions	3,493,827
Total Program Revenues	<u>8,058,917</u>
Net Program Revenue	<u>4,456,986</u>
General Revenues	
Investment earnings	67,422
Other	2,728
	<u>70,150</u>
Change in Net Position	4,527,136
Net Position-Beginning	<u>54,379,584</u>
Net Position-Ending	<u><u>\$ 58,906,720</u></u>

See accompanying notes to financial statements

**WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
JOINT POWERS AUTHORITY**

FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year.

MAJOR GOVERNMENTAL FUNDS

General Fund – to account for all financial resources except those required to be accounted for in another fund. This fund is used to pay all administrative, operating and other expenditures incurred by the Agency, and to account for special benefit assessment and contribution revenues.

DWR/Flood Protection Grant Special Revenue Fund - to account for revenues and noncapital expenditures associated with the grant funds received from the State of California Department of Water Resources.

2008 Flood Bond Debt Service Fund - to account for the accumulation of resources and payments of bond principal and interest of the Assessment Revenue Bonds, Series 2008, issued to finance the construction of certain public capital improvements related to flood protection.

2011 Flood Bond Debt Service Fund - to account for the accumulation of resources and payments of bond principal and interest of the Assessment Revenue Bonds, Series 2011, issued to finance the construction of certain public capital improvements related to flood protection.

2015 WSFCA Bond Debt Service Fund - to account for the accumulation of resources and payments of bond principal and interest of the Assessment Revenue Bonds, Series 2015, issued to finance the construction of certain public capital improvements related to levee improvements and flood control and to refund a portion of the Assessment Revenue Bonds, Series 2008.

JPA Construction Capital Projects Fund - to account for revenues and capital expenditures associated with the grant funds received from the State of California Department of Water Resources.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 BALANCE SHEETS - GOVERNMENTAL FUNDS
 June 30, 2015

	General Fund	DWR/Flood Protection Grant Special Revenue Fund	2008 Flood Bond Debt Service Fund	2011 Flood Bond Debt Service Fund
ASSETS				
Cash and investments in City Treasury	\$ 11,891,621	\$ 409	\$ 431,281	\$ 4,410
Cash and investments with fiscal agents	11		688,682	902,643
Accounts receivable	20,080			
Prepaid expenses				
Grants receivable		5,100,000		
Due from other governments	193,576			
Total Assets	\$ 12,105,288	\$ 5,100,409	\$ 1,119,963	\$ 907,053
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 366,205			
Due to other governments	125,921			
Total Liabilities	492,126			
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues		\$ 5,100,000		
FUND BALANCES				
Restricted for debt service	11		\$ 1,119,963	\$ 907,053
Restricted for levee projects				
Committed		409		
Unassigned	11,613,151			
Total Fund Balances (Deficits)	11,613,162	409	1,119,963	907,053
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,105,288	\$ 5,100,409	\$ 1,119,963	\$ 907,053

TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS

Amounts reported for governmental activities in the statement of net position are different from those reported in the governmental funds because:

LONG-TERM RECEIVABLES

Long-term receivables are not available to pay current period expenditures and, therefore, are deferred in governmental funds. These receivables are recognized in the government-wide statements.

CAPITAL ASSETS

Capital assets used in governmental activities are not current assets or financial resources and, therefore, are not reported in governmental funds.

LONG-TERM LIABILITIES

Long-term liabilities are not due and payable in the current portion period and, therefore, are not reported in governmental funds. Those liabilities consist of:

- Interest payable
- Bonds payable
- Deferred amount on refunding of debt

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES

See accompanying notes to financial statements

2015 WSAFCA Bond Debt Service Fund	JPA Construction Capital Projects Fund	Total
\$ 7	\$ 5,799,730	\$ 18,127,458
1,018,037	2,288,239	4,897,612
	1,250	21,330
	300,000	300,000
		5,100,000
	140,621	334,197
<u>\$ 1,018,044</u>	<u>\$ 8,529,840</u>	<u>\$ 28,780,597</u>

\$ 3,000	\$ 1,055,407	\$ 1,424,612
		125,921
<u>3,000</u>	<u>1,055,407</u>	<u>1,550,533</u>

	64,409	5,164,409
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1,015,044		3,042,071
	2,288,239	2,288,239
	5,121,785	5,122,194
		11,613,151
<u>1,015,044</u>	<u>7,410,024</u>	<u>22,065,655</u>

<u>\$ 1,018,044</u>	<u>\$ 8,529,840</u>	<u>\$ 28,780,597</u>
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\$ 22,065,655

5,164,409

75,338,831

(467,732)
(43,813,150)
618,707

\$ 58,906,720

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the Year Ended June 30, 2015

	General Fund	DWR/Flood Protection Grant Special Revenue Fund	2008 Flood Bond Debt Service Fund	2011 Flood Bond Debt Service Fund
REVENUES				
Special benefit assessment for operations	\$ 4,565,090			
Reimbursements	7,952			
Intergovernmental	918,493	\$ 5,956,100		
Use of money and property	35,952	409	\$ 14,842	\$ 13,882
Other	2,589			
Total Revenues	<u>5,530,076</u>	<u>5,956,509</u>	<u>14,842</u>	<u>13,882</u>
EXPENDITURES				
Current:				
Flood control:				
Operations and maintenance	1,823,367		6,008	2,470
Capital outlay				
Debt service:				
Principal payments			195,000	255,000
Debt issuance costs				
Interest and fiscal charges			470,768	628,044
Total Expenditures	<u>1,823,367</u>	<u> </u>	<u>671,776</u>	<u>885,514</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,706,709	5,956,509	(656,934)	(871,632)
OTHER FINANCING SOURCES (USES)				
Proceeds from debt				
Paid to refunding escrow				
Transfers in	6,824,641		1,096,855	883,044
Transfers out	(1,979,899)	(6,824,641)		
Total Other Financing Sources (uses)	<u>4,844,742</u>	<u>(6,824,641)</u>	<u>1,096,855</u>	<u>883,044</u>
Net Change In Fund Balances	8,551,451	(868,132)	439,921	11,412
Fund Balances - Beginning	<u>3,061,711</u>	<u>868,541</u>	<u>680,042</u>	<u>895,641</u>
Fund Balances - Ending	<u>\$ 11,613,162</u>	<u>\$ 409</u>	<u>\$ 1,119,963</u>	<u>\$ 907,053</u>

See accompanying notes to financial statements

2015 WSAFCA Bond Debt Service Fund	JPA Construction Capital Projects Fund	Total
		\$ 4,565,090
	\$ 1,250	9,202
	76,071	6,950,664
\$ 144	2,193	67,422
	139	2,728
<u>144</u>	<u>79,653</u>	<u>11,595,106</u>
	72,444	1,904,289
	12,597,185	12,597,185
		450,000
543,173		543,173
(25,153)		1,073,659
<u>518,020</u>	<u>12,669,629</u>	<u>16,568,306</u>
(517,876)	(12,589,976)	(4,973,200)
30,668,304		30,668,304
(9,135,384)		(9,135,384)
	20,000,000	28,804,540
(20,000,000)		(28,804,540)
<u>1,532,920</u>	<u>20,000,000</u>	<u>21,532,920</u>
1,015,044	7,410,024	16,559,720
		5,505,935
<u>\$ 1,015,044</u>	<u>\$ 7,410,024</u>	<u>\$ 22,065,655</u>

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 Reconciliation of the
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
 with the
 STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2015

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$16,559,720

Amounts reported for governmental activities in the statement of activities are different because:

LONG-TERM RECEIVABLES

Long-term receivables are not available to pay current period expenditures and therefore are deferred in governmental funds. These receivables are recognized in the government-wide statements. This amount represents the change in unavailable revenues. (3,466,039)

CAPITAL ASSETS TRANSACTIONS

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are capitalized and allocated over their useful lives and reported as depreciation expense, if any.
 Capital outlay expense 12,597,185

LONG-TERM DEBT TRANSACTIONS

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the government-wide statements. Repayment of principal is an expenditure in governmental funds, but reduces the long-term debt in the government-wide statements.

Principal payments	450,000
Proceeds from debt	(30,668,304)
Paid to refunding escrow	9,135,384
Amortization of debt premium	25,154
Amortization of deferred amount on refunding	(6,677)

Some expenses reported in the government-wide statements do not require the use of current financial resources and, therefore, are not expenditures in the governmental funds.
 Change in interest payable (99,287)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 4,527,136

See accompanying notes to financial statements

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special benefit assessment for operations			\$ 4,565,090	\$ 4,565,090
Reimbursements			7,952	7,952
Intergovernmental			918,493	918,493
Use of money and property			35,952	35,952
Other			2,589	2,589
Total Revenues			<u>5,530,076</u>	<u>5,530,076</u>
EXPENDITURES				
Current:				
Flood control:				
Operations and maintenance		\$ 1,882,693	1,823,367	59,326
Capital outlay		<u>43,064,500</u>		<u>43,064,500</u>
Total Expenditures		<u>44,947,193</u>	<u>1,823,367</u>	<u>43,123,826</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(44,947,193)	3,706,709	48,653,902
OTHER FINANCING SOURCES (USES)				
Transfers in		6,824,641	6,824,641	
Transfers out			<u>(1,979,899)</u>	<u>(1,979,899)</u>
Total Other Financing Sources (uses)		<u>6,824,641</u>	<u>4,844,742</u>	<u>(1,979,899)</u>
Net Change in Fund Balance	\$ -	<u>\$ (38,122,552)</u>	8,551,451	<u>\$ 46,674,003</u>
Fund Balance - Beginning			<u>3,061,711</u>	
Fund Balance - Ending			<u>\$11,613,162</u>	

See accompanying notes to financial statements

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 DWR/FLOOD PROTECTION GRANT SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental			\$ 5,956,100	\$ 5,956,100
Use of money and property			409	409
Total Revenues			5,956,509	5,956,509
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			5,956,509	5,956,509
OTHER FINANCING SOURCES (USES)				
Transfers out		\$(6,824,641)	(6,824,641)	
Total Other Financing Sources (Uses)		(6,824,641)	(6,824,641)	
Net Change in Fund Balance	\$ -	\$(6,824,641)	(868,132)	\$ 5,956,509
Fund Balance - Beginning			868,541	
Fund Balance - Ending			\$ 409	

See accompanying notes to financial statements

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

A. *Organization and Purpose*

The West Sacramento Area Flood Control Agency Joint Powers Authority (the “Agency”) was created in July, 1994, under the provisions of Chapter 5 of Division 7 of the Title 1 of the California Government Code (commencing with section 6500) for the purpose of controlling and conserving waters for the protection of life and property that would or could be damaged by being inundated by still or flowing water. The Agency’s Governing Board is comprised of one representative from each charter member agency. The charter member agencies are the City of West Sacramento, Reclamation District No. 900, and Reclamation District No. 537. Each representative of the governing board has one vote. The members are appointed by the respective City Council or Board of Directors.

The Agency is partnering with the California State Department of Water Resources, the Central Valley Flood Protection Board and the Army Corps of Engineers to improve levees around the City of West Sacramento to meet 200 year state and federal flood protection standards by 2025. The Agency uses a special assessment on property owners, State Proposition 1E grant revenue and funding from other local agencies to complete its flood protection projects.

The Agency is also lead agency in developing the Regional Flood Management Plan (RFMP), which is a state grant funded flood risk reduction planning effort for the Lower Sacramento-Delta North Region of the larger Central Valley Flood Protection Plan. The Agency is funding grant application costs and each participating agency, including the County of Yolo and Sacramento Area Flood Control Agency, reimburses the Agency for their share of the costs, which are reported as intergovernmental revenues in the General Fund.

The accounting records of the Agency are maintained by the City of West Sacramento. The Agency has no employees and substantially all staff services are performed by City of West Sacramento personnel. Costs incurred by the City of West Sacramento to provide such services are reimbursed by the Agency.

The Agency is considered to be a separate legal entity and is not a component unit of the above members because its Governing Board is not controlled by any member and it has no financial benefit or burden relationship with any member. However, it is reported as an agency fund in the City of West Sacramento’s basic financial statements.

B. *Basis of Presentation*

The Agency’s basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America. These Standards require that the financial statements described below be presented.

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall Agency’s governmental activities.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)

Governmental activities generally are financed through intergovernmental revenues. The Agency is the only entity included in these financial statements.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) special benefit assessments for operations of the programs, (b) contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Agency. The emphasis of fund financial statements is on major individual governmental funds. The Agency has the following major funds:

General Fund - The General Fund is the general operating fund of the Agency. It is used to account for all financial resources except those required to be accounted for in another fund. This fund is used to pay all administrative, operating and other expenditures incurred by the Agency, and to account for special benefit assessment and contribution revenues.

DWR/Flood Protection Grant Special Revenue Fund – Special Revenue Funds are used to account for specific revenues that are restricted by law or administrative action to expenditures for particular purposes. The DWR/Flood Protection Grant Special Revenue Fund is used to account for revenues and noncapital expenditures associated with the grant funds received from the State of California Department of Water Resources for levee improvements.

2008 Flood Bond Debt Service Fund – The 2008 Flood Bond Debt Service Fund is used to account for the accumulation of resources and payments of bond principal and interest of the Assessment Revenue Bonds, Series 2008, issued to finance the construction of certain public capital improvements related to flood protection.

2011 Flood Bond Debt Service Fund – The 2011 Flood Bond Debt Service Fund is used to account for the accumulation of resources and payments of bond principal and interest of the Assessment Revenue Bonds, Series 2011, issued to finance the construction of certain public capital improvements related to flood protection.

2015 WSFCA Bond Debt Service Fund – The 2015 Flood Bond Debt Service Fund is used to account for the accumulation of resources and payments of bond principal and interest of the Assessment Revenue Bonds, Series 2015, issued to finance the construction of certain public capital improvements related to levee improvements and flood control and to refund a portion of the Assessment Revenue Bonds, Series 2008.

JPA Construction Capital Projects Fund – Capital projects funds are used to account for resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition and construction of capital facilities. The JPA Construction Capital Projects Fund is used to account for revenues and capital expenditures associated with the grant funds received from the State of California Department of Water Resources for levee improvements.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)

C. *Basis of Accounting*

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Interfund transactions are eliminated.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available. Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Non-exchange transactions, in which the Agency gives or receives value without directly receiving or giving equal value in exchange, may include property taxes, grants, entitlements, and donations. Revenue from property taxes, special benefit assessments, is recognized in the fiscal year for which the taxes are levied if received in the availability period. Revenue from cost reimbursement grants is recognized in the fiscal year in which eligible costs have been incurred, if received in the availability period.

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

D. *Receivables*

Grants receivable represent Proposition 1E revenue earned as of year-end and due from the State of California Department of Water Resources. The amounts of the qualifying expenditures have been estimated and the actual amount realized may differ from the amount paid by the Department of Water Resources. Due from other governments represents reimbursements due from other governments for the RFMP as described in Note 1 A. Governmental fund revenues are accrued as revenues if received within the "availability period", which is generally within 60 days of year-end, with the exception of grants and sales and use taxes, which are considered available if received within 90 days of year-end.

E. *Deferred Inflows of Resources*

Deferred inflows of resources, a separate financial statement element, 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 Agency'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 of debt may also be reported as deferred inflows or outflows of resources.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)

F. *Interfund Transactions*

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “due to/from other funds” (i.e., the current portion of interfund loans).

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the funds that statute or budgets require to expend them or to move receipts restricted to debt service from the funds collecting them to the debt service funds as payments are due. Transfers were made from the General Fund to the debt service funds to fund debt service payments. Transfers were also made from the DWR/Flood Protection Grant Special Revenue Fund to the General Fund to fund qualifying operating and maintenance expenditures approved under the DWR grant agreement and debt proceeds were transferred from the 2015 WSAFCA Bond Debt Service Fund to the JPA Construction Capital Projects Fund for levee improvements.

G. *Budgets and Budgetary Accounting*

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), with the exception of capital outlay expense that is not budgeted. Budget amounts in the financial statements are as originally adopted, or as amended by the Board. Individual amendments were not material in relation to the original appropriations. Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Formal budgetary integration is employed as a management control device. Encumbrance accounting is employed as an extension of formal budgetary integration in all funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances outstanding at year end are reported as commitments or assignments of fund balances since they do not constitute expenditures or liabilities and are re-appropriated in the following year.

H. *Excess Expenditures over Appropriations*

The following funds had expenditures and transfers in excess of the final appropriation for the fiscal year ended June 30, 2015:

Fund	Excess Expenditures
2008 Flood Bond Debt Service Fund	\$ 671,776
2011 Flood Bond Debt Service Fund	885,514
2015 WSFCA Bond Debt Service Fund	518,020
JPA Construction Fund	12,009,629

NOTE 2 - CASH AND INVESTMENTS

The Agency pools cash from all sources with the City of West Sacramento so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. The City’s investment policy and the California Government Code permit investments in Securities of the U.S. Government or its agencies, certificates of deposit, negotiable

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 2 – CASH AND INVESTMENTS (Continued)

certificates of deposit, medium-term notes, commercial paper, banker’s acceptances, commercial paper, the State of California Local Authority Investment Fund (LAIF Pool), repurchase agreements, and passbook savings account demand deposits. The City’s full investment policy may be found in the City’s Comprehensive Annual Financial report on the City’s website at cityofwestsacramento.org.

The Agency follows the practice of pooling cash and investment of all funds. Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Cash and Investments in City Treasury	\$18,127,458
Cash and Investments with Fiscal Agents	
U.S. Treasury Obligations	362,435
Certificates of Deposit	969,039
Money Market Mutual Funds	3,566,138
Total Cash and Investments with Fiscal Agents	4,897,612
Total	\$23,025,070

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

The Agency has adopted the City’ of West Sacramento’s investment policy for all investments with the exception of investments held by bond trustees that are governed by the provisions of the debt agreements of the Agency’s, rather than the Agency’s investment policy.

Authorized Investment Type	Maximum Maturity	Mimimum 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%
Collateralized Certificates of Deposit	5 years	N/A	30%	30%
Negotiable Certificates of Deposit	5 years	N/A	30%	30%
Commercial Paper	270 days	A1	25%	10%
Repurchase Agreements	1 year	N/A	None	None
Reverse Repurchase Agreements	92 days	N/A	20% of base value	None
California Local Agency Debt	5 years	N/A	None	None
Local Agency Bonds	5 years	N/A	None	None
Medium Term Notes	5 years	A	30%	30%
Mutual Funds	5 years	AAA	20%	10%
Mortgage Pass-through Securities	5 years	AA	20%	20%
Money Market Mutual Funds	N/A	N/A	20%	None
County Pooled Investment Funds	N/A	N/A	None	None
JPA Pools, including CAMP	N/A	N/A	None	None

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 2 – CASH AND INVESTMENTS (Continued)

B. Investments Authorized by Debt Agreements

The Agency 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 Agency fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with Agency resolutions, bond indentures or State statutes. The investments authorized by debt agreements include all of the investments listed in the previous table authorized by the City’s investment policy. The debt agreements also authorize debt proceeds to be invested in guaranteed investment contracts that are guaranteed by a financial institution that has an unsecured rating or the agreement itself is rated in one of the two highest rating categories by two or more rating agencies. The agreements must be 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 and Credit 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 the Agency 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 Agency’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 Agency’s investments by maturity:

Investment Type	Total	12 Months or Less	13 to 24 Months	24 to 60 Months
Cash and Investments in City Treasury	\$ 18,127,458	\$ 18,127,458		
Cash and Investments with Fiscal Agents				
U.S. Treasury Obligations	362,435			\$ 362,435
Certificates of Deposit	969,039		\$ 241,538	727,501
Money Market Mutual Funds	3,566,138	3,566,138		
Total	<u>\$ 23,025,070</u>	<u>\$ 21,693,596</u>	<u>\$ 241,538</u>	<u>\$ 1,089,936</u>

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 Agency’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investment Type	Total	Exempt From Disclosure	AAA
Cash and Investments in City Treasury	\$ 18,127,458	\$ 18,127,458	
Cash and Investments with Fiscal Agents			
U.S. Treasury Obligations	362,435	362,435	
Certificates of Deposit	969,039	969,039	
Money Market Mutual Funds	<u>3,566,138</u>		\$ 3,566,138
Total	<u>\$ 23,025,070</u>	<u>\$ 19,458,932</u>	<u>\$ 3,566,138</u>

NOTE 3 – CAPITAL ASSETS

Capital assets used in governmental fund type operations are accounted for in the statement of net position, rather than in governmental funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. All capital assets with limited useful lives are depreciated over their estimated useful lives using straight-line method. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets. Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the statement of net position as a reduction in the book value of capital assets.

Capital assets activity was as follows for the year ended June 30:

	Balance at July 1, 2014	Additions	Transfers & Adjustments	Balance at June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 60,700	\$ 7,293,351		\$ 7,354,051
Construction in	<u>62,680,946</u>	<u>5,303,834</u>	<u>\$(1,167,761)</u>	<u>66,817,019</u>
Total capital assets not being depreciated:	62,741,646	12,597,185	(1,167,761)	74,171,070
Capital assets, being depreciated:				
Infrastructure			<u>1,167,761</u>	<u>1,167,761</u>
Total Capital Assets, Net	<u>\$62,741,646</u>	<u>\$12,597,185</u>	<u>\$ -</u>	<u>\$75,338,831</u>

No depreciation was recognized during the year as the infrastructure was transferred at year-end.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 4 – LONG-TERM LIABILITIES

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

	Balance at July 1, 2014	Additions	Retirements	Balance at June 30, 2015	Current Portion
Assessment Revenue Bonds:					
2008 Assessment Revenue Bonds 4.00%, due 09/1/16	\$ 9,120,000		\$ (8,705,000)	\$ 415,000	\$ 205,000
2011 Assessment Revenue Bonds 2.25%-5.25%, due 09/1/41	13,010,000		(255,000)	12,755,000	260,000
2015 Assessment Revenue Bonds 2.00%-5.00%, due 09/1/45		\$ 27,650,000		27,650,000	45,000
	22,130,000	27,650,000	(8,960,000)	40,820,000	510,000
2015 bond premium		3,018,303	(25,153)	2,993,150	
	22,130,000	<u>\$ 30,668,303</u>	<u>\$ (8,985,153)</u>	43,813,150	<u>\$ 510,000</u>
Less: Due within one year	(450,000)			(510,000)	
Due in more than one year	<u>\$ 21,680,000</u>			<u>\$ 43,303,150</u>	

- A. West Sacramento Area Flood Control Agency Assessment Revenue Bonds, Series 2008** – On August 13, 2008 the Agency issued \$10,000,000 to finance the construction of certain public capital improvements related to flood protection. The bonds are payable solely from annual assessment installments for capital facilities to be levied by the Agency on all parcels in the City of West Sacramento. The bonds were partially refunded in the current fiscal year by the 2015 Revenue Bonds described below. For the bonds remaining after the partial refunding, principal payments of \$205,000 and \$210,000 are due on September 1, 2015 and 2016, respectively. Interest payments of \$3,844 to \$4,200 are due semi-annually on March 1 and September 1 through September 1, 2016. Interest rate for the remaining bonds is 4.0%.
- B. West Sacramento Area Flood Control Agency Assessment Revenue Bonds, Series 2011** – In 2011, the Agency issued revenue bonds to fund construction of WSLIP repair projects, and fund planning, environmental, and engineering program costs related to the Southport Sacramento River Levee EIP Project. The bonds are payable solely from annual assessment installments for capital facilities to be levied by the Agency on all parcels in the City of West Sacramento. Principal payments of \$100,000 to \$840,000 are due annually on September 1 through September 1, 2041. Interest payments of \$22,055 to \$464,895 are due semi-annually on March 1 and September 1 through September 1, 2041. Interest rates range from 2.2% to 5.25%.
- C. West Sacramento Area Flood Control Agency Assessment Revenue Bonds, Series 2015** – In 2015, the Agency issued revenue bonds to continue levee improvement projects. Proceeds will be used to provide the local match for the construction phase of the Southport Project, which includes significant right of way acquisition, planning, environmental, and design studies for the next major flood project proposed for the northern portion of the City and referred to as the “North Area Project. The bonds are payable solely from annual assessment installments for capital facilities to be levied by the Agency on all parcels in the City of West Sacramento. Principal payments of \$45,000 to \$2,445,000 are due annually on September 1 through 2045. Interest payments of \$122,250 to \$1,266,388 are due annually on September 1 through 2045. Interest rates range from 2.0% to 5.0%.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 4 – LONG-TERM LIABILITIES (Continued)

A portion of the proceeds will also be used to refund and legally defease a portion of the Agency’s outstanding Assessment Revenue Bonds, Series 2008. After the defeasance of the 2008 Bonds, \$415,000 remains outstanding at June 30, 2015.

Proceeds of the 2015 series Bonds of \$9,135,384 were transferred to an escrow agent for the refunding. The amounts deposited will be invested in an amount calculated to be sufficient to pay the redemption price, plus accrued interest, of the refunded Assessment Revenue Bonds, Series 2008 on September 1, 2016, by optional redemption on that date. The Agency completed the refunding to reduce its total debt service by \$1,695,984, which resulted in an economic gain (difference between the present value of the old and new debt service payments) of \$1,166,953.

D. Debt Service Requirements

The annual debt service requirements at June 30, 2015 are as follows:

Year Ending June 30:	Principal	Interest
2016	\$ 510,000	\$ 1,795,044
2017	670,000	1,884,006
2018	690,000	1,864,563
2019	710,000	1,843,085
2020	735,000	1,818,031
2021-2025	4,205,000	8,520,438
2026-2030	5,365,000	7,331,991
2031-2035	6,665,000	6,027,559
2036-2040	8,255,000	4,361,619
2041-2045	10,570,000	1,988,400
2046	2,445,000	61,125
	<u>\$40,820,000</u>	<u>\$37,495,861</u>

NOTE 5 – NET POSITION AND FUND BALANCES

A. Net Position

Net position is the excess of all the Agency’s assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund.

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 those assets reduce the balance in this category.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 5 – NET POSITION AND FUND BALANCES (Continued)

Restricted – This describes the portion of net position that has external restrictions imposed on its use by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The purpose of each restriction is specified on the statement of net position.

Unrestricted – This describes the portion of net position which is not restricted as to use.

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities. The fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the Agency to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the Agency 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:

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 (i.e. Board resolution) of the Agency's Board which may be altered only by formal action (i.e. Board resolution) of the Agency's Board. Encumbrances subject to Board commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by a resolution of the Governing Board or its designee, which is the Agency's Treasurer, and may be changed at the discretion of the Governing Board or its designee with another Board resolution. This category includes encumbrances when it is the intent to use proceeds or collections for a specific purpose and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

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.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 6 – COMMITMENTS AND CONTINGENCIES

Long-Term Commitments

The Agency had the following significant contract commitments as of June 30, 2015:

	Appropriation	Expended June 30, 2015	Commitment
Flood Projects	\$ 114,779,809	\$ 79,061,252	\$ 35,718,557

The Agency acquired a number of properties under eminent domain proceedings as part of flood control projects. As of June 30, 2015, the Agency made deposits into escrow accounts controlled by the State of California based on external appraisals to be able to access the related properties, but several landowners have disputed the fair value assigned by the Authority. The Authority's management believes there will be no significant additional liabilities for the properties acquired; however, the amount that will ultimately be paid for the properties may potentially change.

The Agency received grants from other governmental agencies that are subject to compliance audits by the granting agency. No audits have been conducted by the granting agencies during the year. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time although the Agency expects the amounts, if any, to be immaterial.

SUPPLEMENTAL SECTION

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 2008 FLOOD BOND DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Use of money and property			\$ 14,842	\$ 14,842
Total Revenues			14,842	14,842
EXPENDITURES				
Current:				
Flood control:				
Operations and maintenance			6,008	(6,008)
Debt service:				
Principal payments			195,000	(195,000)
Interest and fiscal charges			470,768	(470,768)
Total Expenditures			671,776	(671,776)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			(656,934)	(656,934)
OTHER FINANCING SOURCES (USES)				
Transfers in		\$ 1,096,855	1,096,855	
Total Other Financing Sources (Uses)		1,096,855	1,096,855	
Net Change in Fund Balance	\$ -	\$ 1,096,855	439,921	\$ (656,934)
Fund balance - beginning			680,042	
Fund Balance - Ending			\$ 1,119,963	

See accompanying notes to financial statements

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 2011 FLOOD BOND DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property			\$ 13,882	\$ 13,882
Total Revenues			<u>13,882</u>	<u>13,882</u>
EXPENDITURES				
Current:				
Flood control:				
Operations and maintenance			2,470	(2,470)
Debt Service:				
Principal payments			255,000	(255,000)
Interest and fiscal charges			<u>628,044</u>	<u>(628,044)</u>
Total Expenditures			<u>885,514</u>	<u>(885,514)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			(871,632)	(871,632)
OTHER FINANCING SOURCES (USES)				
Transfers in		\$ 883,044	883,044	
Total Other Financing Sources (Uses)		<u>883,044</u>	<u>883,044</u>	
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 883,044</u>	11,412	<u>\$ (871,632)</u>
Fund balance - beginning			<u>895,641</u>	
Fund Balance - Ending			<u>\$ 907,053</u>	

See accompanying notes to financial statements

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 2015 WSAFCA BOND DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of money and property			\$ 144	\$ 144
Total Revenues			<u>144</u>	<u>144</u>
EXPENDITURES				
Debt Service:				
Principal payments			543,173	(543,173)
Interest and fiscal charges			<u>(25,153)</u>	<u>25,153</u>
Total Expenditures			<u>518,020</u>	<u>(518,020)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
			(517,876)	(517,876)
OTHER FINANCING SOURCES (USES)				
Proceeds from debt			30,668,304	30,668,304
Paid to refunding escrow			(9,135,384)	(9,135,384)
Transfers out		<u>\$(20,000,000)</u>	<u>(20,000,000)</u>	
Total Other Financing Sources (uses)		<u>(20,000,000)</u>	<u>1,532,920</u>	<u>21,532,920</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$(20,000,000)</u>	1,015,044	<u>\$ 21,015,044</u>
Fund Balance - Beginning				
Fund Balance - Ending			<u>\$ 1,015,044</u>	

See accompanying notes to financial statements

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 JPA CONSTRUCTION CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special benefit assessment for operations			\$ 1,250	\$ 1,250
Intergovernmental			76,071	76,071
Use of money and property			2,193	2,193
Other			139	139
Total Revenues			<u>79,653</u>	<u>79,653</u>
EXPENDITURES				
Current:				
Flood control:				
Operations and maintenance			72,444	(72,444)
Capital outlay		\$ 660,000	12,597,185	(11,937,185)
Total Expenditures		<u>660,000</u>	<u>12,669,629</u>	<u>(12,009,629)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(660,000)	(12,589,976)	(11,929,976)
OTHER FINANCING SOURCES (USES)				
Transfers in		20,000,000	20,000,000	
Total Other Financing Sources (uses)		<u>20,000,000</u>	<u>20,000,000</u>	
Net Change in Fund Balance	\$ -	<u>\$19,340,000</u>	7,410,024	<u>\$(11,929,976)</u>
Fund Balance - Beginning				
Fund Balance - Ending			<u>\$ 7,410,024</u>	

See accompanying notes to financial statements

STATISTICAL SECTION

STATISTICAL SECTION

This part of the West Sacramento Area Flood Control Agency Joint Powers Authority'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 Agency's overall financial health.

Financial Trends

These schedules contain financial trend information for assessing the Agency'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 Agency's ability to generate revenues. Special assessments, intergovernmental revenues and reimbursements from other agencies are the Agency's most significant revenue sources.

1. Assessed Value and Estimated Actual Value of Taxable Property
2. Direct and Overlapping Property Tax Rates
3. Flood Assessment Special Tax Rates
4. Principal Property Taxpayers
5. Special Tax Levies and Collections

Debt Capacity

These schedules present information to assess the affordability of the Agency's current levels of outstanding debt and the Agency's ability to issue additional debt.

1. Ratios of Outstanding Debt by Type
2. Direct and Overlapping Governmental Activities Debt
3. Pledged-Revenue Coverage

Demographic and Economic Information

These schedules provide information on the demographic and economic environment in which the Agency conducts business.

1. Demographic and Economic Statistics
2. Principal Employers

STATISTICAL SECTION

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. Full Time Equivalents City Government Employees by Function/Program
2. Operating Indicators by Function/Program
3. Capital Assets Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports of the relevant years. The Agency prepared a CAFR for the first time during the year ended June 30, 2010. Information is not available prior to that date.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

NET POSITION BY COMPONENT
 LAST SIX FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010
GOVERNMENTAL ACTIVITIES						
Net investment in capital assets	\$ 31,525,681	\$ 40,611,646	\$ 32,955,978	\$ 27,079,075	\$ 10,811,196	\$ 7,021,107
Restricted for debt service	3,042,071	1,577,016	1,185,822			
Restricted for levee projects	2,288,239					
Unrestricted	22,050,729	12,190,922	10,111,366	6,797,020	5,558,941	5,879,166
Total governmental activities net position	<u>\$ 58,906,720</u>	<u>\$ 54,379,584</u>	<u>\$ 44,253,166</u>	<u>\$ 33,876,095</u>	<u>\$ 16,370,137</u>	<u>\$ 12,900,273</u>

NOTE: Agency has not tracked this information from FY 2008 to FY 2009, but will present prospectively.

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

CHANGES IN NET POSITION
LAST SIX FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010
PROGRAM EXPENSES						
Flood Control	\$ 2,447,462	\$ 1,376,893	\$ 216,731	\$ 30,396,844	\$ 16,632,533	\$ 2,675,186
Interest	1,154,469	1,107,461	1,495,376	969,456	1,274,196	1,204,424
Total Program Expenses	<u>3,601,931</u>	<u>2,484,354</u>	<u>1,712,107</u>	<u>31,366,300</u>	<u>17,906,729</u>	<u>3,879,610</u>
PROGRAM REVENUES						
Operating grants and contributions	4,565,090	4,452,137	4,270,716	4,242,967	4,194,636	3,982,367
Capital grants and contributions	3,493,827	8,134,436	7,807,516	44,627,392	17,125,977	5,931,442
Total Program Revenues	<u>8,058,917</u>	<u>12,586,573</u>	<u>12,078,232</u>	<u>48,870,359</u>	<u>21,320,613</u>	<u>9,913,809</u>
NET (EXPENSES) REVENUES	<u>4,456,986</u>	<u>10,102,219</u>	<u>10,366,125</u>	<u>17,504,059</u>	<u>3,413,884</u>	<u>6,034,199</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION						
Investment earnings	67,422	22,199	10,946			
Miscellaneous	2,728	2,000		1,899	55,980	37,593
Total governmental activities	<u>70,150</u>	<u>24,199</u>	<u>10,946</u>	<u>1,899</u>	<u>55,980</u>	<u>37,593</u>
Changes in Net Position						
Governmental activities	<u>\$ 4,527,136</u>	<u>\$ 10,126,418</u>	<u>\$ 10,377,071</u>	<u>\$ 17,505,958</u>	<u>\$ 3,469,864</u>	<u>\$ 6,071,792</u>

NOTE: Agency has not tracked this information from FY 2008 to FY 2009, but will present prospectively.

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST SIX FISCAL YEARS
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010
GENERAL FUND						
Restricted						\$ 967
Unassigned	\$ 11,613	\$ 3,062	\$ 5,373	\$ 12,602	\$ 15,888	5,222
TOTAL GENERAL FUND	\$ 11,613	\$ 3,062	\$ 5,373	\$ 12,602	\$ 15,888	\$ 6,189
ALL OTHER GOVERNMENTAL FUNDS						
Restricted	\$ 3,042	\$ 1,576	\$ 1,559	\$ (1,213)	\$ 1,808	
Unassigned						
Special revenue funds		869	(237)			\$ 698
Capital projects funds	7,410					
Debt service funds		(1)				711
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 10,452	\$ 2,444	\$ 1,322	\$ (1,213)	\$ 1,808	\$ 1,409
TOTAL GOVERNMENTAL FUNDS	\$ 22,065	\$ 5,506	\$ 6,695	\$ 11,389	\$ 17,696	\$ 7,598

NOTE: Agency has not tracked this information from FY 2008 to FY 2009, but will present prospectively.

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST SIX FISCAL YEARS

(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010
REVENUES						
Special benefit assessment for operations	\$ 4,565	\$ 4,452	\$ 4,271	\$ 4,243	\$ 4,194	\$ 3,982
Contributions from developers and homeowners				1,650	13,167	1,743
Reimbursements	9			22,094	2,342	1,745
Intergovernmental revenues	6,951	4,479	2,832	20,883	1,617	2,443
Use of money and property	67	22	11			
Other revenues	3	2		2	56	38
Total Revenues	11,595	8,955	7,114	48,872	21,376	9,951
EXPENDITURES						
Flood Control:						
Operations and maintenance	1,904	1,377	217	151	1,507	296
Contributions to other agencies				1,157	13,018	635
Pass-thru to other agencies				25,035	2,107	1,745
Capital outlay	12,597	7,215	10,184	27,691	6,562	4,563
Principal payments	450	440	285			
Debt issuance costs	543					
Interest and fiscal charges	1,074	1,112	1,123	1,144	1,444	1,364
Total Expenditures	16,568	10,144	11,809	55,178	24,638	8,603
Excess (Deficiency) of Revenues Over Expenditures	(4,973)	(1,189)	(4,695)	(6,306)	(3,262)	1,348
OTHER FINANCING SOURCES (USES)						
Proceeds from debt	30,668				13,360	
Paid to refunding escrow	(9,135)					
Transfers in	28,805	3,933	2,263			
Transfers out	(28,805)	(3,933)	(2,263)			
Total Other Financing Sources (Uses)	21,533				13,360	
Net Change in Fund Balances	\$ 16,560	\$ (1,189)	\$ (4,695)	\$ (6,306)	\$ 10,098	\$ 1,348
Debt service as a percentage of noncapital expenditures	38.38%	52.99%	86.65%	4.16%	7.99%	33.76%

NOTE: Agency has not tracked this information from FY 2008 to FY 2009, but will present prospectively.

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST SIX 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
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

⁽¹⁾ Includes the assessed value of the Redevelopment Agency of \$1,968,816,167 (2006); \$2,309,269,173 (2007); \$2,584,149,932(2008) ; \$2,816,329,249 (2009) ; \$2,893,961,153 (2010) ;\$2,077,868,964 (2013); \$2,424,781,608 (2014); and \$2,449,410,832 (2015) .

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.

NOTE: Agency has not tracked this information from FY 2008 to FY 2009, but will present prospectively.

Sources: Assessed value data provided by the California Municipal Statistics, Inc.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST SIX 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	
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

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.

NOTE 2: Agency has not tracked this information from FY 2008 to FY 2009, but will present prospectively.

Sources: Assessed value data provided by the California Municipal Statistics, Inc.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 FLOOD ASSESSMENT SPECIAL TAX RATES
 LAST SIX FISCAL YEARS

Fiscal Year 2015		RATE BY FLOOD ZONE			
		0' to 1'	1' to 5'	5' to 10'	GT 10'
Land Use	Factors	0	1	2	3
Single-Family Residential	Parcel (per Acre) (1)	54.902	54.902	54.902	54.902
	Building Factor Constant: First Floor SqFt Less than 1050 Sq Ft (2)	17.71	38.97	82.69	93.30
	Building Factor Constant: First Floor SqFt Greater than 1050 Sq Ft (2)	27.06	59.55	126.32	142.56
Residential-Condo	Parcel (per Acre)	54.902	54.902	54.902	54.902
	Building Factor Constant	15.75	34.65	73.50	82.93
Residential-Mobile Home Park	Parcel (per Acre)	54.902	54.902	54.902	54.902
	Building (per FF Sq Ft)	0.009843	0.021655	0.045935	0.051840
Multi-Family Residential	Parcel (per Acre)	60.809	60.809	60.809	60.809
	Building (per FF Sq Ft)	0.019687	0.043309	0.091867	0.103679
Commercial	Parcel (per Acre)	121.177	121.177	121.177	121.177
	Building (per FF Sq Ft)	0.030623	0.110241	0.191390	0.223543
Industrial	Parcel (per Acre)	50.965	50.965	50.965	50.965
	Building (per FF Sq Ft)	0.064525	0.080930	0.114833	0.148737
Vacant	Parcel (per Acre)	26.467	26.467	26.467	26.467
	Building (per FF Sq Ft)	0.000000	0.000000	0.000000	0.000000
Agricultural	Parcel (per Acre)	5.467	5.467	5.467	5.467
	Building (per FF Sq Ft)	0.000000	0.000000	0.000000	0.000000

(1) For large lot Single Family Residential parcels (parcel area greater than 0.5 acres) multiply area greater than 0.5 acre by Agricultural Parcel rate.

(2) First Floor (FF) Sq Ft not including garage area

NOTE: Increase of 2% approved by WSAFCA Board 7/10/14

Rate update prepared by the City of West Sacramento Flood Protection Division (7/21/2014)

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 FLOOD ASSESSMENT SPECIAL TAX RATES
 LAST SIX FISCAL YEARS

Fiscal Year 2014		RATE BY FLOOD ZONE			
		0' to 1'	1' to 5'	5' to 10'	GT 10'
Land Use	Factors	0	1	2	3
Single-Family Residential	Parcel (per Acre) (1)	53.825	53.825	53.825	53.825
	Building Factor Constant: First Floor SqFt Less than 1050 Sq Ft (2)	17.36	38.21	81.07	91.47
	Building Factor Constant: First Floor SqFt Greater than 1050 Sq Ft (2)	26.53	58.38	123.84	139.76
Residential-Condo	Parcel (per Acre)	53.825	53.825	53.825	53.825
	Building Factor Constant	15.44	33.97	72.06	81.30
Residential-Mobile Home Park	Parcel (per Acre)	53.825	53.825	53.825	53.825
	Building (per FF Sq Ft)	0.009650	0.021230	0.045034	0.050824
Multi-Family Residential	Parcel (per Acre)	59.617	59.617	59.617	59.617
	Building (per FF Sq Ft)	0.019301	0.042460	0.090066	0.101646
Commercial	Parcel (per Acre)	118.801	118.801	118.801	118.801
	Building (per FF Sq Ft)	0.030023	0.108079	0.187637	0.219160
Industrial	Parcel (per Acre)	49.966	49.966	49.966	49.966
	Building (per FF Sq Ft)	0.063260	0.079343	0.112581	0.145821
Vacant	Parcel (per Acre)	25.948	25.948	25.948	25.948
	Building (per FF Sq Ft)	0.000000	0.000000	0.000000	0.000000
Agricultural	Parcel (per Acre)	5.360	5.360	5.360	5.360
	Building (per FF Sq Ft)	0.000000	0.000000	0.000000	0.000000

(1) For large lot Single Family Residential parcels (parcel area greater than 0.5 acres) multiply area greater than 0.5 acre by Agricultural Parcel rate.

(2) First Floor (FF) Sq Ft not including garage area

NOTE: Increase of 2% approved by WSAFCA Board 7/11/13

Rate update prepared by the City of West Sacramento Flood Protection Division (7/13/2013)

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 FLOOD ASSESSMENT SPECIAL TAX RATES
 LAST SIX FISCAL YEARS

Fiscal Year 2013		RATE BY FLOOD ZONE			
		0' to 1'	1' to 5'	5' to 10'	GT 10'
Land Use	Factors	0	1	2	3
Single-Family Residential	Parcel (per Acre) (1)	52.770	52.770	52.770	52.770
	Building Factor Constant: First Floor SqFt Less than 1050 Sq Ft (2)	17.02	37.46	79.48	89.68
	Building Factor Constant: First Floor SqFt Greater than 1050 Sq Ft (2)	26.01	57.24	121.41	137.02
Residential-Condo	Parcel (per Acre)	52.770	52.770	52.770	52.770
	Building Factor Constant	15.14	33.30	70.65	79.71
Residential-Mobile Home Park	Parcel (per Acre)	52.770	52.770	52.770	52.770
	Building (per FF Sq Ft)	0.009461	0.020814	0.044151	0.049827
Multi-Family Residential	Parcel (per Acre)	58.448	58.448	58.448	58.448
	Building (per FF Sq Ft)	0.018923	0.041627	0.088300	0.099653
Commercial	Parcel (per Acre)	116.472	116.472	116.472	116.472
	Building (per FF Sq Ft)	0.029434	0.105960	0.183958	0.214863
Industrial	Parcel (per Acre)	48.986	48.986	48.986	48.986
	Building (per FF Sq Ft)	0.062020	0.077787	0.110374	0.142962
Vacant	Parcel (per Acre)	25.439	25.439	25.439	25.439
	Building (per FF Sq Ft)	0.000000	0.000000	0.000000	0.000000
Agricultural	Parcel (per Acre)	5.255	5.255	5.255	5.255
	Building (per FF Sq Ft)	0.000000	0.000000	0.000000	0.000000

(1) For large lot Single Family Residential parcels (parcel area greater than 0.5 acres) multiply area greater than 0.5 acre by Agricultural Parcel rate.

(2) First Floor (FF) Sq Ft not including garage area

NOTE: Increase of 2% approved by WSAFCA Board 7/14/11

Rate update prepared by the City of West Sacramento Flood Protection Division (8/10/2011)

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 FLOOD ASSESSMENT SPECIAL TAX RATES
 LAST SIX FISCAL YEARS

Fiscal Year 2012		RATE BY FLOOD ZONE			
		0' to 1'	1' to 5'	5' to 10'	GT 10'
Land Use	Factors	0	1	2	3
Single-Family Residential	Parcel (per Acre) (1)	51.735	51.735	51.735	51.735
	Building Factor Constant: First Floor SqFt Less than 1050 Sq Ft (2)	16.69	36.73	77.92	87.92
	Building Factor Constant: First Floor SqFt Greater than 1050 Sq Ft (2)	25.50	56.12	119.03	134.33
Residential-Condo	Parcel (per Acre)	51.735	51.735	51.735	51.735
	Building Factor Constant	14.84	32.65	69.26	78.15
Residential-Mobile Home Park	Parcel (per Acre)	51.735	51.735	51.735	51.735
	Building (per FF Sq Ft)	0.009275	0.020406	0.043285	0.048850
Multi-Family Residential	Parcel (per Acre)	57.302	57.302	57.302	57.302
	Building (per FF Sq Ft)	0.018552	0.040811	0.086569	0.097699
Commercial	Parcel (per Acre)	114.188	114.188	114.188	114.188
	Building (per FF Sq Ft)	0.028857	0.103882	0.180351	0.210650
Industrial	Parcel (per Acre)	48.025	48.025	48.025	48.025
	Building (per FF Sq Ft)	0.060804	0.076262	0.108210	0.140159
Vacant	Parcel (per Acre)	29.940	29.940	29.940	29.940
	Building (per FF Sq Ft)	0.000000	0.000000	0.000000	0.000000
Agricultural	Parcel (per Acre)	5.152	5.152	5.152	5.152
	Building (per FF Sq Ft)	0.000000	0.000000	0.000000	0.000000

(1) For large lot Single Family Residential parcels (parcel area greater than 0.5 acres) multiply area greater than 0.5 acre by Agricultural Parcel rate.

(2) First Floor (FF) Sq Ft not including garage area

NOTE: Increase of 2% approved by WSAFCA Board 7/14/11

Rate update prepared by the City of West Sacramento Flood Protection Division (8/10/2011)

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 FLOOD ASSESSMENT SPECIAL TAX RATES
 LAST SIX FISCAL YEARS

Fiscal Year 2011		RATE BY FLOOD ZONE			
		0' to 1'	1' to 5'	5' to 10'	GT 10'
Land Use	Factors	0	1	2	3
Single-Family Residential	Parcel (per Acre) (1)	50.721	50.721	50.721	50.721
	Building Factor Constant: First Floor SqFt Less than 1050 Sq Ft (2)	16.36	36.01	76.39	86.20
	Building Factor Constant: First Floor SqFt Greater than 1050 Sq Ft (2)	25.00	55.02	116.70	131.70
Residential-Condo	Parcel (per Acre)	50.721	50.721	50.721	50.721
	Building Factor Constant	14.55	32.01	67.90	76.62
Residential-Mobile Home Park	Parcel (per Acre)	50.721	50.721	50.721	50.721
	Building (per FF Sq Ft)	0.009093	0.020006	0.042436	0.047892
Multi-Family Residential	Parcel (per Acre)	56.178	56.178	56.178	56.178
	Building (per FF Sq Ft)	0.018188	0.040011	0.084872	0.095783
Commercial	Parcel (per Acre)	111.949	111.949	111.949	111.949
	Building (per FF Sq Ft)	0.028291	0.101845	0.176815	0.206520
Industrial	Parcel (per Acre)	47.083	47.083	47.083	47.083
	Building (per FF Sq Ft)	0.059612	0.074767	0.106088	0.137411
Vacant	Parcel (per Acre)	24.451	24.451	24.451	24.451
	Building (per FF Sq Ft)	0.000000	0.000000	0.000000	0.000000
Agricultural	Parcel (per Acre)	5.051	5.051	5.051	5.051
	Building (per FF Sq Ft)	0.000000	0.000000	0.000000	0.000000

(1) For large lot Single Family Residential parcels (parcel area greater than 0.5 acres) multiply area greater than 0.5 acre by Agricultural Parcel rate.

(2) First Floor (FF) Sq Ft not including garage area

NOTE: Increase of 2% approved by WSAFCA Board 7/08/10

Rate update prepared by the City of West Sacramento Flood Protection Division (7/26/2010)

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 FLOOD ASSESSMENT SPECIAL TAX RATES
 LAST SIX FISCAL YEARS

Fiscal Year : 2010		RATE BY FLOOD ZONE			
		0' to 1'	1' to 5'	5' to 10'	GT 10'
Land Use	Factors	0	1	2	3
Single-Family Residential	Parcel (per Acre) (1)	49.726	49.726	49.726	49.726
	Building Factor Constant: First Floor SqFt Less than 1050 Sq Ft (2)	16.04	35.30	74.89	84.51
	Building Factor Constant: First Floor SqFt Greater than 1050 Sq Ft	24.51	53.94	114.41	129.12
Residential-Condo	Parcel (per Acre)	49.726	49.726	49.726	49.726
	Building Factor Constant	14.26	31.38	66.57	75.12
Residential-Mobile Home Park	Parcel (per Acre)	49.726	49.726	49.726	49.726
	Building (per FF Sq Ft)	0.008915	0.019614	0.041604	0.046953
Multi-Family Residential	Parcel (per Acre)	55.076	55.076	55.076	55.076
	Building (per FF Sq Ft)	0.017831	0.039226	0.083208	0.093905
Commercial	Parcel (per Acre)	109.754	109.754	109.754	109.754
	Building (per FF Sq Ft)	0.027736	0.099848	0.173348	0.202471
Industrial	Parcel (per Acre)	46.160	46.160	46.160	46.160
	Building (per FF Sq Ft)	0.058443	0.073301	0.104008	0.134717
Vacant	Parcel (per Acre)	23.972	23.972	23.972	23.972
	Building (per FF Sq Ft)	0.000000	0.000000	0.000000	0.000000
Agricultural	Parcel (per Acre)	4.952	4.952	4.952	4.952
	Building (per FF Sq Ft)	0.000000	0.000000	0.000000	0.000000

(1) For large lot Single Family Residential parcels (parcel area greater than 0.5 acres) multiply area greater than 0.5 acre by Agricultural Parcel rate.

(2) First Floor (FF) Sq Ft not including garage area

NOTE: Increase of 2% approved by WSAFCA Board 7/09/09

Rate update prepared by the City of West Sacramento Flood Protection Division (7/10/2009)

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND FOUR YEARS AGO
Calendar Year

Taxpayer*	2015		Taxpayer*	2012	
	Annual Assessment	Percentage of Total Special Assessments Value		Annual Assessment	Percentage of Total Special Assessments Value
U S POSTAL SERVICE	\$ 65,613	1.34%	PROLOGIS-A4 CA I LP	\$ 48,157	1.29%
STATE OF CALIFORNIA	59,416	1.22%	SACRAMENTO FOODCO INV LLC	45,872	1.23%
MASSIE I SOUTHPORT LLC	54,922	1.12%	OATES MARVIN L TR ETAL	37,000	0.99%
PROLOGIS-A4 CA I LP	54,232	1.11%	PANATTONI DEVELOPMENT CO ETAL	31,931	0.85%
SACRAMENTO FOODCO INV LLC	51,659	1.06%	IKEA CALIFORNIA LLC	30,914	0.83%
WAL-MART REAL ESTATE BUSINESS TRUST	48,489	0.99%	3689 3689 INDUSTRIAL BLVD L L C	30,730	0.82%
BUZZ OATES LLC ETAL	41,668	0.85%	WAL-MART STORES INC	25,826	0.69%
WASHINGTON UNIFIED SCHOOL DISTRICT	39,700	0.81%	TARGET CORPORATION P-2268	23,016	0.62%
PANCAL 300 SOUTHPORT 20 LLC	35,960	0.74%	JB MANAGEMENT LP	21,191	0.57%
GALLI JR 2007 TRUST	34,937	0.72%	HARSCH INVESTMENT CORP	20,335	0.54%
Total	\$ 486,597	9.97%	Total	\$ 314,972	8.42%

*Secured role properties

NOTE: Agency has not tracked this information from FY 2008 to FY 2011, but will present prospectively.

Sources: WSAFCA Flood Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

SPECIAL TAX LEVIES AND COLLECTIONS
LAST SIX 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
2010	\$ 4,034,957	\$ 3,979,302	98.6%	N/A	\$ 3,979,302	98.6%
2011	\$ 4,263,400	\$ 4,194,636	98.4%	N/A	\$ 4,194,636	98.4%
2012	\$ 4,314,952	\$ 4,242,967	98.3%	N/A	\$ 4,242,967	98.3%
2013	\$ 4,412,518	\$ 4,270,716	96.8%	N/A	\$ 4,270,716	96.8%
2014	\$ 4,515,177	\$ 4,452,137	98.6%	N/A	\$ 4,452,137	98.6%
2015	\$ 4,629,393	\$ 4,567,344	98.7%	N/A	\$ 4,567,344	98.7%

NOTE: Agency has not tracked this information from FY 2008 to FY 2009, but will present prospectively.

(1) Secured role revenue

Sources: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST SIX FISCAL YEARS
 (dollars in thousands, except per capita)

Fiscal Year Ended June 30	Flood Special Assessment Bonds	Percentage of Personal Income	Per Capita
2010	\$ 9,840	1.01%	\$ 206
2011	\$ 23,030	2.42%	\$ 472
2012	\$ 22,855	2.44%	\$ 466
2013	\$ 22,570	2.30%	\$ 456
2014	\$ 22,130	2.17%	\$ 437
2015	\$ 43,813	4.09%	\$ 859

NOTE: Agency has not tracked this information from FY 2008 to FY 2009, but will present prospectively.

Source: City Finance Division

CITY OF WEST SACRAMENTO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2015

2013/14 Assessed Valuation \$ 5,704,169,658

OVERLAPPING TAX AND ASSESSMENT DEBT	<u>% Applicable ⁽¹⁾</u>	<u>Debt as of June 30, 2015</u>	<u>Estimated share of overlapping debt</u>
Los Rios Community College District	3.65%	\$ 361,280,000	\$ 13,175,883
Washington Unified School District	99.92%	55,333,895	55,290,735
City of West Sacramento Community Facilities District No. 8	100.00%	33,340,000	33,340,000
City of West Sacramento Community Facilities District No. 9	100.00%	160,000	160,000
City of West Sacramento Community Facilities District No. 10	100.00%	18,462,575	18,462,575
City of West Sacramento Community Facilities District No. 11	100.00%	3,337,519	3,337,519
City of West Sacramento Community Facilities District No. 12	100.00%	5,147,734	5,147,734
City of West Sacramento Community Facilities District No. 14 (Series 2004)	100.00%	10,360,000	10,360,000
City of West Sacramento Community Facilities District No. 15	100.00%	1,553,159	1,553,159
City of West Sacramento Community Facilities District No. 16	100.00%	11,484,245	11,484,245
City of West Sacramento Community Facilities District No. 17	100.00%	4,860,000	4,860,000
City of West Sacramento Community Facilities District No. 18	100.00%	673,700	673,700
City of West Sacramento Community Facilities District No. 19	100.00%	2,266,248	2,266,248
City of West Sacramento Community Facilities District No. 20	100.00%	9,735,000	9,735,000
City of West Sacramento Community Facilities District No. 21	100.00%	2,980,000	2,980,000
City of West Sacramento Community Facilities District No. 23	100.00%	6,155,000	6,155,000
City of West Sacramento Community Facilities District No. 24	100.00%	1,200,000	1,200,000
City of West Sacramento Community Facilities District No. 26	100.00%	4,000,000	4,000,000
City of West Sacramento Community Facilities District No. 27	100.00%	12,255,000	12,255,000
City of West Sacramento 1915 Act Bonds	100.00%	451,045	451,045
California Statewide Communities Dev Authority 1915 Act Bonds	100.00%	40,820,000	40,820,000
West Sacramento Area Flood Control Agency 1915 Act Bonds	100.00%		
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u>585,855,120</u>	<u>237,707,842</u>
OVERLAPPING GENERAL FUND DEBT			
Yolo County Certificates of Participation	25.91%	24,905,000	6,452,387
Yolo County Board of Education Certificates of Participation	25.91%	5,975,000	1,548,003

CITY OF WEST SACRAMENTO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (Continued)

As of June 30, 2015
(dollars in thousands)

	<u>% Applicable ⁽¹⁾</u>	<u>Debt as of June 30, 2015</u>	<u>Estimated share of overlapping debt</u>
Los Rios Community College District Certificates of Participation	3.65%	\$ 5,440,000	\$ 198,397
Washington Unified School District	99.92%	69,825,000	69,770,537
City of West Sacramento General Fund Obligation	100.00%	23,245,353	23,245,353
City of West Sacramento Pension Obligations	100.00%	7,668,200	7,668,200
TOTAL OVERLAPPING GENERAL FUND DEBT		<u>137,058,553</u>	<u>108,882,877</u>
OVERLAPPING TAX INCREMENT DEBT			
City of West Sacramento Successor Agency	100.00%	98,361,339	98,361,339
TOTAL OVERLAPPING DEBT		<u>\$ 821,275,012 ⁽²⁾</u>	<u>444,952,058</u>
WSAFCA DIRECT DEBT			<u>43,813,150</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 488,765,208</u>

⁽¹⁾ Based on 2009-10 ratios.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

NOTE 1: For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another government unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

NOTE 2: On February 1, 2012, the State of California eliminated the Redevelopment Agencies in California pursuant to Assembly Bill 1x26. The liabilities of the Redevelopment Agencies are reported as Redevelopment Obligation Retirement Fund, a private purpose trust fund.

NOTE 3: Agency has not tracked this information from FY 2008 to FY 2009, but will present prospectively.

Sources: Assessed value data used to estimate applicable percentages provided by the California Municipal Statistics, Inc. Debt outstanding data provided by City Finance Division.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

PLEDGED-REVENUE COVERAGE
 LAST SIX FISCAL YEARS
 (dollars in thousands)

Fiscal Year	Flood Special Assessment Bonds					
	Special Tax Assessment Revenues ⁽¹⁾	Less Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010	\$ 3,979	\$ 2,676	\$ 1,303	\$ 160	\$ 504	1.96
2011	\$ 4,195	\$ 2,254	\$ 1,941	\$ 170	\$ 498	2.91
2012	\$ 4,243	\$ 2,451	\$ 1,792	\$ 175	\$ 957	1.58
2013	\$ 4,271	\$ 217	\$ 4,054	\$ 285	\$ 1,123	2.88
2014	\$ 4,452	\$ 1,377	\$ 3,075	\$ 440	\$ 1,112	1.98
2015	\$ 4,629	\$ 1,704	\$ 2,925	\$ 450	\$ 1,074	1.92

⁽¹⁾ Total special assessments and other revenues

⁽²⁾ Total operating expenses, excluding depreciation and amortization.

NOTE : Agency has not tracked this information from FY 2008 to FY 2009, but will present prospectively.

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST SIX FISCAL YEARS

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
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%

NOTE : Agency has not tracked this information from FY 2008 to FY 2009, but will present prospectively.

Sources: State Department of Finance and City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST THREE FISCAL YEARS

<u>Function/Program</u>	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2014</u>	<u>Fiscal Year 2013</u>
Flood Division	7	7	7

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

OPERATING INDICATORS BY FUNCTION/PROGRAM
CURRENT YEAR & LAST FOUR FISCAL YEARS

<u>Function/Program</u>	<u>Fiscal Year</u> 2015	<u>Fiscal Year</u> 2014	<u>Fiscal Year</u> 2013	<u>Fiscal Year</u> 2012	<u>Fiscal Year</u> 2011
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Note: The Agency does not track this information; however, will present prospectively.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
CURRENT YEAR & LAST FOUR FISCAL YEARS

Function/Program	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011
Flood Control:					
Land (parcels)	9				
Bridges	1				

NOTE : Agency has not tracked this information from FY 2011 to FY 2014, but will present prospectively.

COMPLIANCE REPORT

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*

Members of the Board of the
West Sacramento Area Flood Control Agency Joint Powers Authority
West Sacramento, 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 Sacramento Area Flood Control Agency Joint Powers Authority (the Agency) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated December 18, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control described in the accompanying schedule of findings as finding 2015-1 that we consider to be a significant deficiency.

Members of the Board of the
West Sacramento Area Flood Control Agency Joint Powers Authority

Compliance and Other Matters

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

West Sacramento Area Flood Control Agency Joint Powers Authority's Response to Finding

The Agency's response to the finding identified in our audit is described in the accompanying schedule of findings. The Agency'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.

Richardson & Company, LLP

December 18, 2015

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
JOINT POWERS AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2015

CURRENT YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

Finding 2015-01: Closing Procedures, Significant Deficiency

Criteria: Closing procedures should identify the closing entries needed to properly state the financial records under the modified accrual basis of accounting.

Condition: We identified a number of transactions that required adjustment to properly state the Agency's revenues, expenses and fund balance.

Cause: The closing process for the Agency did not begin early enough or was not thorough enough to allow staff the time necessary to identify all necessary closing entries and review the entries and overall financial statements for completeness.

Effect: A number of audit adjustments needed to be posted to properly record bond proceeds and associated amounts, capital asset and CIP transactions, grant receivables, and accounts payable/due to other governments balances.

Recommendation: We recommend the Agency ensure the closing process begins early enough to allow the Flood Control Manager time to reconcile bond payments and amortization amounts to the account balances, reconcile capital asset account balances to underlying capital asset detail listings, and reconcile grant receivables and revenues to qualifying expenditures incurred and any grant payments received to the general ledger as of year-end. This will also allow the City of West Sacramento's Administrative Services Department's staff to have enough time to specifically review the accounts for proper cut-off of the Agency's revenues and expenses and time to reconcile capital assets and bond transactions to ensure to ensure audit adjustments have been posted.

Management's Response: The City of West Sacramento's Administrative Services Department will coordinate with the Flood Control Manager to enhance cut-off and review procedures over the Agency's activities to prepare for future audits.

PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

Finding 2014-01: Closing Procedures, Significant Deficiency

Criteria: Closing procedures should identify any closing entries needed to properly state the financial records under the modified accrual basis of accounting.

Status: While the City of West Sacramento's Administrative Services Department and Flood Control Manager did address several specific findings from the prior year, the current year finding 2015-1 is a continuation of this finding and continues to need attention.