



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ending June 30, 2017
West Sacramento, California



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**WEST SACRAMENTO AREA FLOOD
CONTROL AGENCY
JOINT POWERS AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017**

Prepared by the Department of Administrative Services
1110 West Capitol Avenue
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INTRODUCTORY SECTION

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**WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Year Ended June 30, 2017**

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Letter of Transmittal

West Sacramento Area Flood Control Agency

December 22, 2017

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

Formal Transmittal of the Comprehensive Annual Financial Report (CAFR)

State law requires that every general government publish a complete set of audited financial statements within six months of the end of each fiscal year. The West Sacramento Area Flood Control Agency (the Agency or WSAFCA) is a component unit of the City of West Sacramento, California. The report is published to fulfill this requirement for the fiscal year ended June 30, 2017.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls 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, 2016. 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 complements 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 system, which reduces flood risk for 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 financing, design, 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 30. The current budget was adopted on May 25, 2017. The biennial budget serves as the foundation for the Agency’s financial planning and control. The Agency’s budget is organized and 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. As such, the Agency focuses effort on correcting the highest risk levee system deficiencies first.

Local/Regional Economy

The rate of annual job gains in the six-county Sacramento region, of which the City is an integral part, is an essential component of the local/regional economic analysis. According to the 2017 Mid-Year Review, published by the Sacramento Business Review, employment has continued to increase in the Sacramento Region; however, the rate of improvement has slowed. Employment increased just 1.10% over the past 12 months, down from a rate of 3.97% for the prior 12 month period. The State of California employment growth rate declined from 3.30% to 1.48% for the same period. The decline, as stated in the 2017 Mid-Year Update, may be attributable to seasonal factors especially given the winter storms and flooding that adversely impacted the local economy.

The table below illustrates the employment growth rate for the Sacramento Region in comparison with the State of California.

Employment Growth

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

Source: Sacramento Business Review 2017 Mid-Year Update

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

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

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

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

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

The 2017 Mid-Year Update, published by Sacramento Business Review, stated that the median home sale price in the Sacramento Region in June 2017 was \$374,000, which is approximately a 7% increase from fourth quarter of 2016 (\$350,000) and June of 2016 (\$349,000). This makes it the 12th consecutive quarter with single-digit, year-over-year price increases with an 8.0 percent average increase in the past two years. Four years of significant price appreciation has meant that the median house price is currently only 11 percent below its 2006 peak. The median sale price per square foot increased by 9% year-over-year to \$220.00. Increases in price per square foot

range from 5% in Yolo County and to 10% in Sacramento County. The rise in the median home price can be attributable to the limited supply of both existing and new housing. Other factors contributing to the increase in median home prices are declining unemployment rates, rising personal incomes, a flood of buyers from the Bay Area region, and low mortgage interest rates. Currently, the average home is on the market for only nine days. The projection for new home construction and sales has seen an upward trend.

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

Long-Term Financial Planning

The 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. The West Sacramento Levee Improvement Program has been authorized as a federal project with its inclusion in the 2016 Water Infrastructure Improvements for the Nation Act of 2016 (P.L. 144-322, § 1401(2)). The WSLIP seeks to secure an initial Federal appropriation for preliminary engineering and design work in the USACE FY 2018 Work Plan budget.

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 Levee Improvement Project (SLIP) 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. The SLIP mobilized in June 2017 and constructed the majority of the setback levee system. The bentonite slurry wall is a critical path item that requires a settling period, which is afforded by the typically slower pace of construction in winter. If winter proves dryer than normal, the project will continue with embankment activity placing the project in good position for next year's constructing season.

Levee construction is expected to complete in 2018 with restoration of the offset area between the existing and new setback levees scheduled for 2019.

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 2018.

Future Projects- Problem Identification Report & Regional Flood Management Plan

The Agency completed the first phase of an updated Problem Identification Report (PIR), which includes information on the approved federal project. The PIR guides the screening and selection process in accordance with the principles and objectives of the WSLIP. In December, WSAFCA staff will meet with DWR staff to initiate the funding and design process for the next project. Concurrently, staff are coordinating with USACE staff to initiate preliminary engineering and design funding and effort on the federal project.

AWARDS

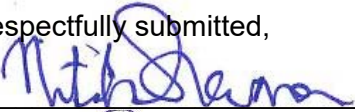
The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the WSAFCA for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the first year that the government has achieved this prestigious award. In order to be awarded a Certificate 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.

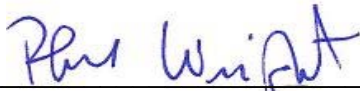
ACKNOWLEDGMENTS

We would like to express our appreciation to the entire Finance Division of the Administrative Services Department and Flood Division of the Community Development 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

Title	Name	Represented Agency
Tom Ramos	Chairman	RD 537
Beverly Sandeen	Vice Chair	City of West Sacramento
William Denton	Director	RD 900
Chris Ledesma	Alternate Director	City of West Sacramento
Brian Turner	Alternate Director	RD 900
Kent Lang	Alternate Director	RD 537

West Sacramento Area Flood Control Agency
Administrative Staff

Name	Title	Agency
Kenric Jameson	WSAFCA General Manager	RD 900
Martin Tuttle	City Manager	City of West Sacramento
Amanda Berlin	Assistant City Manager	City of West Sacramento
Charlene Hamilton	Director Community Development	City of West Sacramento
Phil Wright	WSAFCA Treasurer	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



Government Finance Officers Association

**Certificate of
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Presented to

**West Sacramento Area Flood
Control Agency, California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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, 2017, 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, 2017, 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 22, 2017 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, 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 22, 2017

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

As management of the West Sacramento Area Flood Control Agency (Agency), a Joint Powers Authority, we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii to vii of this report.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report is in three major parts:

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

The Basic Financial Statements

The Basic Financial Statements consist of the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the 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, also on 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. The Agency utilizes four fund categories, each with a distinct purpose.

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

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 Agency, and to account for special benefit assessment and contribution revenues.

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

Debt Service Funds account 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.

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 to 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, 2017, the Agency's *major Governmental funds* are as follows:

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

The Board, on a multi-year basis, 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, 2017

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the financial statements can be found starting on page 22 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 starting on page 35 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Agency 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. Assets exceeded liabilities by \$109.7 million in Fiscal Year 2017, \$94.6 million in Fiscal Year 2016, and \$58.9 million in Fiscal Year 2015. The increase of \$15.0 million in Fiscal Year 2017 is primarily due to the receipt of \$13.6 million in State of California, Department of Water Resources, funding the Southport Levee Early Implementation project. The Agency completed the design, secured real estate and issued a construction contract in 2017. The increase of \$35.7 million in Fiscal Year 2016 is primarily due to the contributions by the State of California and City of West Sacramento of \$27.4 million and \$4.5 million, respectively, and for the construction of and acquisition of land for the next phase of the Southport Levee Project. 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.

CONDENSED STATEMENT OF NET POSITION
AS OF JUNE 30, 2017, 2016 and 2015

	Governmental Activities		
	2017	2016	2015
Current and other assets	\$64,169,331	\$36,594,417	\$28,780,597
Capital assets	\$118,748,344	\$104,536,100	\$75,338,831
Total Assets	\$182,917,675	\$141,130,517	\$104,119,428
Deferred amount on refunding of debt	\$565,299	\$592,003	\$618,707
Total Deferred Outflows of Resources	\$565,299	\$592,003	\$618,707
Current and other liabilities	\$32,088,354	\$4,566,730	\$2,528,265
Non-current liabilities	\$41,741,930	\$42,532,540	\$43,303,150
Total Liabilities	\$73,830,284	\$47,099,270	\$45,831,415
Net investment in capital assets	\$76,881,713	\$61,925,563	\$34,432,627
Restricted	\$3,659,816	\$2,621,033	\$3,042,071
Unrestricted	\$29,111,161	\$30,076,654	\$21,432,022
Total Net Position	\$109,652,690	\$94,623,250	\$58,906,720

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

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. For the Fiscal Year 2017, the total governmental activities revenues were reported at \$18.6 million, a decrease of \$21.4 million when compared to Fiscal Year 2016. The decrease was primarily reported in the intergovernmental capital grants and contributions due to the completion of the design of the Southport Levee EIP project in 2017. The Agency received \$26.2 million in advance funding in 2017 for the construction of the Southport Levee EIP project that is reported as unearned for the fiscal year. Total governmental activities revenues increased by \$31.9 million in fiscal 2016 due to contributions from the City of West Sacramento and State Department of Water Resources for the acquisition of land for the next phase of the Southport Levee Project and construction costs. Total governmental activities revenues decreased by \$4.5 million in Fiscal Year 2015 due to a pause in the project for the design of the next phase of the Southport Levee Project; whereas, there was significant construction in the prior years.

Total governmental expenses for Fiscal Year 2017 were \$3.6 million, a decrease of \$0.7 million. The decrease is primarily due to a last payment of the 2008 Assessment Revenue Bond which was refunded as part of the 2015 issuances. Total governmental activities expenses increased by \$0.7 million in Fiscal Year 2016, mainly from increased interest on debt. Total governmental activities expenses 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.

CONDENSED STATEMENT OF ACTIVITIES			
Governmental Activities			
	2017	2016	2015
REVENUES			
Program revenues:			
Special benefit assessment for operations	\$4,917,198	\$4,849,560	\$4,565,090
Intergovernmental capital grants and contributions	\$13,587,121	\$34,991,327	\$3,493,827
General revenues:			
Investment earnings	\$65,579	\$132,783	\$67,422
Other	\$20,724	\$7,144	\$2,728
TOTAL REVENUES	\$18,590,622	\$39,980,814	\$8,129,067
EXPENSES			
Program expenses:			
Operations and maintenance	\$1,757,819	\$2,375,307	\$2,447,462
Interest and fiscal charges	\$1,803,363	\$1,888,977	\$1,154,469
TOTAL EXPENSES	\$3,561,182	\$4,264,284	\$3,601,931
INCREASE IN NET POSITION	\$15,029,440	\$35,716,530	\$4,527,136
Net position at July 1	\$94,623,250	\$58,906,720	\$54,379,584
NET POSITION AT JUNE 30	\$109,652,690	\$94,623,250	\$58,906,720

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

Financial Analysis of the Agency's Funds

The Agency 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.

Major Governmental Funds

The governmental funds reported a combined fund balance of \$11.4 million at fiscal year end June 30, 2017, an increase of \$3.0 million. The increase is primarily in the WSAFCA General Fund, Fund 870, due to the increase in cash position. There was no contribution made from the General Fund to the Capital Project Funds in Fiscal Year 2017 and the JPA Construction Capital Projects Fund 871 returned \$2.0 million of a prior contribution to the Fund when DWR grant funding was received. The net increase in fund balance was \$3.3 million.

The changes in the DWR/Flood Protection Grant Special Revenue Fund 257 was due to receiving a \$26.2 million advance from the DWR that was reported as unearned revenue.

The 2008 Flood Bond Debt Service Fund 881 was closed out in 2017 due to the debt being refunded in the previous year. Remaining Fund 881 resources were transferred to the 2011 and 2015 Bond Debt Service Funds 882 and 883 for use on future debt service payments.

The increases in the 2011 and 2015 Bond Debt Service Funds 882 and 883 cash and investment balances were due to the transfers received from the 2008 Flood Bond Debt Service Funds. The cash and investment balances in these funds are restricted or committed for future debt service payments. The General Fund 870 provided \$2.0 million of funding for debt service payments in these funds. Expense activity represented scheduled debt service payments made.

The cash and investments balance of the JPA Construction Capital Projects Fund increased from \$3.5 million to \$6.4 million due to the collection of the grant receivable from the DWR. The grant receivable decreased from \$27.3 million to \$22.2 million as a result. The Agency has not collected payment for 2016 real estate purchases due to the required approval by the State of California Department of General Services, which reviews all real estate purchases funded by the State. The Agency expects grant funding for the real estate purchases to be approved during fiscal 2018. Fund 871 revenues increased by \$1.3 million due to additional grant funding received, less a reduction of \$4.5 million in contributions from Fund 870 for real estate purchases in 2016 while the Agency waited for grant funding to arrive. Fund 871 capital outlay expenses decreased from \$29.2 million to \$14.2 million during 2017 due to the significant real estate purchases that occurred in 2016 and the pause in the project while construction and construction management contracts went out to bid. The contracts are now in place and levee improvement activity resumed during the last half of fiscal 2017. As discussed above, Fund 871 transferred \$2.0 million of previously contributed funds back to Fund 870 during 2017 after grant funding was received.

The governmental funds reported a combined fund balance of \$8.4 million at fiscal year end June 30, 2016, a decrease of \$13.6 million. The decrease is primarily due to the expenditure of resources accumulated in prior years for land and construction in progress for levee improvements under the Southport EIP project, with the State's share of the project not received during the Agency's availability period and deferred at year-end. 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 was primarily due to the net proceeds from the issuance of the 2015

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

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.

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. For the Fiscal Year 2017, the total revenues for the General Fund were \$219,762 below the final budget; whereas, the total expenditures were \$638,855 below the final budget. The Agency budgets revenues and expenditures conservatively to ensure the challenges with revenues and expenditures are managed properly. There was no variance between the original budget and final budget for revenues in Fiscal Year 2017; however, the expenditures for final budget were \$0.1 million lower than original budget due to a decrease in the City staff costs. During 2016, the Agency's operations and maintenance expenditures exceeded the amount budgeted by \$0.8 million due to support from the City of West Sacramento and professional services to support the Agency's activities exceeding the amounts budgeted. In addition, the Agency's insurance, legal and other supporting expenditures of over \$0.2 million were unbudgeted.

Capital assets

The Agency's capital assets, net of depreciation, for its governmental activities as of June 30, 2017, June 30, 2016, and June 30, 2015 were \$118.8 million, \$104.5 million and \$75.3 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 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 and construction 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, 2017, June 30, 2016, and June 30, 2015 were \$42.5 million, \$43.2 million and \$43.8 million, respectively. The decrease in 2017 and 2016 were due to normal debt service payments being made and the increase in 2015 was due to the issuance of the 2015 Assessment Revenue Bonds. 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.

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

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, 2017

ASSETS	
Cash and investments in City Treasury	\$ 11,090,611
Cash and investments in City Treasury - restricted	27,305,049
Cash and investments with fiscal agents	2,558,761
Accounts receivable	14,807
Grants receivable	22,211,563
Due from other governments	988,540
Capital assets	
Not being depreciated	82,456,053
Being depreciated, net	<u>36,292,291</u>
Total capital assets	<u>118,748,344</u>
Total Assets	<u>182,917,675</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding of debt	<u>565,299</u>
 LIABILITIES	
Accounts payable	4,190,066
Due to other governments	382,888
Interest payable	624,633
Unearned revenue	26,200,767
Long-term liabilities:	
Due within one year	690,000
Due in more than one year	<u>41,741,930</u>
Total Liabilities	<u>73,830,284</u>
 NET POSITION	
Net investment in capital assets	76,881,713
Restricted for debt service	2,558,761
Restricted for reclamation plan performance	1,101,055
Unrestricted	<u>29,111,161</u>
 Total Net Position	 <u><u>\$ 109,652,690</u></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, 2017

Program Expenses:	
Flood Control	\$ 1,757,819
Interest	1,803,363
Total Program Expenses	<u>3,561,182</u>
Program revenues:	
Operating grants and contributions	4,917,198
Capital grants and contributions	13,587,121
Total Program Revenues	<u>18,504,319</u>
Net Program Revenue	<u>14,943,137</u>
General Revenues	
Investment earnings	65,579
Other	20,724
	<u>86,303</u>
Change in Net Position	15,029,440
Net Position-Beginning	<u>94,623,250</u>
Net Position-Ending	<u><u>\$ 109,652,690</u></u>

See accompanying notes to financial statements

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**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 used for levee improvements and related expenses.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 BALANCE SHEETS - GOVERNMENTAL FUNDS
 June 30, 2017

	General Fund (870)	DWR/Flood Protection Grant Special Revenue Fund (257)	2008 Flood Bond Debt Service Fund (881)
ASSETS			
Cash and investments in City Treasury	\$ 3,599,511		
Cash and investments in City Treasury - restricted	1,101,055	\$ 26,203,994	
Cash and investments with fiscal agents			
Accounts receivable	14,807		
Grants receivable			
Due from other governments	230,678		
Total Assets	\$ 4,946,051	\$ 26,203,994	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 16,834		
Due to other governments	382,888		
Unearned revenue		\$ 26,200,767	
Total Liabilities	399,722	26,200,767	
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues			
FUND BALANCES			
Restricted for debt service			
Restricted for reclamation plan performance	1,101,055		
Committed		3,227	
Unassigned	3,445,274		
Total Fund Balances (Deficits)	4,546,329	3,227	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,946,051	\$ 26,203,994	\$ -

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:

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

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES

See accompanying notes to financial statements

2011 Flood Bond Debt Service Fund (882)	2015 WSAFCA Bond Debt Service Fund (883)	JPA Construction Capital Projects Fund (871)	Total
\$ 599,160	\$ 398,446	\$ 6,493,494	\$ 11,090,611
896,417	1,662,344		27,305,049
			2,558,761
			14,807
		22,211,563	22,211,563
		757,862	988,540
<u>\$ 1,495,577</u>	<u>\$ 2,060,790</u>	<u>\$ 29,462,919</u>	<u>\$ 64,169,331</u>

		\$ 4,173,232	\$ 4,190,066
			382,888
			26,200,767
		<u>4,173,232</u>	<u>30,773,721</u>

		21,952,721	21,952,721
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\$ 896,417	\$ 1,662,344		2,558,761
599,160	398,446	3,336,966	1,101,055
			4,337,799
			3,445,274
<u>1,495,577</u>	<u>2,060,790</u>	<u>3,336,966</u>	<u>11,442,889</u>
<u>\$ 1,495,577</u>	<u>\$ 2,060,790</u>	<u>\$ 29,462,919</u>	<u>\$ 64,169,331</u>

\$ 11,442,889

21,952,721

118,748,344

565,299

(624,633)

(42,431,930)

\$ 109,652,690

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the Year Ended June 30, 2017

	<u>General Fund (870)</u>	<u>DWR/Flood Protection Grant Special Revenue Fund (257)</u>	<u>2008 Flood Bond Debt Service Fund (881)</u>
REVENUES			
Special benefit assessment for operations	\$ 4,917,198		
Reimbursements	10,256		
Intergovernmental			
Use of money and property	54,934	\$ 3,227	\$ 5,577
Other	74		1,908
Total Revenues	<u>4,982,462</u>	<u>3,227</u>	<u>7,485</u>
EXPENDITURES			
Current:			
Flood control:			
Operations and maintenance	1,644,957		6,997
Capital outlay			
Debt service:			
Principal payments			210,000
Interest and fiscal charges			4,200
Total Expenditures	<u>1,644,957</u>	<u>3,227</u>	<u>221,197</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,337,505	3,227	(213,712)
OTHER FINANCING SOURCES (USES)			
Transfers in	2,013,107		
Transfers out	<u>(2,016,928)</u>		<u>(726,064)</u>
Total Other Financing Sources (uses)	<u>(3,821)</u>		<u>(726,064)</u>
Net Change In Fund Balances	3,333,684	3,227	(939,776)
Fund Balances - Beginning	<u>1,212,645</u>	<u>939,776</u>	
Fund Balances - Ending	<u>\$ 4,546,329</u>	<u>\$ 3,227</u>	<u>\$ -</u>

See accompanying notes to financial statements

2011 Flood Bond Debt Service Fund (882)	2015 WSAFCA Bond Debt Service Fund (883)	JPA Construction Capital Projects Fund (871)	Total
			\$ 4,917,198
		\$ 3,500	13,756
		16,511,029	16,511,029
\$ 3,829	\$ 6,693	(8,681)	65,579
		18,742	20,724
<u>3,829</u>	<u>6,693</u>	<u>16,524,590</u>	<u>21,528,286</u>
		76,671	1,728,625
		14,241,438	14,241,438
265,000	195,000		670,000
616,344	1,263,463		1,884,007
<u>881,344</u>	<u>1,458,463</u>	<u>14,318,109</u>	<u>18,524,070</u>
(877,515)	(1,451,770)	2,206,481	3,004,216
1,114,902	1,628,090		4,756,099
		(2,013,107)	(4,756,099)
<u>1,114,902</u>	<u>1,628,090</u>	<u>(2,013,107)</u>	
237,387	176,320	193,374	3,004,216
1,258,190	1,884,470	3,143,592	8,438,673
<u>\$ 1,495,577</u>	<u>\$ 2,060,790</u>	<u>\$ 3,336,966</u>	<u>\$ 11,442,889</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, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 3,004,216

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. (2,937,664)

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	14,241,438
Depreciation expense	(29,194)

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	670,000
Amortization of debt premium	100,610
Amortization of deferred amount on refunding	(26,704)

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	<u>6,738</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 15,029,440</u></u>
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See accompanying notes to financial statements

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 GENERAL FUND (870)
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special benefit assessment for operations	\$ 4,752,700	\$ 4,752,700	\$ 4,917,198	\$ 164,498
Reimbursements			10,256	10,256
Use of money and property	10,000	10,000	54,934	44,934
Other			74	74
Total Revenues	<u>4,762,700</u>	<u>4,762,700</u>	<u>4,982,462</u>	<u>219,762</u>
EXPENDITURES				
Current:				
Flood control:				
Operations and maintenance	<u>2,403,513</u>	<u>2,283,512</u>	<u>1,644,957</u>	<u>638,555</u>
Total Expenditures	<u>2,403,513</u>	<u>2,283,512</u>	<u>1,644,957</u>	<u>638,555</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,359,187	2,479,188	3,337,505	858,317
OTHER FINANCING SOURCES (USES)				
Transfers in			2,013,107	2,013,107
Transfers out	<u>(2,339,806)</u>	<u>(2,339,806)</u>	<u>(2,016,928)</u>	<u>322,878</u>
Total Other Financing Sources (uses)	<u>(2,339,806)</u>	<u>(2,339,806)</u>	<u>(3,821)</u>	<u>2,335,985</u>
Net Change in Fund Balance	<u>\$ 19,381</u>	<u>\$ 139,382</u>	3,333,684	<u>\$ 3,194,302</u>
Fund Balance - Beginning			<u>1,212,645</u>	
Fund Balance - Ending			<u>\$ 4,546,329</u>	

See accompanying notes to financial statements

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 DWR/FLOOD PROTECTION GRANT SPECIAL REVENUE FUND (257)
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property			\$ 3,227	\$ 3,227
Total Revenues			3,227	3,227
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			3,227	3,227
Net Change in Fund Balance	\$ -	\$ -	3,227	\$ 3,227
Fund Balance - Beginning				
Fund Balance - Ending			\$ 3,227	

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, 2017

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

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)

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 WSAFCA 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.

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

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)

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. *Restricted Assets*

Restricted assets include fiscal agent cash and investments held by bond trustees that are restricted to principal and interest payments by the related bond indentures and an advance from the State Department of Water Resources (DWR) and related interest earnings totaling \$26,203,994 that must be held and used on prescribed Southport Levee construction project expenditures. The Agency was also required to pledge and hold \$1,101,055 to assure performance of the reclamation plan for the Borrow One site in lieu of a performance bond under the Surface Mining Reclamation Act. The amount is expected to be released from restrictions during the year ended June 30, 2020 based on the current construction timeline.

E. *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.

F. *Capital Assets*

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

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)

G. *Unearned Revenue*

Unearned revenues arise when resources are received before the Authority has legal claim to them (i.e. when cost reimbursement grant revenues are received prior to the incurrence of qualifying expenditures). The Authority's unearned revenues consist of grant revenues received from the DWR for levee projects. Amounts held must be used for qualifying expenses or returned to the DWR.

H. *Deferred Outflows and Inflows of Resources*

Deferred outflows and inflows of resources are separate financial statement elements that represent a consumption (outflow) or acquisition (inflow) of net position that applies to a future period and so will not be recognized as an outflow (expense/expenditure) or inflow (revenue) of resources 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 outflows or inflows of resources.

I. *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, from the 2008 Flood Bond Debt Service Fund to debt service funds to close the fund after the related debt was refunded and from the JPA Construction Capital Projects Fund to the General Fund to return an advance provided in a prior year until grant funding was received.

J. *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.

K. *Excess Expenditures over Appropriations*

The 2008 Flood Bond Debt Service Fund (881) had expenditures and transfers in excess of the final appropriation of \$728,861 for the fiscal year ended June 30, 2017.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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 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, 2017 are classified in the accompanying financial statements as follows:

Cash and Investments in City Treasury	\$	11,090,611
Cash and Investments in City Treasury - Restricted		27,305,049
Cash and Investments with Fiscal Agents		
U.S. Treasury Obligations		422,495
Certificates of Deposit		241,819
Money Market Mutual Funds		1,894,447
Total Cash and Investments with Fiscal Agents		2,558,761
Total	\$	40,954,421

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	Minimum Credit Quality	Maximum % of Portfolio *	Maximum Investment in One Issuer
California Local Agency Investment Fund (LAIF)	N/A	N/A	None	None
U.S. Treasury Obligations	5 years	N/A	None	None
U.S. Agency Securities	5 years	N/A	None	None
Banker's Acceptances	180 days	N/A	40%	30%
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, 2017

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 trustees) 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	\$ 11,090,611	\$ 11,090,611		
Cash and Investments in City Treasury - Restricted	27,305,049	27,305,049		
Cash and Investments with Fiscal Agents				
U.S. Treasury Obligations	422,495			\$ 422,495
Certificates of Deposit	241,819		\$ 241,819	
Money Market Mutual Funds	1,894,447	1,894,447		
Total	<u>\$ 40,954,421</u>	<u>\$ 40,290,107</u>	<u>\$ 241,819</u>	<u>\$ 422,495</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, 2017

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investment Type	Total	Exempt From Disclosure	AAA
Cash and Investments in City Treasury	\$ 11,090,611	\$ 11,090,611	
Cash and Investments in City Treasury - Restricted	27,305,049	27,305,049	
Cash and Investments with Fiscal Agents			
U.S. Treasury Obligations	422,495	422,495	
Certificates of Deposit	241,819	241,819	
Money Market Mutual Funds	1,894,447		\$ 1,894,447
Total	<u>\$ 40,954,421</u>	<u>\$ 39,059,974</u>	<u>\$ 1,894,447</u>

D. Fair Value Measurements

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

The Agency has the following recurring fair value measurements as of June 30, 2017:

	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
U.S. Treasury Obligations	\$ 422,495		\$ 422,495	
Certificates of Deposit	241,819		241,819	
Total investments by fair value level	664,314	\$ -	\$ 664,314	\$ -
Investments measured at net asset value or not categorized:				
Cash and Investments in City Treasury	11,090,611			
Cash and Investments in City Treasury - Restricted	27,305,049			
Money market mutual funds	1,894,447			
Total investments	<u>\$ 40,954,421</u>			

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

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 3 – CAPITAL ASSETS

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

Depreciable lives of capital assets are as follows:

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

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

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

	Balance at July 1, 2016	Additions	Transfers & Adjustments	Balance at June 30, 2017
Capital assets, not being depreciated:				
Land	\$ 25,380,332	\$ 3,456,124		\$ 28,836,456
Construction in progress	78,017,201	10,785,314	\$ (35,182,918)	53,619,597
Total capital assets not being depreciated	103,397,533	14,241,438	(35,182,918)	82,456,053
Capital assets, being depreciated				
Infrastructure	1,167,761		35,182,918	36,350,679
Less: Accumulated depreciation	(29,194)	(29,194)		(58,388)
Capital assets being depreciated, net	1,138,567	(29,194)	35,182,918	36,292,291
Total Capital Assets, Net	\$ 104,536,100	\$ 14,212,244	\$ -	\$ 118,748,344

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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, 2016	Additions	Balance at June 30, 2017	Current Portion
Assessment Revenue Bonds:				
2008 Assessment Revenue 4.00%, due 09/1/16	\$ 210,000	\$(210,000)		
2011 Assessment Revenue 2.25%-5.25%, due 09/1/41	12,495,000	(265,000)	\$ 12,230,000	\$ 270,000
2015 Assessment Revenue 2.00%-5.00%, due 09/1/45	27,605,000	(195,000)	27,410,000	420,000
	<u>40,310,000</u>	<u>(670,000)</u>	<u>39,640,000</u>	<u>690,000</u>
2015 bond premium	2,892,540	(100,610)	2,791,930	
	<u>43,202,540</u>	<u>\$ -</u>	<u>\$ 42,431,930</u>	<u>\$ 690,000</u>
Less: Due within one year	<u>(670,000)</u>		<u>(690,000)</u>	
Due in more than one year	<u>\$ 42,532,540</u>		<u>\$ 41,741,930</u>	

A. Description of Debt

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%.

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%.

B. 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. A portion of the proceeds was also used to defease a portion of the Agency’s outstanding Assessment Revenue Bonds, Series 2008. 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

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 4 – LONG-TERM LIABILITIES (Continued)

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%.

B. Debt Service Requirements

The annual debt service requirements at June 30, 2017 are as follows:

Year Ending June 30:	Principal	Interest	Total
2018	\$ 690,000	\$ 1,864,563	\$ 2,554,563
2019	710,000	1,843,085	2,553,085
2020	735,000	1,818,031	2,553,031
2021	760,000	1,786,113	2,546,113
2022	800,000	1,747,113	2,547,113
2023-2027	4,635,000	8,078,688	12,713,688
2028-2032	5,885,000	6,814,241	12,699,241
2033-2037	7,220,000	5,444,847	12,664,847
2038-2042	9,110,000	3,482,756	12,592,756
2043-2047	9,095,000	937,373	10,032,373
	<u>\$ 39,640,000</u>	<u>\$ 33,816,810</u>	<u>\$ 73,456,810</u>

C. Pledged Revenues

The Agency has pledged future assessment revenues, net of specified expenses, to repay all of the 2011 and 2015 Series Bonds through 2041. The purpose of the Bonds is described above. The total principal and interest remaining to be paid on the bonds is \$73,456,810 as described in the note above. The principal and interest paid for the current year and total customer net revenues were \$2,554,006 and \$3,272,241, respectively. Bond payments were approximately 78% of net revenues.

D. Line of Credit

In February 2017, the Agency executed a \$3.5 million unsecured line of credit agreement with First Northern Bank of Dixon (the Bank) that expires on June 30, 2021 to assist with any cash flow needs on the Southport Project. The Agency pays a 0.50% unused line of credit fee annually on the unused portion of line of credit determined by averaging the daily amount outstanding and subtracting that amount from the credit limit. Any disbursements are subject to a variable interest rate equal to the Wall Street Journal Prime Rate less 1.435% with a 2.015% floor and may change daily. Under the terms of the agreement, if the Agency issues any bonds totaling in excess of \$5 million in connection with the Southport Project, the Bank may require some or all of the proposed bond proceeds to be used to repay all or a portion of the outstanding balance under the agreement and/or terminate the agreement at its discretion. The Agency is required to maintain a deposit account at the Bank to facilitate draws and payments under the agreement. The Agreement may be terminated by the Agency with 30 days' notice.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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.

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 and deferred outflows of resources. 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, 2017

NOTE 6 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases insurance coverage for commercial general liability, public officials' and management liability. There have been no significant reductions in insurance coverage from the prior year by major categories of risk and there have been no settlements exceeding insurance coverage for the past three years.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

A. Long-Term Commitments

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

Description	Contract Amount	Remaining
Southport Levee Construction	\$ 52,414,320	\$ 49,849,699
Southport- ID/IQ	20,106,348	20,089,598
Construction Management Services	9,459,039	8,500,960
Southport/ I Street Bridge/Rivers	2,989,732	1,781,589
Environmental Support Services	2,211,507	1,104,493
Southport Restoration Design	805,689	805,689
Tribal Monitoring - Tribe	593,000	593,000
Southport Levee Impr- Village Parkway Impr South	5,022,017	582,180
Regional Trails Planning	551,250	551,250
Engineering and Land Surveying	2,322,350	477,406
General Support/ Fin Mgmt WSLIP and SPEIP	1,195,320	465,552
Tribal Monitoring - Consultant	593,000	440,023
VELB Conservation Credits	1,311,156	272,756
Surveying Services for Southport	1,003,525	222,045
Geotechnical Consulting	201,780	193,380
Safety Assurance Reviews	179,300	130,047
	<u>\$ 100,959,333</u>	<u>\$ 86,059,667</u>

The commitments above represent encumbrances of the JPA Construction Capital Projects Fund.

The Agency acquired a number of properties under eminent domain proceedings as part of flood control projects. As of June 30, 2017, 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 Agency. The Agency'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.

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 8 – CHANGE IN ACCOUNTING ESTIMATE

At June 30, 2016, the Agency estimated the State of California Department of Water Resources (DWR) grant funded share of real estate purchased for levee improvements to be approximately 76.70% of the \$24.5 million of total real estate costs incurred in the JPA Construction Capital Projects Fund. During the year ended June 30, 2017, the Agency refined the estimate and determined the DWR share of real estate costs to be approximately 73.73% of costs incurred, which resulted in a reduction of the amount reported as due from other governments and deferred inflows of resources for unavailable revenue of \$728,805 during the year ended June 30, 2017. This change in accounting estimate had no effect on fund balance or net change in fund balance.

NOTE 9 – NEW PRONOUNCEMENTS

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

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

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

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

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SUPPLEMENTAL SECTION

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WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 2008 FLOOD BOND DEBT SERVICE FUND (881)
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property			\$ 5,577	\$ 5,577
Other			1,908	1,908
Total Revenues			<u>7,485</u>	<u>7,485</u>
EXPENDITURES				
Current:				
Flood control:				
Operations and maintenance			6,997	(6,997)
Debt service:				
Principal payments	\$ 210,000	\$ 210,000	210,000	
Interest and fiscal charges	8,400	8,400	4,200	4,200
Total Expenditures	<u>218,400</u>	<u>218,400</u>	<u>221,197</u>	<u>(2,797)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(218,400)	(218,400)	(213,712)	4,688
OTHER FINANCING SOURCES (USES)				
Transfers out			(726,064)	(726,064)
Total Other Financing Sources (Uses)			<u>(726,064)</u>	<u>(726,064)</u>
Net Change in Fund Balance	<u>\$ (218,400)</u>	<u>\$ (218,400)</u>	(939,776)	<u>\$ (721,376)</u>
Fund balance - beginning			<u>939,776</u>	
Fund Balance - Ending			<u>\$ -</u>	

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 2011 FLOOD BOND DEBT SERVICE FUND (882)
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 7,450	\$ 7,450	\$ 3,829	\$ (3,621)
Total Revenues	<u>7,450</u>	<u>7,450</u>	<u>3,829</u>	<u>(3,621)</u>
EXPENDITURES				
Current:				
Flood control:				
Operations and maintenance	2,800	2,800		2,800
Debt Service:				
Principal payments	265,000	265,000	265,000	
Interest and fiscal charges	<u>616,344</u>	<u>616,344</u>	<u>616,344</u>	
Total Expenditures	<u>884,144</u>	<u>884,144</u>	<u>881,344</u>	<u>2,800</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(876,694)	(876,694)	(877,515)	(821)
OTHER FINANCING SOURCES (USES)				
Transfers in		881,344	1,114,902	233,558
Total Other Financing Sources (Uses)		<u>881,344</u>	<u>1,114,902</u>	<u>233,558</u>
Net Change in Fund Balance	<u>\$ (876,694)</u>	<u>\$ 4,650</u>	237,387	<u>\$ 232,737</u>
Fund balance - beginning			<u>1,258,190</u>	
Fund Balance - Ending			<u>\$ 1,495,577</u>	

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 2015 WSAFCA BOND DEBT SERVICE FUND (883)
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
REVENUES				
Use of money and property	\$ 12,320	\$ 12,328	\$ 6,693	\$ (5,635)
Total Revenues	12,320	12,328	6,693	(5,635)
EXPENDITURES				
Current:				
Flood control:				
Operations and maintenance	2,800	2,800		2,800
Debt Service:				
Principal payments	195,000	195,000	195,000	
Interest and fiscal charges	1,263,462	1,263,462	1,263,463	(1)
Total Expenditures	1,461,262	1,461,262	1,458,463	2,799
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,448,942)	(1,448,934)	(1,451,770)	(2,836)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,458,463	1,458,463	1,628,090	169,627
Total Other Financing Sources (uses)	1,458,463	1,458,463	1,628,090	169,627
Net Change in Fund Balance	\$ 9,521	\$ 9,529	176,320	\$ 166,791
Fund Balance - Beginning			1,884,470	
Fund Balance - Ending			\$ 2,060,790	

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 JOINT POWERS AUTHORITY
 JPA CONSTRUCTION CAPITAL PROJECTS FUND (871)
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special benefit assessment for operations			\$ 3,500	\$ 3,500
Intergovernmental			16,511,029	16,511,029
Use of money and property			(8,681)	(8,681)
Other			18,742	18,742
Total Revenues			<u>16,524,590</u>	<u>16,524,590</u>
EXPENDITURES				
Current:				
Flood control:				
Operations and maintenance			76,671	(76,671)
Capital outlay	\$ 136,120,294	\$ 136,120,294	14,241,438	121,878,856
Total Expenditures	<u>136,120,294</u>	<u>136,120,294</u>	<u>14,318,109</u>	<u>121,802,185</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(136,120,294)	(136,120,294)	2,206,481	138,326,775
OTHER FINANCING SOURCES (USES)				
Transfers out			(2,013,107)	(2,013,107)
Total Other Financing Sources (uses)			<u>(2,013,107)</u>	<u>(2,013,107)</u>
Net Change in Fund Balance	<u>\$ (136,120,294)</u>	<u>\$ (136,120,294)</u>	193,374	<u>\$ 136,313,668</u>
Fund Balance - Beginning			<u>3,143,592</u>	
Fund Balance - Ending			<u>\$ 3,336,966</u>	

STATISTICAL SECTION

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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 EIGHT FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year 2017	Fiscal Year 2016	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	\$ 76,881,713	\$ 61,925,563	\$ 34,432,627	\$ 40,611,646	\$ 32,955,978	\$ 27,079,075	\$ 10,811,196	\$ 7,021,107
Restricted	3,659,816	2,621,033	3,042,071	1,577,016	1,185,822			
Unrestricted	29,111,161	30,076,654	21,432,022	12,190,922	10,111,366	6,797,020	5,558,941	5,879,166
Total Governmental Activities Net Position	<u>\$ 109,652,690</u>	<u>\$ 94,623,250</u>	<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 did not track this information prior to 2010.

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

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

	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010
PROGRAM EXPENSES								
Flood Control	\$ 1,757,819	\$ 2,375,307	\$ 2,447,462	\$ 1,376,893	\$ 216,731	\$ 30,396,844	\$ 16,632,533	\$ 2,675,186
Interest	1,803,363	1,888,977	1,154,469	1,107,461	1,495,376	969,456	1,274,196	1,204,424
Total Program Expenses	<u>3,561,182</u>	<u>4,264,284</u>	<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	4,917,198	4,849,560	4,565,090	4,452,137	4,270,716	4,242,967	4,194,636	3,982,367
Capital grants and contributions	13,587,121	34,991,327	3,493,827	8,134,436	7,807,516	44,627,392	17,125,977	5,931,442
Total Program Revenues	<u>18,504,319</u>	<u>39,840,887</u>	<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>14,943,137</u>	<u>35,576,603</u>	<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	65,579	132,783	67,422	22,199	10,946			
Miscellaneous	20,724	7,144	2,728	2,000		1,899	55,980	37,593
Total General Revenues	<u>86,303</u>	<u>139,927</u>	<u>70,150</u>	<u>24,199</u>	<u>10,946</u>	<u>1,899</u>	<u>55,980</u>	<u>37,593</u>
Change in Net Position								
Governmental Activities	<u>\$ 15,029,440</u>	<u>\$ 35,716,530</u>	<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 did not track this information prior to 2010.

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

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

	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010
GENERAL FUND								
Restricted	\$ 1,101							\$ 967
Unassigned	3,445	\$ 1,213	\$ 11,613	\$ 3,062	\$ 5,373	\$ 12,602	\$ 15,888	5,222
TOTAL GENERAL FUND	\$ 4,546	\$ 1,213	\$ 11,613	\$ 3,062	\$ 5,373	\$ 12,602	\$ 15,888	\$ 6,189
ALL OTHER GOVERNMENTAL FUNDS								
Restricted	\$ 2,557	\$ 2,621	\$ 3,042	\$ 1,576	\$ 1,559	\$ (1,213)	\$ 1,808	
Committed	4,339	4,605	7,410	869				\$ 1,409
Unassigned								
Special revenue funds					(237)			
Debt service funds				(1)				
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 6,896	\$ 7,226	\$ 10,452	\$ 2,444	\$ 1,322	\$ (1,213)	\$ 1,808	\$ 1,409
TOTAL GOVERNMENTAL FUNDS	\$ 11,442	\$ 8,439	\$ 22,065	\$ 5,506	\$ 6,695	\$ 11,389	\$ 17,696	\$ 7,598

NOTE: Agency did not track this information prior to 2010.

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

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

	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010
REVENUES								
Special benefit assessment for operations	\$ 4,917	\$ 4,850	\$ 4,565	\$ 4,452	\$ 4,271	\$ 4,243	\$ 4,194	\$ 3,982
Contributions from City of West Sacramento		4,500				1,650	13,167	1,743
Reimbursements	14		9			22,094	2,342	1,745
Intergovernmental revenues	16,511	10,765	6,951	4,479	2,832	20,883	1,617	2,443
Use of money and property	66	133	67	22	11			
Other revenues	21	7	3	2		2	56	38
Total Revenues	21,529	20,255	11,595	8,955	7,114	48,872	21,376	9,951
EXPENDITURES								
Flood Control:								
Operations and maintenance	1,729	2,347	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	14,241	29,226	12,597	7,215	10,184	27,691	6,562	4,563
Principal payments	670	510	450	440	285			
Debt issuance costs			543					
Interest and fiscal charges	1,884	1,799	1,074	1,112	1,123	1,144	1,444	1,364
Total Expenditures	18,524	33,882	16,568	10,144	11,809	55,178	24,638	8,603
Excess (Deficiency) of Revenues Over Expenditures	3,005	(13,627)	(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	4,756	14,285	28,805	3,933	2,263			
Transfers out	(4,756)	(14,285)	(28,805)	(3,933)	(2,263)			
Total Other Financing Sources (Uses)			21,533				13,360	
Net Change in Fund Balances	\$ 3,005	\$ (13,627)	\$ 16,560	\$ (1,189)	\$ (4,695)	\$ (6,306)	\$ 10,098	\$ 1,348
Debt service as a percentage of noncapital expenditures	59.63%	49.59%	38.38%	52.99%	86.65%	4.16%	7.99%	33.76%

NOTE: Agency did not track this information prior to 2010.

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST EIGHT FISCAL YEARS
 (tax rate per \$100 of assessed value)

Fiscal Year	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
2016	\$ 3,198,076,385	\$ 872,281,981	\$ 1,170,227,505	\$ 407,490,615	\$ 5,648,076,486	1.0000
2017	\$ 3,418,952,537	\$ 876,707,082	\$ 1,210,252,185	\$ 462,111,815	\$ 5,968,023,619	1.0000

⁽¹⁾ Includes the assessed value of the Redevelopment Agency of \$2,893,961,153 (2010); \$2,077,868,964 (2013); \$2,424,781,608 (2014); \$2,449,410,832 (2015); \$2,670,024,211 (2016) and \$3,270,136,086 (2017).

NOTE 1: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

NOTE: Agency did not track this information prior to 2010.

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

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST EIGHT 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
2016	1.0000	-	1.0000	0.1083	0.0091	1.1174	1.2348
2017	1.0000	-	1.0000	0.1082	0.0141	1.1223	1.2446

NOTE 1: In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of Washington Unified School District and Los Rios Community College District bonds.

NOTE 2: Agency did not track this information prior to 2010.

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

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

Fiscal Year 2017		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)	58.262	58.262	58.262	58.262
	Building Factor Constant: First Floor SqFt Less than 1050 Sq Ft (2)	18.42	41.36	87.75	99.01
	Building Factor Constant: First Floor SqFt Greater than 1050 Sq Ft (2)	28.71	63.19	134.06	151.29
Residential-Condo	Parcel (per Acre)	58.262	58.262	58.262	58.262
	Building Factor Constant	16.72	36.77	78.00	88.01
Residential-Mobile Home Park	Parcel (per Acre)	58.262	58.262	58.262	58.262
	Building (per FF Sq Ft)	0.010446	0.022981	0.048746	0.055013
Multi-Family Residential	Parcel (per Acre)	64.531	64.531	64.531	64.531
	Building (per FF Sq Ft)	0.020089	0.045960	0.097490	0.110025
Commercial	Parcel (per Acre)	128.594	128.594	128.594	128.594
	Building (per FF Sq Ft)	0.032497	0.116989	0.203104	0.237225
Industrial	Parcel (per Acre)	54.084	54.084	54.084	54.084
	Building (per FF Sq Ft)	0.068475	0.085884	0.121861	0.157841
Vacant	Parcel (per Acre)	28.087	28.087	28.087	28.087
	Building (per FF Sq Ft)	0.000000	0.000000	0.000000	0.000000
Agricultural	Parcel (per Acre)	5.802	5.802	5.802	5.802
	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 7/19/16

Rate update prepared by the City of West Sacramento Flood Protection Division (7/20/2017)

Source: City Finance Division

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

Fiscal Year 2016		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)	56.000	56.000	56.000	56.000
	Building Factor Constant: First Floor SqFt Less than 1050 Sq Ft (2)	18.06	39.75	84.34	95.17
	Building Factor Constant: First Floor SqFt Greater than 1050 Sq Ft (2)	27.60	60.74	128.85	145.41
Residential-Condo	Parcel (per Acre)	56.000	56.000	56.000	56.000
	Building Factor Constant	16.07	35.34	74.97	84.59
Residential-Mobile Home Park	Parcel (per Acre)	56.000	56.000	56.000	56.000
	Building (per FF Sq Ft)	0.010040	0.022088	0.046853	0.052877
Multi-Family Residential	Parcel (per Acre)	62.025	62.025	62.025	62.025
	Building (per FF Sq Ft)	0.020081	0.044175	0.093704	0.105753
Commercial	Parcel (per Acre)	123.601	123.601	123.601	123.601
	Building (per FF Sq Ft)	0.031235	0.112446	0.195218	0.228014
Industrial	Parcel (per Acre)	51.984	51.984	51.984	51.984
	Building (per FF Sq Ft)	0.065816	0.082549	0.117130	0.151712
Vacant	Parcel (per Acre)	26.996	26.996	26.996	26.996
	Building (per FF Sq Ft)	0.000000	0.000000	0.000000	0.000000
Agricultural	Parcel (per Acre)	5.576	5.576	5.576	5.576
	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 7/15/15

Rate update prepared by the City of West Sacramento Flood Protection Division (7/21/2015)

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
 FLOOD ASSESSMENT SPECIAL TAX RATES
 LAST EIGHT 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 EIGHT 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 EIGHT 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 EIGHT 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 EIGHT 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 EIGHT 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 YEAR AND FIVE YEARS AGO
Calendar Year

Taxpayer*	2017		Taxpayer*	2012	
	Annual Assessment	Percentage of Total Special Assessments Value		Annual Assessment	Percentage of Total Special Assessments Value
WASHINGTON UNIFIED SCHOOL DISTRICT	\$ 154,728.66	3.15%	PROLOGIS-A4 CA I LP	\$ 48,157	1.29%
WESTCORE WEST SAC LP	126,284.18	2.57%	SACRAMENTO FOODCO INV LLC	45,872	1.23%
CALIFORNIA STATE OF	123,274.28	2.51%	OATES MARVIN L TR ETAL	37,000	0.99%
HARSCH INVESTMENT PROP LLC	104,182.26	2.12%	PANATTONI DEVELOPMENT CO ETAL	31,931	0.85%
U S POSTAL SERVICE	68,263.40	1.39%	IKEA CALIFORNIA LLC	30,914	0.83%
WEST SACRAMENTO CITY OF	61,646.60	1.25%	3689 3689 INDUSTRIAL BLVD L L C	30,730	0.82%
MASSIE I SOUTHPORT LLC	57,139.62	1.16%	WAL-MART STORES INC	25,826	0.69%
PROLOGIS-A4 CA I LP	56,422.46	1.15%	TARGET CORPORATION P-2268	23,016	0.62%
RAMCO PROPERTIES LP	53,964.74	1.10%	JB MANAGEMENT LP	21,191	0.57%
SACRAMENTO FOODCO INV LLC	53,746.38	1.09%	HARSCH INVESTMENT CORP	20,335	0.54%
Total	<u>\$ 859,653</u>	<u>17.49%</u>	Total	<u>\$ 314,972</u>	<u>8.43%</u>

*Secured role properties

NOTE: Agency did not track this information prior to 2012.

Sources: WSAFCA Flood Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

SPECIAL TAX LEVIES AND COLLECTIONS
LAST EIGHT 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%
2016	\$ 4,853,120	\$ 4,834,612	99.6%	N/A	\$ 4,834,612	99.6%
2017	\$ 4,984,123	\$ 4,917,198	98.7%	N/A	\$ 4,917,198	98.7%

NOTE: Agency did not track this information prior to 2010.

(1) Secured role revenue

Sources: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

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

<u>Fiscal Year Ended June 30</u>	<u>Flood Special Assessment Bonds</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
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
2016	\$ 43,203	4.03%	\$ 814
2017	\$ 42,432	3.37%	\$ 798

NOTE: Agency did not track this information prior to 2010.

Source: City Finance Division

WEST SACRAMENTO FLOOD CONTROL AGENCY

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2017

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

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

WEST SACRAMENTO FLOOD CONTROL AGENCY

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (Continued)

As of June 30, 2017

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

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

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

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

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

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

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

PLEDGED-REVENUE COVERAGE
 LAST EIGHT 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
2016	\$ 4,928	\$ 1,936	\$ 2,992	\$ 510	\$ 1,799	1.30
2017	\$ 4,917	\$ 1,645	\$ 3,272	\$ 670	\$ 1,884	1.28

⁽¹⁾ Total special assessments and other revenues

⁽²⁾ Total operating expenses, excluding depreciation and amortization, of the General Fund.

NOTE: Agency did not track this information prior to 2010.

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST EIGHT 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%
2016	53,082	\$ 1,072,329 *	\$ 20,201	5.8%
2017	53,163	\$ 1,257,503	\$ 23,654	5.0%

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

NOTE: Agency did not track this information prior to 2010.

Sources: State Department of Finance and City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

PRINCIPAL EMPLOYERS
CURRENT YEAR AND SEVEN YEARS AGO

Employer	2017*		Employer	2010	
	Number of Employees	Percentage of Total City Employment		Number of Employees	Percentage of Total City Employment
University of California Davis	9,774	34.95%	United State Postal Service	1,620	12.68%
State of California	3,177	11.36%	United Parcel Service (UPS)	1,251	9.80%
U.S. Government	2,414	8.63%	State of California, General Services	1,200	9.40%
Cache Creek Casino Resort	2,150	7.69%	California State Teachers' Retirement System	1,200	9.40%
Yolo County	1,406	5.03%	Affiliated Computer Services	900	7.05%
Woodland Joint Unified School District	1,145	4.09%	Washington Unified School District	775	6.07%
Walgreens	803	2.87%	Raley's/Bel Air	636	4.98%
Woodland memorial Hospital	737	2.64%	Xyratex International	550	4.31%
Raley's Inc.	732	2.62%	Walmart	500	3.92%
Sutter Health	721	2.58%	Tony's Fine Food	450	3.52%
Pacific Gas and Electric Co.	645	2.31%	Conventry Healthcare	400	3.13%
City of West Sacramento	550	1.97%	ABM Janitorial	400	3.13%
Clark Pacific Corp.	535	1.91%	City of West Sacramento	390	3.05%
Nugget Market Inc.	442	1.58%	Hunter Douglas/Bytheways Inc.	330	2.58%
City of Davis	365	1.31%	Siemens Healthcare Diagnostics	286	2.24%
Hunter Douglas Inc.	359	1.28%	Nor-Cal Beverage	250	1.96%
Beckman Coulter	300	1.07%	KOVR TV 13	242	1.89%
Nor-Cal Beverage Co. Inc.	298	1.07%	Farmers' Rice Cooperative	225	1.76%
Yolo County office of Education	248	0.89%	Idexx Veterinary Services	219	1.71%
Monsanto Co., Vegetable Seeds Division	244	0.87%	West Sacramento IKEA Home Furnishings	213	1.67%
Safeway	238	0.85%	All Phase Security, Inc.	200	1.57%
City of Woodland	231	0.83%	Clark Pacific	160	1.25%
CommuniCare Health Centers	231	0.83%	Target Corporation	143	1.12%
University Retirement Community at Davis	220	0.79%	Home Depot	120	0.94%
			Lowe's Home Improvement	111	0.87%
	<u>27,965</u>			<u>12,771</u>	

*The 2017 employer data is for Yolo County.

NOTE: Agency did not track this information prior to 2010.

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

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST FIVE FISCAL YEARS

<u>Function/Program</u>	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2014</u>	<u>Fiscal Year 2013</u>
Flood Division	6.875	6.5	7	7	7

NOTE: Agency did not track this information prior to 2013.

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS

<u>Function/Program</u>	<u>Fiscal Year</u> 2017	<u>Fiscal Year</u> 2016	<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	<u>Fiscal Year</u> 2010
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Note: The Agency does not track this information; however, will present prospectively.

Source: City Finance Division

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS

Function/Program	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010
Flood Control:								
Land (parcels)	59	54	9					
Bridges	1	1	1					

NOTE: Agency did not track this information prior to 2015.

Source: City Finance Division

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COMPLIANCE REPORT

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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, 2017, 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 22, 2017.

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 2017-001 that we consider to be a significant deficiency.

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 22, 2017

WEST SACRAMENTO AREA FLOOD CONTROL AGENCY
JOINT POWERS AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2017

CURRENT YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

Finding 2017-001: 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 identify all necessary closing entries.

Effect: A number of audit adjustments needed to be posted to properly record grant receivables, accounts payable/due to other governments and various government-wide fund balances.

Recommendation: We recommend the City staff separately review Agency account balances and consider the government-wide adjustments needed to appropriately report full accrual balances. We recommend updating closing procedures to ensure changes to receivables and payables after initial closing need to be revised.

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 2016-01: 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 2017-001 is a continuation of this finding and continues to need attention.