

CITY OF RANCHO CORDOVA, CALIFORNIA

Comprehensive Annual Financial Report

*For the Year Ended
June 30, 2015*



a fresh take.

RANCHO CORDOVA
CALIFORNIA

**CITY OF RANCHO CORDOVA,
CALIFORNIA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015

Prepared by

FINANCE DEPARTMENT

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CITY OF RANCHO CORDOVA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

INTRODUCTORY SECTION:

Transmittal Letter i

Organization Chart..... vi

List of Principal Officers vii

Citywide Goals viii

GFOA Award ix

FINANCIAL SECTION:

Independent Auditor’s Report 1

Management’s Discussion and Analysis 5

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position..... 26

Statement of Activities 27

Fund Financial Statements:

Governmental Funds:

Balance Sheet..... 30

Reconciliation of the Governmental Funds Balance Sheet
with the Statement of Net Position 32

Statement of Revenues, Expenditures and Changes in Fund Balances 34

Reconciliation of the Net Change in Fund Balances - Total Governmental
Funds with the Statement of Activities 36

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:

General Fund 37

Sunrise Douglas Special Revenue Fund 38

Traffic Mitigation Special Revenue Fund..... 39

CITY OF RANCHO CORDOVA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

FINANCIAL SECTION (Continued):

Grants Special Revenue Fund	40
Local Housing Special Revenue Fund	41
 Proprietary Funds:	
Statement of Net Position	44
Statement of Revenues, Expenses and Changes in Fund Net Position	45
Statement of Cash Flows.....	46
 Fiduciary Funds:	
Statement of Fiduciary Net Position.....	48
Statement of Changes in Fiduciary Net Position.....	49
Notes to Basic Financial Statements	51
 Required Supplemental Information:	
Schedule of the Plan’s Proportionate Share of the Net Pension Liability and Related Ratios.....	94
Schedule of Contributions.....	95
Other Post-Employment Benefits Schedule of Funding Progress	96
 Supplemental Information:	
<i>Non-major Governmental Funds:</i>	
Combining Balance Sheet	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	104
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	108
 <i>Subcombining Schedules:</i>	
Subcombining Balance Sheet.....	116
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances.....	117
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	118

CITY OF RANCHO CORDOVA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

FINANCIAL SECTION (Continued):

Sunrise Douglas (SD) Special Revenue Funds:	
Subcombining Balance Sheet.....	120
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	122
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	124
Traffic Mitigation Special Revenue Funds:	
Subcombining Balance Sheet.....	128
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	129
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	130
Grant Revenue Special Revenue Funds:	
Subcombining Balance Sheet.....	132
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	133
Subcombining Schedule of Revenues, Expenditures, and Changes in Fund Balances — Budget and Actual.....	134
Villages of Zinfandel (VOZ) Special Revenue Funds:	
Subcombining Balance Sheet.....	138
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	139
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	140
Community Facilities Fees Special Revenue Funds:	
Subcombining Balance Sheet.....	142
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	143
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	144

CITY OF RANCHO CORDOVA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

FINANCIAL SECTION (Continued):

Transit-Related Services Tax Special Revenue Funds:

Subcombining Balance Sheet.....	146
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	147
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	148

Road Maintenance Special Revenue Funds:

Subcombining Balance Sheet.....	150
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	151
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	152

Landscaping and Lighting Special Revenue Funds:

Subcombining Balance Sheet.....	154
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	155
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	156

Measure A Special Revenue Funds:

Subcombining Balance Sheet.....	158
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	159
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual.....	160

Capital Outlay Capital Projects Funds:

Subcombining Balance Sheet.....	162
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	164

CITY OF RANCHO CORDOVA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

FINANCIAL SECTION (Continued):

Kilgore Cemetery Proprietary Fund

Subcombining Balance Sheet.....	166
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances	167

Internal Service Funds:

Combining Statement of Net Position	170
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	171
Combining Statement of Cash Flows.....	172

Agency Funds:

Combining Statement of Changes in Assets and Liabilities.....	174
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STATISTICAL SECTION:

Financial Trends:

Net Position by Component – Last Ten Fiscal Years	179
Changes in Net Position – Last Ten Fiscal Years.....	180
Fund Balances of Governmental Funds – Last Ten Fiscal Years	182
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	183

Revenue Capacity:

General Governmental Tax Revenues by Source – Last Ten Fiscal Years	184
Assessed and Estimated Value of Property – Last Ten Fiscal Years.....	185
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years.....	186
Principal Taxpayers – Current Year and Nine Years Ago.....	187
Property Tax Levies and Collections – Last Ten Fiscal Years.....	188

Debt Capacity:

Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	189
Computation of Direct and Overlapping Debt.....	190
Legal Debt Margin Information – Last Ten Fiscal Years.....	191

CITY OF RANCHO CORDOVA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

STATISTICAL SECTION (Continued):

Demographic and Economic Information:

Schedule of Demographic Statistics – Last Ten Fiscal Years	192
Ten Largest Area Employers – Current Year and Nine Years Ago.....	193

Operating Information:

Government Employment Information – Last Ten Fiscal Years	194
Miscellaneous Statistics	195
Capital Asset and Infrastructure Statistics by Function/Program – Last Ten Fiscal Years	196

December 11, 2015

To the Honorable Mayor, Members of the Council,
and Citizens of the City of Rancho Cordova,

Staff proudly presents the Comprehensive Annual Financial Report (CAFR) of the City of Rancho Cordova (City) for the fiscal year ended June 30, 2015. We are pleased to report our twelfth consecutive General Fund surplus. The net result of operations in the General Fund, which is the primary operating fund of the City, exceeded our original budget, producing a larger surplus than originally budgeted. Higher than anticipated revenues, allowed higher than anticipated expenditures and still produced a General Fund surplus of \$1,790,087, exceeding our originally budgeted surplus of \$20,400.

The ending General Fund balance was \$29,338,996. Results for the fiscal year were better than both the original budget and the mid-year review conducted in February. At that time we were anticipating a surplus of \$733,800. Our final results comply with the City's policy of constraining current year expenses to current year revenues.

REPORT PURPOSE AND ORGANIZATION

The purpose of this letter is to introduce the basic financial statements and provide an analytical overview of the City's financial activities. This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) which can be found immediately following the report of the independent auditors.

The CAFR is published in accordance with State law that requires financial statements be presented in conformity with accounting principles generally accepted in the United States of America, and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. It is also prepared to

meet reporting standards set forth by the Government Finance Officers Association (GFOA). This report consists of management's representations concerning the finances of the City of Rancho Cordova. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of this report in conformity with U.S. generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the changes in financial position of the City activities and the various funds of the City; and includes all disclosure necessary to enable the reader to gain an understanding of the City's financial affairs.

The independent audit of the financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special

emphasis on internal controls and legal requirements involving the administration of federal awards. This separately prepared report is available from the City's Finance Department upon request.

ABOUT THE CITY

Not everyone who reads this report is familiar with our City and it is hard to understand a government's finances without knowing something about the government and how it operates. Let us tell you a little about the City of Rancho Cordova!



Rancho Cordova is located in the north-eastern central valley of California, and is California's 5th youngest city, having incorporated July 1, 2003 following an electoral vote in November of 2002.

The former Mather Air Force Base and Aerojet Manufacturing (now Aerojet/Rocketdyne), a major supplier of space and defense missiles, were the driving economic forces that established the pre-cityhood community of Rancho Cordova. Since the end of the Cold War and closing of Mather Air Force Base in 1992, the area that would eventually be the City of Rancho Cordova emerged as a commercial center in Sacramento County with more than 45,000 jobs in approximately 2,000 business establishments.

Organized as a General Law City under State of California law, the City of Rancho Cordova operates under the Council-Manager form of government with policy-making and legislative authority vested in a governing council. The City Council is responsible for the appointment of the City Manager and the City Attorney, who both

serve under contract to the City. All department directors are appointed by the City Manager.

The City provides municipal services within its 34.8 square mile border for a population of 69,112, according to estimates of the State of California Department of Finance. The City of Rancho Cordova contracts many of its residential services to outside agencies. The largest contracts are for law enforcement services with the Sacramento County Sheriff's Department and street maintenance services with the Sacramento County Public Works Department.

Other City contract services include street sweeping, refuse removal, legal and portions of planning, which are all provided by private companies. City residents receive fire protection services from the Sacramento Metropolitan Fire District and parks and recreation services from the Cordova Recreation and Park District. Services provided from in-house staff include Code Enforcement, Animal Services, Public Works, Building and Safety, Housing, Economic Development, Planning and general City administration.

Financial data for all funds through which services are provided by the City have been included in this report. The Financial Statements include the City and its component unit, the Rancho Cordova Financing Authority, which is blended in the report since they are governed by the City Council sitting in a separate capacity or provide services exclusively to the City. The Successor Agency to the former Community Redevelopment Agency is a fiduciary fund and is reported separately since the State of California passed ABx1 26, resulting in the dissolution of the Redevelopment Agency as of January 31, 2012.

The City operates on a fiscal year that runs from July 1 through June 30. The budget process is integral to the success of the organization. Starting in FY 2013/14, the City moved from an annual budget to a biennial budget. Staff begins the biennial budget process every other March, when departments prioritize and recommend their funding requirements necessary to perform both their objectives and the City Council's strategic goals and initiatives. These funding requests are then balanced and prioritized to fit within the constraints of the projected revenue assumptions. The City Manager's Office and the

Finance Department review all budget proposals and revenue assumptions, as well as all current financial obligations, before preparing the document that is proposed to the City Council. The City Council review the proposed budget during a scheduled public budget workshop in May and the final adoption of the budget is scheduled for a City Council meeting in June. By formally adopting the budget, the Council sets the maximum expenditures for each fund. The City Manager retains the ability to adjust spending within a fund during the year, but cannot spend more than Council authorized without seeking council approval for a budget amendment. The City's budgetary procedures are further discussed in Note 2 to the Financial Statements.

Although a new document is not prepared, a review of the second year of the biennial budget is also reviewed by the City Manager's Office, the Finance Department and individual departments within the City in the off year to ensure we are still on track with the adopted budget and/or if budget adjustments are necessary in order to meet new Council priorities.

ABOUT THE ECONOMY

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. Understanding that property and sales taxes generate the City's largest two sources of revenue, it is important to look at the economy in the context of people's wherewithal for producing general fund tax revenues.

Sacramento County is continuing on its recovery from the Great Recession. The recovery is evidenced by improvements in the unemployment rate, consumer spending, and hotel occupancy rates. Office and industrial vacancy rates continue to improve. The housing market continues to improve and return to its prerecession levels as the inventory increases.

The unemployment rate in Rancho Cordova was higher than the national average at 5.9% in September 2015, according to the U.S. Bureau of Labor Statistics, but this is down from 8.4% in

the prior year, showing the economic recovery in the City is getting better.

On June 30, 2015 there were 60 properties in Rancho Cordova that were in foreclosure, according to the Sacramento County Assessor's Office. This is up slightly from the prior year; when there were 52 properties in foreclosure, but still much lower than totals reported in prior years. This supports assertions of an improved housing market, as does our increased property tax revenues.

Property tax revenues have experienced growth for two consecutive years, increasing 6.2% from the prior year. This growth is expected to continue into the coming years as property values rebound from the historic lows witnessed during the recession.

According to Cushman Wakefield 2015 quarterly reports, the commercial real estate vacancy rates remained flat in 2015. The office vacancy rate in 2015 has remained relatively constant, increasing to 14.8% from 14.6% in the prior year while the industrial vacancy rate improved to 6.1% from 8.7% in the prior year. We expect to see improvements in both the office and industrial vacancy rates moving forward.

LOOKING AHEAD

The City of Rancho Cordova manages its fiscal environment by prudently planning for the future. Annually adjusting City expenditures to less than projected revenues is the centerpiece of producing balanced budgets and results. We are very proud to have made it through the Great Recession with annual surpluses in the General Fund. To effectively "see down the road," the City manages a five-year Capital Improvement Projects (CIP) budget in addition to annually projecting General Fund revenues and expenditures for the coming three years. Our projections have identified several key challenges and opportunities which include:

Revenue Neutrality Payments to the County

As part of the agreement reached with the County upon City incorporation, we are obligated to share a fixed dollar amount of our property taxes with the



County each year through 2027/28. While assessed valuation is increasing, it is not keeping pace with the increase in the revenue neutrality payment to the County. The revenue neutrality payment for the next fiscal year increases by \$160,657, yielding a total payment of \$8,070,095. Although we are anticipating a 4% increase in secured property tax revenue for fiscal year 2015/16, the budgeted revenues of \$7,949,900 is still \$120,195 less than the revenue neutrality payment obligation.

Unwinding the former Redevelopment Agency

The Rancho Cordova Successor Agency continues to be in a position where the assessed values of properties located in the former redevelopment project area are below the base year, resulting in no property tax revenues being available to meet enforceable obligations. With the approval of the Department of Finance, the Successor Agency retained the unencumbered fund balance at dissolution and the proceeds from the transfer of land for governmental purposes, which it has been using to meet its enforceable obligations. While most of the obligations of the former Redevelopment Agency have been satisfied, a loan payable to the City's General Fund, in the amount of \$5,630,968 remains outstanding. In accordance with the post compliance section of the dissolution act, the Successor Agency could not begin making payments on the loan until Fiscal Year 2014/15, assuming there had been sufficient property tax revenues available. The maximum annual repayment amount is limited based on calculations in the dissolution act. Based on anticipated increases in assessed valuation, the City expects small repayments to begin in Fiscal year 2015/16. For more information on the dissolution of the Redevelopment Agency, please see Note 16 to the Financial Statements.

In spite of these challenges, the future holds promise and opportunity, such as:

- In November 2014, voters in Rancho Cordova approved Measure H, a ½ cent local add-on sales tax. This resulted in an additional \$1.6 million in sales tax revenues being generated in Fiscal Year 2014/15 and, starting in Fiscal Year 2015/16, is anticipated to produce approximately \$7 million in additional revenues annually

which will be used to fund community priorities. This additional revenue will significantly increase the City's ability to commence projects and provide services.

- The General Fund, which is the largest of the City's operating funds, showed an increase in revenues by 5.6% in Fiscal Year 2014/15, exclusive of the new Measure H sales tax revenues, continuing a positive growth trend. The City expects this trend to continue for at least the next three years.
- Tax revenues remain our largest revenue source, with sales tax revenues becoming the largest revenue source. Sales tax revenues rose 6.8% without Measure H revenues being included or 19.4% with Measure H revenues and property tax revenues increasing 6.2% over Fiscal Year 2014-15.
- Foreclosures have significantly declined over the past three years. In addition, commercial real estate vacancy rates are beginning to decrease and the City's unemployment rate continues to fall. The City continues to push for economic development within its boundaries, in an effort of striving for a business-friendly environment.

RELEVANT FINANCIAL POLICIES

The City has adopted a comprehensive set of financial policies as guidelines for the budget process. The City's adopted budget document contains a comprehensive listing and explanation of these policies. One of these policies is that all current operating expenditures will be paid for with current revenues. As previously mentioned our results for fiscal year ended June 30, 2015 are consistent with that policy.

The City's reserve policy requires us to maintain an Economic Uncertainty Reserve of at least 20% of operating expenses. With the continued improvement in operating revenues and the addition of operating expenditures related to the Community Enhancement Fund, the reserve was increased, for the first time in seven years, from \$9.4 million to \$10.8 million, which represents 20% of operating expenditures for fiscal year 2015/16.

MAJOR INITIATIVES

The City has many goals and projects planned for the 2015/16 fiscal year. Some of these projects may either affect the General Fund or be large enough to warrant mention in this letter.

- City staff will continue working with the City Council and the community to develop priorities and projects for the additional sales tax revenue that will be generated by Measure H.
- In partnership with Mercy Housing, Veterans Resource Centers of America and the Veterans Resource Center of America, the Housing Department continues to monitor the construction progress on phase one and two of Mather Veterans Village and is expected to enter into a contract for the third and final phase of the project in Fiscal Year 2015/16. Once complete, Mather Veterans Village will provide 100 permanent supportive housing units and 60 transitional beds with full rehabilitation services.

AWARDS AND ACKNOWLEDGEMENTS

The City is a proud recipient of the Certificate of Achievement for Excellence in Financial Reporting from the GFOA of the United States and Canada. This certificate is a prestigious award recognizing conformance with the highest standards for preparation of State and local government financial reports. While the certificate is only valid for a period of one year, we believe our current CAFR continues to conform to the requirements and we will be submitting it for continued award consideration. The preparation and development of this report, and the aforementioned award, would not be possible without the year-round efficiency of the Finance staff and their special efforts. The professionalism, commitment and effort of each member of the Finance Department have made this presentation possible.

Additionally, we were very proud to be recipients of two awards for our Citizens Financial Report, which is published in the winter edition of the City's newsletter and aims to educate citizens about the results of operations of the previous fiscal year, as well as significant accomplishments achieved. It differs from this Comprehensive Annual Financial Report in that it only contains

summary financial data, for the General Fund, and is focused on reader interest or "readability". The California Association of Public Information Officers honored the City with their Excellence in Communications Award which recognized the City in the Special Innovation category for demonstrating leadership, innovation, creative approach, and success in its Citizens Financial Report. Second, we the City received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the GFOA. The City was honored to be recognized by both a communications association and a technical association for the same report.

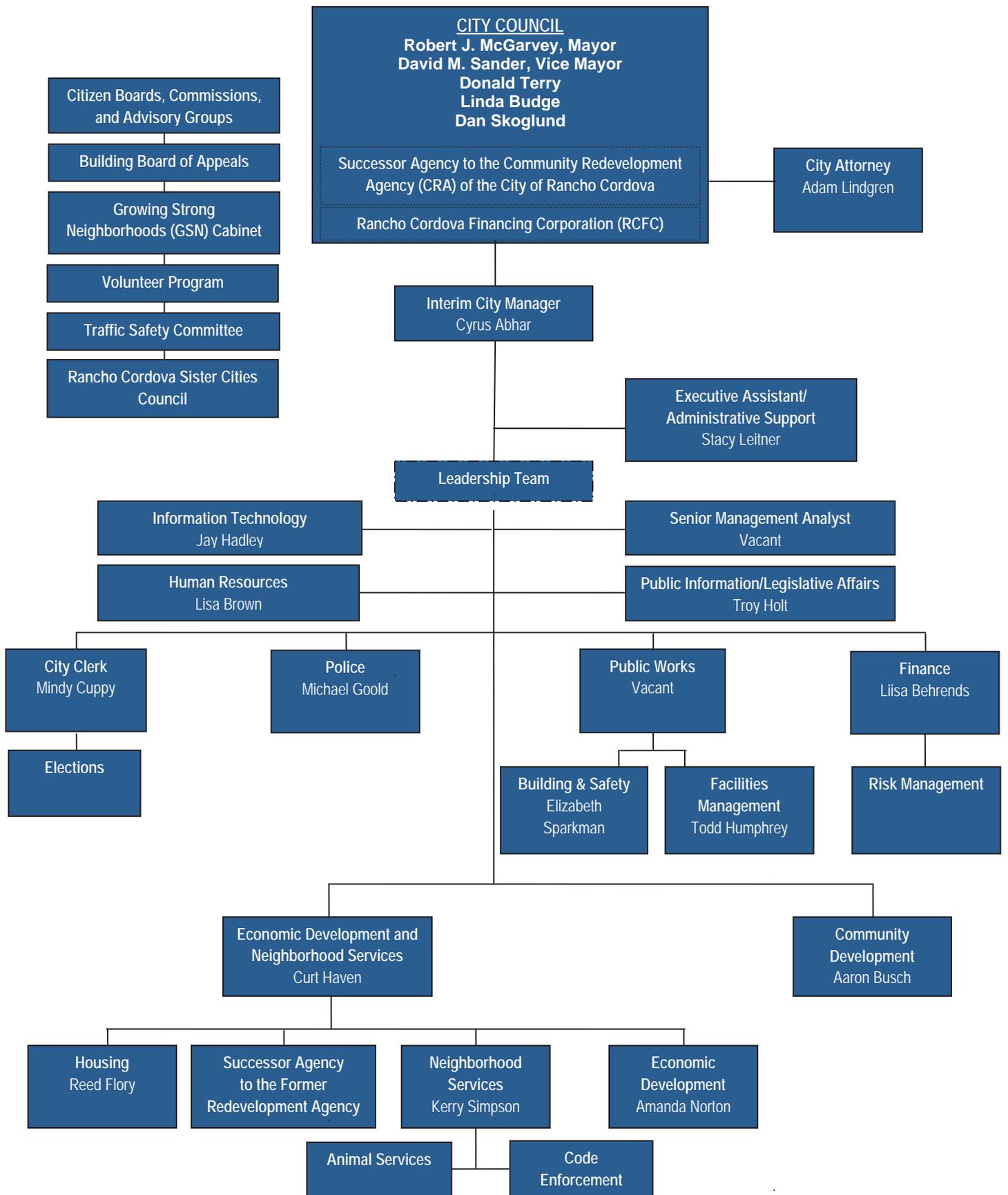
We want to thank the other City departments who assisted and contributed to the preparation of this report. Finally, we appreciate the dedication of the Mayor, City Council and City Manager's Office, who have supported our goal of excellence in all aspects of financial management, consistent with the City's mission to protect, preserve and enhance the quality of life for present and future generations.

Respectfully Submitted,



Liisa Behrends, Interim Finance Director

ORGANIZATION CHART - CITY OF RANCHO CORDOVA



**CITY OF RANCHO CORDOVA
PRINCIPAL OFFICERS
JUNE 30, 2015**

ELECTED OFFICIALS

Robert J. McGarvey
Mayor

David M. Sander
Vice Mayor

Dan Skoglund
Council Member

Donald Terry
Council Member

Linda Budge
Council Member

EXECUTIVE TEAM

Cyrus Abhar
City Manager

Vacant
Assistant City Manager

Adam Lindgren
City Attorney

Mindy Cuppy
City Clerk

Curt Haven
Director of Economic Development

Liisa Behrends
Acting Finance Director

Aaron Busch
Community Development Director

Michael Goold
Police Chief

Vacant
Public Works Director, Chief Building Official



City of Rancho Cordova Citywide Goals

1. Promote the Positive Image of Rancho Cordova
2. Ensure a Safe, Inviting and Livable Community
3. Empower Responsible Citizenship
4. Establish Logical City Boundaries that Provide Regional Leadership and Address Financial Challenges
5. Ensure the Availability of the Best Public Services in the Region while Practicing Sound Fiscal Management
6. Drive Diverse Economic Opportunities



Government Finance Officers Association

**Certificate of
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Presented to

**City of Rancho Cordova
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of Rancho Cordova, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Rancho Cordova (City), California, as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance as to 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 City's preparation and fair presentation of these 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 City'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, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, and the respective changes in the financial position and cash flows, where applicable, thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2015 that required a prior period adjustment to the financial statements, as discussed in Note 1L to the financial statements.

- *Statement No.68, Accounting and Financial Reporting for Pensions – an amendment for GASB Statement No. 27.*
- *Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No 68.*

The City adjusted its beginning balances of net position in governmental activities and governmental funds as discussed in Note 1M to the financial statements.

The emphasis of these matters does not constitute a modification to our opinions.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Contributions and Other Post-Employment Benefits Schedule of Funding Progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards* Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

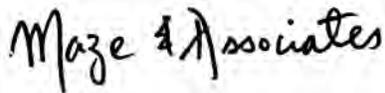
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory Section, Supplemental Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the 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. The 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Maze & Associates". The signature is written in a cursive, slightly slanted style.

Pleasant Hill, California
December 11, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the City of Rancho Cordova, CA (the City), is pleased to present the City's financial statements. This narrative, required by the Governmental Accounting Standards Board, provides readers a broad overview of the financial activities of the City during the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with our letter of transmittal which begins on page i and the basic financial statements, beginning on page 26.

OVERALL FINANCIAL HIGHLIGHTS

- **The City's General Fund reported a surplus of \$1.8 million for the year ending June 30, 2015, creating an ending fund balance of \$29.3 million.**
- As of June 30, 2015, total assets of the City exceeded its total liabilities by \$429.9 million (net position). Of this amount, \$37.5 million (unrestricted) may be used to meet ongoing obligations to citizens and creditors, but was subject to designation for specific City programs; \$67.2 million was restricted net position and must be used only for specific purposes. The remaining \$325.2 million was invested in capital assets, net of related debt.
- As of June 30, 2015, the City's governmental activities reported a net position of \$263.3 million. Of that, \$32.7 million was available to meet the City's current and future needs (unrestricted net position), an increase over the fiscal year ending June 30, 2014 by \$3.3 million.
- The City's reserve policy requires a minimum fund balance reserve be maintained at all times in the General Fund. This minimum level, called the economic uncertainty reserve, is required to be 20% of the General Fund operating budget. With the addition of \$7.0 million in Measure H revenues, a ½ cent sales tax add on approved by the voters in November 2014, starting in fiscal year 2015/16, the economic uncertainty reserve balance was increased to \$10.8 million. This is up \$1.4 million from a 7 year balance of \$9.4 million. This reserve is included in unrestricted Net Position since it is not legally required or restricted but rather an informal policy of the City Council.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The City's basic financial statements consist of three components: **1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.** This MD&A is supplementary information to the basic financial statements themselves.

We have presented herein financial information regarding the primary government, the City of Rancho Cordova, as well as the City of Rancho Cordova Public Financing Corporation, a component unit. Financial information for the City and Financing Corporation are accounted for in the financial statements in accordance with principles defining the governmental reporting entity adopted by Governmental Accounting Standards Board (GASB). Following is a brief description of each:

- **The Primary Government** - The City of Rancho Cordova was incorporated in 2003 under the general laws of the State of California. The City operates under a council-manager form of government and provides the following services: Public Safety (Police), Streets, Public Improvements, Planning and Zoning, and General Administrative Services.
- **The City of Rancho Cordova Public Financing Corporation** (the Corporation) is a joint powers authority organized on February 15, 2005 pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the California Government Code between the City and the Agency for the purpose of acting as a vehicle for various financing activities of the City and the Agency. The Authority's Board of Directors is the City Council. The funds of the Corporation have been included in the governmental activities in the financial statements.

Government-Wide Financial Statements

The Government-wide Financial Statements provide information about the activities of the City as a whole. Presenting a broad overview of the City's finances, they include all assets (including infrastructure), deferred outflows/inflows of resources and liabilities (including long-term debt) of the City using the **accrual basis of accounting**. This format is similar to the accounting used by most private-sector companies.

The Statement of Net Position presents information on all City assets, deferred outflows/inflows of resources and liabilities, with the difference reported as net position. Net position is one way to measure the City's financial health. Over time, changes in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. When combined with other nonfinancial factors, such as changes in the City's median home values and the condition of the City's roads, it enables us to assess the *overall* health of the City.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, some revenues and expenses that are reported in this statement will result in cash flows in future fiscal periods, such as earned but unused vacation leave. Additionally, certain eliminations have occurred in regards to interfund activity, payables and receivables.

In these statements, we divide the City into two kinds of activities:

- **Governmental activities** – Most of the City's basic services are reported here, including police, public works and general administration. Property taxes, sales tax and state and federal grants finance most of these activities.
- **Business-type activities** – The City intends to recover all or a significant portion of the cost to provide these services by charging a fee to customers. Both the Kilgore Cemetery and the Storm Drain System is reported here.

The Government-Wide Financial Statements can be found on pages 26 and 27 of this report.

Fund Financial Statements

The Fund Financial Statements report the City's operations in more detail than the Government-wide Financial Statements by providing information about the City's most significant funds – not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by state law or by bond covenants. However, the City establishes many other funds to help it control and manage money for particular purposes (such as impact fees for infrastructure construction) or to show it is meeting legal responsibilities for using certain taxes, grants and other money (such as grants received from the U.S. Department of Transportation for public works projects). The basis of accounting used in each fund depends upon the fund type, i.e. Governmental, Fiduciary or Proprietary.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. Most of the City's basic services are reported in governmental funds with a focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using an accounting method called **modified accrual accounting**, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. This information directs City policymakers when considering whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

Because the focus of each governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities and explain the differences created by the integrated approach.

The City currently maintains five major governmental funds, each of which has information presented on page 30 on the Governmental Fund Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, individually.

The remaining governmental funds are presented in the aggregate under the heading of Non-Major Governmental Funds. Individual fund data for each of the Non-Major Governmental Funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriation for all of its various funds. Budgetary comparison statements for the General Fund and major special revenue funds are included in the Basic Financial Statements.

All governmental fund financial statements can be found starting on page 30.

Major Proprietary Funds – The City charges customers for directly received services. These services are generally reported in either Enterprise Funds or Internal Service Funds. The City uses an enterprise fund to account for both the Kilgore Cemetery and the Storm Drain System, presented as business-type activities in the government-wide financial statements, using the economic resources measurement focus and the **accrual basis of accounting**. Internal service funds are used to report activities that provide supplies or services for the City's other programs and activities. The supplies or services provided by these funds predominantly benefit the governmental rather than the business-like functions. Therefore, they are included within governmental activities in the Government-wide Financial Statements.

The major proprietary fund financial statements can be found starting on page 44.

Fiduciary Funds – Trust and agency funds are used to account for resources held for the benefit of parties outside of the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. While the City is responsible for ensuring that the assets reported in these funds are used for their intended purposes, the City itself does not directly provide those services or programs. The agency fund financial statements only report a balance sheet and do not have a measurement focus.

The fiduciary fund financial statements can be found on page 48.

Notes To The Financial Statements

The notes to the financial statements provide more detailed information that helps provide a full understanding of the financial information presented in the government-wide and fund financial statements. The notes explain many of the policies and programs that result in the financial performance presented in the financial statements.

Notes to the financial statements can be found starting on page 51.

Supplementary Information – In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information that follows the notes to the basic financial statements.

The combining statements referred to earlier in connection with non-major governmental funds are presented for all non-major Special Revenue Funds, non-major Debt Service Funds, Internal Service Funds and Fiduciary Funds.

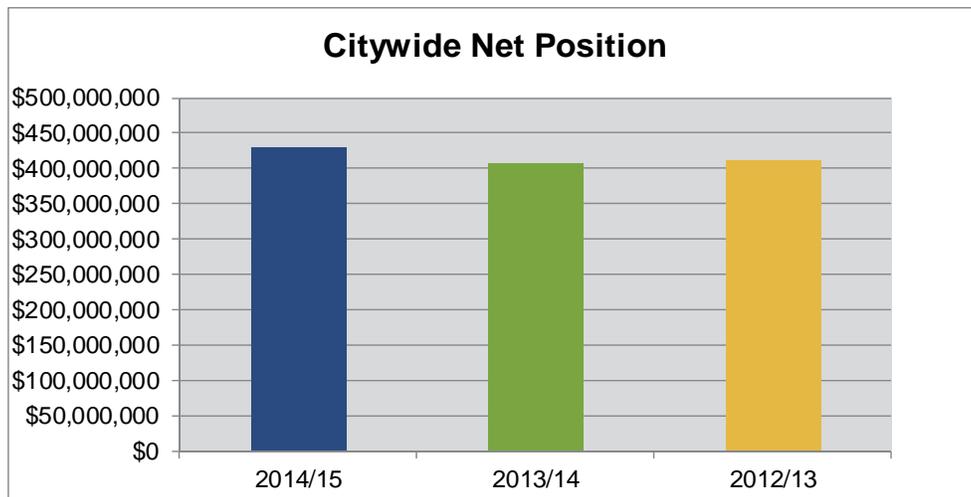
This report also contains statistical information that may be useful to readers of this report. This information can be found in the last section of this report, starting on page 177.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

A review of net position over time serves as a useful indicator of fiscal health. As of June 30, 2015, the total net position of the City was \$429.9 million, which is an increase of \$21.4 million, with \$9.8 million a result current year operations and \$11.6 a result of a prior period adjustments discussed in Note 1M to the financial statements, from fiscal year ending June 30, 2014, and an increase of \$17.3 million from 2012/13. The continued increases in net position indicate the City is consistently maintaining or improving its financial position, as illustrated in the chart below.

City policymakers, management and staff have diligently monitored City activities and adjusted to changing economic conditions. During 2014/15 the business-type activities net position raised from a negative to a positive, with an ending net position of \$166.7 million. This increase is the direct result of the City taking over the ownership and operation of the Storm Drain System from the County effective July 1, 2014.



The following is a condensed Statement of Net Position for the fiscal years ended June 30, 2015, 2014 and 2013, which allows for analysis of the City's net position as a whole.

Net Position of Governmental and Business-type Activities

	Governmental Activities			Business-Type Activities			Total		
	2014/15	2013/14	2012/13	2014/15	2013/14	2012/13	2014/15	2013/14	2012/13
Current assets	\$ 113,165,914	\$ 103,693,776	\$ 102,113,604	\$ 5,074,075	\$ (1,455,031)	\$ (1,620,274)	\$ 118,239,989	\$ 102,238,745	\$ 100,493,330
Capital assets	185,305,035	335,622,147	342,225,473	161,907,927	1,412,328	1,442,253	347,212,962	337,034,475	343,667,726
Total Assets	298,470,949	439,315,923	444,339,077	166,982,002	(42,703)	(178,021)	465,452,951	439,273,220	444,161,056
Deferred outflows of resources related to pension	853,149	-	-	-	-	-	853,149	-	-
Deferred amount of refunding	81,443	85,592	89,751	-	-	-	81,443	85,592	89,751
Total Deferred Outflow	299,405,541	439,401,515	444,428,828	166,982,002	(42,703)	(178,021)	466,306,100	439,358,812	444,250,807
Current liabilities	\$ 12,237,947	\$ 9,089,905	\$ 9,376,293	\$ 296,999	\$ 739	\$ 2,234	\$ 12,534,946	\$ 9,090,644	\$ 9,378,527
Long-term liabilities outstanding	22,952,976	21,771,879	22,227,798	-	-	-	22,952,976	21,771,879	22,227,798
Total Liabilities	35,190,923	30,861,784	31,604,091	296,999	739	2,234	35,487,922	30,862,523	31,606,325
Deferred inflows of resources related to pension	963,595	-	-	-	-	-	963,595	-	-
Net Position:									
Invested in capital, net of related debt	\$ 163,293,796	\$ 313,935,860	\$ 320,087,426	\$ 161,907,927	\$ 1,412,328	\$ 1,442,253	\$ 325,201,723	\$ 315,348,188	\$ 321,529,679
Restricted	67,232,596	65,172,962	64,124,648	-	-	-	67,232,596	65,172,962	64,124,648
Unrestricted	32,724,621	29,430,909	28,612,663	4,777,076	(1,455,770)	(1,622,508)	37,501,697	27,975,139	26,990,155
Total Net Position	\$ 263,251,013	\$ 408,539,731	\$ 412,824,737	\$ 166,685,003	\$ (43,442)	\$ (180,255)	\$ 429,936,016	\$ 408,496,289	\$ 412,644,482

The City's net position as of June 30, 2015, was comprised of the following:

- Again this year, the largest portion of total assets consists of capital assets (for example, land, buildings and infrastructure), totaling \$347.2 million or 81% of total net position.
- Cash and investments comprised \$95.6 million in the city treasury and \$1.9 million of restricted cash held with fiscal agents. Substantially all of these amounts were held in relatively short-term investments in governmental securities, as detailed in Note 3 of the financial statements. The significant cash and investment reserves provide ongoing operating resources, to meet current needs.
- Receivables, totaling \$22.0 million, consist of accounts receivable, notes receivable and monies due from other governments. These are detailed in Note 4 of the financial statements.
- Net Investment in Capital Assets, of \$325.2 million represents the City's investment in infrastructure and other capital assets, net of the debt issued to construct or acquire those assets.
- Restricted net position, totaling \$67.2 million, represents resources that are subject to restrictions on how they may be used, such as to construct specified capital projects, debt service or for other community projects.
- Unrestricted net position that can be used to meet the government's ongoing obligations to citizens and creditors increased to \$37.5 million.

Statement of Activities

The Statement of Activities reports increases and decreases in the net position. The following is a condensed Statement of Activities for the fiscal years ending June 30, 2015, 2014 and 2013:

Statement of Activities

	Governmental Activities			Business-Type Activities			Total		
	2014/15	2013/14	2012/13	2014/15	2013/14	2012/13	2014/15	2013/14	2012/13
Revenues:									
Program Revenues									
Charges for services	\$ 11,996,195	\$ 10,615,042	\$ 9,783,541	\$ 4,123,315	\$ 4,700	\$ 9,500	\$ 16,119,510	\$ 10,619,742	\$ 9,793,041
Operating grants & contributions	4,883,127	6,484,293	8,306,015	-	-	-	4,883,127	6,484,293	8,306,015
Capital grants	8,497,885	7,963,186	12,585,491	-	-	-	8,497,885	7,963,186	12,585,491
Capital contributions	399,418	562,352	28,378,468	10,192,180	-	-	10,591,598	562,352	28,378,468
General Revenues:									
Taxes	38,172,099	34,739,694	32,911,118	-	-	-	38,172,099	34,739,694	32,911,118
Investment Earnings	901,102	1,098,942	959,979	14,598	107	94	915,700	1,099,049	960,073
Other	442,137	401,379	658,883	-	-	-	442,137	401,379	658,883
Total Revenues	<u>65,291,963</u>	<u>61,864,888</u>	<u>93,583,495</u>	<u>14,330,093</u>	<u>4,807</u>	<u>9,594</u>	<u>79,622,056</u>	<u>61,869,695</u>	<u>93,593,089</u>
Expenses:									
General Government	25,499,679	30,105,912	27,907,919	-	-	-	25,499,679	30,105,912	27,907,919
Community Development	8,195,273	6,200,258	5,452,232	-	-	-	8,195,273	6,200,258	5,452,232
Public Safety	17,369,893	17,187,388	16,476,763	-	-	-	17,369,893	17,187,388	16,476,763
Public Works	8,779,342	11,280,959	8,276,583	-	-	-	8,779,342	11,280,959	8,276,583
Interest and fiscal charges	1,018,838	1,063,097	1,107,696	-	-	-	1,018,838	1,063,097	1,107,696
Cemetery	-	-	-	71,369	-	-	71,369	-	-
Storm Drain	-	-	-	9,209,502	180,274	69,629	9,209,502	180,274	69,629
Total Expenses	<u>80,863,025</u>	<u>65,837,614</u>	<u>59,221,193</u>	<u>9,280,871</u>	<u>180,274</u>	<u>69,629</u>	<u>70,143,896</u>	<u>66,017,888</u>	<u>59,290,822</u>
Excess (deficiency) in Net Position Before									
Extraordinary Items and Transfers:									
Extraordinary Item	-	-	(144,949)	-	-	-	-	-	(144,949)
Transfers	(161,679,223)	(312,280)	-	161,679,223	312,280	-	-	-	-
Change in Net Position	<u>(157,250,285)</u>	<u>(4,285,006)</u>	<u>34,217,353</u>	<u>166,728,445</u>	<u>136,813</u>	<u>(60,035)</u>	<u>9,478,160</u>	<u>(4,148,193)</u>	<u>34,157,318</u>
Net Position -- Beginning of Year	<u>420,501,298</u>	<u>412,824,737</u>	<u>378,607,384</u>	<u>(43,442)</u>	<u>(180,255)</u>	<u>(120,220)</u>	<u>420,457,856</u>	<u>412,644,482</u>	<u>378,487,164</u>
Net Position -- End of Year	<u>\$ 263,251,013</u>	<u>\$ 408,539,731</u>	<u>\$ 412,824,737</u>	<u>\$ 166,685,003</u>	<u>\$ (43,442)</u>	<u>\$ (180,255)</u>	<u>\$ 429,936,016</u>	<u>\$ 408,496,289</u>	<u>\$ 412,644,482</u>

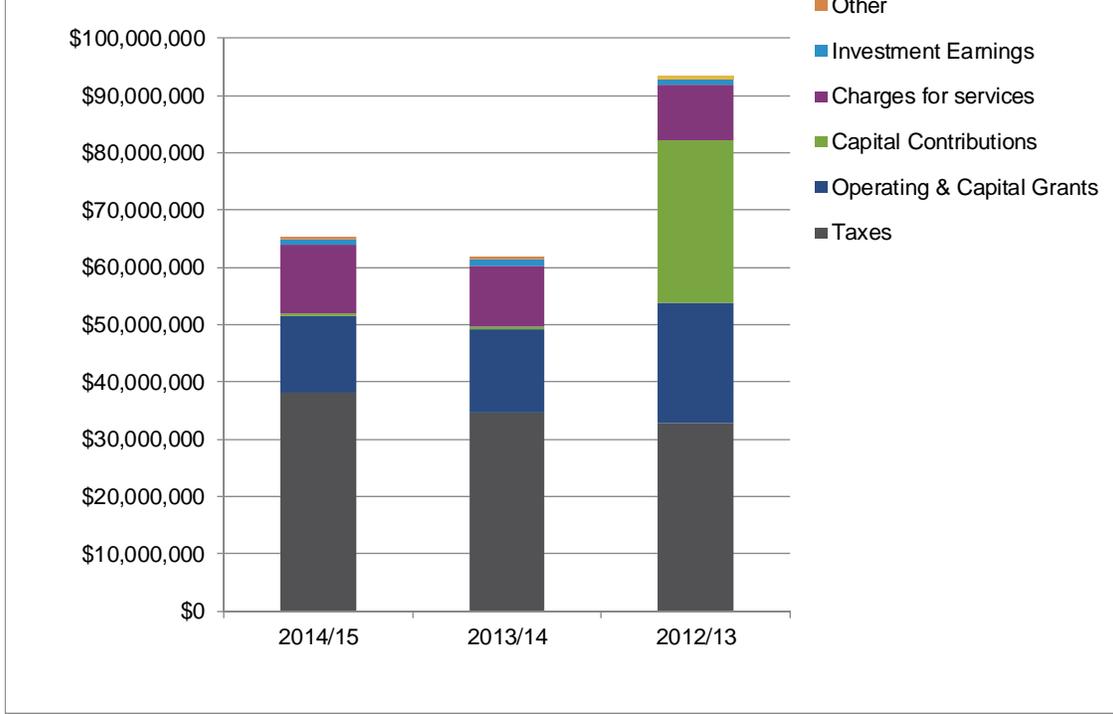
Note: Beginning Net Position for 2014/15 has been adjusted and restated.

Revenue Highlights

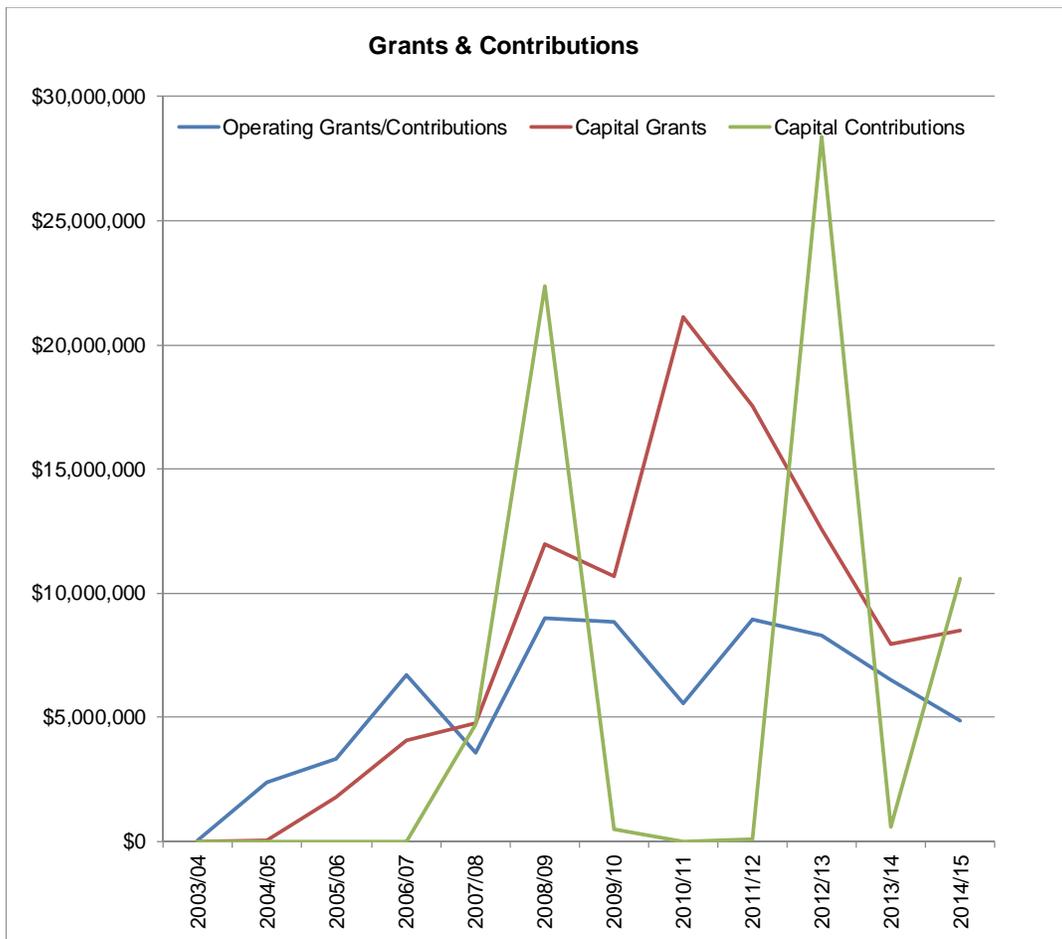
Total Governmental Activities revenues for fiscal year 2014/15 increased by \$3.4 million, or approximately 5.5%, from the prior year. As illustrated in the table above, this increase was due primarily to increases in both Taxes and Charges for Services

The chart on the following page shows total revenues received from the Governmental Activities, as shown in the condensed Statement of Activities by revenue source. Capital and Operating Grants have been combined to show total grant activity.

Governmental Activities Change in Revenues by Source



Taxes and assessments, our largest revenue category, were higher, once again, due to increases in sales, property, utility, and other tax revenues. As a result of Measure H, sales tax revenues were up by \$2.5 million from last year and up by \$3.2 million from two years ago. Property taxes increased by \$597K as compared to last year and increased by \$967K from two years ago. Property Tax revenues appear to continue recovery and, with a continued increase in sales tax revenues, excluding the additional revenue generated by Measure H, represent a real recovery in the overall economy. Market conditions suggest that we will continue to see modest growth in the housing market in the current fiscal year 2015/16, and possible larger increases in assessed valuation beginning in the 2016/17 fiscal year.



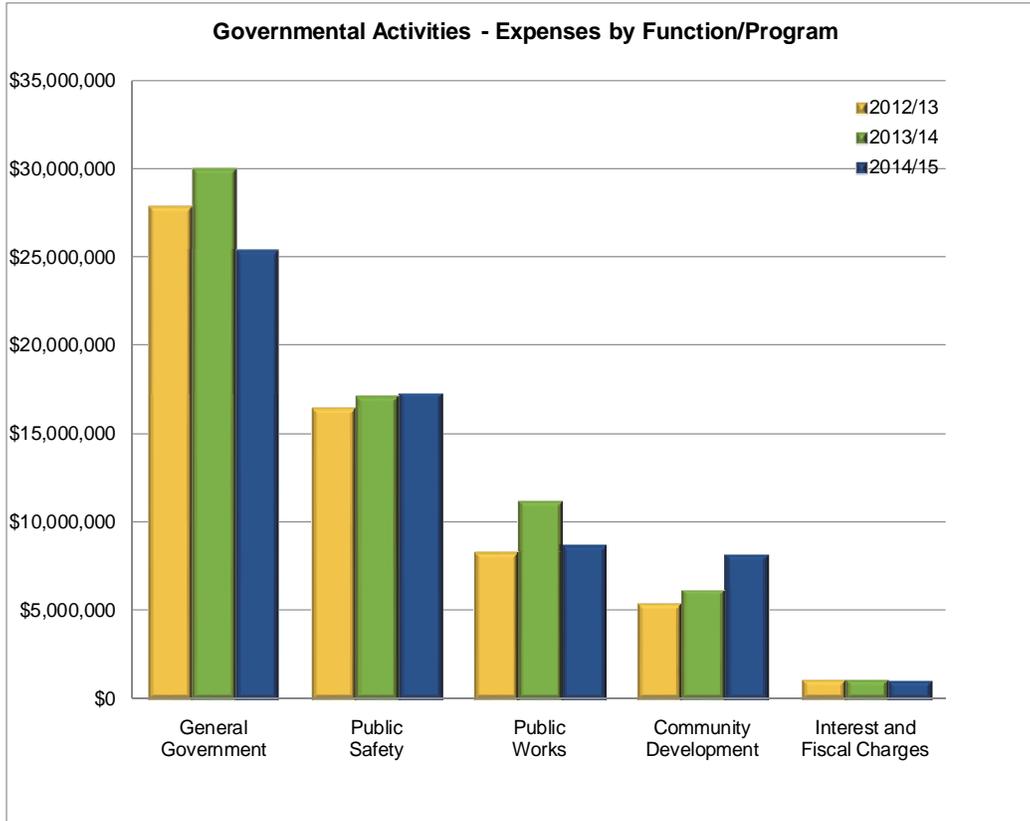
As illustrated in the above graph, the City's Capital Grants and Capital Contributions typically have large fluctuations from year to year while the Operating Grants/Contributions tend to be a little stable.

The majority of grant revenues received by the City are from reimbursement type grants where costs are incurred up front and then reimbursed from the grantor, usually on a quarterly basis. Grant revenue is recorded when the expenditure is incurred, not when the grant is awarded, or the funds received.

In fiscal year 2012/13, the City received Capital Contributions of four donated assets from developers as projects were completed during the year, which is shown by the large spike for the Capital Contributions in the graph above. These contributions vary from year to year and are directly related to new development projects and the speed in which major infrastructure must be built to service the new development.

Expense Highlights

A comparison of Governmental Expenditures, by functional program is shown on the chart on below.



General Government expenses of \$25.5 million accounted for 41.9% of total expenses, and decreased by \$4.6 million from the prior year. Public Safety costs, primarily for police protection, increased \$182.5K, or 28.5% from fiscal year 2013/14. Public Works costs decreased \$2.5 million, to \$8.8 million, and represented 14.4% of total expenses. Lastly, Community Development expenses also saw an increase of 13.5% from the prior year to \$8.2 million in the current year.

GOVERNMENTAL FUND FINANCIAL ANALYSIS

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information may be useful in assessing the City's financing requirements. As previously mentioned, fund accounting uses the modified accrual method of accounting which expenses the purchase of capital assets and current-year debt payments. Revenues earned during the year are only recognized if received within a short time frame of year end. This is the basis of accounting used for financial reporting to the City Council.

The Governmental Funds financial statements break out five major funds as follows: General Fund, Sunrise Douglas Revenue Fund, Traffic Mitigation Special Revenue Fund, Grants Special Revenue Fund, and the Local Housing Fund. All other governmental funds are combined into the category "Nonmajor Governmental Funds".

The table below demonstrates the significant balances and transactions in these funds.

**Revenues, Expenditures and Changes in Fund Balances
Governmental Funds**

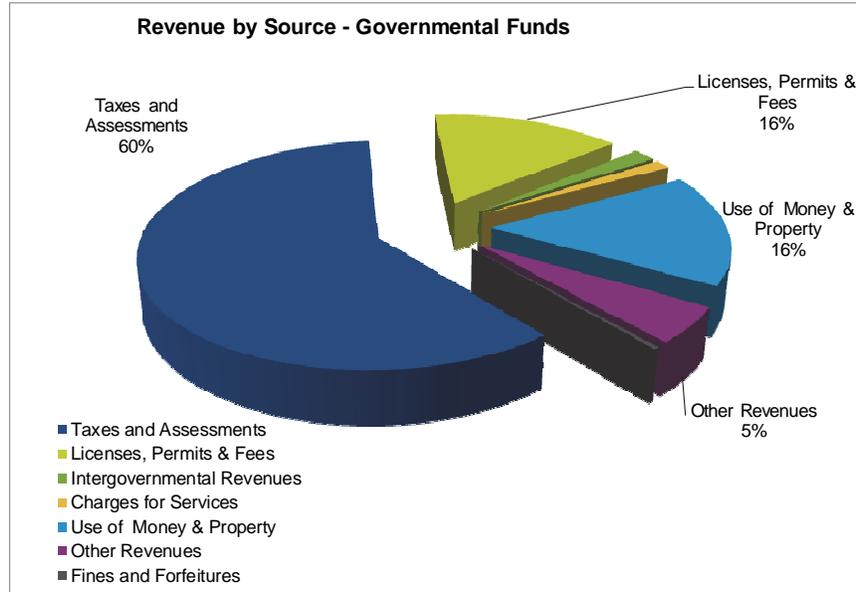
	<u>2014/15</u>	<u>2013/14</u>	<u>2012/13</u>
Revenues:			
Taxes and Assessments	\$ 38,747,079	\$ 34,620,251	\$ 35,506,292
Licenses, Permits & Fees	9,971,584	10,419,315	12,028,868
Fines and Forfeitures	1,191,306	1,424,763	1,336,428
Use of Money & Property	886,659	1,104,518	986,863
Intergovernmental Revenues	10,478,647	9,913,819	13,145,345
Charges for Services	3,401,736	3,242,051	3,042,033
Other Revenues	<u>212,924</u>	<u>517,541</u>	<u>315,467</u>
Total Revenues	<u>64,889,935</u>	<u>61,242,258</u>	<u>66,361,296</u>
Expenditures:			
General Government	15,562,496	15,278,010	15,156,251
Community Development	8,147,691	5,923,004	5,452,232
Public Safety	17,753,700	17,093,766	16,354,005
Public Works	9,212,399	9,527,340	7,628,907
Debt Service	1,957,852	1,959,977	1,958,098
Capital Outlay	<u>9,227,045</u>	<u>6,491,784</u>	<u>13,418,857</u>
Total Expenditures	<u>61,861,183</u>	<u>56,273,881</u>	<u>59,968,350</u>
Excess (Deficiency) of Revenues over Expenditures	3,028,752	4,968,377	6,392,946
Other Financing Sources (Uses):			
Proceeds from long term debt	-	428,011	-
Issuance of debt	1,250,326	-	-
Transfers In	4,702,549	9,827,272	18,071,384
Transfers Out	<u>(9,213,271)</u>	<u>(6,913,113)</u>	<u>(19,996,312)</u>
Total Other Financing Sources (Uses)	<u>(3,260,396)</u>	<u>3,342,170</u>	<u>(1,924,928)</u>
Net Change in Fund Balances before Extraordinary Item	(231,644)	8,310,547	4,468,018
Extraordinary Item (Note 16):			
Assets transferred to/liabilities assumed by the Successor Agency	<u>-</u>	<u>-</u>	<u>(144,949)</u>
Net Change in Fund Balances	(231,644)	8,310,547	4,323,069
Fund Balances, beginning of year*	<u>101,465,126</u>	<u>86,945,416</u>	<u>82,622,347</u>
Fund Balances, end of year	<u>\$ 101,233,482</u>	<u>\$ 95,255,963</u>	<u>\$ 86,945,416</u>

***Note: Beginning Net Position for 2014/15 has been adjusted and restated (see Note 1M for additional details)**

At the end of fiscal year 2014/15, the City's governmental funds reported a total combined ending fund balance of \$101.2 million, a net increase of \$6.0 million from the prior year. Of the fund balance, \$12.2 million was non-spendable and \$73.4 million was restricted with the balance of \$15.6 million being unassigned, as outlined in Note 9B of the financial statements

Revenue Highlights

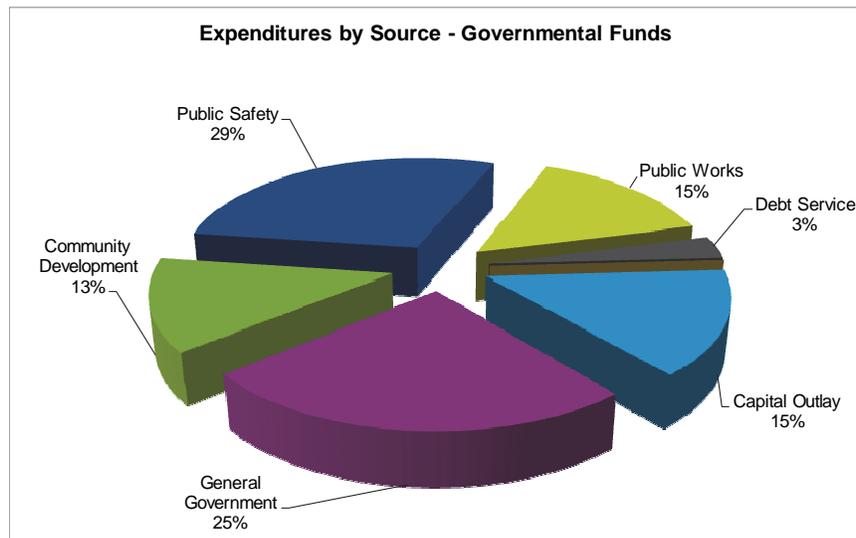
The table above shows total Governmental Revenues increased by \$3.6 million, or 6.0% from the prior year, due primarily to increases in Taxes and Assessment revenues in the General Fund.



Taxes and Assessments remain the largest revenue source, representing 60% of total revenues. The overall Taxes and Assessments increased by a total of \$4.1 million, or 11.9%, from the 2013/14 fiscal year. The overall increase was contributed by a significant increase in Sales Tax. This increase in Sales Tax is a result of both the adoption of Measure H, a ½ cent local sales tax measure that was approved in November 2014 and an improving economy. The sales tax add on went into effect in April 2015 and resulted in \$1.6 million of new sales tax revenues to the City.

Expenditure Highlights

The table on the prior page shows total Governmental Revenues increased by \$5.6 million, or 10.0% from the prior year, due primarily to increases in Capital Outlay and Community Development.



Public Safety is our largest category of expense, representing 29% of total governmental expenditures. Current year costs of \$17.8 million were 3.9% higher than the prior year. The majority of Public Safety expenses are reported in the General Fund and will be explained in greater detail in the analysis of the General Fund below.

General Government, the second largest expense category, had expenditures of \$15.6 million and, like Public Safety, is largely accounted for within the General Fund and will be explain in greater detail further below.

See below for explanation of significant variances in each of the major funds.

GENERAL FUND FINANCIAL INFORMATION

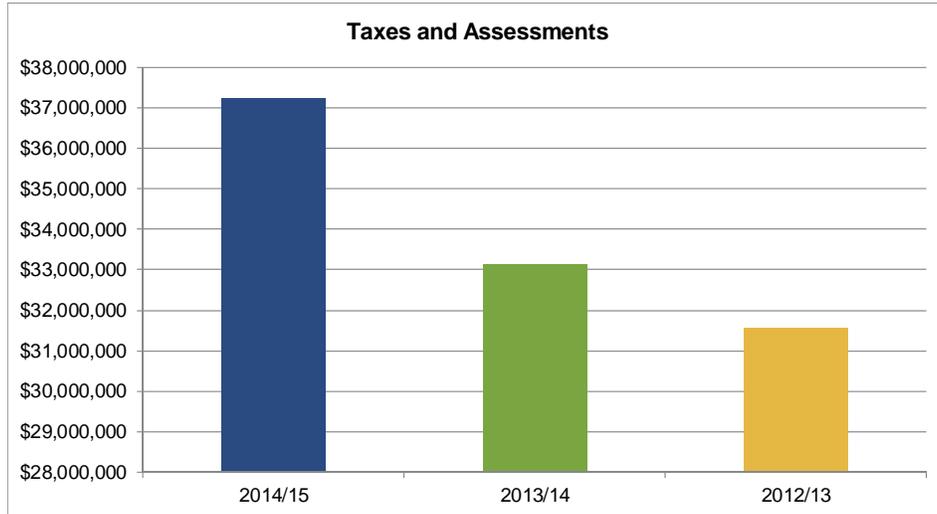
The General Fund is the chief operating fund of the City and, starting in FY 2014/15, includes all Measure H activity. The table on the following page shows the General Fund Revenues, Expenditures, and Changes in Fund Balances for the fiscal years ending June 30, 2015, 2014 and 2013.

Revenues, Expenditures and Changes in Fund Balances General Fund

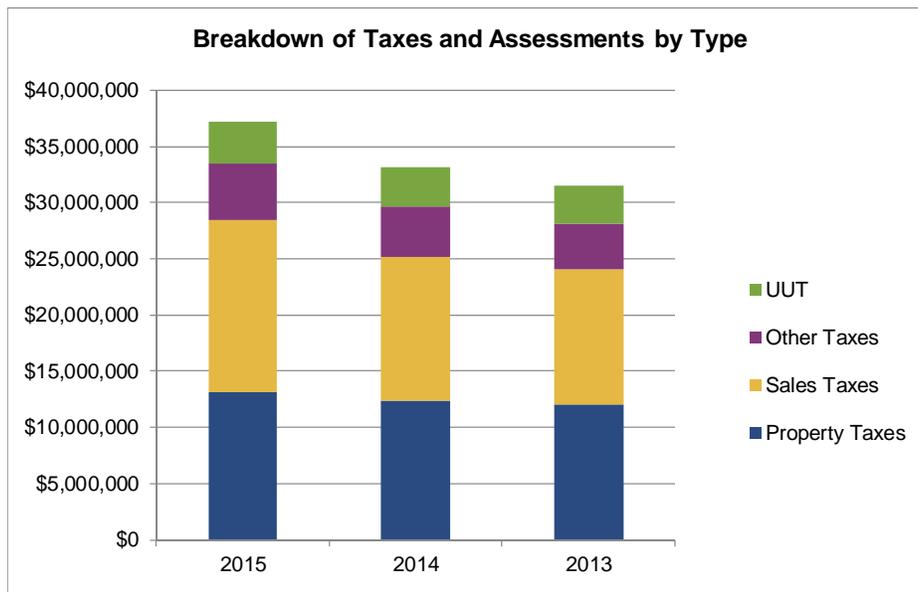
	<u>2014/15</u>	<u>2013/14</u>	<u>2012/13</u>
Revenues:			
Taxes and Assessments	\$ 37,228,805	\$ 33,139,288	\$ 31,560,889
Charges for Services	3,325,592	3,157,167	2,835,425
Licenses, Permits & Fees	4,535,915	4,694,244	4,802,107
Fines and Forfeitures	1,188,496	1,422,015	1,324,340
Intergovernmental Revenues	1,071,359	697,524	944,152
Use of Money & Property	673,649	681,380	582,373
Other Revenues	112,781	288,566	315,467
Total Revenues	<u>48,136,597</u>	<u>44,080,184</u>	<u>42,364,753</u>
Expenditures:			
General Government	15,099,495	14,611,069	14,134,012
Community Development	6,188,877	5,480,794	5,246,031
Public Safety	17,672,670	16,775,337	16,014,270
Public Works	3,205,152	2,937,084	2,734,951
Capital Outlay	354,255	67,748	207,506
Debt Service	12,672	12,671	12,671
Total Expenditures	<u>42,533,121</u>	<u>39,884,703</u>	<u>38,349,441</u>
Excess (Deficiency) of Revenues over Expenditures	5,603,476	4,195,481	4,015,312
Other Financing Sources (Uses):			
Issuance of capital lease		-	-
Transfers In	85,000	151,872	239,475
Transfers Out	<u>(3,898,389)</u>	<u>(3,681,140)</u>	<u>(3,562,349)</u>
Total Other Financing Sources (Uses)	<u>(3,813,389)</u>	<u>(3,529,268)</u>	<u>(3,322,874)</u>
Net Change in Fund Balances before Extraordinary Item	1,790,087	666,213	692,438
Extraordinary Item (Note 15A):			
Assets transferred to/liabilities assumed by the Successor Agency	<u>-</u>	<u>-</u>	<u>(59,126)</u>
Net Change in Fund Balances	1,790,087	666,213	633,312
Fund Balances, beginning of year, as adjusted	<u>27,548,909</u>	<u>26,882,696</u>	<u>26,249,384</u>
Fund Balances, end of year	<u>\$ 29,338,996</u>	<u>\$ 27,548,909</u>	<u>\$ 26,882,696</u>

Revenue Highlights

As shown on the table above, total General Fund revenues increased over the prior year by \$4.1 million, or 9.2%, primarily due to an increase in Tax and Assessment revenue which represents the majority, 77.3%, of General Fund Revenues. This increase in Tax and Assessments is a result of both the recovering economy and the additional revenue being generated through Measure H, a ½ cent sales tax add on approved by voters in November 2014 that went into effect on April 1, 2015.



This revenue category includes Property Tax, Sales Tax, Transient Occupancy Tax (TOT), Utility Users Tax (UUT), Property Transfer Tax and the Police Tax. The following chart shows a breakdown of the four major taxes and assessments over the previous three years. As the chart demonstrates, Other Taxes, UUT and Property Tax continue to show steady increases year over year while Sales Tax shows a larger increase in 2015 as a result of new Measure H revenues.



Property Tax revenues saw an increase of 6.2% this year. This increase signals the City has rebound from the decline in the housing market, resulting in higher property values and property tax revenues. Sales tax, which is now the largest source of tax revenue, continued to see another year of growth with an increase of 19.4% compared to fiscal year 2013/14. This large increase is due to the passing of the Measure H, a ½ cent sales tax increase during the fiscal year. During 2014/15, only 3 months of revenues were received from this tax increase, which will result in an increase in sales tax in future years as well.

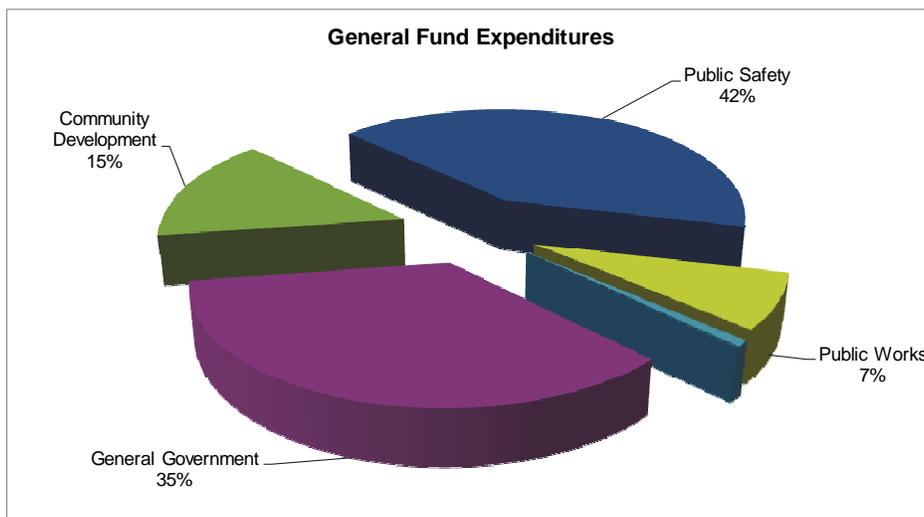
The UUT and Other Taxes, which includes TOT, increased by 20.7% in the current year. All increases in these categories are just further indication the local economy continues to have steady, slow growth.

Licenses, Permits and Fees saw a 3.4% decrease compared to last year, due to a decrease in the franchise fees collected from commercial garbage service providers operating within the City. Although commercial building permit activity was down \$42.3K this year, residential building permits were up \$42.1K, almost covering the difference.

Charges for Services consist primarily of cost recovery revenue for City-provided services. There was an increase of 5.3% from the prior year, due to an increase in development activity.

Expenditure Highlights

General Fund expenditures increased by \$2.6 million, or 6.6%, over the prior year. This increase was anticipated as a result of continued revenue growth and is well below the 9.2% increase in revenues. Maintaining a balanced relationship of revenues to expenditures has produced our twelfth consecutive surplus in the General Fund, a high priority for the City Council and the community.



As indicated in the above chart, the largest expenditure in the General Fund is Public Safety at \$17.7 million or 42% of total expenditures. The City contracts with the Sacramento County Sheriff's Department for law enforcement. Public Safety expenditures this year increased from last year by \$897K, or 5.3%, due to an increase in salaries and benefits as required by the employment contracts negotiated and managed by the County of Sacramento.

General Government expenditures, the second largest expenditure, were \$15.1 million, or 35.5% of General Fund expenditures, and includes the following departments: City Council, Advisory Boards, City Attorney, City Manager, City Clerk, Public Information Office (PIO), Human Resources, Administrative Support, Finance, and Information Technology. Also included in this category is the annual property tax obligation due to the County under the Revenue Neutrality Agreement (\$7.9 million this year). General Government expenditures increased by 3.3% from the prior year mostly due to the annual increase in the revenue neutrality payment to the County of Sacramento.

Community Development, consisting of Economic Development, Facilities Management, Planning, Building & Safety and Neighborhood Services expended \$6.2 million, an increase of \$708K, due to increased cost of Planning and Code Enforcement.

Public Works General Fund expenditures were \$3.2 million, an increase of approximately 9.1%, or \$268K from the prior year.

Capital Outlay also saw an increase of \$287K in 2014/15, as a result of equipment upgrades in both the Council Chambers and community meeting rooms and the expansion of City Hall facilities for additional staffing needs.

Fund Balance Highlights

The total fund balance has increased to \$29.3 million of which \$12.2 million is non-spendable and \$17.1 million is unassigned. Included in the unassigned fund balance is the City's Economic Uncertainty Reserve of \$10.8 million which represents 20% of next year's General Fund, including Community Enhancement (i.e. Measure H), expenditures.

Budgetary Highlights

The City had three amendments to its 2014/15 budget to adjust for significant variances in expenditures not originally anticipated as a result of the City's preparation of its first two-year budget and the passage of Measure H. These amendments affected the budgets of the General Fund along with various Special Revenue Funds, Internal Service Funds and certain Agency Funds. Additionally, City Council policy allows for an automatic budget adjustment in the General Fund to transfer a set portion of the General Fund surplus, if any, to the Capital Facilities and Infrastructure Replacement Funds, this automatic adjustment is in addition to the ones described above.

	General Fund Budgetary Highlights				Percent Variance with Final Budget
	Original Budget	Final Budget	Actual	Variance	
Revenues:					
Taxes and Assessments	\$ 32,869,600	\$ 32,869,600	\$ 37,228,805	\$ 4,359,205	13.3%
Licenses, Permits & Fees	4,431,900	4,431,900	4,535,915	104,015	2.3%
Fines and Forfeitures	1,431,200	1,431,200	1,188,496	(242,704)	-17.0%
Use of Money & Property	718,200	718,200	673,649	(44,551)	-6.2%
Intergovernmental Revenues	481,200	481,200	1,071,359	590,159	122.6%
Charges for Services	2,734,200	2,734,200	3,325,592	591,392	21.6%
Other Revenues and Transfers In	779,800	779,800	197,781	(582,019)	-74.6%
Total Revenues and Transfers	<u>43,446,100</u>	<u>43,446,100</u>	<u>48,221,597</u>	<u>4,775,497</u>	11.0%
Expenditures					
General Government	14,920,300	15,070,300	15,099,495	29,195	0.2%
Community Development	6,423,600	6,423,600	6,188,877	(234,723)	-3.7%
Public Safety	17,624,200	17,774,200	17,672,670	(101,530)	-0.6%
Public Works	2,811,500	2,886,500	3,205,152	318,652	11.0%
Capital Outlay	158,000	158,000	354,255	196,255	124.2%
Debt Service	13,800	13,800	12,672	(1,128)	-8.2%
Transfers Out	1,484,300	4,335,598	3,898,389	(437,209)	-10.1%
Total Expenditures and Transfers	<u>43,435,700</u>	<u>46,661,998</u>	<u>46,431,510</u>	<u>(230,488)</u>	-0.5%
Excess/(Deficiency) of					
Revenues over Expenditures	<u>\$ 10,400</u>	<u>\$ (3,215,898)</u>	<u>\$ 1,790,087</u>	<u>\$ 5,005,985</u>	

Total Revenues exceeded the budget by 11.0%. The largest variances from the original budget were in Intergovernmental Revenues. Intergovernmental revenues had a positive variance of \$590K between budgeted revenues to the actual. The variance is largely a result of additional grant funds being awarded to the City.

Tax revenues outperformed the original budget by \$4.4 million, a 13.3% positive variance from the original budget. As previously mentioned, the majority of this increase is a result of the passage of Measure H which resulted in additional sales tax revenues being collected starting in April 2015.

Licenses, Permits and Fees were \$104K, or 2.3%, higher than expected. This increase is largely due to higher than anticipated residential building permits and franchise fees.

Charges for Services had a positive variance of \$591K between the budgeted revenues to the actual. This increase is largely due to staff work on projects that were cost recoverable but not anticipated when the budget was originally prepared.

Other Revenues and Transfers In varied from the original and final budget due to a change in how the administration fees from the Sunridge Anatolia and Sunridge Park CFD funds were recorded. Additionally, the City had originally anticipated a transfer from an Internal Service Fund into the General Fund to cover a contribution on the Entertainment Center project. The developers of the Entertainment Center project had not secured funding as of June 30th therefore a City contribution was not required prior to year end.

The City was able to manage its General Fund expenditure activity to produce actual expenditures that were 0.5% lower than the final budget and just 6.9% above the original budget. While the original budget had anticipated a surplus of \$10,400, we are pleased that improvements in revenues, and the continued management of expenditures, led to an actual increase in net fund balance of \$1.8 million.

Financial Analysis of Major Governmental Funds

Four major funds, in addition to the General Fund, were separately stated in the City's governmental fund statements for fiscal year 2014/15. An analysis of significant balances and transactions are as follows:

Sunrise Douglas Special Revenue Fund – These specific plan development impact fees are imposed on development in the Sunridge Specific Plan, which is part of the Sunrise Douglas Community Plan development area. It includes additional fees for roadway improvements, transit shuttles, supplemental offsite water facilities, interim sewer facilities, on-going administration and fee program updates. The revenues consist of impact fees of \$2.1 million and interest earnings of \$55K. Expenditures this year included Public Works expenses and capital outlay of \$1.9 million.

Traffic Mitigation Special Revenue Fund – This development impact fee is a citywide fee imposed on new development in the City to cover the fair share cost of traffic impacts resulting from new development. The funds collected are used for the construction of transportation improvements listed in the Transportation CIP Development Impact Fee Program. The revenues consist of impact fees totaling \$1.1 million, interest earnings of \$62K and charges for services of \$15,000. Expenditures this year included Public Works expenses and capital outlay of \$1.8 million along with a \$12,500 transfer to another capital project.

Grants Fund – The City received grant funds from federal, state, and local governmental entities for operating and maintenance expenses and capital projects. This fund accounts for the revenues and expenditures related to those grants. As of June 30, 2015, the Grants Fund had received \$4.3 million in intergovernmental revenues, and posted \$4.9 million in expenditures. Grant revenues are received from federal, state, and local grant sources on an expenditure reimbursement basis.

Local Housing Fund – This development impact fee is a citywide fee imposed on new development in the City and is intended to offset a portion of the cost of the increased burden of providing housing for very low income households necessitated by construction of new non-residential buildings. The revenues consist of impact fees totaling \$28K while expenditures this year totaled \$962K for projects including Mather Veteran's Village and Horizon's, a low income senior housing project.

Financial Analysis of Non-Major Governmental Funds

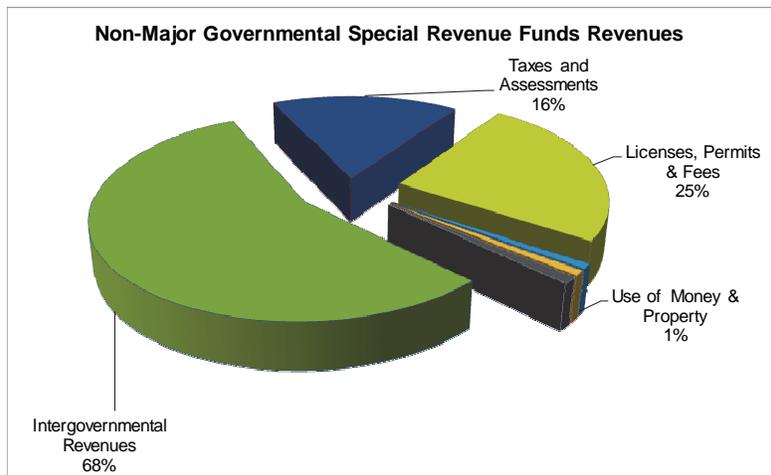
These funds, consisting mostly of Special Revenue Funds, were not of sufficient volume to warrant a "major-fund" designation. Some of these funds are as follows:

Gas Tax Fund – The Gas Tax revenue is generated from the per gallon state tax on fuel used in a motor vehicle or aircraft. These funds can be used for construction, improvements, studies and/or maintenance of public streets. The funds received in fiscal year 2014/15 were \$1.9 million. Public Works capital improvement projects funded by the Gas Tax Fund totaled \$3.0 million, as well, resulting in a reduction in fund balance from \$3.3 million in 2014 to \$2.2 million in 2015.

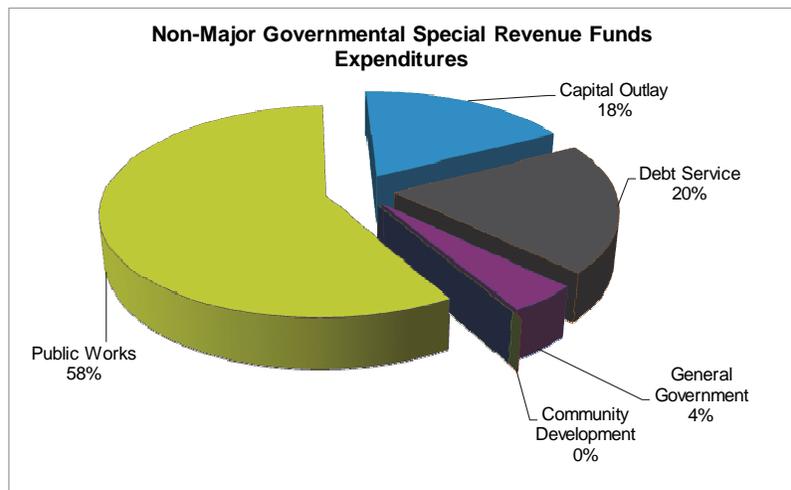
Community Facilities Fees Fund – These development impact fees are collected by the City to cover the costs of municipal facilities required to serve an increased population as a result of new development. These facilities primarily include city hall, police station, community center, corporation yard, library, city museum, and a parking structure. During fiscal year 2014/15, a total of \$794,752 was collected. Transfers out of \$976,441 were made to support debt service payments on City Hall and the Kilgore Police Station. This resulted in an ending fund balance of \$3.0 million as of June 30, 2015.

Measure A Special Revenue Fund – Measure A is a voter approved one-half percent sales tax in Sacramento County. In 2004, voters approved a 30-year extension of this program that went into effect in April 2009. Once approved, bonds were sold to provide funding for capital projects. This funding was used in conjunction with the monies available from the first measure for maintenance and capital projects. This year the City received \$2.2 million in Measure A revenues. The City expended \$1.4 million on maintenance and capital improvement projects. This resulted in an ending fund balance of \$3.4 million.

The following graph provides a percentage makeup of the *revenues* associated with all Non-Major Governmental Special Revenue Funds.



Conversely, the following graph provides the percentage makeup of the *expenditures* associated with all Non-Major Governmental Special Revenue Funds.



CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following schedule shows the changes in the capital assets for the year.

Capital Assets
For the fiscal years ending June 30, 2015, 2014, 2013

	Governmental Activities			Business Activities			Total		
	2014/15	2013/14	2012/13	2014/15	2013/14	2012/13	2014/15	2013/14	2012/13
Land	\$ 8,568,341	\$ 8,568,723	\$ 6,925,393	\$ 225,000	\$ 225,000	\$ 225,000	\$ 8,793,341	\$ 8,793,723	\$ 7,150,393
Construction in progress	45,584,719	44,128,666	59,997,101	431,303	199,800	199,800	46,016,022	44,328,466	60,196,901
Infrastructure	265,365,745	502,642,290	352,074,988	254,430,024	-	-	519,795,769	502,642,290	352,074,988
Building & Improvements	27,317,312	27,317,312	27,349,734	1,261,091	1,197,003	1,197,003	28,578,403	28,514,315	28,546,737
Equipment & Software	4,812,809	4,608,105	4,281,238	6,049	6,049	6,049	4,818,858	4,614,154	4,287,287
Accumulated Depreciation	(166,343,891)	(243,889,868)	(108,402,981)	(94,445,540)	(215,524)	(185,599)	(260,789,431)	(244,105,392)	(108,588,580)
Total	\$ 185,305,035	\$ 343,375,228	\$ 342,225,473	\$ 161,907,927	\$ 1,412,328	\$ 1,442,253	\$ 347,212,962	\$ 344,787,556	\$ 343,667,726

The City's investment in capital assets includes land, infrastructure, building and improvements, equipment and construction in progress. In September 2015, the City received notification from the County indicating the cost basis for roadways which had previously been transferred to the City had been underreported by the County. This resulted in a prior period adjustment to both depreciable assets and accumulated depreciation. Additionally, infrastructure assets belonging to the Storm Drain System, which had previously been reported in Governmental Activities, was transferred to Business Activities this year as a result of the newly created enterprise fund established when the City took over the full ownership and operation of the system on July 1, 2014. Additional information on our capital assets and depreciation can be found in Note 6 of the financial statements.

Debt Administration

The following schedule shows the changes in long-term debt for the year.

Long-Term Debt
For the fiscal years ending June 30, 2015, 2014, 2013

	Governmental Activities			Business Activities			Total		
	2014/15	2013/14	2012/13	2014/15	2013/14	2012/13	2014/15	2013/14	2012/13
Compensated Absences	\$ 539,269	\$ 624,766	\$ 674,381	\$ -	\$ -	\$ -	\$ 539,269	\$ 624,766	\$ 674,381
Certificates of Participation	20,640,000	21,570,000	22,455,000	-	-	-	20,640,000	21,570,000	22,455,000
Less deferred amount on refunding	-	-	-	-	-	-	-	-	-
Issuance discounts	(237,922)	(250,010)	(262,097)	-	-	-	(237,922)	(250,010)	(262,097)
Streetlight Retrofit Loan	1,678,337	428,011	-	-	-	-	1,678,337	428,011	-
Capital Lease Obligations	12,257	23,878	34,895	-	-	-	12,257	23,878	34,895
Total	\$ 22,631,941	\$ 22,396,645	\$ 22,902,179	\$ -	\$ -	\$ -	\$ 22,631,941	\$ 22,396,645	\$ 22,902,179

Certificates of Participation were issued by the City of Rancho Cordova Financing Corporation to purchase City Hall and the Kilgore building, which was developed into the Police station. The City makes rental payments to the Financing Corporation equal to the Certificates of Participation's principal and interest payments.

At year end, there were five outstanding Mello Roos debt instruments. The City does not have liability for the payment of these bonds. The bonds are secured by the properties within the districts and the debt is paid from the payments received from the special assessments.

Further information concerning long-term debt and debt without City commitment is contained in the Notes 7 and 8 of the financial statements. The compensated absences description can be found in Note 1G of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's primary revenue sources are affected by the economy and by legislative action. Sales taxes, utility users taxes, transient occupancy taxes and property transfer taxes are all affected not only by the national economy but also by the local economy.

Our budget for fiscal year 2015/16 anticipates General Fund revenues of \$54.0 million, which is higher than the \$48.1 we received in 2014/15. While the economy does continue a slow, steady growth, this difference is mostly a result of the passage of Measure H, a voter approved ½ cent sales tax increase.

The City of Rancho Cordova places an emphasis on the generation and protection of revenue, as well as the management of expenditures. Over the past few years, we have secured significant ongoing additional revenues for our General Fund, such as the negotiation of a revenue sharing agreement with the County over the revenues generated in the newly annexed commercial area, the passage of Measure E in November 2010 expanding the applicability of our Utility Users Tax, a settlement with the County over their charges for Property Tax Administration fees, the passage of a Card Room tax in November 2012, and the voter approved ½ cent general sales tax increase, Measure H, during the November 2014 election. This is expected to generate approximately \$7 million in additional General Fund revenues and will be used to address significant community priorities. We continue to place a high regard on maintaining a flexible structure that allows us to adjust to changing economic conditions in order to continue living within our means.

We are proud to report that we made it through the Great Recession without the use of our General Fund balance or Economic Uncertainty Reserve and in spite of the recession and the slow recovery, we remain fiscally strong. We continue to have a fully funded economic uncertainty reserve. The recession has resulted in an internal team focused on finding innovative ways of generating new revenues, honing our administrative processes and evaluating the best use of our limited and precious resources. This team will continue with its efforts into the future to ensure we are well prepared to offer the best public service in the region, while maintaining fiscal strength, as the economy continues its slow but cyclical recovery.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The CAFR is intended to provide citizens, taxpayers, investors and creditors with an in-depth presentation and analysis of the City's finances, in accordance with Generally Accepted Accounting Principles. This report will also be provided on the City's website at: www.cityofranhocordova.org. Questions concerning any of the information contained in the CAFR should be addressed to the City of Rancho Cordova, Finance Department, 2729 Prospect Park Drive, Rancho Cordova, CA 95670 or send us a message online. Log onto our website and click on *My City Hall Online* to submit your question/request. We can also be found on Facebook and Twitter.

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CITY OF RANCHO CORDOVA

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

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position summarizes the financial position of all the City's Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these are followed by a total column which presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. The City's Business-Type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net position. It presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City and the Rancho Cordova Financing Corporation, which is legally separate but is a component unit of the City because it is controlled by the City, which is financially accountable for its activities.

CITY OF RANCHO CORDOVA
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 3)	\$89,543,186	\$6,029,184	\$95,572,370
Restricted cash and investments with fiscal agents (Note 3)	1,864,349		1,864,349
Receivables:			
Accounts, net	1,624,590		1,624,590
Interest	8,213	316	8,529
Due from other governments	6,021,869	444,341	6,466,210
Loans (Note 4)	12,437,382		12,437,382
Other	223,370		223,370
Prepaid expense	43,129	60	43,189
Internal balances (Note 5)	1,399,826	(1,399,826)	
Capital assets (Note 6):			
Nondepreciable	54,153,060	656,303	54,809,363
Depreciable, net	131,151,975	161,251,624	292,403,599
Total Assets	<u>298,470,949</u>	<u>166,982,002</u>	<u>465,452,951</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension (Note 10)	853,149		853,149
Deferred amount on refunding (Note 7)	81,433		81,433
Total deferred outflows of resources	<u>934,582</u>		<u>934,582</u>
Total Assets and Deferred Outflow of Resources	<u>299,405,531</u>	<u>166,982,002</u>	<u>466,387,533</u>
LIABILITIES			
Accounts payable and accrued liabilities	7,598,523	296,999	7,895,522
Interest payable	840,646		840,646
Refundable deposits	2,147,698		2,147,698
Unearned revenue	13,323		13,323
Compensated absences (Note 1G):			
Due within one year	534,486		534,486
Due in more than one year	4,783		4,783
Net pension liability (Note 10)	1,958,792		1,958,792
Long-term debt (Note 7):			
Due within one year	1,103,271		1,103,271
Due in more than one year	20,989,401		20,989,401
Total Liabilities	<u>35,190,923</u>	<u>296,999</u>	<u>35,487,922</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension (Note 10)	963,595		963,595
NET POSITION (Note 9)			
Net investment in capital assets	<u>163,293,796</u>	<u>161,907,927</u>	<u>325,201,723</u>
Restricted for:			
Debt service	1,864,349		1,864,349
Sunrise Douglas development	16,918,359		16,918,359
Traffic Mitigation	18,557,922		18,557,922
Community facilities	3,033,697		3,033,697
Park development	1,237,384		1,237,384
Villages of Zinfandel development	371,319		371,319
Mather Field traffic	13,171		13,171
Transit related services	3,640,833		3,640,833
Grant-funded projects	5,133,510		5,133,510
Asset forfeiture	51,429		51,429
Road improvements	12,106,124		12,106,124
Landscape and lighting	901,400		901,400
Rental code compliance	16,002		16,002
Measure A funds	3,387,097		3,387,097
Total Restricted Net Position	<u>67,232,596</u>		<u>67,232,596</u>
Unrestricted	<u>32,724,621</u>	<u>4,777,076</u>	<u>37,501,697</u>
Total Net Position	<u>\$263,251,013</u>	<u>\$166,685,003</u>	<u>\$429,936,016</u>

See accompanying notes to financial statements

CITY OF RANCHO CORDOVA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$25,559,442	\$2,332,412	\$242,210	\$1,071,131	(\$21,913,689)		(\$21,913,689)
Community Development	8,139,910	2,894,914		3,627,430	(1,617,566)		(1,617,566)
Public Safety	17,369,893	2,437,829	684,558		(14,247,506)		(14,247,506)
Public Works	8,779,342	4,331,040	3,956,359	4,198,742	3,706,799		3,706,799
Interest on long-term debt	1,014,438				(1,014,438)		(1,014,438)
Total Governmental Activities	<u>60,863,025</u>	<u>11,996,195</u>	<u>4,883,127</u>	<u>8,897,303</u>	<u>(35,086,400)</u>		<u>(35,086,400)</u>
Business-type Activities:							
Cemetery	71,369	69,519			(\$1,850)		(1,850)
Storm Drain	9,209,502	4,053,796		10,192,180	5,036,474		5,036,474
Total Business-type Activities	<u>9,280,871</u>	<u>4,123,315</u>		<u>10,192,180</u>	<u>5,034,624</u>		<u>5,034,624</u>
Total Primary Government	<u>\$70,143,896</u>	<u>\$16,119,510</u>	<u>\$4,883,127</u>	<u>\$19,089,483</u>	<u>(35,086,400)</u>	<u>5,034,624</u>	<u>(30,051,776)</u>
General revenues:							
Taxes:							
Property taxes					8,679,924		8,679,924
Sales taxes					15,280,124		15,280,124
Transient occupancy					3,160,028		3,160,028
Utility user taxes					3,718,885		3,718,885
Other taxes					2,223,960		2,223,960
Property taxes in lieu of vehicle license fees					5,109,178		5,109,178
Use of money and property					901,102	14,598	915,700
Other					442,137		442,137
Transfers (Notes 5 and 6B)					(161,679,223)	161,679,223	
Total general revenues and extraordinary item					<u>(122,163,885)</u>	<u>161,693,821</u>	<u>39,529,936</u>
Change in Net Position					(157,250,285)	166,728,445	9,478,160
Net Position (Deficit) - Beginning, as adjusted and restated (Note 1M)					<u>420,501,298</u>	<u>(43,442)</u>	<u>420,457,856</u>
Net Position - Ending					<u>\$263,251,013</u>	<u>\$166,685,003</u>	<u>\$429,936,016</u>

See accompanying notes to financial statements

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year. The funds described below were determined to be Major Governmental Funds by the City for fiscal 2015. Individual non-major funds may be found in the Supplemental section.

GENERAL FUND

The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds, and the related expenditures. The General Fund also includes the activities related to the Community Enhancement Funds (Measure H). The major revenue sources for this Fund are property taxes, sales taxes, utility users tax, franchise fees, business licenses, unrestricted revenues from the State, fines and forfeitures and interest income. Expenditures are made for community development, public safety, public works, and other services.

SUNRISE DOUGLAS SPECIAL REVENUE FUND

Used to account for funds received from the Sunrise Douglas area, which are in addition to the other fees imposed. The fees relate specifically to improvements that will be required as a result of the development in that area.

TRAFFIC MITIGATION SPECIAL REVENUE FUND

Established to account for the roadway fee imposed on the development of real property.

GRANTS SPECIAL REVENUE FUND

Accounts for grant monies awarded to the City.

LOCAL HOUSING TRUST SPECIAL REVENUE FUND

This trust was formed in 2012 for the purpose of collecting the Housing Trust Development Impact Fee. The fee is intended to offset a portion of the cost of the increased burden of providing housing for very low income households necessitated by construction of new non-residential buildings.

CITY OF RANCHO CORDOVA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015

	<u>General Fund</u>	<u>Sunrise Douglas</u>	<u>Traffic Mitigation</u>	<u>Grants</u>	<u>Local Housing</u>
ASSETS					
Cash and investments (Note 3)	\$16,963,623	\$17,897,712	\$18,475,111	\$438,496	\$1,868,095
Restricted cash and investments with fiscal agent (Note 3)					
Receivables:					
Accounts, net (Note 4)	1,232,333	789,495	334,427		
Interest	4,694	932	961	23	
Other (Note 4)	223,370				
Due from other governmental agencies (Note 4)	4,209,400			1,588,102	
Loans (Note 4)	6,225,656			4,736,031	1,363,422
Prepays	39,679			3,450	
Due from other funds (Note 5)	2,006,734				
Advances to other funds (Note 5)	5,930,812				
	<u>\$36,836,301</u>	<u>\$18,688,139</u>	<u>\$18,810,499</u>	<u>\$6,766,102</u>	<u>\$3,231,517</u>
LIABILITIES					
Accounts payable	\$6,031,592		\$172,825	\$578,910	\$2,249
Accrued liabilities	383,471				
Interest payable	9,572				3,429
Refundable deposits	752,428	\$980,285	79,752		
Due to other funds (Note 5)				1,173,154	
Advances from other funds (Note 5)					3,433,100
Unearned revenue	13,323				
	<u>7,190,386</u>	<u>980,285</u>	<u>252,577</u>	<u>1,752,064</u>	<u>3,438,778</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - accounts receivable	64,386	789,495	334,427		
Unavailable revenue - interest receivable	166,065				
Unavailable revenue - due from other governmental agencies	76,468			730,948	
	<u>306,919</u>	<u>789,495</u>	<u>334,427</u>	<u>730,948</u>	
FUND BALANCES (Note 9)					
Nonspendable	12,196,147			3,450	
Restricted		16,918,359	18,223,495	4,279,640	
Unassigned	17,142,849				(207,261)
	<u>29,338,996</u>	<u>16,918,359</u>	<u>18,223,495</u>	<u>4,283,090</u>	<u>(207,261)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$36,836,301</u>	<u>\$18,688,139</u>	<u>\$18,810,499</u>	<u>\$6,766,102</u>	<u>\$3,231,517</u>

See accompanying notes to financial statements

Nonmajor Governmental Funds	Total Governmental Funds
\$33,100,166	\$88,743,203
1,864,349	1,864,349
298,637	2,654,892
1,563	8,173
	223,370
444,844	6,242,346
112,273	12,437,382
	43,129
	2,006,734
	5,930,812
<u>\$35,821,832</u>	<u>\$120,154,390</u>
\$427,464	\$7,213,040
	383,471
439	13,440
335,233	2,147,698
610,859	1,784,013
1,320,607	4,753,707
	13,323
<u>2,694,602</u>	<u>16,308,692</u>
298,637	1,486,945
	166,065
<u>151,790</u>	<u>959,206</u>
<u>450,427</u>	<u>2,612,216</u>
	12,199,597
33,966,485	73,387,979
(1,289,682)	15,645,906
<u>32,676,803</u>	<u>101,233,482</u>
<u>\$35,821,832</u>	<u>\$120,154,390</u>

CITY OF RANCHO CORDOVA
Reconciliation of the
GOVERNMENTAL FUNDS -- BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2015

Total fund balances reported on the governmental funds balance sheet \$101,233,482

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 185,305,035

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance, vehicle and equipment replacement, and technology enhancement and replacement to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position.

Cash and investments	799,983
Interest receivable	40
Accounts payable	(2,012)

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are unavailable on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities. 1,361,437

LONG-TERM ASSETS AND LIABILITIES

The assets, deferred outflows of resources and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

Collective net pension liability, and related deferred outflows and inflows of resources	(2,069,238)
Deferred amount on refunding	81,433
Accounts payable and accrued liabilities	(434,028)
Interest payable	(393,178)
Long-term debt	(22,092,672)
Governmental activities portion of compensated absences	(539,269)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$263,251,013

See accompanying notes to financial statements

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CITY OF RANCHO CORDOVA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>General</u>	<u>Sunrise Douglas</u>	<u>Traffic Mitigation</u>	<u>Grants</u>	<u>Local Housing</u>
REVENUES					
Property taxes	\$13,185,809				
Sales taxes	15,280,124				
Utility user taxes	3,718,885				
Other taxes	5,043,987				
Charges for services	3,325,592		\$15,000		
Licenses, permits and fees	4,535,915	\$2,086,159	1,066,692		\$27,972
Fines, forfeitures and penalties	1,188,496				
Intergovernmental	1,071,359			\$4,298,568	
Use of money and property	673,649	55,402	62,420	1,616	100
Other	112,781				
Total Revenues	<u>48,136,597</u>	<u>2,141,561</u>	<u>1,144,112</u>	<u>4,300,184</u>	<u>28,072</u>
EXPENDITURES					
Current:					
General Government	15,099,495			34,871	
Community Development	6,188,877			1,102,473	854,308
Public Safety	17,672,670			81,030	
Public Works	3,205,152	76,613	284,240	35,356	
Capital outlay	354,255	1,773,586	1,554,951	3,702,066	104,447
Debt service:					
Principal	11,621				
Interest and fiscal charges	1,051				3,429
Total Expenditures	<u>42,533,121</u>	<u>1,850,199</u>	<u>1,839,191</u>	<u>4,955,796</u>	<u>962,184</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,603,476</u>	<u>291,362</u>	<u>(695,079)</u>	<u>(655,612)</u>	<u>(934,112)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt (Note 7)					
Transfers in (Note 5)	85,000				
Transfers (out) (Note 5)	(3,898,389)		(12,500)		
Total Other Financing Sources (Uses)	<u>(3,813,389)</u>		<u>(12,500)</u>		
NET CHANGE IN FUND BALANCES	1,790,087	291,362	(707,579)	(655,612)	(934,112)
BEGINNING FUND BALANCES, AS ADJUSTED (NOTE 1M)	<u>27,548,909</u>	<u>16,626,997</u>	<u>18,931,074</u>	<u>4,938,702</u>	<u>726,851</u>
ENDING FUND BALANCES (DEFICITS)	<u>\$29,338,996</u>	<u>\$16,918,359</u>	<u>\$18,223,495</u>	<u>\$4,283,090</u>	<u>(\$207,261)</u>

See accompanying notes to financial statements

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$1,518,274	\$14,704,083
	15,280,124
	3,718,885
	5,043,987
61,144	3,401,736
2,254,846	9,971,584
2,810	1,191,306
5,108,720	10,478,647
93,472	886,659
100,143	212,924
<u>9,139,409</u>	<u>64,889,935</u>
428,130	15,562,496
2,033	8,147,691
	17,753,700
5,611,038	9,212,399
1,737,740	9,227,045
930,000	941,621
1,011,751	1,016,231
<u>9,720,692</u>	<u>61,861,183</u>
<u>(581,283)</u>	<u>3,028,752</u>
1,250,326	1,250,326
4,617,549	4,702,549
<u>(5,302,382)</u>	<u>(9,213,271)</u>
<u>565,493</u>	<u>(3,260,396)</u>
(15,790)	(231,644)
<u>32,692,593</u>	<u>101,465,126</u>
<u><u>\$32,676,803</u></u>	<u><u>\$101,233,482</u></u>

CITY OF RANCHO CORDOVA
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (\$231,644)

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds include capital outlays in departmental expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Retirements are therefore deducted from the fund balance	52,371
The capitalized expenditures are therefore added back to fund balance	8,621,674
Depreciation expense deducted from the fund balance	(9,542,345)
Transfer of accumulated depreciation from governmental to business-type activities are added back to fund balance	87,069,343
Contributions of infrastructure and improvements by Governmental activities to Business-type activities are capitalized in the Statement of Activities, but are not recorded in the Fund Statements because no cash changed hands	(243,838,426)

LONG-TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Proceeds from loan payable is deducted from fund balance	(1,250,326)
Repayment of debt principal is added back to fund balance	941,621
Amortization of deferred amount on refunding and issuance discounts is deducted from fund balance	(12,088)

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Deferred amount on refunding	(4,159)
Interest payable	18,040
Unavailable revenue	1,036,134
Compensated absences	85,497
Net pension liability	(188,271)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in Net Position - All Internal Service Funds	(7,706)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	(\$157,250,285)

See accompanying notes to financial statements

CITY OF RANCHO CORDOVA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$12,166,200	\$12,166,200	\$13,185,809	\$1,019,609
Sales taxes	12,956,100	12,956,100	15,280,124	2,324,024
Transient occupancy taxes	2,639,700	2,639,700	3,160,028	520,328
Utility user taxes	3,462,000	3,462,000	3,718,885	256,885
Other taxes	1,645,600	1,645,600	1,883,959	238,359
Charges for services	2,734,200	2,734,200	3,325,592	591,392
Licenses, permits and fees	4,431,900	4,431,900	4,535,915	104,015
Fines, forfeitures and penalties	1,431,200	1,431,200	1,188,496	(242,704)
Intergovernmental	481,200	481,200	1,071,359	590,159
Use of money and property	718,200	718,200	673,649	(44,551)
Other	40,500	40,500	112,781	72,281
Total Revenues	42,706,800	42,706,800	48,136,597	5,429,797
EXPENDITURES:				
Current				
General Government	14,920,300	15,070,300	15,099,495	(29,195)
Community Development	6,423,600	6,423,600	6,188,877	234,723
Public Safety	17,624,200	17,774,200	17,672,670	101,530
Public Works	2,811,500	2,886,500	3,205,152	(318,652)
Capital outlay	158,000	158,000	354,255	(196,255)
Debt service:				
Principal	12,700	12,700	11,621	1,079
Interest and fiscal charges	1,100	1,100	1,051	49
Total Expenditures	41,951,400	42,326,400	42,533,121	(206,721)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	755,400	380,400	5,603,476	5,223,076
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 5)	739,300	739,300	85,000	(654,300)
Transfers (out) (Note 5)	(1,484,300)	(4,335,598)	(3,898,389)	437,209
Total other financing sources (uses)	(745,000)	(3,596,298)	(3,813,389)	(217,091)
NET CHANGE IN FUND BALANCE	10,400	(3,215,898)	1,790,087	5,005,985
Fund balance, July 1	27,548,909	27,548,909	27,548,909	
Fund balance, June 30	<u>\$27,559,309</u>	<u>\$24,333,011</u>	<u>\$29,338,996</u>	<u>\$5,005,985</u>

See accompanying notes to financial statements

CITY OF RANCHO CORDOVA
SUNRISE DOUGLAS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Licenses, permits and fees	\$2,609,100	\$2,609,100	\$2,086,159	(\$522,941)
Use of money and property			55,402	55,402
Total Revenues	<u>2,609,100</u>	<u>2,609,100</u>	<u>2,141,561</u>	<u>(467,539)</u>
EXPENDITURES:				
Current				
General Government				
Public Works	485,000	485,000	76,613	408,387
Capital outlay	450,000	450,000	1,773,586	(1,323,586)
Total Expenditures	<u>935,000</u>	<u>935,000</u>	<u>1,850,199</u>	<u>(915,199)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,674,100</u>	<u>1,674,100</u>	<u>291,362</u>	<u>(1,382,738)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out) (Note 5)	(2,397,000)	(2,397,000)		2,397,000
Total other financing sources (uses)	<u>(2,397,000)</u>	<u>(2,397,000)</u>		<u>2,397,000</u>
NET CHANGE IN FUND BALANCE	(722,900)	(722,900)	291,362	1,014,262
Fund balance, July 1	<u>16,626,997</u>	<u>16,626,997</u>	<u>16,626,997</u>	
Fund balance, June 30	<u><u>\$15,904,097</u></u>	<u><u>\$15,904,097</u></u>	<u><u>\$16,918,359</u></u>	<u><u>\$1,014,262</u></u>

See accompanying notes to financial statements

CITY OF RANCHO CORDOVA
TRAFFIC MITIGATION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services			\$15,000	\$15,000
Licenses, permits and fees	\$795,700	\$795,700	1,066,692	270,992
Use of money and property			62,420	62,420
			<u>1,144,112</u>	<u>348,412</u>
Total Revenues	<u>795,700</u>	<u>795,700</u>	<u>1,144,112</u>	<u>348,412</u>
EXPENDITURES:				
Current				
Public Works	570,000	570,000	284,240	285,760
Capital outlay	1,650,000	1,650,000	1,554,951	95,049
			<u>1,839,191</u>	<u>380,809</u>
Total Expenditures	<u>2,220,000</u>	<u>2,220,000</u>	<u>1,839,191</u>	<u>380,809</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,424,300)</u>	<u>(1,424,300)</u>	<u>(695,079)</u>	<u>729,221</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out) (Note 5)	<u>(72,000)</u>	<u>(72,000)</u>	<u>(12,500)</u>	<u>59,500</u>
Total other financing sources (uses)	<u>(72,000)</u>	<u>(72,000)</u>	<u>(12,500)</u>	<u>59,500</u>
NET CHANGE IN FUND BALANCE	<u>(1,496,300)</u>	<u>(1,496,300)</u>	<u>(707,579)</u>	<u>788,721</u>
Fund balance, July 1	<u>18,931,074</u>	<u>18,931,074</u>	<u>18,931,074</u>	
Fund balance, June 30	<u><u>\$17,434,774</u></u>	<u><u>\$17,434,774</u></u>	<u><u>\$18,223,495</u></u>	<u><u>\$788,721</u></u>

See accompanying notes to financial statements

CITY OF RANCHO CORDOVA
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$1,916,000	\$1,916,000	\$4,298,568	\$2,382,568
Use of money and property			1,616	1,616
Total Revenues	<u>1,916,000</u>	<u>1,916,000</u>	<u>4,300,184</u>	<u>2,384,184</u>
EXPENDITURES				
Current:				
General Government			34,871	(34,871)
Community Development	468,000	468,000	1,102,473	(634,473)
Public Safety			81,030	(81,030)
Public Works			35,356	(35,356)
Capital outlay	<u>868,000</u>	<u>11,244,000</u>	<u>3,702,066</u>	<u>7,541,934</u>
Total Expenditures	<u>1,336,000</u>	<u>11,712,000</u>	<u>4,955,796</u>	<u>6,756,204</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>580,000</u>	<u>(9,796,000)</u>	<u>(655,612)</u>	<u>9,140,388</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 5)				
Transfers (out) (Note 5)	<u>(580,000)</u>	<u>(580,000)</u>		<u>580,000</u>
Total other financing sources (uses)	<u>(580,000)</u>	<u>(580,000)</u>		<u>580,000</u>
NET CHANGE IN FUND BALANCE		(10,376,000)	(655,612)	9,720,388
Fund balance, (deficit) July 1, as adjusted (Note 1M)	<u>4,938,702</u>	<u>4,938,702</u>	<u>4,938,702</u>	
Fund balance (deficit), June 30	<u>\$4,938,702</u>	<u>(\$5,437,298)</u>	<u>\$4,283,090</u>	<u>\$9,720,388</u>

See accompanying notes to financial statements

CITY OF RANCHO CORDOVA
LOCAL HOUSING SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses, permits and fees	\$75,000	\$75,000	\$27,972	(\$47,028)
Use of money and property			100	100
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>28,072</u>	<u>(46,928)</u>
EXPENDITURES				
Current:				
Community Development	20,000	20,000	854,308	(834,308)
Capital outlay	868,000	1,168,000	104,447	1,063,553
Debt service:				
Interest and fiscal charges			3,429	(3,429)
Total Expenditures	<u>888,000</u>	<u>1,188,000</u>	<u>962,184</u>	<u>225,816</u>
NET CHANGE IN FUND BALANCE	(813,000)	(1,113,000)	(934,112)	178,888
Fund balance, (deficit) July 1, as adjusted (Note 1M)			<u>726,851</u>	<u>726,851</u>
Fund balance (deficit), June 30	<u>(\$813,000)</u>	<u>(\$1,113,000)</u>	<u>(\$207,261)</u>	<u>\$905,739</u>

See accompanying notes to financial statements

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MAJOR PROPRIETARY FUND

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

The City has two enterprise funds, the Kilgore Cemetery Fund and the Storm Drain Fund, which are presented as major funds and are described below.

KILGORE CEMETERY

The Kilgore Cemetery Fund is used to account for the operations of the historic Kilgore Cemetery, rededicated and opened in fiscal year 2006-2007.

STORM DRAIN

The Storm Drain Fund is used to account for the revenues and expenses for the operation, maintenance and capital improvements of the storm drain system.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one City department to other departments on a cost-reimbursement basis.

CITY OF RANCHO CORDOVA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2015

	Business-type Activities-Enterprise Fund			Governmental Activities -
	Kilgore Cemetery	Storm Drain	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments (Note 3)	\$18,404	\$6,010,780	\$6,029,184	\$799,983
Receivables:				
Interest	3	313	316	40
Prepaid expense		60	60	
Due from other governments (Note 4)		444,341	444,341	
Total current assets	18,407	6,455,494	6,473,901	800,023
Noncurrent assets:				
Capital assets (Note 6)				
Nondepreciable	656,303		656,303	
Depreciable, net	1,008,873	160,242,751	161,251,624	70,177
Total noncurrent assets	1,665,176	160,242,751	161,907,927	70,177
Total Assets	1,683,583	166,698,245	168,381,828	870,200
LIABILITIES				
Current liabilities:				
Accounts payable	56,596	240,403	296,999	2,012
Due to other funds (Note 5)	222,721		222,721	
Total current liabilities	279,317	240,403	519,720	2,012
Noncurrent liabilities:				
Advance from other funds (Note 5)	1,177,105		1,177,105	
Total noncurrent liabilities	1,177,105		1,177,105	
Total Liabilities	1,456,422	240,403	1,696,825	2,012
NET POSITION (Note 9)				
Net investment in capital assets	1,665,176	160,242,751	161,907,927	70,177
Unrestricted	(1,438,015)	6,215,091	4,777,076	798,011
Total Net Position	\$227,161	\$166,457,842	\$166,685,003	\$868,188

See accompanying notes to financial statements

CITY OF RANCHO CORDOVA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities-Enterprise Fund			Governmental Activities -
	Kilgore Cemetery	Storm Drain	Total	Internal Service Funds
OPERATING REVENUES				
Service charges	\$67,517		\$67,517	
Other	2,002	\$4,053,796	4,055,798	\$32,786
Total Operating Revenues	69,519	4,053,796	4,123,315	32,786
OPERATING EXPENSES				
Administration	28,626	2,091,572	2,120,198	19,709
Depreciation	42,743	7,117,930	7,160,673	23,393
Total Operating Expenses	71,369	9,209,502	9,280,871	43,102
Operating Income (Loss)	(1,850)	(5,155,706)	(5,157,556)	(10,316)
NONOPERATING REVENUES (EXPENSES)				
Interest income	55	14,543	14,598	2,610
Total Nonoperating Revenues (Expenses)	55	14,543	14,598	2,610
Income (Loss) Before Transfers	(1,795)	(5,141,163)	(5,142,958)	(7,706)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions (Note 6)		167,360,681	167,360,681	
Transfers in (Note 5)	272,398	4,238,324	4,510,722	
Net transfers and capital contributions	272,398	171,599,005	171,871,403	
Change in net position	270,603	166,457,842	166,728,445	(7,706)
BEGINNING NET POSITION (DEFICIT)	(43,442)		(43,442)	875,894
ENDING NET POSITION	\$227,161	\$166,457,842	\$166,685,003	\$868,188

See accompanying notes to financial statements

CITY OF RANCHO CORDOVA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities-Enterprise Fund			Governmental Activities -
	Kilgore Cemetery	Storm Drain	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$96,750	\$3,609,455	\$3,706,205	\$32,786
Payments to suppliers		(1,247,026)	(1,247,026)	(38,616)
Payments to employees		(604,143)	(604,143)	
Cash Flows from Operating Activities	<u>96,750</u>	<u>1,758,286</u>	<u>1,855,036</u>	<u>(5,830)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund loan repayment	(294,275)		(294,275)	
Interfund loan received	222,721		222,721	
Transfers in	272,398	4,238,324	4,510,722	
Cash Flows from Noncapital Financing Activities	<u>200,844</u>	<u>4,238,324</u>	<u>4,439,168</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(295,591)		(295,591)	
Cash Flows from Capital and Related Financing Activities	<u>(295,591)</u>		<u>(295,591)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	53	14,170	14,223	2,606
Cash Flows from Investing Activities	<u>53</u>	<u>14,170</u>	<u>14,223</u>	<u>2,606</u>
Net Cash Flows	2,056	6,010,780	6,012,836	(3,224)
Cash and investments at beginning of period	<u>16,348</u>			<u>803,207</u>
Cash and investments at end of period	<u><u>\$18,404</u></u>	<u><u>\$6,010,780</u></u>	<u><u>\$6,029,184</u></u>	<u><u>\$799,983</u></u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:				
Operating income (loss)	(\$1,850)	(\$5,155,706)	(\$5,157,556)	(\$10,316)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	42,743	7,117,930	7,160,673	23,393
Change in assets and liabilities:				
Accounts payable	55,857	240,403	296,260	(18,907)
Due from other governments		(444,341)	(444,341)	
Cash Flows from Operating Activities	<u><u>\$96,750</u></u>	<u><u>\$1,758,286</u></u>	<u><u>\$1,855,036</u></u>	<u><u>(\$5,830)</u></u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Contributions of Capital Assets		<u><u>\$167,360,681</u></u>	<u><u>\$167,360,681</u></u>	

See accompanying notes to financial statements

FIDUCIARY FUNDS

FIDUCIARY FUNDS

These funds account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in the separate Fiduciary Fund financial statements.

Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund is used to account for the activities of the Successor Agency to the former Redevelopment Agency of the City of Rancho Cordova.

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

CITY OF RANCHO CORDOVA
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2015

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund	Total Agency Funds
ASSETS		
Cash and investments (Note 3)	\$610,117	\$14,547,472
Restricted cash and investments with fiscal agents (Note 3)		12,256,898
Receivables:		
Accounts		265,045
Interest		1,401
Due from other government agencies		24,422
Other	30	
Land held for resale (Note 16B)	842,254	
Total Assets	1,452,401	\$27,095,238
Accounts payable and accrued liabilities	1,348	\$7,291
Interest payable		1,623
Deposits payable		323,757
Unearned Revenue		265,045
Due to assessment district bondholders		20,543,146
Due to other agencies		5,954,376
Long-term obligations (Note 16C):		
Due in more than one year	5,630,969	
Total Liabilities	5,632,317	\$27,095,238
NET POSITION (DEFICIT) HELD IN TRUST FOR OTHER GOVERNMENTS	(\$4,179,916)	

See accompanying notes to financial statements

CITY OF RANCHO CORDOVA
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2015

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund <hr style="border: 0.5px solid black;"/>
ADDITIONS	
Use of money and property	<u>\$2,048</u>
Total Additions	<u>2,048</u>
DEDUCTIONS	
General Government	20,534
Community Development	4,878
Debt service:	
Interest and fiscal charges	<u>13,334</u>
Total Deductions	<u>38,746</u>
CHANGE IN NET POSITION	(36,698)
BEGINNING NET POSITION (DEFICIT)	<u>(4,143,218)</u>
ENDING NET POSITION (DEFICIT)	<u><u>(\$4,179,916)</u></u>

See accompanying notes to financial statements

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CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rancho Cordova (the City) was incorporated May 2002, effective July 1, 2003, under the laws and regulations of the State of California. The City operates under a Council-City Manager form of government and provides the following services: public safety (Police), roads and streets, public improvements, planning and zoning, and general administrative services.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The more significant of these accounting policies are described below and where appropriate, subsequent pronouncements will be referenced.

A. *Reporting Entity*

The City operates as a self-governing local government unit within the State of California (the State). It has the authority to levy taxes and has the authority to determine user fees for the services that it provides. The City's main funding sources include property taxes, sales taxes, transient occupancy taxes and other intergovernmental revenue from the State and County of Sacramento (County). The property taxes collected within the City's limits are shared with the County beginning fiscal year 2003/04 and continuing through fiscal year 2027/28. Payments to the County are adjusted by a 2% inflation factor annually.

The City is governed by a five-member council elected by City residents. The City is legally separate and fiscally independent which means it can issue debt, set and modify budgets and fees and sue or be sued. The accompanying basic financial statements include the financial activities of the City as well as separate legal entities which are described below.

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. Although they are separate legal entities, *blended* component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. The City's component unit described below is blended.

The **Rancho Cordova Financing Corporation (the Corporation)** - The Corporation is governed by a board comprised of the City's elected council. Bond issuance authorizations are approved by the City's council and legal liability for the Corporation's debt remains with the City. The Corporation provides services solely for the benefit of the City and is reported as a Debt Service Fund. Separate financial statements are issued for the Corporation and may be obtained by contacting the City.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

The City'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 Statements: The Statement of Net Position and the Statement of Activities display information about the primary government. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City'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) charges paid by the recipients of goods or services offered by the programs, (b) grants and 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, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component unit. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

C. Major Funds

Major funds are defined as funds which have either assets, liabilities, revenues or expenditures equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may select other governmental funds it believes should be presented as major funds.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reported the following major governmental funds in the accompanying financial statements:

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

Sunrise Douglas Special Revenue Fund - Used to account for funds received from the Sunrise Douglas Specific Plan Area, which are in addition to the other fees imposed. The fees relate specifically to improvements that will be required as a result of the development in that area.

Traffic Mitigation Special Revenue Fund - Established to account for the roadway impact fee imposed on the development of real property.

Grants Special Revenue Fund - Accounts for grant monies awarded to the City.

Local Housing Trust Special Revenue Fund - Accounts for grants restricted for housing programs under Health and Safety Code 50843.5.

The City has two enterprise funds, the **Kilgore Cemetery** and the **Storm Drain**, which are major funds. The Kilgore Cemetery Fund is used to account for the operations of the historic Kilgore Cemetery, rededicated and opened in fiscal year 2006-2007. The Storm Drain Fund is used to account for the revenues and expenses for the operation, maintenance, and capital improvement of the storm drain system.

The City also reports the following fund types:

Internal Service Funds - Internal Service Funds are used to account for the financing of goods and services provided by one City department to other departments on a cost-reimbursement basis. The City maintains two Internal Service Funds. These funds accumulate funds to pay for potential litigation, insurance claims, and replacement of vehicles and equipment.

Fiduciary Funds - Fiduciary Funds account for assets held by the City as an agent for various functions. The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future. Agency Funds account for assets held by the City in a purely custodial capacity. Agency Funds typically involve only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments. The City's Agency Funds also account for assets held by the City as an agent for bonded assessment districts. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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 *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected generally within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on governmental long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied; however, revenue is recognized in governmental funds only to the extent it is measurable and available.

Other revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met if the revenues are collected within ninety days after year-end. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues, if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred amount on refunding reported in the government-wide statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from four sources: accounts receivable, interest receivable, due from other governments and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

F. *Property Tax*

Property tax revenue is recognized in the fiscal year for which the tax and assessment is levied. The County levies, bills and collects property taxes and special assessments for the City. Secured and unsecured property taxes are levied on January 1.

Secured property tax is due in two installments, on November 1 and February 1, becomes a lien on those dates and becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31.

The term “unsecured” refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City when the individual installments are due provided they are collected within 60 days after year-end.

G. *Compensated Absences*

City employees are granted universal leave in varying amounts based on classification and length of service. City employees have vested interests in the amount of universal leave accrued and are paid on termination. Up to 60 hours of universal leave may be cashed out to be paid in either one pay period or broken into two separate pay periods during the fiscal year, as long as the employee leaves 40 hours of leave in their universal leave bank. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements and is currently payable.

**CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The changes in compensated absences were as follows:

	Governmental Activities
Beginning Balance	\$624,766
Additions	420,986
Payments	(506,483)
Ending Balance	\$539,269
Current Portion	\$534,486

The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

H. Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both government-wide and fund financial statements, using the consumption method. Prepaid costs in governmental funds are equally offset with nonspendable fund balance to indicate they do not constitute resources available for appropriation.

I. Refundable Deposits Payable

Refundable deposits payable consist of deposits received from developers to cover costs incurred by the City.

J. Land Held for Resale

The Redevelopment Agency purchased parcels of land as part of its efforts to develop or redevelop blighted properties within the Redevelopment areas. As discussed in Note 16, due to the dissolution of the Redevelopment Agency, the land held for resale of the Low and Moderate Income Housing Fund was transferred to the City as successor to the housing activities of the Agency as of January 31, 2012. Such land parcels are accounted for at the lower of cost or net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer.

The City holds one parcel with a carrying value of zero as a result of a pending Exclusive Negotiating Rights Agreement with a developer in which the City anticipates transferring the land to the developer has no remuneration. As of June 30, 2015, the land had not been transferred to the developer, as the City had not received sufficient grant funding to begin the intended development of the land.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. *New Funds*

The Storm Drain Enterprise Fund is used to account for the revenues and expenses for the operation, maintenance and capital improvements of the storm drain system.

L. *Implementation of Governmental Accounting Standards Board (GASB) Pronouncements*

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statements, which became effective during the year ended June 30, 2015.

GASB Statement No. 68 – In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This Statement had a material impact on the City’s financial statements. See Note 1M below.

GASB Statement No. 69 – In 2014, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operation*. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. This Statement did not have a material impact on the financial statements for the fiscal year 2015.

GASB Statement No. 71 – In 2014, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. This Statement had a material impact on the City’s financial statements. See Note 1M below.

M. *Prior Period Adjustment*

As a result of the implementation of GASB Statements 68 and 71, the City made an adjustment of \$1,880,967 to the beginning net position of its governmental activities.

In September 2015 the County of Sacramento notified the City that the cost basis for roadways, which had been previously transferred to the City, had been underreported by the County. As a result, the City increased beginning net position in the governmental activities by \$130,132,512 in depreciable assets and \$122,389,431 in accumulated depreciation.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City changed its accounting policy related to loans receivable in fiscal year 2015. Rather than offsetting long-term loans receivable with unavailable revenue (deferred inflow of resources), loans receivable are now a component of fund balance. As a result, beginning fund balance in the Grants Special Revenue Fund, Community Development Block Grant Special Revenue Fund, and Local Housing Trust Special Revenue Fund have been adjusted and increased in the amount of \$4,736,031, \$112,723, and \$1,363,422, respectively.

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. Budgeting Procedures

Annually, the City Manager submits to the City Council a proposed operating budget in June for the following fiscal year, as required by the City's budget ordinance. This budget includes proposed expenditures and the revenues expected to finance them. As modified during public study sessions, the preliminary budget becomes the proposed budget. Public hearings are conducted to obtain taxpayer comments and the budget is legally enacted through passage of a resolution. The City Manager is authorized to transfer budgeted amounts between departments within funds. In addition, amendments that are made to authorize spending of increased or new special purpose revenues may be approved by the City Manager. Budget modifications between funds or increases or decreases to a fund's overall budget must be approved by the City Council. The legal level of budgetary control is at the fund level.

Budgets are adopted on a basis consistent with generally accepted accounting principles for all funds except the Asset Forfeiture, Mather Field Impact Fees and Cap Vill Park Development Fees Special Revenue Funds. Expenditures for the Capital Outlay Projects Funds are approved through the adoption of a five year Capital Improvement Plan. Unexpended appropriations lapse at year end and must be reappropriated in the following year.

Budgeted amounts are as originally adopted, or as amended by the City Council. Individual amendments were not material in relation to the original appropriations which were amended.

**CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

B. Excess of Expenditures over Appropriations

During fiscal 2015, the following funds had expenditures in excess of appropriations:

Fund	Excess of Expenditures Over Appropriations
Major Funds:	
General Fund	\$206,721
Sunrise Douglas Special Revenue Fund	915,199
Traffic Mitigation	1,269,191
Non Major Funds:	
Special Revenue Funds	
Community Facilities Fees	29,565
Park Development	2,736
Community Development Block Grant	130,190

Although these funds had expenditures in excess of appropriations, when taking into consideration the amounts that had been appropriated for Other Financing (Uses) or Transfers (Out), the General Fund, Sunrise Douglas and Park Development Special Revenue Funds would not have exceeded total appropriations at the fund level.

NOTE 3 – CASH AND INVESTMENTS

The City pools cash from all sources and all funds except Cash with Fiscal Agents so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

A. Policies

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to increase security, the City employs the Trust Department of a bank as the custodian of certain City-managed investments, regardless of their form.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS (Continued)

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

For purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash and equivalents.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

B. *Investments Authorized by the California Government Code and the City's Investment Policy*

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive.

The City's Investment Policy and the California Government Code allow the City to invest in the following:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer	Minimum Credit Quality
Local Agency Investment Fund	N/A	None	\$50 Million	None
California Asset Management Program	N/A	None	\$40 Million	None
Negotiable Certificates of Deposit	5 years	30%	None	None
Banker's Acceptances	180 Days	40%	30%	None
U. S. Treasury Bonds, Notes and Bills	5 years	None	None	None
U.S. Federal Agency Securities	5 years	None	None	None
Repurchase Agreements	1 year	None	None	None
Commercial Paper	270 Days	25%	(A)	A-1 or equivalent
Money Market Mutual Funds	N/A	20%	10%	Highest Rating
Shares of Beneficial of Interest - issued by a joint powers authority	5 years	None	None	None
Sacramento County Investment Pool	N/A	None	None	None
Municipal and State Obligations	5 years	None	None	None
Medium-Term Notes	5 years	30%	None	A

(A) Investment in one issuer may not exceed 5% of the portfolio, and investments may not exceed 10% of the outstanding paper of the issuing corporation.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS (Continued)

C. Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum investment in one issuer	Minimum Credit Quality
Local Agency Bonds	None	None	None	None
U.S. Treasury Obligations	None	None	None	None
U.S. Agency Securities	None	None	None	None
Municipal Obligations	None	None	None	Aaa
Bankers Acceptances or Federal Funds	360 days	None	None	A-1+
Commercial Paper	270 days	None	None	A-1+
Certificates of Deposits	360 days	None	None	None
Money Market Funds	None	None	None	AAAm or AAAm-G
Investment Agreements *	None	None	None	None
California Asset Management Program	None	None	None	None
Other Investments (including repurchase agreements*)	None	None	None	None

* Approved in writing by Insurer.

D. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements.

Cash and investments as of June 30, 2015 consist of the following:

City cash and investments in primary government:	
Cash and investments	\$95,572,370
Restricted cash and investments with fiscal agents	1,864,349
Total City cash and investments in primary government	97,436,719
Cash and investments in Fiduciary Funds (separate statement):	
Cash and investments	15,157,589
Restricted cash and investments with fiscal agents	12,256,898
Total cash and investments	\$124,851,206

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS (Continued)

As of June 30, 2015, the City's cash and investments consisted of the following:

Cash on hand	\$2,505
Deposits with financial institutions	4,568,424
Investments	<u>120,280,277</u>
Total cash and investments	<u><u>\$124,851,206</u></u>

E. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the City'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 City's investments by maturity or earliest call date:

Investment Type	12 Months or less	13 to 24 Months	25 to 36 Months	36 to 60 Months	Total
<i>Cash and Investments in City Treasury:</i>					
U.S. Federal Agency Securities	\$3,878,611	\$3,455,817	\$10,237,103	\$2,048,994	\$19,620,525
U.S. Treasury Notes	826,155	1,761,153		7,033,393	9,620,701
U.S. Government Supported Medium-Term Corporate Notes (FDIC Insured)	2,795,540	4,897,142	9,230,220		16,922,902
Municipal and State Bonds	200,586	642,421	1,811,225		2,654,232
California Local Agency Investment Fund	9,234,398				9,234,398
California Asset Management Program	42,018,297				42,018,297
Money Market Mutual Funds (U.S. Securities)	1,312,615				1,312,615
Commercial Paper	599,953				599,953
Negotiable Certificates of Deposit	2,374,659	1,251,055	549,693		4,175,407
<i>Held by Fiscal Agents:</i>					
California Asset Management Program	4,087,168				4,087,168
Money Market Mutual Funds (U.S. Securities)	7,735,817				7,735,817
Guaranteed Investment Agreements	2,298,262				2,298,262
Total Investments	<u>\$75,063,799</u>	<u>\$12,007,588</u>	<u>\$21,828,241</u>	<u>\$9,082,387</u>	<u>\$120,280,277</u>

Money market funds are available for withdrawal on demand and at June 30, 2015, have an average maturity of 33 days for the First American Treasury Obligation Money Market Fund, 42 days for the First American Prime Obligation Money Market Funds, 24 days for the Fidelity Prime Money Market Fund and 19 days for the Wells Fargo Advantage Treasury Plus Money Market Fund.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS (Continued)

F. Credit Risk

Credit risk is the risk that 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 actual rating as of June 30, 2015 for the investment types provided by Standard and Poor's investment rating system.

Investments	AAA/AAAm	AA/AA+/AA-	A/A+/A-	A-1+	Total
U.S. Federal Agency Securities		\$19,620,525			\$19,620,525
U.S. Government Supported Medium-Term Corporate Notes (FDIC Insured)	\$1,271,240	9,311,096	\$6,340,566		16,922,902
California Asset Management Program	46,105,465				46,105,465
Money Market Mutual Funds (U.S. Securities)	7,735,817				7,735,817
Municipal and State Bonds	1,194,550	1,108,409	200,586		2,503,545
Commercial Paper				\$599,953	599,953
Negotiable Certificates of Deposit		1,675,038	549,913	1,899,710	4,124,661
Total rated	<u>\$56,307,072</u>	<u>\$31,715,068</u>	<u>\$7,091,065</u>	<u>\$2,499,663</u>	97,612,868
<i>Not rated:</i>					
California Local Agency Investment Fund					9,234,398
Guaranteed Investment Agreements					2,298,262
Negotiable Certificate of Deposit					50,746
Money Market Mutual Funds (U.S. Securities)					1,312,615
Municipal and State Bonds					150,687
<i>Exempt from credit rating:</i>					
U.S. Treasury Notes					<u>9,620,701</u>
Total Investments					<u>\$120,280,277</u>

G. Concentration of Credit Risk

Investments in the securities of any individual issuers, other than U.S. Treasury securities, mutual funds, the California Local Agency Investment Fund and the California Asset Management Program, that represent 5% or more of total Government-wide investments, are as follows at June 30, 2015:

Issuer	Investment Type	Amount
Federal National Mortgage Association	Federal Agency Securities	\$6,700,008
Federal Home Loan Bank	Federal Agency Securities	10,665,644

Investments in the securities of any individual issuers, other than U.S. Treasury securities, mutual funds, the California Local Agency Investment Fund and the California Asset Management Program, that represent 5% or more of total Agency Funds at June 30, 2015 include a Guaranteed Investment Agreement with Ixis Funding Corporation in the amount of \$2,298,262.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS (Continued)

H. Investments in LAIF

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2015 these investments matured in an average of 239 days.

I. Investments in CAMP

The City is a participant in the California Asset Management Program (CAMP). Oversight of CAMP is provided by a Board of Trustees, which consists of seven trustees. The trustees are appointed to the Board of Trustees from members of the governing body, officers, or full-time employees of a public agency that is a participant in the trust and approved annually by the participants. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by CAMP for the entire CAMP portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CAMP, which are recorded on an amortized cost basis. At June 30, 2015 these investments matured in an average of 32 days. There are no CAMP funds invested in derivatives as of June 30, 2015.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 4 – RECEIVABLES

A. Accounts Receivable and Due from other Governments

Accounts receivable and other receivables consisted of the following at June 30, 2015:

Developer deposits	\$259,580
UUT	577,156
TOT	449,556
Franchise Fees	135,204
Leases	64,386
Other Taxes	42,400
Fees	4,275
Fines	3,847
Other	1,424,778
Less: allowance for doubtful accounts	<u>(82,920)</u>
	<u><u>\$2,878,262</u></u>

Due from other governments consisted of the following at June 30, 2015:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>
Sales Tax	\$3,073,300	
Grants	1,817,137	
Franchise Fees	540,888	
Drainage Fees		\$444,341
Property Tax	389,362	
TDA Funds	144,008	
Measure A	64,619	
Fines	59,207	
Utility Taxes	30,859	
Fees	22,856	
Other	<u>100,110</u>	
	<u><u>\$6,242,346</u></u>	<u><u>\$444,341</u></u>

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 4 – RECEIVABLES (Continued)

B. Loans Receivable

Loans receivable consisted of the following at June 30, 2015:

General Fund:	
Chamber of Commerce	\$223,380
Successor Agency to the Redevelopment Agency	5,630,969
Rancho Cordova Travel and Tourism	296,307
Capital Air Show Group	75,000
Grants Fund:	
Crossings @ New Rancho	4,621,180
Community Development Block Grant Fund:	
Rehabilitation Loan Program	112,273
State Grants Fund	
CalHome Loans	114,851
Local Housing Fund:	
Mercy Housing Loan	1,000,000
Horizons Project Loan	363,422
Total Loans Receivable	<u><u>\$12,437,382</u></u>

Chamber of Commerce Loan

Under an agreement dated March 5, 2008, as amended on December 12, 2008, March 1, 2012, and August 1, 2013, the City loaned \$237,727 to the Rancho Cordova Chamber of Commerce to repay outstanding debts of the Chamber and support ongoing operations. Under the terms of the agreement, the loan balance increased during the first two years of the loan as the City paid the loan payments on behalf of the Chamber for its bank loan. The City's loan to the chamber is due on or before April 1, 2032. The interest rate for years one through five of the loan was equal to the Local Agency Investment Fund's (LAIF) interest rate plus one percent. Commencing on March 1, 2012, the interest rate was the LAIF interest rate plus one percent or a minimum of two percent at the discretion of the City. Beginning on August 1, 2013, the interest rate is three percent. In the event that the LAIF interest rate rises above three percent, the interest rate automatically increases to the LAIF interest rate plus one percent, but the increase will occur only once in a twelve-month period. Loan repayments consisted of interest-only payments in years two through four and principal and interest in the years thereafter. Unpaid principal and accrued interest on the loan totaled \$223,380 at June 30, 2015.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 4 – RECEIVABLES (Continued)

Successor Agency to the Redevelopment Agency Loans

Prior to January 31, 2012, the Redevelopment Agency had received three advances from the General Fund: (1) Advances between 2004-2006 in the amount of \$592,972; (2) Advances between 2007-2011 in the amount of \$3,296,875; (3) 2011-12 advance in the amount of \$2,362,363. These advances bear interest at the rate 9.5% and were to be repaid from available tax increment revenue. The balance of the advances, including principal and accrued interest, was \$6,598,687 as of January 31, 2012. The loans had previously been reported as an interfund advance. However, with the transfer of the associated liability to the Successor Agency, these loans are now recorded as loans receivable. Repayment of the first loan was made with proceeds from the sale of land. Repayment of the other two loans are to be made in accordance with the post compliance provisions outlined in AB1484. In addition, the interest rate on the second and third loans is limited to the Local Agency Investment Fund interest rate in place at the time the Oversight Board finds the loans were for legitimate redevelopment purposes. Therefore, the second and third loan balances were adjusted to reflect the revised interest rate in prior years. The balance of the loans, including principal and interest as of June 30, 2015 is \$5,630,969.

Rancho Cordova Travel and Tourism Loan

In June 2013, the City agreed to loan \$500,000 to the Rancho Cordova Travel and Tourism Business Improvement District (District) to pay for past and future tenant improvements to the Rancho Cordova Event Center. The loan bears simple interest of 3% and repayment of unpaid principal and interest was due on December 6, 2015 when the District was scheduled to expire and dissolve. In August 2013, the District was renewed and extended to August 31, 2023.

The loan was amended in October 2013 to require monthly payments of \$8,855 due the 1st of each month and to extend the due date to July 31, 2018. As of June 30, 2015, the outstanding balance with principal and accrued interest totaling \$296,307.

Capital Air Show Group Loan

On February 17, 2012, the City agreed to loan up to \$100,000 to the Capital Air Show Group to be used to pay its current debt and provide short-term operational funding. The Loan bears interest of 4% per year from the date of the initial and any subsequent disbursements, continuing through the date the Loan is paid off in full. Payments on the loan are due on December 31, of each year for 3 years, with the final payment due on December 31, 2014.

In November 2014, the Loan was extended to December 31, 2019. Loan terms were amended to require quarterly payments of interest for the principal balanced owed. As of June 30, 2015, the balance of this loan was \$75,000.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 4 – RECEIVABLES (Continued)

Crossings @ New Rancho Loans

In November 2010, the City agreed to loan up to \$4,621,180 to UHC 00516 Rancho Cordova, LP, for construction of an affordable residential rental project, The Crossings @ New Rancho (Permanent Loan). The Permanent Loan is being funded by two Neighborhood Stabilization Program (NSP) federal grants received by the City. In addition, the City agreed to provide a construction bridge loan (Bridge Loan) of up to \$3.8 million from the General Fund to pay approved construction disbursement requests from the developer, pending receipt of the NSP grant funds in accordance with the terms of the agreement. The Permanent Loan and Bridge Loan are secured by deeds of trust on the property. The Permanent Loan does not bear interest, is payable from residual receipts as defined in the agreement and is due the earlier of 55 years from the issuance of the final certificate of occupancy on the project or the 57th anniversary of the loan origination date. The Bridge Loan bears interest of 4.02% from the date of each disbursement, but total interest will not exceed \$80,000, and payments on the Bridge Loan are due on a quarterly basis as NSP grant proceeds are made available to the City. When the City receives the NSP grant proceeds, they automatically convert the Bridge Loan to the Permanent Loan. The balance of the Permanent Loan was \$4,621,180 as of June 30, 2015.

There is a reasonable expectation that the Permanent Loan will be forgiven upon completion of the terms and conditions of the Loan.

Rehabilitation Loan Program

During fiscal year 2011, the City began an Owner-Occupied Rehabilitation Program under its Community Development Block Grant Program that provides low-interest loans to homeowners who earn up to 80 percent of area median income. The loans bear simple interest of 3% and repayment of unpaid principal and interest is deferred for 15 years from the date of the loan agreement. The balance of the loan is due immediately if the home is sold or no longer occupied by the owner. As of June 30, 2015, there were 2 loans outstanding with principal and accrued interest totaling \$112,273.

CalHome Housing Rehabilitation Program

During fiscal year 2015, the City began the CalHome Housing Rehabilitation Program under its CalHome Program grant that provides loans to low-income homeowners who live in the City's former redevelopment area. The loans do not bear interest and repayment of unpaid principle is deferred for 30 years from the date of the loan agreement. The balance of the loan is due immediately if the home is sold or no longer occupied by the owner. As of June 30, 2015, there were 5 loans outstanding with principle and accrued interest totaling \$114,851.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 4 – RECEIVABLES (Continued)

Mercy Housing Loan

On August 9, 2013, the City entered into a loan agreement with Mercy Housing California in the amount of \$2,000,000. The purpose of the loan is for the designing, financing, building, and operating of permanent supportive housing units for disabled veterans. The loan bears no interest and is due 55 years from the issuance of the certificate of completion for the project. As of June 30, 2015, the loan had an outstanding balance of \$1,000,000.

There is a reasonable expectation that the Mercy Housing Loan will be forgiven upon completion of the terms and conditions of the Loan.

Horizons Project Loan

In June 2014, the City agreed to loan up to \$3,539,259 to UHC 00575 Rancho Cordova, LP for the for the development of multi-family senior rental housing. The Permanent Loan is secured by a deed of trust on the property. The permanent loan does not bear interest, and is payable from residual receipts as defined in the agreement and is due the earlier of \$55 years from the issuance of the final certificate of occupancy on the project or the 57th anniversary of the loan origination date. The balance of the Permanent Loan was \$363,422 as of June 30, 2015.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 5 – INTERFUND TRANSACTIONS

A. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund which has made an expenditure on behalf of another fund. Less often, a transfer may be made to open or close a fund.

Transfers between funds during the fiscal year ended June 30, 2015 were as follows:

<u>Fund Receiving Transfers</u>	<u>Fund Making Transfers</u>	<u>Amount Transferred</u>
General Fund	Non-Major Governmental Funds	\$85,000 (B)
Non-Major Governmental Funds	General Fund	3,625,991 (C), (D)
	Traffic Mitigation Fund	12,500 (B)
	Non-Major Governmental Funds	979,058 (D)
Enterprise Funds		
Kilgore Cemetery Fund	General Fund	272,398 (B), (E)
Storm Drain Fund	Non-Major Governmental Funds	<u>4,238,324 (F)</u>
Total Interfund Transfers		<u><u>\$9,213,271</u></u>

The reasons for these transfers are set forth below:

- | | |
|------------------------------|--|
| (A) To return unspent funds | (E) To implement Resolution 52-2014 authorizing annual transfer of up to 1/6 of the advance balance from the General Fund to the Kilgore Cemetery Fund |
| (B) To fund program | (F) To open new fund |
| (C) To fund capital projects | |
| (D) To fund debt service | |

B. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2015, the Grants Special Revenue Fund, Non-Major Governmental Funds and Kilgore Cemetery Enterprise Fund owed the General Fund \$1,173,154, \$610,859 and \$222,721, respectively.

C. Long-Term Advances

At June 30, 2015, the General Fund had made advances which were not expected to be repaid within the next fiscal year. The balance in the General Fund is offset with nonspendable fund balance.

Interfund advances are long-term loans and consisted of the following at June 30, 2015:

Advances from General Fund to:	
General Plan Special Revenue Fund	\$1,320,607
Local Housing Special Revenue Fund	3,433,100
Kilgore Cemetery Enterprise Fund	<u>1,177,105</u>
Total	<u><u>\$5,930,812</u></u>

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 5 – INTERFUND TRANSACTIONS (Continued)

The General Plan Fund advance does not bear interest and is repayable from future impact fees.

Local Housing Trust Fund advance accrues interest at the LAIF rate for each fiscal quarter and is repayable from future impact fees.

The Kilgore Cemetery advance accrues interest at the LAIF rate and is expected to be repaid from future net income or the balance will be written off, in equal annual adjustments, over the same period.

D. Internal Balances

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

NOTE 6 – CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The City’s policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year’s pro rata share of the cost of capital assets. Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the statement of Net position as a reduction in the book value of capital assets.

Depreciation is provided using the straight-line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City’s general capitalization threshold is \$5,000. The City has assigned the useful lives below to capital assets:

	Useful Lives Years
Roads	20
Drainage System	40
Buildings and Improvements	30-40
Office Equipment and Furniture	3-5
Software	3
Vehicles	5

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.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 6 – CAPITAL ASSETS (Continued)

A. Capital Asset Additions and Retirements

Capital assets at June 30 comprise:

	Balance at June 30, 2014, as restated (see Note 1M)	Additions	Retirements	Transfers	Balance at June 30, 2015
Governmental activities					
Capital assets not being depreciated:					
Land	\$8,029,826		(\$382)		\$8,029,444
Easements	538,897				538,897
Construction in progress	44,128,666	\$8,595,599	(178,247)	(\$6,961,299)	45,584,719
Total capital assets not being depreciated	52,697,389	8,595,599	(178,629)	(6,961,299)	54,153,060
Capital assets being depreciated:					
Infrastructure	502,642,290			(237,276,545)	265,365,745
Buildings and improvements	27,317,312				27,317,312
Office equipment and furniture	2,069,785	246,275	(52,371)		2,263,689
Software	2,241,829	10,800			2,252,629
Vehicles	296,491				296,491
Total capital assets being depreciated	534,567,707	257,075	(52,371)	(237,276,545)	297,495,866
Less accumulated depreciation for:					
Infrastructure	(233,619,058)	(8,017,526)		87,069,343	(154,567,241)
Buildings and improvements	(6,898,051)	(946,256)			(7,844,307)
Office equipment and furniture	(1,381,786)	(342,212)	52,371		(1,671,627)
Software	(1,804,804)	(232,700)			(2,037,504)
Vehicles	(196,169)	(27,043)			(223,212)
Total accumulated depreciation	(243,899,868)	(9,565,737)	52,371	87,069,343	(166,343,891)
Net capital assets being depreciated	290,667,839	(9,308,662)		(150,207,202)	131,151,975
Governmental activity capital assets, net	\$343,365,228	(\$713,063)	(\$178,629)	(\$157,168,501)	\$185,305,035
Business-type activities					
Capital assets not being depreciated:					
Land	\$225,000				\$225,000
Construction in progress	199,800	\$259,754	(\$28,251)		431,303
Total capital assets not being depreciated	424,800	259,754	(28,251)		656,303
Capital assets being depreciated:					
Infrastructure		10,192,180		\$244,237,844	254,430,024
Buildings	1,197,003	64,088			1,261,091
Software	6,049				6,049
Total capital assets being depreciated	1,203,052	10,256,268		244,237,844	255,697,164
Less accumulated depreciation for:					
Infrastructure		(7,117,930)		(87,069,343)	(94,187,273)
Buildings	(209,475)	(42,743)			(252,218)
Software	(6,049)				(6,049)
Total accumulated depreciation	(215,524)	(7,160,673)		(87,069,343)	(94,445,540)
Net capital assets being depreciated	987,528	3,095,595			161,251,624
Business-type activity capital assets, net	\$1,412,328	\$3,355,349	(\$28,251)	\$157,168,501	\$161,907,927

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 6 – CAPITAL ASSETS (Continued)

During the year ended June 30, 2015, depreciation of \$9,542,344 was charged to the general government function, \$23,393 was charged to Internal Service Funds and \$7,160,673 was charged to the Enterprise Funds.

B. Capital Asset Contributions

Some capital assets may be acquired using federal and state grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed. At June 30, 2015, the Storm Drain Enterprise Fund had capital contributions totaling \$167,360,681. The Storm Drain Fund received \$157,168,501 for assets which were transferred from governmental activities and \$10,192,180 for the Storm Drain System transferred from the County when the City took full ownership of the City's Storm Drain System on July 1, 2014.

NOTE 7 – LONG-TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, incurred during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

A. Current Year Transactions and Balances

The City's debt issues and transactions are summarized below:

	Original Issue Amount	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due within one year
Governmental Activity Debt						
Certificates of Participation:						
2005 Series A						
3.00-5.00%, due 9/1/2035	\$3,695,000	\$3,205,000		\$90,000	\$3,115,000	\$95,000
2005 Series B						
3.00-5.00%, due 9/1/2015	3,010,000	725,000		355,000	370,000	370,000
2007 Series A						
4.43% to 5.65%, due on 8/1/2035	12,100,000	12,100,000			12,100,000	
2007 Series B						
4.43% to 5.65%, due on 8/1/2024	8,300,000	5,540,000		485,000	5,055,000	515,000
Less: Issuance discounts		(250,010)		(12,088)	(237,922)	
Total Certificates of Participation		21,319,990		917,912	20,402,078	980,000
Streetlight Retrofit Loan Payable	1,809,734	428,011	\$1,250,326		1,678,337	111,014
Capital Lease Obligation	55,365	23,878		11,621	12,257	12,257
Total Governmental Activity Debt		\$21,771,879	\$1,250,326	\$929,533	\$22,092,672	\$1,103,271

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 7 – LONG-TERM DEBT (Continued)

B. 2005 Series A & B Certificates of Participation

On August 1, 2005, \$3,695,000 and \$3,010,000 Certificates of Participation were issued by the Corporation to finance the acquisition and improvement of the new city operations facilities. Principal payments of \$75,000 to \$370,000 are due annually on September 1 through September 1, 2035. Interest rates range from 3.00% to 5.00%. Concurrently, the City entered into a facilities lease agreement with the Corporation for the use and occupancy of the facilities. In December 2012, the City and Corporation amended the facilities lease to release certain property from the lease agreement and add other property to the lease agreement. The lease agreement requires the City to make rental payments to the Corporation equal to the Certificates of Participation's principal and interest payments.

C. 2007 Series A & B Refunding Certificates of Participation

On January 24, 2007, \$12,100,000 and \$8,300,000 Certificates of Participation were issued by the Corporation with interest rates ranging from 4.43% to 5.65%. The debt was issued to advance refund the 2005 Certificates of Participation as tax-exempt and taxable Certificates to allow for leasing space to non-governmental users. The reacquisition price exceeded the net carrying amount of the old debt by \$116,438. This amount is being amortized over the remaining life of the refunded debt, which is the same as the life of the new debt issued. Prior to July 1, 2012, the deferred amount on refunding was netted against the new debt. With the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, it is now reported separately as a deferred outflow of resources on the Statement of Net Position. The unamortized balance as of June 30, 2015 was \$81,433.

D. Prior Year Defeasance

The 2007 Certificates of Participation advance refunded the 2005 Certificates of Participation totaling \$19,465,000. Proceeds from the 2007 Certificates were used to purchase U.S. Treasury securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2005 Certificates. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of Net position. As of June 30, 2015, \$15,985,000 of the 2005 Certificates of Participation were outstanding, but are excluded from these financial statements.

E. Streetlight Retrofit Loan

On May 1, 2014, the City entered into a loan agreement in the amount of \$1,809,734 with the State of California, Energy Resources Conservation and Development Commission for the energy efficiency retrofit of streetlights. Principal payments of \$69,467, including interest payments of 1% are due every six months from December 22, 2015 through June 22, 2028.

F. Capital Lease Agreement

On June 1, 2011, the City entered into a capital lease agreement in the amount of \$55,365 with Governmental Capital Corporation for a SIRE server for the City Clerk's document management system. Principal and interest payments of \$3,168 are due every three months from August 15, 2011 through May 15, 2016.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 7 – LONG-TERM DEBT (Continued)

G. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. At June 30, 2015, the City does not expect to incur a liability.

H. Debt Service Requirements

Debt service requirements are shown below for all long-term debt:

For the Year Ending June 30	Principal	Interest
2016	\$1,103,271	\$991,964
2017	758,568	937,849
2018	794,808	902,383
2019	836,058	864,762
2020	872,291	824,913
2021 - 2025	5,035,997	3,457,814
2026 - 2030	5,894,601	2,315,694
2031 - 2035	6,815,000	974,140
2036	220,000	4,950
Total payments due	22,330,594	\$11,274,469
Reconciliation of Long Term Debt:		
Issuance discounts	(237,922)	
	\$22,092,672	

NOTE 8 – ASSESSMENT DEBT WITHOUT CITY COMMITMENT

Special Tax Bonds have been issued under the Mello-Roos Community Facilities Act of 1982 to provide financial assistance to private-sector entities for the acquisition and construction of infrastructure improvements deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received from special assessments. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

In December 2012, the Sunridge Anatolia CFD 2003-1, Series 2003, Special Tax Bonds were refunded by the Sunridge Anatolia CFD 2003-1, Series 2012, Special Tax Refunding Bonds.

In January 2014, the Sunridge Anatolia CFD 2003-1, Series 2014 were issued to finance the construction and acquisition of capital improvements of benefit to the District.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 8 – ASSESSMENT DEBT WITHOUT CITY COMMITMENT

As of June 30, 2015, Special Tax Bonds outstanding were as follows:

Sunridge Anatolia CFD 2003 - 1 - Series 2005	\$13,895,000
Sunridge Anatolia CFD 2003 - 1 - Series 2007	19,750,000
Sunridge Anatolia CFD 2003 - 1 - Series 2012	23,605,000
Sunridge Anatolia CFD 2003 - 1 - Series 2014	11,230,000
Sunridge Park CFD 2004 - 1 - Series 2007	<u>13,070,000</u>
	<u>\$81,550,000</u>

NOTE 9 – NET POSITION AND FUND BALANCES

Net Position is measured on the full accrual basis, while Fund Balance is measured on the modified accrual basis, as explained in Note 1.

A. *Net Position*

Net Position is the excess of all assets and deferred outflows of resources over all liabilities and deferred inflows of resources. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below:

Net Investment in Capital Assets, describes the portion of Net Position which is represented by the current net book value of the City’s capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and successor agency assets.

Unrestricted describes the portion of Net Position which is not restricted as to use.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

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

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

Committed fund balances have constraints imposed by formal action of the City Council which may be altered only by formal action of the City Council. Nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee, the City Manager, and may be changed at the discretion of the City Council or the City Manager. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

**CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City’s Fund Balances, as of June 30, 2015, are below:

Fund Balance Classifications	General Fund	Sunrise Douglas	Traffic Mitigation	Grants	Local Housing	Other Governmental Funds	Total
Nonspendables:							
Items not in spendable form:							
Loans Receivable	\$6,225,656						\$6,225,656
Prepaid Expense	\$39,679			\$3,450			43,129
Advances to Other Funds	5,930,812						5,930,812
Total Nonspendable Fund Balances	<u>12,196,147</u>			<u>3,450</u>			<u>12,199,597</u>
Restricted for:							
Development Improvements		\$16,918,359				\$6,130,448	23,048,807
Traffic Mitigation			\$18,223,495				18,223,495
Debt Service						1,864,349	1,864,349
Transportation						12,723,130	12,723,130
Storm Water Improvements							
Capital Projects						7,401,510	7,401,510
Public Safety						51,429	51,429
Parks and Recreation						1,237,384	1,237,384
Transit Services						3,640,833	3,640,833
Community Development				4,279,640			4,279,640
Rental Code Compliance						16,002	16,002
Landscaping and Lighting						901,400	901,400
Total Restricted Fund Balances		<u>16,918,359</u>	<u>18,223,495</u>	<u>4,279,640</u>		<u>33,966,485</u>	<u>73,387,979</u>
Unassigned:							
General Fund	17,142,849						17,142,849
Other Governmental Funds							
Deficit Residuals					(\$207,261)	(1,289,682)	(1,496,943)
Total Unassigned Fund Balances	<u>17,142,849</u>				<u>(207,261)</u>	<u>(1,289,682)</u>	<u>15,645,906</u>
Total Fund Balances (Deficits)	<u>\$29,338,996</u>	<u>\$16,918,359</u>	<u>\$18,223,495</u>	<u>\$4,283,090</u>	<u>(\$207,261)</u>	<u>\$32,676,803</u>	<u>\$101,233,482</u>

C. Minimum Fund Balance Policy

The City’s annual budget requires the City to maintain a minimum fund balance reserve in the General Fund. The minimal, optimal level required for the reserve is 20% of the General Fund operating budget. The reserve can be drawn down as a funding source of last resort and used only after other reserve accounts have been accessed. At the end of each fiscal year, the actual and final General Fund surplus will first be used to fully fund the required reserve, and at the City Manager’s discretion, up to 75% of any remaining General Fund surplus will be automatically appropriated as a transfer out of the General Fund with 50% transferred to the Capital Facility Internal Service Fund and 25% transferred to the Infrastructure Internal Service Fund. As of June 30, 2015, the minimum fund balance reserve, which is reported within the unassigned fund balance of the General Fund, had a balance of \$10,784,160.

**CITY OF RANCHO CORDOVA
 NOTES TO BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2015**

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

D. Fund Equity Deficits

The following funds have a fund deficit at June 30, 2015:

Fund	Amount
Local Housing Special Revenue Fund	\$207,261
General Plan Special Revenue Fund	1,320,607
CFD 2013-2 Police Services Special Revenue Fund	1,157

These deficits are expected to be eliminated by future property tax revenue, impact fee revenue, user fee revenue, or grant revenues.

NOTE 10 – DEFINED BENEFIT PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Miscellaneous</u>	<u>Miscellaneous</u>
	Prior to January 1, 2013	<u>PEPRA</u> On or after January 1, 2013
Hire date		
Benefit formula	2.0% or 2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	2% to 2.7%	2%
Required employee contribution rates	7.947%	6.308%
Required employer contribution rates	15.064%	6.250%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>	<u>Miscellaneous</u> <u>PEPRA</u>
Contributions - employer	\$784,476	\$10,971

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share</u> <u>of Net Pension Liability</u>
Miscellaneous	\$1,958,692
Miscellaneous PEPRA	100
Total Net Pension Liability	<u>\$1,958,792</u>

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 was as follows:

	<u>Miscellaneous</u>	<u>Miscellaneous PEPRA</u>
Proportion - June 30, 2013	0.03148%	0.00000%
Proportion - June 30, 2014	0.03148%	0.00000%
Change - Increase (Decrease)	0.00%	0.00%

For the year ended June 30, 2015, the City recognized pension expense of \$188,271. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$849,073	
Differences between actual and expected experience		
Changes in assumptions		
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	4,076	(\$305,350)
Net differences between projected and actual earnings on plan investments		(658,245)
Total	<u>\$853,149</u>	<u>(\$963,595)</u>

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

The \$849,073 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Increase (Decrease) in Pension Expense
2016	(\$272,159)
2017	(272,159)
2018	(250,639)
2019	(164,562)

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous and Miscellaneous PEPRAs
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.50% (1)
Mortality	Derived using CalPERS' Membership Data for all Funds (2)

- (1) Net of pension plan investment expenses, including inflation
- (2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	<u>100%</u>		

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

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

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	Miscellaneous	Miscellaneous PEPRA
1% Decrease	6.50%	6.50%
Net Pension Liability	\$3,489,784	\$178
Current Discount Rate	7.50%	7.50%
Net Pension Liability	\$1,958,692	\$100
1% Increase	8.50%	8.50%
Net Pension Liability	\$688,032	\$35

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

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS

The City provides health care benefits for retired employees based on negotiated employee contracts. Retirees may cover their spouse and other eligible dependents at their expense. If a covered spouse survives the retiree, the City will continue its contribution toward the spouse’s coverage until his or her death. Substantially all of the City’s employees and Council members may become eligible for those benefits if they reach the normal retirement age while working for the City.

As provided by the Public Employees’ Medical and Hospital and Care Act (PEMHCA), the City has been under contract with CalPERS for medical plan coverage since 2004 and has chosen to satisfy its retiree medical benefit commitment using the unequal contribution method. Under this method, the employer’s contribution towards retiree medical benefits is determined by multiplying together the following three items:

- 5% *times*
- The number of prior years the employer has been contracted with PEMHCA *times*
- The contribution the employer makes towards active employee health benefits, but not less than the Minimum (required) Employer Contribution (MEC).

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

The City's contribution for active employees and Council members is the minimum required amount (e.g., \$119 for 2014). Therefore, the City's 2014 contribution toward health plan benefits for retired employees is 5% times 10 (years in CalPERS medical) times \$119 or \$59.50. This amount will increase for 15 more years when it is expected to equal the amount contributed to CalPERS for active employees. Retirees may cover their spouse and other eligible dependents at their expense. Survivors are eligible for CalPERS health benefits coverage if they qualify for a continuing monthly survivor allowance from CalPERS. CalPERS will deduct the monthly premium from the retirement check and the City will continue its contribution toward an eligible family member.

As of June 30, 2015, 4 participants were eligible to receive retirement health care benefits.

The City Council passed a resolution to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT, an agent multiple-employer plan administered by CALPERS consisting of an aggregation of single-employer plans, is managed by an appointed board not under the control of City Council. This Trust is not considered a component unit by the City and has been excluded from these financial statements. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Public Employees' Retirement System, CERBT, P.O. Box 942703, Sacramento, CA 94229-2703.

Funding Policy and Actuarial Assumptions

The City's Policy is to prefund these benefits by accumulating assets with CERBT discussed above pursuant to Resolution 16-2010.

The annual required contribution (ARC) was determined as part of a July 1, 2013 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 7% discount rate; (b) 3.25% projected annual salary increase; (c) 4.5% health care cost trend rate increase; and (d) 3.0% general inflation rate. The health care cost trend rate is the rate of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a closed thirty year amortization period.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funding Progress and Funded Status

Generally accepted accounting principles permits contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability (AAL) when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended June 30, 2015, the City contributed \$37,122 to the Plan to prefund benefits. Since the City has been contributing the annual required contribution, the City has no recorded Net OPEB Asset or Net OPEB Obligation. The calculation of the Annual OPEB cost and actual contributions are presented below:

Annual required contribution (ARC)	\$40,228
Annual OPEB cost	40,228
Contributions made	(37,122)
Payments made to retiree	(3,106)
(Decrease) increase in net OPEB obligation	0
Net OPEB Asset at June 30, 2014	0
Net OPEB Obligation (Asset) at June 30, 2015	\$0

The Plan's annual required contributions and actual contributions are set forth below:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2013	\$27,007	(\$27,007)	100%	0
June 30, 2014	30,955	(30,955)	100%	0
June 30, 2015	40,228	(40,228)	100%	0

The City's prior year contributions, the current year annual required contribution, along with investment income net of administrative expenses resulted in assets with CERBT of \$579,188 as of June 30, 2015.

Funding Status and Funding Progress – As of July 1, 2013, the most recent actuarial valuation date, the plan was 114.41% funded. The Actuarial Accrued Liability (AAL) for benefits was \$385,180 and the Actuarial Value of Plan Asset was \$440,678 resulting in an Overfunded Actuarial Accrued Liability (OAAL) of \$55,498. The covered payroll (annual payroll of active employees covered by the plan) was \$5,305,704 and the ratio of OAAL to the covered payroll was 1.05%.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

The schedule of funding progress presented immediately following the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 12 - RISK MANAGEMENT

A. California State Association of Counties Excess Insurance Authority (CSAC EIA)

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the California State Association of Counties Excess Insurance Authority (CSAC EIA), a public entity risk pool of cities and counties within Northern California, for general liability and worker's compensation insurance. Loss contingency reserves established by the CSAC EIA are funded by contributions from member agencies. The City pays an annual contribution to the CSAC EIA, which includes its pro-rata share of excess insurance premiums, charges for pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the risk pool. The City paid premiums of \$415,669 for the year ended June 30, 2015. CSAC EIA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained. CSAC EIA has never made an additional assessment and is currently fully funded. No provision has been made on these financial statements for liabilities related to possible additional assessments. The City also purchases commercial insurance through CSAC EIA for other risks of loss.

The City's self-insured retention level or deductible and maximum coverage under the CSAC EIA are as follows:

	Pool Coverage	Self-Insured Retention
General liability	\$35,000,000	\$10,000
Workers' compensation	Statutory	0
Property - all risk	600,000,000	5,000
Property - all flood	415,000,000	25,000
Master Crime	15,000,000	2,500
Cyber Liability	2,000,000	50,000
Pollution	10,000,000	100,000

Complete separate financial statements for CSAC EIA may be obtained from the CSAC EIA at 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 12 – RISK MANAGEMENT (Continued)

There have been no significant reductions in insurance coverage from coverage in the prior year. In addition, settlements have not exceeded the insurance coverage for the past three fiscal years.

Outstanding claims payable at year end and the incurred but not reported (IBNR) amount was calculated to be immaterial for presentation purposes.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

The City is a party to claims arising in the ordinary course of business. The City's management and legal counsel are of the opinion that the ultimate liability, if any, arising from these claims will not have a material adverse impact on the financial position of the City.

The City has received federal and state grants for specific purposes that are subject to review and audit by the federal and state government. Although such audits could result in expenditure disallowances under grant terms, any required reimbursements are not expected to be material.

The City and County entered into a revenue neutrality agreement pursuant to Government Code §56845 as a means of mitigating the financial impacts of the incorporation of the City in 2003 on the County's general fund. A portion of the secured and unsecured ad valorem property taxes levied and collected pursuant to state law within the City's corporate limits are retained by the County, according to the Tax Sharing Agreement. The property taxes collected within the City's limits are shared with the County beginning fiscal year 2003/04 and continuing through fiscal year 2027/28. Amounts retained by the County are adjusted by a 2% inflation factor annually. Any tax increment related to redevelopment project areas are excluded from this Tax Sharing Agreement. For the fiscal year ended June 30, 2015, property taxes retained by the County in accordance with the revenue neutrality agreement totaled \$7,909,438.

The City has an agreement with the County which provides law enforcement services to the City through June 30, 2016. The cost of providing this service is outlined in a service plan, which is provided to the City annually. The service plan for fiscal year 2014-15 projects total costs of \$17,229,792.

The City entered into an agreement with the County in 2004 which provides maintenance services. The agreement was amended in August 2012 and the agreement is automatically renewable annually through June 30, 2022. Under the agreement, the City is required to budget \$1,000,000 annually for these services and is required to expend a minimum of \$500,000 each year of the contract. The City is entitled to a reduction in the minimum annual payment only to the extent that the County fails to provide direct services equivalent to 50% of the budgeted amount, which was the case for the fiscal year ended June 30, 2015, actual costs totaled \$458,788.

**CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

During fiscal year 2010, the City annexed property known as the Sunrise-Folsom Area from the County and entered into a revenue sharing agreement with the County that became effective in fiscal year 2011. The agreement requires the City to transmit 75% of sales and use tax, transient occupancy and a portion of the utility users' tax revenues to the County. Since both parties and the Local Agency Formation Commission approved both agreements, the City was able to recover all of its costs of services to the area and all of its administrative costs in administering the agreements. The County was able to retain the property tax from the annexation area.

The City had outstanding contracts for services in the amount of \$17,899,265 and outstanding contracts for construction in the amount of \$11,583,780 at June 30, 2015.

NOTE 14 – OPERATING LEASES

The City has entered into various operating leases for buildings and equipment with lease terms in excess of one year. Future minimum lease payments under these agreements as of June 30, 2015, are as follows:

Year ending June 30,	Lease Payments
2016	\$140,604
2017	128,258
2018	116,371
2019	66,772
2020	43,121
Total	<u>\$495,125</u>

Total costs of such leases were \$141,757 for the fiscal year ended June 30, 2015.

NOTE 15 – SUBSEQUENT EVENT DISCLOSURE

On October 15, 2015, the City issued Sunridge North Douglas Community Facilities District No. 2005-1, Special Tax Bonds in the amount of \$14,225,000 for the purpose of constructing and acquiring certain public facilities. Principal payments of \$90,000 to \$1,010,000 are due annually on September 1, 2017 through September 1, 2045 with interest rates ranging from 3% to 5%.

NOTE 16 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. REDEVELOPMENT DISSOLUTION

Effective January 31, 2012, the Redevelopment Agency to the City of Rancho Cordova was dissolved in accordance with AB1484. Certain Assets of the Redevelopment Agency Low and Moderate Income Housing Fund were distributed to the City, which elected to become the Successor Housing Agency on February 1, 2012. All the remaining Redevelopment Agency assets and liabilities were distributed to the Successor Agency.

CITY OF RANCHO CORDOVA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

**NOTE 16 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY
ACTIVITIES (Continued)**

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the seven member Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2015

B. LAND HELD FOR RESALE

As of February 1, 2012, the Successor Agency assumed the property held for resale of the Redevelopment Agency. With Department of Finance approval, the Successor Agency sold three properties for \$1,700,000 during the year ended June 30, 2013, with the proceeds being retained by the Successor Agency to meet future enforceable obligations. As of June 30, 2015, the Successor Agency held one parcel with a carrying value of \$842,254 which must be disposed of in accordance with the Long Range Property Management Plan approved by the Department of Finance on January 10, 2014.

C. LONG-TERM OBLIGATIONS

Prior to January 31, 2012, the Redevelopment Agency had received a total of \$6,252,210 in advances from the General Fund in accordance with the Reimbursement Agreement dated July 1, 2005. These advances were classified as follows: (1) Advances between 2004-2006 in the amount of \$592,972; (2) Advances between 2007-2011 in the amount of \$3,296,875; (3) Fiscal year 2011-12 advance in the amount of \$2,362,363. These advances bear interest at the rate of 9.5% and were to be repaid from future available tax increment revenue.

With the transfer of the associated liability to the Successor Agency, repayment of the first loan was contingent upon the Successor Agency having sufficient property tax revenue available for the repayment. During fiscal year 2013, the Department of Finance determined the \$592,972 advances were enforceable obligations of the Successor Agency and they were repaid to the City, with the exception of \$56,332 in accrued interest that remains outstanding as a result of a prior year payment being disallowed by the Department of Finance during its review of the Other Funds Due Diligence Review, from the proceeds from the sale of land.

Having received its Finding of Completion on April 26, 2013, the Oversight Board made the finding required under provision of Health and Safety Code Section 34191.4(b)(2)(A) to approve the remaining two loans as enforceable obligations during its September 9, 2013 meeting. This action was approved by the Department of Finance on October 29, 2013 and repayment of the other two loans may now commence once the Successor Agency starts receiving sufficient property tax revenues with the maximum annual repayment being limited to the formula outlined in the Code Section. The balance of the loan, including principal and accrued interest, as of June 30, 2015 was \$5,630,969 with repayment of the loan expected to start in fiscal year 2015/16.

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REQUIRED SUPPLEMENTAL INFORMATION

**City of Rancho Cordova
 Cost-Sharing Multiple-Employer Defined Pension Plan - Miscellaneous Plans
 As of June 30, 2015**

**Schedule of the Plan's Proportionate Share of
 the Net Pension Liability
 and Related Ratios as of the Measurement Date
 Last 10 Years***

	2015	
	Miscellaneous 6/30/2014	Miscellaneous PEPRA 6/30/2014
Plan's proportion of the Net Pension Liability (Asset)	0.03148%	0.00000%
Plan's proportion share of the Net Pension Liability (Asset)	\$1,958,692	\$100
Plan's Covered Employee Payroll	\$5,339,451	\$41,418
Plan's Proportionate Share of the Net Pension Liability/ Liability/(Asset) as a Percentage of its Covered- Employee Payroll	36.68%	0.24%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	83.03%	82.96%
Plan's Proportionate Share of Aggregate Employer Contributions	\$259,128	\$13

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**City of Rancho Cordova
Cost-Sharing Multiple Employer Defined Pension Plan - Miscellaneous Plans
For the Fiscal Year Ended June 30, 2015**

**Schedule of Contributions
Last 10 Years***

	2015	
	Miscellaneous	Miscellaneous PEPRAs
	Fiscal Year 2014-2015	Fiscal Year 2014-2015
Actuarially determined contribution	\$870,132	-
Contributions in relation to the actuarially determined contributions	(870,132)	-
Contribution deficiency (excess)	\$0	-
 Covered-employee payroll	 \$5,183,933	 \$40,212
 Contributions as a percentage of covered-employee payroll	 16.79%	 0.00%

Notes to Schedule

Valuation date: 6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.5% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement age	Classic - 2% or 2.7% @ 55 and PEPRAs - 2% @ 62
Mortality	Derived using CalPERS Membership Data for all Funds

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**CITY OF RANCHO CORDOVA
SCHEDULE OF FUNDING PROGRESS
FOR OTHER POST EMPLOYMENT BENEFITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded (Overfunded) Actuarial Accrued Liability (A – B)	Funded Ratio (A/B)	Covered Payroll (C)	Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll [(A – B)/C]
7/1/2010	\$265,980	\$265,980	\$0	100.00%	\$3,021,252	0.00%
7/1/2011	350,649	261,013	(89,636)	134.34%	4,730,328	-1.89%
7/1/2013	440,678	385,180	(55,498)	114.41%	5,305,704	-1.05%

NON-MAJOR SPECIAL REVENUE FUNDS
--

ASSET FORFEITURE FUND

Accounts for revenues and expenditures associated with the City's share of federally forfeited property derived from illegal activities.

VILLAGES OF ZINFANDEL FUND

Accounts for developer impact fees that are imposed on certain development. Includes both road impact and library impact fees that are to be spent in the specific development area.

COMMUNITY FACILITIES FEES FUND

Community Facilities Fees are imposed on all future growth within the City limits. The funds will be used to construct municipal facilities that will serve the City's current as well as future populace.

PARK DEVELOPMENT FUND

Accounts for funds received from developers for the impact of development on existing parks and the need to build additional parks. The City charges a 3.75% administrative fee and then passes through the remainder to the Cordova Recreation and Park District (a Special District).

GAS TAX FUND

Established to account for revenues and expenditures on road-related projects in the City of Rancho Cordova. Financing is provided by the City's share of the statewide tax on gasoline and other fuels.

STREET CUT FEES FUND

The funds will be used for the resurfacing, maintenance, administration and protection of City streets where excavation has occurred.

MATHER FIELD TRAFFIC IMPACT FEES FUND

Accounts for developer impact fees that are imposed on certain development.

CAP VILL PARK DEVELOPMENT FEES FUND

The funds will be used to fund park construction in new development areas.

TRANSPORTATION DEVELOPMENT ACT FUND

Accounts for revenues and the associated expenditures of appropriated Transportation Development Act funds, which are restricted for public transit services or streets and roads projects.

TRANSIT-RELATED SERVICES TAX FUND

Accounts for revenues and expenditures related to providing transit-related services.

NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
--

ROAD MAINTENANCE FUND

The road maintenance assessment district was formed to create a financial mechanism to provide street and lighting operations and maintenance services for public improvements resulting from new development.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

Established to account for the federal grants received under the Housing and Community Development Act of 1974.

RENTAL CODE COMPLIANCE PROGRAM FUND

The City of Rancho Cordova assesses a \$10 per door fee on all rental properties in the City. These monies are used to fund the Rental Inspection Program, seeking to improve the quality of rental housing.

ROADWAY IMPROVEMENT FUND

The Public Works Department has obtained certain additional contributions related to supplemental roadway fees. The negotiations are non-nexus based and are not directly associated with the existing traffic fees. These funds may be used at the City's discretion for a variety of roadway improvement projects.

STORM WATER UTILITY TAX FUND

The Public Works Department has negotiated the annual transfer of funds from utility taxes collected by the County of Sacramento for storm water utility and maintenance. These funds may be used at the Public Works Director's discretion for any drainage-related expenses, including staff costs.

LANDSCAPING AND LIGHTING FUND

Accounts for funds received to mitigate the cost of maintaining public landscape areas in the majority of the City. This fund is being transferred from Sacramento County to the City and continued operation of the district will be dependent on voter approval in the future.

MEASURE A FUND

Accounts for the one-half percent sales tax that is imposed in Sacramento County for transportation-related projects.

GENERAL PLAN FUND

Established in 2004 to account for the fee imposed on new development to defray the costs of completing the City's first General Plan and pay for the maintenance of that plan over the next ten years.

NON-MAJOR SPECIAL REVENUE FUNDS (Continued)

POLICE SERVICES COMMUNITY FACILITIES DISTRICT 2013-2 FUND

Established to account for future development projects and annexations to meet police special assessment obligations.

NON-MAJOR CAPITAL PROJECTS FUND

CAPITAL OUTLAY FUND

Established to account for financial resources for the acquisition, construction, maintenance, replacement, and enhancement of major capital facilities.

NON-MAJOR DEBT SERVICE FUND

FINANCING CORPORATION DEBT SERVICE FUND

Used to account for debt issued on behalf of the City.

CITY OF RANCHO CORDOVA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

	SPECIAL REVENUE FUNDS					
	Asset Forfeiture	Villages of Zinfandel	Community Facilities Fees	Park Development	Gas Tax	Street Cut Fees
ASSETS						
Cash and investments	\$51,427	\$362,839	\$3,207,505	\$977,755	\$2,285,937	\$368,513
Restricted cash and investments						
Receivables:						
Accounts, net		8,462	201,127	48,248		
Interest	2	18	168	52	97	18
Due from other governmental agencies						
Loans						
Total Assets	<u>\$51,429</u>	<u>\$371,319</u>	<u>\$3,408,800</u>	<u>\$1,026,055</u>	<u>\$2,286,034</u>	<u>\$368,531</u>
LIABILITIES						
Accounts payable					\$94,158	
Interest payable						
Refundable deposits			\$223,344	\$58,936		
Due to other funds						
Advances to other funds						
Total Liabilities			<u>223,344</u>	<u>58,936</u>	<u>94,158</u>	
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - accounts receivable		\$8,462	201,127	48,248		
Unavailable revenue - due from other governmental agencies						
Total Deferred Inflows of Resources		<u>8,462</u>	<u>201,127</u>	<u>48,248</u>		
FUND EQUITY						
Fund balances (deficits)						
Restricted	\$51,429	362,857	2,984,329	918,871	2,191,876	\$368,531
Unassigned						
Total Fund Balances (Deficits)	<u>51,429</u>	<u>362,857</u>	<u>2,984,329</u>	<u>918,871</u>	<u>2,191,876</u>	<u>368,531</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$51,429</u>	<u>\$371,319</u>	<u>\$3,408,800</u>	<u>\$1,026,055</u>	<u>\$2,286,034</u>	<u>\$368,531</u>

SPECIAL REVENUE FUNDS

Mather Field Traffic Impact Fees	Cap Vill Park Development Fees	Transportation Development Act	Transit- Related Services Tax	Road Maintenance	Community Development Block Grant	Rental Code Compliance Program
\$13,170	\$318,495	\$322,340	\$3,681,493	\$2,887,256		\$15,997
1	18	17 144,009	197 3,009	149 644	\$229,035 112,273	5
<u>\$13,171</u>	<u>\$318,513</u>	<u>\$466,366</u>	<u>\$3,684,699</u>	<u>\$2,888,049</u>	<u>\$341,308</u>	<u>\$16,002</u>
		\$17,062	\$43,673 193	\$96,285 101	\$19,708	
				21,572	202,128	
		<u>17,062</u>	<u>43,866</u>	<u>117,958</u>	<u>221,836</u>	
		144,009			7,781	
		<u>144,009</u>			<u>7,781</u>	
\$13,171	\$318,513	305,295	3,640,833	2,770,091	111,691	\$16,002
<u>13,171</u>	<u>318,513</u>	<u>305,295</u>	<u>3,640,833</u>	<u>2,770,091</u>	<u>111,691</u>	<u>16,002</u>
<u>\$13,171</u>	<u>\$318,513</u>	<u>\$466,366</u>	<u>\$3,684,699</u>	<u>\$2,888,049</u>	<u>\$341,308</u>	<u>\$16,002</u>

(Continued)

CITY OF RANCHO CORDOVA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

SPECIAL REVENUE FUNDS

	<u>Roadway Improvement</u>	<u>Storm Water Utility Tax</u>	<u>Landscaping and Lighting</u>	<u>Measure A</u>	<u>General Plan</u>
ASSETS					
Cash and investments	\$6,842,004		\$971,649	\$3,366,850	
Restricted cash and investments					
Receivables:					
Accounts, net	40,800				
Interest	351		49	163	
Due from other governmental agencies			3,528	64,619	
Loans					
Total Assets	<u>\$6,883,155</u>		<u>\$975,226</u>	<u>\$3,431,632</u>	
LIABILITIES					
Accounts payable	\$13,776		\$73,681	\$43,437	
Interest payable			145		
Refundable deposits	52,953				
Due to other funds				1,098	
Advances to other funds					<u>\$1,320,607</u>
Total Liabilities	<u>66,729</u>		<u>73,826</u>	<u>44,535</u>	<u>1,320,607</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - accounts receivable	40,800				
Unavailable revenue - due from other governmental agencies					
Total Deferred Inflows of Resources	<u>40,800</u>				
FUND EQUITY					
Fund balances (deficits)					
Restricted	6,775,626		901,400	3,387,097	
Unassigned					<u>(1,320,607)</u>
Total Fund Balances (Deficits)	<u>6,775,626</u>		<u>901,400</u>	<u>3,387,097</u>	<u>(1,320,607)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$6,883,155</u>		<u>\$975,226</u>	<u>\$3,431,632</u>	

SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	Total Nonmajor Governmental Funds
CFD 2013-2 Police Services	Capital Outlay	Financing Corporation Debt Service	
	\$7,426,936	\$1,864,349	\$33,100,166 1,864,349
	258		298,637 1,563 444,844 112,273
	<u>\$7,427,194</u>	<u>\$1,864,349</u>	<u>\$35,821,832</u>
	\$25,684		\$427,464 439 335,233
\$1,157	384,904		610,859 1,320,607
<u>1,157</u>	<u>410,588</u>		<u>2,694,602</u>
			298,637 151,790
			<u>450,427</u>
(1,157)	7,401,510 (384,904)	\$1,864,349	33,966,485 (1,289,682)
<u>(1,157)</u>	<u>7,016,606</u>	<u>1,864,349</u>	<u>32,676,803</u>
	<u>\$7,427,194</u>	<u>\$1,864,349</u>	<u>\$35,821,832</u>

CITY OF RANCHO CORDOVA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS					
	Asset Forfeiture	Villages of Zinfandel	Community Facilities Fees	Park Development	Gas Tax	Street Cut Fees
REVENUES						
Property taxes and assessments						
Licenses, permits and fees		\$15,067	\$794,752	\$136,777		\$36,221
Fines, forfeitures and penalties	\$2,810					
Charges for services						
Intergovernmental					\$1,891,341	
Use of money and property	162	1,166	9,875	2,763	6,896	1,160
Other						
Total Revenues	<u>2,972</u>	<u>16,233</u>	<u>804,627</u>	<u>139,540</u>	<u>1,898,237</u>	<u>37,381</u>
EXPENDITURES						
Current:						
General Government			29,804	2,736		
Community Development						
Public Works					2,518,710	
Capital outlay			(239)		520,340	
Debt Service:						
Principal						
Interest and fiscal charges						
Total Expenditures			<u>29,565</u>	<u>2,736</u>	<u>3,039,050</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,972</u>	<u>16,233</u>	<u>775,062</u>	<u>136,804</u>	<u>(1,140,813)</u>	<u>37,381</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt						
Transfers in						
Transfers (out)			(976,441)			
Total Other Financing Sources (Uses)			<u>(976,441)</u>			
NET CHANGE IN FUND BALANCE	2,972	16,233	(201,379)	136,804	(1,140,813)	37,381
Fund Balances (Deficits), Beginning of the Year, as Adjusted	48,457	346,624	3,185,708	782,067	3,332,689	331,150
ENDING FUND BALANCES (DEFICITS)	<u>\$51,429</u>	<u>\$362,857</u>	<u>\$2,984,329</u>	<u>\$918,871</u>	<u>\$2,191,876</u>	<u>\$368,531</u>

SPECIAL REVENUE FUNDS

Mather Field Traffic Impact Fees	Cap Vill Park Development Fees	Transportation Development Act	Transit- Related Services Tax	Road Maintenance	Community Development Block Grant	Rental Code Compliance Program
	\$625,024		\$677,273	\$345,445		\$100,858
		\$345,000	5,000	4,500	\$563,141	
\$44	539	484	11,488	8,858		140
44	625,563	345,484	693,761	358,803	563,141	100,998
					391,190	
	351,771	\$36,961	431,846 11,102	163,584	170,000	
	351,771	36,961	442,948	163,584	561,190	
44	273,792	308,523	250,813	195,219	1,951	100,998
		(2,617)				(85,000)
		(2,617)				(85,000)
44	273,792	305,906	250,813	195,219	1,951	15,998
13,127	44,721	(611)	3,390,020	2,574,872	109,740	4
\$13,171	\$318,513	\$305,295	\$3,640,833	\$2,770,091	\$111,691	\$16,002

(Continued)

CITY OF RANCHO CORDOVA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS				
	Roadway Improvement	Storm Water Utility Tax	Landscaping and Lighting	Measure A	General Plan
REVENUES					
Property taxes and assessments			\$495,556		
Licenses, permits and fees	\$472,868				\$73,279
Fines, forfeitures and penalties					
Charges for services				\$51,644	
Intergovernmental	83,264			2,225,974	
Use of money and property	20,768		2,048	9,124	
Other	100,000				
Total Revenues	676,900		497,604	2,286,742	73,279
EXPENDITURES					
Current:					
General Government					
Community Development					2,033
Public Works	15,065		1,316,792	1,165,041	
Capital outlay	62,899			253,853	
Debt Service:					
Principal					
Interest and fiscal charges					
Total Expenditures	77,964		1,316,792	1,418,894	2,033
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	598,936		(819,188)	867,848	71,246
OTHER FINANCING SOURCES (USES)					
Issuance of debt			1,250,326		
Transfers in	100,400				
Transfers (out)		(\$4,238,324)			
Total Other Financing Sources (Uses)	100,400	(4,238,324)	1,250,326		
NET CHANGE IN FUND BALANCE	699,336	(4,238,324)	431,138	867,848	71,246
Fund Balances (Deficits), Beginning of the Year, as Adjusted	6,076,290	4,238,324	470,262	2,519,249	(1,391,853)
ENDING FUND BALANCES (DEFICITS)	\$6,775,626	\$1,999,999	\$901,400	\$3,387,097	(\$1,320,607)

<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>Total Nonmajor Governmental Funds</u>
CFD 2013-2 Police Services	Capital Outlay	Financing Corporation Debt Service	
			\$1,518,274
			2,254,846
			2,810
			61,144
			5,108,720
	\$16,650	\$1,307	93,472
	143		100,143
	16,793	1,307	9,139,409
		4,400	428,130
			2,033
			5,611,038
	331,053		1,737,740
		930,000	930,000
		1,011,751	1,011,751
	331,053	1,946,151	9,720,692
	(314,260)	(1,944,844)	(581,283)
			1,250,326
	2,572,138	1,945,011	4,617,549
			(5,302,382)
	2,572,138	1,945,011	565,493
	2,257,878	167	(15,790)
(\$1,157)	4,758,728	1,864,182	32,692,593
(\$1,157)	\$7,016,606	\$1,864,349	\$32,676,803

CITY OF RANCHO CORDOVA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	VILLAGES OF ZINFANDEL			COMMUNITY FACILITIES FEES		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes						
Licenses, permits and fees	\$3,600	\$15,067	\$11,467	\$888,400	\$794,752	(\$93,648)
Fines, forfeitures and penalties						
Charges for services						
Intergovernmental						
Use of money and property		1,166	1,166		9,875	9,875
Other						
Total Revenues	3,600	16,233	12,633	888,400	804,627	(83,773)
EXPENDITURES						
Current:						
General Government					29,804	(29,804)
Community Development						
Public Works					(239)	239
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures					29,565	(29,565)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,600	16,233	12,633	888,400	775,062	(113,338)
OTHER FINANCING SOURCES (USES)						
Loan proceeds						
Transfers in						
Transfers (out)				(1,008,400)	(976,441)	31,959
Total Other Financing Sources (Uses)				(1,008,400)	(976,441)	31,959
NET CHANGE IN FUND BALANCES	\$3,600	16,233	\$12,633	(\$120,000)	(201,379)	(\$81,379)
BEGINNING FUND BALANCES (DEFICITS)						
BEGINNING OF YEAR, AS ADJUSTED		346,624			3,185,708	
ENDING FUND BALANCES (DEFICITS)		\$362,857			\$2,984,329	

PARK DEVELOPMENT			GAS TAX			STREET CUT FEES		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$257,000	\$136,777	(\$120,223)				\$38,000	\$36,221	(\$1,779)
	2,763	2,763	\$1,902,000	\$1,891,341 6,896	(\$10,659) 6,896		1,160	1,160
<u>257,000</u>	<u>139,540</u>	<u>(117,460)</u>	<u>1,902,000</u>	<u>1,898,237</u>	<u>(3,763)</u>	<u>38,000</u>	<u>37,381</u>	<u>(619)</u>
	2,736	(2,736)						
			2,796,200 700,000	2,518,710 520,340	277,490 179,660			
	2,736	(2,736)	3,496,200	3,039,050	457,150			
<u>257,000</u>	<u>136,804</u>	<u>(120,196)</u>	<u>(1,594,200)</u>	<u>(1,140,813)</u>	<u>453,387</u>	<u>38,000</u>	<u>37,381</u>	<u>(619)</u>
<u>(5,100)</u>		<u>5,100</u>						
<u>(5,100)</u>		<u>5,100</u>						
<u>\$251,900</u>	<u>136,804</u>	<u>(\$115,096)</u>	<u>(\$1,594,200)</u>	<u>(1,140,813)</u>	<u>\$453,387</u>	<u>\$38,000</u>	<u>37,381</u>	<u>(\$619)</u>
	<u>782,067</u>			<u>3,332,689</u>			<u>331,150</u>	
	<u>\$918,871</u>			<u>\$2,191,876</u>			<u>\$368,531</u>	

(Continued)

CITY OF RANCHO CORDOVA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	TRANSPORTATION DEVELOPMENT ACT			TRANSIT-RELATED SERVICES TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes				\$644,000	\$677,273	\$33,273
Other taxes						
Licenses, permits and fees						
Fines, forfeitures and penalties						
Charges for services					5,000	5,000
Intergovernmental	\$45,000	\$345,000	\$300,000			
Use of money and property		484	484		11,488	11,488
Other						
Total Revenues	45,000	345,484	300,484	644,000	693,761	49,761
EXPENDITURES						
Current:						
General Government						
Community Development						
Public Works				465,400	431,846	33,554
Capital outlay	325,500	\$36,961	288,539		11,102	(11,102)
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	325,500	36,961	288,539	465,400	442,948	22,452
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(280,500)</u>	<u>308,523</u>	<u>589,023</u>	<u>178,600</u>	<u>250,813</u>	<u>72,213</u>
OTHER FINANCING SOURCES (USES)						
Loan proceeds						
Transfers in						
Transfers (out)		(2,617)	(2,617)			
Total Other Financing Sources (Uses)		<u>(2,617)</u>	<u>(2,617)</u>			
NET CHANGE IN FUND BALANCES	<u>(\$280,500)</u>	<u>305,906</u>	<u>\$586,406</u>	<u>\$178,600</u>	<u>250,813</u>	<u>\$72,213</u>
BEGINNING FUND BALANCES (DEFICITS)						
BEGINNING OF YEAR, AS ADJUSTED		(611)			3,390,020	
ENDING FUND BALANCES (DEFICITS)		<u>\$305,295</u>			<u>\$3,640,833</u>	

ROAD MAINTENANCE			COMMUNITY DEVELOPMENT BLOCK GRANT			RENTAL CODE COMPLIANCE PROGRAM		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$446,000	\$345,445	(\$100,555)				\$85,000	\$100,858	\$15,858
	4,500	4,500	\$531,000	\$563,141	\$32,141		140	140
	8,858	8,858						
<u>446,000</u>	<u>358,803</u>	<u>(87,197)</u>	<u>531,000</u>	<u>563,141</u>	<u>32,141</u>	<u>85,000</u>	<u>100,998</u>	<u>15,998</u>
			431,000	391,190	39,810			
247,200	163,584	83,616		170,000	(170,000)			
<u>247,200</u>	<u>163,584</u>	<u>83,616</u>	<u>431,000</u>	<u>561,190</u>	<u>(130,190)</u>			
198,800	195,219	(3,581)	100,000	1,951	(98,049)	85,000	100,998	15,998
			(100,000)		100,000	(85,000)	(85,000)	
			(100,000)		100,000	(85,000)	(85,000)	
<u>\$198,800</u>	<u>195,219</u>	<u>(\$3,581)</u>	<u>100,000</u>	<u>1,951</u>	<u>(\$98,049)</u>	<u>85,000</u>	<u>100,998</u>	<u>15,998</u>
	<u>2,574,872</u>			<u>109,740</u>			<u>4</u>	
	<u>\$2,770,091</u>			<u>\$111,691</u>			<u>\$16,002</u>	

(Continued)

CITY OF RANCHO CORDOVA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	ROADWAY IMPROVEMENT			STORM WATER UTILITY TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes				\$300,000		(\$300,000)
Licenses, permits and fees	\$96,000	\$472,868	\$376,868			
Fines, forfeitures and penalties						
Charges for services						
Intergovernmental		83,264	83,264			
Use of money and property		20,768	20,768			
Other		100,000	100,000			
Total Revenues	96,000	676,900	580,900	300,000		(300,000)
EXPENDITURES						
Current:						
General government						
Community development						
Public works	400,000	15,065	384,935	300,000		300,000
Capital outlay		62,899	(62,899)			
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	400,000	77,964	322,036	300,000		300,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(304,000)	598,936	902,936			
OTHER FINANCING SOURCES (USES)						
Loan proceeds						
Transfers in	500,400	100,400	(400,000)			
Transfers (out)	(100,000)		100,000	(3,968,000)	(\$4,238,324)	(270,324)
Total Other Financing Sources (Uses)	400,400	100,400	(300,000)	(3,968,000)	(4,238,324)	(270,324)
NET CHANGE IN FUND BALANCES	\$96,400	699,336	\$602,936	(\$3,968,000)	(4,238,324)	(\$270,324)
BEGINNING FUND BALANCES (DEFICITS)						
BEGINNING OF YEAR, AS ADJUSTED		6,076,290			4,238,324	
ENDING FUND BALANCES (DEFICITS)		\$6,775,626				

LANDSCAPING AND LIGHTING			MEASURE A			GENERAL PLAN		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$487,000	\$495,556	\$8,556						
						\$69,300	\$73,279	\$3,979
				\$51,644	\$51,644			
			\$1,976,100	2,225,974	249,874			
	2,048	2,048		9,124	9,124			
<u>487,000</u>	<u>497,604</u>	<u>10,604</u>	<u>1,976,100</u>	<u>2,286,742</u>	<u>310,642</u>	<u>69,300</u>	<u>73,279</u>	<u>3,979</u>
1,351,500	1,316,792	34,708	1,616,300	1,165,041	451,259	35,000	2,033	32,967
			75,000	253,853	(178,853)			
110,000		110,000						
42,000		42,000						
<u>1,503,500</u>	<u>1,316,792</u>	<u>186,708</u>	<u>1,691,300</u>	<u>1,418,894</u>	<u>272,406</u>	<u>35,000</u>	<u>2,033</u>	<u>32,967</u>
<u>(1,016,500)</u>	<u>(819,188)</u>	<u>197,312</u>	<u>284,800</u>	<u>867,848</u>	<u>583,048</u>	<u>34,300</u>	<u>71,246</u>	<u>36,946</u>
	1,250,326	1,250,326						
			(322,300)		322,300			
	<u>1,250,326</u>	<u>1,250,326</u>	<u>(322,300)</u>		<u>322,300</u>			
<u>(\$1,016,500)</u>	431,138	<u>\$1,447,638</u>	<u>(\$37,500)</u>	867,848	<u>\$905,348</u>	<u>\$34,300</u>	71,246	<u>\$36,946</u>
	<u>470,262</u>			<u>2,519,249</u>			<u>(1,391,853)</u>	
	<u>\$901,400</u>			<u>\$3,387,097</u>			<u>(\$1,320,607)</u>	

(Continued)

CITY OF RANCHO CORDOVA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	CFD 2013-2 POLICE SERVICES			FINANCING CORPORATION DEBT SERVICE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Other taxes						
Licenses, permits and fees						
Fines, forfeitures and penalties						
Charges for services						
Intergovernmental						
Use of money and property					\$1,307	\$1,307
Other						
Total Revenues					1,307	1,307
EXPENDITURES						
Current:						
General Government	\$2,000		\$2,000	\$6,200	4,400	1,800
Community Development						
Public Works						
Capital outlay						
Debt service:						
Principal				930,000	930,000	
Interest and fiscal charges				1,011,900	1,011,751	149
Total Expenditures	2,000		2,000	1,948,100	1,946,151	1,949
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,000)</u>		<u>2,000</u>	<u>(1,948,100)</u>	<u>(1,944,844)</u>	<u>3,256</u>
OTHER FINANCING SOURCES (USES)						
Loan proceeds						
Transfers in				1,948,100	1,945,011	(3,089)
Transfers (out)						
Total Other Financing Sources (Uses)				1,948,100	1,945,011	(3,089)
NET CHANGE IN FUND BALANCES	<u>(\$2,000)</u>		<u>\$2,000</u>		<u>167</u>	<u>\$167</u>
BEGINNING FUND BALANCES (DEFICITS)						
BEGINNING OF YEAR, AS ADJUSTED		(\$1,157)			1,864,182	
ENDING FUND BALANCES (DEFICITS)		<u>(\$1,157)</u>			<u>\$1,864,349</u>	

SUBCOMBINING FUND SCHEDULES

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2015

	<u>General Fund</u>	<u>Community Enhancement</u>	<u>Total General Fund</u>
ASSETS			
Cash and investments	\$18,027,769	(\$1,064,146)	\$16,963,623
Receivables:			
Accounts, net	1,232,333		1,232,333
Interest	4,683	11	4,694
Other	223,370		223,370
Due from other governmental agencies	3,092,700	1,116,700	4,209,400
Loans	6,225,656		6,225,656
Prepays	39,679		39,679
Due from other funds	2,006,734		2,006,734
Advances to other funds	5,930,812		5,930,812
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$36,783,736</u>	<u>\$52,565</u>	<u>\$36,836,301</u>
LIABILITIES			
Accounts payable	\$5,979,027	\$52,565	\$6,031,592
Accrued liabilities	383,471		383,471
Interest payable	9,572		9,572
Refundable deposits	752,428		752,428
Unearned revenue	13,323		13,323
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>7,137,821</u>	<u>52,565</u>	<u>7,190,386</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - accounts receivable	64,386		64,386
Unavailable revenue - interest receivable	166,065		166,065
Unavailable revenue - due from other governmental agencies	76,468		76,468
	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>306,919</u>	<u> </u>	<u>306,919</u>
FUND BALANCES			
Nonspendable	12,196,147		12,196,147
Unassigned	17,142,849		17,142,849
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>29,338,996</u>	<u> </u>	<u>29,338,996</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$36,783,736</u>	<u>\$52,565</u>	<u>\$36,836,301</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Community Enhancement</u>	<u>Total General Fund</u>
REVENUES			
Property taxes	\$13,185,809		\$13,185,809
Sales taxes	13,677,994	\$1,602,130	15,280,124
Utility user taxes	3,718,885		3,718,885
Other taxes	5,043,987		5,043,987
Charges for services	3,325,592		3,325,592
Licenses, permits and fees	4,535,915		4,535,915
Fines, forfeitures and penalties	1,188,496		1,188,496
Intergovernmental	1,071,359		1,071,359
Use of money and property	673,623	26	673,649
Other taxes	112,781		112,781
	<u>46,534,441</u>	<u>1,602,156</u>	<u>48,136,597</u>
EXPENDITURES			
Current:			
General Government	14,957,551	141,944	15,099,495
Community development	6,152,091	36,786	6,188,877
Public Safety	17,461,815	210,855	17,672,670
Public Works	3,186,675	18,477	3,205,152
Capital outlay	340,244	14,011	354,255
Debt service:			
Principal	11,621		11,621
Interest and fiscal charges	1,051		1,051
	<u>42,111,048</u>	<u>422,073</u>	<u>42,533,121</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,423,393</u>	<u>1,180,083</u>	<u>5,603,476</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	85,000		85,000
Transfers (out)	<u>(2,718,306)</u>	<u>(1,180,083)</u>	<u>(3,898,389)</u>
Total Other Financing Sources (Uses)	<u>(2,633,306)</u>	<u>(1,180,083)</u>	<u>(3,813,389)</u>
NET CHANGE IN FUND BALANCES	1,790,087		1,790,087
BEGINNING FUND BALANCES, AS ADJUSTED	<u>27,548,909</u>		<u>27,548,909</u>
ENDING FUND BALANCES	<u><u>\$29,338,996</u></u>		<u><u>\$29,338,996</u></u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund		
	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property taxes	\$12,166,200	\$13,185,809	\$1,019,609
Sales taxes	12,956,100	13,677,994	721,894
Transient occupancy taxes	2,639,700	3,160,028	520,328
Utility user taxes	3,462,000	3,718,885	256,885
Other taxes	1,645,600	1,883,959	238,359
Charges for services	2,734,200	3,325,592	591,392
Licenses, permits and fees	4,431,900	4,535,915	104,015
Fines, forfeitures and penalties	1,431,200	1,188,496	(242,704)
Intergovernmental	481,200	1,071,359	590,159
Use of money and property	718,200	673,623	(44,577)
Other taxes	40,500	112,781	72,281
Total Revenues	42,706,800	46,534,441	3,827,641
EXPENDITURES			
Current:			
General Government	14,820,300	14,957,551	(137,251)
Community Development	6,423,600	6,152,091	271,509
Public Safety	17,624,200	17,461,815	162,385
Public Works	2,811,500	3,186,675	(375,175)
Capital outlay	158,000	340,244	(182,244)
Debt service:			
Principal	12,700	11,621	1,079
Interest and fiscal charges	1,100	1,051	49
Total Expenditures	41,851,400	42,111,048	(259,648)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	855,400	4,423,393	3,567,993
OTHER FINANCING SOURCES (USES)			
Transfers in	739,300	85,000	(654,300)
Transfers (out)	(3,155,515)	(2,718,306)	437,209
Total Other Financing Sources (Uses)	(2,416,215)	(2,633,306)	(217,091)
NET CHANGE IN FUND BALANCES	(1,560,815)	1,790,087	3,350,902
BEGINNING FUND BALANCES	27,548,909	27,548,909	
ENDING FUND BALANCES (DEFICITS)	\$25,988,094	\$29,338,996	\$3,350,902

Community Enhancement			Total General Fund		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
	\$1,602,130	\$1,602,130	\$12,166,200	\$13,185,809	\$1,019,609
			12,956,100	15,280,124	2,324,024
			2,639,700	3,160,028	520,328
			3,462,000	3,718,885	256,885
			1,645,600	1,883,959	238,359
			2,734,200	3,325,592	591,392
			4,431,900	4,535,915	104,015
			1,431,200	1,188,496	(242,704)
			481,200	1,071,359	590,159
	26	26	718,200	673,649	(44,551)
			40,500	112,781	72,281
	1,602,156	1,602,156	42,706,800	48,136,597	5,429,797
\$250,000	141,944	108,056	15,070,300	15,099,495	(29,195)
	36,786	(36,786)	6,423,600	6,188,877	234,723
150,000	210,855	(60,855)	17,774,200	17,672,670	101,530
75,000	18,477	56,523	2,886,500	3,205,152	(318,652)
	14,011	(14,011)	158,000	354,255	(196,255)
			12,700	11,621	1,079
			1,100	1,051	49
475,000	422,073	52,927	42,326,400	42,533,121	(206,721)
(475,000)	1,180,083	1,655,083	380,400	5,603,476	5,223,076
			739,300	85,000	(654,300)
(1,180,083)	(1,180,083)		(4,335,598)	(3,898,389)	437,209
(1,180,083)	(1,180,083)		(3,596,298)	(3,813,389)	(217,091)
(1,655,083)		1,655,083	(3,215,898)	1,790,087	5,005,985
			27,548,909	27,548,909	
(\$1,655,083)		\$1,655,083	\$24,333,011	\$29,338,996	\$5,005,985

(Continued)

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
SUNRISE DOUGLAS (SD) SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Sunrise Douglas Program Updates Fund	Sunrise Douglas Interim Sewer Fund	Sunrise Douglas Offsite Water Fund	Sunrise Douglas Traffic Impact Fund
ASSETS				
Cash and investments	\$147,558	\$517,549	\$128,058	\$15,816,817
Receivables:				
Accounts		46,235	54,033	689,227
Interest	8	27	7	823
Total Assets	<u>\$147,566</u>	<u>\$563,811</u>	<u>\$182,098</u>	<u>\$16,506,867</u>
LIABILITIES				
Refundable deposits		<u>\$56,477</u>	<u>\$81,907</u>	<u>\$841,901</u>
Total Liabilities		<u>56,477</u>	<u>81,907</u>	<u>841,901</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - accounts receivable		<u>46,235</u>	<u>54,033</u>	<u>689,227</u>
Total deferred inflows of resources		<u>46,235</u>	<u>54,033</u>	<u>689,227</u>
FUND BALANCES				
Restricted	<u>\$147,566</u>	<u>461,099</u>	<u>46,158</u>	<u>14,975,739</u>
Total Fund Balances	<u>147,566</u>	<u>461,099</u>	<u>46,158</u>	<u>14,975,739</u>
Total Liabilities and Fund Balances	<u>\$147,566</u>	<u>\$563,811</u>	<u>\$182,098</u>	<u>\$16,506,867</u>

Sunrise Douglas Transit Shuttle Fund	Sunrise Douglas Admin Fund	Total Sunrise Douglas Special Revenue Fund
\$468,256	\$819,474	\$17,897,712
<u>24</u>	<u>43</u>	789,495 932
<u>\$468,280</u>	<u>\$819,517</u>	<u>\$18,688,139</u>
		<u>\$980,285</u>
		<u>980,285</u>
		<u>789,495</u>
		<u>789,495</u>
<u>\$468,280</u>	<u>\$819,517</u>	<u>16,918,359</u>
<u>468,280</u>	<u>819,517</u>	<u>16,918,359</u>
<u>\$468,280</u>	<u>\$819,517</u>	<u>\$18,688,139</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
SUNRISE DOUGLAS (SD) SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Sunrise Douglas Program Updates Fund	Sunrise Douglas Interim Sewer Fund	Sunrise Douglas Offsite Water Fund	Sunrise Douglas Traffic Impact Fund
REVENUES				
Licenses, permits and fees	\$12,095	\$118,145	\$119,290	\$1,732,406
Use of money and property	459	1,424	125	49,246
Total Revenues	12,554	119,569	119,415	1,781,652
EXPENDITURES				
Current:				
Public Works				7,744
Capital outlay		51,883	378,106	1,343,597
Total Expenditures		51,883	378,106	1,351,341
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,554	67,686	(258,691)	430,311
NET CHANGE IN FUND BALANCES	12,554	67,686	(258,691)	430,311
BEGINNING FUND BALANCES	135,012	393,413	304,849	14,545,428
ENDING FUND BALANCES	\$147,566	\$461,099	\$46,158	\$14,975,739

Sunrise Douglas Transit Shuttle Fund	Sunrise Douglas Admin Fund	Total Sunrise Douglas Special Revenue Fund
\$11,538	\$92,685	\$2,086,159
<u>1,520</u>	<u>2,628</u>	<u>55,402</u>
<u>13,058</u>	<u>95,313</u>	<u>2,141,561</u>
	68,869	76,613
		<u>1,773,586</u>
	<u>68,869</u>	<u>1,850,199</u>
<u>13,058</u>	<u>26,444</u>	<u>291,362</u>
13,058	26,444	291,362
<u>455,222</u>	<u>793,073</u>	<u>16,626,997</u>
<u>\$468,280</u>	<u>\$819,517</u>	<u>\$16,918,359</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SUNRISE DOUGLAS (SD) SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Sunrise Douglas Program Updates Fund			Sunrise Douglas Interim Sewer Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Licenses, permits and fees	\$12,000	\$12,095	\$95	\$142,000	\$118,145	(\$23,855)
Use of money and property		459	459		1,424	1,424
Total Revenues	<u>12,000</u>	<u>12,554</u>	<u>554</u>	<u>142,000</u>	<u>119,569</u>	<u>(22,431)</u>
EXPENDITURES						
Current:						
Public Works	15,000		15,000			
Capital outlay				150,000	51,883	98,117
Total Expenditures	<u>15,000</u>		<u>15,000</u>	<u>150,000</u>	<u>51,883</u>	<u>98,117</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,000)</u>	<u>12,554</u>	<u>15,554</u>	<u>(8,000)</u>	<u>67,686</u>	<u>75,686</u>
OTHER FINANCING SOURCES (USES)						
Transfers (out)						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	(3,000)	12,554	15,554	(8,000)	67,686	75,686
BEGINNING FUND BALANCES	<u>135,012</u>	<u>135,012</u>		<u>393,413</u>	<u>393,413</u>	
ENDING FUND BALANCES	<u>\$132,012</u>	<u>\$147,566</u>	<u>\$15,554</u>	<u>\$385,413</u>	<u>\$461,099</u>	<u>\$75,686</u>

Sunrise Douglas Offsite Water Fund			Sunrise Douglas Traffic Impact Fund			Sunrise Douglas Transit Shuttle Fund		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$203,400	\$119,290	(\$84,110)	\$2,148,700	\$1,732,406	(\$416,294)	\$11,400	\$11,538	\$138
	125	125		49,246	49,246		1,520	1,520
203,400	119,415	(83,985)	2,148,700	1,781,652	(367,048)	11,400	13,058	1,658
			170,000	7,744	162,256			
300,000	378,106	(78,106)		1,343,597	(1,343,597)			
300,000	378,106	(78,106)	170,000	1,351,341	(1,181,341)			
(96,600)	(258,691)	(162,091)	1,978,700	430,311	(1,548,389)	11,400	13,058	1,658
			(2,397,000)		2,397,000			
			(2,397,000)		2,397,000			
(96,600)	(258,691)	(162,091)	(418,300)	430,311	848,611	11,400	13,058	1,658
304,849	304,849		14,545,428	14,545,428		455,222	455,222	
\$208,249	\$46,158	(\$162,091)	\$14,127,128	\$14,975,739	\$848,611	\$466,622	\$468,280	\$1,658

(Continued)

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SUNRISE DOUGLAS (SD) SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Sunrise Douglas Admin Fund			Total Sunrise Douglas Special Revenue Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Licenses, permits and fees	\$91,600	\$92,685	\$1,085	\$2,609,100	\$2,086,159	(\$522,941)
Use of money and property		2,628	2,628		55,402	55,402
Total Revenues	91,600	95,313	3,713	2,609,100	2,141,561	(467,539)
EXPENDITURES						
Current:						
Public Works	300,000	68,869	231,131	485,000	76,613	408,387
Capital outlay				450,000	1,773,586	(1,323,586)
Total Expenditures	300,000	68,869	231,131	935,000	1,850,199	(915,199)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(208,400)	26,444	234,844	1,674,100	291,362	(1,382,738)
OTHER FINANCING SOURCES (USES)						
Transfers (out)				(2,397,000)		2,397,000
Total Other Financing Sources (Uses)				(2,397,000)		2,397,000
NET CHANGE IN FUND BALANCES	(208,400)	26,444	234,844	(722,900)	291,362	1,014,262
BEGINNING FUND BALANCES	793,073	793,073		16,626,997	16,626,997	
ENDING FUND BALANCES	\$584,673	\$819,517	\$234,844	\$15,904,097	\$16,918,359	\$1,014,262

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CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
TRAFFIC MITIGATION SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Traffic Mitigation Fund	Traffic Mitigation Admin Fund	Total Traffic Mitigation Special Revenue Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$18,347,470	\$127,641	\$18,475,111
Receivables:			
Accounts, net	334,427		334,427
Interest	956	5	961
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$18,682,853</u>	<u>\$127,646</u>	<u>\$18,810,499</u>
LIABILITIES			
Accounts payable	\$172,825		\$172,825
Refundable deposits	79,752		79,752
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>252,577</u>	<u> </u>	<u>252,577</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - accounts receivable	334,427		334,427
	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>334,427</u>	<u> </u>	<u>334,427</u>
FUND BALANCES			
Restricted	18,095,849	\$127,646	18,223,495
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>18,095,849</u>	<u>127,646</u>	<u>18,223,495</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$18,682,853</u>	<u>\$127,646</u>	<u>\$18,810,499</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
TRAFFIC MITIGATION SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Traffic Mitigation Fund	Traffic Mitigation Admin Fund	Total Traffic Mitigation Special Revenue Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Charges for services	\$15,000		\$15,000
Licenses, permits and fees	1,027,054	\$39,638	1,066,692
Use of money and property	<u>62,051</u>	<u>369</u>	<u>62,420</u>
Total Revenues	<u>1,104,105</u>	<u>40,007</u>	<u>1,144,112</u>
EXPENDITURES			
Current:			
Public Works	239,015	45,225	284,240
Capital outlay	<u>1,554,951</u>		<u>1,554,951</u>
Total Expenditures	<u>1,793,966</u>	<u>45,225</u>	<u>1,839,191</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(689,861)</u>	<u>(5,218)</u>	<u>(695,079)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(12,500)</u>		<u>(12,500)</u>
Total Other Financing Sources (Uses)	<u>(12,500)</u>		<u>(12,500)</u>
NET CHANGE IN FUND BALANCES	(702,361)	(5,218)	(707,579)
BEGINNING FUND BALANCES	<u>18,798,210</u>	<u>132,864</u>	<u>18,931,074</u>
ENDING FUND BALANCES	<u>\$18,095,849</u>	<u>\$127,646</u>	<u>\$18,223,495</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRAFFIC MITIGATION SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Traffic Mitigation Fund			Traffic Mitigation Admin Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Charges for services		\$15,000	\$15,000			
Licenses, permits and fees	\$767,000	1,027,054	260,054	\$28,700	\$39,638	\$10,938
Use of money and property		62,051	62,051		369	369
Total Revenues	<u>767,000</u>	<u>1,104,105</u>	<u>337,105</u>	<u>28,700</u>	<u>40,007</u>	<u>11,307</u>
EXPENDITURES						
Current:						
Public Works	520,000	239,015	280,985	50,000	45,225	4,775
Capital outlay	<u>1,650,000</u>	<u>1,554,951</u>	<u>95,049</u>			
Total Expenditures	<u>2,170,000</u>	<u>1,793,966</u>	<u>376,034</u>	<u>50,000</u>	<u>45,225</u>	<u>4,775</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,403,000)</u>	<u>(689,861)</u>	<u>713,139</u>	<u>(21,300)</u>	<u>(5,218)</u>	<u>16,082</u>
OTHER FINANCING SOURCES (USES)						
Transfers (out)	<u>(67,000)</u>	<u>(12,500)</u>	<u>54,500</u>	<u>(5,000)</u>		<u>5,000</u>
Total Other Financing Sources (Uses)	<u>(67,000)</u>	<u>(12,500)</u>	<u>54,500</u>	<u>(5,000)</u>		<u>5,000</u>
NET CHANGE IN FUND BALANCES	<u>(1,470,000)</u>	<u>(702,361)</u>	<u>767,639</u>	<u>(26,300)</u>	<u>(5,218)</u>	<u>21,082</u>
BEGINNING FUND BALANCES	<u>18,798,210</u>	<u>18,798,210</u>		<u>132,864</u>	<u>132,864</u>	
ENDING FUND BALANCES	<u>\$17,328,210</u>	<u>\$18,095,849</u>	<u>\$767,639</u>	<u>\$106,564</u>	<u>\$127,646</u>	<u>\$21,082</u>

Total Traffic Mitigation Special Revenue Fund

<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
	\$15,000	\$15,000
\$795,700	1,066,692	270,992
	62,420	62,420
<u>795,700</u>	<u>1,144,112</u>	<u>348,412</u>
570,000	284,240	285,760
<u>1,650,000</u>	<u>1,554,951</u>	<u>95,049</u>
<u>2,220,000</u>	<u>1,839,191</u>	<u>380,809</u>
<u>(1,424,300)</u>	<u>(695,079)</u>	<u>729,221</u>
<u>(72,000)</u>	<u>(12,500)</u>	<u>59,500</u>
<u>(72,000)</u>	<u>(12,500)</u>	<u>59,500</u>
(1,496,300)	(707,579)	788,721
<u>18,931,074</u>	<u>18,931,074</u>	
<u>\$17,434,774</u>	<u>\$18,223,495</u>	<u>\$788,721</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
GRANT REVENUE SPECIAL REVENUE FUNDS
JUNE 30, 2015

	State Grant Fund	Federal Grant Fund	Other Grant Fund	Total Grant Special Revenue Fund
ASSETS				
Cash and investments	\$438,496			\$438,496
Receivables:				
Interest	23			23
Due from other governmental agencies	146,328	\$1,341,774	\$100,000	1,588,102
Loans	114,851	4,621,180		4,736,031
Prepaid expense	3,450			3,450
Total Assets	<u>\$703,148</u>	<u>\$5,962,954</u>	<u>\$100,000</u>	<u>\$6,766,102</u>
LIABILITIES				
Accounts payable	\$19,063	\$559,847		\$578,910
Due to other funds		1,073,154	\$100,000	1,173,154
Total Liabilities	<u>19,063</u>	<u>1,633,001</u>	<u>100,000</u>	<u>1,752,064</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - due from other governmental agencies		730,948		730,948
Total Deferred Inflows of Resources		<u>730,948</u>		<u>730,948</u>
FUND BALANCES (DEFICITS)				
Nonspendable	3,450			3,450
Restricted	680,635	3,599,005		4,279,640
Total Fund Balances (Deficits)	<u>684,085</u>	<u>3,599,005</u>		<u>4,283,090</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$703,148</u>	<u>\$5,962,954</u>	<u>\$100,000</u>	<u>\$6,766,102</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GRANT REVENUE SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	State Grant Fund	Federal Grant Fund	Other Grant Fund	Total Grant Special Revenue Fund
REVENUES				
Intergovernmental	\$1,258,296	\$2,940,272	\$100,000	\$4,298,568
Use of money and property	1,616			1,616
Total Revenues	1,259,912	2,940,272	100,000	4,300,184
EXPENDITURES				
Current:				
General Government		34,871		34,871
Community development	1,102,473			1,102,473
Public Safety	71,687	9,343		81,030
Public Works	35,356			35,356
Capital outlay	(61)	3,602,127	100,000	3,702,066
Total Expenditures	1,209,455	3,646,341	100,000	4,955,796
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	50,457	(706,069)		(655,612)
NET CHANGE IN FUND BALANCES	50,457	(706,069)		(655,612)
BEGINNING FUND BALANCES (DEFICITS), AS ADJUSTED	633,628	4,305,074		4,938,702
ENDING FUND BALANCES (DEFICITS)	\$684,085	\$3,599,005		\$4,283,090

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GRANT REVENUE SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	State Grant Fund		Variance Positive (Negative)
	Final Budget	Actual	
REVENUES			
Intergovernmental	\$1,336,000	\$1,258,296	(\$77,704)
Use of money and property		1,616	1,616
Total Revenues	<u>1,336,000</u>	<u>1,259,912</u>	<u>(76,088)</u>
EXPENDITURES			
Current:			
General Government			
Community Development	468,000	1,102,473	(634,473)
Public Safety		71,687	(71,687)
Public Works		35,356	(35,356)
Capital outlay	<u>868,000</u>	<u>(61)</u>	<u>868,061</u>
Total Expenditures	<u>1,336,000</u>	<u>1,209,455</u>	<u>126,545</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		<u>50,457</u>	<u>50,457</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)			
Total Other Financing Sources (Uses)			
NET CHANGE IN FUND BALANCES		50,457	50,457
BEGINNING FUND BALANCES (DEFICITS)	<u>633,628</u>	<u>633,628</u>	
ENDING FUND BALANCES (DEFICITS)	<u>\$633,628</u>	<u>\$684,085</u>	<u>\$50,457</u>

Federal Grant Fund			Other Grant Fund		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$580,000	\$2,940,272	\$2,360,272		\$100,000	\$100,000
580,000	2,940,272	2,360,272		100,000	100,000
	34,871	(34,871)			
	9,343	(9,343)			
10,276,000	3,602,127	6,673,873	\$100,000	100,000	
10,276,000	3,646,341	6,629,659	100,000	100,000	
(9,696,000)	(706,069)	8,989,931	(100,000)		100,000
(580,000)		580,000			
(580,000)		580,000			
(10,276,000)	(706,069)	9,569,931	(100,000)		100,000
4,305,074	4,305,074				
(\$5,970,926)	\$3,599,005	\$9,569,931	(\$100,000)		\$100,000

(Continued)

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GRANT REVENUE SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Totals		Variance Positive (Negative)
	Final Budget	Actual	
REVENUES			
Intergovernmental	\$1,916,000	\$4,298,568	\$2,382,568
Use of money and property		1,616	1,616
Total Revenues	<u>1,916,000</u>	<u>4,300,184</u>	<u>2,384,184</u>
EXPENDITURES			
Current:			
General Government		34,871	(34,871)
Community Development	468,000	1,102,473	(634,473)
Public Safety		81,030	(81,030)
Public Works		35,356	(35,356)
Capital outlay	<u>11,244,000</u>	<u>3,702,066</u>	<u>7,541,934</u>
Total Expenditures	<u>11,712,000</u>	<u>4,955,796</u>	<u>6,756,204</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,796,000)</u>	<u>(655,612)</u>	<u>9,140,388</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(580,000)</u>		<u>580,000</u>
Total Other Financing Sources (Uses)	<u>(580,000)</u>		<u>580,000</u>
NET CHANGE IN FUND BALANCES	(10,376,000)	(655,612)	9,720,388
BEGINNING FUND BALANCES (DEFICITS)	<u>4,938,702</u>	<u>4,938,702</u>	
ENDING FUND BALANCES (DEFICITS)	<u><u>(\$5,437,298)</u></u>	<u><u>\$4,283,090</u></u>	<u><u>\$9,720,388</u></u>

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CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
VILLAGES OF ZINFANDEL (VOZ) SPECIAL REVENUE FUNDS
JUNE 30, 2015

	VOZ Traffic Mitigation Impact Fees Fund	VOZ Administration Impact Fees Fund	Total VOZ Special Revenue Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$355,269	\$7,570	\$362,839
Receivables:			
Accounts, net	8,462		8,462
Interest	<u>18</u>		<u>18</u>
Total Assets	<u>\$363,749</u>	<u>\$7,570</u>	<u>\$371,319</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - accounts receivable	<u>\$8,462</u>		<u>\$8,462</u>
Total Deferred Inflows of Resources	<u>8,462</u>		<u>8,462</u>
FUND BALANCES			
Restricted	<u>355,287</u>	<u>\$7,570</u>	<u>362,857</u>
Total Fund Balances	<u>355,287</u>	<u>7,570</u>	<u>362,857</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$363,749</u>	<u>\$7,570</u>	<u>\$371,319</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
VILLAGES OF ZINFANDEL (VOZ) SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	VOZ Traffic Mitigation Impact Fees Fund	VOZ Administration Impact Fees Fund	Total VOZ Special Revenue Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Licenses, permits and fees	\$14,529	\$538	\$15,067
Use of money and property	1,142	24	1,166
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	15,671	562	16,233
	<u> </u>	<u> </u>	<u> </u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	15,671	562	16,233
	<u> </u>	<u> </u>	<u> </u>
NET CHANGE IN FUND BALANCES	15,671	562	16,233
	<u> </u>	<u> </u>	<u> </u>
BEGINNING FUND BALANCES	339,616	7,008	346,624
	<u> </u>	<u> </u>	<u> </u>
ENDING FUND BALANCES	<u>\$355,287</u>	<u>\$7,570</u>	<u>\$362,857</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
VILLAGES OF ZINFANDEL (VOZ) SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	VOZ Traffic Mitigation Impact Fees Fund			VOZ Administration Impact Fees Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Licenses, permits and fees	\$3,300	\$14,529	\$11,229	\$300	\$538	\$238
Use of money and property		1,142	1,142		24	24
Total Revenues	<u>3,300</u>	<u>15,671</u>	<u>12,371</u>	<u>300</u>	<u>562</u>	<u>262</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,300</u>	<u>15,671</u>	<u>12,371</u>	<u>300</u>	<u>562</u>	<u>262</u>
NET CHANGE IN FUND BALANCES	3,300	15,671	12,371	300	562	262
BEGINNING FUND BALANCES	<u>339,616</u>	<u>339,616</u>		<u>7,008</u>	<u>7,008</u>	
ENDING FUND BALANCES	<u><u>\$342,916</u></u>	<u><u>\$355,287</u></u>	<u><u>\$12,371</u></u>	<u><u>\$7,308</u></u>	<u><u>\$7,570</u></u>	<u><u>\$262</u></u>

Totals		
Budget	Actual	Variance Positive (Negative)
\$3,600	\$15,067	\$11,467
	1,166	1,166
3,600	16,233	12,633
3,600	16,233	12,633
3,600	16,233	12,633
346,624	346,624	
\$350,224	\$362,857	\$12,633

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
COMMUNITY FACILITIES FEES SPECIAL REVENUE FUNDS
JUNE 30, 2015

	CFF Community Facilities Impact Fees Fund	CFF Library Impact Fees Fund	Total CFF Special Revenue Fund
ASSETS			
Cash and investments	\$95,748	\$3,111,757	\$3,207,505
Receivables:			
Accounts, net	151,759	49,368	201,127
Interest	6	162	168
Total Assets	<u>\$247,513</u>	<u>\$3,161,287</u>	<u>\$3,408,800</u>
LIABILITIES			
Refundable deposits	<u>\$185,375</u>	<u>\$37,969</u>	<u>\$223,344</u>
Total Liabilities	<u>185,375</u>	<u>37,969</u>	<u>223,344</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - accounts receivable	<u>151,759</u>	<u>49,368</u>	<u>\$201,127</u>
Total Deferred Inflows of Resources	<u>151,759</u>	<u>49,368</u>	<u>201,127</u>
FUND BALANCES			
Restricted	<u>(89,621)</u>	<u>3,073,950</u>	<u>2,984,329</u>
Total Fund Balances	<u>(89,621)</u>	<u>3,073,950</u>	<u>2,984,329</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$247,513</u>	<u>\$3,161,287</u>	<u>\$3,408,800</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
COMMUNITY FACILITIES FEES SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	CFF Community Facilities Impact Fees Fund	CFF Library Impact Fees Fund	Total CFF Special Revenue Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Licenses, permits and fees	\$669,537	\$125,215	\$794,752
Use of money and property	(28)	9,903	9,875
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	669,509	135,118	804,627
EXPENDITURES			
Current:			
General government	25,108	4,696	29,804
Capital outlay	(239)		(239)
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	24,869	4,696	29,565
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>644,640</u>	<u>130,422</u>	<u>775,062</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(976,441)		(976,441)
	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources (Uses)	(976,441)		(976,441)
NET CHANGE IN FUND BALANCES	(331,801)	130,422	(201,379)
BEGINNING FUND BALANCES	<u>242,180</u>	<u>2,943,528</u>	<u>3,185,708</u>
ENDING FUND BALANCES	<u><u>(\$89,621)</u></u>	<u><u>\$3,073,950</u></u>	<u><u>\$2,984,329</u></u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY FACILITIES FEES SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Community Facilities Fees Community Facilities Impact Fees Fund			Community Facilities Fees Library Impact Fees Fund		
	Budget	Actual	Variance	Budget	Actual	Variance
			Positive (Negative)			Positive (Negative)
REVENUES						
Licenses, permits and fees	\$805,800	\$669,537	(\$136,263)	\$82,600	\$125,215	\$42,615
Use of money and property		(28)	(28)		9,903	9,903
Total Revenues	<u>805,800</u>	<u>669,509</u>	<u>(136,291)</u>	<u>82,600</u>	<u>135,118</u>	<u>52,518</u>
EXPENDITURES						
Current:						
Public works		25,108	(25,108)		4,696	(4,696)
Capital outlay		(239)	239			
Total Expenditures		<u>24,869</u>	<u>(24,869)</u>		<u>4,696</u>	<u>(4,696)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>805,800</u>	<u>644,640</u>	<u>(161,160)</u>	<u>82,600</u>	<u>130,422</u>	<u>47,822</u>
OTHER FINANCING SOURCES (USES)						
Transfers (out)	<u>(1,008,400)</u>	<u>(976,441)</u>	<u>31,959</u>			
Total Other Financing Sources (Uses)	<u>(1,008,400)</u>	<u>(976,441)</u>	<u>31,959</u>			
NET CHANGE IN FUND BALANCES	(202,600)	(331,801)	(129,201)	82,600	130,422	47,822
BEGINNING FUND BALANCES	<u>242,180</u>	<u>242,180</u>		<u>2,943,528</u>	<u>2,943,528</u>	
ENDING FUND BALANCES (DEFICITS)	<u>\$39,580</u>	<u>(\$89,621)</u>	<u>(\$129,201)</u>	<u>\$3,026,128</u>	<u>\$3,073,950</u>	<u>\$47,822</u>

Totals		
Budget	Actual	Variance Positive (Negative)
\$888,400	\$794,752	(\$93,648)
	9,875	9,875
888,400	804,627	(83,773)
	29,804	(29,804)
	(239)	239
	29,565	(29,565)
888,400	775,062	(113,338)
(1,008,400)	(976,441)	31,959
(1,008,400)	(976,441)	31,959
(120,000)	(201,379)	(81,379)
3,185,708	3,185,708	
<u>\$3,065,708</u>	<u>\$2,984,329</u>	<u>(\$81,379)</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
TRANSIT-RELATED SERVICES TAX SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Rancho Cordova Transit Tax Fund	Transit-Related Services Area Zone 1 Fund	Transit-Related Services Area Zone 2 Fund	Total Transit-Related Services Tax Special Revenue Fund
ASSETS				
Cash and investments	\$610,930	\$295,057	\$2,775,506	\$3,681,493
Interest receivable	34	17	146	197
Due from other government agencies	137	883	1,989	3,009
	<u>611,101</u>	<u>295,957</u>	<u>2,777,641</u>	<u>3,684,699</u>
LIABILITIES				
Accounts payable	\$9,140	\$4,032	\$30,501	\$43,673
Interest payable	41	30	122	193
	<u>9,181</u>	<u>4,062</u>	<u>30,623</u>	<u>43,866</u>
FUND BALANCES				
Restricted	601,920	291,895	2,747,018	3,640,833
	<u>601,920</u>	<u>291,895</u>	<u>2,747,018</u>	<u>3,640,833</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$611,101</u>	<u>\$295,957</u>	<u>\$2,777,641</u>	<u>\$3,684,699</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TRANSIT-RELATED SERVICES TAX SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Rancho Cordova Transit Tax Fund	Transit-Related Services Area Zone 1 Fund	Transit-Related Services Area Zone 2 Fund	Total Transit-Related Services Tax Special Revenue Fund
REVENUES				
Property taxes	\$141,566	\$105,542	\$430,165	\$677,273
Charges for services	5,000			5,000
Use of money and property	1,829	953	8,706	11,488
Total Revenues	148,395	106,495	438,871	693,761
EXPENDITURES				
Current:				
Public works	82,088	93,552	256,206	431,846
Capital outlay		6,661	4,441	11,102
Total Expenditures	82,088	100,213	260,647	442,948
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	66,307	6,282	178,224	250,813
NET CHANGE IN FUND BALANCES	66,307	6,282	178,224	250,813
BEGINNING FUND BALANCES	535,613	285,613	2,568,794	3,390,020
ENDING FUND BALANCES	\$601,920	\$291,895	\$2,747,018	\$3,640,833

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRANSIT-RELATED SERVICES TAX SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Rancho Cordova Transit Tax Fund			Transit Related Service Area Zone 1 Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$123,000	\$141,566	\$18,566	\$103,000	\$105,542	\$2,542
Charges for services		5,000	5,000			
Use of money and property		1,829	1,829		953	953
Total Revenues	<u>123,000</u>	<u>148,395</u>	<u>25,395</u>	<u>103,000</u>	<u>106,495</u>	<u>3,495</u>
EXPENDITURES						
Current:						
Public works	89,900	82,088	7,812	101,700	93,552	8,148
Capital outlay					6,661	(6,661)
Total Expenditures	<u>89,900</u>	<u>82,088</u>	<u>7,812</u>	<u>101,700</u>	<u>100,213</u>	<u>1,487</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>33,100</u>	<u>66,307</u>	<u>33,207</u>	<u>1,300</u>	<u>6,282</u>	<u>4,982</u>
NET CHANGE IN FUND BALANCES	33,100	66,307	33,207	1,300	6,282	4,982
BEGINNING FUND BALANCES	<u>535,613</u>	<u>535,613</u>		<u>285,613</u>	<u>285,613</u>	
ENDING FUND BALANCES	<u><u>\$568,713</u></u>	<u><u>\$601,920</u></u>	<u><u>\$33,207</u></u>	<u><u>\$286,913</u></u>	<u><u>\$291,895</u></u>	<u><u>\$4,982</u></u>

Transit Related Service Area Zone 2 Fund			Totals		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$418,000	\$430,165	\$12,165	\$644,000	\$677,273	\$33,273
	8,706	8,706		5,000	5,000
				11,488	11,488
<u>418,000</u>	<u>438,871</u>	<u>20,871</u>	<u>644,000</u>	<u>693,761</u>	<u>49,761</u>
273,800	256,206	17,594	465,400	431,846	33,554
	4,441	(4,441)		11,102	(11,102)
<u>273,800</u>	<u>260,647</u>	<u>13,153</u>	<u>465,400</u>	<u>442,948</u>	<u>22,452</u>
<u>144,200</u>	<u>178,224</u>	<u>34,024</u>	<u>178,600</u>	<u>250,813</u>	<u>72,213</u>
144,200	178,224	34,024	178,600	250,813	72,213
<u>2,568,794</u>	<u>2,568,794</u>		<u>2,854,407</u>	<u>3,390,020</u>	<u>535,613</u>
<u>\$2,712,994</u>	<u>\$2,747,018</u>	<u>\$34,024</u>	<u>\$3,033,007</u>	<u>\$3,640,833</u>	<u>\$607,826</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
ROAD MAINTENANCE SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Road Maintenance Assessment District Fund	Road Maintenance CFD 2008-1 Fund	Road Maintenance CFD 2014-2 Fund	Total Road Maintenance Special Revenue Funds
ASSETS				
Cash and investments	\$2,696,968	\$190,288		\$2,887,256
Receivables:				
Interest	139	10		149
Due from other government agencies	571	73		644
Total Assets	<u>\$2,697,678</u>	<u>\$190,371</u>		<u>\$2,888,049</u>
LIABILITIES				
Accounts payable	\$95,022	\$1,263		\$96,285
Interest payable	87	14		101
Due to other funds			\$21,572	21,572
Total Liabilities	<u>95,109</u>	<u>1,277</u>	<u>21,572</u>	<u>117,958</u>
FUND BALANCES				
Restricted	<u>2,602,569</u>	<u>189,094</u>	<u>(21,572)</u>	<u>2,770,091</u>
Total Fund Balances	<u>2,602,569</u>	<u>189,094</u>	<u>(21,572)</u>	<u>2,770,091</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$2,697,678</u>	<u>\$190,371</u>		<u>\$2,888,049</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ROAD MAINTENANCE SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Road Maintenance Assessment District Fund	Road Maintenance CFD 2008-1 Fund	Road Maintenance CFD 2014-2 Fund	Total Road Maintenance Special Revenue Funds
REVENUES				
Property taxes	\$290,256	\$55,189		\$345,445
Charges for services		4,500		4,500
Use of money and property	8,350	508		8,858
	<u>298,606</u>	<u>60,197</u>		<u>358,803</u>
EXPENDITURES				
Current:				
Public works	150,358	12,090	\$1,136	163,584
	<u>150,358</u>	<u>12,090</u>	<u>1,136</u>	<u>163,584</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>148,248</u>	<u>48,107</u>	<u>(1,136)</u>	<u>195,219</u>
NET CHANGE IN FUND BALANCES	148,248	48,107	(1,136)	195,219
BEGINNING FUND BALANCES (DEFICITS)	<u>2,454,321</u>	<u>140,987</u>	<u>(20,436)</u>	<u>2,574,872</u>
ENDING FUND BALANCES (DEFICITS)	<u><u>\$2,602,569</u></u>	<u><u>\$189,094</u></u>	<u><u>(\$21,572)</u></u>	<u><u>\$2,770,091</u></u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ROAD MAINTENANCE SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Road Maintenance Assessment District Fund			Road Maintenance CFD 2008-1 Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$407,000	\$290,256	(\$116,744)	\$39,000	\$55,189	\$16,189
Charges for services					4,500	4,500
Use of money and property		8,350	8,350		508	508
Total Revenues	<u>407,000</u>	<u>298,606</u>	<u>(108,394)</u>	<u>39,000</u>	<u>60,197</u>	<u>21,197</u>
EXPENDITURES						
Current:						
Public works	<u>206,100</u>	<u>150,358</u>	<u>55,742</u>	<u>39,100</u>	<u>12,090</u>	<u>27,010</u>
Total Expenditures	<u>206,100</u>	<u>150,358</u>	<u>55,742</u>	<u>39,100</u>	<u>12,090</u>	<u>27,010</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>200,900</u>	<u>148,248</u>	<u>(52,652)</u>	<u>(100)</u>	<u>48,107</u>	<u>48,207</u>
NET CHANGE IN FUND BALANCES	200,900	148,248	(52,652)	(100)	48,107	48,207
BEGINNING FUND BALANCES (DEFICITS)	<u>2,454,321</u>	<u>2,454,321</u>		<u>140,987</u>	<u>140,987</u>	
ENDING FUND BALANCES (DEFICITS)	<u><u>\$2,655,221</u></u>	<u><u>\$2,602,569</u></u>	<u><u>(\$52,652)</u></u>	<u><u>\$140,887</u></u>	<u><u>\$189,094</u></u>	<u><u>\$48,207</u></u>

Road Maintenance CFD 2014-2 Fund			Totals		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$446,000	\$345,445	(\$100,555)
				4,500	4,500
				8,858	8,858
			446,000	358,803	(87,197)
\$2,000	\$1,136	\$864	247,200	\$163,584	83,616
2,000	1,136	864	247,200	163,584	83,616
(2,000)	(1,136)	864	198,800	195,219	(3,581)
(2,000)	(1,136)	864	198,800	195,219	(3,581)
(20,436)	(20,436)		120,551	2,574,872	2,454,321
(\$22,436)	(\$21,572)	\$864	\$319,351	\$2,770,091	\$2,450,740

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
LANDSCAPE AND LIGHTING SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Landscape and Lighting District No. 2005-1 Fund	Rancho Cordova Lighting District No. 2012-1 Fund	Landscape and Lighting CFD 2005-2 Fund	Total Landscape and Lighting Special Revenue Funds
ASSETS				
Cash and investments	\$363,615	\$519,306	\$88,728	\$971,649
Receivables:				
Interest	17	27	5	49
Due from other government agencies	51	3,274	203	3,528
Total Assets	\$363,683	\$522,607	\$88,936	\$975,226
LIABILITIES				
Accounts payable	\$6,808	\$65,673	\$1,200	\$73,681
Interest payable	27	105	13	145
Total Liabilities	6,835	65,778	1,213	73,826
FUND BALANCES				
Restricted	356,848	456,829	87,723	901,400
Total Fund Balances	356,848	456,829	87,723	901,400
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$363,683	\$522,607	\$88,936	\$975,226

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
LANDSCAPE AND LIGHTING SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Landscape and Lighting District No. 2005-1 Fund	Rancho Cordova Lighting District No. 2012-1 Fund	Landscape and Lighting CFD 2005-2 Fund	Total Landscape and Lighting Special Revenue Funds
REVENUES				
Property taxes	\$92,062	\$358,555	\$44,939	\$495,556
Use of money and property	1,285	541	222	2,048
Total Revenues	93,347	359,096	45,161	497,604
LIABILITIES				
Current:				
Public works	146,599	1,150,745	19,448	1,316,792
Total Liabilities	146,599	1,150,745	19,448	1,316,792
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(53,252)	(791,649)	25,713	(819,188)
OTHER FINANCING SOURCES (USES)				
Issuance of debt		1,250,326		1,250,326
Total Other Financing Sources (Uses)		1,250,326		1,250,326
NET CHANGE IN FUND BALANCES	(53,252)	458,677	25,713	431,138
BEGINNING FUND BALANCES	410,100	(1,848)	62,010	470,262
ENDING FUND BALANCES	\$356,848	\$456,829	\$87,723	\$901,400

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LANDSCAPE AND LIGHTING SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Landscape and Lighting District No. 2005-1 Fund			Rancho Cordova Lighting District No. 2012-1 Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Licenses, permits and fees	\$91,000	\$92,062	\$1,062	\$356,000	\$358,555	\$2,555
Use of money and property		1,285	1,285		541	541
Total Revenues	<u>91,000</u>	<u>93,347</u>	<u>2,347</u>	<u>356,000</u>	<u>359,096</u>	<u>3,096</u>
EXPENDITURES						
Current:						
Public works	139,900	146,599	(6,699)	1,163,200	1,150,745	12,455
Debt service:						
Principal				110,000		110,000
Interest and fiscal charges				42,000		42,000
Total Expenditures	<u>139,900</u>	<u>146,599</u>	<u>(6,699)</u>	<u>1,315,200</u>	<u>1,150,745</u>	<u>164,455</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(48,900)</u>	<u>(53,252)</u>	<u>(4,352)</u>	<u>(959,200)</u>	<u>(791,649)</u>	<u>167,551</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt					1,250,326	1,250,326
Total Other Financing Sources (Uses)					<u>1,250,326</u>	<u>1,250,326</u>
NET CHANGE IN FUND BALANCES	(48,900)	(53,252)	(4,352)	(959,200)	458,677	1,417,877
BEGINNING FUND BALANCES	<u>410,100</u>	<u>410,100</u>		<u>(1,848)</u>	<u>(1,848)</u>	
ENDING FUND BALANCES	<u>\$361,200</u>	<u>\$356,848</u>	<u>(\$4,352)</u>	<u>(\$961,048)</u>	<u>\$456,829</u>	<u>\$1,417,877</u>

Landscape and Lighting District CFD 2005-2 Fund			Totals		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$40,000	\$44,939	\$4,939	\$487,000	\$495,556	\$8,556
	222	222		2,048	2,048
40,000	45,161	5,161	487,000	497,604	10,604
48,400	19,448	28,952	1,351,500	1,316,792	34,708
			110,000		110,000
			42,000		42,000
48,400	19,448	28,952	1,503,500	1,316,792	186,708
(8,400)	25,713	34,113	(1,016,500)	(819,188)	197,312
				1,250,326	1,250,326
				1,250,326	1,250,326
(8,400)	25,713	34,113	(1,016,500)	431,138	1,447,638
62,010	62,010		60,162	470,262	410,100
\$53,610	\$87,723	\$34,113	(\$956,338)	\$901,400	\$1,857,738

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
MEASURE A SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Measure A Construction Fund	New Measure A Maintenance Fund	New Measure A Construction Fund	Total Measure A Special Revenue Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and investments		\$2,130,204	\$1,236,646	\$3,366,850
Receivables:				
Interest	\$2	97	64	163
Due from other government agencies	19,151		45,468	64,619
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$19,153</u>	<u>\$2,130,301</u>	<u>\$1,282,178</u>	<u>\$3,431,632</u>
LIABILITIES				
Accounts payable	\$16,167	\$17,432	\$9,838	\$43,437
Due to other funds	1,098			1,098
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>17,265</u>	<u>17,432</u>	<u>9,838</u>	<u>44,535</u>
FUND BALANCES				
Restricted	1,888	2,112,869	1,272,340	3,387,097
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>1,888</u>	<u>2,112,869</u>	<u>1,272,340</u>	<u>3,387,097</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$19,153</u>	<u>\$2,130,301</u>	<u>\$1,282,178</u>	<u>\$3,431,632</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MEASURE A SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Measure A Construction Fund	New Measure A Maintenance Fund	New Measure A Construction Fund	Total Measure A Special Revenue Funds
REVENUES				
Charges for services		\$51,644		\$51,644
Intergovernmental	\$145,828	1,557,418	\$522,728	2,225,974
Use of money and property		5,378	3,746	9,124
Total Revenues	145,828	1,614,440	526,474	2,286,742
EXPENDITURES				
Current:				
Public works	39,432	998,584	127,025	1,165,041
Capital outlay	53,778		200,075	253,853
Total Expenditures	93,210	998,584	327,100	1,418,894
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	52,618	615,856	199,374	867,848
NET CHANGE IN FUND BALANCES	52,618	615,856	199,374	867,848
BEGINNING FUND BALANCES	(50,730)	1,497,013	1,072,966	2,519,249
ENDING FUND BALANCES	\$1,888	\$2,112,869	\$1,272,340	\$3,387,097

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MEASURE A SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Measure A Construction Fund			New Measure A Maintenance Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Intergovernmental		\$145,828	\$145,828	\$1,498,800	\$1,557,418	\$58,618
Charges for services					51,644	51,644
Use of money and property					5,378	5,378
Total Revenues		<u>145,828</u>	<u>145,828</u>	<u>1,498,800</u>	<u>1,614,440</u>	<u>115,640</u>
EXPENDITURES						
Current:						
Public works		39,432	(39,432)	1,461,300	998,584	462,716
Capital outlay	\$75,000	53,778	21,222			
Total Expenditures	<u>75,000</u>	<u>93,210</u>	<u>(18,210)</u>	<u>1,461,300</u>	<u>998,584</u>	<u>462,716</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(75,000)</u>	<u>52,618</u>	<u>164,038</u>	<u>37,500</u>	<u>615,856</u>	<u>(347,076)</u>
OTHER FINANCING SOURCES (USES)						
Transfers (out)						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	(75,000)	52,618	164,038	37,500	615,856	(347,076)
BEGINNING FUND BALANCES	<u>(50,730)</u>	<u>(50,730)</u>		<u>1,497,013</u>	<u>1,497,013</u>	
ENDING FUND BALANCES	<u><u>(\$125,730)</u></u>	<u><u>\$1,888</u></u>	<u><u>\$164,038</u></u>	<u><u>\$1,534,513</u></u>	<u><u>\$2,112,869</u></u>	<u><u>(\$347,076)</u></u>

New Measure A Construction Fund			Totals		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$477,300	\$522,728	\$45,428	\$1,976,100	\$2,225,974	\$249,874
	3,746	3,746		51,644	51,644
				9,124	9,124
<u>477,300</u>	<u>526,474</u>	<u>49,174</u>	<u>1,976,100</u>	<u>2,286,742</u>	<u>310,642</u>
155,000	127,025	27,975	1,616,300	1,165,041	451,259
	200,075	(200,075)	75,000	253,853	(178,853)
<u>155,000</u>	<u>327,100</u>	<u>(172,100)</u>	<u>1,691,300</u>	<u>1,418,894</u>	<u>272,406</u>
<u>322,300</u>	<u>199,374</u>	<u>(122,926)</u>	<u>284,800</u>	<u>867,848</u>	<u>583,048</u>
<u>(322,300)</u>		<u>322,300</u>	<u>(322,300)</u>		<u>322,300</u>
<u>(322,300)</u>		<u>322,300</u>	<u>(322,300)</u>		<u>322,300</u>
	199,374	199,374	(37,500)	867,848	905,348
<u>1,072,966</u>	<u>1,072,966</u>		<u>2,519,249</u>	<u>2,519,249</u>	
<u>\$1,072,966</u>	<u>\$1,272,340</u>	<u>\$199,374</u>	<u>\$2,481,749</u>	<u>\$3,387,097</u>	<u>\$905,348</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
CAPITAL OUTLAY CAPITAL PROJECTS FUNDS
JUNE 30, 2015

	Capital Improvements Projects	Capital Facilities	Infrastructure Repair and Replacement	Enhancement and Replacement
ASSETS				
Cash and investments		\$4,158,298	\$1,854,812	\$233,743
Receivables:				
Interest		172	74	12
Total Assets		\$4,158,470	\$1,854,886	\$233,755
LIABILITIES				
Accounts payable			\$25,684	
Due to other funds	\$384,904			
Total Liabilities	384,904		25,684	
FUND BALANCES (DEFICITS)				
Restricted		\$4,158,470	1,829,202	\$233,755
Unassigned	(384,904)			
Total Fund Balances (Deficits)	(384,904)	4,158,470	1,829,202	233,755
Total Liabilities, Deferred Inflows of Resources and Fund Balances		\$4,158,470	\$1,854,886	\$233,755

<u>Community Enhancement</u>	<u>Total Capital Projects Special Revenue Fund</u>
\$1,180,083	\$7,426,936
	<u>258</u>
<u>\$1,180,083</u>	<u>\$7,427,194</u>
	\$25,684
	<u>384,904</u>
	<u>410,588</u>
\$1,180,083	7,401,510
	<u>(384,904)</u>
<u>1,180,083</u>	<u>7,016,606</u>
<u>\$1,180,083</u>	<u>\$7,427,194</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL OUTLAY CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Capital Improvements Projects</u>	<u>Capital Facilities</u>	<u>Infrastructure Repair and Replacement</u>	<u>Enhancement and Replacement</u>
REVENUES				
Use of money and property		\$10,619	\$5,258	\$773
Other		143		
Total Revenues		<u>10,762</u>	<u>5,258</u>	<u>773</u>
EXPENDITURES				
Capital outlay	<u>\$19,688</u>		<u>311,365</u>	
Total Expenditures	<u>19,688</u>		<u>311,365</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(19,688)</u>	<u>10,762</u>	<u>(306,107)</u>	<u>773</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>115,117</u>	<u>851,292</u>	<u>425,646</u>	
Total Other Financing Sources (Uses)	<u>115,117</u>	<u>851,292</u>	<u>425,646</u>	
NET CHANGE IN FUND BALANCES	95,429	862,054	119,539	773
BEGINNING FUND BALANCES (DEFICITS)	<u>(480,333)</u>	<u>3,296,416</u>	<u>1,709,663</u>	<u>232,982</u>
ENDING FUND BALANCES (DEFICITS)	<u><u>(\$384,904)</u></u>	<u><u>\$4,158,470</u></u>	<u><u>\$1,829,202</u></u>	<u><u>\$233,755</u></u>

<u>Community Enhancement</u>	<u>Total Capital Projects Special Revenue Fund</u>
	\$16,650
	143
	<u>16,793</u>
	331,053
	<u>331,053</u>
	<u>(314,260)</u>
<u>\$1,180,083</u>	<u>2,572,138</u>
<u>1,180,083</u>	<u>2,572,138</u>
1,180,083	2,257,878
	<u>4,758,728</u>
<u><u>\$1,180,083</u></u>	<u><u>\$7,016,606</u></u>

CITY OF RANCHO CORDOVA
SUBCOMBINING BALANCE SHEET
KILGORE CEMETERY PROPRIETARY FUND
JUNE 30, 2015

	Kilgore Cemetery Fund	Kilgore Cemetery Endowment Care Fund	Total Kilgore Cemetery Proprietary Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current assets:			
Cash and investments		\$18,404	\$18,404
Receivables:			
Accounts, net			
Interest		3	3
Due from other government agencies			
Prepays			
	<u> </u>	<u> </u>	<u> </u>
Total current assets		<u>18,407</u>	<u>18,407</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable	\$656,303		656,303
Depreciable, net	<u>1,008,873</u>		<u>1,008,873</u>
	<u> </u>	<u> </u>	<u> </u>
Total noncurrent assets	<u>1,665,176</u>		<u>1,665,176</u>
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$1,665,176</u>	<u>\$18,407</u>	<u>\$1,683,583</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$56,596		\$56,596
Due to other funds	<u>222,721</u>		<u>222,721</u>
	<u> </u>	<u> </u>	<u> </u>
Total current liabilities	<u>279,317</u>		<u>279,317</u>
Noncurrent liabilities:			
Advances from other funds	<u>1,177,105</u>		<u>1,177,105</u>
	<u> </u>	<u> </u>	<u> </u>
Total noncurrent liabilities	<u>1,177,105</u>		<u>1,177,105</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,456,422</u>		<u>1,456,422</u>
FUND BALANCES			
Net investment in capital assets	1,665,176		1,665,176
Unrestricted	<u>(1,456,422)</u>	<u>18,407</u>	<u>(1,438,015)</u>
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>208,754</u>	<u>18,407</u>	<u>227,161</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$1,665,176</u>	<u>\$18,407</u>	<u>\$1,683,583</u>

CITY OF RANCHO CORDOVA
SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
KILGORE CEMETERY PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Kilgore Cemetery Fund	Kilgore Cemetery Endowment Care Fund	Total Kilgore Cemetery Proprietary Fund
OPERATING REVENUES			
Service charges	\$67,517		\$67,517
Other		\$2,002	2,002
Total Operating Revenues	67,517	2,002	69,519
OPERATING EXPENSES			
Administration	28,626		28,626
Depreciation	42,743		42,743
Total Operating Expenses	71,369		71,369
NONOPERATING REVENUES (EXPENSES)			
Interest income		55	55
Total Nonoperating Revenues (Expenses)		55	55
Income (Loss) Before Transfers	(3,852)	2,057	(1,795)
OTHER FINANCING SOURCES (USES)			
Capital contributions			
Transfers in	272,398		272,398
Total Other Financing Sources (Uses)	272,398		272,398
NET CHANGE IN FUND BALANCES	268,546	2,057	270,603
BEGINNING FUND BALANCES	(59,792)	16,350	(43,442)
ENDING FUND BALANCES	\$208,754	\$18,407	\$227,161

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. Financial reporting Standards require that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

INSURANCE FUND – to account for long-term financing of potential litigation, insurance costs, and claims.

VEHICLE AND EQUIPMENT REPLACEMENT FUND – to account for funds accumulated to pay for the replacement of vehicles and equipment.

CITY OF RANCHO CORDOVA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	Insurance	Vehicle & Equipment Replacement	Total
ASSETS			
Current assets:			
Cash and investments	\$447,557	\$352,426	\$799,983
Receivables:			
Interest	23	17	40
Total current assets	447,580	352,443	800,023
Noncurrent assets:			
Capital assets:			
Depreciable, net		70,177	70,177
Total noncurrent assets		70,177	70,177
Total Assets	447,580	422,620	870,200
Current liabilities:			
Accounts payable	2,012		2,012
Total Liabilities	2,012		2,012
NET POSITION			
Net investment in capital assets		70,177	70,177
Unrestricted	445,568	352,443	798,011
Total Net Position	\$445,568	\$422,620	\$868,188

CITY OF RANCHO CORDOVA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Insurance</u>	<u>Vehicle & Equipment Replacement</u>	<u>Total</u>
OPERATING REVENUES			
Other		\$32,786	\$32,786
Total Operating Revenues		32,786	32,786
OPERATING EXPENSES			
Administration	\$19,709		19,709
Depreciation		23,393	23,393
Total Operating Expenses	19,709	23,393	43,102
Operating Income (Loss)	(19,709)	9,393	(10,316)
NONOPERATING REVENUES (EXPENSES)			
Interest income	1,547	1,063	2,610
Miscellaneous expenses			
Total Nonoperating Revenues	1,547	1,063	2,610
Income (Loss) Before Transfers	(18,162)	10,456	(7,706)
Change in Net Position	(18,162)	10,456	(7,706)
BEGINNING NET POSITION	463,730	412,164	875,894
ENDING NET POSITION	<u>\$445,568</u>	<u>\$422,620</u>	<u>\$868,188</u>

CITY OF RANCHO CORDOVA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Insurance</u>	<u>Vehicle & Equipment Replacement</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Reimbursements from suppliers		\$32,786	\$32,786
Payments to suppliers	(\$38,616)		(38,616)
	<u>(38,616)</u>	<u>32,786</u>	<u>(5,830)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	1,547	\$1,059	2,606
	<u>1,547</u>	<u>1,059</u>	<u>2,606</u>
Cash Flows from Investing Activities	<u>1,547</u>	<u>1,059</u>	<u>2,606</u>
Net Cash Flows	(37,069)	33,845	(3,224)
Cash and investments at beginning of period	<u>484,626</u>	<u>318,581</u>	<u>803,207</u>
Cash and investments at end of period	<u>\$447,557</u>	<u>\$352,426</u>	<u>\$799,983</u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:			
Operating income (loss)	(\$19,709)	\$9,393	(\$10,316)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation		23,393	23,393
Change in assets and liabilities:			
Accounts payable	(18,907)		(18,907)
Cash Flows from (Used by) Operating Activities	<u>(\$38,616)</u>	<u>\$32,786</u>	<u>(\$5,830)</u>

AGENCY FUNDS

Agency Funds account for assets held by the City as an agent for individuals, governmental entities and non-public organizations.

SUNRIDGE ANATOLIA COMMUNITY FACILITIES DISTRICT 2003-1 – to account for assessment revenue and associated expenditures for billing and collections of the Sunridge Anatolia Community Facilities District No. 2003-1 Special Tax Bonds Series 2003, 2005 and 2007 debt service payments.

SUNRIDGE PARK COMMUNITY FACILITIES DISTRICT 2004-1 – to account for assessment revenues and associated expenditures for billing and collections of the Sunridge Park CFD 2004-1 Special Tax Bonds Series 2007 debt service payments.

SUNRIDGE NORTH DOUGLAS COMMUNITY FACILITIES DISTRICT 2005- 1 – to account for assessment revenues and associated expenditures for billing and collections related to a future bond issuance to finance infrastructure improvements.

MONTELENA COMMUNITY FACILITIES DISTRICT – to account for assessment revenues and associated expenditures for billing and collections related to a future bond issuance to finance infrastructure improvements.

SUNRISE DOUGLAS PARK – to account for park improvement development fees collected by the City on behalf of the Cordova Recreation and Park District or its successor agency solely to pay for the cost of applicable park and recreational facilities.

CITY OF RANCHO CORDOVA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2015

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
<u>Sunridge Anatolia CFD 2003-1</u>				
Cash and investments	\$4,120,532	\$792,421		\$4,912,953
Restricted cash and investments	6,685,274		\$178,077	6,507,197
Accounts receivable	571		571	
Due from other governmental agencies	48,795		26,527	22,268
Interest receivable	199	398		597
Total Assets	<u>\$10,855,371</u>	<u>\$792,819</u>	<u>\$205,175</u>	<u>\$11,443,015</u>
Accounts payable	\$770	\$929		\$1,699
Interest payable		1,228		1,228
Due to assessment district bondholders	10,854,601	790,662	205,175	11,440,088
Total Liabilities	<u>\$10,855,371</u>	<u>\$792,819</u>	<u>\$205,175</u>	<u>\$11,443,015</u>
<u>Sunridge Park CFD 2004-1</u>				
Cash and investments	\$2,967,458	\$383,663		\$3,351,121
Restricted cash and investments	6,905,896		\$1,156,195	5,749,701
Due from other governmental agencies	8,448		6,294	2,154
Interest receivable	144	333		477
Total Assets	<u>\$9,881,946</u>	<u>\$383,996</u>	<u>\$1,162,489</u>	<u>\$9,103,453</u>
Accounts payable	\$21,689		\$21,689	
Interest payable		\$395		\$395
Due to assessment district bondholders	9,860,257	383,601	1,140,800	9,103,058
Total Liabilities	<u>\$9,881,946</u>	<u>\$383,996</u>	<u>\$1,162,489</u>	<u>\$9,103,453</u>
<u>Sunridge North Douglas CFD 2005-1</u>				
Cash and investments	\$45,794		\$5,292	\$40,502
Interest receivable	2			2
Total Assets	<u>\$45,796</u>		<u>\$5,292</u>	<u>\$40,504</u>
Due to other agencies	<u>\$45,796</u>		<u>\$5,292</u>	<u>\$40,504</u>
<u>Montelena CFD</u>				
Cash and investments				
Interest receivable				
Total Assets				
Deposits				
Due to other agencies				
Total Liabilities				

(Continued)

CITY OF RANCHO CORDOVA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2015

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
<u>Sunrise Douglas Park Fund</u>				
Cash and investments	\$7,517,909	\$323,757	\$1,598,770	\$6,242,896
Accounts receivable		265,045		265,045
Interest receivable	364		39	325
Total Assets	<u>\$7,518,273</u>	<u>\$588,802</u>	<u>\$1,598,809</u>	<u>\$6,508,266</u>
Accounts payable	\$16,293		\$10,701	\$5,592
Deposits payable		\$323,757		323,757
Unearned revenue		265,045		265,045
Due to other agencies	7,501,980		1,588,108	5,913,872
Total Liabilities	<u>\$7,518,273</u>	<u>\$588,802</u>	<u>\$1,598,809</u>	<u>\$6,508,266</u>
<u>Total Agency Funds</u>				
Cash and investments	\$14,651,693	\$1,499,841	\$1,604,062	\$14,547,472
Restricted cash and investments with fiscal agents	13,591,170		1,334,272	12,256,898
Accounts receivable	571	265,045	571	265,045
Interest receivable	709	731	39	1,401
Due from other governmental agencies	57,243		32,821	24,422
Total Assets	<u>\$28,301,386</u>	<u>\$1,765,617</u>	<u>\$2,971,765</u>	<u>\$27,095,238</u>
Accounts payable	\$38,752	\$929	\$32,390	\$7,291
Interest payable		1,623		1,623
Deposits payable		323,757		323,757
Unearned revenue		265,045		265,045
Due to assessment district bondholders	20,714,858	1,174,263	1,345,975	20,543,146
Due to other agencies	7,547,776		1,593,400	5,954,376
Total Liabilities	<u>\$28,301,386</u>	<u>\$1,765,617</u>	<u>\$2,971,765</u>	<u>\$27,095,238</u>

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STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed 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 contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. General Government Tax Revenue by Source
2. Assessed and Estimated Value of Property
3. Property Tax Rates, Direct and Overlapping Governments
4. Principal Tax Payers
5. Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratios of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Legal Debt Margin Information

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Schedule of Demographic Statistics
2. Ten Largest Area Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Government Employment Information
2. Operating Indicators by Function/Program (Miscellaneous Statistics)
3. Capital Asset and Infrastructure Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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CITY OF RANCHO CORDOVA
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
In capital assets	\$ 8,357,941	\$ 228,382,846	\$ 242,668,370	\$ 265,248,656	\$ 272,812,541	\$ 284,145,506	\$ 291,926,279	\$ 320,087,426	\$ 313,935,860	\$ 163,293,796
Restricted	40,513,083	53,397,757	66,637,771	67,519,112	59,207,574	56,953,066	62,607,924	64,124,648	65,172,962	67,232,596
Unrestricted	6,501,698	24,791,160	19,262,027	25,297,053	28,260,267	29,934,891	24,692,937	28,612,663	29,430,909	32,724,621
Total governmental activities net position	<u>55,372,722</u>	<u>306,571,763</u>	<u>328,568,168</u>	<u>358,064,821</u>	<u>360,280,382</u>	<u>371,033,463</u>	<u>379,227,140</u>	<u>412,824,737</u>	<u>408,539,731</u>	<u>263,251,013</u>
Business-type activities										
In capital assets	-	1,422,003	1,470,806	1,489,554	1,477,013	1,502,122	1,472,178	1,442,253	1,412,328	161,907,927
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	(1,224,820)	(1,345,183)	(1,401,825)	(1,471,042)	(1,570,040)	(1,592,398)	(1,622,508)	(1,455,770)	4,777,076
Total business-type activities net position	<u>-</u>	<u>197,183</u>	<u>125,623</u>	<u>87,729</u>	<u>5,971</u>	<u>(67,918)</u>	<u>(120,220)</u>	<u>(180,255)</u>	<u>(43,442)</u>	<u>166,685,003</u>
Primary government										
In capital assets	8,357,941	229,804,849	244,139,176	266,738,210	274,289,554	285,647,628	293,398,457	321,529,679	315,348,188	325,201,723
Restricted	40,513,083	53,397,757	66,637,771	67,519,112	59,207,574	56,953,066	62,607,924	64,124,648	65,172,962	67,232,596
Unrestricted	6,501,698	23,566,340	17,916,844	23,895,228	26,789,225	28,364,851	23,100,539	26,990,155	27,975,139	37,501,697
Total primary government net position	<u>\$ 55,372,722</u>	<u>\$ 306,768,946</u>	<u>\$ 328,693,791</u>	<u>\$ 358,152,550</u>	<u>\$ 360,286,353</u>	<u>\$ 370,965,545</u>	<u>\$ 379,106,920</u>	<u>\$ 412,644,482</u>	<u>\$ 408,496,289</u>	<u>\$ 429,936,016</u>

Source: Annual financial reports

CITY OF RANCHO CORDOVA
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)
(Unaudited)

Expenses	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
General government	\$ 17,939,297	\$ 22,055,441	\$ 28,454,471	\$ 23,835,036	\$ 23,975,190	\$ 31,391,098	\$ 26,389,142	\$ 27,907,919	\$ 30,105,912	\$ 25,499,679
Community Development	6,812,844	6,447,185	7,353,683	6,972,540	6,139,788	5,948,790	7,627,192	5,452,232	6,200,258	8,195,273
Public Safety	13,446,239	13,778,468	15,614,787	16,027,526	15,288,923	15,310,983	15,878,548	16,476,763	17,187,388	17,369,893
Public Works	2,630,097	4,121,579	4,950,568	9,797,172	5,781,813	4,955,151	9,911,194	8,276,583	11,280,959	8,779,342
Interest on long term debt	881,467	1,359,131	1,563,374	1,439,074	1,384,583	1,584,644	1,221,777	1,107,696	1,063,097	1,018,838
Total governmental activities expenses	41,709,944	47,761,804	57,936,883	58,071,348	52,570,297	59,190,666	61,027,853	59,221,193	65,837,614	60,863,025
Business-type activities:										
Cemetery	-	9,988	71,680	86,381	89,905	80,919	63,809	69,629	180,274	71,369
Storm Drain	-	-	-	-	-	-	-	-	-	9,209,502
Total business-type activities expenses	-	9,988	71,680	86,381	89,905	80,919	63,809	69,629	180,274	9,280,871
Total primary government expenses	41,709,944	47,771,792	58,008,563	58,157,729	52,660,202	59,271,585	61,091,662	59,290,822	66,017,888	70,143,896
Program Revenues										
Governmental activities:										
Charges for services	26,142,639	33,364,367	-	-	-	-	-	-	-	-
General government	-	-	12,500,088	1,101,483	723,545	981,611	1,045,377	642,864	1,033,345	2,332,412
Community Development	-	-	3,555,238	2,997,656	2,800,846	3,137,047	2,607,312	3,149,670	2,917,407	2,894,914
Public Safety	-	-	878,827	1,560,634	2,054,171	2,166,447	2,107,741	2,268,689	2,626,799	2,437,829
Public Works	-	-	5,651,648	3,485,309	3,590,042	3,568,562	3,787,812	3,722,318	4,037,491	4,331,040
Operating grants and contributions	3,322,801	6,718,186	3,578,050	8,976,488	8,816,551	5,543,162	8,924,056	8,306,015	6,484,293	4,883,127
Capital grants and contributions	1,803,132	3,820,997	9,461,811	34,079,529	11,145,048	21,104,022	17,600,808	40,963,959	8,525,538	8,897,303
Total governmental activities program revenues	31,268,572	43,903,550	35,625,662	52,201,099	29,130,203	36,500,851	36,073,106	59,053,515	25,624,873	25,776,625
Business-type activities:										
Charges for services	-	-	-	48,277	8,000	6,850	11,400	9,500	4,700	-
Cemetery	-	-	-	-	-	-	-	-	-	69,519
Storm Drain	-	-	-	-	-	-	-	-	-	4,053,796
Capital grants and contributions	-	225,000	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-	-	-
Storm Drain	-	225,000	-	-	-	-	-	-	-	10,192,180
Total business-type activities program revenues	-	225,000	-	48,277	8,000	6,850	11,400	9,500	4,700	14,315,495
Total primary government program revenues	31,268,572	44,128,550	35,625,662	52,249,376	29,138,203	36,507,701	36,084,506	59,063,015	25,629,573	40,092,120
Net (expense)/revenue										
Governmental activities	(10,441,372)	(3,858,254)	(22,311,221)	(5,870,249)	(23,440,094)	(22,689,815)	(24,954,747)	(167,678)	(40,212,741)	(35,086,400)
Business-type activities	-	215,012	(71,680)	(38,104)	(81,905)	(74,069)	(52,409)	(60,129)	(175,574)	5,034,624
Total primary government net (expense)/revenue	\$ (10,441,372)	\$ (3,643,242)	\$ (22,382,901)	\$ (5,908,353)	\$ (23,521,999)	\$ (22,763,884)	\$ (25,007,156)	\$ (227,807)	\$ (40,388,315)	\$ (30,051,776)

NOTE: A Storm Drain Enterprise Fund was established in FY 2014/15 to account for the ownership and operation of the Storm Drain System which the City took over from the County.

Source: Annual financial reports

CITY OF RANCHO CORDOVA
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual basis of accounting)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property	\$ 7,739,207	\$ 8,544,439	\$ 12,252,371	\$ 11,127,070	\$ 9,970,988	\$ 8,271,587	\$ 7,250,433	\$ 7,712,950	\$ 8,083,269	\$ 8,679,924
Sales and use	10,418,318	10,095,717	9,304,724	9,040,890	8,824,813	11,167,725	11,354,606	12,060,818	12,797,765	15,280,124
Transient occupancy	2,581,424	2,528,209	2,518,771	2,183,506	1,821,607	2,514,865	2,625,755	2,636,893	2,859,013	3,160,028
Utility users	1,721,736	2,236,887	1,930,878	1,953,249	2,177,275	2,712,564	3,380,600	3,411,126	3,439,608	3,718,885
Other	982,636	1,028,478	1,371,957	402,924	285,702	1,908,640	1,907,975	2,295,517	2,695,318	2,223,960
Franchise fees	-	-	-	1,213,596	1,359,669	-	-	-	-	-
Property taxes in lieu of vehicle license fees	4,518,669	4,482,885	5,118,290	5,097,792	4,881,275	4,823,953	5,012,950	4,793,814	4,864,721	5,109,178
Use of money and property	1,950,149	4,402,877	5,188,665	2,983,325	1,958,977	1,789,392	1,122,769	959,979	1,098,942	901,102
Transfers and miscellaneous	3,747,908	5,250,865	6,621,970	1,364,550	828,474	254,170	227,747	658,883	89,099	(161,237,086)
Extraordinary item	-	-	-	-	-	-	265,589	(144,949)	-	-
Total governmental activities	<u>33,660,047</u>	<u>38,570,357</u>	<u>44,307,626</u>	<u>35,366,902</u>	<u>32,108,780</u>	<u>33,442,896</u>	<u>33,148,424</u>	<u>34,385,031</u>	<u>35,927,735</u>	<u>(122,163,885)</u>
Business-type activities:										
Use of money and property	-	320	120	210	147	180	107	94	107	14,598
Transfers and miscellaneous	-	(18,149)	-	-	-	-	-	-	312,280	161,679,223
Total business-type activities	-	(17,829)	120	210	147	180	107	94	312,387	161,693,821
Total primary government	<u>33,660,047</u>	<u>38,552,528</u>	<u>44,307,746</u>	<u>35,367,112</u>	<u>32,108,927</u>	<u>33,443,076</u>	<u>33,148,531</u>	<u>34,385,125</u>	<u>36,240,122</u>	<u>39,529,936</u>
Change in Net Position										
Governmental activities	23,218,675	34,712,103	21,996,405	29,496,653	8,668,686	10,753,081	8,193,677	34,217,353	(4,285,006)	(157,250,285)
Business-type activities	-	197,183	(71,560)	(37,894)	(81,758)	(73,889)	(52,302)	(60,035)	136,813	166,728,445
Total primary government	<u>\$ 23,218,675</u>	<u>\$ 34,909,286</u>	<u>\$ 21,924,845</u>	<u>\$ 29,458,759</u>	<u>\$ 8,586,928</u>	<u>\$ 10,679,192</u>	<u>\$ 8,141,375</u>	<u>\$ 34,157,318</u>	<u>\$ (4,148,193)</u>	<u>\$ 9,478,160</u>

Source: Annual financial reports

CITY OF RANCHO CORDOVA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Unaudited)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 *</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Reserved	\$ 2,723,441	\$ 3,934,363	\$ 5,109,382	\$ 5,221,880	\$ 4,480,074					
Unreserved, designated for economic uncertainty		9,419,717	9,419,717	9,419,717	9,419,717					
Unreserved, designated for unrealized gains				629,322	629,322					
Unreserved, reported in the General Fund	<u>12,680,244</u>	<u>12,467,530</u>	<u>12,292,739</u>	<u>11,884,585</u>	<u>12,108,482</u>					
Nonspendable						\$ 8,811,161	\$ 12,178,697	\$ 9,333,571	\$ 9,616,390	\$ 12,196,147
Unassigned						<u>16,963,918</u>	<u>14,070,687</u>	<u>17,549,125</u>	<u>17,932,519</u>	<u>17,142,849</u>
Total General Fund	<u>\$ 15,403,685</u>	<u>\$ 25,821,610</u>	<u>\$ 26,821,838</u>	<u>\$ 27,155,504</u>	<u>\$ 26,637,595</u>	<u>\$ 25,775,079</u>	<u>\$ 26,249,384</u>	<u>\$ 26,882,696</u>	<u>\$ 27,548,909</u>	<u>\$ 29,338,996</u>
All Other Governmental Funds										
Reserved	\$ 10,072,454	\$ 2,479,587	\$ 3,161,629	\$ 3,618,585	\$ 3,721,515					
Unreserved, designated for projects					1,615,007					
Unreserved, reported in:										
Special Revenue Funds	41,121,009	54,335,848	59,277,713	59,627,221	52,130,207					
Capital Projects Funds	<u>(9,465,478)</u>	<u>(1,230,432)</u>	<u>(828,103)</u>	<u>585,439</u>	<u>1,719,350</u>					
Nonspendable						\$ 405,963	\$ -	\$ -	\$ -	\$ 3,450
Restricted						56,972,277	61,928,667	63,518,924	69,737,246	73,387,979
Committed						3,209,102	-	-	-	-
Unassigned						<u>(2,047,218)</u>	<u>(5,555,704)</u>	<u>(3,456,204)</u>	<u>(2,030,192)</u>	<u>(1,496,943)</u>
Total All Other Governmental Funds	<u>\$ 41,727,985</u>	<u>\$ 55,585,003</u>	<u>\$ 61,611,239</u>	<u>\$ 63,831,245</u>	<u>\$ 59,186,079</u>	<u>\$ 58,540,124</u>	<u>\$ 56,372,963</u>	<u>\$ 60,062,720</u>	<u>\$ 67,707,054</u>	<u>\$ 71,894,486</u>

* The city implemented GASB Statement 54 in fiscal year 2011.

Source: Annual financial reports

CITY OF RANCHO CORDOVA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes and assessments	\$ 27,961,990	\$ 28,916,615	\$ 32,140,342	\$ 31,795,690	\$ 30,133,667	\$ 31,763,342	\$ 34,165,037	\$ 35,506,292	\$ 34,620,251	\$ 38,747,079
Charges for services	3,526,782	6,242,718	5,443,068	4,215,834	3,078,720	3,918,943	3,533,612	3,042,033	3,242,051	3,418,386
Licenses, fees and permits	35,670,026	26,554,572	16,406,734	11,606,702	9,719,697	8,392,039	9,894,338	12,028,868	10,419,315	9,971,584
Fines and forfeitures	464,745	567,078	735,999	777,339	1,135,908	1,236,844	1,083,794	1,336,428	1,424,763	1,191,306
Intergovernmental	5,011,087	10,492,415	13,000,346	13,609,918	14,183,280	14,169,350	15,148,811	13,145,345	9,913,819	10,478,647
Use of money and property	1,950,149	4,254,559	5,095,186	3,135,499	1,927,424	1,750,334	1,015,217	986,863	1,104,518	870,009
Miscellaneous	3,747,908	4,547,716	1,581,394	353,094	575,108	477,040	338,618	315,467	517,541	212,924
Total revenues	<u>78,332,687</u>	<u>81,575,673</u>	<u>74,403,069</u>	<u>65,494,076</u>	<u>60,753,804</u>	<u>61,707,892</u>	<u>65,179,427</u>	<u>66,361,296</u>	<u>61,242,258</u>	<u>64,889,935</u>
Expenditures										
General government	16,041,144	17,594,828	20,729,058	15,117,347	13,780,896	14,868,621	14,855,261	15,156,251	15,278,010	15,558,096
Community Development	6,812,844	6,447,185	7,353,683	6,972,540	6,135,973	5,948,790	6,469,795	5,452,232	5,923,004	8,203,054
Public Safety	13,446,239	13,778,468	15,614,787	16,027,526	15,288,923	15,310,983	15,795,913	16,354,005	17,093,766	17,753,700
Public Works	2,630,097	4,121,579	4,950,568	4,689,463	3,970,479	4,938,302	6,466,683	7,628,907	9,527,340	9,212,399
Estimated reduction in fair value of land held for resale	-	-	-	-	-	-	1,157,397	-	-	-
Capital outlay	28,223,470	11,840,393	15,697,381	16,370,213	17,962,305	20,406,701	18,901,174	13,418,857	6,491,784	9,171,682
Debt service:										
Principal retirement	1,143,012	1,043,044	1,003,012	1,118,011	725,000	765,000	815,025	850,445	896,017	941,621
Interest and fiscal charges	1,157,641	1,295,270	1,528,116	1,414,494	1,354,950	1,555,863	1,193,725	1,107,653	1,063,960	1,020,631
Bond issuance costs	-	498,787	-	-	-	-	-	-	-	-
Total expenditures	<u>69,454,447</u>	<u>56,619,554</u>	<u>66,876,605</u>	<u>61,709,594</u>	<u>59,218,526</u>	<u>63,794,260</u>	<u>65,654,973</u>	<u>59,968,350</u>	<u>56,273,881</u>	<u>61,861,183</u>
Excess of revenues over (under) expenditures	<u>8,878,240</u>	<u>24,956,119</u>	<u>7,526,464</u>	<u>3,784,482</u>	<u>1,535,278</u>	<u>(2,086,368)</u>	<u>(475,546)</u>	<u>6,392,946</u>	<u>4,968,377</u>	<u>3,028,752</u>
Other financing sources (uses)										
Issuance of capital lease	-	-	-	-	-	55,365	-	-	-	-
Issuance of debt	6,705,000	-	-	-	-	-	-	-	428,011	1,250,326
Proceeds from issuance of refunding debt	-	20,400,000	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(19,637,790)	-	-	-	-	-	-	-	-
Discount on refunding debt	-	(341,335)	-	-	-	-	-	-	-	-
Transfers in	3,921,921	20,710,051	18,212,921	22,288,975	24,838,370	26,720,749	17,732,940	18,071,384	9,827,272	4,702,549
Transfers out	(3,921,921)	(21,812,102)	(18,712,921)	(23,536,456)	(25,066,927)	(26,198,217)	(19,215,839)	(19,996,312)	(6,913,113)	(9,213,271)
Total other financing sources (uses)	<u>-</u>	<u>(1,102,051)</u>	<u>(500,000)</u>	<u>(1,247,481)</u>	<u>(228,557)</u>	<u>577,897</u>	<u>(1,482,899)</u>	<u>(1,924,928)</u>	<u>3,342,170</u>	<u>(3,260,396)</u>
Net change in fund balances before extraordinary item							(1,958,445)	4,468,018	8,310,547	(231,644)
Extraordinary Item							265,589	(144,949)	-	-
Net Change in Fund Balance	<u>\$ 8,878,240</u>	<u>\$ 23,854,068</u>	<u>\$ 7,026,464</u>	<u>\$ 2,537,001</u>	<u>\$ 1,306,721</u>	<u>\$ (1,508,471)</u>	<u>\$ (1,692,856)</u>	<u>\$ 4,323,069</u>	<u>\$ 8,310,547</u>	<u>\$ (231,644)</u>
Debt services as a percentage of non-capital expenditures	5.9%	6.8%	5.2%	5.1%	5.1%	4.9%	4.1%	4.2%	3.9%	3.7%

Source: Annual financial reports

CITY OF RANCHO CORDOVA
 General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
 (Accrual basis of accounting)
 (Unaudited)

Fiscal Year	Property Tax (1)	Sales Tax	Franchise Tax	Utility Users Tax	Transient Occup. Tax	Property Transfer Tax	Other	Total
2005/06	\$ 12,257,876	\$ 10,418,318	\$ 981,518	\$ 1,721,736	\$ 2,581,424	\$ 776,568	\$ 206,068	\$ 28,943,508
2006/07	13,027,324	10,095,717	1,065,660	2,236,887	2,528,209	479,885	548,593	29,982,275
2007/08	17,370,661	9,304,724	1,332,257	1,930,878	2,518,771	297,122	1,074,835	33,829,248
2008/09	16,224,862	9,040,890	1,213,596	1,953,249	2,183,506	257,019	877,878	31,751,000
2009/10	14,852,263	8,824,813	1,359,669	2,177,275	1,821,607	145,555	1,024,500	30,205,682
2010/11	13,095,540	11,167,725	1,605,332	2,712,564	2,514,865	173,973	1,094,442	32,364,441
2011/12	12,027,442	11,354,606	1,580,803	3,380,600	2,625,755	217,172	1,161,104	32,347,482
2012/13	12,008,690	12,060,818	1,972,151	3,411,126	2,636,893	215,116	1,228,246	33,533,040
2013/14	12,421,203	12,797,765	1,845,459	3,439,608	2,859,013	242,617	1,379,082	34,984,747
2014/15	13,185,809	15,280,124	1,649,628	3,718,885	3,160,028	330,784	1,553,175	38,878,433
TOTAL	\$ 136,471,670	\$ 110,345,500	\$ 14,606,073	\$ 26,682,808	\$ 25,430,071	\$ 3,135,811	\$ 10,147,923	\$ 326,819,856

(1) Includes the General Fund and Special Revenue Funds.

Source: Annual financial reports

CITY OF RANCHO CORDOVA
Assessed and Estimated Value of Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year ⁽¹⁾	Secured Property	Public Utility	Unsecured Property	Less: Exemptions	Net Assessed Valuation ⁽²⁾	Full Market Value	Total Direct Tax Rate ⁽³⁾
2005/06	\$ 4,676,731,067	\$ 55,495	\$ 359,892,084	\$ 60,702,885	\$ 4,975,975,761	\$ 5,036,678,646	1.0%
2006/07	5,604,585,670	52,740	385,233,405	63,423,836	5,926,447,979	5,989,871,815	1.0%
2007/08	6,403,351,771	40,000	435,424,710	67,203,285	6,771,613,196	6,838,816,481	1.0%
2008/09	6,349,138,912	40,000	462,249,763	69,531,303	6,741,897,372	6,811,428,675	1.0%
2009/10	6,014,538,118	40,000	507,550,695	71,509,406	6,450,619,407	6,522,128,813	1.0%
2010/11	5,794,843,878	40,000	441,226,348	72,443,391	6,163,666,835	6,236,110,226	1.0%
2011/12	6,068,916,766	146,060	396,218,211	71,734,546	6,393,546,491	6,465,281,037	1.0%
2012/13	5,851,403,070	175,453	508,419,318	70,314,733	6,289,683,108	6,359,997,841	1.0%
2013/14	5,998,670,352	175,453	463,225,618	68,562,466	6,393,508,957	6,462,071,423	1.0%
2014/15	6,320,902,519	175,453	468,417,766	67,541,328	6,721,954,410	6,789,495,738	1.0%

Notes:

(1) The City of Rancho Cordova incorporated on July 1, 2003. Due to Revenue Neutrality law, the City has entered into a contract with the County, whereby the County will keep a portion of the City's property tax revenue through 2027/28 as discussed in Note 13.

(2) In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum of 1% based upon the assessed value of property being taxed. Each year, the assessed value may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed at the time 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 date 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. The data above represents estimates provided by the County.

(3) This 1.00% is shared by all taxing agencies based on the Tax Rate Area in which the subject property resides within.

Source: Sacramento County Auditor-Controller

CITY OF RANCHO CORDOVA
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Basic Prop 13 Statewide Tax Rate*	Voter Approved (or) Pre 1978 Debt Service									Total Property Tax Rate
		City	School Districts		Special Districts						
		City	Sacramento Unified GOB	Los Rios College GOB	Sac Regional County Sanitation	Folsom Cordova CFD #1	Folsom Cordova CFD #2	Folsom Cordova Imp 1	Folsom Cordova Imp 3	Folsom Cordova Imp 4	
2005/06	1.0000%	0.0000%	0.1131%	0.0032%	0.0055%	0.0531%	0.0000%	0.0000%	0.0000%	0.0000%	**
2006/07	1.0000%	0.0000%	0.1131%	0.0032%	0.0055%	0.0531%	0.0000%	0.0000%	0.0000%	0.0000%	**
2007/08	1.0000%	0.0000%	0.0890%	0.0066%	0.0055%	0.0512%	0.0000%	0.0000%	0.0370%	0.0600%	**
2008/09	1.0000%	0.0000%	0.0000%	0.0074%	0.0000%	0.0477%	0.0000%	0.0000%	0.0505%	0.0343%	1.1399%
2009/10	1.0000%	0.0000%	0.0000%	0.0124%	0.0000%	0.0537%	0.0000%	0.0000%	0.0985%	0.0599%	1.2245%
2010/11	1.0000%	0.0000%	0.0000%	0.0192%	0.0000%	0.0702%	0.0000%	0.0000%	0.0916%	0.0756%	1.2566%
2011/12	1.0000%	0.0000%	0.0000%	0.0072%	0.0000%	0.0507%	0.0000%	0.0000%	0.0000%	0.0000%	1.0579%
2012/13	1.0000%	0.0000%	0.0000%	0.0193%	0.0000%	0.0000%	0.0000%	0.0708%	0.1155%	0.0726%	1.2782%
2013/14	1.0000%	0.0000%	0.0000%	0.0181%	0.0000%	0.0000%	0.0000%	0.0739%	0.1125%	0.1314%	1.3359%
2014/15	1.0000%	0.0000%	0.0000%	0.0113%	0.0000%	0.0000%	0.0000%	0.0832%	0.1129%	0.1610%	1.3684%

* In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum of 1% based upon the assessed value of property being taxed. Each year, the assessed value may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed at the time 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 date 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. The data above represents estimates provided by the County.

** The Total Direct Tax Rate was not available.

Source: Sacramento County Auditor-Controller

CITY OF RANCHO CORDOVA
Principal Taxpayers
Current Year and Nine Years Ago
As of June 30, 2015
(Unaudited)

Taxpayer	Land Use	2013/2014 Assessed Valuation	Percentage of Total Assessed Valuation *	2005/2006 Assessed Valuation	Percentage of Total Assessed Valuation
Franklin Resources Inc	Office Building	\$ 80,899,099	1 1.28%	\$ 55,973,824	5 1.12%
MSCP Capital Center Investor LLC	Office Building	72,113,505	2 1.14%		
Karlin Capital Center LLC	Office Building	61,477,844	3 0.97%		
D. Bruce/Darlyne Fite Family Revocable Trust	Office Building	53,603,177	4 0.85%		
VSP Holding Company	Office Building	52,205,329	5 0.83%		
Rreef America REIT II Corporation	Office Building	49,200,000	6 0.78%		
Cordova LLC	Office Building	39,511,957	7 0.63%		
Wasatch Pool Holdings LLC	Apartments	37,475,505	8 0.59%	36,732,572	10 0.74%
Mather Development Partners	Office Building	33,917,622	9 0.54%		
MG Partners Fund VIII Capital Village LLC	Office Building	28,674,386	10 0.45%		
Lennar Renaissance Inc	Residential Development			73,578,658	1 1.48%
Altair Holding Company	Office Building			70,486,411	2 1.42%
Hines VAF Capital Center LP	Office Building			69,500,000	3 1.40%
Prospect Green Partners	Office Building			57,957,929	4 1.16%
Sunridge Park, LLC	Residential Land			52,750,328	6 1.06%
Elliott Homes Inc	Residential Development			50,006,973	7 1.00%
Salvatore A. Rubino Decl. of Trust	Office Building			38,845,776	8 0.78%
McKesson Corporation	Office Building			38,816,120	9 0.78%
		<u>\$ 509,078,424</u>		<u>\$ 544,648,591</u>	

* 2014/2015 Local Secured Assessed Valuation: \$6,320,902,519

Source: California Municipal Statistics, Inc.

CITY OF RANCHO CORDOVA
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year*	Total Current Tax Levy	Total Current Collections	Percentage of Levy Collected	Delinquent Tax Receivables (1)
2005/06	\$ 7,656,003	\$ 7,656,003	100.00%	-
2006/07	7,599,221	7,599,221	100.00%	-
2007/08	8,307,593	8,307,593	100.00%	-
2008/09	8,238,312	8,238,312	100.00%	-
2009/10	7,930,659	7,930,659	100.00%	-
2010/11	7,657,471	7,657,471	100.00%	-
2011/12	7,662,885	7,662,885	100.00%	-
2012/13	7,515,163	7,515,163	100.00%	-
2013/14	7,669,804	7,669,804	100.00%	-
2014/15	8,058,773	8,058,773	100.00%	-

* The City of Rancho Cordova incorporated on July 1, 2003. Due to Revenue Neutrality law, the City has entered into a contract with the County, whereby the County will keep a portion of the City's property tax revenues as discussed in Note 13.

(1) The City participates in a Modified Teeter Plan. Cities participating in the Plan receive three distributions equal to the actual amount of property taxes collected. Any delinquencies at June 30 are purchased by the County and remitted to the City. As part of the Plan, the County retains the penalties and interest on the delinquent taxes.

Source: Sacramento County Auditor-Controller

CITY OF RANCHO CORDOVA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Streetlight Retrofit Loan	Capital Lease	Notes	Certificates of Participation	Bond Discount	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2005/06			\$ 1,269,035	\$ 26,896,706	\$ (346,706)	\$ 27,819,035	1.54%	\$ 494
2006/07			846,023	27,199,619	(334,619)	27,711,023	1.38%	469
2007/08			423,011	26,607,532	(322,532)	26,708,011	1.14%	438
2008/09			-	25,900,445	(310,445)	25,590,000	1.07%	416
2009/10			-	25,163,358	(298,358)	24,865,000	0.98%	395
2010/11		\$ 55,365	-	24,001,929	(286,271)	23,771,023	0.90%	363
2011/12		45,340	-	23,201,089	(274,184)	22,972,245	0.86%	348
2012/13		34,895	-	22,455,000	(262,097)	22,227,798	0.68%	332
2013/14	\$ 428,011	23,878	-	21,570,000	(250,010)	21,771,879	0.62%	321
2014/15	1,678,337	12,257	-	20,640,000	(237,922)	22,092,672	0.60%	320

(1) See the Schedule of Demographic Statistics for personal income and population data

NOTE: Details regarding the City's long term debt can be found in Note 7 to the financial statements

CITY OF RANCHO CORDOVA
Computation of Direct and Overlapping Debt
(Unaudited)

2014-15 Assessed Valuation: \$ 6,789,495,738

	Total Debt 6/30/15	% Applicable (1)	City's share of Debt 6/30/15
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Los Rios Community College District	\$ 361,280,000	4.340%	\$ 15,679,552
Folsom-Cordova Unified School District Facilities Improvement District No. 1	30,115,414	83.313%	25,090,055
Folsom-Cordova Unified School District Facilities Improvement District No. 3	39,521,981	61.435%	24,280,329
Folsom-Cordova Unified School District Facilities Improvement District No. 4	79,078,831	87.174%	68,936,180
Sacramento Unified School District	439,797,966	2.590%	11,390,767
San Juan Unified School District	404,827,785	0.073%	295,524
Elk Grove Unified School District Facilities Improvement District No. 1	178,792,187	3.722%	6,654,645
City of Rancho Cordova Community Facilities District No. 2003-1	68,480,000	100.00%	68,480,000
City of Rancho Cordova Community Facilities District No. 2004-1	13,070,000	100.00%	13,070,000
Sac Area Flood Control Agency 1915 Act Bonds	191,285,000	0.429% - 2.509%	885,509
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 234,762,561
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
Sacramento County General Fund Obligations	\$ 276,872,687	5.272%	\$ 14,596,728
Sacramento County Pension Obligations	973,933,985	5.272%	51,345,800
Sacramento County Office of Education Certificates of Participation	7,260,000	5.272%	382,747
Los Rios Community College District Certificates of Participation	5,440,000	4.340%	236,096
Folsom-Cordova Unified School District Certificates of Participation	18,890,000	29.447%	5,562,538
Sacramento Unified School District Certificates of Participation	72,380,000	2.590%	1,874,642
Sacramento Unified School District Pension Obligations	1,195,000	2.590%	30,951
San Juan Unified School District General Fund Obligations	749,716	0.073%	547
City of Rancho Cordova Certificates of Participation	20,405,078	100.00%	20,405,078
City of Rancho Cordova Streetlight Retrofit Loan	1,678,337	100.00%	1,678,337
City of Rancho Cordova Capital Lease Obligation	12,257	100.00%	12,257
Sacramento Metropolitan Fire District Pension Obligations	67,713,975	12.516%	8,475,081
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 104,600,802
Less: Sacramento County self-supported obligations			328,709
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 104,272,093
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	72,035,000	8.833%	\$ 6,362,852
TOTAL DIRECT DEBT			\$ 22,095,672
TOTAL GROSS OVERLAPPING DEBT			\$ 323,630,543
TOTAL NET OVERLAPPING DEBT			\$ 323,301,834
GROSS COMBINED TOTAL DEBT			\$ 345,713,958 (2)
NET COMBINED TOTAL DEBT			\$ 345,385,249

(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.

Ratios to 2014-15 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	3.46%
Total Direct Debt (\$22,095,672)	0.33%
Gross Combined Total Debt	5.09%
Net Combined Total Debt	5.09%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$160,110,446):

Total Overlapping Tax Increment Debt	3.97%
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Source: California Municipal Statistics, Inc.

CITY OF RANCHO CORDOVA
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 705,000,000	\$ 888,967,197	\$ 1,015,741,979	\$ 1,011,284,606	\$ 967,592,911	\$ 924,550,025	\$ 959,031,974	\$ 943,452,466	\$ 959,026,344	\$ 1,008,293,162
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	705,000,000	888,967,197	1,015,741,979	1,011,284,606	967,592,911	924,550,025	959,031,974	943,452,466	959,026,344	1,008,293,162
Total net debt applicable to the limit as a percentage of debt limit	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	6,789,495,738
Less: Exemptions	<u>(67,541,328)</u>
<i>Net assessed value</i>	6,721,954,410
Debt limit (15% of total assessed value)	1,008,293,162
Debt applicable to limit	
General Obligation Bonds outstanding	-
Less: Amounts available for repayment	-
Total debt applicable to limitation	<u>-</u>
Authorized legal debt margin	<u>\$ 1,008,293,162</u>

CITY OF RANCHO CORDOVA
Schedule of Demographic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population		Personal Income (2)	Per Capita Personal Income	Median Age (4)	Unemployment
	City (1)	County (1)		Sacramento Metro Area (3)		Rate County (5)
2005/06	56,355	1,385,607	1,769,997,840	31,408	33.7	4.8%
2006/07	59,056	1,406,804	1,876,268,176	31,771	34.1	5.3%
2007/08	60,975	1,424,415	1,859,859,450	30,502	34.1	8.1%
2008/09	61,500	1,472,084	1,817,755,500	29,557	34.1	12.2%
2009/10	62,899	1,453,495	1,787,904,075	28,425	33.7	12.5%
2010/11	65,502	1,418,788	1,861,894,350	27,654	34.4	11.8%
2011/12	66,093	1,436,105	1,827,735,822	27,706	34.8	10.2%
2012/13	66,927	1,450,151	1,854,279,462	27,706	33.1	8.6%
2013/14	67,839	1,454,406	1,918,215,564	28,276	33.8	6.8%
2014/15	69,112	1,470,912	2,070,249,960	29,955	34.3	5.7%

(1) Source: www.dof.ca.gov/research/demographic/reports/estimates/e-5/2011-20/view.php

(2) Source: Information not available. Amounts reports are the product of the City Population and Per Capita Personal Income data

(3) Source: Sacramento California Household Income/Department of Numbers

(4) Source: United States Census Bureau

(5) Source: www.labormarketinfo.edd.ca.gov (Oct 2015)

CITY OF RANCHO CORDOVA
 Ten Largest Area Employers
 Current Year and Nine Years Ago
 (Unaudited)

<u>Employer</u>	<u>2015</u>		<u>2004*</u>	
	<u>Number of Employees (1)</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees (2)</u>	<u>Percentage of Total City Employment</u>
State of California	3000	5.45%		
Veterans Affairs Medical Center	2500	4.55%		
Aerojet Rocketdyne Inc.	1700	3.09%	1387	n.a.
Ampac Fine Chemicals LLC	1600	2.91%		
Delta Dental	1600	2.91%	1500	n.a.
Sutter Health	1400	2.55%		
Vision Service Plan	1000	1.82%		
Verizon Wireless	1000	1.82%		
Progressive Insurance	800	1.45%		
Health Net Federal Svc LLC	800	1.45%		
Eds			675	n.a.
Volcano Therapeutics			309	n.a.
Cedar Valley Concrete			926	n.a.
Pacific Building Products			534	n.a.
Motion Control Engineering			360	n.a.
Wal-Mart			329	n.a.
Sunworld Landscape			300	n.a.
Automotive Importing			191	n.a.

* The City of Rancho Cordova incorporated on July 1, 2003 and began preparing a Comprehensive Annual Financial Report in fiscal year 2008. Therefore, employer information received by the County upon incorporation will be used through fiscal year 2018, at which time the City will start using actual data.

(1) Source: City of Rancho Cordova Economic Development Department - note that Aerojet & some Health Net locations are outside the City limits but within the City's sphere of influence

(2) Source: Sacramento County Auditor-Controller

CITY OF RANCHO CORDOVA
Government Employment Information
Last Ten Fiscal Years
(Unaudited)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City Council	5	5	5	5	5	5	5	5	5	5
City Manager	3	4	4	4	3	3	3	3	3	3
City Clerk	4	3	4	4	3	3	2	2	2	2
Administrative Services	4	3	5	5	4	4	4	4	4	4
Human Resources	1	2	3	3	3	3	3	3	3	3
Finance	5	7	8	9	8	9	9	9	9	9
Information Technology	1	1	2	2	2	2	3	3	3	3
Building& Inspection	6	11	10	9	6	6	5	5	5	5
Animal Services	2	2	2	2	2	1	1	2	1	1
Economic Development	2	2	3	4	4	4	3	2.5	2.5	2.5
Facilities Management	1	2	2	2	3	4	4	4	4	4
Code Enforcement	-	4	9	8	6	6	10	9	10	10
Housing	-	1	2	2	3	2	2	3	3	3
Planning	-	-	-	-	-	-	-	1	1	1
Public Information Officer	-	-	-	1	1	2	2	1.5	1.5	1.5
Public Works	10	15	17	17	18	15	14	16.6	16.6	16.6
Total employees	44	62	76	77	71	69	70	73.6	73.6	73.6

Note: The City is a contract city for the attorney, police and planning departments as well as key positions in other departments.

Source: Human Resources department, City of Rancho Cordova

CITY OF RANCHO CORDOVA
Miscellaneous Statistics
(Unaudited)

	Fiscal Year*							
	<u>2008</u> July 1, 2003 General Law	<u>2009</u> July 1, 2003 General Law	<u>2010</u> July 1, 2003 General Law	<u>2011</u> July 1, 2003 General Law	<u>2012</u> July 1, 2003 General Law	<u>2013</u> July 1, 2003 General Law	<u>2014</u> July 1, 2003 General Law	<u>2015</u> July 1, 2003 General Law
Date of Incorporation								
Form of Government								
Number of Employees								
Full-time	76	77	71	69	70	74	74	74
Part-time	-	-	-	-	-	-	-	-
Number of contract employees (excludes public safety - shown on next page)	17	17	14	19	20	22	22	22
Area in square miles	33	33	33	35	35	35	35	35
Facilities and services not included in the reporting entity								
Culture and Recreation:								
Parks	31	31	31	31	31	32	33	33
Park acreage	304	304	304	304	304	309	316	316
Swimming pools	2	2	2	2	2	2	2	2
Tennis courts	27	27	27	27	27	27	27	27
Community centers	3	3	3	3	3	3	3	3
Senior centers	1	1	1	1	1	1	1	1
Ball and soccer fields	20	20	20	21	21	21	21	21
Fire Protection:								
Number of stations	5	5	5	5	5	5	5	5
Education:								
Number of districts	4	4	4	4	4	4	4	4
Number of elementary schools	13	13	13	13	13	13	13	13
Number of secondary schools	4	4	4	4	4	4	4	4
Number of community colleges	2	2	2	2	2	2	2	2
County Library:								
City branches	1	1	1	1	1	1	1	1

* The City of Rancho Cordova incorporated on July 1, 2003 and began preparing a Comprehensive Annual Financial Report in fiscal year 2008. Therefore, data prior to 2008 is not available.

Source: Departments within the City of Rancho Cordova

CITY OF RANCHO CORDOVA
 Capital Asset and Infrastructure Statistics by Function/Program
 Last Ten Fiscal Years
 (Unaudited)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sworn personnel	67	69	68	64	58	58	58	58	57	57
Non sworn personnel	13	13	13	16	14	14	14	14	11	11
Highways and Streets										
Streets (miles)	220	220	295	235	235	235	235	235	235	235
Streetlights	3,000	3,000	4,435	4,435	4,435	4,435	4,435	4,435	4,859	4,859
Traffic Signals	70	70	76	76	76	76	76	76	87	87

Source: Departments within the City of Rancho Cordova